L5 Services, LLC

Employee Handbook

L5 SERVICES, LLC. AND ITS EMPLOYEES

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L 5 SERVICES, LLC., AND ITS EMPLOYEES

Dear Employee:

We welcome you as you start your new job. You are joining an organization where employees are friendly and where working conditions are given careful, constant attention by management. Our company has a reputation for being a great place to work. Our reputation has been built on an emphasis on "quality" and "reliability". We have earned this reputation because people like you enjoy their work and the satisfaction that comes from working with **L5 Services, LLC.** We hope you will share that feeling with us. You are following in the footsteps of some of the most highly respected people in this industry. We are proud of their contribution, but more than that, we are pleased that each of them has given just a little "extra effort" each day to the performance of their jobs. This is where our future success lies.

During the coming weeks, you will learn a great deal about L5 Services, LLC and your new job, and meet new people who will be working with you.

To make your employment more rewarding, **L5 Services LLC** has prepared this special handbook. Within these pages, you will find answers to questions concerning Company policies, operational practices, and employee benefits. Please read it thoroughly and keep it for future reference.

LS SERVICES, LLC.

EMPLOYEE

HANDBOOK

LS SERVICES, LLC.

LS Services, LLC., was established in 2011 by John Ximenes as a part-time business. We successfully bid and won small subcontracts in the San Antonio area. As the organization grew and developed, the customer base was expanded to include city and state government contracts. However, a key goal of L5 Services, LLC., Inc. from the outset was to win Federal Government contracts.

Our employment practices are based on the objective of maintaining a competent, enthusiastic, and efficient organization of people who work together to make our business successful and profitable.

WORKING UNDER A GOVERNMENT CONTRACT

The U.S. Government has contracted L5 Services, LLC. to provide the services of your assigned work; therefore, we are governed by Federal rules and regulations administered by Government agencies. Any deviation from these rules and regulations may be caused by a Government investigation and/or discipline.

Throughout this handbook, Company rules, regulations, and procedures have been added to ensure compliance with the Federal rules and regulations. The policies stated herein apply to all employees of L5 Services, LLC., and shall be adhered to.

This handbook contains information regarding L5 Services, LLC: employee benefits, personnel policies, and work procedures. None of the benefits or policies in this Handbook is intended, by reason of its publication, to confer any rights or privileges upon you, or to entitle you to be or remain employed with the Company. The contents of this Handbook are presented as a matter of information only. While the Company believes wholeheartedly in the plans, policies, and procedures described herein, they are not conditions of employment. The plans, policies, and procedures described within this Handbook are subject to being supplemented, modified, withdrawn, or otherwise changed at the discretion of the Company as circumstances dictate. Each employee is an at- will employee of the Company, hired for an indefinite period of time, and there can be no employment guarantees, either express or implied, as to the length of time for which the Company will continue any employee's employment. Accordingly, an individual's employment with the Company may be terminated at any time, without notice and without recourse, at the will of the Company. No one with the Company, other than the President of the Company, has any authority to alter the terms of this at-will policy through oral or written statements or promises. Any agreement or policy that contradicts or alters this at-will policy, to be binding on the Company, must be in writing and signed by the President or the Company.

The policies stated herein are included in the Affirmative Action Program of the Company and are an integral part of the New Hire Orientation. You will be required to indicate in writing that you have read and understand the contents of this Handbook and all attachments.

AFFIRMATIVE ACTION

It is the policy of L5 Services, LLC to recruit, hire, train, discipline, and promote all persons without regard to race, color, creed, sex, age, religion, national origin, physical disability, or veteran status. It is further Company policy that Affirmative Action will be a fundamental principle of all employment practices, including, but not limited to, compensation, benefits, transfers, training, and all other Company-offered programs.

It has been and will continue to be the policy of this Company that it shall be an Equal Opportunity Employer. To ensure full compliance with this policy, the Company shall act affirmatively to ensure that it will:

I. Recruit, hire, and promote for all job classifications without regard to race, color, creed, sex, age, religion, origin, physical disability, or veteran status.

2. Base hiring decisions solely upon an individual applicant's qualifications for the position and interest in the position being filled.

3. Make promotion, demotion, and transfer decisions solely on the individual employee's qualifications as they relate to the requirements of the position for which the employee is being considered, without regard for race, color, origin, creed, sex, age, religion, national origin, physical disability, or veteran status.

4. Ensure that all other personnel actions, including, but not limited to, compensation, benefits, layoff, return from layoff, and leaves of absence, will be administered without regard to race, color, creed, sex, age, religion, national origin, physical disability, or veteran status.

In keeping with the above policy, the Company will periodically review and analyze personnel actions to ensure equal opportunity.

We ask all employees of L5 Services LLC to continue to add their full support to achieving the Company's objectives in Equal Opportunity Employment.

This company is a Government contractor subject to Section 503 of the Rehabilitation Act of 1973 and to Section 402 of the Vietnam Era Veterans Readjustment Assistance Act of 1974. These acts require Government Contractors to take affirmative action to employ and advance in employment qualified physically disabled individuals, disabled veterans, and veterans of the Vietnam Era.

It is the policy of this Company that it will not discriminate against any employee or applicant for employment for any position for which the employee or applicant is qualified because of any physical or mental condition of the individual or because he or she is a disabled veteran or veteran of the Vietnam Era.

The Company shall take Affirmative Action to employ, advance, and otherwise treat qualified disabled individuals and veterans without discrimination based upon their physical or mental status disability, or veteran stah1s in all employment, practices including, but not limited to, the following: employment, promotion, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation benefits, and training, in as much as possible considering business necessity, financial costs and expenses.

The Company shall make reasonable accommodations to disabled employees and applicants for employment.

In offering employment or promotions to disabled individuals and eligible veterans, the Company shall not reduce the amount of compensation provided because of any disability income, pension, or other benefits the applicant or employee receives from another source.

The Company shall comply with all rules, regulations, and relevant orders of the Secretary of Labor issued pursuant to the Rehabilitation Act of 1973, and the Vietnam Era Veterans Readjustment Assistance Act of 1974. In accordance therewith, employees and applicants for employment are protected from coercion, intimidation, interference, or discrimination for filing a complaint or assisting in an investigation under said Acts.

NON-DISCRIMINATION POLICY

During the performance of all contracts, LS Services, LLC will not discriminate against any qualified applicant for employment, apprentice trainee, or employee because of race, color, creed, sex, age, religion, national origin, physical disability, or veteran status. Such action shall include, but not be limited to, the following: employment, upgrading, and selection for training, including apprenticeship (if any apprenticeship programs have been implemented by LS Services, LLC., and approved by the U.S. Department of Labor). Notices setting forth the provisions of this nondiscrimination policy will be posted in conspicuous places made available, upon request, to employees and applicants for employment.

LS Services, LLC, shall abide by all requirements of the Equal Employment Opportunity Affirmative Action regulations of any applicable Local, State, or Federal Government Agency, under which the Company has promised full compliance.

HARASSMENT POLICY

It is LS Services, LLC's policy that there will be no harassment of any employee by fellow employees or by members of the management on account of an employee's sex, race, color, creed, national origin, age, religion, disability, marital status, or veteran status. In furtherance of this policy, LS Services, LLC does not condone and will not tolerate such harassment of any employee, and, in particular, will not tolerate the making of unwelcome sexual advances to any employee or the making of remarks or "jokes' known to be offensive to any employee because of his or her sex, race, color, creed, national origin, age, religion, disability, marital status or veteran status. Prohibited harassment also includes slurs, requests for sexual favors, and other verbal, graphic, or physical conduct of a sexual nature. Harassment also includes, but is not limited to, sexual advances and suggestions where: (1) submission to such conduct is either an express or implied term or condition of employment; (2) submission to or rejection of such conduct is used as a basis for an employment decision affecting the harassed individual; and (3) the conduct has the propose or effect of substantially interfering with an affected individual's work performance or creating an intimidating, hostile, or offensive work environment.

COMPLAINT PROCEDURE. If an employee feels he/she has been treated in violation of this policy, he/she should immediately report the alleged conduct to the Contract Manager. If circumstances prohibit this response, the prohibited behavior should be reported directly to the President of the Company. Management must always be informed of prohibited behavior, whether spoken or written, with precise details about what happened. The Company will then immediately investigate all complaints of violations of this policy in as discreet and confidential a manner as possible. If, after a reasonable length of time, an employee believes inadequate action is being taken to resolve a complaint, that employee should notify, in writing, the President of the Company. The policy of this Company is to listen to all reasonable complaints, investigate early and quickly apply sanctions as appropriate.

CONFIDENTIALITY PROVISION. In no event will information concerning a complaint of harassment be released by the Company to third parties or to anyone within the Company who is not directly involved in the investigation of the complaint. More specifically, information will not be released without the employee's permission to an affected employee's family, the news media, or a prospective employer seeking a reference. The purpose of this provision is to protect the confidentiality of the employee who files a complaint, to encourage the reporting of any incidents of harassment, and to protect the reputation of any employee wrongfully accused of harassment.

SANCTIONS FOR VIOLATIONS. Any employee, including supervisory or other management level personnel, who has been found by the Company, after sufficient investigation, to have violated this policy, will be subject to appropriate sanctions, including, but not limited to, discharge from employment.

Recruitment

LS Services, LLC, uses several methods to recruit qualified personnel to fill management, craft, and administrative positions. The following techniques will be utilized to recruit for vacant positions:

Promote From Within

If a vacancy occurs on the job site, the pos1t1on to be filled is announced by posting a notice on the company bulletin board for one week. Current employees are encouraged to apply for all announced positions for which they are qualified. Interested personnel should submit their applications to the personnel clerk during the seven-day posting period. After the one-week posting period has expired, the personnel clerk forwards all applications received to the hiring supervisor for review. The supervisor will review the applications and interview all qualified applicants. If a selection is made, the employee is notified and transferred into the position at the beginning of the next pay period.

Recruit From Other LS Services, LLC Projects

Qualified personnel from other LS Services LLC projects are offered the opportunity to relocate to fill vacant positions. Most of our management staff is hired from within our workforce. This policy provides career improvement opportunities for our employees. It ensures the continuity of our projects since this method minimizes the transition time for both the manager and the workforce.

Local/State Job Service offices

If a position is vacant and qualified applicants are not available in the current workforce, the Local/State Job Service Office is notified. The position qualifications are provided, and the Job Service Office interviews applicants. All qualified applicants are referred to the job site office, where the hiring supervisor schedules interviews with applicants and, if possible, fills the vacant position.

Local Newspaper

LS Services, LLC also utilizes the local newspaper to obtain a pool of qualified applicants. All applications for recent positions are maintained on file at the local job site for a period of one year after receipt. Job classifications and qualifications file these applications and/or resumes. This assures our staff that some applicants and/or resumes are immediately available for review in the event a job vacancy occurs.

BENEFITS

A. WAGES

All Contracts have a Department of Labor wage determination by which all job classifications are paid a minimum hourly wage, with fringe benefits. Therefore, every employee is paid according to the salary earned under the applicable wage determination. A copy of the applicable wage determination is posted on the company bulletin board for your review at all times.

Wage rates and increases are issued only by the Department of Labor. It is solely the decision of the Department of Labor to establish wages on all Contracts to which LS Services, LLC is a party.

B. UNIFORMS

The Company will furnish uniforms to employees when required by the Contract. If the uniform is of wash-and-wear materials, the employee will be responsible for cleaning and maintaining the uniforms. Each employee who is issued Company-owned uniforms will sign a statement of receipt acknowledging such receipt.

All Company-owned and issued uniforms will be returned to the company in a clean and orderly manner.

When requested by the Company. No final paycheck will be issued to the employee without that employee first having returned all Company-owned and issued uniforms to the Company.

C. HOLIDAYS

Paid holidays are defined in the applicable wage determination posted on the Company bulletin board.

Suppose a holiday, as defined in the wage determination, occurs on a Saturday or Sunday. In that case, the day observed by the Government installation with which LS Services LLC is under contract will be the day observed as the holiday.
The Saturday and Sunday upon which the holiday occurs shall be treated and paid for as any other Saturday. And Sunday.

When an observed holiday falls within an employee's vacation period, the day shall be recorded and paid as a holiday, leaving the vacation day to be taken at another time.

The Company, at its discretion, may substitute another day off with pay for any of the named holidays in accordance with a plan communicated to the employee involved.

The amount of Holiday pay is based on a formula established by the Department of Labor. Regular employees who work a scheduled number of hours per day shall receive the equivalent in holiday pay. Regular employees, who work an unscheduled number of hours per day, shall be paid based on a weekly average of hours worked the week before the holiday.

Unless otherwise stated by the wage determination, an employee who works any hours during the week of the holiday shall be paid for the holiday, based on an average of the hours worked the week before that holiday.

D. VACATION

Vacation benefits are based on the applicable wage determination posted on the bulletin board. An employee is eligible for vacation pay after one full year of continuous employment with either the previous or current contractor. Benefits are not accrued monthly.

Upon completion of each anniversary year, an employee who works a regular schedule in excess of 50% of their anniversary year shall be paid vacation benefits based on his/her regular schedule unless he/she would receive greater vacation benefits on a pro-rated basis, in which case, the greater of the two shall be paid, so long as the employee works the entire government contract year without being on leave of absence (other than for a work-related injury or disability). Suppose the employee does not work the same regular schedule in excess of 50% of the year. In that case, his/her vacation will be prorated based on the number of hours worked in the year preceding the employee's anniversary date, compared to the number of hours of a 40-hour per week employee (2080 hours annually).

For example, suppose an employee is regularly scheduled for 32 hours per week in excess of 26 weeks in his/her anniversary year. In that case, the employee will be eligible for the 32 hours of vacation pay each week earned. However, suppose the employee works an irregular schedule (including being scheduled different regular shifts) for more than 50% of the year. In that case, he/she will be paid vacation benefits on a proportional basis, based on the number of hours the employee worked in the year preceding the employee's anniversary date of employment, divided by 2080.

Employees eligible for vacation may indicate their preferred vacation time after their anniversary date with the Company. Requests are to be submitted in writing on a "Leave of Absence" form available at the job office. All vacation schedules shall be coordinated through management. In addition, employees may be prohibited from taking more than one week of vacation at any one time because of the requirements of the contract.

In the event of temporary layoffs of up to 6 months, the employee will maintain his/her anniversary date.

however, any vacation benefits will be prorated according to his/her hours worked during the year.

E. HEALTH AND WELFARE

It is the policy of this Company to provide each employee with the applicable Health & Welfare Benefits stipulated on the wage determination through contributions to a Health & Welfare Program.

LS Services. LLC provides health & welfare benefits through the LS Services, LLC Employee Health & Welfare Trust Fund. It is a fully self-insured plan that is reviewed annually by the plan trustees. As a participant in the plan, and based on wage determination, the employee is also eligible to participate in a pension fund and is accounted for on an individual basis. Employees will receive an annual statement reflecting the activity in their account by month. A distribution of the funds accumulated during employment is made upon termination of the employee. Benefits available to the employee include major medical, major dental, life insurance with accidental death and dismemberment, weekly disability income, hospital indemnity plan, and prescription card. However, not all benefits pertain to every job location.

If at any time an employee's Health & Welfare account balance drops below the cost of their program. the employee will be responsible for the negative balance.

Employees covered by a Collective Bargaining Agreement (CBA) will have the Health & Welfare Benefits paid to the Union Health & Welfare Fund, if such a fund exists. Benefits provided through a Union Health & Welfare Fund will be stipulated by the Health & Welfare Plan established by the Union. LS Services LLC has no jurisdiction over Health and Welfare Plans established by Employee Unions. LS Services LLC will make contributions to the Health & Welfare Fund for each employee in accordance with the applicable wage determination.

If an Employee Union does not have a Health & Welfare Plan, those employees will participate in the LS Services, LLC Health & Welfare Trust Fund.

F. PENSION

Specific Wage Determinations provide the contributions to a Pension Fund. If a Collective Bargaining Agreement covers the employees, the Pension contributions shall be made to the Union Pension Fund, if such exists. If the Union Pension Fund does not exist, LS Services, LLC shall establish a pension fund with a reputable institution. In any case, contributions shall be made by LS Services, LLC as specified in the Wage Determination.

G. SICK LEAVE

Any sick leave taken by the employee will be without pay unless there is a provision in the applicable wage determination for sick leave benefits.

H. LEAVE OF ABSENCE

All leaves of absence shall be submitted in writing, approved, and signed by the Contract Manager.

1. STATUTORY FAMILY AND MEDICAL LEAVE

To be eligible for Statutory Family and Medical Leave, an employee must have been employed with the Company for at least *12* months, worked at least 1,250 hours during the previous *12* months, and be assigned to a work site or a geographic area that has at least 50 employees. Employees who meet these requirements will be eligible for an unpaid absence from work for a total of 12 work weeks within 12 months for the following circumstances:

1. the birth or placement (adoption or foster care) of a child.

2. to care for an employee's spouse, child, or parent ("family member") if that person has a

serious health condition; or

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

A leave of absence for the birth or placement of a child must be taken within 12 months after the birth or placement of the child. Leave for the birth or placement of a child must be taken consecutively and cannot be taken on an intermittent basis or on a reduced work schedule, unless approved by the Company.

An eligible employee may take leave of absence for their serious health condition, or to care for a family member with a serious health condition, consecutively (up to 12 weeks), or intermittently or through a reduced work schedule where medically necessary. Suppose an employee takes such leave on an intermittent basis or through a reduced work schedule. In that case, the Company may transfer the employee to an alternative position with equal pay and benefits, which better accommodates such intermittent or recurring periods of leave. The Company will provide a notice of temporary transfer. The employee will return to their former position upon completion of the intermittent or reduced work schedule leave if all other requirements for reinstatement have been met.

If an employee requests leave for the birth or placement of a child, they should provide at least 30 days' notice to the Company. If the circumstances of the birth or placement require that the leave begin on less than 30-day notice, then the employee must provide the Company with as much notice as possible.

Suppose an employee requests leave because of the foreseeable serious health condition of the employee or a family member. In that case, the employee must make reasonable efforts to schedule medical treatment that will not disrupt Company operations and provide at least 30 days' notice before the leave. If circumstances require that the medical treatment begin on less than 30 days' notice, then the employee must provide the Company with as much notice as possible.

Suppose an employee requests leave because of their own or a family member's serious health condition. In that case, the Company may require that the employee provide a certificate from a health care provider as a condition of granting leave. The Company will provide the employee with a form to use for the medical certification. Suppose the company has reason to doubt the certification. In that case, it may require, at the Company's expense, that the employee obtain a second opinion from a health care provider designated by the Company. Suppose the second opinion differs from the first opinion provided by the employee. In that case, the Company may then require, at its expense, a third opinion by a mutually agreeable health care provider, which will be binding on both the Company and the employee. Employees may also be required to provide recertification from the health care provider during a leave, as well as a certificate that the employee can return to work upon completion of the leave.

All leaves of absence will be without pay. However, the employee may request or the Company may require that any vacation and/or sick benefits earned at the time the leave is taken be used to provide pay during all or any part of a leave for the birth or placement of a child or for care of a family member. Further, either the employee may request or the Company may require that any vacation, or personal leave or sick leave earned at the time the leave is taken be used for all or any part of a leave for a serious health condition of a family member or the employee.

An employee will not accrue seniority or employment benefits during a leave of absence. However, the employee will not lose employment benefits that were earned before the leave.

An employee will be reinstated from a statutory leave to the position held before the leave, or to any equivalent position with equivalent pay, benefits, and conditions of employment, if the employee seeks reinstatement within the time period for their leave and can perform the job duties. The Company may make an exception for the reinstatement of certain highly compensated, salaried employees. As a condition of reinstatement from a leave for a serious health condition, the Company may require an employee to provide certification from a health care provider so that they can resume work.

2. COMPANY MEDICAL LEAVE OF ABSENCE

Employees who do not qualify for a statutory leave of absence may apply for or be placed on a Company medical leave of absence, without pay, for the treatment of any illness, injury, or medical condition, whether job-related or arising outside of employment. An employee requesting a Company medical leave of absence must submit verification of needed time-off to their supervisor/manager and state whether the illness, injury, or medical condition is job-related, the expected date of release to unrestricted regular duties, and the date they first became aware of the disease, injury, or medical condition. Suppose the sickness, injury, or medical condition is such that the employee must submit verification from their treating physician as to the condition of the employee and the performance of absence. In that case, the employee must notify their supervisor/manager of their status, in person or in writing, at the times established by the management administrator. The treatment of physicians must also be verified.

For any Company, a Medical leave of absence based upon a medical injury or illness, work-related or non-work related, an employee must furnish unconditional release from their attending physician before returning to unrestricted regular duties.

a. NON-WORK- RELATED ILLNESS, INJURY, OR MEDICAL CONDITION

An Employee who is granted a Company medical leave of absence, without pay, in connection with a non-- occupational illness, injury or medical condition (including, for example, automobile accident, sport injury, pregnancy) will be reinstated to their former or an equivalent position of employment if they are released by their treating physician for unrestricted regular duties and return to work within four (4) months of the last dated worked before the commencement of the leave of absence. If the employee returns to work after four (4) months, they will be reinstated to their former job position only if the position is then available. If this position is not then available, the Company will make a reasonable effort to place the employee in a similar position which, in the Company's determination at its sole discretion, the employee is qualified to perform, provided that such a position is then available. No position for an employee on a non-- occupational illness, injury, or medical condition shall be retained after four (4) months from the first day of such leave of absence.

b. WORK-RELATED ILLNESS, INJURY, OR MEDICAL CONDITION

An employee who is granted a Company medical leave of absence in connection with a compensable job-related illness, injury or medical condition will be reinstated to their former or an equivalent position of employment if released for unrestricted regular duties by their treating physician and if they return to work within six (6) months of the last date worked before the commencement of the leave of absence. If the employee is released by his treating physician and returns to work for unrestricted regular duties after six (6) months, they will be reinstated to their former job position, at the sole discretion of the Company, if that position is available. The Company will make a reasonable effort to place the employee in an equivalent position which, in the Company's determination at its own discretion, the employee is qualified to perform, provided that such a position is then available. No position for any employee on a job-related illness, injury or medical condition shall be retained after six (6) months from the first day of such leave of absence.

3. MILITARY LEAVE OF ABSENCE

The Company agrees to abide by the provisions of the Selective Service Act and Veterans Reemployment Act as far as the provisions of said Acts apply to the rights of the employees and the obligations of the Company.

Employees who are members of any branch of the United States Armed Forces, including the National Guard and Military Reserve Units, shall be granted necessary time-off without pay to fulfill their military obligations.

Employees must notify their supervisor/manager immediately upon receiving military notifications of

training periods or other obligations requiring a military leave of absence.

4. PERSONAL LEAVE OF ABSENCE

A leave of absence without pay for reasonable cause, as determined by the Company in its sole discretion, may be granted for a period of one (I) to thirty (30) calendar days with the written approval of the employee's immediate supervisor, provided that the employee can be spared from their regularly-assigned job duties. Such personal leaves of absence may be extended up to thirty (30) days, for a maximum of sixty (60) days of leave time, with worthy cause shown upon written approval of the Company, at its sole discretion. Employees who are away for a period longer than the term of the personal leave of absence, or who accept employment elsewhere during the term of the personal leave of absence, without permission of the Company, shall be considered to have voluntarily terminated their employment with the Company. While on personal leave of absence, employees shall not accumulate or be eligible for any benefits as provided by the terms and conditions of the Employee Handbook.

The Company requires that all employees requiring time off for any personal reasons submit a request for leave of absence for the needed time off to allow the Company to obtain a qualified temporary replacement during the absence.

Suppose an employee leaves their employment with the Company for an undetermined amount of time. In that case, that employee will be removed from payroll records and shall be considered to have voluntarily terminated their employment with the Company. However, that employee may he considered for reinstatement, at the sole discretion of the Company, if requested, according to the provisions contained herein.

5. BEREAVEMENT LEAVE OF ABSENCE

In the event of a death in the immediate family, a leave of absence for three days without pay, unless specified in the applicable wage determination, may be authorized, provided:

a. The employee notifies his/her supervisor of the purpose of the absence no later than the first day of such absence and has acquired authorization from his/her supervisor and/or manager.

b. The employee furnished proof satisfactory to the Company of the death, upon returning to work.

c. The employee notifies the supervisor/manager at least twenty-four (24) hours before returning to work so that his work schedule may be re-established.

6. WORKER'S COMPENSATION

Workers' Compensation is provided for employees who sustain an injury or occupational disease arising out of or in the course of employment. If the injury or disease is determined to be job-related, the Company will pay the employee the hours assigned for his position on the date of his injury while on the job.

Employees will be granted up to the term allowed in the CBA or, if not covered, up to six (6) months leave in compliance with the Medical Leave of Absence policy, if so, warranted by an authorized Physician. During the term of the leave of absence, the employee must notify their supervisor/manager of their status, in person or in writing, at the times established by the manager and verify this status by their treating physician.

I. If the accident was determined to be the Company's, the Worker's Compensation Insurance Carrier will pay job-related medical expenses.

2. Time off from the job will be paid by the Insurance Company beginning on the eighth (8) consecutive day (including Saturdays and Sundays) after the date of compensable injury.

7. JURY DUTY

The Company will allow time off for jury duty with or without pay, consistent with applicable state law or the wage determination.

The employee must report to his/her manager before beginning jury service, with a copy of the jury summons. If jury service is longer than one week, the employee must report to the manager at the end of each week of jury duty. If jury duty is one-half day or less on a regularly scheduled workday, the employee must be available for work for the balance of that day unless excused by the manager.

8. VOTING TIME OFF

Reasonable time off will be permitted to vote in local, state, and federal elections. A maximum of two hours will be given if, because of the duty work schedule and commuting distance, the employee cannot vote either before or after working hours. If time off will be needed for voting, the employee must request such time within a reasonable period before the election.

9. SENIORITY

There are no rights or preferences based on length of service or seniority; however, as a matter of practice, when scheduling employee overtime, time-off, or vacations, the Company will usually give preference to the employee with the longest length of service. Such preferences are nevertheless subject to the needs of the business and are not a matter of right.

10. BREAK IN SERVICE

When an employee voluntarily terminates his/her pos1t1on of employment with the Company or is otherwise terminated (except for temporary layoffs), there will be a break in service even if the employee is rehired later.

WORK REGULATIONS

A. EMPLOYMENT CLASSIFICATION

1. REGULAR employment shall entail a scheduled number of hours per day and days per week for an indefinite period. Each position will vary accordingly. All employees are hired for a particular contract. When a contract has ended, employees will be considered for employment on future contracts if they apply for work on the other contract.

2. SEASONABLE AND/OR STAND BY employment shall be for back-up or replacement of regular employees, or as temporary additions (i.e., on a necessary basis).

3. PROBATIONARY PERIOD for each employee shall be for a period of ninety (90) days following the date of hire. This is a time for employees to train, ask questions, and adjust to a new environment and management style. Further, during this probationary period, performance will be carefully evaluated to determine the employee's ability to perform. As with all other employee classifications, the employee may be dismissed at any time. Suppose an employee completes the ninety (90) days. In that case, all evaluations of the employee will be reviewed, and a decision will be made to place the employee on full-time status, to impose a new orientation period of ninety (90) days, or to terminate the employee's employment with the Company. The fact that an employee has satisfactorily completed the introductory period, however, does not guarantee continued employment with the Company.

B. BASIC WORK-WEEK AND HOURS OF WORK

Each job site has individual specifications for the services required, and the Company will base each employee's shift, hours, and work week according to the contract requirements. The regular payroll period shall be from Sunday through Saturday for the calculation of payroll earnings and benefits.

C. DAYS OFF

Where employees are required to maintain a continuous operation of departments or assignments, days off may be fixed or rotated consistent with the requirements of the service.

D. SHIFTS

Shifts for all employees shall be established according to the requirements of the individual contract sites. Lunch and break periods shall be established accordingly.

LS Services LLC will endeavor to give twenty-four (24) hours' notice to employees transferred from one shift to another (except during emergencies).

E. REPORTING TIME

Any employee unable to report to work must notify his/her supervisor at least four (4) hours in advance of his/her regular starting time. The manager of each job site shall establish reporting time. When the employee can return to work, it is his or her responsibility to report to the supervisor/manager at least eight (8) hours before the assigned shift so that the employee may fit back into the working schedule.

No employee shall report to work for his or her assigned shift before the shift starts. No employee is to do any work before or after his/her shift, unless so instructed by supervisory personnel. Working "off the clock" will not be permitted.

F. PROGRAMMED ABSENCES

We understand that sometimes employees must be absent from work due to personal business or for health appointments. Instead of reporting needed time-off at the last moment of and creating a hardship for the Company, we ask that each employee request necessary time-off well in advance, whereby arrangements can be made for temporary distribution of work assignments.

G. OVERTIME

Overtime shall be paid at the rate of one and one-half times the rate of the minimum hourly wage as stipulated on the applicable wage determination per location. Overtime is defined as:

> "All work performed in excess of forty (40) hours in any scheduled payroll week, excluding any hours paid for holidays, vacation, etc.

The Company will distribute overtime work as necessary and as fairly as possible. No employee shall work overtime unless authorized by management in writing.

H. LAYOFF AND RECALL FROM LAYOFF

In the event it becomes necessary to make a reduction in the workforce, the Company shall reduce the workforce according to the needs and demands of the contract itself. Recalling that the Layoff will be a management decision to fulfill the needs of the contract.

I. EMERGENCY DISCONTINUANCE OF OPERATIONS AND CONTINGENCIES

Directives may be issued by the Agency in Command that apply to the operation of the Government installation during emergency conditions. This may cause discontinuation of work or a contingency in which employees will be required to work.

In the event of an emergency (e.g., severe weather conditions) requiring the discontinuation of the Company's operations, employees will be released from work and/or will be excused from their obligation to report to work. The Company shall not be required to pay wages unearned by employees as a result of such discontinuation of operations.

When required by contract that a department or service must be provided during such an emergency, employees will not be released from work or excused from their obligations to report to work unless so instructed by the management.

J. TELEPHONE POLICY

Telephones are to be used for business purposes only. No personal calls will be allowed.

K. BREAKAGE POLICY

Accidents occur in the normal course of work. Employees will not be expected to pay for damages unless caused intentionally or by carelessness. If an employee accidentally breaks or damages any property, that employee must report the damage to the supervisor immediately.

L. CUSTOMER PROPERTY

Do not handle or use property belonging to a customer. Immediately report to the supervisor any lost or found property.

M. CUSTOMER RELATIONS

It is the policy of LS Services LLC to ensure good customer relations. Therefore, as representatives of the Company, employees must uphold standards of conduct. The following are minimum standards:

I. When requested by a government employee to perform duties not assigned, employees are to tell the individual very politely that the matter will be brought to the attention of the supervisor.

2. It is against the law to accept gratuity for personal gain regardless of whether or not the customer freely initiates the transaction.

3. The use of profanity or profane statements will not be tolerated.

4. No employee may discriminate against any customer or make harassing or offensive remarks or "jokes" to any customer on account of that customer's race, color, creed, sex, age, or religion: national origin, disability, or veteran status.

5. Do not engage in any commerce with a government employee in the workplace when on or off duty.

6. Do not hire or work for a government employee in the workplace, whether you are off duty or not.

Employees are expected to perform work and conduct their actions in a professional and business-like manner. Violations of the customer relations policy will subject the employee to appropriate disciplinary action, up to and including termination of employment with the Company.

N. DRIVING PRIVILEGES OF COMPANY-OWNED VEHICLES

Prior to any employee being assigned driving privileges of Company-Owned Vehicles, the employee must obtain his/her driving record and submit it to the Company. An employee who is found to be a reckless or incompetent driver and/or who does not possess a valid driver's license within the state of operation will not be allowed to operate a Company-Owned Vehicle.

Any employee assigned driving privileges shall be subject to disciplinary action up to and including dismissal from employment upon issuance of a traffic violation or if found to be operating a Company- vehicle in a reckless or potentially dangerous manner. Further, any employee is subject to immediate dismissal for Driving Under the Influence (DUI) or Driving While Intoxicated (DWI).

Drivers of Company-Owned Vehicles are responsible for all rules and regulations as stated in SECURITY.

Procedures shall be established at each job site for issuance, cleaning, and care of Company-Owned Vehicles.

I. All accidents to persons, vehicles, Company equipment, or Government property, regardless of how minor, will be reported to the supervisor/manager immediately. This also applies to privately- owned cars driven by employees involved in any accident while on Post/Base, while the employee is on Company time. Failure to make immediate reports may result in dismissal of the employee.

2. Operators of Company-Owned Vehicles must have a valid Driver's License with them at all times during the operation of Company-Owned Vehicles. Periodically, each employee will submit their driver's license number, the legal state where the license was obtained, and any other pertinent information deemed necessary by the Company's Insurance Carrier to determine the operator's current driving record and stability. At no time will Company-Owned vehicles be used for personal use unless the vehicle has been assigned in writing to such an employee by the Corporate Office. Unauthorized use of a Company-owned car may result in immediate dismissal of employment.

3. Each driver of Company-Owned Vehicles carrying employee passengers on Government installations will make sure that each employee-passenger is wearing their Company ID badge and that it is displayed in full view at all times.

4. Parking of Company-Owned Vehicles will be in authorized spaces only. No vehicle will be parked in a service or non-designated space. Visitor parking spaces will not be occupied by Company-Owned Vehicles except when the employee is visiting another location other than his/her assigned work area. It is a policy of this Company that the employee is solely responsible for any traffic violations committed while the employee is driving a Company-Owned Vehicle.

5. All traffic regulations (posted speed limits, stop signs, etc.) will be obeyed while driving a Company-Owned Vehicle. Any employee of the Company receiving a moving traffic violation (speeding, running a stop sign or lights, collision, reckless driving, etc.) while operating a Company-Owned Vehicle will be subject to disciplinary action. Any citations issued will be borne at the employee's expense.

0. DRESS CODE

We expect all employees to wear appropriate clothing while on duty. Suitable dress will be established at each job location. Shirts and shoes must be worn at all times.

Inappropriate clothing is:

Shirts or blouses that expose the midriff, back, or shoulders, such as tube tops, halters, muscle.

Shirts, tank tops, etc.

1. Slacks, jeans, or pants that are torn or ragged. No shorts are allowed.

2. Dresses should not be worn when job assignments require physical labor. Therefore, sundresses, miniskirts, etc., are not allowed.

3. In the interest of safety, tennis shoes, sandals, or open-toe shoes are not permitted.

4. Hair that is unkept, distracting, or creates an unsafe working condition is prohibited.

Any employee found to be wearing inappropriate clothing will be allowed to return home to change on the first offense. The time away from work will not be paid. Subsequent violations will result in appropriate disciplinary action, up to and including dismissal from employment with the Company.

P. UNAUTHORIZED VISITORS

Unauthorized personnel are not allowed on your job at any time. This includes spouses, children, or relatives. If you need assistance with your work, discuss the matter with your supervisor.

Q. DRUG-FREE WORKPLACE POLICY

As a Service Contractor for the Government, LS Services, LLC is required to certify that it has complied with the requirements of the Drug-Free Workplace Act of 1988. Accordingly, LS Services LLC has adopted and implemented the following policy:

It is the policy of LS Services LLC to maintain a drug-free workplace.

As part of our compliance with the Drug-Free Workplace Act, LS Services, LLC has established a Drug-Free Awareness Program. This program is designed to:

Inform employees about the dangers of drug abuse in the workplace and LS Services LLC.'s policy of maintaining a drug-free workplace.

Make available drug counseling and resources for Rehabilitation Programs and Assistant Programs; and

Inform employees about penalties for drug abuse violations.

LS Services, LLC will make written literature available to employees as part of our Drug-Free Awareness Program.

As a condition of employment under the contract, each employee who works on Company projects that the Drug-Free Workplace Act covers must agree to abide by the terms of this policy as a condition of employment or continued employment with the Company.

The unlawful manufacture, distribution, dispensing, possession, or use of "controlled substances" in the workplace is prohibited. Controlled substances include. But are not limited to, marijuana, cocaine, opiates, amphetamines, and PCP. The "workplace" is a site where work is done in connection with a contract or federal grant. This includes, but is not limited to, Company premises and Company vehicles.

Each employee is required to notify LS Services, LLC of an arrest in connection with any criminal drug statute or of any arrest for crimes where illegal drugs were involved in the alleged crime.

Each employee who works on a federally funded project is required to notify L5 Services LLC of any criminal drug state conviction or violation of drug laws occurring in the workplace, no later than five. (5) days after such conviction.

LS Services, LLC is required, as a condition of its federal contracts, to notify the contracting agency within ten (10) days of receipt of notice from the employee or receipt of actual notice of such conviction of a drug violation occurring in the workplace.

LS Services, LLC, is required to take appropriate action against the employee within thirty (30) days after receipt of notice of a workplace criminal drug conviction. This action may include a requirement that the employee participate, satisfactorily, in a drug abuse assistance or rehabilitation program which must be approved as such by a Federal, State, or Local health, law enforcement, or other appropriate agency, as well as taking appropriate personnel disciplinary action, up to and including termination of employment.

LS Services. LLC will conduct drug screening of its employees on a random basis or otherwise, as it deems necessary, and at its sole discretion. By continuing employment or accepting employment, all employees voluntarily agree to submit to such drug screening.

Each employee agrees that he or she can be required to be tested for drugs or alcohol at any time, whether on a random or selected basis. Erratic behavior and/or an accident are always cause for such testing. Refusal to be tested will result in automatic termination of employment.

LS Services LLC is committed to making a good-faith effort to maintain a drug-free workplace through the implementation of its policies. Drug-Free Workplace Policy and Drug-Free Awareness Program.

OFFICE PROCEDURES

A. EMPLOYEE RECORDS

A personnel file is maintained for each employee. It contains confidential records such as references obtained, employment notices, attendance records, wage rates, etc.

Accurate employment records are essential for ensuring all benefits are payable and for complying with government regulations. Giving false information on personnel records will be grounds for termination. Help keep our records up to date by promptly notifying the personnel office of:

Change of address and phone number
Change of people to be notified in case of accident,
Change in your legal name.
Change in marital status.
Change in the number of income tax exemptions.
Change in the insurance beneficiary, if applicable.

B. BULLETIN BOARDS

Information of special interest to all employees, as well as required posting from the Federal Government, is posted, as necessary, on bulletin boards. It is the employee's responsibility to review the boards for pertinent information regularly. Employees may not post any information on these bulletin boards without the express authorization of the Contract Manager. All requests to place information on the bulletin boards should be made directly to the Contract Manager.

C. LOST AND FOUND

The Company cannot assume responsibility for lost personal belongings. However, articles that are lost or found should be reported to the supervisor immediately.

D. RECORD OF HOURS WORKED (TIME SHEETS OR TIMECARDS)

1. TIME SHEETS

Responsibilities

The responsibilities listed below apply to all LS Services, LLC employees.

a. Use the appropriate recording media, i.e., timecard/time sheet or computer system.
b. Record the entries promptly and accurately to the best of your knowledge.
c. Record hours worked on each job and record total hours for each day.
e. Record the correct work order number (s) for each job worked.
f. Sign timecard/time sheet after, "NOT BEFORE" total hours for the period being recorded are entered, and before turning in for Supervisor's approval, or at the end of each workday if daily timecard/time sheets are used. This signature certifies the accuracy and completeness of the entry.
g. Keep the timecard/time sheet in proximity to your work area and have it visible and available for audit.
h. At the end of your shift, leave the timecard/time sheet at a location designated by your manager to ensure daily posting in the event of your absence from work.

USE INK

Record all timecard/time sheet entries only in indelible ink (broad felt-tip pens may not be used). Indelible ink cannot be washed away or easily erased.

In Making Corrections:

a. Never erase, write over, or use "white out" to correct any entry that has been recorded on a timecard/time sheet.
b. If a posting error is made, draw a single line through the entry (leaving it legible) and enter the correct data above the lined-out entry. Write your initials next to the lined-out entry.
c. If necessary to maintain legibility, write the corrected entry on another line.
d. Timecard/time sheet corrections can only be made by the employee or, if the employee is not available, the responsible manager or supervisor.
e. If a manager/supervisor corrects, it must be explained to the employee no later than the end of the following day. Employees must be notified of changes involving work order numbers or the distribution of hours. Changes to correct arithmetic errors, obvious clerical errors, and employee timecards or time sheets maintained by a delegated employee do not have to be explained in writing. If a fan employee continues to make errors even after being notified, a written reprimand will be issued and placed in the employee's personnel file.

2. IME LOCKS AND TIMECARDS

When time clocks are used on a job site to record hours worked by employees, each employee shall be instructed on their proper use. The time clocks shall record both the time and date that the card is inserted into the machine. Basic instructions are as follows: Timecards shall be stamped when the employee goes on duty, when leaving and returning from lunch breaks, and again when the employee goes off duty.

Any corrections to the timecards must be brought to your supervisor's immediate attention. Necessary corrections will be made, initially by the employee, and then authorized by management personnel.

E. PAY PERIODS AND PAY DAYS

Unless otherwise required by state law, pay periods and pay days shall be as follows:

1. Wages earned during the pay period of the 1st through the 15th of each month shall be paid on the 25th day (pay day) of the month.

2. Wages earned during the pay period of the 16th through the end of the month shall be paid on the 10th day (pay day) of the following month.

3. If a pay day falls on a Saturday, paychecks will be issued on the Friday before the pay day. If payday falls on a Sunday, paychecks will be issued on the Monday following payday.

4. If payday falls on a holiday, wages shall be paid on the following day.

5. Davis-Bacon wages earned Sunday through Saturday will be paid on the following Friday. Davis-

Bacon and Service Contract Act wages will be issued on separate paychecks.

Any alternative plan shall be communicated to the employees at the appropriate _job site.

NOTE: Jobsites typically having Davis-Bacon Wages will be paid weekly in accordance with Paragraphs 5, 3, and 4 above.

F. ISSUANCE OF PAYCHECKS

Paychecks shall be issued on payday at the time established by the job site. No paychecks will be issued in advance, nor will they be available for pick-up before 1:00 p.m.

For your protection in receiving your earned wages. Paychecks may be picked up only by the person to whom they are issued. If there is an emergency or the employee is physically unable to receive pay in person, upon written authorization, another person may receive the employee's paycheck. The authorization shall include your Social Security number, the name of the person appointed to receive the check, your signature, and the date. The approval letter shall be retained in your personnel file folder. Management should be notified immediately of any changes. In the event of termination, final paychecks will be issued in accordance with state law. Employees who voluntarily resign from their position will receive their final paycheck on the following regular pay date.

SAFETY

A. HEALTH AND SAFETY

I. All employees will be required to abide by and aid in the enforcement of health and safety standards, SAFETY INSTRUCTIONS FOR YOUR PROTECTION, and/or other statutory regulations in compliance with OSHA.

2. All employees engaged in hazardous work as determined by the manager will be required to wear personal protective equipment, which may consist of shoes, headgear, eyewear, and clothing.

3. Appropriate clothing should be worn by employees performing contract services as established at your job location. Only vinyl or leather shoes are permitted.

4. In addition, each employee will participate in the LS Services, LLC Loss Prevention Plan and must fulfill his/her duties and responsibilities as stated in the plan. The employee's supervisor will outline employee participation in the plan.

B. WORK-RELATED INJURIES

All accidents will be reported immediately to the supervisor/manager in charge at the time of the accident. The supervisor will immediately complete the "First Report of Injury Form" and turn it into the job site clerk for processing and immediate forwarding to the Corporate Office.

The supervisor/manager will take any employee requiring immediate medical attention to the emergency room of the designated treatment facility and/or the Company Doctor retained for the particular job location. The Company Doctor's name for your area is posted on your bulletin board. Prior to any employee being taken to the doctor and/or being sent to the Doctor, the person in charge will call the appropriate location and advise them of their arrival. No employee is authorized to be treated at either the doctor's office or the emergency room without prior clearance from the job site office.

Employees will be granted up to six (6) months leave in compliance with the medical leave of absence policy if so warranted by an authorized physician.

Please take extra precautions to prevent accidents and injuries to yourself or your fellow workers. All injuries are avoidable, and failure to observe the Company's and Government safety instructions or regulations will result in disciplinary action.

C. PHYSICAL EXAM INATIONS

Suppose it is a requirement of the Company and/or the U.S. Government that the employee working on a job site be subject to a physical examination, including drug screening. In that case, the employee will, as part of his employment, submit to such an examination. The Company shall have the right to select the examining physician and to require periodic physical examinations. The total cost of such an examination, exclusive of any treatment given, shall be borne by the Company, the U.S. Government, or the employee, whichever is applicable for your job site. The Company and/or U.S. Government shall have the right to request the physician to conduct specific tests and, further, request \ written reports from the physician as to his findings. Such reports shall be considered and treated confidentially by the Company.

Employees returning from layoffs or medical leaves of absence may be subject to physical examination as stated in this provision.

D. FIRE AND SAFETY

Each Government Installation covers fire prevention and has its own specific safety regulations to be adhered to, which are not to be amended by any employee of the Company.

SECURITY

A. SECUR1TY CLEARANCE

1. When applicable, it is understood by and between the Company and employees of this Company that, as a necessary condition of continued employment, employees shall be subject to investigation for security clearance and/or unescorted entry authorization under regulations prescribed by the Department of Defense or any other Agency of the United States Government on Government work. Denial of such clearance and/or unescorted entry authorization by such Government Agency shall be cause for termination; provided, however, that if an employee diligently pursues an appeal to the Department of Defense or any other Government Agency for a revocation of such denial within thirty (30) days of such denial. Upon review, clearance, and/or unescorted entry authorization is granted, the employee shall be reinstated. Where it is a requirement to have a security clearance to perform the job, a person will be on unpaid leave while appealing the denial of the clearance or unescorted entry.

2. There shall be no liability on the part of the Company for termination growing out of denial.

of clearance and/or unescorted entry authorization by the United States Government. Further, such resulting terminations shall not be subject to appeal.

3. It is the responsibility of the employee to accurately report information required for such security clearance and/or unescorted entry authorization. Any falsification of records shall be cause for disciplinary action.

B. COMPANY-OWNED IDENTIFICATION BADGE

I. It is the policy of this Company to provide each employee working on the contract for the Company with a company-owned identification badge. This badge will be worn at all times while on the contract location and will further be displayed in a prominent place on the employee's outer garment and/or uniform. In addition, each employee must carry an alternative form of identification. Securing this badge is part of this Company's new-hire orientation program. All badges will be returned upon termination of employment, and no final paycheck will be issued until the badges have been returned to the Company. A fee will be charged for each replacement badge issued for lost or misplaced badges.

2. Misuse and/or misrepresentation on the part of the employee of the Company-owned and furnished badge is a cause of disciplinary action. The Company will not be held responsible for any misrepresentation by the employee.

3. It is again emphasized that identification badges and passes remain the property of the Company. They will not be kept as souvenirs or for future entry to the job site. They will be surrendered immediately upon termination of employment.

4. Each driver of privately-owned or company-owned vehicles carrying employee-passengers on Government installations will make sure that each employee-passenger is wearing his/her badge and that it is displayed in full view at all times.

C. VEHICLE PASS OR PERMIT

1. Vehicle passes for private vehicles to enter the Government installation are issued by the Government Security Office only when a vehicle is properly registered and insured for liability and property damage insurance. These passes are issued for a specific vehicle and will be used only for that vehicle. It is the employee's responsibility to obtain vehicle passes, and the employee shall bear any expenses.

2. Parking of privately owned vehicles will be in authorized spaces only. No car will be parked in a reserved or non-designated space. Visitor parking spaces will not be occupied by employee vehicles unless the employee is visiting another location outside his/her assigned work area. It is the policy of this Company that the employee is solely responsible for any traffic violations incurred while driving a privately owned automobile.

3. All traffic regulations (posted speed limits, stop signs, etc.) will be obeyed while you are employed on a Government installation. Any employee of the Company who receives a moving traffic violation (speeding, running a stop sign or red light, collision, reckless driving, etc.) while operating a vehicle will be subject to disciplinary action. The employee will be responsible for any citations issued.

D. SUPPLIES AND EQUIPMENT

Supply and equipment control systems are established at each job site. All employees will exercise control over such. Willful abuse or destruction will result in disciplinary action.

1. All equipment operators will be thoroughly instructed on the proper use, operation, and cleaning.

Of Company-owned and/or Government-owned equipment before issuance or usage.

2. Other instructions are provided at each job location.

E. KEY CONTROL

The Company has an established Key Control Plan that will be used on all job sites. All keys are to be issued and returned according to the Key Control Plan and must be monitored and checked by the supervisor in charge at the end of each working shift. Any person found taking Government-issued keys from the Government installation without approval and/or permission shall be subject to disciplinary action.

Lost keys will be reported to your supervisor immediately. This carelessness will result in disciplinary action in all involved cases.

F. SECURITY SCREENING

It is understood and agreed that as a condition of your employment with L5 Services, LLC, you will be subject to, and upon request, security-type investigations, drug and alcohol screening, honesty testing, and applicable skills testing during the course of your employment.

SPECIAL POLICIES

A. *CHAIN OF COMMAND LS SERVICES, LLC.*

It is the policy of this Company that the "Chain of Command" should be implemented for all employees. The "Chain of Command" is a series of positions in order of authority. Whenever an employee has a grievance, complaint, opinion, or personal problem, the employee shall seek to resolve the matter through discussion with his/her immediate supervisor, unless the matter concerns the supervisor. If the employee and his/her immediate supervisor cannot resolve the matter or the matter concerns the supervisor, then, and only then, shall it be presented to a higher authority position in the "Chain of Command". Employees shall not discuss any work-related complaints with the Contracting Officer or any other government employee on or off the work site, unless specifically authorized by the Company or by federal statute or regulation or by the terms of the government contract. Violating the "Chain of Command Policy" may result in appropriate disciplinary action.

B. *CONFIDENTIALITY*

All confidential information shall be the sole property of the Company, and the Company shall be the sole owner of any rights in connection therewith. Except to the extent reasonably necessary in connection with the business of the Company, employees shall hold in strictest confidence and not divulge to others, or use to the detriment of the Company, or use in any business competitive with or similar to any business of the Company, at any time during his or her employment with the Company, without first obtaining the written permission of the Company.

For this provision, "confidential information" means any trade secret, including employee or equipment lists, time records, or other confidential information that the Company possesses or may in the future come to possess. This includes any information that has been created, discovered, developed, or otherwise known to the Company during the period of or arising out of the employee's employment with the Company. Trade secrets or confidential information have commercial value, within the scope of the business activities of the Company, as heretofore or hereafter conducted or contemplated, and should not be revealed. Specifically, experience on a current contract should not be divulged to competitors.

C. *SOLICITATION AND LITERATURE DISTRIBUTION POLICY*

1. PERSONS **OTHER** THAN EMPLOYEES: Persons who are not employees of this Company are prohibited from distributing literature of any kind and from engaging in any solicitation on Company property at any time.

2. EMPLOYEES: Employees are not permitted to solicit during their working time, or when the employee who is being requested is supposed to be working. This includes distributing literature or other materials. This distribution is also against Company policy if it interferes with access to Company premises, results in litter, or is conducted in areas where different employees are working. Charitable solicitation during non-work time, i.e., paid break, lunch period, or other such non-work period, is permissible. However, employees may not use Company property or facilities, such as stationery, photocopiers, messenger service, or telephones, to solicit or conduct any personal business enterprise.

D. *PERFORMANCE EVALUATIONS*

Job evaluations may be made to measure employee performance against job requirements. The purpose is to help employees improve their job performance and to prepare for promotion, training, job change or enlargement, or transfer to another job. The Company shall base evaluations on terms of what is to be done, how much is done, and how well it is done.

Where applicable, employees will be given informal evaluation interviews at times established by the manager. The purpose of the interview is to receive input from the employee, review his Performance Evaluation Form, determine procedures to help and motivate the employee, and to assess the full ability of the employee to perform services for the Company.

Performance Evaluations shall be kept as permanent records in the individual employee's folder or personnel file.

DISCHARGE AND DISCIPLINE

I. The Company has the right to discipline or discharge its employees without cause, notice, or recourse at any time for any reason, at its sole discretion. However, at the Company's option, a progressive discipline system may be utilized. The reprimand system is implemented, whereby the employee is given a second chance to prove and/or disprove his or her ability to perform according to Company and Contract specifications. In the event of disciplinary action, a first reprimand may be issued to the employee in writing, describing in detail the cause of the disciplinary action and the corrective action needed. This reprimand form is to be filled out by the supervisor in charge, co-signed by the manager, and signed by the employee, with a copy retained in the employee's personnel folder or file for permanent record. The second reprimand is initiated in the same procedure as the first. The third reprimand is intended for the discharge and/or termination of the employee. The use of the progressive discipline system, however, is optional with the Company and does not limit the Company's right to take whatever action it deems appropriate in any particular situation, including termination of any employee without notice or warning.

2. Reprimands are removed from an employee's file after one year.

EMPLOYEESTATEMENT / EMPLOYER'S COPY

This is to acknowledge that I have received and read the Employee Handbook thoroughly. Any rules I did not understand were explained to me.

I understand that this handbook supersedes any previous policies. Handbooks, guides, and promises, express or implied, that is, lists all LS Services, LLC.'s obligations to me as an employee, and one cannot rely upon any other promises or representations made to me by anyone concerning the terms and conditions of my employment. I further understand that nothing in this handbook shall confer upon me the right to continue in the employment of LS Services, LLC, Inc., or shall interfere with or restrict in any way the right of LS Services, LLC, which right is expressly reserved, to terminate my employment at any time for any reason whatsoever, with or without good cause.

I understand that I am to observe and abide by all Company rules, regulations, and policies, and amendments thereto, as set forth, copies of which are on file at the Corporate Headquarters and/or Branch Offices. In addition, since the information, policies, and benefits described in this booklet are necessarily subject to change, I understand and agree that material changes will be made known to employees through the usual channels of communication \ within a reasonable period oft1rne.

I further acknowledge and agree that all information of a proprietary nature obtained by me during and because of my employment with LS Services, LLC., shall be kept confidential and shall not be divulged to or utilized by any subsequent employer or related business.

I further agree to submit to any physical examination, including drug screening required by the company, and understand that submission to any such examination is a condition of my employment.

I acknowledge receipt and retention of a copy of this signed statement and of the Employee Handbook.

Signature:_____

Date:_____

Social Security No.:_____

EMPLOYEESTATEMENT / EMPLOYEE'S COPY

This is to acknowledge that I have received and read the Employee Handbook thoroughly. Any rules I did not understand were explained to me.

I understand that this handbook supersedes any previous policies. Handbooks, guides, and promises, express or implied, that is, lists all LS Services, LLC.'s obligations to me as an employee, and one cannot rely upon any other promises or representations made to me by anyone concerning the terms and conditions of my employment. I further understand that nothing in this handbook shall confer upon me the right to continue in the employment of LS Services, LLC, Inc., or shall interfere with or restrict in any way the right of LS Services, LLC, which right is expressly reserved, to terminate my employment at any time for any reason whatsoever, with or without good cause.

I understand that I am to observe and abide by all Company rules, regulations, and policies, and amendments thereto, as set forth, copies of which are on file at the Corporate Headquarters and/or Branch Offices. In addition, since the information, policies, and benefits described in this booklet are necessarily subject to change, I understand and agree that material changes will be made known to employees through the usual channels of communication \ within a reasonable period oft1rne.

I further acknowledge and agree that all information of a proprietary nature obtained by me during and because of my employment with LS Services, LLC., shall be kept confidential and shall not be divulged to or utilized by any subsequent employer or related business.

I further agree to submit to any physical examination, including drug screening required by the company, and understand that submission to any such examination is a condition of my employment.

I acknowledge receipt and retention of a copy of this signed statement and of the Employee Handbook.

Signature:_____

Date:_____

Social Security No.:_____