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INTRODUCTION

This Employee Handbook describes the employment policies, operating philosophy and benefits provided for employees of KELFAS. The Handbook supersedes prior manuals, oral statements and other representations. This Handbook is not a contract, express or implied, guaranteeing employment for any specific time. Except for employees who have a written employment agreement signed by the President of Kelfas which provides otherwise, all employment relationships with the Company are on an “at will” basis, which means that the employee or the Company may terminate the employment relationship at any time, for any reason, with or without notice and with or without cause. Nothing in this Handbook alters this arrangement. Kelfas reserves the right to make unilateral changes in policies and benefit programs currently in effect that may be revised, suspended, or eliminated in response to business needs, changing legal requirements or at the discretion of the Company. We continually review and evaluate our policies, to see which ones are working well and which ones should be changed. We ask for your input if you have any suggestions as to how our policies can be improved. This Handbook gives a general summary of your benefits. Official documents (e.g., insurance plans) are on file with management. If there is ever any inconsistency between this discussion and the official documents, the official documents will prevail. Please check with our Benefits Administrator if you have any questions about your benefits, or your Project Manager if you have any questions about any of the policies presented in this Handbook.

KELFAS MISSION STATEMENT

Tenets by which we operate:

- Meet the needs of our customers, whose mission is our primary purpose and practice.
- Strive for improvement day in and day out in everything we do.
- Maintain and enhance cooperative relationships with our customers to better serve the health care needs of the beneficiary communities we serve.

MISSION STATEMENT

1. To provide the highest possible quality services in our field.
2. To do everything possible to meet our customers' needs in a timely, courteous, and helpful manner. To always remember that our customers are our life's blood and our reason for existence, that serving them is not an imposition on our time; it is the reason we are here.
3. To provide a work environment that enables every employee to reach the highest possible level of professional and personal fulfillment.
4. To assure that employees put forth-maximum effort in the performance of their jobs and achievement of Kelfas Services's goals. Kelfas and its management will make every effort to provide working conditions that enable all employees to maximize their professional growth as a part of Kelfas Services.

OPERATING POLICIES

PURPOSE

In any sort of group situation, there are certain considerations that must be observed, out of respect for others, and for the good of KElfAS. Accordingly, we have adopted operating policies. In general, our requirements simply reflect good judgment, professionalism, and consideration for others. We expect you to treat customers and co-workers with courtesy and respect, to put forth your best efforts in performing your job, and to help us all make this a pleasant and rewarding place to work.

EMPLOYMENT AT WILL

As stated in the Introduction, employment with the Company is “at will.” This means that both the Company and the employee have the right to terminate the employment relationship at any time, for any reason, with or without prior notice or cause. This “at will” relationship cannot be changed by any person, statement, acts, series of events or pattern of conduct, but only by an express individual written employment agreement signed by the President of the Company. Nothing in this handbook or any other Company documents should be understood as creating guaranteed or continued employment, termination “for cause,” or any other guaranteed or continued benefits. Only the President of the Company has the authority to make promises with regard to guaranteed or continued employment, and any such promises are effective only if explicitly placed in writing and signed by the President of the Company.

ETHICAL STANDARDS

We are committed to conducting our business in accordance with the law, and with integrity, honesty, and fairness. This applies to our dealings with clients, with suppliers, and with each other. If you become aware of a situation, which you believe violates appropriate legal or ethical standards, please discuss it with your manager or the Director of Operations so that we can resolve it. Your privacy and confidentiality will be respected to the maximum extent possible.

OPEN DOOR POLICY

We are dedicated to preventing and resolving problems through open, positive communication among all employees and management. If you have a question, a concern, a problem, or a complaint, we urge you to discuss it with your Kelfas Services Program Manager or the Director of Operations. The Company also provides a complaint phone hotline.

SMOKE-FREE WORKPLACE

Out of consideration for the health and comfort of the majority of our employees and visitors, the Company is a smoke-free work environment. Smoking is allowed only in designated areas, which will be explained to you by your supervisor. Employees should not allow “smoke breaks” to delay or interfere with the timely completion of their work assignments.

DRESS CODE

We must all be aware that what we wear to work is a reflection of our own professionalism and that of the organization. We ask you to dress appropriately for our type of profession and your position in particular.

Obviously, a professional appearance is especially important for those of us who at any time come into contact with patients, clients and/or potential customers. Please use good judgment, remembering that rightly or wrongly, people do judge us as an organization, based in part on the professional nature of our appearance. Employees who appear for work inappropriately dressed or groomed may be sent home and directed to return to work properly attired or groomed. Under such circumstances, employees will not be compensated for the time away from work. Repeated failure to adhere to this policy may result in discipline up to and including termination.

WORK SCHEDULE

The specific work schedule for your position will be explained to you by your Program Manager. Every effort will be made to consider your own personal needs, as well as the demands of your position, in setting your specific work schedule.

LUNCH BREAKS

Non-exempt employees are entitled to an uncompensated lunch break (unless otherwise specified by the contract under which you are performing). Lunch breaks will be designated by your site supervisor, and as outlined in the contract under which you may be performing.

ABSENTEEISM AND TARDINESS

Once your particular work schedule has been determined, you are expected to be at work on time and, if non-exempt, to work the full number of hours scheduled. Everyone must assume this responsibility, in fairness to your co-workers and our clients. Employees who, without proper excuse, do not report for work on time, or who miss all or part of a day's scheduled work, place an extra burden on their fellow employees. Therefore, regular attendance and punctuality at scheduled work times is an essential function of all jobs and is expected of all employees, with or without reasonable accommodation in accordance with applicable federal and state laws.

Some positions require that an employee be at his/her workstation during a specified time frame. In such cases, being at your workstation during this time is an essential function of your job, with or without reasonable accommodation in accordance with applicable federal and state laws. Repeated unexcused absences, tardiness and failures to be present at an employees workstation during specified time frames will result in discipline up to and including termination.

Planned absences must be approved by your Program Manager no later than 30 days before the planned absence. If you are unable to give advance notice but find you must be absent from work for any reason, please call your Program Manager as soon as possible. Repeated violation of the attendance requirements of your position may result in discipline, up to and including termination. If absent for three consecutive full days without reporting to his or her Program Manager, an employee will be considered to have voluntarily quit.

COMMITMENT TO CONFIDENTIALITY

Over a period of time, Kelfas has developed certain information, including but not limited to products, processes, procedures, customer lists, business and client information which are an important part of our business and which are not known to the general public. It is essential for all employees to realize that this information is proprietary and is the property of Kelfas. During and after your employment, it is a violation of your responsibility to Kelfas for any

employee to share this information with any other party or to use it for your own purposes. Keeping this information confidential is a specific condition of your employment with Kelfas.

Unless there is a written contract to the contrary, any work produced during your employment with Kelfas is considered “work for hire” and the rights to such work belong to Kelfas. If you should leave Kelfas and wish to retain samples of your own work, specific written permission must be obtained from management in advance of retention. Violation of this commitment to confidentiality will lead to discipline, including possible termination and/or legal action.

EMPLOYEE PRIVACY

Under the law, an employer has the right to and will periodically monitor communications and activities in the workplace and to inspect anything stored on Kelfas Services’s property, so long as employees are given advance notice. We hereby reserve the right to conduct whatever monitoring or inspection management deems necessary. Please remember that monitoring or requesting a search is not an accusation of wrongdoing. However, your cooperation, if requested, is a condition of continued employment.

It should be understood that Kelfas Services’s work time, equipment, properties are for the purpose of conducting Kelfas Services’s business. Any files (electronic or otherwise) on Kelfas Services’s property are expected to relate to Kelfas Services’s business, not to personal matters. Any matters or items that you wish to remain private should be conducted outside of business hours and stored outside of Kelfas Services’s property.

TELEPHONE USAGE

Undoubtedly you realize that it is essential for any business to keep its phone lines open for the purpose of conducting business. In addition to the fact that telephone use takes employees away from their work, we can lose significant business if clients, prospects, vendors, etc. can’t get through to us because the phones are tied up. The telephone is an important sales tool, and we need sales to preserve our jobs.

You may make personal local calls when necessary, but please keep these calls brief and to a minimum. Please remind friends and family members to limit their calls to you. Personal long distance calls on government or company phones are not permitted.

OUTSIDE EMPLOYMENT

Our Company requires your full-time energies. Therefore:

- You may not conduct business for any other organization on Kelfas Services's time.
- You may not take on any outside employment that would constitute a conflict of interest. Working for our competitors does constitute a conflict of interest and is prohibited during your employment with us.
- You may not accept other employment or self-employment without specific prior written approval of your supervisor and the Director of Operations.

PERSONNEL FILES

Certain personnel records are required by law, and others are needed for Kelfas Services's benefits and administrative purposes. Please be sure that all personal information in your file is accurate and up-to-date, including but not limited to changes in name, personal address and phone number as well as other contact information.

We respect your right to have the information in your records treated confidentially. Other than records, which we are legally required to make available to government agencies or other parties, we will not release any information from your files regarding your employment without specific authorization from you.

Kelfas Services complies with state law regarding employee access to personnel and/or medical files. Unless required by applicable state law, employees are not automatically entitled to access and review of their personnel files.

IMPROPER PERSONAL CONDUCT

Following is a list of miscellaneous unacceptable behavior, which can lead to disciplinary action, ranging from a warning to suspension or possible termination.

Certainly, common sense and good judgment should prevent any of these occurrences, but they are listed here to prevent any possible question or misunderstanding.

Actions that will not be tolerated and may be cause for discipline or termination without further warning, include but are not limited to:

- Possessing or bringing weapons, knives with a blade longer than 4 inches or switchblade knives, dangerous chemicals, explosive materials, for other objects carried or the purpose of injuring and intimidating on company property, in company vehicles or on company business.
- Fighting on company or customer property or while on company business.
- Using abusive, foul, or threatening language on company property or while on company business.
- Stealing or willfully damaging property or another employee's equipment or personal property.
- Performing any type of immoral or indecent acts.
- False or misleading pre-employment application or information.
- Falsifying verbal or written information.
- Refusal to comply with a directive from a supervisor.
- Use of Company property or technology, such as the internet, for non-business purposes.
- Any other action that threatens the well being or safety of a co-worker, customer, or vendor.

Violation of Kelfas Services's policies in areas including but not limited to the following will be considered serious enough to warrant discipline, up to and including termination without further warning:

- Intentional illegal discrimination.
- Sexual or any other form of harassment.
- Illegal drug or alcohol use or possession during work hours, or while conducting Kelfas Services's business.
- Violation of safety requirements or regulations.
- Disclosure of confidential or proprietary Kelfas information.
- Violation of Technology Use and Privacy policy.
- Violation of the Kelfas Services Compliance Plan.

The above lists should be considered illustrative, not comprehensive. Other actions and violations of a similar nature may also result in discipline and/or termination.

COMPANY BENEFITS

HOLIDAYS

Following are the federal holidays which are observed by the government and most businesses, and which will be paid holidays for Kelfas full-time employees.

New Year's Day, Martin Luther King's Day, President's Day, Memorial Day, Independence Day (July 4th), Labor Day, Columbus Day, Veteran's Day, Thanksgiving Day, Christmas Day
Kelfas reserves the right to change or substitute some days for the days mentioned above at its discretion.

Exempt full-time employees receive the holiday off with pay. Non-exempt full-time employees will be eligible to receive eight (8) hours of holiday pay on such holidays. All other employees receive the day off without pay.

In accordance with the Fair Labor Standards Act, we will not pay exempt full-time employees additional wages if it is necessary to work on a holiday. Exempt employees are not paid by the hour.

Non-exempt employees who work on a holiday will be paid a holiday rate of 1.5 times their regular straight time hourly rate for hours worked on that day.

An employee who is scheduled to work on a holiday and fails to report for work on that day will be ineligible for holiday pay. If the absence was due to illness, the employee may be asked to provide written documentation from a health care provider excusing the absence in order to receive payment for the holiday.

Unless actually worked, holiday hours will not count toward overtime. Only the actual hours worked on holidays will count toward overtime.

If you wish to take accrued vacation or personal time immediately before or after a paid holiday, this must be approved in advance by your Program Manager. Depending on the circumstances, unapproved absences at these times may result in loss of pay for the holiday.

At all times Kelfas practices will be in accordance with the Fair Labor Standards Act and any applicable state counterpart.

CONTINUING EDUCATION AND TRAINING

In order to encourage the professional development of its employees, Kelfas will pay course cost reimbursement for eligible full-time employees pursuant to the terms of the employee's agreement for any academic courses, seminars, workshops, or training which Kelfas Services's management agree will enhance the employee's ability to perform his or her present job.

The course content and potential value should be discussed in advance with Kelfas Services management, in order to get written approval for this expenditure prior to the employee's enrollment in any such course. Approval will depend on management's judgment, in its sole discretion, as to the usefulness of the course in relation to its cost and to company funds available. Employees may be required to sign reimbursement agreement under certain circumstances – for example, failure to remain employed or unsatisfactory grades.

FAMILY AND MEDICAL LEAVE POLICY

I. Permissible Uses of Family Care and Medical Leave

"Family care leave" may be requested for (1) the birth or adoption of an employee's child; (2) the placement of a foster child with the employee; or (3) the serious health condition of an employee's child, spouse, or parent. "Medical leave" may be requested for an employee's own serious health condition. A "serious health condition" is one that requires either in-patient care in a medical facility or continuing treatment or supervision by a health care provider.

II. Substitution of Paid Leave for Family Care and Medical Leave

Employees are required to use accrued and available vacation time and other paid personal leave for all family care and medical leaves, where applicable. Accrued and unused paid sick leave may be required to be taken concurrently with an employee's absence due to that employee's own serious health condition.

III. Amount of Leave

Provided all the conditions of this policy are met, an employee may take a maximum of 12 weeks of Family care and Medical Leave in a rolling 12-month period measured backwards from the date the employee's leave commences. Parents who are both employed by the Company may take a maximum combined total of 12 weeks of family care leave in a 12-month period for the birth, adoption, or foster care of their child. Family care leaves for the birth, adoption or foster care placement of a child must be concluded within one year of the birth, adoption or placement.

The substitution of paid leave for family care or medical leave does not extend the total duration of family care and medical leave to which an employee is entitled to beyond 12 weeks in a 12-month period. For example, if an employee has accrued four weeks of unused paid

vacation time at the time of the request for family care leave, that paid vacation time will be substituted for the first four weeks of family care leave, leaving up to eight additional weeks of unpaid leave.

Medical leave for the employee's own serious health condition, or family care leave for the serious health condition of the employee's spouse, parent, or child, may be taken intermittently or on a reduced schedule where medically necessary. If leave is taken intermittently or on a reduced schedule, the Company retains the discretion to transfer the employee temporarily to an alternative position with equivalent pay and benefits which accommodates the employee's leave schedule.

IV. Leave's Effect on Pay

Except to the extent that other paid leave is substituted for Family and Medical Leave, such leave is unpaid.

V. Leave's Effect on Benefits

For up to a maximum of 12 weeks in a 12-month period, the Company will continue to pay for the employee's participation in the Company's group health plans, to the same extent and under the same terms and conditions as would apply had the employee not taken leave. Other benefits will be governed in accordance with the terms of each benefit plan.

If the employee fails to return from the leave at the expiration of 12 weeks for a reason other than the recurrence or continuation of the health condition that brought about the leave or other circumstances beyond the employee's control, the Company can recover any health plan premiums paid by the Company on the employee's behalf during any unpaid periods of the leave.

Employees on family care and medical leave accrue employment benefits, such as sick leave, vacation benefits, or seniority, only when paid leave is being substituted for unpaid leave and only if the employee would otherwise be entitled to such accrual.

VI. Notice Requirements

Employees should notify the Company of their request for family care or medical leave as soon as they are aware of the need for such leave. For foreseeable events, if possible, the employee must provide 30 calendar days' advance notice to the Company of the need for leave. For events that are unforeseeable 30 days in advance, but are not emergencies, the employee must notify the Company as soon as he or she learns of the need for the leave, ordinarily no later than one or two working days after the employee learns of the need for the leave. If the leave is requested in connection with a planned, non-emergency medical treatment, the employee may be requested to reschedule the treatment so as to minimize disruption of the Company's business.

If an employee fails to provide the requisite 30-day advance notice for foreseeable events without any reasonable excuse for the delay, the Company reserves the right to delay the taking

of the leave until at least 30 days after the date the employee provides notice of the need for family care or medical leave.

All requests for family care or medical leave should include the anticipated date(s) and duration of the leave. Any requests for extensions of a family care or medical leave must be received at least three working days before the date on which the employee was originally scheduled to return to work and must include the revised anticipated date(s) and duration of the family care or medical leave.

VII. Medical Certification

Any request for medical leave for an employee's own serious health condition, or for family care leave to care for a child, spouse, or parent with a serious health condition, must be supported by medical certification from a health care provider. For foreseeable leaves, employees must provide the required medical certification before the leave begins. When this is not possible, employees must provide the required certification within 15 calendar days after the Company's request for certification, unless it is not practicable under the circumstances to do so, despite the employee's good faith efforts. Failure to provide the required medical certification may result in the denial of foreseeable leaves until such certification is provided. In the case of unforeseeable leaves, failure to provide the required medical certification within 15 days of being requested to do so may result in a denial of the employee's continued leave. Any request for an extension of the leave also must be supported by an updated medical certification.

The medical certification for a child, spouse, or parent with a serious health condition shall include (a) the date on which the serious health condition commenced; (b) the probable duration of the condition; (c) the health care provider's estimate of the amount of time needed for family care; (d) the health care provider's assurance that the health care condition warrants the participation of the employee to provide family care; and (e) in the case of intermittent or reduced schedule leave where medically necessary, the probable duration of such a schedule.

The medical certification for leave for the employee's own serious health condition shall include (a) the date on which the serious health condition commenced; (b) the probable duration of the condition; (c) a statement that, due to the serious health condition, the employee is unable to perform the functions of his or her position; and (d) in the case of intermittent leave or reduced schedule leave where medically necessary, the probable duration of such a schedule. If the Company has reason to doubt the validity of the certification provided by the employee, the Company may require the employee to obtain a second opinion from a doctor of the Company's choosing at the Company's expense. If the employee's health care provider and the doctor providing the second opinion do not agree, the Company may require a third opinion, also at the Company's expense, performed by a mutually agreeable doctor who will make a final determination.

During the employee's leave, the employee may also be required to provide the Company with additional physicians' statements on request from the Company at reasonable intervals, attesting to the employee's continued disability and inability to work. Before an employee

returns to work, the Company also may require the employee to provide medical certification that he or she is able to return to work.

VIII. Effect on Reinstatement

Employees timely returning from family care or medical leave are entitled to reinstatement to the same or comparable position consistent with applicable law. The Company retains the right to deny reinstatement to employees who are among the highest paid ten percent of the Company's employees and whose reinstatement would cause substantial injury to the Company's operations, as defined by law.

JURY DUTY

Employees are given time off without pay while serving jury duty, to the extent consistent with applicable law. Employees are expected to report to work when it does not conflict with their court obligations. All employees are required to provide notice to Kelfas of jury duty when a copy of the state or federal jury duty summons is received. A copy of the summons must be forwarded to Kelfas Services when received. Employees also must submit proof of service at the completion of the service. Employees may keep any jury duty fees received. Any absence for jury duty will be considered to be excused if an employee on jury duty has complied with the requirements set forth in this policy.

MILITARY LEAVE

Federal and/or state law separate and apart from the NDAA governs certain requirements regarding granting of leave, compensation, and reinstatement for veterans and reservists who are away from their jobs performing service in uniform. These laws change from time to time. A request for military leave should be submitted to the Company's Director of Operations promptly and accompanied by a copy of the orders indicating the beginning and ending dates of the duty period. Eligibility for reinstatement after the military duty is completed will be determined in accordance with applicable federal and state laws.

ON-THE-JOB ACCIDENTS OR INJURIES

You may be entitled to medical payments and/or other compensation if you are injured on the job. Management will explain to you any such programs that have been provided for you.

If a work related injury or illness occurs during the regular workday, the injured employee will be paid for that full workday. Any injury or accident that occurs while performing services for Kelfas or while on Kelfas Services must be reported to management **immediately** (i.e., as soon as the incident occurs). If such an incident occurs outside of regular business hours, it is still the responsibility of the injured employee to contact an appropriate person in management **immediately**, to describe the circumstances and be instructed as to how to proceed.

Do not delay reporting an incident in order to wait and see if there are any serious or long-term physical symptoms that arise. Report it to management immediately, and follow any instructions you are given at that time.

This prompt reporting is essential, in order for us to properly document any such incidents and take appropriate action. Failure to report an accident or injury immediately, or failure to follow management's instructions following the incident, may be cause for discipline and may make the employee ineligible for any medical payments or other compensation related to the incident.

Any benefits or compensation applicable to on-the job-injuries will not apply to any voluntary activities that are not considered a part of the employee's required work duties.

COMPENSATION POLICIES

JOB CLASSIFICATIONS

Each employee's job classification is described in his/her employment offer letter with Kelfas Services.

EMPLOYEE PERFORMANCE EVALUATIONS

Supervisors are expected to maintain frequent communication with new employees regarding their duties and their performance, particularly during the first month of employment. All employees should feel free to ask their supervisors any questions they may have regarding their duties or their performance at any time.

The site supervisor on the contract in which they are currently performing duties may evaluate all employees.

In general, employee performance will be reviewed. New employees will have an additional performance review after their initial 6-months of employment. This review is to determine how the employee can better work with Kelfas and is not associated with a pay increase. Nothing in this section changes the employee's at will employment status.

WAGE AND SALARY REVIEWS

Wages and salaries will be reviewed annually, at the time of each employee's regularly scheduled performance evaluation. NOTE: Please note that a salary review will not necessarily mean a salary increase. At the time of these salary reviews, merit raises will be given if, among other reasons, the employee's productivity, performance, level of responsibility, or other contributions to Kelfas have significantly increased during the time period being evaluated, and providing Kelfas's financial position enables us to do so. Any increases granted will take effect at the beginning of the next pay period. Decreases may also be administered for performance that falls below expectations.

OVERTIME (NONEXEMPT EMPLOYEES)

On occasion, business requirements may result in the need for nonexempt employees to work overtime-more than 40 hours in a workweek. While volunteers for overtime may be requested, in some circumstances employees may be required to assist with overtime work. In such a case, employees will be given as much notice as possible.

Nonexempt employees may not perform overtime work without the prior written approval of their supervisor. Working overtime without authorization or refusing to work required overtime may result in discipline, up to and including termination.

All non-exempt employees are paid at the rate of 1.5 times their regular rate of pay for hours worked in excess of 40 hours per week. Any other hours paid but not worked (for example, holidays, sick or vacation days, jury duty or bereavement leave) do not count toward the 40-hour total. Normally, employees will be paid for overtime worked in the pay period following the period in which the overtime was worked, provided that the employee's time record was properly prepared, approved by the employee's supervisor, and forwarded to payroll for processing in a timely manner.

Above all, all policies accord with the Fair Labor Standards Act and their local counterparts.

PAYROLL DEDUCTIONS

Certain payroll deductions are required by law, and others may be authorized or requested by the employee.

By law, we are required to withhold certain minimum amounts from your wages for Social Security Tax (OASDI), Medicare Tax, Federal Income Tax (FWT), and any state or local income taxes where applicable.

With your authorization, we may withhold additional amounts for certain purposes, such as insurance premiums, retirement or pension plans, charitable contributions or other purposes by mutual agreement between management and employees.

You may ask your manager or payroll department if you have any questions about your paycheck.

PAY PERIOD

Kelfas's standard pay dates are:

Twice per month (15th and 30th of the month)

An employee who is discharged or who resigns will be paid on the next regularly scheduled payday, unless otherwise required by law.

Occasionally, the designated payday may fall on a holiday or a weekend. In this case, paychecks will be distributed on the last working day prior to the holiday or weekend. In general, the law would allow us to wait until the next workday to deliver the paychecks, but we will distribute them early to avoid causing you any hardship or inconvenience.

Unless employees are required to be paid earlier by applicable state law, employees who are terminated or who resign will be paid no later than the day following such termination or resignation.

WAGE GARNISHMENT

There are some situations where an employer is required by law to withhold certain amounts from an employee's paycheck and pass them on to a third party. This is called wage garnishment, and it occurs when you have certain types of unpaid debts, and a creditor has obtained a court judgment against you.

In some states (e.g., Texas), private creditors may not order garnishment of wages, but certain government agencies may. The state may require garnishment of wages if a parent is delinquent in child support payments, or the Federal government may order wages garnished for IRS tax levies or if a person is delinquent in payment of a Federal student loan. In other states, other creditors may obtain such judgments.

We do not wish to become involved in such matters, but we are required to comply with the law if ordered to do so. If such a situation arises, please discuss it with someone in management before a court secures a judgment against you. It may be possible to resolve this situation so that wage garnishment is not required. Be assured that your privacy and the confidentiality of the matter will be respected to the maximum extent possible.

EMPLOYMENT POLICIES

Kelfas Services's COMMITMENT TO EQUAL EMPLOYMENT OPPORTUNITY & POLICY AGAINST DISCRIMINATION

Kelfas Services reaffirms its commitment to equal employment opportunity (EEO) and non-discrimination for all employees in all job classifications and for prospective employees without regard to race, color, religion, sex, age, veteran status, physical or mental disability, national origin, or any other characteristic protected by applicable federal or state law. Kelfas Services's equal employment policy covers all terms and conditions of employment and, in particular, requires nondiscriminatory actions and decisions concerning recruitment, hiring, placement, promotions, compensation, benefits, transfers, layoffs, recall, training, education, tuition assistance, and social and recreational programs.

Kelfas Services will not tolerate discrimination against any employee by any other employee or supervisor for any protected reason. In addition, discrimination may subject the Company and/or the individual employee or supervisor to liability for any such unlawful conduct. No employee in this organization is exempt from this policy. Anyone who is acting in a discriminatory fashion or makes a discriminatory decision is acting contrary to Kelfas Services's policy and is not authorized to do so. Such behavior is inconsistent with the Company's policy.

Any employee who believes that he/she is or may be subjected to discrimination must report it immediately to Management, at coco@Kelfas.com. Do not allow an inappropriate decision or action to take effect or continue to affect you by not reporting it, regardless of who made the decision or took the action. In response to every complaint, the Management will take prompt investigatory action, and corrective and preventive actions where appropriate. An employee who brings such a complaint to the attention of the Management in good faith will not be retaliated against as a result of reporting the alleged discrimination. Confidentiality will be maintained to the extent practical and consistent with Kelfas Services's need to enforce this policy.

Any employee who engages in discriminatory conduct in violation of this policy is subject to discipline up to and including termination.

ANTI HARASSMENT

Kelfas is committed to providing a workplace in which every employee is treated professionally and with respect. This means, of course, that uncivil and unprofessional conduct is wholly unacceptable, as is harassment based on sex, race, color, religion, national origin, age, disability or any other basis prohibited under law. The Company strongly disapproves of and will not tolerate unprofessional conduct by managers, supervisors, or coworkers or vendors. Such conduct may violate this policy on or off the worksite and on or off duty – depending on the circumstances. Employees are encouraged to act respectfully at all times, particularly in situations where other employees, customers, or vendors are involved whether on or off of the worksite.

Employee conduct may violate this policy when (1) submission to the conduct is made either an explicit or implicit condition of employment; (2) submission to or rejection of the conduct is used as the basis for an employment decision; or (3) the conduct interferes with an employee's work performance or creates an intimidating, hostile, or offensive work environment.

The Company is particularly concerned about sexual misconduct in the work environment. Examples of the types of conduct prohibited by this policy may include, but are not limited to, the following:

- Touching, such as rubbing or massaging someone's neck or shoulders, stroking someone's hair, or brushing against another's body.
- Sexually suggestive touching.
- Grabbing, groping, kissing, fondling.
- Violating someone's "personal space."
- Whistling.
- Lewd, off-color, sexually oriented comments or jokes.
- Foul or obscene language.
- Leering, staring, stalking.
- Suggestive or sexually explicit posters, calendars, photographs, graffiti, cartoons.
- Unwanted or offensive letters or poems.
- Sitting or gesturing sexually.
- Offensive E-mail or voice-mail messages.
- Sexually oriented or explicit remarks, including written or oral references to sexual conduct, gossip regarding one's sex life, body, sexual activities, deficiencies, or prowess.
- Questions about one's sex life or experiences.

- Repeated requests for dates.
- Sexual favors in return for employment rewards, or threats if sexual favors are not provided.
- Sexual assault or rape.
- Any other conduct or behavior deemed inappropriate by the Company.

Any employee who experiences any job-related harassment based on sex, race, national origin, religion, disability, or another protected factor, or believes that they have been treated in an unlawful, discriminatory manner, must promptly report the incident to the Director of Operations. All instances of alleged harassment should be reported, including those that occur outside of the facility, during off hours, or where the alleged offender is a supervisor, coworker, or even a non-employee. If the alleged harassment occurs at a time outside of normal business hours, the employee should register a complaint as early as practicable on the first business day following the alleged incident.

All complaints will be kept confidential to the maximum extent feasible while not impeding the organization from conducting a thorough and prompt investigation. The privacy and confidentiality of everyone involved will be protected to the maximum extent feasible while not impeding the organization from conducting a thorough and prompt investigation. The Director of Operations, or someone under his or her supervision, will undertake an investigation of any complaint.

Continued employment and advancement at Kelfas is based strictly on merit and job performance and does not require any physical, sexual, or personal relationship outside of the specific performance of one's work duties. Any suggestion to the contrary by any supervisor or manager will be considered a form of harassment and will not be tolerated.

In addition, we will not tolerate harassment of our employees by any of our clients, customers, vendors or associates. If such a situation occurs, you should report it to someone in management immediately so that we can take corrective action.

If the Company reasonably determines that an employee has violated this policy, appropriate discipline will be imposed, ranging from verbal or written warnings up to and including immediate termination, depending upon the circumstances.

Kelfas Services absolutely prohibits any form of retaliation against any employee for filing a bona fide complaint or for assisting in a complaint investigation. If, however, after investigating a complaint, the Company determines that the complaint was not bona fide and was not made in good faith, or that false information was provided regarding the Complaint, disciplinary action may be taken against the person who gave the false information or filed the complaint.

AMERICANS WITH DISABILITIES ACT POLICY

Kelfas Services strongly supports the policies of the Americans with Disabilities Act (ADA) and is completely committed to treating all applicants and employees with disabilities in accordance with the requirements of that statute and applicable or related state laws. Kelfas Services judges individuals by their abilities and not disabilities. It seeks to give full and equal employment opportunities to all persons capable of performing successfully in the company's positions. Kelfas Services will provide reasonable accommodation **[please note this may mean time off beyond that permitted by the FMLA]** to any persons with disabilities who require them and urges employees and applicants who may be disabled and require accommodation to advise Kelfas Services of their particular needs. Information concerning individuals' disabilities and their need or accommodation will be handled with the utmost discretion. Kelfas Services hopes that all employees will advise the Director of Operations or other management personnel when they become aware that persons with disabilities have special needs in our workplaces. Our employees have shown care and support for persons with disabilities in the past and we count on them to continue to do so.

AFFIRMATIVE ACTION

[As a government contractor covered by the terms of Executive Order 11246 and Vietnam Era Veterans' Readjustment Assistance Act (VEVRAA)] Kelfas Services is committed to taking affirmative steps to enhance employment opportunities for minorities, women, persons with disabilities, disabled veterans and various categories of veterans. Accordingly, Kelfas Services has not only committed that it will not discriminate against applicants or employees based on these factors, in addition, the Company will take affirmative action to ensure that meaningful employment and promotional opportunities are maintained for persons in these categories. Our commitment to take these steps is based not only on the requirements of any applicable laws but also on our longstanding commitment to maintain a diverse work force reflective of the communities in which we operate.

UNACCEPTABLE JOB PERFORMANCE

Generally speaking, if there is a problem with an employee's performance, the supervisor is expected to seek to attempt to correct the employee's performance by either oral counseling or written reprimand, additional training, or other disciplinary action. These remedies for correction of deficient performance are not intended to be exclusive but are merely examples. (Any oral counseling may also be recorded in the employee's file for documentation purposes.)

If the required improvement is not achieved after a reasonable length of time, the employee will be given additional counseling and a written warning. This will be documented in the employee's personnel file.

If the required improvement is still not achieved, management may take additional action which may be either termination, suspension, probation, or an additional warning, depending on the circumstances and the seriousness of the problem.

Although one or more of these steps may be taken in connection with a particular employee, no particular order or system is required, and the Company will not adhere to a "progressive" series of disciplinary actions. The Company has the discretion to use whatever form of discipline it believes is appropriate under the circumstances.

How the Company chooses to administer employee discipline in no way alters or limits the at-will employment relationship defined in this Handbook.

It is Kelfas Services's obligation to communicate its expectations and performance standards clearly to employees. It is the employee's obligation to meet these standards of performance. The above policies have been established to ensure that employees understand what is expected of them and are given every opportunity to meet these expectations. In cases of misconduct that are clearly contrary to Kelfas's policy or threatening to the well-being of Kelfas Services, its customers or fellow employees, disciplinary action including termination may be taken without preliminary warnings.

DRUG-FREE WORKPLACE POLICY

IX. Statement of Purpose

Kelfas Services is committed to maintaining a safe, healthy and productive workplace free from the influence of drugs, including alcohol. Employees are Kelfas Services's most valuable resource and their health and safety is one of Kelfas Services's paramount concerns. A drug free workplace policy helps maintain the safety of all Kelfas Services employees. Drug abuse imperils the health and well-being of both the abuser and those who work with him or her.

Just as Kelfas Services seeks to provide its employees with a drug free workplace in the interest in health and safety, Kelfas Services also seeks a drug free workplace in the interest of productivity and the success of its business. Employees who abuse drugs, on or off duty, tend to be less productive, less reliable, and prone to greater absenteeism, resulting in the potential for increased cost, delay and risk to Kelfas Services's business. Ultimately, they threaten the company's competitiveness and viability.

Kelfas Services is committed to maintaining its reputation as a company that exemplifies the highest standards of legal, ethical, and personal conduct. Each Kelfas Services employee is

expected to maintain the company's reputation by avoiding involvement in any illegal, unethical or otherwise improper acts. The Drug Free Workplace Act of 1988 has reinforced this commitment by requiring Kelfas Services to certify in connection with government contracts that its workplace is drug free. The abuse of drugs, including alcohol, is inconsistent with law abiding, ethical behavior, and is therefore forbidden in Kelfas Services's workplace.

X. Dangers of Drug Abuse

Clearly, there are significant dangers that accompany drug abuse. Individuals, who abuse drugs, including alcohol, subject themselves to the following serious risks:

- Drug use decreases an employee's productivity, and leads to inferior work product and excessive absenteeism, even when the drugs are consumed outside work hours;
- Virtually all drugs, including alcohol, are addictive. Moreover, the degree of drug abuse escalates as the addiction progresses: over time, more and more of the drug is required to achieve the same effect;
- The cost of supporting an ever greater habit may exceed a user's income, leading the user to engage in illegal activities, including theft and/or dealing drugs to support the habit;
- As addiction becomes more severe, drug abusers increasingly focus on fulfilling the need for drugs; as a result, drug abusers often experience a separation from family and friends;
- Employees using drugs risk arrest, conviction and imprisonment;
- Drug use, on or off duty, impairs judgment and motor functioning and may lead to accidents and injury.

In addition to the dangers outlined above, there are many severe adverse psychological and physical effects of drug abuse, including:

- Depression
- Anxiety
- Hostility
- Delusions
- Overconfidence
- Paranoia
- Drug cross dependency (the upper/downer cycle)
- Blackouts and flashbacks
- Lung cancer
- Lung or liver failure
- Brain damage
- Heart failure

XI. Policy

It is the policy of Kelfas Services that no employee shall (1) manufacture, distribute, dispense, possess, use or be under the influence of an illegal drug or substance, or (2) manufacture, distribute, dispense, or, without Company authorization, possess, use or be under the influence of alcohol, on Kelfas Services's premises, in any Company vehicle, or in any other location in

connection with Kelfas Services's business or in circumstances which may reflect unfavorably on Kelfas Services. Illegal drugs or substances include all of the "controlled substances" defined in the Controlled Substances Act and its accompanying regulations (Part 1308, "Schedules of Controlled Substances" of Title 21 C.F.R. 11, except for medication prescribed by a licensed physician and taken in accordance with a prescription. A copy of the Schedules of Controlled Substances is available for inspection at the Company's Director of Operations' Office. Some of the more commonly known drugs that appear on the Schedules are:

- Marijuana
- LSD
- PCP ("angel dust")
- "Crack"
- Heroin
- Barbiturates
- Cocaine
- Amphetamines ("Speed")

An employee taking a medication, in accordance with a prescription, which may impair motor functioning or job performance, must inform his or her supervisor immediately. Such an employee is not considered in violation of this Policy unless he or she fails to notify Kelfas Services that he or she is taking the medication. However, Kelfas Services reserves the right temporarily to reassign such an employee to another position at Kelfas Services, or to modify the employee's responsibilities in his or her present position, if, in Kelfas Services's sole discretion, determines that the medication may affect the employee's job performance. If, in Kelfas Services's sole discretion, the Company determines that the employee will be unable to perform the duties of his or her position as a result of a medication taken according to a prescription, and no reasonable accommodation can be made regarding the employee's job duties, Kelfas Services reserves the right to discharge the employee.

As a condition of employment, all Kelfas Services employees must abide by this policy. In addition, all employees must notify Kelfas Services of any conviction for a violation of a criminal drug statute occurring on Kelfas Services's premises, in any Company vehicle, or in any other location in connection with Kelfas Services's business. This notification must occur within five (5) days of the date of conviction. Within ten (10) days after learning of the conviction, Kelfas Services will so notify the Contracting Officer of every contract, and the grantor agency of every government grant, for which the affected employee is directly engaged in performance.

XII. Sanctions For Violation Of This Policy

It is Kelfas Services's policy to take appropriate disciplinary action, up to and including termination of employment, against any employee who violates Kelfas Services's drug free workplace policy. An employee convicted of a drug offense occurring in the workplace or who

Kelfas Services determines to be under the influence of drugs, including alcohol, while at work will be discharged. Disciplinary action may also be imposed for the following (1) conviction under any criminal drug statute under any circumstances which may adversely affect the Company's reputation in the community, (2) failure to notify Kelfas Services of any conviction under any criminal drug statute within five days of the conviction and (3) refusal or failure follow reasonable instructions issued by Kelfas Services implementing this Policy. Kelfas Services retains complete discretion in assessment of sanctions and may require participation in drug abuse assistance or rehabilitation program approved by a federal, state, or local health, law enforcement, or other appropriate agency.

TERMINATION NOTICE

If you should decide to resign voluntarily, your employment agreement with Kelfas, Kelfas Services reserves the right to advance the date of termination.

REFERENCE REQUESTS

In response to written reference check inquiries, Kelfas's policy is to confirm only date(s) of employment and position(s) held. If you wish additional information released, such as salary history, you must provide written authorization by completing the Employee Termination Form and submitting it to the Director of Operations, acknowledging that you will not assert any claim against Kelfas with respect to the Company is providing the additional information you have requested. All requests for references should be directed to your Program Manager.

EMPLOYEE ACKNOWLEDGEMENT FORM

By signing this form, I acknowledge that I have received a copy of Kelfas's current Employee Policy Handbook. I understand that it is my obligation to read it, understand it, abide by the policies described and adhere to all of the policies and procedures of the Company, whether set forth in the Policy Handbook or elsewhere. I understand and agree that compliance with all Kelfas Services's policies is a condition of my employment with Kelfas.

I further understand and agree that certain policies are of particular importance to Kelfas and that violation of these policies will be grounds for discipline, up to and including possible termination. These policies of particular importance are: Equal Employment Opportunity, Sexual Harassment, Commitment to Confidentiality, Drug-Free Workplace, and Improper Personal Conduct policies.

I further acknowledge that the Policy Handbook is provided as an informational guide only and is not to be considered a contract between myself and the Company. I understand that I am an at-will employee, which means that either I or the Company can terminate my employment at any time, for any or no reason, with or without notice. I also understand that the Company reserves the right to modify this handbook, or modify or terminate any policies, procedures, or employee benefit programs, whether or not described in this Handbook, or to require or increase contributions toward these benefit programs.

Furthermore, I agree to reimburse the Company for any outstanding monies owed the Company that have not been repaid by the time employment is terminated. I further authorize the Company, to the extent permitted by law, to deduct and offset any payments, including but not limited to payments for wages, bonuses, expenses, or vacation pay, otherwise owed to me upon termination of employment. If these deductions are insufficient, I agree to reimburse the Company for the balance. During my employment, I hereby authorize the Company to withhold from my paycheck if necessary to correct any previous errors in salary or wages paid.

No one representing Kelfas has the authority to enter into any agreement different from that stated above, unless there is a written contract signed by both parties (the President of Kelfas and employee).

Employee Name (Please Print)

Date

Employee Signature

EMPLOYEE TERMINATION FORM

This document verifies the termination of my employment with this Company for the reason(s) described below.

CHECK ONE: Resigned voluntarily () Terminated by management ()
REASON FOR TERMINATION: [Attach additional page(s) if needed.]

RELEASE OF INFORMATION: I give my permission for the Company to release any information requested by potential employers with regard to future job references. In exchange for Kelfas's agreement to release the requested additional information, I irrevocably and unconditionally release and discharge Kelfas from all legal, equitable, or administrative claims, known and unknown, that I may have against Kelfas as a result of Kelfas's compliance with this authorization and/or the substance of the information that is disclosed.

(SIGN YOUR NAME BESIDE "Yes" or "No".)

Yes: _____

No: _____

LAST DATE OF WORK: _____

COBRA: ACCEPT DECLINE N/A

Employee Signature

Management Signature

Print Name

Print Name

Date signed: _____

Date signed: _____