

DEMAND STAFF, INC.
EMPLOYEE HANDBOOK

TABLE OF CONTENTS

I.	<u>INTRODUCTION</u>	1
II.	<u>AT-WILL EMPLOYMENT</u>	1
III.	<u>PROPRIETARY</u>	1
IV.	<u>CONFIDENTIALITY AGREEMENT</u>	2
V.	<u>EQUAL EMPLOYMENT OPPORTUNITY</u>	2
VI.	<u>HIRING ELIGIBILITY</u>	2
VII.	<u>PHYSICAL EXAMINATION REQUIREMENTS</u>	2
VIII.	<u>INTRODUCTORY PERIOD</u>	3
IX.	<u>PERFORMANCE EVALUATIONS</u>	3
X.	<u>JOB ASSIGNMENT COMPLETION PROCEDURES</u>	3
XI.	<u>DISCHARGE/TERMINATION</u>	4
XII.	<u>ATTENDANCE POLICY</u>	4
XIII.	<u>LEAVE</u>	4
XIV.	<u>PUNCTUALITY</u>	5
XV.	<u>BENEFITS</u>	5
	A. <u>WORKERS' COMPENSATION INSURANCE</u>	5
	B. <u>HOLIDAYS</u>	5
	C. <u>VACATION</u>	5
XVI.	<u>SAFETY</u>	5
XVII.	<u>SUBSTANCE ABUSE</u>	6
XVIII.	<u>PAYDAY AND PAY PERIODS</u>	7
XIX.	<u>PAYROLL DEDUCTIONS</u>	7
XX.	<u>TIMESHEETS</u>	7
XXI.	<u>OVERTIME</u>	8
XXII.	<u>SMOKING POLICY</u>	8
XXIII.	<u>POLICY AGAINST HARASSMENT</u>	8
XXIV.	<u>FAMILY AND MEDICAL LEAVE</u>	9
XXV.	<u>ALTERNATE DISPUTE RESOLUTION</u>	9

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DEMAND STAFF, INC. EMPLOYEE HANDBOOK

I. Introduction:

Welcome to DEMAND STAFF, INC. (the “Company”). We hope your association with the Company will be a pleasant, beneficial and challenging professional experience. This handbook is designed to furnish you with information about the Company and about your job. Although a great deal of information is covered in this manual, it cannot cover all subjects completely.

The contents of this manual constitute a summary of present programs and policies and is intended only as a guide. All programs, policies and benefits set forth in this manual, like all other policies of the Company, may be amended or withdrawn at any time without advance notice. Further, depending upon the particular circumstances of a given situation, the Company’s actions may differ from written policy.

II. At-Will Employment:

The contents of this manual do not constitute a contract of employment. Nothing contained in this manual should be construed as a guaranty of continued employment or of any particular policy or benefit. Employment with the Company is on an at-will basis. This means that the employment relationship is not an entitlement, but rather a privilege that may be terminated at any time by either the employee or the Company for any reason not expressly prohibited by law.

No Company representative is authorized to modify this policy or to enter into any agreement, oral or written, in contradiction of this policy. No statements made in pre-employment interviews, discussions or in recruiting materials, shall alter the at-will nature of employment with Company or imply that discharge will occur only for cause.

The employment-at-will status of Company employees may not be modified by any statement in employee handbooks, employment applications, recruiting manuals, or other materials provided to applicants and employees in connection with employment. No document, whether singly or in combination, shall create an express or implied contract of employment for a definite period, or for any terms or conditions of employment. The offer to pay a salary expressed as a weekly, monthly or annual salary shall not operate as an offer of employment for any definite period of time. Policies and procedures with respect to any matter, including any alternate dispute resolution or progressive discipline program, if any, are not to be considered as creating any contractual obligation by Company to terminate only for cause and are not intended to alter in any way Company's right to terminate at will any employee of Company.

Change from part time temporary status to full time temporary status or from temporary to regular status shall not change the at-will status of any employee.

III. Proprietary:

This manual is Company property. Circulation of the manual outside of the Company is strictly prohibited. Reproduction of the manual is prohibited.

IV. Confidentiality Agreement:

Employees will be asked to sign a "Confidentiality Agreement" at the time of employment. This Confidentiality Agreement provides confidential protection of proprietary information belonging to Company concerning its client companies.

V. Equal Employment Opportunity:

The Company is an equal opportunity employer, and our employment practices will not be influenced by an applicant's or employee's race, color, religion, age, sex, national origin, disability or any other characteristic protected by law. Discrimination or harassment based on any of the above characteristics is strictly prohibited. Any employee found to be engaging in such discrimination or harassment will be subject to disciplinary action, up to and including termination.

The Company is committed to providing reasonable accommodations for qualified individuals with disabilities in accordance with the requirements of the *Americans With Disabilities Act*. Any requests for reasonable accommodation must be submitted to your Company representative or to the president of the Company, preferably in writing.

Employees are encouraged to report any potential violations of this equal employment opportunity policy to the your Company representative or the president of the Company.

VI. Hiring Eligibility:

An application for employment must be fully completed before an applicant is eligible to be hired. The information provided in the application must be truthful and accurate. Failure to provide truthful and accurate information in the application may result in a refusal to consider the application, and if such failure is discovered subsequent to an offer to employ or subsequent to employment, withdrawal of the offer of employment or disciplinary action, including termination of employment, may result.

Employment also may be conditioned on passing a pre-employment physical skills assessment to determine an employee's ability to perform the required job duties and on passing a post-offer, pre-employment drug screening as described below.

VII. Physical Skills Requirements and Drug Screening:

New employees may be required to undergo physical skills assessment and drug and alcohol screening prior to beginning employment. If required by the client, the physical skills assessment will determine whether you are able to perform the essential functions of the job, with or without reasonable accommodation for any disabling condition. The drug and alcohol

screen will reveal the use of alcohol or any illegal or controlled substances, as we are committed to preventing the use of such substances in the workplace. The results of all examinations are kept strictly confidential. Failure to pass the required tests may result in the withdrawal of the offer of employment.

Costs for the required medical examination, if any, and the initial laboratory test, if any, will be the responsibility of the Company. However, if the initial laboratory test gives a positive result and you wish to have a re-testing, you must pay for the re-testing and the same specimen must be used for the re-testing.

VIII. Introductory Period: (This does not apply to temporary employees.)

Every effort is made to choose employees who will succeed with the Company. If you are a direct Company employee and not a temporary employee, your first ninety (90) days of employment with the Company are on an introductory basis. If the Company feels that you are not performing at a satisfactory level in the assigned position at the end of your introductory period, your introductory period may be extended, or you may be discharged. Upon successful completion of the introductory period, you may become a regular employee. Regular employee status does not mean that you are thereafter guaranteed employment, nor does it change your at-will employment status. The introductory period, whether for ninety (90) days, or as extended by your supervisor, is not a contract or guarantee for ninety (90) days' employment. Employment may be ended by you or the Company at any time during or after the introductory period.

IX. Performance Evaluations: (This does not apply to temporary employees)

As a new employee, your progress will be reviewed continually during the introductory period. A formal evaluation of your progress will be prepared at the end of the introductory period. Also at the end of the introductory period, a decision will be made to make you a regular employee, extend your introductory period, or terminate your employment.

As a regular employee, your supervisor will periodically review your progress based on your position description and any other objectives which may be required. You are encouraged to meet with your supervisor to discuss your evaluations. Your supervisor will consider a satisfactory performance evaluation when making recommendations for promotion, raises or other opportunities. However, a satisfactory performance evaluation does not guarantee any promotion, raise, other opportunity, or even continued employment with the Company.

X. Job Assignment Completion Procedures:

Whenever you complete a job assignment, you must bring your final Timesheet to the Company office and complete the Exit Interview Form.

It is the obligation of the employee to contact Company for reassignment no later than forty-eight (48) hours immediately following the close of the last involved temporary position.

Employees can only make themselves available for reassignment via signing in on Company logbook at any Company office. Unemployment benefits may be denied if you fail to contact the Company.

XI. Discharge/Termination:

There are two types of discharge from employment with the Company: voluntary (resignation) and involuntary (dismissal). In the case of resignations, you should advise the Company (1) in writing at least two weeks in advance of your intention to resign, and (2) give the Company the effective date of your resignation.

Failure to return as previously scheduled from an approved leave of absence will be deemed to be a voluntary resignation of your employment with the Company. If employee is absent from work for more than six months within one year it will be deemed a voluntary resignation with the Company. Failure to notify a Company representative to explain an absence (no show/no call) will be recorded in the employee's record as job abandonment. Notification must occur within one hour of the time that the employee was scheduled to arrive on the job. An employee with a record showing job abandonment will not be eligible for assignment on any other jobs, unless it is medically verified that the employee was ill and unable to contact Company during the day(s) missed. Employees on leave status for illness must contact the Company office daily to report on the employee's status and ability to return to work. Failure to do so may constitute job abandonment.

XII. Attendance Policy:

Your job is very important to the Company; consequently, attendance is an essential function of your job. Excessive absences as determined in the sole discretion of the Company may result in disciplinary action, up to and including termination of your employment.

XIII. Leave:

Company does not pay its employees for any type of leave time. We do recognize leave to serve on state and federal juries and will reinstate you to the same or a comparable job assignment when jury service is complete. In the case of temporary employees, you will be reinstated to the same job if it remains available or to another job assignment if one is available for which you qualify. Please notify your Company representative and your supervisor immediately when you receive a call to jury duty. After completing your daily jury assignment (at the conclusion of the case or court recess for the day), you are expected to return to work, if there is a reasonable amount of time remaining in the work day.

The Company does allow unpaid time off, with the permission of the client company, for funerals or other personal requests.

XIV. Punctuality:

Employees are expected to be on time. Continued lateness will not be tolerated and may result in the employee's dismissal. If you are going to be unavoidably detained, you must notify your supervisor or the Company office as soon as possible.

XV. Benefits:

A. Workers' Compensation Insurance:

The Company provides Workers' Compensation Insurance for all employees

B. Holidays: (This does not apply to temporary employees.)

Following the Introductory Period, including any extensions, regular, full-time direct Company employees will be paid for holidays for hours they would normally work on the holiday. A person is considered a full-time employee if said employee works 32 hours or more per work week. Holidays observed by Company are New Year's Day, Good Friday, Labor Day, Independence Day, Memorial Day, Thanksgiving Day, Christmas Day.

C. Vacation: (This does not apply to temporary employees.)

A direct Company employee who has been employed full-time by the Company for one (1) year will receive two (2) weeks paid vacation. Employees who have been employed by the Company on a full-time basis for one (1) year to three (3) years will receive two (2) weeks paid vacation. Employees who have been employed by the Company on a full-time basis for four (4) years to five (5) years will receive 2.5 weeks of paid vacation. Employees who have been employed by the Company on a full-time basis for five (5) years and over will receive three (3) weeks of paid vacation.

XVI. Safety:

Your safety and the safety of others is very important. Please observe all safety rules of the Company and the Client employer to whom you are assigned to work. The Company provides Workers' Compensation insurance coverage to all employees who elect to be covered.

General Safety Rules and Regulations

These rules are the minimum guides for working safely. You are responsible for following the safety rules of the Client employer to whom you are assigned to work.

1. Whenever on the job you become ill or are injured or involved in any accident that results in personal injury or damage of property, no matter how small, the accident must be reported **immediately**. Get first aid promptly.
2. Report immediately to your immediate supervisor any condition or practice you think might cause injury or damage to equipment.
3. Do not operate any equipment which, in your opinion, is not in a safe condition.
4. All safety and personal protective equipment provided to you should be used when required and should be maintained in good working condition. If you find that such safety equipment is not in good working condition, report such to your immediate supervisor or to the Company representative.
5. Obey all Company and Client employer rules, governmental regulations, signs, markings and instructions. Be particularly familiar with those that apply directly to you or your job position.
6. When lifting, use the approved lifting technique, i.e., bend your knees, grasp the load firmly, then raise the load keeping your back as straight as possible. Get help for heavy loads.
7. Do not horseplay; avoid distracting others; be courteous.
8. Always use the right tools and equipment for the job. Use them safely and only when authorized.
9. Good housekeeping should always be practiced. Return all tools, equipment, materials, etc., to their proper places.
10. The use of drugs and/or intoxicating beverages is prohibited and are grounds for immediate termination.

Employees who do not follow these rules may be subject to disciplinary action, up to and including termination.

XVII. Substance Abuse:

It is the policy of the Company to employ a work force free from the use of illegal drugs and the abuse of alcohol. The use of non-prescribed medication, controlled substances and/or alcohol by employees of the Company during working hours is strictly prohibited. Any employee determined to be in violation of this policy will be subject to disciplinary action, up to and including termination.

It is a violation of this policy for any employee to have possession of, be under the influence of, transfer, sell, or attempt to possess, transfer or sell alcohol, an illegal drug, or a prescription drug for non-prescribed use while on assignment or while on Company property.

Any employee who is convicted of, pleads guilty to, or pleads no contest to a criminal drug violation must notify the president of the Company within five days. Failure to comply with this notification requirement may result in disciplinary action, including termination.

XVIII. Payday and Pay Periods:

Paychecks are distributed on Friday of each week, unless you are notified that the office will be closed for a holiday and in that event, the checks will be available earlier. Paychecks are issued one week in arrears. Employees may be paid bi-weekly in some circumstances.

Paychecks can only be given to you, the employee, unless you leave express written consent for someone else (including spouse or other immediate family members) to collect that check for you. Before the check is surrendered, the party seeking to collect the check must provide identification.

XIX. Payroll deductions:

Except for federal and state law requirements, no deductions will be taken from your paycheck without your written consent. If Company provides an employee with equipment or supplies, the employee will sign a consent for the deduction of that expense from the next paycheck.

No employment fees are ever withheld from an employee's paycheck. Company policy allows the client company to pay all fees related to obtaining employees.

No advances in pay are made to employees by the Company.

XX. Timesheets:

Weekly timesheets are to be filled out correctly and completely (with your name, social security number, the last day of the week, and your total, both daily and for the week) and turned in to your supervisor for signature at the end of your assignment or each Monday morning, if the job is on-going. All timesheets for temporary employees must have the supervisor signature

from the client company in order to be paid. It is then your responsibility to get the timesheet to Company. Timesheets may be faxed to (915) 641-2503.

Timesheets are due on Monday, but will be accepted through noon on Tuesday. Any delinquent timesheet received after the Tuesday noon cutoff will not be paid until the Friday following that week. For example, if the timesheet is not submitted until the afternoon of Tuesday, the first day of the month, it will not be paid until Friday, the eleventh day of that month.

XXI. Overtime:

Non-exempt employees will be paid one and one-half times their regular wage for actual hours worked in excess of forty (40) hours in one work week. Non-work paid hours (such as holidays, vacations, etc.) are not included in the calculation of overtime. Shift differential bonus pay is not included in the calculation of overtime. Overtime applies only after forty (40) hours of actual work, not hours paid. Overtime must be approved in advance by a supervisor. Unauthorized overtime work may be grounds for disciplinary action, including termination.

Exempt employees are not eligible for overtime pay.

XXII. Smoking Policy:

The Company is a smoke-free area. For the health and safety of all of our employees and visitors, smoking is not permitted in any indoor area. If you are assigned to work at a client company location, you should observe the smoking policy of the client company to which you are assigned.

XXIII. Policy Against Harassment:

It is the policy of the Company to provide all employees with a working environment free of all forms of discrimination, including sexual harassment. Harassment based on race, color, religion, age, sex, national origin, disability or any other characteristic protected by law is strictly prohibited, and any employee who is found to have harassed another employee or any person on the premises will be subject to disciplinary action, including termination. Sexual harassment generally includes unwelcome sexual advances or conduct based on gender which a reasonable person would find offensive, intimidating or hostile.

Any employee who observes or is affected by harassment in the workplace has a duty to report the harassment. The employee should report the harassment to his or her immediate supervisor, any other supervisor, or directly to an officer of the Company. Retaliation against anyone making a report of harassment is strictly prohibited, and any alleged incidents of retaliation should be reported immediately to your supervisor, any other supervisor, or directly to an officer of the Company. The Company will promptly investigate reports of harassment or retaliation and will take appropriate action. The investigation will be confidential, and every effort will be made to protect the rights of all persons.

XXIV. Family and Medical Leave:

Under the Family and Medical Leave Act (“FMLA”), certain employees are entitled to take up to 12 weeks of unpaid leave in a 12 month period for (1) birth or adoption of a child, or (2) care of oneself or a child, spouse or parent suffering from a serious health condition.

To be eligible for FMLA leave, an employee must work for an employer with at least 50 employees, have worked for at least 12 months, and must have worked at least 1250 hours (25 hour per week average) during the 12 months prior to the leave. Employees on FMLA leave will be required to use any accrued paid leave (such as vacation time) concurrent with FMLA leave. The effect of this policy is to limit total leave time to 12 weeks for any 12 month period. The relevant 12 month period will be a “rolling” period that is calculated by going back 12 months from the date a requested leave is to begin.

The employee ordinarily must provide 30 days advance notice when the need for FMLA leave is foreseeable, and the employee must provide notice as soon as possible in other cases. Medical certification is required to support a request for leave because of a serious health condition, and a medical release may be required prior to returning to work. The employer may require periodic reports of the employee’s health status and intent to return to work. The employer may require recertification relating to a serious health condition. Failure to provide the requested medical certification or release may result in the denial of FMLA leave to the employee. An employee returning to work from an FMLA leave will be returned to the job position held before the leave, or to an equivalent position.

Nothing in this notice is intended to change the employee’s status as an “at-will” employee. The Company reserves its right to deny job restoration or leave regardless of the statutory basis under which it is sought in instances in which the employee violates uniformly applied employee rules against obtaining outside employment while on leave, providing false information in requests for leave, certifications or recertification, and for other reasons where permitted by law, including but not limited to absence of a vacant position, lack of qualification for a vacant position, the presence of a better qualified person to fill a vacancy, other uniformly applied and applicable employer policies, legitimate business necessity including health and safety concerns or undue hardship.

XXV. Alternate Dispute Resolution:

The Company offers an alternate dispute resolution policy for resolving any and all disputes between you and the Company. Any employee with a complaint should submit that complaint, either verbally or in writing, to the owners of the Company, Eddie or Katy Lord. Efforts will be made to resolve the complaint to the mutual satisfaction of you and the Company. However, if we cannot agree on a solution to the complaint and if either you or the Company wish to take the matter further, then you and we agree that all disputes between us, related in any way to employment or benefits, are covered by mandatory mediation and arbitration procedures, except criminal matters and claims for unemployment benefits before the Texas Workforce Commission.

Complaints shall be resolved first through mediation. If we fail to resolve the dispute through mediation, then you and we agree to binding arbitration using JAMS/Endispute ("JAMS") in accordance with *JAMS Minimum Standards of Procedural Fairness for Employment Arbitration*, and under the *JAMS Arbitration Rules and Procedures* rules for employment disputes.

The claims (hereinafter referred to collectively as "Claim" or "Claims") covered by this ADR policy shall mean all Claims which the employee may now have or may have in the future against the Company and against any Company-sponsored benefit plan or such plan's administrators, trustees or fiduciaries, or which Company may now have or may have in the future against the employee. The Claims covered by this ADR policy are all Claims not validly waived and released, and shall include but are not limited to Claims for breach of any contract, breach of express or implied covenants or warranties, Claims for wages or other compensation, all tort Claims, including but not limited to negligence, gross negligence, negligence per se (including damages for bodily injury and mental, emotional or psychological damages, whether or not arising in the course and scope of employment), Claims based on strict products liability, Claims for wrongful termination, retaliatory discharge, harassment, discrimination (whether based on race, sex, religion, national origin, age, medical condition or disability), Claims for benefits under Company-sponsored benefit plans, Claims for violation of any federal or state statute, regulation or ordinance, any Claim challenging the validity or enforceability of the ADR policy or challenging the applicability of this ADR policy to a particular Claim or dispute. Criminal matters, collective bargaining agreements and claims for unemployment benefits through the Texas Workforce Commission are not covered by the ADR policy.

AFFIRMATION OF RECEIPT OF HANDBOOK

I understand that the Demand Staff, Inc. Employee Handbook (“Handbook”) is a general guide and that the provisions of the Handbook do not constitute an employment agreement (contract) or a guarantee to continue employment. I further understand that Demand Staff, Inc. reserves the right to change the provisions of the Handbook at any time. My signature below is my statement that I have received a copy of the Handbook.

EMPLOYEE

(signature)

(print name)

(date signed)