

EMPLOYEE HANDBOOK



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Table of Contents

<u>Content</u>	<u>Page</u>
Purpose	1
Employment At Will	1
Ethical Standards	2
Open Door Policy	2
Smoke-Free Workplace	2
Dress Code	2
Commitment to Confidentiality	3
Employee Privacy	3
Technology Use And Privacy	4
Telephone Usage	9
Outside Employment	10
Personnel Files	10
Immigration And Employment Eligibility	11
Improper Personal Conduct	11
Reservation of Rights	12
Reference Requests	12
Compensation	13
Pay-Period	15
Lunch Break	16
Wage Garnishment	16
Company Benefits	17
Jury Duty	22
Military Leave	22
On-The-Job Accidents or Injuries	22
Medical Insurance/Life Insurance	23
Equal Employment Opportunity & Discrimination policy	23
Zero Tolerance For Harassment	24
Unacceptable Job Performance	26
Drug-Free Workplace	27

EMPLOYEE HANDBOOK

PURPOSE

This employee handbook is a source of information about the policies and procedures adopted by Magnificus Corporation ("Magnificus" or the "Company"), including those relating to payroll, work conduct, benefits, etc. Magnificus expects its employees to exercise good judgment, good taste, and consideration for others. Similarly, we expect you to treat customers and co-workers with courtesy and respect, to put forth your best efforts in performing your jobs, and to help make Magnificus a pleasant and rewarding place to work.

The handbook is not a legal document or an employment contract. It is for your information. The employee handbook does not confer contractual rights, either express or implied, upon any employee, nor does it guarantee employment for any period of time. All employees are employed at-will and either the employee or Magnificus may terminate the employment relationship at any time, with or without cause, and with or without notice.

This guide cannot anticipate every situation about your employment. In order to have the necessary flexibility in the administration of policies and procedures, Magnificus reserves the right to modify, amend, or cancel these policies or procedures at any time, and with or without notice to its employees. Accordingly, from time to time, you may receive updated information concerning changes in policy and procedure.

This employee handbook supersedes all previous employee handbooks, in addition to all prior policies or procedures, which address the subjects in the handbook, and all representations, oral or written, regarding an employee's employment status or duration of employment, except those signed in writing by the President of Magnificus. If this handbook and the representations of any Company officer or employee are contradictory, this handbook shall govern.

GENERAL

EMPLOYMENT AT WILL

As stated above, 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,

although the Company does request adequate advance notice when possible. 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 stated, 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 Magnificus Program Manager or other or other management official 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 Magnificus Program Manager or other management official.

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. 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 Company. 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 and good taste, remembering that rightly or wrongly, people do judge us as an organization, based in part on 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.

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.

Planned absences must be approved by your Magnificus 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 your Magnificus Program Manager, you will be considered to have voluntarily quit.

COMMITMENT TO CONFIDENTIALITY

Over a period of time, Magnificus Corporation has developed certain information, products, processes, procedures, customer lists, etc., which are an important part of our business. It is essential for all employees to realize that this information is proprietary and is the property of Magnificus Corporation. It is a violation of your responsibility to Magnificus Corporation 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 Magnificus Corporation.

Unless there is a written contract to the contrary, any work produced during your employment with Magnificus Corporation is considered “work for hire” and the rights to such work belong to Magnificus Corporation. If you should leave Magnificus Corporation and wish to retain samples of your own work, specific written permission must be obtained from management in advance.

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 monitor communications and activities in the workplace and to inspect anything stored on Magnificus' 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 Magnificus' work time, equipment, properties are for the purpose of conducting Magnificus' business. Any files (electronic or otherwise) on Magnificus' property are expected to relate to Magnificus' 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 Magnificus' property.

TECHNOLOGY USE AND PRIVACY

The Company provides various Technology Resources to authorized employees to assist them in performing their job duties for the Company. Each employee has a responsibility to use the Company's Technology Resources in a manner that increases productivity, enhances the Company's public image, and is respectful of other employees. Failure to follow the Company's policies regarding its Technology Resources may lead to disciplinary measures, up to and including termination of employment.

I. Technology Resources Definition

"Technology Resources" consist of all electronic devices, software, and means of electronic communication including, but not limited to, the following: personal computers and workstations; lap-top computers; mini and mainframe computers; computer hardware such as disk drives and tape drives; peripheral equipment such as printers, modems, fax machines, and copiers; computer software applications and associated files and data, including software that grants access to external services, such as the Internet; electronic mail; telephones; cellular phones; pagers; and voice mail systems.

II. Authorization

Access to the Company's Technology Resources is within the sole discretion of the Company. Generally, employees are given access to the Company's various technologies based on their job functions. Only employees whose job performance will benefit from the use of the Company's Technology Resources and who have successfully completed Company-approved training will be given access to the necessary technology.

III. Use

The Company's Technology Resources are to be used by employees only for the purpose of conducting Company business. Employees may, however, use the Company's Technology Resources for the following incidental personal uses so long as such use does not interfere with the employee's duties, is not done for pecuniary gain, does not conflict with the Company's business, and does not violate any Company policy:

1. To send and receive necessary and occasional personal communications;
2. To use the telephone system for brief and necessary personal local calls; and
3. To access the Internet for brief personal searches and inquiries during meal times or other breaks, or outside of work hours, provided that employees adhere to all other usage policies.

The Company assumes no liability for loss, damage, destruction, alteration, disclosure, or misuse of any personal data or communications transmitted over or stored on the Company's Technology Resources. The Company accepts no responsibility or liability for the loss or non-delivery of any personal electronic mail or voice mail communications or any personal data stored on any Company property. The Company strongly discourages employees from storing any personal data on any of the Company's Technology Resources.

IV. Improper Use

A. Prohibition Against Harassing, Discriminatory and Defamatory Use

The Company is aware that employees use electronic mail for correspondence that is less formal than written memoranda. Employees must take care, however, not to let informality degenerate into improper use. As set forth more fully in the Company's "Zero Tolerance for Harassment" policy, the Company does not tolerate discrimination or harassment. Under no circumstances may employees use the Company's Technology Resources to transmit, receive, or store any information that is discriminatory, harassing, or defamatory in any way.

Specifically, the Company strictly prohibits any display or transmission of sexually explicit images, message, or cartoons, or any transmission or use of e-mail communications that contain ethnic slurs, racial epithets, or anything that may be construed as harassment or disparagement of others based on their race, national

origin, sex, age, disability, or religious or political beliefs. Violation of this policy will result in appropriate disciplinary action, up to and including termination.

B. Prohibition Against Violating Copyright Laws

Employees must not use the Company's Technology Resources to copy, retrieve, forward or send copyrighted materials unless the employee has the author's permission or is accessing a single copy only for the employee's reference.

C. Other Prohibited Uses

Employees may not use any of the Company's Technology Resources for any illegal purpose, in violation of any Company policy, in a manner contrary to the best interests of the Company, in any way that discloses Confidential or Proprietary Information of the Company or third parties, or for personal or pecuniary gain.

The e-mail system should not be used to solicit or proselytize others for commercial ventures, religious or political causes, outside organizations, or other non-job-related solicitations. The electronic mail and other information systems of the Company are not to be used in a way that may be disruptive, offensive to others, or harmful to morale.

V. Company Access To Technology Resources

All messages sent and received, including personal messages, and all data and information stored on the Company's electronic-mail system, voice mail system, or computer systems are Company property regardless of the content. As such, the Company reserves the right to access all of its Technology Resources, including its computers, voice mail, and electronic-mail systems, at any time, in its sole discretion.

A. Privacy

Although the Company does not wish to examine personal information of its employees, on occasion the Company may need to access its Technology Resources, including computer files, electronic-mail messages, and voice mail messages. Employees should understand, therefore, that they have no right of privacy with respect to any messages or information created or maintained on the Company's Technology Resources, including personal information or messages. The Company may, at its discretion, inspect all files or messages on its Technology Resources at any time for any reason. The Company may also monitor its Technology Resources at any time in order to determine compliance with its policies, for purposes of legal proceedings, to investigate misconduct, to locate information, or for any other business purpose.

Employees should not attempt to gain access to another employee's personal file of e-mail messages without the latter's express permission. However, as noted, employees should be aware that, with respect to the Company, they do not possess any privacy rights in messages sent or received on the electronic mail system.

B. Passwords

Certain of the Company's Technology Resources can be accessed only by entering a password. Passwords are intended to prevent unauthorized access to information and do not confer any right of privacy upon any employee of the Company. Employees must not expect that any information maintained on Technology Resources, including electronic-mail and voice mail messages, are private. Employees are expected to maintain their passwords as confidential, must not share passwords, and must not access coworkers' systems without express authorization.

C. Data Collection

The best way for employees to guarantee the privacy of personal information is not to store or transmit it on the Company's Technology Resources. Below are examples of information currently maintained by the Company. The Company may, however, in its sole discretion, and at any time, alter the amount and type of information that it retains.

1. Telephone Use and Voice mail: Records are kept of all calls made from and to a given telephone extension. Although voice mail is password protected, an authorized administrator can reset the password and listen to voice mail messages.
2. Electronic Mail: Electronic mail is backed-up and archived. Although electronic mail is password protected, an authorized administrator can reset the password and read electronic mail.
3. Desktop Facsimile Use: Copies of all facsimile transmissions sent and received are maintained in the facsimile server.
4. Document Use: Each document stored on a Company computer has a history, which shows which users have accessed the document for any purpose.
5. Internet Use: Internet sites visited, the number of times visited, and the total time connected to each site is recorded and periodically monitored.

D. Deleted Information

Deleting or erasing information, documents, or messages maintained on the Company's Technology Resources is, in most cases, ineffective. All employees should understand that any information kept on the Company's Technology Resources can possibly be electronically recalled or recreated regardless of whether it may have been "deleted" or "erased." Employees who delete or erase information or messages should not assume that such information or messages are confidential.

VI. The Internet And On-Line Services

The Company provides authorized employees access to on-line services such as the Internet. The Company expects that employees will use these services in a responsible way, and for business-related purposes only. Under no circumstances are employees permitted to use the Company's Technology Resources to access, download, or contribute to the following:

- gross, indecent, or sexually-oriented materials;
- sports sites;
- job-search sites;
- entertainment sites;
- gambling sites;
- games, humor;
- illegal drug-oriented sites;
- personal pages of individuals; and
- politically-oriented sites or sites devoted to influencing the course of legislation or public policy.

Additionally, employees must not sign "guest books" at Web sites or post messages to Internet news groups or discussion groups at Web sites. These actions may generate junk electronic mail or expose the Company to liability or unwanted attention because of comments that employees may make. The Company strongly encourages employees who wish to access the Internet for non-work-related activities to get their own personal Internet access accounts.

VII. Software Use; License Restrictions

All software in use on the Company's Technology Resources is officially licensed software. No software is to be installed or used that has not been duly paid for and licensed appropriately for the use to which it is being put. No employee may load any software on the Company's computers, by any means of transmission, unless authorized in writing in advance by the Technology Coordinator, and thoroughly scanned for viruses.

VIII. Confidential Information

The Company is very sensitive to the issue of protection of trade secrets and other Confidential and Proprietary Information of both the Company and third parties. Therefore, employees are expected to use good judgment and to adhere to the highest ethical standards when using or transmitting Confidential or Proprietary Information on the Company's Technology Resources.

Confidential and Proprietary Information should not be accessed through the Company's Technology Resources in the presence of unauthorized individuals or left visible or unattended. Moreover, any Confidential or Proprietary Information transmitted via Technology Resources should be marked with the following confidentiality legend: "This message contains confidential information. Unless you are the addressee (or authorized to receive for the addressee), you may not copy, use, or distribute this information. If you have received this message in error, please advise [employee's name] immediately at [employee's telephone number] or return it promptly by mail."

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 Magnificus' time.
- You may not take on any outside employment that would constitute a conflict of interest. Working for our competitors constitutes 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

The Company maintains personnel files on each employee. These files contain documentation regarding all aspects of the employee's service with the Company, such as performance appraisals, beneficiary designation forms, disciplinary warning notices, and letters of commendation. Certain personnel records are required by law, and others are needed for Magnificus' benefits and administrative purposes. Please be sure that all personal information in your file is accurate and up-to-date. To ensure that your personnel file is up-to-date at all times, notify your supervisor of any changes in your name, telephone number, home address, marital status, number of dependents, beneficiary designations, scholastic achievements, the individuals to notify in case of an emergency, and so forth.

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.

Current employees may request the opportunity to review their own personnel files every six months or more often if special circumstances exist and to have any statements or comments by that employee added to their own official file. If you are interested in reviewing your file, contact human resources to schedule an appointment.

IMMIGRATION AND EMPLOYMENT ELIGIBILITY

In compliance with the Immigration Reform and Control Act of 1986, Magnificus will hire only those individuals who are authorized to work in the United States. All individuals will be required to submit documentary proof of their identity and employment authorization prior to starting work at Magnificus. Employees will also be required to complete, and sign under oath, Immigration and Naturalization Service Form I-9. Form I-9 requires you to attest that you are authorized to work in the job for which you are hired and that the documents you submit are genuine.

If you are authorized to work in this country for a limited period of time, before the expiration of that period you will be required to submit proof of your employment authorization and sign another Form I-9 in order to remain employed by Magnificus.

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 or explosive materials on company property.
- Fighting on company or customer property.
- Using abusive, foul, or threatening language.
- 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.
- Any other action that threatens the well being or safety of a co-worker, customer, or vendor.

Violation of Magnificus' 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 Magnificus' business
- Violation of safety requirements or regulations
- Disclosure of confidential or proprietary Magnificus Corporation information
- Violation of Technology Use and Privacy policy
- Violation of the Magnificus 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.

RESERVATION OF RIGHTS

Magnificus reserves the right to interpret, change, rescind or depart from this Policy in whole or in part without notice. Nothing in this Policy creates an employment contract or alters any employee's employment status. All Magnificus employees have the right to leave their employment at any time, and similarly may release them at any time, with or without cause, although Magnificus requests adequate notice when possible.

REFERENCE REQUESTS

In response to reference check inquiries, Magnificus Corporation ordinarily will confirm only date(s) of employment, position(s) held, and salary history. If you wish additional information released, 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 Magnificus Corporation with respect to the Company's providing the additional information you have requested.

COMPENSATION

I. Employment Categories

Note: All Magnificus employees, regardless of category, are hired on an at-will basis for an unspecified duration, and either the employee or the Company can terminate the employment relationship at will at any time and without notice. These categories do not guarantee employment for any specific length of time, nor do they commit Magnificus to retain an employee in any particular employment category.

For purposes of salary administration and eligibility for overtime payments and employment benefits, the Company classifies its employees as follows:

- A. **Full-Time Regular Employees**
Employees hired to work the Company's normal, full-time, thirty-seven hour or more workweek on a regular basis. Such employees may be “exempt” or “nonexempt” as defined below.

- B. **Part Time Regular Employees**
Employees hired to work fewer than thirty-seven hours per week on a regular basis. Such employees may be “exempt” or “nonexempt” as defined below. Part time employees are not eligible for Company benefits.

- C. **Temporary Employee**
The employee is hired for a specific period of time, project, or assignment. The employee is paid for actual hours worked and is not eligible for benefits. Employees hired for a specific project or period of time will not experience a change in status simply because they remain in employment for a longer period of time. An employee will change from temporary to regular status only if advised of such a change in writing from the personnel department.

- D. **Nonexempt Employees**
Employees who are required to be paid minimum wage and overtime at the prescribed federal or state wage rate, whichever is higher, for all hours worked beyond forty hours in a workweek.

- E. **Exempt Employees**
Employees who are not required to be paid minimum wage and overtime, in accordance with applicable federal wage and hour laws, for work performed beyond forty hours in a workweek. Executives, professional employees, outside sales representatives,

certain computer programmers, and employees in administrative positions are typically exempt.

You will be informed of your initial employment classification and of your status as an exempt or nonexempt employee during your orientation session. If you change positions during your employment as a result of promotion, transfer, or otherwise, you will be informed by the supervisor of any changes in your exemption status. Please direct any questions regarding your employment classification or exempt status to the on-site supervisor.

II. Compensation Policies

A. Job Classifications

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

B. 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.

C. 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 Magnificus Corporation have significantly increased during the time period being evaluated, and providing Magnificus Corporation's financial position enables us to do so. Any increases granted will take effect at the beginning of the next pay period.

D. Overtime

On occasion, business requirements may result in the need for overtime work. While volunteers 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.

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. To ensure timely payment, the employee's time record must be properly prepared, approved by the employee's supervisor, and forwarded to payroll for processing in a timely manner.

E. 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 (FICA), 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.

F. Pay Period

Magnificus Corporation's standard pay period is:

Every 2 weeks (Sunday - Saturday)

The standard pay day is the Friday following the Saturday that closes the pay period.

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. In this case, paychecks will be distributed on the last working day prior to the holiday. 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.

G. Payroll Advances

Paying for work before it has been performed creates an accounting burden and a financial hardship for Magnificus Corporation. If we grant it for one employee, in fairness, we must offer it to all, and we simply cannot afford to do this. For this reason, we have adopted a uniform policy that we do not issue payroll advances to any employee.

H. Work Schedule

The specific work schedule for your position will be explained to you by your Magnificus Program Manager. While Magnificus will consider and try to accommodate your personal needs in setting your work schedule, the requirements of your position are the most important factor and will control.

I. Lunch Breaks

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 Magnificus Program Manager, and as outlined in the contract under which you are performing.

J. Absenteeism and Tardiness

Once your particular work schedule has been determined, you are expected to be at work on time and to work the full number of hours scheduled. Everyone must assume this responsibility, in fairness to your co-workers and our clients. Employees who do not report for work on time, or who miss all or part of a day's 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.

K. 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.

COMPANY BENEFITS

In order to be eligible for Company benefits such as Paid Leave and sick leave, you must qualify as a regular full-time employee.

I. Paid Leave.

In order to be eligible for Company benefits such as Paid Leave, as defined below, and sick leave, you must qualify as a regular full-time employee.

I. Paid Leave.

All full time regular employees who have completed at least 30 calendar days of continuous service with the Company (the "Introductory Period") will receive Paid Leave ("Paid Leave"). Paid Leave is provided by Magnificus in lieu of separate periods of vacation leave, holiday leave and personal leave. Upon completion of the Introductory Period an employee will accrue Paid Leave from the date of hire, up to a maximum of 15 days per calendar year, at the accrual rate set forth below. Because of the scheduling requirements of Magnificus' clients, Magnificus will not pay a shift differential when an employee is scheduled to work on a day that is otherwise recognized as a Federal holidays. Magnificus will pay all employees who are scheduled to work on a Federal holiday their base rate at time and 1/2.

Subject to the Paid Leave Policy in effect, and with approval of the employee's supervisor, full time employees may use Paid Leave at their discretion.

Part-time and temporary employees do not accrue Paid Leave.

II. Accrual of Paid Leave

Full-time regular employees will not be paid for leave taken prior to completion of the Introductory Period; however, the employees will accrue time from the date their employment begins. This time will be available to the employee as paid time following successful completion of their Introductory Period.

Full-Time Regular Employees will accrue Paid Leave at an accrual rate of 3.07 hours per pay period. Paid leave will be computed using the employee's normal rate of pay. No Paid Leave accrues during an unpaid leave of absence or while on disability salary continuation. Paid Leave accruals recommence when the employee returns to work.

Employees may not take or borrow Paid Leave before it is accrued. If an employee has used any Paid Leave days before they have been accrued and then leaves employment, the negative balance will be deducted from the employee's final paycheck.

III. Paid Leave Schedules:

Scheduling of Paid Leave is to be done in a manner consistent with the Company's operational requirements. It is to your advantage to have your Paid Leave approved by your immediate on-site manager at least 30 days in advance.

Employment law does not require any employer to provide paid leave. We do this by choice, to reward employees for their contributions and to give you time away from work to rest and renew your energy and enthusiasm.

IV FAMILY CARE AND MEDICAL LEAVE POLICY

“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.

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

Employees are required to use accrued and available Paid Leave for all family care and medical leaves, where applicable.

II. 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 leave at the time of the request for Family Care Leave, that paid leave 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.

III. Leave's Effect on Pay

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

IV. 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, Paid Leave, or seniority, only when Paid Leave is being substituted for unpaid leave and only if the employee would otherwise be entitled to such accrual.

V. 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 five 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. The Company reserves the right to deny requests for extensions and/or deny reinstatement.

VI. 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. The employee also may be required to submit to medical examinations by physicians designated by the Company at its discretion, and to provide the Company with access to medical records as required. 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.

VII. 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 Magnificus Corporation 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 Magnificus 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 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 Magnificus Corporation or while on Magnificus Corporation business 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.

MEDICAL INSURANCE/LIFE INSURANCE

As of the date this Handbook was printed, Magnificus offers group health and life insurance to all full-time regular employees. The benefits and eligibility requirements for each of these benefits are described in summary plan descriptions provided by the Plan Administrator. Each of these insurance programs may be changed or terminated at any time by Magnificus.

OTHER EMPLOYMENT POLICIES

MAGNIFICUS' COMMITMENT TO EQUAL EMPLOYMENT OPPORTUNITY & POLICY AGAINST DISCRIMINATION

Magnificus is committed 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, personal appearance, sexual orientation, family responsibilities, matriculation, or political affiliation, or any other characteristic protected by applicable federal or state law. Magnificus' equal employment policy covers all areas of employee relations and, in particular, requires nondiscriminatory actions and decisions concerning recruitment, hiring, placement, promotions, compensation, benefits, transfers, termination, layoffs, recall, training, education, tuition assistance, working conditions, and social and recreational programs.

Magnificus will not tolerate discrimination against any employee by any other employee or supervisor for any 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 Magnificus' 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 the Director of Operations, at (202) 484-6242. 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 Director of Operations will take prompt investigatory action, and corrective and preventive actions where necessary. An employee who brings such a complaint to the attention of the Director of Operations 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 Magnificus' need to enforce this policy.

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

ZERO TOLERANCE FOR HARASSMENT

Magnificus Corporation 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 will not be tolerated, nor will 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 co-workers. Similarly, the Company will not tolerate such treatment by its employees or non-employees with whom Company employees have a business, service, or professional relationship.

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 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 factor, or believe that they have been treated in an unlawful, discriminatory manner, must promptly report the incident to the Magnificus Program Manager or immediate supervisor. All instances of alleged harassment should be reported, including those which 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 possible. The privacy and confidentiality of everyone involved will be protected to the maximum extent possible. The Director of Operations, or someone under his or her supervision, will undertake an investigation of any complaint.

Continued employment and advancement at Magnificus Corporation 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.

Also, 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 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.

Magnificus 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.

UNACCEPTABLE JOB PERFORMANCE

If there is a problem with an employee's performance, the supervisor is expected to seek to attempt to correct the employee performance by either oral counseling or written reprimand or additional training. 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 Magnificus' 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 are 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

Magnificus Corporation's policy or threatening to the well-being of Magnificus, its customers or fellow employees, disciplinary action including termination may be taken without preliminary warnings.

DRUG-FREE WORKPLACE POLICY

I. Statement of Purpose

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

Just as Magnificus seeks to provide its employees with a drug free workplace in the interest of health and safety, Magnificus 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 Magnificus' business. Ultimately, they threaten the company's competitiveness and viability.

Magnificus is committed to maintaining its reputation as a company that exemplifies the highest standards of legal, ethical, and personal conduct. Each Magnificus 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 Magnificus 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 Magnificus' workplace.

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

III. Policy

It is the policy of Magnificus 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 Magnificus' premises, in any Company vehicle, or in any other location in connection with Magnificus' business or in circumstances which may reflect unfavorably on Magnificus. 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 Magnificus that he or she is taking the medication. However, Magnificus reserves the right temporarily to reassign such an employee to another position at Magnificus, or to modify the employee’s responsibilities in his or her present position, if, in Magnificus' sole discretion, determines that the medication may affect the employee’s job performance. If, in Magnificus' 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, Magnificus reserves the right to discharge the employee.

As a condition of employment, all Magnificus employees must abide by this policy. In addition, all employees must notify Magnificus of any conviction for a violation of a criminal drug statute occurring on Magnificus' premises, in any Company vehicle, or in any other location in connection with Magnificus' business. This notification must occur within five (5) days of the date of conviction. Within ten (10) days after learning of the conviction, Magnificus 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.

IV. Sanctions For Violation Of This Policy

It is Magnificus' policy to take appropriate disciplinary action, up to and including termination of employment, against any employee who violates Magnificus' drug free workplace policy in any respect. An employee convicted of a drug offense occurring in the workplace or who Magnificus determines to be under the influence of drugs, including alcohol, while at work will be discharged. Magnificus retains complete discretion in assessment of sanctions and may require participation in a drug abuse assistance or rehabilitation program approved by a federal, state, or local health, law enforcement, or other appropriate agency.

Magnificus encourages any employee with a drug abuse problem to seek help from management. While a request for help in overcoming a drug abuse problem will not insulate the employee from appropriate personnel action for deficiencies in job performance, the employee will not be disciplined solely for disclosing his or her drug problem. Instead, the employee will be referred to a substance assistance or rehabilitation program approved by federal, state, or local health, law enforcement or other appropriate agencies. Magnificus reserves the right to place such an employee in a suspended status, with or without pay, or to change the employee’s job position or

responsibilities, until he or she successfully completes participation in the assistance or rehabilitation program. Successful participation shall be a condition of employment. Magnificus retains sole discretion in the determination of “successful” completion.

V. Treatment/Employee Assistance

Magnificus recognizes that alcohol and drug abuse are medical problems which can be successfully treated. Early recognition and treatment are important for successful rehabilitation, for return to work, and for reduced personal, family, and social disruption. Magnificus encourages the earliest possible diagnosis and treatment of alcohol and drug abuse, supports sound treatment efforts, and will take all reasonable steps to assist employees in overcoming such abuse.

Successful rehabilitation for substance abuse is almost invariably predicated upon the user’s commitment to overcome his or her addiction. Therefore, the decision to seek diagnosis and accept treatment for drug abuse is primarily the individual employee’s responsibility. However, Magnificus recognizes that almost all drug abusers deny that they have a problem and ordinarily do not seek treatment voluntarily. This denial is the single most significant obstacle to successful treatment.

Although Magnificus encourages voluntary drug abuse treatment, the company recognizes that denial will frequently preclude voluntary treatment. Where an employee abuses drugs in violation of this policy, and does not voluntarily undertake treatment, Magnificus has no choice but to enforce the sanctions described in this policy against the employee, up to and including termination.

While the expenses associated with a substance abuse rehabilitation program are the employee’s responsibility, Magnificus’ Benefits Administrator may be able to provide further information concerning any applicable insurance benefits.

VI. Drug Free Awareness Program

To assist employees and their families to understand and avoid the perils of drug and alcohol abuse, Magnificus has developed a Drug Free Awareness Program. Magnificus will use that program in an ongoing educational effort to prevent and eliminate drug abuse that may affect ‘s workplace and employees. As a part of this program, every employee will be given a copy of this Drug Free Workplace Policy statement, which describes (1) the dangers of drug abuse in the workplace; (2) the company’s drug free workplace policy; (3) the availability of treatment and counseling for employees who voluntarily seek such assistance; and (4) the sanctions the company will impose for violation of its drug free workplace policy.

Each employee must sign a statement indicating that he or she has received and read a copy of Magnificus’ Drug Free Workplace Policy and must return the signature page to the Director of Operations’ office. Failure to sign or return this statement will be

considered a violation of the Drug Free Workplace Policy, subject to discipline as set forth in the Sanctions section of this Policy. In its sole discretion, Magnificus will also undertake additional drug free awareness educational activities including distributing information regarding the availability of drug abuse rehabilitation programs, and displaying posters which describe the dangers of alcohol and drug abuse and outline the Company's Drug Free Workplace Policy. All questions about drug or alcohol abuse or about Magnificus' Drug Free Workplace Policy should be directed to the Director of Operations.

VII. Workplace Violence

Magnificus is committed to preventing workplace violence and to maintaining a safe work environment. Given the increasing violence in society in general, the Company has adopted the following policy to deal with intimidation, harassment, or other threats of (or actual) violence that may occur during business hours or on its premises. Employees who violate this policy may be subject to disciplinary action, up to and including dismissal, arrest, and prosecution.

All employees, including supervisors and temporary employees, should be treated with courtesy and respect at all times. Employees are expected to refrain from fighting, "horseplay," or other conduct that may be dangerous to others. Firearms, weapons, and other dangerous or hazardous devices or substances are prohibited on the Company premises without proper authorization.

Conduct that threatens, intimidates, or coerces another employee, a customer, or a member of the public at any time, including off-duty periods, will not be tolerated. This prohibition includes all acts of harassment, including harassment that is based on an individual's sex, race, age or any other characteristic protected by federal, state, or local law. All threats of (or actual) violence, both direct and indirect, should be reported as soon as possible to your immediate supervisor or any other member of management. This includes threats by employees as well as threats by customers, vendors, solicitors, or other members of the public. When reporting a threat of violence, you should be as specific and detailed as possible. Any person engaging in threats of (or actual) violence may be removed from Company premises as quickly as safety permits. Individuals who have been removed from Company premises shall remain off the premises pending the outcome of Company and/or criminal investigations.

All suspicious individuals or activities should also be reported as soon as possible to a supervisor. No employee will be subjected to retaliation for reporting any threat or perceived threat.

Magnificus will promptly and thoroughly investigate all reports of threats of (or actual) violence of suspicious individuals or activities. The identity of the individual

making a report will be protected as much as is practical. In order to maintain workplace safety and the integrity of its investigation, the Company may suspend employees, either with or without pay, pending investigation. The Company may also, at its option, discipline or terminate the offending employee, terminate or suspend business relationships with, reassign job duties, or initiate criminal prosecution of the person or persons involved. No existing Company policy, practice, or procedure should be interpreted to prohibit decisions designed to prevent a threat from being carried out, a violent act from occurring, or a life-threatening situation from developing.

**MAGNIFICUS CORPORATION EMPLOYEE HANDBOOK
RECIPT AND ACKNOWLEDGEMENT FORM**

By signing this form, I hereby acknowledge receipt of Magnificus Corporation's current Employee 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 Handbook or elsewhere. I understand and agree that compliance with all Magnificus' policies is a condition of my employment with Magnificus Corporation.

I further understand and agree that certain policies are of particular importance to Magnificus Corporation 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 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.

Employee Name (Please Print)

Date

Employee Signature