



EMPLOYEE HANDBOOK

Effective Date: **April 1, 2016**

EMPLOYEE HANDBOOK

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Welcome to CHALK 2, INC.

The following pages contain information regarding the policies and procedures of CHALK 2, INC. These policies are a condition of employment. Labor relation laws require that all employers maintain a written policy that is applied non-discriminately to all employees.

If you have questions or need assistance reviewing this document, please contact: Julie Mangold at (760) 963-2762.

For life threatening emergencies call 911.

DISCLAIMER: THIS HANDBOOK IS NOT INTENDED TO CREATE AN EXPRESS OR IMPLIED CONTRACT, NOR IS IT OTHERWISE INTENDED TO CREATE ANY LEGALLY ENFORCEABLE OBLIGATIONS ON THE PART OF CHALK 2, INC. CHALK 2, INC. MAY MODIFY, ADD TO, OR DELETE ANY OF THE POLICIES IN THIS HANDBOOK AT ANY TIME, WITH OR WITHOUT NOTICE. THE ONLY EXCEPTION IS CHALK 2, INC'S POLICY OF AT-WILL EMPLOYMENT, WHICH CAN ONLY BE MODIFIED BY A WRITTEN AGREEMENT SIGNED BY YOU AND JULIE MANGOLD, PRESIDENT OF CHALK 2, INC

Introduction

CHALK 2, INC. Mission Statement

Chalk 2 plays an important role in the aerospace industry by fulfilling a requirement for all Unmanned Aircraft System (UAS) operations within the National Airspace System (NAS). We specialize in the see-and-avoid component of UAS flight operations, by keeping their flight area clear of "non-participating" traffic. This is an essential duty performed by our highly trained and thoroughly qualified pilots.

Career Opportunities

It is our desire to see each and every employee achieve their highest potential. We will do our best to provide opportunities and offer training, education and guidance whenever possible. See Julie Mangold if you have any questions.

Open Door Policy

It is our objective to provide a work environment free from elements that would deter employees from performing their best work. All concerns may be expressed through our open door policy. Management at CHALK 2, INC. maintains this open door policy to discuss any issues you may have. Feel free to express yourself about work related or personal matters. We welcome your input.

If you feel you have been discriminated against in any way you are encouraged to express concern through this open door policy.

Code of Conduct

Employees of CHALK 2, INC. are to conduct themselves in a responsible, professional and ethical manner. Report any unethical or dishonest behavior to your immediate supervisor.

Reported activities will be investigated by appropriate CHALK 2, INC. management team members. Management will determine appropriate means for resolution. Employees found to be conducting themselves in an unethical manner may be subject to appropriate disciplinary action, up to and including termination.

Documented Workers

Worker Documentation

The Immigration Reform and Control Act outline requirements for worker documentation, via a Form I-9, as follows:

Every U.S. employer must have a Form I-9 in its files for each new employee.

CHALK 2, INC. requires employees to submit a Form I-9. All new employees must complete Section 1 of a Form I-9 no later than close of business on his/her first day of work. The employee's signature holds him/her responsible for the accuracy of the information provided. No documentation from the employee is required to substantiate Section 1 information provided by the employee.

CHALK 2, INC. reserves the right to revise this policy without notice to comply with state and federal law.

Employment

Equal Opportunity Employment

Employees are hired based solely on CHALK 2, INC. personnel requirements and the qualifications of each individual candidate.

We will not tolerate nor condone discrimination due to age, race, color, religion, sex, national origin or disability. We will comply with the spirit and letter of all local, state and federal laws pertaining to employment. Furthermore, we will not discriminate due to age, race, color, religion, sex, national origin or disability when making decisions regarding termination of employees.

Any questions or concerns regarding any aspect of this policy should be directed to Julie Mangold.

Eligibility for Employment

Federal law requires both new employees and re-hires to provide documentation of eligibility to work in the United States plus proper identity. A properly submitted form I-9 is required for employment.

Familial Employment

CHALK 2, INC. does allow family members and relatives of employees to be considered for employment, provided they are qualified for the position and no other conflict of interest exist. Hiring decisions will be the exclusive responsibility of Julie Mangold.

Part-Time Employment

CHALK 2, INC. does offer part-time employment positions. Employees who work 30 hours or less per week will be considered part time. Direct all questions regarding benefits for part-time workers to Julie Mangold.

Minimum Wage

CHALK 2, INC. adheres strictly to the minimum wage standards required by federal and state law.

Criminal Convictions

Criminal convictions are taken seriously at CHALK 2, INC. We reserve the right to disqualify any applicant for employment that has been convicted of a criminal offense.

Furthermore, conviction of a crime may result in an automatic termination. CHALK 2, INC. will make every effort to evaluate the nature and circumstances of the conviction. With the safety and well being of co-workers at stake, convicted employees may be subject to appropriate disciplinary action, up to and including termination.

Violence

Threats of violence and acts of violence are strictly prohibited. Employees threatening or committing acts of violence will be subject to appropriate disciplinary action, up to and including termination. Report any such activity to your immediate supervisor or Julie Mangold.

Weapons

Weapons are generally defined as guns, knives and other objects universally considered a weapon by the vast majority of society. A “weapon” can also be any object which would do harm to another when used as such. CHALK 2, INC. shall deem any such object a “weapon” for the purpose of enforcing of this policy.

Possession of weapons is prohibited on company property and while on duty performing company business at any location. Any employee on duty or on company premises in possession of a weapon will be subject to appropriate disciplinary action, up to and including termination. Report any weapon possession to your immediate supervisor or Julie Mangold.

Alcohol, Drugs & Illegal Substance Abuse

CHALK 2, INC employees will comply with FAR 91.17 at all times. If an employee is suspected to not be in compliance, the employee will be requested to conduct a drug and alcohol test. If the employee refuses to comply he/she will be suspended immediately and a review will occur to determine the employees’ future with CHALK 2, INC. We reserve the right to randomly drug and alcohol test employees at anytime.

When an employee is taking medication not approved by the FAA for flight, it is the responsibility of the employee to inform management that they are not safe to fly.

Sexual and Other Unlawful Harassment

It is the objective of CHALK 2, INC. to provide a working environment free from discrimination and conduct commonly referred to as sexual harassment.

The E.E.O.C. (Equal Employment Opportunity Commission) has provided a broad definition of sexual harassment. It is general in nature and may not always be clear when evaluating everyday situations.

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“Unwelcome sexual advances, requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when

1. Submission to such conduct is made either explicitly or implicitly a term or condition of an individual's employment,
2. Submission to or rejection of such conduct by an individual is used as a basis for employment decisions affecting such individual, or
3. Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance or creating an intimidating, hostile, or offensive working environment.”

Sexual harassment refers to behavior inappropriate in the workplace because it is offensive, unwelcome behavior which would not occur but for the sex of the offended person. Both sexual harassment, and accusations of sexual harassment, are disrupting to the work environment.

If you or a co-worker experiences what you believe to be sexual harassment or accusations of sexual harassment, report it promptly to your immediate supervisor or to Julie Mangold. CHALK 2, INC. will investigate any employee, regardless of job position, when such allegations are made. Based on available information, CHALK 2, INC. will take appropriate action and communicate on a need-to-know basis.

Appropriate disciplinary action, up to and including termination will be taken against any individual for sexual harassment charges determined to be valid.

Job Postings

CHALK 2, INC. posts available hiring positions allowing current employees to apply for the position. All applicants must meet education and/or experience requirements for consideration.

Seniority

CHALK 2, INC. does consider length of continuous service when making decisions for advancement, job placement, layoffs or staff reductions. Other factors may also be considered for these important decisions.

Probationary Period

All non – contracted employees will be under probation for the first 2 months of employment. Your immediate supervisor will be responsible for evaluating your performance, aptitude and compatibility with co-workers. At the end of the probation period, you may be invited to become a full time employee which may entitle you to additional benefits. In the event your evaluation information indicates you do not qualify, your employment will be terminated.

Personnel File

CHALK 2, INC. maintains a confidential personnel file for each employee. Files are controlled by Julie Mangold. Employees must acquire permission to view his or her personnel file from Julie Mangold. These files are the property of CHALK 2, INC.; no documents may be altered or removed by the employee. Every reasonable effort is made to keep the information

confidential; access is limited to staff members who require access to perform their job functions. Copies will not be distributed to any third party unless mandated to do so by a court of law.

Policies & Procedures

Attendance

Punctual attendance is mandatory for efficient job performance. In cases of absence for any reason notify your immediate supervisor or Julie Mangold. Poor attendance, absence without notification or habitual tardiness will be subject to appropriate disciplinary action, up to and including termination.

Work Schedule Requirements

With variations in work load based on demand from our customers, it is our responsibility to meet critical deadlines, sometimes with little notice. As a result, you may be required to work overtime be it pre-planned or spontaneous. Overtime is mandatory when required; it is a condition of employment.

Staff Meetings

Group meetings of several employees as well as meetings of all employees are occasionally scheduled. Every effort is made to schedule these meetings during the hours worked by the vast majority of employees. Written notification for mandatory meetings will be distributed in advance. All employees are required to attend, when requested, even if it is not during their scheduled work hours.

Bulletin Boards

The company website (www.chalk2.com) has an employee bulletin board link. The bulletin board display notices and announcements for employees to review. It is the responsibility of each employee to review the bulletin board several times per week to be aware of information posted.

Time Cards

All employees are required to turn in weekly time cards reflecting hours worked. Time cards will be electronically submitted by Sunday evening for previous week covering Sunday to Saturday. For vacation and paid sick leave, time cards must be turned in accounting for these days/hours.

Breaks

It is in the best interest of our employees and CHALK 2, INC. to provide a break from work several times throughout the work day. Schedules may vary from employee to employee based on work schedule. It is the responsibility of your immediate supervisor to establish your break schedule. Employees are responsible to take care of physiological needs during breaks.

Workplace Dress Code

CHALK 2, INC. employees will wear the company provided flight suit with Velcro name tag. Shoes or boots must be black or brown solid, or two toned. For cold weather, black or brown solid color jackets or leather jackets are authorized. Headgear may consist of Chalk 2 logo ball cap. The company flight suit will be worn at all times while in flights and while the crew is away from home base. The dress code is described in more detail in Chalk 2 SOP.

Compensation

Compensation for employment is based on performance. Rates are established by mutual agreement between the employee and CHALK 2, INC. Raises are based on performance, growth and productivity. All requests for salary increases and/or promotion will be fairly considered by supervisors and Julie Mangold. Employment is based on an as-needed basis. Employees are not guaranteed tenure or retirement benefits.

Overtime

Overtime will be paid to non-exempt employees as follows:

More than 40 hours worked in any 7-day period, at one and one half times the employee's regular hourly rate;

More than 8 hours worked in any one day, up to 12 hours, at one and one half times the employee's regular hourly rate;

More than 12 hours in any one day, at double the employee's regular hourly rate.

If a seventh consecutive day is worked within the same work week, the employee shall be paid at the rate of one and one half times the employee's regular hourly rate, up to 8 hours. All hours worked in excess of 8 hours on such days will be paid at double the employee's regular hourly rate.

All overtime must be approved in advance by your immediate supervisor to qualify.

All hours during a work week that are calculated in the total for overtime must be hours actually worked. Vacation, sick days, personal days or any other non-working benefit days do not count in the calculation of overtime.

A work week begins on Sunday and ends on Saturday

Wage and Salary Disclosure

Compensation programs are confidential between the employee and CHALK 2, INC. Disclosure of wages or compensation to any third party or other employee is prohibited and could be grounds for termination.

Payroll Schedules

Employees are paid on a semi-monthly basis. Time sheets are submitted electronically at the end of each work week. Payroll is processed every other

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Monday. Employees on direct deposit should receive payroll by Wednesday. Employees not on direct deposit should receive paper checks by Friday.

Paychecks

Payroll checks shall be distributed on the paydays set forth above in the Payroll Schedule section of this handbook. Federal, state and any other required taxes will be withheld from wages as will any voluntary deductions.

Payroll Deductions for Federal Tax, State Tax, FICA and Medicare

As required by law, CHALK 2, INC. withholds **federal and state** taxes from employee earnings, as well as social security (FICA) and Medicare. CHALK 2, INC. also participates in matching programs as required.

Performance & Evaluation Reviews

Annual performance and evaluation reviews will outline the duties you need to perform competently so that your job functions successfully. Your contributions to your department and CHALK 2, INC. are also reviewed and documented. Your supervisor will discuss job requirements for your position and identify your specific skills. Together you will establish plans for your growth and development. All performance reviews will become a permanent part of your personnel file.

Reimbursement of Expenses

Expenses to be reimbursed by CHALK 2, INC. must be approved in writing prior to expenditure. To receive reimbursement, you must furnish the Accounting department with two items: receipts for all expenses (other than per diem or mileage) and a properly completed expense form (available from your immediate supervisor).

We appreciate your expenditures on behalf of CHALK 2, INC. and will make every effort to reimburse you in a timely manner.

If you require an advance for expenses, please see your immediate supervisor.

Deployed

If you are deployed (assigned a work station outside of the High Desert area) you will be reimbursed for hotel expenses, Per Diem (based on the government allowance for the area you are working) and travel expense from your hotel to your work site.

If you elect to make other arrangements than those stated above; no reimbursements for hotel, Per Diem or travel expenses will be paid.

Reporting Personal Information Changes

Employees must notify Julie Mangold whenever there is a change in their personnel information on file with CHALK 2, INC. This includes address, phone number, income tax withholding information, emergency contacts and if applicable, any information which may impact your insurance coverage.

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Gifts, Entertainment & Meals

CHALK 2, LLC. employees and their families are not allowed to give or receive business gifts, favors, meals or entertainment to or from any customers or suppliers of CHALK 2, LLC., except as approved by Julie Mangold.

If you are approached to give or receive such gifts you are required to request permission from Julie Mangold.

Visitors

Due to the nature of our business, security clearances and non-disclosure agreements with our clients, visitors are not allowed in work or restricted areas. All visitors who are not visiting for business purposes will not be allowed access. All business visitors must have authorization to enter work areas. See your immediate supervisor for authorization. Notify a supervisor immediately if you become aware of any unauthorized visitors.

Personal Property

CHALK 2, INC. is not responsible for personal property of employees in facilities, vehicles or parking areas. As always, be considerate of the company's image as well as your image with customers and co-workers.

Personal Safety

At CHALK 2, INC. the safety of our employees is a top priority. We will make every effort possible to ensure the safest working environment possible. If you have suggestions or concerns discuss them with your immediate supervisor or Julie Mangold. If you feel you are in danger while performing your job duties, stop working and report the hazard to your immediate supervisor. Failure to comply with all health, safety and environment policies and procedures may result in disciplinary action, up to and including termination.

Smoking

Smoking is not allowed in CHALK 2, INC. facilities. Smoking is allowed only in designated areas outdoors. While smoking, please be considerate of others. All smoking materials must be extinguished properly and disposed of in appropriate receptacles.

Office Parties

Office parties for employees of CHALK 2, INC. may be held on company premises with permission from Julie Mangold. Alcoholic beverages are allowed at these functions, with discretion.

Solicitation

As a courtesy to other employees CHALK 2, INC. does not allow solicitation of political information, religious information or items for sale. Solicitation for sale of items involving fund raisers for school projects and the like may be considered. See your immediate supervisor for approval.

Moonlighting

Due to conflict of interest concerns, CHALK 2, INC. does not allow employees to “moonlight” offering any services provided by CHALK 2, INC. Failure to comply with this policy may result in disciplinary action or termination of employment.

Company Property

Confidential Information Security

As a matter of course, employees of CHALK 2, INC. will have access to confidential and proprietary information. This information includes, but is not limited to, personnel information, pricing, client lists, contractual agreements, intellectual property and marketing/sales strategies. It is a condition of employment that you not disclose this information to third parties during or after employment. Disclosure of CHALK 2, INC. confidential information without express written approval is prohibited.

Office Supplies, Postage & Company Accounts

CHALK 2, INC. postage, postage systems, shipping accounts and accounts with various vendors and suppliers are to be used for company business purposes only. Improper use of these items may result in appropriate disciplinary action, up to and including termination.

Policies for Leave of Absence

Eligibility

Non-paid leave of absence is a benefit of working at CHALK 2, INC. To qualify for this leave of absence, the employee must be a full time employee and have completed a minimum of ninety (90) days continuous employment with CHALK 2, INC. Full time employees are employees who have been assigned to work 30 hours or more. Employees scheduled for less than 30 hours weekly are not eligible. CHALK 2, INC. reserves the right to revise these leave of absence policies without notice.

If you have questions, please contact Julie Mangold.

Personal Leave of Absence

CHALK 2, INC. will make every reasonable effort to consider requests for a personal leave of absence. If you need to apply for an unpaid personal leave of absence, you must contact Julie Mangold for authorization. Many factors are considered when determining eligibility for a personal leave of absence, which is granted or denied solely at the discretion of CHALK 2, INC. When granted, the maximum time allowable is 30 days per calendar year.

California Disability Leave

CHALK 2, INC. provides a higher level of maternity leave than required by the federal Family Medical Leave Act. Female employees of CHALK 2, INC. will

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receive maternity leave regardless of the number of months or hours worked for the period of time during which she is unable to work due to pregnancy and childbirth, up to a maximum of four months. During this period, the employee may collect temporary state disability payments of about two-thirds of normal wages (up to \$490 a week) for the time during which she is unable to work due to pregnancy and childbirth (usually six to eight weeks).

CHALK 2, INC. will authorize a request for a leave of because of pregnancy. An eligible pregnant employee has the right to take pregnancy disability leave without pay for a reasonable period of time not to exceed four months. CHALK 2, INC. grants this right immediately upon employment. There is no length of service requirement prior to eligibility for pregnancy leave. A woman is eligible for such leave if, in the opinion of her health care provider, her pregnancy renders her unable to work, unable to perform one or more of the essential functions of her job, or unable to perform these functions without undue risk.

If you are a female employee returning from pregnancy leave, you will return to your original position. There are two exceptions to this rule: The first exception applies when your job has ceased to exist for a legitimate business reason unrelated to your pregnancy disability leave, such as a layoff or closure. The second exception applies if preserving your job (for example, by leaving it unfilled or using a temporary employee) would substantially undermine the Company's ability to operate the business safely and efficiently. If either of these exceptions exists, CHALK 2, INC. will still attempt to provide you with a comparable position if one is available.

California law provides for a program of State Disability Insurance. To be eligible for benefits under this program, you must meet the following requirements:

- You must be unable to do your regular or customary work for at least eight consecutive days.
- You must be employed or actively looking for work at the time you become disabled. You must have lost wages because of your disability or, if unemployed, have been actively looking for work.
- You must have earned at least \$300 from which SDI deductions were withheld during a previous period
- You must be under the care and treatment of a licensed doctor or accredited religious practitioner during the first eight days of your disability. (The beginning date of a claim can be adjusted to meet this requirement.) You must remain under care and treatment to continue receiving benefits.
- You must complete and mail a claim form within 49 days of the date you became disabled or you may lose benefits.
- Your doctor must complete a medical certification of your disability. A licensed midwife, nurse-midwife, or nurse practitioner may complete the medical certification for disabilities related to normal pregnancy or childbirth. Note: If you are under the care of a religious practitioner, request a "Practitioner's Certificate," DE 2502, from the SDI office.

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Certification by a religious practitioner is acceptable only if the practitioner has been accredited by Employment Development Department.

CHALK 2, INC. is required by law to make SDI deductions from your check. SDI may pay up to 52 weeks of benefits with a waiting period of only seven days.

Effective July 1, 2004, California law provides for Paid Family Leave. Paid Family Leave is unemployment compensation disability insurance paid to workers who suffer a wage loss when they take time off work to care for a seriously ill family member or bond with a new child. You may receive up to six (6) weeks of benefits that may be paid over a 12-month period.

The Paid Family Leave insurance program is fully funded by employees' contributions, similar to the State Disability Insurance program. Effective January 1, 2004 the Paid Family Leave insurance contribution rate will be approximately .08 percent. Your weekly benefit amount will be approximately 55 percent of your earnings up to the maximum weekly benefit amount.

Unpaid Family & Medical Leave

CHALK 2, INC. employees are eligible to take unpaid leave under the terms of The Family and Medical Leave Act of 1993. Consult Julie Mangold for details and notify your immediate supervisor if you choose to take this unpaid leave of absence.

Jury Duty

Notify your immediate supervisor if you are summoned for jury duty. Time off from work will be granted as necessary in compliance with applicable law.

Military Duty

As required by law, CHALK 2, INC will provide military leave of absence and reinstatement for qualifying employees.

Benefits

Overview

Employee fringe benefits are provided at the sole discretion of CHALK 2, INC. CHALK 2, INC. reserves the right to modify or eliminate benefits without notice, subject only to applicable legal requirements. The benefits listed herein are intended to be a general description only. Details of specific benefits are outlined in the documentation provided for each particular benefit program.

Eligibility

To qualify for benefits an employee must be considered full-time and have completed one month of continuous employment with CHALK 2, INC. Full-time employees are employees who have been assigned to work at least 30 hours per week. Employees scheduled to work less than 30 hours weekly are

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considered part-time and are not eligible. CHALK 2, INC. reserves the right to, without notice, revise these eligibility requirements.

If you have questions, contact Julie Mangold.

Group Medical Insurance

CHALK 2, INC. pays the insurance premiums for eligible employees for group medical coverage. The current plan offers coverage for dependents, however CHALK 2, INC does not pay any part of the premium for an employee's dependents' coverage. Full time employees are eligible for medical insurance 30 days after earning employee status. Details of the plan are available through Julie Mangold.

Notice: Plan details may change without notice.

Life Insurance Policies

A \$25,000 life insurance policy is standard with CHALK 2, INC's current medical insurance plan. Employees who want additional life insurance should contact Julie Mangold for details.

Retirement

CHALK 2, INC does not offer a retirement plan at this time.

Worker's Compensation

State and federal law governs eligibility requirements. All premiums costs are paid by CHALK 2, INC. Claims are paid directly to employees. All employees are expected to return to work immediately upon release by their physician.

Employees are required to report job-related injuries immediately. Failure to comply could result in difficulty with the employee's claim.

Report to your immediate supervisor all accidents or injuries.

Sick Leave

Chalk 2, INC offers paid sick leave in accordance with California State law. Full time employees will begin earning sick leave 30 days after full time employment starts. Sick leave usage may begin 90 days after full time employment starts. Employees will earn 1 hour of sick leave for every 30 hours worked. A maximum of 24 hours of sick leave will be paid in a calendar year. Sick leave may be carried over to the next calendar year but any sick leave balance will not be paid out when employee terminates employment with Chalk 2.

Vacations

Full time employees are eligible for 5 hours of vacation per month. Full time employees are employees who are regularly assigned to work 30 hours or more per week. Accrual of vacation time will begin 30 days after full time employee status is attained

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All unused vacation time will be paid at the end of each fiscal year or at the termination of employment.

COBRA

As required by federal law, CHALK 2, INC offers continued medical benefits to employees who lose eligibility for coverage because of employment termination or other circumstances. COBRA (Consolidated Omnibus Budget Reconciliation Act) provides employees and their qualified beneficiaries the opportunity to continue health coverage under the company's health plan. The employee must pay the full cost for coverage at our group rate, plus an administration fee.

Julie Mangold will provide details of COBRA coverage and procedures to apply at the time an employee loses eligibility.

Discipline Policies

Problem Resolutions

The solution to most problems is often found through communication. We will make every reasonable effort to assist in solving problems or disputes among employees.

We recommend the following:

The employees involved should first discuss the problem among themselves and make every attempt to resolve it. If no resolution is reached, all of the employees involved should approach a supervisor together and allow the supervisor to participate in the resolution. If a resolution is still not reached, the matter should be referred to Julie Mangold. Julie Mangold will gather and review all information and provide a solution that is in the best interests of all parties.

If a supervisor is involved as a party in the initial dispute, it must be turned over to Julie Mangold at the outset.

Decisions of Julie Mangold will be final.

Violation of Company Policy

Employees found to be in violation of company policy will be given official notice of the infraction. All reasonable attempts will be made to constructively resolve the problem. Appropriate disciplinary action may be taken if the violation continues, up to and including termination.

Employees who believe they have been falsely charged with an infraction may appeal the charge to Julie Mangold. All appeals must be in writing, clearly stating the reason you believe the charge is false. Julie Mangold will review all available information and make a ruling.

Decisions of Julie Mangold will be final.

All documentation, including notices of violation, appeals and final disposition, will become a permanent record in the employee's personnel file.

Termination of Employment

Termination

Employees of CHALK 2, INC are not given tenure. An employee of CHALK 2, INC. may choose to terminate employment at any time.

Employees choosing to terminate their employment with CHALK 2, INC. are required to return all company property to their immediate supervisor before leaving the premises on their final day of employment. Upon receipt of all company owned property, the employee will receive his/her final paycheck including any earned vacation pay, if applicable.

CHALK 2, INC. is a "at will" employer and may terminate employment at any time for any reason. If an employee is terminated for a severe violation of policy, he/she will be escorted from the premises immediately. Any personal property, plus the employee's final paycheck (including any earned vacation pay, if applicable) will be given to the employee upon receipt of all company owned property.

Julie Mangold will provide an opportunity to all employees leaving CHALK 2, INC. to have an exit interview. Requests for exit interviews must be made within a reasonable time so that Julie Mangold may schedule the interview.

CHALK 2, INC. considers personnel files confidential. If the company receives a request for employment confirmation, only employment dates and positions held will be provided.

Severance

CHALK 2, INC. does not offer severance benefits to employees terminating their employment, regardless of the reason for termination.

Acknowledgement

I have read the policies outlined in this handbook. I understand that while this is not an employment contract I am bound to abide by the policies set herein.

I further understand that CHALK 2, INC. may modify, revise and update any company policy and/or this manual at any time. I am also aware that this updating may include additions or deletions.

I also certify that I have had ample time to discuss this handbook and its contents with CHALK 2, INC. representatives and I fully understand the contents.

Employee signature _____

Date _____

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CHALK 2, INC. reserves the right to make changes to this handbook for the purpose of modifying, revising and updating company policy and this manual. Notice of changes will be posted on the bulletin board at www.chalk2.com and become a part of this manual. Violation of any company policy may result in immediate termination.