



Admiral Security Services, Inc.

Handbook

Employee Manual

This Employee Manual, inclusive of an Acknowledgement Form, sets forth the general administrative policies, goals, and benefits of Admiral Security Services, Inc. and replaces and supersedes any prior manual(s). The contents of this Manual are confidential and are not to be distributed to or shown to anyone else inside or outside the company. This Manual remains the property of Admiral Security Services, Inc. and must be returned upon request.

Jessica L. Crete
2/7/2011

EMPLOYEE MANUAL



THIS EMPLOYEE MANUAL DOES NOT CREATE A CONTRACT OF EMPLOYMENT BETWEEN YOU AND ADMIRAL SECURITY SERVICES, INC. YOUR EMPLOYMENT WITH ADMIRAL SECURITY SERVICES, INC. IS “AT WILL” MEANING THAT EITHER YOU OR ADMIRAL SECURITY SERVICES, INC. MAY TERMINATE YOUR EMPLOYMENT AT ANY TIME WITH OR WITHOUT CAUSE.

THIS EMPLOYMENT MANUAL SUPERSEDES AND REVOKES ANY PREVIOUSLY ISSUED EMPLOYEE MANUAL(S) OR HANDBOOK(S). NO ONE, OTHER THAN THE ADMIRAL SECURITY SERVICES, INC.’S PRESIDENT, HAS THE AUTHORITY TO CREATE A CONTRACT OF EMPLOYMENT BETWEEN YOU AND ADMIRAL SECURITY SERVICES, INC. OR TO ALTER THE AT WILL NATURE OF YOUR EMPLOYMENT RELATIONSHIP WITH ADMIRAL SECURITY SERVICES, INC.

1. Welcome Message from the Human Resource Manager

Dear Employee,

Welcome to Admiral Security Services, Inc.

We are excited to have you as part of our company. Admiral Security Services, Inc. is committed to quality work and superior customer service in all aspects of our business.

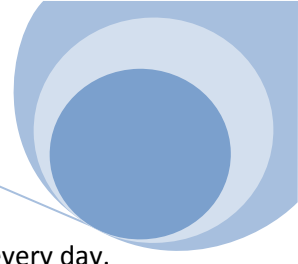
We value our employees and encourage them to make productive suggestions. We want you to succeed at your job.

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You should use this Manual as a reference as you pursue your career with us. Each of the policies is dated and is current as of that date, but may be unilaterally amended by Admiral Security Services, Inc. at any time, with or without notice, and we shall also reserve the right to deviate from the policies herein in our sole discretion. When there is a change in a policy we will update this Manual as soon as possible. Feel free to discuss with us any questions you may have about this Manual or about your employment with us.

To your success at Admiral Security Services, Inc.

Sincerely,
Jessica Crete
Human Resources Manager



2. Admiral Security Services, Inc. Operations

The success of Admiral Security Services, Inc. is based on providing superior services to our customers, every day. Admiral Security Services was founded by individuals who have been working in the security industry for over 12 years. We utilize the latest technology and business solutions to provide a higher quality of service to our customers. We service all types of businesses including corporate, industrial, retail, government and private sector. Our high standards have made us an industry leader.

The senior management of the Admiral Security Services, Inc. can be seen below:

Mohamed Ahmed	CEO, Client Relations, Business Development / Owner
Youssef Abdallah	COO Operations / Owner
Jessica Crete	CFO Human Resources Manager and Senior Administrator

Key contact information for Admiral Security Services, Inc. is as follows:

- Office Address: 6536 Telegraph Ave. B-102, Oakland, CA. 94609
- Phone: 1-888-471-8821 Employee questions or concerns.
- Fax number: 510-225-2941

This is an administrative office and you must have an appointment to be seen. Call the number above and leave one message and your call will be returned within 24 hours.

3. Equal Opportunity; Immigration Law

3.1 Equal Opportunity Statement

Admiral Security Services, Inc. is an equal employment opportunity employer and does not discriminate against employees or job applicants on the basis of race, religion, color, sex, age, national origin, mental or physical disability, veteran or family status, or any other status or condition protected by applicable federal, state, or local laws, except where a bona fide occupational qualification applies.

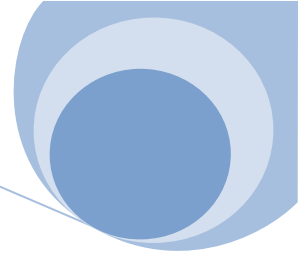
This policy extends to all aspects of the employment relationship, including, but not limited to, recruiting, interviewing, job assignments, training, compensation, benefits, discipline, use of facilities, participation in Admiral Security Services, Inc.-sponsored activities, termination, and all other terms, conditions, and privileges of employment.

3.2 Immigration Law Compliance

In accordance with the Immigration Reform and Control Act of 1986 (IRCA), Admiral Security Services, Inc. only employs individuals who are legally authorized to work in the United States. Furthermore, Admiral Security Services, Inc. does not continue to employ any individual whose legal right to work in the United States has been terminated. CIS Form I-9 is used to verify your identity and employment eligibility. You must complete the employee section of Form I-9 and provide the required documentation supporting your identity and employment eligibility before you may begin working.

3.3 Americans with Disabilities Act Compliance

Admiral Security Services, Inc. adheres to the Americans with Disabilities Act (ADA) and makes every effort to ensure that qualified individuals with a disability are not discriminated against in any terms, conditions, or privileges of employment. The ADA requires employers to provide a reasonable accommodation to qualified individuals with known disabilities in all aspects of employment, unless the accommodation would cause an undue hardship to the employer.



An individual with a disability is a person who:

- (1) Has a physical or mental impairment substantially limiting one or more major life activities; or
- (2) Has a record of such impairment; or
- (3) Is regarded as having such impairment.

A qualified individual is a person with a disability who meets the skill, education, experience, training, and other job-related requirements of position, and who, with or without a reasonable accommodation, can perform the essential functions of the position. We are committed to providing a reasonable accommodation to the known physical or mental limitations of such individuals so they can perform the essential functions of a job, unless the accommodation would create an undue hardship.

If you need an accommodation under the ADA, you should immediately notify Admiral Security Services, Inc.

4. Policies and Rules

4.1 Employment – Classification

As an employee of Admiral Security Services, Inc., you are an “employee at will”. This means that either you or Admiral Security Services, Inc. may choose to terminate the employment relationship at any time, with or without cause, and with or without advance notice.

Any information outlined in this Manual or in any other Admiral Security Services, Inc. document, except a written employment contract executed by the parties thereto (in which case, how and when a termination or resignation may occur will be controlled by the terms of such employment contract), does not modify the employment at will policy and should not be interpreted to mean that termination will occur only for “just cause”. This Manual does not create an express or implied contract of employment for a definite and specific period of time between you and Admiral Security Services, Inc., or otherwise create express or implied legally enforceable contractual obligations on the part of Admiral Security Services, Inc. concerning any terms, conditions, or privileges of employment. Except for an employment contract, any documents or statements, written or oral, prior, current, or future that conflict with the employment at will policy are void.

Regular Full-Time is an employee who has no termination date and who is regularly scheduled to work (forty) 40 or more hours per week. Regular full-time employees may be either non-exempt (hourly) or exempt (salaried) employees.

Regular Part-Time is an employee whose position has no termination date and who is scheduled to work (twenty) 20 or more hours, but less than (forty) 40 hours per week.

Temporary Employee is an employee who is hired for a certain length of time and who is paid only for their hours worked. A temporary employee will not receive any benefits or holiday or vacation pay.

Provisional Employee is an employee who has not yet completed the ninety (90) day provisional period after first being hired, as detailed in Section 4.15 of this Employee Manual. At-will employment remains at-will upon the completion of the provisional period.

Exempt Employee is generally an employee who is an executive, professional, administrator, outside salesperson, or manager. Exempt employees are generally paid a salary, without overtime.

Nonexempt Employee is an employee who does not qualify for exempt status, and is generally paid on an hourly basis, including overtime.

Any concerns about your employee classification should be addressed to your supervisor.

4.2 Confidentiality

As the result of your employment at Admiral Security Services, Inc., you will acquire and have access to confidential information belonging to Admiral Security Services, Inc. of special and unique value. This includes such matters as Admiral Security Services, Inc.'s personnel information, suppliers, procedures, and cost of merchandise, sales data, price lists, financial information, records, business plans, prospect names, business opportunities, confidential reports, customer lists and contracts, as well as any other information specific to Admiral Security Services, Inc.

As a condition of employment, you must and hereby do agree that all such information is the exclusive property of the Admiral Security Services, Inc., and you will not at any time disclose to anyone, except in the responsible exercise of your job, any such information whether or not it has been designated specifically as "confidential". Signing a separate confidentiality agreement further clarifying this policy at Admiral Security Services, Inc.'s requests is also a condition of your continued employment with Admiral Security Services, Inc.

If you are ever unsure of your obligations under this policy it is your responsibility to consult with your supervisor for clarification.

4.3 Personal Information

It is important that the personnel records of Admiral Security Services, Inc. be accurate at all times. In order to avoid problems with your benefit eligibility, tax liability, or our ability to communicate with you regarding shift changes and the like, Admiral Security Services, Inc. requires that you will promptly notify your supervisor or human resources representative of any change in your name, home address, telephone number, number of dependents, or any other information pertinent to your employment with Admiral Security Services, Inc..

4.4 Attendance and Punctuality

Admiral Security Services, Inc. believes that a good record of attendance and punctuality is an essential component of good work performance. You are expected to arrive at work before you are scheduled to start your shift and be at your workstation by your scheduled start time. If, for any reason, you are unable to report for work on time, or unable to remain at work until the end of your shift, you must notify your supervisor directly before your regular starting time.

All time off must be requested in advance and should be submitted in writing as outlined in the appropriate categories, except for sick leave (See Sick Leave and other categories for specific details outlined below.). Excessive absences may result in disciplinary action, up to and including termination.

4.5 Dress Code

As an employee of Admiral Security Services, Inc., you must maintain a clean, neat appearance at all times. Your attire should be consistent with the type of work you are performing and with safety considerations. Any required uniform and/or safety equipment will be provided to you at Admiral Security Services, Inc. expense. You are responsible for keeping your uniform clean and pressed and you must return the uniform in addition to all the accessories at the end of your employment or you will be charged for it.

Management, sales personnel, and those employees who come in contact with the public, are expected to dress in accepted business tradition that reflects the image Admiral Security Services, Inc. seeks to project. Good personal grooming and hygiene are also essential and should contribute to a professional appearance.

If you have further questions about your expected attire, please discuss these questions with your immediate supervisor.

4.6 Work Hours and Overtime Pay

Nonexempt (Hourly) Employees:

The normal work day is eight (8) hours; the day starts at 12:01 AM and ends at 11:59 PM same day, overtime and double time rules are reset every day at 12:01AM. Forty (40) hours represents a normal work week, commencing 12:01 AM Thursday and ending on midnight on the following Wednesday. While you are generally expected to work the number of hours stated above, Admiral Security Services, Inc. does not guarantee that you will actually work that many hours in any given day or week.

For hourly employees, overtime work is only performed when approved in advance by your supervisor. You are expected to work necessary overtime when requested to do so, and you will receive time and one-half regular pay for time worked exceeding forty (40) hours in any given work week.

When computing total hours worked in a work week for purposes of calculating overtime pay, only hours actually worked are counted. Time off from work, such as holidays, jury duty, and reporting time pay is not counted as hours worked even if you are paid for such time off.

Exempt (Salaried) Employees:

The normal work day is eight (8) hours, and forty (40) hours and represents a normal work week, commencing 12:01 AM Thursday and ending on midnight on the following Wednesday. While you are generally expected to work the number of hours stated above, Admiral Security Services, Inc. does not guarantee that you will actually be able to perform all of your work duties in this amount of time. You are expected to put in the amount of time over 40 hours per week necessary to complete your job duties and occasionally, in rare circumstances, substantial extra work may be required. If you are overburdened with work and unable to complete your assignments with a moderate amount of additional work each week, please speak to your supervisor; however, with more responsibility and increased pay, usually comes a greater work load and more time spent working.

Exempt employees are not paid overtime for hours worked above 40 hours per week; some amount of expected work over 40 hours per week is built into your compensation package as a salaried employee.

4.7 Time Clock System

You are required to clock In/Out of at the start and end of each shift. You are not allowed to clock in another employee. Should you clock in or out incorrectly, you will need to call the office and let them know of the discrepancy. Your supervisor must approve all discrepancies. Failure to clock In/Out may result in loss of pay for unverifiable work, and – for repeated failure to use the time clock – in disciplinary action, up to and including termination.

Vacations days, sick days, holidays, and absences such as jury duty, funeral leave, or military training, should be specifically noted in writing and given to the office when they occur. Paid vacation and holidays should be counted and used as full workdays.

The work week commences 12:01 AM Thursday and ends on midnight on the following Wednesday.

4.8 Lunch Period

Nonexempt employees are allowed a daily 30-minute unpaid lunch break. Lunch breaks will generally be taken on a staggered schedule so that your absence from work does not create a problem with the day-to-day operations of Admiral Security Services, Inc. Any other breaks during the work day must be approved in advance by your supervisor and shall also not be paid.

Exempt employees may take lunch and a reasonable amount of other breaks at their discretion.

4.9 Safety and Accident Rules

Safety is a priority at Admiral Security Services, Inc. The company strives to provide a clean, hazard-free, and safe environment in accordance with the Occupational Safety and Health Act of 1970.

As an employee, you are expected to take part in maintaining this environment. You should observe all posted safety rules; adhere to all safety instructions provided by your supervisor, and use safety equipment when required. It is your responsibility to learn the location of all safety and emergency equipment, as well as the safety and/or emergency phone numbers.

You may be required to purchase and maintain some of your own safety equipment. Any problems with Admiral Security Services, Inc.-provided safety equipment should be reported to your immediate supervisor. If it is not safe to work for any reason, report the problem to your supervisor immediately.

All work related accidents are covered by Worker's Compensation Insurance pursuant to the laws of the state(s) in which we operate.

4.10 Smoking

Our goal is to provide a healthy and pleasant work environment for all employees. Admiral Security Services, Inc. prohibits any form of tobacco use on Admiral Security Services, Inc. premises.

4.11 Use of Admiral Security Services, Inc. Property

Admiral Security Services, Inc. will provide you with the necessary equipment to do your job. None of this equipment should be used for personal use, nor should any equipment be removed from Admiral Security Services, Inc. work premises unless approved by your supervisor. This includes Admiral Security Services, Inc. vehicles, telephones, and two-way communication equipment.

Any items or packages taken out of the work place are subject to inspection at any time. Likewise, any personal desk, filing cabinet, locker, or storage space provided to you in also subject to inspection at any time.

Personal telephone calls are not to be made using Admiral Security Services, Inc. phones or on Admiral Security Services, Inc. time, unless authorized by your supervisor. Any authorized personal calls should be kept to a minimum and made at a time that does not interfere with your or your co-workers' job performance. Use of company cell phones without authorization will result in you being charged .40 cents per minute of usage.

Use of Admiral Security Services, Inc.'s stationery, office supplies, or postage for personal use is strictly prohibited.

Admiral Security Services, Inc. premises, telephones, and email are not to be used for employees or others to engage in the practice of soliciting collections or donations; selling raffles, goods, or services; operating betting pools; or solicitations of any kind.

Use of i-pods and personal radio devices that require headphones are strictly prohibited. Security personnel must be alert at all times.

4.12 Use of Admiral Security Services, Inc. Computers, E-mail, and Internet

Employee use of Admiral Security Services, Inc. computers, printers, peripherals, and electronic equipment is for job-related or approved activities only. Inappropriate use of Admiral Security Services, Inc. computers, which may be defined from time to time at the discretion of Admiral Security Services, Inc., may subject you to discipline, up to and including termination.

Inappropriate use includes, but is not limited, to the following:

- A. Use of Admiral Security Services, Inc. computers to send or receive messages, pictures, or computer files which are illegal, pornographic, sexist, racist, harassing, or discriminatory. If you receive such material, you should notify your supervisor immediately.
- B. Use of media enabled machines to listen to CD's music or watch movies.
- C. Loading software that is not approved in advance by management.
- D. Making illegal copies of licensed software.
- E. Using software that would provide unauthorized access to Admiral Security Services, Inc.'s computers or would disrupt our equipment in any way.
- F. Using Admiral Security Services, Inc. computers, printers, or email for personal and/or non-Admiral Security Services, Inc. related use, unless authorized by your immediate supervisor.

Any message or file created, or emailed using any Admiral Security Services, Inc. computer is the property of Admiral Security Services, Inc. You should have no expectation of privacy or confidentiality in any message or file that is created, stored, or sent using the computers or other communication equipment belonging to Admiral Security Services, Inc., and Admiral Security Services, Inc. reserves the unilateral right to review, monitor, access, audit, intercept, copy, print, read, disclose, modify, retrieve, and delete any work you do on a Admiral Security Services, Inc. computer, including email.

If provided, your Admiral Security Services, Inc. email account is strictly for business communication only and is not for personal use. Except as authorized by your supervisor in the course of your work duties, you are not authorized to access the computer(s), email account(s), or files of any other Admiral Security Services, Inc. employee.

If provided, Internet access is likewise strictly for business purposes only and is not for personal use. Admiral Security Services, Inc. reserves the unilateral right to review, monitor, access, and audit, intercept, and disclose an employee's use of the Internet at any time, with or without notice, and with or without an employee's permission. You should have no expectation of privacy or confidentiality with respect to any use of the Internet at work.

4.13 Substance Abuse Policy

Admiral Security Services, Inc. takes seriously the problem of drug and alcohol abuse and is committed to providing a work-place free of such substances. This policy applies to all employees of Admiral Security Services, Inc.

No employee is allowed to consume, possess, sell, or purchase any alcoholic beverage on any property owned by Admiral Security Services, Inc., or in any vehicle owned or leased by Admiral Security Services, Inc. No employee may use, possess, sell, transfer, or purchase any drug or other controlled substance that may alter an individual's mental or

physical capacity while working for Admiral Security Services, Inc. The exceptions are over-the-counter pain relievers and the like, used as intended and directed, and any other drugs that have been prescribed to you, and which are being used as prescribed by your doctor.

Admiral Security Services, Inc. will not tolerate employees that are impaired by or under the influence of alcohol or drugs while working.

In cases where the use of alcohol or drugs poses a threat to the safety of other people or property, you must report the violation. Employees who violate our Substance Abuse Policy will be subject to disciplinary action, up to and including termination.

As a part of Admiral Security Services, Inc.'s policy to ensure a drug and alcohol free workplace, within the limits of applicable federal and state laws, Admiral Security Services, Inc. reserves the right, in its sole discretion, to test for drugs and alcohol. Some such situations may include, but not be limited, to the following:

- A. In conjunction with an offer of employment with Admiral Security Services, Inc.;
- B. Where there are reasonable grounds for believing an employee is under the influence of alcohol or drugs;
- C. As part of an investigation of any accident in the workplace in which there are reasonable grounds to suspect alcohol and/or drugs contributed to the accident;
- D. On a random basis, where allowed by statute;
- E. As a follow-up to a rehabilitation program, where allowed by statute;
- F. As necessary for the safety of employees, customers, or the general public where allowed by statute.

All tested employees will be able to receive a copy of the laboratory results that certify the results or the testing done. It is a condition of your employment and continued employment with Admiral Security Services, Inc. that you comply with the Substance Abuse Policy.

4.14 Harassment and Discrimination Policy

Admiral Security Services, Inc. is proud of its work environment in which all employees are treated with respect and dignity. It is our policy that all employees have the right to work in an environment free from any type of illegal discrimination or harassment, including racial and sexual harassment. Any employee found to have engaged in any form of discrimination or harassment, whether verbal, physical, or arising out of the work environment, and whether in the work place, at work assignments off-site, at Admiral Security Services, Inc.-sponsored social functions, or elsewhere, is unacceptable and will not be tolerated.

Admiral Security Services, Inc.'s general harassment policy is designed to ensure that all individuals can work in an environment that promotes equal opportunities and prohibits discrimination and harassment on the basis of race, religion, color, sex, age, national origin, mental or physical disability, veteran or family status, or any other status or condition protected by applicable federal, state, or local laws.

Remember, Admiral Security Services, Inc. is a multi-cultural firm and we must all be sensitive to and tolerant of the background of others. When in doubt, don't say it or do it.

Sexual Harassment:

For purposes of this policy, sexual harassment is defined as follows:

Unwelcome or unwanted sexual advances, requests for sexual favors, and other verbal, non-verbal, or physical conduct of a sexual nature when (1) submission to or rejection of this conduct by an individual is used explicitly or implicitly as a

factor in decisions affecting hiring, evaluation, promotion, or other aspects of employment; or (2) this conduct substantially interferes with an individual's employment or creates an intimidating, hostile, or offensive work environment.

Examples of sexual harassment include, but are not limited to, unwanted sexual advances; demands for sexual favors in exchange for favorable treatment or continued employment; repeated sexual jokes, flirtations, advances, or propositions; verbal abuse of a sexual nature; graphic commentary about an individual's body, sexual prowess, or sexual deficiencies; leering; whistling; touching; pinching; assault; coerced sexual acts; suggestive insulting; obscene comments, gesture, and emails; and display in the work place of sexually suggestive objects or pictures.

Racial Harassment:

For purposes of this policy, racial harassment is defined as all inappropriate conduct and activity taken against an individual because of his or her race and/or national origin.

Examples of racial harassment include, but are not limited to, racial comments, racial jokes or emails, treatment of an individual differently because of his or her race, and all other activities defined by Title VII of the U.S. Civil Rights Acts of 1964.

If you believe that you have been the victim of sexual or other harassment or discrimination in the work place, you should take the following steps:

- A. Report and discuss the matter with your supervisor.
- B. If you believe your supervisor or manager to be the source or a participant in the harassment, report this to another supervisor or member of management.

Admiral Security Services, Inc. will investigate and attempt to resolve your complaint, as well as take any warranted disciplinary action, as soon as possible. If for any reason you believe this has not occurred within a reasonable period of time, refer this problem to any other supervisor in the Admiral Security Services, Inc., or to the Admiral Security Services, Inc. President.

Retaliation against any individual who makes a good faith complaint, or who cooperates in the investigation of any complaint, is strictly prohibited and should be reported immediately.

4.15 Performance & Salary Reviews; Provisional Period

Each new or promoted employee will be given an oral or written job description that details the requirements and expectations of the new position. Performance reviews will normally be conducted every six (6) months. Review periods are in September and March.

Employee reviews are based on job description and work performance. Wage increases will be based upon reviewing these results as well as the following: Dependability, cooperation, attitude, and any disciplinary actions that have been taken. Your supervisor will review and discuss with you your hourly wage or salary and your job position and expectations during your review.

During the ninety (90) day provisional period upon first being hired by Admiral Security Services, Inc., you understand that you will not be considered a regular employee until you have satisfactorily completed this required provisional period of employment, as determined by Admiral Security Services, Inc. management. The purpose of the provisional

period of employment is to determine your job satisfaction and to allow Admiral Security Services, Inc. to evaluate your job performance.

During said provisional period, you may or may not be eligible for some of the benefits offered by Admiral Security Services, Inc. to regular employees. The end of the provisional period does not change your employment at will status.

4.16 Payroll

Nonexempt Employees:

You will be paid for your work on the regularly-scheduled payday in the week following the week in which the work was performed. Paydays are every other Thursday and all checks are mailed to the address that you provide on your application. There are no exceptions to this rule. **Checks are NOT available for pick up in the office.**

Exempt Employees:

You will be paid for your work on the regularly-scheduled paydays of the month commencing the pay period after that in which you begin work. Your supervisor will let you know the payday which you will fall into upon hiring. Pay checks are normally issued either once every two weeks, or twice a month, in Admiral Security Services, Inc.'s discretion.

All Employees:

Pay checks will be mailed to the address you provide on your application. In the event that a regularly scheduled payday falls on a weekend or holiday, you will receive your pay on the next business day. If a regular payday falls during an employee's vacation, the employee's paycheck will be mailed to the home address on file with Admiral Security Services, Inc. Direct deposit of pay checks may also be available; inquire of your supervisor.

If there is an error in your pay check, notify your supervisor or human resources representative immediately. Every effort will be made to remedy the discrepancy as quickly as possible. If your pay check is lost or stolen, notify your supervisor or human resources contact immediately. A new pay check will be issued after payment has been stopped on the original check. Admiral Security Services, Inc. will not be obligated to indemnify an employee for any monetary loss suffered as a result of a lost pay check if we are unable to stop payment on the original check.

Admiral Security Services, Inc. will deduct Federal Social Security and Income Tax and all other legally required deductions from your payroll check each pay period. Group Insurance premiums (if applicable) will also be deducted from your payroll check each pay period.

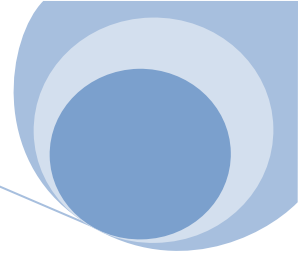
4.17 Reporting Absences

In all instances specified in Sections 5.1 through 5.10, as described below, all leave requests and approvals should be made in writing.

After three (3) days of unauthorized absence, and if it receives no acceptable explanation, the Admiral Security Services, Inc. may assume that you have resigned.

5. Benefits and Services

Except where required by applicable state or federal law, the benefits provided to employees by Admiral Security Services, Inc. are subject to change at any time. All full time employees can sign up for health, vision and dental after 90 days of full time work. The company pays for one half the premiums for employees only. Dependent benefits are available but the employee must pay 100% of the cost for any dependent benefits. Please communicate with your supervisor or human resources representative if you have any questions concerning the benefits available to you as an employee of Admiral Security Services, Inc.



5.1 Holidays

Admiral Security Services, Inc. observes – and except in emergency situations, is closed for – the following holidays:

- | | |
|---------------------|-------------------------------|
| A. New Year's Day | (January 1) |
| B. Memorial Day | (Last Monday in May) |
| C. Independence Day | (July 4) |
| D. Labor Day | (First Monday in September) |
| E. Thanksgiving | (Fourth Thursday in November) |
| F. Christmas | (December 25) |

When a holiday falls on a weekend, Admiral Security Services, Inc. will designate the Friday preceding or Monday following as the observed holiday at the discretion of Admiral Security Services, Inc. Regular full-time salaried employees are paid eight (8) straight time hours for each holiday. Regular part-time salaried employees are paid (8) straight time hours for each holiday. Temporary and provisional employees are not paid for holidays unless they are specifically requested to work on the designated holiday. For exempt employees, this generally means that there will be no deduction from your usual pay check on account of a holiday occurring during your pay period.

5.2 Vacation

Nonexempt (hourly) full-time regular employees are entitled to the following paid vacation schedule per year worked based on length of employment. Full time is considered every week at a minimum of 36 hours per week:

- | | |
|-------------------------------|------------------------------|
| Less than two years | No paid vacation time |
| At least two years..... | One week of paid vacation |
| 5 years but less than 10..... | Two weeks of paid vacation |
| Over 10 years..... | Three weeks of paid vacation |

Exempt (salaried) full-time regular employees are entitled to the following paid vacation schedule per year worked based on length of employment, unless a different amount of vacation is provided by your employment contract (if any).

- | | |
|---------------------------------------|------------------------------|
| Less than one year..... | No paid vacation time |
| At least one year but less than 5.... | One week of paid vacation |
| Over 5 years..... | Two weeks of paid vacation |
| Over 10 years..... | Three weeks of paid vacation |

Your requested vacation time must be submitted in writing to your supervisor at least four (4) weeks prior to the anticipated vacation date. Vacation time must be taken in full days only. Every effort will be made by Admiral Security Services, Inc. to accommodate vacation requests; however, business circumstances may not permit all requests to be honored.

Employees may, at their option, carry over no more than eighty (80) hours of vacation leave from one calendar year to the next; no additional vacation time will accrue beyond 80 hours until some vacation time is used. Any unused vacation time not carried over at the end of the calendar year may be paid to the employee in straight time earnings. You as the employee are responsible for requesting payment for unused vacation time.

5.3 Sick Leave

Admiral Security Services, Inc. provides paid sick leave to eligible salaried employees when you are away from work due to illness. Unless approved by Admiral Security Services, Inc., you will be limited to four (4) sick days per year. Sick days may be used for your own illness or to care for a sick child. If you are unable to work due to illness, you must notify your immediate supervisor directly as soon as possible and by the time you were to report to work.

Admiral Security Services, Inc. permits use of available sick days for absence due to the birth or adoption of a child to an employee.

Industrial accidents and illness are covered by Worker's Compensation Insurance pursuant to the requirements of the laws in the state(s) in which Admiral Security Services, Inc. operates. The sick leave policy outlined above does not apply to those illnesses or injuries that are covered by a worker's compensation policy.

5.3.1 Family Medical Leave

Admiral Security Services, Inc. has a family and medical leave policy that is in compliance with The Family and Medical Leave Act of 1993 (FMLA) and that provides for an unpaid leave of absence. Eligible employees must be employed by Admiral Security Services, Inc. at least twelve (12) months and have worked at least 1250 hours during the twelve-month period prior to be eligible for FMLA leave.

Admiral Security Services, Inc. locations with less than fifty (50) employees within a seventy-five mile radius are not covered under this leave policy or the FMLA. Forms for leave requests are available from your Admiral Security Services, Inc. representative.

Under this leave policy a total of up to twelve (12) weeks of unpaid leave of absence is available to eligible employees under the following circumstances:

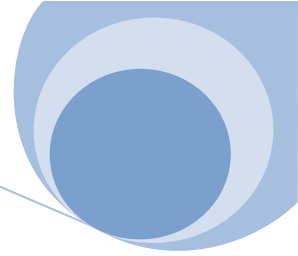
- A. The birth of a child, but only within the first twelve months of the birth.
- B. The placement of a child for adoption or other legal placement, within the first twelve months of the adoption or placement.
- C. The need to care for a child, spouse, dependent, or parent who has a serious medical condition.
- D. A serious health condition of the employee that makes the employee unable to perform the functions of his/her position.

During the unpaid leave, employees retain the same medical and dental coverage and must still contribute the same amount toward medical benefits as he/she paid before the leave began (See benefits exception below). Upon return to Admiral Security Services, Inc. at the end of the leave, the employee will be restored to his/her former position with the same rights, benefits, pay and other terms and conditions which existed prior to the leave; or to an equivalent position with equivalent rights, benefits, pay, and other terms and conditions of employment.

If the employee decides not to return to work from unpaid leave, he/she will remain on leave for the balance of the leave period and then be terminated. The birth parent may choose to use the unpaid twelve-week leave or to utilize the six-week unpaid maternity leave, but cannot use both.

Employees requesting leave for their own serious health condition or a family member's serious health condition may be required to provide medical certification thirty (30) days in advance of the request for leave when possible.

Benefits based on an accrual basis (e.g. vacation, sick leave, holidays, etc.) will not accrue during unpaid leave under this policy. Any group health insurance provided will continue as long as the employee continues to pay their portion of the insurance. An employee on leave for his or her own serious health condition will be required to provide certification from their physician that they are able to return to work and perform the job duties to which they are returning.



5.4 Maternity Leave

Admiral Security Services, Inc. employees who work a minimum of thirty-six (36) hours per week and have been employed by Admiral Security Services, Inc. continuously for twelve (12) months are allowed up to six (6) weeks of unpaid leave after they have given birth to or in conjunction with the adoption of a child. Additional time may be allowed under unusual circumstances and with the permission of your supervisor.

5.5 Funeral Leave

Admiral Security Services, Inc. allows three (3) days off each year without pay (salaried or hourly) for a death in your immediate family. Immediate family is defined as parents, spouse, children, brothers, sisters, mother-in-law, father-in-law, grandparents, and grandchildren. For unusual circumstances you may request up to two (2) additional days; however, these additional days must be approved by your supervisor in advance.

Funeral leave for the death of anyone other than an immediate family member will require prior approval from your immediate supervisor. Funeral leave for such a death is limited to two (2) days per year.

5.6 Jury Duty

Admiral Security Services, Inc. will provide unpaid time off work for any employee who has been assigned jury duty. You may choose to use vacation time if you wish to be paid for your time away from work while performing jury duty and you have accrued vacation time to use. You will retain any other benefits you had prior to this time, if any. Please provide your immediate supervisor with a copy of the jury summons as soon as possible after you receive it.

5.7 Time Off For School Conferences

Unpaid time off, up to a maximum of sixteen hours (16) hours each year is available to all employees for attending school conferences and activities, and preschool activities which cannot be scheduled during non-working hours. When leave cannot be scheduled during non-working hours and the need for the leave is foreseeable, you must provide reasonable prior notice of the leave and make a reasonable effort to schedule the leave so as not to disrupt unduly Admiral Security Services, Inc.'s operations.

5.8 Time Off For Voting

At Admiral Security Services, Inc., we encourage our employees to vote, and you will be permitted the necessary time off to do so. You will be allowed a reasonable period of time to vote in case you are unable to vote before or after your regular working hours.

5.9 Military Service

Admiral Security Services, Inc. will allow time off work without pay for employees in the National Guard or Military Reserves who take approved leave for training purposes. You may also receive pay for any accrued vacation time for this period if you choose.

5.10 Health/Life Insurance

Admiral Security Services, Inc. makes health and/or life insurance available to eligible employees and their eligible family members. Admiral Security Services, Inc. contributes 50% of the cost of the premiums for the group benefits, with the employee sharing the remaining cost.



Unless otherwise provided in a written employment agreement, eligible employees are all regular full-time employees who have completed ninety (90) calendar days of employment. Please contact your supervisor for more information and details on any health or life insurance plans that are being offered.

5.11 Continuation of Medical/COBRA Insurance

The Federal Consolidated Budget Reconciliation Act (COBRA) is the legislation that provides employees and their covered dependents the right to continue their group health care coverage after a qualifying event. COBRA legislation applies to employers with twenty (20) or more employees.

Upon termination from Admiral Security Services, Inc. for any reason, an employee has the right to continue group medical coverage at group rates as long as the employee pays the required monthly premium.

COBRA gives employees and their qualified beneficiaries the opportunity to continue health insurance coverage under Admiral Security Services, Inc.'s health plan when a "qualifying event" would normally result in the loss of eligibility.

Under COBRA, you will usually pay the full cost of coverage at group rates plus an administration fee. Admiral Security Services, Inc. will provide you with a written notice describing rights granted under COBRA when you become eligible for coverage under Admiral Security Services, Inc.'s health insurance plan.

5.12 Miscellaneous Benefits

At the discretion of Admiral Security Services, Inc. management and upon approval by the President, you may be entitled to receive specific employee discounts on products or services provided by Admiral Security Services, Inc.. After a continuous one year of employment with Admiral Security Services, Inc., and with the written approval from the President, you may be entitled to one or more of the following benefits: long-term disability insurance, free or reduced cost meals, use of a Admiral Security Services, Inc. vehicle, education and training programs, paid parking, or other benefits.

5.13 Worker's Compensation

Admiral Security Services, Inc. is committed to meeting its obligations under applicable workers' compensation acts which provide medical, rehabilitation, and wage-replacement benefits to individuals who sustain work-related injuries or illnesses while working. All work-related accidents, injuries, and illnesses must be reported immediately. The failure to promptly report an accident, injury, or illness may result in the loss of coverage under workers' compensation insurance.

5.14 Retirement Plans

Under the Employee Retirement Income Security Act of 1974 (ERISA), employees may have the opportunity to participate in a retirement or other savings plan that allows employees to save for their retirement.

Contact a Admiral Security Services, Inc. representative for information and details on any retirement or other savings plans that are being offered and to determine your eligibility.

6. Separation from Employment

6.1 Layoff and Recall

There may be occasions when it becomes necessary for management to reduce staff at Admiral Security Services, Inc., due to certain business conditions or for other reasons. On such occasions, Admiral Security Services, Inc. will make decisions on the basis of our business needs related to employee job functions and their performance. Your supervisor or other Admiral Security Services, Inc. official will speak to you personally about your employment status as needed.

6.2 Resignation Termination of Employment by the Employee

You, as an at-will employee not subject to an employment contract, may choose to end your employment with Admiral Security Services, Inc. at any time, with or without good cause.

You are requested to submit a notice of resignation in writing to your supervisor two (2) weeks prior to the date you intend your resignation to take effect, to assist Admiral Security Services, Inc. in planning for your departure.

6.3 Dismissal - Termination of Employment by the Employer

As an at-will employee not subject to an employment contract, Admiral Security Services, Inc. is entitled to terminate your employment at any time and for any reason or for no reason at all, regardless of your work performance or compliance with the rules set forth this Manual.

6.3.1 Automatic Dismissal

The commission of any offense considered serious enough by Admiral Security Services, Inc.'s management, without limitation to those outlined below, will, except in extraordinary circumstances in the sole discretion of Admiral Security Services, Inc. management, be followed by the immediate dismissal of that employee:

- * Making false statements or omitting pertinent facts on an employment application or in an employment interview;
- * Threatening, assaulting, fighting with, or harassing another employee or anyone else encountered during the course of business;
- * Stealing or deliberately damaging the Admiral Security Services, Inc.'s or other employees' property;
- * Possessing a weapon at work when not required for the position;
- * Reporting to work under the influence of alcohol, narcotics, or other drugs, unless the drug was prescribed for the employee by a physician;
- * Falsifying or destroying Admiral Security Services, Inc. documents or computer files;
- * Conviction of a felony offense and/or imprisonment;
- * Taking unauthorized leave or failing to show up at work for more than three (3) consecutive days without notifying a supervisor; and
- * In the case of commercial drivers: Transporting unauthorized passengers in Admiral Security Services, Inc. vehicles
- * In the case of salespersons: Salespersons who make false claims about the product or sell unauthorized products on Admiral Security Services, Inc. time.

6.4 Exit Interview

Upon termination of employment, voluntary (by the employee) or involuntary (by the employer), with or without cause in both cases, a representative of Admiral Security Services, Inc. may choose to have an exit interview with the departing employee.

During such interview, if any, you will be informed whether you are entitled to certain post-termination benefits such as no vested retirement benefits and credits that may be due, full or pro-rated vacation pay, and other post-employment related matters.

Any employee who terminates his or her employment, or is terminated by Admiral Security Services, Inc. shall return all files of any kind, keys, tools, and any other materials whatsoever that is the property of Admiral Security Services, Inc.

Unless otherwise prohibited by applicable state or federal law, final settlement of your pay will not be made until all property owned by Admiral Security Services, Inc. is returned in satisfactory condition. The cost of replacing any items not returned will be deducted from your final paycheck, or, if this is not possible, due to legal restrictions or otherwise, legal action may be taken to recover any property or monies due Admiral Security Services, Inc..

7. Communication Policy

Any questions with respect to any of the provisions of this Employee Manual should be addressed to your immediate supervisor or Admiral Security Services, Inc. human resources representative.

You are entitled to express your point of view on work-related matters in a constructive manner, as well as to make any productive suggestions in any of the communication avenues available within Admiral Security Services, Inc..

8. Arbitration; Choice of Law

Any controversy or claim arising out of or relating to the employment relationship created between the employer (Admiral Security Services, Inc.) and employee (you), including all topics covered in this Employee Manual, and the interpretation of this Manual, or any alleged breach of it, shall be settled by arbitration in accordance with the Arbitration Rules of the American Arbitration Association, with such arbitration to take place in the County of Alameda in the state of California with an agreed upon arbitrator. If the parties cannot agree on an arbitrator, a court of competent jurisdiction shall appoint an arbitrator at the request of either Party. Although the parties shall initially bear the cost of arbitration equally, the prevailing party, if any as determined by the arbitrator at the request of the parties which is hereby deemed made, shall be entitled to reimbursement for its share of costs and reasonable attorneys' fees, as well as interest at the statutory rate. Judgment upon the award rendered by the arbitrator may be entered in any court having jurisdiction thereof. The determination of the arbitrator in such proceeding shall be final, binding, and non-appealable.

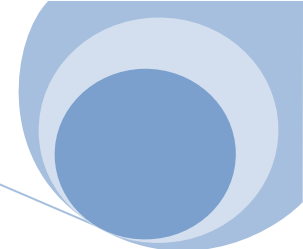
This Manual shall be interpreted, construed, and enforced in all respects in accordance with the laws of the State of California.

We have supplied a separate copy of the Acknowledgement Form below.

Please be sure to sign, date, and return this form to your supervisor after reading this Employee Manual; doing so is a prerequisite for employment with Admiral Security Services, Inc..

Also attached is an Employee Checklist for you to complete and return along with your Acknowledgement Form.

Thank you and we look forward to having you as an employee!



Acknowledgement Form

This Employee Manual has been prepared for your understanding of the policies, practices, and benefits of Admiral Security Services, Inc.; it is important to read this entire Manual. We reserve the right to make changes at any time without notice and to interpret these policies and procedures at the discretion of Admiral Security Services, Inc. This Employee Manual supersedes all prior manuals and previously-issued policies.

After you finish reading this Employee Manual, please sign, date, and return this Acknowledgement Form and the acknowledgement on the cover page within seven (7) days of your receiving this Employee Manual to read. Make a copy of these pages for your records before submitting them.

You agree to keep this Manual in your possession during your employment and to update it whenever new information is provided to you. You acknowledge that this Manual remains the property of Admiral Security Services, Inc. and must be returned immediately upon request, or upon the termination of your employment.

By signing below, you acknowledge that you have read and understood the policies outlined in this Employee Manual. You agree to comply with the policies contained in this Manual and to read and understand any revisions to it and be bound by them. You understand this Manual is intended only as a general reference and is not intended to cover every situation that may arise during your employment. This Manual is not a full statement of Admiral Security Services, Inc. policy. Any questions regarding this Manual can be discussed with your supervisor or human resources representative.

You acknowledge that this Manual is not intended to create, nor shall be construed as creating, any express or implied contract of employment for a definite or specific period of time between you and Admiral Security Services, Inc. or to otherwise create express or implied legally enforceable contractual obligations on the part of Admiral Security Services, Inc. concerning any terms, conditions, or privileges of employment. If you are subject to a written employment agreement, and any terms of that agreement conflict with this Manual, your employment agreement shall control.

Employee name (print legibly)

Employee signature

Date

