

INTRODUCTION

Welcome! We are very pleased to have you join our organization.

The professionalism and expertise shown by the management team and staff here at Stafford Development Company allow us to deliver outstanding service and quality products that our customers expect. As a new member of the team we hope you will make that same commitment.

This handbook has been designed to familiarize you with our policies and our procedures. Management is available to answer any questions you may have as you begin your new career with us.

Once again, welcome to our organization. We hope your career here will be a long and successful one!

Sincerely,

DeNean Stafford III

President
Stafford Development Company

Company History

DeNean Stafford, Jr., the company founder, graduated from the University of Georgia with a Bachelor of Science degree in Business in 1935. He began working for the Trust Company Bank of Georgia in 1936 and continued to work for them until 1947. His employment with the Trust Company Bank was interrupted by two and one-half years of service in the U. S. Army Air Corp. during World War II.

In 1947, Mr. Stafford moved to Tifton, Georgia and entered the farm equipment and automobile business. In 1951, Mr. Stafford bought the John Deere dealership in Tifton, a business his family still owns and operates today. In 1994, the John Deere dealerships in Douglas and Valdosta were added. The Company also owns a substantial interest in eleven other John Deere dealerships located in Georgia, Alabama, and Florida.

Mr. Stafford served in the Georgia State Senate from 1958 - 1960. In 1960, Mr. Stafford entered the hotel business with the development of two Holiday Inns in Atlanta, followed by the Holiday Inn in Tifton, the Ramada Inn in Valdosta, and most recently the Holiday Inn in Hilton Head, South Carolina. The fast food industry soon found its way into his business. In 1975, he franchised his first Wendy's restaurant. The Company currently owns and operates six Wendy's restaurants in South Georgia.

Mr. Stafford's real estate investments continued over the next decade to include ownership or majority interest in over 1500 units of apartments, 1,400,000 square feet of retail space, office buildings and other investment properties in Georgia, Florida, and South Carolina.

DeNean Stafford Jr. passed away on March 26th, 2001. He is survived by his wife Boo Stafford and three children, DeNean III, Mary Jane Theden, and Sally Stafford Perez. DeNean III is the current CEO and President of Stafford Development Company as well as a member of the Board of Directors of the Company along with Sally and Mary Jane.

The second generation is continuing upon the success of Mr. Stafford. In 1993, Stafford Properties was formed to handle the management and development of the real estate portfolio. Then in 2000 Stafford Hospitality was formed to pursue growth in the Hospitality Industry, Stafford Tractor was opened to pursue new frontiers in the equipment industry and Sovereign Solutions was started to venture into the health and technology industry.

Today the Development Company and other Stafford affiliated groups have a strong financial position. Continued successful growth and development have always been and will continue to be a goal of ours.

Preliminary Statement

This handbook is designed to acquaint you with Stafford Foods Inc. and to be used as a general guideline regarding Stafford Foods Inc. working conditions, employee benefits, and some of the policies affecting your employment. You should read, understand, and comply with all provisions of the handbook. It describes many of your responsibilities as an employee and outlines the programs developed by Stafford Foods Inc. to benefit employees. One of our objectives is to provide a work environment that is conducive to both personal and professional growth.

No employee handbook can anticipate every circumstance or question about policy. As Stafford Foods Inc. continues to grow or other circumstances or goals change, the company reserves the right to revise, supplement, or rescind any policies or portion of the handbook as Stafford Foods Inc. deems appropriate, in its sole and absolute discretion.

All Stafford Foods Inc. employees are “at-will” employees, which permits you or Stafford Foods Inc. to end our relationship, for any reason, at any time, with or without notice. No Policy or Provision in this Handbook is intended to create a contract binding the employee or the employer to an agreement of employment for any specified time period. No representative of the Employer, other than the Chief Executive Officer, can authorize or sign an employment agreement contrary to the above terms or otherwise make any binding offer of employment for a specific term.

Equal Opportunity Policy

Stafford Foods Inc. is committed to providing equal employment opportunity for all persons regardless of race, color, religion, sex, age, marital status, national origin, citizenship status, disability, or veteran status.

Equal opportunity extends to all aspects of the employment relationship, including hiring, transfers, promotions, training, terminations, working conditions, compensation, benefits, and other terms and conditions of employment.

Stafford Foods Inc. complies with federal and state equal employment opportunity laws and strives to keep the workplace free from all forms of harassment, including sexual harassment. Stafford Foods Inc. considers harassment in all forms to be a serious offense.

Employees who have been subject to prohibited discrimination or harassment should immediately report the incident to their supervisor, or a Human Resource Department representative. Complaints are investigated immediately and handled as confidentially as possible. Stafford Foods Inc. ensures that employees following this complaint procedure are protected against illegal retaliation.

Any reported violations of EEO law or this policy are investigated. Employees found to have engaged in discriminatory conduct or harassment is subject to immediate disciplinary action, including possible termination of employment.

Sexual Harassment Policy

It is improper and against the policies of Stafford Foods Inc. for any employee, male or female, to sexually harass another employee by:

- (a) making unwelcome sexual advances or requests for sexual favors or other verbal or physical conduct of a sexual nature, a condition of an employee's continued employment; or
- (b) making submission to or rejection of such conduct the basis for employment decisions affecting the employee; or
- (c) engaging in unwelcome sexual flirtations, advances, propositions or verbal comments, where such conduct affects or interferes with an employee's work performance or creates an intimidating, hostile or offensive work environment.

In addition to prohibiting sexual harassment, Stafford Foods Inc. also strictly prohibits harassment of any nature (including, but not limited to, harassment based on gender, race, creed, color, national origin, religion, age, or disability) that interferes with an individual's work performance or creates an intimidating, hostile or offensive work environment. All pictures and other items displayed in the workplace should be in keeping with an environment that is appropriately professional.

Any employee who believes he or she has been the subject of harassment, sexual or otherwise, should report the alleged act immediately (within 48 hours after the alleged harassment occurs, whenever possible) directly to the President of the Company, or your immediate supervisor. An investigation of all complaints will be undertaken immediately. Any supervisor, employee or agent of the company who has been found by the Company, after investigation, to have engaged in prohibited harassment, will be subject to appropriate disciplinary action depending on the circumstances, from a warning in his or her file, up to and including termination. The complainant will be informed of all such remedial actions.

No employee who makes allegations of harassment which are legitimate or which the employee believes are legitimate will be subject to any adverse action of any type for having made such allegations. In addition, no employee or other individual who participates in an investigation into allegations of harassment will be subject to discipline because of the substance of that person's participation.

If either party directly involved in a harassment investigation (whether the complainant or the accused) is dissatisfied with the outcome or resolution, that individual has the right to appeal the decision by submitting written comments to the President of Stafford Development Company.

All allegations of violation of this policy will be promptly investigated in a confidential manner to protect the privacy of the persons involved. Confidentiality will be maintained throughout the investigative process to the extent possible and appropriate under the circumstances.

Stafford Foods Inc. prohibits any form of retaliation against any individual for making a bona fide complaint under this policy, for assisting in a complaint investigation, or for making any determination necessary under this harassment/grievance policy. Retaliation is a serious violation of this policy and is to be reported immediately. Any person found to have retaliated against another individual for reporting harassment or other discrimination will be subject to appropriate disciplinary action, up to and including immediate termination of employment.

Medical Evaluations, Interviews, and Drug Screening

In reviewing applicants' qualifications for certain positions and ensuring that currently employed workers are fit and capable of performing the essential functions of their positions, Stafford Foods Inc. requires certain individuals to undergo physical examinations, which can include drug tests. The general purpose of these examinations is to determine whether the individuals being tested are physically able to perform the essential functions of the job in question without creating a significant threat to the safety or well-being of themselves, other employees, or members of the public. All of these examinations and tests are conducted on a nondiscriminatory basis and in conformance with the requirements of the Americans with Disabilities Act and other federal, state, and

local laws guaranteeing fair treatment and equal employment opportunity to individuals with disabilities and members of other protected groups.

Stafford Foods Inc. attempts to arrange reasonable accommodations that it is aware that an applicant or employee needs to take a required physical examination or test. All examinations and tests are scheduled by the Human Resource Department and conducted by physicians, medical or specially trained personnel, or testing laboratories selected by Stafford Food Inc. Results of these examinations or tests are reported to Stafford Foods Inc. designated medical representative or the Director of Human Resources. The Human Resource Director, in consultation with Stafford Foods Inc. designated medical representative, is responsible for determining whether an applicant has satisfactorily completed the required examinations or tests and whether the examination or test results demonstrate the individual's ability to perform the essential functions of the job safely, with or without a reasonable accommodation.

All applicants and employees who are required to undergo a physical examination, including a drug test, are asked to sign a form consenting to the release to Stafford Foods Inc. of all medical information from their examination or medical records that is related to their fitness or ability to perform the essential functions of the job in question.

Stafford Foods Inc. takes all necessary steps to safeguard the confidentiality of all medical information, including physical examination and test results, relating to any applicant or employee required to submit to an employment-related physical or medical examination or drug or alcohol test. Any and all records containing medical information about an applicant or current or former employee are maintained by the Director of Human Resources separate and apart from the organization's general personnel or human resource files. Access to medical information in these separate files is granted by the Human Resource Director only to individuals with a valid and documented need to know. In such cases, the Human Resource Director grants access to only as much information as is needed to satisfy the individual's specific need for information from the medical information file.

All employees who have been absent from work for medical reasons for more than seven (7) working days may be required, depending on the specific job involved, to take a fitness-for-duty examination, including a drug test, before returning to work.

All costs for required medical interviews or physicals will be borne by Stafford Foods Inc.

Driver Safety Policy Statement

Minimum driver qualifications for Stafford Foods Inc. employees have been established. These qualifications apply to those employees who drive Company owned vehicles and employees who drive personal vehicles on Company business. Some of these minimum qualifications have been established by the State of Georgia:

- Be at least **18** years of age to operate a passenger vehicle.
- Have at least **2 years** of verifiable experience in the type of vehicle to be operated.

Driver Conduct Requirements

Drivers of Company owned vehicles, or vehicles leased or rented for Company business, or personal vehicles used for Company purposes **must comply** with the following:

- Properly wear safety belts;
- Ensure that all passengers are properly restrained, including all back seat passengers.
- Ensure that the passengers do not exceed the vehicle's seating capacity;
- Never operate a vehicle when the ability to do so is impaired by alcohol, drugs, medication, illness, fatigue, or injury.
- Plan trips. Drivers should select the safest route, allow sufficient time so as not to be required to speed, allow for weather contingencies, and when visiting new areas, be familiar with local regulations.
- Immediately notify their supervisor in the event that their operator's license is revoked, canceled, denied, suspended, or restricted in some manner which would affect their legal right to drive.
- Obey all applicable laws, codes, and regulations.
- Drive defensively, anticipating and taking appropriate actions to avoid situations where incidents are likely to occur.
- **Handling Distractions:** Your only job, when operating a vehicle should be safe driving. Distractions draw our attention away from the road and our reaction time to emergencies is diminished. Eating, drinking, using cell phone, or 2 way radios distract you from your responsibility for safe operation of the vehicle that you are driving. **If you need to eat, use a radio or phone, look at directions, etc. we expect you to pull off the road until you can again give driving your full attention.**
- Report all incidents or crashes that involve Company owned vehicles, vehicles leased or rented for company business, or personal vehicles used for Company business, to his or her supervisor or to the person or department designated to receive such information. All traffic tickets must also be reported to the Company.

Accident Reporting Procedures

With the possible exception of incidents involving serious injuries to the employee, an initial report of all vehicle accidents should be communicated to the Human Resources Coordinator **within twenty-four hours**.

Drug-Free Workplace

As a standard part of its selection and hiring process, Stafford Foods Inc. requires all applicants to undergo drug tests. The purpose of these examinations is to determine whether the individuals being tested are physically able to perform the essential functions of the job in question without creating a significant threat to the safety or well-being of themselves, other employees, or members of the public. These tests are conducted on a nondiscriminatory basis and in conformance with the requirements of the Americans with Disabilities Act and other federal, state, and local laws guaranteeing fair treatment and equal employment opportunity to individuals with disabilities and members of other protected groups. In addition, Stafford Foods Inc. requires current employees in physically demanding or safety-sensitive positions to undergo periodic medical examinations. Current employees also might be required to submit to periodic drug tests as part of Stafford Foods Inc. overall program to eliminate illegal drug use among employees. Please refer to the Stafford Foods Inc. substance abuse policy for more specific information.

Smoking Policy

No smoking will be allowed in the building at any time. This policy is for the health and safety of all employees and customers. Your cooperation is requested, as this policy must be rigidly enforced to comply with the company health and safety requirements and to maintain proper insurance coverage for our building.

Hiring of Relatives

The general policy of Stafford Foods Inc. is to hire, promote, and otherwise employ people on the basis of their job qualifications and individual merit. Stafford Foods Inc. does not prohibit the employment of relatives. For the purposes of this policy, relatives include the following: spouse, parent, child, sibling, in-law, grandparent, grandchild, aunt, uncle, cousin, step-relative, or any individual with whom an employee has a close personal relationship, such as a domestic partner, co-habitant, or significant other.

The only instances in which restrictions can be imposed on such arrangements involve the following situations:

- A real or perceived conflict of interest exists because of the employment of individuals with close relationships at certain levels of the company or in positions where one of the employees exercises or appears to have influence over the other's compensation, performance evaluation, or job security.

Employee Classifications

Proper classification of employees is important to administering salaries, determining eligibility under Stafford Development Company's employee benefits plan, and complying with employment and tax laws.

Stafford Foods Inc. offers part-time and full-time employment opportunities to meet a variety of staffing requirements and accommodate employee needs and preferences.

All employees—whether full time or part time—are classified as exempt or nonexempt for overtime and minimum wage requirements.

Basic employee classifications are as follows:

Full-time regular employees are employees hired to regularly work 30 or more hours each week. Full-time regular employees can be exempt or nonexempt.

Part-time regular employees are employees hired to regularly work fewer than 30 hours per week. Part-time employees can be exempt or nonexempt. In general, employees who are regularly scheduled to work 30 or more hours per week are eligible to participate in Stafford Foods Inc.'s employee benefits programs.

SDC classifies each employee or position as exempt or nonexempt:

- Exempt employees are not subject to federal and state overtime requirements. An employee is exempt if determined to be an executive, administrative, or professional employee or outside sales representative as defined by the Fair Labor Standards Act.
- Nonexempt employees are entitled to overtime time pay of at least one-and-one-half times their regular rate for hours worked in excess of 40 in any workweek. Overtime is never at the employee's discretion. It shall only be incurred and paid at the request of the company through the employee's supervisor/manager. Supervisors/managers shall ensure that no unauthorized, overtime hours are worked. Any employee who is not classified as exempt is nonexempt.

Position Descriptions

Position descriptions are available in the personnel department for all positions in the Company. The items included in each position description are the following:

1. Job identification;
2. Job qualifications;
3. Summary statement;

4. Assigned responsibilities or duties; and

5. Supervisor

Position descriptions are used to determine employee selection, job requirements, performance appraisals, organizational structure, and the relative worth of jobs in relation to each other. Company management annually reviews all company positions to ensure equity and consistency in our human resource system.

Work Day, Payday and Pay Advances

It is our policy to decline all requests for early paychecks or pay advances for personal reasons. Pay advances in the event of vacation or legitimate business reasons (e.g., Temporary Duty Assignment) may be requested through the employee's supervisor or manager to the accounting department.

Pay Increases

Pay increases are usually based on individual merit and improvement. We periodically review all employees' pay scale and compensation.

Corrective Counseling and Performance Improvement

Corrective counseling may be initiated when company management believes that an employee's performance problem can and will be resolved through adequate counseling. Corrective counseling is completely at the discretion of company management. The company desires to protect its investment of time and expense devoted to employee orientation and training whenever that goal is in the Company's best interests. The Company expressly reserves the right to discharge "at will." Even if corrective counseling is implemented, it may be terminated at the discretion of management. Management, in its sole discretion, may either warn, reassign, suspend, or discharge any employee "at will," whichever it chooses, at any time.

It is essential that all disciplinary action be adequately and appropriately supported by written documentation to protect both the rights of the Company and the rights of the employee.

The supervisor/manager, with assistance of the personnel department, will determine the course of action best suited to the circumstances. The possible steps in corrective counseling and performance improvement are as follows:

1. Verbal counseling
2. Written counseling

3. Probation

4. Suspension

5. Involuntary Termination

The following definitions and classification of violations, for which corrective counseling, performance improvement, or other disciplinary action may be taken, are merely illustrative and not limited to these examples. A particular violation may be major or minor depending on the surrounding facts or circumstances.

1. COMMISSION OF ANY ONE OF THE FOLLOWING ACTS MAY BE CONSIDERED JUST CAUSE FOR REMEDIAL ACTION WHICH COULD RANGE FROM ORAL OR WRITTEN REPRIMAND TO SUSPENSION FROM WORK WITHOUT PAY OR DISMISSAL:

- A. Excessive tardiness;
- B. Unsatisfactory or inefficient job performance;
- C. Defacing company property;
- D. Interfering with another employee's job performance;
- E. Excessive absenteeism;
- F. Failure to abide by clock rules, sign-in, sign-out procedures; falsification of time card; Working overtime without management authorization; stopping work early without Management authorization.
- G. Performing unauthorized, personal work on company time.
- H. Failure to notify the supervisor/manager of intended absence within two hours prior to the start of a shift;
- I. Unauthorized use of the company telephone or equipment for personal business.
- J. Smoking in Prohibited Areas.
- K. Parking motor vehicle in other than areas designated by management.
- L. Dining or Snacking at any time other than during designated breaks, meal periods, or In areas other than those designated by management.
- M. Unauthorized absence from assigned work area, or being in an unauthorized area. Loitering or sleeping on the job.
- N. Failing to observe established health, fire and safety practices. Failure to report Unsafe actions of other employees or any injuries sustained while on duty.
- O. Failing to exhibit a neat and businesslike appearance and high degree of personal Cleanliness at all times. Failure to wear prescribed uniform or approved name Badge, both if applicable.
- P. All employees must enter and leave the store through the front door.
- Q. Soliciting on company premises during active work time. Distribution of literature of any description in working areas. Posting or removing notices, signs, memoranda, or writing in any form on a bulletin board or company property.
- R. Making or publishing false, vicious or malicious statements concerning an employee, supervisor, the company or it's food, beverages or services within hearing distance of customers.
- S. Discussing confidential company information in public areas where customers could overhear conversations.
- T. Soliciting for immoral purposes or aiding and/or abetting of such.

2. COMMISSION OF ANY ONE OF THE FOLLOWING ACTS MAY BE CONSIDERED JUST CAUSE FOR IMMEDIATE DISMISSAL:

- A. Fighting, either verbal or physical, on company premises;
- B. Repeated occurrences of related or unrelated minor violations depending upon the severity of the violation and the circumstances;
- C. Any act which might endanger the safety or lives of others;
- D. Departing company premises during working hours for personal reasons without the permission of the supervisor/manager;
- E. Bringing firearms or weapons onto the company premises or while off company Premises in performance of company duties.
- F. Deliberately stealing, destroying, abusing, or damaging company property, tools, or equipment, or the property of another employee or visitor;
- G. Disclosure of confidential company information or trade secrets to unauthorized persons;
- H. Willfully disregarding company policies or procedures;
- I. Willfully falsifying any company records, including employment application;
- J. Failing to report to work without excuse or approval of management.
- K. Reporting for work under the influence of intoxicants or drugs; drinking alcoholic Beverages, using drugs, or the possession of either while on company time or Premises. (These drugs apply to Non Prescription, illegal drugs)
- L. Refusing to obey direct instruction from a supervisor.(insubordination)
- M. Coercion, intimidation or threats against customer, supervisors or fellow employees.
- N. Disrespectful, discourteous conduct to customers or supervisors.
- O. Gambling on Company Premises.
- P. Theft, misappropriation, misuse of willful destruction of employees', visitors', or Company's property, or unauthorized removal of such, including found items.
- Q. Interfering or hindering of work schedules.
- R. Harassment of fellow employees, supervisors or guests. This includes, but not limited to , racial or sexual harassment.
- S. Opening back door after dark.

Employee Rules and Regulations

- 1. No chewing gum or eating while on the clock.
- 2. All food must be paid for before eating.
- 3. Employees on break must stay in the break area except to refill a drink, get more food, look at schedule or talk to a manager unless they leave store premises.
- 4. Back door will remain locked at all times.
- 5. All employees will leave and enter the store via the front doors except for openers when first coming in and performance duties such as trash runs.
- 6. Nobody out of uniform or non-employees will be allowed behind front counter or in back room without express consent of manager on duty, except service personnel.
- 7. Employees will pick up their check on Friday between 10:00 and 11:00 A.M. or 2:00-4:30 P.M. Manager on duty will issue checks over the front counter.
- 8. Each employee is responsible for his/hers schedule and no phone calls regarding schedules will be accepted.

9. Employees must call their immediate supervisor 2 hours prior to a scheduled shift when sick and unable to work.
10. Checks cannot be picked up by anybody other than the employee and cannot be cashed in the store.
11. Employees are required to be in full uniform and clocked in 5 minutes before their scheduled shift.
12. Employees are required to be in full uniform from the time they clock in to the time they clock out, regardless of the time of day.
13. Uniforms are to be clean, neat and pressed at all times. They include the provided accessories plus dark dress pants, preferably navy blue, dark brown or black polishable leather shoes. (NO OPEN TOES)
14. Nail polish and jewelry are not allowed except for a watch, one ring, and stud earrings for pierced ears.
15. Each employee is required to clean up his or her area and check in with the manager on duty before leaving.
16. After eating a meal each employee is required to clean up their trash. Before returning to work the employee must wash their hands.
17. Each employee is required to perform work related duties requested of them by management. Any discussion of these duties can be gone over after rush or after a shift is over with manager on duty, when time allows.
18. Employees are not allowed to leave the line, during business hours, unless requested to do so by the management.
19. All trips to use the restroom are to be taken before the shift, on break, or after shift unless absolutely necessary.
20. Employee meals are to be paid for prior to receiving the meal. Violation of this policy could result in termination.
21. Phone calls for employees will not be accepted, other than messages taken, unless it is an emergency.
22. Outgoing phone calls are permitted to arrange rides home only, then with permission from the manager on duty. Personal phone calls are strictly prohibited.
23. Long hair is to be put up in a bun or pinned up neatly. Ponytails or braided tails are permitted as long as they don't fall in front of the shoulders. Neglect in these areas will result in hairnets being required or termination.
24. The carry-out window is to be kept closed except to collect money, pass out food, and give change or to communicate with a customer. It is not to be used to talk about social events.
25. Your manager will designate Employee Parking.
26. There will be no congregating of friends inside or on the parking lot before, during or after business hours.
27. Alcohol and narcotics are prohibited on premises(inside or out). Coming to work under the influence of either is strictly prohibited or can result in immediate termination.
28. No weapons are to be brought on Company property(example, guns, knives)
29. Management reserves the right to have the police department search personal belonging brought into the store should the situation call for this action. We encourage you not to bring in personal belonging such as carry bags, schoolbags, etc. We will not be responsible for personal items lost while on premises.

Employee Terminations

All employees who are leaving their jobs with Stafford Foods Inc. for any reason are required to return all company property to their supervisor. Stafford Foods Inc. makes every effort to ensure that all terminations and separations from employment are conducted in accordance with all provisions and requirements of applicable federal and state laws. Terminations are to be treated in a confidential, professional manner by all concerned.

Resignation procedures. Employees are requested to give their supervisor two weeks' written notice of their intent to resign. Resigning workers are provided with information about their rights to continue participation in Stafford Foods Inc. group health plan.

Should an employee resign to join a competitor, if there is any other conflict of interest, or if the employee refuses to reveal the circumstances of his or her resignation and the future employer, the manager may require the employee to leave the Company immediately, rather than work during the notice period. This is not to be construed as a reflection upon the employee's integrity but an action in the best interests of business practice.

Discharge procedures. An employee may be dismissed at any time, for any reason, at the sole and absolute discretion of company management. In the case of dismissal, the Company will endeavor, where possible, to give some notice of its intent to dismiss an employee, however, the Company is not required to give any such notice. Discharged Employees are advised of their rights to continue participation in Stafford Development Company's group health plan.

Layoff procedures. If it becomes necessary to reduce the workforce for economic or technological reasons, Stafford Foods Inc. will make every reasonable effort to give employees affected by the reduction in force as much advanced notice as possible. Laid-off employees are entitled to the following benefits:

- **COBRA health insurance continuation.** Laid-off employees can continue their coverage under Stafford Development Company's group health plan by paying the monthly premium.

Rehiring Policy

Stafford Foods Inc. is pleased to consider applications for vacancies from former employees. Former employees who were terminated for cause, who had poor service records, or who quit without notice are not eligible for rehire. When evaluating an application from a former employee, Stafford Foods Inc. considers whether the former employee gave at least two weeks' notice (four weeks for salaried employees) before voluntarily terminating his or her position with Stafford Foods Inc.

If you are rehired, you must complete the usual 90-day probationary period. After this period, you are eligible for participation in Stafford Development Company's employee benefit plan, including health care, dental, and life insurance benefits. You must work at least 30 hours per week to be eligible for benefits.

Stafford Foods Inc. calculates any pension credit for prior service as required by the Employee Retirement Income Security Act.

Insurance

The Company recognizes the needs of employees for financial protection in the event of illness or injuries that result in medical expense and loss of income. Providing adequate, cost-effective, medical insurance protection is a concern of the company. The Company has selected a plan designed to meet the employees' needs. The plan is financially subsidized by the company to keep the employee's cost to a minimum.

The plan offered is somewhat complex. For this reason, it is suggested that the Summary Plan Descriptions (SPD), or brochure that describes the plan, be referred to for specific information. A staff member in the personnel department is available to answer specific insurance questions. During new employee orientation, the cost, coverage, eligibility requirements, and conversion privileges of the plan will be explained in detail. You will be provided with a copy of the Summary Plan Description for the plan after you or your dependents become covered.

Paid Personal Days

After 2 full years of continuous service, employees become eligible for 1 week of vacation based upon the following:

1 WEEKS VACATION BASED ON AVERAGE WEEKLY HOURS WORKED OVER 4 CONSECUTIVE WEEKS PRIOR TO A VACATION WEEK.

After 5 full years of continuous service, employees become eligible for 2 weeks of vacation based upon the following:

1 WEEKS VACATION BASED ON AVERAGE WEEKLY HOURS WORKED OVER 4 CONSECUTIVE WEEKS PRIOR TO A VACATION WEEK.

Employees are expected to schedule their vacations with their supervisors. Management must approve all vacations at least 90 days prior to vacation time desired. Vacation not used prior to the employees next anniversary date will be forfeited. You may request a Vacation request form from your Supervisor.

***All vacations are to be taken during slack times of the year.**

Leave of Absence

Family and Medical Leave

Stafford Foods Inc. is aware of and complies with all provisions of the Family and Medical Leave Act. In that light, Stafford Foods Inc. provides eligible employees up to 12 workweeks of leave in a 12-month period for the care of certain family members with a serious health condition, because of the birth or adoption of a child, or because of the employee's own health condition.

Employees with at least 12 months of service and with at least 1250 hours of service in the last 12 months are eligible for family leave.

Employees who believe they are eligible for family or medical leave should request a leave form from Human Resources at least 30 days in advance of a foreseeable family or medical leave need. If the initial period of approved absence proves insufficient, consideration will be given to a request for any extension. With the supervisor's approval, employees must take any vacation leave or sick leave as part of the approved period of leave, to run simultaneously.

If the leave is not foreseeable, employees must give as much notice as possible.

A physician's statement may be required verifying the medical disability and its beginning and expected ending dates. Any changes in this information should be promptly reported to the employer. Employees returning from medical leave may be required to provide a physician's verification of their fitness to return to work.

Eligible employees are normally granted leave for the period of the disability, up to a maximum of 12 weeks of leave during any 12-month period. The 12-month period begins on the first day of leave.

Stafford Foods Inc. will continue to provide health insurance benefits for the full period of the approved medical leave. Eligible employees must pay the premium on their medical plan policy during their leave, under the regular schedule for such payment. Stafford Foods Inc. is not required to maintain group health coverage following the end of the 12-week period.

Employees who sustain work-related injuries are eligible for a medical leave of absence for the period of disability in accordance with all applicable laws covering occupational disabilities.

Benefit accruals, such as vacation or holiday benefits, will be suspended during the leave and will resume upon return to active employment.

When a medical leave ends, the employee is entitled to be returned to the position the employee held immediately prior to the leave or be restored to an equivalent position. Except when legally required, Stafford Foods Inc. cannot guarantee reinstatement in all cases. If an employee fails to report to work promptly at the end of the family or medical leave, Stafford Foods Inc. will assume that the employee has resigned.

Military Leave

Stafford Foods Inc. complies with all federal and state laws concerning military leave; and, Stafford Foods Inc. will grant military leave to individuals who request it, and are eligible for it, under the various veterans' rights statutes.

In general, employees who foresee a need for military leave must request such leave in writing at least 30 days prior to the beginning of the requested leave. Such a leave will be granted to regular, full-time and part-time employees, to attend scheduled drills or training or if called to active duty with the U.S. armed services.

Employees may use any available, paid time-off for a military leave of absence. Subject to the terms, conditions, and limitations of the applicable plans for which an employee is otherwise eligible, health insurance benefits will be provided by Stafford Foods Inc. for leaves of two weeks or less. An employee may, at his or her option, continue coverage, again, subject to the terms, conditions, and limitations of the applicable plans, by being responsible for the full cost of such continuation.

Every reasonable effort will be made to return eligible employees to their previous position or a comparable one. They will be treated as though they were continuously employed for purposes of determining benefits based on length of service, such as the rate of vacation accrual and job seniority rights.

Other Medical or Personal Leave

Leaves of absence without pay may at times be requested by employees even though the leave is not qualified under the FMLA or is not military leave as outlined above. In those cases, an employee must submit a request in writing to his or her supervisor/manager. Managers will forward the request for final approval to the personnel department accompanied by the supervisor's/manager's recommendation. The employee is expected to request leave with as much advance notice as possible. Leaves of absence will not be granted for periods less than two weeks in duration. Vacation or sick leave should be used for such absences.

The reason for leave should fall into one of the following categories:

1. Medical or family (not qualified for FMLA)
2. Military (not required by veterans' rights statutes)

3. Personal

The employee has the responsibility to keep management and bookkeeping advised of the leave situation and to contact his or her supervisor/manager at least two weeks prior to the expiration of the approved leave to discuss return to work. If the employee desires voluntary termination, this should be reported as soon as possible. The Company will make a reasonable effort, consistent with good business practices and company needs, to reinstate an employee to the same position he or she previously occupied, or to a similar position, following a leave of absence. However, in the case of leaves over twelve weeks, the company cannot guarantee that the same or a similar position will be available at the time an employee desires to return to work, or thereafter. If this situation occurs, the Company reserves the right to offer the employee a lower-level position, if one is available at the appropriate salary for such a position. An exception to this rule is where an employee is guaranteed re-employment rights under federal or state laws.

Benefits Determination

1. Vacation. No vacation hours are earned during the leave period. Employees requesting a leave of absence for medical or military reasons may choose to use all earned vacation before beginning leave of absence. Employees requesting personal leave of absence must use all earned vacation before beginning leave of absence.
2. Sick or Personal. No sick or personal hours are accumulated during the leave period. Permissive or mandatory use of accumulated sick or personal leave is governed by the rules in paragraph 2, above.
3. Insurance. The company will continue the employee's insurance benefits on leave of absence approved for only medical reasons. The employee will be required to continue to pay their portion of premium to Stafford Development Company on a bi-weekly basis. In the case of military leaves, insurance benefits will be continued for up to 10 working days per year starting with the day military leave begins. It is understood that the employee will pay the entire premium to Stafford Development before the premium becomes due.
4. Profit Sharing. An otherwise eligible employee will be entitled to profit-sharing while on leave of absence in accordance with the rules of the profit sharing plan and related policy. If the leave began before eligibility was established, eligibility will be postponed until the employee returns to work.

Notwithstanding the above, an employee on leave of absence who fails to return to work will be terminated effective his or her last day of work or paid leave (vacation, sick, or personal), whichever is later.

Jury Duty

Stafford Foods Inc. grant employee's time off for mandatory jury duty or court appearances as a witness when the employee must serve or is required to appear as a result of a court order or subpoena. A copy of the court order or subpoena must be supplied to the employee's supervisor/manager when requesting time off. In the event that an employee needs time off for court appearances as a party to any civil or criminal litigation, the employee must arrange for time off or use accrued vacation or personal leave for such appearances.

Time Off to Vote

Time off to vote will be permitted in accordance with all applicable laws.

Profit Sharing Plan

Stafford Foods Inc. currently offers a 401(k) profit-sharing plan. All full-time employees completing at least one full year of service, and having attained the age of 21 as of plan entry dates (January 1 and July 1), are eligible. Details of this plan are in the Plan Summary Description that is provided to you upon satisfaction of eligibility requirements.

Employee Orientation

All new employees will participate in an orientation meeting within one month of their hire date. The orientation is designed to acquaint the new employee with the Company and its policies. Managers will be responsible for ensuring the attendance of new employees at the company orientation sessions.

On the first day of employment, the employee's manager is responsible for assisting the employee in completing all check-in and benefit enrollment procedures with the personnel and accounting departments. In addition, the manager will ensure that the new employee receives an introduction within the company and is provided with in-depth information regarding his or her specific role and responsibilities within the department.

Dispute Resolution Policy

The following dispute resolution procedure is available to all regular status employees. The intention of the dispute resolution procedure is to ensure employees fair treatment and prompt resolution of disputes. Employees are encouraged to discuss any work-related problem or dispute with management and are promised that no retaliation is taken for using this procedure.

Stafford Development Company will process Disputes under a Step-review System. The following Steps should be taken:

Step 1: Problems and disputes should be discussed with the employee's supervisor.

Step 2: If the employee and supervisor are unable to settle their differences, the employee should submit a written description of his or her complaint to the department head within five working days. The written complaint must include all details, a full explanation of why the employee believes the situation or disciplinary action is unfair, and the remedy the employee seeks. The department head must conduct an immediate investigation. The department head must meet with the employee to discuss the problem. If appropriate, the department head meets with the employee and supervisor together to attempt to resolve the dispute. The department head must issue a written decision within five working days after the meeting.

Step 3: If the employee is not satisfied with the department head's decision, the employee can appeal to the Human Resources Director, submitting the step two written complaint and any additional information within five working days. The Human Resources Director must meet with the employee within five working days of the request for the meeting. The Human Resources Director must respond within 10 working days of the meeting.

Step 4: If you are still unsatisfied with decisions made by following, Steps 1, 2 and 3 your complaint will be referred to a Senior Executive Officer who will render a final decision with 10 working days.

Business Gifts

The Company prohibits employees from accepting gifts or special favors from those individuals or firms with whom we do business. We feel that such activity is unbusinesslike and unprofessional and could place us in compromised positions that are not in the best interest of the Company.

Employee Privacy

Stafford Foods Inc. recognizes our employees' rights to privacy. In achieving this goal, the company adopts these basic principles:

1. The collection of employee information will be limited to that needed by the company for business and legal purposes.
2. The confidentiality of all personal information in our records will be protected.
3. All in-house employees involved in recordkeeping will be required to adhere to these policies and practices.

Violations of this policy will result in disciplinary action.

4. Internal access to employee records will be limited to those employees having an authorized, business-related "need-to-know." Access may also be given to third parties, including government agencies, pursuant to court order or subpoena.
5. The Company will refuse to release personal information to outside sources without the employee's written approval unless legally required to do so.
6. Employees are permitted to see the personal information maintained about them in the company records. They may correct inaccurate, factual information or submit written comments in disagreement with any material contained in their records.

Company Supplies, Equipment, and Telephone Policy

Company supplies and equipment such as computers and fax machines etc., are intended for use on company business only. Personal use of these supplies and equipment is permitted only with management approval.

Workplace Monitoring

Workplace monitoring may be conducted by Stafford Foods Inc. to ensure quality control, employee safety, security, and client satisfaction

Every effort will be made to guarantee that workplace monitoring is done in an ethical and respectful manner.

Dress Code

Stafford Foods Inc. employees' are expected to exhibit a neat and businesslike appearance and high degree of personal cleanliness at all times. All employees are required to wear uniforms and approved badges.

In the event that a dress code violation exists, one or more of the following disciplinary steps may be pursued:

1. A formal oral warning, which is recorded in the employee's personnel file;
2. Requiring the employee to change (including by way of going home) to correct the violation, and a written warning placed in the employee's file;

3. Placement on thirty-day probation;
4. Termination.

Grooming

It is the policy of Stafford Foods Inc. to not allow facial hair other than a neatly trimmed and groomed mustache and the mustache stays at or above the lip line, unless the employee is unable to comply with this policy due to medical, ethnic or religious reasons.

An employee that request an exception to this rule must provide the necessary documentation (i.e. Doctors' note, religious documentation and etc). If an exception is granted all facial hair must be neatly trimmed and groomed and shall not exceed in length of more than 2 inches.

Any employee that is required to wear protective gear where facial hair will interfere with the effective operation of the equipment and the safety of the employee, the employee will be required to remove all obstructive facial hair.

Confidentiality of Company Information

All employees are asked to sign the following statement at the time of employment:

"As an employee of Stafford Foods Inc., I will not at any time disclose or use, either during or subsequent to my employment, any information, knowledge or data which I receive or develop during my employment which is considered proprietary by Stafford Foods Inc. or which relates to the trade secrets of Stafford Foods Inc. Such information, knowledge or data may consist of the following which is by example only: processes, know-how, designs, drawings, diagrams, formulas, test data, accounting or financial data, pricing, salary data, marketing data, business plans and strategies, negotiations and contracts, research, customer or vendor lists, inventions, and discoveries.

I further agree that upon termination of my employment with Stafford Foods Inc., I shall promptly return any and all documents containing the above information, knowledge or data, relating thereto, to Stafford Foods Inc. This agreement shall be binding upon my successors, heirs, assigns, and personal representatives and shall be for the benefit of the successors and assigns of Stafford Foods Inc. In the event that a dispute arises concerning this agreement and a lawsuit is filed, the prevailing party shall be entitled to reasonable attorney's fees and costs.

I understand that my continued employment with Stafford Foods Inc. is contingent upon my compliance with this agreement."

Signature

Name (Please Print)

Date

At-Will Acknowledgement Form

I, _____, acknowledge that my employment with Stafford Foods Inc. is an "at-will" relationship that has no specific duration. This means that I can resign my employment at any time, with or without reason or advance notice, and that Stafford Foods Inc. has the right to terminate my employment at any time, with or without reason or advance notice.

I also acknowledge that no officer, supervisor, or employee of Stafford Foods Inc., other than the Chief Executive Officer, has the authority to promise or agree to any substantive terms or conditions of employment different from those stated in the written guidelines and policies contained in the Employee Handbook I received from Stafford Development Company. I also understand that any different employment agreement or arrangement entered into by the Chief Executive Officer must be clearly stated in writing and signed by this individual.

Furthermore, I acknowledge that the Employee Handbook I received from Stafford Foods Inc. is neither a contract of employment nor a legal document and nothing in the handbook creates an expressed or implied contract of employment. I understand that I should consult my supervisor or a representative of the Human Resource Department if I have any questions that are not answered in this handbook.

Employee

Signature: _____

Date: _____

Acknowledgment of Receipt of Employee Handbook

I have received a copy of Stafford Foods Inc. Employee Handbook, and I understand that the contents of the Handbook are presented for my information only. While Stafford Foods Inc. believes wholeheartedly in the plans, policies, procedures, and benefits described in the Handbook, it is not a contract for such or a guarantee of employment.

I accept responsibility for familiarizing myself with the information contained in this handbook and will seek verification or clarification of its terms or guidance where necessary.

I understand that, because of the broad range of subjects included, and because the number of changes required to keep this document updated will be significant, Stafford Foods Inc. reserves the right to modify, revoke, suspend, terminate, or revise the information included as necessary. I further understand that the Employee Handbook contains language giving Stafford Foods Inc. that right. The description of any benefits included in this document are not totally inclusive, and I realize that the formal, benefits' description is contained elsewhere.

I further understand that my employment with Stafford Foods Inc. is for no definite period of time, and nothing in the Employee Handbook in any way creates an expressed or implied contract of employment; but, rather it provides a brief description of benefits offered by the Company and an overview of its policies and rules. I understand that the Employee Handbook and the policies, rules, and benefits to which it refers may be amended, modified, or discontinued, at any time, by Stafford Foods Inc. in its discretion.

I further understand that in consideration of my continued employment, I agree to conform to these policies and rules, and that either I or the company can terminate my employment at-will at any time with or without cause, and without notice.

Signature

Name (Please Print)

Date

