

INTRODUCTION

These policies and procedures have been designed as guidelines to enable the employees of Coastal International, Inc. to achieve the company's desired objectives while adhering to federal and state mandates. The contents of this manual supersede all former policy statements. With the exception of the "Employment Relationship" policy, which can only be modified in writing and signed by the President/CEO, policies and procedures with respect to employment may be changed at any time with or without prior notice. The provisions of these policies and procedures do not in any way constitute, nor are they to be construed as, a contract of employment, expressed or implied, or a promise of employment for any specified time.

Questions regarding these policies and procedures should be directed to management or the Human Resources Manager.

COLLECTIVE BARGAINING AGREEMENTS

Nothing in these policies and procedures is intended to modify any expressed provision of any collective bargaining agreement to which Coastal International is signatory. Coastal International's policy and/or procedure shall prevail in the event that there is no expressed provision within the collective bargaining agreement.

COASTAL INTERNATIONAL, INC.
HUMAN RESOURCES

POLICIES & PROCEDURES

TITLE: ACKNOWLEDGMENT

I have received and read a copy of Coastal International's Human Resources Policies & Procedures listed below. I understand that nothing in these policies is intended as a contract of employment, and that the policies described therein are subject to change at the sole discretion of the Company at any time. I also understand that these policies and procedures have been designed as guidelines to enable the employees of Coastal International, Inc. to achieve the company's desired objectives while adhering to federal and state mandates.

I agree to abide by these policies and procedures, and I understand that I may direct any questions regarding them to the Human Resources Manager or the President, at any time. I further understand and agree that the employment relationship is at will and based on the mutual consent of each employee and Coastal International.

(Please acknowledge each policy below with your initials where indicated in addition to signing the bottom of this page.)

- Introduction _____
- EEO _____
- Reference Checks _____
- Legal Work Authorization _____
- Employment Relationship _____
- Employment Class _____
- Wage & Salary Admin. _____
- Introductory Period _____
- Attendance & Time Records _____
- Address Changes _____
- Employee Privacy _____
- Harassment _____
- Standards of Conduct _____
- Personal/Sick Time _____
- Vacation _____
- Holidays _____
- Drug Free Workplace _____
- Judicial Leave _____
- Bereavement Leave _____
- Voting Time _____
- Proprietary Rights _____
- Use of Company Property _____

Employee's Signature

Date

Print Employee's Name

INTRODUCTION

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COLLECTIVE BARGAINING AGREEMENTS

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TITLE: EQUAL EMPLOYMENT OPPORTUNITY

Coastal International is an equal opportunity employer. All matters regarding employment, including recruiting, hiring, advancement, training, discipline, compensation, benefits, and termination will be addressed without regard to race, color, ancestry, national origin, religious creed, sex, sexual orientation, physical or mental disability, medical condition, age (over 40), familial status, marital status, and genetic characteristics. Coastal International will consider reasonable accommodation as defined in federal, state and local law.

The overall qualifications required to perform the essential functions of the job shall be the determining factor in the selection and placement of applicants and employees.

TITLE: REFERENCE CHECKS

Coastal International reserves the right to verify information provided in the course of application for employment, including employment history and education.

Conversely, requests for verification of employment received by Coastal International will be provided only dates of employment and last position held. In addition, information regarding compensation will be provided only if written authorization has been received from the employee. All verification of employment requests will be handled by the Human Resources Manager or designee, and any employee who receives a reference request should forward the request to the Human Resources Manager.

TITLE: LEGAL WORK AUTHORIZATION

Coastal International is required by federal immigration laws to verify the identity and legal authorization to work of all its employees. All offers of employment and continued employment are conditioned upon the individual furnishing satisfactory evidence of identity and legal authorization to work in the United States.

TITLE: EMPLOYMENT RELATIONSHIP

The employment relationship between the employee and Coastal International is referred to as "at will," which means that it is one of mutual consent that may be terminated at any time, with or without cause, by either the employee or Coastal International. Nothing in this manual or any other statement, written or oral, is intended to create an employment contract or guarantee of employment or benefits.

Management retains the right to make decisions in the best interest of the Company.

This policy may be modified only in writing and signed by the President/CEO of Coastal International, Inc.

TITLE: EMPLOYMENT CLASSIFICATION

A. Exempt

Employees in administrative, executive, or professional capacities or in outside sales are classified as exempt as specified by applicable federal and state laws and regulations. Exempt employees' compensation shall be fixed, and they shall have reasonable scheduling flexibility, based upon the needs of Coastal International.

B. Non-Exempt

Employees not included in the exempt categories above are considered non-exempt, are paid on an hourly basis, and are eligible for overtime payment for hours worked in excess of that allowable by applicable state and federal law.

C. Full-Time, Part-Time, Temporary

All employees are classified as either full-time, part-time, or temporary. To qualify as full-time, an employee must be regularly assigned to work at least forty (40) hours per week. Part-time employees are regularly assigned to work less than forty (40) hours per week, and temporary employees are employed for a specific project or period of time, only.

COASTAL INTERNATIONAL, INC.
HUMAN RESOURCES

POLICIES & PROCEDURES

TITLE: WAGE AND SALARY ADMINISTRATION

It is Coastal International's objective to ensure consistent pay practices that are fair to all employees and that are consistent with all laws, collective bargaining agreements and other government requirements.

A. Pay Period

A payroll period begins at 12:01 a.m., Sunday and consists of seven (7) consecutive 24-hour periods, at the end of which a new seven-day period will commence. Pay day is Friday for services through the previous Saturday.

B. Overtime

Overtime will be paid to all non-exempt employees in accordance with applicable state and federal laws. Time and one-half of straight-time rate is paid for all hours worked in excess of that allowable by applicable state and federal law. All overtime must be approved in advance by the employee's supervisor. Holidays, vacation, personal/sick and other non-productive time is not considered time worked and is not included for overtime calculations.

TITLE: INTRODUCTORY PERIOD

The first 90 days of employment with Coastal International are considered an introductory period for both the employee and the Company. The introductory period provides time for adjustment and adaptation as the employee becomes familiar with the specific requirements of his/her position and the overall policies, operations and benefits of the Company. Extensions of the introductory period, which would allow the manager additional time to evaluate the employee, must be requested in writing and submitted to and approved by the Human Resources Manager.

The employee will be evaluated using the Introductory Evaluation Form obtained from the Human Resources Manager. The successful completion of the introductory period does not entitle the employee to continued employment. Employment status during and after the introductory period is at will.

TITLE: ATTENDANCE AND TIME RECORDS

Employees are expected to arrive at work as expected and on time. If an employee is to be absent or tardy for any reason, he or she should inform his/her supervisor or designee as soon as possible prior to the employee's scheduled starting time. Absence without notice will be considered unauthorized, and disciplinary action (up to and including termination) could result. Disciplinary action (up to and including termination) may also result if the employee's attendance shows a record of excessive absenteeism or tardiness.

All employees are entitled to a paid ten-minute (10) break every four (4) hours and an unpaid lunch break after five (5) consecutive hours of work. In compliance with federal and state laws, all non-exempt employees must record their hours worked daily, including the time of commencement and end of work and the employee's lunch break. Falsification of time records will result in disciplinary action, up to and including termination.

In the event that inclement weather, power failure, fire or some other "Act of God" prevents continuous operations, employees will receive their regular pay for up to a maximum of three workdays, provided that Coastal International officially declares that it is closed for that time. Every effort will be made to provide employees with advance notice in the event that the company will be closed.

COASTAL INTERNATIONAL, INC.
HUMAN RESOURCES

POLICIES & PROCEDURES

TITLE: ADDRESS, NAME & PERSONAL DATA CHANGES

To ensure that Coastal International has accurate and current information, employees must immediately notify the Human Resources Manager of changes in personal data such as name, address, telephone/pager number, marital status, life insurance beneficiary, and dependent information. Changes to the employee's number of IRS dependents should be made by completing a W-4 form and submitting it to the Human Resources or Payroll Manager.

TITLE: EMPLOYEE PRIVACY

Coastal International respects the rights of each employee and pledges to conduct its business in such a way that the rights and privacy of all employees are protected.

- A. Coastal International will request, use and retain only information about employees that is required for business or legal reasons.
- B. Coastal International pledges to protect and preserve the confidentiality of all personal information in its records and files.
- C. Except in specific circumstances (e.g., employment verifications, legal requirements), Coastal International will not release confidential employee information to internal and/or external sources without written consent by the employee.
- D. Coastal International requires each employee to follow the above standards concerning the confidentiality of any personal information about other employees.

TITLE: PERSONAL/SICK TIME

Regular full-time and regular part-time employees are entitled to take a maximum of 10 days per calendar year as paid time off for illness or for other pre-approved personal matters. Personal time may not be rolled over from one year to the next and will not be paid to employees upon termination of employment or for any other reason.

A. Notification

1. Illness

An employee who will be absent from work due to illness must notify his or her supervisor at least fifteen (15) minutes before his or her scheduled starting time. Employees must notify their manager each day of absence, unless other arrangements are made with the manager.

2. Other

When possible, reasonable, advanced notice to an employee's manager of his/her need for personal time should be made.

3. No Notification

If no notification is made to the Company by the employee, the employee will be on unauthorized, unpaid absence and subject to disciplinary action.

B. Illness

1. Doctor's Certification

When an employee is ill for more than five (5) consecutive working days, s/he must submit to his/her manager a signed physician's statement verifying the illness and justifying any days or hours missed due to the illness.

2. Integration With Family Care and Medical Disability Leave

If an employee is required to take a Family Care and/or Medical Disability Leave of absence, any unused Personal Time will be paid at the time the leave commences. Employees on an unpaid leave of absence are not eligible for Personal Time except what was available to the employee at the time the leave commenced.

3. Excessive Absenteeism

Employees who are frequently absent from work because of illness or other reasons cause a hardship to other workers and impair workflow. Such employees are subject to disciplinary action, up to and including termination, for excessive absenteeism.

C. Duration

Personal Time is not to be used as vacation and may not be taken the day before or after scheduled vacation or holidays.

Issued: 7/25/01

Revised:

COASTAL INTERNATIONAL, INC.
HUMAN RESOURCES

POLICIES & PROCEDURES

TITLE: VACATION

Coastal International recognizes the benefit that providing time away from work provides to both its employees and the company itself. Employees are encouraged to take off their allotted time.

Nothing in this policy is intended to modify any expressed provision of any collective bargaining agreement to which Coastal International is signatory. Coastal International's policy and/or procedure shall prevail in the event that there is no expressed provision within the collective bargaining agreement.

A. Accrual

1. Regular Full-Time Employees

Regular full-time employees shall earn vacation at the rate of ten (10) days per year during the first (1st) year and through the third (3rd) year of continuous service. Upon completion of three (3) years of continuous service, vacation is earned at the rate of fifteen (15) days per year. Vacation will accrue at the rate of 1.54 hours per pay period through the first three years and at 2.31 hours per pay period after three years.

2. Regular Part-Time Employees

Regular part-time employees earn vacation on a pro-rated basis according to the full-time equivalent the employee is scheduled to work on a predetermined basis. For example, an employee normally scheduled to work four days out of five each week will earn vacation at eighty (80) percent their straight-time rate.

3. Temporary Employees

Temporary employees are not eligible for vacation benefits.

B. Scheduling

1. Managers and Sales

Requests for vacation must be submitted in writing to the employee's manager two (2) months prior to when the vacation would commence. If the employee has not exhausted his/her allowable vacation allotment, the manager may grant the vacation request at his/her discretion. The manager must notify both the employee and the Human Resources Manager of his/her decision to grant the employee's request or not as soon as possible. If granted, the employee is responsible for arranging for coverage of his/her position during the absence, and such provisions must be authorized by the manager. Preference will be given to employees on the basis of seniority in the choice of vacation periods, but other factors in granting vacation may be considered when necessary to meet company needs.

2. All Other Personnel

Requests for vacation must be submitted in writing to the employee's manager and the Human Resources Manager at least two (2) months prior to when the vacation would commence, whenever possible (faxes and e-mails will be

TITLE: VACATION
(Continued)

accepted). Preference will be given to employees on the basis of seniority in the choice of vacation periods, but other factors in granting vacation may be considered when necessary to meet company needs. If the employee has not exhausted his/her allowable vacation allotment, the manager may grant the vacation request at his/her discretion. The manager must notify both the employee and the Human Resources Manager of his/her final decision to grant the employee's request or not. If granted, the employee is responsible for arranging for coverage of his/her position during the absence.

C. Tracking

The Human Resources Manager will track all vacation hours accrued and taken for eligible employees. Should an employee who has exhausted his/her vacation allotment request vacation time, the Human Resources Manager will notify the manager immediately.

D. Vacation Rollover & Vacation Cap

An employee may roll any unused vacation hours from one year to the next. The maximum vacation an employee may accrue at any time is 25 days (200 hours). If an employee's earned but unused vacation reaches the maximum amount, the employee will stop earning and accruing vacation. If the employee later uses enough vacation to fall below the maximum, he or she will resume earning vacation until the maximum is reached again. Employees may not receive pay in lieu of taking vacation, except on termination of employment. Employees are encouraged to take their vacations within the year that the time is earned.

E. Payout Upon Termination

Accrued vacation will be paid upon termination to regular full-time and regular part-time employees as long as the vacation was earned in the last three (3) years of employment. In the event a terminating employee has taken advance vacation time not yet earned, such time will be deducted from the employee's final paycheck.

F. Vacation Not Counted Towards Overtime

Paid time off for vacation does not count toward hours worked for the employee's overtime calculations.

TITLE: HOLIDAYS

A. Eligibility

Eligible regular full-time and regular part-time employees may receive the recognized holidays off with pay. Eligible regular part-time employees will receive a pro rata benefit in relation to their assigned full-time equivalency. Temporary employees are not eligible for the holiday benefit, but are paid time and one-half when required to work on a company recognized holiday.

Employees must work the business day preceding and following a holiday to be eligible for Holiday Pay, unless prior authorization for the employee's absence on said days has been granted (e.g., a vacation request for the day before or after a holiday has been granted).

B. Paid Holidays

The following holidays are recognized by Coastal International:

New Year's Day
President's Day
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
Day After Thanksgiving
Christmas Day
Floating Holiday

The Floating Holiday may be taken at the employee's choosing, however any Floating Holiday not taken by the end of the calendar year will be paid out to the employee at that time.

C. Observation

When a holiday observed by Coastal International falls on Saturday or Sunday, the immediately preceding Friday or following Monday is observed as the holiday.

D. Compensation for Work on a Recognized Holiday

1. *Exempt Employees*

Any eligible, exempt employee who works on a recognized holiday shall receive a compensatory eight (8) hour day off at a later time.

2. *Non-Exempt Employees*

Any eligible, non-exempt employee who works on a recognized holiday shall be paid one and one-half (1.5) times the straight time rate of pay for all hours so worked. An eligible employee who works on a recognized holiday shall also receive a compensatory eight (8) hour day off at a later time.

E. Holidays Not Counted Towards Overtime

Paid time off for a holiday does not count toward hours worked for the employee's overtime calculations.

TITLE: JUDICIAL LEAVE OF ABSENCE

Coastal International will grant a paid leave of absence for up to five (5) working days in a one year period at the employee's regular rate of pay for employees summoned to jury duty or subpoenaed to appear as a witness. Judicial/jury duty extending beyond five (5) days will be considered an authorized, unpaid absence for the duration of required service. Employees may use their accrued, unused personal/sick, vacation, or holiday time during any unpaid portion of judicial leave.

Procedures

- A. Employees must show the jury duty summons or subpoena to their manager immediately following its receipt. The manager must send a copy of the summons to the Human Resources Manager for the employee's personnel file.
- B. Personal/Sick time, vacation, and holiday accruals shall continue during any paid portion of the judicial leave.
- C. Health benefits will continue until the end of the month in which the employee goes to unpaid status. COBRA continuation coverage will be offered to allow the employee the opportunity to continue his/her benefits by assuming the responsibility for payment of the monthly premium.
- D. When court is recessed, or if the employee is excused from service, and when time and distance permits, the employee is expected to return to work.
- E. Upon returning to work, an employee must show his/her manager a receipt from the Jury Commissioner verifying that s/he has served. The manager must send a copy of the receipt to the Human Resources Manager for the employee's personnel file..
- F. If the employee's health benefits ceased and s/he elected COBRA coverage, s/he must re-enroll for health benefits by contacting the Human Resources Manager immediately upon return to work, or s/he could forfeit his/her right to reinstatement.

TITLE: BEREAVEMENT LEAVE OF ABSENCE

A regular full-time or regular part-time employee of Coastal International bereaved by the death of a member of his/her *immediate family/household* or other relative or friend will be granted a Bereavement Leave of Absence. Employees who are on a leave of absence of any length and temporary employees are not eligible for Bereavement Leave.

A. Immediate Family/Household

The term *immediate family* shall include parent/step parent (or individuals who have stood in place of a parent), sister, brother, spouse, child/step child, grandparents, mother-in-law, or father-in-law (or the parent of an employee's significant other who stands in place of a spouse).

A member of the immediate household shall include a "significant other" who stands in place of a spouse.

B. Duration

1. Immediate Family/Household

The maximum allowable paid time off is three working days. An additional two days of Bereavement Leave without pay shall be allowed for an employee to attend a funeral out-of-state. The additional days will be designated as authorized unpaid absences, or the employee may elect to use any accrued, unused personal/sick, vacation, or holiday time. The employee may also be eligible to apply for a Personal Leave of Absence.

2. Other Relatives or Friends

With his/her manager's approval, an employee may take up to one full day without pay to attend services of other relatives or friends. Employees may use any accrued, unused personal/sick, vacation, or holiday time.

Paid time under this policy is given over and above any time allowed under our Personal/Sick Time policy.

COASTAL INTERNATIONAL, INC.
HUMAN RESOURCES

POLICIES & PROCEDURES

TITLE: VOTING TIME

Coastal International employees will be allowed a maximum of two hours' paid time off to vote in federal or state elections without loss of pay, as required by law, either at the beginning or at the end of the workday, provided the polls are not open a sufficient time outside working hours. Employees must give their manager advance notice of their need for time to vote.

Issued: 7/25/01
Revised:

**TITLE: PROPRIETARY RIGHTS & CONFIDENTIALITY
AGREEMENT**

The protection of confidential, sensitive, and proprietary *Information and Trade Secrets* is of critical importance to Coastal International, Inc. It is therefore important that all employees take steps to safeguard such information. Confidential, sensitive, and proprietary *Information and Trade Secrets* includes, but is not limited to: compensation information, customer lists, customer preferences, rate information, marketing strategies, and pending projects and proposals. Employees are prohibited from improperly using or disclosing such information. Any employee who violates this policy will be subject to immediate discipline, up to and including termination of employment and legal action.

A. Definitions

For the purposes of this policy/agreement:

1. *Information* shall mean any and all discoveries, ideas, facts, or any other information relating to the operation of the Company's business, of whatever type and in whatever form, which is disclosed or otherwise made available to an employee by the Company in confidence, including, but not limited to: all information relating to personnel, sales, customers and financial and scientific matters of Coastal International, and any other discoveries, ideas, business plans, or facts relating to any of the foregoing, whether developed by the employee or by others.
2. *Trade Secret* shall mean any and all Information that derives independent economic value, actual or potential, from not being generally known to persons who can obtain economic value from its disclosure or use, and that is the subject of reasonable efforts by Coastal International to maintain its secrecy.
3. *Inventions* shall mean designs, trademarks, discoveries, formula processes, manufacturing techniques, Trade Secrets, Information, improvements, ideas Inventions or copyrightable work.

B. Any and all *Information or Trade Secrets* that are received or developed by a Coastal International employee are disclosed to him/her in confidence and are to be used only for the purposes for which they are provided. During the term of his/her employment with Coastal International or thereafter, an employee shall not, directly or indirectly, except as required by the normal business of the Company or expressly consented to in writing by the President/CEO:

1. Disclose, publish, or make available any Information or Trade Secrets, other than to an employee or officer of the Company who, in the reasonable exercise of the employee's judgment, needs to know such Information or Trade Secrets in order to perform his/her duties within the Company;
2. Sell, transfer, or otherwise use or exploit or permit the sale, transfer, use or exploitation of the Information or Trade Secrets for any purpose other than those for which they are provided;

**TITLE: PROPRIETARY RIGHTS & CONFIDENTIALITY
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(Continued)**

3. Remove from Coastal International's premises or retain upon termination any Information or Trade Secrets, any copies thereof, or any tangible or retrievable materials containing or constituting Information or Trade Secrets.
- C.** Upon an employee's termination of employment, or upon request by Coastal International, the employee shall return to the Company all tangible forms of Information and Trade Secrets.
- D.** An employee agrees to disclose promptly to the Company any and all Inventions (whether or not patentable or whether or not reduced to practice) conceived or learned by the employee during the period of his/her employment, either alone or jointly with others, which relate to or result from the actual or anticipated business, work, research or investigations of Coastal International, or which result, to any extent, from use of Coastal International's premises or property. The employee understands that Coastal International is the sole owner of any and all property rights in Inventions, including, but not limited to the right to use, sell, license or otherwise transfer or exploit the Inventions; and the right to make such changes in them and the uses thereof as Coastal International may from time to time determine. The employee agrees to disclose and assign to the Company, without further consideration, his/her entire right, title, and interest throughout the United States and in all foreign countries, free and clear, of all liens and encumbrances, in and to all Inventions, which shall be the sole property of Coastal International, whether or not patentable.

The employee also agrees to cooperate with Coastal International both during and after employment in obtaining and enforcing patents, copyrights, and other protection of the Company's rights in Inventions. As provided in Section 2870 of the California Labor Code, this Section D does not apply to any Inventions:

1. For which no equipment, supplies, facility, or Trade Secrets of the Company were used;
 2. Which were developed entirely on the employee's own time; and
 3. Which do not relate at the time of conception or reduction to practice to the Company's current business or its actual or demonstrably anticipated research or development, or which do not result from any work performed by the employee for the Company.
- E.** The employee certifies that s/he has no continuing obligations with respect to the assignment of Inventions or rights to Inventions, nor does the employee claim any previous, unpublished Inventions within the scope of this policy/agreement as the

**TITLE: PROPRIETARY RIGHTS & CONFIDENTIALITY
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(Continued)**

employee's own, except for Inventions, if any, which the employee has listed in Appendix A to this policy/agreement.

- F. The employee certifies that there is no other contract or duty on his/her part that would interfere with his/her ability to provide services to Coastal International. The employee agrees that, in performing work for Coastal International, s/he will not knowingly use any patented Inventions, Trade Secret, confidential or proprietary Information obtained from third parties, including any prior employer or any other organization or individual. The employee agrees not to use copyrighted materials, nor any portion thereof, of any other company or person while writing computer programs, manuals, or any other materials for the Company, and that s/he will not bring onto Coastal International's premises any unpublished document or other property containing proprietary Information or Trade Secrets belonging to the employee's former or concurrent employers or companies, unless consented to in writing by said employer or companies.

**THIS AND THE FOLLOWING PAGE MUST BE SIGNED AND DATED BY ALL
COASTAL INTERNATIONAL EMPLOYEES AND MAILED TO THE HUMAN
RESOURCES MANAGER. A copy should be kept for the employee's records.**

Employee's Signature

Date

Print Employee's Name

See Appendix A on following page to list the employee's own inventions.

COASTAL INTERNATIONAL, INC.
HUMAN RESOURCES

POLICIES & PROCEDURES

**TITLE: PROPRIETARY RIGHTS & CONFIDENTIALITY
APPENDIX A TO AGREEMENT**

I have made or improved the following Inventions and claim sole right to them. I include below the names of co-inventors or employers to whom I owe a continuing obligation with respect to these Inventions.

Employee's Signature

Date

Print Employee's Name

COASTAL INTERNATIONAL, INC.
HUMAN RESOURCES

POLICIES & PROCEDURES

**TITLE: USE OF COMPANY PROPERTY INCLUDING
ELECTRONIC COMMUNICATIONS SYSTEMS**

All of the property, equipment and communication systems used by Coastal's employees, including, but not limited to, desks, telephones, computers, electronic mail, Internet/World Wide Web Access, and voice mail, are the property of the Company and are to be used for business purposes. Depending on the circumstances, Coastal may need to search Company property, and employees should understand that items or information stored in Company property may become available to Company-authorized persons. Consequently, employees should always ensure that the items and business information and business information contained in Company property are accurate, appropriate, ethical and lawful.

Although employees have individual access codes to voice-mail, e-mail and computer network systems, these systems are accessible at all times by and access codes and passwords are subject to override by authorized Coastal personnel. Employees are prohibited from the unauthorized use of the access codes or passwords of other employees to gain access to their computers, e-mail and voice-mail messages. Even though passwords are used, they are meant to protect the electronic systems and their contents from third party intrusion and not to give the user a sense of confidentiality.

Documentation and communications using Coastal's systems must not contain content that could be considered discriminatory, offensive, obscene, threatening, harassing, intimidating, or disruptive to any employee or other person. Examples of unacceptable content may include but are not limited to ones based on sex, race, color, religion, national origin, sexual orientation, age, familial status, disability, or any other characteristic protected by law. No offensive or embarrassing materials should be printed, copied, forwarded or displayed in the workplace. Coastal's policy against harassment applies fully to the use of voice mail and e-mail systems.

Although the systems may contain a delete function, the information which has been "deleted" may have previously been backed up or exist in another location. In particular, all Internet/World Wide Web users should be aware that the Company computer system may maintain a record of all Internet/World Wide Web access. In addition, Internet/World Wide Web access is not anonymous and users should realize that their access to web sites may be logged by the owner of the web site.

Internet access is provided by Coastal International to assist employees in obtaining work-related data and technology, and employees must limit appropriate personal use of the Internet and other electronic communications systems to non-work time except for emergencies. Employees are prohibited from using Company property to promote any personal commercial or business ventures or interests, or for the unauthorized dissemination of copyrighted materials, trade secrets, proprietary financial information, or similar materials.

Coastal prohibits the download and use of unauthorized electronic programs from the Internet/World Wide Web to protect the network computer systems from viruses and other malicious programs. Coastal requires that employees observe all applicable intellectual property rights when installing authorized programs.

Inappropriate use of Coastal International's property and electronic communications systems will result in disciplinary action up to and including termination.

TITLE: SAFE DRIVING

In order to minimize our liability exposure, keep our insurance premiums within reason and to maintain the highest standards for employee safety, Coastal International is committed to implementing rules, guidelines and objectives for all employees who drive while conducting company business. It is imperative that all Coastal employees who drive a Coastal vehicle or a privately owned vehicle while on company business follow all the rules of the road set forth by the DMV respective to the state where one is driving.

While we understand that accidents can occur, we must take all necessary steps to avoid them. The following driving rules and guidelines are set forth for all Coastal drivers to follow at all times.

All drivers must have a valid drivers license in accordance with the applicable state. If you have a question about the applicability of your license type to the type of vehicle being driven, please contact Kathy Spangler at Coastal. ***Drivers whose licenses have been suspended or revoked by the DMV shall not be permitted to drive on Coastal business.***

Drivers must report all accident and traffic violations, regardless of their severity or who was at fault, to Kathy Spangler at Coastal within 24 hours of the incident or citation. A record of all accidents will be maintained by the HR department and reviewed annually with the Operations Manager. All vehicles will be maintained on a semi annual basis to ensure that each vehicle is operating properly. Please submit all maintenance records to Rick Woods who is tracking and documenting our vehicle maintenance.

All drivers must obey the following safety rules and guidelines:

- Observe all Speed Limits and Traffic Laws
- All drivers and passengers must use their seat belts.
- No driving under the influence of drugs or alcohol.
- The use of cellular phones while the vehicle is in motion is strongly discouraged and may be illegal in some jurisdictions. At the very least all drivers must use hands free equipment.
- Slow down and be alert in inclement weather
- Never tailgate
- All vehicles should be locked when they are unoccupied.
- No pets allowed
- The engine must be turned off before the Coastal employee leaves the vehicle
- Proper vehicle maintenance (updated maintenance log to be kept in every vehicle)
- No cigarette smoking in Coastal vehicles
- No unauthorized passengers in Coastal vehicles and under no circumstances should and employee pick up hitch hikers when driving while conducting Company business.
- No personal use of Company vehicles

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- All employees who use their personal vehicle while conducting Company business must carry the required minimum of liability insurance respective to the State where they reside. A certificate of insurance must be submitted to the HR department where it will be filed in the employee's file

Coastal International works closely with its insurance company to promote vehicle safety, investigate claims and keep our insurance premiums competitive. Coastal must comply with the following driver guidelines:

- No DUI's or "Wet Recklesses"
- No "leaving the scene of an accident"
- More than 2 moving violations in three years
- More than one moving violation and one at fault accident in three years
- Two at fault accidents in the last three years
- Vehicular Manslaughter
- Exhibition of Speed
- Driving with a suspended license for the last four years
- Four or more: Failures to Appear, Unlicensed Driver or Proof of Insurance

All applicants must provide the Coastal manager with a copy of their DMV driving record. If one cannot be obtained, Coastal will obtain one. The record shall be reviewed and accepted by Coastal prior to hiring.

Please be advised that if there are any violations to these rules and guidelines, all driving privileges may be immediately revoked.

I have read and agreed to the Safe Policy Driving Guidelines:

Signature

Print Name

Date _____

Issued: 1/25/02

Revised:

Coastal International Travel Rules and Obligations

In order to provide optimum service for our clients, Coastal International will occasionally travel an employee, either exempt or hourly to a city where there exists a large, temporary labor requirement. Travel may also occur when Coastal International determines it is in the clients' best interest to assign a particular key member of our staff, either exempt or hourly to become familiar with a particular exhibit property. Coastal may then utilize this expertise as a cost-controlling tool for the client by making this individual available for work in other cities. Coastal International maintains strict authority in establishing rules and codes of conduct when such travel occurs. Coastal is unwavering in its determination to travel only those individuals who can abide by these rules and represent the company in a professional manner. Coastal has established the following rules and codes of conduct for traveling personnel:

Travel Rules

- 1) **Airfare** - Flight arrangements will be provided by the City Manager from which you travel. Tickets are purchased based on a best-fare basis in order to maintain our client's budget constraints. Although we realize that sometimes itineraries may change, please exercise best judgment when changing air itineraries (i.e. arriving home 2 hours earlier is not justification for a \$100 airfare change). Coastal personnel will need to have the ability to pay for these airfare change charges and submit the receipt to their home City Manager for reimbursement upon their return. If this is not possible, the individual should contact their home City Manager, not the local City Manager for further instructions.
- 2) **Per Diem** - Per diem will be paid in advance by the home City Manager from which you travel. In the rare case of a last-minute trip, it is appropriate to obtain per diem from the local City Manager. It is not appropriate to ask the local City Manager for additional advances unless an emergency situation exists.
- 3) **Ground Transportation** - It is appropriate to share ground transportation with other Coastal personnel. To and from airports, the rule of thumb is, "if you fly together, ride together". Utilize shuttles where possible, although sometimes taxis are the better option if you have multiple passengers. Receipts should be submitted to the home City Manager upon the completion of the trip. It is not appropriate to burden the local City Manager with minor ground transportation reimbursements. Rental vehicles may only be approved by Bruce Green, Rich Sotir, or Bob Hill.
- 4) **Hotel** - Coastal International pays for room and tax charges only. Hotels usually require a credit card or cash deposit for incidentals. It is never appropriate to charge movies, videos, room service, laundry service, telephone service, meals or entertainment to a Coastal hotel

room or Coastal credit card. Arrangements and roommate assignments are made in advance by the local City Manager. This information should be provided by your home City Manager prior to the travel date. These assignments require extensive planning and take into account booth assignments, travel schedules and many other factors. It is not appropriate to change hotels or alter roommate assignments without contacting the local City Manager. Altering roommate assignments inevitably results in a late night phone calls by those arriving on later flights or personnel securing an additional private room, a cost that Coastal International will not incur. Upon completion of your stay, it is always appropriate to check out of your hotel at the front desk. Hotels sometimes fail to terminate the room charges unless the paperwork has been completed.

Appropriate Behavior

Coastal International has established a zero-tolerance policy for behavior that is inappropriate or does not best portray the business image that the company wishes to present. Although it is impossible to make a listing of inappropriate behavior, suffice it to say that if it is illegal, immoral or would embarrass your family, it is most likely not appropriate. Possession or use of illegal drugs or excessive consumption of alcohol to the point of impaired judgment will not be tolerated. Coastal International also has established a zero-tolerance policy for sexual harassment, consistent with accepted, contemporary practices in a workplace environment. These policies pertain not only to the tradeshow floor, but also apply to behavior at Coastal affiliated hotels, offices and other functions. Violations of these policies will result in disciplinary action and possible termination.

Interaction with Coastal Management and Other Labor

The local City Manager or a designated Manager are the ultimate authorities for all decisions on the show floor. Problems that are related to personnel, scheduling or hiring are the sole jurisdiction of the City Manager or a designee. The City Manager should be informed in advance prior to releasing personnel, changing personnel, or hiring personnel. Other problematic issues should be addressed with the City Manager or the designee. In addition, the following protocol should be observed:

- 1) Observe and respect the local rules in regards to Electrical and other Union jurisdictions. The City Manager will provide you with details if you are not familiar with local customs.
- 2) In certain cities you will be asked to sign Local Union dues check-off cards or enroll in the Union on a temporary basis. Coastal International is signatory to many Union contracts, and Union enrollment is a requirement of the contract. If you are fundamentally opposed to this, please declare yourself ineligible for travel. Please do not make issue of this on the show floor, or you may find yourself ineligible to work for Coastal as well.
- 3) Observe the prevailing local lunch and break schedule.

- 4) Inform the City Manager or designee of material purchases that are required for your booth. Do not send a runner exclusively for your material because the City Manager may already have employed a runner and your material could possibly be combined with other runs. Make certain that you communicate with the runner for accurate running time, and list the material on your Coastal Material Sheet.
- 5) Make certain that your completed paperwork is turned in to the City Manager or designee at the close of your business day. The City Manager only is authorized to allow you to send your labor home straight from the booth, and/or turn paperwork in the next day.
- 6) Coastal International compensates personnel respective to the prevailing wage for the town from which they are hired. It is never appropriate to discuss wages or compensation with personnel employed by Coastal in other cities.
- 7) The Coastal City Manager will attempt to provide as many days and hours of employment as possible to traveling personnel, respective of Union jurisdictions. Coastal International does not imply or guarantee that all out-of-town personnel will work every day, especially during show days. If this is an issue, you should probably not accept the travel assignment.

Interaction with Coastal Clients, Display Houses

Coastal International values and encourages interpersonal interaction between clients and personnel as it creates for an enjoyable and loyal working atmosphere for all concerned. It is important, however, to observe a distinctive delineation between appropriate and inappropriate interaction. The following guidelines should be observed:

- 1) It is never appropriate to discuss wages, compensation, per diems, or travel costs with a Coastal client or Display House. This prohibition also applies to asking for special "deals" to travel, or suggesting to a client that you are available to travel on their behalf. Arrangements to travel with an exhibit are the sole jurisdiction of the Coastal Account Executive.
- 2) It is inappropriate to suggest or endorse a particular display house or builder to a client. This is the sole jurisdiction of the Coastal Account Executive.
- 3) It is never appropriate to critique or criticize a display house to the client.
- 4) It is never appropriate to critique or criticize the local Coastal operation, labor or management. The goal is to make Coastal in entirety look good. People are most likely traveling because the office is stretched beyond the local limits. We travel people to create a positive image for Coastal International and disparaging remarks have the opposite effect.

- 5) It is the local City Manager's jurisdiction to add people to an exhibit after straight time hours or modify a call in any way. Please refrain from discussing or suggesting the addition of certain individuals with a client or display house as this is solely the realm of the City Manager.

This policy was created in response to numerous actual circumstances that occurred while personnel were in a traveling capacity for Coastal International. Please feel free to discuss these policies with your City Manager. Please sign and date this policy and return it to your City Manager prior to your travel. Don't forget to keep a copy for your records. All signed documents will then be forwarded to Human Resources in the Sausalito office.

Signature _____ Date _____

Print Name _____

TITLE: DRUG-FREE WORKPLACE POLICY

Coastal International is committed to providing a safe and productive work environment and to fostering the well-being and health of its employees. That commitment is jeopardized when any employee illegally uses drugs or alcohol on the job, comes to work with these substances present in his/her body, or possesses, distributes, or sells drugs in the workplace. Therefore, Coastal International has established the following:

1. It is a violation of company policy for any employee to possess, sell, trade, or offer for sale illegal drugs or otherwise engage in the illegal use of drugs or alcohol on the job.
2. It is a violation of company policy for anyone to report to work under the influence of illegal drugs or alcohol (i.e., with illegal drugs or alcohol in his/her body).
3. It is a violation of company policy for anyone to use prescription drugs illegally.
4. Violations of this policy are subject to disciplinary action up to and including termination.
5. The Company reserves the right to implement drug testing at any time.

It is the responsibility of Coastal's managers and supervisors to counsel employees whenever they see changes in performance or behavior that suggests an employee is under the influence of alcohol or other drugs. Although it is not the manager's or supervisor's job to diagnose personal problems, s/he should encourage such employees to seek help and advise them about available resources for getting help. Everyone shares responsibility for maintaining a safe work environment and co-workers should encourage anyone who uses alcohol or other drugs in the workplace to seek help.

There may be occasions, removed from the usual work setting, at which it is permissible to consume alcohol in moderation, with management approval.

The goal of this policy is to balance our respect for individuals with the need to maintain a safe, productive, and drug-free environment. The intent of this policy is to offer a helping hand to those who need it, while sending a clear message that illegal drug use and alcohol abuse are incompatible with employment at Coastal International.

**TITLE: STANDARDS OF CONDUCT AND TERMINATION
FOR DISCIPLINARY REASONS**

While Coastal reserves the right to terminate an employee's employment at will, disciplinary actions up to and including dismissal may result from the following:

- A. Poor work performance;
- B. Misconduct on the job, or misconduct off the job that materially or adversely affects the Company, including when traveling to other cities on Coastal business;
- C. Insubordination, including refusal to perform work assigned;
- D. Failure to abide by the policies and/or procedures prescribed by Coastal;
- E. Harassment of fellow employees, including sexual harassment;
- F. Falsification of Company records, books, or documents, including time cards;
- G. Theft or other dishonest conduct;
- H. Reporting to work under the influence of alcohol or drugs not taken under the direction of a licensed physician, or use or sale of alcohol or drugs on the premises (unless authorized for Company functions);
- I. Excessive tardiness;
- J. Absence from work without permission from or notification of the employee's supervisor, or excessive absence;
- K. Willfully or negligently misusing, damaging, or destroying any property of Coastal or of any employee;
- L. Removing any Company property or property of other employees from the premises without proper authorization;
- M. Leaving the workplace during work hours without permission;
- N. Working for or releasing confidential information to a competitor;
- O. Accepting personal remuneration from customers, agencies, or members for matters involving Coastal;
- P. Failure to report immediately to a supervisor any accidents or injuries on the job

Of course, it is impossible to enumerate all of the types of conduct that could result in disciplinary action and the foregoing list is intended only to provide some examples.

TITLE: HARASSMENT

Harassment in the workplace on the basis of sex, race, color, national origin, ancestry, citizenship, religion, age, physical or mental disability, medical condition, veteran status, sexual orientation, familial status, marital status, or genetic characteristics is illegal under federal and state law. Coastal International condemns and prohibits the harassment of any employee, customer, client, or vendor.

A. Harassment includes, but is not limited to:

1. Verbal harassment such as epithets, lewd talk, suggestive comments, jokes, or slurs;
2. Physical harassment such as assault, impeding or blocking movement, or any physical interference with normal work or movement directed at an individual;
3. Visual forms of harassment such as derogatory posters, cartoons, drawings, or gestures; or
4. Unwelcome sexual advances or threats of reprisal after a negative response to sexual advances, requests for sexual favors, offers of employment benefits in exchange for sexual favors:
 - a. if submission to such conduct is made a term or condition of working at Coastal International;
 - b. if submission to or rejection of such conduct is the basis for employment decisions;
 - c. if such conduct unreasonably interferes with the individual's work performance or has the purpose or effect of creating an intimidating hostile, or offensive work environment; or
 - d. if such conduct is made a term or condition of doing business with Coastal International.

B. If any employee believes that s/he is the victim of harassment or that s/he has witnessed harassment of an employee, customer, client, or vendor of Coastal International, that employee should immediately report the incident to his or her immediate supervisor. If the immediate supervisor is involved in the reported conduct, or, if for some reason the employee feels uncomfortable about making a report to that supervisor, the report should be made to the President/CEO or Human Resources Manager.

C. Coastal International will fully and effectively investigate any such report and will take whatever corrective and remedial action is deemed necessary, including disciplining or discharging any individual who is believed to have violated this policy. Persons complaining of harassment will be protected from retaliation. Any individual who engages in harassment contrary to this policy may be personally liable in any legal action brought against him or her.

COASTAL INTERNATIONAL, INC.
HUMAN RESOURCES

POLICIES & PROCEDURES

TITLE: HARASSMENT
(Continued)

- D. In addition to the internal process described above, persons in California subjected to harassment based on the aforementioned, protected categories have the right to contact and file a complaint with the California Department of Fair Employment and Housing (DFEH). The Department serves as a neutral fact-finder and attempts to help the parties voluntarily resolve disputes. When the Department finds evidence that there has been a violation of the law, and conciliation efforts fail, the Department may file a formal accusation. This can lead to a public hearing before the Fair Employment and Housing Commission (FEHC). The Commission, after hearing the facts, will make a final determination in the matter. If the Commission finds that the law was violated, it can order appropriate remedies, including monetary reimbursement, back pay, an offer of the position denied and affirmative relief.

Employees who oppose harassment, file complaints with, or otherwise participate in an investigation, proceeding or hearing conducted by the DFEH or FEHC will be protected against retaliation.

Any employee wishing to contact the DFEH may call (800) 884-1684.

Employee Signature

Date

Print Employee's Name