



EMPLOYEE HANDBOOK

Effective June 13, 2008

TABLE OF CONTENTS

	<u>Page</u>
Company Overview	2
History of the Company.....	2
Customer Relations.....	3
Employment Practices	4
At-Will Employment Policy.....	4
Responsibility of Management.....	4
Equal Employment Opportunity Policy	4
Drug and Alcohol Free Workplace	5
Policy Concerning Sexual and Other Types of Harassment and Discrimination	5
Zero Tolerance for Violence	6
Complaint Procedures	6
Open Door/Grievance Policy	7
Personnel Records	7
Employee Suggestions	7
Performance Review	7
Employment	8
Employment Authorization	8
Employment Status	8
Introductory Period	8
Employee Information/Changes in Personal Status	9
Employment of Relatives	9
Free Lance - Outside Work	9
Conflict of Interest.....	9

Work Hours, Leave Policies and Compensation	11
Company Hours	11
Punctuality, Attendance and Absences	12
Time Records	12
Time Clocks and Time Cards	12
Missed Punches	12
Overtime	13
Holidays	13
Employee’s Children in the Workplace	14
Leave Policies.....	14
Requests For Leave	14
Vacation Leave	14
Sick Leave	16
Family and Medical Leave Act	16
Pregnancy, Childbirth and Related Medical Conditions [Applicable to Louisiana Employees Only]	17
Leaves of Absence (When FMLA Does Not Apply)	18
Bereavement Leave	18
Court Leave	18
Time Off To Vote	19
Military Leave	19
Educational Leave	19
Inclement Weather/Snow Days	19
Compensation	20

Employment Benefits and Programs	22
Benefits Overview	22
Section 125 Plan	23
401(k) Retirement Plan	23
Health & Life Insurance	23
Dental Insurance	24
Workers' Compensation Insurance	24
Discounts	24
Expense Reimbursement	25
Training / Education Expense	25
Business and Seminar Travel Expense.....	26
Other Expense	26
Employee Guidelines	27
Dress Code	27
Uniforms.....	28
Parking.....	29
Confidentiality of Company Information.....	29
No-Solicitation/No-Distribution.....	30
Calls from News Media, Lawyers or Government Officials.....	30
Marketing and Correspondence	30
Inter-Departmental Cooperation.....	30
Recycling.....	31
Lost and Found	31

Prevention of Shoplifting/Hold up Policy	31
Hold-Up Policy.....	32
Company Property and Services.....	33
Personal Use of Company Supplies and Parts.....	33
Communications / Bulletin Boards Policy	33
Care of Company Property	33
Technology Use Policy.....	33
Mail.....	34
Miscellaneous Deliveries.....	35
Cash Reporting Rule.....	35
ATV Consent Decree	35
Dealer Tags.....	35
Telephone Calls	35
Personal Calls	36
Cell Phone Usage	36
The Company 800 Number	37
Use of the Premises	37
Checks Written By Employees.....	37
Health and Safety	38
Smoking.....	38
Restricted Areas.....	38
Safety.....	38
Hazardous Materials & Equipment Materials Safety Data Sheets	39
Material Handling.....	40

Unloading Freight.....	40
Two-Wheeled Hand Truck	40
Servicing Batteries.....	41
Tire Mounting.....	41
Incident/Accident Reports	41
Use of Equipment and Vehicles	41
Driving Habits	42
No Cell/Mobile Phone Usage While Driving Company Vehicles	43
Test Rides	43
Vehicular Accidents	43
Personal Use of Company Vehicles	43
In Case of Fire	43
Standards of Conduct and Disciplinary Action.....	44
Standards of Conduct	45
Cash Handling	45
Verbal Warning	45
Written Warning.....	45
Suspension.....	46
Termination	46
Termination.....	47
Resignation	47
Termination	47
Return of Company Property.....	47
Exit Interviews.....	47

Welcome

Welcome to Coleman PowerSports (hereinafter referred to as the "Company"). We hope that our association will be beneficial and rewarding.

As an employee of our Company, you have become part of a unique team. You have the responsibility of representing what we believe to be the world's largest motorcycle, recreation and leisure time products dealer, in both size and total sales volume. We can best translate this responsibility into one word "*ATTITUDE*". The way in which you approach your work, our customers and fellow employees are a direct reflection on you as an individual, and the team. Your loyalty and dedication to furthering the reputation and integrity of the Company is of utmost importance. The Company is committed to rendering the highest quality services to its customers and the Company expects each of its employees to share in this important mission.

Through our years of experience in retail sales, we can tell you emphatically that the lifeblood of any dealership is the customer. We also know that, like snowflakes, no two customers are alike. They can make you feel great about what you have done for them, or they can make you feel that you can never do enough for them. Just remember, a customer is not an interruption of our work ... they are the purpose of it.

As simple as it may sound, maintaining the attitude that the customer always deserves prompt and courteous attention is easier said than done. Our Company has grown to be the world's largest dealer by treating the customer better than "the guy down the street". We hope and expect that you will quickly adopt this customer service attitude in your work. We are sure it will enhance your ability to satisfy our customers and will enable you to contribute immediately to the future success of the Company.

This Employee handbook is provided solely to make you aware of the operating procedures of the Company and is not intended to create an employment contract. The Company believes that the handbook will answer many questions which you MAY have regarding the Company. The Company reserves the right to modify or delete any and all policies, procedures, and benefits contained in this handbook at any time, with or without notice. **This handbook supersedes and replaces any Company policies previously, written or unwritten, in place or pertaining to one or more of the policies contained in this handbook.** If you have any questions regarding the handbook, please direct them to your supervisor or General Manager.

Unless otherwise indicated or unless applicable law provides otherwise, this handbook applies to all employees of the Company, regardless of the location in which they are employed. **This handbook shall be applicable effective March 1, 2006 to all employees of the Company.**

We hope that your experience here will be challenging, enjoyable and rewarding.

Company Overview

History of the Company

A brief history...

On June 11, 1963, Cycle Imports opened for business in Arlington, Virginia. Operated as a sole proprietorship, it sold BSA motorcycles only. In late September of that year, a group of three men bought Cycle Imports, one of which remained as its owner until 1999. A move to a new location in Falls Church, Virginia, was started one year later. The new location offered ten times the floor space as the previous one. During this period, we changed the name from Cycle Imports to Cycles Incorporated.

In the early spring of 1967, we moved the dealership again back to Arlington, Virginia, where it experienced substantial growth and expanded to occupy more than 25,000 square feet in several different buildings that consumed most of an entire city block.

Between 1965 and 1972, several important franchises were added as well as some other product lines. These included Honda, BMW, Bultaco, and Yamaha among others; followed in more recent years by such diversified products as power equipment, personal watercraft, lawn mowers, scooters, youth ATVs and sport boats.

The next several years marked an era of opening new stores to acquire more franchises. This process peaked in 1982, with the operation of five stores throughout Northern Virginia. During this period, the move began toward consolidation and centralization of the administrative and overall management of the Company. The results of which are the two locations presently operating in Falls Church and Woodbridge.

In April of 1986, the Arlington store relocated to 435 South Washington Street, Falls Church, Virginia. This represented both a major investment in the future of the Company as well as a massive undertaking in moving the Company. The present location occupies 42,000 square feet on two levels, under one roof. This is quite a contrast to the initial one-man operation in a small 800 square foot facility. Mr. Coleman guided the Company throughout this evolution into an organization with as many as one hundred and fifty employees in peak season conducting business in facilities totaling more than 80,000 square feet. Coupled with the move of the flagship store to Falls Church came the decision to change the name we do business under to Coleman PowerSport. This name change was decided upon to better reflect the broad range of recreational and leisure time products we carry. After all, by this time it was clear we were not just a motorcycle dealer.

In 1995, a decision was made to expand the second location in Woodbridge. For the first time in this Company history, it had the luxury of designing and building a dealership from the ground up. In April 1996, we opened a 38,000 square foot state of the art dealership across the street from one of the largest retail outlet malls in the United States; Potomac Mills Mall.

In April of 1999, Mr. Coleman retired and the two dealerships were sold to a corporation called POWERride Motorsports, Inc.. This made the two dealerships in Virginia a part of a larger organization consisting of three additional multi-brand powersport dealerships; one in Michigan, one in Louisiana and one in Indiana. As a part of the change of ownership, our name was changed to Coleman PowerSports (with an "s") as it remains today.

Coleman PowerSports is a growth oriented company that provides an excellent arena for professional growth and advancement to the people who rise to meet the challenge. For over 40 years, we have been selling major powersport brands such as, Honda, Yamaha, Kawasaki, Suzuki, Ducati, Aprilia, Polaris, Bombardier. Our continued success depends upon good people and *we sincerely hope that you will rise to meet that challenge.*

Customer Relations

At Coleman PowerSports, we offer our customers more than "just a place to spend their money" -- any dealer can do that. The manner in which we offer our products and services is nearly as important as the products and services themselves. In other words, a big part of your job is working with customers so that they feel welcome and good about bringing their business to us.

As mentioned on the first page of this manual, *your attitude is all-important.* Your attitude determines how you deal with every customer, be it by telephone or in person, and more importantly it determines how a customer feels you dealt with him or her. Don't ever forget that without our customers there would be no Coleman PowerSports.

We expect you to approach your job in such a fashion as to be in line with this Company philosophy. Negative customer interaction in the form of rudeness or other forms of unprofessional behavior will not be tolerated.

Employment Practices

At-Will Employment Policy

The employment relationship between the Company and the employee is an “at-will” relationship. **This handbook does not constitute an express or implied employment contract of any kind with respect to any of its provisions, including those provisions describing our disciplinary and discharge procedures. Nothing in this handbook is intended to bind the Company contractually, and in particular, you may not rely on any provision of this handbook as limiting the Company's discretion to discipline or discharge you.** Each employee's employment is terminable at-will. As a result, the Company **may terminate an individual's employment for any legal reason without prior notice and without using the standards and disciplinary procedures described in this handbook.** In the same way, an individual may resign from his/her employment. In short, both the Company and each employee remain free to choose to end their work relationship.

Responsibility of Management

All managerial and administrative functions, responsibilities, and prerogatives entrusted to and conferred upon employers inherently and by law are retained and vested exclusively with the Company. These include, but are not limited to, the right to exercise our judgment to establish, administer, and change wages, benefits, policies, practices, and procedures, to direct and discipline our work force, and to take whatever action is necessary in the Company's judgment to operate the business.

Equal Employment Opportunity Policy

It is the policy of the Company to provide equal employment opportunity to all qualified employees and qualified applicants for employment without regard to race, color, religion, sex, national origin, age, marital status, physical or mental disability, or any other basis prohibited by law. This policy applies to all the terms and conditions of employment including, but not limited to, hiring, placement, training, compensation, transfer, promotion, leave of absence, termination, layoff, and recall.

It is also the stated policy of the Company to prevent and prohibit any kind of harassment, particularly including sexual or racial harassment, with respect to co-employees, subordinate employees, or supervisors.

Any violation of this Equal Employment Opportunity Policy should be brought promptly to the attention of the employee's immediate supervisor, Human Resources Manager, General Manager or to the Chief Executive Officer.

The Company considers the implementation and monitoring of this Equal Employment Opportunity Policy to be an important part of each supervisor's responsibility. Supervisors will inform all employees of the Policy and shall take positive steps in an effort to seek adherence to the Policy by all employees within the sphere of their responsibility.

The failure of any employee to comply fully with the Policy will be grounds for discipline up to and including termination.

Drug and Alcohol Free Workplace

The use, possession, sale, concealment, transfer, distribution or purchase of illegal drugs, alcohol or perception/performance altering substances, and the misuse of legal drugs, while on Company premises or while acting in the course and scope of employment, whether at the Company's locations or otherwise; are not allowed and are grounds for discipline, up to and including termination. Employees may not report to work if their judgment or performance is, or could reasonably be expected to become, impaired due to the use of any substance, including alcohol.

Employees legitimately using or being under the influence of medication or prescription drugs during working hours must notify the Company in advance of reporting for work, if the medication or drugs might impair work performance or present a safety or property damage risk in any significant manner. All employees shall comply with the *Company's Drug- and Alcohol-Free Workplace Policy* and *Drug and Alcohol Testing Program for Applicants and Employees*.

Policy Concerning Sexual and Other Types of Harassment and Discrimination

The Company will not condone or tolerate any harassment, including sexual harassment, of its employees, customers, guests, vendors or suppliers. Harassment of, or discrimination against, applicants and employees on the basis of race, color, religion, sex (including sexual harassment), gender, national origin, age, marital status or disability, (all as defined and protected by applicable law) or on any other basis prohibited by local, state or federal law is unacceptable and will not be tolerated. This policy applies to all persons -- administrators, managers, supervisors and employees. Harassment will not be tolerated at any Company sponsored events, including by way of example, conferences and Company picnics. **This is a zero tolerance policy.**

Sexual harassment has been defined generally as including unwelcome sexual advances, requests for sexual favors and other verbal or physical conduct of a sexual nature, whenever (1) submission to the conduct is either an explicit or implicit term or condition of employment; (2) an employee's reaction to the conduct is used as a basis for employment decisions affecting that employee or (3) the conduct has the purpose or effect of interfering with the employee's work performance or creating an intimidating, hostile or offensive working environment. No employee or applicant should be subjected to unsolicited and unwelcome sexual overtures, nor should an employee or applicant be led to believe that an employment opportunity or benefit will in any way depend upon "cooperation" of a sexual nature.

Sexual harassment is not limited to demands for sexual favors. It also may include such actions as: (1) sex-oriented verbal "kidding", "teasing" or jokes; (2) repeated offensive sexual flirtations; advances, or propositions; (3) continued or repeated verbal abuse of a sexual nature; (4) graphic or degrading comments about an individual or his or her appearance; (5) the display of sexually suggestive objects or pictures; (6) subtle pressure for sexual activity; and (7) inappropriate physical contact.

Sexual harassment does not refer to occasional compliments of a socially acceptable nature, or consensual personal and social relationships without a discriminatory employment effect. It refers to behavior that is not welcome and that is personally intimidating, hostile, or offensive.

Harassment on other grounds, including race, color, religion, gender, national origin, age, marital status, disability, or any other ground prohibited by local, state or federal law is also prohibited. Harassment includes jokes, verbal abuse and epithets, degrading comments, the display of offensive objects and pictures, and other conduct that the individual might reasonably find to be offensive. This policy prohibiting harassment, whether sexual or of another nature, is not limited to relationships between and among employees and prospective employees, but also extends to interaction with customers, guests, vendors, or suppliers. No employee shall ever subject any customer, guest, vendor or supplier of the Company to harassment, including sexual harassment, of any nature, including the conduct described above. Furthermore, no employee will be required to suffer harassment, including sexual harassment or discriminatory conduct, by any customer, guest, vendor, or supplier.

Zero Tolerance for Violence

It is the policy of the Company that workplace violence of any kind will not be tolerated. Any employee who participates in workplace-related violence will be subject to disciplinary action, up to and including immediate termination. This includes, but is not limited to, the possession or use of any weapons, such actions as abusive or offensive comments, threats, and stalking, or aggressive and/or unwelcome physical contact. To the extent possible, employees should avoid, or attempt to avoid, any violent or potentially violent situations.

Complaint Procedures

Any employee who feels that he or she is or has been the victim of discrimination or harassment in violation of this policy should immediately notify his or her supervisor, the Human Resources Manager, the General Manager or the CEO. The Company will fully investigate all complaints, and will maintain confidentiality to the extent possible given the Company's duty to investigate the complaint. Anyone who is found to have engaged in illegal discrimination or harassment will be subject to appropriate disciplinary action depending on the circumstances up to and including termination of employment.

Retaliation against anyone reporting or thought to have reported harassment (including sexual harassment) or discriminatory behavior or who is a witness or otherwise is involved in a formal or informal proceeding concerning alleged harassment or discriminatory conduct is strictly prohibited.

Open Door/Grievance Policy

The Company maintains an "open door" policy. Should an employee have or foresee a problem which may interfere with his/her ability to adequately perform his/her responsibilities, or have any other complaints, the employee may bring any such matter(s) to the attention of his or her supervisor, the Human Resources Manager, or the General Manager . With respect to concerns or complaints that the employee has been subject to any kind of discrimination or harassment, including any sexual, racial or gender based harassment, or retaliation, please see the *Policy Concerning Sexual and Other Types of Harassment and Discrimination*.

Personnel Records

Personnel records, including application forms, are the property of the Company. Employees may review, copy and correct information in their personnel records, subject to the Company's right to withhold certain records for which the Company is not required to provide employees access.

Employee Suggestions

We realize that employees are the most important assets to our Company. We also realize that often an employee may have an idea that will streamline an operation by cutting down on paperwork or the labor necessary to accomplish a task. We encourage this form of employee participation, and are willing to reward you for it. If you have an idea that you think will save the Company time or money, write it down on paper. Outline your idea and describe how it will benefit the Company, along with the pros and cons. Submit it to your department manager so that it may be discussed and forwarded to senior management for evaluation. If your idea is adopted and implemented you may be eligible for a bonus. All bonuses may be based on the potential dollar savings realized by the Company and may be awarded by senior management.

Performance Review

Your work performance, or how well you are doing on your job, is observed by your supervisor and others. Performance is an important factor that affects an employee's level of pay within a position's salary range. Unless otherwise warranted, performance reviews may be conducted annually and may include a financial adjustment to your pay rate. Evaluations are intended as a means of letting you know what your supervisor thinks of your work and for you to provide feedback to your supervisor. Some of the factors on which performance is evaluated are: quality of work; job skills; work habits; customer services; dependability; general attitude; cooperativeness; knowledge of work; willingness to assume responsibilities; adherence to Company policies; and improvement since the last review.

Employment

Employment Authorization

The Immigration Reform and Control Act requires that the Company ensure that employees are authorized for employment in the United States. Therefore, only individuals lawfully authorized for employment in the United States will be employed.

In connection with the Immigration Reform and Control Act, the Company must collect certain information and review certain documentation concerning the employment authorization of individuals hired. This information and documentation will be used only for compliance with the Immigration Reform and Control Act and not for any unlawful purpose. If your employment authorization changes or terminates after the start date of your employment, please inform the Human Resources Manager or the General Manager immediately.

Employment Status

The Company employees are a primary factor in the success of the Company. Therefore, management seeks to hire and retain employees who will provide a competitive advantage. Employment status affects eligibility for compensation and benefits. Employment status of employees shall be determined as follows:

Regular Full-Time - An employee who is regularly scheduled to work a minimum of 30 hours a week for an undetermined period of time. Regular full-time employees are entitled to most Company benefits. Exempt employee – An employee paid salary and does not qualify for overtime.

Regular Part-Time - An employee who is regularly scheduled to work less than 30 hours a week for an undetermined period of time. Regular part-time employees are not entitled to Company benefits. They are only entitled to benefits which may be required by law.

Introductory Period

All employees or rehires are hired on a three month introductory period. During this time, you have the opportunity to determine whether you are suited for the job and the Company has the opportunity to determine whether you are satisfying the job requirements and responsibilities. During this period, employees do not earn and cannot use vacation and sick leave or other paid leave. It is the policy of the Company to maintain an at-will employment relationship with all employees at all times during and after the introductory period. In its discretion, the Company may extend the introductory period.

Employee Information/Changes in Personal Status

The Human Resources Manager and the General Manager are the only individuals within the Company who are currently authorized to respond to outside requests for information concerning current or former employees. Therefore, all such requests are to be referred to the Human Resources Manager or the General Manager.

If there is a change in your name, address, telephone number, the number of your exemptions, or in the identity, or phone number of the person(s) whom you would want the Company to contact in the case of an emergency, please notify the Human Resources Manager.

Employment of Relatives

The employment of relatives, in the same area of an organization, may cause serious conflicts and problems with favoritism and employee morale. In addition to claims of partiality in treatment at work, personal conflicts from outside the work environment can be carried into day-to-day working relationships.

Relatives of persons currently employed by the Company may be hired upon the sole discretion of the CEO. Management reserves the right to make all decisions regarding work assignments, including transfers. In other cases where a conflict or the potential for conflict arises, even if there is no supervisory relationship involved, the parties may be separated by reassignment or terminated from employment.

For the purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage.

Free Lance - Outside Work

Full-time employees are not permitted to "moonlight" and/or perform free-lance work or part-time jobs without prior approval by the department manager or the General Manager. Full-time employees may be subject to termination should the above occur.

Conflict of Interest

No employee shall have any relationship or engage in any activities on behalf of the Company which might impair or give the appearance of impairing his or her independence of judgment. Examples of prohibited activities shall include the following:

1. Purchases from an entity in which a designated employee or close relative or associate of such employee has a substantial interest. Any employee with such substantial interest shall make full disclosure thereof to the Company as soon as possible after learning of any contract, transaction or activity involving such entity in which such interest exists. This standard is not necessarily intended, however, to prohibit transactions where an employee's interest in the entity solely results from his or her investment in the entity.

2. No employee shall receive any personal gift from contractors or suppliers doing business with the Company. Receipt of anything of substance, including personal documents or preferential treatment which might tend in any way to influence or appear to influence a decision in a transaction, is prohibited. All gifts should be given to the store general manager for proper distribution.

3. No employee shall sell, use or disclose confidential information acquired as a result of his or her employment for his/her private benefit or for any other person, business, firm or other entity. Confidential information shall include, but not be limited to, information related to current or former customers, information concerning contracts or agreements entered into by the Company, and financial information concerning the Company and/or its customers.

4. It is realized that during certain terms of the year, gifts will be bestowed upon staff members from customers. This is permissible; however, the employee must advise management of such gifts and the gifts cannot be of substantial value.

It is also a violation of Company policy for an employee to use, attempt to use, solicit or recruit in any manner any other Company employee for any business, employment or individual purpose which conflicts in any way with Company business. It is also a violation of Company policy for any employee to solicit or attempt to solicit Company customers or prospective Company customers for such individual's own purposes or the purposes of some other individual or business.

Work Hours, Leave Policies and Compensation

Company Hours

SEASON HOURS CURRENTLY BEGIN THE FIRST WEEK OF MARCH AND CONTINUE TO DECEMBER 31ST.

Closed Sunday
Monday through Friday: 10:00 am to 7:00 pm
Saturday 10:00 am to 5:00 pm

WINTER HOURS MAY BEGIN AFTER THE NEW YEAR TO THE LAST WEEK OF FEBRUARY. (subject to change)

Closed Sunday and Monday
Tuesday through Friday: 10:00 am to 7:00 pm
Saturday 10:00 am to 5:00 pm

SERVICE DEPARTMENT OPENS DAILY AT 9:00 AM.

Your department work schedule may differ from the hours the stores are open for business. In order to maintain these hours, it is of course necessary to stagger employee's working hours. Your department manager will determine the schedule that you are expected to work.

Employees may be asked occasionally, when workload requires it, to work more than their usual number of hours in one day. However, nonexempt employees are not permitted to work more than forty hours (40) in a workweek or more than eighty (80) hours during any pay period without prior management approval. See your department manager if you have any questions regarding this subject.

Employees are required to be at their workstation **before their starting time (not more than 15 minutes)**, with the exception of advance special permission from their supervisor. Unless specifically instructed otherwise, employees should work the hours they are scheduled to. Employees shall have one hour for lunch. Time taken for lunch is not compensable. Time for lunch and breaks may not be taken together unless approved by your manager.

Punctuality, Attendance and Absences

Punctuality and regular attendance are an important part of every employee's job. You are expected to come to work on a regular and timely basis and to be on time. You will be paid only for the time you actually work. Continued occurrences of lateness or absenteeism will result in discipline, up to and including termination.

An employee who fails to call in to report his/her absence directly to thier manager or an appropriately designated representative of the manager on three (3) consecutive days is considered to have voluntarily terminated employment, as of one hour after his/her regular starting time on the third day, without any action required by the Company.

Time Records

All employees are required to keep track of their time accurately and on a daily basis. The time keeping system is important for compliance with federal and state law as well as for customer billing, budgeting and scheduling purposes. All employees must advise their direct supervisors when they arrive in the morning and when they leave the office. The Company's ability to issue appropriate paychecks is dependent upon employees keeping proper track of their time. Falsification of any time records, or failing to follow time record procedures are grounds for discipline, up to and including termination.

Rest Breaks

Rest breaks are breaks are compensated by the Company. Each employee is allotted a rest break every 3 hours. These breaks are not to exceed 10 minutes.

Time Clocks and Time Cards

YOUR TIME CARD SHOULD BE PUNCHED AND PLACED AS FOLLOWS:

1. Punch in at the start of your work shift and place the time card back in the rack., or carried with you if authorized by department manager.
2. Punch out at the start of your lunch break, whether you leave the premises or not, and place your time card back on the rack.
3. Punch in at the end of your meal break and place your time card back in the rack.
4. Punch out at the end of your work shift and place your time card back in the rack.
5. Changing from street clothes and/or riding apparel to your work clothes must be accomplished before you punch in for the start of your work shift. The inverse also applies at the end of your work shift. Should you desire refreshments (coffee, soda, etc.) you must acquire these before you punch in. (See section concerning rest breaks for more information).
6. Timesheets are provided weekly for your review. It is the responsibility of the employee to note any leave hours that you wish to add to the regular time shown on the time sheet. These must be signed and returned to your supervisor for payroll processing. Please make sure to indicate any problems with the punches so they can be corrected.

Missed Punches

Data that you punch via your time card is automatically transferred directly from the time clock to the computer and then directly for payroll processing.

It is very important that you not miss a punch, as this may adversely affect the pay you will receive. Missed punches can cause incorrect hourly calculations. If these are not corrected, your pay will not be accurate.

Should you forget to punch in or out, or if the time clock is malfunctioning, alert your manager or supervisor.

If you fail to advise a manager, supervisor or payroll administrator of missed punches, your hours will ordinarily not be corrected until the following paycheck.

Overtime

Overtime work may be required due to demands of our business. Non-exempt employees will receive overtime pay for overtime worked in accordance with applicable law. Employees must receive authorization by a supervisor prior to working overtime. Failure to receive authorization prior to working overtime will result in discipline. Employees exempt from overtime under law shall not receive overtime compensation.

Holidays

The Company observes a number of scheduled paid holidays each year for regular full-time employees. Regular full-time employees will be paid for each holiday on the basis of their normal working hours, provided that the holiday falls on a regularly scheduled working day. The following scheduled holidays are currently observed:

Memorial Day	Thanksgiving
Independence Day	Christmas
Labor Day	New Year's Day

When an observed paid holiday falls on a workday, Coleman PowerSports will be closed. In the event the paid holiday falls on a Sunday, the Company at its discretion will choose an alternate day to close if warranted. If the holiday falls on an employee's regularly scheduled day off, an alternate day off during the week of the holiday should be discussed with management prior to the paid holiday.

Holiday pay will be paid as follows to eligible full-time employees (who regularly work a minimum of thirty (30) hours per week) who have ninety (90) days or more of continuous employment:

1. Hourly employees: Regular hourly rate. Eight hours straight time will be added to the hours worked during the holiday week. Overtime will be based on hours worked exclusive of the holiday time.
2. Salaried employees: The daily rate in effect at the time of the holiday.
3. Straight commission salespeople: The same rate as their gross commission earned during the previous 4 weeks prior to the holiday, divided by the number of hours worked during the same time period, to establish an hourly rate of compensation to be paid for the 8 hours of holiday.
4. Hourly plus commission employees: Hourly rate plus an average of the hourly commission for the 4 weeks prior to the holiday.

5. Salary plus commission management: The weekly salary rate in effect plus the actual commission earned for the period.

If a holiday falls during the time that a regular full-time employee is on vacation leave, the regular full-time employee shall be entitled to an additional day of vacation leave. A regular full-time employee will not be paid for any of these holidays if the employee has an unexcused absence on the working day either preceding or following the holiday.

Employees may take off on religious holidays without pay and with prior approval.

Employee's Children in the Workplace

Employees are not permitted to bring their children to work with them. Due to unusual circumstances, an employee may get permission AHEAD OF TIME from their department manager.

Employees must keep their minor children under direct supervision at all times while in the dealership.

Leave Policies

Requests for Leave

For all requests for leave, whether it be vacation, personal, emergency or other types of absences, a Leave Request Form must be completed in advance and approved by your department manager and the General Manager at the store where you work.

Vacation Leave

The amount of vacation leave is determined by an employee's length of service ranging from 0 to 3 weeks. Vacation leave accrues per pay period on a pro rata basis beginning after the employee has been employed 3 months. Employees may use their accrued vacation as earned and approved.

Below is the vacation accrual schedule:

<u>Months of Service</u>	<u>Hours Earned per Pay Period</u>
0-3	0
4-11	1.54
12-59	3.08
60 plus	4.62

Each employee is encouraged to use their accrued vacation leave to which he or she is entitled. Upon termination (provided that the termination is not the result of gross misconduct or insubordination or a failure to give appropriate and timely notice of resignation), an employee may receive payment for any accrued or accumulated vacation leave accrued or accumulated only in the year in which the employee's employment terminates. Employees who have a length of service less than 12 months will not be paid any vacation accrual at the time of termination.

Except upon termination as discussed above, under no circumstances will employees be paid for unused, accrued vacation hours.

The Company retains the right to schedule vacation leave; however, every effort will be made to comply with and employee's requested vacation leave dates, as business and scheduling demands permit. Due to the peak periods of our business, however, it is necessary for us to ask that no one take vacation during our peak season. As a general rule, seniority may be an important factor when more than one employee in a department requests the same vacation period. Generally, the vacation period would be considered to be between October 1st and March 15th. Your department manager must approve exceptions. Management is required to have all vacation requests approved by the General Manager.

Vacation leave is currently paid as follows:

1. Hourly employees: Regular hourly rate.
2. Salaried employees: The weekly rate in effect at the time their vacation is taken.
3. Straight commission salespeople: The same rate as their gross commission earned during the previous twelve months prior to their vacation, divided by the number of hours worked during the same time period, to establish an hourly rate of compensation to be paid for the number of leave hours taken.
4. Hourly plus commission employees: Hourly wage plus the hourly average commission for the twelve months prior to the vacation.
5. Salary plus commission management: The weekly salary in effect plus the actual commission earned for the period of vacation.

Employees are encouraged to use available paid vacation leave for rest, relaxation, and personal pursuits. In the event that available vacation leave is not used by the end of the calendar year, employees may carry unused time forward to the next calendar year to a maximum of 40 hours.

From time to time, an employee may take time off before he/she has accrued enough leave to cover the hours taken off. Should this occur the uncovered balance will be considered an unpaid leave of absence. Normally, employees will not be permitted to "borrow" leave time or create a negative leave balance; however, length of employment as well as other factors will be taken into consideration by management when considering possible exceptions. All exceptions will be handled on a case-by-case basis and must be approved by Management.

Sick Leave

Only regular full-time exempt employees are currently eligible for paid sick leave benefits. Regular full-time exempt employees with more than three (3) months of full-time service to the Company shall be entitled to use up to three (3) sick leave days per calendar year.

Sick leave (whether paid or not) is only to be taken for illness or disability precluding an employee from coming to work, and does not apply to illnesses of relatives or dependents.

Sick leave accrued but not taken may not be accumulated or carried over, and unused is not paid for. The Company reserves the right to request an employee to produce a doctor's note when an employee has taken sick leave for two (2) consecutive days or in consecutive weeks.

Employees are expected to call their supervisor as soon as possible to advise of the need for sick leave. To be eligible for sick leave benefits, an employee must call at least one (1) hour before the start of the employee's shift (or twenty-four (24) hours advance notice in the case of doctor's appointments), unless there is an emergency or some extenuating circumstance for not calling. Employees will not be paid for sick leave during their introductory period. In addition, upon termination, unused sick leave will not be paid for.

Family and Medical Leave Act (FMLA)

Except as may otherwise be required by applicable law, each employee who has been employed by the Company for at least one year and has worked at least 1,250 hours during the previous 12 months is entitled to 12 weeks of unpaid, job-protected leave during any 12-month period for any of the following reasons:

- to care for your child after birth or after placement from adoption or foster care;
- to care for your spouse, child, or parent who has a serious health condition; or
- because you have a serious health condition that makes you unable to perform your job.

The determination of the 12-month period, for purposes of calculating available leave, will be made based on a rolling 12-month period measured backward from the date an employee uses any FMLA leave.

A "serious health condition" generally means an illness, injury, impairment, or physical or mental condition that involves either: (i) inpatient care in a hospital, hospice or residential medical care facility, or (ii) continuing treatment by a health care provider.

At either the Company's or your option, (i) any accrued sick and/or vacation leave you have maybe used during the leave period, if the leave is because of your own serious health condition; and (ii) any accrued vacation leave may be used, if the leave is for any of the other permitted reasons. The remainder of the leave will be unpaid.

You must provide 30 days advance notice for taking leave under this section, when the need for leave is foreseeable. If the need is not foreseeable, you must give notice as soon as both possible and practical. When you give notice of the need for family and/or medical leave, the Company will provide you with a notice that explains our specific expectations and your obligations with respect to the leave.

In addition, the Company may require medical certification to support a request for leave because of a serious health condition.

During your family and/or medical leave, the Company will maintain all of your group insurance coverage on the same basis as if you were not on leave. Your portion of the premiums must be paid during the leave.

If you do not return to work from your leave, you may be responsible for repaying the Company for the premiums it paid on your behalf during the leave period. During your family and/or medical leave, you will be responsible for continued payment of the premiums for all other insurance coverages.

When you return from family and/or medical leave, generally you will be restored either to your original job or to an equivalent position with equivalent pay, benefits, and other employment terms. The use of leave will not result in the loss of any employment benefit that you accrued before the start of the leave. However, you cannot accrue any additional benefits while on leave, except during any period that you are using any accrued sick and/or vacation leave, as provided above.

Before you may return to work from a medical leave necessitated by your own serious health condition, you must present a fitness-for-duty certification from an appropriate health care provider that you are able to resume your work duties.

If you are unable to return to work after the maximum leave period of 12 weeks, you may be eligible for extended leave. You must request such additional leave and provide appropriate medical documentation in support of your request at least 7 days prior to the end of the original leave period. During any extended leave period allowed, you will be responsible for paying the entire premium for your group medical insurance coverage, as well as for all other insurance coverages. In addition, except as otherwise provided by law, your rights to reinstatement following any extended leave period may be limited or restricted.

Pregnancy, Childbirth and Related Medical Conditions [Applicable to Louisiana Employees Only]

Female employees may take up to four months of leave on account of pregnancy, childbirth or related medical condition. Such employees shall be entitled to utilize any accrued vacation leave during this period of time. Employees who plan to take leave pursuant to this policy shall give the Company reasonable notice of the date when such leave shall commence and the estimated duration of such leave. Employees who take leave pursuant to this policy shall receive the same benefits and privileges granted by the Company to other persons no so affected who are similar in their ability or inability to work.

Leaves of Absence (When FMLA Does Not Apply)

Medical Leave

The Company allows employees to take a leave of absence because of a non-work related illness or injury, provided that the need for leave is confirmed by appropriate documentation from a health care provider. The employee must first exhaust all accrued sick leave and then must use all accrued vacation leave. The remainder of the leave will be unpaid. Leave may be permitted for up to six weeks, except as otherwise required by law.

Non-Medical Leave

The Company, in its sole discretion, may allow employees to take a leave of absence for non-medical or personal reasons. The employee must first exhaust all accrued vacation leave. The remainder of the leave will be unpaid. Generally, this type of leave will be permitted for up to three (3) weeks, except as otherwise required by applicable law.

Bereavement Leave

A regular full-time employee who has completed the introductory period may receive pay covering a maximum of three (3) days of bereavement leave in the event of a death within the immediate family. As a general matter, leave must be taken between the day of the relative's death and the third day after the funeral. Regular full time employees on bereavement leave will be paid using the calculations as shown under Holiday Pay. The immediate family is considered to be the following:

Immediate Family:

Father	Includes stepfather if he raised employee
Mother	Includes stepmother if she raised employee
Spouse Brother/Sister	Includes only present spouse
Brother or Sister	Includes stepbrother/sister if raised with employee
Son	Includes stepson if raised by employee or spouse
Daughter	Includes stepdaughter if raised by employee
Grandparents	Includes great-grandparents of employee
Mother-in-Law	
Father-in-Law	
Any <u>relative</u> regularly residing in the employee's household.	

Court Leave

Employees who miss time due to participation on a jury must provide documentation that they have been called for jury duty before taking such leave. Subject to applicable law, employees, on jury duty will receive their regular pay calculated under the holiday pay policy up to a maximum of 2 days.

When an employee is requested by the Company to appear in court, the employee is paid his/her regular pay using the calculations under holiday pay for as many days as he is required to testify.

Except as otherwise provided by applicable law, employees who are subpoenaed to serve as an involuntary witness in a legal proceeding will be excused from work for the period necessary to do so but will ordinarily not be paid for time away from work.

Time Off to Vote

The Company encourages employees to fulfill their civic responsibilities by participating in elections.

Generally, employees are able to find time to vote in an election before or after their regular work schedule. If employees are unable to vote in an election during their non-working hours, the Company will grant up to three hours of unpaid time off to vote.

Military Leave

Employees may be entitled to military leave in accordance with applicable law.

Educational Leave

Coleman PowerSports provides educational leaves of absence without pay to eligible employees who wish to take time off from work duties to pursue course work that is applicable to their job duties with the Company.

Eligible employees who have completed 90 days of continuous service may request educational leave for a period of up to six months every two years. Requests will be evaluated on a number of factors, including anticipated workload requirements and staffing considerations during the proposed period of absence. All decisions regarding whether to grant education leave and, if so, when and upon what terms, shall be made by the Company on its sole discretion.

Subject to the terms, conditions, and limitations of the applicable plans, the Company currently provides health insurance benefits until the end of the month in which the approved educational leave begins. At that time, employees will become responsible for the full costs of these benefits if they wish coverage to continue. When the employee returns from educational leave, the Company will again provide benefits consistent with the applicable plans.

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

When educational leave ends, every reasonable effort will be made to return the employee to the same position, if it is available, or to a similar available position for which the employee is qualified. However, the Company cannot guaranty reinstatement in all cases.

If an employee fails to immediately report to work at the end of the approved leave period, then that the employee will be deemed to have resigned, without any further notice or action by the Company.

Inclement Weather/Snow Days

Employees are expected to use their discretion regarding traveling in inclement weather such as snow or ice. If an employee feels he or she would be in danger by driving to the Company, do not. A day of vacation leave can be used instead by eligible employees.

Employees who are late or leave early because of the weather may be required to use vacation leave. In the event an employee is absent from work pursuant to the provisions of this section, such an employee shall immediately contact his or her supervisor and advise of the reason for the absence.

Compensation

The Company takes reasonable steps to ensure that employees receive the correct amount of pay in each paycheck, and that employees are paid promptly on the scheduled payday.

In the unlikely event that there is an error in the amount of pay, the employee should promptly bring the discrepancy to the attention of their department manager so that corrections can be made as quickly as possible.

In the event of a personal emergency, employees may submit a written request for a pay advance to their supervisor or manager, indicating the nature of the emergency involved. The amount of the advance should never exceed the earnings that have actually been earned. If the amount exceeds earnings, it will be considered a loan. The full amount of this advance will be deducted from the next regular scheduled paycheck to the full extent permitted by applicable law.

The Company, in its sole discretion, will evaluate the request and determine whether a pay advance can be granted. The Company, in its sole discretion, may make a maximum of two salary advances per calendar year upon terms and conditions determined by the Company. Any employee who receives a salary advance may be required to sign a reimbursement agreement prepared by the Company as a condition to receiving the advance.

An exempt employee will receive a full salary for any week in which the employee performs any work without regard to the number of hours worked. Except as permitted by applicable law, an exempt employee's salary will not be subject to reduction because of variations in the quality or quantity of the work performed. However, exempt employees need not be paid for any workweek in which they perform no work. Deductions from an exempt employee's pre-determined compensation will not be made for absences occasioned by the employer or by the operating requirements of the business. In addition, if the employee is ready, willing and able to work, deductions may not be made for time when work is not available.

The following are seven exceptions to the prohibition against deductions from the salary of exempt employees (that is, deductions from pay for full days missed):

1. An absence for personal reasons, other than sickness or disability.
2. An absence for one or more full days as a result of sickness or disability, if the deduction is made in accordance with a bona fide plan, policy or practice of paying for such absences. Deductions are also permitted before the employee has qualified under the plan and after the employee has exhausted his or her available leave.
3. To offset amounts received by an employee for jury duty, attendance as a witness, or temporary military leave.
4. For penalties imposed for violations of safety rules of major significance.
5. A disciplinary suspension of one or more full days imposed for infractions of workplace rules.

6. Less than complete initial or terminal weeks of employment.
7. Weeks in which an employee takes unpaid family or medical leave.

Any employee, exempt or nonexempt, who has any questions or concerns regarding compensation, including questions or concerns about any deductions that may have been made to his/her salary or compensation, should immediately notify his/her supervisor, the Human Resources Manager, or the General Manager.

The Company will fully investigate all such complaints, maintain confidentiality to the extent practicable, and correct any errors, including inappropriate deductions, which may have been made as circumstances warrant.

Employment Benefits and Programs

Benefits Overview

Eligible employees are provided a wide range of benefits. A number of the programs (such as Social Security, workman compensation, state disability, and unemployment insurance) cover all employees in the manner prescribed by law.

Benefits eligibility is discussed within each section, your supervisor can identify the programs for which you are eligible.

The following benefit programs are CURRENTLY available to eligible employees:

- Holidays
- Vacation Leave
- Sick Leave
- Section 125 Plan
- 401(k) Retirement Plan
- Health Insurance
- Life Insurance
- Dental Insurance
- Cancer Insurance
- Short-term Disability Income Insurance
- Unreimbursed Medical (FSA)
- Dependant Care (FSA)
- Workman Compensation
- Employee Discounts
- Uniform and Uniform Maintenance
- Medical Leave
- Bereavement Leave
- Civil Leave
- Maternity Leave
- Military Leave
- School Advances (at the discretion of the Company)
- Pay Advances (at the discretion of the Company)

Some benefit programs require contributions from employees, and at this time some are fully paid by the Company. The benefit package for regular full-time employees presently represents an additional cost to the Company of approximately ten percent of wages.

The Company reserves the right, in its sole discretion: (i) to change the level of its contribution for insurance coverage, the scope of coverage and benefits provided under each type of insurance, and/or the kinds and carriers of insurance provided; (ii) to eliminate any kind of insurance coverage currently provided, and/or (iii) to change, modify, add to, or eliminate any of the other benefits described in this handbook.

Section 125 Plan

At this time, the Company has elected to participate in a 125 Plan. This plan allows certain employee benefit deductions to be taken before tax, which results in saving the employee from paying federal, state and in some cases, social security taxes on those benefits.

401(k) Retirement Plan

In appreciation and recognition of loyalty and service by our employees, our parent company Powerride Motorsports, has established a 401(k) retirement plan. Set forth below is a summary of some of the significant aspects of the Company's current 401(k) plan. In order to participate in the plan, you must be at least age 21 and have completed one year of eligibility service. A year of eligibility service is accomplished after completing 1,000 hours of service during your first 12 months of employment. If 1,000 hours of service is not completed in the first 12 months of employment, you will be credited with a year of eligibility service, provided you complete 1,000 hours of service in any following calendar year. An hour of service is any hour for which you are paid or are entitled to payment. If you are absent from employment with the employer because of qualified military service, your military service will count as service for purposes of meeting the plan's eligibility requirements. You can enroll at any time, once you are eligible, through the Human Resources Office. You will become a participant on the first day of the month following the completion of the eligibility requirements. This plan allows each employee to put away a selected amount of gross wages before tax into a retirement account. This may be a specific percentage of your gross pay or a fixed dollar amount to be deducted from each paycheck. This money belongs to each employee and is currently invested in mutual funds selected by the employee. Upon separation of the employee and the Company, the employee may request these funds to be disbursed to another qualified plan, or take a distribution subject to taxes and penalties under the IRS regulations. The Company, in its sole discretion, may contribute additional funds to the plan on an annual basis. At the Company's sole discretion, these contributions may be matched to the employee's contribution or a percentage thereof. The Company currently pays most costs to administer this plan.

In the event of a conflict between the terms of this section and the actual 401(k) plan, the terms of the plan shall govern.

Health & Life Insurance

The Company currently has a group hospitalization and life insurance program available to full-time eligible employees with a minimum of 30 hours a week and with more than ninety (90) days of continuous employment. Presently, coverage may begin on the 1st day of the month *following* your ninety (90) day wait period. The cost of the program is very competitive with other group programs and the Company presently contributes a portion of the cost of the basic coverage for you. The remaining portion as well as the cost of any optional program(s) and/or the cost of covering any of your dependents you may wish to cover will be handled as an automatic payroll deduction. If you wish to participate in this group insurance program, information, costs and the enrollment procedure of the various programs, including the options available, may be obtained from the Human Resources Office.

Dental Insurance

The Company currently offers to full-time eligible employees an optional dental plan. The Company presently does not contribute to this plan. The full cost will be handled as a payroll deduction. If you wish to participate or need further plan details and/or cost information, see the Human Resources Office.

Workers' Compensation Insurance

The Company contributes to workers' compensation insurance which pays certain benefits to employees who are disabled and absent from work because of injuries sustained on the job. Any accident or injury occurring on the job must be reported to your immediate supervisor within 24 hours of its occurrence. The Company is not responsible for injuries which are not reported on a timely basis. All workers' compensation cases will be referred to specific medical centers/doctors approved by the workers' compensation insurance company.

Discounts

As an added incentive, Coleman PowerSports will allow employees, who have been employed for a minimum of thirty (30) days, to make purchases at a discount. This is a privilege and must not be abused. Abuse will lead to revocation of this privilege for the individual and may lead to other disciplinary action.

In an effort not to deplete inventory that may cause the loss of a retail sale, employees are asked to anticipate their needs and order the part or accessory they desire. Employee special orders require payment in full before the order will be processed.

The discount guidelines are to benefit the employees that do purchase the products we carry; they are not intended to subsidize these purchases, as this would not be fair to the employees that are not enthusiasts.

All items that an employee receives a discount on *must* be for his or her personal use; they may not be purchased with the intent to resell, and must be paid for in cash, credit card, or personal check only.

Management must approve all employee discounts. All employee sales will be sold as a house sale and no commissions will be paid to the selling employee. Employee transactions should take place at lunch, before of after your shift, or when the store is not busy. Our customers have priority. Take care to avoid discussing employee discounts in the presence of our regular customers.

Sales Department

1. Invoice cost plus \$400 on one new unit per calendar year from each one of the products categories carried by the sales departments. (i.e., motorcycle, watercraft, boat, atv, etc.) Some models excluded.

2. Current NADA clean wholesale book value plus \$400 on one used unit per year from each product category.

Parts & Accessory Department

1. Parts and accessories at our cost plus ten percent (10%).

Finance Department

1. Prepaid Maintenance plans – No additional discount
2. Service contracts, Theft protection, Gap Insurance, Lojack system, etc. – Actual dealer cost plus ten percent (10%).

Service Department

1. A twenty percent (20%) discount on labor as computed and shown on the repair order.
2. The use of the Company's Service Department facilities are available to you, if you are a full-time employee, subject to the Service Manager's approval. Only your own personal machines or equipment may be worked on. Should you choose to take advantage of this benefit, you will be responsible for cleaning the area you worked in and returning anything used or moved to its proper place. Hard sole work shoes must be worn while working in the shop and all safety rules must be followed.

Expense Reimbursement

Training / Education Expense

Full-time employees will sometimes have the opportunity to go to factory-sponsored or specialty training schools with manager's approval. Presently, Coleman PowerSports will pay for transportation costs, room accommodations and tuition cost provided you remain employed for 24 months after completion of the school. While attending such a school, employees will generally be paid as follows:

Compensation:

1. Flat rate technicians: 75% of their flat rate up to a maximum of \$150 per day.
2. Hourly employees: Eight (8) hours straight time added to their weekly total hours. Maximum of \$150 per day.
3. Salary employees: Normal base salary for the time at school.

Expenses:

Food: One day school – No reimbursement
Multi day school - \$25.00 per day

Gas/Mileage Personal car – miles reimbursed presently @ 44.5 cents per mile

Airplane 100% paid by company

Hotel 100% paid by company

All one day schools within 130 mile radius are considered one-day schools with no overnight reimbursement.

Payment by the Company is also predicated upon the employee staying within the employ of the Company for (24) months after the last day of the training period. Should employee's employment with the Company terminate for any reason prior to 24 months, employee shall immediately reimburse the Company on a pro rata basis for the tuition, compensation and all associated costs. These costs will be deducted from the employee's last paycheck to the fullest extent permitted by law. Employees will be required to sign The Education and Training Reimbursement agreement prepared by the Company as a condition to receiving the benefit described in this section.

Business and Seminar Travel Expense

The Company will reimburse employees for reasonable business travel expenses that are properly documented and incurred while on assignments away from the normal work location. Management must approve all business travel, in advance.

Employees whose travel plans have been pre-approved by management should make all travel arrangements through the Company's designated travel coordinator. Employees are expected to limit expenses to reasonable amounts.

Employees who are involved in an accident while traveling on business must promptly report the incident to their immediate supervisor. Vehicles owned, leased, or rented by the Company may not be used for personal use without prior approval.

When travel is completed, employees should submit complete travel expense reports within three days. Receipts for all individual expenses should accompany reports.

Employees should contact their supervisor for guidance and assistance on procedures related to travel arrangements, expense reports, reimbursement for specific expenses, or any other business travel issue.

Abuse of this business travel expense policy, including, among other things, falsifying expense reports to reflect costs not incurred by the employee, can be grounds for disciplinary action, up to and including termination of employment.

Other Expenses

Employees are reimbursed monthly for job-related expenses such as office supplies, etc. These expenses shall only be paid if all expense sheets and receipts for the month in which the expenses were incurred have been turned into the Company. Intentional miscalculation of job related expenses, such as driving mileage, for purposes of personal gain is grounds for discipline up to and including termination.

Employee Guidelines

Dress Code

It is known that most customers prefer a pleasant appearance of those with whom they do business. Consequently, we at Coleman PowerSports feel that those persons who deal with the public should pay particular attention to their grooming habits.

Employees are expected to be well groomed at all times during working hours. Facial hair must be kept low cut and trimmed. Hair must be kept neat and orderly and never hang over the eyes. Extreme styling such as mohawks, shaved eyebrows or multi-colored hairstyles are not permitted. Jewelry should be in good taste and free from obscenities. Visible body piercing is limited to earrings, no nose rings, eyebrow loops, etc.

All Sales, Accessories, Parts, Service (non-mechanics) and cashier personnel will be required to wear Coleman PowerSports shirts. No other shirts will be acceptable. Coleman PowerSports t-shirts are only to be worn during a special event or for new employees who have not received their uniforms. Shirts must be tucked in at all times during working hours.

Parts and Accessory Department may wear tennis shoes due to the nature of their job. Sales Department personnel are to wear dark colored (brown or black only) shoes or boots. Tennis shoes of any color are not acceptable. Ladies may wear sandals, not “flip flops”. Parts and Accessory Department personnel may wear tennis shoes due to the nature of their job.

Service technicians will be provided with uniforms. Employees are expected to wear them and keep them clean (see separate section for more details on uniforms). Uniforms are to be worn only during working hours.

All personnel in the Service Department are to wear hard sole, protective type footwear, (i.e., steel toe work boots). No other shoe will be permitted in the work area.

Safety glasses are required when working in specific areas in both the Parts and Services Departments. Helmets are to be worn when transporting and/or test driving the motorcycles or ATV's. No exceptions.

All support staff (including Finance and Insurance, office staff, receptionist) are expected to wear suitable casual business apparel at all times, to include footwear, jewelry, make-up and others accessories when applicable. We want to stand out appropriately in the busy season so that our customers will all know who is available to help them.

BLUE jeans are allowed at the discretion of your department manager. All pants must be ironed, neat and clean. Pants are to be free of patches and holes.

MINI SKIRTS ARE NOT PERMITTED AT ANY TIME.

Hats, caps of any sort are allowed at the discretion of your department manager. Please get prior approval before wearing any of these items.

During the summer season, allowances may be made. However, at no time should there be shorts above the mid-thigh length, sleeveless or strapless shirts (shirt with strap less than two inches), shirts that allow the front or back mid-drift to show (including when bending over), or halter-tops. Shirts and shoes are required at all times.

Exceptions due to medical conditions, which require temporary relaxation of the employee dress code, will be determined at that time on a case-by-case basis.

Beards, appropriately groomed longer hairstyles are permissible if the applicant has them at the time of employment, but the hairstyle/beard must be well groomed.

Employees who appear for work inappropriately dressed will be sent home and directed to return to work in proper attire. Under such circumstances, employees will not be compensated for the time away from work.

Uniforms

When an employee is hired in a department where it is necessary that a uniform be worn at work, the following procedure will be observed.

Fees

1. **Rental Uniforms** –The Company will pay half of the billed laundry charges and the employee pays half by payroll deduction each pay period. **The Company will deduct a two hundred dollar (\$200.00) deposit from employees to cover any shortages. This deposit will be spread over the first 4 paychecks equally. This deposit will be refunded upon separation, or department change, once all uniforms are accounted for.**
2. **Purchased Uniforms** – The Company will presently pay 50% of the cost of the initial five (5) shirts. Additional shirts may be purchased. You are responsible for keeping them clean. This cost can be spread over 2 pay periods when purchasing 5 or more shirts.

Ordering

1. All uniforms are ordered by the properly designated person in the dealership and not from the laundry truck driver.
2. Any change in the number of uniforms that will be ordered will be made only by the person in charge of this duty.

Uniform Return

1. Upon termination, or department change, all uniforms are to be turned into the department manager. Notification of any shortage will be given to the payroll department for an employee payroll deduction to cover the cost of the shortage, to the extent permitted by applicable law.

Laundering

1. All clean uniforms are to be picked up at the designated areas, by the employee, after the weekly delivery.
2. All dirty uniforms are to be placed in the designated areas by employee as necessary.

Parking

The parking facilities are currently limited in relation to spaces available for customer parking as opposed to employee parking. Therefore, employees must park in the areas set aside for employee parking by management. Employee parking on Company property is a privilege and not a benefit. The Company does not guaranty that there will be ample parking for all employees. Employee parking is available on a first come, first serve basis. Should you find there are no spaces available in the employee area, it is your responsibility to find a legal parking spot elsewhere. The Company will not be responsible for employee parking violations, either in Company vehicles or private vehicles. Refer to the map of your store or ask your supervisor which spaces are set aside for employee parking. From time to time, certain dealership events require all employees to park offsite. Please watch for notification and instructions prior to big events.

Confidentiality of Company Information

Our customers entrust the Company with important information. The nature of this relationship requires the maintenance of confidentiality. In safeguarding the information received, everyone at the Company must maintain the confidence of our customers.

Your employment with the Company includes an obligation to maintain absolute confidentiality, now and into the indefinite future, even after you leave the employ of the Company, and regardless of the reason for your termination. Therefore, you may not discuss Company business or customer confidences with anyone who does not work for us, nor ever discuss business transactions or customer matters with anyone who does not have a clear right to know. ANY INFORMATION AND/OR RECORDS CONCERNING THE BUSINESS AFFAIRS OF THE COMPANY, ITS CURRENT, FORMER OR PROSPECTIVE CUSTOMERS AND ITS EMPLOYEES IS CONFIDENTIAL AND RESTRICTED INFORMATION.

No employee may disclose such confidential information to anyone without prior authority. Any request that you may receive for any such information should be referred to the General Manager or the C.E.O.. For example, a request by any outsider, including an attorney, asking for information about another employee should be rejected and referred to the General Manager.

Violation of this provision will subject you to disciplinary action, up to and including termination.

No-Solicitation/No-Distribution

It is important that employees not be disturbed or distracted by activities unrelated to Company operations. Because every employee's work deserves full attention during scheduled working time, employees may not solicit other employees, nor may they distribute literature, for any purpose during working time. For the purposes of this rule, working time includes any period during the day when the employee is or should be performing job tasks. An employee who is not on working time may not solicit or distribute literature to employees who are on working time. Distribution of literature in work areas is prohibited at all times.

Calls from News Media, Lawyers, or Government Officials

If you receive a call from any of the above, refer the caller to the General Manager or the C.E.O. of the Company.

Marketing and Correspondence

The General Manager or the C.E.O. of the Company must approve any customer related correspondence for content, grammar and overall quality of presentation. Company letterhead is to be used only for pre-approved Company business.

Inter-Departmental Cooperation

Seasonal adjustments in sales revenue and the number of employees available to handle customer needs are inherent part of our industry. We are all familiar with this, and it is important to remember that we all extend cooperation to the other departments when needed.

The Sales Department is basically responsible for moving the vehicles in and out each day, but having the aisles clear affects the retailing ability of the sales, parts and accessory departments. It is therefore asked that we pull together to get the job done. All employees are expected to report to work early enough in the morning to help and remain in the evening until everything is back in order and the building is secure.

The annual taking of the inventory in the sales, parts and accessory departments is one of the most important tasks in the operation of our business. We carry a wide variety of inventory, making this a very time consuming process that requires the participation of employees other than those of the department taking the inventory. If you are selected to help during the taking of the inventory, you are expected to cooperate fully with the manager you are assigned to work with. This may require that you work late or on a day that you would normally be off.

Any employee exhibiting a lack of cooperation is to be corrected by a manager at the time of the problem.

Recycling

The Company supports environment awareness by encouraging recycling and waste management in its business practices and operating procedures. This support includes a commitment to the purchase, use, and disposal of products and materials in a manner that will best utilize natural resources and minimize any negative impact on the earth's environment.

Special recycling receptacles have been set up to promote the separation and collection of the following recyclable materials:

Corrugated cardboard
White Paper

The simple act of placing a piece of paper, can, or bottles in a recycling container is the first step in reducing demand on the earth's limited resources. Success of this program depends on active participation by all of us. Employees are encouraged to make a commitment to recycle and be a part of this solution. By recycling, the Company is helping to solve trash disposal and control problems facing all of us today. If you have any questions or new ideas and suggestions for the recycling program contact the department manager.

Lost and Found

All articles found or lost on the premises and any questions regarding these items should be brought to the respective department manager.

Prevention of Shoplifting

We, like all other retail stores must be on the lookout for shoplifters, particularly in the Accessory Departments. Therefore, it is Company policy that all parts and accessory purchases that will fit in a bag are placed in one. Close the bag when possible and staple the receipt to the bag. Employees are advised that the Company has surveillance cameras for safety, security and other business purposes.

All helmet purchases must leave the store in the box. Even if the customer says he or she does not need the box. This will help decrease the number of helmets that are taken from the store without payment.

The Accessory Department showroom should never be left unattended. If you must leave the floor, get someone to keep a look out. Shoplifting is very costly to any company and ultimately its employees by reducing the Company's profitability, which in turn reduces the funds available for raises and other benefits. Should you see someone who is engaging in suspicious activity, keep a close eye on them. If you are busy with other customers and need help to watch them, excuse yourself and page "Accessory Department code 2" over the paging system. Available employees from your department or other departments should respond.

If you see someone leave the store with something they did not pay for, page "Code 3" to whichever department you observed the event in. All available employees should respond immediately and the manager of that department should confront the individual to resolve the matter. However, employees should not put themselves in danger should the person be hostile or have a weapon. Wait outside until the person leaves and get an accurate description of the vehicle that they are driving including the license plate number and state.

Report this information to your department manager or the manager in charge and be prepared to relay it to the police when they arrive.

Hold-up Policy –

If any employee is confronted and held up at gun point the employee should immediately hand over the cash/property. The employee should not be confrontational at all. Employee safety is our priority. Please call 911 as soon as you feel it is safe to do so.

Company Property and Services

Personal Use of Company Supplies and Parts

Personal use of Company supplies is prohibited. This includes personal use of the postage meter, stationery, copy machine and other office supplies as well as solvents and shop supplies.

This also includes any and all parts from inventory units. Inventory includes new and used units as well as customer units in service and salvage units. No parts shall be “parted-out” from units for any reason, **business or personal**, without the direct permission of the C.E.O..

Communications / Bulletin Boards Policy

The Company may have several bulletin boards which are intended to keep Company employees informed about official Company business. All Company bulletin boards should be used for official Company business only.

Care of Company Property

The Company has invested a lot of time and money to provide you with a pleasant environment in which to work as well as equipment to make your job as easy as possible. You therefore, are expected to treat this property well. Any employee intentionally or recklessly using, misusing or abusing Company property will be subject to disciplinary action.

Technology Use Policy

A. Introduction

The Company recognizes that the use of Company computers, network and software, the use of the Company's electronic-mail system (“e-mail”) and voice-mail (“v-mail”), and the accessing of the Internet by some of our employees are an important part of daily business activities. Such use of computers, software, e-mail, v-mail and the Internet, however, must be solely to promote the Company's business. As a result, the Company has adopted this policy in order to ensure that all employees are responsible and productive computer, software, e-mail, v-mail and Internet users and further, in order to protect the Company and its image. Any employee who violates this Policy or uses a Company computer, software, the e-mail or v-mail systems, the Internet, computer system or network for improper purposes shall be subject to discipline, up to and including immediate termination.

B. General Principles

1. The Company provides computer hardware and software, maintains e-mail and v-mail systems, and provides access to the Internet in order to assist employees in the conduct of business for the benefit of the Company.

2. Limited, occasional, or incidental use of Company computers, software, and the e-mail system and the accessing of the Internet for personal, non-business purposes is acceptable, so long as all such use: (i) is done in a manner that does not negatively affect the use of the systems or the Company's business purposes and (ii) complies with all legal requirements relating to such use.

3. Each employee is responsible to see that the Company's computers, software and e-mail and v-mail systems and the Internet are used in an effective, ethical, and lawful manner. Any employee who discovers a violation of this policy shall promptly notify the Human Resources Manager, the General Manager, or the CEO.

4. Any employee who has a complaint about information sent or received through use of the e-mail or v-mail systems or sent or obtained through use of the Internet should direct it to the Director of MIS or the General Manager at the store where the employee works. Wherever possible, a hard copy of the applicable message, communication, or information should be obtained. All complaints will be handled in a professional and confidential manner.

5. All communications or conduct involving e-mail, v-mail or via the Internet should be professional and for professional reasons.

C. Company Property; Monitoring and Confidentiality

6. Subject to applicable law, the Company reserves and intends to exercise the right to monitor, search, review, audit, access, and disclose any and all computer records created or maintained by any employee within the Company's computer systems. All such records are and remain the exclusive property of the Company. They are not the private property of any employee. Employees waive any right to privacy in all of such records and consent to allow examination of them by authorized Company representatives.

7. The Company's e-mail and v-mail systems and all messages sent over the e-mail and v-mail systems or sent over, accessed through, or downloaded from the Internet also are the exclusive property of the Company. Additionally, all messages composed, sent, stored and/or received on the e-mail and v-mail systems and all messages, communications, or information sent on, or obtained from, the Internet are and remain the property of the Company. They are not the private property of any employee. Employees waive any right to privacy in all of such messages, communications, and information and consent to allow examination of them by authorized Company representatives. The confidentiality of any message sent or received on the e-mail or v-mail systems or on the Internet should not be assumed. The contents of e-mail and v-mail and other materials obtained under this Policy may be disclosed within the Company without the permission of the employee.

8. Whatever happens on the Company's systems is the Company's business. The network equipment (for example: workstations, PCs, file servers, mail servers, web servers, routers, firewalls, etc) and the data stored on or passing through them are Company property. The Company provides this equipment and the associated services for business use and reserves the right to monitor these resources at any time, without notice. Specifically, the Company

reserves the right to monitor all Internet use by employees when accessed by a Company computer, whether or not the Internet is used on Company time.

By continuing your employment with the Company, or by accessing the Company's systems and networks, you are consenting to such monitoring, even when related to your personal activities.

9. If you access the Company's systems or networks using equipment, devices, or accounts that belong to you ("Personal Computing Assets"), you are consenting to the Company monitoring of your activities related to such systems or networks, without further notice to you. Upon the Company's request, you will make the Personal Computing Assets available so that the Company may search them for Company property or to protect the rights of the Company or its employees. Many internet users maintain and access personal email or messaging accounts. In the event that you access such an account from or through a Company system, network, or computer, you are consenting to the Company monitoring that usage, without further notice to you.

10. Sensitive or confidential information may not be sent via e-mail or over the Internet, if disclosure of the contents could be harmful or embarrassing to the Company or its clients.

11. Employees shall not use a code, access a file, or retrieve any stored information, unless authorized to do so. **Specifically, employees are prohibited from using the Company's credit and background software for non-Company business.** The use of passwords for security does not guarantee confidentiality. All computer pass codes must be provided to supervisors. No pass code may be used that is unknown to the Company.

12. The Company may periodically, and/or without notice, audit all Company networks and computer equipment for maintenance, to preserve system functionality, security, and integrity, to assure compliance with all laws and Company policies, and to protect the rights of the Company, its employees, and the public.

13. During the course of business, the Company may accumulate personal information about customers, employees, and contractors. Company employees will not access such personal information except for Company purposes, and shall only use or disclose such information on behalf of the Company and in accordance with Company privacy policies.

14. Hardware and software may only be installed or attached to Company systems only with written approval of the Director of MIS and General Manager or C.E.O. Personal equipment may be used with Company systems only with written approval of the Director of MIS and General Manager or C.E.O. Users may not browse through Company systems or networks. You may search for information necessary to perform your job or that has been made available to Company employees. You may not access other users' business (or personal) files without their permission, or the permission of the Director of MIS and General Manager or C.E.O. Employees are not authorized to retrieve or read any e-mail messages that are not sent to them. Any exception to this Policy must receive prior approval from the Company.

15. The Company reserves the right to monitor the location and content of all Company telephones, cell phones, pagers and other communication equipment of any kind. By

continuing your employment with the Company, you are consenting to such monitoring, even when related to your personal activities.

D. Compliance with All Legal Standards; Other Prohibited Conduct

16. The Company's computers, software, e-mail and v-mail systems and the Internet are not to be used to create or send any offensive or disruptive messages, communications, or information. Among those messages, communications, or information that are considered offensive are any messages which contain sexually explicit material, sexual implications, racial slurs, gender-specific comments, or any other comment that offensively addresses someone's age, sexual orientation, disability, religious or political beliefs, national origin, or any other characteristic protected by federal, state, or local law.

17. Use of Company property, including Company computers, to retrieve, view, store, or transmit obscene, vulgar, or pornographic images, texts, conversations, or other forms of communication is strictly prohibited.

18. The sending of chain letters via e-mail or the Internet takes up valuable space on the system, causes traffic jams, is unproductive, and is strictly prohibited.

19. Internet Relay Chat channels may not be used, except to conduct official Company business, for example, gaining technical or analytical information.

20. The e-mail and v-mail systems and the Internet may not be used to solicit for non-Company commercial ventures, religious or political causes, or for any other personal reason.

21. The e-mail and v-mail systems and the Internet shall not be used to send or receive copyrighted materials, trade secrets, or proprietary or financial information belonging to entities other than the Company.

22. Unauthorized downloading of software is prohibited. All software downloads must be done with the prior authorization of the Vice President or the President of the Company. In addition, all software downloaded onto the system must be registered to the Company.

23. Use of Company mailing lists to send non-Company business-related documents is prohibited.

Mail

Employees may not use the Company address to receive personal mail. Mail delivered to you at the dealership is presumed to be business-related and may be opened by the designated person. We do not sell stamps or postage. The postage meter is for business purposes only.

Miscellaneous Deliveries

Employees having personal items delivered to the dealership for whatever reason must make arrangements with the receiver in advance. These arrangements must be in writing and posted on the receivers bulletin board. All C.O.D. shipments must be paid with the employee's

funds. If the employee has not made arrangements for this to occur, the shipment will be refused.

Cash Reporting Rule

The IRS presently requires that any cash, cashier checks, treasurers' checks, money orders, traveler checks or bank drafts received by the dealership in the amount of ten thousand dollars (\$10,000) or more, must be reported to the IRS on a special form (Form 8300). This rule also applies to cash amounts totaling \$10,000 received at different times but being used for a related purchase such as deposits on one (1) or more vehicles by the same purchaser. All personnel are required to make copies of deposits on transactions fitting the above criteria and submit these to the administration department for proper processing.

ATV Consent Decree

It is all of the employees' responsibilities to be fully aware of the regulations and restrictions, which apply to the use of all ATV's and always convey these to all consumers. These rules are printed and posted in the showroom and are available for review at all times. Remember, absolutely no one is allowed to sell or recommend an ATV to anyone, until they have viewed the ATV consent decree video and passed the test. Currently, if we have knowledge that an ATV is going to be used by someone under the recommended age, the dealership will not sell the unit. Failure to comply with the ATV consent decree rules is grounds for immediate termination. Employees will be held responsible for fines imposed by others on the dealership. If you have any questions at any time, please see your supervisor immediately.

Dealer Tags

Dealer tags for vehicles in our inventory as well as units designated as demonstrators are assigned to a specific vehicle and inventoried by the General Manger, or the General Manager's designee. Therefore, should a manager deem it necessary to use a tag on a different vehicle it is important that the registration matching the tag be with the vehicle the tag is being used on and this change is reported to the General Manager, so that he or she may keep their records updated. Dealer tags are not to be used on personal vehicles for any reason. Loss of a dealer tag may result in a fine of \$50.00.

Telephone Calls

To ensure effective telephone communications, employees should always use the approved greetings and speak in a courteous and professional manner. Please confirm information received from the caller, and hang up only after the caller has done so.

When answering an initial incoming call to the dealership, the call must always be answered **“Good (Morning/Afternoon). Thank you for calling Coleman PowerSports. How may I direct your call?”**

When you receive a call for another employee, please be careful to avoid the perception of screening the call for the person. Remember a \$10,000 sale may hinge on the customer's perception of your attitude! Correct technique is as follows (This is used only for select employees):

1. **Good (morning, afternoon, evening) Coleman PowerSports**
2. Hi, is Mark there?
3. Yes, he is! May I tell him who is calling please?
4. Sure, this is Bob Jones.
5. If you will hold one second Mr. Jones he'll be with you in a moment.

If Mark is busy, you can go back and tell the person that Mark is with a customer and would he like to leave a message for Mark to call back. Good phone manners say a lot about you as an individual and your manners reflect on the Company.

Nothing annoys a customer more than being told that someone will call back and then that person does not call back. To avoid this, we need very large, clear messages with the initials of the message taker, customer name and number, a brief message and the time they called. Also, *do not leave* people on hold; this is the second most annoying thing to customers.

Abuse of the phone system is grounds for discipline, up to and including termination. Telephone calls are to be returned on the day they are received. If this is not possible, another staff member should return the call.

Personal Calls

Our telephones are for Company business, but when there is sufficient need to make a personal call on a Company, phone you should practice discretion and may be required to reimburse the Company for any charges that may result from your personal use of the telephone. Conversations should be as brief as possible. If an emergency dictates a personal toll call, it must be charged to your home telephone, your calling card, or have the charges reversed. Incoming personal telephone calls should be treated in the same manner. Remember, incoming business telephone calls are important to our business success.

Cell Phone Usage

Cell phones may not be used at any time while employees are operating Company machinery, vehicles, equipment of any kind, or in any other manner, which would cause a safety hazard or security risk or otherwise threaten or damage in any way the business operations of the Company. Personal cell phone usage during business hours is at the discretion of your department manager. In cases where they are permitted, they must be maintained in the vibrate (or silent) ring mode so as not to disturb your co-workers or customers.

The Company 800 Number

Personal use of the 800# is STRICTLY forbidden. Please immediately discourage any family or friends that call you on the 800#. This line is very costly and strictly for customers use

only.

Use of the Premises

It is important to prevent the admission of unauthorized persons on Company premises at all times. Terminated employees or employees on suspension due to disciplinary action or leave of absence are not permitted access in the office or store, under any circumstance, except as approved by the General Manager worked or the C.E.O.

Checks Written by Employees

We will ordinarily accept checks written by employees for purchases; however, we will not accept post-dated checks. We expect you to be responsible in the handling of your personal finances. Therefore, you may ordinarily write a personal check to the Company for cash. Your department manager must approve checks for fifty (\$50) dollars or more. If a check is returned due to insufficient funds you will be required to pay all costs associated with the return of the check. You will lose the privilege of writing checks to the Company the second time a check is returned for insufficient funds. If you do not satisfy the full amount of the check, it will be deducted from your next paycheck to the extent permitted by applicable law.

Health and Safety

Smoking

In keeping with the Company's intent to provide a safe and healthful work environment, smoking inside the building and at all **entrances** is PROHIBITED. **Smoking is allowed outside away from customer entrances only.** This policy applies equally to all employees, customers, and visitors. **NEVER smoke or “light-up” when passing around the stored fuel tanks and chemical areas.** In both Virginia stores, there are limited designated smoking areas. Please ask your direct supervisor for suggested approved areas. Employees who violate this policy shall be subject to disciplinary action up to and including termination. Employees who wish to take a smoke break and go to the designated areas may do so as scheduled with management. These considered rest breaks and are not to exceed the policy laid out in this handbook.

Restricted Areas

All areas of Company stores that do not require the presence of customers will be considered restricted. These restricted areas are off limits to everyone except the employees of the respective department. This includes, but is not limited to, family, friends, customers, etc. The exceptions are management and outside vendors in the course of doing business.

Safety

To assist in providing a safe and healthful work environment for employees, and visitors, the Company has established a workplace safety program, described in the following pages. This program is a top priority for our company. Each Department Manager has responsibility for implementing, administering, monitoring and evaluating the safety program. Its success depends on the alertness and personal commitment of all.

The Company provides information to employees about workplace safety and health issues through regular internal communication channels such as supervisor-employee meetings, bulletin board postings, memos, or other written communications.

Employees and supervisors receive periodic workplace safety training. The training covers potential safety and health hazards and safe work practices and procedures to eliminate or minimize hazards.

Some of the best safety improvement ideas come from employees. Those with ideas, concerns, or suggestions for improved safety in the workplace are encouraged to raise them with their supervisor, or with another supervisor or manager, or bring them to the attention of the General Manager. Reports and concerns about workplace safety issues may be made anonymously if the employee wishes.

Each employee is expected and required to obey safety rules and to exercise caution in all work activities. Employees must immediately report any unsafe condition to the appropriate supervisor.

Employees who violate safety standards, who cause hazardous or dangerous situations, or who fail to report or, where appropriate, remedy such situations, may be subjected to disciplinary action, up to and including termination of employment.

In the case of accidents that result in injury, regardless of how insignificant the injury may appear, employees should immediately notify the Human Resource Manager or the appropriate supervisor. Such reports are necessary to comply with laws and initiate insurance and workers compensation benefits procedures.

Hazardous Materials & Equipment Materials Safety Data Sheets

For your protection, the Company has a training program to familiarize you with the potential hazards of the chemicals you may use and the safeguards to be used to prevent exposure and injury. The Company maintains a book clearly labeled and kept near the time clock, listing all the chemicals in the workplace and it contains a file of the material safety data sheets for all chemicals. These MSDS (material safety data sheets) clearly define the hazards and what to do in case you come in contact with these chemicals. Please be aware that we do have a shower at the Woodbridge location and this may be used in conjunction with the squeeze bottle eye wash solution when recommended by the MSDS. The shower must be kept clear at all times. The Falls Church location has an eye wash station set up in the service department.

For your protection we have listed some additional mandatory safety rules:

1. Safety goggles must be worn when operating any mechanical equipment and also when using hammers, chisels and punches. Helmets must be worn when operating any motorcycle, all terrain vehicle (ATV) or scooter.
2. Battery acid is to be stored only in the assigned area and never on the floor. Safety goggles must be worn while handling battery acid.
3. The air compressor must be turned off at night and the heat turned down.
4. The floors are kept clean and dry at all times. All working areas must be kept clean free of personal belongings.
5. No smoking in the shop area or any other areas except as designated.
6. Please familiarize yourself with the first aid kit, and where it is located in your specific department. Please replace any supplies that you use or notice missing, to insure the safety of others.
7. Shirts and long pants must be worn at all times.
8. Parking lots must be kept clear, sanded and shoveled at all times. Also, keep exits clear at all times.
9. Fire extinguishers are inspected regularly. Please remain familiar with their location and operation.
10. Used rags are to be stored in the flameproof container, which has been provided.
11. No customers are allowed in the shop area at any time. Also, eating at the shop area is discouraged due to the presence of potentially harmful chemicals.
12. In case of an emergency, please note the following numbers:
Poison control center 1-800-492-2414 Emergency number: 911
Please be sure to give your location and the nature of the emergency.

14. Report any chemical spills or leaks to your supervisor at once and refer the hazardous waste to MSDS immediately. Study this manual and discuss any questions or applications with your supervisor.
15. Report any infraction of the safety rules to your supervisor.

Material Handling

Certain employees of the Company are required to handle heavy material, either stocking shelves, unloading trailers or assisting our customers with their purchases.

Here are six (6) steps to safe lifting.

1. Keep feet apart - one alongside, one behind the object.
2. Keep back straight, nearly vertical.
3. Tuck your chin in.
4. Grasp the object with the whole hand.
5. Tuck elbows and arm in and hold the load close to body.
6. Keep body weight directly over feet and lift with your legs.

Unloading Freight

When it comes to material handling, one of the major activities is unloading freight and inventory from Company trailers. This is not the time to be careless. The materials are of all kinds; some extremely heavy, bulky, small items and loaded pallets. It is your option to use Company provided gloves and belts. However, if you are unloading materials with sharp points or edges, you are required to wear gloves. Anytime -- such as unloading trucks, stocking shelves, or loading a purchase made by a customer -- where there is a possibility you could be cut, lacerated or punctured, you must wear gloves.

Two-Wheeled Hand Truck

These safety procedures must be followed:

1. Keep the center of gravity of the load as low as possible. Place heavy objects below light objects.
2. Place the load well forward so the axle, not the handles, will carry the weight.
3. Place the load so it will not slip, shift or fall. Load only to a height that will allow a clear view ahead.
4. Let the truck carry the load. The operator should only balance and push.
5. Never walk backwards with a hand truck in front of you.
6. When going down an incline, keep the hand truck ahead of you.
7. Move at a safe speed. Do not run. Keep truck constantly under control.

Servicing Batteries

Personal protective clothing including aprons and face shields or goggles are provided for your protection when servicing batteries.

There have been a few times when a battery has exploded or an employee has splashed acid into their eyes.

If battery acid splashes on your skin or in your eyes, immediately flush with water.

Tire Mounting

The mounting of any tire can be dangerous and the employee should use extreme caution and be fully aware of the safety rules that apply to tire mounting. These rules are displayed clearly in the area close to the tire mounting equipment. It is your responsibility to read these rules thoroughly and abide by them completely. If you have any questions, please ask your supervisor. Failure to abide by the safety rules outlined for the mounting of tires is cause for disciplinary action up to and including termination of employment.

Incident/Accident Reports

Employees must complete detailed, accurate reports of accidents or incidents occurring on the premises which involve guests, customers, employees, volunteers or visitors. Failure to report incidents promptly (within 24 hours) and completely can affect workers' compensation coverage. If the incident involves an employee it must be reported to the supervisor immediately and a written report must be submitted. An employee injured on the job will be required to see a physician and submit a doctor's report regarding the injury and the employee's ability to return to work.

Use of Equipment and Vehicles

Equipment and vehicles essential in accomplishing job duties are expensive and may be difficult to replace. When using property, employees are expected to exercise care, perform required maintenance, and follow all operating instructions, safety standards, and guidelines.

Please notify the supervisor if any equipment, machines, tools or vehicles appear to be damaged, defective, or in need of repair. Prompt reporting of damages, defects, and the need for repairs can prevent deterioration of equipment and possible injury to employees or others. The supervisor can answer questions about an employee's responsibility for maintenance and care of equipment or vehicles used on the job. If you feel a supervisor is not properly maintaining company property please inform the General Manager.

The improper, careless, negligent, destructive, or unsafe use or operation of equipment or vehicles, as well as excessive or avoidable traffic and parking violations, can result in disciplinary action, up to and including termination of employment.

Our insurance company prohibits Company vehicles to be driven by persons other than active employees of the Company. A qualified license prospect on a test ride on the designated demo route is the only exception.

Friends and/or relatives are not permitted to drive/ride Company vehicles.

Each employee operating a Company vehicle must hold a valid operating permit. Our insurance company may pull a driving record. Excessive points on an employee's record may prohibit him or her from operating a Company vehicle. It is the employee's responsibility not to operate any Company vehicles once they are notified that they are on the do-not-drive list.

Company issued equipment (including without limitation, telephones, cell phones, pagers, radios and other communication equipment) may not be used for personal business or matters unrelated to the Company without the prior permission of the Human Resources Manager or the General Manager. The Company reserves the right to monitor the location and the content of equipment that it issues to employees or which it permits employees to use. Equipment issued or loaned by the Company is not the private property of the employee. Employees expressly waive any right to privacy in all such equipment and consent to allow the examination of the equipment by authorized Company representatives. By continuing employment with the Company, employees are consenting to such monitoring, even when related to their personal activities. All Company issued or loaned equipment must be used in a safe manner at all times.

Individuals who violate this policy will be subject to disciplinary action up to and including immediate termination. In addition, individuals who misuse equipment shall be liable to the Company for all costs and damages caused by, or associated with, such misuse.

Driving Habits

Employees driving Company vehicles are responsible for checking the following items before using the vehicle:

Check oil level and add if necessary (motor off).

Check automatic transmission fluid on vehicles so equipped (motor running at normal idle speed).

Check coolant levels (check on cold engines only).

Check for valid inspection stickers.

Check for securely attached valid license plate. Make certain that all lights are operable.

Make visual check of tires and tire pressure.

Notify your department head of any problems immediately.

Employees are responsible for any tickets or vehicle failure as well as subsequently repair if they fail to check these items before using the vehicle.

Should an employee receive a ticket that is vehicle related, not operator included, for a reason other than listed above, the employee should notify his or her department head immediately. The department head should then forward a copy of the ticket to the General Manager to determine whether the employee or the Company is responsible. This will be determined on a case by case basis.

Employees are responsible for operator included tickets, i.e., running red lights, parking, accidents, etc. Employees are not permitted to "hot dog" within line of sight of either location. This applies to any vehicle you are driving. This includes "wheelies" and "burnouts".

No Cell Mobile Phone Usage While Driving Company Vehicles

Virginia State law regarding the use of cellular/mobile phones while driving supersedes any statement in this manual. The use of a cell/mobile phone while driving is strictly prohibited. If there is a need to use the phone, while you are in transit, the employee is to pull over safely and stop driving while using the phone.

Test Rides

Any employee test-riding or supervising a test-ride of any vehicle classified by the state of Virginia as a motorcycle, scooter or ATV must see to it that the driver/rider has a valid license to operate the vehicle (if required by law) and that an approved helmet is worn. All customers taking a test ride must complete the appropriate waiver form and all required DMV forms.

Vehicular Accidents

Any accident involving you, in or on a Company vehicle, no matter how slight, must be immediately reported to your department manager (insurance company requirement). Be certain to obtain names, license and registration information from all parties involved. Department Managers must, in turn, pass this information to the General Manager immediately.

Personal Use of Company Vehicles

Personal use of Company vehicles is restricted. Only authorized use approved by senior management is permissible. All requests should be submitted to the General Manager for prior approval.

In Case of Fire

Each department manager should insure that all of his/her employees are aware of the fire extinguishers, their locations, and their proper use including the type of fire they may be used on. Department heads or designated reliefs should insure the proper and orderly evacuation of all customers in case of such an emergency. Every effort should be made to protect the property of the Company from pilferage during an emergency.

In the event of a fire - call 911. If unable to get through to 911, then attempt the local fire station:

- Falls Church (703) 532-2672
- Woodbridge (703) 494-4171

Standards of Conduct and Disciplinary Action

Standards of Conduct

Regulations for the acceptable conduct of employees are necessary for the orderly operation of any organization and for the benefit and protection of the rights and safety of all employees. The purpose of rules and regulations is not to restrict the rights of anyone, but to define the rules which protect the rights of all.

It is impossible to describe every standard of conduct for every circumstance in the handbook. However, all employees are expected to comply with and abide by all of our rules and standards at all times, and discipline and termination may be imposed for unacceptable conduct or performance. The level of discipline or discharge imposed by the Company for unacceptable conduct will depend upon, among other things, the seriousness of the employee's conduct, the circumstances under which it occurred, the employee's record of prior discipline, and the employee's record of work performance.

Some of the Company's rules and standards, a violation of which can result in disciplinary action up to and including suspension or discharge, are listed below. These rules are not all-inclusive. Any conduct, even if not specifically described below, that could cause a personal accident, injury to other employees, a breakdown of discipline, disruption of work, or is otherwise harmful to the Company will result in disciplinary action.

A non-exhaustive list of representative rules, the violation of which could result in disciplinary action, includes the following:

1. Supplying false or misleading information when applying for employment, or at any time during your employment.
2. Altering, destroying, damaging, willfully misplacing, discarding or falsifying Company records or property.
3. Theft or unlawful possession of stolen, lost or mislaid property of the Company or customers. Destruction or defacing of property of the Company or customers.
4. Committing illegal, immoral, unethical or indecent conduct, soliciting persons for these purposes, or aiding and/or abetting any of the above.
5. Possession, using or being under the influence of non-prescription drugs at any time while conducting Company business; possessing, using or being under the influence of alcoholic beverages while conducting Company business; or non-prescribed or inappropriate use of prescribed drugs while conducting Company business.
6. Refusal or failure to perform assigned work, to follow a supervisor's instructions, or any act of insubordination; failing to give a high degree of service to any customer; gross negligence or carelessness.
7. Violation of the Company equal employment opportunity, discrimination or harassment (including sexual harassment) rules.

8. Engaging in any act of physically abusive conduct, discourteous conduct, using abusive language, rudeness, or similar acts to customers, fellow employees, vendors or suppliers.
9. Misusing sick leave or other leave programs, overstaying a leave of absence or a vacation without written approval from your supervisor.
10. Excessive tardiness and/or absenteeism.
11. Possession of a weapon (regardless of whether the weapon is licensed).
12. Violation of the Company's security policies.
13. Coercion, intimidation or threats against customers, guests, suppliers, supervisors or fellow employees.
14. Removal of property from the Company without written consent from your supervisor or manager.
15. Failure to follow safety, fire or health rules and regulations.
16. Violation of the Company's conflict of interest and/or confidentiality rules.
17. Violation of any policies or procedures contained in this handbook.
18. Unsatisfactory job performance, as determined by management.
19. Incompatibility with supervision or management.
20. Any other serious offense as determined by the Company.

The action taken by the Company whenever a rule or standard of conduct is not followed, may include the following disciplinary methods. **These, however, are guidelines and not an enforceable commitment. As previously described, this handbook does not constitute an express or implied employment contract of any kind with respect to any of its provisions, including these provisions describing our standards of conduct and disciplinary procedures. Nothing in this handbook is intended to bind the Company contractually. In particular, you may not rely on any of these provisions describing our standards of conduct and disciplinary procedures as limiting the Company's discretion and ability to discipline or discharge you. As a result, you may be disciplined, up to and including termination, without using these standards and procedures.**

Cash Handling

All employees in a position that deals with money are responsible for the accuracy and balancing of this money. Shortages of the cashier that is responsible for that particular cash bag/drawer, will ordinarily be docked their upcoming pay to the extent permitted by applicable law. All shortages and overages will be documented in an employee's file. Excessive and continued shortages will result in immediate termination of employment.

Verbal Warning

A verbal warning will be given for any violation of Company rules or standards that does not warrant more severe discipline. The supervisor shall keep a record of the verbal warning given by having an appropriate record placed in the employee's personnel file.

Written Warning

Written warnings will be given for repeated or cumulative violations for which a verbal warning has been issued or for those violations too serious to warrant a verbal warning.

A copy of the written warning is to be signed by the supervisor as well as the employee. The signature by the employee will constitute an acknowledgment that he/she has been issued the written warning. Failure of the employee to sign the warning shall be deemed to be insubordination for which additional discipline, up to and including termination, may be imposed. A copy of the written warning will be placed in the employee's personnel file and a copy given to the employee.

Suspension

An employee (regardless of whether the employee is exempt or nonexempt) may be required to take time off without pay (that is, suspended) for repeated or cumulative violations for which verbal and written warnings have been issued or for actions requiring disciplinary action stronger than a written warning but not severe enough to warrant discharge. Under present applicable federal law, deductions from the pay of exempt employees may be made for one or more full days of pay (i) for penalties imposed for infractions of safety rules of major significance and (ii) for unpaid disciplinary suspensions imposed for infractions of workplace conduct rules.

Termination

Serious violations of the Company's rules or standards, or repeated or cumulative violations of a lesser nature, may result in termination of the employee.

Termination

Resignation

A statement made by an employee, either orally or in writing, that he/she is or will be resigning, or an offer of resignation made by an employee (including, for example, a statement by an employee that "maybe I should resign"), either orally or in writing, will automatically be implemented. No response by the Company will be necessary in order for the resignation to be effective. In the Company's discretion, the employee may continue to work until the requested resignation date or such other date as determined by the Company.

In the event of resignation, an employee is requested to give the Company two weeks notice. Upon resignation, an employee can be required to leave the premises at once or at any time prior to the expiration of the two weeks notice.

Termination

The Company may terminate an employee's service at any time without notice. Upon termination (provided that the termination is not the result of gross misconduct or insubordination or a failure to give proper and timely notice of resignation), an employee may receive payment for any vacation leave accrued or accumulated only in the year in which the employee's employment terminates. However, an employee shall not receive payment upon termination for any accrued or accumulated sick leave if applicable.

Return of Company Property

Upon the employee's termination or resignation, all Company property in the employee's possession, custody or control, including without limitation, keys, receipts and security devices, equipment, computer equipment (including laptops and cell phones), daytimers and business calendars shall be immediately returned to your supervisor. The Company reserves the right to charge employees for damage to, or the loss of, Company property, including without limitation damage to laptops and the loss of Company keys. Likewise, the Company reserves the right to charge an employee or to deduct from an employee's final paycheck (i) an amount sufficient to cover the damage to, or loss of, Company property and (ii) an amount equal to monies otherwise owed to the Company by the employee. If such deduction is insufficient to cover the employee's financial obligations to the Company, the employee shall pay any outstanding monies to the Company within seven (7) days of the date of termination of employment.

Exit Interviews

When employment terminates, whether by resignation or dismissal, employees are requested to participate in a confidential exit interview with the administrative staff of the Company. During this interview, the employee is encouraged to make constructive comments and suggestions concerning his/her work experience. This information is valuable in making the Company a desirable place to work.

