



MARINE GROUP
BOAT WORKS

**CONFLICT OF INTEREST AND
CONFIDENTIALITY AGREEMENT**

In consideration of my employment by The Marine Group, LLC., a California corporation (The "Company"), and at all times during the term of such employment, I agree as follows:

1. Interest in Outside Concern. Neither I nor any member of my immediate family, as defined below, will maintain any ownership or other financial or equity interest, directly or indirectly, in a business which is a supplier to, customer of, or competitor of the Company. I agree that the only permitted exceptions to this prohibition shall be (i) the ownership of securities in any such business entity, which securities are publicly traded on a recognized stock exchange or (ii) an interest in any such business entity which has been fully disclosed in writing to the Company's President and acquiesced in writing by such individual.
2. Employment by Outside Concern. Neither I nor any member of my immediate family will provide goods or services for compensation, directly or indirectly, on either a full or part-time basis, to any business entity or person who is a supplier to, customer of, or competitor of the Company.
3. Gifts and Gratuities. Neither I nor any member of my immediate family will accept on an annual basis gift of gratuities having an aggregate cash value in excess of \$25.00 from any one supplier to, customer of, or competitor of the Company.
4. Guaranteed Loans. Neither I nor any member of my immediate family will obtain any loan of money or goods from any bank, savings and loan, or other person or entity, which loan is arranged or guaranteed by a supplier to, customer of, or competitor of the Company.
5. Confidential Handling of Document and Information. I acknowledge and agree that all information concerning the Company's operations to which I have access as a result of my employment with the Company is confidential to and constitutes trade secrets of the Company, and I will not directly or indirectly disclose such information to any third person or entity except for such disclosures as I may be authorized to make as part of the performance of my regular duties for the Company. "Information concerning the Company's operations" as used herein includes, but shall not be limited to, any information not publicly disclosed by the Company in the usual course of business and specifically includes identities of the Company's customers, suppliers and subcontractors, information concerning historical or forecast costs or sales. "Information" as used herein includes information written or recorded by any means and also includes non-recorded facts. I agree that the obligations of this paragraph shall survive the termination of my employment with the Company.
6. Preservation of Property. All files, records, documents, drawings, supplies, equipment and similar items relating to the business of the Company, whether prepared by me or otherwise coming into my possession as a result of my employment with the Company and shall be returned by me to the President of the Company at the termination of my employment.
7. Meals. While acceptance of meals by myself or a member of my immediate family which are paid for by a supplier to, customer of, or competitor of the Company is not considered to be a conflict of interest, I acknowledge that the Company discourages this practice.
8. Disclosure of Existing and Future Violations. If, at the time of my execution of this Agreement, I or any member of my immediate family is in violation of any term or condition of this Agreement, I will give the President of the Company, no later than five (5) days after my execution of this Agreement, written notice of the identity of the person committing each such violation and the nature, extent and date of such violation. I shall also give immediate written notice as above described in the event I or any member of my immediate family violates any term or condition of this Agreement at any time during the term of my employment.
9. Termination for Violation of Agreement. I acknowledge and agree that my failure to comply with the notice requirements of Section 8 of this Agreement or my violation of any other term or condition of the Agreement shall constitute grounds for the immediate termination of my employment.
10. Definition of Member of Immediate Family. As used in this Agreement, the term "immediate family" shall mean any parent, sibling, child, spouse or other relative who wither lives with or is dependent upon the employee executing the Agreement for his or her support.
11. Waiver. The waiver of any term or condition of this Agreement shall be effective only if in writing and signed by the President of the Company. One or more waivers of any term or condition of this Agreement shall not be construed to constitute a waiver of a subsequent breach of the same or any other term or condition of this Agreement.
12. Reporting of Misconduct by Other Employees. I acknowledge that the Company has a vital interest in learning of any violations of law by its employees. "Violations of law" as used herein includes, but is not limited to, the preparation of submission to any federal, state or other regulatory agency or to any customer, of any false or fraudulent claim or report, and also includes falsification of any internal record or report. I agree that I will promptly report any such violation of law to the company's President and I recognize that my failure to report any such violation of law shall constitute grounds for the immediate termination of my employment with the Company.

Date: _____

(Signature of employee)

(Print name)