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INTRODUCTION

10 Employee Welcome Message

Dear Associate:

We take great pleasure in welcoming you to NORTEX WHOLESale NURSERY, INC. You are now a part of one of the most respected nursery organizations in the country.

As a member of this team, you will be given the opportunity to gain much personal satisfaction from the positive nature of our work. People buy our products as things of beauty, not as just plants. These products are a combination of our professional know-how, personal service and quality material.

As members of this organization, you and we have both accepted certain responsibilities. This booklet has been prepared to help all of us remember and carry out these responsibilities; to let you know what you will be able to expect of the company, and at the same time, make sure that you understand what the company expects of you.

We sincerely hope you enjoy working with us, and are confident that you will find much opportunity for personal growth and an interesting and rewarding career. As a member of our team, you have a definite share in the continued growth of the company, along with a responsibility to help us meet the challenges of the present and future. We urge you to bring to your supervisor, or to me, any suggestions that might be helpful in the operation of our company, in meeting and surpassing our goals, or in the development of our products.

Consider the manual to be an indication of our eagerness to help you become acquainted with our company. Read it carefully as an indication of your willingness to learn about your company and your new job. We are proud that you have chosen to join our company.

Welcome to NORTEX WHOLESale NURSERY.

Sincerely,

NORTEX WHOLESale NURSERY, INC.
JON PINKUS, President

20 Introductory Statement

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

No employee handbook can anticipate every circumstance or question about policy. As THE COMPANY continues to grow, the need may arise and THE COMPANY reserves the right to revise, supplement, or rescind any policies or portion of the handbook from time to time as it deems appropriate, in its sole and absolute discretion. The only exception to any changes is our employment-at-will policy permitting you or THE COMPANY to end our relationship for any reason at any time. Employees will, of course, be notified of such changes to the handbook as they occur.

This handbook is the property of the company and can be used for company business only. Any other use is prohibited.

30 Our Mission Statement

Our mission is to gain and keep customers by exceeding their expectations. We exceed customer expectations by providing consistent quality products and efficient, friendly service in a clean, neat and orderly manner at value prices.

We accomplish our mission through attention to detail and a desire to please every customer.

Simply put, to be the best at what we do, for the benefit of our customers, employees, and stockholders.

Goals and Expectations

We believe that our employees are at the same time our most important asset and our most important resource, to be developed and nurtured.

The company has four goals, which are for all employees and all positions.

To gain satisfied customers by providing quality products and services.

To improve the company's image.

To achieve the employees goals through achieving the company's goals.

To improve the company's bottom line profit.

We are a team, and can only achieve all our goals if we pull together. We have three expectations of all employees: Commitment, Attitude, and Results. Each of these can be clearly defined.

Commitment is demonstrated by dependability, time at work, outside study, proper sanitation practices, communication style and content, candor, honesty, and no surprises. We expect every employee to behave in a manner that will advance them in their job and not undermine their own success.

Attitude is demonstrated by working with and supporting the team, identifying and going the extra mile when needed, plant sense, people sensitivity, cost sensitivity and awareness. Being a solution finder. Keeping the company's goals foremost in your mind at all times.

Results are demonstrated by accomplishment of our production and financial targets. Customer satisfaction, quality of availability, quality and quantity of product produced and shipped, clean, neat, orderly and safe work place free of weeds and pests, recognizing people as resources and growing people for the company.

12-28-93

40 History

In 1951, Ralph and Muriel Pinkus started a small nursery with nine acres of grassland on Northaven Rd. With a commitment to quality and value for their customers, the nursery has grown into one of the most respected horticultural ventures in the area.

North Haven Gardens (landscape & retail) and Nortex Wholesale Nursery (wholesale growing) grew slow at first, each composed of separate profit centers. The companies were incorporated in 1969. In 1972/3 Jon & David Pinkus joined the business making it a true family business.

In 1972 Jon started the greenhouse operation in Wylie, Texas. It has grown over the years to over 280,000 square feet of greenhouse. It serves area retailers and contractors by providing a wide range of quality greenhouse grown plants with outstanding service helping our customers be successful with the products they get from Nortex. The greenhouse range has expanded to provide improved serve in 1975, 1977, 1982, 1991, 1993, 1995, 1999, and 2002.

In 1977 Ralph started Tawakoni Plant Farm on the lake in east Texas. The nursery grows quality trees and shrubs which it delivers to retailers and contractors throughout the five state area.

In the 1980's the company underwent a lot of changes while adjusting to the new economic challenges. In 1992 David Pinkus left the company to pursue his interests political lobbying in Austin with Small Business United. Lillian Pinkus took over the landscape business, Jon took over the retail in addition to Nortex and the administration of all companies.

In 1993 the retail store was transferred to Nortex in order to separate it from the landscape business and it's commercial "off property" exposures, staff requirements, and capital demands. The Forest Lane re-wholesale yard was merged into the retail store on Northaven Rd. to increase inventory efficiency and recognize the changing marketplace.

In 2000 the landscape company was sold to ValleyCrest in order to provide it with a national presence for its corporate customers and provide for continued quality growth. ValleyCrest is the largest privately owned landscape company in the country.

In 2002 David Pinkus returned to take over the operation of the Tawakoni Plant Farm.

In January 2005 Leslie Halleck joined the company as General Manager of the Retail division.

EMPLOYMENT

101 NATURE OF EMPLOYMENT

Employment with THE COMPANY is voluntarily entered into, and the employee is free to resign at will at any time, with or without cause. Similarly, THE COMPANY may terminate the employment relationship at will at any time, with or without notice or cause, so long as there is no violation of applicable federal or state law.

Policies set forth in this handbook are not intended to create a contract, nor are they to be construed to constitute contractual obligations of any kind or a contract of employment between THE COMPANY and any of its employees. The provisions of the handbook have been developed at the discretion of management and, except for its policy of employment-at-will, may be amended or canceled at any time, at THE COMPANY's sole discretion.

These provisions supersede all existing policies and practices and may not be amended or added to without the express written approval of the chief executive officer of THE COMPANY.

102 EMPLOYEE RELATIONS

THE COMPANY believes that the work conditions, wages, and benefits it offers to its employees are competitive with those offered by other employers in this area and in this industry. If employees have concerns about work conditions or compensation, they are strongly encouraged to voice these concerns openly and directly to their supervisors.

Our experience has shown that when employees deal openly and directly with supervisors, the work environment can be excellent, communications can be clear, and attitudes can be positive. We believe that THE COMPANY amply demonstrates its commitment to employees by responding effectively to employee concerns.

103 EQUAL EMPLOYMENT OPPORTUNITY

In order to provide equal employment and advancement opportunities to all individuals, employment decisions at THE COMPANY will be based on merit, qualifications, and abilities. THE COMPANY does not discriminate in employment opportunities or practices on the basis of race, color, religion, sex, national origin, age, disability, or any other characteristic protected by law.

THE COMPANY will make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in an undue hardship. This policy governs all aspects of employment, including selection, job assignment, compensation, discipline, termination, and access to benefits and training.

Any employees with questions or concerns about any type of discrimination in the workplace are encouraged to bring these issues to the attention of their immediate supervisor or the Human Resources Department. Employees can raise concerns and make reports without fear of reprisal. Anyone found to be engaging in any type of unlawful discrimination will be subject to disciplinary action, up to and including termination of employment.

105 HIRING 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. For these reasons, the hiring of relatives is prohibited. Rare exceptions may be approved in writing by upper management under certain circumstances, like part time, temporary or seasonal work.

Relatives of persons currently employed by THE COMPANY may be hired only if they will not be working for or supervising a relative. THE COMPANY employees cannot be transferred into such a reporting relationship.

If the relative relationship is established after employment, the individuals concerned will decide who is to be transferred. If that decision is not made within 30 calendar days, management will decide.

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.

106 EMPLOYEE MEDICAL EXAMINATIONS

To help assure that employees are able to perform their duties safely, medical examinations may be required. After an offer has been made to an applicant entering a designated job category, a medical examination may be performed at THE COMPANY's expense by a health professional of THE COMPANY's choice. The offer of employment and assignment to duties is contingent upon satisfactory completion of the exam.

Information on an employee's medical condition or history will be kept separate from other employee information and maintained confidentially. Access to this information will be limited to those who have a legitimate need to know.

The job categories of driver, forklift operator, cashier, and chemical applicator are required to undergo a medical review process. The process, as described below, is structured to conform to the Americans with Disabilities act (ADA, 1990) and subsequent rules and regulations published July 26, 1991. After the conditional job offer the individual will be required to sign an Acknowledgement of Conditional Employment.

Personnel will conduct a workers' compensation claims history search in the states where the applicant indicates work was performed and schedule the medical examination. Once the clean examination results and medical review are complete the employee can start work.

Conflicting Information Present

If the medical review or examination is not clean, the applicant will be notified and given the source of records. The job offer will be suspended for two weeks until the individual can contact the source of the records:

If at the end of two weeks, the Company has not heard from the individual, the offer will be withdrawn. If it has been determined that the individual was lying, understating the frequency or severity of the injuries,

or misleading the Company, the offer will be withdrawn. If the applicant is determined to be a hazard to himself and/or the workplace, the *offer* will be withdrawn.

107 IMMIGRATION LAW COMPLIANCE

THE COMPANY is committed to employing only United States citizens and aliens who are authorized to work in the United States and does not unlawfully discriminate on the basis of citizenship or national origin.

In compliance with the Immigration Reform and Control Act of 1986, each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility. Former employees who are rehired must also complete the form if they have not completed an I-9 with THE COMPANY within the past three years, or if their previous I-9 is no longer retained or valid.

Employees with questions or seeking more information on immigration law issues are encouraged to contact the Human Resources Department. Employees may raise questions or complaints about immigration law compliance without fear of reprisal.

108 SOCIAL SECURITY COMPLIANCE

If THE COMPANY receives notice from the Social Security Administration that the employees' name and Social Security Number do not match, it is the employees' responsibility to contact the Social Security Administration to fix the problem. The employee must notify THE COMPANY of the corrected information. Employees with outstanding SSN mismatches are not eligible for increases, LOAs or rehire until they present evidence that they have corrected the SSN mismatch.

109 CONFLICTS OF INTEREST

Employees have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest.

An actual or potential conflict of interest occurs when an employee is in a position to influence a decision that may result in a personal gain for that employee or for a relative. 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.

No "presumption of guilt" is created by the mere existence of a relationship with outside firms. However, if an employee has any influence on transactions involving sales, purchases, contracts, or leases, it is imperative that he or she discloses to an officer of THE COMPANY as soon as possible, the existence of any actual or potential conflict of interest so that safeguards can be established to protect all parties.

Personal gain may result not only in cases where an employee or relative has a significant ownership in a firm with which THE COMPANY does business but also when an employee or relative receives any kickback, bribe, substantial gift, or special consideration as a result of any transaction or business dealings involving THE COMPANY.

If it is brought to the attention of company management that an employee is engaged in a competing entity or similar impropriety, the employee so engaged will be subject to disciplinary action up to and including termination.

110 OUTSIDE EMPLOYMENT

An employee may hold a job with another organization as long as he or she satisfactorily performs his or her job responsibilities with THE COMPANY and such employment does not solicit customers of THE COMPANY. All employees will be judged by the same performance standards and will be subject to THE COMPANY's scheduling demands, regardless of any existing outside work requirements.

Taking phone calls, soliciting customers, or conducting other activities for any outside work during work hours will be considered theft and may be grounds for dismissal.

If THE COMPANY determines that an employee's outside work interferes with performance or the ability to meet the requirements of THE COMPANY as they are modified from time to time, the employee may be asked to terminate the outside employment if he or she wishes to remain with THE COMPANY

Outside employment will present a conflict of interest if it is perceived to have an adverse impact on THE COMPANY, its customers, employees or suppliers.

112 NON-DISCLOSURE

The protection of confidential business information and trade secrets is vital to the interests and the success of THE COMPANY. Such confidential information includes, but is not limited to, the following examples:

- Compensation data
- Customer lists
- Customer preferences
- Financial information
- Labor relations strategies
- Marketing strategies
- New materials research
- Pending projects and proposals
- Pricing information and strategies
- Proprietary production processes
- Research and development strategies
- Technological data
- Technological prototypes
- Vendor Names

Any employee who improperly uses or discloses trade secrets or confidential business information will be subject to disciplinary action, up to and including termination of employment, even if he or she does not actually benefit from the disclosed information.

EMPLOYMENT STATUS & RECORDS

201 EMPLOYMENT CATEGORIES

It is the intent of THE COMPANY to clarify the definitions of employment classifications so that employees understand their employment status and benefit eligibility. These classifications do not guarantee employment for any specified period of time.

Accordingly, the right to terminate the employment relationship at will at any time is retained by both the employee and THE COMPANY.

Each employee is designated as either NONEXEMPT or EXEMPT from federal and state wage and hour laws. NONEXEMPT employees are entitled to overtime pay under the specific provisions of federal and state laws. EXEMPT employees are excluded from specific provisions of federal and state wage and hour laws. An employee's EXEMPT or NONEXEMPT classification may be changed only upon written notification by THE COMPANY management.

In addition to the above categories, each employee will belong to one other employment category:

REGULAR FULL-TIME employees are those who are not in a temporary or introductory status and who are regularly scheduled to work THE COMPANY's full-time schedule. Generally, they are eligible for THE COMPANY's benefit package, subject to the terms, conditions, and limitations of each benefit program.

REGULAR PART-TIME employees who are not in an Introductory status and are scheduled to work less than a 40 hour week but in all cases greater than 30 hours per week averaged over a 10 week period. They will receive all legally mandated benefits and a prorated portion of all eligible company benefits. Any employee who changes from a full-time employee to a regular part-time employee may carry his benefit eligibility forward on a prorated basis beginning on the date of part-time service.

PART-TIME employees are those who are not assigned to a temporary or introductory status and who are regularly scheduled to work less than 30 hours per week. While they do receive all legally mandated benefits, they are ineligible for all of THE COMPANY's other benefit programs. Any part-time employee working over an average of 30 hours per week for one full year will be eligible for prorated benefits after 1 year of such part-time service.

INTRODUCTORY employees are those whose performance is being evaluated to determine whether further employment in a specific position or with THE COMPANY is appropriate. Employees who satisfactorily complete the introductory period will be automatically reclassified. Introductory employees receive all legally mandated benefits, however, they are not eligible for other company benefits while in this classification. Introductory period is 90 days.

TEMPORARY/ SEASONAL employees are those who are hired as interim replacements, to temporarily or seasonally supplement the work force, or to assist in the completion of a specific project. Employment assignments in this category are of a limited duration. Employment beyond any initially stated period does not in any way imply a change in employment status. Temporary/seasonal employees retain that status unless and until notified of a change.

While temporary/seasonal employees receive all legally-mandated benefits their eligibility for other company benefits is as follows:

TEMPORARY/SEASONAL - eligibility by length of service

After 90 days of Service:

Sick pay

Holiday pay

After One Year Service:

Vacation pay (according to the vacation policy)

Bereavement pay

Jury duty

Health and Dental eligibility - none

REGULAR PART-TIME benefits will accrue on a prorated basis, generally as follows:

Sick Leave 3 hours accrued per month

Vacation 6-hour day

Holiday 6-hour day

Bereavement 6-hour day

ELIGIBILITY BY BENEFIT

BENEFIT	ELIGIBILITY
Bereavement Pay	After One Year
Holiday Pay	After Three Months Service
Jury Duty	After One-Year Service
Medical/Dental	Not Eligible
Sick Pay	After Three Months Service
Vacation Pay	After One-Year Service

202 ACCESS TO PERSONNEL FILES

THE COMPANY maintains a personnel file on each employee. The personnel file includes such information as the employee's job application, resume, records of training, documentation of performance appraisals and salary increases, and other employment records.

Personnel files are the property of THE COMPANY, and access to the information they contain is restricted. Generally, only supervisors and management personnel of THE COMPANY who have a legitimate reason to review information in a file are allowed to do so.

Employees who wish to review their own file should contact the Human Resources Department. With reasonable advance notice, employees may review their own personnel files in THE COMPANY's offices and in the presence of an individual appointed by THE COMPANY to maintain the files.

203 EMPLOYMENT REFERENCE CHECKS

To ensure that individuals who join THE COMPANY are well qualified and have a strong potential to be productive and successful, it is the policy of THE COMPANY to check the employment references of all applicants.

The Human Resources Department will respond to all reference check inquiries from other employers. Responses to such inquiries will confirm dates of employment, wage rate, and positions held.

It is recommended that all employees realize that most companies check references and that we are all responsible for our behavior in the long run.

204 PERSONNEL DATA CHANGES

It is the responsibility of each employee to promptly notify THE COMPANY of any changes in personnel data. Personal mailing addresses, telephone numbers, number and names of dependents, individuals to be contacted in the event of an emergency, educational accomplishments, and other such status reports should be accurate and current at all times. If any personnel data has changed notify the Human Resources Department.

205 INTRODUCTORY PERIOD

The introductory period is intended to give new employees the opportunity to demonstrate their ability to achieve a satisfactory level of performance and to determine whether the new position meets their expectations. THE COMPANY uses this period to evaluate employee capabilities, work habits, and overall performance. Either the employee or THE COMPANY may end the employment relationship at will at any time during or after the introductory period, with or without cause or advance notice.

All new and rehired employees work on an introductory basis for the first 90 calendar days after their date of hire. Any significant absence will automatically extend an introductory period by the length of the absence. If THE COMPANY determines that the designated introductory period does not allow sufficient time to thoroughly evaluate the employee's performance, the introductory period may be extended for a specified period.

Upon satisfactory completion of the introductory period, employees enter either the "regular" or "seasonal" employment classification.

During the introductory period, new employees are eligible for those benefits that are required by law. After becoming regular or seasonal employees, they may also be eligible for other COMPANY provided benefits, subject to the terms and conditions of each benefits program. Employees should read the information for each specific benefits program for the details on eligibility requirements.

208 EMPLOYMENT APPLICATIONS

THE COMPANY relies upon the accuracy of information contained in the employment application, as well as the accuracy of other data presented throughout the hiring process and employment. Any misrepresentations, falsifications, or material omissions in any of this information or data may result in THE COMPANY's exclusion of the individual from further consideration for employment or, if the person has been hired, termination of employment.

EMPLOYEE BENEFIT PROGRAMS

301 EMPLOYEE BENEFITS

Eligible employees' at THE COMPANY are provided a wide range of benefits. A number of the programs (such as Social Security and unemployment insurance) cover all employees in the manner prescribed by law. Benefits eligibility is dependent upon a variety of factors, including employee classification and length of service. Your supervisor can identify the programs for which you are eligible. Details of many of these programs can be found elsewhere in the employee handbook.

The following benefit programs are available to eligible employees. These programs are subject to change without notice. Some benefit programs require contributions from the employee.

Credit Union
Dental Insurance
Major Medical Health Insurance
Prescription Card
Profit Sharing
Section 125
401 K Retirement Plan

Payroll Benefits –can be paid in four hour increments if necessary.

Bereavement Leave
Holidays
Sick time
Vacation

Employees working their standard hours cannot take payroll benefits like Vacation Pay, Holiday Pay, and Sick Pay in the same pay week. These benefits can only be used to replace hours not worked out of thier standard workweek. They cannot be used to exceed 43 hours.

Seasonally Reduced Hours. Any full time employee who works a 40 hour schedule for at least 30 weeks, including spring, and whose hours are reduced to no less than 16 hours a week at the company's request due to seasonal staffing needs will remain eligible for their holiday and vacation benefits.

302 MEDICAL BENEFITS

The Company provides eligible employees with the opportunity to cover themselves and/or their family in the Company sponsored group health insurance. Eligibility is as follows:

Regular full time employees – after meeting eligibility requirements or 90 days.
Regular part-time employees - average of 30 hours of work per week or more averaged over the immediate preceding 10 weeks; after 1 year service.

The Company shares the expense of the employee premium with the employee. Employees who wish to enroll will be charged weekly through payroll deduction. The same benefits can be provided for an employee's eligible dependents at a special group rate with premiums also handled by payroll deductions with the employee paying full cost.

The company offers a 125-cafeteria plan that allows interested employees to deduct their health insurance premiums with before tax dollars.

The Human Resource department will attempt to notify employees as they become eligible to enroll in the health insurance program. However, it is ultimately the responsibility of the employee to know his/her date of eligibility and bring this to the attention of the Human Resource Department if he/she wishes to enroll.

Refer to special sections on leaves of absence to determine continuation of health insurance benefits under those circumstances.

The company may from time to time also make available other health related benefit programs such as dental/and or vision. The employee is responsible for the full cost of these programs.

All health related benefits are subject to the terms, conditions, and limitations of the applicable plans in effect at the time.

303 VACATION BENEFITS

Vacation time off with pay is available to eligible employees to provide opportunities for rest, relaxation, and personal pursuits. Employees in the following employment classifications are eligible to earn and use vacation time as described in this policy:

Regular full-time employees

Regular part-time employees - (working over 30 hours/week, prorated benefit)

Temporary/Seasonal employees

The amount of paid vacation time employees receive each year increases with the length of their employment as shown in the following schedule.

1 week - After 1 year according to the vacation period

2 weeks - After 2 years according to the vacation period

3 weeks - After 10 years or more according to the vacation period

**VACATIONS MAY ONLY BE TAKEN DURING THE APPROVED VACATION PERIOD.
NO VACATIONS ARE EARNED UNTIL THE VACATION PERIOD BEGINS.**

* The vacation period typically begins June 1 and extends through the end of February of the following calendar year: Approved vacation period dates will be announced each year for each department. Employees must be actively employed at the time of the approved vacation period in order to be eligible for vacation pay. Vacations must be taken. Employees cannot receive vacation pay in lieu of taking vacation time off with pay. Vacations are not cumulative to the next vacation period. Unused vacation time is forfeit. It is the employees' responsibility to schedule their vacation time with their manager at a time that does not conflict with operational needs or their department.

Vacation pay is calculated as follows:

Hourly Employees:

Agriculture: Based on hours of regular scheduled workweek, (maximum of 40 hours), at the current hourly rate in effect at the time of vacation. Non-Agriculture: Based on the hours of the employee's workweek, excluding overtime (maximum of 40 hours), at current hourly rate in effect at the time of vacation.

Independence Day	July 4
Labor Day	1st Monday in September
Thanksgiving Day	last Thursday in November
Christmas Day	December 25

Hourly employee holiday pay will be calculated based on the employee's straight-time pay rate (as of the date of the holiday) times the number of hours the employee would otherwise have worked on that day (maximum of 8 hours per day). Salaried employees holiday pay will be calculated based on one-day are pay. Commissioned employees receive no holiday pay.

To be eligible for holiday pay, employees must work the last scheduled day immediately proceeding and the first scheduled day immediately following the holiday. A recognized holiday that falls on a Saturday will be observed on the preceding Friday. A recognized holiday that falls on a Sunday will be observed on the following Monday.

If a recognized holiday falls during an eligible employee's paid absence (e.g., vacation, sick leave), holiday pay will be provided instead of the paid time off benefit that would otherwise have applied. The holiday may not be added to the vacation week unless approved in writing in advance by the department manager.

Paid time off for holidays will not be counted as hours worked for the purposes of determining overtime.

Employees cannot receive pay for the holiday in lieu of taking the day off with pay.

Certain operations within the company need to remain open daily. Since these operations remain open during recognized holidays, an employee may be required to work on the holiday and take an alternate day off with pay, as agreed upon with their supervisor. Those employees required to work on the holidays who are eligible for holiday pay, should schedule their alternative day off as close to the holiday as possible. Should an employee terminate within 30 days after the holiday, the unused holiday will be paid providing the employee gives a minimum 2-week resignation notice. If an employee is laid off prior to taking the holiday, the unused holiday will be paid upon termination. **Any holidays not taken will be forfeited on March 1 of each year.**

305 ON THE JOB INJURIES

VOLUNTARY BENEFIT PLAN

Nortex Wholesale Nursery, Inc. has set up the following voluntary benefit plan to cover all employees injured in the course and scope of their employment:

Nortex Nursery will pay employee 85% of his "regular weekly wage" or minimum wage, whichever is greater, for lost time subject to the other terms and conditions of this plan. "Regular weekly wage" is defined as the average weekly wage the injured employee received from Nortex Nursery for the ten-week period preceding the injury.

All claims for lost time over one day must be supported by a finding from a company-designated physician that the employee was injured in the course and scope of employment and is unable to work in his or her present capacity.

If a company-designated physician finds that an employee cannot return to full work duties but can return to work under a Restricted Work Program (light duties) that employee is required to do so. Employees returning to work under a Restricted Work Program (light duties) will be paid at the rate of 100% of the employee's "regular weekly wage".

Nortex Nursery will pay 100% of all necessary medical treatment and 100% of all necessary prescribed drugs as recommended by a company-designated physician or hospital.

As a general rule, Nortex Nursery will not provide for medical treatment not provided by a company-designated physician or hospital. Nortex Nursery, may, in its sole discretion pay for medial bills or medication prescribed by medical providers other than a company-designated physician or hospital if the injury is an emergency and a company-designated physician or hospital is unavailable. All non-emergency medical treatment must be pre-approved by Nortex Nursery.

No benefits under this voluntary compensation program will be paid if the employee was intoxicated by alcohol or drugs at the time of injury, regardless of whether the intoxication contributed to or caused the injury.

Employees must comply with the following company procedures in the event of a work-related injury:

1. All employees must immediately (at least within 24 hours of incident) report all incidents that result in injury to themselves or a fellow employee to their supervisor, or the Manager on Duty.
2. All employees must be treated for non-emergency injuries at the company designated clinic or hospital.
3. All employees must visit a company-designated physician or hospital for further treatment as required and comply with all recommendations of the attending physician.
4. All employees must fill out the injured employees' portion of the Incident Report and must check in with their supervisor weekly or as requested.

Failure to comply with the above procedures is grounds for terminating benefits under this plan.

Nortex Nursery reserves the right to terminate or modify benefits under this plan, in its sole discretion, for any reason at any time. No payments under this benefit plan shall be construed or considered as an admission of liability of the part of Nortex Wholesale Nursery, Inc.

306 SICK LEAVE BENEFITS

THE COMPANY provides paid sick leave benefits to all eligible employees for periods of temporary absence due to illnesses or injuries. Eligible employee classification(s):

Regular full-time employees - After completion of 90-day probationary period.

Regular part-time employees - (working over 30 hours/week, after one year service, prorated benefit)

Temporary/Seasonal - After completion of 90-day probationary period.

The sick time benefit begins to accrue at the beginning of the fourth month of employment at the rate of 1/2 day per month, up to 48 hours per year. Your sick pay is cumulative during the length of your employment. This unused sick pay accumulates from year to year giving an important cushion in case of a major illness. Unused sick time will not be reimbursed to the employee upon termination.

To be eligible for sick pay, employees must call and notify their manager of the illness as early as possible the morning of the absence. Doctor's certification may be required in some cases. If an employee is absent for three or more consecutive days due to illness or injury, a physician's statement may be required, verifying the disability and its beginning and expected ending dates. Such verification may be required as a condition to receiving sick leave benefits.

Paid sick leave can be used in minimum increments of one-half day. Eligible employees may only use sick leave benefits for an absence due to their own illness or injury.

Sick leave benefits will be calculated based on the employee's base pay rate at the time of absence and will not include any special forms of compensation, such as incentives, commissions, bonuses, or shift differentials.

To be eligible for sick leave benefits you must call your manager on the morning of your illness. The following managers can be reached at the extensions listed below:

Accounting	214-363-6715 Ext 331
Retail	214-363-6715 Ext 338
Wholesale	214-363-6715 Ext 348
Wylie	972-442-5451 Ext 102

If the manager is not in, leave a voice mail message. If you have reached an improper extension, please use the directory to locate your manager's phone number.

307 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 either 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 one hour of unpaid time off to vote. Employees should request time off to vote from their supervisor at least two working days prior to the Election Day. Advance notice is required so that the necessary time off can be scheduled at the beginning or end of the work shift; whichever provides the least disruption to the normal work schedule.

308 BEREAVEMENT LEAVE

If an employee wishes to take time off due to the death of an immediate family member, the employee should notify his or her supervisor immediately. Eligibility for Bereavement Pay is 1 year from hire date.

Up to three days of paid bereavement leave in a calendar year will be provided to eligible employees in the following classification(s):

Regular full-time employees -

Regular part-time employees - (working over 30 hours/week, after one year service, prorated benefit)

Temporary/Seasonal –

Bereavement pay is calculated based on the base pay rate at the time of absence and will not include any special forms of compensation, such as incentives, commissions, bonuses, or shift differentials.

THE COMPANY defines "immediate family" as the employee's spouse, parent, child, sibling; the employee's spouse's parent, child, or sibling; the employee's child's spouse; grandparents or grandchildren. Special consideration will also be given to any other person whose association with the employee was similar to any of the above relationships.

309 INDUSTRY SEMINARS AND SHORT COURSES

Employees who have completed one year of continuous service, in a leadership position, may be chosen to attend a seminar or short course pertinent to their position within the company. To be considered employees must be successfully accomplishing their job description, initiating self-improvement related to job skills and knowledge and be exhibiting the ability to communicate and share information with their peers and staff.

The company will pay for seminar fees, travel, and lodging.

Upon completion an impact report must be submitted to the Department Manager and appropriate staff members who could benefit.

If the employee leaves the company prior to completing one year of service following the seminar or short course, the fee and any related reimbursed or prepaid expenses will be deducted from the final paycheck.

The seminar approval form must be completed by the Department Manager in advance of enrolling in an approved course. Original must be sent to personnel and a copy to the employee at the time approval is given.

310 TUITION REIMBURSEMENT

Any employee who has completed one years continuous service and wants to improve his/her knowledge in areas related to employment within the company is encouraged to enroll in such education courses at community colleges or short courses that might be offered. The company has a budgeted fund for reimbursing all or part of such tuition fees at approved schools as authorized by upper management, providing the employee completes the course and receives a passing grade.

Upon completion an impact report must be submitted to the Department Manager and appropriate staff members who could benefit.

If the employee leaves the company prior to completing one year of service after receiving reimbursement of tuition, the amount of the tuition and any related reimbursed expenses will be deducted from the final paycheck.

The tuition approval form must be completed by the Department Manager in advance of enrolling in an approved course. Original must be sent to personnel and a copy to the employee at the time approval is given. Upon completion of the course, a copy of the tuition receipt and grades must be submitted to Personnel for reimbursement, provided the above-mentioned conditions have been met.

311 JURY DUTY

THE COMPANY encourages employees to fulfill their civic responsibilities by serving jury duty when required. Employees in an eligible classification may request up to one week of paid jury duty leave over any one year period. The employee must advise his/her supervisor immediately upon receipt of notice.

Jury duty pay will be calculated on the employee's base pay rate times the number of hours the employee would otherwise have worked on the day of absence (maximum 8 hours per day). Employee classifications that qualify for paid jury duty leave are:

Regular full-time employees - after 90 days continuous employment

Regular part-time employee - (working over 30 hours/week, after one year service, prorated benefit)

Temporary/Seasonal employees - after 90 days continuous employment

If employees are required to serve jury duty beyond the period of paid jury duty leave, they may use any available paid time off (for example, vacation benefits) or may request an unpaid jury duty leave of absence.

Employees must show the jury duty summons to their supervisor as soon as possible so that the supervisor may make arrangements to accommodate their absence. Of course, employees are expected to report for work whenever the court schedule permits.

Either THE COMPANY or the employee may request an excuse from jury duty if, in THE COMPANY's judgment, the employee's absence would create serious operational difficulties.

THE COMPANY will continue to provide the same level of monetary participation in health insurance benefits that the employee is currently receiving, until the end of the month in which the unpaid jury duty 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 jury duty, benefits will again be provided by THE COMPANY according to the applicable plans.

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

All requests for Jury Duty must be given to your Supervisor and the Supervisor will turn in the Jury Duty form to the payroll department.

312 WITNESS DUTY

THE COMPANY encourages employees to appear in court for witness duty when subpoenaed to do so.

If employees have been subpoenaed or otherwise requested to testify as witnesses by THE COMPANY, they will receive paid time off for the entire period of witness duty.

Employees will be granted unpaid time off, if approved in writing in advance by their supervisor, to appear in court as a witness when requested by a party other than THE COMPANY. Employees are free to use any available paid leave benefit (e.g., vacation leave) to receive compensation for the period of this absence.

The subpoena should be shown to the employee's supervisor immediately after it is received so that operating requirements can be adjusted, where necessary, to accommodate the employee's absence. The employee is expected to report for work whenever the court schedule permits.

313 BENEFITS CONTINUATION (COBRA)

The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) gives employees and their qualified beneficiaries the opportunity to continue health insurance coverage under THE COMPANY's health plan when a "qualifying event" would normally result in the loss of eligibility. Some common qualifying events are resignation, termination of employment, or death of an employee; a reduction in an employee's hours or a leave of absence; an employee's divorce or legal separation; and a dependent child no longer meeting eligibility requirements.

Under COBRA, the employee or beneficiary pays the full cost of coverage at THE COMPANY's group rates plus an administration fee.

THE COMPANY provides each eligible employee with a written notice describing rights granted under COBRA when the employee becomes eligible for coverage under THE COMPANY's health insurance plan. The notice contains important information about the employee's rights and obligations.

314 EMPLOYEE PURCHASES

Our company has earned the reputation of having the largest collection of usual and unusual plant material in the state. People come from miles away to shop with us. Employees of the company may purchase from the company at special discount pricing with the following guidelines. This benefit is available to employees only for their personal use only.

The employee will:

Make selections on their own time

Make selections for their own personal use only. Purchases made for any kind of resale must be made as a contractor with an account and be paid for by cash, check, or credit.

Pay for purchases in cash or by payroll deduction at the first payroll period following purchase. Purchases over \$100.00 must be approved by the employee's department manager.

Sale items are not included for further discount. Employees may not tag material for hold.

Purchases: Items purchased from Nortex Wylie can be purchased at catalog prices. 4" and under pots must be purchased in full flat quantities.

Retail:	Discount %
Roses and bedding plants	20%
All hard goods, gift items	20%
Hanging baskets foliage plants	20%
1 to 20 gallon trees and shrubs	20%
Wire orders	No discount

315 401K PLAN

THE COMPANY provides eligible employees with the opportunity to participate in THE COMPANY sponsored 401K Plan (The Plan). Eligible employees may elect to make pre-tax payroll deductions in accordance with Plan rules. The deductions made are invested in the employee's individual 401K account according to the investment strategy the employee elects from The Plan options. The Plan is a wonderful opportunity to begin saving for retirement. Employees may also borrow against the funds in their 401K account according to the rules of the Plan.

Employer Contributions to The Plan

THE COMPANY may elect to match all or some of the employee's contribution in accordance with The Plan rules. Company contributions or "matches" are made from Company profit and the election to make such a contribution is solely at the discretion of the Company. Company contributions vest to the employee according to the following vesting schedule:

Years completed	0	1	2	3	4	5	6
Percent vested	0%	0%	20%	40%	60%	80%	100%

Eligibility:

The following employees are eligible to participate in The Plan.

Regular full-time employees - After one year of employment and then at the next Open Enrollment Period.

Regular part-time employee - (working over 30 hours/week) - After one year of employment and then at the next Open Enrollment Period.

316 PROFIT SHARING PLAN

THE COMPANY strongly believes that each employee is counted upon to help the Company achieve its goals. Therefore, when the Company makes a profit, we believe in sharing that profit with employees. The Company has established a Profit Sharing Plan. At its sole discretion, THE COMPANY may elect to make a distribution to employees out of the profits of the Company.

Eligibility:

Employees in all full-time employment classifications that have worked over two years are eligible to participate provided they are employed at the time of the Profit Sharing distribution. We use a non-discriminatory, ERISA approved formula for calculating each individual's profit sharing bonus.

Employees that receive other profit-based bonus are not included in this plan.

317 CREDIT UNION

The Company provides all employees with the opportunity to join a national Credit Union. Any employee so desiring may open an account with the Credit Union and elect to have funds deducted from their weekly paycheck. Those funds would be deposited directly into their individual account with the Credit Union.

The Credit Union offers services such as checking accounts, savings accounts, and loans according to their policies. For further information contact the Human Resources Department.

Eligibility:

All employees

TIMEKEEPING/PAYROLL

401 TIMEKEEPING

Accurately recording time worked is the responsibility of every employee. Federal and state laws require THE COMPANY to keep an accurate record of time worked in order to calculate employee pay and benefits. Time worked is all the time actually spent on the job performing assigned duties.

Employees should accurately record the time they begin and end their work, as well as the beginning and ending time of each meal period. They should also record the beginning and ending time of any split shift or departure from work for personal reasons. Overtime work must always be approved before it is performed.

Altering, falsifying, tampering with time records, or recording time on another employee's time record may result in disciplinary action, up to and including termination of employment.

An unpaid lunch period is considered a necessary break in the workday. It must be taken and will be deducted.

403 PAYDAYS

All employees are paid weekly. Each paycheck will include earnings for all work performed through the end of the previous payroll period.

The pay period begins on a Sunday of each week and ends on Saturday. The paycheck covering the week's work is paid the following Friday. Therefore, there is a delay in receiving the first paycheck and pay day is on a weekly basis thereafter, which is on a Friday, at the completion of the work day, covering time worked in the proceeding Sunday through Saturday period. Failure to turn in time records as required may result in delay in receiving pay. Please do not ask for your paycheck early, as we will be unable to accommodate you.

In the event that a regularly scheduled payday falls on a day off, employees will receive pay on the last day of work before the regularly scheduled payday after 4:00 p.m.

If a regular payday falls during an employee's vacation, the employee may receive his or her earned wages before departing for vacation if a written request is submitted at least one week prior to departing for vacation.

405 EMPLOYMENT TERMINATION

Termination of employment is an inevitable part of personnel activity within any organization, and many of the reasons for termination are routine. Below are examples of some of the most common circumstances under which employment is terminated:

RESIGNATION - voluntary employment termination initiated by an employee.

DISCHARGE - involuntary employment termination initiated by the organization generally for violation of company policy.

LAYOFF - involuntary employment termination initiated by the organization for nondisciplinary reasons.

Since employment with THE COMPANY is based on mutual consent, both the employee and THE COMPANY have the right to terminate employment at will, with or without cause, at any time. Employee benefits will be affected by employment termination in the following manner. All accrued, vested benefits that are due and payable at termination will be paid. Some benefits may be continued at the employee's expense if the employee so chooses. The employee will be notified in writing of the benefits that may be continued and of the terms, conditions, and limitations of such continuance.

All company property must be returned in satisfactory condition.

408 PAY ADVANCES

In the event of a personal emergency, employees may submit a written request for a payroll advance to their supervisor or manager, indicating the nature of the emergency involved. The supervisor will submit the request to upper management for approval. The company is not a bank, however, we understand that hourly employees earning close to minimum wage may have few resources available to handle family emergencies. Under certain, infrequent situations, the company may grant the requested payroll advance. Advances may be subject to a weekly administration fee. Maximum payback period is 8 weeks.

409 ADMINISTRATIVE PAY CORRECTIONS

THE COMPANY takes all 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 supervisor, or the Payroll Manager, so that corrections can be made as quickly as possible.

410 PAY DEDUCTIONS

The law requires that THE COMPANY make certain deductions from every employee's compensation. Among these are applicable federal, state, and local income taxes. THE COMPANY also must deduct Social Security taxes on each employee's earnings up to a specified limit that is called the Social Security "wage base". THE COMPANY pays a matching amount of Social Security taxes paid by each employee.

THE COMPANY offers programs and benefits beyond those required by law. Eligible employees may voluntarily authorize deductions from their paychecks to cover the costs of participation in these programs.

If you have questions concerning why deductions were made from your paycheck or how they were calculated, your supervisor can assist in having your questions answered.

WORK CONDITIONS & HOURS

501 SAFETY

To assist in providing a safe and healthful work environment for employees, customers, and visitors, THE COMPANY has established a workplace safety program. This program is a top priority for THE COMPANY. Managers have 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.

Each employee is expected 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 subject to disciplinary action, up to and including termination of employment.

Negligent accidents to property of the company or of the other persons are the sole responsibility of the employee involved. Accidents that occur as the result of negligence are not the responsibility of the company, but of the person causing the accident and must be paid for by that individual.

In the case of accidents that result in injury, regardless of how insignificant the injury may appear, employees should immediately notify their supervisor. Such reports are necessary to comply with laws and initiate insurance and injury related benefits procedures. A mandatory drug test shall be performed after any accident or injury.

A more detailed safety policy is included in your new hire paperwork for your review and signature.

502 WORK SCHEDULES

Each area of the company has its own unique work schedule. Your supervisor will inform you of your working hours. Working hours may vary from day to day and week to week. If you know of any potential scheduling conflicts, notify your supervisor in writing with at least 2 weeks advance notice. Any changes after the schedule is made must be trade-offs between appropriate staff. Trading personnel must work shift as traded.

All personnel will be required to take an unpaid lunch period. This time will be automatically deducted from the time card unless already noted.

503 CELL PHONES

Personal phone calls during work are an interruption to the workflow and are to be limited to emergency use only or approved breaks. You are not to take cell phone calls while working. Phone or cell phone abuse will lead to disciplinary action up to and including termination. Please limit all personal calls.

Company provided cell phones are for business use only. You will be held personally responsible for any charges related to misuse of such phones. Driving with a cell phone has been shown to be as dangerous as drinking and driving. It is a violation of company policy to drive with a cell phone held to your ear. If you must make or take a call, pull off the road in a safe manner first.

504 USE OF PHONE AND MAIL SYSTEMS

Voice-mail is provided to improve business communications. It should not be used as a phone book. You are expected to check your voice-mail at least daily and follow through as needed. Be sure to keep your voice mail from getting full. To assure effective telephone communications, employees should always use the approved greeting 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.

Messages left on Voice Mail or E-Mail are considered company business and maybe accessed by management personnel. If you need to receive a private message do not direct it to the company voice mail or e-mail systems. Do not open e-mail attachments that are DOC or XLS files, which may contain macro virus unless you trust the source.

Personal use of telephones for long-distance and toll calls is not permitted. Employees should practice discretion in using company telephones when making local personal calls and may be required to reimburse THE COMPANY for any charges resulting from their personal use of the telephone.

The use of THE COMPANY paid postage for personal correspondence is not permitted.

505 SMOKING

In keeping with THE COMPANY's intent to provide a safe and healthful work environment, smoking is strictly prohibited in all nursery areas, company vehicles, offices, restrooms, greenhouses, or other indoor spaces. Smoking is only permitted offsite during rest and meal breaks. Violation of this policy may result in disciplinary action or termination of employment.

This policy applies equally to all employees, customers, and visitors.

506 COMPANY DRIVERS

Pre-employment drug screens are required for all applicants being considered for the position titled "driver" or anyone driving during the course of work. Before any employee hired by the company as a driver is eligible to drive a company vehicle the company must receive a satisfactory MVR report and a passing drug screen result. An employee whose documented MVR report is not in agreement with declarations made on the employment application is subject to immediate disciplinary action, up to and including termination. When an employee has stated that he/she has a clean driving record, and only under limited circumstances, may the driver drive a company vehicle while his/her MVR report is pending.

Any employee eligible to drive a company vehicle will have their driving record checked. If at any time their driving record reflects standards that fall below those set by the company, their eligibility to drive a company vehicle will be revoked, and they may be subject to termination.

Drivers of company vehicles must be a minimum of 18 years of age, with a valid Texas drivers' license and good driving record. Evaluation of driving performance records is based on each driver's Motor Vehicle report:

Time period considered: The past 3 (three) years. Any driver with 3 incidents or violations in the past 3 years will not be allowed to drive a company vehicle. However, Major Convictions as defined below, are

counted back as far as 5 years. Any driver with even 1 major conviction will not be allowed to drive a company vehicle.

A Major Conviction is any citation that involves:

Driving while intoxicated or under the influence of alcohol or drugs

Failure to stop and report an accident

Homicide, manslaughter or assault arising out of the operation of a motor vehicle

Driving while your license is suspended or revoked

Reckless driving

Possession of opened container of alcoholic beverages

Speed contest, drag racing, or attempting to elude an officer of the law

Proof of comprehensive and liability automobile insurance will be required by any employee driving their personal vehicle for company business.

507 OVERTIME

When operating requirements or other needs cannot be met during regular working hours, employees will be given the opportunity to volunteer for overtime work assignments. All overtime work must receive the supervisor's prior authorization. Overtime assignments will be distributed as equitably as practical to all employees qualified to perform the required work.

Overtime compensation is paid to all nonexempt employees in accordance with federal and state wage and hour restrictions. Overtime pay is based on actual hours worked. Time off on sick leave, vacation leave, or any leave of absence will not be considered hours worked for purposes of performing overtime calculations.

Employees who work overtime without receiving prior authorization from the supervisor may be subject to disciplinary action, up to and including possible termination of employment.

508 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 could prevent deterioration of equipment and possible injury to employees or others. The supervisor can answer any questions about an employee's responsibility for maintenance and care of equipment or vehicles used on the job.

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.

Employees are prohibited from using company owned vehicles for personal use unless authorized in writing to do so. Passengers other than authorized company personnel are not permitted in company vehicles.

There will be no smoking in company vehicles.

In the operation of equipment or vehicles the employee will abide by all state and federal highway laws. Traffic citations are always the responsibility of the employee driving the vehicle as all traffic regulations are to be properly observed. **Promptly report any accident regarding a vehicle or vehicle damage to Administration. An officer of the law must be called to the scene of all vehicle accidents.**

Always look back before backing up

Tie down all material on trucks

Any incident or unsafe conditions are to be reported immediately to your supervisor

A speed limit of 5 miles per hour will be maintained on all company roads

Operators of equipment must make certain that no personnel are standing on running boards, sitting on the hood, sitting on the roof, sitting on the tailgate or standing on the truck bed when the truck is moving.

You must be checked out and approved before operating any company equipment or vehicles. If you have not been checked out by authorized personnel on a specific piece of equipment, and approved to operate it, do not touch the equipment. Employees will be financially responsible for damage to equipment caused by negligence, misuse, or unauthorized use of equipment. Employees are prohibited from using company owned equipment for personal use.

509 TOOLS

Employees are asked to put up a deposit on personal hand tools (i. e. hand shear, knife, etc.). The deposit will be in the amount of the cost of the item. Should you wear out the tool, a new one will be exchanged at not additional cost; however, the tool must have been properly used. Should you leave employment, the deposit will be returned after turning in your tools. Some tools will be provided without deposit, but it is your responsibility to maintain and put away these tools. Employees may be required to pay for tools that are lost or damaged due to negligence.

Personal belongings such as tools, radios, books, etc., which are left at the company are left at the employees own risk. The company is not responsible for any losses that may occur.

Employees are prohibited from using company owned tools for personal use.

510 TECHNOLOGY- Computer, Internet, V-mail, E-mail Use

PURPOSE:

Clarify the company policy and priorities on the use of modern technological equipment like computers, digital cameras, voice-mail and e-mail.

- 1. Business use only.** The Company provides Internet access (including e-mail) to employees based on the needs of their position in order to assist and facilitate business communications and work related research. These services are for legitimate business use only in the course of the employees' assigned duties. All materials, information and software created, transmitted, downloaded or stored on the company's computer system are the property of the Company and may be accessed only by authorized personnel.
- 2. Prohibited uses.** Inappropriate Internet use includes: transmitting obscene, harassing, offensive or unprofessional messages; accessing any site that is sexually or racially offensive or discriminatory; displaying, downloading or distributing any sexually explicit material;

transmitting any of the Company's confidential or proprietary information, including customer data, supplier identity, trade secrets or other materials covered by the Company's confidentiality policy.

3. **Monitoring.** The Company reserves the right to monitor employee use of the e-mail system or the Internet at any time. Employees should not consider their Internet usage or e-mail communications to be private. Personal passwords are not an assurance of confidentiality, and the Internet itself is not secure.
4. **Copyright restrictions; permission required.** Any software or other material downloaded into the Company's computers may be used only in ways consistent with the licenses and copyrights of the vendors, authors or owners of the material. Prior written authorization from Jon Pinkus is required before introducing any software into the Company's computer system. Employees may not download entertainment software, games or any other software unrelated to their work
5. **No company representation.** Only authorized employees may communicate on the Internet on behalf of the Company. Employees may not express opinions or personal views that could be misconstrued as being those of the Company. Employees may not state their company affiliation on the Internet unless required as part of their assigned duties.
6. **Violations.** Any violation of this policy may result in loss of computer access and disciplinary action, including immediate termination.

Helpful Information.

When leaving a computer always exit your program properly. "Log off" if that function is available. Computers should always be left at a menu screen with a "screen saver" or shut down. At the end of the day all printers and monitors should be shut off or left in "sleep" mode if available. A screen saver by itself does not reduce the energy consumption of a monitor. (About 60 watts)

If you are interrupted while using a computer and need to leave it for a few minutes, always save your work and leave your screen on the "Desk Top" or "Log Off" your terminal. Do not leave your work out and unsaved.

If you need to use a computer and someone else has left their work out, assume that they will be returning very shortly. If they do not, make some effort to determine their return. If you cannot, save the work and proceed with your work.

511 EMERGENCY CLOSINGS

At times, emergencies such as severe weather, fires, power failures, or earthquakes, can disrupt company operations. In extreme cases, these circumstances may require the closing of a work facility.

When the decision to close is made, time off from scheduled work will be unpaid. However, with supervisory approval, employees may use available paid leave time, such as unused vacation benefits.

512 BAD WEATHER

If your particular job is affected by bad weather (rain, ice, etc.) and you have a question as to whether there will be work on a given day, telephone your supervisor in advance of your scheduled start time for instructions.

513 LAYOFFS and REHIRE

Regular work will be provided as far as practical. However, because of the seasonal nature of our business and its dependence on the weather, there are times when layoffs are necessary. If a layoff should become necessary, employees will be laid off on the basis of their skill, ability, attendance and production records. The least experienced and least productive persons will be laid off first.

All departments will try to schedule work so that employees who must be laid off can be given adequate advance notice. However, it is recognized that there are times when economic conditions make it impossible to give such advance notice.

Laid off employees are urged to see the Personnel Manager upon receiving notice of layoff to let the company know they desire to be called back to work, or if possible, to arrange transfer to work in another department.

Employees who decline being recalled to their regular jobs will be considered as having resigned. Employees who have been laid off due to seasonal needs of the company are eligible for rehire, as long as they paid all debts, properly returned all keys, tools, uniforms, etc.

If the rehire takes place within 6 months and in the same calendar year as the lay-off:

- We can use the original application,
- The rehired employee will be reinstated with their previously earned seniority and benefits. No benefits accrue while the employee was not actively employed.

If the rehire date is more than 6 months after the lay-off date or in a new calendar year the employee must be hired as a new employee without any carry over seniority or benefits.

514 VISITORS IN THE WORKPLACE

To provide for the safety and security of employees and the facilities at THE COMPANY, only authorized visitors are allowed in the workplace. Restricting unauthorized visitors helps maintain safety standards, protects against theft, ensures security of equipment, protects confidential information, safeguards employee welfare, and avoids potential distractions and disturbances.

All visitors should enter THE COMPANY at the main entrance. Authorized visitors will receive directions or be escorted to their destination. Employees are responsible for the conduct and safety of their visitors.

If an unauthorized individual is observed on THE COMPANY's premises, employees should immediately notify their supervisor or, if necessary, direct the individual to the main entrance.

LEAVES OF ABSENCE

601 MEDICAL LEAVE

THE COMPANY provides medical leaves of absence without pay to eligible employees who are temporarily unable to work due to a serious health condition or disability. For purposes of this policy, serious health conditions or disabilities include inpatient care in a hospital, hospice, or residential medical care facility; continuing treatment by a health care provider; and temporary disabilities associated with pregnancy, childbirth, and related medical conditions.

Employees in the following employment classifications are eligible to request medical leave as described in this policy:

Regular full-time employees

Regular part-time employees - (working over an average of 30 hours/week) Temporary/Seasonal employees

Eligible employees may request medical leave only after having completed 275 calendar days of service. Exceptions to the service requirement will be considered to accommodate disabilities.

Eligible employees should make requests for medical leave to their supervisors at least 30 days in advance of foreseeable events and as soon as possible for unforeseeable events. A health care provider's statement must be submitted verifying the need for medical leave and its beginning and expected ending dates. Any changes in this information should be promptly reported to THE COMPANY. Employees returning from medical leave must submit a health care provider's verification for their fitness to return to work.

Eligible employees are normally granted leave for the period of the disability, up to a maximum of 12 weeks within any 12-month period. Any combination of medical leave and family leave may not exceed this maximum limit. If the initial period of approved absence proves insufficient, consideration will be given to a written request for an extension. Employees will be required to first use any accrued paid leave time before taking unpaid medical leave.

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

The Company will continue to provide the same level of monetary participation in health insurance benefits that the employee is currently receiving, until the end of the month in which the unpaid leave is to begin. **The employee must provide payment in advance for the weeks when they will have no paycheck. After the first month the employee will become responsible for the full costs of these benefits. Payment must be received in advance if coverage is to continue.**

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

So that an employee's return to work can be properly scheduled, an employee on medical leave is requested to provide THE COMPANY with at least two weeks advance notice of the date the employee intends to return to work. When a medical leave ends, the employee will be reinstated to the same position, if it is available, or to an equivalent position for which the employee is qualified.

If an employee fails to report to work promptly at the end of the medical leave, THE COMPANY will assume that the employee has resigned.

602 FAMILY LEAVE

THE COMPANY provides family leaves of absence without pay to eligible employees who wish to take time off from work duties to fulfill family obligations relating directly to childbirth, adoption, or placement of a foster child; or to care for a child, spouse, or parent with a serious health condition. A serious health condition means an illness, injury, impairment, or physical or mental condition that involves inpatient care in a hospital, hospice, or residential medical care facility; or continuing treatment by a health care provider.

Employees in the following employment classifications are eligible to request family leave as described in this policy:

Regular full-time employees

Regular part-time employees - (working over an average of 30 hours/week) Temporary/Seasonal employees

Eligible employees may request family leave only after having completed 275 calendar days of service. Eligible employees should make requests for family leave to their supervisors at least 30 days in advance of foreseeable events and as soon as possible for unforeseeable events.

Employees requesting family leave related to the serious health condition of a child, spouse, or parent may be required to submit a health care provider's statement verifying the need for a family leave to provide care, its beginning and expected ending dates, and the estimated time required.

Eligible employees may request up to a maximum of 12 weeks of family leave within any 12-month period. Any combination of family leave and medical leave may not exceed this maximum limit. If this initial period of absence proves insufficient, consideration will be given to a written request for a single extension of no more than 30 calendar days. Employees will be required to first use any accrued paid leave time before taking unpaid family leave. Married employee couples may be restricted to a combined total of 12 weeks leave within any 12-month period for childbirth, adoption, or placement of a foster child; or to care for a parent with a serious health condition.

The Company will continue to provide the same level of monetary participation in health insurance benefits that the employee is currently receiving, until the end of the month in which the unpaid leave begins. **The employee must provide payment in advance for the weeks when they will have no paycheck. After the first month the employee will become responsible for the full costs of these benefits. Payment must be received in advance if coverage is to continue.**

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

So that an employee's return to work can be properly scheduled, an employee on family leave is requested to provide THE COMPANY with at least two weeks advance notice of the date the employee intends to return to work. When a family leave ends, the employee will be reinstated to the same position, if it is available, or to an equivalent position for which the employee is qualified.

If an employee fails to report to work promptly at the end of the approved leave period, THE COMPANY will assume that the employee has resigned.

603 PERSONAL LEAVE

THE COMPANY provides leaves of absence without pay to eligible employees who wish to take time off from work duties to fulfill personal obligations. Employees in the following employment classifications are eligible to request personal leave as described in this policy:

Regular full-time employees

Regular part-time employees - (working over an average of 30 hours/week) Temporary/Seasonal employees

Eligible employees may request personal leave only after having completed 275 calendar days of service. As soon as eligible employees become aware of the need for a personal leave of absence, they should request a leave from their supervisor.

Personal leave may be granted for a period of up to 30 calendar days per calendar year. With the supervisor's approval, an employee may take any available sick leave or vacation leave as part of the approved period of leave.

Requests for personal leave will be evaluated based on a number of factors, including anticipated workload requirements and staffing considerations during the proposed period of absence.

Subject to the terms, conditions, and limitations of the applicable plans, health insurance benefits will end on the date the approved personal leave begins. At that time, employees will become responsible for the full costs of these benefits if they wish coverage to continue. **The employee must provide payment in advance if coverage is to continue.**

When the employee returns from personal leave, benefits will again be provided by THE COMPANY according to the applicable plans.

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

When a personal 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 guarantee reinstatement in all cases.

If an employee fails to report to work promptly at the expiration of the approved leave period, THE COMPANY will assume the employee has resigned.

605 MILITARY LEAVE

A military leave of absence will be granted to employees, except those occupying temporary positions, to attend scheduled drills or training or if called to active duty with the U.S. armed services.

The leave will be unpaid. However, employees may use any available paid time off for the absence.

Subject to the terms, conditions and limitations of the applicable plans for which the employee is otherwise eligible, health insurance benefits will end on the date the leave begins. At that time, employees will become responsible for the full costs of these benefits if they wish coverage to continue.

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

Employees on two-week active duty training assignments or inactive duty training drills are required to return to work for the first regularly scheduled shift after the end of training, allowing reasonable travel time. Employees on longer military leave must apply for reinstatement in accordance with all applicable state and federal laws.

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

EMPLOYEE CONDUCT & DISCIPLINARY ACTION

701 EMPLOYEE CONDUCT AND WORK RULES

To ensure orderly operations and provide the best possible work environment, THE COMPANY expects employees to follow rules of conduct that will protect the interests and safety of all employees and the organization. It is not possible to list all the forms of behavior that are considered unacceptable in the workplace. The following are examples of infractions of rules or conduct that may result in disciplinary action, up to and including termination of employment:

Theft or inappropriate removal or possession of property

Falsification of timekeeping records

Working under the influence of alcohol or illegal drugs

Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace, while on duty, or while operating employer-owned vehicles or equipment

Fighting or threatening violence in the workplace

Boisterous or disruptive activity in the workplace

Negligence or improper conduct leading to damage of employer owned or customer owned property

Insubordination or other disrespectful conduct

Violation of safety or health rules

Sexual or other unlawful or unwelcome harassment

Possession of dangerous or unauthorized materials, such as explosives or firearms, in the workplace

Excessive absenteeism or any absence without notice

Unauthorized disclosure of business "secrets" or confidential information

Violation of personnel policies

Unsatisfactory performance or conduct

Employment with THE COMPANY is at the mutual consent of THE COMPANY and the employee, and either party may terminate that relationship at any time, with or without cause, and with or without advance notice.

702 DRUG AND ALCOHOL USE IN THE WORKPLACE

The company is committed to maintaining a safe, productive work environment at all its facilities and work sites and to safeguard its property. Recognizing that employees are the most important asset of any organization, and that the health and safety of every single employee is our utmost concern, this policy is being implemented for the purpose of eliminating drug use and its negative consequences from the workplace. This policy is effective October 15, 1998.

The following rules represent the company's policy concerning drug and/or alcohol abuse and will be enforced uniformly with respect to all employees, as indicated:

- The use, possession, sale, distribution or being under the influence of illegal drugs or of alcohol on company premises or on any company work site is prohibited.
- Any employee found in violation of the above stated policy may be subject to immediate discharge.
- Any employee who commits an unlawful act related to drug or alcohol use on or off company premises or whose conduct is credited to the employer in any way will be subject to discipline, including termination at the sole discretion of the company.
- No alcoholic beverage will be brought or consumed on company premises except in connection with company authorized events. A violation of this provision may be cause for immediate termination.
- No prescription drug will be brought on company premises by any person other than the one for whom it is prescribed in a properly labeled and marked container. Such drug will be used only in the manner, combination and quantity prescribed.
- Any employee taking a drug or other medication, whether or not prescribed by a physician for a medical condition, which is known or publicized as possibly impairing judgment, coordination or other senses important to the safe or productive performance of work, must notify his supervisor prior to starting work. The management will decide whether the employee can continue to work and/or will impose any necessary work restriction
- Any employee who exhibits excessive tardiness, or excessive absenteeism without a doctor's excuse, or is the cause of accidents, and/or exhibits poor work, will raise reasonable suspicion of drug and/or alcohol abuse and may be required to take a drug, alcohol test upon such reasonable suspicion.

Violation of any of the above may be cause for disciplinary action up to and including termination. Depending on the circumstances, other action, including notification of appropriate law enforcement agencies, may be taken with respect to an employee violating this policy.

Definitions for the purpose of this Drug and Alcohol Abuse Policy:

A Drug is:

- alcohol
- any substance capable of altering an individual's mood, perception, pain level or judgment. This includes but is not limited to: narcotics, marijuana, cocaine, designer drugs, hallucinogens, illegal inhalants, etc. or any drug or controlled substance, the sale or consumption of which is illegal or which is legally obtainable but has not been legally obtained.
- A prescribed drug unless taken as directed by the employee's doctor.

Work Site includes

- Company vehicles and private vehicles on company premises or used for company business
- Parking lots and recreation areas
- Any circumstances in which an employee is representing the company, such as attending off-premises business meetings or calling on customers.

Under the influence of alcohol - defined as a blood alcohol content of .04.

Alcohol - any beverage that may be legally sold and consumed and has an alcoholic content in excess of three percent by volume.

Under the influence of an illegal drug - defined as testing positive, in any detectable amount, for the presence of illegal drugs.

Guidelines on Drug Testing :

Each employee will be tested for drugs and alcohol:

- after a work related accident.
- if the employee has been observed using a prohibited substance on a job
- if the company has reasonable cause or reasonable suspicion for testing an employee such as, but not limited to; if a supervisor observes employee behavior which may be related or result from substance abuse, the supervisor will contact Management to discuss the observation. Such behavior may include the following: unexplained erratic behavior, a protracted decline in performance, a high rate of tardiness or absenteeism, and/or other behavior that gives rise to a reasonable suspicion of substance abuse. Management will then confront the employee with the observed behavior and offer him or her the opportunity to give a reasonable explanation. If no explanation acceptable to management is forthcoming, management will request that the employee be scheduled for a drug test.
- as a part of a company-wide test.
- immediately prior to the employee's return to work if the employee has been suspended as a result of a positive drug test
- for a violation of the company's Drug and Alcohol Abuse Policy.
- when job applicants who, after having submitted an application, the company intends to offer a job conditioned on satisfactory results of the drug test.
- when required by federal law or security reasons.

A temporary leave with pay may be required for the tested employee until the test results are available to the company. This temporary leave is no indication that a violation of the substance abuse policy has occurred, but rather a precautionary measure for all concerned.

When the results of the drug test are received by the company, the employee will be notified of the results by a medical review officer, if any, or by management. If the results are positive, the employee will be given the opportunity to offer an explanation. In the absence of an explanation acceptable to management, the employee can be subject to immediate termination.

Breaches of the above basic policy statements, or employees having a positive drug test result due to said breaches, shall be grounds for immediate termination of said employee. Failure of any employee to submit to drug testing as required in this policy may result in immediate termination.

Applicant drug Testing

All job applicants, whom the company intends to offer a job, conditioned on satisfactory results of the drug test, are subject to drug and alcohol testing analysis.

Applicants may also be required as part of the application process to answer written questions concerning past drug use, if any. A negative drug test result is a condition of employment. The presence of illicit or illegal drugs, measured by urinalysis testing at the time of application, is grounds for rejection.

Conduct of Searches

Every employee will be required, upon the company's request, to submit to a search of any company property.

Drug and Alcohol Treatment

Those employees who feel that they have developed an addiction or dependence on alcohol or drugs are encouraged to seek assistance. If such employee notifies management of the problem, management will recommend various treatment centers that the employee can choose to attend at the employee's expense. Such an individual will not be automatically terminated, but will be encouraged to obtain treatment and upon satisfactory completion, may be reinstated to his or her former position, if such position is available, and at the sole discretion of the company.

703 SEXUAL HARASSMENT

The Equal Employment Opportunity Commission (EEOC) has defined sexual harassment as any unwelcome act of a sexual nature if.

It is used as a basis for employment decisions,
Submission is a condition of employment,
It creates an environment or atmosphere that is intimidating, hostile, humiliating or offensive,
or that interferes with an individual's productivity.

Each employee in this company must be allowed to work in an environment that is free from unwelcome sexual overtones.

Sexual harassment in any form is against the law and will not be tolerated. Employees who feel that they are being so subjected should bring this matter to the attention of company supervision with no fear of reprisal. Each supervisor is to bring all such complaints to management for action immediately and to take steps to prevent all such acts.

We ask all employees to support our efforts to foster an open and friendly work environment that is free of such inappropriate, intimidating pressures.

Eliminating the negative impact of sexual harassment will result in a more healthy and productive work environment for us all.

704 ATTENDANCE AND PUNCTUALITY

To maintain a safe and productive work environment, THE COMPANY expects employees to be reliable and to be punctual in reporting for scheduled work. Absenteeism and tardiness place a burden on other employees and on THE COMPANY. In the rare instances when employees cannot avoid being late to

work or are unable to work as scheduled, they should notify' their **supervisor** as soon as possible in advance of the anticipated tardiness or absence.

Poor attendance and excessive tardiness are disruptive. Either may lead to disciplinary action, up to and including termination of employment.

If you are going to be late, or away from work for any reason, to be eligible for any benefits you must call your manager on the morning of your illness. The following managers can be reached at the extensions below. If the manager is not in, you must leave a voice mail message. If you cannot locate the telephone extension, please use the voice mail directory.

Accounting	214-363-6715 Ext 331 or 333
Retail	214-363-6715 Ext 338
Contractor Sales	214-363-6715 Ext 348
Wylie	972-442-5451 Ext 102

705 PERSONAL APPEARANCE

Dress, grooming, and personal cleanliness standards contribute to the morale of all employees and affect the business image THE COMPANY presents to customers and visitors.

During business hours, employees are expected to present a clean and neat appearance and to dress according to the requirements of their positions. 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.

Consult your supervisor or department head if you have questions as to what constitutes appropriate attire.

No piercings other than ears should be visible to employees or customers.

706 RETURN OF PROPERTY

Employees are responsible for all property, materials, or written information issued to them or in their possession or control. All information on computer hard drives and disks is company property and cannot be taken by the employee upon termination. Employees must return all THE COMPANY property immediately upon request or upon termination of employment. Where permitted by applicable laws, THE COMPANY may withhold from the employee's check or final paycheck the cost of any items that are not returned when required. THE COMPANY may also take all action deemed appropriate to recover or protect its property.

707 CONFIDENTIALITY

We are in a business that deals largely with competitive information. Discuss this information only with those who need know. If you deal with material of a confidential nature, be sure to have it locked away before you leave your desk or workstation.

The following is a list of Confidential and Proprietary Information:

- Pricing Procedures and policies
- Purchasing Costs

Vendors
Customers
Customer Contacts
Labor Rates and Labor Costs
Seasonal Color Quantities, costs and price
Chemicals Used

Your compensation is strictly a personal affair. It is neither good business nor good judgment to discuss your salary with another employee. Nothing is gained and much harm can result. When questions arise concerning your compensation, see your supervisor or the Personnel Manager. Discussing compensation with others may lead to disciplinary action including possible termination.

708 RESIGNATION

Resignation is a voluntary act initiated by the employee to terminate employment with THE COMPANY. Although advance notice is not required, THE COMPANY requests at least two weeks' written notice of resignation from all employees.

709 NO WEAPONS POLICY

To assist in providing a safe workplace for employees, customers, and visitors, THE COMPANY has established a **No Weapons in the Workplace Policy**. Employees, vendors, and customers alike, are prohibited from carrying weapons of any kind on company property. **Texas law allows private employers to prohibit the carrying of concealed handguns on their property even by individuals who are licensed to do so.**

VIOLATION OF THIS POLICY WILL RESULT IN IMMEDIATE TERMINATION OF EMPLOYMENT!

710 SECURITY INSPECTIONS

THE COMPANY wishes to maintain a work environment that is free of illegal drugs, alcohol, firearms, explosives, or other improper materials. To this end, THE COMPANY prohibits the possession, transfer, sale, or use of such materials on its premises. THE COMPANY requires the cooperation of all employees in administering this policy.

Desks, lockers, and other storage devices may be provided for the convenience of employees but remain the sole property of THE COMPANY. Accordingly, they, as well as any articles found within them, can be inspected by any agent or representative of THE COMPANY at any time, either with or without prior notice.

712 SOLICITATION

In an effort to assure a productive and harmonious work environment, persons not employed by THE COMPANY may not solicit or distribute literature in the workplace at any time for any purpose.

THE COMPANY recognizes that employees may have interests in events and organizations outside the workplace. However, employees may not solicit or distribute literature concerning these activities during working time. (Working time does not include lunch periods, work breaks, or any other periods in which employees are not on duty.)

In addition, the posting of written solicitations on company bulletin boards is restricted. These bulletin boards display important information, and employees should consult them frequently.

If employees have a message of interest to the workplace, they may submit it to the President for approval.

All approved messages will be posted by President.