

Information Handbook

for

Employees

of

TWIN CITY MOTORS, INC.
TWIN CITY CLASSIC AUTOMOTIVE, INC.
10549 HWY 69
PORT ARTHUR, TX 77640

January 1, 2020 Edition

NOTHING CONTAINED IN THIS HANDBOOK IS INTENDED TO CREATE (NOR SHALL BE CONSTRUED AS CREATING) A CONTRACT OF EMPLOYMENT (EXPRESS OR IMPLIED) OR GUARANTEE EMPLOYMENT FOR ANY TERM OR FOR ANY SPECIFIC PROCEDURES. THERE IS NO CONTRACT OF EMPLOYMENT BETWEEN THE DEALERSHIP AND ANY ONE OR ALL OF ITS EMPLOYEES. EMPLOYMENT SECURITY CANNOT BE GUARANTEED FOR OR BY ANY EMPLOYEE.

THE WORD “DEALERSHIP” IS USED TO INCLUDE TWIN CITY MOTORS, INC. AND TWIN CITY CLASSIC AUTOMOTIVE, INC. COLLECTIVELY.

Table of Contents

Foreword	ii
Management Philosophy	1
Section 1: Employment	2
Section 2: Working Hours and Pay	8

Section 3: Benefits	12
Section 4: Transfer of Employees, Separation from Employment and Leave of Absence	24
Section 5: Work Policies and Regulations	27
Section 6: Conflicts of Interest	34
Section 7: Rules To Help Us All	36
Section 8: Safety	38
Section 9: Transportation and Travel Expenses	41
Section 10: Dispute Resolution/Open Door Policy/Mutual Agreement to Arbitrate Agreement	43
Acknowledgement of Receipt & Understanding	45

Foreword

We believe in keeping employees fully informed about our policies, procedures, practices, benefits, what employees can expect from the dealership, and the obligations assumed as an employee of the Dealership. This practice is designed to provide fair treatment of employees. All employees are expected to become familiar with the policies, procedures, practices, and benefits of the dealership. This handbook is intended to provide employees with basic information. The policies and practices described in this handbook reflect a great deal of concern for the people who make it possible for the dealership to exist . . . **its employees.**

Nothing contained in this handbook is intended to create a contract (express or implied), or otherwise to create legally enforceable obligations on the part of the dealership or its employees.

Because the dealership is a growing, changing organization, it reserves full discretion to add to, modify, or delete provisions of this handbook at any time without advance notice. For this reason, employees should check with THEIR DEPARTMENT MANAGER to obtain current information regarding the status of any policy, procedure or practice. No individual other than the GENERAL MANAGER has the authority to enter into an employment agreement or any agreement that modifies company policy. Any such modification must be in writing and must be signed by the GENERAL MANAGER.

All employment at the Dealership, is at will. “At will” means that both employees and the dealership have the right to terminate employment at any time, with or without advance notice, and with or without cause. No one other than the GENERAL MANAGER has the authority to alter this agreement, to enter into an agreement for employment for a specified

period of time, or to make any agreement contrary to this policy, and any such agreement must be in writing and must be signed by the GENERAL MANAGER.

Descriptions of various fringe benefits [such as group insurance] are summaries only. Should the descriptions in this handbook differ with any formal agreement or document involved, the formal agreement or document shall be considered correct.

The policies, procedures, practices and benefits described replace all earlier written and unwritten ones.

Management Philosophy

The Dealership pledges to our employees that as long as the affairs of this company are in our hands, the following principles will govern our actions with employees.

Our dealership employees and their welfare are very important to the success of our company. Our long-range objective is the continuous development of a growing and prospering business through which both the employees and the company will benefit. Every employee is considered a member of our dealership team. Our success as a dealership is built on the recognition of the skills and efforts made by each employee. It is our policy to work with all members of our team in a fair and friendly manner and to treat each team member with dignity and respect.

The management of the dealership will work continually for the benefit of our present and prospective customers as well as our employees to improve the competitive position of our company. This will enable us to provide excellent jobs for our team members.

The continued growth and success of our dealership depends upon the attitude and effort of each person employed here. We must maintain a reputation for quality, integrity and service. Each employee represents our dealership in his contacts with customers.

Our reputation with the customer is at stake - it is in the hands of each employee. An employee's actions and attitude can strengthen us or can quickly turn the customer against us. Employees have everything to gain by being courteous, neat, friendly, and helpful. We also have everything to lose by being discourteous, untidy, unfriendly and unhelpful. If just once we fail to serve our customers well, they may leave us, never to return.

No matter what position an employee holds within our dealership, it is important and vital that they remember our basic objective is to provide quality service to every customer.

Our business operation has always been conducted on an aggressive and profitable basis. This makes our dealership strong - both in financial condition and a competitive position. Progressive and profitable dealerships can offer maximum security to their employees - good pay, good benefits and good working conditions.

The loyalty and fine performance of our employees is a tremendous factor in the success of the dealership. We consider our employees our most valuable asset. It is our hope that our association with you will last many years and you will strive daily to improve your position on the team.

General conditions such as safety, cleanliness, and employee accommodations will be evaluated periodically for possible improvement and will always compare favorably with good

industry practice. We will be pleased to meet with any employee to discuss suggested improvements in working conditions.

Section 1 Employment

EMPLOYMENT-AT-WILL

We hope that each employee's period of employment at our dealership can be a rewarding experience. However, we recognize that circumstances change with the passage of time and that some employees may seek opportunities elsewhere or choose to leave the dealership for other reasons.

Other employees may not fulfill the operational needs of the dealership or changed circumstances may reduce available employment opportunities which may result in involuntary terminations.

We sincerely hope that none of these situations occur, but realistically we must acknowledge that the possibility does exist. Therefore, the right of the employee or the dealership to terminate the employment relationship "at will" is recognized and affirmed as a condition of employment.

"At will" means that both employees and the dealership have the right to terminate employment at any time, for any reason, with or without advance notice, and with or without cause.

APPLICATION FOR EMPLOYMENT

All candidates for employment must fully complete, date, and sign the dealership's standard employment application form. (A resume will not be accepted in lieu of a completed employment application.) The application form should be completed in detail and signed by the applicant to verify the accuracy and completeness of previous employment and personal information.

The dealership may investigate any portion of the requested information and may deny or later terminate the employment of anyone giving false, misleading, or incomplete information.

The completed employment application form will be made part of the personnel file of those applicants accepted for employment.

CONFIRMATION OF PREVIOUS EMPLOYMENT

It is our policy to request information from a prospective employee's previous employer(s) in order to obtain the prospective employee's work record as it pertains to his/her application for employment.

IMMIGRATION LAW COMPLIANCE

All individuals selected for employment will be required to present documents establishing both employment authorization and identity, in compliance with all applicable state and federal laws. Failure by an employee to produce genuine and sufficient documents within the time period required by law may result in ineligibility for employment and/or continued employment.

MEDICAL EXAMINATION

To help ensure that employees can perform their duties safely, medical examinations may be required.

For certain positions or under certain circumstances and after an offer of employment, a medical examination may be required. When a medical examination is requested, the medical examination will be conducted by a dealership-appointed physician at the dealership's expense. Employment and assignment will be conditional pending the receipt of a satisfactory physician's report.

Current employees may also be required to undergo medical examinations. Such examinations may be required for many reasons, including but not limited to evaluating an employee's ability to perform the essential functions of the position, the need for possible accommodation, or to confirm whether an employee has a serious health condition under the FMLA. Such examinations will be conducted for all employees in the same job category and will be scheduled at reasonable times and intervals. Employer mandated examinations will be conducted at the employer's expense.

DRUG AND ALCOHOL TESTING

We are committed to providing a safe, efficient, and productive work environment for all employees; therefore, job applicants and current employees may be asked to provide body substance samples (such as urine, breath and/or blood) to determine illegal use of drugs or alcohol, or the use of synthetic substances which mimic the effects of illegal drugs. Drug and alcohol testing may be conducted (1) as part of the hiring process, (2) post-accident, (3) on a random basis, and (4) based on a reasonable suspicion of a violation of this policy. Any employee who refuses to submit to drug testing is subject to disciplinary action up to and including termination of employment.

Questions concerning this policy should be directed to the General Manager. See our Policy on Drug and Alcohol Abuse for further details in Section 5 of the handbook.

MOTOR VEHICLE RECORD (MVR) INQUIRY

Employees expected to drive dealership vehicles must provide the dealership with current and acceptable motor vehicle driving information. Employment and/or assignment will be conditional pending the receipt of a satisfactory report from the Department of Motor Vehicles, provided pre-hire, and on an interim basis by our insurance carrier.

EQUAL EMPLOYMENT OPPORTUNITY POLICY

Our success as a dealership has been built upon teamwork and equal opportunity. We will continue to be successful when people are treated fairly and allowed to advance and achieve their full potential. It is our policy to afford equal employment opportunities to all qualified applicants and employees in compliance with federal, state, and local laws. All employment actions will be based on legitimate business considerations without regard to race, color, religion, sex, national origin, age, disability, or other factors protected by federal, state, and local laws.

EMPLOYMENT PROVISIONS OF THE AMERICANS WITH DISABILITIES ACT (ADA)

The Americans with Disabilities Act, as amended, prohibits discrimination in any terms or conditions of employment for qualified individuals with a disability.

The Americans with Disabilities Act requires that employment decisions be based on the ability of a person to perform the essential functions of a job and not the person's disability or limitations.

Further, it requires management to reasonably accommodate individuals with disabilities when necessary. Anyone seeking an accommodation should make a written request to the General Manager.

To comply with the employment provisions of the Americans with Disabilities Act, we will:

identify the essential functions of a job;

determine whether a person with a disability, with or without accommodation, is qualified to perform the duties;

determine whether a reasonable accommodation can be made for a qualified individual without undue hardship on the company; and

engage in an "interactive dialogue" with any employee who may have an impairment which might require a reasonable accommodation.

CATEGORIES OF EMPLOYEES

Employees are designated as either non-exempt or exempt from federal and state wage hour laws. Non-exempt employees are entitled to overtime pay under specific provisions of federal and state laws. Exempt employees are excluded from specific provisions of federal and

state wage and hour laws and do not receive overtime pay.

In addition to the non-exempt or exempt classification, employees are divided into the following categories for the purpose of compensation and benefits. Company policies apply to all categories of employees.

FULL-TIME

Employees hired full time (30 hours or more) on a full workweek basis are considered full-time employees for all compensation and benefit purposes.

PART-TIME

Employees whose work schedule is less than full time (less than 30 hours) on a full workweek basis are considered part-time employees for all compensation and most benefit purposes. Part-time employees are not eligible for most benefits.

TEMPORARY

Employees hired as temporary replacement for full-time or part-time employees, or for short periods of employment such as summer months, peak periods, and vacations are considered temporary employees. Temporary employees are not eligible for benefits regardless of the number of hours or weeks worked.

If you have any questions regarding your employment classification, please immediately notify the Controller/Human Resources or the General Manager.

BENEFIT ELIGIBILITY

The term "eligible employee(s)" used in Section 3 - Benefits of this handbook refers to full-time employee(s) unless otherwise designated. Each employee will be advised of the status of his/her position when he/she is hired.

Full-time employees are entitled to the benefits stated in this handbook, provided they qualify for each individual benefit.

Part-time employees are entitled to those employee benefits specifically designated.

Temporary employees are not eligible for benefits.

ORIENTATION

Following the acceptance of employment, your immediate supervisor will discuss job duties and areas of responsibility with a new employee. Dealership policies and procedures will also be reviewed. A copy of the Information Handbook for Employees will be given to each employee to read and review.

Two copies of an Acknowledgement of Receipt and Understanding are located at the end of the handbook. After reviewing the handbook, each employee must sign the two copies of the statement acknowledging his/her receipt of and his/her understanding of the information contained in the Information Handbook for Employees. One signed/witnessed copy of the Acknowledgement of Receipt and Understanding will remain in the employee's handbook. The

other signed/witnessed copy of the statement must be returned to the Payroll Department within 2 days of commencement of employment. This signed/witnessed copy of the statement will become part of the employee's personnel file.

The Information Handbook for Employees is the property of the dealership and must be returned upon separation from employment.

EVALUATION PERIOD

During the first 90 days of employment, the dealership and each new employee are given an opportunity to evaluate whether the employment relationship should continue.

Before the end of this ninety (90) day period, the employee's performance will be evaluated. The employee will be notified of future employment by his/her immediate supervisor, or department supervisor.

The completion of the evaluation period should not be considered as a guarantee of permanent employment and does not alter your status as an at-will employee. The dealership evaluates employees on a continuing basis and reserves the right to terminate an employee at any time during or after the evaluation period.

PAYROLL INFORMATION

Following the acceptance of employment, each new employee will be given federal tax forms along with other general information forms to complete. The completed forms, the employment application form, and information regarding starting pay, starting date and any other pay or benefit information MUST be forwarded to the Payroll Department.

CONTINUOUS SERVICE DATE

So that the dealership can maintain a record of the benefits for each employee, a continuous service date will be established for each full-time employee. The continuous service date will be the employee's first day of employment and will continue uninterrupted if he/she remains a full-time employee of the dealership.

EMPLOYMENT OF MINORS

The following provisions apply with respect to the company's employment age requirements:

The dealership will fully comply with the Child Labor provisions of the Fair Labor Standards Act and applicable state statutes which govern the employment of minors.

For purposes of insurance risk, it is the dealership's policy to discourage the employment of individuals younger than age 18 in any position with the company. In any case involving the hire of a person under the age of 18, a written release must be secured from a parent/guardian in advance of the person's start date.

Should the dealership have any reason to question whether an individual applicant is under age 18, the applicant may be required to furnish proof of birth date.

EMPLOYEE INFORMATION

Employees are asked to help keep the dealership informed about any major change which may affect their employment status. Each employee is responsible for promptly notifying the dealership of important changes in personnel data. Personnel data should always be current and accurate, and any change of the following should be reported to the Payroll Department:

Name

Address

Home telephone number

Marital status

Number of dependents

Emergency telephone numbers and whom to notify in case of emergency

Change of beneficiary

Driving Record

Authorized payroll deductions

Additional education and special training courses

PERSONNEL FILES

The dealership will maintain a file on each employee. An employee's personnel file begins with his/her completed employment application form. From time to time various information will be added to this personnel file regarding an individual's employment status with the company. Personnel files are the property of the dealership and will be treated the same as any other confidential company information.

The following provisions apply with respect to the dealership's standards for establishing, maintaining, and handling employee personnel files:

All official records concerning an employee will be kept up to date insofar as possible and all employees shall promptly report all pertinent personal information and data changes to the Payroll Department.

Employees will be permitted to review their personnel files as permitted by applicable laws.

Information regarding the medical condition or history of an employee will be kept in a separate file with restricted access.

The personnel file of an employee terminating employment will be maintained in accordance with applicable state and federal laws for an appropriate time period.

EMPLOYEE'S REQUEST FOR REVIEW OF PERSONNEL FILE

The following provisions apply with respect to an employee's request to review his/her personnel file:

The Payroll Department will have the responsibility of coordinating the review of an employee's personnel file with the employee's immediate supervisor.

A member of the Payroll Department staff must be present while the employee reviews his/her personnel file.

The employee may take notes, but may not remove, deface or otherwise make notations on the documents in his/her personnel file.

Personnel files will not be distributed to any present or former employee or third party absent a court order or lawfully issued subpoena.

MANAGEMENT'S REVIEW OF PERSONNEL FILES

All information in employee personnel files is considered confidential. This information will only be available to the Payroll Department, the employee, senior management personnel, and supervisors or managers who are responsible for the employee. Any violation of this policy is considered a serious offense.

One exception will be in a transfer situation where the supervisor of the department to which an employee may be transferred will be allowed to review the employee's file with the approval of the Payroll Department and the employee's immediate supervisor.

Section 2 Working Hours and Pay

WORKING HOURS

Each employee is expected to complete a normal workday and work week and work whatever reasonable additional hours are required to meet dealership needs.

Your immediate supervisor will inform you of scheduled break and/or lunch periods. Employees are expected back at their workstation ready to start work at the end of each scheduled break and/or lunch period. If overtime is required, employees will be expected to work any additional time necessary.

OVERTIME

Employees may be scheduled to work overtime when operating requirements or other needs cannot be met during regular working hours. Whenever possible, advance notification will be provided. If determined necessary, overtime work will be authorized by management beyond an employee's standard workweek. All overtime must be pre-authorized by each department manager. Non-exempt employees will be paid overtime compensation in accordance with federal and state wage and hour provisions. Overtime pay is based on actual hours worked. Time off for vacation leave, sick leave, a dealership-observed holiday, or any leave of absence will not be considered as hours worked when computing overtime.

Any employee who fails to work scheduled overtime or works overtime without prior authorization from management may be subject to disciplinary action up to and including termination of employment

RECORDING TIME WORKED

Government regulations require that the dealership keep an accurate record of time worked by employees in order to calculate pay and benefits. No employee may perform any work or duties on behalf of the dealership without punching in on the time clock.

Non-exempt employees are required to punch in when their shift starts and punch out when their shift ends. Non-exempt employees should report to work no more than 5 minutes prior to their scheduled starting time and stay no later than 5 minutes after their scheduled workday has ended unless approved by your immediate supervisor.

It is the employee's responsibility to sign his/her time record to certify the accuracy of all time recorded. MANAGEMENT will review and then initial the time record before submitting it for processing. In addition, if corrections or modifications are made to the time record, both the employee and the immediate supervisor must verify the accuracy of the changes by initialing the time record.

It is a violation of dealership policy for any employee to falsify time records, or for one employee to punch another employee's timecard, or to alter his/her own timecard or that of another employee.

If an employee has a question concerning his/her timecard, he/she should immediately discuss the matter with his/her department manager or bring the matter to the attention of the Controller/Human Resources or the General Manager.

ATTENDANCE AND ABSENCE CONTROL POLICY

Regular and on-time attendance is expected for efficient operations at our dealership. Excessive absenteeism and tardiness are not only inconvenient but also causes costly problems. While it is recognized that an occasional illness or extenuating personal reason may cause unavoidable absence from work or tardiness, regular on-time attendance is required for continued employment.

Employees are expected to personally make the effort to notify the company of any absence or tardiness. Employees should contact THEIR IMMEDIATE SUPERVISOR directly to report any absence or tardiness prior to their starting time so that arrangements may be made to alter the distribution of work if necessary.

If the immediate supervisor is not available, then the employee should notify the senior department head of the absence or tardiness.

Any employee who fails to maintain an acceptable attendance record will be subject to disciplinary action. Unexcused absence or tardiness will affect future promotions and/or raises.

Absenteeism or tardiness on a scheduled Saturday, extended workday, or holiday is evaluated the same as any other scheduled workday.

Excessive absenteeism or tardiness (for other than legitimate and documented health reasons) is an attendance rate less than 95 % in any rolling three (3) month period; or more than three (3) occurrences of tardiness in any rolling sixty (60) day period (excluding scheduled vacation or approved time off).

Absenteeism is defined as any absence from work. Tardiness is any incident of reporting late or early departure from a workstation that is longer than ten (10) minutes. (This includes start times, end times, breaks and lunches).

Failing special circumstances, an absence from work for a period of three (3) consecutive work days without prior approval and/or notifying the employee's immediate supervisor, or any appropriate member of management will be considered job abandonment, voluntary resignation of employment, and/or will result in immediate termination of employment. In addition, an employee's absence for a period of 120 workdays or longer in any rolling twelvemonth period will result in termination of employment. Non-consecutive absences totaling 120 workdays or more in any rolling twelvemonth period will also result in termination of employment. This policy is subject to the Company's commitment to engage in an interactive dialogue with employees regarding whether additional unpaid leave would be a reasonable accommodation (as required by the ADA, as amended).

FAMILY EMERGENCY

In the event the Office receives word of an emergency related to a member of an employee's family, the employee will be notified as soon as possible. Should the employee be at a location away from his/her normal workplace, arrangements will be made to contact the

employee, and if necessary, arrange for the employee to return home immediately.

SEVERE WEATHER CONDITIONS

If there is any question regarding hours of work during severe weather conditions, employees are responsible for contacting their immediate supervisor regarding opening and closing hours.

Unless otherwise notified, employees are expected to be at work on time. If an employee arrives late, leaves early, or otherwise alters his/her normal work schedule without prior approval from management, he/she will be expected to make up this time.

Employees must return to work at least 72 hours following the end of any mandatory evacuation. Failure to do so without supervisor approval will be considered job abandonment, and result in termination of employment.

PERFORMANCE EVALUATIONS

Performance of employees may be evaluated periodically by management. The evaluation consists of a personal interview during which an employee's strengths and weaknesses are discussed and evaluated and recommendations for improvements are made. These interviews help to identify the short and long-range goals of employees and determine how they interrelate with the dealership's purpose and objectives.

Any recommendation for promotion, a change of duties, or an increase in pay must be approved by the General Manager before any change takes effect. A performance evaluation does not necessarily mean a change in pay or duties.

ADVANCEMENT

The dealership believes in promoting from within the company. We want employees to have the opportunity for promotion to higher paying positions within the dealership. A promotion will be based on such factors as quality and quantity of work, prior job performance, experience, educational background, attendance record, safety record, and the ability to work well with others.

We reserve the right to look outside the organization if we feel that an employee with the best qualifications cannot be found within the organization.

INCENTIVE PROGRAMS

From time to time the dealership and/or a manufacturer may announce incentive programs that may affect one or more departments. Incentive programs may take the form of cash, travel or recognition awards. We also have a "BIRD DOG" program which provides a cash award to an eligible employee who refers a new customer who ultimately purchases a vehicle from the dealership.

PAYROLL DEDUCTIONS FROM GROSS PAY

The dealership will make arrangements for payroll deductions for the following:

- Federal income taxes
- Social Security taxes
- Past due taxes
- Garnishments (including child support) or other court ordered wage deductions
- Employee's portion of group insurance premiums
- Employee's portion of group insurance premiums for coverage on eligible dependents
- Uniforms
- Loss, damage, or destruction of company property
- 401(K) Retirement Savings Plan contributions
- Charitable contributions

Any deductions (other than statutory deductions) must be authorized by the employee. No other deductions will be made unless specifically authorized in writing by the employee. All deductions will be itemized on the employee's paycheck stub. Questions regarding payroll deductions should be directed to your Department Supervisor.

ERROR IN PAY

The dealership takes precautions to ensure that employees are paid correctly; however, if an error does occur, the employee should notify his or her Department Supervisor. The dealership will make every attempt to adjust the error no later than the employee's next regular pay period.

GARNISHMENT OF EMPLOYEE WAGES

Garnishments are court orders requiring an employer to withhold specified amounts from an employee's wages for payment of a debt owed by the employee to a third party. State law requires the dealership to honor garnishments of employee wages (including child support) as a court or other legal judgment may instruct. The law also provides for an administrative fee to be charged when a garnishment occurs.

PAY DAYS AND PAY PERIODS

The dealership pays employees by check or direct deposit. Technician and hourly employee weekly pay periods begin on Wednesday and end on Tuesday. Payroll checks for technicians and hourly employees are distributed to the employees before the end of their workday on the Friday following the end of the pay period.

Commissioned sales employees and salaried employees are paid on the 15th and last day of the month. Commission checks are distributed on the 10th of the following month. When a

payday falls on a holiday, you will receive your payroll check on the day preceding the holiday. Payroll checks are distributed by supervisors.

AUTHORIZED CHECK PICKUP

If an employee is absent on payday and instructs someone to pick up his/her paycheck, a note signed by the employee authorizing the person must be provided before the check can be released. The person picking up the paycheck must show proper identification and sign for the check. This policy protects both the employee and the dealership.

Section 3

Benefits

The dealership provides a well-balanced program of benefits designed to meet the needs of employees and provide protection from financial hardship. These benefits will be reviewed periodically to assure that they keep pace with area practice.

The information contained in this handbook regarding employee benefits is not a contract to provide these benefits to any employee. The eligibility requirements of these benefits are described in the summary plan documents and/or benefits booklets.

Full-time employees are eligible for benefits provided by the company if they meet specific requirements. Employees who transition from part time to full time shall be given credit for half their time as a part-time employee for the purpose of computing vacation, sick and holiday pay benefits eligibility based on length of service as a full-time employee.

Be sure to keep information regarding any change to the handbook. Questions concerning benefits should be directed to your supervisor.

The terms of the benefit plans described are subject to change at any time by the insurer(s) or the dealership.

VACATION ELIGIBILITY

The dealership recognizes that employees need a scheduled time away from normal work duties for their personal well-being. The dealership grants annual vacation with pay to full-time employees who meet the following service requirements:

One (1) week vacation will be granted to all employees who have completed one (1) full year of employment.

Two (2) weeks' vacation will be granted to all employees who have completed two (2) years of service.

Three (3) weeks' vacation will be granted to all senior department managers who have completed five (5) years of service.

Three (3) weeks' vacation will be granted to all other employees who have completed ten (10) years of service.

Converting to Calendar Year

In order to make vacation records easier to keep up with for both the employee and management we will convert from an anniversary date to a calendar year system as of the employee's second anniversary, as follows.

When an employee completes one year of service, he becomes eligible to take one week's vacation (five days) within the next 12 months.

When the employee completes his second year of service, he earns two weeks (10 days) of vacation. It will be prorated between his anniversary and December 31st. In other words, part of the ten days must be used before December 31st. On January 1st he earns the difference to get him back up to ten days, and vacation is earned and eligible as of January 1st from then on.

Hired Jan – Mar	can take 10 days between 2 nd anniversary & Dec 31
Hired Apr – June	can take 7 ½ days between 2 nd anniversary & Dec 31
Hired July – September	can take 5 days between 2 nd anniversary & Dec 31
Hired Oct – Dec	can take 2 ½ days between 2 nd anniversary & Dec 31

From then on, he/she is on a calendar year schedule, earning two weeks each January 1st until the year of his tenth anniversary (fifth for managers) when he becomes eligible for three weeks, and three weeks each calendar year thereafter.

VACATION SCHEDULES

Vacation requests must be made at least two (2) weeks prior to the desired vacation time. Any employee desiring to use his/her vacation time, should place their request in writing, on a vacation request form, available from your immediate supervisor or department head. Vacation may be taken at any time during the year after eligibility with the following provisions:

Employees are expected to take their paid vacation time as a means of rest and diversion for themselves and their families. Unused vacation time cannot be redeemed for cash in lieu of time off without prior approval from the General Manager.

Vacation requests must be approved in advance by your immediate supervisor.

Unused vacation time will not be carried over into the next calendar year without prior approval from the General Manager, and at the convenience of the company.

Vacation time must be taken in minimum increments of 1 day (Except when prorated as above.)

A holiday observed by the dealership that falls during a scheduled vacation period will be considered as vacation time.

An employee must work the regularly scheduled workdays before and after the paid vacation period in order to be eligible to receive vacation pay.

Job requirements will always have precedence over vacation schedules.

Length of service will be considered in the event a conflict of vacation schedules arises.

If your employment is terminated by the company for any reason any accrued unused vacation time is forfeited.

VACATION PAY

The following provisions apply regarding vacation pay:

Technicians will be paid based on a weekly average of the previous twelve months earnings.

Salespersons vacation pay will be an average of the regular earned commissions excluding special incentives or compensation for the previous twelve months

All other personnel will be paid based on the employee's regular rate of pay, excluding overtime, bonuses or special compensation.

Paid vacation time will not be considered as time worked for the purpose of computing overtime.

HOLIDAY PAY

The following provisions apply with regards to holiday pay:

Technicians will be paid based on the employee's regular rate of pay at eight (8) hours, excluding overtime, bonuses or special compensation.

Hourly employees will be paid based on the employee's regular rate of pay at eight (8) hours, excluding overtime, bonuses or special compensation.

Salaried and commissioned employees are not eligible for holiday pay.

OBSERVED HOLIDAYS

The dealership normally recognizes the following holidays; however, the dealership may decide to schedule work on a holiday depending upon job requirements. To determine which holidays your department observes, ask your Department Manager.

Observed Holidays

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

The following provisions apply with regards to holidays observed by the dealership:

When a recognized holiday falls on a Saturday or Sunday, its observance will be at management's discretion.

Full-time employees who have completed six (6) months of continuous employment are eligible for holiday pay.

An employee must also work the regularly scheduled workdays before and after a holiday to be eligible for holiday pay.

Paid holiday time will not be considered as time worked for the purpose of computing overtime.

GROUP HEALTH INSURANCE

Group health insurance is available to all full-time employees. Coverage will become available on the first day of the month following sixty (60) days of continuous employment.

At the present time, the dealership pays a portion towards the cost of premiums for coverage on employees. Employees who want to include coverage on their eligible dependents may do so by indicating this choice on the group health insurance enrollment form.

As health care costs continue to rise, the dealership will attempt to provide suitable health coverage to its employees. However, when necessary, the company reserves the right to change the portion paid by employees for health insurance premiums.

The insurance carrier will provide eligible employees with a detailed summary of the insurance coverage provided.

CONTINUATION OF GROUP HEALTH INSURANCE (COBRA)

Employees

Employees terminating for reasons other than gross misconduct may continue group health insurance coverage for up to eighteen (18) months (twenty-nine (29) months if disabled at the time of termination) at his/her own expense according to COBRA regulations.

An employee whose work hours are reduced to a point where he/she is ineligible for coverage may also continue coverage for up to eighteen (18) months (twenty-nine (29) months if disabled at the time of termination) at his/her own expense.

COBRA notification, costs, application, and procedure information will be mailed to the employee when applicable by the dealership's COBRA administrator.

The employee must notify the dealership's COBRA administrator in writing of his/her intent to

continue coverage within sixty (60) days of notification and must pay the premiums according to the premium schedules.

Failure to notify the dealership's COBRA administrator in writing or pay premiums is considered notice of cancellation of this option.

Dependents

A dependent no longer eligible for coverage under the employee's group insurance certificate due to employee's death, a divorced or legally separated spouse, or a child ceasing to be a dependent, may continue group health insurance for up to thirty-six (36) months at the expense of the employee or dependent.

The dependent must notify the dealership's COBRA administrator in writing of his/her intent to continue coverage within sixty (60) days of notification.

Failure to notify the dealership's COBRA administrator in writing or pay premiums is considered notice of cancellation of this option.

GROUP LIFE INSURANCE

Group life insurance is available to all full-time employees. Premiums for group life insurance are paid in full by the company. This coverage becomes effective at the same time as the group health insurance. Information will be provided together with the group health insurance booklet. Questions regarding group life insurance should be directed to the Benefits Department.

DENTAL AND VISION INSURANCE

Dental and vision insurance coverages are available to full time employees and their eligible dependents. Full time employees are eligible to participate the first day of the month following completion of sixty (60) days of continuous employment. The cost of coverage is paid in full by the employee. Contact the Benefits Manager for more detailed information, or to enroll.

401(K) RETIREMENT SAVINGS PLAN

This program enables employees to save for retirement on either a pre-tax or after-tax basis. Employees are eligible to participate in the 401(K) Retirement Savings Plan beginning on the first day of the month following sixty (60) days of continuous employment. If an election is not made by the employee prior to his eligibility date, then the default enrollment of 3% pre-tax contributions will apply. Employees can change contribution levels at any time.

The dealership does not contribute on the employee's behalf in the first year of employment. After completing two (2) years of service and beginning on the 1st day of the

month following their employment anniversary date, employees are eligible for dealership contributions. The dealership may make a matching contribution to your account based upon the amount of pre-tax contribution dollars you contribute. The amount of the dealership contribution is determined annually by corporate management and can vary for each contribution period. The contribution period is each plan year.

Employee contributions are 100% vested immediately. All dealership contributions added to an employee's 401(K) account are vested according to the following schedule:

Years of Participation in the Plan	Vesting Schedule
Less than 2 years0%
2 but less than 320%
3 but less than 4	...40%
4 but less than 5	...60%
5 but less than 6	...80%
6 or more.....	100%

TRAINING

The dealership encourages its Parts and Service employees as well as its Sales Staff to be more effective on the job and to increase their career potential within the dealership by voluntary participation in automotive and job-related classes, continuing education programs and/or professional seminars outside regular working hours. The dealership feels employee development is advantageous to both the dealership and the employee.

If a non-exempt Parts and Service employee is away from his/her job attending an approved automotive or job-related class/seminar, he/she will be paid their rate at eight (8) hours per day. All job-related classes or seminars must have pre-approval by your department manager.

Transportation arrangements to the site of the class/seminar will be made by your Department Supervisor.

If an employee attends an automotive or job-related class/seminar that requires an overnight stay, reimbursement for lodging and/or meal expenses will be made according to previously established guidelines. Receipts along with a properly completed Expense Report are required at the time the reimbursement is requested. Failure to provide proper receipt documentation may result in the employee not being reimbursed.

Any cost to attend a seminar will be paid directly by the dealership before the employee attends. If the employee fails to attend a seminar, the cost to attend the seminar or any cancellation fee incurred will be at the expense of the employee.

Technicians will be paid at 50% of the stated hours for on-line computer training required by the Dealership. They must turn in a printout showing that the class has been completed with the course's expected class length.

JURY/WITNESS DUTY

When a full- time employee is required to serve as a juror or is subpoenaed to serve as a witness on dealership business, time off up to five (5) days with pay will be granted as follows:

The employee must notify the Department Supervisor and Payroll Department upon receipt of a summons or subpoena so that arrangements can be made to accommodate the employee's absence.

A document from the court which shows the time spent by the employee and the amount paid to the employee must be submitted to the Payroll Department.

The dealership will pay the difference between what the court pays the employee and the employee's regular rate of pay at eight (8) hours per day.

Verification of an employee being seated on a jury, being detained in a jury pool, or subpoenaed as a witness may be required.

An employee who is subpoenaed to serve as a witness for reasons not related to dealership business must use earned vacation time.

If the court dismisses the jury early, the employee is expected to return to work as soon as possible and complete a regular workday. The employee must report to their manager at least once daily to apprise them of their ongoing status.

Salaried and commissioned personnel will not receive any additional compensation for time missed.

VOTING

The dealership encourages its employees to vote in every election; however, time off is not provided for voting with pay. Employees should plan to vote prior to or following normal work hours.

FUNERAL LEAVE

In the event of a death in a full- time employee's immediate family, the employee will be allowed time off with pay for up to three (3) days in order to assist with arrangements or to attend the funeral. Technicians and hourly employees will receive their rate at eight (8) hours per day. Salaried and commissioned personnel will not receive any additional compensation.

If additional time is necessary, vacation time may be used provided the employee is eligible for vacation time.

Employees who must take time off due to the death of an immediate family member should notify their immediate supervisor immediately. If proper notification is not given, the employee may not be paid for the funeral leave.

Payment will not be made under this policy when a death occurs during an employee's vacation, leave of absence, layoff or at a time when an employee receives holiday pay.

The dealership reserves the right to request substantiation of any death in an employee's immediate family and/or confirmation of an employee's attendance at a funeral.

Immediate family members are defined as spouse, grandparents, parents, brothers, sisters, children of an employee, or grandchildren of an employee.

SICK LEAVE

The dealership allows employees six (6) days paid sick leave per year. The following provisions apply:

Upon completion of one (1) year of continuous employment, eligible employees can request use of sick leave.

Eligible employees will accrue sick leave at the rate of four (4) hours per month they have worked in full.

Sick leave for technicians and hourly employees will be calculated based on the employee's base rate of pay at the time of the absence at eight (8) hours per day and will not include any special forms of compensation such as incentives, commissions, bonuses, or shift differentials.

Sick leave benefits may be allowed to accumulate up to a maximum of thirty (30) days total.

Sick leave may only be used for an absence due to the eligible employee's own illness or injury.

Sick leave benefits are intended to provide income in the event of illness or injury and may not be used for any other absence.

Paid sick time will not be considered as time worked for the purpose of computing overtime.

Unused sick leave will not be paid to employees while they are employed or upon termination of employment.

The employee must contact his/her immediate supervisor when he/she cannot report to work before the start of his/her scheduled workday. Until medical certification is received, this should be done every day prior to the employee's normal start time so that arrangements may be made to redistribute work.

MEDICAL ABSENCES

The dealership reserves the right to request an explanatory note from the employee's physician should an absence extend beyond three (3) consecutive workdays.

MATERNITY LEAVE

Maternity leave is generally governed by the FMLA (for eligible employees), and it is our policy to allow up to twelve weeks' maternity leave, with the following provisions:

The determination of the beginning and closing dates of the employee's absence will be a joint decision between the employee, the employee's attending physician and the employee's supervisor.

Employees must use all accrued vacation and sick leave, with the remainder of any maternity leave being unpaid.

The employee may return to work within a specified period after commencement of maternity

leave-without-pay providing that the employee has medical approval. This period can be extended upon medical recommendation if approved by the dealership and at its discretion.

If the employee returns to work within the specified time period or as soon as medically approved thereafter, the employee will be reinstated to the position held prior to the leave or a position of equivalent status and pay.

A medical release from the employee's attending physician is required upon return to work.

If the employee does not return to work within the specified number of days or as soon as medically approved thereafter, the policies governing leave of absence without pay will apply.

FAMILY/MEDICAL LEAVE

In general, an employee who has completed at least twelve (12) months of continuous service with the dealership and performed at least 1,250 hours of service in the prior 12-month period is eligible to receive an unpaid family/medical leave in accordance with the Family and Medical Leave Act of 1993 (FMLA). The following provisions apply with regards to the family/medical leave policy for our employees:

Family/medical leave may be taken only if it is made necessary due to one of the following reasons:

- within twelve (12) months of the birth of a child of the employee in order to care for the child;
- within twelve (12) months of the placement of a child with the employee in connection with adoption or foster care in order to care for the child;
- a serious health condition of the employee's child, parent, or spouse;
- a serious health condition of the employee which prevents him/her from performing the essential functions of his/her job;
- for a "qualifying exigency" arising out of the foreign military deployment of the employee's spouse, son, daughter, or parent; or,
- Any other reason authorized by the FMLA.

In no instance does the federal law require the dealership to grant more than a total of twelve (12) weeks of unpaid leave in any consecutive twelve (12) month period (except under certain circumstances for a **Military Family Leave** as explained below.)

If an employee and his/her spouse both work for our dealership, they would be eligible for a single twelve (12) week period which they can split between them; however, if the need for leave is for their own serious health condition or that of their spouse or child, each would be eligible for a total of twelve (12) weeks.

Any leave granted to an eligible employee under this law because of a serious health condition of a family member may be taken consecutively or intermittently depending on the legitimate needs of the employee. The employee must make a reasonable effort to schedule such leave so as not to disrupt the dealership's business operations.

Any leave granted due to the birth or adoption of a child must be taken consecutively unless otherwise agreed to by the dealership and must be completed within one (1) year of the adoption or birth.

During the leave, the employer will maintain the employee's health care coverage under the same conditions as coverage would be provided if the employee were continuously employed during the entire leave period. Both the employer and the employee will be responsible for payment of their share of the premium during the leave period.

Eligible employees must provide reasonable prior notice to the dealership when requesting a leave of absence under the law. The dealership may require an employee to provide certification issued by a licensed health care provider in order to ensure that the employee meets the eligibility requirements.

The dealership is not required to comply with the FMLA to the extent an employee is among the highest paid 10% of employees of the dealership within a 75 mile radius of any worksite if the dealership can show that granting the leave would cause substantial and grievous economic injury to its operations.

For more information about family/medical leave, contact the Benefits or Payroll Department.

MILITARY FAMILY LEAVE

Eligible employees with a spouse, son, daughter, or parent on active duty or on call to active duty in the National Guard or Reserves in support of a contingency operation may use their 12 weeks leave entitlement to address certain qualifying exigencies. These may include attending certain military events, arranging for alternative childcare, addressing certain financial and legal arrangements, attending certain counseling sessions, and attending post-deployment reintegration briefings. FMLA also includes a special leave entitlement that permits eligible employees to take up to 26 weeks of leave to care for a covered service member during a single 12-month period. A covered servicemember is a current member of the armed forces who has a serious injury or illness incurred in the line of duty that may render him/her medically unfit to perform his or her duties, and for which the servicemember is undergoing medical treatment, recuperation, or therapy; or is in outpatient status; or is on the temporary disability retired list.

MILITARY LEAVE

Military leave and military reserve leave will be granted in accordance with all applicable current state and federal laws. An employee returning from military leave will be given all re-employment rights under the applicable current state and federal laws.

SOCIAL SECURITY

Social Security provides benefits for employees and their families as specified by law in the event of retirement, hospitalization after age 65 (Medicare), total and permanent disability before age 65, and death at any time.

The dealership matches the amount of Social Security taxes paid by each employee. Contact the local Social Security Office for details.

WORKERS' COMPENSATION

Employees of our dealership are covered by Workers' Compensation insurance which is purchased by the dealership. This insurance provides compensation to an employee for lost wages caused by illness, accidental injury, or death suffered in the course of or as a result of his/her employment with the dealership in accordance with the laws of the state of Texas.

Eligibility

Eligibility for benefits under Workers' Compensation insurance is automatic and is

effective on date of hire.

Reporting

A report must be filed within twenty-four (24) hours of the onset of illness or injury.

Benefits

Workers' Compensation benefits provide weekly payments based upon a statutorily specified amount of the employee's regular earnings as well as payments for medical and hospital expenses arising out of an occupational illness or injury.

Effect on Continuous Service Date

Any time lost by an employee due to an occupational illness or injury covered by Workers' Compensation insurance will be credited as active service for all dealership benefits.

The dealership will comply with all state and federal laws pertaining to Workers' Occupational Diseases and Workers' Compensation.

No Retaliation

The dealership prohibits retaliation against any employee who sustains an on the job injury or who files a workers' compensation claim in good faith. Any complaint of retaliation should be addressed through the complaint procedure described herein.

UNEMPLOYMENT COMPENSATION

We will comply with all state and/or federal laws regarding unemployment compensation. We do reserve the right to challenge an individual's right to unemployment compensation if the individual fails to meet the appropriate qualifications as set forth by law.

EMPLOYEE PURCHASES

Regular full-time employees are entitled to certain privileges on items sold by the dealership after completing ninety (90) days of continuous service. The following guidelines reflect our policy on employee purchases:

New and Used Vehicles

Employees are encouraged to buy new and used vehicles from the dealership.

All new Honda and Nissan vehicle prices may be negotiated with the General Sales Manager on an individual basis.

The used vehicle program will be as follows:

Vehicles in inventory 30 days or less will be priced based upon current market values.

Vehicles in inventory 31 to 60 days may be purchased for \$500.00 over dealership

cost.

Vehicles in inventory 61 days or more may be purchased for dealership cost.

NOTE: dealership cost will include used car stocking adjustments, any shop reconditioning tickets, detail fees, and certification fees.

This special arrangement will be available to employees based on availability and model with the understanding that the best interest of the dealership and customer comes first.

The vehicle purchase must be for personal use only (not for resale).

Parts and Service

Employees will be allowed to purchase parts for their personal vehicles at cost plus 25 %.

Service on an employee's personal vehicle is available at our regular internal shop rate.

Discounts on vehicles, parts and service are restricted to employees and their personally owned vehicles. Discounts do not apply to collision repairs involving insurance companies or other third parties.

Because of these special arrangements, payroll deductions are not allowed, and payment must be made at time of purchase and/or when service is rendered.

Section 4

Transfer of Employees, Separation from Employment and Leave of Absence

TRANSFER OF EMPLOYEES

Transfer of employees from one department to another or from one location to another for the dealership's convenience may be made to meet dealership requirements. A request for transfer should be made in writing and submitted to the General Manager for consideration. A transfer may be made if management determines it is in the best interest of the dealership and the employee.

SEPARATION FROM EMPLOYMENT

An employee may be separated from employment voluntarily or involuntarily by retirement, voluntary resignation, lack of work, or termination. The dealership ordinarily follows progressive discipline prior to any performance related termination. However, some offenses are sufficiently egregious that progressive discipline may be bypassed, and immediate termination is warranted. All dealership property in the employee's possession must be returned to the immediate supervisor upon separation from employment.

VOLUNTARY RESIGNATION

Any employee who voluntarily resigns his/her position with the dealership is expected to provide us with advance written notice of at least two (2) weeks.

If the employee does not provide advance notice as requested, the employee will not be eligible for rehire and will forfeit any unused or accrued benefits that may have been payable at separation.

EXIT INTERVIEW

An employee planning to leave the dealership may be asked to participate in an exit interview. In addition to discussing his/her decision to leave the dealership with his/her immediate supervisor, a member of the Senior Management staff may meet with the employee prior to the termination. Discussions concerning the reasons for leaving will assist the dealership in evaluating the effectiveness of its personnel policies and practices. At the time of the exit interview matters relating to final pay and any other personal considerations will be arranged.

PAY AT TIME OF SEPARATION FROM EMPLOYMENT

The dealership will determine if the terminating employee has any outstanding debt owed to the dealership and whether the individual has in his/her possession any dealership credit cards, uniforms, tools, keys, safety equipment, manuals, vehicles or other dealership property.

Upon completion of a full accounting of the employee's and the dealership's accounts (as determined by the dealership), a final paycheck for the time worked less deductions (subject to compliance with minimum wage laws) will be issued to the employee on the next regular pay day in accordance with applicable federal and state law.

Employees who resign with less than two weeks' notice will have the dealership's portion of their health insurance premium deducted from their final paycheck, subject to compliance with minimum wage laws.

The dealership will issue a check designated as the final payment for all services rendered. The final check will not reflect any time not actually worked except for an employee separated from employment with the dealership for any reason before he/she has taken part or all of his/her earned vacation. The employee will receive pay for his/her earned (unused) vacation at the time of their voluntary separation from employment. Any employee that is terminated from the dealership, at the dealership's request is not eligible to receive payment for any earned (unused) vacation time upon separation.

Upon resignation or termination, the employee should contact the Benefits Department for possible conversion of group insurance and to address any financial issues.

Any employee terminating employment is expected to return any dealership property in his/her possession before receiving his/her final check.

LEAVE OF ABSENCE

An employee with at least five (5) years of service may ask for a leave of absence without pay from the dealership; however, no employee is guaranteed a leave of absence.

Any request for a leave of absence must be made in writing stating a definitive period and must be approved (in advance) by the General Manager. If the time period requested is longer than the position can be held open, then the employee will be advised at that time that the job may not be available upon the employee's return to work.

Management may recommend either approval or denial of a leave of absence request based upon business considerations and/or circumstances of the request, (e.g., staffing needs, employee disability, military obligations, family crisis, unusual circumstances, etc.).

Due to lack of work, the dealership may require an employee to take an unpaid leave of absence. The length of the dealership-initiated leave of absence may vary.

During any approved leave of absence, the following provisions apply:

The employee is responsible for the payment of all insurance premiums for his/her individual coverage and dependent health insurance coverage (if applicable). This money should be paid to the dealership by the first day of each month that the employee is on an approved leave of absence.

The employee will retain his/her original employment date (continuous service date) showing no interruption in service.

The employee will retain his/her membership in the dealership's 401(K) Retirement Savings Plan up to the amount of time allowed in the Plan.

Credit for paid vacation leave cannot be accrued during an approved leave of absence.

If an employee accepts other employment, all his/her benefits with the company will be terminated.

Any leave of absence is without pay.

Section 5

Work Policies and Regulations

CARE OF EQUIPMENT AND FACILITIES

Employees should be concerned with the care and safe use of dealership-owned equipment and facilities. Employees are expected to follow all operating instructions, safety standards and guidelines. Good housekeeping is expected of every employee.

PARKING

Adequate and convenient parking is necessary for our customers. Therefore, it is important that all employees park in the area designated as employee parking. Please cooperate by not blocking any gate, door, or driveway. The dealership assumes no responsibility for an employee's vehicle or the contents of the vehicle while on dealership property.

PERSONAL APPEARANCE/CLOTHING

Every employee contributes to the dealership's overall public image during working hours. Appropriate attire enhances an employee's effectiveness in providing superior service. Each employee personally represents the dealership and is required to dress in a manner appropriate with prevailing business style.

The dealership does not object to employees having reasonably long hair if it is groomed. Nor does it object to mustaches and/or beards if they are kept trimmed and do not hinder the employee's job performance or safety on the job.

UNIFORMS

Service and Body Department Technicians, along with Porters are provided with eleven (11) sets of uniforms which will be worn at work. Employees are responsible for turning in their dirty uniforms on the day designated by the uniform company in a timely fashion in order to have them available for the next week.

The cost of the uniforms is shared equally by the dealership and the employee; however, the employee is responsible for returning the uniforms to the dealership if they are separated from employment. If the uniforms are not returned, the cost will be deducted from the employee's final paycheck.

Similar uniform programs may be offered to employees of other departments.

Sales personnel, all management personnel and Sales Advisors are required to wear proper business attire as set forth by their respective Supervisor.

SMOKING POLICY

The Dealership provides a healthy, comfortable, productive work environment for our

employees as well as a healthy, comfortable environment for our customers. This goal can only be achieved through ongoing efforts to protect non-smokers and to help employees adjust to restrictions on smoking. Therefore, smoking is prohibited throughout company facilities except in designated smoking areas.

The success of this policy will depend upon the thoughtfulness, consideration and cooperation of smokers and non-smokers. All employees share in the responsibility of adhering to and enforcing this policy. Any conflict should be brought to the attention of the appropriate supervisory personnel.

PERSONAL BELONGINGS

The dealership recognizes an employee's desire to display mementos pertaining to his/her family or other personal items. While we can take no responsibility for the safekeeping of these items, it welcomes its employees to personalize their work areas for added comfort or pleasantness. However, several guidelines must be observed. They are as follows:

Safety Comes First - No object can interfere with job safety as viewed by dealership management.

Nothing can be displayed that (in the opinion of management) is derogatory to any person or system of beliefs.

Objects that (in the opinion of management) are inappropriate or hinder work efforts will not be allowed and must be removed upon request.

Nothing may be permanently affixed to walls without prior approval from the General Manager.

SAFETY EQUIPMENT

Employees will be provided with safety equipment if it is a requirement for a job. This equipment will be signed for by the employee and replaced at the employee's expense if the equipment is lost, damaged, or stolen. Replacement will be provided if the equipment is shown to be defective or worn. It is the employee's responsibility to notify their immediate supervisor immediately if any company provided safety equipment needs repair or replacement.

PERSONAL TOOLS

Service Technicians will furnish their own tools to perform job assignments. Any Service Technician who does not have enough tools to perform work assigned will be asked by their immediate supervisor to correct any deficiency. Any employee who fails to do so will be subject to disciplinary action including termination of employment. The dealership discourages employees from lending or borrowing tools.

DEALERSHIP SUPPLIES

The dealership will furnish all necessary supplies to complete job assignments. Each

employee is reminded that all items purchased by the dealership are the property of the dealership and represent a very valuable asset. It is the responsibility of the employee to whom supplies are assigned to maintain and safeguard these assets as if they were his/her personal property.

An inventory of supplies will be made periodically. If it is determined that an employee is negligent in the proper storage of supplies or if they are misplaced or stolen, the employee will be asked to replace same at fair market value or the cost of the item will be deducted from the employee's paycheck.

When leaving a work area, it is required that all shop tools be placed back in designated storage areas or removed from the work area and secured in locked storage where available.

SOLICITATION AND/OR DISTRIBUTION

Solicitation and distribution on company premises by non-employees is strictly prohibited.

Current employees may only solicit or distribute materials under the following guidelines:

- Sale of merchandise on the company premises is prohibited.
- Solicitation and distribution during work time is prohibited. "Work time" does not include lunch or break periods.
- Distribution of literature in work areas is strictly prohibited.
- Distribution of literature in a way that causes litter on company property is prohibited.
- Off-duty employees are prohibited from returning to work areas unless scheduled to work at that time.
- Company bulletin boards are strictly for company notices and communications only.

FACILITY AND INFORMATION SECURITY

All doors, files, desks, gates, and any other equipment with locks must be kept locked securely when not in direct use and at the end of each day. Locks should be checked regularly. Dealership vehicles should always be kept locked when not in use. Lost keys must be reported to your immediate supervisor immediately. Any concerns about security should be directed to your Department Manager.

All employees are required to understand and comply with the dealership's policies and procedures for safeguarding customers' and employees' non-public personal information, such as social security numbers, birthdates, drivers' license numbers, credit card numbers, etc. No employee may share, disclose, remove or transmit from the dealership such information. Only authorized employees with a need to know may access such information. It must be kept locked when unattended, and shredded or incinerated when no longer required to be retained.

BULLETIN BOARD

The dealership maintains a bulletin board to keep employees informed of current items of

general interest. Employees should check the bulletin board regularly. Posting and/or removal of notices must have the approval of the Department Supervisor in whose area they are located in.

OUTSIDE EMPLOYMENT/CONFLICTS OF INTEREST

The dealership makes every effort to keep its employees as fully employed as possible and at a good rate of pay. When an employee is on the job, this means that 100% of his/her effort is required. If an employee chooses to work outside of his/her job and the outside employment competes with what is expected of him/her as our employee, opportunities for promotion and advancement with the dealership may be limited by his/her decision.

If management feels that outside employment prevents an employee from fulfilling his/her obligations to the dealership, the employee will be asked to resign from the dealership or to leave his/her outside employment.

All management and supervisory personnel are expected to enforce this policy and, by example, refrain from conflicting outside employment.

COMMUNICATION SYSTEMS

Employees should not use the dealership's communication services and equipment, including but not limited to computer files, databases, software, telephone systems and all related files and equipment for personal use except in emergencies or when circumstances warrant it. When personal use is unavoidable, employees must properly log any user charges and reimburse the dealership for them. Our communications property or equipment may not be removed from the premises without written authorization from the employee's supervisor. Employees do not have any expectation of privacy in the use of the dealership's communication systems. We reserve the right to monitor all incoming and outgoing communications of its employees and/or third parties.

Improper use of communications services and equipment includes any misuse as described in this policy as well as any harassing, offensive, demeaning, insulting, defaming, intimidating, or sexually suggestive written, recorded, or electronically transmitted messages.

PERSONAL MAIL AT THE WORKPLACE

The mail system is reserved for business purposes only. Employees will not be allowed to send or receive personal mail at the workplace.

SOCIAL MEDIA POLICY

The Dealership recognizes its employees' rights to voice their opinions regarding factual matters relating to working conditions and other matters protected by Federal law. The Dealership also recognizes that many of its employees actively participate in various social media internet sites and online discussion groups. However, employees should not post statements electronically (such as to online message boards or discussion groups or other social

media sites) relating to the Company, its employees, customers or vendors that are false, defamatory, or that rise to the level of harassment as defined by Federal and State law and in the Company's Policy on Harassment. Employees who violate this policy may be subject to discipline, up to and including termination of employment.

DRUG AND ALCOHOL ABUSE

Consumption of, possession of, or being under the influence of drugs or alcoholic beverages on dealership property, in the Office, or in any vehicle used for dealership business is strictly prohibited. Any employee who violates this policy will be subject to disciplinary action including immediate termination of employment. Provided, however, it shall not be a violation of this policy for an employee with a current and valid drug prescription for a drug to use, possess, or be under the influence of such drug in the manner for the prescribed purposes, if such use does not affect the employee's performance or create a risk to the safety of the employee or to others.

DRUG AND ALCOHOL TESTING

The dealership may from time to time require drug or alcohol screening of employees with or without prior notice for the following reasons:

- a. In connection with the overall enforcement of its Policy on Drug Abuse; or
- b. Where the employee is reasonably suspected of using or being under the influence of a drug;
- c. When the employee is involved in an accident or injured; or
- d. Random testing

All employees are required to consent to such testing as a condition of continued employment and any employee's refusal to consent to such testing may result in disciplinary action, including immediate termination.

RESULTS OF FINDINGS OF TESTS:

- a. Any employee whose test result indicates a registerable blood/alcohol concentration which equals or exceeds 0.02, a confirmation test shall be performed no less than 15 minutes but no later than 20 minutes after the initial test. The confirmation test result is deemed to be the final result. If the final result reveals an alcohol concentration of 0.02 or greater, the employee will be deemed to be under the influence of alcohol at work. An employee whose alcohol concentration is at least at 0.02 but is less than 0.05 will be required to cease work for the remainder of the workday and will be subject to testing for alcohol at least quarterly for a one- year period.
- b. Any employee whose test results are positive for the presence of any drug or its metabolites shall be in violation of our policy on Alcohol and Drug Abuse and may subject said employee to disciplinary action, including immediate

- termination.
- c. If an employee has a positive drug screen for a controlled substance, the employee shall be contacted by the drug screening company and given an opportunity to disclose whether the employee has a current valid prescription for a controlled substance that would render with positive result. If an employee has a valid prescription for the use of a controlled substance, a negative test result will be reported to the dealership and there will be no violation of this policy.
 - d. Copies of tests are not required to be released to employees or their agents.

REQUIRED TESTING:

- a. All applicants for part-time and full-time work, before starting work with the dealership will be required to pass a mandatory drug test. (Alcohol testing is not a pre-employment screening procedure).
- b. Any employee involved in a work-related accident requiring medical attention will immediately (or at a time designated by the dealership) be required to pass a mandatory drug test. Any employee involved in an accident when operating a company vehicle, resulting in physical damage to vehicle or property, will immediately (or at a time designated by the dealership) be required to pass a mandatory drug test. Drug testing may be required for any other workplace accident.
- c. Additional, mandatory drug tests may be conducted on employees in various departments from time to time without prior notice.

DISCIPLINARY ACTION:

Any employee violating the policy on Alcohol and Drug Abuse will be subject to disciplinary action which may include immediate discharge, even for the first offense.

SEARCHES:

The dealership may from time to time and without further prior notice, conduct searches for drugs or other contraband on company premises and property, including, but not limited to desks, lockers, vehicles and equipment. All employees are required to cooperate in the conducting of such searches. We reserve the right to search persons and their personal property, including, but not limited to, employee vehicles located on company property and packages and containers on company property. All employees are required to consent to such searches as a condition of continued employment and any employee's refusal to consent may result in disciplinary action, including immediate termination.

Any search of partners or their property will be with the supervision by two or more management personnel. Privacy will be respected. Searches of persons will be made only by parties of the same gender. Random search of property without just cause will

not be initiated.

POLICY ON DISCRIMINATION AND HARASSMENT

Consistent with our policy of equal employment opportunity, harassment in the workplace based on a person's race, sex, religion, national origin, age, or disability or any other legally protected characteristic will not be tolerated concerning employees or applicants for employment. Retaliation for reporting harassment will also not be tolerated.

One aspect of our policy requiring some clarification is the prohibition of any form of sexual harassment in the workplace. The following describes the type of conduct that is prohibited as well as the complaint provisions to investigate and remedy any problems that may arise:

Sexual harassment includes unwelcome sexual advances, requests for sexual favors, and other verbal, visual or physical conduct of a sexual nature. No employee shall threaten or insinuate, either explicitly or implicitly, that another employee's or applicant's refusal to submit to sexual advances will adversely affect that person's employment, work status evaluation, wages, advancement, assigned duties, or any other condition of employment or career development. Similarly, no employee shall promise, imply or grant any preferential treatment in connection with another employee or applicant engaging in sexual conduct.

Sexual harassment also includes unwelcome sexual flirtations, advances or propositions, verbal abuse of a sexual nature, subtle pressure or requests for sexual activities, unnecessary touching of an individual, graphic or verbal commentaries about an individual's body, sexually degrading words used to describe an individual, a display of sexually suggestive objects or pictures in the workplace, sexually explicit or offensive jokes, or physical assault.

Any employee who feels that he/she is a victim of harassment or retaliation, including but not limited to, any of the conduct listed previously, by any supervisor, management official, other employee, customer, client or any other person in connection with employment at the dealership should bring the matter to the immediate attention of your Department Manager.

If that would prove to be uncomfortable, an employee may directly contact the General Manager or the Controller. Every effort will be made to promptly investigate all allegations of harassment in as confidential a manner as possible and appropriate corrective action taken, if warranted.

After an investigation, any employee determined to have engaged in harassment in violation of this policy will be subject to appropriate disciplinary action up to and including termination of employment.

Section 6 Conflicts of Interest

Employees shall avoid outside employment, activities, investments, and other interests that involve obligations which may compete with or conflict with the interests of the dealership. A conflict of interest can arise in dealings with anyone that the dealership transacts business; i.e., customers, owners, buyers, suppliers, banks, insurance companies, and people in other organizations with whom we contact and make agreements.

You have a conflict of interest if you place yourself in a position where your private interests may have an adverse effect on your motivation or the proper performance of your job, or when your action results in direct or indirect detriment to our dealership or its customers.

Use of dealership funds for improper purposes and dishonest practices is absolutely forbidden. You are required to disqualify yourself from exerting influence in any transaction where your own interests may conflict with the interests of the dealership or where you may gain any financial benefit.

In the event you have a concern whether a situation may constitute a conflict of interest, you should submit the information to your supervisor in writing, for review, and if appropriate, authorization.

PERSONAL CONDUCT

The dealership expects that all its employees will conduct themselves with the pride and respect associated with their positions, fellow employees, customers and the dealership. Employees should always use good judgment and discretion in carrying out the dealership's business. The highest standards of ethical conduct should always be used by our employees.

Improper conduct by and between employees and/or by and between employees and business associates on dealership premises or adversely affecting dealership work will not be tolerated. Any employee demonstrating improper conduct will be subject to disciplinary action including termination of employment.

CONFIDENTIALITY

The dealership is engaged in a business which requires that a strict code of confidentiality of information be maintained. No employee will store information outside of the dealership (either in written or electronic form) about any matter pertaining to the conduct of the dealership's business. No information regarding our purchase prices of shall be given to any customer, client, competitor, or vendor. No information regarding selling prices to one customer or vendor shall be given to another customer or vendor.

Do not discuss selling prices of products with vendors. This is delegated to senior management personnel. Likewise, conversations regarding prices, service, problems, gossip, etc. about one vendor to another is only for the discretion of senior management personnel. Lack of discretion in these matters is looked upon as a very serious matter. Any employee failing to abide by this policy will be subject to disciplinary action including immediate termination of

employment.

In addition, any employee engaged in or responsible for idle gossip or dissemination of confidential information within the dealership, such as personal information, financial information, etc. will be subject to disciplinary action or possible termination of employment.

BRIBES, KICK-BACKS AND OTHER ILLEGAL PAYMENTS

Bribes, kickbacks and other illegal payments to or from any individual with whom we conduct business (in any form and for any purpose) are prohibited.

Certain types of rebates to the dealership from suppliers (but not to or from an individual employee) are legitimate to correct commercial inequity if done within government trade regulations.

ACCEPTING GIFTS

Normally a gift to an individual from an outside source is considered the property of the dealership unless management makes an exception. It is our policy that no employee shall receive any gift, excessive or unusual entertainment, loan, or other favor from any outside source (including customers and suppliers) without approval from management. Any employee who fails to abide by this policy will be subject to disciplinary action including immediate termination of employment.

Section 7 Rules to Help Us All

It is always the policy of the Dealership to expect all employees to abide by certain work rules of general conduct and performance. The regulations governing employee conduct and responsibilities have been established in the best interest of the dealership, its employees, and its customers.

Accordingly, a violation of these regulations constitutes misconduct on the part of the employee and appropriate disciplinary action will be initiated. These rules are guidelines only and are not all-inclusive. Disciplinary action may include, but is not limited to, verbal reprimand, written notice, suspension from work without pay, and immediate termination of employment. Management reserves the right to terminate or discipline any employee as the dealership, at its discretion, considers necessary in individual circumstances.

In the event an employee is suspended from work for disciplinary reasons, benefits will not accrue nor will benefits be recoverable during the suspension period.

EXAMPLES OF MISCONDUCT

The following are only examples of misconduct for which an employee may be subject to discipline and these examples do not constitute a complete list of the circumstances for which discipline will be warranted.

Falsification of any records or reports pertaining to absence from work, claims pertaining to injuries occurring on dealership premises, claims for any benefits provided by the dealership, communications or records including personnel and production records.

Giving false fire alarms, or causing false fire alarms to be given, or tampering with protection equipment.

Restricting output, or persuading others to do so, or promoting, encouraging, agitating, engaging in or supporting suspension of work, slowdowns, or any other interruptions of production.

Sabotage or subversive activity of any kind.

Misuse or removal from the premises, without authorization, of any dealership property, or possession of any property removed from dealership premises without proper authorization.

Bringing, using or having in possession weapons on dealership premises at any time.

Bringing, using, having in possession, transporting, selling or promoting the use of alcohol, any intoxicant, any narcotic, any barbiturate, any amphetamine, any hallucinogen, or any other stimulating or depressing drug on dealership premises at any time.

Striking or manhandling another person or fighting while on dealership premises at any time.

Striking a member of management at any time in connection with any matter relating to employment.

Theft of any property on dealership premises, or theft of dealership property at any time.

Willful abuse, or deliberate destruction of dealership property, tools or equipment, or of any property on dealership premises at any time.

Gross insubordination - a willful and deliberate refusal to follow reasonable orders given by a member of management.

Violation of the dealership's Equal Employment Opportunity Policy or Policy on Harassment.

Committing an immoral or indecent act while on dealership property regardless of whether the act was committed during the employee's workday.

Altering any employee timecard regardless of whether it is the employee's own timecard or that of another employee.

Intentionally punching the timecard of another employee or having another employee punch his/her timecard.

Conviction of any offense by a court of law which in management's judgment would make that employee undesirable for association with the dealership and its other employees.

Threatening, intimidating, coercing or interfering with any person on dealership premises at any time.

Sleeping on dealership time.

Altering, defacing or removing governmental or dealership notices and bulletins that are posted.

Gaining unauthorized access to dealership records and files whether they are locked or otherwise, sharing, disclosing, misusing, or failing to safeguard confidential information including customer and employee non-public personal information.

Handling or operating machines, tools or equipment which do not come within the employee's authority.

Careless or negligent use or operation of company tools or equipment.

Failure to immediately report to management any injury or accident resulting from an on-the-job situation.

Performing substandard work both in quality and quantity after having been instructed in proper procedure and technique.

Unauthorized leave from the work area during work schedule exceeding the time allowed for scheduled break or lunch period.

Unauthorized distribution of literature in the work area or posting on dealership property.

Distraction of other employees, or causing confusion by unnecessary shouting, catcalls, whistling or demonstration while on dealership property.

Engaging in horseplay, practical jokes, selling merchandise, solicitation or general loitering while on dealership property.

Having non-employees on dealership property at any time without authorized permission in the fixed operations work areas.

Using profane language on dealership property which in management's opinion is offensive to visitors and to other employees.

Texting or engaging any electronic communications while driving a company owned vehicle, a customer owned vehicle, or a personal vehicle while on dealership premises or in the course and scope of employment.

Section 8 Safety

We are committed to the safety of our employees and our property and equipment. To this end, we will utilize a safety program in our daily activities. It is always necessary that the dealership establish safety rules and regulations to be observed by all employees.

Any employee who disregards any dealership safety rule and/or regulation is subject to disciplinary action including termination of employment.

With regards to these rules, the following will be considered standard procedure for all employees:

Should a safety regulation be modified so that an employee's safety is something less than it should be the employee should inform his/her immediate supervisor.

All questions concerning the reason for doing something in a certain manner may be asked of any member of management at any time.

Employees' decisions should always be guided by the dealership's commitment to safety.

Should a hazardous situation or condition exist, and a decision must be made on safety or production, safety concerns should always take precedence over production.

It is management's responsibility to see that every employee is provided with safe working conditions, all safety regulations are observed, and employees use good common sense to protect themselves as well as others. Management will periodically inspect working conditions and may suspend all work activity until an unsafe condition is corrected.

The most important part of safety is YOU. It is your responsibility to abide by the safety rules -- these rules are made for your protection. Report any personal injury IMMEDIATELY, however minor. Report all dangerous conditions and practices to your Department Manager immediately.

SAFETY RULES

The following is not a complete list of safety rules and these rules are not intended as a substitute for common sense and good judgment.

Appropriate shoes will be worn when working in the Service Areas. We urge employees to wear work shoes (Leather tops with neoprene bottoms). Tennis shoes are not recommended.

Gasoline must be stored in metal safety cans. Gasoline shall not be used for cleaning of tools, equipment, floors, or any other use than for which it is intended.

Know where the fire extinguishers are located and know how to use them.

Extension cords used with portable electric tools and appliances must be of the three-wire type.

Defective cords must be replaced when they become defective.

Defective materials or tools must be labeled with accident prevention tags immediately, on the same day on which the defective piece of equipment is discovered. The defective materials or tools should be taken out of service and reported to the Department Manager at once.

Read all Material Safety Data Sheets (MSDS) supplied with hazardous materials and abide by the instructions. Direct any questions to your Department Manager.

If an employee suspects that a material might be harmful to his/her health, he/she should consult their immediate supervisor before handling or use of the material.

Safety goggles or glasses and hearing protection will be provided when necessary by the dealership. Protective devices must be used when grinding, using a cutting torch, welding, sanding, using chisels, handling hazardous materials and operating loud power tools and machinery.

Wear clothes suited for the job.

Service and Body technicians should remove any metal or loose-fitting jewelry when working on vehicles, with machinery, or electrical components.

Practice good housekeeping. Keep work areas clean and free from stumbling hazards, grease, etc. Good housekeeping practices are the responsibilities of every employee. Your workplace should be kept in a state of good housekeeping as a routine part of your work.

Learn to lift the correct way: bend knees, keep back erect, and get help for heavy loads. Seek help on any job which may be a two-person task.

Always keep guards and protective devices in place. When guards are removed for repairs, replace in proper order before starting up equipment.

Use tools only for their intended purposes. Do not use broken or dangerously dull tools.

Do not attempt to operate special machinery or equipment without permission and instructions.

Employees shall operate only that equipment for which they have been properly trained.

Do not repair or adjust machinery while it is in operation. Never oil moving parts except on equipment fitted with safeguards for this purpose.

Never work under vehicles that are supported by jacks or chair hoists without protective blocking in case of hoist or jack failure.

Do not disconnect air hoses and compressors until hose lines have been bled. Never use an air nozzle that has more than 30 psi at discharge.

Employees must be sure that their actions do not endanger other employees or damage company or personal property. No scuffling or horseplay on the job.

Fire extinguishers are for fighting fires and are not to be tampered with. If you notice one that has been discharged, take it to your supervisor so it may be sent for recharge.

Never circumvent a guard or lock on any shop equipment or lifts.

When working in areas which emit dust, fumes, or other materials that may be breathed into the respiratory system, use proper respiratory equipment.

Employees shall wear all required safety equipment required for the job they are performing.

Seat Belts should always be worn when driving dealership or customer vehicles.

Always jump start a vehicle in a safe manner. A good rule of thumb is to 'Always hook up the dead car first, then hook up the live one'.

HAZARDOUS WASTES

The Environmental Protection Agency has grouped certain chemicals and chemical groups into categories which have been defined as toxic. This means that in concentrated forms or by accumulating and combining with other chemicals (even the air) these chemicals can be hazardous to human health if exposure occurs.

From time to time in the normal course of their jobs, employees may handle materials

which have been classified as hazardous by the standards of the Occupational Safety and Health Act (OSHA) regulations.

Hazardous materials that are received from our suppliers should have Material Safety Data Sheets (MSDS) or labels which state the chemical ingredients of the contents, precautions to take, and what to do if exposure occurs.

Employees will be instructed on how to control hazardous wastes and what to do if they are exposed to hazardous wastes.

If any employee suspects that the materials or wastes he/she may encounter as an employee are hazardous (whether they are being created or used by the dealership), he/she should inform his/her Department Supervisor immediately.

As a dealership, we are committed to not creating or disposing of hazardous wastes which will contaminate the environment. We will choose materials which have been judged as non-hazardous whenever possible and will properly dispose of hazardous materials if used. Also, we will not knowingly dump any wastes into the environment at any time.

REPORTING INJURIES AND ACCIDENTS

When any accident, injury, or illness occurs while an employee is at work, it must be reported to your Department Supervisor and Office Manager as soon as possible regardless of the nature or severity.

The dealership will provide the proper forms for reporting job-related accidents, injuries and illnesses. Any employee failing to report such occurrences will be subject to disciplinary action.

In the event of a vehicular accident involving a dealership-owned/leased vehicle or while on dealership business, the employee must report all information immediately to their Department Supervisor and the Office Manager. In no instance should responsibility for an accident be expressed to anyone until the proper person in the dealership has been notified and permission has been obtained to make statements. In the event a vehicular accident occurs and a dealership car or a customer car is damaged due to an employee's negligence, the employee will be held liable for all deductible charges incurred.

Section 9

Transportation and Travel Expenses

DEALERSHIP-OWNED/LEASED VEHICLES

All travel in dealership vehicles on other than dealership business must be authorized in advance by the General Manager. This includes vehicles that may be leased by the dealership as well as those vehicles that are owned by the dealership.

The following are specific policies related to dealership-owned/leased vehicles:

Dealership-owned/leased vehicles will be driven only as needed for jobs during working hours.

Dealership-owned/leased vehicles will be driven only for transportation to and from destinations as specified.

Dealership-owned/leased vehicles will not be driven for private use unless specific arrangements have been made in advance.

Only the driver assigned to the vehicle is authorized to sign for gasoline, oil, etc.

All charge receipts must include the name and address of the vendor, the date of purchase, the number of gallons purchased, the amount paid, the vehicle ID number and the name of the employee making the purchase, printed on the invoice.

Alcoholic beverages or illegal drugs or chemicals will not be allowed in a dealership vehicle at any time.

No driver who has been drinking alcoholic beverages or is under the influence of drugs or chemicals will be allowed to drive a dealership-owned/leased vehicle.

No one, other than an authorized dealership employee, is permitted to operate or ride in a dealership-owned/leased vehicle.

Vehicles must always be kept clean (interior and exterior) and thoroughly washed on a regular basis.

Vehicles must be properly maintained according to the manufacturer's schedule.

Any employee who misuses a dealership-owned/leased vehicle will be subject to dismissal.

Any damage to a dealership-owned/leased vehicle caused by employee carelessness or misjudgment is the responsibility of the employee. This includes insurance deductibles.

DEMONSTRATOR VEHICLES

Demonstrator vehicles are provided to selected members of management. The following provisions apply regarding demonstrator vehicles:

Demonstrator vehicles must always be in showroom condition.

A demonstrator vehicle must always have a minimum of quarter tank of gas.

Smoking, eating or drinking is not allowed in demonstrator vehicles.

A demonstrator vehicle must come out of demonstrator service at approximately fifty-seven hundred (5700) miles.

In the event of damage, the employee assigned to the vehicle will be responsible for expenses, including but not limited to the insurance deductible.

TRAVEL EXPENSES

The dealership will reimburse an employee for some expenses incurred when he/she is on assignment away from the normal work location and/or attending an automotive class/seminar. The dealership will reimburse the employee for the cost of travel, lodging, meals, or other expenses directly related to accomplishing the assignment. Employees are expected to limit expenses to reasonable amounts.

All business travel must be approved in advance by your Department Manager.

Travel and/or business expenses submitted for reimbursement must be accompanied by receipts showing name(s), date(s), business discussed, amount(s) and the account to be charged.

Questions concerning the proper procedure for making travel arrangements or reservations, the types and amounts of expenses that will be reimbursed, personal travel and traveling with companions, use of credit cards, or the completion of expense reports should be directed to your Department Supervisor.

EXPENSE RECORDS

All expense records (including gasoline credit card receipts) must be turned in weekly. An Expense Report form must be properly completed and submitted. Documentation for all expenses is required. Any item that is not accompanied by a receipt will not be approved.

TRAVEL ADVANCES

An advance to cover reasonable anticipated expenses for travel may be provided to an employee after travel has been approved. The employee should submit a written request to their immediate supervisor when an advance is necessary.

Section 10

Dispute Resolution/Open Door Policy/Mutual Agreement to Arbitration

This dealership believes in open communication. If an employee has a suggestion or concern, management wants to know about it. In most cases, an employee will get satisfaction by discussing the matter with his/her immediate supervisor. However, the dealership recognizes that not all complaints will be satisfactorily resolved between an employee and his/her immediate supervisor. As a first step in the dispute resolution process, an employee should follow the steps listed below to try to resolve any complaints or concerns.

For complaints which cannot be resolved informally, the employee should present his/her complaint to their Senior Department Manager. If the employee is dissatisfied with the decision of the Senior Department Manager, the employee may submit a written report to the next management level. If further review is required, the matter should be brought to the attention of higher management.

Any and all claims (pre- and post-employment) that cannot be resolved informally, shall be resolved through binding arbitration, as defined in the following Mutual Arbitration Agreement:

MUTUAL ARBITRATION AGREEMENT

On behalf of myself and any person claiming by, through, or under me, I understand and agree that any Covered Claims (defined below) between me and the Company (defined below) will be submitted to and resolved through binding arbitration. I understand that, by agreeing to resolve Covered Claims through binding arbitration, I am waiving any right I may have to a trial, and to a jury trial, in any state or federal court on any Covered Claims. I further understand that I am agreeing to waive any right I may have to pursue class or collective action relief, whether through arbitration or otherwise.

It is my understanding and my intention, and I agree that this Agreement shall extend to and shall cover any and all Covered Claims asserted by persons claiming by, through, or under me, including but not limited to my spouse, children, parents, estates, successors, and assigns.

This Agreement is subject to the Federal Arbitration Act ("FAA").

Any arbitration conducted pursuant to this Agreement shall be resolved in accordance with the employment dispute resolution rules of the American Arbitration Association ("AAA"). In the event of any such arbitration, the arbitrator's decision and award shall be exclusive, final, and binding. Further, the costs and expenses of the arbitration shall be borne evenly by the parties, and all attorneys' fees and expenses shall be borne by the party incurring same.

“Company” is defined to include South East Texas Classic Automotive Group, Twin City Motors, Inc., Twin City Classic Automotive, Inc., and all their subsidiaries and affiliated entities, and each of their employees, owners, officers, directors, agents, or representatives. This definition shall include any person against whom I assert any Covered Claim.

“Covered Claim” is defined to include any claims I may assert against Company, including but not limited to any claims for legal or equitable relief arising out of or in connection with my application for employment, statements made during my application or interview process, any offers of employment, any acceptance of employment, any and all terms and conditions of any such employment, and the conclusion of any such employment, whether those claims are based on federal, state, or local statute, ordinance, or regulation. Covered Claims shall include but are not limited to tort-based claims, contract actions, and statutory or regulatory claims, including but not limited to claims for harassment, discrimination, retaliation, defamation, infliction of emotional distress, interference, failure to properly pay wages, invasion of privacy, and breach of employment agreement.

Signature: _____

Date: _____

Printed Name: _____

Twin City Motors, Inc.
Twin City Classic Automotive, Inc.

Acknowledgement of Receipt and Understanding
Read and Sign Immediately

I understand and/or agree that:

The statements contained in the Information Handbook for Employees of Twin City Motors, Inc. and Twin City Classic Automotive, Inc. are intended to serve as general information concerning our dealership and its existing policies, procedures, practices of employment and employee benefits.

Nothing contained in this Information Handbook for Employees is intended to create (nor shall be construed as creating) a contract of employment (express or implied) or guarantee employment for a definite or indefinite term.

From time to time the dealership may need to clarify, amend and/or supplement the information contained in the Information Handbook for Employees and that the dealership will inform me when changes occur.

I have received a copy of the Information Handbook for Employees, have read and understand the information outlined in the handbook, have asked any questions I may have concerning its contents and will comply with all policies and procedures to the best of my ability. I also agree I have read and understand the Mutual Arbitration Agreement, and consent to that agreement as a condition of my employment.

Employee's
Signature

Date

Location

Authorized
Witness