

HENDERSON CHEVROLET

HENDERSON, NEVADA

EMPLOYEE HANDBOOK

Employee Handbook

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Welcome

Welcome to HENDERSON CHEVROLET! We are pleased that you are joining us and we know that your contributions will assist us in remaining a leader in this community and in our industry.

As an employee of HENDERSON CHEVROLET you will want to know what you can expect from us and what we expect from you. This handbook outlines the benefits, practices and policies of our Dealership, which are important to you.

You should keep this handbook handy as a guide and ready reference. If you have questions as you read through this handbook, please do not hesitate to discuss them with your supervisor. Your supervisor is a very important source of information and will be more than happy to assist you.

Greg Heinrich

President

History of Dealership

Founded in 1995, our 93,000 square-foot facility is considered by many to be state-of-the-art. With all departments under one roof, you can go from Parts to Sales to Service to Body Shop, and not step outside; especially desirable during the heat of the summer.

Staffed by individuals whose considerable knowledge has made Henderson one of the premier dealerships in the Valley Auto Mall, you may be assured that customer satisfaction and coworker consideration go hand-in-hand. And, most important of all, when it comes to creating customer enthusiasm...Henderson Chevrolet's goal is:

Every Customer Leaves Completely Satisfied.

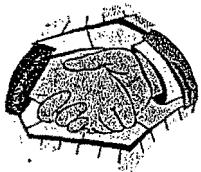
Purpose Of This Employee Handbook

This handbook is designed to acquaint you with HENDERSON CHEVROLET and to give you a ready reference to answer most of your questions regarding your employment with us. We intend for this handbook to offer two-way communications: what you can expect from us, and what we expect from you.

The contents of this handbook, however, constitute only a summary of the employee benefits, personnel policies, and employment regulations in effect at the time of publication. This handbook should not be construed as creating any kind of "employment contract," since the Dealership has the ability to add, change or delete wages, benefits, policies and all other working conditions as it deems appropriate without obtaining another person's consent or agreement.

This handbook contains the entire agreement between you and the Dealership as to the duration of employment and the circumstances under which employment may be terminated. As provided in the Employee Acknowledgment and Agreement, nothing in this handbook creates or is intended to create a promise or representation of continued employment. Employment at the Dealership is employment at-will and may be terminated at the will of either the Dealership or the employee. You have the right to terminate your employment at any time, with or without cause or notice, and the Dealership has a similar right. Your status as an "at-will" employee may not be changed except in writing signed by the President of the Dealership. Employment at-will is the sole and entire agreement between the Dealership and you concerning the duration of your employment and the circumstances under which your employment may be terminated. This handbook shall supersede any and all prior handbooks, written documents or oral representations, issued by the Dealership, that contradict the at will nature of your employment.

Our Customer Relations Philosophy



Our most important goal is customer satisfaction. Customers are the most important people in the world. Let's face it -- without them we would not be here. Therefore, please observe the following **RULES FOR SUCCESS:**

1. **CUSTOMERS** are the most important people in our business, whether we are dealing with them in person or over the telephone.
2. **CUSTOMERS** are not dependent on us. We are dependent on them.
3. **CUSTOMERS** are not an interruption of our work. They are the purpose for it.
4. **CUSTOMERS** favor us with their patronage. We are not doing them a favor by serving them.
5. **CUSTOMERS** are a part of our business. They are not outsiders.
6. **CUSTOMERS** are not cold statistics. They are human beings with feelings and emotions like our own.
7. **CUSTOMERS** are not someone to argue with or match wits with.
8. **CUSTOMERS** are people who bring us their wants. It is our job to fill those wants.
9. **CUSTOMERS** are deserving of the most courteous and attentive treatment we can give them.
10. **CUSTOMERS ARE THE LIFE BLOOD OF OUR BUSINESS.**

Customer Satisfaction Index

One of the more significant elements of our Customer Satisfaction Index, better known as C.S.I., is the service satisfaction and purchase and delivery grading system based on a questionnaire sent to customers who purchased a vehicle three (3) months earlier. Some of the questions asked are:

- What is your overall satisfaction with the Dealership?
- Are you satisfied with warranty service at the Dealership?
- What was the condition of your vehicle when you took delivery?
- Are you pleased with the Dealership's sales staff?
- Did you have to return more than once to have a warranty service problem taken care of?

As you can see from these questions, C.S.I. is completely under our control by:

- The manner in which we take care of our customers.
- By delivering them a clean, well-prepared vehicle.
- Explaining the warranty.
- Rendering friendly service and properly fixing their vehicle the first time.

Remember - maintaining a high C.S.I. rating equals a satisfied customer who, in turn, represents job security for all of us because they will return. Most important, they will recommend us to their family, friends, and business associates.

Responsibilities

MANAGEMENT will provide:

- Specialized school training for those employees whose jobs require the maintenance and/or upgrading of skills (detailed information provided later on).
- The necessary support service and equipment for providing a safe and clean work environment.

EMPLOYEES are responsible for:

- Conducting themselves in accordance with the requirements set forth in the HENDERSON CHEVROLET Employee Handbook.
- Performing their jobs:
 - as outlined by their job description;
 - as directed by their supervisor and/or management,
 - according to the procedures set forth in:
 - the HENDERSON CHEVROLET Employee Handbook;
 - HENDERSON CHEVROLET department memoranda or notices.
- Making themselves available for any training required and/or determined necessary by management to maintain and improve their skills or to meet safety requirements.

Teamwork

When an individual joins a company, that person becomes part of a team. Each person is part of the departmental team doing his or her best job in a cooperative manner. In an organization such as ours, each department is dependent on another, just as each employee is dependent on another. Teamwork and consideration among employees is of the greatest importance.

Whatever your job may be, it is necessary to the efficient and successful operation of the entire Company. You have a right to be treated with dignity and respect. When you do your part, others will do theirs.

Two additional notes: criticism of a fellow employee, policy or customer should be done in private with your supervisor and personal problems should be left at home.

Our Customer's Basic Rights

- The right to receive their money's worth in products and services.
- The opportunity and encouragement to register their dissatisfaction when they feel that they have received improper treatment.
- The right to a courteous hearing when they voice their complaint to a Dealership employee. Every complaint, even if it seems invalid or trivial, is important to the customer and should be treated accordingly.
- The right to a thorough and courteous explanation by the person who listens to their problem, followed by quick action that endeavors to resolve the complaint to the complete satisfaction of the customer.

**REMEMBER, EVERY CUSTOMER WITH WHOM YOU
COME IN CONTACT VIEWS YOU AS FAIRWAY CHEVROLET.**

Let's Communicate

Employee Relations Philosophy

We at HENDERSON CHEVROLET are dedicated to continuing what we believe to be an excellent employee relations program. We will attempt to maintain good working conditions, competitive wages and benefits, open communications, and employee involvement.

Please tell us if you have a problem. We think you'll find this Dealership to be receptive to your concerns. We are always looking for ways to make this a better place to work.

If You Have A Problem



If there is something about your job that is bothering you, let's get it out in the open and discuss it. We cannot help you unless you tell us what it is we can do.

Our "Problem Solving Procedure" offers all employees the freedom to discuss anything they wish with their supervisors. If you have a problem, it can usually be resolved by following these steps:

1. Any concern should first be discussed with your immediate supervisor.
2. If your supervisor cannot solve the problem or if you are not satisfied after Step 1, you should ask to speak to the Department Manager.
3. If you still feel the need to speak to other members of management after following Steps 1 and 2, we encourage you to speak to the President.

In the event you have a concern, and for personal reasons you cannot follow the steps in this procedure, you may go directly to the President. The President is available for advice and assistance in solving your problem at any time.

When you inform us of your concern or problem, we will try to answer your concern or solve your problem as soon as possible under the circumstances.

Also note that HENDERSON CHEVROLET promotes a voluntary system of binding arbitration for disputes with employees which cannot be resolved by other means and which would otherwise be subject to resolution in court.

What You Can Expect From Us



Equal Employment Opportunity

We are committed to providing equal opportunity in all of our employment practices, including selection, hiring, promotion, transfer, and compensation, to all qualified applicants and employees without regard to race, religion, color, sex, national origin, citizenship status, age, sexual orientation, disability or any other protected status in accordance with the requirements of all federal, state and local laws.

Introductory Period

For every new employee, the first ninety (90) days of full-time employment is an introductory period. During this time, you are able to learn about the Dealership, your job, and your new surroundings.

During this first ninety (90) days, your job performance, attendance, attitude and overall interest in your job will be observed by your supervisor. During this period, you will not be eligible for most Dealership benefits, such as holiday pay, vacation pay, employee discounts, and insurance coverage. Throughout the introductory period, the Dealership will be assessing your selection as an employee. Employees who fail to demonstrate the commitment, performance and attitude expected by HENDERSON CHEVROLET may be terminated at any time during the introductory period. However, completion of the introductory period does not change or alter the "at-will" employment relationship. You continue to have the right to terminate your employment at any time, with or without cause or notice, and the Dealership has a similar right.

As a result of an excused absence during your introductory period or for other reasons identified by management, HENDERSON CHEVROLET may choose to extend your introductory period as necessary to give you a further opportunity to demonstrate your ability to do the job. If your introductory period is extended, you will be notified.



Policy Against Harassment

We do not tolerate unlawful harassment of any of our employees, customers, vendors, or suppliers. Any form of harassment which violates federal, state or local law, including, but not limited to harassment related to an individual's race, religion, color, sex, national origin, citizenship status, age, sexual orientation or disability is a violation of this policy and will be treated as a disciplinary matter. For these purposes the term "harassment," includes slurs and any other offensive remarks, jokes, other verbal, graphic, or physical conduct.

In addition to the above listed conduct, "sexual harassment" can also include the following examples of unacceptable behavior:

- unwanted sexual advances;
- offering an employment benefit (such as a raise or promotion or assistance with one's career) in exchange for sexual favors, or threatening an employment detriment (such as termination, demotion, or disciplinary action) for an employee's failure to engage in sexual activity;
- visual conduct, such as leering, making sexual gestures, displaying of sexually suggestive objects or pictures, cartoons or posters;
- verbal sexual advances, propositions or requests;
- verbal abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, suggestive or obscene letters, notes or invitations;
- physical conduct, such as touching, assault, impeding or blocking movements;

If you have any questions about what constitutes harassing behavior, ask your supervisor or another management official.

Violation of this policy will subject an employee to disciplinary action, up to and including immediate discharge.

If you feel that you are being harassed by another employee, you should immediately notify your supervisor. **If you do not feel that the matter can be discussed with your supervisor, you should contact the President or Office Manager to discuss your complaint.** You may be assured that you will not be penalized in any way for reporting a harassment problem.

All complaints of unlawful harassment, which are reported to management, will be investigated as promptly as possible and corrective action will be taken where warranted. The Dealership prohibits employees from hindering our own internal investigations and our internal complaint procedure. All complaints of unlawful harassment, which are reported to management, will be treated with as much confidentiality as possible, consistent with the need to conduct an adequate investigation.

Harassment of employees in connection with their work by non-employees may also be a violation of this policy. Any employee who experiences harassment by a non-employee, or who observes harassment of an employee by a non-employee should report such harassment to his or her supervisor or to the President or Office Manager. Appropriate action will be taken against violation of this policy by any non-employee.

Harassment of our customers, or employees of our customers, vendors, or suppliers by our employees is also strictly prohibited. Any such harassment will subject an employee to disciplinary action, up to and including immediate discharge.

Your notification of the problem is essential to us. We cannot help resolve a harassment problem unless we know about it. Therefore, it is your responsibility to bring those kinds of problems to our attention so that we can take whatever steps are necessary to correct the problem.

If management finds that an employee has violated our Dealership policy, appropriate disciplinary action will be taken, up to and including termination.

Employee Classification

Full-Time Employees

Full-time employees are employees who are normally scheduled to work at least forty (40) hours per week. Full-time employees are eligible for all of the benefits set forth in the following pages.

Part-Time Employees

Part-time employees are employees who are normally scheduled to work fewer than forty (40) hours per week. Part-time employees are not eligible for most benefits. Part-time employees should consult the Payroll Administrator to determine those benefits, if any, for which they are eligible.

Temporary Employees

Temporary employees are employees who are employed to work on special projects for short periods of time, or on a "fill-in" basis. These positions are not intended to be a part of continuing operations. The employment status of temporary employees will not be changed due to an extension of employment in excess of that originally planned. Temporary employees are not eligible for benefits.

If you have any questions concerning your employee classification or the benefits for which you qualify, please consult the Payroll Administrator.

Work Schedule



Your supervisor shall inform you of the hours you are to work. Due to changing needs of our customers, your actual work schedule may vary from time to time. If it does, you will be notified by your supervisor.

Dealership Benefits

The Dealership intends to keep the benefit plans described in this handbook in force. However, the Dealership reserves the right to terminate or modify these plans at any time, for any reason, with or without notice to employees.

Your Pay

We distribute paychecks on the 15th and last day of each month. Commissioned sales personnel receive a draw twice a month with their paycheck issued during the first week of the following month. Parts and service personnel will receive a draw on the 15th of the month with their paycheck issued three working days after the end of the month. Each employee is responsible for picking up his or her own paycheck on the normally scheduled payday. If the scheduled day falls on a weekend you will be paid on the Friday before. If the payday falls on a holiday you will be paid the day before. Any questions about your pay amount or deductions should be brought to the attention of the Office Manager immediately.

HENDERSON CHEVROLET does not cash employee payroll checks. Employees are expected to cash their paychecks as soon as possible so HENDERSON CHEVROLET's banking records can be kept current.

HENDERSON CHEVROLET provides direct deposit of your payroll check. Should you wish to participate, please see the personnel/payroll administrator.

Paid Holidays



After completion of the introductory period, full-time employees, with the exception of managers and commission-only salespersons, will receive the following days off with pay any time they fall on a normal workday:

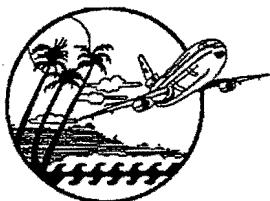
*New Year's Day
Memorial Day
Fourth of July
Labor Day
Thanksgiving Day
Christmas Day*

To be eligible for holiday pay, you must work your last scheduled day before the holiday and the first scheduled day after the holiday. Holiday pay does not count as "hours worked" for purposes of calculating an employee's entitlement to overtime during the week in which the holiday occurs.

The Sales Department may be open on a holiday. In addition, it may be necessary for employees in other departments to work on a holiday. Employees will be given as much advance notice as possible if they are required to work on a holiday, although advance notice may not always be possible. Employees asked to work on a holiday will receive their normal rate of pay for work performed on a holiday.

Managers will receive their regular weekly salary, regardless of whether they work on a holiday.

Paid Vacation



The Dealership provides vacation benefits to all regular full-time employees, after one (1) year of continuous employment. Vacation does not accrue, rather vacation is only awarded upon the successful completion of each full year of service.

The vacation schedule is:

After 1 full year of service:	5 days
After 2 full years of service (and each full year thereafter):	10 days

Consult the Office Manager for detailed information on how the dollar amount of your vacation pay is calculated and the amount you are entitled to receive. The actual dollar amount that an employee receives while on vacation varies according to whether the employee is an hourly, commissioned or salaried employee. In the case of managers (and other salaried personnel), they are given time off for vacation, but do not receive any additional pay for this vacation time off. They simply continue to receive their salary during their vacation time off based upon their pay plan. To be eligible for vacation pay, you must work your last scheduled day before the vacation and the first scheduled day after the vacation.

Vacation time is given to employees so that they are better able to perform their jobs when they return. For this reason, we ask employees to take their vacation, however, we do permit employees to take pay in lieu of time off. We encourage employees to take their vacation all at one time, but in any event, all vacation must be taken in full day increments.

Once an employee has earned his or her full vacation credit for the year, the employee will not become eligible for any additional time in the subsequent year except to the extent that the prior vacation time has been used. In other words, employees with less than 2 years of service may not accumulate more than 5 days of vacation at any time.

In addition, employees who are out on a leave of absence do not accumulate vacation time while they are on their leave. Vacations must be scheduled and approved by your Department Manager at least two weeks in advance. The Dealership has the right to refuse an employee's application for vacation if, in the Dealership's sole judgment, scheduling the vacation at the time sought would be inconsistent with the smooth operation of the Dealership's business. Any accumulated vacation time will be forfeited upon the termination of your employment.

Medical and Dental Insurance



Subject to your acceptance by our insurance carrier, we offer medical and dental insurance coverage for our eligible employees, beginning on the first day of the month after completion of your 90-day introductory period.

The employee will pay a specific dollar amount each month for medical insurance. Remaining costs of insurance coverage are paid by the Dealership. Dental insurance is offered at no cost to the employee. The cost to the employee of this coverage is subject to change at any time. Dependent coverage is also available at the employee's expense through payroll deductions. Consult the insurance Plan Document for all information regarding eligibility, coverage and benefits. It is the Plan Document that ultimately governs your entitlement to insurance benefits.

Our medical insurance plans are considered to be excellent. They provide the type of medical coverage needed to help protect our employees and their families from catastrophic losses due to illness or injury.

We all must recognize that the cost of our insurance plans is based upon how much they are utilized. Therefore, we must work to utilize the cost containment provisions of the policy. This will help to keep the cost of our health care down and enable us to continue to provide this very valuable benefit. You may obtain additional information about this Plan from the Payroll Administrator.

Consolidated Omnibus Budget Reconciliation Act (COBRA)

On April 7, 1986, a federal law known as "COBRA" was enacted, requiring that most employers sponsoring group health plans offer employees and their families the opportunity for a temporary extension of health coverage (called "continuation coverage") at group rates in certain instances where coverage under the plan would otherwise end. This notice is intended to inform you, in a summary fashion, of your rights and obligations under the continuation coverage provisions of the law.

If you are an employee of the Dealership, covered by the Dealership's medical insurance plan, you have the right to choose continuation coverage if you lose your group health coverage because of a reduction in your hours of employment or the termination of your employment (for reasons other than gross misconduct on your part). Your eligible dependents may also have the right to elect and pay for continuation coverage for a temporary period in certain circumstances where their coverage under the Plan would otherwise end. If you have any questions concerning your rights under COBRA, please contact the Office Manager for details.

Social Security Insurance

The Federal Insurance Contributions Act, which is better known as the Social Security Act, requires the Dealership to deduct a percentage of your pay, match it with an equal amount from the Dealership and send it to the government to be deposited in your Social Security account. If you are not familiar with the retirement and disability benefits provided under Social Security, check with your local Social Security office for a more complete explanation.

Workers' Compensation Insurance

The Dealership pays the entire amount of the Workers' Compensation insurance premium, which provides benefits to employees who experience injury or illness connected with employment. To be eligible for Workers' Compensation benefits, the injury must be a direct result of the job. Benefit entitlements are governed by law, but it is essential that you report all work-related accidents, injuries, and illnesses immediately.

HENDERSON CHEVROLET actively polices all claims suspected to be fraudulent. Abuse of the Workers' Compensation system can cause a severe negative economic effect to this Dealership and, in turn, your co-workers. We will pursue all available legal action against any employee found to have engaged in fraudulent conduct. Filing a false or fraudulent claim is also a violation of Dealership policy, and will result in disciplinary action, up to and including immediate termination.

401(k) Plan

The Dealership offers a 401(k) Savings Plan to all eligible employees. The terms and conditions of the 401(k) Savings Plan are controlled by the Plan Document. Contact the Payroll Administrator for more information on the Plan.

IRS Section 125 -- Cafeteria Plan

We are able to offer eligible employees the ability to pay for their insurance with "before tax" dollars rather than "after tax" dollars. As you become eligible for these benefits and you elect to cover your family, you will become a plan participant of our "Section 125" Cafeteria Plan. The terms and conditions of the Plan are controlled by the Plan Document. A plan summary will be made available to you when you enroll for insurance.

Employee Discounts

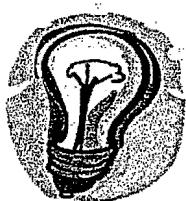
All employees are encouraged to use HENDERSON CHEVROLET products and services. Depending on availability and at the sole discretion of the appropriate Department Manager, the following discounts are available to full-time employees who have been with the Dealership for at least ninety (90) days. These discounts are available only to our employees for their personal use (this is defined as employee's vehicle and spouse's vehicle) and cannot be used by or for friends or relatives of the employee. The benefits are not available when an insurance company or third party is paying for the service or part. Under no circumstances may these discounts be used for personal profit or to compete with HENDERSON CHEVROLET.

- 1) **Parts** - Parts may be purchased at cost plus 10%.
- 2) **Service** - The Dealership provides a discount on repair work done on our employee's vehicles. Repairs can be obtained for cost plus 10%. No employee vehicle is to be worked on in the Service Department or body shop unless a repair order is filled out by the manager of the department. Of course, the vehicle must have the proper routing and spot number attached to the vehicle. Due to insurance requirements, no work can be performed before or after the shop hours.
- 3) **New Vehicles** – New vehicles must be pre-approved by the President or the General Sales Manager. New vehicles will be priced at \$50 over the invoice price. Because of the special employee price, no commission will be paid on employee purchases. Due to limited availability of certain models, this discount may not be available on all vehicles.
- 4) **Used Vehicles** – Used vehicles must also be pre-approved. Pricing will be at \$500 over our cost after the pack.
- 5) **Wholesale Cars** – Any wholesale vehicle may be purchased for \$100 over the highest bid from the Wednesday Auction. The employee will be required to make a decision on Thursday morning following the review of the auction results.

Note:

- All trade-ins will belong to the Dealership.
- NO employee will be allowed to sell their personal vehicle on the lot.

Suggestion Program



The Dealership wants and needs your ideas on how to more efficiently and profitably run the Dealership. If you have any suggestions that you think will add to our effectiveness, or that you think will reduce expenses, please present the idea in writing to your Department Manager so that the plan may be discussed and, if at all practical, be put into operation.

A cash bonus may be available to the person whose idea is used, in the sole discretion of the Dealership's President.

Training And Educational Assistance



HENDERSON CHEVROLET, working with its manufacturers, provides periodic training courses for qualified employees. In addition, eligible employees may be given the opportunity to attend training programs that will enable them to improve their skills and qualify for advancement.

Service Technicians should consult the Service Manager for information on the rate of pay for time spent attending an approved training course. This rate is subject to change without notice.

Advance approval by the Service Manager is required before any course is taken. Reimbursement is paid upon successful completion of an approved course.

Membership in professional organizations wherein the employee receives benefits that can be directly applied to improving job performance may be reimbursed by HENDERSON CHEVROLET at its sole discretion, providing the employee participates in the organization and receives prior authorization for the reimbursement from the President.

Travel Pay

Should it be necessary for you to travel, on business or for training, paid expenses will only be allowed in connection with your trip and will include room, meals and transportation costs (i.e., airfare, gas, taxi, and bus). **NOT INCLUDED** are personal phone calls, entertainment, and side trips.

Civic Duties



HENDERSON CHEVROLET encourages each of its employees to accept his or her civic responsibilities. We are a good corporate citizen, and we are pleased to assist you in the performance of your civic duties.

Jury Duty - If you receive a call to jury duty, please notify your supervisor immediately so he or she may plan the department's work with as little disruption as possible.

While you are on jury duty, the Dealership will pay the difference between your basic rate of pay and the total amount of pay you receive from serving as a juror, for up to two weeks per year.

Employees who are released from jury service before the end of their regularly scheduled shift or who are not asked to serve on a jury panel are expected to call their supervisor as soon as possible and report to work if requested.

Voting - Although polls are open for extended hours, we realize that in some instances our employees are required to work overtime and may find that these hours are not sufficient to enable them to make it to the polls. If you have a problem in this respect, please let your supervisor know so that we can make arrangements for you to have the necessary time off to vote.

Discretionary Medical Leaves Of Absence

After 90 days

After an employee has completed the ninety (90) day introductory period, he or she is eligible, subject to management approval, for up to four (4) weeks of unpaid leave of absence for medical reasons. Medical reasons may include illness, injury, medical and surgical procedures, pregnancy, childbirth and related medical procedures. A statement, acceptable to the Dealership, from your physician indicating that you are unable to perform your job and the probable duration of the leave is required prior to the start of your leave. You may also be required to undergo an examination by the Dealership's physician. You must provide at least 30 days advance notice to the Business Office of your need for leave, or in the case of an unforeseen circumstance in which 30 days advance notice is not possible, you must provide as much advance notice as is possible. You may also be required to provide periodic verification by your physician of your continuing inability to work. If the duration of your leave exceeds the estimate, you must provide verification from your physician including a revised anticipated date of return.

Employees who are granted a medical leave of absence during their first 12 months of employment may return to their regular job if it is available. If it is not available, we will attempt to place the employee in a similar job for which he or she is deemed by management to be qualified, if such a job is available. If no jobs are available at the time, we will give the employee consideration for any position for which he or she applies and is deemed by management to be qualified. A returning employee will be considered for a 30-day period following his/her notifying the Dealership in writing that he/she is ready to return to work. If the employee does not return within this 30-day period, he/she will be terminated. Medical insurance may be continued during the leave in accordance with the Plan Document and COBRA.

Family and Medical Leave Act Policy

Eligible employees may take up to 12 workweeks of unpaid, job-protected leave under the Family and Medical Leave Act ("FMLA") in a 12-month period for specified family and medical reasons.

Employee Eligibility

To be eligible for FMLA leave, you must:

1. have worked at least 12 months for the Dealership;
2. have worked at least 1,250 hours for the Dealership over the preceding 12 months; and
3. work at a location where there are at least 50 employees within 75 miles.

Conditions Triggering Leave

FMLA leave may be taken for the following reasons:

1. birth of a child, or to care for a newly-born child;
2. placement of a child with the employee for adoption or foster care;
3. to care for an immediate family member (spouse, child, or employee's parent) with a serious health condition; or
4. because of the employee's serious health condition which makes the employee unable to perform the functions of the employee's job.

Duration of Leave

Eligible employees may receive up to 12 workweeks of unpaid leave during any "rolling" 12-month period, measured backward from the date of any FMLA leave. FMLA leave for the birth or placement of a child for adoption or foster care must be concluded within 12 months of the birth or placement.

You may take FMLA leave intermittently, or by reducing your normal weekly or daily work schedule, when medically necessary for your own or immediate family member's serious health condition. Intermittent leave is not permitted for birth of a child, to care for a newly born child, or for placement of a child for adoption or foster care. Employees who require intermittent leave or reduced-schedule leave must try to schedule their leave so that it will not disrupt the Dealership's operations.

Benefits During Leave

Depending on the purpose of your leave request, you may choose (or the Company may require you) to use accrued paid leave, if available, concurrently with some or all of the FMLA leave. In addition, you will not be eligible to accrue seniority or benefits, including vacation and holidays, during any period of an FMLA leave.

Maintenance of Health Benefits

If you and/or your family participate in our group health plan, the Dealership will maintain coverage under the plan during your FMLA leave on the same terms as if you had continued to work. If applicable, you must make arrangements to pay your share of health plan premiums while on leave. In some instances, the Dealership may recover premiums it paid to maintain health coverage or other benefits for an employee and family.

Job Restoration

Upon returning from FMLA leave, you will normally be restored to your original job or to an equivalent job with equivalent pay, benefits, and other employment terms and conditions.

Notice and Medical Certification

When seeking FMLA leave, you must provide:

1. thirty (30) days' advance notice of the need to take FMLA leave, if the need is foreseeable, or notice as soon as practicable in the case of unforeseeable leave;
2. medical certification supporting the need for leave due to a serious health condition affecting you or an immediate family member must be returned before your leave begins, or if not possible, within 15 days of the Dealership's request to provide the certification. If you fail to do so, we may delay the commencement of your leave or withdraw any designation of FMLA leave, in which case your leave of absence would be unauthorized, subjecting you to discipline up to and including termination. Second or third medical opinions and periodic recertifications may also be required;
3. periodic reports as deemed appropriate during the leave regarding your status and intent to return to work; and
4. medical certification of fitness for duty before returning to work, if the leave was due to your serious health condition.

Failure to comply with the foregoing requirements may result in delay or denial of leave.

Failure to Return After FMLA Leave

Any employee who fails to return to work as scheduled after FMLA leave or exceeds the 12-week FMLA entitlement may be subject to termination of employment.

Limited Nature of This Policy

This policy is intended to provide only those leave benefits and protection required by FMLA.

Personal Leave Of Absence

Additional types of unpaid personal leaves of absence may be granted in the sole discretion of management, for up to a maximum of 30 days. An extension beyond 30 days will be considered on an individual basis.

Failure to report to work as scheduled following a leave of absence may result in discipline, including termination. Time spent on personal leave of absence will not be used for computing benefits such as vacation or holidays.

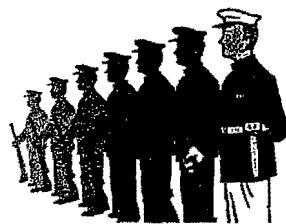
You should speak directly with the Office Manager prior to taking a leave to insure your understanding of all of your obligations to the Dealership while on leave, such as your periodic reporting and re-verification obligations. Failure to comply with Dealership policy may substantially affect your to return to work under this policy.

Bereavement Leave

Our full-time employees are eligible to receive up to two (2) days of paid bereavement leave in the event they miss regularly scheduled workdays due to the death or funeral of a member of the employee's immediate family. Your immediate family includes your spouse, children, stepchildren, parents, grandparents, grandchildren, brother or sister, your spouse's parents, and any other relative permanently residing in the same household.

An employee who is notified of a death in his or her immediate family while at work will be paid for the remainder of the scheduled hours that day. The two-day eligibility for paid bereavement leave will not commence until the next regularly scheduled workday, which is lost. All time off in connection with the death of one of the above-listed individuals should be scheduled with your supervisor.

Military Leave Of Absence



Employees who require time off from work to fulfill military duties will be treated in accordance with applicable requirements of state and federal laws. You are expected to notify the Dealership of upcoming military duty by providing your supervisor with a copy of your orders as soon as possible.

What We Expect of You



Dealership Policies

This section of your handbook discusses your responsibilities to HENDERSON CHEVROLET as an employee. Please thoroughly familiarize yourself with these policies and apply them in your work. The result of your effort will be a more efficient, productive and pleasant atmosphere for you, your co-workers and our customers.

Rules To Protect Us All

Every city, nation and society has rules for the orderly conduct of business. People cannot live and work together successfully and enjoyably without order.

HENDERSON CHEVROLET is the same way. We need to have certain reasonable policies and rules for the conduct of our business. Our most important rule is the "rule of reason." The following portions of this handbook focus on basic rules that should not be violated under any circumstances. Violation of any of these basic rules, the policies in this handbook, or any other policy of the Dealership may lead to discipline, up to and including immediate termination. Obviously, this list is not all-inclusive and there may be other circumstances for which employees may be disciplined, up to and including immediate termination. If you have any questions about these basic rules, or what we expect of you as one of our employees, please discuss them with your supervisor.

HENDERSON CHEVROLET's identification of these rules does not alter the at-will nature of your employment. Described below are the basic rules, which we expect our employees to follow. This list is not all-inclusive, but should provide employees with an overview of what is expected from them. You have the right to terminate your employment at any time, with or without cause or notice, and the Dealership has a similar right.



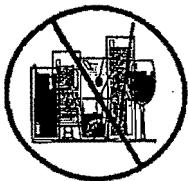
Absenteeism And Tardiness

Each of our employees plays an important role in getting the day's work done. Therefore, each employee is expected to be at his or her workstation on time each day and to remain there throughout his or her scheduled hours. Absenteeism or tardiness, even for good reasons, is disruptive of our operations and interferes with our ability to satisfy our customer's needs. Excessive absenteeism or tardiness, excused or unexcused, can result in discipline, up to and including discharge.

If you are going to be late or absent from work for any reason, you must personally notify your supervisor as far in advance as possible so that proper arrangements can be made to handle your work during your absence. Of course, some situations may arise in which prior notice cannot be given. In those circumstances, you are expected to notify your supervisor as soon as possible. Leaving a message does not qualify as notifying your supervisor -- you must personally contact your supervisor. If you are required to leave work early, you must also personally contact your supervisor and obtain his/her permission.

When absence is due to illness, the Dealership may require appropriate medical documentation.

Alcohol And Drug Policy



1. Purpose.

Alcohol and drug abuse ranks as one of the major health problems in the United States. Our employees are our most valuable resource, and their safety and health is of paramount concern. We are committed to providing a safe working environment to protect our employees and others; to provide the highest level of service; and to minimize the risk of accidents and injuries.

2. General Policy.

Each HENDERSON CHEVROLET employee has a responsibility to co-workers and the public to deliver services in a safe and conscientious manner. Continuing research and practical experience have proven that even limited quantities of narcotics, abused prescription drugs or alcohol can impair your reflexes and judgment. This impairment, even when not readily apparent, can have catastrophic results. For these reasons, we have adopted a policy that all employees must report to work and remain completely free from the presence of drugs and the effects of alcohol.

3. Drug Use/Distribution/Possession/Impairment.

All employees are prohibited from manufacturing, cultivating, distributing, dispensing, possessing or using illegal drugs or other unauthorized or mind-altering or intoxicating substances while on HENDERSON CHEVROLET property (including parking areas and grounds), or while otherwise performing their work duties away from HENDERSON CHEVROLET. Included within this prohibition are lawful controlled substances, which have been illegally or improperly obtained. This policy does not prohibit the possession and proper use of lawfully prescribed drugs taken in accordance with the prescription

Employees are also prohibited from having any such illegal or unauthorized controlled substances in their system while at work, and from having excessive amounts of otherwise lawful controlled substance in their systems. This policy does not apply to the authorized dispensation, distribution or possession of legal drugs where such activity is a necessary part of an employee's assigned duties.

4. Alcohol Use/Distribution/Possession/Impairment.

All employees are prohibited from distributing, dispensing, possessing or using alcohol while at work or on duty. Furthermore, all employees are prohibited from having alcohol in their system while at work or on duty.

5. Prescription Drugs.

The proper use of medication prescribed by your physician is not prohibited; however, we do prohibit the misuse of prescribed medication. Employees' drug use may affect their job performance, such as by causing dizziness or drowsiness. In addition, employees can report the use of prescription or nonprescription drugs, which may affect drug tests by completing a written

consent form. It is the employee's responsibility to determine from his/her physician whether a prescribed drug may impair job performance.

6. Notification of Impairment.

It shall be the responsibility of each employee who observes or has knowledge of another employee in a condition which impairs the employee to perform his or her job duties, or who presents a hazard to the safety and welfare of others, or is otherwise in violation of this policy, to promptly report that fact to his or her immediate supervisor.

7. Who is Tested.

HENDERSON CHEVROLET shall conduct drug tests in the following circumstances:

- a. **Application for Employment.** Job applicants must submit to a drug test. Refusal to submit or a positive confirmed drug test may be used as a basis for refusal to hire the applicant.
- b. **Reasonable Suspicion.** Employees may be required to submit to drug/alcohol screening whenever HENDERSON CHEVROLET supervision has a reasonable suspicion that they have violated any of the rules set forth in this policy. Reasonable suspicion may arise from, among other factors, supervisory observation, co-worker reports or complaints, performance decline, attendance or behavioral changes, results of drug searches or other detection methods, or involvement in a workplace or vehicular accident.
- c. **On a Random Basis or Periodic Basis.**
- d. **After Leave of Absence.** Employees may be required to submit to a drug test to verify fitness for duty when the employee returns from a leave of absence.
- e. **After and Accident.** Employees will be required to submit to a drug test after any work-related accident or injury.

8. Discipline.

Violation of this policy or any of its provisions may result in discipline up to and including termination of employment.

9. Enforcement Policy.

In order to enforce this policy and procedures, HENDERSON CHEVROLET may investigate potential violations and require personnel to undergo drug/alcohol screening, including urinalysis, blood tests or other appropriate tests and, where appropriate, searches of all areas of the Dealership's physical premises, including, but not limited to work areas, personal articles, employees' clothes, desks, work stations, lockers, and personal and company vehicles, etc. Employees will be subject to discipline up to and including discharge for refusing to cooperate with searches or investigations, to submit to screening or for failing to execute consent forms when required by supervision.

10. Investigations/Searches.

Where a manager or supervisor has reasonable suspicion that an employee has violated the substance abuse policy, the supervisor, or his designee, may inspect vehicles, lockers, work areas, desks, purses, briefcases, tool boxes and other locations or belongings without prior notice, in order to ensure a work environment free of prohibited substances. An employee may be asked to be present and remove a personal lock. The employee is hereby notified that locked areas or containers do not prevent a search and thus employees should understand there is no expectation of privacy on Dealership premises. Where the employee is not present or refuses to remove a personal lock, the Dealership may do so for him or her, and compensate the employee for the lock. Any such searches will be coordinated with a representative of management. The Dealership may use unannounced drug detection methods.

11. Employee Assistance.

The Dealership expects employees who suspect they have an alcohol or drug problem to seek treatment. The Dealership will help employees who abuse alcohol or drugs by providing a referral to an appropriate professional organization. However, it is the responsibility of the employee to seek and accept assistance before drug and alcohol problems lead to disciplinary action, including termination. Failure to enter, remain or successfully complete a prescribed treatment program may result in termination of employment. Confidentiality of records and information will be maintained in accordance with all local, state, and federal laws.

Entrance into a treatment program does not relieve an employee of the obligation to satisfy the Dealership's standards regarding an employee's performance, and participation will not prevent the Dealership from administering discipline for violation of its policies or relieve the employee of his/her responsibility to perform his/her job in a satisfactory, safe and efficient manner.

12. Confirmation Testing.

All urinalysis drug tests will utilize an initial immunoassay methodology or an equivalent. All positive results shall be confirmed by a licensed laboratory using gas chromatography/mass spectrometry (GC/MS) or an equivalent.

13. What Happens When An Employee Tests Positive For Prohibited Substances.

All employees who test positive in a confirmed substance test will be subject to discipline up to and including discharge.

In those rare circumstances in which an employee is not immediately terminated for testing positive or for some other violation of the policy, the Dealership, in its sole discretion, may allow the employee to return to work pursuant to the employee executing an agreement acknowledging:

- a. That they tested positive or otherwise violated the policy; and,
- b. That in exchange for HENDERSON CHEVROLET not terminating them for this instance of testing positive or otherwise violating the policy, they agree to undergo rehabilitation, counseling or other activities prescribed by HENDERSON CHEVROLET coordinating physician in conjunction with management; to undergo periodic unannounced screening for a set period; and be subject to termination for any future violation of the policy.

14. Returning/Continuing To Work.

Employees who test positive, admit to drug or alcohol use or related misconduct, or voluntarily seek assistance, and are not terminated, will not be returned to work or continue working until they have been evaluated by a Dealership selected physician allowed to determine if they can safely return to work.

Bad Attitude

Employees should display a positive attitude towards their job. A bad attitude creates a difficult working environment and prevents the Dealership from providing quality service to our customers.

Bulletin Boards

HENDERSON CHEVROLET maintains bulletin boards as an important source of information. This bulletin board is to be used to post information regarding Dealership policies, governmental regulations, and other matters of concern to all employees and related to the employees' employment by the Dealership. Please develop a habit of checking the bulletin board daily so that you will be familiar with the information posted there.

Cash Reporting Policy

Internal Revenue Service (IRS) regulations require that any transaction involving more than \$10,000 in cash or cash equivalents must be reported to the IRS on Form 8300. "Cash" under the IRS reporting rules includes any kind of currency (U.S. or foreign), cashier's checks from banks, bank drafts, travelers checks, and money orders, which may have a face value of less than \$10,000 but combined equal \$10,000 or more. Combinations of these kinds of instruments are considered "cash" for reporting purposes when they total \$10,000 or more. Goods and services should be denied to people with cash who are known (actual knowledge) to be engaged in criminal activity. Selling goods and services to one who is known to be a drug dealer or engaged in some other illegal activity is contrary to Dealership policy. The following information must be obtained from the purchaser: name, address, social security number, and if an alien, passport number, country of origin and alien registration number. This information, along with a description of the sale, must be immediately filed with the IRS on Form 8300 within fifteen days of the cash transaction. The federal Money Laundering Control Act is a criminal law with criminal penalties directed at people who would deliberately conspire with those engaged in enterprises to "launder" money generated from criminal activity. Don't be a criminal. "Structuring" a transaction to evade the cash reporting requirements carries penalties ranging from \$25,000 to \$100,000, and failure to comply with this government regulation is a felony with up to five (5) years in jail.

Failure to comply with federal regulations will subject an employee to disciplinary action, up to and including immediate termination of employment, and also could result in a felony conviction.

Computers, E-Mail, Voice Mail And The Internet

The following policy governs the use of all Dealership-owned computers, e-mail and voice mail systems, and Internet access via Dealership computers and/or data lines.

Dealership Property

All Dealership computers, e-mail and voice mail facilities, and Internet access accounts are the Dealership's property to be used solely to facilitate the business of the Dealership. In addition, all software that has been installed on Dealership computers, and any data collected, downloaded and/or created on Dealership computers is the exclusive property of the Dealership and may not be copied or transmitted to any outside party or used for any purpose not directly related to the business of the Dealership. Upon termination of employment, no employee shall remove any software or data from Dealership-owned computers.

Proper Use

Employees are strictly prohibited from using Dealership computers, e-mail and voice mail systems, and Internet access accounts for personal reasons or for any improper purpose. Some specific examples of prohibited uses include but are not limited to:

- Transmitting, retrieving, downloading, or storing messages or images that are offensive, derogatory, defamatory, off-color, sexual in content, or otherwise inappropriate in a business environment.
- Making threatening or harassing statements to another employee, or to a vendor, customer, or other outside party.
- Transmitting, retrieving, downloading, or storing messages or images relating to race, religion, color, sex, national origin, citizenship status, age, handicap, disability, sexual orientation, or any other status protected under federal, state and local laws.
- Sending or receiving confidential or copyrighted materials without prior authorization.
- Soliciting personal business opportunities, or personal advertising.
- Gambling of any kind, monitoring sports scores, or playing electronic games.
- Day trading, or otherwise purchasing or selling stocks, bonds or other securities or transmitting, retrieving, downloading or storing messages or images related to the purchase or sale of stocks, bonds or other securities

Monitoring

Employees should expect that all information created, transmitted, downloaded, received or stored in Dealership computers may be accessed by the Dealership at any time without prior notice. Employees should not assume that they have an expectation of privacy or

confidentiality in such messages or information (whether or not such messages or information is password-protected), or that deleted messages are necessarily removed from the system.

Employees must provide all passwords and access codes for Dealership computers to the Systems Administrator. Changing passwords or creating new passwords without notifying the Systems Administrator is strictly prohibited.

System Integrity

Because outside disks may contain viruses, employees are not permitted to use personal disks or copies of software or data in any form on any Dealership computer without first (1) obtaining specific authorization from the Systems Administrator, and (2) scanning the data for viruses. Any employee who introduces a virus into the Dealership's system via use of personal software or data shall be deemed guilty of gross negligence and/or willful misconduct and will be held responsible for the consequences, including cost of repair and lost productivity.

Similarly, information is not to be downloaded directly from the Internet onto the Dealership's computer system. All information downloaded from the Internet is to be placed on a disk and scanned for viruses before being introduced into the Dealership's system.

Enforcement

Violations of this policy may result in disciplinary action, up to and including termination of employment. Employees who damage the Dealership's computer system through its unauthorized use may additionally be liable for the costs resulting from such damage. Employees who misappropriate copyrighted or confidential and proprietary information, or who distribute harassing messages or information, may additionally be subject to criminal prosecution and/or substantial civil money damages.

Confidentiality

All records and files of the Dealership are property of the Dealership and considered confidential. No employee is authorized to copy or disclose any file or record. Confidential information includes all letters or any other information concerning transactions with customers, customer lists, payroll or personnel records of past or present employees, financial records of the Dealership, all records pertaining to purchases from vendors or suppliers, correspondence and agreements with manufacturers or distributors and documents concerning operating procedures of the Dealership. All telephone calls, letters, or other requests for information about current or former employees should be immediately directed to the Office Manager.

Conflict Of Interest

It is our policy to forbid employees to deal in the buying or selling of automobiles in private transactions or engaging in any other business, which competes with the Dealership. An employee may not buy or sell automotive parts or supplies in personal transactions with our customers and suppliers without express written approval from the President. Nor may employee perform service repair work if such work conflicts with the proprietary interest of the Dealership. Also, Dealership policy forbids a financial interest in an outside concern, which does business with or is a competitor of the Dealership (except where such ownership consists of securities of a publicly owned corporation regularly traded on the public stock market). Rendering of directive, managerial, or consulting services to any outside concern, which does business with or is a competitor of the Dealership, except with the knowledge and written consent of the President of HENDERSON CHEVROLET is also prohibited. If you think that there is a possibility that you may have a conflict, it is your responsibility to notify the President and obtain his/her approval in writing.

Courtesy

Courtesy is the responsibility of every employee. Everyone is expected to be courteous, polite and friendly to our customers, vendors and suppliers, as well as to their fellow employees. No one should be disrespectful or use profanity or any other language, which injures the image or reputation of the Dealership.

Damage To Property

We have made a tremendous investment in our building and equipment in order to better serve our customers and to make your job easier. Deliberate or careless damage to the Dealership's, your co-workers' or customers' property will not be tolerated.

Dealership Keys

Each HENDERSON CHEVROLET employee to whom a key is given is responsible for proper use of that key and will be required to sign for it. A lost or misplaced key must be reported immediately to your Department Manager. Never duplicate or loan a key to anyone for any reason. See your Department Manager if you need another key. All keys must be turned in to your Department Manager upon separation from the Dealership. Employees who take a leave of absence must turn in any keys or tools prior to beginning their leave.

Dealership Property And Vehicles

Only authorized employees may use HENDERSON CHEVROLET vehicles. If a Dealership vehicle incurs any damage while under the charge of a particular employee, that employee will be responsible for reporting the damage immediately.

You must hold a valid Nevada driver's license for the class of vehicle you are driving. Further, you may never use a motorcycle either to conduct business or provide transportation for a customer or fellow employee. All people in Dealership vehicles are required to use their seatbelts. Not using seatbelts in a Dealership vehicle may lead to disciplinary action, up to and including termination. Only people authorized by your supervisor can be passengers in Dealership vehicles. Permitting unauthorized passengers may lead to disciplinary action, up to and including termination.

Any employee whose duties include the operation of Dealership or customer vehicles who is cited for D.U.I. or for any other serious moving violation will be considered to have an unacceptable driving record and his or her continued employment will be subject to review. The Dealership must be notified immediately of any change in the status of your driving record. Any employee whose duties include the operation of Dealership or customer vehicles who becomes uninsurable under the Dealership's liability policy will be considered to have an unacceptable driving record and his or her continued employment will be subject to review.

If an employee receives a traffic citation while operating a Dealership or customer vehicle, the employee will be responsible for paying any fine or penalty. If an employee is involved in a traffic accident while operating a Dealership or customer vehicle, the employee is required to call a police officer to the scene of the accident. The employee must report the accident to the Office Manager immediately. Do not attempt to render medical care or assistance beyond your ability.

Demonstration Drives

Salespersons will accompany customers on demonstration drives. Under no circumstances will a customer be allowed to drive a new or used automobile without being accompanied by a salesperson. The customer's driver's license should always be photocopied before beginning a demonstration drive. Salespersons shall not ask a customer to go on a date, make sexual comments or propositions to a customer, or ask intrusive personal questions of a customer during a demonstration drive.

Document Preparation

Correspondence and documents should be error-free and neatly prepared. Care shown in preparation reflects attention to accuracy and detail. Even simple errors cause unnecessary inconvenience and irritation. Furthermore, the time required to correct them is wasteful and expensive.

Facsimile And Copy Machines

The facsimile and copy machines are for legitimate business purposes only and should not be used for personal use. Employees are prohibited from using these machines for the purpose of transmitting, receiving or copying materials, which may be deemed offensive or insulting. Any employee who receives such materials via facsimile transmission, the mail, or from any other source, should report the transmission immediately to your Department Manager.

Fighting, Threats, And Weapons

Obviously, we cannot allow fighting, threatening words or conduct. Nor can we allow the possession of weapons of any kind on Dealership premises.

Fraud, Dishonesty And False Statements

No employee or applicant may ever falsify any application, medical history record, invoice, paperwork, time sheet, time card, investigative questionnaires or any other document. Nor may any employee fraudulently report customer or warranty repairs or use the employee discount for friends or relatives or for personal gain. Any employee found to have engaged in resume fraud or who made material misrepresentations or omissions on their employment application will be subject to immediate termination of employment. If you observe any such violations, please report them to your Department Manager immediately.

Gambling

Gambling is prohibited on Dealership property.

Gifts And Gratuities

Employees may not request or accept any gift or gratuity of any kind from a customer or supplier without the express written authorization of your Department Manager.

Hazardous And Toxic Materials

If your job requires that you use hazardous or toxic materials, you are expected to comply with all laws, rules and regulations concerning their safe handling and disposal. If you have any questions about the materials you work with or the proper safety procedures to follow, please discuss them with your supervisor.

Honesty

Our credibility with our customers is the most important element of our relationship. Misrepresentation to a customer is against Dealership policy and against the law. The law provides that an employee is personally liable. It is also against Dealership policy to mislead or misrepresent any credit application or customer credit status to any financial institution. Employees are also expected to be honest in their dealings with their supervisors and co-workers.

Housekeeping

Employees are responsible for maintaining their own work areas in a presentable manner. At the close of each business day, ensure that all equipment is cleaned and put away. All stationery and miscellaneous supplies should be removed from benches/furniture tops. No paperwork may be left out overnight. Employees will not litter or discard such items as cigarettes or wrappers on the premises. Remember, we want our customers to look at us as a professional, neat organization.

Work areas must be maintained in a clean, healthy and orderly fashion to prevent unsafe conditions and potential accidents. Tools and equipment should be properly stored when not in use, and all floor areas must be kept free of grease, oil and other substances to prevent falls. If you observe conditions or equipment, which are potentially dangerous, report them immediately to your supervisor. It is each employee's responsibility to make sure the work area is clean and orderly at the completion of their scheduled work shift.

Illegal Activity

Employees are not permitted to engage in any kind of illegal activity on duty or on HENDERSON CHEVROLET's property, or while off the job, which reflects detrimentally, or adversely on the Dealership's reputation.

Insubordination

We all have duties to perform and everyone, including your supervisor, must follow directions from someone. It is against our policy for an employee to refuse to follow the directions of a supervisor or management official or to treat a supervisor or management official in an insubordinate manner in any respect. Employees must fully cooperate with Dealership investigations into potential misconduct. Refusal to fully disclose information in the course of a Dealership investigation is insubordination and will not be tolerated.

Legal Requirements

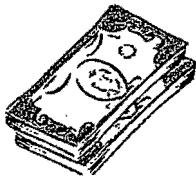
The following are the most frequent disclosures that our employees are required to make by law. All employees must comply with these legal requirements in addition to all other federal, state and local laws, rules and regulations:

Window stickers and FTC stickers. These stickers must be intact on all new, demo, or used cars at time of presentation and delivery. No employee is authorized to remove them for a customer.

Odometer Disclosure. The odometer disclosure form must be signed for all customer trade-ins and for any Dealership vehicle sold.

Contract Disclosure. All contracts must be signed in the Dealership. Anyone signing a contract must show proof of identity. Also, the truth in lending and truth in leasing laws require that certain disclosures be made. Failure to make these disclosures can result in voiding of the deal and damages.

Loans And Pay Advances



Experience in business teaches that loans to employees or advances in pay do little in the long run to help an employee meet his or her financial obligations. At the same time, the Dealership may be put in a very difficult and unpleasant position if we are required to collect a past due loan. For these reasons, it is our policy not to make loans or advances of pay to employees. Similarly, managers and employees are prohibited from extending loans to any fellow employees because of the potential for conflict that may result.

Meetings

From time to time, individual or staff meetings may be held for the purpose of providing instruction, training, or counseling or to review Dealership operating policies. If such a meeting is called and includes your department, or you individually, attendance is required.

Misuse Of Property

No employee should misuse, or use without authorization, equipment, vehicles or other property of customers, vendors, other employees or the Dealership.

New and Used Parts

All parts removed from either customer vehicles or vehicles owned or operated by HENDERSON CHEVROLET are the property of HENDERSON CHEVROLET. No employee shall remove from the premises any new or used parts without being properly billed or receiving written authorization to the contrary from the Parts Manager or Service Manager. Pilfering of new and used parts is a serious problem in the automobile dealership industry and will not be tolerated by HENDERSON CHEVROLET.

Non-Fraternization

The Dealership desires to avoid misunderstandings, actual or potential conflicts of interest, complaints of favoritism, possible claims of sexual harassment, and the employee morale and dissension problems that can potentially result from romantic relationships involving managerial and supervisory employees in the Dealership or certain other employees in the Dealership.

Accordingly, managers and supervisors are prohibited from fraternizing or becoming romantically involved with one another or with any other employee of the Dealership. Additionally, all employees, both managerial and non-managerial, are prohibited from fraternizing or becoming romantically involved with other employees when, in the opinion of the Dealership, their personal relationships may create a conflict of interest, cause disruption, create a negative or unprofessional work environment, or present concerns regarding supervision, safety, security, or morale.

An employee involved with a supervisor or fellow employee should immediately and fully disclose the relevant circumstances to the President so that a determination can be made as to whether the relationship violates this policy. If a violation is found, the Dealership may take whatever action appears appropriate according to the circumstances, up to and including transfer or discharge. Failure to disclose facts may lead to disciplinary action, up to and including termination.

All employees should also remember that the Dealership maintains a strict policy against unlawful harassment of any kind, including sexual harassment. The Dealership will vigorously enforce this policy consistent with all applicable federal, state, and local laws.

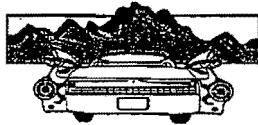
Off-Duty Use Of Facilities

Employees are prohibited from being on the Dealership premises or making use of Dealership facilities while not on duty. Employees are expressly prohibited from using Dealership facilities, Dealership property or Dealership equipment for personal use.

Off-Duty Social And Recreational Activities

During the year, the Dealership may sponsor social or recreational activities for its employees. Your attendance at such social activities, however, is completely voluntary and is not work-related. Neither the Dealership nor its insurer will be liable for the payment of workers' compensation benefits for any injury that arises out of an employee's voluntary participation in any off-duty recreational, social, or athletic activity that is not part of the employee's work-related duties.

Operation Of Customer Vehicles



While a customer's vehicle remains on Dealership property we all should accept responsibility for its care and treatment. If a customer's car is damaged in any way, stolen or improperly used while in our possession, HENDERSON CHEVROLET might be held responsible. Therefore, we expect our employees to treat every customer's car as if it were their own.

There are a few common sense rules that keep us from upsetting our customers:

- Do not play the radio except to repair it;
- Do not change the radio station;
- Do not smoke or eat in a customer's vehicle at any time;
- Do not drive the vehicle for personal business of any kind;
- Do not drive a vehicle without your Department Supervisor's permission, and do not carry any passengers;
- Do not remove any customer property from the vehicle.

Since customer satisfaction is essential to the continued success of the Dealership, these rules must be strictly adhered to.

Outside Employment

There have been times when most of us have had the opportunity or the need to have two jobs at one time. It is important that such outside interests do not interfere in any way with an employee's primary job with HENDERSON CHEVROLET. An employee should be careful that extra hours of work do not affect the safe operation of his regular job by leaving him tired and slow to react. If your second job could create a potential conflict of interest, for example, working for a competitor, you are required to obtain written approval, in advance, from the President.

Overtime

HENDERSON CHEVROLET may periodically schedule overtime or weekend work in order to meet production needs. We will attempt to give as much advance notice as possible, and we expect that all employees who are scheduled to work overtime will be at work, unless excused by their supervisor. All overtime work must be pre-approved by your supervisor or Department Manager. **Working overtime without your supervisor's or Department Manager's approval may result in discipline, up to and including termination.**

Parking

So that we will have sufficient convenient parking for our customers, we require all of our employees to park their vehicles in the area designated for employee parking. If you have any questions as to where you should park your vehicle, please ask your Department Manager.

Personal Appearance And Behavior

We do not have a formal dress policy and prefer to rely on every employee's good judgment to dress appropriately for a business such as ours and the job he or she is performing. We do expect all employees to present a neat, well-groomed appearance and a courteous disposition. We feel that these qualities go further than any other factor in making a favorable impression on the public and your fellow workers.

Please avoid extremes in dress and behavior. Flashy, skimpy or revealing outfits and other non-business-like clothing are unacceptable. Likewise, unprofessional behavior in the workplace, such as sexually related conversations, inappropriate touching (*i.e.*, kissing, hugging, massaging, sitting on laps) of another employee, and any other behavior of a sexual nature is prohibited. Employees who fail to observe these standards will be subject to disciplinary action, up to and including termination.

Employees should dress in a business-like manner. Casual sportswear, such as jeans, tight fitting knits, shorts, and mini-length skirts or dresses, are not considered appropriate and should not be worn to work. Male employees in a sales or managerial position are expected to wear dress slacks, dress shirts, and dress shoes. Female employees in a sales or managerial position should dress in a similar businesslike manner. Employees who are provided with Dealership uniforms should keep them in a neat and clean condition. Employees provided with Dealership uniforms must

wear them at all times when on duty. Employees are required to return their uniforms in a timely manner upon termination of their employment. If the employee returns his or her uniform damaged beyond normal wear and tear, the Dealership will deduct the repair cost from the employee's final paycheck.

Employees are expected to observe the Dealership's personal appearance and behavior policy at all times while at work. Employees who report to work in unacceptable attire may be requested to leave work and return in acceptable attire. Such time off from work will generally be without pay.

Personal Mail

All mail, which is delivered to HENDERSON CHEVROLET, is presumed to be related to our business. Mail sent to you at the Dealership will be opened by office personnel and routed to your department. If you do not wish to have your correspondence handled in this manner, please have it delivered to your home.

Dealership postage meters and letterhead may not be used for personal correspondence.

Personal Telephone Calls And Visits

We have a limited number of telephone lines at HENDERSON CHEVROLET, and it is essential that we keep those lines open for business calls. Therefore, we ask our employees to refrain from making or receiving personal calls except in emergencies. Long distance business calls must be cleared by your Department Manager unless your job duties include the routine making of long distance calls. Under no circumstances are employees permitted to use Dealership telephones to call "900" lines or similar pay per call services. Employees will be personally liable for unauthorized calls and will be subject to discipline, up to and including immediate termination.

Personal visits by friends or relatives during work hours can be disruptive to our operations and are strongly discouraged. If you receive a non-business-related visit from a friend or relative, you must notify your Department Manager at the time of your guest's arrival and departure. Non-employees are strictly forbidden from entering unauthorized areas.

Poor Performance

Employees are expected to make every effort to learn their job and to perform at a level satisfactory to the Dealership at all times.

Publicity

In the course of advertising, public relations or other similar conduct for business purposes, the Dealership may utilize media resources. The Dealership may use your photograph, picture, and/or voice transcription for promotion or advertising at any time without compensation.

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Safeguarding Customer Information

Identity theft is likely the fastest growing crime in the United States. Because automobile dealerships routinely collect, process, disclose, administer and store confidential personal information about customers, they are vulnerable to this type of illegal activity.

Confidential personal information is defined as personal information about a customer that is not available to the general public. Such information includes bank account and credit card numbers, personal income and debtor information. Information of this type is routinely provided on credit applications and other documents produced by the F&I Department and processed by personnel working in the Business Office.

Effective May 23, 2003, the Federal Trade Commission began enforcing the Safeguards Rule, which requires automobile dealers and other institutions to establish specific procedures and policies to protect customer's confidential personal information. The requirements are well defined and of the type the Government actively enforces. Such being the case, each employee should be aware of his or her role in complying with the Federal rules as implemented by the Company.

Henderson Chevrolet places strong emphasis on its customers and client's privacy. As part of this emphasis, Henderson Chevrolet has developed and implemented a Safeguard Program that makes every effort to protect non-public customer information; such as credit application information, bank account numbers, social security numbers, telephone numbers and addresses from unauthorized disclosure, theft, alteration, deletion or other type of misappropriation.

Henderson Chevrolet's Safeguard Program requires its employees, contractors and third party service providers to take appropriate measures to protect the security and integrity of non-public customer information. These measures include, but are not limited to:

Establishment of Secure Document Areas

Under the policy implemented by Henderson Chevrolet Company, the Business Office, F&I Offices and Records Storage Room are designated as Secure Document areas. Only personnel trained to handle confidential personal information will have access to these areas. Customer information or private documents will not be left unattended where they can be easily viewed, copied or taken. Offices and file cabinets will be locked where customer data is stored.

The purpose of this rule is to limit the number of people who have access to information that the government requires the Company to protect. The individuals who will handle confidential personal information will be briefed on their duties and responsibilities. If you are not on the roster of those approved to enter a Secure Document Area, you cannot enter that area.

Limited Access Computer Terminals

Firewalls have been established to limit access to data containing confidential personal information. However, steps will be taken to ensure that the information you need to perform your duties will be available.

Document Controls Required

You will have access to deal jackets if needed to perform your duties. However, a Secure Document Worker will remove the Secure Document Envelope from the file before releasing it to anyone not authorized to handle such information.

Individuals requiring access to documents that are listed as confidential personal information – such as credit applications, bank call-back sheets, insurance applications and related documents – should make a specific request of the information to an individual authorized to handle confidential personal information. The requested information (not a copy of the document that contains it) will be provided as needed.

The information contained on a customer's drivers license and proof of insurance card is confidential personal information and must be handled by a Secure Document worker and placed in a locked receptacle if a customer leaves the information in order to take a car for a test drive.

It is important to note that lists containing customer information in the aggregate, such as customer lists with identifying data such as addresses, phone numbers and type of vehicle purchased, are also considered to be confidential, personal information and will be treated as such.

Vigilance Is Asked Of All Employees

You are asked to be on the alert for documents containing confidential personal information, or files containing such documents, that are lying around in an unsecured area. If such items are found, they are to be turned over to the Business Manager or his/her assistant.

You are also asked to be on the alert for any suspicious activity on the part of another person or group who asks you to provide, or secure on their behalf, information that would result in the unauthorized acquisition of confidential personal information. Refer any unusual requests for customer information to the Safeguard Program Compliance Officer or to your Supervisor.

Promptly report to the Safeguard Program Compliance Officer or your supervisor anytime you know or suspect that customer information has been compromised or misappropriated.

If you have questions about the Safeguard Program, or need to report a potential violation of this policy, please contact the Safeguard Program Compliance Officer, Jamie Jaeger at extension 2489 or the Facility Compliance Officer, Kathy Ludwig at extension 2495 .

Safety

It is our policy to promote safety on the job. The health and well-being of our employees is foremost among our concerns. For this reason, you are urged to follow safety practices and correct or report any unsafe condition, defective tool, or equipment to your Department Manager. Each employee shall be instructed regarding the Dealership's injury prevention program. Each employee is expected to assist HENDERSON CHEVROLET in maintaining safe working conditions. Safety is a state of mind and requires constant vigilance and common sense. Safety is everyone's responsibility. Remember: **SAFETY FIRST.**

All accidents -- including those which do not involve serious injury and those involving customers -- must be reported immediately to your Department Manager. It is only through full knowledge of every accident that the Dealership can become a safer, healthier place to work for everyone.

Searches And Inspections

In order to protect the safety and property of all of our employees, the Dealership reserves the right to inspect employees' lockers, desks, cabinets, briefcases, toolboxes, purses, personal computers, personal motor vehicles and any other personal belongings brought onto Dealership property. Employees are expected to cooperate in any search. Failure to cooperate will result in disciplinary action up to and including termination of employment.

All files and records stored on Dealership computers are the property of the Dealership and may be inspected at any time. Dealership computers are for business purposes only and should not be used for non-work related matters. Use of Dealership computers for unauthorized purposes is prohibited. Electronic mail and voice mail messages are to be used for business purposes only and are considered Dealership property. The Dealership may access these items at anytime with or without prior notice and the employee should not assume that such messages are confidential.

Service Work

Service work must be completed promptly and in expert fashion. If you are unsure of the diagnosis or solution for a problem, you should review the matter with your supervisor before proceeding.

Sleeping

Everyone needs to be fully alert while on the job in order to protect the safety of all employees and to properly serve our customers. Therefore, we cannot tolerate sleeping or inattention on the job.

Smoking

Smoking in the presence of some customers and co-workers may be offensive to them. Therefore, we expect that employees who choose to smoke will exercise good judgment as to when and where they smoke. Smoking is prohibited in all Dealership buildings, Dealership vehicles, and customer vehicles. Smoking must be confined to designated outdoor areas. Of course, smoking is prohibited in all areas where paint and flammable materials are present.

Solicitation - Distribution Policy

Our main job at HENDERSON CHEVROLET is to give our Dealership's customers the best service possible. In order to allow employees to provide the Dealership's customers and their jobs with their undivided attention, the solicitation by an employee of another employee for the support of any organization is prohibited during the working time of either employee. In addition, the distribution of advertising materials, handbills or other literature is prohibited in all working areas and sales areas at all times. E-Mail, facsimile machines, and voice mail may not be used to advertise or solicit employees. Similarly, non-employees may not come on the Dealership's property at any time to solicit for any cause or distribute material or literature of any kind for any purpose.

Theft

Our society has laws against theft and so do we. To protect you, your co-workers and HENDERSON CHEVROLET, we reserve the right to inspect all purses, briefcases, packages, toolboxes, lockers and vehicles on the Dealership's property. If you must remove Dealership property from the premises, you must obtain written permission in advance from your supervisor.

Timekeeping Procedures

Unless otherwise notified, each employee is required to record his or her hours of work for HENDERSON CHEVROLET through the timeclock program in the USC computer system. Accurately recording all of your time is required in order to be sure that you are paid for all hours worked as required by the wage and hour laws. You will be informed your first day on the job whether you are required to keep your time by a time clock, a time sheet or some other method. Whatever your method of timekeeping, you are expected to follow the established procedures in keeping an accurate record of your hours worked.

Any changes or corrections to your time card or time record must be initialed by you and your Department Manager. Under no circumstances may any employee punch another employee's time card.

Tools

Technicians supplying their own basic tools are asked to secure them by keeping their toolboxes locked when not in use. HENDERSON CHEVROLET's insurance may not cover the loss of your personal tools. HENDERSON CHEVROLET is not responsible for the safety and security of the personal tools you bring to work.

Tools belonging to HENDERSON CHEVROLET should be similarly secured when not in use. HENDERSON CHEVROLET tools are not to be removed from the service department under any circumstance.

Unauthorized Interviews

As a means of protecting yourself and the Dealership, no unauthorized interviews are permitted to be conducted by individuals representing themselves as attorneys, peace officers, investigators, reporters, or someone who wants to "ask a few questions." If you are asked questions about the Dealership or its current or former employees, you are to refer that individual(s) to your Department Manager. A decision will then be made as to whether that individual may conduct any interview and they will be introduced to you by your Department Manager with a reason for the questioning. Similarly, if you are aware that an unauthorized interview is occurring at the Dealership, immediately notify the Office Manager or the President.

Workplace Violence Policy

HENDERSON CHEVROLET has a zero tolerance for violent acts or threats of violence against our employees, applicants, customers or vendors.

No employee should commit or threaten to commit any violent act against a co-worker, applicant, customer or vendor.

Any employee who is subjected to or threatened with violence by a co-worker, customer or vendor, or is aware of another individual who has been subjected to or threatened with violence, is to report this information to his/her supervisor or manager as soon as possible.

Please do not assume that any threat is not serious. Please bring all threats to our attention so that we can deal with them appropriately.

All threats will be thoroughly investigated, and all complaints, which are reported to management, will be treated with as much confidentiality as possible.

Changes In Status

Changes In Personnel Records

To keep your personnel records up to date, to ensure that the Dealership has the ability to contact you, and to ensure that the appropriate benefits are available to you, employees are expected to notify the Dealership promptly of any change of name, address, phone number, number of dependents, or other applicable information.

Outside Inquiries Concerning Employees

All inquiries concerning employees from outside sources should be directed to the Office Manager. No information should be given regarding any employee by any other employee or manager to an outside source.

Notice Of Resignation

In the event you choose to resign from your position, we ask that you give us at least two weeks written notice. You are responsible for returning Dealership property in your possession or for which you are responsible.

Exit Interview

Any employee leaving HENDERSON CHEVROLET may be required to attend an exit interview conducted by the employee's Department Manager. The purpose of the interview is to determine the reasons for termination and to resolve any questions of compensation, Dealership property or other matters related to the termination.

To Sum It All Up

This handbook highlights your opportunities and responsibilities at HENDERSON CHEVROLET. It is a guide to your bright future here. By always keeping the contents of the handbook in mind, you should be successful and happy in your work at HENDERSON CHEVROLET. Once again, welcome to our Dealership, and we look forward to working with you.

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