



Jones Paint Supply
123 Street Road
Pittsburgh, PA 15228

Tim Sample
125 Town Drive
Phoenix, AZ 85027

Dear Tim:

It is a fundamental truism that within every successful organization you will find hard working, dedicated employees. Jones Paint Supply understands and appreciates the value of each and every employee and, for that reason, we continually strive to provide competitive salaries and a comprehensive benefit program.

The booklet that accompanies this letter will briefly outline all the benefits provided by Jones Paint Supply and the value of those benefits for the December 1, 2000 - November 30, 2001 fiscal year. These figures have been annualized for employees with less than one year of service with the exception of the Estimated Annual Income and the taxes that are based on income. The Estimated Annual Income is representative of actual earned salary in 2001, as well as FICA, Federal Unemployment, State Unemployment and Workers Compensation. It is important for you to review and understand the entire compensation package provided to all employees. Should you have questions or wish to discuss in detail any aspect of this booklet, please call the Human Resources Department.

You are encouraged to share with your family the details of your benefit package. It is important that they are aware of this valuable information which, we believe, should provide added security and peace of mind for you and your entire family.

On behalf of the Board of Directors, we appreciate your contribution to the success of Jones Paint Supply.

Sincerely,

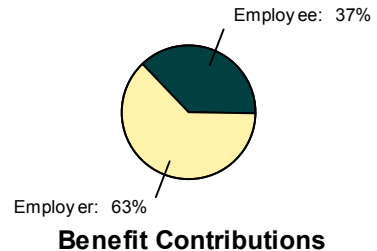
A handwritten signature in black ink that reads "James P. Evans".

James P. Evans

BENEFITS SUMMARY

BENEFIT COSTS

<u>Company Benefits</u>	<u>Employer Cost</u>	<u>Employee Cost</u>
Medical Premium	\$ 4,719.52	\$ 2,078.96
Dental Premium	\$ 613.08	\$ 436.80
Life Premium	\$ 271.08	\$ 0.00
Long Term Disability	\$ 104.32	\$ 0.00
Short Term Disability	\$ 310.28	\$ 0.00
401K Contribution (EE/ER)	\$ 1,146.85	\$ 1,146.85
ER Discretionary Match	\$ 860.14	\$ 0.00
EAP Premium	\$ 18.00	\$ 0.00
Holiday Certificates	\$ 20.00	\$ 0.00
<u>Mandatory Benefits</u>		
FICA Tax	\$ 2,731.91	\$ 2,731.91
Federal Unemployment	\$ 56.00	\$ 0.00
State Unemployment	\$ 19.60	\$ 0.00
Workers' Compensation	\$ 220.65	\$ 0.00
Total Benefits Cost	\$ 11,091.43	\$ 6,394.52
Value of Paid Time-Off	\$ 3,122.18	
Total Value of Benefits	\$ 14,213.61	



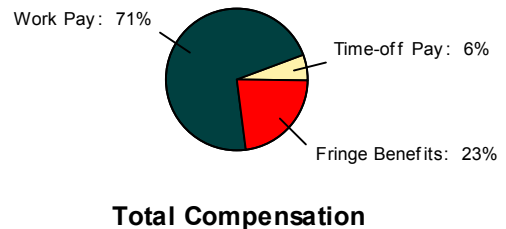
SUMMARY OF PAID TIME-OFF

This year you are eligible for the following time-off:

Paid Holidays (Days):	11	Dollar Value:	\$ 1,634.65
Vacation Accrual (Hours):	80.08	Dollar Value:	\$ <u>1,487.53</u>
		Total value of time-off:	\$ 3,122.18

TOTAL VALUE OF COMPENSATION PACKAGE

Total of Company Provided Benefits:	\$ 11,091.43
Total of Paid Time-off Benefits:	3,122.18
Total Value of Benefits Package:	\$ 14,213.61
Estimated Annual Income:	\$ 38,226.97
Less Paid Time-off:	3,122.18
Pay for Time Worked:	\$ 35,104.79
Total Value of Benefits Package:	\$ 14,213.61
Pay for Time Worked:	35,104.79
Total Value of Compensation Package:	\$ 49,318.40



Your total benefits package is worth an additional **29.01%** of your estimated annual income. Your annual base salary is **\$38,637.25**.

TIME-OFF BENEFITS

VALUE OF POTENTIAL TIME-OFF

<u>Benefit</u>	<u>Employer Cost</u>
Sick Leave Balance:	\$ 3,501.22
Bereavement Leave:	743.02
	<hr/>
Value of Potential Time-Off:	\$ 4,244.24

SICK LEAVE

Our sick leave policy is established to assist you when you are unable to work due to illness, injury, or a medical condition. As of 11/30/01 your sick balance hours are **188.44**, which is worth **\$3,501.22** based on your current income.

BEREAVEMENT LEAVE

We have taken into consideration the personal needs which arise from the death of an immediate family member. Up to 5 days off may be granted with pay. Based on your current salary the potential value of this benefit is **\$743.02**.

JURY DUTY LEAVE

If you are chosen for jury duty you will be provided with your regular pay in addition to any compensation from the court.

HOLIDAYS

Jones Paint Supply recognizes seven paid holidays each year, typically: New Year's Day; Memorial Day; Independence Day; Labor Day; Thanksgiving Day and the day following; and Christmas Day. Four floating holidays are granted in addition to the company holiday schedule. The total value of your holiday/floating holiday pay is **\$1,634.65**.

VACATIONS

During the course of this year you will accrue 80.08 hours of vacation. Based on your current salary this vacation time is worth **\$1,487.53**. Your vacation balance as of November 30, 2001 is **157.56** hours.

MILITARY LEAVE

You are entitled to time off required to fulfill military obligations - both voluntary and mandatory. This time away from work will be unpaid.

MAJOR MEDICAL INSURANCE

Employees who work 20 hours or more per week are eligible to participate in group medical coverage. You have elected the **PacifiCare HMO** plan with **Employee + Family** coverage. You may only add or cancel employee and/or dependent coverage at open enrollment or in the event of a qualifying family status change.

The Pacificare HMO requires that you choose a primary care physician to manage your care. Specialists can be accessed by a referral from your primary care physician.

Benefits are as follows:

<u>Physician Care</u>	<u>Your Cost</u>
Office Visits	\$10 Copay
Wellness Benefits	\$10 Copay
X-Rays and other tests	\$10 Copay
<u>Hospital/ER Care</u>	
Hospitalization	100% coverage
Semi-Private Room	No charge
Emergency Services	\$25 Copay
<u>Additional Services</u>	
Ambulance Services	No charge
Substance Abuse (short term inpatient)	No charge
Behavioral Health	
Inpatient (30 days/yr max)	No charge
Out-patient (20 visits/yr max)	\$10 Copay
Prescription Drug	
Formulary Generic	\$5 Copay
Formulary Brand	\$10 Copay
Non Formulary	\$15 Copay

Some exclusions include chiropractic care, alternative medicine and experimental organ transplants.

VISION CARE

Vision care benefits are offered through Vision Service Plan (VSP) and paid based on the scheduled amounts shown below.

Vision examination (every 12 months)	100%
Prescription lenses (every 12 months)	
Single, Bifocal, Trifocal	100%
Frames within plan allowance (every 24 months)	100%
Medically necessary contact lenses	100%
Elective contact lenses (every 12 months)	\$100 allowance + exam

A \$10 copay applies for exams and materials. Contact lenses are in lieu of lenses and a frame. You **are not** enrolled in the VSP Plan.

SUPPLEMENTAL LIFE INSURANCE

You have the opportunity to purchase additional life insurance for yourself, spouse and unmarried, dependent children. You may purchase up to 5X your base annual salary (maximum \$500,000) or up to \$250,000 regardless of salary. Insurance must be purchased in increments of \$10,000.

Spouse coverage is available up to 15 units to a maximum of \$150,000 and coverage for children is purchased in units of \$2,000 to a maximum of \$10,000. Dependent children must be between 6 months and 19 years, or 25 if full time student. For children age 14 days to 6 months, coverage is \$500 regardless of amount selected.

You have purchased **\$0** for yourself, **\$0** for your spouse and **\$0** for dependent children.

SHORT TERM DISABILITY BENEFITS

Short term disability benefits are provided as a source of income protection for you should you incur a nonoccupational injury or illness. This plan is paid 100% by Jones Paint Supply.

These weekly disability payments will begin on the 1st day of a disability if hospital confined (for more than 8 hours) or on the 15th day of a disability suffered as a result of an accident or illness. Benefits will be paid for up to 26 weeks as follows:

Percentage of base weekly earnings: 60%

Your weekly benefit: **\$445.81** (Maximum of \$500/week)

LONG TERM DISABILITY INSURANCE

Long term disability insurance is provided as a source of income protection. Should you become disabled as a result of a non-occupational injury or illness, this coverage will provide you with **\$1,931.83** per month. Long term disability benefits begin after 180 days of disability. Jones Paint Supply pays the full cost of this benefit.

EMPLOYEE ASSISTANCE PROGRAM (EAP)

APS Healthcare EAP is a confidential counseling and referral service that provides help for any problem that may affect you or a family member. You can reach the EAP by calling 1-602-274-1401 or 1-800-EAP-ADVI(CE). A counselor will talk with you and then refer you to a local therapist.

Problems commonly addressed by the EAP are: Work Performance, Marital/Relationship, Depression, Eating Disorders, Parenting, Stress, Drug and Alcohol, Financial, Legal and Career Planning.

Jones Paint Supply pays the entire cost to provide EAP coverage to you and your family.

LONG TERM CARE

You are eligible to participate in UNUM's Long Term Care plan if you are a full-time active employee. Your spouse, your parents and grandparents, and your spouse's parents and grandparents are also eligible.

Long Term Care insurance pays benefits based on your ability to function independently. You would receive a monthly benefit if you lose the ability to perform two of the following: bathing, dressing, toileting, transferring, continence and feeding. The UNUM plan also pays a benefit for long term care needs that result from cognitive impairment.

Benefits begin after 30 consecutive days of a continuous loss of functional capacity.

This is a voluntary plan and paid 100% by the employee. You currently **are not** enrolled in the Long Term Care program.

GROUP LEGAL SERVICES

The Group Legal Plan is structured to help resolve disputes and answer questions of a legal nature. If you choose a network attorney the plan pays 100% of the attorney fees. If you choose a non-network attorney, you will be reimbursed up to the maximum amounts listed in your plan schedule.

Visit the ARAG website at www.aragroup.com for a listing of network attorneys and plan benefits. You will be instructed to enter the Jones Paint Supply policy number of 3226058.

You currently **are not** enrolled in the Group Legal Services program. This plan is voluntary and paid 100% by the employee.

GROUP AUTO (METPAY)

MetPay is a voluntary program that allows you to purchase auto, home and personal property insurance at special group rates and money saving discounts (Available in most states for those who qualify).

Other coverage available: Renters, Boatowners, Recreational Vehicle, Fire, Condominium, Personal Excess Liability, Landlord's Rental Dwelling and Mobile Home.

This is a voluntary plan and paid 100% by the employee.

TUITION ASSISTANCE PROGRAM

If you are a regular status employee and have worked at Jones Paint Supply for six months or more, you are eligible for our tuition assistance program. You may receive a maximum of \$1,500 per calendar year in assistance. Reimbursement is made upon successful completion of your coursework.

FLEXIBLE SPENDING ACCOUNTS

MEDICAL CARE REIMBURSEMENT ACCOUNT - You have the option of accumulating pre-tax funds for reimbursing yourself for payment of health care costs not covered by your health insurance plan for yourself and dependents.

You can direct up to \$1,500 annually tax-free in the medical reimbursement account to cover eligible expenses not paid under your medical, dental or vision plans. Eligible expenses are those that diagnose, cure, mitigate, treat, or prevent disease, or for the purpose of affecting any structure or function of the body.

DEPENDENT CARE ASSISTANCE ACCOUNT - You may also set aside pre-tax funds to pay for eligible child care or disabled dependent care expenses.

You contributed **\$0.00** to the medical reimbursement account and **\$0.00** to the dependent care assistance account.

SERVICE AWARDS

Awards are given in recognition and appreciation of service and loyalty to Jones Paint Supply. In addition to a plaque and paid day off, the following is awarded to our employees in American Express Gift Cheques. These awards are based on years of service as follows:

<u>Length of Service</u>	<u>Award</u>
5 years	\$75
10 years	\$100
15 years	\$125
20 years	\$200
25 years	\$500

EMPLOYEE DISCOUNTS

Employees and their immediate families may take advantage of many discount programs that Jones Paint Supply offers. Some examples include: discounted room rates, credit unions, amusement park discounts, property presentations, employee appreciation day, subsidized cafeteria/vending and employee activities.

PET INSURANCE

Veterinary Pet Insurance can help save you money with certain veterinary bills for your cat(s) or dog(s) through their outstanding Pet Health and Accident Insurance. This coverage can be purchased at special rates and is available through the convenience of payroll deduction. You **are not** currently enrolled for Pet Insurance.

OTHER BENEFITS

- Flu Shots
- Wellness Programs
- CPR Classes
- Voting Leave (2 hours unpaid)

RETIREMENT BENEFITS

401K SAVINGS PLAN

Jones Paint Supply established a 401k savings plan to help you prepare for your financial future. You are eligible to participate in the plan after completing 3 months of service.

You may make basic contributions of up to 15% of your pay. The company will automatically contribute 3% of your pay the first of the fiscal quarter after you have completed a 12 month eligibility period and 1,000 hours of service. There may also be a discretionary company match of up to 6% of your contributions at the end of the plan year (at the Board of Directors discretion).

All the money in your Pre-tax, After-tax, Company contribution and Rollover accounts always belong 100% to you. Your ownership of money in the Company match account begins at 20% after the first year of service. It increases 20% each year, making you fully vested after 5 years of service. (Immediate vesting upon age 65, death or disability)

LOANS:

Minimum:	\$500
Maximum:	Lesser of 50% of vested balance or \$50,000
Personal Loan:	Up to 5 Years
Mortgage Loan:	Up to 15 Years
Interest Rate:	Prime Rate
Maximum Number of Loans:	2

You may make withdrawals from your after tax account (minimum \$200) at age 59 1/2 or due to financial hardship.

You have contributed **\$1,146.85** as of 11/30/01 and Jones Paint Supply has matched **\$1,146.85**. A discretionary company match of **\$860.14** was contributed to your account on 11/30/01.

PROJECTED MONTHLY SOCIAL SECURITY BENEFITS

Projected Social Security (Early Retirement)	\$ 936.00
Projected Social Security (Normal Retirement)	\$ 1,171.00
Spouse's Social Security (Early Retirement)	\$ 439.00
Spouse's Social Security (Normal Retirement)	\$ 585.00
Survivor Income Spouse and Child	\$ 1,756.00
Survivor Income Child No Spouse	\$ 878.00
Survivor Income Spouse No Child	\$ 1,171.00
Maximum Family Income	\$ 2,049.00

The Federal Insurance Contribution Act (commonly known as Social Security) is a national program designed to provide supplemental income to you and your family in the event of retirement, disability or death. The program is funded by a tax on your annual income. The tax is shared equally by you and the company.

Every three years you should obtain a historical printout of all of your eligible Social Security earnings. This printout will date to the first year you began working. It will allow you to see if your account has been properly credited each year. Call your local Social Security Administration office for details on obtaining a complete history of your eligible earnings.

IMPORTANT: This booklet is intended to summarize your company provided benefits. The numbers and text contained in this report were taken from various plan documents, billings, and plan valuation sheets. While every effort was taken to accurately report your benefits, discrepancies are possible. In case of a discrepancy between this report and the actual plan documents, the actual plan documents will prevail. All costs are for the December 1, 2000- November 30, 2001 fiscal year. To obtain a copy of any plan document or to add or cancel dependent coverage, contact Barb Toth, Human Resources Department, 123 Street Rd., Pittsburgh, PA 15228.