



NURSERY SUPPLIES INC.

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October 8, 2004

Re: Letter of Recommendation for Theodore Guarriello III, Vice President of Manufacturing, Nursery Supplies, Inc

To Whom It May Concern:

It is with pleasure that I introduce and write a letter of recommendation for Theodore Guarriello III, our Vice President of Manufacturing. I have been Ted's direct supervisor for the last year and a half and believe that I can fairly and accurately evaluate his performance, contributions to the organization and level of professional experience.

Perhaps it is best to start with a brief review of my professional background so that you can better understand my perspective. I am the President and CEO of NSI for the last twenty months and was hired by the Board of Directors to lead a turn around effort. I have had over 20 years of experience as a President of manufacturing companies and have been in many Boardrooms. More importantly, I have been fortunate to work with some outstanding managers and built some very effective teams. For thirty years, I have been in a supervisory position where I have evaluated the performance of many managers. I am a college graduate with a BS in Business Administration from the University of Illinois and was a Research Assistant in graduate school in Labor and Industrial Relations at Illinois.

As President of NSI, Ted Guarriello reports directly to me as our Vice President of Manufacturing. I have the opportunity to work very closely with Ted and evaluate his performance as a Corporate Officer. Ted directs the activities and is responsible for manufacturing in our four plants located in Chambersburg, PA, Kissimmee, FL, Orange, CA, and McMinnville, OR. In addition, Ted is responsible for our Engineering, Research and Development, and Special Projects departments. With Ted's intimate knowledge of manufacturing processes, he collaborates with Sales and Accounting to set pricing parameters. As can be seen, Ted Guarriello is a very key executive in a national middle market, multi-plant, \$100,000,000 sales company.

Ted joined the family business started by his grandfather, Ted Guarriello, as a teenager doing the clean up jobs on the manufacturing floor. In time, he graduated to working on plastic blow molding machines and learning how to make plastic "growing containers" for the nursery industry. He learned not only how to run machines but read electrical, hydraulic and pneumatic prints. His innate curiosity had his head more in machines than out and in a few short years, he was known as the best "trouble shooter" in the

maintenance department. From hands on experience, Ted began to experiment and modify complex blow and injection molding equipment to increase cycle times and “out produce” the competition. He learned computer logic and began to re-program machines to meet new product specifications. Working closely with technicians and degreed engineers, Ted developed eight patents covering innovative processes and new product features.

With his technical knowledge, Ted became Vice President of Engineering and was in charge of mechanical and electrical engineers along with a sophisticated mold shop and machine build department. Ted worked to continuously improve product quality while providing products that were designed with the customer in mind. This required visiting growers at their nurseries and listening to their unique requirements in varying climates, soil, and plant materials. He established strong personal relationships and became a key “salesman” for NSI. He has not forgot his experience with direct customer service and in his present position, requires both Plant Managers and Engineers to get out of the office and meet with key growers.

When the position of Vice President of Manufacturing became available, Ted was the logical choice. He was chosen for his leadership skills and the respect he earned in working his way up in the organization. I cannot state strongly enough that Ted earned his promotions and in fact – family connections were and are irrelevant.

In his manufacturing position, Ted has embraced the concept of decentralization wherein, each plant is to operate as a profit and loss center with each Plant Manager given the responsibility to meet the needs of regional growers. For example, the growing needs in the Northeast are much different that the regional needs of the Southeast due to soil, weather patterns, culture, plant species etc. This may sound simple and logical but one of the major faults in NSI strategy was to centralize and become a “national” organization. They forgot what made them successful and the company experienced a very painful and costly period. Ted witnessed first hand the results of poor company strategy and was instrumental in recent planning that meets the needs of diverse and changing customer needs.

Ted was given responsibility for customer service through his Plant Managers and set about making them responsible for improving customer response. He worked closely with Sales to develop a tier system of having high volume products always available in inventory at each of the locations. In addition, he helped establish a pricing matrix based on careful manufacturing cost analysis that was given to each of our nine regional sales managers enabling them to give product pricing immediately to customers instead of waiting for a centralized sales decision. This rapid response with high volume inventory on hand greatly improved our sales penetration and delivered quality product when the customer needed it. Ted personally met with each customer service group at their locations to develop fast response not only in pricing but also in color programs, system integration, inventory, and shipments.

To a very large extent, Ted’s contributions have resulted in an increase in sales of 12% over prior year along with an EBITDA increase of 30%. He is a key member of our management team whose ideas are always carefully considered and whose insight is invaluable. Ted has the unique experience of understanding processing, cost drivers, and customer needs while possessing a curiosity in development of new processes and new ideas.

As you might guess, our Board of Directors are very pleased with our results and it appears NSI is on the road to not only maintaining its leadership in the nursery industry but in significantly growing the business. Ted has been repeatedly exposed to our Board members and has been required to make formal presentations regarding manufacturing progress. Our Board has very prestigious members such as Ken Wolfe, former President and CEO of Hershey Foods, and Bill Alexander, President of his own family construction firm in Harrisburg, PA, former Chairman of the Hershey Trust and adjunct Professor of Family Business at the Wharton School of Finance. Ted has prepared all his own materials for Board presentation and with minor coaching – has made excellent presentations with accompanying Board review.

In summary, Ted Guarriello III, is a respected leader and valued executive of NSI. He has earned his way through hard work, practical experience, and native intelligence. He confidently leads a professional team of degreed engineers and Plant Managers who respect not only his talents but integrity. He is a competent negotiator and a principled businessperson who exhibits strong writing and oral business skills. In short, Ted Guarriello has the potential to be the next President of NSI. It will be my privilege and I am sure yours - to help him reach it!

Respectfully,

A handwritten signature in cursive script, appearing to read "Richard I. Shrode".

Richard I. Shrode
President and CEO
Nursery Supplies, Inc