

**UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:)	Chapter 11
)	
HINES HORTICULTURE, INC., et al., ¹)	Case No. 08-11922 (KJC)
)	
Debtors.)	
)	Jointly Administered

NOTICE OF BID PROCEDURES²

PLEASE TAKE NOTICE that on August 20, 2008, the above-captioned debtors and debtors in possession (collectively, the “Debtors”) filed a motion [Docket No. 18] (the “Bid Procedures and Sale Motion”) with the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”).

PLEASE TAKE FURTHER NOTICE that on December 9, 2008, the Bankruptcy Court entered an order (the “Bid Procedures Order”) approving Bid Procedures (the “Bid Procedures”), which set key dates, times and procedures related to the sale of substantially all of the Debtors’ assets (the “Acquired Assets”). **All interested bidders should carefully read the Bid Procedures.** To the extent that there are any inconsistencies between the Bid Procedures and the summary description of the terms and conditions contained in this Notice, the terms of the Bid Procedures shall control.

PLEASE TAKE FURTHER NOTICE that the Debtors have been and will continue to market the Acquired Assets in advance of the Auction. To be eligible to participate in the Auction, each Bid and each Bidder must be determined by the Debtors to comply with the conditions for a Qualified Bid set forth in the Bid Procedures. The deadline to submit a Qualified Bid is December 14, 2008 at 5:00 p.m. (prevailing Eastern time) (the “Bid Deadline”). To be considered, any Bid must comply with the requirements for a “Qualified Bid” set forth in the Bid Procedures.

PLEASE TAKE FURTHER NOTICE that, pursuant to the terms of the Bid Procedures Order, an auction (the “Auction”) will be conducted at the offices of Debtors’ counsel, Young Conaway Stargatt & Taylor, LLP, The Brandywine Building, 1000 West Street, 17th Floor, Wilmington, Delaware 19801-1053, or at another location as may be timely disclosed by the Debtors to all Qualified Bidders, at 1:00 p.m. (prevailing Eastern time) on December 15, 2008 or such later time on such day or other place as the Debtors shall notify all Qualified Bidders who have submitted Qualified Bids, if a Qualified Bid is timely received.

PLEASE TAKE FURTHER NOTICE that on November 26, 2008, the Debtors sent a notice to each counterparty to an executory contract or unexpired lease (each, an “Assigned Contract”) setting forth the Debtors’ calculation of the cure amount (the “Cure Amount”), if any, that would be owing to such counterparty if the Debtors decided to assume and assign such Assigned Contract to the Buyer (each, a “Cure Notice”). Any counterparty that

¹ The Debtors in these Chapter 11 Cases and the last four digits of each Debtor’s federal tax identification numbers are: Hines Horticulture, Inc. (3204) and Hines Nurseries, Inc. (1319). The location of the Debtors’ corporate headquarters and the service address for both Debtors is: 12621 Jeffrey Road, Irvine, California 92620.

² Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Bid Procedures or the Bid Procedures Order, as applicable.

objects to the Cure Amount set forth in the Cure Notice, the proposed assignment of an Assigned Contract to the Buyer or to the adequate assurance of the Buyer's ability to perform must file an objection (a "Contract Objection"), on or before 4:00 p.m. (prevailing Eastern Time) on December 12, 2008, which Contract Objection must be served on: (i) counsel for the Debtors, Kirkland & Ellis LLP, 200 East Randolph Drive, Chicago, Illinois 60601, Attn.: Anup Sathy, P.C., Ray C. Schrock, Ross M. Kwasteniet, Henry Kleeman and Sally Jean Penna and (ii) counsel to the Committee, Lowenstein Sandler PC, 65 Livingston Avenue, Roseland, New Jersey 07068, Attn.: Kenneth A. Rosen, Sharon L. Levine, Sean E. Quigley and Stevens & Lee, P.C., 1105 N. Market Street, 7th Floor, Wilmington, Delaware 19801, Attn.: Joseph H. Huston, Jr. so that it is actually received no later than 4:00 p.m. (prevailing Eastern Time) on December 12, 2008. If a counterparty does not timely file and serve a Contract Objection that party will be deemed to have stipulated that the Cure Amount(s) as determined by the Debtors is correct, shall be forever barred, estopped and enjoined from asserting any additional cure amount under the Assigned Contract(s) and will be forever barred from objecting to the assignment of the Assigned Contract(s) to the Buyer or to the Buyer's adequate assurance of future performance. Where a counterparty to an Assigned Contract files a timely Contract Objection asserting a higher cure amount than the amount listed in the Cure Notice and the parties are unable to consensually resolve the dispute, the amount to be paid under section 365 of the Bankruptcy Code, if any, with respect to such objection will be determined at a hearing to be requested by the Debtors or by the objecting counterparty provided, however, that to the extent that any Contract Objection cannot be resolved by the Sale Hearing, such Assigned Contracts shall be assumed and assigned only upon satisfactory resolution of the Contract Objection, to be determined in Buyer's sole discretion, and until such time as the Contract Objection can be resolved, the Assigned Contract shall be conditionally assumed and assigned, pending a resolution of the Contract Objection (collectively, the "Pending Assigned Contracts"); provided further, however, that to the extent that the Contract Objection cannot be resolved within fourteen (14) days following the closing of the sale (or before December 29, 2008 in the case of leases of nonresidential real property), the Pending Assigned Contracts shall be rejected in their entirety.

PLEASE TAKE FURTHER NOTICE that in the event the Buyer is not the Successful Bidder at the Auction, on December 16, 2008, the Debtors will send notice to each counterparty to an Assigned Contract of the identity of the Successful Bidder. Any counterparty to an Assigned Contract that wishes to obtain adequate assurance information regarding the Successful Bidder (other than the Buyer) must notify the Debtors in writing, c/o Ross Kwasteniet, Kirkland & Ellis LLP, 200 East Randolph Drive, Chicago, Illinois 60601, on or before December 18, 2008 at 4:00 p.m. (prevailing Eastern time) (the "Request for Adequate Assurance"). The Request for Adequate Assurance must include an email and/or address to which a response to such information request can be sent.

PLEASE TAKE FURTHER NOTICE that if a counterparty to an Assigned Contract timely submits a Request for Adequate Assurance, the Debtors shall serve such party with any non-confidential information relating to adequate assurance of the Successful Bidder (other than the Buyer) received by the Debtors as provided in the Bidding Procedures by email and/or overnight delivery on or before December 18, 2008. Any counterparty that timely submits a Request for Adequate Assurance shall have until 4:00 p.m. (prevailing Eastern Time) on December 19, 2008 by which to file an objection to adequate assurance of future performance by the Successful Bidder (other than the Buyer). If the Buyer is not the Successful Bidder and if a counterparty to an Assigned Contract does not timely submit a Request for Adequate Assurance and does not timely object to the adequate assurance of the Successful Bidder's ability to perform on or before December 19, 2008, the Bankruptcy Court may enter an order forever barring such counterparty to an Assigned Contract from objecting to the adequate assurance of the Successful Bidder's ability to perform.

PLEASE TAKE FURTHER NOTICE that a hearing will be held to confirm the results of the Auction and approve the transactions contemplated in the Bid Procedures and Sale Motion to the Successful Bidder at the Auction (the "Sale Hearing") before the Honorable Kevin J. Carey, **on December 16, 2008 at 11:30 a.m. (prevailing Eastern time)**, or at such time thereafter as counsel may be heard. The Sale Hearing may be continued from time to time by the Bankruptcy Court or the Debtors without further notice other than such adjournment announced in open court or a notice of adjournment filed with the Bankruptcy Court and served on Notice Parties and the entities who have filed objections to the Bid Procedures and Sale Motion, without further notice to other parties in interest. **Objections, if any, to the sale of the Acquired Assets to the Successful Bidder must: (a) be in writing and filed with the Court no later than 4:00 p.m. (prevailing Eastern time) on December 15, 2008 and be served such that they are actually received by: (i) counsel for the Debtors, Kirkland & Ellis LLP, 200 East Randolph Drive, Chicago, Illinois 60601, Attn.: Anup Sathy, P.C., Ray C. Schrock, Ross M. Kwasteniet,**

Henry Kleeman and Sally Jean Penna; (ii) counsel to the agent for the Debtors' prepetition and postpetition secured lenders, Latham & Watkins LLP, Sears Tower, Suite 5800, 233 South Wacker Drive, Chicago, Illinois 60606, Attn.: J. Douglas Bacon, Esq. and Stephen R. Tetro II, Esq.; and (iii) counsel to the Committee, Lowenstein Sandler PC, 65 Livingston Avenue, Roseland, New Jersey 07068, Attn.: Kenneth A. Rosen, Sharon L. Levine, Sean E. Quigley and Stevens & Lee, P.C., 1105 N. Market Street, 7th Floor, Wilmington, Delaware 19801, Attn.: Joseph H. Huston, Jr. no later than 4:00 p.m. (prevailing Eastern time) on December 15, 2008 by 4:00 p.m. (prevailing Eastern time).

PLEASE TAKE FURTHER NOTICE that this Notice is subject to the full terms and conditions of the Bid Procedures and the Bid Procedures Order, which shall control in the event of any conflict with this Notice. The Debtors encourage parties in interest to review such documents in their entirety. A copy of the Bid Procedures and the Bid Procedures Order may be obtained (i) by contacting the Debtors' notice, and claims agent, Epiq Bankruptcy Solutions, LLC, (a) at its website at <http://chapter11.epiqsystems.com/hines>, (b) by writing to Hines Horticulture Claims Processing, c/o Epiq Bankruptcy Solutions, LLC, FDR Station, P.O. Box 5112, New York, New York 10150-5112, (c) by calling (888) 498-7763 or (d) by emailing hines@epiqsystems.com or (ii) for a fee via PACER at <http://www.deb.uscourts.gov/>.

Dated: December 10, 2008
Wilmington, Delaware

Hines Horticulture, Inc., et. al.