

EMPLOYEE

HANDBOOK

SEQUOIA HEALTHCARE DISTRICT

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ACKNOWLEDGEMENT OF RECEIPT OF EMPLOYEE HANDBOOK

WELCOME TO SEQUOIA HEALTHCARE DISTRICT!

It is our pleasure to welcome you to the Sequoia Healthcare District (“District”). Whether you have just joined us or have been with us for some time, we want you to know that we are proud to have you as part of the District.

We recognize that people are a great asset to every organization. Every individual’s personal effort contributes toward building a team of whom we can all be proud. Our attitudes and conduct toward our customers and vendors, as well as our internal staff, are essential to the success of the District.

We strongly encourage employee communication in the form of suggestions that will improve our organization. Because those who perform the jobs know the processes best, your ideas can bring to light opportunities for improvement which might otherwise be missed.

We hope you will be proud of your work at the District, and enthusiastically contribute to our goal to serve our constituents, our industry and our own staff with excellence and integrity. Our success depends upon hard work and a strong commitment to product quality and customer service. We look forward to working with you to maximize your contribution to our success.

Again, welcome. We are pleased to have you at the District.

Signed,

Lee Michelson
Chief Executive Officer

INTRODUCTION

About This Handbook

This handbook has been designed to provide you with information about Sequoia Healthcare District, what you can expect from us, and what we expect of you. You will find a summary of current policies and procedures that are important to your performance, success and growth, as you carry out your job responsibilities. If you have questions about any policy or procedure, please discuss them with our CEO.

Please take a moment to sign the Acknowledgment or Receipt located on the last page of this Handbook, and return it to the CEO immediately.

This edition of the handbook replaces all earlier documents outlining employment policies and benefits and takes precedence over all memoranda or oral description of the terms and conditions of your employment. Written employment contracts between the District and some individuals may supersede some provisions of this Handbook. Circumstances may require that information provided in this handbook change from time to time. Consequently the District reserves the right to amend, supplement or rescind any provision(s) of this handbook as it deems appropriate, at its sole and absolute discretion, in writing, with or without notice.

The District retains the exclusive right of interpretation and application of all handbook provisions. If the handbook refers to other documents concerning items such as insurance, benefits or other matters, the provisions of those documents control.

This handbook is the property of the District and is provided to each employee for personal information only. It may not be published or otherwise copied without written authorization of the District.

Please understand that the policies and procedures outlined in this handbook are informational. They are not intended to create or imply a contractual relationship.

The District is an at-will employer, which means you or the District, may choose to terminate employment for any or no reason. The specifics of at-will employment are discussed in greater detail in Section 2.05.

GENERAL POLICIES

1.01 Equal Employment Opportunity

It is the policy of the District that employment shall be based on merit, qualifications and abilities and that employment decisions shall be made without regard to race, color, age, gender (including pregnancy, child birth, or related medical conditions), sexual orientation, religion, creed, national origin, ancestry, legally protected medical condition including genetic characteristics, marital status, registered domestic partner status, family care status, veteran status, physical or mental disability or other factors protected by law. It also prohibits unlawful discrimination based on the perception that anyone has any of those characteristics, or is associated with a person who has or is perceived as having any of those characteristics. All such discrimination is unlawful. This policy governs all aspects of employment, including selection, job assignment, promotion, compensation, discipline, termination and access to benefits and training.

When necessary, the District also makes reasonable accommodations for pregnant employees, with the advice of their health care providers.

Any employee with questions or concerns about any type of discrimination or harassment in the workplace is encouraged to bring these issues to the attention of the District's CEO or the District's Board President. Please see section 1.04 of this handbook for the District's Prohibition of Harassment policy. Employees who in good faith raise concerns and make reports may do so without fear of retaliation. Anyone found to have engaged in any type of unlawful discrimination or other inappropriate conduct will be subject to disciplinary action, up to and including termination of employment.

1.02 Immigration Law Compliance

The District is committed to employing only United States citizens and non-citizens who are authorized to work in the United States, and does not unlawfully discriminate on the basis of citizenship or national origin.

In compliance with the Immigration Reform and Control Act of 1986, each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility. Former employees who are re-hired must also complete the form if they have not completed an I-9 with the District within the past three years, or if their previous I-9 is no longer retained or valid. Employees who are found to have falsified these documents may be terminated.

1.03 Prohibition of Harassment and Other Inappropriate Conduct

The District fully supports the laws prohibiting workplace harassment, including harassment because of gender, pregnancy, childbirth, or related medical conditions, as well as harassment based on factors such as race, color, creed, national origin, ancestry, age, physical disability, mental disability, medical condition, marital status, registered domestic partner status, sexual orientation, family care or medical leave status, veteran status, or any other basis protected by federal, state or local laws. We are committed to maintaining a workplace free of unlawful harassment and other inappropriate conduct.

Prohibited unlawful harassment includes, but is not limited to, the following behavior:

- Verbal conduct such as epithets, derogatory jokes or comments, slurs or unwanted sexual advances, invitations or comments;
- Visual displays such as derogatory and/or sexually-oriented posters, photography, cartoons, drawings or gestures;
- Physical conduct including assault, unwanted touching, intentionally blocking normal movement, or with work because of sex, race or any other protected basis;
- Threats and demands to sexual requests as a condition of continued employment, or to avoid some other loss and offers of employment benefits in return for sexual favors; and
- Retaliation for reporting or threatening to report harassment.

If you believe that you have been unlawfully harassed, bring your complaint to the CEO or Board President as soon as possible after the incident. You will be asked to provide details of the incident or incidents, names of individuals involved and names of any witnesses. It would be best to communicate your complaint in writing, but this is not mandatory. The District will immediately undertake an effective, thorough and objective investigation of the harassment allegations.

If the Company determines that unlawful harassment has occurred, effective remedial action will be taken in accordance with the circumstances involved. Any employee determined by the Company to be responsible for unlawful harassment will be subject to appropriate disciplinary action, up to, and including termination. A Company representative will advise all parties concerned of the results of the investigation. The Company will not retaliate against you for filing a complaint and will not tolerate or permit retaliation by management, employees or co-workers.

The Company encourages all employees to report any incidents of harassment forbidden by this policy **immediately** so that complaints can be quickly and fairly resolved. You also should be aware that the Federal Equal Employment Opportunity Commission and the California Department of Fair Employment and Housing investigate and prosecute complaints of prohibited harassment in employment. If you think you have been harassed or that you have been retaliated against for resisting or complaining, you may file a complaint with the appropriate agency. The nearest office is listed in the telephone or available on the internet.

1.04 Violence in the Workplace

The District recognizes that workplace violence may be a concern among employees. The District is therefore committed to providing a safe, violence-free workplace. In this regard, the District strictly prohibits employees, consultants, customers, visitors, or anyone else on the District's premises or engaging in a District-related activity from behaving in a violent or threatening manner. Moreover, the District seeks to prevent workplace violence before it begins and reserves the right to deal with behavior that suggests a propensity towards violence prior to any violent behavior occurring.

Any employee must report any concerns to their immediate supervisor and/or the CEO. An immediate and thorough investigation will be conducted. The District will not retaliate against employees who report workplace violence or potential workplace violence. The District will take corrective action if it determines that workplace violence occurred.

EMPLOYMENT

2.01 Employee Relations

The District believes that employees want to work for an organization that is committed to providing an environment where they can enjoy and be proud of the work they do, where they can contribute to a common good, and where they are encouraged to apply their talents and energy. To this end, we strive to provide an environment that is characterized by mutual respect and open communication. Employees are encouraged to bring suggestions and concerns for improvement to the CEO's attention. The CEO will address your concerns and suggestions in a timely manner. Should you feel that this is not occurring, you can contact the District's Board President for assistance.

The District believes that the working conditions, wages and benefits offered to its employees are competitive with those offered by other similar employers in this area. If employees have concerns about work conditions or compensation, they are encouraged to voice these concerns openly and directly to the CEO. You may be asked to put your concerns in writing.

Our experience has shown that when employees deal openly and directly with management the work environment is excellent, communications are clear, and attitudes are positive. We believe that the District demonstrates its commitment to employees by responding effectively to employee concerns.

We will make every effort to recognize and resolve any causes of employees' concerns to the mutual satisfaction of the parties involved. You should recognize that not every problem can be resolved to your satisfaction. However, the District values your input and you should feel free to raise issues of concern, in good faith, without fear of retaliation.

The District hires individuals who demonstrate job-related education, experience, aptitude and character. All decisions regarding recruitment, selection and placement of employees are made solely on the basis of job-related criteria. Each applicant is evaluated objectively, and hiring decisions are made on the basis of requirements for the job and the qualifications of the applicant.

In no event shall the hiring of an individual be construed as creating a contractual relationship with the District nor shall the hiring of an individual be construed to change or contradict the at-will nature of the employment relationship. This at-will employment relationship is further explained in section 2.05 of this handbook.

The CEO will schedule an orientation for you shortly after your first day of work.

2.02 Hiring Procedures

The District may post available positions in-house at the sole discretion of the CEO. It may, in its sole discretion, recruit using other sources. Our goal is to hire individuals who most closely meet the needs of the District.

2.03 Employment of Relatives

Due to the size, closeness of the working conditions and job interdependence the District discourages the employment of relatives as they could easily affect interpersonal and/or morale within the office. The approval of the CEO is required prior to consideration of the employment

of a relative. For purposes of this regulation relative shall mean parents, children, spouse, brothers, sisters, in-laws and step-relationships of the same level.

Present employees who marry or who become related by marriage will be permitted to continue employment with the District only if such continued employment will not adversely affect supervision, safety, security, or morale within the District, and provided that there is no conflict of interest in such continued employment.

2.04 Introductory Period

The first ninety (90) days of your employment is considered a "get acquainted" or introductory period. This period allows new employees ample time to learn the duties of the job, and decide if they wish to join the staff. It also gives the supervisor an opportunity to determine whether a new employee has the ability to perform the job assigned. Employees' work habits, attitude and attendance record will be reviewed, discussed and documented. Individuals who remain employed with the District after the introductory period may become entitled to certain benefits such as health insurance consistent with other employees of similar status. Employment past the first ninety (90) is still considered terminable at-will by either the employee or by the District. The District reserves the right to extend the introductory period.

2.05 Employment is Terminable At-Will

You are free to terminate your employment with the District at any time, with or without notice and with or without a reason, and the District may choose to terminate your employment at any time, with or without notice and with or without reason. Although the District may choose to terminate employment for cause, cause is not required. This employment relationship is called "at-will" employment. No one other than the CEO has authority to enter into any agreement for employment for any specified period of time and any such agreement must be in writing and signed by the CEO.

The District's policy of at-will employment can be changed only in a writing signed by the CEO of the District.

No implied contract concerning any employment-related decision or term or condition of employment can be established by any other statement, conduct, policy or practice.

2.06 Service Date and Continuous Services

For purposes of continuous employment service eligibility, an employee's Service Date is defined as the first day on the job in the employee's current period of continuous employment.

Continuous employment service date is forfeited whenever:

- There is voluntary or involuntary employment separation, or
- An employee fails to return from or comply with the conditions of a leave of absence.

2.07 Layoff and Demotion

Where reductions or changes in production and/or operations result in the layoff or demotion of employees, the District will provide advance notice as soon as practical and in compliance with all applicable laws. Decisions on assignments and/or layoffs will be determined by the District, giving consideration to operating requirements, productivity, present skills and abilities, past performance and, where practical, the employee's length of service with the District.

EMPLOYMENT STATUS AND RECORDS

3.01 Employee Categories

It is the intent of the District to define employee categories so that employees understand their employment status and benefit eligibility. Employee categories do not guarantee employment for any specified period of time.

Each employee is designated as either exempt or non-exempt under federal and state wage and hour laws. An employee's designation as exempt or non-exempt may be changed only upon written notification by the District.

Exempt employees (including employees in administrative, executive and professional capacities) are paid on a salary basis and do not receive overtime pay. Exempt employees generally work at least forty (40) hours per workweek and are therefore usually eligible for the District benefit package, subject to the terms, conditions and limitations of each benefit program.

Non-exempt employees are entitled to overtime pay under the specific provisions of federal and state laws.

Each employee is assigned to one of the following categories:

- Regular Full-Time: Employees who work forty (40) hours per workweek on a regularly scheduled basis are considered regular full-time employees. Full-time employees are eligible for the District's benefit package, subject to the terms, conditions and limitations of each benefit program. They are covered by statutory benefits required by state or federal law and leaves of absence in accordance with current District policies.
- Regular Part-Time: Employees who work a regular schedule of less than forty (40) hours but more than twenty (20) hours or more per week on a continuing basis are considered regular part-time employees. Part-time employees are eligible for the District's benefit package, subject to the terms, conditions and limitations of each benefit program. They are covered by statutory benefits and leaves of absence required by state or federal law.
- Short-Hour: Employees who work a regular schedule of less than twenty (20) hours per week on a continuing basis are considered short-hour employees.

Eligibility for most benefits require successful completion of the Introductory Period.

3.02 Personnel Records

It is an employee's responsibility to notify the office of the District when any of the following changes are made:

- Home address or telephone number.
- Legal name.
- The name and address of the person to notify in case of emergency.
- Marital status and number of dependents.

This information is handled in a confidential manner. To change this information you must complete a Change Form available from the CEO.

Your right to privacy is respected and taken into consideration with regard to all facets of employment information. The District adopts the following principles in order to protect employee confidentiality:

All necessary personal information will be obtained from the employee, except information obtained from references.

The District will maintain a personnel file for each employee containing only job-related information appropriate to employment.

The file includes:

- Employment applications, resumes, reference checklists, tests specific to position, and similar documents;
- Performance appraisals;
- Letters of recognition, certificates, license verifications, and statements of course study completion;
- Other employment related documents.

Access to employee files is strictly limited to:

- CEO, a Board member with the need to know and the employee;
- Subpoena, court order, or order from a governmental agency;
- Additional information (such as salary in the case of a request from a lender) if you give us a written release allowing us to provide the information.

As required by California law, we will notify you if we receive a subpoena for your employment records.

The contents of your personnel file, with the exception of letters of reference and certain other limited information, are available for your inspection at reasonable intervals upon your request. You do not have the right to copy your entire personnel record. However, you do have the right to copy any document you have signed relating to obtaining or holding employment. You may also take notes about the entire contents of the file.

In addition, upon reasonable request, you also have the right to inspect and copy certain District payroll records regarding your compensation and deductions. Please note that if the District receives any medical information concerning you this will be kept in a file separate from your personnel file, and access to its contents will be strictly limited to those with a valid need to know. Any files related to employee financial matters such as wage assignments, garnishments, credit inquiries will be kept separately and only be accessible to payroll administrators and strictly limited to those with a valid need to know.

If you wish to review your Personnel File, please contact the CEO.

3.03 Employment References

All telephone calls requesting personal reference information regarding prior employees must be directed to the CEO. Unless specifically authorized, the information disclosed in response to outside inquiries concerning employment status is limited to dates of employment, current/final job title and verification of salary (when quoted from an employee's statement). Current or former employees who request the disclosure of additional information must sign a written waiver of liability.

3.04 Accuracy of Information

The District relies upon the accuracy of information contained in the employment application, as well as the accuracy of other data presented throughout the hiring process and employment. Any misrepresentations, falsifications, or material omissions in any of this information or data may result in exclusion of the individual from further consideration for employment, or if the person has been hired, termination of employment.

YOUR PAYCHECK

4.01 Pay Periods

Employees are paid on a bi-weekly basis and there are 26 pay periods per year. When the pay date falls on a holiday, the paychecks will be distributed the last scheduled business day preceding the holiday.

In order to allow for the processing of the payroll, hours are reported prior to the end of the pay period. Any adjustments to an employee's regular hours of overtime will be processed on the following pay period.

An employee may make arrangements for distribution of a paycheck that occurs during an employee's vacation, provided the written request by the employee is submitted to the CEO at least three (3) working days in advance of the commencement of the Employee's vacation.

Errors in pay must be reported promptly to the CEO.

Please notify the District immediately if your paycheck is lost or stolen.

4.02 Regular Work Hours

Our workweek runs seven (7) consecutive days, starting Monday at 12:01 a.m. Our workday starts at 12:01 a.m. each day.

Employees may also be scheduled for less than a full schedule of days per week, hours per day, or for non-consecutive days. The District does not guarantee full employment or retention of assigned schedules.

4.03 Overtime

The nature of our business requires occasional overtime work. Every effort will be made to provide you with advance notice of any overtime that will be required of you. All overtime work for non-exempt employees must be approved in writing by the CEO before the workday is extended. In the event that overtime is necessary, non-exempt employees will be compensated as required by applicable law. An employee who works unauthorized overtime may be subject to disciplinary action.

Non-exempt employees are eligible for one and one-half (1-1/2) times the employee's regular rate of pay for all hours worked in excess of eight (8) hours up to and including twelve (12) hours in any workday, all hours worked in excess of forty (40) hours in any one workweek, and for the first eight (8) hours worked on the seventh (7th) day of work. Non-exempt employees are eligible for double their regular rate of pay for all hours worked in excess of twelve (12) hours in any workday and for all hours worked in excess of eight (8) hours on the seventh (7th) day of work in any workweek.

Paid time off for any reason, such as holidays or vacation, will not be considered as hours worked for the purpose of computing overtime pay.

4.04 Meal Periods/Rest Periods

Non-exempt employees are required by law to take an unpaid one-half (1/2) hour meal period no later than five (5) hours after the start of the workday. The meal period may not be taken at the beginning or end of the workday. All employees must take unpaid lunch period of no less than thirty minutes and no more than one hour between 12:00 and 1:30 p.m.

Non-exempt employees are also required to take a paid ten (10) minute break in the middle of each four (4) hour work period. Breaks must be scheduled with the Supervisor and may not be taken at the beginning or end of the workday.

4.05 Deductions

By law, required deductions must be made in each pay period for federal and state income taxes, FICA (Social Security and Medicare), state disability and legal garnishments. The amount withheld varies according to your wage, marital status and the number of exemptions you claim.

4.06 Advance Pay

The District's fiscal policy makes no provision for advances of pay to any employee.

4.07 Compensation

The compensation policy at the District is designed to accomplish the following goals:

- To fairly and accurately compensate employees for hours worked.
- To attract and retain qualified and competent employees and compensate them without regard to race, color, religion, national origin, sex, sexual orientation, age, physical or mental disability, veteran status, or any other legally protected characteristic.

4.08 Change of Employment Status and Job Duties

The District reserves the right to change or discontinue an employee's employment status and/or job classification, title, job description, responsibilities, and applicable benefits, privileges and conditions of employment.

4.09 Special Guarantees – Non-Exempt Employees

If a non-exempt employee is called back to work after having left the District premises and after working a regular workday schedule, then that employee is guaranteed a minimum of two (2) hours pay at the applicable rate of pay for working as assigned.

BENEFITS

While it is objective of the District to provide a benefit package that is competitive and protects employees and their families, the following benefits are subject to change at the sole discretion of the District.

5.01 Paid Time Off

The District's policy is to provide Paid Time Off (PTO). The program was established to provide employees a greater degree of flexibility in the use of time. Full-Time and Part-Time employees are eligible to participate in the PTO program. Part-Time employees will accrue PTO on a pro-rated basis, based on their regularly scheduled hours. The PTO schedule is set forth below is subject to change at the District's discretion, with or without notice.

PTO hours will accrue bi-weekly pay period schedule is as follows:

0-4 years	6.45 hours per pay period
5-9 years	7.99 hours per pay period
10+ years	9.53 hours per pay period

Employees are encouraged to take their earned PTO in a timely fashion, as the District feels employees need time away from the job for rest and relaxation. No PTO is accrued after the maximum annual allowable hours of three hundred twenty (320). Therefore, the employee who reaches the maximum annual accrual does not earn any future PTO accrual until a portion of the balance is used. The maximum consecutive hours of PTO an employee may request is one hundred sixty (160).

5.02 PTO Guidelines

An employee must submit their request for PTO to the CEO for approval. Every effort will be made to grant employees their request, in the event two requests are received at the same time, vacation will be granted in seniority order. The rate of vacation pay is the regular straight-time pay rate. *Vacation must be taken in a minimum of one (1) hour increments.*

Vacation is paid at your base rate of pay, exclusive of overtime or bonus. In the event that a payday falls during your vacation period, you may request an advance paycheck at least three (3) working days in advance of the commencement of your vacation and in writing signed by the employee.

A paid holiday, which falls during your vacation, will be paid as a holiday.

Vacation is not earned or accrued during an unpaid leave of absence, unless otherwise required by law. The District does not provide pay in lieu of vacation, except upon termination of employment.

5.03 Extended Sick Leave

As part of the District's welfare benefits for employee's, after completion of the Introductory Period, the District compensates Full-Time and Part-Time employees with time-off as a result of

illness. Part-Time employees will accrue sick leave on a pro-rated basis, based on their regularly scheduled hours. Sick leave benefits are intended to provide income protection in the event of an actual illness, injury or for you to receive medical care, treatment or diagnosis.

Employees will be eligible for Extended Sick Leave (ESL) to cover personal illnesses exceeding three (3) consecutive workdays. Employees will accrue 1.85 ESL hours per pay period. No ESL is accrued after the maximum annual allowable hours of one hundred twenty (120) hours. Therefore, the employee who reaches the maximum annual accrual does not earn any future ESL accrual until a portion of the balance is used.

Because paid sick leave benefits are intended to provide income protection in the event of an actual illness or injury, unused paid sick leave benefits cannot be used for any other paid or unpaid absence and no compensation for accumulated sick leave will be paid at the time of termination of employment or retirement.

The District may require the certification of a physician from employees on a sick leave of three (3) consecutive days or more. However, if there is reason to suspect abuse of the sick leave benefit, the District reserves the right to request proof of illness at any time.

5.04 Holidays

The District provides paid holidays for regular Full-Time and Part-Time employees who have completed their Introductory Period. Part-Time employee's holiday pay will be pro-rated based on their regularly scheduled hours.

The holiday schedule is determined and posted each year, but generally includes:

- New Year's Day
- Martin Luther King Day
- Presidents' Day
- Memorial Day
- Independence Day
- Labor Day
- Veterans Day
- Thanksgiving Day
- Day after Thanksgiving Day
- Christmas Eve Day
- Christmas Day
- One Floating Holiday

Holidays occurring on Saturday are observed on the preceding Friday, and those occurring on Sunday are observed on the following Monday.

5.05 Medical Insurance

Medical insurance is provided for regular Full-Time and Part Time employees and their dependents up to a maximum of One Thousand Two Hundred Dollars (\$1,200.00) per month.

More detailed information is set forth in the official plan documents and insurance policies that govern the plans. The various benefits set forth in this handbook are explained in more detail in separate documentation pertaining to each category or type of benefit.

Participation in the medical insurance program begins on the first day of the month following a successfully completed Introductory Period which usually is 90-days long. An employee must be actively at work in order to begin participation. Otherwise, an employee's insurance will begin on the date he or she returns to work (providing the above service requirement has been met).

It is required that an employee notify the CEO immediately of any changes in family status due to marriage, divorce, acquiring a new dependent or when a child is no longer an eligible dependent due to attainment of the maximum age, loss of college student qualification or marriage.

Should an employee lose his or her eligibility for the medical insurance plan (due to reduction of hours, termination, etc.) an employee may have the right to continue coverage for a temporary period of time on a self-pay basis. The Consolidated Omnibus Budget Reconciliation Act ("Cal-COBRA") requires this continuation option for employer-sponsored group insurance plans.

Additionally, this continuation may be available to covered dependents that lose eligibility due to divorce or attaining maximum age (children). It is the Company's responsibility to notify your dependents of the availability of continued coverage; however, in order for us to do this, it is your responsibility to notify us of any change of status.

Continuance of medical insurance coverage is also available through a conversion policy. This conversion can be elected either at the time you terminate and do not elect Cal-COBRA continuation or at the end of your Cal-COBRA continuation of benefits.

Employees who opt out of health care coverage will receive Four Hundred Dollars (\$400.00) per month remuneration.

5.06 Educational Reimbursement

The District will reimburse employees for tuition and registration fees for preapproved seminars and programs related to the employee's responsibility. Approval for attendance must be approved by the CEO. Full time employees will be allowed up to three (3) days off with pay for professional education. Part time employees shall receive pro-rated leave based on the number of hours worked in relation to full-time hours.

5.07 State Disability

The District is a participant in the disability plan offered by the State of California. The purpose of the SDI program is to partially compensate you for wages lost if you are unable to work due to illness or injury not caused while working. The amount of your weekly benefit is determined by your wages. All employees, except contract employees, participate in this program through a payroll deduction.

In order to receive SDI benefits, your disability must last at least eight days and you must file a timely claim. Forms and information are available from your local State Disability office or your

doctor. In the event a benefit eligible employee qualifies for SDI, the District will coordinate their SDI benefit with any accrued sick leave.

5.08 Retirement 401(k)

The District offers employees who have successfully completed their Introductory Period eligibility to participate in a 401(k) retirement program. This gives an employee with the opportunity to build up additional and substantial saving intended for use after retirement. It is a voluntary program and tax smart. You defer state and federal income taxes on the money you put away for your future.

The District will match three percent (3%) of your contribution and one half (½) of your contribution up to four percent (4%).

5.09 Social Security Retirement Benefit

Social Security also provides a monthly lifetime benefit when you retire. The amount of this benefit is based on an employee's earnings over their working career and the number of years an employee is covered by Social Security. The employee and the District pay equal amounts of taxes while you're working here.

5.10 Health Club Membership

The health of our employees is of concern, the District will allow reimbursement for gym membership up to Forty Dollars (\$40.00) per month upon receipt of proof of enrollment in a health club.

5.11 Workers' Compensation

The District provides Workers' Compensation Insurance for all employees. This insurance provides an employee with medical care and cash compensation in the event of injury or disease resulting from employment.

If an Employee is injured while working, the Employee is responsible for reporting the injury to his or her supervisor immediately, regardless of how minor the injury might be.

If an employee is unable to work due to a work related illness or injury the employee may be entitled to temporary Workers' Compensation disability benefits after a three (3) day waiting period. An employee may use any accrued sick time or PTO during the waiting period. Subsequent to the waiting period, you may be able to coordinate your workers compensation benefits with your sick and vacation accrued time.

In the event you exhaust your sick leave accruals, you will be placed on a Workers' Compensation leave of absence. If your Workers' Compensation leave of absence exceeds 30 days, you may continue your health insurance through Cal-COBRA.

LEAVE OF ABSENCE

6.01 Pregnancy Disability Leave

Pregnancy Disability Leave (PDL) is available for employees who are disabled due to pregnancy or related medical conditions. PDL can also be used for prenatal care and prenatal complications.

Employees may take up to four (4) months of PDL per pregnancy. Medical certification is required, and the actual length of time for PDL will depend on the medical necessity for the leave.

Pregnancy disability is also considered a “serious health condition” so that, for employees who are eligible for Medical Leave, health insurance will continue under pre-leave conditions for up to a combined total of twelve (12) workweeks per calendar year. For lengthier leaves and for employees who are ineligible for Medical Leave, health insurance can be continued at the employee’s expense under COBRA for the employee and covered dependents.

PDL is unpaid, except that employees must use any accrued Sick Leave and may use any accrued vacation while on leave.

6.02 General Leave of Absence

The District recognizes that circumstances may occur which may require an employee to request a leave of absence.

Unpaid time off may be granted to full-time employees who have been employed for at least one continuous year. Approval of a request for a leave of absence will be at the discretion of the District.

If your leave is not for emergency reasons, you must make a request in writing and receive approval from the CEO at least 20 days prior to the onset of the leave.

Leaves may be granted up to six (6) weeks, at the sole discretion of the District, based upon information provided by the employee. Leaves of more than six (6) consecutive weeks must be approved by the CEO of the District.

Conditions of a leave are included on the District “Extended Absence Form” that must be signed by the employee. Failure to meet the conditions of the leave may result in immediate termination.

To the extent feasible, we will attempt to place you in your former position, or in an available position for which you are qualified; however, no promise of continued employment can be made.

The District may require that an employee utilize accrued vacation and, if appropriate, sick pay during the leave, but not for the purpose of extending the approved leave of absence beyond the term approved.

In the event your Leave of Absence is in excess of thirty (30) days you will be required to continue your health insurance through Cal-COBRA. If Cal-COBRA coverage is elected, you will be responsible for paying the premiums. Prior to beginning an approved leave of absence, you should contact the District to determine your options for continued medical coverage, if you were enrolled in the plan. In the event you do not elect to continue coverage through Cal-COBRA you

will be entitled to re-enroll in your health and dental plan the first of the month following your return from you leave of absence.

Time off on an approved leave of absence will not count as time worked for the purpose of vacation or sick leave accrual. Holidays that fall during a leave of absence will be unpaid.

6.03 Bereavement Leave

Regular full-time employees are eligible for five (5) paid days bereavement leave for the death of a spouse, domestic partner, parent, child, brother, sister or relation of spouse or domestic partner of the same status. If you are not a regular full-time employee, you may take up to three (3) days off without pay to attend the funeral of a spouse, domestic partner, parent, child, brother, or sister or relation of spouse or domestic partner of the same status.

6.04 Jury Duty and Subpoenaed Witness Appearance

Regular full-time employees are eligible for five (5) days paid jury duty/subpoenaed witness appearance pay. Any pay received from the jury duty pay must be coordinated with accrued PTO.

6.05 KinCare Leave

Employees are allowed to take up to half (½) of their accrued PTO/ESL in any year, for the care of a sick family member. Eligible family members include child, parent, spouse domestic partner or the domestic partner's child.

For purposes of kin care use, a "child" is defined as a biological, foster, or adopted child; stepchild; or a legal ward. A "child" also may be someone for whom an employee has accepted the duties and responsibilities of raising, even if he or she is not the employee's legal child.

A "parent" is an employee's biological, foster, or adoptive parent; stepparent; or legal guardian.

A "spouse" is your legal spouse according to the laws of California.

A "domestic partner" is another adult of the same sex with whom an employee has chosen to share his or her life in an intimate and committed relationship of mutual caring, and with whom the employee has filed a Declaration of Domestic Partnership with the Secretary of State.

A "domestic partner's child" is the biological, foster or adopted child, stepchild, or legal ward of an employee's domestic partner. A "domestic partner's child" also may be someone for whom an employee's domestic partner has accepted the duties and responsibilities of raising, even if he or she is not an employee's domestic partner's legal child.

6.05 Domestic Violence Leave

If an employee is a victim of domestic violence they are entitled to take time off to seek medical attention, obtain services from an agency, obtain psychological counseling and participate in a program to increase safety from future domestic violence, including temporary or permanent relocation. Employees will be required to utilize available vacation to attend the activity. In the event and employee does not have accrued vacation available the time off will be without pay.

6.07 Other Legally Required Leaves of Absence

Employees will be granted a leave of absence as required by law for the purpose of fulfilling any required legal or military obligation (e.g., jury duty, appearance as a witness in a legal proceeding, military reserve duty, volunteers in the National Disaster Medical System or performance of emergency duty by a volunteer fire fighter. Employees are required to provide reasonable advance notice of any need for such leave and are expected to return to work each day or portion of the day that they are not selected for jury duty or called as a witness. For non-exempt employees, this leave will be unpaid. For exempt employees, salary will continue provided the employee has performed District work during the workweek. For exempt employees, any salary paid during leave will be offset by amounts received as jury or witness fees or as military pay, and no salary will be paid for workweeks in which no District work is performed, in accordance with law. Employees who do not have sufficient time outside their regular business hours to vote in a statewide election may request time off to vote. Employees must make their request at least (2) days in advance of the election. Up to two (2) hours of paid time off will be provided, at the beginning or end of the employee's regular shift, whichever will allow the freest time for voting.

GENERAL INFORMATION

7.01 Job Description

The responsibilities of staff positions are described in the job description. Although each job is basically separate from others, all employees are expected to be mutually cooperative and to share responsibilities as needed to improve the work performance of the District. The District may require an employee to perform work normally allocated to another employee where, in the District's best business judgment, this arrangement is necessary for efficient operations at the office. Each employee shall resume his/her regular responsibilities as soon as it is feasible.

7.02 Smoking

Various laws restrict smoking in the workplace. It is the District's policy that smoking is prohibited inside the perimeter of any District structure and further restricted as follows:

Smoking on District property is permitted only outside of all structures in designated areas away from entrances during off-duty time before or after work, or during breaks and meal periods. Smoking in District vehicles off our property is permitted only when non-smoking employees are not present.

7.03 Attendance

Your regular attendance and punctuality are extremely important to the success of the District. It is also a factor that will be considered during performance evaluations and may affect continued employment. Violation of the attendance and punctuality policy will result in disciplinary action, up to and including immediate termination.

Absenteeism and tardiness put a strain on the District's operation and create an unfair burden on other employees.

The District monitors and records each employee's attendance in a fair and consistent manner. Employees are required to notify the District well in advance when they are unable to report for work as scheduled.

In compliance with federal and state laws, all non-exempt employees must accurately record their hours worked daily. If for any reason you are unable to report to work as scheduled, it is your responsibility to notify the office no later than sixty (60) minutes prior to your scheduled starting time. In the event the office is not yet open you will be expected to leave a message in the office message line at (650) 421-2155. Any employee retrieving messages from the office message line concerning an employee's absence should forward the messages to the CEO and notify fellow employees. Asking a friend, relative or another employee to call for you is not an acceptable alternative, unless you are incapable of communicating directly. In the event you anticipate that you will be absent more than one (1) day you should leave a message for the CEO prior to 5:00 PM.

If your absence continues for more than one day, it is important to keep the CEO informed daily so that arrangements can be made to handle your work while you are absent.

Please notify the CEO of any planned absence (scheduled appointments) as soon as you are aware of the need for being off work. You should make every effort to schedule your appointments (medical or personal) outside your normal working hours.

Absences due to illness or injury in excess of three (3) days may require certification from your physician or medical provider. The District reserves the right to request medical certification for less than three (3) days or at any time it deems appropriate.

7.04 Tardiness

An essential obligation of every employee is to be ready for work at the scheduled starting time. This includes returning from meal periods and breaks. If an employee expects to be late in arriving at the office, they must contact the office as soon as possible. If it is not within normal business hours you should leave a message in the General Mail Box indicating your anticipated time of arrival. While everyone on rare occasions may be late, routine tardiness is not acceptable and is grounds for disciplinary action up to and including termination. Any early departure must be scheduled in advance with the CEO.

7.05 Expense Reimbursement

This policy establishes standards for Sequoia Healthcare District (“District”) Employees who incur expenses during the course of business activities on behalf of or at the request of District. The purpose of this policy is to provide uniform standards for those employees who incur, authorize and approve business travel, out-of-pocket and entertainment expenses. The policy also defines the documentation necessary to support reimbursement for business travel, out-of-pocket and entertainment expenses.

Employees will be reimbursed for mileage at the rate allowed by the Internal Revenue Service. Meals will be reimbursed upon presentation of valid receipts. Personal cell phones used in the course of District business upon presentation of a valid invoice will be reimbursed up to \$75/month.

Employees are to exercise good judgment in incurring business travel and entertainment expenses. Reimbursement will be made for authorized business expenses that are reasonable, necessary and appropriately documented.

A. Business Travel Expenses

Business travel expenses are reasonable and necessary expenses that an employee incurs while traveling away from home on District business or related activities approved by District. This Section A applies to basic expenses associated with travel on District business. Section B contains separate requirements related to business entertainment expenses.

1) Hotel Accommodations - Employees should use hotels that balance the needs for convenience, safety, and lower cost. Employees may not stay at luxury hotels such as Ritz Carlton, Four Seasons or utilize similarly expensive lodging unless it is a designated conference hotel. Employees will not be reimbursed for bottled water, in-room movies or mini-bar expenses.

2) Airfare - Employees must travel coach/economy class at the most economical rate available to reasonably accommodate business schedules.

Use of the long-term parking lots and/or off airport parking is encouraged to reduce overall travel costs.

3) Mileage/Ground Transportation - When it is more practical to use a personal automobile when traveling on business, reimbursement will be made at the currently established IRS rate per mile for the actual miles necessary to conduct the relevant business.

Other ground transportation (e.g. taxi, bus, subway, rail, etc.) will be reimbursed if it relates to District business.

Other costs associated with ground transportation such as parking and bridge tolls will be reimbursed.

4) Rental Cars - Luxury and premium cars are not reimbursable.

5) Meals - District will reimburse reasonable meal expenses incurred by employees traveling out-of-town on District business. Such meals should not exceed \$15 for breakfast, \$25 for lunch and \$35 for dinner.

District will not reimburse meal expenses for an employee's spouse.

6) Telephone Calls/Faxes/Mail Service While Traveling - Necessary business related telephone calls, faxes or mail service and business use of personal cell phone, home phone or faxes will be reimbursed with appropriate documentation.

Personal calls while traveling, such as reasonable calls to home, family members, baby sitters, etc., are allowable business expenses.

7) Spouse Travel - No reimbursement is allowed for travel expenses, (including, but not limited to, airfare, hotel, meals, transportation, tips, etc.) paid or incurred by an employee with respect to a spouse, dependent or other individual accompanying an employee on a business trip.

B. Business Entertainment Expenses (including meals and gifts)

Business entertainment expenses are those expenses incurred by the employee while (i) conducting/discussing District business and (ii) meeting with other District employees (including subordinates) and/or other persons who directly (or through another entity) do business with or support District.

1) Business Meals - Business entertainment and meal expenses must be reasonable and appropriate taking into consideration the location of the meal/event, the participants, the nature of the event, and other relevant factors.

District will only reimburse meal expenses involving District-only participants when a significant amount of the discussion/purpose of the meal is business related – whether the meeting takes place in a restaurant or the office.

Employees are reminded that they represent the District while on company business and that alcohol use, if any, must be responsible and in conjunction with a meal.

2) Business Gifts - Modest business gifts to non-employees (including board members and sponsors) will be reimbursed with the approval of the District's CEO or Board President and appropriate documentation.

3) Gifts to Employees - Generally, District will not reimburse an employee for gifts (including flowers) to subordinates, peers, or supervisors, including events such as a birthday, holiday (e.g., Christmas), wedding, special days (i.e., secretary day), birth of child or other life event.

With the CEO's or Board President prior approval, an employee may expense a gift to a District employee or board member for exceptional performance, as a thank you for a special effort, as a going away gift, or as an acknowledgement for completing a degree or training program. In addition, an employee may expense flowers or another appropriate and reasonable gift sent to a subordinate, peer, supervisor, or board member in the event of the death of an employee or immediate family member, the hospitalization of the employee or employee family member or other family crisis.

C. Expense Reporting and Documentation Requirements for the Paper Process

Expense reports must be completed in accordance with the requirements of this policy.

1) Expense Reporting Signature and Approvals - Expense reports must be signed by the employee and approved by the employee's supervisor or the Board President. By signing the expense reports, employees and the individual approving reports are representing and confirming that the expense report complies with these standards.

2) Forms to be Used - Employees must use the current District expense report form(s) for reimbursement of out-of-pocket expenses, the current District mileage and associated reimbursement form for reimbursement of mileage.

3) Attachments to Forms - When preparing expense reports, receipts should be attached.

4) Substantiation of Expenses - Generally, a receipt should be provided in support of out of pocket expense items. Exceptions to this general requirement include bridge tolls, highway tolls, modest bus or subway fares, and tips to baggage handlers in hotels, airports. A receipt should accompany all District credit card purchases.

7.06 Use of District Property

The use of District equipment and facilities for non-District uses is not permitted unless prior approval is received from the CEO of the District. Employees who utilize the District's equipment and facilities without proper authorization may be subject to disciplinary action.

Machinery, tools, desks, phones, fax and copy equipment, computers, records in all formats and similar property provided by the District for the performance of job duties should be maintained and kept clean and are to be used only for work-related purposes. No such property may be

removed from the premises without prior authorization. The District reserves the right by way of inspection with or without notice to insure compliance with this and other policies relating to employee conduct and work regulations.

Computers and software and all other electronic devices and systems are to be used only for District business purposes. The District reserves the right to monitor and inspect all employee use of such devices including email communications for compliance with this rule with or without notice to any employee involved.

Employees are not authorized to establish security codes on computer or electronic transmission devices. All codes are issued by and are the property of the District and may be changed or overridden at any time by the District.

Computers and software and all other electronic devices and systems are to be used only for District business purposes. The District reserves the right to monitor and inspect all employee use of such devices including communications for compliance with this rule with or without noticed to any employee involved.

The District also requires employees to use e-mail in a way that respects the confidential and proprietary information of others. Employees are prohibited from copying, downloading or distributing copyrighted material on District equipment. Employees should consult CEO and the systems administrator before emailing highly sensitive or confidential information.

The District strongly discourages the storage of a large number of e-mail messages, picture files and music files. Retention of messages, pictures and music takes up a large amount of space on the server and can slow down system performance. In addition, because email messages can contain confidential information, it is desirable to limit the number, distribution, and availability of such messages. Employees must comply with the District instructions concerning storage limits.

The District reserves the right to access an employee's voicemail (outgoing and incoming) and e-mail messages, as well as all information stored on computers at any time. Therefore, an employee's outgoing voicemail message must not indicate to the caller that his/her incoming message will be confidential or private. The existence of a password on either system is not intended to indicate that messages will remain private, and all employees must make passwords known to the District. Employees must comply with District instructions concerning the use of passwords. Employees should have no expectation of privacy with regard to any information that is communicated through or stored on any District computers or in its voicemail system.

Encrypting email messages or attached files sent, stored, or received on the District's system is prohibited except where explicitly authorized. Employees are prohibited from using or installing any encryption software without prior written permission from the District's system administrator. Employees with a business need to encrypt messages should submit a written request to the system administrator with a copy sent to their supervisor.

Employees should be aware that even when a message has been erased or deleted, it still may be possible to retrieve it from a backup system. Therefore, employees should not rely on the erasure of messages to assume a message has remained private.

Messages on the voicemail and e-mail systems are to be accessed only by the intended recipient and by others at the direct request of the intended recipient. However, the District reserves the right to access messages on both systems at any time. Any attempt by persons other than the above to access messages on either system will constitute a serious violation of District policy.

Employees should remember that any messages or information sent on District-provided facilities via an electronic network such as Internet mailing lists, bulletin boards, social networking sites and on-line services are statements identifiable and attributable to the District. Therefore, employees must limit their discussion to matters of fact and avoid expressing opinions while using the District's systems or District provided account. Communications must not reveal any information about the District processes, techniques, trade secrets, or confidential information and must not otherwise violate this or other District policies. You are not to use District property for non-job related appeals or petitions or solicitation for commercial, religious or personal causes.

Messages on the District's voicemail and email systems are subject to the same policies regarding harassment and discrimination as are any other workplace communications. Offensive, harassing or discriminatory content in such messages and data will not be tolerated.

The District is concerned about the unauthorized use of computer software. You may not duplicate for your personal use or the use of another person any software that is licensed to the District. You must be prepared to confirm your right to any software not provided by the District that is used by you while working on equipment belonging to the District (such use will be by authorization of the District).

All work originated or created on the District's premises or created using any materials or equipment owned, leased or provided by the District, or originated, created or worked on during the employee's work hours are the exclusive property and/or intellectual property of the District.

7.07 Use of Telephones

District telephones are our vital links in serving the interests of the District and our customers. Frequently the first contact a patient or visitor has with the District is via the telephone. It is imperative that all members of the District practice excellent telephone courtesy at all times. This includes identifying yourself by name when answering the telephone.

Occasionally a personal call may be necessary, but we require our employees' cooperation in limiting such calls to emergencies or essential personal business and keeping them as brief as possible.

7.08 Solicitation and Distribution

Persons not employed by the District may not solicit or distribute literature on District property at any time for any reason. Furthermore, solicitation by one employee of another employee is prohibited while either is on working time. Distribution by employees of non-District literature is prohibited at any time within the work area. The terms of these regulations are defined below:

- Solicitation includes: requests for signatures, seeking contributions for charities, seeking support for political activities or organizations, or requests for purchase of merchandise.

- Distribution includes: distributing pamphlets, leaflets, literature, or printed matter of all kinds.

For purposes of this Solicitation and Distribution policy, “working time” refers to the hours of both the employee(s) engaging in the activity and the employee(s) at whom the activity is directed. Working time does not include off-duty periods, such as break and meal periods.

7.09 Proprietary Information/Confidentiality

The importance of confidentiality cannot be overemphasized. Each District employee is responsible for safeguarding all proprietary or confidential information obtained during employment. Proprietary or confidential information includes but is not limited to information about the District, its operations, processes, plans, pricing strategies, contracts, know-how, designs or research; vendor lists; business plans; marketing plans and fund-raising strategies; technical information; employee names, lists and job descriptions; and any other information about the District employees.

You may not disclose by any means any proprietary or confidential information. In addition, you are not to release any proprietary or confidential information in written form or remove from the office any records or files unless there is a clear instruction to do so from your supervisor. If you have any question as to whether certain information is proprietary or confidential, consult your supervisor.

This policy is best protected by your use of good judgment. To indicate your understanding and intended compliance with this policy, you will be asked to sign a Confidentiality Agreement.

7.10 Conflicts of Interest

Conflicts of interest are defined as circumstances that have the immediate or long-term potential of compromising the interests of the District with respect to, suppliers, other employees or other persons or entities associated with the District’s business.

Circumstances that compromise the District’s interests may include, but are not limited to, personal relationships, other business relationships, acceptance of favors, gratuities or services that compromise the employee or jeopardize the employee’s ability to exercise the best judgment on behalf of the District.

Employees must avoid any actual or potential conflict of interest or compromising situation, and must report any such situation(s) to the CEO as soon as possible should they arise.

7.11 Acceptance of Gifts and Gratuities

It is very important that all employees of the District maintain the highest standards of integrity in dealings with all persons outside the District so that we can preserve their trust and confidence.

Therefore, it is the policy of the District to prohibit any employee from accepting from any suppliers, other employees or other persons or entities associated with the District’s business a gift

or gratuity, which has a value in excess of \$50. If at any time you believe that acceptance of a gift would be appropriate and would benefit the District, you must request and obtain advance approval from the CEO of the District. Examples where such approval might be granted may include attendance at certain sporting events or other gatherings or acceptance of novelties such as pens, calendars, other gifts of modest value or edible products to be shared among employees.

7.12 Outside Employment

We expect that while at work, you will devote all your productive time, ability and attention to the business of the District. We require that you not engage in other business duties, pursuits or services during this time, whether for compensation or otherwise, as an employee, independent contractor or consultant. We ask that you think seriously about the effects extra work outside the District may place on your endurance, overall personal health and effectiveness.

Outside employment for an actual or potential or supplier of the District is strictly prohibited without prior written disclosure to and consent from the Director of the District.

Notwithstanding the above, if you choose to engage in outside work, the following criteria will apply:

Outside work must not interfere in any way with the production and completion of the District-related projects or the employee may be subject to discipline up to and including termination of employment.

7.13 Appearance

The District values its employees and makes ongoing efforts to provide a work environment that is comfortable and conducive to productivity. Employees need to adhere to exceptional appearance standards, which include appropriate attire and grooming.

Safety is a primary concern, and the District may establish restrictions on clothing, hairstyle and length, adornments, eyewear and footwear that are deemed to be hazards to employee safety.

Your position with the District and the potential for direct contact with outside parties will determine what is acceptable attire.

Extreme styles while perhaps popular or in current “fashion” can be inappropriate for a business environment. Some examples of inappropriate attire for our work environment would include but not be limited to:

- Clothing that exposes midriffs and/or shorts or skirts/dresses that are more appropriate for the beach or a nightclub;
- Clothing that is exceptionally worn, torn or faded;
- Bare feet or beach-style footwear;
- Articles of clothing displaying offensive or lewd language or pictures.

Management reserves the right to direct employees who are not appropriately attired and groomed to leave the premises to rectify the appearance standard violation. Time taken to rectify appearance standard violations will be unpaid.

7.14 Security

Employment at the District involves people working together on business property that must be managed for the benefit and security of all. It is our policy to protect employee safety and security on the District property and to protect the property and interests of the District.

Office security and personal safety is each employee's responsibility. Each employee who is issued keys to the office is responsible for keeping office entrances secure at all times. The District keys may not be duplicated or loaned to anyone. Should your key(s) be lost or stolen, you must report the loss to the District immediately.

This policy includes the following controls:

- Persons who enter the District property without authorization are trespassers and will be removed promptly;
- Employees may not enter the District property except while on duty and for a brief time before or after duty hours. Visits at other times require the authorization of the CEO of the District;
- Employees must observe access restrictions to areas that are identified as secured;
- No materials or items are permitted on the District property other than usual and customary personal possessions or those related to performance of job duties.
- The District may conduct inspections to enforce this prohibition where there is reasonable cause for such action;
- Solicitations of any kind, hand billing, or the posting of written or graphic notices and information are prohibited on the property unless specifically authorized by the CEO of the District in writing.

7.15 Personal Property

Respect for and protection of the personal property of our employees is of concern to the District. For security reasons, employees should not leave personal belongings of value in the workplace. While we will attempt to provide a secure area in which you can store your personal property, we can make no assurances about security. We discourage the storage of personal items of value. If personal property is missing or damaged, you should immediately make a report to the District.

PERFORMANCE, CORRECTIVE DISCIPLINE AND TERMINATION

8.01 Performance Appraisals

An employee's performance appraisal serves an important purpose for the District and for individual employees. The fundamental objective of conducting a performance appraisal is to improve job performance by communicating directly with each employee with regard to important aspects of his or her employment.

The District's Performance Appraisal process has been developed to improve job performance, improve coaching on job performance, and provide assistance and backup data for making management decisions regarding transfers and promotions.

The employee will receive a written performance appraisal at the end of the introductory period, and annually thereafter, or as frequently as is necessary to communicate achievement of established performance standards.

Salary adjustments are at the District's discretion and may or may not coincide with performance evaluations.

8.02 Standards of Conduct

The District is committed to maintaining a work environment based on mutual understanding, respect, and cooperation. To contribute toward that environment and to avoid misunderstandings, guidelines as to the standards of conduct expected by the District are summarized below.

The following list itemizes examples of inappropriate conduct, which may result in discipline and/or termination. It is not meant to be an exhaustive list. Other inappropriate conduct not referred to may also result in disciplinary action, up to and including termination.

- Excessive tardiness or absenteeism.
- Absence from work without permission from, or notification of, the CEO.
- Misusing, damaging or destroying any property of the District or its employees.
- Removing any of the District property or property of other employees from the premises without proper authorization.
- Leaving the work place during paid work hours without permission.
- Inappropriate release or use of employees' confidential records.
- Failure to report immediately to the CEO any accidents, injuries or potential workplace hazards.
- Any verbal or physical abuse or threat of harm to any District employee, client or visitor.
- Sleeping on the premises or during work time.
- Harassment of a co-worker or client or conduct that is prohibited by the harassment policies of the District.
- Falsification of documents, including omission of material information.
- Unauthorized disclosure of confidential information about clients, their illnesses or their personal lives or Nondisclosure Agreement.
- Breach of confidentiality.
- Manufacture or unauthorized distribution, dispensation, possession or use of a controlled substance.
- Failure to comply with any District policy.

- Theft or misuse of District property.
- Any other situation that, in the opinion of management, is detrimental to the operation of the District or inconsistent with our stated values.

Nothing in this section alters the at-will nature of your employment.

8.03 Counseling and Discipline

The District believes self-discipline is the key to both individual and organizational success. We expect employees to exhibit self-discipline, take pride in their work and continue to look for improvements. However, when an employee does not meet the performance expectations, it may be necessary to bring these issues to the employee's attention.

Under most circumstances, employees with a performance problem will be subject to the progressive disciplinary process listed below:

- Oral Counseling
- Written Counseling
- Disciplinary Suspension - Final Written Warning - Probation
- Termination

In a specific case however, the District has the right to decide not to use one or more of these steps, and may in certain instances of job abandonment or gross misconduct immediately terminate an employee's employment relationship.

8.04 Resignation

In the event of a voluntary resignation, you are asked to submit a written, signed letter of resignation, indicating the date of resignation and the reason for resignation two (2) weeks in advance. Unless authorized by management, accrued vacation may not be used after resignation notice has been given.

ACKNOWLEDGEMENT OF RECEIPT OF EMPLOYEE HANDBOOK

I have received a copy of the District Employee Handbook and understand that it contains important information on the general personnel policies of the organization and on my privileges and obligations as an employee. I understand and agree that it is my responsibility to read and familiarize myself with the policies and procedures in the handbook and understand that my employment is governed by its contents. I understand that if I have questions regarding the content of this handbook, I may direct my questions to the CEO.

I understand that except for my employment at-will status, any and all employment policies or practices can be changed at any time by the District. I further understand that the employment relationship is terminable at will, and that either the District or I can terminate the employment relationship at will, with or without cause or advance notice.

Employee Signature: _____ Date: _____

Print or type Employee's Name _____