AGENDA

Call to Order

Roll Call

Public Comment on Closed Session

The public may provide comments regarding the Closed Session item(s) just prior to the Board beginning the Closed Session. Closed Sessions are not open to the public.

Convene to Closed Session

Conference with Real Property Negotiators
Property: 333 El Camino Real, Sunnyvale, CA
Agency Negotiator: Tom Habashi, CEO
Negotiating Party: Sunnyvale Village Associates
Under Negotiation: Price and terms of payment for office lease

Report from Closed Session

Public Comment on Matters Not Listed on the Agenda

The public may provide comments on any item not on the Agenda. Speakers are limited to 3 minutes each.

Consent Calendar (Action)

1a) Approve Minutes of the August 10, 2016, Board of Directors Meeting
1b) Approve Minutes of the August 27, 2016, Board of Directors Meeting
Regular Calendar

2) Executive Committee Report (Discussion)

3) CEO Report (Discussion)

4) Review of Proposed Benefits Package and Personnel Policies (Discussion)

5) Authorize the Chief Executive Officer to Negotiate and Execute an Office Lease Agreement (Action)

6) Approve Resolution to Change Fiscal Year (Action)

7) Approve Banking Services Agreement with River City Bank (Action)

8) Update on Securing Credit/Financing (Discussion)

9) Update on Branding and New Logo (Discussion)

Board Member Announcements

Adjourn
Call to Order

Vice Chair Rennie called the meeting to order at 7 p.m.

Roll Call

Present:
Vice Chair Rob Rennie, Town of Los Gatos
Director Jeannie Bruins, City of Los Altos
Director John Harpootlian, Town of Los Altos Hills
Director Burton Craig, City of Monte Sereno
Director Steve Tate, City of Morgan Hill
Director John McAlister, City of Mountain View
Alternate Director Darcy Paul, City of Cupertino
Director Joe Simitian, County of Santa Clara
Director Howard Miller, City of Saratoga
Alternate Director Tara Martin-Milius, City of Sunnyvale
Director Liz Gibbons, City of Campbell
Director Daniel Harney, City of Gilroy

Absent:
None

Vice Chair Rennie announced the Closed Session regarding property negotiations that was previously on the agenda was cancelled as the property is no longer available, and announced that Item 4, discussion of the that lease, is also cancelled.

Public Comment on Matters Not Listed on the Agenda

Mike Balma, Carbon Free Mountain View Board, stated Peninsula Clean Energy looked at the net energy metering process quickly and spoke in support of putting net energy metering on the SVCEA agenda so that it is not left to the last minute.

Director Harpootlian provided information regarding the Town of Los Altos Hills resolution that was provided to the Board in advance of the meeting. CEO Tom Habashi stated staff will review the resolution and get back to the Board in September with more information.

Ron Swenson spoke regarding consideration of the purchase of power from established locations already purchasing renewable energy, and new generation capacity. Swenson offered his assistance on a volunteer basis to help establish policies that would be favorable to getting additional generation within the territory of the authority.
**Consent Calendar**

Vice Chair Rennie opened public comment.
No speakers.
Vice Chair Rennie closed public comment.

MOTION: Director Miller moved and Director Bruins seconded the motion to approve the Consent Calendar.
The motion carried 11 – 0 – 1 (Alternate Director Paul abstained)

1a) Approve Minutes of the July 13, 2016, Board of Directors Meeting

**Regular Calendar**

2) Executive Committee Report

Vice Chair Rennie stated the Executive Committee met on July 26 and discussions included the review of prospective properties for office space, job classifications and the SVCEA employee handbook. Vice Chair Rennie stated the Executive Committee met on August 4 and discussions included a proposal to hire an HR consulting firm, a compensation schedule, and review of the latest cash flow plans. Director Miller provided additional information regarding the review of the funding/financing model.

Vice Chair Rennie opened public comment.
No speakers.
Vice Chair Rennie closed public comment.

3) CEO Report

CEO Habashi provided the CEO Report and responded to Board questions. Habashi announced the Board workshop has been scheduled for August 27 and reported that a Request for Proposals for the power supply for the next five years and a Request for Proposals for data management will be going out in August, and those contracts are anticipated to be entered into in November and December. Habashi reported he made contact with ISO and PG&E in order to sign agreements in preparation for certification with CPUC, Habashi noted the community outreach report in the packet which will be provided once per month. Habashi reported regarding office space that he has connected with brokers regarding potential properties near light rail or train stations.

Vice Chair Rennie stated the executive committee discussed the importance of the SVCEA offices being close to transit and in one of the cities in the JPA.

Director Gibbons commented on the outreach program and suggested compiling a running list of events and suggested the Campbell, West Valley College and De Anza College Farmer’s Markets as potential outreach locations. Gibbons also recommended making a presentation to local real estate associations.

Communications Manager Misty Mersich responded to Board questions regarding outreach.

Vice Chair Rennie opened public comment.

Mike Balma, Carbon Free Mountain View Board, inquired if the Board workshop will be open to the public. CEO Habashi confirmed the workshop will be open to the public.

Vice Chair Rennie closed public comment.
4) Discussion of Office Lease and Authorization to Chief Executive Officer to Negotiate and Execute Lease Agreement - ITEM CANCELED

Vice Chair Rennie reiterated his announcement at the beginning of the meeting that Item 4 has been cancelled.

5) Adopt Resolution Approving SVCEA Organizational Structure, Job Classifications and Salary Schedule

CEO Habashi introduced the item and responded to Board questions. Operations Manager Melody Tovar provided the staff report and responded to Board questions.

Vice Chair Rennie invited Executive Committee members to provide additional information from the Executive Committee meeting on the subject.

Executive Committee Members Director Miller, Vice Chair Rennie, Director Gibbons, Director McAlister and Director Gibbons provided additional information regarding the discussions of the Executive Committee.

Director Gibbons suggested Human Resources be reflected as contract support on the organizational chart.

Vice Chair Rennie opened public comment.

Mike Balma, Carbon Free Mountain View Board, provided comments regarding the timing of the hiring of the Director of Power Resources.

Vice Chair Rennie closed public comment.

Director Gibbons and Director Miller provided comments regarding the requirement for staff to file the Form 700 Statement of Economic Interests.

MOTION: Director Tate moved and Director McAlister seconded the motion to adopt a resolution approving the organizational structure, job classifications and salary schedule for SVCEA, authorizing the CEO to develop and update job classification descriptions as needed and authorizing the CEO to initiate recruitments; with an addition to the organizational chart to add Human Resources Management as contract support.

FRIENDLY AMENDMENT: Director Miller offered a friendly amendment to add to the motion a statement of fiscal prudence on the part of the CEO in hiring. Director Tate accepted the friendly amendment.

Following discussion, Director Miller withdrew the friendly amendment.

The motion carried unanimously.

6) Update on Banking and Credit Services

Treasurer Tim Kirby provided an update on the procurement of banking and credit services and a timeline, and responded to Board questions.

Vice Chair Rennie opened public comment.

No speakers.

Vice Chair Rennie closed public comment.
**Board Member Announcements**

Director Miller requested information at a future meeting regarding rooftop solar, and requested feedback regarding the potential tagline, “100% greenhouse gas free and cheaper than PG&E.”

Director Gibbons provided information regarding State legislation regarding JPAs and the appointment of alternates; reiterated her request for a copy of the Marin survey from Godbe; stated it would be helpful to have an outreach timeline; suggested leveraging money with Peninsula Clean Energy for joint TV or radio ads; suggested the use of Nixle for outreach; and provided comments regarding electric charging stations used by municipalities.

Alternate Director Martin-Milius requested a common set of core PowerPoint slides for Board members asked to speak at meetings of professional organizations.

**Adjourn**

Vice Chair Rennie adjourned the meeting at 8:28 p.m.
Call to Order

Chair Sinks called the meeting to order at 9:04 a.m.

Roll Call

Present:

Directors:
Chair Rod Sinks, City of Cupertino
Vice Chair Rob Rennie, Town of Los Gatos (arrived at 9:09 a.m.)
Director Liz Gibbons, City of Campbell
Director Jeannie Bruins, City of Los Altos
Director John Harpootlian, Town of Los Altos Hills
Director Steve Tate, City of Morgan Hill
Director Joe Simitian, County of Santa Clara
Director Howard Miller, City of Saratoga
Director Jim Griffith, City of Sunnyvale

Alternate Directors:
Alternate Director Carl Cahill, Town of Los Altos Hills
Alternate Director Anthony Eulo, City of Morgan Hill
Alternate Director Pat Showalter, City of Mountain View
Alternate Director Emily Lo, City of Saratoga (arrived at 9:10 a.m.)
Alternate Director Tara Martin-Milius, City of Sunnyvale

Absent:

Directors:
Director Daniel Harney, City of Gilroy
Director Burton Craig, City of Monte Sereno
Director John McAlister, City of Mountain View

Alternate Directors:
Alternate Director Jeffrey Cristina, City of Campbell
Alternate Director Darcy Paul, City of Cupertino
Alternate Director Peter Leroe-Munoz, City of Gilroy
Alternate Director Jean Mordo, City of Los Altos
Alternate Director Marico Sayoc, Town of Los Gatos
Alternate Director Evert Wolsheimer, City of Monte Sereno
Alternate Director Cindy Chavez, County of Santa Clara
Public Comment on Matters Not Listed on the Agenda

None.

Regular Calendar
1) SVCE Power Supply Workshop

CEO Tom Habashi provided introductory remarks.

CEO Habashi, Brian Goldstein, Pacific Energy Advisors, and John Dalessi, Pacific Energy Advisors presented an electricity market overview and responded to Board questions.

Chair Sinks left the meeting at 9:51 a.m.

Board members requested follow up information regarding purchasing solar power locally, methods to track the source of green power for accounting purposes, and how to avoid bidding wars with other CCAs.

Board Member Announcements

None.

Adjourn

Vice Chair Rennie adjourned the meeting at 1:50 p.m.
To: Silicon Valley Clean Energy Authority Board of Directors
From: Tom Habashi, CEO

Item 3: CEO Report
Date: 9/14/2016

REPORT

Update on RFP for Energy Procurement
Request for proposals for energy supply and scheduling coordination services was mailed to several suppliers, marketers and scheduling coordinators on August 15, 2016. Questions were received by the due date of August 29, 2016 and answers were emailed to all the next day. Proposals are due in 3 weeks, allowing staff 2 weeks for review before negotiations with the selected short list begin on the week of October 10, 2016.

Update on RFP for Data Management and Call Center
The request for proposals for data management and call center services was distributed to several prospective service providers on August 17, 2016. No questions were submitted for response. Proposals are due September 9, 2016. In accordance with the schedule published in the RFP, proposals will be evaluated and finalists will be invited to interview on September 21, 2016, with negotiations with the selected firm slated to begin the week of October 10, 2016.

Large Commercial Accounts Opting in for Early Start
Large accounts are scheduled to be enrolled in the SVCE program in the second phase starting July of 2017. An inquiry was sent to all large customers soliciting their willingness to be enrolled in the first phase, starting April of 2017. Customers were given the month of September to decide on early enrollment. Energy demand for those that chose to enroll will be added to quantity of energy that SVCE will acquire to satisfy its needs during the first quarter of operation (April thru June of 2017).

Update on SVCE Implementation Plan
SVCE submitted the Implementation Plan to the CPUC for review and certification on July 14, 2015. Recent communication with CPUC staff indicates that their review is in progress and they expect to have the certification complete in the next two weeks. This timing would be within their required turnaround time of 90 days.

Default Service for Los Altos Hills
In July 2016, Los Altos Hills Town Council passed a resolution "authorizing SVCE to default all the rate payers of Los Altos Hills to 100% renewable energy electrical power portfolio that provides the greatest level of GHG reductions", provided that the premium for this product is no more than 5% of the default product offered to all other customers in SVCE service territory. Giving that electricity rates and the price of renewable energy will not be known until January, it would be extremely difficult, if not impossible, to enroll Los Altos Hills customers in the program simultaneously with all customers in SVCE service territory, especially in the first
phase scheduled for April 2017. In October, staff will return to the Board with recommendation to address Los Altos Hills' request.

**Net Metering Customers**
Some of SVCE future customers have installed solar panels on their property and have arranged for net metering contracts with PG&E. These arrangements have annual true-up cost or revenue. Staff will establish a mechanism to allow these customers to remain as bundled customers of PG&E until the annual true-up date. Once the true-up is concluded, these customers will be phased-in into SVCE's program.

**Update on Recruitment**
In late August and early September, SVCE advertised to fill 4 positions, namely the Board Clerk/Executive Assistant, Account Services Manager, Community Outreach Specialist and Director of Administration and Finance. Interviews will be conducted in October with expected starting dates in November 2016.

**Community Outreach Report**
Attached is a summary of the various outreach activities planned for the next few months.

**Regulatory and Legislative Report**
Attached is a report from LEAN Energy provided for their clients, including SVCE.

**CEO Agreements Executed**
The following agreements have been executed by the CEO, consistent with the authority delegated by the Board:

1. **HR To Go:** Human Resources consulting services for full human resource consulting, for an amount not to exceed $1,650 plus additional fees for payroll processing, with automatic renewal for successive one-year terms, unless terminated earlier.
2. **Bryce Consulting:** Consulting services for recruitment assistance for five key positions, for an amount not to exceed $25,000, with a term through January 31, 2017.

**ATTACHMENTS**
1. Community Outreach Report
2. August LEAN Regulatory and Legislative Update
# Community Outreach Update
## August/September 2016

1. **Events and Outreach**

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
<th>Community</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tabling: National Night Out</td>
<td>8/2/2016</td>
<td>Morgan Hill</td>
</tr>
<tr>
<td>Tabling: Los Altos Energy Day</td>
<td>8/14/2016</td>
<td>Los Altos</td>
</tr>
<tr>
<td>Tabling: Saratoga Farmers Market</td>
<td>8/17/2016</td>
<td>Saratoga</td>
</tr>
<tr>
<td>Tabling: MV Art &amp; Wine Festival</td>
<td>9/10/2016 – 9/11/2016</td>
<td>Mountain View</td>
</tr>
<tr>
<td>Tabling: Los Altos Hills Hoedown</td>
<td>9/10/2016</td>
<td>Los Altos Hills</td>
</tr>
<tr>
<td>Presentation: Building Owners and Management Association (BOMA)</td>
<td>9/14/2016</td>
<td>San Jose</td>
</tr>
<tr>
<td>Tabling: Silicon Valley Drive Electric – EV Rally</td>
<td>9/17/2016</td>
<td>Silicon Valley/De Anza College</td>
</tr>
<tr>
<td>Presentation: Burbank Community Association Meeting</td>
<td>9/21/2016</td>
<td>Unincorporated SCC</td>
</tr>
<tr>
<td>Tabling: Monte Sereno Annual BBQ</td>
<td>9/24/2016</td>
<td>Monte Sereno</td>
</tr>
<tr>
<td>Presentation: Silicon Valley Leadership Group Energy Committee</td>
<td>9/30/2016</td>
<td>Silicon Valley</td>
</tr>
<tr>
<td>Presentation: League of Women Voters of Southwest Santa Clara Valley</td>
<td>11/14/2016</td>
<td>Campbell</td>
</tr>
</tbody>
</table>

**Business Outreach**

<table>
<thead>
<tr>
<th>Event</th>
<th>Date</th>
<th>Community</th>
</tr>
</thead>
<tbody>
<tr>
<td>Presentation: Gilroy Chamber of Commerce</td>
<td>8/12/2016</td>
<td>Gilroy</td>
</tr>
<tr>
<td>Presentation: Cupertino Chamber of Commerce LAC meeting</td>
<td>8/12/16</td>
<td>Cupertino</td>
</tr>
<tr>
<td>Presentation: Moffett Park Business Group Board of Directors</td>
<td>9/12/2016</td>
<td>Sunnyvale/Silicon Valley</td>
</tr>
</tbody>
</table>
To: LEAN Energy Clients

Peninsula Clean Energy (San Mateo County)
Silicon Valley Clean Energy (Santa Clara County)
Redwood Coast Energy Authority (Humboldt County)
Alameda County - East Bay Community Energy
City of Davis/Yolo County – Valley Clean Energy Alliance
Santa Cruz County - Monterey Bay Community Power
Santa Barbara County – Central Coast Clean Power
Contra Costa County

From: Joe Como, Regulatory Consultant, LEAN Energy
Cc: Shawn Marshall, Executive Director
Date: August 30, 2016
Subject: Regulatory Update #3, August 2016

Each month, LEAN focuses on the key regulatory and legislative activities likely to have broad impact on the CCA community. This memo provides an update on key CPUC proceeding developments so far this month, as well as legislative activity so far in August.¹

**Key Regulatory Case Developments**

**PG&E’s Diablo Canyon Power Plant Closure**

*To Do:*
File Protests by September 15th. Consider intervening and beginning discovery in PG&E’s application at the CPUC to close the Diablo Canyon Power Plant facility. LEAN will be monitoring this proceeding. We will be hosting a conference call within a week to discuss possible next steps, including filing a protest on September 15, and the resource requirements to participate in this important proceeding should it go forward. To review the application, see: [https://apps.cpuc.ca.gov/apex/f?p=401:56:0::NO:RP,57,RIR:PS_PROCEEDING_SELECT:A1608006](https://apps.cpuc.ca.gov/apex/f?p=401:56:0::NO:RP,57,RIR:PS_PROCEEDING_SELECT:A1608006)

*Issues:*
On August 11th PG&E filed its application to replace power from the closure of Diablo Canyon in 2025. This application has significant implications for the CCA community relating to cost allocation, procurement autonomy, energy efficiency program administration and renewable resource integration. As the company indicated in

¹ This Regulatory Update memo is designed to provide LEAN’s clients with a current snapshot of regulatory and legislative activities, to help inform our clients prioritize resources, and to make informed decisions about whether and how to engage in the regulatory and legislative landscape. It is not a comprehensive inventory of all of the regulatory and statutory requirements impacting nascent CCAs. Regulatory and statutory compliance requires a much more comprehensive inventory than the subset of activities described, and must be tailored to the specific circumstances of each CCA.
presentations prior to the filing, and as we reported last month, PG&E is proposing to acquire energy efficiency and replacement GHG-free replacement power. It is also asking the CPUC to approve recovery of other costs, such as employee retention and severance. A very important issue for CCAs is that it wants to pay for all of these costs through a non-bypassable charge paid by all distribution customers including CCA customers. PG&E indicated that it would be issuing additional workpapers shortly. A key issue is whether PG&E should be allowed to replace a revenue stream (Diablo Canyon is a rate based asset that allows PG&E to earn a rate of return on the investment) with another revenue stream that all bundled, CCA and DA customers will be responsible to pay. Another important issue is that the CPUC has existing proceedings and programs to determine the necessity for additional energy efficiency and other resources. For instance, the IRP proceeding is the forum to assess capacity as well as energy needs. Also, the CPUC has a separate proceeding for energy efficiency with business plans for the next portfolio due January 15th, 2017. Lastly, PG&E’s application seems to be calculated to create a new revenue stream to replace its loss of Diablo Canyon without a proper analysis of what system requirements are needed after 2025.

Status:
The Application number is A.16-08-006. Protests are due September 15.

PG&E’s 2015 ERRA Forecast Application (A.14-05-024)

To Do:
Review the PD at the link below, and contact LEAN if you wish to get involved in the working group. [http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M164/K951/164951122.PDF](http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M164/K951/164951122.PDF)

Issues:
Phase 2 of this PG&E application will address the method for calculating customer vintaging for purposes of applying the PCIA.

Status:
The Proposed Decision (PD) is unchanged from last month. LEAN Energy filed comments in general support of the PD on August 15th, and reply comments opposing PG&E and SCE’s attempts to complicate the PD on August 22nd. The PD directs California IOUs to assign a Power Charge Indifference Adjustment (PCIA) vintage to loads within a Community Choice Aggregation (CCA) territory based on the initial service date by a CCA except for customers that opt out of CCA service and later choose to opt back in. For such customers, the IOU is to assign a PCIA vintage based on the customer’s date of departure from bundled service. This is the only customer-specific vintaging allowed, and in general is a significant improvement in terms of operational simplicity and fairness for customers. In its comments, CCA advocates argued that only material differences in IOU load fluctuations should require a new vintage for customers that opt back into CCA service. The initial service date of CCA service is considered to be the date the CCA initiates service, or the binding notice of intent process. Further, new load (new interconnections) within a CCA territory will be assigned the same vintage based on the CCA phase-in date, on the rationale that CCAs are supposed to be accurately forecasting their load. This will make accurate forecasting at service initiation critical for new CCAs. A copy of LEAN Energy’s opening comments can be viewed [here](http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M164/K951/164951122.PDF), and reply comments can be found [here](http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M164/K951/164951122.PDF).

The PD notes the significant interest in PCIA issues, and directs interested parties to participate in a working group to address the PCIA concerns raised at the CPUC’s March 8th workshop. The working group is encouraged to present its recommendation as Petitions to Modify or a Petition for a Rulemaking within six months of the decision.

September 15: The CPUC may vote on this PD.
Energy Storage Procurement and PCIA (A.15-12-003, A.15-12-004 et al)

**To Do:**
As time allows, read the decision at the link below; contact LEAN with questions.
http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M165/K369/165369217.PDF

**Issues:**
These applications are the IOUs’ requests to approve the contracts resulting from their 2014-2015 energy storage solicitations. At issue are the reasonableness of the contracts, the classification of the contracts (by type, which governs how their costs are allocated), and establishment of a market price benchmark (MPB) for purposes of calculating each energy storage contract’s costs to the PCIA. Competing proposals for calculating the storage MPB have been submitted by the IOUs and CCA/DA parties, respectively.

**Status:**
August 29: As noted last month, a PD approves most of the utility storage contracts proposed, and adopts the IOUs’ PCIA calculation methodology for storage that is very similar as that used for traditional generation resources. The operational CCAs had proposed an alternate methodology that they assert would more accurately reflect current market pricing for storage. The one silver lining is that the cost of power supplied by IOUs to charge storage assets will be excluded from the storage PCIA calculation, as that cost is already captured in the PCIA through the traditional generation resource calculation. The PD provides for the PCIA methodology to be revisited by 2020.

On August 9th, the CCA Parties filed comments that: (1) The PCIA methodology should be modified to include a Storage Adder, as the CCA Parties have advocated throughout this proceeding; (2) the Commission should exclude proposed charging costs and adopt a credit or offset for ancillary services revenue; (3) the PCIA methodology for storage resources should be revisited when more data becomes available; and (4) the Commission should clarify that the delay on PCIA treatment until 2017 remains in force.

September 15: The CPUC may vote on this PD.

SDG&E request to establish a Marketing Affiliate (Advice Letter 2822-E)

**Issue:**
In November 2015, SDG&E filed an advice letter informing the Commission of SDG&E’s plan to implement a Compliance Plan, pursuant to the Commission’s CCA Code of Conduct, related to communications that may include the subject of Community Choice Aggregation. Numerous parties protested.

**Status:**
June 10: CPUC’s Energy Division released a draft resolution approving SDG&E’s request and defining its Independent Marketing Division with broad applicability of the Affiliate Transaction Rules.
July 5: LEAN filed extensive comments on the draft resolution.
August 18: Resolution E-4874 approving SDG&E Independent Marketing Division was voted out by the CPUC. One improvement in the final resolution was the clarification that the Code of Conduct rules also apply to Sempra, SDG&E’s parent company. The utility has to submit in March of each of the next 3 years an annual report to the CPUC on the amount of spending and shareholder funding of the Independent Marketing Division. That could be extended by the CPUC.
**PG&E GRC Phase 2 (A.16-06-013)**

(FYI: The CPUC requires IOUs to split large energy general rate cases into 2 separate applications. The revenue requirement portion of a GRC is handled as a Phase 1 Application. After the CPUC determines what revenue amount will be allowed, the IOU’s Phase 2 Application is used to determine where the revenue requirement will be allocated among all customer classes and where new rate designs will be considered. Simply put, Phase 1 determines the size of the pie. Phase 2 determines how the pie is split between customer classes.)

**To Do:**
Consider intervening in this case. The Prehearing Conference is September 12, 2016, 10:30 am at the CPUC Office in San Francisco.

**Issues:**
Two areas of concern are a change in the accounting of medical baseline costs and economic development rates. PG&E is now proposing to move medical baseline costs to the PCIA. PG&E wants to extend its Economic Development Rate, which does not apply to CCA customers, to 2020, past its current termination date of 2017. PG&E will need to demonstrate that this subsidy is cost effective.

**Status:**
LEAN is monitoring this proceeding.

**Integrated Resource Planning (IRP) R.16-02-007):**

**To Do:**
Consider forming a working group to address CCA IRP issues, and participate in the September 26 workshop.

Review the following link for background on the proceeding and access to the staff whitepaper:
[http://www.cpuc.ca.gov/LTPP](http://www.cpuc.ca.gov/LTPP)

**Issues:**
The CPUC staff issued a white paper on August 11th. The purpose of the white paper is to inform the development of a staff proposal on IRP due in December. The white paper proposed guiding principles for developing an IRP process and identifying the essential elements and underlying terminology for the IRP process, as well as IRP implementation options. The whitepaper also addresses GHG planning, scenario development, and the overall modeling framework. Comments are due August 31st and parties can raise issues that the whitepaper did not address. Some are: how CCAs can procure to meet system needs, how CCAs will meet their renewable needs, forecasting CCA loads. CCAs may want to meet soon to have their own internal workshop on CCA-specific IRP issues. The staff will hold a public workshop on September 26th.

**Status:**
Lean is monitoring this proceeding.

**Key Legislative Activities**

**SB 215, Joint Governor/Legislative CPUC Reform Package**

Authored by state Sens. Mark Leno (San Francisco) and Ben Hueso (Logan Heights), this bill passed the Legislature unanimously on August 28. The bill now goes to the Governor who is expected to sign it. It requires commissioners and other decision-makers to disclose their ex-parte meetings and provide substantive descriptions of those
meetings, prohibits “judge-shopping” and increases penalties to a maximum $50,000 per violation. The definition of decision-maker is expanded to include commission advisors, which presumably will mean that parties will have a right to equal time meetings with advisors as well as Commissioners. The bill also authorizes the attorney general to prosecute anyone who violates the ex-parte rules.

**AB 1530 (Levine): Nonbypassable charge applicability for large customers installing distributed energy resources**

**To Do:** No action at this time.

**Issue:** This bill originally reduced/exempted non-bypassable charges (NBCs) for installation of DG; it has since been converted into a budget trailer bill, AB 1612, which expands NEM for fuel cell technology and eliminates the NBC exemption provisions. Given this substantive change, the operational CCAs are now not officially opposed, although the conversion to budget trailer bill status eliminates transparency of changes and opportunity to influence. IOUs are still opposed to this bill.

**Status:** LEAN is monitoring this bill.

**AB 1110 (Ting): GHG Emissions Reporting**

**To Do:** No action at this time.

**Issue:** This bill passed the Senate on August 23 and is now in the Assembly, where concurrence with Senate amendments is pending. It may be considered on or after August 28 pursuant to Assembly Rule 77 (unfinished business). This is the 2nd year of a two-year bill. If it doesn’t make it out of the Assembly soon, the bill will be officially dead. The bill was amended on August 19, with changes that reflect input from MCE and San Francisco. The calls that many people made to their elected officials also contributed to the changes adopted. The bill requires GHG Intensity reporting to be determined through a method developed by the California Energy CPUC in an open stakeholder process, instead of through a mandate to use the California Air Resources Board (CARB) Mandatory Greenhouse Gas Reporting Program. The CEC is to ensure no double counting of GHG emissions from unspecified resources as well as specified. This will help CCAs to count and report to customers the GHG free energy that come from renewable resources.

**Status:** LEAN is monitoring this bill

**AB 2868 (Gatto): Distributed energy storage system deployment/transmission & distribution rate cost recovery**

**To Do:** No action at this time.

**Issue:** CCA concern about this bill relates to cost shifting for installation of distributed energy storage systems. The bill requires IOUs to submit applications to the CPUC to accelerate widespread deployment of distributed energy storage systems, with costs recovered in transmission and distribution rates paid by CCA customers. That’s a problem for CCAs if CCAs want to install their own distributed energy storage systems because their customers would then be double-paying for distributed energy storage. The core sticking point is how to ensure CCA customers don’t have to pay for such costs, but at the same time legislators want to make sure CCAs contribute to their fair share of distribution infrastructure. The problem is that it isn’t clear if distributed energy storage is “distribution” infrastructure, or a complementary component of customer-side generation -- and addressing cost allocation in legislation is tricky and complicated. The CCA community has circulated language emphasizing the need to evaluate the benefits of storage to the grid and assign costs accordingly. MCE is working with the Assembly Member’s consultant to change the bill to allocate costs at the generation level.
**Status:** LEAN is monitoring this bill

**SB 886 (Pavley): Battery storage requirements for all LSEs**

**To Do:** No action at this time.

**Issue:** The current version includes language that acknowledges CCA governing board autonomy to adopt their own energy storage system targets. Operational CCAs are supporting.

**Status:** LEAN is monitoring this bill
Staff Report – Item 4

To: Silicon Valley Clean Energy Authority Board of Directors

From: Tom Habashi, CEO

Item 4: Review of Proposed Benefits Package and Personnel Policies

Date: 9/14/2016

RECOMMENDATION

Provide feedback on the proposed benefits package as described in the attached SVCE Benefits Overview on the proposed personnel policies as described in the draft Employee Handbook.

BACKGROUND

Section 2.5.2 of the SVCEA Joint Powers Agreement authorizes SVCE to employ agents and employees. In May 2016, the Board of Directors hired the first employee of SVCE – the Chief Executive Officer. In August 2016, the Board approved SVCE’s organizational structure, job classifications and salary schedule. The organization is now preparing to hire additional personnel and has begun recruitment for several job classifications. Establishing employee benefits and personnel policies are the two critical remaining steps for the Authority to complete to successfully hire and onboard new staff.

ANALYSIS & DISCUSSION

Proposed Benefits Package

When staff brought forward a recommendation on job classifications and salaries, the identification of benefits was deferred to allow time for staff to engage experienced consultant support in developing a proposal for a comprehensive and competitive benefit package. Staff worked with a consulting firm, HR2Go, with experience in the creation and implementation of personnel systems and benefits packages for public agencies, to develop a comprehensive and competitive benefits package. HR2Go will also support the identification of benefits service providers based on Board direction. As part of the compensation study conducted by a separate firm, Bryce Consulting, in August 2016, staff also evaluated the benefits offered by comparable agencies, specifically the operating CCE programs in Marin and Sonoma Counties and the municipal electric utilities for the cities of Palo Alto and Santa Clara.

The Executive Committee has reviewed draft iterations of the benefits overview and has provided substantive feedback, which has been incorporated into the final proposal.

Staff recommends additional evaluation to determine the best fit for retirement benefits for SVCE employees. Staff recommends that SVCE not seek to join the Cal-PERS system. The most common alternative would be to instead have SVCE employees participate in Social Security. More recently, staff has become aware of one or more alternatives which merit additional review prior to making a final recommendation to the Board for approval.
Personnel Policies – Employee Handbook

In order to ensure that SVCE’s employment practices are equitable, uniform, and in compliance with applicable laws, staff worked with HR2Go to develop an employee handbook that documents policies and procedures that guide personnel matters. The Executive Committee has reviewed two iterations of the handbook and has provided substantive feedback, which has been incorporated into the final product. The handbook would be provided to each employee upon hire and employees are required to formally acknowledge receipt of the handbook.

When staff returns to the Board with the final proposed handbook, it will also recommend approval of the CEO as the personnel officer and appointing authority, which he can also delegate to other personnel.

ATTACHMENTS
1. SVCE Benefits Overview
2. SVCE Employee Handbook
SVCE Benefit Package

**Health Insurance – minimum of 2 enrolled and 70% participation**

Employer contributes $1000 a month to employee’s medical, dental & vision coverage. If the employee has coverage elsewhere, employer will contribute $1000 to a Health Savings Account or Flexible Spending Account in lieu of health, dental and vision coverage. The employee must provide proof of health coverage within 30 days of starting date.

**Cal Choice Medical Providers:**
- Aetna
- Anthem Blue Cross
- Health Net
- Kaiser
- Sharp Health Plan
- United Healthcare
- Western Health Advantage

**Dental Providers:**
- Delta Care USA
- SVCE will choose one carrier alongside Delta Dental
- Ameritas Group
- Delta Dental

**Vision Providers:** choose one carrier
- EyeMed (provided by Ameritas Group)
- Madison National Life
- VSP

**Retirement**

Employer will provide up to 5% of matching contribution to 401A plan.

Employee can voluntarily contribute up to the IRS limits to 457B plan.

**Paid Time Off**

Employee accrues PTO at a rate of 160 hours per year at time of hire for vacation, sick and personal time. Employee may no longer accrue leave time when the balance of leave reaches 2 times their annual maximum accrual. After the employee’s first anniversary they will accrue an additional 8 hours per year for each year of employment, up to a maximum accrual rate of 240 hours per year. Employee must be paid out for any balance accrued at the time of separation from the organization.
**Holidays**

- New Year’s Day
- Martin Luther King Jr.’s Birthday
- President’s Day
- Memorial Day
- Independence Day
- Labor Day
- Veterans Day
- Thanksgiving
- Day after Thanksgiving
- Christmas Day

There are quite a few mandatory leaves of absence that are required based on both Federal & CA law which change due to employer size. More details are included in the employee handbook.

- Domestic Violence and Sexual Assault Victim Leave
- Jury Duty or Witness Leave
- Military Leave
- Pregnancy Disability Leave
- School Appearance Leave
- Time Off for Victims of a Violent or Serious Crime
- Time Off to Vote
- Volunteer Emergency Duty Leave

**Long-term Disability Insurance**

LTD provided at 60% of salary subject to term of LTD insurance carrier and cap based on wage

**Term Life Insurance**

Guaranteed $200,000 life and AD&D coverage

**Flexible Spending Account & Health Savings Account**

Pre-tax deductions for health spending and dependent care as well as employer excess contribution to the HSA.

<table>
<thead>
<tr>
<th>2017</th>
<th>HSA (Health Savings Account)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contribution limit (employee + employer)</td>
<td>Self-only - $3,400</td>
</tr>
<tr>
<td></td>
<td>Family - $6,750</td>
</tr>
<tr>
<td>HDHP minimum deductible</td>
<td>Self only - $1,300</td>
</tr>
<tr>
<td></td>
<td>Family - $2,600</td>
</tr>
<tr>
<td>FSA (Flexible Spending Account)</td>
<td></td>
</tr>
<tr>
<td>Dependent Care Contribution</td>
<td>$5,000</td>
</tr>
<tr>
<td>Health Care Contribution</td>
<td>$2,550</td>
</tr>
</tbody>
</table>
Issue Date: October 1, 2016

This Handbook issued to

___________________________________

In the future, please insert revision pages and discard the old pages.

505 W. Olive Avenue, Suite 130
Sunnyvale, CA 94086
# Table of Contents

## WELCOME TO SILICON VALLEY CLEAN ENERGY ................................................................. 5

### CHAPTER 1-INTRODUCTORY POLICIES ........................................................................ 6

- Introduction & Future Revisions ................................................................................ 6
- Our Working Relationship ......................................................................................... 6
- What Silicon Valley Clean Energy Expects From You ............................................... 6
- Employee Relations Policy ....................................................................................... 7
- Open Communication Policy .................................................................................... 7
- Equal Employment Opportunity ............................................................................... 7
- Unlawful Harassment .............................................................................................. 8

### CHAPTER 2-EMPLOYMENT POLICIES AND PRACTICES ................................................... 11

- Classification of Employees .................................................................................... 11
- Job Posting ............................................................................................................. 12
- Rehired/Converted Employees ................................................................................. 12
- Job Duties ................................................................................................................ 12
- Work Schedules .................................................................................................... 12
- Personnel Records .................................................................................................. 13
- Inspection of Payroll Records ................................................................................ 13
- Layoffs and Work Reductions .................................................................................. 13
- Employment Termination ....................................................................................... 14
- Severance Pay ....................................................................................................... 15
- Exit Interviews ....................................................................................................... 15
- Employment Verification and References .............................................................. 15

### CHAPTER 3-TIMEKEEPING AND ATTENDANCE .............................................................. 16

- Punctuality and Attendance .................................................................................... 16
- Timekeeping Requirements for Non-Exempt Staff .................................................. 16
- Meal and Rest Periods for Non-Exempt Staff ......................................................... 17
- Overtime Time Provisions for Non-Exempt Staff .................................................... 17
- Make-up Time for Non-Exempt Staff .................................................................... 18
- Exempt Employee Time Off .................................................................................. 18
- Lactation Accommodation ...................................................................................... 18
- Payment of Wages ................................................................................................ 18
- Payroll Deductions, Wage Attachments and Garnishments .................................... 19
- Reporting Time Pay .............................................................................................. 19
- Payment for Hours Worked During Business Travel for Non-Exempt Staff .......... 19
- Pay for Mandatory Meetings for Non-Exempt Staff .............................................. 20

### CHAPTER 4-STANDARDS OF CONDUCT .................................................................... 21

- Professional Business Conduct and Ethics .............................................................. 21
- Performance Evaluations ....................................................................................... 22
- Problem Resolution ................................................................................................ 23
- Alcoholic Beverage Consumption ......................................................................... 23

---

Issue Date: October 1, 2016
<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Drug and Alcohol Abuse</td>
<td>24</td>
</tr>
<tr>
<td>Customer and Public Relations</td>
<td>25</td>
</tr>
<tr>
<td>Confidentiality</td>
<td>26</td>
</tr>
<tr>
<td>Conflict of Interest</td>
<td>27</td>
</tr>
<tr>
<td>Solicitation</td>
<td>27</td>
</tr>
<tr>
<td>Media Contact</td>
<td>27</td>
</tr>
<tr>
<td>Employment of Friends and Relatives</td>
<td>28</td>
</tr>
<tr>
<td>Personal Relationships in the Workplace</td>
<td>28</td>
</tr>
<tr>
<td>Dress Policy</td>
<td>29</td>
</tr>
<tr>
<td>Employer and Employee Property</td>
<td>30</td>
</tr>
<tr>
<td>Electronic Systems and Privacy</td>
<td>30</td>
</tr>
<tr>
<td>Social Media Guidelines</td>
<td>31</td>
</tr>
<tr>
<td>Telephone Usage</td>
<td>33</td>
</tr>
<tr>
<td>Cell Phone Usage</td>
<td>33</td>
</tr>
<tr>
<td>Workplace Monitoring</td>
<td>33</td>
</tr>
<tr>
<td>Travel Expense Policy</td>
<td>34</td>
</tr>
<tr>
<td>Agency Property and Equipment</td>
<td>34</td>
</tr>
<tr>
<td>Personal Use of Agency Property</td>
<td>35</td>
</tr>
<tr>
<td>Driving Record and Insurance</td>
<td>36</td>
</tr>
<tr>
<td>Health and Safety</td>
<td>36</td>
</tr>
<tr>
<td>Smoking Policies</td>
<td>36</td>
</tr>
<tr>
<td>Security</td>
<td>36</td>
</tr>
<tr>
<td>Workplace Violence</td>
<td>37</td>
</tr>
<tr>
<td>Off-Duty Use of Facilities</td>
<td>37</td>
</tr>
<tr>
<td>Parking</td>
<td>37</td>
</tr>
<tr>
<td>Employee Suggestion Program</td>
<td>38</td>
</tr>
<tr>
<td><strong>Chapter 6: Employee Benefits</strong></td>
<td>39</td>
</tr>
<tr>
<td>Benefits</td>
<td>39</td>
</tr>
<tr>
<td>Official Health Plan Documents</td>
<td>39</td>
</tr>
<tr>
<td>Paid Time Off (PTO)</td>
<td>39</td>
</tr>
<tr>
<td>Sick Leave</td>
<td>40</td>
</tr>
<tr>
<td>Holidays</td>
<td>41</td>
</tr>
<tr>
<td>Insurance Benefits</td>
<td>41</td>
</tr>
<tr>
<td>Domestic Partners</td>
<td>44</td>
</tr>
<tr>
<td>Cal-COBRA</td>
<td>44</td>
</tr>
<tr>
<td>Recreational Activities and Programs</td>
<td>44</td>
</tr>
<tr>
<td>Leaves of Absence</td>
<td>44</td>
</tr>
<tr>
<td>Bereavement Leave</td>
<td>45</td>
</tr>
<tr>
<td>Bone Marrow and Organ Donation Leave</td>
<td>45</td>
</tr>
<tr>
<td>Civil Air Patrol Leave</td>
<td>46</td>
</tr>
<tr>
<td>Domestic Violence and Sexual Assault Victim Leave</td>
<td>46</td>
</tr>
<tr>
<td>Jury Duty or Witness Leave</td>
<td>47</td>
</tr>
<tr>
<td>Military Leave</td>
<td>47</td>
</tr>
<tr>
<td>Pregnancy Disability Leave</td>
<td>47</td>
</tr>
<tr>
<td>School Appearance Leave</td>
<td>48</td>
</tr>
</tbody>
</table>
TIME OFF FOR VICTIMS OF A VIOLENT OR SERIOUS CRIME ................................................................. 49
TIME OFF TO VOTE .............................................................................................................................. 49
VOLUNTEER EMERGENCY DUTY LEAVE ...................................................................................... 49
WORKERS’ COMPENSATION .............................................................................................................. 49
RECEIPT AND ACKNOWLEDGMENT OF SVCE EMPLOYEE HANDBOOK ................................................ 51
RECEIPT AND ACKNOWLEDGMENT OF SVCE HANDOUTS .............................................................. 52
October 1, 2016

Dear Employee:

We are confident that you will find our agency a dynamic and rewarding place to work and we look forward to having you on our team. We consider the employees of SVCE to be our most valuable resource. The following pages contain information regarding many of the policies and procedures of SVCE.

The procedures, practices, policies and benefits described here may be modified or discontinued from time to time. You will be informed of any changes as they occur.

SVCE values the many talents and abilities of its employees and seeks to foster an open, cooperative and dynamic environment where employees and the agency alike can thrive. If you would like further information or have questions about any of the policies and procedures outlined in this handbook, please feel free to bring them to my attention.

Regards,

Tom Habashi
Chief Executive Officer
Chapter 1 - INTRODUCTORY POLICIES

Introduction & Future Revisions

As an employee of SVCE, we hope you will find your employment to be both rewarding and challenging. Because the quality of our employees is the key to our success, we carefully select our new employees. In turn, we expect employees to contribute measurably to the success of the agency.

This Handbook is designed to acquaint you with our policies and benefits. *It is NOT a contract and should not be read to create contractual obligations.* Additionally, nothing in this employee handbook, or in any other personnel document, including benefit plan descriptions, creates or is intended to create a promise or representation of continued employment for any employee.

In the future we may, modify, delete or add to any and all policies, procedures, work rules or benefits stated in this employee handbook or in any other document, except for the policy of at-will employment. Any written changes to this employee handbook will be distributed to all employees so that you will be aware of the new policies or procedures. No oral statements or representations can in any way change or alter the provisions of this employee handbook.

Our Working Relationship

Employment with SVCE is employment at-will. This means that employment may be terminated with or without cause and with or without advance notice at any time by you or us. Nothing in this employee handbook or in any document or statement shall limit the right to terminate employment. No supervisor or employee of the agency has any authority to enter into an agreement for employment for any specified period of time or to make an agreement for employment other than at-will. Only the CEO of the agency has the authority to make any such agreement, and then only in writing.

What Silicon Valley Clean Energy Expects From You

SVCE needs your help in making each working day enjoyable and rewarding. Your first responsibility is to know your own duties and how to do them *promptly, safely, correctly* and *pleasantly.* Secondly, you are expected to cooperate with management and your fellow employees and to maintain a good team attitude. How you interact with fellow employees and our customers, and how you accept direction can affect the success of your department. In turn, the performance of one department can impact the entire service offered by SVCE. Consequently, whatever your position, you have an important assignment: perform every task to the very best of your ability.

We are dedicated to making SVCE an agency where you can approach your supervisor, or any member of management, to discuss any problem or question. We expect you to voice your opinions and contribute your suggestions to improve the quality of SVCE.

Remember, you help create the pleasant and safe working conditions that SVCE intends for you.
**Employee Relations Policy**

SVCE’s established employee relations policy is to:

1. Provide an exciting, challenging, and rewarding workplace and experience.
2. Select people on the basis of skill, training, ability, attitude, and character without discrimination with regard to age, gender, genetic information, genetic characteristics, gender identity, gender expression, color, race, national origin, religious creed, marital status, military status, sexual orientation, political belief, disability, or any other protected basis.
3. Develop competent people who understand and meet our objectives, and who accept the ideas, suggestions and constructive feedback from fellow employees.
4. Assure employees an opportunity to discuss any problems with their supervisor or CEO of SVCE.
5. Make prompt and fair adjustment of any complaints, which may arise in the everyday conduct of our business, to the extent that it is practical.
6. Respect individual rights, and treat all employees with courtesy and consideration.
7. Promote employees on the basis of their ability and merit.
8. Keep all employees informed of the progress of SVCE as well as the agency’s overall aims and objectives.

Do all these things in a spirit of friendliness and cooperation so that SVCE will continue to be known as “a great place to work.”

**Open Communication Policy**

SVCE encourages you to discuss any issue you may have with a co-worker directly with that person. If a resolution is not reached, please arrange a meeting with your supervisor to discuss any concern, problem, or issue that arises during the course of your employment. Any information discussed in an open communication meeting is considered confidential. We will not retaliate against you for appropriate usage of open communication channels. It is counterproductive to a harmonious workplace for you to create or repeat corporate rumors or office gossip. It is more constructive to consult your supervisor immediately with any questions.

**Equal Employment Opportunity**

SVCE strives to comply with all applicable laws prohibiting discrimination, and we consider ourselves to be an equal opportunity employer. We make employment decisions on the basis of merit and business need. We want to have the best available person in every job. Agency policy prohibits unlawful discrimination based on race, color, religious creed, gender, genetic information, genetic characteristics, gender identity, gender expression, religion, marital status, military status, age, national origin or ancestry, physical or mental disability, medical condition, sexual orientation, or any other consideration made unlawful by federal, state or local laws. All such discrimination is unlawful.
In recruiting and selecting employees, the agency furthers the principles of equal employment by seeking talented and competent persons who are suited for a specific position by reason of training, experience, character, personality, intelligence and general ability. The agency does not consider an individual’s race, color, sex, age, religion, national origin, sexual preference, handicap, disability status, veteran status, military status, gender, genetic information, genetic characteristics, gender identity, gender expression, or any other protected status in recruiting and selecting employees.

Promotions are based on an employee’s past performance and qualifications to assume additional responsibilities determined without regard to, or consideration of, the individual’s status. The agency takes all personnel actions without regard to an individual’s protected status. When necessary under the California Fair Employment and Housing Act and the Americans with Disabilities Act, the agency will reasonably accommodate an employee or applicant with a disability if the employee or applicant is otherwise qualified to safely perform all of the essential functions of the position.

We are committed to complying with all applicable laws providing equal employment opportunities. This commitment applies to all persons involved in the operations of the agency, and prohibits unlawful discrimination by any employee of the agency.

We will make reasonable accommodations when requested to comply with applicable laws ensuring equal employment opportunities to qualified individuals with a disability. These accommodations will be made for the known physical or mental disability of an applicant or an employee unless undue hardship would result in a direct threat to the health and safety or other job related considerations exist.

SVCE will engage in a timely, good-faith, interactive process to determine a reasonable accommodation, if any, in response to a request for reasonable accommodation by an employee or applicant with a known physical or mental disability or known medical condition.

**Unlawful Harassment**

We intend to provide a work environment that is pleasant, professional, and free from intimidation, hostility or other offenses which might interfere with work performance. Harassment of any sort - verbal, physical, or visual - will not be tolerated. This includes both sexual harassment as well as harassment based on an employee’s status in a protected class. These classes include, but are not necessarily limited to race, color, religion, age, gender, genetic information, genetic characteristics, gender identity, gender expression, sexual orientation, national origin or ancestry, disability, medical condition, marital status, veteran status, military status, or any other protected status defined by law. This policy also prohibits unlawful harassment 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. This policy extends to unlawful harassment of, or by vendors, independent contractors, customers, or others with whom employees may come into contact with during their work for SVCE.

Our workplace is not limited to our agency facilities, but may also include customer and vendor facilities, as well as anywhere a business-related function, or social function sponsored by the agency, is taking place.
What Is Workplace Harassment?
Workplace harassment can take many forms. It may be, but is not limited to, words, signs, offensive jokes, cartoons, pictures, posters, e-mail jokes, social media communication, messages or statements, pranks, intimidation, physical assaults or contact, or violence. It may also take the form of other vocal activity including derogatory statements not directed to the targeted individual but taking place within their hearing. Other prohibited conduct includes written material such as notes, photographs, cartoons, articles of a harassing or offensive nature, and taking retaliatory action against an employee for discussing or making a harassment complaint. In addition, this policy covers all individuals in the workplace, such as fellow employees, supervisors, outside customers, vendors, independent contractors, or other non-employees who conduct business with our agency.

What Is Sexual Harassment?
Sexual harassment may include unwelcome sexual advances, requests for sexual favors, or other verbal or physical contact of a sexual nature. When this conduct creates an offensive, hostile and intimidating working environment, it may prevent an individual from effectively performing the duties of their position. It also encompasses such conduct when it is made a term or condition of employment or compensation, either implied or stated and when an employment decision is based on an individual’s acceptance or rejection of such conduct.

It is important to note that harassment crosses age and gender boundaries and cannot be stereotyped. Among other perceived unconventional situations, sexual harassment may involve two women or two men. Harassment may exist on a continuum of behavior. For instance, one example of harassment may be that of an employee showing offensive pictures to another employee. A picture will be presumed to be sexually suggestive if it depicts a person of either sex who is not fully clothed or in clothes that are not suited to, or customarily accepted for, the accomplishment of routine work in and around the workplace.

Generally, two categories of harassment exist. The first, "quid pro quo," may be defined as an exchange of sexual favors for improvement or continuance in your working conditions and/or compensation. The second category, "hostile, intimidating, offensive working environment," can be described as a situation in which unwelcome sexual advances, requests for sexual favors, or verbal or other conduct creates an intimidating or offensive environment. Examples of a hostile, intimidating, and offensive working environment includes, but is not limited to, pictures, cartoons, symbols, or apparatus found to be offensive and which exist in the workspace of an employee. This behavior does not necessarily link improved working conditions in exchange for sexual favors. An employee may have a claim of harassment even if he or she has not lost a job or other economic benefit. The law prohibits any form of protected basis harassment that impairs an employee’s working ability or emotional well-being at work.

We prohibit any employee from retaliating in any way against anyone who has raised any concern about sexual harassment or discrimination against another individual. We will investigate any complaint of sexual harassment and will take immediate and appropriate disciplinary action if sexual harassment has been found within the workplace.

Responsibility
All SVCE employees, and particularly supervisors, have a responsibility for keeping our work environment free of harassment. Any employee who becomes aware of an incident of harassment, whether by witnessing the incident or being told of it, must report it to their immediate supervisor, the CEO or the designated management representative with whom they feel comfortable. When management becomes aware of the existence of harassment, it is obligated by law to take prompt and appropriate action, whether or not the victim wants the agency to do so.
Reporting

All reported incidents of prohibited harassment will be investigated in an effective, thorough and objective manner that provides all parties with appropriate due process and reaches reasonable conclusion based on the evidence collected. The investigation will be completed and a determination regarding the reported harassment will be made and communicated to both the complainant and to the accused harasser(s). If you believe you have been harassed by any agency employee, customer, or other business contact, confront the harasser and ask him/her to stop. While we encourage you to communicate directly with the alleged harasser, and make it clear that the harasser’s behavior is unacceptable, offensive or inappropriate, it is not required that you do so. It is essential, however, to notify the Human Resources Consultant immediately even if you are not sure the offending behavior is considered harassment. Any incidents of harassment must be immediately reported to Human Resources Consultant. If the Human Resources Consultant is not available, please contact your immediate supervisor. At any time if you feel that you are in immediate harm and do not have time to contact either the Human Resources Consultant or your supervisor, seek assistance from any management representative.

Appropriate investigation and disciplinary action will be taken. All reports will be promptly investigated with due regard for the privacy of everyone involved. However, confidentiality cannot be guaranteed. Any employee found to have harassed any employee will be subject to severe disciplinary action up to and including termination. SVCE will also take any additional action necessary to appropriately remedy the situation. Retaliation of any sort will not be permitted. No adverse employment action will be taken for any employee making a good faith report of alleged harassment.

In addition, the agency will take appropriate action to remedy any loss to the complaining employee resulting from the harassment. The individual who makes unwelcome advances, threatens or in any way harasses another employee may be personally liable for such actions and their consequences.

All employees must report any incidents immediately so that complaints can be quickly and fairly resolved. The California Department of Fair Employment and Housing (“DFEH”) investigates and may prosecute complaints of harassment. Whenever an employee thinks he or she has been harassed or that he or she has been retaliated against for resisting or complaining, that employee may file a complaint with the DFEH. The nearest DFEH office is listed in the telephone book. The agency also has a brochure on sexual harassment which is available to all employees for additional information.
Chapter 2-EMPLOYMENT POLICIES AND PRACTICES

Classification of Employees

At the time you are hired, you will be classified as either “exempt” or “non-exempt.” This is necessary because, by law, employees in certain types of jobs are entitled to overtime pay for hours worked in excess of eight (8) hours per day or forty (40) hours per workweek. These employees are referred to as “non-exempt” in this employee handbook.

Exempt employees are those employees whose duties and responsibilities allow them to be “exempt” from provisions as provided by the Federal Fair Labor Standards Act (FLSA) and any applicable state laws. If you are an exempt employee, you will be advised that you are in this classification at the time you are hired, transferred, or promoted. Participation in our benefits programs may be affected by your employment status or classification. All employees of SVCE whether exempt, non-exempt, full-time, part-time, or temporary are employed at-will.

1. The EXEMPT status applies to certain administrative, professional, and executive staff. Exempt employees qualify for exemption from overtime regulations under state and federal law and their salaries already take into account that they may work long hours.

2. The NON-EXEMPT status applies to all other regular employees. Non-exempt employees are covered by regulations in the State of California wage orders and receive extra pay for overtime work (as described in the overtime section of this employee handbook)

Employees working in non-exempt positions are compensated for the actual amount of time spent on their job and are entitled to receive time and one-half (1 ½) times their regular rate of pay for each hour worked in excess of forty (40) hours in a work week. Non-exempt California employees are eligible for overtime compensation after eight (8) hours worked in one (1) day or forty (40) hours worked in one (1) week, at one and one-half (1½) times their regular pay.

3. FULL-TIME employees work on a regular basis for at least 40 hours per week. Full-time employees may or may not be EXEMPT. They are eligible for all benefits available through work at SVCE, so long as they meet the applicable requirements, such as length of service.

4. PART-TIME employees work on a regular basis for fewer than 40.0 hours per week. Part-time employees are entitled to all benefits as explained later in this employee handbook according to a prorated formula based on their average hours worked compared to a standard 40.0 hour workweek.

5. TEMPORARY EMPLOYEES are hired with the understanding that their employment will not continue beyond a stated date or beyond completion of a specified project or projects. Temporary employees will generally not be employed for more than 6 months. Temporary employees are not eligible for benefits covered in this employee handbook, other than those required by law or as stipulated in writing signed by the CEO.

6. INTERNS are employees who are students gaining supervised practical experience in a professional field. Interns are paid, and are not eligible for any benefits listed in this employee handbook.
Job Posting

You will be notified of open positions through job postings. The job posting will include the position title, department and a brief description of qualifications. You should discuss your interest in a job opening first with your supervisor. In no event will a promotion or transfer be considered without the supervisor’s knowledge. You are also encouraged to refer qualified candidates for open positions.

Rehired/Converted Employees

If you are eligible for rehire at the time of your separation from SVCE, you will be considered for rehire at any time there is a position available for which you are qualified. Former employees will be considered along with all other applicants, and have no greater chance of being selected for employment than all other applicants.

If you are rehired by SVCE or convert from part-time to full-time status, your length of service with SVCE for all purposes will be calculated beginning with the rehiring date or the date of conversion to full-time status.

Employees who are terminated due to misconduct or violation of agency policy will be considered ineligible for rehire.

Job Duties

Your supervisor will explain your job responsibilities and the performance standards expected of you. Please be aware that your job responsibilities may change at any time during your employment. From time to time, you may be asked to work on special projects or to assist with other work necessary or important to the operation of the agency. Your cooperation and assistance in performing such additional work is expected.

We also may, at any time, with or without notice, alter or change your job responsibilities, reassign or transfer your position, or assign you additional job responsibilities depending on our changing business needs.

Work Schedules

SVCE’s normal business hours are 8:00 a.m. through 5:00 p.m., Monday through Friday. Your supervisor will assign your individual work schedule, and you are expected to be ready to perform your work at the start of your scheduled shift.

From time to time, work schedules may fluctuate with customer demand. If a change in your work schedule is required, your supervisor will notify you at the earliest opportunity. You may be required to work overtime or hours other than those normally scheduled, although we expect this to be kept to an absolute minimum. Exempt employees are required to work as many hours as are necessary to complete the responsibilities of the positions they have assumed.
Personnel Records

A personnel file will be maintained in the office of the CEO on each employee of the agency. General personnel records may be kept in your file such as: job application, performance evaluations, training records, emergency contact information and payroll changes. You may review your personnel file during regular business hours upon making a request to the CEO. No one other than you, your supervisor, the Human Resources Consultant, the CEO, or his designee may seek information from your file without your written permission. Under no circumstances should your file be removed from the office.

The agency will keep your personnel records private. However, there are certain times when information may be given to a person outside the agency. These are:

1. In response to a subpoena, court order, or order of an administrative agency;
2. To a governmental agency as part of an investigation by that agency of the agency’s compliance with applicable law;
3. In a lawsuit, administrative proceeding, grievance, or arbitration in which you and the agency are parties;
4. In a workers' compensation proceeding;
5. To administer employee health benefit plans;
6. To a health care provider, when necessary;
7. To a first aid or safety personnel, when necessary; and
8. To a prospective employer or other person requesting a verification of your employment.

Keeping your personnel file up-to-date can be important to you with regard to pay, deductions, benefits and other matters. Coverage or benefits that you and your family may receive under SVCE’s benefits package could be negatively affected if the information in your personnel file is incorrect. Please promptly notify the CEO of any changes in your personal data.

Inspection of Payroll Records

Employees and former employees have the right to inspect and obtain copies of their own payroll records. All requests must be submitted in writing to the CEO, his/her designee or to SVCE’s Human Resources Consultant who will make certain that they are properly processed. Requests will be honored within 30 days from the date they are received. Individuals who make a request may be asked to provide identification so that they are not provided access to information on other employees. Individuals who request a copy of their records may be required to pay for the cost of making the copies.

Layoffs and Work Reductions

Once it is determined what the scope of the reduction will be (i.e., agency-wide, job classification, position), employees will be selected for layoff based on a combination of factors, including, but not necessarily limited to: past performance and productivity, qualifications, attendance, attitude, ability and willingness to work the required days and hours, and the ability to work cooperatively with others in the affected work unit.
The weight given to the above factors may vary depending upon the particular needs of the affected work unit and the agency as a whole at the time of the layoff.

Seniority shall be considered only when, in our opinion, all other factors are equal between two or more employees in the affected work unit. Seniority will be computed on the basis of an employee’s total continuous service with the agency. For this purpose, continuous service before and after any break in service of less than 30 days or an approved leave of absence, will be counted.

**Employment Termination**

SVCE strives to ensure a smooth transition for employees leaving the agency.

SVCE and its employees have an employment relationship that is known as “employment at will.” This means that employees are not required to work for the agency for any set period of time nor is the agency required to employ individuals for any specific length of time. The statements made in this policy do not alter, modify or limit the employment at will relationship. An “at-will” employee is subject to termination of employment at any time the agency concludes it appropriate to do so.

Involuntary separation from service means that the termination action is being initiated by SVCE, rather than by the employee. In general, employees who are discharged by SVCE are not eligible for rehire. However, employees who are terminated due to layoff or restructuring may be eligible for rehire or recall at the agency’s discretion.

The agency will consider you to have voluntarily terminated your employment if you do any of the following:

1. Resign from SVCE;
2. Fail to return from an approved leave of absence on the date specified by SVCE, or;
3. Fail to report to work or call in for 3 consecutive work days in accordance with our policies.

In the event that you resign voluntarily, you will be asked to provide us with the professional courtesy of two weeks notice of resignation to allow for a smooth transition and training of any replacement personnel. The notice you give will be noted on the employment record and will be considered in any discussion regarding rehire or reference information. Once notice has been given, accrued and unused PTO days normally may not be taken.

All agency property such as office equipment, credit cards, keys, manuals, computer equipment, and cell phones must be returned on or prior to the last day of employment. You should return these items to your immediate supervisor.

Final wages for time worked, plus any pay for unused but accrued PTO, will normally be paid on your last day of employment.
Severance Pay

SVCE does not maintain a formal severance pay policy nor provide severance pay to employees who leave the agency for any reason. Severance pay should therefore not be expected. However, the agency reserves the right to make exceptions to this policy at any time.

Exit Interviews

Should you resign voluntarily, the Human Resources Consultant or your direct supervisor will conduct an exit interview whenever feasible. This interview allows you to communicate your views on your work with SVCE and the job requirements, operations and training needs and future reference information to potential employers.

Employment Verification and References

SVCE’s policy as to references for employees who have left the agency is to disclose only the dates of employment and the title of the last position held. SVCE will provide a prospective employer with your last earned wage or salary only at your written request. You may provide a signed form authorizing the agency to release specific reference information to potential employers.

It is our policy that only the CEO is authorized to respond to requests for employee references and verification of employment from financial institutions, etc. No other supervisor or employee is authorized to provide references for current or former employees.

As an employee of SVCE, do not under any circumstances respond to any requests for information regarding another employee unless it is part of your assigned job responsibilities. If it is not, please forward the information request to your supervisor or the CEO.
Chapter 3-TIMEKEEPING AND ATTENDANCE

Punctuality and Attendance

You are expected to have regular attendance during all scheduled work hours, report to work on a timely basis, and work through the end of your regularly scheduled workday. Any unexcused tardiness or absence causes problems for your fellow employees, customers, and your supervisor. Lateness is disruptive, costly and not fair to the organization or other employees. Chronic lateness will not be tolerated and will result in discipline, up to and including termination. Regular attendance and punctuality is considered an “essential function” of your job.

If you are unable to report for work on any particular day, you must personally call your supervisor prior to the start of your shift on the day that you are scheduled to work. If you are not able to reach your supervisor, you are expected to advise another management representative of your absence or tardiness and leave a telephone number where you can be reached. Do not have a relative or friend call in to report your absence, unless you are unable to call yourself due to a medical or other emergency. If you call after the start of your shift you will be considered tardy for that day. In all cases of absence or tardiness, you are expected to provide your supervisor with an honest reason or explanation. You also must inform your supervisor of the expected duration of any absence. Absent extenuating circumstances, you must call in each and every day you are scheduled to work and will not report to work.

Repeated absenteeism or tardiness (whether excused or not) will not be tolerated. Continuing patterns of absences, early departures, or tardiness—regardless of the exact number of days—may warrant disciplinary action, up to and including termination of employment. Emergency or extraordinary circumstances concerning an absence or tardiness will be considered and we reserve the right to make an exception to this policy if, at our discretion, an exception is warranted. Repeated car failures, missing the bus, consistently failing to arrange back up childcare or oversleeping do not constitute emergency or extraordinary circumstances. We reserve the right to determine what is considered excessive absenteeism.

If you fail to report for work for three (3) consecutive days without any notification to your supervisor, we will consider that you have abandoned your employment, and have resigned your position. You may be required to provide documentation verifying your absence.

Timekeeping Requirements for Non-Exempt Staff

Federal and state law requires SVCE to keep an accurate record of time worked. SVCE uses time clocks to record this time worked. Employee time records are official SVCE records and must be accurately maintained. You must input your own time at the start and at the end of each workday, and at the start and end of each lunch hour. Completing another employee’s time record or intentionally falsifying a time record is a serious violation of this policy and may result in immediate termination of employment. If a time record needs to be corrected, both you and your supervisor must initial the change in the time record to verify its accuracy.
Meal and Rest Periods for Non-Exempt Staff

California law requires that each non-exempt employee be given at least a 30-minute lunch break each day, and that this break begins within the first five hours of your workday. Accordingly, taking a duty-free lunch period of at least 30 minutes is mandatory. If you work more than 10 hours, you are entitled to a second, unpaid meal period of at least 30 minutes. Depending on the circumstances, you may be able to waive your second meal period if you took the first one.

You will be provided one 30 minute lunch each day, to be taken approximately in the middle of the workday. However, under special circumstances you may be granted permission by your supervisor to extend your lunch break.

You are allowed one ten-minute rest period for every four hours of work or major portion thereof. While there is no set schedule for breaks, you are able to take restroom breaks and get refreshments as desired.

If, at any time, you are unable to take a lunch break and/or rest period because of workload, please immediately inform your supervisor so that appropriate arrangements can be made.

You are expected to observe your assigned working hours and the time allowed for meal and rest periods.

Overtime Time Provisions for Non-Exempt Staff

As necessary, you may be asked to work overtime. For purposes of determining which hours constitute overtime, only actual hours worked in a given workday or workweek will be counted. We will attempt to distribute overtime evenly and accommodate individual schedules. A supervisor must previously authorize all overtime work. If overtime is worked without prior authorization this may be grounds for discipline for not following agency policy and procedure. We provide compensation for all overtime hours worked by non-exempt employees in accordance with state and federal law as follows:

1. All hours worked in excess of eight (8) hours in one workday or forty (40) hours in one workweek, or for the first eight (8) hours on the seventh consecutive day of work in one workweek, will be treated as overtime.

2. One and one-half (1½) times your regular rate of pay for hours worked in excess of forty (40) for the workweek, or in excess of eight (8) and not more than twelve (12) for the workday, and for the first eight (8) hours on the seventh consecutive day of work in one (1) workweek.

3. Two times your regular rate of pay for hours worked in excess of twelve (12) in one (1) workday and/or in excess of eight (8) on the seventh consecutive workday in the same workweek.

Exempt employees may have to work hours beyond their normal schedules, as work demands require. It does not include an unpaid meal period, make-up time, or hours away from work due to PTO, sickness, holiday, jury duty, or other absences from work. No overtime compensation will be paid to exempt employees.
Make-up Time for Non-Exempt Staff

On occasion, a non-exempt employee may ask his or her supervisor for additional time off to attend to personal matters. If the supervisor grants the request, this time off will be without pay. If you wish to make up this missed time, you may submit a “Make-Up Time Request Form” to your supervisor before the make-up time is worked. It is within the supervisor’s discretion to grant the request. Make-up time may be worked in advance of the missed time, but must be worked in the same workweek as the missed time in order not to incur overtime. You may not work over eleven (11) hours in one (1) day or over forty (40) hours total in the week including make-up time.

Exempt Employee Time Off

Exempt employees of SVCE are paid a salary, which compensates them for working as many hours as required to complete their job duties. Exempt employees do not receive overtime pay. We realize, however, that in instances of extraordinary additional pressure or increased work hours, it may be appropriate for supervisors to recognize the exempt employee’s efforts by granting the employee extra time off separate from and in addition to the employee’s accrued PTO time. In order to achieve consistency among supervisors and fairness to the exempt employees, supervisors should use the following guidelines when exercising their discretion to grant additional time off:

1. Limit the amount of time off to no more than two days;
2. Require the employee to take the time off in the following week whenever possible and;
3. Do not allow employees to accumulate any granted but unused time off.

Lactation Accommodation

Women who wish to express breast milk while at work may make arrangements with their supervisor to do so in a private area. Where such arrangements are made during an employee’s normal rest period, the time will be paid. If special arrangements are made to provide a non-exempt employee extra time beyond or in addition to her normal rest period, the time will be unpaid.

Payment of Wages

Paydays are every other Thursday. There are 26 pay periods in a year. The workday (a 24-hour, consecutive period) begins at 12:01 a.m. and ends at midnight. The workweek begins on Sunday and ends on Saturday.

If a regular payday falls on a weekend or holiday, you will be paid on the first day of work prior to the regularly scheduled payday. If there is an error on your check, please report it immediately to your supervisor.

For your convenience, we offer a direct deposit option.

Advances

We do not permit advances against paychecks or against unaccrued PTO.
Payroll Deductions, Wage Attachments and Garnishments

SVCE makes certain deductions from every employee’s paycheck. Among these are applicable federal, state, and local income taxes, social security and Medicare taxes, state disability insurance contributions, and paid family leave contributions. By law, SVCE is also required to honor legal attachments and garnishments of an employee’s wages or salaries. If your wages are attached, we will withhold the specified amount to satisfy the terms of the attachment.

**Reporting Time Pay**

Reporting time pay will be paid under the following conditions:

1. Reporting time pay is owed when you report to work at your regularly scheduled time, but you are not put to work or are given less than half the usual or scheduled day’s work. In this case, you will be paid for at least half of the hours you were scheduled to work, but never less than two hours pay, and never more than four hours pay.

2. Reporting time pay is also owed if you are required to report to work a second time in any one (1) workday and are given less than two (2) hours work on the second reporting. In this case you will receive at least two (2) hours pay for the second appearance.

These provisions do not apply if on a paid “standby” or “on call” status. In some instances, you may not receive reporting time pay. Reporting time pay does not apply if public utilities fail, such as water, gas, electricity, or sewer and/or when work is interrupted by an “act of God” or other causes not within the agency’s control.

**Payment for Hours Worked During Business Travel for Non-Exempt Staff**

Whenever possible, non-exempt employees traveling on agency business are expected to do so during normal working hours. In the very rare instance where your travel time constitutes overtime, you will be paid overtime as required by law. Non-exempt employees will be paid for all hours worked, including out of town travel time, at regular and overtime pay rates according to the law. Pay for travel time may be at a rate of pay that is less than the employee’s normal rate of pay.

If you are non-exempt and traveling on business, you will not be paid for time between work assignments; e.g., if you stay the night in a hotel, pay begins when you begin to work, or are in transit. Travel pay is to be scheduled in advance, in writing by your supervisor, with the knowledge of the CEO.

Non-exempt travel may be approved on an as-needed basis, but only with prior authorization from your supervisor.
Pay for Mandatory Meetings for Non-Exempt Staff

The agency will pay you for your attendance at meetings, lectures and training programs if all of the following conditions are met:

1. Attendance is mandatory (i.e. required by the agency).
2. The meeting, course, or lecture is directly related to your job.
3. You are notified of the necessity for such meetings, lectures, or training programs by your supervisor (i.e. pre-approval by management is required)

If you meet the above conditions you will be compensated at your regular rate of pay. If you are required to travel, then travel pay will be initiated. You will not receive compensation time spent for voluntary attendance in courses that are conducted outside of normal business hours and/or that are not directly related to your current job.
Chapter 4-STANDARDS OF CONDUCT

Professional Business Conduct and Ethics

By accepting employment with us, you have a responsibility to SVCE and to your fellow employees to adhere to certain codes of behavior and conduct. The purpose of these rules is not to restrict your rights, but rather to be certain that you understand what conduct is expected and necessary. When each person is aware that he or she can fully depend upon fellow workers to follow the rules of conduct, then our agency will be a better place for everyone to work.

Generally speaking, we expect you to act in a mature and responsible way at all times. Again, we value honesty in communication and personal responsibility. However, to avoid any possible confusion, some of the more obvious unacceptable activities are noted below. Your avoidance of these activities will be to your benefit as well as to the benefit of SVCE. If you have any questions concerning any work or safety rule, or any of the unacceptable activities listed, please ask for an explanation.

Occurrences of any of the following violations, because of their seriousness, may result in disciplinary action up to and including immediate suspension or termination:

Unacceptable Activities:

1. Generally, conduct which is disloyal, disruptive, competitive or damaging to the agency.
2. Falsification of timekeeping records.
3. Dishonesty; falsification or misrepresentation on your application for employment or other work records; lying about sick or personal leave; falsifying reason for a leave of absence or other data requested by SVCE; alteration of agency records or other agency documents.
4. Working under the influence of alcohol or illegal drugs, including marijuana.
5. Theft or inappropriate removal or possession of agency property or the property of fellow employees; unauthorized use of agency equipment and/or property for personal reasons.
6. Possession, distribution, solicitation, sale, transfer, or use of alcohol or illegal drugs, including marijuana, in the workplace, while on duty, or while operating agency-owned vehicles or equipment.
7. Fighting, threatening, or coercing fellow employees on agency property or during working hours, for any purpose.
8. Boisterous or disruptive activity in the workplace.
9. Negligence or any careless action leading to damage of agency-owned or customer-owned property or which endangers the life or safety of another person.
10. Obscene or abusive language toward any supervisor, employee or customer; indifference or rudeness towards a customer or fellow employee; any disorderly/antagonistic conduct on agency premises.
11. Insubordination or other disrespectful conduct; refusing to obey instructions properly issued by your supervisor pertaining to your work; refusal to help out on a special assignment.
12. Violation of security or safety rules or failure to observe safety rules and/or practices; failure to wear required safety equipment; tampering with SVCE equipment or safety equipment.
13. Creating or contributing to unsanitary conditions.

14. Smoking in prohibited areas.

15. Any act of harassment, sexual, racial or other; telling sexist or racist jokes; making racial or ethnic slurs.

16. Possession of dangerous or unauthorized materials, such as explosives or firearms, in the workplace.

17. Excessive absenteeism or any absence without notice; failure to report an absence or late arrival.

18. Unauthorized absence from work station during the workday; sleeping or loitering during working hours.

19. Unauthorized use of telephones, mail system, or other agency-owned equipment.

20. Originating, spreading, and taking part in malicious gossip or rumors about employees of the agency.

21. Unauthorized disclosure of business "secrets" or confidential information; giving confidential or proprietary information to competitors or other organizations or to unauthorized SVCE employees; breach of confidentiality of personnel or agency information.

22. Violation of agency rules or policies; any action that is detrimental to SVCE’s efforts to operate profitably.

23. Unsatisfactory or careless work; failure to meet production or quality standards as explained to you by your supervisor.

24. Soliciting during working hours and/or in working areas; selling merchandise or collecting funds of any kind for charities or others without authorization during business hours, or at a time or place that interferes with the work of another employee on agency premises.

25. Conducting a lottery or gambling on agency property.

26. Failure to immediately report any damage or accident involving agency equipment and vehicles.

27. Failure or refusal to comply with the work schedule, including mandatory overtime.

28. Using, removing, or borrowing agency equipment or property without prior authorization.

29. The use of abusive or threatening language or actions toward anyone.

This list is not exhaustive. Rather, we ask that you keep in mind at all times the need to conduct yourself with reasonable and proper regard for the welfare and rights of all our employees and for the best interests of the agency. This statement of prohibited conduct does not alter SVCE’s policy of at-will employment. Either you or the agency remains free to terminate the employment relationship at any time, with or without reason or advance notice.

**Performance Evaluations**

You and your supervisor are strongly encouraged to discuss job performance and goals on an informal, day-to-day basis. Ongoing discussions with your supervisor about your job duties, performance, and the work environment likely will increase your satisfaction with your work experience and the agency’s satisfaction with you.
We want to provide you with the tools to stay on track and to reach your full potential. To provide you with the necessary feedback about your performance, you may receive periodic performance evaluations. Performance evaluations may be conducted annually with us. The frequency of performance evaluations may vary depending upon length of service, job position, past performance, changes in job duties, or recurring performance problems.

After the review, you will be asked to sign the evaluation report simply to acknowledge that it has been presented to you and discussed with you by your supervisor, and that you are aware of its contents.

Positive performance evaluations do not guarantee increases in salary or promotions. Salary increases and promotions are solely within the discretion of the agency, and depend upon many factors in addition to performance. Wage and salary increases are based on merit alone, not length-of-service or the cost-of-living. Having your compensation reviewed does not necessarily mean that you will be given an increase.

**Problem Resolution**

At some time, you may have a complaint or question about your job, your working conditions, or the treatment you are receiving. Your good-faith complaints and questions are of concern to us. We ask that you take your concerns first to your supervisor, following these steps:

1. Bring the situation to the attention of your immediate supervisor who will then investigate and provide a solution or explanation.
2. If the problem remains unresolved, you may present it in writing to the CEO who will work towards a resolution.

This procedure, which we believe is important for both you and us, cannot result in every problem being resolved to your satisfaction. However, we value your input and you should feel free to raise issues of concern, in good faith, without the fear of retaliation.

**Alcoholic Beverage Consumption**

Due to the high risk and liability involved, the agency will not provide alcoholic beverages at social gatherings to SVCE employees. This policy applies to the following:

1. Birthday parties;
2. Office parties;
3. Office picnics; and
4. Recreational activities (i.e. organized team sports)
Drug and Alcohol Abuse

SVCE is concerned about the use of alcohol, illegal drugs, or controlled substances as it affects the workplace. We comply with state and federal drug abuse regulations, including the Drug-Free Workplace Act of 1988. Use of these substances whether on or off the job can adversely affect your work performance, efficiency, and safety and health. The use or possession of these substances on the job constitutes a potential danger to the welfare and safety of other employees, and exposes us to the risks of property loss or damage, or injury to other persons. Furthermore, the use of prescription drugs and/or over-the-counter drugs also may affect your job performance and seriously impair your value to us. Any employee who is using prescription or over-the-counter drugs that may impair your ability to safely perform the job, or affect the safety or well-being of others, must notify a supervisor of such use immediately before starting or resuming work. All precautions necessary to preserve your privacy will be taken. You must adhere to the rules stated in this policy as a condition of employment. Failure to comply with this policy may result in discipline, including termination. The Human Resources Consultant has been designated to administer this policy, monitor the program and make reports as required by law.

If there is ever a reasonable basis to suspect you of violating the drug and alcohol policy, you will be requested to immediately submit to a drug and/or alcohol test. Suspicion will be based on objective symptoms, such as factors related to your appearance, behavior and speech. A reasonable basis may also exist if you are found to be in possession of illegal drugs, alcohol or paraphernalia connected with the use of an illegal drug. Possession of illegal drugs or alcohol is prohibited even if you have not used these substances. To help ensure a safe and healthful working environment, job applicants and employees may be asked to provide body substance samples (such as urine, hair samples, and/or blood) to determine the improper or illegal use of drugs and alcohol.

The following rules and standards of conduct apply to all employees either on agency property, or during the workday (including meals and rest periods). The following are strictly prohibited by the agency:

1. Possession or use of alcohol or illegal drugs, including marijuana, or being under the influence of alcohol or illegal drugs while on agency premises or at any time on duty.
2. Driving an agency vehicle or driving for agency business in a private vehicle while under the influence of alcohol or illegal drugs, including marijuana.
3. Distribution, sale, or purchase of an illegal or controlled substance while on agency premises or at any time on duty.
4. Possession or use of an illegal or controlled substance, or being under the influence of an illegal or controlled substance while on agency premises or at any time on duty.
5. Any drug or alcohol statute conviction. You must notify SVCE within 5 days of such conviction.

In order to enforce this policy, we reserve the right to conduct searches of agency property and to implement measures necessary to deter and detect abuse of this policy.

In the event of suspicion of use and/or an on the job accident, you may be asked to provide body substance samples (such as urine and/or blood) to determine the illicit or illegal use of drugs and alcohol. The agency will test for alcohol, cannabinoids, (THC), Opiates, i.e. codeine and morphine, Cocaine metabolites, Amphetamines, i.e. amphetamine and metamorphines, adulterants low creatine levels and Phencyclidine. The agency assures that any information concerning your drug and/or alcohol use will remain confidential. Refusal to submit to drug testing may result in disciplinary action, up to and including termination of employment.
If the results of your drug and/or alcohol test are positive, the agency will take disciplinary action which may include suspension or immediate termination. The disciplinary action will be based on the seriousness of the offense and your past performance with the agency. If you return to work after testing positive for drugs and/or alcohol, you may be required to consent to unannounced tests for drugs and/or alcohol for a two-year period as a condition of continued employment. In the event that you test positive, you may request a second test to be performed by a reliable drug testing agency, at your expense.

Any conviction you receive on a charge of illegal sale or possession of any controlled substance will not be tolerated because such conduct, even though possibly conducted while off duty, reflects adversely on us. In addition, we must keep people who use, sell, or possess controlled substances off SVCE’s premises in order to keep the controlled substances themselves off the premises.

Violation of the above rules and standards of conduct will not be tolerated. We also may bring the matter to the attention of appropriate law enforcement authorities.

SVCE’s policy on drug and alcohol in no way limits or alters the at-will employment relationship.

Customer and Public Relations

The success of SVCE depends upon the quality of the relationships between SVCE, our employees, and our customers, suppliers and the general public. Our customers’ impression of the agency and their interest and willingness to do business with us are formed by how you serve them. In a sense, regardless of your position, you are a SVCE ambassador. The more goodwill you promote, the more our customers will respect and appreciate you and our services.

The opinions and attitudes that customers have toward our agency can be affected for a long period of time by the actions of just one employee. It is sometimes easy to take a customer for granted, but when we do, we run the risk of not only losing that customer, but their associates, friends or family who also may be customers or prospective customers.

Here are several things you can do to help give customers a good impression of SVCE:

1. Customers are to be treated courteously and given proper attention at all times. Never regard a customer’s questions or concerns as an interruption or an annoyance. Customer inquiries, whether in person or by telephone, must be addressed promptly and professionally.

2. Never place a telephone caller on hold for an extended period of time. Direct incoming calls to the appropriate person and make sure that the call is received.

3. Act competently and deal with customers in a courteous and respectful manner. Through your conduct, show your desire to assist the customer in obtaining the help that he or she needs. If you are unable to help a customer, find someone who can.

4. All correspondence and documents, whether to customers or others, must be neatly prepared and error-free. Attention to accuracy and detail in all paperwork demonstrates your commitment to those with whom we do business.

5. Never argue with a customer. If a problem develops or if a customer remains dissatisfied, ask your supervisor to intervene.
6. Communicate pleasantly and respectfully with other employees at all times.

These are the building blocks for your and SVCE’s continued success. Thank you for adding your support.

Confidentiality

You are responsible for safeguarding confidential information obtained during your employment with us. Additionally, our customers, employees and vendors entrust SVCE with important information relating to their businesses. The nature of this relationship requires maintenance of confidentiality. In safeguarding the information received, SVCE earns the respect and further trust of our customers and vendors.

It is your responsibility to in no way reveal or divulge any such information unless it is necessary for you to do so in the performance of your duties. Such confidential information includes, but is not limited to, the following examples:

- customer lists and customer history
- pending projects and proposals
- marketing strategies
- compensation data
- budget information
- periodic business reports and summaries
- bid proposals/contract negotiations
- statistical data
- research and development programs
- mergers/dissolutions
- employee data
- financial information
- pricing information
- passwords
- business plans

Access to confidential information should be on a "need-to-know" basis and must be authorized by your supervisor.

Upon accepting employment with SVCE, you may have been asked to sign a Confidentiality Agreement, which generally provides that you will not disclose or use any of the agency’s confidential information, either during or after your employment with us. We sincerely hope that our relationship will be long-term and mutually rewarding. However, your employment with SVCE assumes an obligation to maintain confidentiality, even after you leave our employ.

If you are questioned by someone outside the agency or your department and you are concerned about the appropriateness of giving them certain information, you are not required to answer. Instead, as politely as possible, refer the request to your supervisor.

It is also important to remember that you may not disclose or use proprietary or confidential information except as your job requires. You may not keep or retain any originals or copies of reports, notes, proposals, customer lists or other confidential and proprietary documents, equipment, supplies, or property belonging to the agency. Any and all copies or originals of reports, notes, proposals, customer lists or other confidential and proprietary documents must be turned over to the agency within twenty-four (24) hours of termination of employment.
You are not permitted to remove or make copies of any SVCE records, reports or documents without prior management approval. Do not post confidential or proprietary information about SVCE, customers, employees, or affiliates on any social media. Disclosure of confidential information could lead to termination, as well as other possible legal action.

Conflict of Interest

As an employee of SVCE, you must avoid actual or potential conflicts of interest with the agency. This policy provides examples of prohibited conflicts of interest. If you are found to have a conflict of interest with the agency, you may be subject to discipline, including termination. You should contact your supervisor with any questions about this policy. Prohibited activities include, but are not limited to:

1. Being an owner, employee, consultant or vendor to any business that competes, directly or indirectly, with the agency.
2. Having a direct or indirect financial relationship with a competitor, customers, or supplier; however, no conflict will exist in the case of ownership of less than 1 percent of a publicly traded corporation.
3. Engaging in any other employment or personal activity during work hours, or using the agency’s name, logo, equipment or property, including stationery, office supplies, computers, telephones, fax machines, postage, and office machines, for personal purposes.
4. Soliciting agency employees, suppliers, or customers to purchase goods or services of any kind for non-agency purposes, or to make contributions to any organizations or in support of any causes.
5. Soliciting or entering into any business or financial transaction with another employee whom the soliciting employee supervises, either directly or indirectly, such as hiring the employee to perform personal services or soliciting the employee to enter into an investment.

Solicitation

You are not permitted to solicit or distribute literature during working time. Working time includes both your working time and the working time of the employee to whom the solicitation or distribution is directed. Similarly, distribution of written solicitation material in working areas is prohibited at all times. If you wish to distribute fundraising items such as cookies, candy, and coupon books for sale, you may place them without solicitation in your workstation or SVCE break rooms.

Media Contact

Only contact people designated by the CEO of the agency may comment on agency policy or events that have an impact on the agency. If you are contacted by a news organization, please direct all media inquiries to your supervisor.
Employment of Friends and Relatives

The employment of friends and relatives in the same area of an organization may cause conflicts of interest and appearances of impropriety. In addition, personal conflicts may impact the working relationship of the parties. Although the agency does not prohibit the hiring of friends and relatives of existing employees, the agency is committed to monitoring situations in which friends or relatives work in the same area. In the event of an actual or potential problem, the agency’s response may include reassignment or termination of one or both of the individuals involved. For the purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with an employee is similar to that of persons who are related by blood or marriage, or one who is a domestic partner.

The agency desires to avoid misunderstandings, complaints of favoritism, claims of sexual harassment, and employee dissension that may result from personal or social relationships amongst employees. Therefore, the agency asks that if you become romantically involved with another employee that you disclose your relationship to an appropriate supervisor with whom you feel comfortable. This information will be kept as confidential as possible. For purposes of this provision, “romantically involved” will be interpreted broadly. The agency reserves the right to take necessary and appropriate action to resolve any potential conflict of interest arising out of romantic involvement among employees. Depending on the facts of the situation, such action may include reassignment or termination of one or both of the employees involved.

Personal Relationships in the Workplace

The agency is committed to maintaining a professional work environment where their supervisors treat all employees fairly and impartially. Accordingly, supervisors are not allowed to date, or become romantically or intimately involved with, employees who report to them directly or indirectly. Also, spouses and immediate family members are prohibited from working in job positions where they directly report to, or are reported to, by their spouses or family members. Personal relationships very often cause problems in the workplace, such as a lack of objectivity towards the subordinate’s job performance, the perception of favoritism by other employees (whether justified or not), and potential sexual harassment complaints should a couple break up.

For purposes of this policy, “immediate family” includes significant others (such as unmarried couples who live together), domestic partners, step-parent and step-child relationships, in-law relationships, grandparents and cousins (including analogous relationships with the parents and children of an employee’s significant other). This policy covers all family-like relationships, regardless of blood or legal relationships.

Employees who are currently dating one another, or employees who are married or related and report to or supervise each other, may request to be transferred in order to comply with this policy. When possible, the agency will attempt to accommodate such requests. Please understand, however, that the agency reserves the right not to transfer employees based on conflicting business considerations.

Unprofessional behavior in the workplace, such as sexually related conversations, inappropriate touching (i.e., kissing, hugging, massaging, sitting on laps) another employee, and any other behavior of a sexual nature, is prohibited.

If two employees marry or become related, causing actual or potential problems such as those described, only one of the employees will be retained with the agency unless reasonable accommodations can be made to eliminate the actual or potential conflict. The employees will have 30 days to decide which relative will stay with the agency. If this decision is not made in the time allowed the CEO will make the decision, taking the
employment history and job performance of both employees into account. Supervisors who have any questions about the application of this policy to an employee or applicant should contact the Human Resources Consultant.

**Dress Policy**

In order for our customers to be confident in the trust they have placed with us, the office must have a professional, dignified and gracious atmosphere. Courtesy and graciousness in dealing with customers is part of our service. These same attitudes are expected in all business contacts, whether with fellow employees or other individuals contacted in the course of business.

Professional conduct includes professional appearance, which must conform to the dignity of our office. Please understand that you are expected to dress and groom yourself in accordance with accepted social and business standards, particularly if your job involves dealing with customers or visitors in person.

A neat, tasteful appearance contributes to the positive impression you make on our customers. Business casual dress is generally expected. Business casual dress should include nice shoes, slacks, pantsuits, dresses, skirts, and shirts (and possibly ties). Hair should be human colored and facial and tongue jewelry should not be worn at work. Please keep your nails clean and tastefully groomed. Visible tattoos are not acceptable.

Personal appearance should be a matter of concern for each employee. If your supervisor feels your attire and/or grooming is out of place, you may be asked to leave your workplace until you are properly attired and/or groomed. Violating dress code standards may subject you to appropriate disciplinary action.
Chapter 5-DAY TO DAY OPERATIONS

**Employer and Employee Property**

Because even a routine inspection of agency property might result in the discovery of an employee's personal possessions, you are encouraged not to bring into the workplace any item of personal property which you do not want to reveal to the agency.

In addition, all desks, lockers, offices, work spaces, credenzas, cabinets, electronic mail (e-mail), telephone systems, office systems, computer systems, any and all electronically issued technology, agency vehicles and other areas or items belonging to the agency are open to the agency and its employees. **YOU SHOULD HAVE NO EXPECTATION OF PRIVACY IN ANY OF THESE AREAS.** Personal items and messages or information that you consider private should not be placed or kept in any of these places or areas belonging to the agency.

Storage areas, work areas, file cabinets, credenzas, computer systems and software, office telephones, cellular telephones, any and all electronically issued technology, modems, facsimile machines, copy machines, tools, equipment, desks, voice mail, and electronic mail are agency property, and need to be maintained according to agency rules and regulations.

Desks and work areas must be kept clean, and are to be used for work-related purposes. Agency property is subject to inspection at any time, with or without prior notice. Prior authorization must be obtained before any agency property may be removed from the premises.

For security reasons, you should not leave personal belongings of value in the workplace. Personal items, lockers and desks are subject to inspection and search, with or without notice, and with or without your prior consent.

Terminated employees should remove any personal items at the time they leave us. Personal items left in the workplace by previous employees are subject to disposal if not claimed at the time of your termination.

**Electronic Systems and Privacy**

You should understand that you have NO expectation of privacy in connection with the use of electronic systems, including stored e-mail/voice mail messages or any messages sent electronically. All messages created, sent, received or stored in these systems are and remain the property of SVCE. SVCE reserves the right to retrieve and review any message composed, sent or received via the system. Please note that even when a message is deleted or erased, it is still possible to recreate the message; therefore, the ultimate privacy of messages cannot be ensured to anyone.

To safeguard and protect the proprietary, confidential and business-sensitive information of SVCE, and to ensure that the use of all electronic systems and equipment is consistent with SVCE’s legitimate business interests, authorized representatives of SVCE may monitor the use of such systems from time to time without notice, which may include printing and reading materials, files on the system, list servers, and equipment.
You should be aware that e-mail messages, like SVCE correspondence, and any and all messages sent electronically may be read by other SVCE employees and outsiders under certain circumstances. While it is impossible to list all of the circumstances, some examples are the following: (1) during system maintenance of the e-mail system, (2) when SVCE has business needs to access the employee’s mailbox, (3) when SVCE receives a legal request to disclose e-mail messages, or (4) when SVCE has reason to believe the employee is using e-mail in violation of SVCE policies.

Social Media Guidelines

The agency understands that various forms of communication occur through social media, such as Facebook, Twitter, LinkedIn, blogs, and multimedia host sites such as YouTube. Such communications occur in social networking, blogs, and video sharing and similar media. It should be remembered that social media sites do not provide a private setting. Employees who communicate information through social media therefore should not expect that such information is private.

Employees must remember that all existing policies apply to information disseminated through social media. These guidelines are intended to help employees understand some of the unintended outcomes of sharing information through social media.

Application of Policies

The employer’s policies and standards apply to conduct that occurs in the workplace and while employees are on duty, wherever they happen to be. They also apply to activities that occur during an employee’s own time, outside of work, if the activities have an actual or potential impact on the employee’s performance, the performance of coworkers, or the employer. Employees should therefore understand that they are responsible for certain activities that occur off the employer’s premises or on their own time both to the employer and third parties. Nothing in this policy prevents employees from exercising their broad rights to discuss the terms and conditions of employment with others, to take action with others to improve your working conditions, or to otherwise exercise their rights to engage in protected concerted activity.

General Policies

The agency’s policies regarding workplace conduct and interpersonal interactions are embodied in a number of policies, including policies that protect the agency’s trade secrets, legal interests and confidential information.

The policies also prohibit unlawful harassment and discrimination and require employees to use work time in an appropriate manner.

The principles set forth in the agency’s policies apply equally to social media, even when the policies do not refer specifically to social media. Violations of any policy through social media or networking will be appropriately addressed when brought to management’s attention.

Illustrations of some of the relevant policies and how they may apply to social media are provided below. The following guidelines apply to all employees when they are at work and away from work.

General Expectations

- Employees may not post or transmit any material or information that includes confidential, proprietary or trade secret information, or information that is untrue, defamatory, obscene, profane, threatening, harassing, abusive, hateful or humiliating to another person or entity. This includes, but is not limited to, comments regarding the agency or its employees or customers. Employees should ask their
supervisors and refer to agency policies if they have any questions about what is appropriate to include in communications involving social media.

Harassment
- The agency cannot tolerate intimidation, bullying or threats of violence among co-workers and such acts, even if occurring on line outside of work, will result in serious consequences, including termination.
- The agency maintains a strict policy prohibiting unlawful harassment of any kind. Harassment is unlawful if it is based upon any legally protected characteristic. It includes unwelcome verbal, physical, or visual conduct that creates an intimidating, offensive, or hostile work environment or unreasonably interferes with work performance.

Reputation
- Employees should act responsibly and remember that untrue or defamatory postings can have serious consequences. Do not create fake blogs or false reviews of the agency or its competitors.

Acceptable Use Guidelines
- E-mail and Internet access is provided to support the agency’s business. Users who are given access to these tools may not make personal use of them either during work or non-work time. Any use that includes tapping into electronic social media should be consistent with the agency’s values, policies and applicable laws.
- Participation in social media sites should be limited during work time; incidental use during break time is not prohibited by this policy. Under no circumstances may employees access social media sites while performing safety-sensitive functions such as driving.

Opinions
- Employees should not refer to the agency without proper authorization to do so. Employees should at all times make it clear that their opinions do not represent those of the agency. They should include disclaimers in online communications advising that they are not speaking officially or unofficially on behalf of the organization.
- Employees may not use the agency’s logo or proprietary graphics to imply that you are speaking on behalf of the agency.

Questions
- Employees who have concerns regarding workplace conduct or inappropriate behavior or comments are encouraged to contact the Human Resources Consultant for further guidance.

Additional Guidance and Information
While the agency’s policies offer very clear direction on some issues, there are other areas where common sense must prevail. When in doubt about posting, employees should consider the following:
- There is no expectation of privacy when engaging in social media networking activities. You may know everyone in the room when you have a conversation in person. This will not apply with social networking applications. You may not have full control over how your comments are perceived or shared.
- These are public forums. As a practical matter, it may be impossible to delete information that is shared. Comments may be publicly available for years.
• Even when you do not identify your employer by name in the communication or posting, some readers are likely to know where you work. Keep this in mind when you consider posting or transmitting comments that may be work-related. This should also be considered when creating your profile.

• Do not state or imply that the opinions you express are those of the agency, its management, or other employees. Include a disclaimer to this effect.

**Telephone Usage**

You may use agency telephones for local or personal calls within reason. You are not to charge long distance personal telephone calls to the agency. You are expected to limit personal calls so they do not become excessive or disruptive to your work or work area.

**Cell Phone Usage**

The agency realizes that in our fast paced business environment, meeting our goals and staying in touch with our customers and co-workers is a necessary process in working efficiently. But, first and foremost, we want to preserve the safety of our employees and those in the community. California law limits the use of cell phones while driving to those having hands-free operation.

This law provides that, it is illegal to drive a motor vehicle while using a wireless telephone, unless that telephone is designed and configured to allow hands-free listening and talking operation, and is used in that manner while driving.

Additionally, writing, sending, or reading text-based communications on your cell phone while driving is also prohibited under California law. This includes text messaging, instant messaging, and e-mail. You will be responsible for any tickets you receive if you violate this law.

Use of a hands-free cell phone is required while driving for agency business. An option is that you pull over while driving to place or receive calls on your cellular phones. There is a great potential for harm to you and to others if this policy is violated.

Personal cell phone use is not needed or required for work purposes unless expressly directed by a supervisor and should not be used for work.

**Workplace Monitoring**

Workplace monitoring, both human and electronic, may be conducted by SVCE to ensure quality control, employee safety, security, and customer satisfaction.

Customer sites may also utilize video surveillance of non-private workplace areas. Video monitoring is used to identify safety concerns, maintain quality control, detect theft and misconduct, and discourage or prevent acts of harassment and workplace violence.

Because SVCE is sensitive to your legitimate privacy rights, every effort will be made to see that workplace monitoring is done in an ethical and respectful manner.
Travel Expense Policy

SVCE will reimburse you for work-related travel expenses such as transportation, overnight accommodations and meals. The total daily maximum reimbursable amount for meals is $50.00. You should have your supervisor’s approval before incurring travel expenses. All requests for reimbursement must be submitted to the CEO for approval along with supporting documents or original invoices.

Non-exempt employees will be paid for time spent traveling and in conference sessions. If you are required to use your personal automobile on work-related business, SVCE will reimburse you for mileage at the current IRS reimbursement rate and for parking expenses. You should submit the appropriate expense form to the CEO for approval and then forward it to accounting for payment once per month. If you use your personal vehicle for work-related travel you are expected to maintain at least the minimum insurance required by law.

Agency Property and Equipment

Equipment essential to accomplishing job duties is often expensive and may be difficult to replace. When using agency property, you are expected to exercise care, perform required maintenance, and follow all operating instructions, safety standards, and guidelines.

The agency requires that all equipment be in proper working order and safe to work with at all times. If any equipment appears to be damaged, defective, or in need of repair, do not use it until a qualified technician certifies that it is repaired and safe. Never try to fix broken equipment yourself. Please notify your supervisor of any equipment breakdown as soon as it happens. If the breakdown requires emergency repairs, your supervisor will help you deal with the emergency situation as soon as possible. Prompt reporting of damages, defects, and the need for repairs could prevent possible personal injury and deterioration of equipment. Please ask your supervisor if you have any questions about your responsibility for maintenance and care of equipment used on the job.

If you are authorized to operate an agency vehicle in the course of your assigned work, or if you operate your own vehicle in performing your job, you must adhere to the following rules:

1. You must be a licensed California driver and must maintain at least the minimum insurance required by law.
2. You must maintain weekly mileage reports.
3. You are responsible for following all the manufacturer’s recommended maintenance schedules so as to maintain valid warranties, and for following the manufacturer’s recommended oil change schedule.
4. SVCE provides insurance on agency vehicles. However, you will be considered completely responsible for any accidents, fines, moving or parking violations.
5. If involved in an accident do not admit fault, only provide required insurance and personal DMV information.
6. You must keep the agency vehicle clean at all times. You must also wash and vacuum the vehicle as often as necessary. You will be reimbursed for your reasonable expense of keeping the vehicle clean. Please retain any receipts for reimbursement.
7. Persons not authorized or employed by SVCE cannot operate or ride in an agency vehicle.
8. Prior to operation of any agency vehicle, your supervisor will train you on the appropriate steps to take if you are involved in an accident, such as filling out the accident report, getting names and phone numbers of witnesses and so on.

If you are required to drive an agency vehicle or your own vehicle for agency business, you will also be required to show proof of a current, valid driver’s license and current effective auto insurance coverage prior to the first day of employment.

If you drive your own vehicles on agency business you will be reimbursed at the current IRS reimbursement rate.

You are responsible for all agency property, materials, or written information issued to you or in your possession. You may be asked to sign an acknowledgment of receipt of agency property issued to you. All agency property must be returned on or before your last day of work. You may be responsible for the replacement cost of agency property not returned.

Agency cars are for agency business only, and only authorized employees may drive agency cars. Employee spouses, children, friends or anyone other than the employee may not operate these vehicles, unless an emergency arises. A violation of these rules, or excessive or avoidable traffic and parking violations may result in disciplinary action, up to and including termination.

**Personal Use of Agency Property**

You are not allowed to use agency owned property for personal use. The definition of “agency owned” assets includes, but is not limited to, facilities, computers, and their related equipment; labelers, copy machines, fax machines, postage meter, any type of supplies including office supplies, tools, vehicles, credit cards, etc. These assets are provided to you for agency related business only.

Please also remember that all desks, lockers, cabinets, computers and vehicles that belong to the agency will be open to all agency employees. Personal items, messages or information that you consider private should not be placed or kept in telephone systems, office systems, agency computer systems, office work spaces, desks, and credenzas or file cabinets.

The postage meter is not for personal use. It is at your supervisor’s discretion to allow you to use the postage meter for personal purposes. If allowed, the postage must be paid for in advance.

If you are issued an agency credit card you are responsible for the use of that card. Under no circumstances will the agency allow you to sign an agency credit card unless the card being signed is issued in your name. Signing another employee’s credit card will result in liability for the expense and may subject you to immediate termination. If you hold an agency credit card you may only give permission to another employee to make an authorized business purchase or reservation using your card with prior approval from the CEO of the agency. Any holders of agency credit cards or authorized users who transact a non-business related charge may be subject to immediate termination. Receipts for all credit card transactions must be given to the Finance Director along with an explanation of the purchase.
Driving Record and Insurance

As a condition of employment, we require you to maintain an acceptable driving record if you drive for agency business. Any accidents or traffic violations must be reported to a supervisor immediately if they occur during the course of your duties. You will be responsible for any tickets you receive while driving on agency business whether in an agency vehicle or your own personal vehicle. Failure to report an on-the-job motor vehicle accident, no matter how minor, will lead to disciplinary action, up to and including termination. Additionally, you are required to maintain the level of insurance required by the state of California. A copy of your insurance card must be on file before you will be allowed to drive for agency business.

Health and Safety

Safety is everybody's business. Safety is to be given primary importance in every aspect of planning and performing all SVCE activities. We want to protect you against injury and illness, as well as minimize the potential loss of production. To achieve our goal of maintaining a safe workplace, everyone must be safety conscious at all times. In compliance with California law, and to promote the concept of a safe workplace, we maintain an Injury and Illness Prevention Plan (IIPP). The IIPP is available for your review from the Responsible Safety Officer. The Responsible Safety Officer has responsibility for implementing, administering, monitoring, and evaluating the safety program. Its success depends on the alertness and personal commitment of all.

You will receive a copy of the agency’s general safety rules and will receive health and safety training as part of this program. A complete copy of the Safety Program is kept by the CEO and is available for your review.

Smoking Policies

Smoking, use of e-cigarettes or vapor products is not allowed in any enclosed area of the building, or within 25 feet of any entrance of the building or in any agency vehicle. In fairness to those who do not smoke, smoking is allowed only during breaks and lunch and only in designated areas.

Security

To provide for the safety and security of you, our customers and our facilities, only authorized visitors are allowed in the work areas. To ensure the safety of our guests, we encourage family and friends to check in when visiting you at the workplace.

The following security procedures should always be followed to ensure your safety and the safety of your fellow employees, and to ensure the confidentiality of the agency’s proprietary information. At no time should unauthorized persons be allowed to roam unescorted though the agency’s office. It is a matter of courtesy to accompany customers and guests to and from the exits and other office to which they may be destined. If strangers are encountered in our office who do not satisfactorily identify themselves or the person with whom they will be meeting, escort them to the front of the office. If they resist, contact your supervisor immediately.
Be aware of persons loitering for no apparent reason in other non-office areas (e.g., in parking areas, walkways, entrances/exits and service areas). Report any suspicious persons or activities to your supervisor. Secure your desk at the end of the day or when called away from your work area for an extended length of time and do not leave valuable and/or personal articles in or around your workstation that may be accessible. Please report any lost facility keys to your supervisor immediately.

**Workplace Violence**

SVCE recognizes that violence in the workplace is a growing nationwide problem necessitating a firm, careful response by all employers. The costs of workplace violence are great, both in human and financial terms.

SVCE has adopted the following policies to ensure the safety of its employees and to provide guidance on dealing with violence in the workplace. If qualified, you may provide first aid to injured persons when required. You are required to:

1. Immediately report all indirect and direct threats of violence to a supervisor.
2. Immediately report all suspicious individuals or activities to a supervisor.
3. Never put yourself or others in peril.
4. Immediately call 911 and seek shelter if you hear a violent commotion near your workstation.
5. Cooperate fully with security, law enforcement, and medical personnel who respond to a call for help.
6. Direct all inquiries from the media about violence on SCVE premises to your supervisor or the CEO.

The CEO of SVCE will make the sole determination of whether, and to what extent, threats or acts of violence will be acted upon by the company. In making this determination, we may undertake a case-by-case analysis in order to ascertain whether there is a reasonable basis to believe that workplace violence has occurred. No provision of this policy shall alter the at-will nature of employment at SVCE.

**Off-Duty Use of Facilities**

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

**Parking**

You are encouraged to use the parking areas designated for our employees. Please keep in mind that the parking spaces adjacent to or in front of our building(s) are for customers and visitors only. Remember to lock your car every day and park within the specified areas.

Courtesy and common sense in parking will help eliminate accidents, personal injuries, and damage to your vehicle and to the vehicles of other employees. If you should damage another car while parking or leaving, immediately report the incident, along with the license numbers of both vehicles and any other pertinent information you may have, to your supervisor. SVCE cannot be and is not responsible for any loss, theft or damage to your vehicle or any of its contents. You will be responsible for any parking tickets you receive while driving on agency business whether in an agency vehicle or your own personal vehicle.
Employee Suggestion Program

We encourage you to bring forward your suggestions and good ideas about how our agency can be made a better place to work and our service to customers enhanced. When you see an opportunity for improvement, please talk it over with your supervisors. Your manager can help you bring your idea to the attention of the people in the agency who will be responsible for possibly implementing it.

All suggestions are valued and listened to. When a suggestion of yours has particular merit, we provide special recognition.
**Chapter 6-EMPLOYEE BENEFITS**

**Benefits**

SVCE has developed and invested in an employee benefit program to supplement your regular wages. SVCE will continue these benefits as agency profits permit; however, we reserve the right to change or eliminate any benefit program at any time.

Our benefit program consists of programs which may include health, dental, and vision coverage, life insurance, paid time off and holiday pay. In addition, there are a number of programs such as State Disability, Paid Family Leave, Unemployment Insurance, Social Security and Workers’ Compensation. Eligibility to participate in these programs is determined by your employee classification and length of continued service with the Agency.

Although this employee handbook does not restate all the features of our benefit programs, it provides brief summaries to acquaint you with some of the key features of the programs. Separate plan summaries and plan documents describe the plans in detail and should be consulted for further information. In the case of a conflict between the benefit information set forth in this employee handbook or oral explanations by agency representatives and the terms and conditions of the official plan documents, the provisions of the official plan documents, as interpreted by the plan administrator, shall control.

Our benefits represent a hidden value of between 35% and 50% supplement to your incomes.

**Official Health Plan Documents**

The employee handbook contains a number of brief summaries of the benefit programs that the employer provides for eligible employees. The purpose of these summaries is simply to acquaint you with the general provisions of the applicable plans. In the interest of brevity, they do not contain full statements of all of the terms, conditions, and limitations of the plans. If there are any real or apparent conflicts between the brief information in the handbook and the terms, conditions and limitations of the official plan documents, the provisions of the official plan documents will be considered accurate. You are encouraged to review all plan documents carefully to familiarize yourself with all of the provisions of the plans.

**Paid Time Off (PTO)**

**Eligibility**

Paid Time Off (PTO) is an all purpose time-off policy for eligible employees to use for vacation, the diagnosis, care, treatment of an existing health condition or preventative care of an employee, family member or for employees who are victims of domestic violence, sexual assault or stalking to seek aid, treatment, or related assistance. A family member is defined as a spouse, registered domestic partner (RDP), grandparent, grandchild, sibling, In-law, parent, step-parent, legal guardian, or child (regardless of age or dependency status), illness or injury, and personal business. Personal business also includes time spent for jury duty, bereavement, and time off to vote. Regular full-time employees are eligible to earn and use PTO as described in this policy.

PTO begins accruing upon your date of hire. Employees may begin using PTO upon your 90th day of employment. At that time, you can request the use of earned PTO including that accrued during the waiting period. On your 90th day of employment you will be eligible for our Paid Time Off Schedule.
Accrual
Regular, full-time employees accrue 6.15 hours of PTO per pay period for your first year of eligibility. After your first anniversary, and thereafter, you will receive an additional eight (8) hours per year, which will accrue at an additional rate of .31 hours per pay period, not to exceed ten (10) years of employment.

The length of eligible service is calculated on the basis of a "benefit year." This is the 12-month period that begins when you start to earn PTO. You will not earn PTO while you are out on a leave of absence. Therefore, your benefit year may be extended if you go out on a leave of absence other than a military leave of absence. Military leave has no effect on this calculation. (See individual leave of absence policies for more information.)

Scheduling PTO
PTO can be used in minimum increments of one (1) hour for non-exempt employees. Exempt employees may use PTO in ½ day or 1 full day increments. If you have an unexpected need to be absent from work you should notify your direct supervisor before the scheduled start of your workday, if possible. Your direct supervisor must also be contacted on each additional day of unexpected absence.

To schedule planned PTO, you need to request advance approval from your supervisor. Requests will be reviewed based on a number of factors, including business needs and staffing requirements.

PTO is paid at your base pay rate at the time of absence. It does not include overtime or any special forms of compensation such as incentives, commissions, bonuses, or shift differentials.

PTO will be used to supplement any payments that you are eligible to receive from state disability insurance, or workers’ compensation. The combination of any such disability payments and PTO cannot exceed your normal weekly earnings.

PTO Caps
Employee can accumulate PTO up to a balance of twice the annual PTO for which they are entitled. Once that limit is reached, employee will no longer accrue PTO

Upon termination of employment, you will be paid for unused PTO that has been earned through your last day of work.

Sick Leave
For employees who are not eligible for the PTO policy as outlined above.

Sick leave is a form of insurance that is accumulated in order to provide a cushion for incapacitation due to illness. It is to be used only for the diagnosis, care, treatment of an existing health condition or preventative care of an employee, family member or for employees who are victims of domestic violence, sexual assault or stalking to seek aid, treatment, or related assistance. A family member is defined as a spouse, registered domestic partner (RDP), grandparent, grandchild, sibling, In-law, parent, step-parent, legal guardian, or child (regardless of age or dependency status).

Employees will be granted 24 hours of sick leave upon hire and on January 1st of each year thereafter. Employees may begin using sick leave upon their 90th day of employment. Employees may not carry unused sick leave forward to the next year.
When wishing to use sick leave, you should personally call your supervisor prior to the start of your shift on the day you are scheduled to work. Sick leave is not to be taken in less than two (2) hour increments and does not accrue when you are out on sick leave.

A paid absence is counted as hours worked for the purposes of computing a 40-hour week, but is not counted as a basis for computing overtime.

You will not receive sick pay for any days for which you received State Disability Insurance (SDI) or Workers’ Compensation payments.

Sick leave is not granted for the purpose of accompanying or taking pets to procure medical attention.

Accrued sick leave does not carry over from year to year. We do not provide pay in lieu of unused sick leave. Additionally, unused sick leave has no cash value and will not be paid at termination.

**Holidays**

We observe the following paid holidays for full-time employees:

- New Year’s Day
- Martin Luther King Jr.’s Birthday
- President’s Day
- Memorial Day
- Independence Day
- Labor Day
- Veterans Day
- Thanksgiving
- Day after Thanksgiving
- Christmas Day

Eligibility for holiday pay begins upon date of hire. You must also be regularly scheduled to work on the day on which the holiday is observed, and must work your regularly scheduled working days immediately preceding and immediately following the holiday, unless an absence on either day is approved in advance by your supervisor.

When a holiday falls on a Saturday or Sunday, it is usually observed on the preceding Friday or the following Monday. Holiday observance will be announced in advance.

If you are on a paid absence due to PTO when a holiday occurs, you will receive holiday pay. Non-exempt employees who work on holidays, due to customer job requirements, will receive regular earned wages.

**Insurance Benefits**

**Medical, Dental and Vision Insurance:** We provide comprehensive medical, dental & vision insurance plans for eligible employees and their dependents. You may be required to provide adequate proof of the dependent relationship in order to add the dependents to our insurance policies. Typically proof of the relationship may be established through a copy of a birth certificate, adoption documents, marriage license, or certificate of
registered domestic partnership. We cannot guarantee your domestic partner relationship will be kept confidential.

Full-time and part-time employees are eligible on the first of the month once they have completed 30 days of continuous employment with SVCE. The agency will contribute $1,000 towards full-time employee’s medical, dental and vision benefits. Part-time employees will be eligible on a prorated contribution based on the average hours worked. You will be responsible for any excess premiums due for the coverage you choose for your dependents. Deductions from your paycheck will be made to cover this cost through payroll deductions. Information describing your benefits will be given to you when you join the program. Any remaining employer contribution will be allocated towards the employee’s flexible spending account or health savings account.

During any leave of absence such as personal leave, Workers’ Compensation leave or other disability leave, health benefits will continue through the end of the month. For the duration of any pregnancy disability leave of absence, health and life insurance benefits will be continued for the duration of your pregnancy disability leave.

Please direct any questions you have regarding your health and dental insurance to the CEO.

**Retirement Plan**: We provide a 401(A) and 457B defined contribution retirement plans for eligible employees in order to assist in planning for your retirement. Eligible employees may enroll following 6 months of employment. For more information regarding eligibility, contributions, benefits and tax status, contact the Human Resources Consultant. All eligible participants will receive a summary plan description.

**Disability Insurance**: The Agency furnishes private long-term disability policies. For more information, contact the Human Resources Consultant.

**Life and Accidental Death and Dismemberment Insurance**: If you are a regular full time employee of SVCE, you will be provided our group life insurance coverage paid for by the organization. This insurance is payable in the event of your death, in accordance with the policy, while you are insured. You may change your beneficiary whenever you wish by submitting the appropriate documents to the Human Resources Consultant. Refer to the literature provided by our insurance agency for details on your life insurance coverage.

**Paid Family Leave (PFL) Insurance**: All employees who take time off to care for a seriously ill family member (child, parent, grandparent, grandchildren, in-laws, spouse or registered domestic partner) or bond with a new child may be eligible to receive replacement wages for up to six weeks during any 12-month period, under California’s Paid Family Leave program. This program is funded with employee contributions through the State Disability Insurance (SDI) Program. Such contributions are deducted from each employee’s paycheck. Even though employees may be eligible to receive Paid Family Leave insurance benefits, a leave of absence must still be requested and approved as defined in our leave policies. Please understand that this leave does not mandate any guarantee that your job will be available when you are ready to return.

**State Disability Insurance**: If you are unable to work due to a non-work related medical condition or injury you may be entitled to State Disability Insurance (SDI). SDI benefits are paid by the state and are financed from mandatory payroll tax deductions from all employees’ wages. Questions regarding SDI benefits should be directed to the Human Resources Consultant or the state’s Employment Development Department.

**Unemployment Compensation**: We contribute each year to the California Unemployment Insurance Fund on behalf of our employees.
**Social Security:** Social Security is an important part of every employee's retirement benefit. We pay a matching contribution to each employee's Social Security taxes.

**Workers' Compensation:** The agency purchases a workers' compensation insurance policy to protect you while you are employed by us. The policy covers you in case of occupational injury or illness. It is your responsibility to notify a member of management immediately if injured. Please refer to the Workers’ Compensation policy for additional information.

We provide workers' compensation insurance for our employees as required by state law. The insurance provides important protection for employees who suffer a work-related injury. We encourage you to report all workplace injuries immediately and to take advantage of the benefits provided by our workers' compensation insurance if you are injured on the job.

Workers' compensation insurance provides important protection for employees who suffer an injury at work. Unfortunately, we understand that some employees are encouraged to file fraudulent workers' compensation claims. For your own protection, you should know that the California Insurance Frauds Protection Act provides that it is unlawful for any person to:

"Make or cause to be made any knowingly false or fraudulent material statement or material representation for the purpose of obtaining . . . compensation . . . and shall be punished by imprisonment in county jail for one year, or in the state prison for two, three or five years, or by a fine not exceeding Fifty Thousand Dollars ($50,000.00) . . . or by both imprisonment and fine."

Our policy is to investigate all questionable workers' compensation claims. If they appear to be fraudulent, they are referred to the Bureau of Fraudulent Claims and the District Attorney's office.

**Section 125 (Cafeteria Plan):** Through the flexible spending account or the health savings account, you may designate an annual dollar amount of your before-tax income to pay for certain eligible expenses. Particular care should be taken to assure that the funds required in the flexible spending account are not over estimated as unused funds cannot be returned to the participant at the end of the plan year. Please refer to the Flexible Benefit Plan (SPD) and the Health Spending Account (SPD) booklets for information about the program. If you need additional information or change forms, please speak with the Human Resources Consultant.
Domestic Partners

SVCE believes that basic medical/dental/vision coverage should be available to employees and their dependents. To recognize non-traditional family arrangements and to demonstrate our commitment to our community of employees and their families, SVCE has instituted a Domestic Partners Policy. This policy gives you the opportunity to cover a long-term, significant same sex partner under our benefits plans, as well as opposite sex partners for employees over 62 years of age. SVCE wishes to make it clear that it cannot guarantee confidentiality of the relationship once a domestic partner is covered under our policy. See the CEO or the Human Resources Consultant for more information.

Cal-COBRA

The California Continuation Benefits Replacement Act (Cal-COBRA) gives qualified employees and their dependents the opportunity to continue health insurance coverage under SVCE’s health plan when a “qualifying event” would normally result in the loss of eligibility. Some common qualifying events are resignation, termination of employment, or death of an employee; a reduction in an employee’s hours or a leave of absence; an employee’s divorce or legal separation; and a dependent child no longer meeting eligibility requirements. Under Cal-COBRA, you or the beneficiary pays the full cost of coverage at SVCE’s group rates. In addition, you or the beneficiary may be required to pay an administration fee. Our plan administrator will provide you with a written notice describing rights granted under Cal-COBRA when you become eligible for coverage under our plan. The notice contains important information about your rights and obligations.

Recreational Activities and Programs

SVCE or its insurer will not be liable for payment of workers’ compensation benefits for any injury that arises out of your voluntary participation in any off-duty recreational, social, or athletic activity that is not part of your work related duties.

Leaves of Absence

Occasionally, for medical, personal, or other reasons, you may need to be temporarily released from the duties of your job with SVCE. It is the policy of SVCE to allow its eligible employees to apply for and be considered for certain specific leaves of absence.

All requests for leaves of absence shall be submitted in writing to your supervisor. Each request shall provide sufficient detail such as the reason for the leave, the expected duration of the leave, and the relationship of family members, if applicable. When you become aware of your need for leave, requests should be provided at least 30 days in advance. If your need for leave is not foreseeable, you should follow the agency’s customary notice and procedural requirements for requesting leave. Failure to return to work as scheduled from an approved leave of absence or to inform your supervisor of an acceptable reason for not returning as scheduled will be considered a voluntary resignation of employment. While on a leave of absence you may not obtain other employment or apply for unemployment insurance. If either of these instances occurs, you may be viewed as having voluntarily resigned from the agency.

You will not accrue PTO while you are on a leave of absence, regardless of whether it is paid or unpaid. There are several types of leaves for which you may be eligible.
Medical Leaves of Absence

A medical leave of absence may be granted for non-work related temporary medical disabilities (other than pregnancy, childbirth and related medical conditions) until the end of the month in which the leave began with a doctor’s written certificate of disability. Requests for leave should be made in writing as far in advance as possible, but, requests should be provided at least 30 days in advance. If your need for leave is not foreseeable, you should follow the agency’s customary notice and procedural requirements for requesting leave. If you are granted a medical leave you are required to use any accrued sick pay. You also may use any PTO or sick time previously accrued.

A medical leave begins on the first day your doctor certifies that you are unable to work and ends when your doctor certifies that you are able to return to work, when the employer is unable to accommodate additional leave or until the end of the month in which the leave began, whichever occurs first. Your supervisor will supply you with a form for your doctor to complete, showing the date you were disabled and the estimated date you will be able to return to work. You must present a doctor’s certificate showing fitness to return to work.

For the duration of any leave of absence, health and life insurance benefits ordinarily provided by SVCE, and for which you are otherwise eligible, will be continued until the last day of the month in which the leave begins. For the duration of a pregnancy disability leave, health and life insurance benefits ordinarily provided by SVCE, and for which you are otherwise eligible, will be continued for the duration of your pregnancy disability leave. During this time, you will be required to contribute your portion of the premium on the same basis as you would have been required during your normal working relationship, including payment of any premium for the dependent coverage you have elected.

If you wish to continue these benefits you may do so by electing to continue the benefit through the CAL-COBRA provisions, and by paying the applicable premiums.

You will not accrue PTO while you are on a medical leave of absence.

If returning from a non-work related medical leave, you will be offered the same position held at the time of leaving, if available. However, we cannot guarantee that your job or a similar job will be available upon your return. If SVCE is unable to provide a job for you at the end of your leave, we will end your employment, but you will be eligible to apply for any opening that may arise for which you are qualified.

Bereavement Leave

SVCE provides regular full-time and regular part-time employees up to three (3) days’ paid bereavement leave in the event of a death in your immediate family. For purposes of this policy, “immediate family” includes your spouse, parent, child, sibling; your spouse’s parent, child, or sibling; your long-time companion or domestic partner; and your grandparents or grandchildren. If you need to take time off due to the death of an immediate family member you should contact your supervisor. Your supervisor may approve additional unpaid time off.

Bone Marrow and Organ Donation Leave

Employees who are donating an organ to another person may take a leave of absence not exceeding 30 business days (and which may be taken in one or more periods) in any one-year. Employees who are donating
their bone marrow to another person may take a leave of absence not exceeding 5 business days (and which may be taken in one or more periods) in any one year.

Requests for leave should be made in writing as far in advance as possible. You must provide a written medical certification from your health care provider to SVCE that shows that you are a bone marrow or organ donor and that there is a medical necessity for the donation.

Bone Marrow and Organ Donation leave is a paid leave, however you are required to use up to 5 days of accrued but unused sick or PTO leave for bone marrow donation, and up to 2 weeks of accrued but unused sick or PTO leave for organ donation.

For the duration of a Bone Marrow or Organ Donation leave of absence, health and life insurance benefits ordinarily provided by SVCE, and for which you are otherwise eligible, will be continued until the last day of the month in which the leave begins. During this time, you will be required to contribute your portion of the premium on the same basis as you would have been required during your normal working relationship, including payment of any premium for the dependent coverage you have elected.

When you are ready to return to work after a Bone Marrow or Organ Donation leave, you must provide certification from your medical care provider that you are able to safely perform all of the essential functions of your position with or without reasonable accommodation. Except as otherwise allowed by law, you are entitled, upon return from leave, to be reinstated in the position you held before the Bone Marrow or Organ Donation leave, or to be placed in a comparable position with comparable benefits, pay, and terms and conditions of employment.

**Civil Air Patrol Leave**

Employees who volunteer for the California Wing of the Civil Air Patrol are allowed up to ten days of unpaid leave each year. This leave covers employees who are needed to respond to an emergency operational mission who have been employed by the agency for at least 90 days immediately preceding the requested leave. The agency reserves the right to verify the need for the leave with the Air Patrol.

**Domestic Violence and Sexual Assault Victim Leave**

SVCE takes threats and actions of domestic abuse and sexual assault against our employees very seriously, and wants employees to feel free to obtain services to keep themselves and their dependents safe.

If at any time you need to be absent from work because you have been a victim of domestic violence or sexual assault, and you need to take time off to ensure your safety, seek medical treatment, or receive counseling as a result of domestic violence or sexual assault, please let your supervisor or the CEO know immediately. Your privacy will be protected to the greatest extent possible. You may use accrued PTO or sick leave in lieu of unpaid time off for these purposes.
Jury Duty or Witness Leave

You may want to fulfill your civic responsibilities by serving on a jury or as a witness as required by law. You may request unpaid leave for the length of absence, unless the leave of absence is taken as PTO. We will comply with federal and state requirements on pay for exempt employees. You may be requested to provide written verification from the court clerk of having served.

You must show the jury duty or witness summons to your supervisor as soon as possible so that arrangements can be made to cover your absence. Of course, you are expected to report for work whenever the court schedule permits. If you are called for jury duty during a particularly busy time, we may ask you to request the court to postpone the mandatory jury duty to a more convenient time for us. You retain all fees paid for appearing, plus transportation reimbursements received, if any.

Military Leave

If you wish to serve in the military and take military leave you should contact the Human Resources Consultant for information about your rights before and after such leave. You are entitled to reinstatement upon completion of military service provided you return or apply for reinstatement within the time allowed by law.

Pregnancy Disability Leave

Eligibility and Terms of Leave

Female employees are entitled to an unpaid Pregnancy Disability Leave (PDL) during the time they are disabled due to pregnancy, childbirth, or related medical conditions. This leave will be for the period of disability, up to four months or 17 1/3 workweeks. You are “disabled by pregnancy” if you are unable because of pregnancy to work at all, are unable to perform the essential functions of your job, or to perform these functions without undue risk to successful completion of your pregnancy, or to other persons.

Leave may be taken intermittently or on a reduced work schedule when medically advisable, as determined by your medical care provider. Medical certification is required, and the length of Pregnancy Disability Leave will depend on the medical necessity for the leave. If you need intermittent leave or leave on a reduced schedule, SVCE may require you to transfer, during the period of the intermittent or reduced schedule leave, to an available alternative position for which you are qualified and which better accommodates your recurring periods of leave. Transfer to an alternative position may include altering an existing job to better accommodate your need for intermittent leave or a reduced work schedule.

Applying For Leave

If possible, you should give at least 30 days notice requesting a pregnancy-related leave. This notice must provide and include the expected date on which the leave will begin, written certification from your medical care provider stating the anticipated delivery date and the duration of the leave.

Return to Work

Before returning to work, you must provide a release from your medical care provider certifying that you are able to safely perform all of the essential functions of your position with or without reasonable accommodation. SVCE will reinstate you to your position unless:

1. Your job has ceased to exist for legitimate business reasons;
2. Your job could not be kept open or filled by a temporary employee without substantially undermining SVCE’s ability to operate safely and efficiently;

3. You have directly or indirectly indicated your intention not to return;

4. You are no longer able to perform the essential functions of the job with or without reasonable accommodation;

5. You have exceeded the length of the approved leave; or

6. You are no longer qualified for the job.

If SVCE cannot reinstate you to the position you held before the pregnancy disability leave began, SVCE will offer you a comparable position, provided that a comparable position exists and is available, and provided that filling the available position would not substantially undermine SVCE’s ability to operate safely and efficiently.

Integration with Other Benefits
A pregnancy disability leave is unpaid, but you are required to use your accrued sick leave during the leave. In addition, you may elect to use accrued PTO during the leave. Sick leave and PTO will supplement any State Disability Insurance benefits. SVCE will maintain group medical benefits during a pregnancy disability leave as required by law. No additional PTO, sick leave or holiday pay will accrue during the leave. You may also, however, be eligible for short term disability benefits.

Continuation of Medical Benefits
For the duration of your PDL leave of absence, health and life insurance benefits ordinarily provided by SVCE, and for which you are otherwise eligible, will be continued for the duration of your pregnancy disability leave. During this time, you will be required to contribute your portion of the premium on the same basis as you would have been required during your normal working relationship, including payment of any premium for the dependent coverage you have elected. If you wish to continue these benefits you may do so by electing to continue the benefit through the CAL-COBRA provisions, and by paying the applicable premiums.

School Appearance Leave
If you are the parent or guardian of a child who has been suspended from school and you receive a notice from your child’s school requesting that you attend a portion of a school day in the child’s classroom, you may take unpaid time to appear at the school, unless you use accrued PTO. Before your planned absence, you must give reasonable notice to your supervisor that you have been requested to appear by your child’s school.
Time Off for Victims of a Violent or Serious Crime

Under certain circumstances, employees who are victims of serious crimes may take time off work to participate in judicial proceedings. Qualified family members of such crime victims may also be eligible to take time off from work to participate in judicial proceedings. The law defines a serious crime to include violent or serious felonies, such as felonies involving theft or embezzlement, crimes involving vehicular manslaughter while intoxicated, child abuse, physical abuse of an elder or dependent adult, stalking, solicitation for murder, hit-and-run causing death or injury, driving under the influence causing injury, and sexual assault. When possible, you must provide us with advance notice of the need for the time off. Your privacy will be protected to the greatest extent possible. Time away from work for non-exempt employees will be without pay, unless you wish to use your accrued PTO or sick leave to cover the period of absence.

Time Off to Vote

If you do not have sufficient time outside of working hours to vote in a statewide election, you may, without loss of pay, take off up to two hours of working time to vote. Such time must be at the beginning or end of the regular working shift, whichever allows the most free time for voting and the least time off from working, unless otherwise mutually agreed. You must notify us at least two working days in advance to arrange a voting time.

Volunteer Emergency Duty Leave

SVCE will allow unpaid time off to employees who perform emergency duty as a volunteer firefighter, reserve peace officer, emergency rescue personnel, an officer, employee, or member of a disaster medical response entity sponsored or requested by the state. If you are a volunteer firefighter, or perform other emergency personnel duties, please alert your supervisor so that he or she may be aware of the fact that you may have to take time off for emergency duty. When possible, you must provide us with advance notice of the need for the time off. Time away from work will be without pay, unless you wish to use your accrued PTO or sick leave to cover the period of absence.

Workers’ Compensation

We, in accordance with state law, provide insurance coverage for employees in case of a work related injury. To ensure that you receive any workers’ compensation benefits to which you may be entitled, you will need to:

1. Immediately report any work-related injury to your supervisor.
2. Seek medical treatment and follow-up care if required.
3. Complete a written Employee’s Claim Form (DWC Form 1) and return it to your supervisor.

Provide us with certification from your health care provider regarding the need for workers’ compensation disability leave and your ability to return to work from the leave.

Return to Work Policy

SVCE is committed to returning injured employees to modified or alternative work as soon after a work related injury as possible. Temporarily modifying your job or providing you with an alternative position will do this. Your
medical condition along with any limitations or restrictions given by the attending physician will be considered as a priority when identifying the modified/alternative position.

The program is intended to provide our employees with an opportunity to continue as valuable members of our team while recovering from a work related injury. We want to minimize any adverse effects of an ongoing disability on our employees. This program is intended to promote speedy recovery, while keeping the employees' work patterns and income consistent. At the same time, we benefit from having our employees providing a service and contributing to the overall productivity of our business.
Receipt and Acknowledgment of SVCE Employee Handbook

I have received my copy of SVCE’s employee handbook. I understand and agree that it is my responsibility to read and familiarize myself with the policies and procedures contained in the handbook.

At-Will Employment
I further understand that my employment is at-will, and neither SVCE nor I have entered into a contract regarding the duration of my employment. I am free to terminate my employment with SVCE at any time, with or without cause. Likewise, the agency has the right to terminate my employment with or without cause, at the discretion of the agency. No employee of SVCE can enter into an employment contract for a specified period of time, or make any agreement contrary to this policy without the written approval from the CEO.

Future Revisions
We reserve the right to revise, modify, delete or add to any and all policies, procedures, work rules or benefits stated in this employee handbook or in any other document, except for the policy of at-will employment. Any written changes to this employee handbook will be distributed to all employees so that you will be aware of the new policies or procedures. No oral statements or representations can in any way change or alter the provisions of this employee handbook.

Illness and Injury Prevention Plan
I acknowledge that I have read and understand the SVCE’s Illness & Injury Prevention Plan and that I agree to abide by these policies.

Drug and Alcohol Abuse Policy
I certify that I have read the agency’s Drug and Alcohol Abuse Policy and agree to abide fully by its terms. I understand that as a condition of my employment, I must notify the agency of any conviction for a drug violation that occurs within five days after such a conviction. I understand that any violation of the policy may result in serious disciplinary action, including immediate termination.

Employee's Printed Name__________________________________________ Position________________________

Employee's Signature____________________________________________ Date________________________
Receipt and Acknowledgment of SVCE Handouts

Sexual Harassment Prevention Handout
I acknowledge that I have read and understand the enclosed pamphlet on sexual harassment prevention in the workplace and reporting procedures in the event that harassment occurs.

State Disability Insurance, Paid Family Leave and Unemployment Handouts
I acknowledge that I have received the enclosed pamphlets on state disability insurance, paid family leave and unemployment insurance as provided by the Employment Development Department.

Workers’ Compensation Handout
I acknowledge that I have received the enclosed pamphlet on workers’ compensation benefits as provided by the California Chamber of Commerce.

Employee’s Printed Name ___________________________ Position _______________________
Employee’s Signature _____________________________ Date ___________________________
Staff Report – Item 5

To: Silicon Valley Clean Energy Authority Board of Directors
From: Tom Habashi, CEO

Item 5: Authorize the Chief Executive Officer to Negotiate and Execute an Office Lease Agreement

Date: 9/14/2016

RECOMMENDATION

Authorize the CEO to negotiate and execute a lease agreement for office space to accommodate SVCE operations consistent with the parameters provided by the Board.

BACKGROUND AND DISCUSSION

As SVCEA begins to hire additional staff and prepare for program launch, it needs to acquire office space sufficient to support the operations. In July and August 2016, the CEO discussed the need, prospective criteria, and estimated cost of leasing office space for SVCE with the Executive Committee. Based on their feedback, staff has been working with a real estate agent to evaluate suitable space and has begun discussions regarding lease terms.

Staff has scheduled a closed session regarding a prospective lease agreement for the September 14, 2016 Board meeting. The Board may elect to delegate further action to the CEO after this session.
Staff Report – Item 6

To: Silicon Valley Clean Energy Authority Board of Directors
From: Greg Stepanicich, General Counsel

Item 6: Approve Resolution to Change Fiscal Year
Date: 9/14/2016

RECOMMENDATION

Approve resolution amending the Authority’s fiscal year.

ANALYSIS & DISCUSSION

Section 6.1 of the SVCEA Joint Powers Agreement provides that the Authority’s fiscal year shall be 12 months commencing July 1 and ending June 30. This Section further provides that this fiscal year may be amended by a resolution of the Board of Directors.

Due to the timing of the Authority’s initial loans, it is necessary to amend the Authority’s fiscal year to run from October 1 to September 30 to facilitate the repayment of these loans. Both the CEO Tom Habashi and the Treasurer/Auditor Tim Kirby recommend this change in the Authority’s fiscal year. Accordingly, the attached resolution amends the Authority’s fiscal year to run from October 1 to September 30. Upon adoption of this resolution, the new fiscal year will commence on October 1, 2016.

ATTACHMENTS
1. Resolution Amending the Authority’s Fiscal Year
RESOLUTION NO. 2016-______

A RESOLUTION OF THE BOARD OF DIRECTORS OF
THE SILICON VALLEY CLEAN ENERGY AUTHORITY AMENDING THE
AUTHORITY’S FISCAL YEAR

THE BOARD OF DIRECTORS OF THE SILICON VALLEY CLEAN
ENERGY AUTHORITY DOES HEREBY FIND, RESOLVE, AND ORDER AS
FOLLOWS:

WHEREAS, Section 6.1 of the Silicon Valley Clean Energy Authority Joint
Powers Agreement provides that the Authority's fiscal year shall be 12 months
commencing July 1 and ending June 30, but that the fiscal year may be changed
by a resolution of the Board of Directors of the Authority; and

WHEREAS, in order to facilitate the repayment of the Authority’s loans,
the Board desires to amend the fiscal year to commence on October 1 and end
on September 30.

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors of the
Silicon Valley Clean Energy Authority:

The Authority’s fiscal year shall commence on October 1 and end
September 30. The Authority’s new fiscal year shall commence on October 1,
2016.

ADOPTED AND APPROVED this 14th day of September, 2016.

________________________________________
Chair

ATTEST:

________________________________________
Secretary
To: Silicon Valley Clean Energy Authority Board of Directors

From: Tom Habashi, CEO

Item 7: **Approve Banking Services Agreement with River City Bank**

Date: 9/14/2016

---

**RECOMMENDATION**

Authorize the Treasurer to execute a Contact for Banking Services to River City Bank to serve as the Authority’s depository and to provide other banking services at a total cost of approximately $4,000 per year.

**BACKGROUND**

SVCEA requires the services of a banking institution in order to have accounts into which revenues can be deposited, from which employees and general bills can be paid, and to facilitate the large power purchases that the Authority will require. Currently, the City of Sunnyvale is providing deposit services for the Authority through its banking agreement.

**ANALYSIS & DISCUSSION**

On May 25, 2016, City of Mountain View staff, with assistance from the Cities of Cupertino and Sunnyvale, issued a Request for Proposals for Credit and Banking Services on behalf of the Authority. Five responses were received, two of which were for credit only. After evaluation, the field was narrowed to two proposers and the finalists were invited to interviews and to do a demonstration of their on-line banking services.

While both finalists provide high quality credit and banking services, River City Bank was selected for several reasons. First and foremost, the credit terms received from River City Bank for both the start up working capital and the capital needed after launch were the most favorable. The terms on the credit were both favorable in rate, as well as in the security required to issue the credit. Provision of the credit facility was proposed as contingent upon River City Bank being also selected as the banking service provider. In that aspect, River City Bank was also competitive in their banking services and cost, and they demonstrated the greatest familiarity with the growing Community Choice Energy industry in California.

The Authority does not require a high level of banking services, as it is anticipated that the transaction volumes will be moderate, although the deposit amounts will ultimately be relatively large. Most traditional banks provide the services needed within the core set of services they deliver to the business community.

Under this agreement, River City Bank will provide deposit services, lockbox services (for deposits held as collateral for energy purchases), account reconciliation reporting, disbursement services, and other traditional banking services that will be required by the Authority. In addition, River City Bank has proposed to waive the first year of banking fees as part of this agreement.
Staff estimates that based on transaction volume, which will not be significant, the total cost of the banking services will be approximately $4,000 per year. Staff will return to the Board under a separate action to approve the credit terms for the working capital going forward.

**ATTACHMENTS**
1. Contract for Deposit of Public Funds
2. Deposit Account Agreement
3. Public Fund Customer Checking Product Information and Disclosure
4. Schedule of Miscellaneous Fees and Service Charges
CONTRACT FOR DEPOSIT OF PUBLIC FUNDS

This Contract for Deposit of Public Funds ("Contract") is made as of __________, between Timothy Kirby, acting in his/her official capacity as Treasurer ("Treasurer") of, and on behalf of, the Silicon Valley Clean Energy Authority ("Depositor") and River City Bank, a state-chartered bank ("Depository"), as follows:

1. **Representations.** Treasurer proposes to deposit monies in Treasurer’s custody with Depository from time to time. In Treasurer’s judgment this Contract is to the public advantage. At no time will the amount of deposit exceed the Depository's shareholder's equity, determined in accordance with California Government Code section 53638 and which as of August 24th, 2016 is $165,600,000.

2. **Governing Law and Compliance.** This Contract is entered into pursuant to California Government Code section 53649, and the parties will comply in all respects with, and all deposits hereunder shall be governed by, Title 5, Division 2, Part 1, Chapter 4, Article 2 of the California Government Code (the “Governing Statute”) and all other provisions of the state and federal law and regulations applicable to such deposits. This section applies only to city, county and local agency funds and does not apply to the State of California public funds.

3. **Deposit Rules.** All deposits and the conditions for withdrawal and repayment thereof shall be governed by this Contract and a “Deposit Account Agreement” previously provided by Depository to Depositor and the Depository's schedule of prices and interest rates, as amended from time to time.

4. **Maintaining Security.** As security for deposits under this Contract, Depository, at all times and pursuant to California Government Code sections 53656 and 53658, will maintain with the Agent of Depository:
   - Eligible securities as listed in subsections (a) through (1) and (n) and (o) of California Government Code section 53651 (herein called "Non-REN security"); or
   - Letters of Credit issued by the Federal Home Loan Bank of San Francisco ("FHLB"), in compliance with the provisions of California Government Code section 53651.6; or
   - Promissory notes which (1) are not disqualified under California Government Code section 53651.2(b), (2) are secured by first mortgages or first trust deeds upon improved residential real property located in California, (3) satisfy all other conditions of 16001.2.1 (i) (3) of the Local Agency Deposit Security Regulations as set forth in Article 2 of Subchapter 1 or Chapter 2 of Division 4.5 of Title 2 of the California Administrative Code, and (4) if placed in a securities pool on or after January 1, 1987, comply with all of the provisions of California Government Code section 53651.2(a); herein called "REN security"); or
   - Such other eligible securities as may be permitted from time to time under the Governing Statute; or
   - Any combination of the securities described above in sub paragraphs A through D of this paragraph.

   At all times, when any of the monies deposited by Depositor with Depository under this Contract are secured by Non-REN security, the market value of such security shall be at least 10 percent in excess of the actual total amount of such monies, when any such monies are secured by FHLB Letters of Credit, the value of such Letter of Credit shall be at least 5 percent in excess of the amount of such monies, and when any of such monies are secured by REN security, the value of such security shall be at least 50 percent in excess of the amount of such monies.

5. **Waiver of Security.** The Treasurer hereby waives security for such portion of any deposits as are insured by the Federal Deposit Insurance Corporation as provided by California Government Code section 53653.
6. **Agent of Depository.** MUFG Union Bank, N.A. ("Agent of Depository") has filed with the Administrator of Local Agency Security designated in California Government Code section 53661 (the "Administrator"), an agreement to comply in all respects with the Governing Statute. The Agent of Depository is authorized to hold the securities maintained as provided in paragraph 4 above and to place them in safekeeping, in accordance with the Governing Statute, including but not limited to California Government Code section 53659, with any Federal Reserve Bank, or branches thereof.

7. **Depository's Rights.** Depository has and reserves, as to all securities used as security for deposits under this Contract, the right to: (a) add, substitute and withdraw them as provided in California Government Code section 53654, proved the requirements of paragraph 4 are met; and (b) collect the interest thereon, except in cases when they are liable to sale or are sold or converted in accordance with California Government Code section 53665.

8. **Failure to Pay.** If the Depository fails to pay all or part of any deposits of the Depositor which are subject to this Contract, the Depositor will notify, in writing, the Administrator. The action of the Administrator in converting the collateral required by Paragraph 4 above for the benefit of the Depositor is governed by California Government Code section 53665, which also applies in the event Depository fails.

The Treasurer may withdraw Depository’s deposits from Depository upon receiving notice from the Administrator that Depository has failed to pay assessments, fines or penalties assessed by the Administrator. The Treasurer may immediately upon receiving notice from the Administrator withdraw authorization for the placement of securities with the Agent of Depository in the event that the Agent of Depository fails to pay fines or penalties assessed by the Administrator.

9. **Expenses.** The Depository shall bear and pay the expense of transportation of eligible securities maintained as security for the deposits, to and from the Agent of Depository and any charges for the handling and safekeeping of securities. Depositor shall bear the expenses of transportation of money to and from the Depository in accordance with the schedule of prices referenced in Section 3 of this Contract.

10. **Contract Termination.** This Contract is effective as of this date, governs all deposits made by Depositor with Depository on or after the date hereof, and as to such deposits, cancels and supersedes any previous like contracts between Depositor and Depository for the deposit of monies. Either party, upon 30 days written notice to the other, may terminate this Contract as to future deposits, but not the deposits then held hereunder. Deposits may be withdrawn in accordance with Section 3 of this Contract and applicable federal and state statutes, rules, and regulations.

In Witness Whereof, the Treasurer in his/her official capacity on behalf of Depositor has signed this Contract in duplicate, and the Bank has caused this Contract to be executed in like number by its duly authorized officer as of the date first above written.

**Depositor:**

**Name of Entity**
Silicon Valley Clean Energy Authority

**Printed Authorized Individual’s Name**
Timothy Kirby

**By:**

**Depository:**

**Name of Entity**
River City Bank

**Printed Signer’s Name**
Anker Christensen

**By:**
Wet Signature

Its: Treasurer
  Title

Wet Signature

Its: EVP/CFO
  Title
Deposit Account Agreement

(Effective April 25, 2016)
# TABLE OF CONTENTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>ACCOUNT AGREEMENT</td>
<td>1</td>
</tr>
<tr>
<td>DEPOSITS</td>
<td>1</td>
</tr>
<tr>
<td>FUNDS AVAILABILITY</td>
<td>2</td>
</tr>
<tr>
<td>INTEREST ON DEPOSITS</td>
<td>4</td>
</tr>
<tr>
<td>WITHDRAWALS</td>
<td>5</td>
</tr>
<tr>
<td>ACCOUNT LIMITATIONS</td>
<td>6</td>
</tr>
<tr>
<td>FEES</td>
<td>7</td>
</tr>
<tr>
<td>ELECTRONIC FUND TRANSFERS</td>
<td>7</td>
</tr>
<tr>
<td>DISPUTE RESOLUTION</td>
<td>13</td>
</tr>
<tr>
<td>ADDITIONAL TERMS AND CONDITIONS</td>
<td>13</td>
</tr>
<tr>
<td>Account Verification</td>
<td>13</td>
</tr>
<tr>
<td>Adjustments</td>
<td>14</td>
</tr>
<tr>
<td>Amendments/Changes in Account Terms</td>
<td>14</td>
</tr>
<tr>
<td>Changes in Account Ownership, Capacity, Address and Authorized Signers</td>
<td>14</td>
</tr>
<tr>
<td>Checks</td>
<td>14</td>
</tr>
<tr>
<td>Checks Bearing Notations</td>
<td>15</td>
</tr>
<tr>
<td>Check Endorsement</td>
<td>15</td>
</tr>
<tr>
<td>Check Images</td>
<td>15</td>
</tr>
<tr>
<td>Check Processing Cutoff Hour</td>
<td>15</td>
</tr>
<tr>
<td>Check Signature Verification</td>
<td>15</td>
</tr>
<tr>
<td>Compliance</td>
<td>15</td>
</tr>
<tr>
<td>Conflicting Demands/Disputes</td>
<td>16</td>
</tr>
<tr>
<td>Consent For Us to Contact You</td>
<td>16</td>
</tr>
<tr>
<td>Consent to Gather Information</td>
<td>16</td>
</tr>
<tr>
<td>Cutoff Hours</td>
<td>16</td>
</tr>
<tr>
<td>Death or Adjudication of Incompetence</td>
<td>16</td>
</tr>
<tr>
<td>Deposit Insurance</td>
<td>17</td>
</tr>
<tr>
<td>Facsimile Signatures</td>
<td>17</td>
</tr>
<tr>
<td>Fax Instructions/Voicemail/E-mail</td>
<td>17</td>
</tr>
<tr>
<td>Financial Statement</td>
<td>17</td>
</tr>
<tr>
<td>Force Majeure</td>
<td>17</td>
</tr>
<tr>
<td>Governing Law and Rules</td>
<td>17</td>
</tr>
<tr>
<td>Inactive Accounts</td>
<td>17</td>
</tr>
<tr>
<td>Indemnification</td>
<td>17</td>
</tr>
<tr>
<td>Legal Process</td>
<td>18</td>
</tr>
<tr>
<td>Limitation on Time to Bring Action</td>
<td>18</td>
</tr>
</tbody>
</table>
Other Agreements ........................................................................................................18
Overdrafts ....................................................................................................................18
Pay-on-Death Accounts ............................................................................................19
Photocopies ................................................................................................................19
Postdated Checks ......................................................................................................19
Power-of-Attorney ......................................................................................................20
Privacy .........................................................................................................................20
Protecting Your Identity ............................................................................................20
Remotely Created Checks and Demand Drafts ..........................................................20
Returned Items/Transactions .....................................................................................20
Security Interest .........................................................................................................20
Setoff ............................................................................................................................21
Severability ................................................................................................................21
Stale-Dated Checks ....................................................................................................21
Statements, Notices and Checks ..............................................................................21
Stop Payment Orders .................................................................................................22
Subaccounts ................................................................................................................22
Substitute Checks ......................................................................................................22
Telephone and Electronic Communication Monitoring/Recording .........................24
Termination/Closing Your Account .............................................................................24
Transfers/Assignments .............................................................................................24
Unauthorized Transactions and Errors .....................................................................25
Waivers .........................................................................................................................26

WIRE AND OTHER FUND TRANSFERS ....................................................................26

WITHHOLDING OF INCOME TAX ..........................................................................27

QUESTIONS OR COMMENTS ....................................................................................28
ACCOUNT AGREEMENT

Welcome to River City Bank. These terms, your signature card, consumer privacy policy, fee schedule, rate and time deposit disclosures (if any), and the other information we provide to you when you open your account, represent our agreement with you and contain important information about your account. Please read them carefully. By signing our signature card, requesting an account, or maintaining an account, you acknowledge that you have reviewed, understand and agree to be governed by each, as amended by us from time to time. NOTE: IF A DISPUTE ARISES BETWEEN US, THIS AGREEMENT MAY REQUIRE THE DISPUTE TO BE RESOLVED THROUGH JUDICIAL REFERENCE, RATHER THAN BY JURY TRIAL. PLEASE CAREFULLY READ THE “DISPUTE RESOLUTION” PROVISION ON PAGE 13 FOR DETAILS.

Terms. In this booklet, the words “you” and “your” refer to the owners and authorized signers of an account; “we,” “us” and “Bank” refer to River City Bank. Our “business days” are Monday through Friday, excluding holidays. Unless otherwise specified, the times indicated in these terms are Pacific Time.

Identification. To help the government fight the funding of terrorism and money laundering activities, federal law requires us to obtain, verify, and record information that identifies each person who opens an account. When you apply for an account, we will ask for your name, address, date of birth and other information that will allow us to identify you. We may also ask to see your driver's license or other identifying documents.

DEPOSITS

Source. We may accept items payable to any of you for deposit to your account from any source without questioning the authority of the person making the deposit. We also may give cash back to any authorized account signer(s) or agent(s) in connection with items payable to any owner, whether or not the items have been endorsed by the owner. If you make a deposit or payment that is not accompanied by instructions indicating how or where it is to be credited, we may apply it at our discretion to any loan or deposit account any of you maintains with us.

Endorsements. We may add your endorsement and/or collect items deposited to your account without your endorsement. We also may require your personal endorsement prior to accepting an item for deposit. If you deposit an item that bears the endorsements of more than one person or persons who are not known to us, we may refuse the item, require all endorsers to be present, or require that the endorsements be guaranteed by another financial institution acceptable to us before we accept the item. You warrant that any third party checks you deposit to your account will be endorsed or authorized for deposit by all payees.

Analyzed Accounts. If you deposit funds that belong to others (“beneficial owners”) in an analyzed account, you represent to us that: (a) you are authorized by the beneficial owners to benefit from the use of any associated earnings credit, and (b) your use of the earnings credit will not violate any contract, law or regulation. You also agree to indemnify and hold us harmless from and against any and all claims, actions, proceedings, losses, costs (including attorney fees and other charges), liabilities and/or damages that arise from your use of the analysis service or the manner in which you compensate or charge beneficial owners for your use of our services or the manner in which you compensate or charge
beneficial owners for your use of our services. This provision shall survive the termination of this agreement.

**Items Sent For Collection.** We and other institutions may refuse to accept a check or other item for deposit or may accept it on a collection basis only. This sometimes occurs with foreign, questionable or damaged items. If we accept an item for collection, we will send it to the institution upon which it is drawn, but will not credit your account for the amount until we receive the funds from the other institution. If we elect to credit your account before then, we may charge the amount back against your account if we do not receive payment for any reason. We may impose a fee in connection with sending and receiving items for collection (e.g., by charging your account or deducting the fee from the amount remitted). Other institutions that send or receive items for collection involving your account also may impose a fee for their services.

**Verification and Collection.** Any item that we cash or accept for deposit is subject to later verification and final payment. We may deduct funds from your account if an item is lost, stolen or destroyed in the collection process, if it is returned to us unpaid, or if it was improperly paid, even if you have already used the funds. All deposits, including cash deposits, are subject to later verification.

**Cashing Checks for Others.** You should not use your account to cash checks for others who are not well known to you. Although we may make funds provisionally available to you and may take steps to determine whether a check will be paid, you are responsible for any loss that occurs if the check is returned to us for any reason (e.g., because it is counterfeit). Our employees cannot promise that checks drawn on or issued by other institutions, including cashier’s checks, will be paid.

**ACH Provisional Credits.** Credit for an automated clearing house (“ACH”) transfer is provisional until final payment is received by the payee’s financial institution. Until that happens, the party originating the transfer is not deemed to have made payment to the payee, and the payee’s bank is entitled to a refund of the provisional credit. If we give you provisional credit for an ACH transfer, but do not receive final payment, we may charge your account for the full amount without prior notice or demand.

**Notice of Incoming Transfers.** We are not required to give you a separate notice of our receipt of an ACH transfer. If we accept ACH credits to your account, you will receive notice of the credit on your next regular statement. Although we may send notice of a non-ACH incoming funds transfer (e.g., a wire), we assume no obligation to do so. Transfers to your account will be reflected on your regular periodic statement. You also can contact us during normal business hours to determine if a transfer has been credited to your account.

**FUNDS AVAILABILITY**

**Your Ability to Withdraw Funds.** Our policy is to make funds from your cash and check deposits available to you on the first business day after the day we receive your deposit. Electronic direct deposits will be available on the day we receive the deposit. Once they are available, you can withdraw the funds in cash and we will use the funds to pay checks that you have written. Please keep in mind, however, that after we make funds available to you, you have withdrawn the funds, you are still responsible for checks you deposit that are returned to us unpaid and for any other problems involving your deposit.

For determining the availability of your deposits, every day is a business day except Saturdays, Sundays, and federal holidays. If you make a deposit before the close of business on a business day that we are open (or before 3:00 p.m. for deposits made at an automated teller machine or a night depository), we will
consider that day to be the day of your deposit. However, if you make a deposit after these hours or on a day we are not open, we will consider that the deposit was made on the next business day we are open.

**Longer Delays May Apply.** In some cases, we will not make all of the funds that you deposit by check available to you on the first business day after the day of your deposit. Depending on the type of check that you deposit, funds may not be available until the second business day after the day of your deposit. The first $200 of your deposits, however, will be available on the first business day.

If we are not going to make all of the funds from your deposit available on the first business day, we will notify you at the time you make your deposit. We will also tell you when the funds will be available. If your deposit is not made directly to one of our employees, or if we decide to take this action after you have left the premises, we will mail you the notice by the day after we receive your deposit. If you will need the funds from a deposit right away, you should ask us when the funds will be available.

In addition, funds you deposit by check may be delayed for a longer period under the following circumstances:

- We believe a check you deposit will not be paid.
- You deposit checks totaling more than $5,000 on any one day.
- You redeposit a check that has been returned unpaid.
- You have overdrawn your account repeatedly in the last six months.
- There is an emergency, such as failure of computer or communications equipment.

We will notify you if we delay your ability to withdraw funds for any of these reasons, and we will tell you when the funds will be available. They will generally be available no later than the seventh business day after the day of your deposit.

**Special Rules for New Accounts.** If you are a new customer, the following special rules will apply during the first 30 days your account is open.

Funds from electronic direct deposits to your account will be available on the day we receive the deposit. Funds from deposits of cash, wire transfers and the first $5,000 of a day’s total deposits of cashier’s, certified, teller’s, traveler’s, and federal, state and local government checks will be available on the first business day after the day of your deposit if the deposit meets certain conditions. For example, the checks must be payable to you. The excess over $5,000 will be available on the seventh business day after the day of your deposit. If your deposit of these checks (other than a U.S. Treasury check) is not made in person to one of our employees, the first $5,000 will not be available until the second business day after the day of your deposit.

Funds from all other check deposits will be available on the seventh business day after the day of your deposit.

**Holds on Other Funds.** If we cash a check for you that is drawn on another bank, we may withhold the availability of a corresponding amount of funds that is already in your account. Those funds will be available at the time funds from the check we cashed would have been available if you had deposited it.

If we accept for deposit a check that is drawn on another bank, we may make funds from the deposit available for withdrawal immediately, but delay your availability to withdraw a corresponding amount of funds that you have on deposit in another account with us. The funds in the other account would then not
be available for withdrawal until the time periods that are described elsewhere in this disclosure for the type of check that you deposited.

**INTEREST ON DEPOSITS**

**Interest Rates.** Interest rates paid on our accounts are determined by our management, based on market conditions and other business factors. Except for certificates of deposit (which earn the same interest rate through maturity), the interest rate and Annual Percentage Yield on deposits can change as often as daily, at our discretion, without prior notice to you. On tiered-rate accounts, the entire balance is subject to the interest rate for the balance tier of your end-of-day balance. For current rates, please visit one of our offices or contact us at 916-567-2899 or 1-800-564-7144.

The Annual Percentage Yield stated for time deposits that earn compounded interest (but which permit interest to be withdrawn prior to maturity) assumes that interest remains on deposit until maturity. A withdrawal of interest will reduce earnings.

**Interest Calculations.** Interest is calculated on an actual/365 day basis (366 days for leap years), except for certain public fund accounts where interest is calculated on an actual/360 day basis. Interest begins to accrue no later than the business day we receive credit for the deposit of noncash items (for example, checks).

We use the daily-balance method to calculate the interest on your account. This method applies a daily periodic rate to the principal in the account each day. The compounding frequency may differ.

**Payment of Interest.** Depending on the account, interest may be credited to your account at the end of your monthly or quarterly cycle, at maturity, or when your account is closed. See your account disclosure for details. Interest is paid to the last day of each payment period, the date of withdrawal, and the maturity date. Interest will be lost on some accounts if the account is closed prior to the end of the statement period or the regular interest payment date.

**Matured Time Deposits.** At maturity, certain time deposit accounts will automatically renew for a new term at the rate then in effect for accounts of the same type, amount and duration. You have a seven-calendar day grace period after maturity during which a withdrawal can be made without penalty. We reserve the right to change the rate of interest for automatically renewable accounts at each renewal period. If we elect not to permit the renewal of an automatically renewable time deposit, we will notify you in advance. Unless specifically stated otherwise, any bonus or special promotion we are offering will not apply to automatically renewing time deposits. Time deposit accounts which do not automatically renew will stop earning interest at maturity.

**Early Withdrawals from Time Deposits.** Time deposit customers agree to keep funds on deposit for a fixed period of time. Unless otherwise provided, partial withdrawals and additional deposits are not permitted. If we permit an early withdrawal of principal from a time deposit, we may impose an early withdrawal penalty. Tax penalties also may apply to premature distributions from IRAs.
WITHDRAWALS

**Authorized Signers.** Your signature card or other account opening record identifies who is authorized to make withdrawals, write checks, transfer funds, stop payments, obtain ancillary services (e.g., electronic fund transfer services or wire transfers), and otherwise give us instructions regarding your account. Although your card may indicate that more than one signature is required on checks and for the withdrawal or transfer of funds, that notation is principally for your own purposes. We do not assume a duty to enforce multiple signature requirements. As such, we assume no duty to confirm that two or more (or any combination) of authorized signers have approved any transaction. We may act upon the instructions of any one authorized signer. Although we may attempt on occasion to enforce the multiple signature requirement shown on your card (e.g., by refusing to permit a transaction by less than the stated number of authorized signers), we may cease doing so at any time and without prior notice to you.

We may pay any check that bears a signature or endorsement (including a facsimile signature) resembling an authorized signature on file with us. You agree that signatures by your authorized agents (e.g., persons acting under a power of attorney) are valid, even if the principal-agent relationship is not indicated on the check or instruction.

We may honor checks drawn against your account by authorized signers, even if the checks are made payable to them, to cash, or for deposit to their personal accounts. We have no duty to investigate or question withdrawals or the application of funds.

**Requirements.** We may refuse to pay any check that does not have the required number of signatures or that bears a signature that (in our opinion) does not satisfactorily compare with the specimen signature on file with us. All checks written on your account must be drawn in U.S. Dollars. If your checks are presented for payment or acceptance on a weekend, a holiday, or after our processing cutoff hour, we may treat them as if we had received them on the next business day.

**Order of Payments.** This paragraph describes, generally, how we post transactions to accounts. Please note that this process may change from time to time, without prior notice to you. Our order of posting depends on a number of factors, including when a transaction occurs, whether it has already been approved by us or has become final, the order in which it is presented, the amount, system availability, potential risk of loss to the Bank, and the type of transaction in question, among other variables. Usually, deposits are posted before debits, and checks are posted at night in order of check number, with lower numbered checks posting before higher numbered checks. There are several exceptions to this, however. We also generally process previously authorized transactions (e.g., checks cashed at the Bank), wires, transfers, and ACH debits before we pay your checks. We also may pay Bank fees before your checks. We always reserve the right to post transactions that are payable to us first, and we may post any transaction earlier or later in the process than indicated. As such, if you want to avoid an overdraft or the possibility of a rejected transaction, you should take steps to ensure that your account has sufficient funds to cover each of your transactions and our fees.

**Discrepancies.** If there is a discrepancy in a check you have written between the amount in numbers and the amount in words or embossed numbers, we may utilize either amount in paying the item or may dishonor the item, without liability.

**Limitations.** We may refuse or limit withdrawals under special circumstances (e.g., if our system is down). We may (but are not obligated to) require suitable identification and/or presentation of account ownership records for any withdrawal or account closure. At our discretion, we may require all of your
signatures for the withdrawal of funds and/or the closing of an account. We may require non-customers
to present us with suitable identification, including valid photo identification and a fingerprint, in
connection with the cashing of your checks at one of our offices.

Money market and savings accounts are subject to transaction limitations (see “Account Limitations”).
Time deposits may be subject to penalties for early withdrawal. We may refuse to honor any transaction
if the funds on deposit are insufficient or unavailable to cover the transaction or there is a dispute or
question as to the ownership of account funds.

You may not use your account or any account-related service to conduct Internet gambling transactions or
any activity that would violate applicable law.

Non-Customer Check Cashing. We may impose a charge on non-customers who cash your check at
one of our offices. We also may require non-customers to present suitable identification, including a
fingerprint, in connection with the transaction. If the person cashing a check fails to or refuses to satisfy
our requirements, we may refuse to cash the check.

Advance Notice. As required by federal law, we reserve the right to require seven days advance written
notice of an intended transfer or withdrawal of funds from any savings account, money market deposit
account, or negotiable order of withdrawal (NOW) account. We currently do not exercise this right and
have not exercised it in the past.

Cutoff Hour. If we receive an item for payment on a weekend, a holiday or after 2:00 p.m. on a business
day, we may treat it as if we had received it on the next business day.

Electronic Presentment/Posting. We may charge your account on the day that a check or other
transaction is presented (or returned) to us directly or electronically for payment. We may charge your
account or place a hold on funds at an earlier time if we receive notice that a check or other item
deposited to your account is being returned, or if we receive notice that your check or electronic payment
(e.g., at a point-of-sale) is being processed for collection. Please note: Some merchants may obtain
authorizations in advance for point-of-sale transactions in an amount greater than the final transaction
amount. You agree that we may place a hold on sufficient funds to cover the amount of the authorized
transaction, pending its final settlement through the system, even if that amount exceeds the actual
amount of the transaction. This could affect the balance available to cover other transactions.

ACCOUNT LIMITATIONS

Deposits. We may refuse to accept a deposit or an addition to an account, limit its size, or return all or
part of it to you. We reserve the right to limit the amount of funds that may be maintained in an account.

Cash Withdrawals. Cash withdrawals or payments at any branch may be restricted due to the limited
amount of currency on hand. If we do not have sufficient cash for a large withdrawal or payment, we
may make arrangements for a later cash payment or offer to make payment with a Bank check. We
assume no responsibility to provide personal protection for customers who elect to carry large sums of
money off our premises.

Money Market and Savings Accounts. Transactions involving these accounts are limited by law. You
may make up to only six withdrawals and/or transfers each monthly statement cycle by check (for
accounts with check privileges), preauthorized or automatic transfer (e.g., automatic payments to an
insurance company), draft, point-of-sale debit card, telephone and/or online banking. If you exceed this limitation, we may refuse to honor the excessive transactions, remove your transfer privileges, close the account without prior notice, convert it to another type of account, and/or impose a fee for exceeding the limits (See our fee schedule for details). Note: We count checks for purposes of the transaction limitation as of the date we post them to your account (not as of the date you write them). As such, a check you write during one statement period may not be counted until a subsequent statement period.

This limit does not apply to withdrawals made in person, at an Automated Teller Machine (ATM), by mail, messenger, or telephone (via check mailed to you), or to transfers made to repay a loan with us. Nor is there any limit on the number of deposits that can be made to your account each month (e.g., in person or by preauthorized or automatic transfer). We may refuse or limit telephone and mail withdrawals, at our discretion.

FEES

Our fee schedule describes the most frequently encountered fees associated with our accounts and services. Some services are negotiated separately and may be subject to other written agreements with us. Information on fees for services not covered by the schedule is available upon request. In addition to fees, you agree to pay for all taxes, tariffs and assessments levied or imposed by any government agency in connection with your account or account-related services (excluding any income tax payable by us).

If an average balance is required to avoid a fee, the average balance is calculated by adding the principal in the account for each day of the period and dividing that figure by the number of days in the period.

Monthly service charges are earned the first day of the statement period and collected on the last day of the statement period or the date the account is closed. Service charges are not prorated for partial months. Certain fees may change without specific notice to you. Account owners must promptly pay the fees and charges associated with their accounts and services, and are jointly and severally liable for such fees. We may deduct account fees automatically from your accounts.

ELECTRONIC FUND TRANSFERS

The following terms apply to electronic fund transfers governed by the Electronic Fund Transfer Act (e.g., consumer ATM, point-of-sale and ACH transfers). It also applies to ATM Cards issued for business and other non-personal accounts. Any authorized signer on an account may apply for electronic fund transfer services on behalf of all authorized signers. Once an electronic fund transfer service is established, any authorized signer on your account may act alone in conducting electronic fund transactions, regardless of the number of required signers indicated on the account’s signature card.

Electronic Check Conversion. You may authorize a merchant or other payee to make a one-time electronic payment from your checking account using information from your check to pay for purchases or pay bills.

Automated Teller Machine (“ATM”) Card/Debit Card. You can perform the following transactions with your ATM and/or Visa® Debit Card (“Card”), depending on the accounts and services associated with your Card:

- Withdraw cash from your checking or savings account;
• Make deposits to your checking or savings account at one of our ATMs;
• Transfer funds between your checking and savings accounts;
• Pay for purchases at places that honor the Card; and
• Obtain account balance information.*

* Balance information may not reflect recent transactions, and may include funds that are not available for immediate withdrawal.

Some of these services may not be available at all terminals, and all deposits and payments are subject to later verification by us. If you have more than one account with us, some of these services may not be available for each account. For example, point-of-sale (“POS”) payments cannot be made to merchants from savings accounts or money market accounts.

Your Card cannot be used to transfer money into or out of your account without a personal identification number (“PIN”) at ATMs and most POS terminals. You may be asked to sign a sales slip or provide identification, rather than enter your PIN, for certain Debit Card transactions. At some merchants, such as gas stations, you may not be required to sign your name or enter your PIN for a Debit Card purchase; however, you may be required to enter your ZIP code or another identifier. If you decide you do not want to use your Card, destroy it at once by cutting it in half and notify us in writing.

Transaction Holds. When you use your Card to pay for goods or services, certain merchants may ask us to authorize the transaction in advance and may estimate its final value. When we authorize the transaction, we commit to make the requested funds available when the transaction finally settles and may place a temporary hold on your account for the amount indicated by the merchant. Until the transaction finally settles or we determine that it is unlikely to be processed, the funds subject to the hold will not be available to you for other purposes. We will only charge your account for the final amount of the transaction, however, and we will release any excess amount when the transaction settles.

ATM Safety. You agree to exercise discretion when using ATMs. If there are any suspicious circumstances, do not use the ATM. If you notice anything suspicious while transacting business at the ATM, cancel the transaction, pocket your Card and leave. Be careful when using the ATM and be aware of the surroundings, especially at night or in isolated areas. Park near the ATM in a well-lighted area. At night, have someone accompany you when possible. Do not approach a dark ATM. Do not accept assistance from anyone while using the ATM. Don’t display your cash; pocket it and count it later in the safety of your office or home. Be sure to save your transaction slips. Check them against your statements regularly. Prepare deposits at home to minimize your time at the ATM. Make sure you safeguard your PIN — do not write it on your Card or carry it in your wallet or purse. Always secure your Card just like you would your cash, checks and credit cards. Report all crimes to the ATM operator and local law enforcement officials immediately. We do not guarantee your safety while using the ATM.

Card and PIN Security. You agree not to disclose or otherwise make your Card or PIN available to others without our prior written consent. For security reasons, you agree not to write your PIN on your Card or keep it in the same location as your Card. You agree to return your Cards to us upon our request.
Refunds on Purchases. Cash refunds will not be made to you for purchases made with your Debit Card. If a merchant gives you a credit for merchandise returns or adjustments, it may do so by processing a credit adjustment, which we will apply as a credit to the account from which the original funds were debited.

Foreign Transactions. If you conduct a transaction in a currency other than U.S. dollars, the merchant, network or card association that processes the transaction may convert any related debit or credit into U.S. dollars in accordance with its then current policies. Visa currently uses a conversion rate that is either: (a) selected from a range of rates available in the wholesale currency markets on or one day prior to its central or transaction processing date (note: this rate may be different from the rate the association itself receives), or (b) the government-mandated rate. The conversion rate may be different from the rate in effect on the date of your transaction and the date it is posted to your account. We may impose a charge equal to 1% (0.8% if there is no currency conversion) of the transaction amount (including credits and reversals) for each transaction that you conduct outside the United States or in a foreign currency. This charge is in addition to the Bank’s usual ATM fee.

Telephone Banking Service. You can use this service by calling 916-567-2899 or 1-800-564-7144 to transfer funds between your designated accounts with us, to obtain account information, and to pay certain loan with us from your deposit account. Not all account or loan types can be tied to this service.

Personal Identification Number. We will provide you with a personal identification number (“PIN”) in order to access this service and provide us with instructions. You agree not to disclose your PIN to others and to safeguard its confidentiality.

Transfers. We will transfer funds between your Bank accounts that have been tied to the service. Transfers cannot be made from time deposits. If we receive your transfer instruction prior to our daily cutoff hour, we will make the funds available for use or withdrawal at the opening of our next business day.

Account Information. You can obtain information regarding your Bank accounts that are tied to this service. Please note that balance information may not reflect recent transactions, and may include funds that are not available for immediate withdrawal. The balance information feature is not subject to the error resolution or liability sections set forth below.

Cutoff Hour. We will act upon instructions received prior to 8:00 p.m. on any business day. If we receive a transfer or payment instruction after the cutoff hour or on a non-business day, it may not be processed until the next business day.

Preauthorized/Automatic Transfers. Pre-authorized electronic fund transfers may be made to your account from a third party (e.g., Social Security, a pension fund or your employer) or from your account to a third party (e.g., recurring mortgage or insurance payments through the Automated Clearing House). Pre-authorized transfers do not include: (a) transactions initiated by check, draft or similar paper instrument, (b) transfers to or from business or other non-personal accounts, (c) individual transfers we initiate under an agreement with you, but without your specific request (e.g., automatic savings and automatic loan payments to us from your account), or (d) transfers initiated by telephone. Please note: If federal recurring or other electronic payments are made into your account, the payments may be affected by a change in account status or transfer (e.g., to another office). If you plan to transfer your account or change its status, please speak with us in advance about the impact the change may have on your electronic fund transfer services.
Limitations. Certain transaction limitations are imposed on Money Market and Savings Accounts (See page 6). You may use your Card to withdraw a total of $500 per day from ATMs. In addition, you may use your Debit Card to purchase goods or services up to (a) $1,500 per day in PIN-based transactions, and (b) $1,500 per day in transactions that are not PIN-based (e.g., purchases made based on your signature or over the telephone), with an overall limit of $2,000 per day for all purchase transactions. For security reasons, there may be times when we further limit these amounts. Different limitations may apply at terminals that are not owned and operated by us. You may not use your Card or account for any unlawful purpose or to conduct Internet gambling transactions.

Record of Your Transactions

Receipts. You can get a receipt at the time you make any transfer to or from your account using one of our ATMs or a POS terminal; however, receipts for transactions of $15 or less may not always be available. All ATM transactions are subject to later verification by us.

Preauthorized Credits. If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you can call us at 916-567-2899 or 1-800-564-7144 to find out whether or not the deposit has been made.

Account Statements. Except for certificates of deposit, you will get a monthly account statement unless there are no transfers in a particular month. In any case, you will get a statement at least quarterly.

Varying Preauthorized Transfers. If you have arranged in advance to make regular payments out of your account and they may vary in amount, the person you are going to pay will tell you 10 days before each payment when it will be made and how much it will be. You may choose instead to get this notice only when the payment would differ by more than a certain amount from the previous payment or when the amount would fall outside certain limits that you set.

Our Liability for Failing to Make Transfers. If we do not complete an electronic fund transfer to or from your account on time or in the correct amount according to our agreement with you, we will be liable for your losses or damages. There are some exceptions, however. We will not be liable, for instance, if:

- Through no fault of ours, you do not have enough available funds in your account to make the transfer;
- The transfer would exceed any permitted overdraft line you have with us;
- Circumstances beyond our control (such as fire, flood, water damage, power failure, strike, labor dispute, computer breakdown, telephone line disruption or a natural disaster) or a rolling blackout prevent or delay the transfer despite reasonable precautions taken by us;
- The system, ATM or POS terminal was not working properly and you knew about the problem when you started the transaction;
- The funds in your account are subject to legal process; an uncollected funds hold or are otherwise not available for withdrawal;
- The information supplied by you or a third party is incorrect, incomplete, ambiguous or untimely;
- We have reason to believe the transaction may not be authorized by you; or
- The transaction cannot be completed because your Card is damaged.

There may be other exceptions stated in our agreement with you.
Your Liability for Unauthorized Electronic Fund Transfers. Tell us AT ONCE if you believe your Card or PIN has been lost or stolen, or if you believe that an electronic fund transfer has been made without your permission using information from your check. Telephoning is the best way of keeping your possible losses down. You could lose all the money in your account (plus your maximum overdraft line of credit). If you tell us within two business days after you learn of the loss or theft of your Card or PIN, you can lose no more than $50 if someone used your Card or PIN without your permission. If you do NOT tell us within two business days after you learn of the loss or theft of your Card or PIN, and we can prove we could have stopped someone from using your Card or PIN without your permission if you had told us, you could lose as much as $500.

Note: Under the Visa Rules, you will not be liable for the $50 or $500 amounts described above for transactions conducted with a Visa debit Card, provided you were not grossly negligent or fraudulent in the handling of your Card or account and you notify us within a reasonable time of becoming aware of such loss or theft.

If your statement shows transfers that you did not make, including those made by Card, PIN or other means, tell us at once. If you do not tell us within 60 days after the statement was mailed or otherwise made available to you, you may not get back any money you lost after the 60 days if we can prove that we could have stopped someone from taking the money if you had told us in time.

If a good reason (such as a long trip or a hospital stay) kept you from telling us, we will extend the time periods.

Business and Other Non-personal Accounts. The provisions in this Electronic Fund Transfers section dealing with “Our Liability for Failing to Make Transfers,” “Your Liability for Unauthorized Electronic Fund Transfers,” and “In Case of Errors or Questions About Your Electronic Fund Transfers” (and related provisions on the back of periodic statements) do not apply to business or other non-personal accounts. You should notify us immediately if you discover any unauthorized transactions or errors involving your Card or account. You must send us a written notice of the problem within a reasonable time, not to exceed 14 days from the date of discovery or your receipt of the first statement or notice reflecting the problem, whichever occurs first.

You are liable for all unauthorized transactions made with your Card or the PIN associated with your Card that occur prior to the time you notify us to cancel your Card, that an unauthorized transaction has taken place, or that your Card or PIN has been lost or stolen. There is one exception to this liability: Under the Visa Rules, you will not be liable for unauthorized transactions conducted with a Visa debit Card, provided you were not grossly negligent or fraudulent in the handling of your Card or account and you notify us within a reasonable time of becoming aware of such loss or theft. This exception does not apply to Visa Corporate Cards or Visa Purchasing Cards. It is important that you review your statements closely, however. If your statement shows transactions you did not make, contact us at once. If you fail to notify us of unauthorized transactions within 60 days after the first statement or report showing unauthorized activity was sent or made available to you, you will be liable for unauthorized transactions that occur after the 60-day period.

Business Card transactions are not considered unauthorized if they are made by a business co-owner or any other person with an interest in or authority to transact business on your account, even if the person exceeds any authority given by you.
How to Stop Preauthorized Transfers From Your Account. If you have told us in advance to make regular payments out of your account, you can stop any of these payments by writing to us at River City Bank, P.O. Box 15247, Sacramento, CA 95851, or by calling us at 916-567-2899 or 1-800-564-7144.

We must receive your request at least three business days before the payment is scheduled to be made. (Note: If you fail to give us your request at least three business days prior to a transfer, we may attempt, at our sole discretion, to stop the payment. We assume no responsibility for our failure or refusal to do so, however, even if we accept the request for processing.) If you call, we may require you to put your request in writing and to provide us with a copy of your notice to the payee, revoking the payee’s authority to originate debits to your account, within 14 days after you call. If we do not receive the written confirmation within 14 days, we may honor subsequent debits to your account. For individual payments, your request should specify the exact amount (dollars and cents) of the transfer you want to stop, the date of the transfer, and the identity of the payee. Unless you tell us that all future transfers to a specific recipient are to be stopped, we may treat your stop payment order as a request concerning the one transfer only. If you order us to stop one of these payments at least three business days before the transfer is scheduled and we do not do so, we will be liable for your losses or damages.

Lost or Stolen Card/Pin or Unauthorized Transaction. If you believe your Card or PIN has been lost or stolen or that someone has transferred or may transfer money from your account without your permission, call us at the number or write us at the address described in the preceding section. You should also call the number or write to the address if you believe a transfer has been made using the information from your check without your permission.

In Case of Errors or Questions About Your Electronic Transfers. Call us at the number or write us at the address described above as soon as you can if you think your statement or receipt is wrong or if you need more information about an electronic transaction. We must hear from you no later than 60 days after we sent the FIRST statement on which the problem or error appeared.

1. Tell us your name and account number.
2. Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe it is an error or why you need more information.
3. Tell us the dollar amount of the suspected error.

In addition, it would be helpful if you provided us with any supporting documentation related to the error.

If you tell us orally, we may require that you send us your complaint or question in writing within 10 business days.

We will determine whether an error occurred within 10 business days after we hear from you and will correct any error promptly. If we need more time, however, we may take up to 45 days to investigate your complaint or question. If we decide to do this, we will credit your account within 10 business days (5 business days in some cases for Visa Debit Card transactions) for the amount you think is in error, so that you will have the use of the money during the time that it takes us to complete our investigation. If we ask you to put your complaint or question in writing and we do not receive it within 10 business days, we may not credit your account.

For errors involving new accounts, point-of-sale, or foreign-initiated transactions, we may take up to 90 days to investigate your complaint or question. For new accounts, we may take up to 20 business days to credit your account for the amount you think is in error.
We will tell you the results within three business days after completing our investigation. If we decide that there was no error, we will send you a written explanation. You may ask for copies of the documents that we used in our investigation.

**Fees.** See our current fee schedule for charges related to electronic fund transfer services. If you conduct a transaction at an ATM that is not operated by us, the operator of the ATM or any network utilized to effect the transaction may impose a fee.

**Business Days.** Our business days are Monday through Friday, excluding holidays.

**Release of Account Information.** We may release information regarding your account and the transactions you perform. (See page 20).

**Change in Terms/Termination of Service.** We may add to, delete or amend the terms or terminate your use of our electronic fund transfer services at any time, with or without cause and without affecting your outstanding obligations under this Agreement. We may terminate or suspend your electronic fund transfer service immediately if: any of you breach this or any other agreement with us; we have reason to believe that there has been or may be an unauthorized use of your account, Card or PIN; there are conflicting claims to the funds in your account; or any of you requests that we do so. If you ask us to terminate your account or the use of any Card, you will remain liable for subsequent transactions performed by you or any authorized user.

### DISPUTE RESOLUTION

If a dispute involving $50,000 or more (including all claims of all parties) arises between us with respect to the account, this agreement, its enforcement or our account services, either of us may require that it be resolved by judicial reference in accordance with California Code of Civil Procedure, Sections 638, et seq. The referee shall be a retired judge, agreed upon by the parties or appointed by the court. The costs of the reference procedure, including the fee for the court reporter, shall be paid equally by all parties as the costs are incurred. The referee shall hear all pre-trial and post-trial matters, including requests for equitable relief, prepare an award with written findings of fact and conclusions of law, and apportion costs as appropriate. Judgment upon the award shall be entered in the court in which such proceeding was commenced and all parties shall have full rights of appeal.

This provision will not be deemed to limit or constrain either party’s right to exercise self-help remedies such as set off, to obtain provisional or ancillary remedies such as injunctive relief or the appointment of a receiver, to interplead funds in the event of a dispute, to exercise any right or remedy as a secured party against any collateral pursuant to the terms of a security agreement, or to comply with legal process involving accounts or other property. Venue for any action brought in accordance with this provision shall be in State of California.

### ADDITIONAL TERMS AND CONDITIONS

**Account Verification.** We may use a third party service to verify and obtain information regarding your previous banking relationships. We may also report the status, history and/or closure of your account to such third party services.
**Adjustments.** We may make adjustments to your account whenever a correction or change is required. Adjustments might occur, for example, if deposits are recorded or keyed in the wrong amount or items you deposit are returned unpaid. We may elect, at our discretion, not to make an adjustment to your account to correct an error which you or a third party (e.g., another financial institution) cause if the adjustment is less than $5.00 or our cost to make the adjustment is greater than the amount in question.

**Amendments/Changes in Account Terms.** We may add to, delete or change the terms of our agreement with you at any time by mailing, e-mailing or delivering a notice, a statement message or an amended agreement to any of you at the last address (location or e-mail) on file for you, your account, or the service in question or by providing the notice to you through our online banking service. Unless otherwise required by law, we may amend the agreement without prior notice (e.g., by posting the information in our offices, on our/your web site, or otherwise making it available to you).

We may substitute similar services or discontinue currently offered services for certain accounts by giving you prior notice. We do not have to notify you, however, of any changes that are beneficial to you (e.g., a reduction or waiver of any fees or the addition of services) or if the change is required for security reasons.

**Changes in Account Ownership, Address and Authorized Signers.** You agree to notify us immediately in writing of any change in your name, address, email address, business capacity (e.g., sole proprietor to corporation), or the authorized signers on your account. We may require a new signature card or other documentation before giving effect to any change in ownership or authorized signers. We may rely on our account records to determine the ownership of your account.

If the authorized persons on your account change, we may continue to honor items and instructions given earlier by any previously authorized person(s) until we receive specific notice from you in writing not to do so (Note: A new or updated signature card, by itself, does not constitute notice to terminate any pre-existing payment or transfer plan). In some instances we may require you to close your account or provide us with stop payment orders in order to prevent transactions from occurring. There may be a delay in implementing a change in the authorized persons on our records, and you agree that we will be given a reasonable opportunity to make the changes necessary.

**Checks.** Check prices vary according to the types of checks you select. You can obtain information on the current price of checks by contacting us at the number shown below. Check charges may vary from time to time without specific notice to you. You are responsible for verifying the accuracy of all information shown on your checks and deposit tickets. If you find an error, please notify us immediately. We are not liable for losses resulting from incorrectly printed checks or deposit tickets.

If you arrange for the printing of your own checks, the form, encoding and format of the checks must follow our check specification requirements and be approved by us in advance. The name(s) printed on your checks must agree with the name(s) on our account records. If you do not purchase your checks through us, we may charge a fee for each check that is rejected during processing due to poor print quality, or if it fails to meet our specifications. You agree not to issue checks with features or marks that obscure, alter or impair information on the front or back of a check or that otherwise prevents us or another bank from capturing such information during automated check processing.

We make checks available that include fraud prevention features. If you choose not to use them or other checks that include fraud prevention features, you agree to assume a heightened degree of care for safeguarding your checks, and for reviewing all returned checks and statements as soon as you receive them.
You agree to safeguard your blank and canceled checks, and to take reasonable steps to prevent their unauthorized use. If you are a business, you should store them under dual control in a secure, locked location that is accessible only to authorized personnel. If your checks are lost or stolen, you agree to notify us immediately. For security reasons, we reserve the right to close your account and transfer the balance to a new account. If we do, all checks written but not yet paid may be returned to payees as “Account Closed” or “Refer to Maker.” You will be responsible for issuing any replacement checks.

**Checks Bearing Notations.** Although we are not obligated to, we may pay or accept checks and other items bearing restrictions or notations (e.g., “Void after 6 months,” “Two Signatures Required,” “Void over $50.00,” “Payment in Full,” and the like), whether on the front or back, in any form or format. If you cash or deposit an item or write a check with such a notation, you agree that it applies only between you and the payee or maker. The notation will have no effect on us, and you agree to accept responsibility for payment of the item.

**Check Endorsement.** Federal regulations provide that the top 1-1/2 inches on the back of a check (when read vertically from the trailing edge) is designated for your endorsement as payee. If you endorse a check in the area outside of the endorsement area, mark or otherwise obscure the other area, or make an endorsement which is illegible or incomplete, you agree to hold us harmless from any loss, delay, liability, claim, or damage which occurs as a result.

**Check Images.** If we do not return your paid checks to you, images of the checks may be sent or made available to you each month with your account statement. Your original checks may be destroyed shortly after we process the checks, but we will maintain a record of the checks for several years. You can obtain copies of your checks by sending us a written request with the following information: your name, account number, check number, the amount of the check, and (if known) the date the check was paid. There is no charge for the first two items per statement that we copy for you. After that, we will charge your account a fee for each copy (including the front and back of the check). We will not be responsible for any indirect, special or consequential damages under any circumstances for our inability to provide copies of checks. Our liability, if any, will not exceed the face amount of the check in question, and you must provide us with reasonable proof of any loss.

**Check Processing Cutoff Hour.** If we receive an item for payment on a weekend, a holiday or after 2:00 p.m. on a business day, we may treat it as if we had received it on the next business day. Our processing cutoff hour with respect to any knowledge, notice, stop payment or postdated check order, or legal process received by us involving a check is one hour after the opening of the business day following the business day on which we receive the check. The cutoff hour with respect to setoffs exercised by us is midnight of the business day following the business day we receive a check, or such later time by which we must return the check. The cutoff hour determines our obligation under state law to pay or return certain checks that have been received (but not finally paid) by us on the previous business day.

**Check Signature Verification.** We may process certain checks mechanically, based on the information encoded on the items. This means that we may not visually examine each of your checks to determine if they are properly completed and endorsed, and we assume no duty to identify and/or return duplicate checks, checks with duplicate serial numbers, misencoded items, or checks lacking an encoded serial number. Although we may examine checks from time to time, you understand that reasonable commercial standards do not require us to do so.

**Compliance.** You agree not to violate the laws of the United States, including without limitation, the economic sanctions administered by the U.S. Treasury’s Office of Foreign Assets Control. You may not
use your account or any account-related service to process Internet gambling transactions or conduct any activity that would violate applicable law. If we are uncertain regarding the legality of any transaction, we may refuse the transaction or freeze the amount in question while we investigate the matter.

**Conflicting Demands/Disputes.** If there is any uncertainty regarding the ownership of an account or its funds, there are conflicting demands over its ownership or control, we are unable to determine any person’s authority to give us instructions, we are requested by Adult Protective Services or any similar state or local agency to freeze the account or reject a transaction due to the suspected financial abuse of an elder or dependent adult, or we believe a transaction may be fraudulent or may violate any law, we may, at our sole discretion: (1) freeze the account and refuse transactions until we receive written proof (in form and substance satisfactory to us) of each person’s right and authority over the account and its funds; (2) refuse transactions and return checks, marked “Refer to Maker” (or similar language); (3) require the signatures of all authorized signers for the withdrawal of funds, the closing of an account, or any change in the account regardless of the number of authorized signers on the account; (4) request instructions from a court of competent jurisdiction at your expense regarding the account or transaction; and/or (5) continue to honor checks and other instructions given to us by persons who appear as authorized signers according to our records. The existence of the rights set forth above shall not impose an obligation on us to assert such rights or to deny a transaction.

**Consent For Us to Contact You.** You agree that we or our agents may contact you at any telephone number you provide to us, including any cell phone number. You authorize us to send text messages and make prerecorded or autodialed calls to any number(s) you provide. Your service provider may impose a charge for those calls/messages.

**Consent to Gather Information.** You authorize us to obtain information from time to time regarding your credit history from credit reporting agencies and other third parties. You authorize us to obtain address information from the California Department of Motor Vehicles or any other government agency. As such, you waive your rights under California Vehicle Code §1808.21 (or equivalent).

**Cutoff Hours.** Instructions received by us on a weekend, holiday or after our cutoff hour on a business day may be treated and acted upon by us as if received on the next business day.

**Death or Adjudication of Incompetence.** You agree to notify us immediately of the death or court-declared incompetence of any owner, authorized signer or designated beneficiary on your account. We may disregard any notice of incompetence unless the person in question has been declared incompetent by a court of appropriate jurisdiction and we receive written notice and instructions from the court regarding the account. We also may freeze, offset, refuse and/or reverse deposits and transactions (e.g., governmental or retirement benefit payments payable to the deceased) if an owner dies or is adjudicated incompetent. If we are obligated to return funds removed from the account following the death or incompetence of any owner, the other owners agree to reimburse us for the amount.

If your account ownership records indicate that the account is held in “joint tenancy,” upon the death of any owner, the deceased owner’s share passes automatically to the surviving owner(s) unless there is clear and convincing evidence of a different intent on the signature card. If the account is held as “tenants in common,” a deceased owner’s share passes to the estate or other legal representative of the deceased tenant. If the account is held by a husband and wife or by registered domestic partners as “community property,” ownership of the account will be determined by community property law and may be affected by a will. “Pay On Death” and Totten Trust (“In trust for”) accounts pass automatically (and in equal
shares unless otherwise indicated in our records) to the named beneficiaries who survive the last surviving owner.

If we have any question as to the ownership of funds or the amount of funds that belong to any person upon the death of an owner, we may freeze all or part of the account, pending receipt of proof (satisfactory to us) of each person’s right to the funds.

**Deposit Insurance.** Your accounts with us are insured to the regulatory limits by the Federal Deposit Insurance Corporation (FDIC). For further information regarding insurance of accounts, you may write to the FDIC at 550 17th Street, N.W., Washington, D.C. 20429, telephone the FDIC’s toll-free consumer hotline at 877-275-3342, or visit its website at www.fdic.gov.

**Facsimile Signatures.** You agree not to use facsimile signatures on checks unless we receive representative samples and approve their use. We may refuse to accept or may pay items bearing facsimile signatures. You agree to assume full responsibility for any and all payments made by us in reliance upon signatures that resemble the actual or facsimile signature(s) (without regard to variation in color or size) that any of you provide to us in connection with your accounts or services. You authorize us to pay any check that appears to bear your authorized facsimile signature, without further inquiry. You agree to indemnify, defend and hold us harmless from any and all actions, claims, losses, damages, liabilities and expenses (including attorney’s fees) arising directly or indirectly from the misuse or the unlawful or unauthorized use or copying of facsimile signatures (whether affixed manually, by stamp, mechanically, electronically or otherwise).

**Fax Instructions/Voice Mail/Email.** We may, but are not required to, act upon instructions received by fax transmission, voice mail or email. We may not review your message until the business day after its receipt. As such, it may not be appropriate to use these methods of communication if you need to reach us with time-sensitive information. If your instruction is time-sensitive, you should contact us in person or via our customer service telephone number.

**Financial Statement.** You will provide us with a current financial statement upon request.

**Force Majeure.** We shall not be liable for any loss, expense, failure to perform, or delay caused by failure of communication systems, accidents, strikes, fire, flood, war, riot, civil strife, terrorist attack, earthquake, power outage, funds transfer system or government rules, acts of third parties, or any cause that is beyond our reasonable control.

**Governing Law and Rules.** To the extent this agreement is subject to the laws of any state, it will be subject to the law of the State of California, without regard to its conflict of law provisions. Your accounts and services also will be subject to applicable clearinghouse, Federal Reserve Bank, funds-transfer system, image exchange and correspondent bank rules (“Rules”). You agree that we do not have to notify you of a change in the Rules, except to the extent required by law. If there is any inconsistency between the terms of this agreement and the Rules, the terms of this agreement shall supersede the Rules, unless otherwise provided in the Rules.

**Inactive Accounts.** For security reasons, we may refuse a withdrawal or transfer from accounts we internally classify as dormant if we cannot reach you in a timely fashion to confirm the transaction’s authorization. Service charges for “dormant” or “inactive accounts” are the same as service charges for active accounts. Charges are not reimbursed for dormant or inactive accounts that are later reclassified as “active.”
We may transfer (escheat) your property to the appropriate state if no activity occurs in the account or you fail to communicate with us regarding your account within the time period specified by state law (i.e., becomes an “inactive account”). We may consider an account dormant or inactive even if you maintain another active account with us. We may impose a fee for sending an inactive account notice to you prior to transferring the funds to the state. If funds are transferred to the state, you may file a claim with the state to recover the funds.

**Indemnification.** Except as otherwise set forth in this agreement, you agree to indemnify, defend and hold us harmless from all claims, actions, proceedings, fines, costs and expenses (including, without limitation, attorney fees) related to or arising out of: (a) your actions or omissions in connection with your accounts or our services, or (b) our actions or omissions, provided that they are taken/omitted in accordance with this agreement or your instructions. This provision shall survive the termination of this agreement.

**Legal Process.** We may comply with any writ of attachment, execution, garnishment, tax levy, restraining order, subpoena, warrant or other legal process which we believe (correctly or otherwise) to be valid. We may notify you of such process by telephone, electronically or in writing. If we are not fully reimbursed for our record research, photocopying and handling costs by the party that served the process, we may charge such costs to your account, in addition to our minimum legal process fee. You agree to reimburse us for any cost or expense, including attorney fees, which we incur in responding to legal process related to your accounts.

We may not pay interest on any funds we hold or set aside in response to legal process. You agree that we may honor legal process that is served personally, by mail, email or facsimile transmission at any of our offices (including locations other than where the funds, records or property sought is held), even if the law requires personal delivery at the office where your account or records are maintained or at another office designated by us for that purpose. You acknowledge that accounts opened with trust or fiduciary designations (e.g., “XYZ, Inc. -- Client Trust Account”) may be subject to levies and other legal process against your property unless our records clearly reflect the existence of an express written trust or court order.

**Limitation on Time to Bring Action.** Unless otherwise required by law, an action or proceeding by you to enforce an obligation, duty or right arising under this agreement or by law with respect to your account or any account service must be commenced no later than one year after the day the cause of action accrues.

**Other Agreements.** You may have another agreement with us which, by its terms, supersedes this agreement in whole or in part. For example, if you are a governmental unit or a business customer, certain provisions of your other agreements with us (e.g., involving cash management services) may supersede some of the terms of this agreement, to the extent that they are inconsistent.

**Overdrafts.** If you do not have sufficient available funds on deposit to cover the amount of a check or other transaction (e.g., in-person withdrawal, automatic payment, or other electronic transaction), we may return the check or reject the transaction without payment. We may elect, however, in our sole discretion to create an overdraft by paying the check or permitting the transaction. Note: if you make a deposit on the same day that an item, service charge or transaction creates an overdraft (a “temporary or “intra-day overdraft”), we may charge the fee for the overdraft since the covering deposit may not be posted until the end of the business day. In some cases (e.g., deposits received after our processing cutoff hour), the deposit may not be deemed received until the next business day. We also may impose a fee for overdrafts.
created by fees or deposited items that are returned. See our fee schedule for further information. Note: We do not impose an overdraft fee for consumer ATM transactions or everyday (that is, non-recurring) debit card transactions.

If you maintain a savings account with us, you may be able to link that account so that your available funds are automatically transferred to your checking account in connection with any overdrafts on that account. In addition, we offer an overdraft line of credit that can be used in connection with overdrafts on your checking account up to your credit limit. There are fees for these services. If you would like more information or wish to apply for either of these services, please visit one of our branch offices or contact us at 916-567-2899 or 1-800-564-7144.

If we permit an overdraft or otherwise allow your account balance to drop below zero, you agree to pay the amount of the overdraft promptly, without notice or demand from us. You agree that we may use subsequent deposits and other credits to the account, including without limitation deposits of government, welfare, retirement and Social Security benefits, to cover any overdraft existing in your account, to the fullest extent permitted by law.

Each account owner is jointly and severally responsible for paying any overdrafts created by any authorized signer(s) or party to the account, whether or not the owner participates in the transaction or benefits from its proceeds.

Our payment of any checks or allowance of transactions that create overdrafts in no way obligates us to continue that practice at a later time. We may discontinue permitting overdrafts without cause or notice to you. We discourage the practice of overdrawning accounts.

“Pay-on-Death” Accounts. This type of account passes to the designated beneficiaries on the death of an owner (or all of the owners if this is a joint account). During their lifetime, the owner(s) may exercise full control over the account and may make deposits to and withdrawals from the account. Upon the death of the last surviving owner, the account funds pass to the surviving beneficiaries. If there is more than one surviving beneficiary, each will receive an equal share of the funds, unless we have been instructed otherwise by the owner(s) in writing. The owner(s) may change beneficiaries during their lifetimes by updating our account documentation. Owners should keep us informed about each beneficiary’s address.

Photocopies. Checks and other items are sometimes lost during processing or while in transit. If a photocopy of a check or other item that appears to be drawn on your account is presented to us for payment in place of the original, we may pay the photocopy if it is accompanied by a representation from another financial institution that the original item has been lost or destroyed. We will not incur any liability in the event the original item is later presented to and paid by us, unless a stop payment order is in effect for the check.

Postdated Checks. Unless you provide your branch of account with a written postdated check notice that describes a postdated check with reasonable certainty, we may pay the check before the date stated on the check. Your notice must include the exact amount (dollars and cents), account number, check number, date of check and the name of payee. If you provide us with a postdated check notice in a time and manner which affords us a reasonable opportunity to act on it, we will not pay the item and may return it (marked “payment stopped”, “postdated” or otherwise) if it is presented to us prior to the date indicated in the order (up to six months from the date of the notice). After six months, a notice is no longer effective and must be renewed. We may impose a fee for each notice. If we re-credit your account after paying a postdated check over a valid and timely postdated check notice, you agree to transfer to us all of your
related rights against the payee or other holder of the check, and to assist us in any legal action we take
against that person.

**Power-of-Attorney.** Any owner may appoint an attorney-in-fact for an account and may revoke a power
of attorney. You should notify us in advance if you plan to create a power of attorney involving your
account. Upon request, we may provide you with a power-of-attorney form for that purpose. We
generally will accept a Uniform Statutory Form Power of Attorney that complies with state law. We may
refuse to accept other forms of powers of attorney, however, with or without cause.

We may act on the instructions of an attorney-in-fact whether or not the attorney-in-fact relationship is
noted in the instruction (e.g., on any check signed by the attorney-in-fact). You can revoke your power of
attorney by sending a written notice to us at your branch of account. We assume no duty to monitor the
actions of your attorney-in-fact to ensure that (s)he acts for your benefit.

**Privacy.** We may release information about you, your deposit and loan accounts and the transactions you
perform to third parties: where it is necessary or helpful in verifying or completing a transaction; to
disclose the existence, history, and condition of your account to consumer reporting agencies; when you
give us your consent; to comply with the law or a court or governmental order; to local, state and federal
authorities if we believe a crime may have been committed involving your account; as permitted by law;
and, if you are a business, in response to trade inquiries. Late payments, missed payments, and other
defaults on your account may be reflected on your credit report. Please see our Privacy Policy for
additional details.

**Protecting Your Identity.** Never disclose your PIN or password to anyone. Our employees will never
ask you for your PIN, and we will not send unsolicited emails to you that request personal

**Remotely Created Checks and Demand Drafts.** If you provide your account number to a third party in
order to charge your account by means of one or more remotely created checks or demand drafts (i.e.,
items which do not bear the maker's signature, but purport to be drawn with the maker's authorization),
you authorize us to pay such items, even though they do not contain your signature and may exceed the
amount you authorized to be charged. This provision shall not obligate us to honor such items. We may
refuse to honor such items without cause or prior notice, even if we have honored similar items in the
past.

You may not deposit remotely created checks or demand drafts to an account with us without our prior
written consent. Upon our request, you agree to provide us with evidence of your authorization to create
and/or deposit such items. You also agree to indemnify, defend and hold us harmless from every loss,
expense, cost (including attorney's fees), claim and liability related to or arising from such items,
including (without limitation) claims that they were not authorized by the persons on whose accounts the
items were drawn.

**Returned Items/Transactions.** If we are notified that an item you cashed or deposited is being returned
unpaid, we may attempt to reclear the item, place a hold on the funds in question (see “Funds
Availability”) or charge your account for the amount (and any interest earned on it), whether or not the
return or notice of non-payment is proper or timely. This also applies to checks drawn on us which are
not paid for any reason, and to checks and other transactions that are returned or charged back to us in
accordance with any law, regulation, funds transfer system or clearinghouse rule. We may assess a fee
for each returned item/transaction and notify you of the return orally, electronically, or in writing.
If we receive an affidavit or a declaration under penalty of perjury stating that an endorsement on an item deposited to your account is forged, that the item contains an alteration, or that there has been a breach of warranty in connection with any item or transaction, we may charge the item or transaction back against your account or place a hold on the funds pending an investigation, without prior notice to you.

Security Interest. You grant us a security interest in your account, including all current and future deposits and renewals, for amounts owing to us now and/or in the future under this agreement or under any account service agreement by any owner. This provision does not apply to IRA or tax-qualified retirement accounts or where otherwise prohibited by law.

Setoff. We may charge or set off funds in your account for any direct, indirect and/or acquired obligations that any owner owes us now and/or in the future, regardless of the source of the funds in the account, to the fullest extent permitted by law. This provision does not apply to IRA or tax-qualified retirement accounts, to consumer credit card obligations, or where otherwise prohibited by law.

Severability. If any of the provisions of this agreement are determined to be void or invalid, the remainder of the agreement shall remain in full force and effect.

Stale-Dated Checks. You agree that we may pay or reject a check which is presented to us for payment more than six months after its date (a “stale-dated” check), even if the presentation occurs after the expiration of a stop payment order. We normally do not examine the date on checks presented for payment. You agree that we are not required to identify stale-dated checks or to seek your permission to pay them.

Statements, Notices and Checks. If we provide you with a notice or statement, electronically or otherwise, you must promptly and carefully review it to determine if any errors or problems exist. You agree to notify us immediately of any error, discrepancy or unauthorized transaction you discover on any statement, notice or check. If you fail to do so, you may become responsible for the losses resulting from such failure. If you are a business, you agree not to entrust the writing of checks and the reconciliation and review of your account statements and notices to the same person without frequent monitoring. We may deny a claim for monetary loss due to forged, altered or unauthorized checks if you fail to follow these procedures.

Statements and notices are normally sent to the last address (or e-mail address) listed with us for your account. If you ask us to hold statements and notices for you, we may mail them to you or destroy them if they are not picked up within 30 days. Notify us promptly if you do not receive your statement by the date you normally would expect to receive it.

Statements and notices sent or made available to any of you are deemed to be received by all of you. If we hold them at your request or because you fail to provide us with a current address, they will be deemed delivered to you when they are prepared (for held statements), mailed (for returned mail) or otherwise made available to you (e.g., at a website or email address if you have agreed to electronic communications). We may hold statements if the Post Office notifies us that your mail is undeliverable. At our discretion, we may destroy mail that is returned to us or determined to be undeliverable.

You must mail or deliver all notices to us in writing at the branch where you maintain your account or at such other address(es) as we designate (e.g., on a statement or in connection with a service). Notices sent elsewhere may be delayed or may not reach the correct office.
Stop Payment Orders. Any owner or authorized signer on your account may request us to stop payment on a check or transaction. Your stop payment order must include the account number, check number, exact amount (dollars and cents), check or transaction date and the name of the payee. We will not be liable for paying a check or transaction over a stop payment order if the order is incomplete or incorrect. We must receive stop payment orders at a time and in a manner which affords us a reasonable opportunity to act upon them.

There is a per-check/transaction charge for each stop payment order. Stop payment orders are valid for six months. After that time, the check may be paid and charged to your account unless you renew the stop payment order for an additional fee.

We are not required to accept oral stop payment orders. If we elect to act upon an oral stop payment order, however, you agree to promptly confirm the order in writing and deliver it to us. If you fail to do so within 14 calendar days, we may release the stop payment. Our records will be conclusive evidence of the existence, details of, and our decision regarding any oral stop payment order or its revocation.

You may not stop payment on point-of-sale Debit Card transactions, cashier’s checks, or checks or payments guaranteed by us. Under certain circumstances, however, you may be able to claim a refund on lost, stolen or destroyed cashier’s checks 90 days following the date of their issuance. Please note that electronic stop payment requests (through our online banking service) may not be effective in stopping the payment of checks that have been posted to, but not finally paid from, your account on the preceding day. In order to prevent those checks from being paid, you must contact one of our customer representatives in person, by telephone or in writing within one hour after we open on the day following the day we post the items to your account. You also should contact a representative if you wish to stop the payment of a check that has been converted to an electronic transaction by a merchant. Electronic transactions are often processed on the same day and cannot be stopped with a regular check stop payment order.

Subaccounts. For regulatory reporting and reserve purposes, we divide checking accounts into two subaccounts: a checking subaccount and a savings subaccount. If your checking account earns interest, we will pay the same interest rate on both subaccounts. If it does not earn interest, no interest will be paid on either subaccount. In either case, your account will continue to operate, from your perspective, as one account.

We may establish a threshold for the balance maintained in the checking subaccount and may transfer funds periodically from one subaccount to the other to meet that threshold and cover transactions against your account. Your account statements will not reflect the existence of the subaccounts, and our periodic reallocation of funds between subaccounts will not affect your ability to withdraw funds, the interest rate (if any), fees, or other features of your checking account. You agree that we may treat the subaccounts as one and the same account if we receive a levy, subpoena or other legal process regarding either subaccount or your checking account.

Substitute Checks. You agree not to deposit substitute checks, as described below, or checks bearing a substitute check legal equivalence statement (“This is a legal copy of your check. You can use it the same way you would use the original check.”) to your account without our prior written consent. Unless we agree otherwise in writing, our acceptance of such checks shall not obligate us to accept such items at a later time, and we may cease doing so without prior notice. If we approve the deposit of substitute checks, you agree to indemnify, defend and hold us harmless from all losses, costs, claims, actions, proceedings and attorney’s fees that we incur as a result of such checks, including without limitation, any
indemnity or warranty claim that is made against us because: (a) the check fails to meet the requirements for legal equivalence, (b) a claimant makes a duplicate payment based on the original check, the substitute check, or a paper or electronic copy of either; or (c) a loss is incurred due to the receipt of the substitute check rather than the original check. Upon our request, you agree to provide us promptly with the original check or a copy that accurately reflects all of the information on the front and back of the original check when it was truncated.

You agree not to issue checks with features or marks that obscure, alter or impair information on the front or back of a check or that otherwise prevents us or another bank from capturing such information during automated check processing.

We may convert original checks to substitute checks.

The following notice applies to consumer accounts and supersedes, where inconsistent, other terms in this agreement with respect to substitute checks.

Substitute Checks and Your Rights – Important Information About Your Account

What is a Substitute Check?

To make check processing faster, federal law permits banks to replace original checks with “substitute checks.” These checks are similar in size to original checks with a slightly reduced image of the front and back of the original check. The front of a substitute check states: “This is a legal copy of your check. You can use it the same way you would use the original check.” You may use a substitute check as proof of payment just like the original check.

Some or all of the checks that you receive back from us may be substitute checks. This notice describes rights you have when you receive substitute checks from us. The rights in this notice do not apply to original checks or to electronic debits to your account. However, you have rights under other law with respect to those transactions.

What Are Your Rights Regarding Substitute Checks?

In certain cases, federal law provides a special procedure that allows you to request a refund for losses you suffer if a substitute check is posted to your account (for example, if you think that we withdrew the wrong amount from your account or that we withdrew money from your account more than once for the same check). The losses you may attempt to recover under this procedure may include the amount that was withdrawn from your account and fees that were charged as a result of the withdrawal (for example, bounced-check fees).

The amount of your refund under this procedure is limited to the amount of your loss or the amount of the substitute check, whichever is less. You also are entitled to interest on the amount of your refund if your account is an interest-bearing account. If your loss exceeds the amount of the substitute check, you may be able to recover additional amounts under other law.

If you use this procedure, you may receive up to $2,500 of your refund (plus interest if your account earns interest) within 10 business days after we received your claim and the remainder of your refund (plus interest if your account earns interest) not later than 45 calendar days after we received your claim.
We may reverse the refund (including any interest on the refund) if we later are able to demonstrate that the substitute check was correctly posted to your account.

_How Do You Make a Claim for a Refund?_

If you believe that you have suffered a loss relating to a substitute check that you received and that was posted to your account, please contact us at 916-567-2899 or 1-800-564-7144. You must contact us within 40 calendar days of the date that we mailed (or otherwise delivered by a means to which you agreed) the substitute check in question or the account statement showing that the substitute check was posted to your account, whichever is later. We will extend this time period if you were not able to make a timely claim because of extraordinary circumstances.

Your claim must include –

- Your name and account number;
- A description of why you have suffered a loss (for example, you think the amount withdrawn was incorrect);
- An estimate of the amount of your loss;
- An explanation of why the substitute check you received is insufficient to confirm that you suffered a loss; and
- A copy of the substitute check and/or the following information to help us identify the substitute check: the check number, the date of the check, the name of the person to whom you wrote the check, and the exact amount of the check (dollars and cents).

_Telephone and Electronic Communication Monitoring/Recording_. We may monitor telephone conversations and electronic communications for quality and control purposes without prior notice to you. We may record your telephone conversations with the bank, but generally will not do so without notice to you.

_Termination/Closing Your Account_. Any authorized signer(s) may close your account at any time, with or without cause. We are not required to provide notice of such closure to the other authorized signers on the account. We may automatically close your account if the account balance is zero.

We may terminate your account relationship with us at any time, with or without cause, by giving oral, electronic or written notice to any of you. If the funds are not withdrawn, we may send a check for the collected account balance to any of you at the last address we have on file for the account. Thereafter, the funds will stop earning interest (even if the check is returned or remains uncashed for any reason).

We may dishonor any check, item or transaction presented for payment after an account is closed. At our sole discretion, we may honor checks, items and orders presented or occurring after an account is closed if the transaction is guaranteed by us to third parties (e.g., under a check guarantee or as part of an electronic fund transfer arrangement) or you fail to give us a timely stop payment order for any outstanding checks. You remain responsible for such items and transactions, which may be treated as overdrafts.

_Transfers/Assignments_. Unless otherwise agreed by us in writing, all accounts are non-transferable and non-negotiable. You may not grant, transfer or assign any of your rights to an account without our prior written consent. We are not required to accept or recognize an attempted assignment of your account or any interest in it, including a notice of security interest.
Unauthorized Transactions and Errors. If you discover an error, forgery, alteration or other unauthorized activity involving your account, you must notify us immediately by telephone, and promptly notify your branch of account in writing of the relevant facts, including a description of the transaction or error and the identity of any suspected perpetrator. You agree to maintain a current check register and to carefully and promptly review all statements and notices we send or make available to you. If you participate in our check safekeeping service, your statements will be deemed to provide sufficient information about your checks and other transactions for you to determine whether there was an error or unauthorized transaction if the statements provide you with the check or transaction number, the amount, and the date of payment.

You are in the best position to discover and report any errors or unauthorized transactions involving your account. If you fail to notify us within a reasonable time (not exceeding 21 days after your statement date) of an unauthorized signature, alteration, forgery, counterfeit check or other unauthorized transaction involving any of your accounts, we will not be responsible for subsequent unauthorized transactions by the same wrongdoer.

Without regard to care or lack of care of either you or us, if you do not discover and report an error or an unauthorized signature, alteration, forgery, counterfeit check, or other unauthorized debit to your account within 30 days after the date of your statement or the date the information about the item or transaction is made available to you, whichever is earlier, you are precluded from asserting the error or unauthorized transaction against us. (Note: Different notification and liability rules apply to certain electronic fund transfers. See the “Electronic Fund Transfers” section.)

If you claim a credit or refund because of an error or unauthorized transaction, you agree to provide us with a declaration containing whatever reasonable information we require regarding your account, the transaction, and the circumstances surrounding the claimed loss. We must receive your declaration within 10 days of our request. If applicable, you also agree to make a report to the police and to provide us with a copy of the report, upon request. We will have a reasonable period of time to investigate the circumstances surrounding any claimed loss. During our investigation, we will have no obligation to provisionally credit your account, unless otherwise required by law (e.g., in connection with certain consumer electronic fund transfer services).

Our maximum liability will never exceed the amount of actual damages proven by you. Our liability will be reduced: (a) by the amount of the loss that is caused by your own negligence or lack of care; (b) to the extent that damages could not have been avoided by our exercise of ordinary care; and (c) by any loss recovery that you obtain from third parties (apportioned in accordance with this provision). We will not be liable for any loss that is caused in part by your negligence if we acted with ordinary care. Unless otherwise required by law, we will not be liable for incidental, special or consequential damages, including loss of profits and/or opportunity, or for attorney’s fees incurred by you, even if we were aware of the possibility of such damages.

Unless otherwise expressly agreed in writing, our relationship with you will be that of debtor and creditor. That is, we owe you the amount of your deposit. No fiduciary, quasi-fiduciary or other special relationship exists between you and us. We owe you a duty of ordinary care. Any internal policies or procedures that we may maintain in excess of reasonable commercial standards and general banking usage are solely for our own benefit and shall not impose a higher standard of care than otherwise would apply in their absence. There are no third party beneficiaries to this agreement. If you open a business account, you agree not to use it primarily for personal, family or household purposes.
You agree to pursue all rights you may have under any insurance policy covering any loss and to provide us with information regarding coverage. Our liability will be reduced, proportionately in accordance with our responsibility for any loss, by the amount of any insurance proceeds you receive or are entitled to receive for the loss. If we reimburse you for a loss and the loss is covered by insurance, you agree to assign us your rights under the insurance policy to the extent of our reimbursement, in accordance with this provision. You waive all rights of subrogation against us with respect to any insurance policy or bond.

(Note: Different notice and liability rules apply to certain electronic fund transfers. See the “Electronic Fund Transfers” section.)

Waivers. We may delay enforcing our rights under this agreement without losing them. Any waiver by us shall not be deemed a waiver of other rights or of the same right at another time. You waive diligence, demand, presentment, protest and notice of every kind, except as set forth in this agreement.

WIRE AND OTHER FUND TRANSFERS

Payment Orders. The following provisions apply to payment orders governed by Article 4A (Division 11 in California) of the Commercial Code (e.g., wire transfers). They do not apply to the transactions described in the “Electronic Fund Transfers” section. They also do not apply to foreign remittance transfers governed by Federal Reserve Board Regulation E (“foreign remittance transfers”) to the extent they are inconsistent with Regulation E or the disclosures we provide to you for such transfers.

Processing Orders. At our discretion, we may process your payment order to transfer funds to another account with us or to an account maintained with another financial institution. We reserve the right to reject any payment order without cause or prior notice, and may notify you of the rejection orally, electronically or in writing.

Cutoff Hours. Our processing hours for payment orders vary based on location, transaction type and other factors. Information about our processing hours is available upon request. We may process any payment order we receive after our processing cutoff hour on our next funds transfer business day.

Payment Order Accuracy. You must accurately describe the beneficiary of your payment order and the beneficiary’s financial institution. If you describe any beneficiary or institution inconsistently by name and account or identifying number, we and other institutions may process the order solely on the basis of the number, even if the order identifies a person or entity different from the named beneficiary or institution. We may also process incoming fund transfers based on the account number, rather than on any inconsistent name reflected in the payment order. Unless otherwise required by Regulation E, if you give us a payment order that is erroneous in any way, you agree to pay the amount of the order whether or not the error could have been detected by any security procedure we employ.

Cancellation and Amendment of Payment Orders. Except for foreign remittance transfers, you do not have a right to cancel or amend any payment order after we receive it. Although we may attempt to act on any amendment or cancellation request you make (e.g., if it is received in a time and manner which permits us to do so), we assume no responsibility for failing or refusing to do so, even if we could have effected the change or cancellation. Except for foreign remittance transfers, you agree to indemnify, defend and hold us harmless from any loss, damage, claim, action, and liability that results, and any charges and costs we incur, in connection with any request by you to amend or cancel a payment order.
**Foreign Transfers.** Foreign transfers may be subject to delays, charges imposed by other financial institutions, and changes in foreign currency exchange rates. If you direct a payment order to a foreign country, we may execute the order in the currency of the country of the payee’s bank at either our buying rate of exchange for U.S. dollar transfers or the exchange rate of the payee bank. If the transfer is made in U.S. Dollars, we cannot guarantee that the beneficiary will receive the funds in U.S. currency. The beneficiary bank may convert the funds into the local currency and may also charge incidental fees. If for any reason the payment order is returned to us, you agree to accept the refund in U.S. dollars in the amount of the foreign money credit, based on the current buying rate on the day of the refund, less any charges and expenses incurred by us. Different rules may apply to foreign remittance transfers.

**Unauthorized Payment Orders.** We may process any payment order we believe is transmitted or authorized by you if we act in compliance with a security procedure agreed upon by you and us. Such payment orders will be deemed effective as if made by you, and you will be obligated to pay us in the amount of such orders, even though they are not transmitted or authorized by you. Unless we agree on another security procedure, you agree that we may confirm the authenticity and content of payment orders (among other ways) by placing a call to any of you. If we cannot reach you, or if the payment order is not confirmed or approved in the manner we require, we may refuse to execute the payment order.

**Notice of Errors.** You agree to review all statements and notices promptly to confirm the accuracy and authorization of each payment order. You must notify us immediately if there is any discrepancy between your payment order and any confirmation or statement of account, or if you discover any other problem with respect to a transfer. You must send a written notice to us of the discrepancy or other problem, including a statement of the relevant facts, within a reasonable time (not to exceed 14 days from the date you first discover the problem or receive a statement or notice reflecting the problem, whichever occurs first). Note: Different rules apply to foreign remittance transfers.

**Limitation of Liability.** Except as otherwise required by law for foreign remittance transfers: (a) our liability for any act or failure to act shall not exceed the direct resulting loss, if any, which you incur and payment of interest, and (b) we will not be liable for any consequential, indirect or special damage that you incur in connection with payment orders, even if we are aware of the possibility for such damages.

**WITHHOLDING OF INCOME TAX**

Unless you are exempt under federal law, we are required to withhold a portion of your taxable interest and certain other payments (this is referred to as backup withholding) if: (1) you fail to supply us, under penalties of perjury, with your correct taxpayer identification number (TIN); (2) you fail to provide us with the required certified information; (3) the IRS instructs us to withhold; or (4) the IRS notifies you that you are subject to backup withholding. You must provide your TIN whether or not you are required to file a tax return. You also must certify that you are not subject to backup withholding.

We may report interest and other payments to you to the Internal Revenue Service (IRS), along with your TIN.

We may refuse to open, and we may close, any account for which you do not provide a certified TIN, even if you are exempt from backup withholding and information reporting. To avoid possible erroneous backup withholding, an exempt payee should furnish its TIN and indicate on the signature card that it is exempt.
A non-resident alien or foreign entity not subject to information reporting must certify its exempt status by completing an appropriate IRS certification form (e.g., W-8 BEN). Non-resident aliens may be required to certify their exempt status every three years (or earlier upon request) to avoid backup withholding.

You may be subject to civil and criminal penalties if you fail to provide us with a correct TIN or falsify information with respect to withholding. For additional information on interest reporting and withholding, contact your tax advisor or the IRS.

QUESTIONS OR COMMENTS

If you have any questions or comments, you can call us at 916-567-2899 or 1-800-564-7144, or write to us at River City Bank, P.O. Box 15247, Sacramento, CA 95851.

Note: The fees, rates and benefits described in this booklet and in the accompanying account disclosure and fee schedule were current as of the date of publication, but are subject to change. You can obtain current information by calling us at 916-567-2899 or 1-800-564-7144. Prices listed are subject to sales tax wherever applicable.
Public Fund Custom Checking
Product Information and Disclosure

<table>
<thead>
<tr>
<th>Tier</th>
<th>Interest Rate</th>
<th>Annual Percentage Yield</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td>N/A</td>
<td>N/A</td>
</tr>
</tbody>
</table>

### Basic Terms and Conditions

- **Minimum Deposit to Open Account**: $100
- **Maintenance Fee**: $15 per statement cycle
- **How to Avoid the Maintenance Fee**: N/A

### Account Analysis

Our account analysis service (“Service”) allows you to offset most account and cash management service charges with an “Earnings Credit” that is based on the balances you maintain with River City Bank (“Bank”, “we”, or “us”).

**Earnings Credit.** We determine your Earnings Credit each month by (i) multiplying the Investable Balance of your analyzed accounts (as shown on your analysis statement) by an Earnings Credit Rate, (ii) dividing that amount by 365 (or 366 in leap years), and then (iii) multiplying the result by the number of days in the month. We arrive at the Investable Balance each month by multiplying the sum of the positive daily ending collected balances during the cycle, divided by the number of days in the cycle by 90%, excluding the balances of any interest-bearing accounts and accounts that serve as collateral or as a compensating balance on a Bank loan.

**Use of Earnings Credit.** Unlike interest, Earnings Credit is not paid to you and does not accumulate. Earnings Credit may only be used to offset charges that are subject to analysis and that are incurred during the month covered by analysis. Unless we agree otherwise in writing, excess Earnings Credit is not carried forward or backward to other billing periods. If Earnings Credit is insufficient to cover service charges during any period, we may charge the difference to your account. If you have several analyzed accounts, you can designate which account should be charged. We may stop calculating Earnings Credit and applying it against service charges for any analyzed account that becomes inactive (i.e., has no deposits or withdrawals for 12 months). Your account officer can give you an estimate of the balances that may be needed to compensate for the type and volume of services that you use. The actual amount may vary, however, due to changes in the Earnings Credit Rate, service charges, the services used, or other aspects of analysis. We do not calculate an Earnings Credit for accounts that are not linked to the Service or allow Earnings Credit to offset charges against unanalyzed accounts.

**Analysis Rates and Charges.** The Earnings Credit Rate and account analysis charges are subject to change from time to time without prior notice. Basic analysis charges are listed below. Additional service charges apply. Contact your account officer for information.

- $1.25 for each deposit ticket
- $0.14 for each check or ACH debit
- $0.10 for each check or ACH deposited item
- $8.00 for each deposited check or ACH item which is returned unpaid
- $1.20 for each $1,000.00 cash deposit
- $4.00 for each deposited check or ACH item which is returned unpaid and automatically re-deposited by RCB

**Exceptions.** The analysis system may not always change simultaneously with changes in compensating balances, reserves or other factors. We reserve the right to input changes in our system as of the beginning or end of any statement or analysis cycle. As a result, some changes input at the end of a cycle may relate back to the entire cycle.

**Third Party Funds.** If you deposit funds that belong to others (“beneficial owners”) in an analyzed account, you represent to us that: (a) you are authorized by the beneficial owners to benefit from the use of any associated Earnings Credit, and (b) your use of the Earnings Credit will not violate any agreement, law or regulation. You also agree to indemnify, defend and hold us harmless from and against all claims, actions, proceedings, losses, costs (including attorney fees and other charges), liabilities and/or damages that arise from your use of the Service or the manner in which you compensate or charge beneficial owners for your use of our services. This provision shall survive the termination of this agreement.
**Limitation of Liability.** We will not be liable under any circumstances for special, indirect or consequential damages related to our Service actions or omissions. In no event will our liability exceed the amount of any Earnings Credit which we fail to apply against a service charge. You agree to review account notices and statements immediately upon receipt and to send us a written notice of any problem within a reasonable time (not to exceed 14 days from the date you receive the first notice or statement reflecting the problem).

Refer to the Deposit Account Agreement, and Schedule of Miscellaneous Fees and Service Charges for additional information.
# Schedule of Miscellaneous Fees and Service Charges

Disclosure Statement: Effective April 25, 2016

<table>
<thead>
<tr>
<th>Account early closure fee</th>
<th>$15 (within 120 days)</th>
<th>Rushed Debit Cards</th>
<th>$50.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automatic Teller Machine (ATM)</td>
<td></td>
<td>Safe Deposit Box</td>
<td></td>
</tr>
<tr>
<td>• Withdrawal conducted at RCB ATM</td>
<td></td>
<td>• Box size and availability vary by branch.</td>
<td></td>
</tr>
<tr>
<td>• Withdrawal or balance inquiry conducted at ATMs we do not own or operate</td>
<td></td>
<td>Prices represent annual fee.</td>
<td></td>
</tr>
<tr>
<td>• Withdrawals or balance inquiry conducted at RCB ATMs by non-RCB customers</td>
<td></td>
<td>2&quot; X 5&quot; $40.00</td>
<td></td>
</tr>
<tr>
<td>• Foreign country cash withdrawal</td>
<td></td>
<td>3&quot; X 5&quot; $50.00</td>
<td></td>
</tr>
<tr>
<td>• Other ATM Transactions conducted at retailers and their processors may be assessed a fee for services at their machines</td>
<td></td>
<td>4&quot; X 5&quot; $60.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>5&quot; X 5&quot; $70.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>3&quot; X 10&quot; $80.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>5&quot; X 10&quot; $90.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>6&quot; X 10&quot; $100.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>9&quot; X 10&quot; $140.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>10&quot; X 10&quot; $150.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Varies by Merchant</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>No Charge</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>$2.50</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>$3.00</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>$3.00</td>
<td></td>
</tr>
<tr>
<td>Cashier’s Checks</td>
<td>$8.00</td>
<td>Signature Guarantee (Medallion)</td>
<td>$10.00</td>
</tr>
<tr>
<td>• River City Bank Customer</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Non Customer</td>
<td>$20.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Check Copy</td>
<td>$5.00 per page</td>
<td>Stop Payment (effective for 6 months)</td>
<td>$30.00</td>
</tr>
<tr>
<td>Check Printing</td>
<td></td>
<td>Transfers</td>
<td></td>
</tr>
<tr>
<td>• Varies with type of account</td>
<td></td>
<td>• Overdraft Transfer</td>
<td></td>
</tr>
<tr>
<td>Collection Items</td>
<td></td>
<td>Statement Copy</td>
<td>$5.00 per page</td>
</tr>
<tr>
<td>• Incoming or Outgoing</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>$20.00 + Charges</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Counter Check</td>
<td>$1.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Courier Delivery</td>
<td></td>
<td>Wire</td>
<td></td>
</tr>
<tr>
<td>• Scheduled Pick-Up</td>
<td></td>
<td>• Incoming</td>
<td>$15.00</td>
</tr>
<tr>
<td>• Unscheduled Pick-Up</td>
<td></td>
<td>• Outgoing Domestic</td>
<td>$35.00</td>
</tr>
<tr>
<td>• Armored Car</td>
<td>As Quoted</td>
<td>• Outgoing International (US Dollars)</td>
<td>$45.00</td>
</tr>
<tr>
<td></td>
<td>As Quoted</td>
<td>• Outgoing (Foreign Currency)</td>
<td>$75.00</td>
</tr>
<tr>
<td></td>
<td>As Quoted</td>
<td>• Incoming Wire Notification by Fax</td>
<td>$4.00</td>
</tr>
<tr>
<td>Deposit check (or other item) returned unpaid</td>
<td>$8.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deposit check returned unpaid and automatically re-deposited by RCB</td>
<td>$4.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Endorsement Stamps</td>
<td></td>
<td>NSF/OD – Non-Sufficient Funds/Overdraft</td>
<td>$30.00</td>
</tr>
<tr>
<td></td>
<td>Varies with type of stamp</td>
<td>• Check, Automatic Bill Payment or Recurring Debit Paid or Returned Check</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Maximum charge per day (maximum applies to consumer only accounts)</td>
<td>$150.00</td>
</tr>
<tr>
<td>Excessive Withdrawal Fee (Reg D violations)</td>
<td>$15.00 each item exceeding allowable number per cycle</td>
<td>Reconciliation</td>
<td>As Quoted</td>
</tr>
<tr>
<td>Expedited Bill Payment</td>
<td></td>
<td>Night Deposit Disposable bags</td>
<td>Varies by bag size</td>
</tr>
<tr>
<td></td>
<td>Electronic payment $6.95</td>
<td>Legal Process</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Overnight Check $30.00</td>
<td>• Garnishments, subpoenas, attachments, levies, etc.</td>
<td>$125.00</td>
</tr>
</tbody>
</table>

**CUSTOMER SERVICE**

For person-to-person customer service (available during regular business hours) or 24 hour automated QuickAccess™ to account information call:

In Sacramento (916) 567–2899
Elsewhere in California (800) 564–7144

www.rivercitybank.com
Staff Report – Item 9

To: Silicon Valley Clean Energy Authority Board of Directors
From: Misty Mersich, Communications Manager

Item 9: Update on Branding and New Logo
Date: 9/14/2016

RECOMMENDATION

Information item.

BACKGROUND

Staff worked with the consultant team MIG, to develop a new logo and brand identity for Silicon Valley Clean Energy. Now, that the agency is established and will be servicing customers in 7 months, the intent was to refine the logo from the concept that was created under the partnership using, to one that portrays the agency as credible, innovative, professional, yet still friendly approachable and local.

The new logo evolves the SVCE brand from a somewhat stock, illustrative look (the cartoon man and light bulbs) to a more iconic and refined look. The logo now represents a number of qualities that the agency embodies, including technology, sustainability and professionalism. The brand promotes the value and benefits that residents and businesses will receive (for example, more carbon-free and renewable power generation, potential cost savings, new local energy generation, new local jobs, local control). Whenever SVCE communicates in any way with its many audiences, it’s an opportunity to make an impression that contributes to the brand value.

The elements that comprise the logo are the name, the primary colors and the logo mark. The mark combines a electronic device “start up” type button (sometimes called a “power” button), which immediately brings innovation and Silicon Valley to mind, with an organically shaped leaf, which signals attention to the environment and sustainability. The modern colors of teal and green further reinforce the “green” nature of the brand.
Acceptable alternate version of the logo
To build brand recognition the preferred usage of the logo will be the one that spells out the entire name (above). Yet MIG also created an abbreviated version of the logo (below) which will be acceptable at a future date if the agency wishes to use it.

Color Pallet
A Pantone® color palette of teal and green has been selected to create a distinctive look for Silicon Valley Clean Energy materials. (Pantone® is an industry standard color-matching system used by printers and designers.) Appropriate CMYK color builds of the Pantone® colors for print and RGB color builds for monitor viewing, will be outlined in the brand guidelines document.

Brand Guidelines
In order to ensure the uniform use of the Silicon Valley Clean Energy brand assets (logo, fonts, color palette and branded elements) which will enhance recognition and maximize the organization’s effort in producing effective and professional communication materials, MIG has created a set of brand guidelines for staff to follow. Because print, online and other communications are the most widely seen and directly controlled expression of brand identity, it is important to follow be consistent in its usage and follow the graphic standards guide.
Naming our Electricity Products
During the rebranding process staff evaluated possible names for our energy product offerings for both a default baseline (50% renewable) and an opt-up product offering (100% renewable). One element staff wanted to make sure was conveyed in the selection of a default product names that it is still very green at 50% renewable and 100% GHG free. Below are the names and attributes of our products:

GreenStart
- Default Option
- Cost savings of 1% below 2017 PG&E generation rates
- 50% renewable energy
- 50% hydroelectric power
- 100% greenhouse gas free
- No change in generation rate before January 2019

GreenPrime
- Voluntary Opt-up
- Cost premium of 5-10% (less than $0.01/kWh) above GreenStart generation rate
- 100% renewable energy
- 100% greenhouse gas free
- No change in generation rate before January 2019

Timeline for updating content
With any rebranding effort, there is a major effort to now update all materials to reflect this new change in colors, logo and brand identity. The website and all collateral will be updated by the end of the month of September, if not sooner, so that customers will be able to start associating this new logo with Silicon Valley Clean Energy.