

THE CINEFAMILY

Employee Handbook

**April 2013
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The Cinefamily**

TABLE OF CONTENTS

ABOUT THE HANDBOOK	1
I. EMPLOYMENT GUIDELINES	2
AT-WILL EMPLOYMENT	2
EQUAL EMPLOYMENT OPPORTUNITY	2
VERIFICATION OF STATUS	2
DEFINITION OF EMPLOYMENT STATUS	3
POLICY AGAINST HARASSMENT	3
OPEN DOOR POLICY	6
PERSONNEL RECORDS	6
REFERENCES AND EMPLOYMENT VERIFICATIONS	6
CONFIDENTIALITY	7
OUTSIDE EMPLOYMENT	7
II. WAGES AND HOURS	7
PUNCTUALITY AND ATTENDANCE	7
WORKING HOURS	8
TIME REPORTING	8
OVERTIME	9
PAY PERIODS AND PAYDAYS	9
REST AND MEAL PERIODS	9
III. BENEFITS	10
PROBATIONARY PERIOD	10
HEALTH INSURANCE BENEFITS	10
WORKERS' COMPENSATION	10
WORKERS' COMPENSATION FRAUD	10
PAID TIME OFF	11
HOLIDAYS	12
JURY DUTY OR WITNESS LEAVE	13
TIME OFF TO VOTE	13
BEREAVEMENT LEAVE	13
EDUCATIONAL LEAVE	13
NATIONAL GUARD AND MILITARY LEAVE	13
LEAVE FOR SCHOOL SUSPENSION	14
LEAVE FOR VITIONS OF DOMESTIC VIOLENCE, SEXUAL ASSAULT OR SERIOUS FELONIES	14
UNPAID LEAVES OF ABSENCE	14
DISABILITY LEAVES OF ABSENCE	14
PREGNANCY DISABILITY LEAVES OF ABSENCE	15

IV. EMPLOYEE PERFORMANCE	16
WHAT THE CINEFAMILY EXPECTS FROM YOU	16
STANDARDS OF CONDUCT	16
SUBSTANCE AND ALCOHOL ABUSE	17
PERFORMANCE EVALUATION AND COMPENSATION	18
V. OTHER POLICIES	18
PERSONAL APPEARANCE	18
CELLPHONES	18
ILLNESS AND INJURY PREVENTION PROGRAM	19
SAFETY POLICY	19
HOUSEKEEPING POLICY	20
SMOKING POLICY	20
COMPANY PROPERTY	20
COMPUTER USAGE AND SECURITY	21
EMAIL AND INTERNET POLICY	21

ABOUT THE HANDBOOK

Welcome to **THE CINEFAMILY** (referred to in this Handbook as “the Company” and “The Cinefamily”). The policies described in this handbook are intended to provide our employees with a general overview of our policies and benefits and to familiarize employees with their obligations and responsibilities.

Other than the at-will relationship set forth in the next section, this Handbook is not intended to be construed as a contract or to otherwise create any legally enforceable obligations on the part of the Company. Rather, it is intended to apprise employees of the Company’s general guidelines regarding employment matters and also explain some of the things that are expected of employees. All employees are expected to read and comply with all of the provisions of this handbook.

From time to time, as we grow and evolve, and as employment legislation and economic conditions dictate, there will undoubtedly be times when the guidelines, policies, practices, and benefits described in this handbook will have to be changed. Therefore, other than the at-will policy and at-will employment agreement set forth in the following section, which cannot be changed except by a written agreement signed by the employee and the Executive Director of the Company, the Company reserves the right to change, add to or eliminate the guidelines, practices, policies and benefits described in the handbook at any time, with or without advance notice to you. When new policies are added or existing policies or procedures are changed, the most recent policy shall prevail and govern any new action taken. No one other than the Executive Director of the Company may alter or modify any of the policies in this handbook. Thus, no statement or promise by any supervisor, manager or department head may be interpreted as a change in policy nor will it constitute an agreement with the employee unless agreed to in writing by the Executive Director.

Please read this handbook carefully and keep it readily available to refer to when questions arise. If in doubt about whether your copy of the handbook contains the most up-to-date statements of policy, if you have any questions regarding policies, or in the event a situation arises in which the application of a policy is unclear, please do not hesitate to contact the Executive Director for clarification and assistance.

To the extent that the terms and benefits of your employment are covered by a written employment agreement signed by both you and the Executive Director of the Company, the terms and benefits of your written employment agreement will prevail over any conflicting policies or benefits contained in this handbook. This handbook supersedes any and all prior manuals or handbooks and all prior policies and procedures of the Company, whether oral or written. It remains the property of the Company and must be returned to the Company upon demand or at the time your employment with the Company ends.

We are delighted that you have chosen to join The Cinefamily and are committed to doing our part to assure you of a satisfying work experience. We hope for a pleasant and mutually rewarding relationship.

I. EMPLOYMENT GUIDELINES

AT-WILL EMPLOYMENT

Throughout the course of your employment, you are free to leave your employment at any time, for any reason, and we reserve a similar right to terminate your employment at any time. Thus, both you and the Company will have the right to end the employment relationship at any time, with or without notice, and with or without cause. This is called “employment at-will” and no one other than the Executive Director of the Company has the authority to alter this arrangement, to enter into an agreement for employment for a specified period of time, or to make any agreement concerning the terms of your employment that is contrary to this policy. Furthermore, any such agreement modifying your at-will employment must be in writing and signed by both you and the Executive Director of the Company.

EQUAL EMPLOYMENT OPPORTUNITY

The Cinefamily is an equal opportunity employer and makes employment decisions on the basis of merit. The Cinefamily will not unlawfully discriminate against qualified applicants or employees with respect to any terms or conditions of employment based on race, color, national origin, ancestry, sex, gender, gender identity, gender expression, sexual orientation, age, religion, physical or mental disability, medical condition, pregnancy, marital status, citizenship status, military or veteran status, genetic information, or any other basis protected by applicable federal, state, or local law.

The Cinefamily will provide reasonable accommodations to otherwise qualified employees or applicants with known physical or mental disabilities, unless it would create an undue hardship. Employees who require accommodation to perform the essential functions of their job should contact the Executive Director and request an accommodation. Employees should specify in what way they are limited in their ability to perform the job and what accommodation they believe is needed. The Cinefamily will review the situation with the employee to identify possible accommodations, if any, that will allow the employee to perform the essential functions of the job. If a reasonable accommodation can be identified that will not impose an undue hardship, The Cinefamily will make the accommodation.

If you believe that you or any other employee has been discriminated against in violation of this policy, you are obligated to report the facts and names of the individuals involved to the Executive Director of the Company immediately.

VERIFICATION OF STATUS

Federal immigration laws require that we verify an applicant’s identity and legal ability to work at the time we hire him or her. In keeping with this obligation, we must require and inspect documentation which complies with these laws and must require each applicant to complete an I-9 Form provided by the federal government. This form must be completed as soon as possible after an offer of employment is made and in no event more than three business days after an individual is hired. All offers of employment are conditioned on the employee’s ability

to furnish satisfactory evidence of identity and legal authority to work in the United States.

DEFINITION OF EMPLOYMENT STATUS

Full-Time Employee

Full-time employees are those employees regularly scheduled to work a minimum of forty (40) hours per week. Full-time employees are eligible for all Company-sponsored benefits upon completion of a 90-day (ninety-day) Probationary Period.

Part-Time Employees

Part-time employees are those employees regularly scheduled to work less than forty (40) hours per week. Part-time employees are not eligible for Company-sponsored benefits except as provided herein, granted on occasion, or required by law.

Temporary and Freelance Employees

Temporary employees are defined as those employees holding jobs of a limited duration or for the completion of a specific project. Generally, a temporary position will not exceed six (6) months, unless otherwise agreed in writing. An employee will not change from temporary status to another status unless specifically informed of such a change, in writing, by the Executive Director of the Company. Temporary employees are not eligible for Company-sponsored benefits except as granted on occasion, or required by law.

Exempt Employees

Employees whose position meets the necessary legal requirements are classified as “exempt” from overtime requirements. Exempt employees are not covered by state and federal overtime provisions and, therefore, are not paid overtime pay even though they may work in excess of the daily or weekly maximums for overtime.

Non-Exempt Employees

Employees whose position and pay level do not meet certain legal requirements necessary for exemption from the applicable overtime laws are classified “non- exempt.” Non-exempt employees are paid premium overtime rates for each hour of overtime they work. The overtime rates are specified by law.

POLICY AGAINST HARASSMENT

Statement of Policy

The Cinefamily will not tolerate any type of harassment against applicants for employment, employees, or independent contractors on the basis of race, color, religion, sex, gender, gender identity or expression, pregnancy, marital status, age, national origin, ancestry, physical or mental

disability, medical condition, sexual orientation, military or veteran status, or any other category protected by state or federal law (“a protected category”). The Cinefamily also prohibits harassment based on the perception that an employee, applicant, or independent contractor has the characteristics of someone in a protected category, or is associated with a person who has or is perceived as having the characteristics of someone in a protected category.

Harassment Defined

Harassment includes expressly or impliedly conditioning a job benefit (or the absence of a job detriment) on sexual favors, or the creation of a hostile work environment through visual, verbal, or physical conduct. Prohibited conduct includes any of the following when related to a protected category: making slurs, innuendos, or potentially offensive comments or jokes; the display of potentially offensive pictures or words in written, pictorial, or electronic form; touching or other unwanted attention; threats, intimidation, or other abusive behavior.

Harassment is unlawful if it is related to a protected category, is unwelcome, and is severe or pervasive enough to create an intimidating, hostile or offensive working environment that alters conditions of work. The Cinefamily does not allow anyone, including any supervisor, co-worker, vendor, client, or customer, to harass The Cinefamily employees, applicants, or independent contractors. The Cinefamily prohibits all offensive or degrading behavior in the workplace, regardless of whether that behavior is sufficiently “severe or pervasive” to constitute unlawful conduct.

Sexual harassment deserves particular mention. Unwelcome sexual advances, requests for sexual favors, and other unwelcome physical, verbal, or visual conduct based on sex are not allowed. This includes such things as sexual innuendoes, suggestive comments, sexually oriented teasing or practical jokes, display of sexually suggestive pictures or other materials, suggestive or insulting sounds, looks, or gestures, and any unwanted physical contact directed towards an employee, vendor, client, customer or other associate of The Cinefamily. Obviously, more severe forms of harassment, such as sexual assault, are also prohibited.

The Cinefamily strictly prohibits sexual harassment directed toward any individual. All employees should be aware that the The Cinefamily is an artistic endeavor and its mission will from time to time include broadcasting and programming of material that might be deemed offensive by some persons, while considered to be of artistic value to others. The Cinefamily is sensitive to the tastes of individuals, and understands that some employees may find some of the media distributed by The Cinefamily to be offensive or inappropriate. If you find that you are offended by some of the material discussed, viewed, broadcasted or displayed at The Cinefamily at any time, please contact your manager immediately.

This policy applies at all The Cinefamily locations, and at all The Cinefamily-sponsored social or other events, as well as activities at which you represent The Cinefamily.

By way of example, all of the following types of conduct are prohibited at The Cinefamily:

Verbal conduct relating to any protected category, such as epithets, derogatory comments, slurs, comments about an individual's body or dress, dirty jokes, persistent requests for dates, excessive flirtation or unwanted sexual advances, invitations or comments directed towards an employee, vendor, client, customer or other associate of The Cinefamily;

Visual conduct relating to any protected category, such as derogatory cartoons, pictures, photographs, drawings or gestures directed towards an employee, vendor, client, customer or other associate of The Cinefamily;

Physical conduct such as assault, unwanted or uninvited touching, blocking normal movement, or interference with work directed towards an employee, vendor, client, customer or other associate of The Cinefamily because of his or her sex or other protected category;

Threats and demands directed towards an employee, vendor, client, customer or other associate of The Cinefamily to submit to sexual requests in order to keep a job or avoid some other loss, and offers of job benefits in return for sexual favors;

Retaliation directed towards an employee, vendor, client, customer or other associate of The Cinefamily for having reported harassment.

Reporting, Investigation and Discipline

All employees of The Cinefamily are responsible for helping to ensure that the work environment is free from prohibited harassment and discrimination. If you believe an employee or a nonemployee has subjected you to sexual or other harassment, in violation of this policy, in most cases you should immediately inform the offending party that the conduct is unwelcome and tell him or her to stop the behavior. However if you are uncomfortable doing so, or if after doing so the situation has not been satisfactorily resolved, you must immediately inform the Executive Director, or the Chairman of the Board of Directors. You are not required first to report to your immediate supervisor.

All complaints of prohibited harassment will be investigated thoroughly and promptly. The investigation will be kept as confidential as possible, although complete confidentiality cannot be guaranteed. The Cinefamily will take appropriate remedial action to stop any prohibited harassment and prevent future harassment. This can include discipline of the harasser up to and including termination. The Cinefamily will communicate the results of the investigation to the complaining employee.

The Cinefamily will not tolerate any retaliation against anyone who has expressed a good faith concern about harassment or who has participated in an investigation. Employees who believe they have been subjected to retaliation should immediately inform the Executive Director, or the Chairman of the Board of Directors.

State Enforcement Procedure

Complaints of harassment may also be directed to the California Department of Fair Employment and Housing (“DFEH”) which has the authority to conduct investigations of the facts and to order relief in meritorious cases. You may contact the nearest DFEH by checking the state government listings online or in the telephone directory.

OPEN DOOR POLICY

We believe that employees should be encouraged to raise their work-related concerns informally with their managers. We will attempt to keep all such expressions of concern, their investigation, and the terms of their resolution confidential, recognizing, however, that in the course of investigating and resolving the concerns some dissemination of information to others may be appropriate.

You are encouraged to raise work-related concerns with your manager as soon as possible after the event that causes the concerns. Alternatively, if you believe that your manager is not the appropriate person with whom to raise the concerns, you may raise them with the Executive Director of the Company.

PERSONNEL RECORDS

Each employee is responsible for informing the Company of changes in name, address, telephone number, and emergency contact and, to the extent such information affects insurance benefits and withholding amounts, changes in marital status and number of dependents. Employees who are required to drive on Company business must advise the Company of any changes in their driving record, status of their driver’s license, and changes in their automobile insurance coverage.

Employees are also encouraged to keep the Company apprised of their completion of work- related educational or training courses.

Employees have the right to have access to their own personnel record at times mutually convenient to the employee and the Company. In order to inspect your personnel file, please contact the Executive Director to set up an appointment

REFERENCES AND EMPLOYMENT VERIFICATIONS

It is the policy of the Company not to give job references concerning present or former employees. No supervisor, manager, agent or other employee is authorized to provide any job reference or other information or opinion concerning any present or former employee, whether verbal or written, formal or informal. Accordingly, any employee who receives such a request or inquiry should immediately refer the matter to the Executive Director. The Executive Director will confirm dates of employment and positions held, and will provide no other information concerning any present or former employee.

If a job reference or other information is provided in violation of this policy, the employee providing such information will be acting without the Company's authorization and will be held personally responsible for any resulting liability. In addition, the employee will be subject to discipline up to and including termination.

CONFIDENTIALITY

As an employee of the Company, you may be given access to and become acquainted with confidential information about the Company. All employees will be expected to maintain the absolute confidentiality of all such information, both during their employment with us and after their employment with us ends. This includes an obligation not to remove or duplicate any Company documents without management approval. Any employee who has any question as to whether certain information is confidential has an obligation to discuss the issue with his or her manager prior to divulging the information. Any employee who is questioned about confidential matters by someone outside of the Company or his or her department should politely refer the matter to his or her manager or the Executive Director of the Company. Any employee who observes anyone else breaching confidentiality should report it to their manager or to the Executive Director of the Company.

OUTSIDE EMPLOYMENT

The Company wishes to avoid conflicts of interest and the possible negative effect outside activities may have on an employees job performance. If you engage in outside work, it must not detract from your job performance, be harmful to the Company's best interests or present a conflict of interest with your employment here. Outside employment may not involve the use of Company property, facilities, equipment or time, or employment with a competitor of the Company.

If you are thinking of taking a second job, it would be wise to notify your manager immediately. He or she will discuss this opportunity with you to make sure that it will not interfere with your job at the Company or pose a conflict of interest.

II. WAGES AND HOURS

PUNCTUALITY AND ATTENDANCE

Every employee plays an important role in the overall successful operation of the Company. When you are not here, someone must do your job. It is your responsibility, both to your fellow employees and to the Company, to work your scheduled shifts and to arrive at work on time. Furthermore, when you are not on a meal or rest period, you are expected to remain at your workstation and work productively until the end of your workday. If your work takes you away from your workstation, please be sure to let your manager know where you are and how long you expect to be gone.

If you are going to be late or are too ill to report to work, you must call the office as soon as possible, but in no event later than six hours before your scheduled starting time on each day you are late or absent. Advance notice of an absence or late arrival will allow your manager to arrange for someone else to cover your position as needed. If your manager is not there to answer your call, you must speak with another manager or leave a message and a number where you can be reached.

If you are absent without notifying your manager or another manager of The Cinefamily, you may be deemed to have voluntarily resigned your employment. If you are absent for three (3) or more days due to illness or injury, you may be asked to provide a physician's note.

Your attendance record will be considered when evaluating requests for promotion, transfers, leaves of absence, and approved time off, as well as when scheduling layoffs. Unsatisfactory attendance, reporting late, leaving early and general lack of productivity will not be tolerated.

WORKING HOURS

Our regular operating hours are 10 a.m. to 6 p.m. Monday through Friday for office employees. All other employees are subject to the theatre operating hours which may start and end at any time, seven days a week, depending on the Programming Schedule. Please check the posted schedule regularly...all employees are expected to know and follow their posted scheduled working hours. The normal work week for full-time employees consists of five (5) eight-hour work days. Due to the nature of our business, your work schedule may vary according to business needs and your position. Your particular work schedule will be assigned by your manager. Should you have any questions about your work schedule, please see your manager.

All employees are expected to schedule personal appointments during non-working hours whenever possible. When this is not possible, eligible full-time employees may use accrued Paid Time Off (also called PTO). If you are not eligible for Paid Time Off, then you will not be paid for time spent on personal appointments, unless you are an exempt employee, and then only if the appointment occurs during a week in which you are working. All employees must notify their manager if they intend to take time off from scheduled work to attend to personal appointments. You must also notify your supervisor before leaving work for any personal appointment or other matter during working hours.

TIME REPORTING

All non-exempt employees (those employees entitled to overtime) are required to keep a record of their attendance, hours worked, and absences by reporting their time according to office procedures. Each day non-exempt employees must accurately record the time they begin and end each workday, and the beginning and end of each meal period. The time record should also reflect absences, holidays, and Paid Time Off. An employee's failure to accurately record his or her time and/or an employee's recording of another employee's time are serious offenses and will not be tolerated.

OVERTIME

From time to time, employees may be required to work beyond their usual work hours. Employees are expected to work overtime as needed as a condition of employment. On some occasions the need for overtime will be announced in advance, while on other occasions overtime work will be necessary due to extenuating circumstances. If you need to be excused from performing scheduled overtime, please speak with your manager.

Certain employees are entitled to overtime pay for hours worked in excess of daily and/or weekly maximums. Employees will be notified of their eligibility for overtime pay at their time of hire and/or at the time their job duties and position change. If an employee entitled to overtime pay is required to work in excess of their normal work hours, the employee will be paid overtime pay in accordance with the requirements of state and federal laws. Employees must have the prior approval of their manager before they may work overtime. Please note that non-working time, including, but not limited to, Paid Time Off, holidays, time taken for meal periods, or time spent on personal business is not counted as hours worked for purposes of calculating overtime.

PAY PERIODS AND PAYDAYS

The Company's workweek for purposes of payroll runs from Monday through Sunday. The Company has two payroll periods: Employees are paid twice each month on or around the 15th and on or around the first day of the month.

For non-exempt employees, an employee's time card is a record of the hours worked during a pay period. Provided time cards are timely submitted, overtime work will be paid on the payday immediately following the date on which the time card is submitted.

Upon voluntary termination, an employee will be paid within 72 hours of the employee's last day of employment, unless the employee has given at least 72 hours notice of his or her resignation, in which instance the employee will be paid on his or her last day of employment. An employee will be paid immediately if the termination is involuntary. Any accrued but unused Paid Time Off will also be paid at the time of termination.

Every effort is made to avoid errors in your paycheck. If you believe that an error in your paycheck has been made, please notify your manager immediately. He or she will take the necessary steps to research the problem and to assure that the necessary correction is made in a timely manner.

REST AND MEAL PERIODS

All employees will be allowed a paid ten (10) minute rest period in the middle of each consecutive four hours worked. These times will be determined by your manager. If you work in a department in which breaks are not directly assigned, please coordinate with co-workers to ensure that adequate coverage is maintained at all times. This break is to take care of personal needs. This break may not be extended, tacked on to lunch hours, or used to compensate for late arrivals or early departures.

Meal periods are normally **30 minutes** and are unpaid. Without a specific request from your immediate supervisor, you are not expected to, nor should you, work through your meal period. All employees are required to take their meal periods and must clock out and in at the beginning and end of each meal period. The scheduling of your meal period will be determined and assigned by your manager.

III. BENEFITS

All benefits stated herein are intended as general descriptions only. The Cinefamily reserves the right to modify, supplement or delete, partially or entirely, any benefit or benefits provided to employees at any time, with or without notice.

PROBATIONARY PERIOD

All employees must satisfactorily complete a 90-day (ninety-day) Probationary Period. At the conclusion of the Probationary Period, employees will become eligible for benefits depending upon their job classification as set forth herein.

HEALTH INSURANCE BENEFITS

The Company currently offers health insurance benefits to its eligible full-time employees, subject to any waiting period as required by the Company's insurance agreement, as well as successful completion of the 90-day Probationary Period. Part-time and temporary employees are not eligible for health insurance benefits. As with all other benefits of employment, The Cinefamily reserves the right to modify, supplement or delete, partially or entirely, any insurance benefits provided to employees. The Company's policy regarding health insurance stated herein is governed by the terms of the plan, and any discrepancy.

WORKERS' COMPENSATION

If an employee is injured on the job, the related medical, surgical and hospital expenses are covered by the Company's workers compensation insurance. Employees wishing to see their own physician for a work-related injury must make such an election in writing before seeing the doctor.

If you are injured on the job, even slightly, it is extremely important that it be reported immediately to your supervisor so that an accident report may be completed. Contact your manager if you have any questions concerning what claims are covered and the procedure for making such claims.

WORKERS' COMPENSATION FRAUD

Any person who files or contributes to the filing of a false workers' compensation claim is

committing a crime punishable by: (1) imprisonment for up to five years; (2) a fine of up to \$150,000 or twice the amount of the fraud, whichever is greater; or (3) both imprisonment and a fine. Examples of filing a false claim include filing a claim for a non-existing injury, filing a claim for a non-work related injury or aiding a co-worker in filing a false claim. Because fraud harms employers by increasing the already high cost of insurance and harms employees by undermining the legitimacy of all workers' compensation claims, all employees should do their part in trying to halt such fraud.

PAID TIME OFF

Our Paid Time Off (PTO) policy applies to full-time employees, both exempt and non-exempt, who have completed 90 (ninety) days of employment. Part-time and temporary employees are not eligible for Paid Time Off. The PTO policy is designed to provide our employees with the opportunity to take vacation, have personal time, to get away from the everyday routine, and to show The Cinefamily's appreciation for your loyalty and continued service. Paid Time Off is earned at the rate of 10 (ten) paid days per year for each eligible employee.

Paid Time Off will continue to accrue for the first thirty (30) days of an approved leave of absence, after which time Paid Time Off will cease to accrue until the employee returns to work.

Once an eligible employee has accrued the maximum of ten (10) paid days, a cap will be placed on further accrual until some or all of the accrued Paid Time Off is used and reduced from the 10-day cap.

Partial or Single Days Off

Paid Time Off may not be taken in increments smaller than two (2) hours. Please notify the Director of Accounts whenever you intend to take time off from your regular schedule for part of a day or a single day, so that your Paid Time Off account will be debited.

Consecutive Days Off

In order to be eligible to use Paid Time Off for consecutive days, you must make your request in writing to your supervisor. To satisfy your preference, as well as to meet the staffing needs of the Company, please discuss your plans with your supervisor well in advance of your anticipated absence. At least thirty (30) days notice is requested in order to make necessary arrangements while you are absent. Should there be conflicting requests submitted at approximately the same time, seniority will prevail in the event both requests cannot be approved.

Employees will not be allowed to use Paid Time Off before it has accrued. Unless special written approval is obtained from the Executive Director of the Company, the Company will not pay Paid Time Off in lieu of actual time off except upon termination of employment. If an employee has unused accrued Paid Time Off available at the time of his or her termination, the employee will be paid for all such accrued Paid Time Off at the employee's rate of pay at termination.

HOLIDAYS

Full-time exempt and full-time nonexempt employees are eligible for the following paid holidays off from work:

New Year's Eve
New Year's Day
President's Day
Memorial Day
Independence Day
Labor Day
Thanksgiving Day
Day after Thanksgiving
Christmas Eve
Christmas Day

Part-time and temporary employees are not eligible for paid holidays off from work but are eligible for Holiday Incentive Pay for the following limited holidays (see below). Full-time exempt and full-time non-exempt employees will not be required to work on the holidays listed below and will receive full pay at their regular rate. However, full-time non-exempt employees may be asked to work on holidays and receive Holiday Incentive Pay.

Holiday Incentive Pay

If a full-time non-exempt employee is asked to work on a holiday, and he or she agrees to do so, he or she will be paid at 1 and ½ times their regular rate. Part-time employees will also be paid at 1 and ½ times their regular rate for any hours worked on any of the holidays listed below.

New Year's Eve
New Year's Day
Independence Day
Thanksgiving Day
Christmas Eve
Christmas Day

Additionally, employees may take time off without pay or use accrued Paid Time Off for religious observances, provided they notify their manager at least 10 (ten) days in advance.

Hours worked on holidays will not be considered overtime hours worked unless the total hours worked on the holiday exceed the daily or weekly maximums for overtime.

When an observed holiday falls on a regular work day within an eligible employee's scheduled Paid Time Off, the employee will be entitled to an extra day of Paid Time Off.

JURY DUTY OR WITNESS LEAVE

Employees who have been summoned to jury duty or to serve as a witness will be paid for up to three days while the employee serves on such leave, after which time such leave will be without pay except as may be required by law. Employees on jury duty or witness leave will continue to accrue and be entitled to benefits for a period of up to thirty (30) days while on leave. Employees may utilize accrued Paid Time Off for any unpaid days of jury duty or witness leave. Please bring your juror questionnaire to your manager immediately after it is received.

TIME OFF TO VOTE

Employee who do not have sufficient time outside of their regular working hours to vote in a statewide election may request up to two hours off from work with pay in order to vote, to be taken near the beginning or end of their shift. Employees must make their request at least by the Friday in advance of the election and present a valid voter's registration card at that time. When you return from voting, you must present a voter's receipt to your supervisor.

BEREAVEMENT LEAVE

Full-time employees, exempt and non-exempt, will be allowed to take off three (3) workdays with pay to attend the funeral and take care of personal matters related to the death of a member of the employee's immediate family. Part-time and temporary employees are not eligible for paid bereavement leave. Full-time employees, exempt and non-exempt, may also take up to one full day without pay to attend funerals of other relatives and friends. Pay for a bereavement leave will be made for actual time lost from work, and will not be in addition to Paid Time Off or Holiday Pay.

EDUCATIONAL LEAVE

An educational leave of absence may be approved if the desired curriculum is of mutual benefit to the employee you and to the Company. Employees should apply in the same manner as they would for an unpaid leave of absence.

NATIONAL GUARD AND MILITARY LEAVE

Any employee who is required to attend training or perform duties with the National Guard or Reserves is entitled to an unpaid temporary leave of absence, not to exceed 17 days annually. Contact the Director of Accounts for further information as soon as you become aware of the need to take National Guard or Reserves leave.

Any employee who is called to active military service is entitled to unpaid leave not to exceed five years (unless he or she incurs a service-related injury in which case the time may be extended for an additional two years), and is also entitled to return to reinstatement to their job upon return from service. If you are called into service and wish to return to the Company, you should provide notice to the Company of your intention to return as soon as possible. Contact the Director of Accounts for further information.

LEAVE FOR SCHOOL SUSPENSION

An employee who is a parent or guardian of a child suspended from public school is entitled to take unpaid time off to attend a portion of the school day in his or her child's or ward's classroom with advance reasonable notice. Contact the Director of Accounts for further information.

LEAVE FOR VICTIMS OF DOMESTIC VIOLENCE, SEXUAL ASSAULT OR SERIOUS FELONIES

Victims of domestic violence, sexual assault and serious felonies may take unpaid time off for court proceedings. Contact the Director of Accounts for further information.

UNPAID LEAVES OF ABSENCE

Occasionally, for medical, personal or other reasons, an employee may need to be temporarily released from duties of his or her job duties with the Company but may not wish to submit his or her resignation. Under certain circumstances an employee may be eligible for unpaid leave of absence. An unpaid leave of absence may be granted for a minimum of 1 (one) day and a maximum of 3 (three) months.

Employees must apply in writing for unpaid leave of absence, setting forth the reason for the leave, the date on which the employee wishes the leave to begin, and the date on which the employee will return to active employment with the Company. Applications should be submitted to the employee's manager, who will bring the employee's request before the appropriate member of management for approval. The needs of the Company will determine the number of employee's allowed out on unpaid leave at any one time. Employees must adhere to all the leave requirements set forth in the following sections. Failure to do so may result in alteration of the employee's employment status or termination of the employee's employment with the Company.

DISABILITY LEAVES OF ABSENCE (other than Pregnancy-Related)

The Company may grant an unpaid leave of absence for illness or disability. To request a disability leave of absence from your manager you should submit, or have someone submit for you, a statement of disability from your doctor. An approved disability leave may be granted for up to ninety (90) days. Whenever possible, you are required to give as much notice as possible of your pending need for disability leave of absence.

Should you go on disability leave, your job status will be protected to the extent that we will make every effort to allow you to return to your former work, or similar work, if available, for which you may be qualified. Employees who must remain off work for more than the period of time allowed above may be considered terminated from employment. If such termination occurs, the employee is welcome to re-apply subject to the Company's usual hiring policies.

The Company will continue to pay its share of health insurance premiums for the first 30 (thirty) days of a disability leave of absence for eligible employees, after which time the employee will be required to pay the entire premium if he or she wishes to maintain health insurance coverage.

Employees who develop an illness or physical condition, which requires medical treatment or restriction and precautions as to their health, will be required to submit a physician's statement. This statement must certify that continued full-time employment in the employee's present position would not jeopardize their health or the safety of others. A similar statement is required upon return from disability leave. Should an employee's attendance or job performance suffer during the period preceding and/or following a disability leave, we will accommodate the employee to the extent provided by law.

PREGNANCY DISABILITY LEAVES OF ABSENCE

If you are temporarily unable to perform your usual and customary duties due to a pregnancy, childbirth or a related medical condition, you will be granted an unpaid disability leave of absence for the duration of the disability, up to a maximum of four months per pregnancy, on the basis of a physician's certification that you are not able to work due to the pregnancy-related disability. If you are affected by pregnancy or a related medical condition, you may request and will be granted accommodation(s) (such as modified break schedules, or transfer to a less strenuous or hazardous position or duties), if such request(s) can be reasonably accommodated and are accompanied by your physician's certification that such an accommodation is medically advisable.

Pregnancy disability leave is unpaid leave. However, The Cinefamily will continue to pay its share of an eligible employee's health insurance benefits during the eligible employee's pregnancy disability leave.

Employees on a pregnancy disability leave may apply for state disability benefits. An employee returning to work after a pregnancy-related disability must have a written release from a physician verifying that the employee has been disabled and is now able to return to her regular work schedule and safely perform all of her duties.

An employee who plans to take a pregnancy disability leave is asked to provide her manager with at least 30 (thirty) days advance notice of the date on which it is anticipated that the leave will commence (if possible), and communicate the estimated duration of the leave, and the date on which the employee expects to be able to return to work. When an emergency occurs that does not allow the employee to provide advance notice of the need for the pregnancy disability leave, the employee must notify her manager of the situation as soon as possible.

An employee on Pregnancy Disability Leave may use any or all of her accrued Paid Time Off during her otherwise unpaid leave period.

An employee who is released by her doctor to return to her original job after an approved

pregnancy disability leave or who has previously been transferred to a less strenuous or hazardous position because of pregnancy, childbirth or a related medical condition, may return to her original job, subject to any exceptions permitted under state and federal laws. Any employee desiring further information regarding this policy may contact the Executive Director.

IV. EMPLOYEE PERFORMANCE

WHAT THE CINEFAMILY EXPECTS FROM YOU

Your first responsibility is to know your own duties and how to perform them promptly, 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 those whom the Company serves, and how you accept direction, can affect the success of the entire Company.

Consequently, whatever your position, you have an important assignment: perform every task to the very best of your ability. The result will be better performance for the Company overall and personal satisfaction for you.

You are encouraged to grasp opportunities for personal development that are offered to you. This handbook offers insight on how you can positively perform to the best of your ability to meet and exceed Company expectations.

STANDARDS OF CONDUCT

The Company, like all companies, maintains certain basic rules of conduct to promote efficiency, productivity, and cooperation in the workplace. For this reason, we have included below a non-exhaustive list of types of conduct that are not permitted and may lead to disciplinary action up to and including immediate discharge, and, in some instances, possible legal recourse.

Nonetheless, it should be remembered that employment is at the mutual consent of the Company and the employee. Accordingly, either the employee or the Company can terminate the employment relationship at will, at any time, with or without cause or advance notice. Specific examples of violations of standards of conduct include:

- i. Excessive absences or tardiness.
- ii. Absence from work without permission, notification or proper explanation.
- iii. Failing or refusing to perform work assigned to you.
- iv. Careless or improper performance of duties.
- v. Violation of good housekeeping and cleanliness procedures.
- vi. Falsifying any report or record (e.g., failing to accurately reflect hours worked or to report leave time taken).
- vii. Reporting to work or working under the influence of alcohol and/or drugs.
- viii. Violation of safety regulations or actions that affect the safety of others

- ix. Company property.
- ix. Putting false information on personnel records, or making false statements verbally to the Company.
- x. Defacing or carelessly damaging Company property or the property of others.
- xi. Taking Company property off of the premises without permission.
- xii. Using or possessing weapons on Company property.
- xiii. Involving the Company with excessive wage attachments.
- xiv. Criminal misconduct.
- xv. Fighting.
- xvi. Reporting to work in improper work attire.
- xvii. Loafing or spending unnecessary time away from your job.
- xviii. Theft of Company property or the property of others.
- xix. Violation of the Company's confidentiality policy.
- xx. Conducting personal business during working hours.
- xxi. Threatening, intimidating, coercing, using abusive language or otherwise interfering with the performance of fellow employees.
- xxii. Unauthorized use of Company phones, machines or other property.

Again, the above list is not meant to be exhaustive, but rather, to provide examples to you of conduct that will not be tolerated in the workplace.

SUBSTANCE AND ALCOHOL ABUSE

The Company is sensitive to the problem of alcoholism and drug addiction. However, such problems must not affect work performance. The Company maintains a strong commitment to providing a safe, efficient and productive work environment. In keeping with this commitment, the Company has a strict policy regarding the inappropriate use and possession of drugs and alcohol.

The unauthorized use, possession, transfer, distribution or sale of alcohol, or any drug for non-medically approved purposes, is prohibited while on Company property, while on duty or while operating a vehicle or potentially dangerous equipment that is owned or leased by the Company with the exception listed below. In addition, no employee may report to work or remain on duty or on on-call status while impaired by alcohol or drugs. For purposes of this policy, a drug will be considered an illegal drug if its use or possession is prohibited by law and an employee improperly uses or possesses the drug, regardless of whether such conduct constitutes an illegal act.

From time to time, The Cinefamily may serve alcohol on the premises during special events. Employees may partake of alcoholic beverages served during Company-sponsored events. Employees who do partake must do so in moderation and only if they are 21 years of age or older. Any employee who becomes impaired through excessive consumption may be subject to discipline, up to and including termination.

The Company will reasonably accommodate any employee who voluntarily wishes to enter and participate in an alcohol or drug rehabilitation program, provided such reasonable accommodation does not impose an undue hardship on the Company. The Company will not accept drug or alcohol dependence or use as an excuse for poor performance, chronic absenteeism,

tardiness or other violations of Company policies and procedures.

PERFORMANCE EVALUATION AND COMPENSATION

The evaluation of an employee's performance is an ongoing process. As such, your manager is continuously evaluating your job performance. Day-to-day interaction between you and your manager should give you a sense of how your manager perceives your performance. Performance reviews will generally be conducted after ninety (90) days of employment and approximately once each year, on or about each employee's anniversary date. New employees may be reviewed more frequently as management deems appropriate in its sole discretion. A review may also be conducted in the event of a promotion or change in duties and responsibilities.

The primary reason for performance review is to allow you and your supervisor to discuss your performance and the Company's expectations, including job knowledge, quality and quantity of work, initiative, planning and organization, judgment, oral and written communication skills, cooperation, problem solving abilities, dependability and other factors deemed appropriate by the Company. The review also serves to apprise you of and to document how your job performance compares to the goals and description of your job. This is a good time to discuss with your supervisor your interests and future goals. Your supervisor is interested in helping you to progress and grow. Perhaps he or she can recommend further training or additional opportunities for you.

Wages and salary increases are based not only on merit, but also on a number of other factors, including, without limitation, your skills and experiences, current compensation trends and the Company's economic outlook. Length of service alone is not a basis for a wage increase. A performance review does not guarantee a pay increase, and neither a positive performance review nor the receipt of a pay increase is a guarantee of continued employment, as all employees are employed on an at-will basis.

V. OTHER POLICIES

PERSONAL APPEARANCE

All employees are expected to dress and groom themselves in accordance with accepted social and business standards. Employees are expected and required to dress appropriately for The Cinefamily special events. If your manager feels your attire is inappropriate, you may be asked to leave your workplace to go home to change clothes. You will not be paid for time missed from work for this purpose.

CELLPHONES

A portion of our business is carried out by mail and by telephone. Therefore, we must ask that employees avoid making or receiving excessive personal phone calls during work hours. Necessary personal calls are ideally made whenever possible during break or lunch periods. The

Company reserves the right to monitor employees' telephone calls and track telephone activity at any time. Employees who work with the public are prohibited from using their cell phones for during working hours except in case of emergency.

While we recognize that cellular telephones are useful devices for conducting personal and company business, we are concerned about the risks inherent in using cellular telephones while driving. Consequently, we must insist that, except in instances of absolute necessity, employees refrain from conducting company business on cellular telephones while driving. If circumstances require that you utilize your cellular telephone for company business while driving, you must pull over to the side of the road or, if you are unable to pull over safely, utilize a hands-free option. Violation of this policy may result in disciplinary action, up to and including termination.

ILLNESS AND INJURY PREVENTION PROGRAM

The Company promotes safety in the workplace and requires every employee to understand the importance of such safety. In this regard, the Company has established an Injury and Illness Prevention Program. The Executive Director is responsible for administering and implementing this program.

Compliance with the safety requirements outlined in the Injury and Illness Prevention Program is an important aspect of each employee's employment and will be evaluated, together with other aspects of the employee's performance, as part of the performance appraisal process. Because of the importance of these safety considerations, any employee who violates safety standards, causes hazardous or dangerous situations, or who allows such dangerous situations to persist when they could be effectively remedied is subject to disciplinary action up to and including termination.

Employees are required to read and retain a copy of the Company's Injury and Illness Prevention Program, which advises each employee of the procedures to be used to identify and report unsafe conditions. Employees occasionally may be required to assist or participate in inspections, training programs, activities and the correction of unsafe or unhealthful conditions. Full cooperation of all employees is mandatory.

Employees should direct any questions they have about their obligations concerning the Injury and Illness Prevention Program or the Company's safety policies to the Executive Director

SAFETY POLICY

Safety is everybody's business. Safety is to be given primary importance in every aspect of planning and performing all of the Company's activities. We want to protect you against industrial injury as well as minimize the potential loss of production. Please report all injuries (no matter how slight) and near injuries to your manager immediately. Please also report to your manager anything that needs repair or may be a safety hazard.

We have set forth below some general safety rules with which all employees are expected to adhere:

- i. Avoid overloading electrical outlets with too many appliances or machines
- ii. Use flammable items, such as cleaning fluids, with caution
- iii. Walk, do not run
- iv. Avoid horseplay and practical jokes
- v. Ask for assistance when lifting heavy objects or moving heavy furniture
- vi. Smoke only in designated areas outside of the building
- vii. Keep cabinets doors, file and desk drawers closed when not in use
- viii. Never empty an ash tray into a wastebasket or open receptacle
- ix. Take appropriate measures to ensure the safety of fellow employees
- x. Avoid stacking materials at unsafe heights

Remember, failure to adhere to these rules will be considered an infraction of safety rules and will result in disciplinary action.

HOUSEKEEPING POLICY

Neatness and good housekeeping are signs of efficiency. You are expected to keep your work area neat and orderly at all times. Easily-accessible trash receptacles and recycling containers are located throughout the office. Please put all litter and recyclable material in the appropriate receptacles and containers. Always be aware of good safety standards, including fire and loss prevention. Please report anything that needs repairing or replacing to your manager immediately.

SMOKING POLICY

In accordance with California law, smoking is prohibited at the Company except in designated areas outside of the building.

COMPANY PROPERTY

Filing cabinets, desks, and personal storage areas are considered work areas that belong solely to the Company. The Company reserves the right to enter and/or inspect all such work areas without advance notice to employees. Similarly, all computers, related hardware and software, telephones, and email systems are considered work areas that belong solely to the Company. The Company reserves the right to enter and/or inspect all such work areas and to access the information contained on those systems at any time, without advance notice to employees. Thus, management may, in its sole discretion, periodically monitor, review, audit or control any aspect of access to or use of Company computer resources and telephone systems and data (e.g., any message box, computer equipment, system, terminal, network, software, data, documentation or file, including individual employee computer files). Each time an employee changes his or her personal password, the employee must concurrently notify the Executive Director of the change and the new password.

The Company also reserves the right to search any personal property brought onto or taken off of Company property by employees without prior announcement at any time. If employees wish to avoid such inspections, they should refrain from bringing packages or other articles to work or taking them from work.

COMPUTER USAGE AND SECURITY

It is the Company's policy that its computer system, including hardware, software and data files, be operated in a secure environment and not be misused.

All computer programs or data purchased or licensed by or developed for the Company are the property of the Company or its licensors and must be promptly returned to the appropriate person at the Company upon project completion or termination. In no event shall any computer program, data, documentation, listing, source code, or object code be sold, licensed, released or loaned to individuals or entities outside the Company. Any employee who learns of any misuse of hardware, software, documentation or data within the Company must notify their supervisor. Employees may not install software onto the Company's computer systems unless instructed to do so by the Director of Accounts or the Executive Director.

Any employee whose employment with the Company has terminated or whose duties no longer require use of Company computer systems or access to Company data must return to his or her manager all Company property and equipment used in connection with Company computer systems. Such items include, without limitation, computers, keys, software, manuals, and documentation.

EMAIL AND INTERNET POLICY

The Company makes the email system and internet access available to its employees for conducting Company-related business. The records created through the use of these systems are the property of the Company. Internet access (including email) is provided to assist and facilitate business communications and work-related research. These services are for legitimate business use in the course of our employees' assigned duties. While limited personal use of these systems is acceptable, under no circumstances shall these systems be used for solicitation for religious, political or charitable purposes, or for advertising for personal enterprises. All data, communications, materials, information and software created, transmitted, downloaded or stored on the Company's computer system are the property of the Company and may be accessed only by authorized personnel. Further, all employees should be aware that any communications or data created by them may be monitored or viewed by management at any time. Therefore all employees must refrain from using the internet or email systems for personal business and there is no right to privacy on the Company computer and email systems.

The Company reserves the right to monitor the use and operation of the email and internet systems, to access all of the records within them, to retain or dispose of records as it deems necessary, and to track employee use of the internet, including sites visited and frequency of use. The Company must have access to all personal passwords at all times. Each time an employee changes his or her personal password, an email must be sent to the Executive advising

him or her of the change and the new password.

Further General Guidelines

The primary email rule: The content of your email messages should be appropriate for a formal memo or letter. You should always assume that any message you write, business or personal, will be recorded permanently and could be made public.

Always comply with company policies. Email or internet use that violates any of the Company's policies, including those prohibiting discrimination and harassment, will not be tolerated.

Be polite. Remember that readers do not hear the tone of your voice when they read your message. A message you believe to be efficient and clear could be interpreted as curt and brusque.

Edit your messages. Carefully proofread all messages and use the spell-check feature as needed. Although messages without capitals and proper punctuation are fairly common in email, we discourage sending messages which are not grammatically correct. Also, you should not write messages in all capital letters, as it represents the email equivalent of shouting.

If you would not say it in person, do not say it in email. Email must not be used to send angry or rude messages which fail to consider the interpersonal relationships involved and standards of courtesy and professionalism.

Do not use email when you should use the telephone. Email provides an efficient means for having brief exchanges of information. However, please keep in mind that a short conversation will generally be more efficient than exchanging several email messages.

Do not access or forward offensive material. The Company will take immediate and appropriate disciplinary action against any employee who accesses internet sites which contain information that is inappropriate for the workplace and unrelated to the business and mission of The Cinefamily. Additionally, sending or forwarding offensive jokes, cartoons, racial or ethnic slurs, or inappropriate comments directed toward others is strictly forbidden

Never forward a Chain email. Chain email messages are like chain letters. They take up valuable space on the email system and should be avoided.

Protect confidentiality. Never send or disclose messages containing confidential or proprietary information to anyone who does not have a right to know. Also, never access the files or communications of others unless you have a legitimate business purpose and authorization to do so.

Internet email is not secure. While not common, there is always the potential for any internet message and any documents or files which are attached to the message to be intercepted and read. Be mindful of the lack of privacy in your communications.

Deleting does not always mean destroying. The Company's entire email system is backed up at regular intervals. *Never assume that an email message you have deleted is deleted for all purposes.* A message deleted from your In-box may be available elsewhere on the system. Be mindful that mail sent outside of the Company may remain on the recipient's system indefinitely.

Always log off. Log off the system when you are not using your computer. An unattended computer can be accessed by unauthorized persons.

Never divulge your system login ID or password. If a request appears asking for your system login ID or password (or any other personal information), do not release the information to anyone other than an authorized representative of the Company.

Use caution before downloading *any file* from the internet. Keep in mind that you are on the Company's computer system and the downloading of files may put the Company's entire system at risk.

Be aware of the potential security risk of downloading working documents. For example, Microsoft Word documents can be embedded with destructive macros. Virus scan all files and documents received as attachments to emails or downloaded from the internet before accessing them. Never open or download a file if you don't know where it came from or if you were not expecting it. Viruses can be sent from friendly email addresses. If you were not expecting an attachment from a known contact, ask in a separate email whether the contact actually sent the document prior to opening it.

Be aware of copyright infringement. The email or internet systems may not be used for unlawful activities, including sending copyrighted materials in violation of copyright laws or license agreements, or misusing software trial versions, shareware and any other software programs.

Be aware of Company representations. Only authorized employees may communicate on the internet on behalf of the Company. Employees may not express opinions or personal views that could be misconstrued as being those of the Company. Employees may not state their company affiliation on the internet unless required as part of their assigned duties.

Violation of any of the Company's policies and guidelines regarding use of the email and internet systems may result in loss of computer access and/or disciplinary action, up to and including immediate termination of employment. If necessary, the Company will advise appropriate legal officials of any illegal violations.