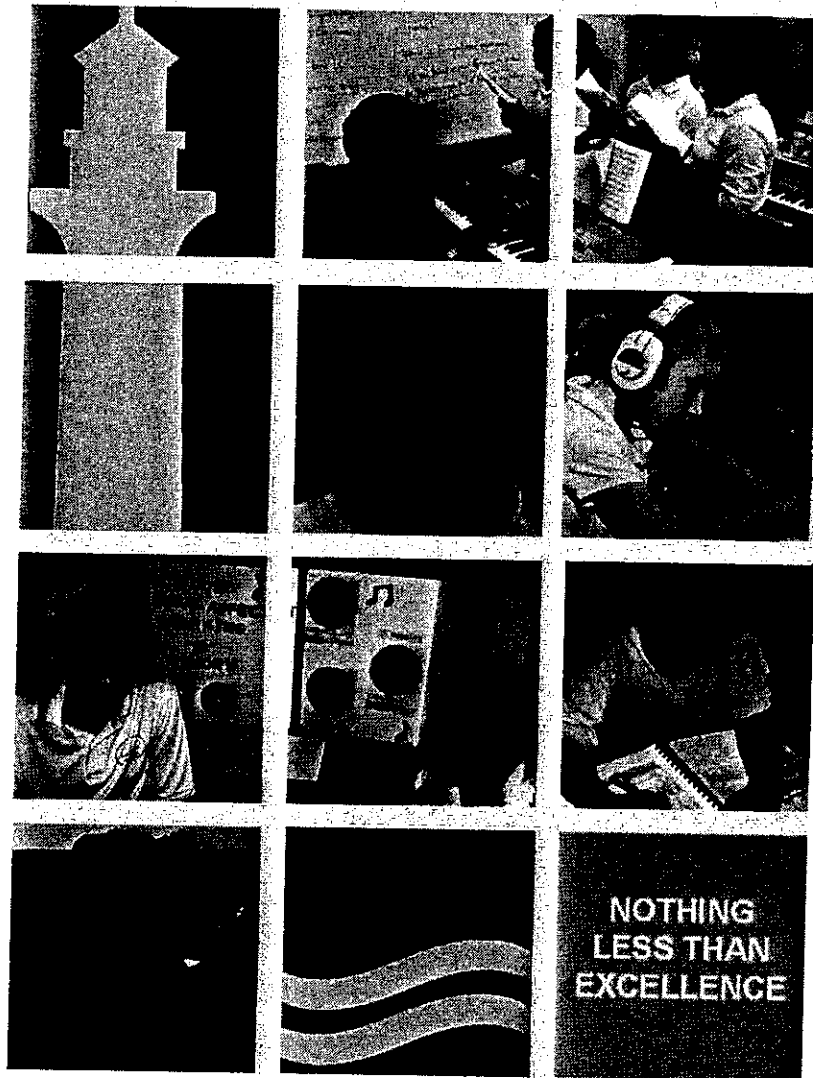


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Lighthouse Academies®, Inc.

Lighthouse Academies of Arkansas, Inc.

Personnel Handbook

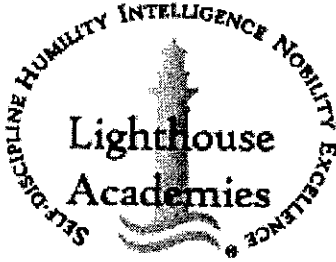
This Handbook is effective July 1, 2010. This Handbook supersedes all prior handbooks and policies covered herein. This handbook will be provided in an alternative format such as Braille, large print or audio upon request. At any time I may obtain another copy of this handbook by requesting an electronic or paper copy from my office manager, or by logging on to the Employee Self Service portal at <http://adp.eease.com/>.

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Dear Team Member:

We welcome you to the Lighthouse Academies team. Lighthouse Academies, Inc., and its related entities are not for profit corporations developing and managing a national network of charter schools. In this handbook, they are referred together as "Lighthouse Academies," unless specifically stated otherwise.

The following pages contain information regarding the current policies of Lighthouse Academies.

This is not an employment contract and it does not, nor is intended to, create contractual obligations of any kind between the employee and Lighthouse Academies. Lighthouse Academies reserves the right to amend these policies and procedures or change them at any time. We will make best efforts to notify all employees when an official change in policy or procedure has been made.

All employment with Lighthouse Academies is "at will" and may be terminated by either the employee or Lighthouse Academies at any time, with or without cause or prior notice. No officer or employee of Lighthouse Academies has authority to alter the at-will nature of the employment relationship except in a written document signed by the employee and the Chief Executive Officer.

Lighthouse Academies values the talents and abilities of our employees and seeks to create a culture where we can work together to meet the needs of the children we seek to serve. 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 the attention of your Principal, Regional Director, Regional Vice President or to me. A list of all corporate contact information may be found on the Prism.

Please sign the receipt page of this handbook and return it to your Office or Business Manager.

SHINE On!

Michael B. Ronan
President/Chief Executive Officer
mronan@lighthouse-academies.org

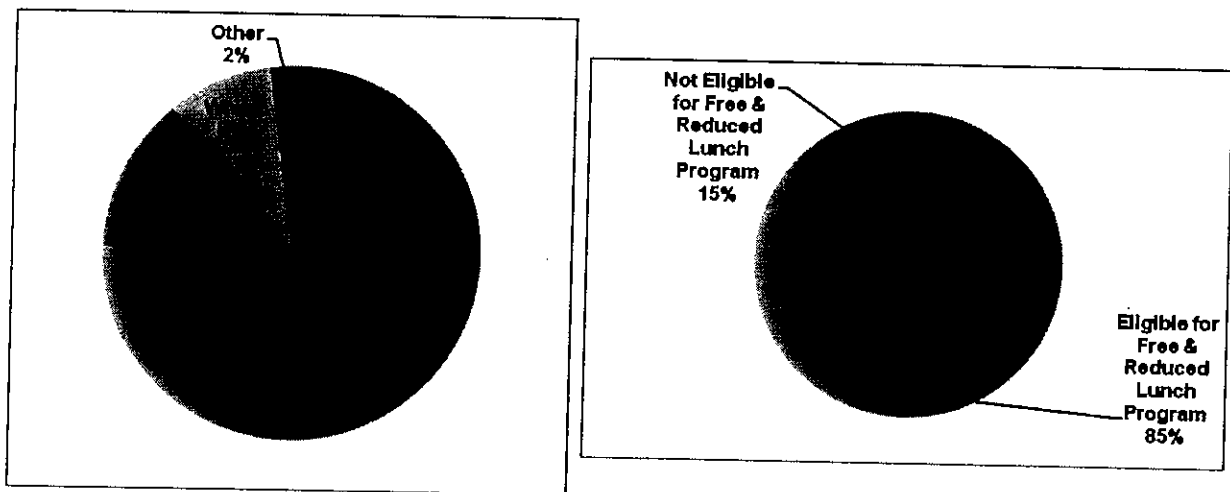
Overview of Lighthouse Academies

Who are we?

We are a national nonprofit network of charter schools. We are a growing community of approximately 4,600 students and families, and approximately 500 teachers, principals and staff members. We are here to ensure that all of our students graduate from college. We are here to make a difference in the lives of the students we teach. We are here to create opportunities that would not otherwise be there if we had not chosen to serve these children and their families. LHA team members are expected to do whatever it takes to make the opportunity for success in college happen for all of our scholars.

We serve a predominantly low-income, minority population in 13 public charter schools across the country. As you can see in Figure 1 below, 89% of our students are African American or Hispanic/Latino, and 85% of our students participate in the free/reduced lunch program.

Figure 1
2009-10 Student Demographics



Why does Lighthouse Academies exist?

We exist because there is a staggering achievement gap in America today. Consider the following facts:

- Of the 13 million children growing up in poverty, about half will graduate from high school.¹
- Those that do graduate will perform on average at an 8th grade level of students.²
- Only 1 in 10 will graduate from college.³
- Fourth graders growing up in low-income communities are already three grade levels behind their peers in high-income communities.⁴

¹ <http://www.teachforamerica.org>. Retrieved March 30, 2009.

² National Association for Education Progress (NAEP) (2005). Retrieved March 30, 2009

³ <http://www.teachforamerica.org>, Retrieved March 30, 2009

⁴ <http://www.teachforamerican.org>, Retrieved March 30 2009

- African American, Latino/Hispanic and Native American children are *three* times more likely to grow up in a low-income area.⁵

Based on these facts, if we do not do something today, half of our students will not graduate from high school. Based on our current enrollment levels, this means that 2,300 of our students would not graduate from high school. At LHA, we find these statistics not just unsettling, but also unacceptable. We exist because we are committed to closing the achievement gap and preparing *all* – not some – of our students for college.

How do we plan to overcome the Achievement Gap?

We will overcome the achievement gap by providing a rigorous and engaging arts-infused program, organizationally and financially viable schools, high quality teachers, relentless school leaders, and a pervasive culture of achievement and respect amongst students and staff.

Our Mission

We prepare our students for college through a rigorous arts-infused program.

Our Vision

All students will be taught by a highly effective teacher in a nurturing environment and will achieve at high levels. Each student will develop the knowledge, skills and values necessary for responsible citizenship and life-long learning. The impact of our collective efforts will fundamentally change public education.

Our Theory of Change

We will demonstrate that a nonprofit charter management organization (CMO), with a small amount of startup capital, can become a self-sustaining operator of high quality schools in a multi state environment. The organization will serve as a model for increasing the number of CMO's that can reach sustainability quickly with a small amount of capital, thus increasing the capacity to start more high quality charter schools throughout the country. More high quality schools will prepare more children for college and improve public education.

Our Theory of Action

If we develop high-quality charter schools that have long-term financial viability, we will demonstrate that nonprofit charter management organizations can have a positive, lasting impact on public education. Our theory of action includes the development of high quality schools through the implementation of a standards-based, arts-infused program, the development of financially viable schools, and a fostering a culture of social responsibility and continuous learning.

Our Brand

The Lighthouse is a symbol of hope and security. Our mission gives hope to parents for a brighter future for their children. Lighthouse Academies is building a brand around the belief that an arts-infused education program that is designed to increase student engagement, along with a strong social curriculum and culture, will result in academic achievement and lifelong learning.

⁵ National Center for Children in Poverty (2006), Retrieved March 30, 2009.

Each school in the network is required to implement the model and operational design including the curriculum, the Lighthouse name, web site, logo and e-mail address. These designations remain the property of Lighthouse Academies, Inc. Local schools are free to select their arts partner and align the LHA curriculum to meet state standards. Local schools may also incorporate additional cultural resources and methods of instruction to meet the needs of their students.

Our Core Values

Our programs, systems and procedures reflect these core values:

- Work hard. Get smart. Graduate from college.
- High expectations equal results.
- Nothing less than excellence.
- Today is the day we make it happen.

Our Core Beliefs

We share the following fundamental beliefs about our work:

- All children deserve access to excellent public schools.
- All children can achieve at high levels.
- The infusion of the arts into the core curriculum increases student engagement and helps develop a deeper understanding of core concepts, ultimately leading to increased student achievement.
- More family participation is better. Families have a lot to offer us.
- Every dollar we spend on overhead is a dollar unavailable to our schools.

Our Core Competencies

We have identified four core competencies that we expect graduates from Lighthouse Academies to embody and demonstrate. These competencies address the skills and dispositions that are necessary for success in college and life. By the time our graduates walk the stage, we expect to prepare them to master:

- Effective Communication demonstrated by their ability to read, speak, listen and write with clarity, accuracy, authenticity and conviction across various domains.
- Self-Direction and Self-Management demonstrated by their ability to take initiative with their learning and work; ask and answer questions, and understand that they are ultimately responsible for their future.
- Critical Thinking as demonstrated by their ability to problem solve, make decisions and consider multiple strategies and perspectives when answering questions, approaching challenges and interacting with others.
- Active Community Membership demonstrated by their ability to identify and make positive contributions to the many different kinds of communities of which they are a part.

Network Goals and Evaluation

As an organization, we have established rigorous goals that are used to measure our success (see Appendix A). As part of the evaluation process, each school currently participates in a site visit evaluation by *Cambridge Education*, experts in school evaluation methods. These site visits,

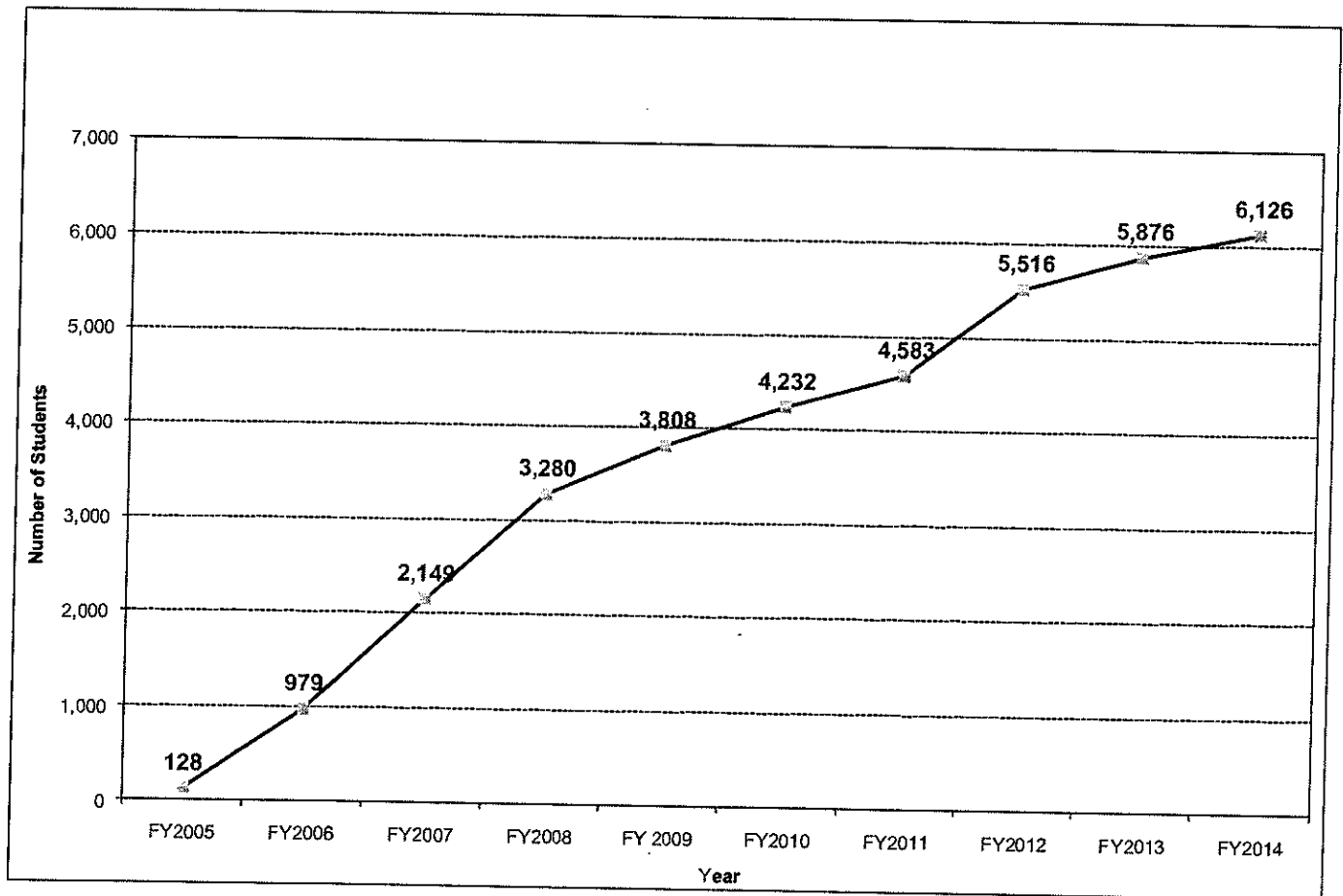
which occur annually, provide extensive feedback on areas of strength and areas of growth at each site. In addition, members from the LHA education team conduct periodic site visits at each school throughout the year to monitor progress and conduct planning sessions with the school leadership team.

Our History

Lighthouse Academies was founded in November 2003 by our current President and CEO, Michael Ronan. Our first school, Bronx Lighthouse Charter School, opened its doors in September 2004 to 128 students. In the first five years, LHA has developed, opened and is operating public charter schools in four states and the District of Columbia. Since our inception, Lighthouse Academies has been supported by generous grants from the Doris and Donald Fisher Fund, New Schools Venture Fund (NSVF) and the Walton Family Foundation. Lighthouse Academies is a member of the NSVF Community of Practice, sharing our experiences with other education entrepreneurs who share our passion and mission.

For the 2010-11 school year, the network includes 13 schools and close to 4,600 students. Our schools expand one grade level per year until they reach twelfth grade. Table 1 shows the enrollment growth starting with our first year and projecting out through 2014.

Figure 2
LHA Enrollment Growth 2005-2014



How Are We Doing?

Across the network as a whole, student achievement growth is steadily increasing as measured by state and interim assessments. We are beginning to close the achievement gap as evidenced by the average growth of more than one grade level in reading and math across the network in 2009-10. Family involvement, which is central to the student's success in school, is strong. However, we recognize the need to increase the percentage of students who are rated proficient on state assessments if we are to achieve our mission.

The Lighthouse Academies Education Model

Our mission is to prepare our students for college through a rigorous, arts-infused program. Our arts-infused pedagogy engages students in the core subject areas by using practices and principles of the arts. Classroom teachers, community arts partners and arts specialists collaborate to create lessons and activities that use practices and principles of art to increase achievement by engaging students, reinforcing skills and assessing student learning.

Core Elements of our Design

College Focus

It is our job to make college real and attainable for all of our scholars. Our rigorous curricular programs provide students with the academic, cultural, and social foundation in order to be prepared for college. In addition, college is a focus that permeates our school culture.

Arts Infusion

Arts infusion is a pedagogical technique that infuses art into core subject areas. Arts infusion increases student engagement and helps develop a deeper understanding of core concepts, ultimately leading to increased student achievement. LHA schools collaborate with local arts partners (AP) and identify a school-based arts infusion specialist to support this element of the design.

We believe arts-infused instruction is:

- **A better way to engage students (activator)**
 - Research shows that the study of art and music is linked to higher test scores.
- **A better way to teach the research-based curricula (reinforce and extend learning)**
 - Teachers and visiting artists plan lessons that include artistic techniques and demonstrations in all subject areas.
- **An alternative way to assess student understanding of content and concepts**
 - Teachers use exemplars to facilitate group feedback focused on work products, not students.

Every day, art is an integral part of the teaching and learning processes at LHA schools. Through an emphasis on classic techniques, creative exercises, critiques, gallery-style shows, and appreciation for professional artists from a variety of genres, teachers help students think artistically.

Standards-Driven, Rigorous, Research-Based Curricular Programs

The content for the core subjects is based on the state standards and LHA Mastery Objectives. High quality research based curricular programs, including Open Court Reading[®], Saxon Math[®], FOSS[®], Pearson Core Knowledge[®], as well as varied instructional frameworks such as

Understanding by Design and readers/writers' workshop, provide the foundation for school-wide instruction and enable students to meet learning standards.

Classroom instruction will include a mix of whole-class, small group, and individual work. Teachers will follow a pattern of presenting engaging mini-lessons to demonstrate new skills, creating flexible groupings in which students can practice those skills on related content and then giving students practice work that they can do independently. All work gives students numerous opportunities to demonstrate what they know and are able to do in terms of mastering specific standards.

Social Curriculum and SHINE

Lighthouse Academies believes the social curriculum is as important as the academic curriculum. We believe there is a set of qualities (social skills and character traits) that all children need to develop in order to be successful through college and life, and are essential traits for being a responsible and productive citizen. LHA's SHINE program celebrates a different character trait each marking period. These traits are celebrated through literature, student artwork, family involvement and classroom displays. These qualities are included in our SHINE program:

- Self-Discipline
- Humility
- Intelligence
- Nobility
- Excellence

The social curriculum is developed through the school-wide use of the *Responsive Classroom*® (K-4); Developmental Designs for Middle School (DDMS) (5-8) and Advisory (CPA) approaches. These programs ensure that all children develop their social skills simultaneously with their academic skills. LHA believes that we can develop these skills and qualities in every child and by doing so we support our scholars in being successful academically and prepare them to work collaboratively with others as well as build self-management skills to help prepare them for college. All teachers and leaders participate in targeted and ongoing professional development on these programs in order to continue to develop and refine their practice.

Developing a positive school culture is an outgrowth of a solid social curriculum. The small community environment developed at LHA creates a learning environment where students are known well, develop unique talents and interests, connect with adult mentors and develop the life skills they will need for life after high school.

Data to Drive Instruction

At LHA, we use a variety of assessments and data tools to inform instruction, identify areas of growth, and increase student achievement across the Network. The three main categories of data are (1) State Assessments, (2) NWEA Measures of Academic Progress (MAP), and (3) Curricular Assessments aligned to state standards. In addition, individual schools may also assess and progress monitor student achievement using other assessments, including state specific diagnostics and/or Dynamic Indicators of Basic Early Literacy Skills (DIBELS), Developmental Reading Assessment (DRA), etc.

As required by state policy, students participate in the state's student assessment program that is designed to measure proficiency relative to the State standards. Three times throughout the school year, the school administers interim assessments from the Northwest Evaluation Association (NWEA) – the Measures of Academic Progress (MAP) for students in grades two and above, and the Primary Grades Assessment (PGA) for students in grades Kindergarten and

one. These instruments provide timely and specific feedback to teachers and allow student growth to be monitored closely throughout the school year.

All of these measures –State Assessments, NWEA, and curricular assessments– combine to create a rich data set that teachers and school leaders will use to inform instruction as well as monitor student, grade and school progress on an ongoing basis (See Appendix B). In addition, each student has an Individual Learning Plan (ILP) that targets specific skills that both teachers and parents will agree to work with the child to develop both inside and outside the traditional classroom environment.

Professional Development

LHA teachers have a minimum of 20 professional development (PD) days during the year. The PD calendar begins with a five-day network summit in July. In August, principals reconvene their staff members before the opening of school for a professional development institute (PDI). Additional professional development days are scheduled on the school calendar during the academic year.

LHA leaders engage in professional development and learning opportunities throughout the year. They participate in a leadership strand at the Network Summit, and new leaders attend a weeklong Responsive Classroom® (RC) and/or Developmental Designs™ (DDMS) training. All school leaders gather several times each year for Network-wide leadership workshops and/or regional meetings.

More Time on Instruction

To ensure that every child masters the work necessary to prepare him/her for college, LHA provides more time on task. This means a **longer school year** (190 instructional days) and a **longer school day** (8 hours).

The Lighthouse Academies School

Core Elements of our Design

LHA offers a rigorous academic program. Our arts-infused pedagogy engages students in the core subject areas by using practices and principles of the arts. Teachers instruct arts-infused lessons in history, geography, English, mathematics, science, Spanish and music. Children learn how to study and use computers to support their learning.

College Focus

It is our job to make college real and attainable for all of our scholars. Our rigorous curricular programs provide students with the academic and social foundation to be prepared for college. In addition, college is a focus that permeates our school culture.

Arts Infusion

Arts infusion is a pedagogical technique that infuses art into core subject areas. Arts infusion increases student engagement and helps develop a deeper understanding of core concepts, ultimately leading to increased student achievement. LHA schools collaborate with local arts partners (AP) and identify a school-based arts infusion specialist to support this element of the design.

Standards-Driven, Rigorous, Research-Based Curricular Programs

The content for the core subjects is based on the state standards and LHA Mastery Objectives. High quality research based curricular programs, including Open Court Reading[®], Saxon Math[®], FOSS[®], Pearson Core Knowledge[®], as well as varied instructional frameworks such as Understanding by Design and readers/writers' workshop, provide the foundation for school-wide instruction and enable students to meet learning standards.

More Time on Instruction

LHA schools have a longer academic year (190 instructional days) and a longer school day (8 hours).

Assessment to Drive Instruction

At LHA, we use a variety of assessments and data tools to inform instruction, identify areas of growth, and increase student achievement across the Network. The three main categories of data are: (1) State Assessments; (2) NWEA Measures of Academic Progress (MAP); and (3) Curricular Assessments (Saxon Math[®], Open Court Reading[®], FOSS[®] and authentic performance tasks within readers/writers workshop) aligned to state standards. In addition, individual schools may also assess and progress monitor student achievement using other assessments, including state specific diagnostics and/or Dynamic Indicators of Basic Early Literacy Skills (DIBELS), Developmental Reading Assessment (DRA), etc. Although this data is compiled, analyzed, and used to inform instruction at the school level, the school-based curricular and diagnostic data is not included in this report.

Professional Development

LHA teachers have a minimum of 20 professional development (PD) days during the year. The PD calendar begins with a five-day network summit in July. In August, principals reconvene their staff members before the opening of school for a professional development institute (PDI). Additional professional development days are scheduled on the school calendar during the academic year. Professional development days must be recorded in HRB.

LHA leaders engage in professional development and learning opportunities throughout the year. They participate in a leadership strand at the Network Summit, and new leaders attend a weeklong Responsive Classroom® (RC) and/or Developmental Designs™ (DDMS) training. All school leaders gather several times each year for Network-wide leadership workshops and/or regional meetings.

Social Curriculum and SHINE

LHA believes the social curriculum is as important as the academic curriculum and that there is a set of qualities (social skills and character traits) that all children need in order to be successful. These qualities are included in our SHINE program:

- Self-Discipline
- Humility
- Intelligence
- Nobility
- Excellence

The social curriculum is developed through the school-wide use of the RC and DDMS approach, authentic literature, and meaningful discussion.

Code of Conduct

All LHA employees support the mission and the policies of the schools. The Principal hires the faculty and ensures that they fully understand and promote the mission and policies. The school firmly believes that faculty, in addition to maintaining classroom responsibilities, should be problem solvers and positive public relations agents of the school. Faculty members are expected to be passionate about their work, to be well versed in the disciplines they teach, and to embrace the virtues exemplified by the best independent schools. The code of professional conduct below describes the practices, behaviors, and attitudes that should define the interaction between all employees, including the faculty, trustees, families, students, and friends of the school.

We shall support the mission of the school, which is to prepare students for college through a rigorous, arts-infused program. We shall strive to create within our students a love of learning, an intellectual curiosity, and a sense of duty to the community that will enable them to make thoughtful and morally informed decisions throughout their lives. We believe in the potential of each child and in the concept that internal motivation can be developed and nurtured, while students also appreciate individual differences.

We shall be consistent and equitable in our interaction with students, fellow educators, and families. We shall respect the civil rights of all and not discriminate on the basis of race, national or ethnic origin, culture, religion, sex or sexual orientation or sexual identity, marital status, age, political beliefs, socioeconomic status, disabling condition, or vocational interest. This list of bases of discrimination is not all-inclusive.

We shall exhibit an attitude of congeniality and a commitment to a team approach. This involves a spirit of teamwork and shared responsibility in word and in action.

We shall, as professional educators, exhibit the highest order of professional language and communication. Verbal and written communications with families, students, faculty, and friends of the school shall reflect sensitivity to the fundamental rights of dignity, privacy, confidentiality, and respect.

We shall exhibit the highest forms of emotional discipline, refraining from any inappropriate public displays of anger or rudeness. We shall be open-minded and knowledgeable and use appropriate judgment and communication when responding to any issue within the educational environment. This discipline calls for patience, understanding, tolerance, and the highest consideration for the welfare, dignity, and good name of the school's constituents.

Our conduct shall reflect due regard for possible conflicts of interest, ensuring that in one's capacity as an LHA employee, outside interests, personal affiliations, or other activities do not influence, or appear to influence, decision-making or job performance, or result in personal gain.

We shall embrace a commitment to the responsible management of public funds.

Standard Employment Practices

At-Will Employment

Your employment with LHA is at-will, unless otherwise expressly agreed to in writing signed by both the President of LHA and you. This Handbook does not alter the at-will nature of your employment. "At-will employment" means that you have the right to terminate this employment relationship at any time; and LHA reserves this same right to terminate this employment relationship at any time, with or without cause, and with or without notice. Should there be a need to reduce the number of employees at your school due to financial reasons, we will consider your performance and certification in making layoffs and other personnel decisions.

Our schools have a "looping" policy, which means that students will remain with the same teacher for two years. We ask that teachers prepare for this as the school will be unable to make exceptions for a staff member who does not want to loop with a group of students. The looping policy does not guarantee employment for any period of time.

Equal Employment Opportunity

LHA is committed to providing equal employment opportunities. LHA will not discriminate against applicants for employment or employees on the basis of race, color, religion or religious creed, gender or pregnancy, national origin, age, disability, marital status, sexual orientation, gender identity, genetic information, ancestry, veteran status or any other characteristic protected by law. LHA does not tolerate illegal discrimination in the workplace and abides by all applicable federal laws and state laws.

If you feel you are being discriminated against or you are aware of any discrimination, please contact your Principal, Regional Director, Regional Vice President, or the Chief Executive Officer (mronan@lighthouse-academies.org). All reports will be kept confidential to the maximum extent possible and all complaints will be investigated.

Employees can raise concerns and make good faith reports without fear of retaliation. If you believe you are being retaliated against for raising a concern about discrimination, please contact your Principal, Regional Director, Regional Vice President, or the Chief Executive Officer. Anyone found to be engaging in any type of unlawful discrimination or retaliation will be subject to corrective action, including discharge.

Reasonable Accommodation of Disability

To comply with applicable laws ensuring equal employment opportunities to qualified individuals with a disability, LHA will make reasonable accommodations for the *known* physical or mental disabilities of an otherwise qualified individual with a disability who is an applicant or an employee unless undue hardship to LHA would result.

Any applicant or employee who requires an accommodation in order to complete the application process or to perform the essential functions of the job should contact the Supervisor or Regional Director. It is the *Employee's* responsibility to notify your Supervisor or Regional Director if a reasonable accommodation is needed.

Anti Harassment Policy

LHA is committed to maintaining a workplace free of harassment and intimidation based on race, color, sex/gender, pregnancy, religion, age, marital status, sexual orientation, gender identity, national origin, disability, veteran status, genetic information, ancestry or any other category protected by law.

Defining Harassment

Harassment is a form of employee misconduct that undermines the integrity of the employment relationship. All employees are entitled to work in an environment free from harassment. While it is difficult to define what constitutes illegal harassment under the law, LHA realizes that any type of harassing or inappropriate behavior based on race, color, sex/gender, pregnancy, religion, age, marital status, sexual orientation, gender identity, national origin, disability, veteran status, genetic information, ancestry, or any other category protected by law is inappropriate in the workplace. Therefore, LHA will not tolerate any behavior that creates an intimidating, offensive or hostile work environment or that interferes with work performance. Examples of harassing or inappropriate behavior include:

- Verbal conduct such as epithets, derogatory jokes or comments, slurs or unwanted sexual advances, invitations or comments;
- Visual conduct such as derogatory and/or sexually-oriented e-mails, posters, photography, cartoons, drawings or gestures;
- Physical conduct such as assault, unwanted touching, blocking normal movement or interfering with work because of sex, race or any other protected basis;

LHA strongly disapproves of and will not tolerate harassment of employees by supervisors, co-workers or others in the workplace, such as customers or vendors. LHA is committed to complying with all applicable local, state and federal laws prohibiting discrimination and harassment in the workplace.

Included in this policy is a prohibition of sexual harassment. Sexual harassment includes, but is not limited to:

- Unwelcome sexual advances, requests for sexual favors, unwanted physical contact, including touching, patting, pinching, etc., unwelcome comments of a sexual or demeaning nature, the display of sexually offensive posters, pictures or objects.
- Any use of an employee's submission to or rejection of the conduct described above as the basis for employment decisions affecting the employee (such as hiring, firing, promotions, compensation or working conditions).
- Any explicit or implicit implication that submission to such behavior is a term or condition of an individual's employment.

Reporting Harassment or Inappropriate Conduct

Any employee who believes that he or she has been a victim of some form of workplace harassment or inappropriate behavior or conduct from a fellow employee, including a Supervisor or from a non-employee (customer, parent, contractor, etc.), should report the incident

immediately to the Principal of the school or the Regional Director. Reports may also be made to the Regional Vice President, or Chief Executive Officer (mronan@lighthouse-academies.org).

Investigation of Complaint

Persons submitting complaints of harassment or inappropriate conduct are assured that a thorough investigation of the complaint will be conducted. The contents of the complaint will be kept confidential to the extent possible and consistent with the need to conduct a thorough investigation.

Sanctions

If, following a complaint of harassment or inappropriate conduct, an investigation reveals that inappropriate behavior has occurred, the person who has violated this policy will be subject to appropriate sanctions or penalties. The sanction or penalty administered under this policy will depend on all circumstances, including the offending employee's prior work record and the specifics regarding the nature of the violation and may include required training, disciplinary write ups, suspension or termination.

Retaliation Prohibited

LHA does not tolerate retaliation against any employee for making a complaint under this policy or for cooperating in an investigation of any complaint under this policy. Any employee who believes that he/she is the subject of such retaliation should report this immediately to the Principal of the school, the Regional Director, Regional Vice President or to the Chief Executive Officer (mronan@lighthouse-academies.org).

Workplace Violence and Student Safety and Mandatory Reporting

Violence or threats of violence committed by or upon an employee or student will not be tolerated. If you receive or become aware of any threatening communications or acts, call 911 immediately if appropriate; and report this immediately to the Principal and to the Chief Executive Officer. Please do not engage in a physical or verbal confrontation with a potentially violent person. A Principal receiving any such report shall immediately inform the Regional Director, Regional Vice President or Chief Executive Officer. The Principal shall also immediately notify the local police department in regard to any allegation of a child having been physically injured, inappropriately touched or sexually molested by any individual.

All reports of work related violence or threats of violence will be thoroughly investigated and the results kept confidential to the extent we are legally able to keep such information confidential. However, we may report such actions or threats to the appropriate authorities if we feel such a report is necessary. Any person found to have committed a violent act or made a threat of a violent act will be subject to disciplinary action that may include immediate discharge.

All staff members, volunteers, parents and third party contractors are absolutely prohibited from causing any physical or emotional harm to any student. Corporal Punishment is never allowed by school employees, volunteers or contractors. Physical restraint may be used only as necessary and in a reasonable manner. If you know or suspect that any student has been subjected to any neglect, physical abuse, emotional abuse, or sexual abuse or molestation, you must report this immediately to the Principal, Regional Director, Regional Vice President or to the Chief Executive Officer. You may also be required by state law to file a report with the appropriate government agency. *Any staff member causing any harm to a child, or who fails to report the harm, abuse or neglect of a child, will be disciplined up to and including immediate discharge, and the authorities will be notified if appropriate in the circumstances.*

Immigration Reform and Control Act (IRCA)

Federal law prohibits LHA from employing any person not legally authorized to work in the United States. In accordance with the requirement of the Immigration Reform and Control Act (IRCA), all persons commencing or resuming work must submit documentation evidencing their right to work in the United States. Anyone submitting false documentation shall be immediately terminated and may be reported to the appropriate authorities. In fulfilling its obligations under IRCA, LHA reaffirms its commitment to comply with both state and federal non-discrimination laws. Any questions concerning IRCA and the required documentation should be directed to the Human Resources Department.

Corrective Action

Employees will be disciplined for any violation of any LHA policy. Such discipline shall be appropriate to the offense. Any offense, including the first offense, may warrant any degree or action, such as a verbal warning or discharge of employment. Lighthouse reserves the right to determine the discipline warranted given the nature of the offense committed.

General Policies

Reporting Changes and Mistakes

You are responsible for promptly notifying your Supervisor in writing of any change in your name, address, telephone number, marital status, and work permit or visa status, tax withholding allowances, emergency contact information, insurance beneficiary, or dependent insurance coverage. Accurate and correct information is vital for benefits and insurance records and other LHA files. Any delay in your receipt of your paycheck or tax forms will be your responsibility if such delay is a result of your failure to notify us of updated information. Please note that any changes to your insurance coverage are subject to the policies of the insurance of LHA. It may not be possible for changes to become immediately effective.

It is the employee's responsibility to verify the accuracy of the information included on each paycheck. The employee has one week from receipt of a paycheck or pay statement to report any errors in name, address, withholdings, paid time off or any other item shown on the pay stub. Such reports should be sent to Lighthousebenefits@employease.com. (877) 551-0603.

Employment Categories

All employees fall into each of the three categories below. For example, our Chief Executive Officer is a full time, administration, and exempt employee. A paraprofessional working in a school three days per week would be a part time, school, and non-exempt employee.

Category One:

- **Full-time employees:** All employees regularly scheduled to work at least 40 hours per week in a 12-month position or in a position at a school expected to last for the entire remainder of the school year are considered full-time employees for the purpose of benefits.

- **Part-time employees:** All employees regularly scheduled to work fewer than 40 hours a week are considered part-time employees. Part-time employees are eligible for benefits as specifically stated in this manual.
- **Temporary employees:** A temporary employee is a person who works any number of hours in a week, but the position the person holds is expected to be fewer than 12 months for a corporate position and fewer than 10 months for a school-based position in any calendar year. A temporary employee is not eligible for any fringe benefits unless required by state or federal law.

Category Two:

- **Administration employees:** Employees not directly involved in regular teaching are administration employees. These school positions specifically include the Principal, the Director of Instruction, the Director of School Culture, program coordinators, parent coordinators, office managers, secretaries, and maintenance personnel.
- **Academic Employees:** Employees who teach and otherwise work directly with the students and are not expected to work during academic vacations and holidays, with the exception of mandated meeting and training days, are academic employees. Academic employees specifically include teachers, teaching assistants, school aides, program coordinators, school guidance counselors and social workers.

Category Three: Under the Fair Labor Standards Act (FLSA), employees are also classified by two major categories: "Exempt" and "Non-exempt."

- **Exempt employees:** These employees are exempt from the applicable provisions of state and federal wage and hour laws and will not be eligible to receive overtime pay. Exempt employees are expected to work as many hours as necessary to fulfill the requirements of their jobs.
- **Non-exempt employees** are eligible to receive overtime pay in accordance with state and federal wage and hour laws. These employees are required to submit a time record for each week, approved by the appropriate Supervisor, for the purpose of tracking hours worked and calculating compensation. An employee will be subject to discipline for all intentional inaccuracies on a time record. Overtime is paid for any authorized hours worked over 40 hours in any workweek. Non-exempt employees are required to take a 30 minute unpaid meal break each working day, which consists of at least 6 hours. During this 30-minute break, the employee must not do LHA-related work of *any kind*.

Academic Employee (Full-time - Academic – Exempt) Pay

Full-Time Academic Exempt Employees are given the option to have his or her compensation paid based on the number of days actually worked or to have the earned compensation paid evenly through to the end of the year. Employees who elect to have their compensation paid evenly throughout the year may also elect to have their final pay paid out as a lump sum at the end of the school year or paid equally among the three (3) summer payroll periods in July and August. Employees who elect to be paid based on the days worked will not be paid for school breaks, including holidays. They are paid with a higher daily rate that is based on school days they are required to work. This section pertains to employees who are exempt (non-hourly) only. **All Academic Exempt Employees need to file time records.**

Academic Employee (Academic – Non-Exempt) Pay

Academic Non-Exempt Employees are paid on an hourly basis based on the days worked. **All Academic Non-Exempt Employees need to file time records.**

End of School Year

This section applies to full-time employees leaving the school at the end of the school year. Those who are not leaving will experience no interruption in compensation or benefits. Any Academic Employee, such as a teacher or teaching assistant, who leaves at the end of the school year will no longer be eligible for benefits, except by law, such as COBRA. For those employees who voluntarily terminate at the end of the school year, the employer will continue to provide health and dental insurance through June 30th and COBRA will become available beginning July 1st.

Pay Periods and Pay Checks

Lighthouse Academies Inc employees are paid bi-weekly. Payrolls are paid every other Friday for ten days' wages earned through the previous Saturday. In the event the Friday payroll date falls on a holiday, the pay date shall be the last business day prior to that holiday. It is your responsibility to ensure that your time is reported accurately by the Monday of that payroll week. Employees shall be notified if the pay schedule is to change.

Lighthouse Academies of Arkansas employees are paid through APSCN, the Arkansas State system. A payroll schedule will be distributed by the school administration. .

LHA provides direct deposit service for employees. Employees are strongly encouraged to enroll for direct deposit to minimize disruptions caused by slow mail, lost checks, etc. Please contact your office manager if you would like to arrange for direct deposit of your paycheck.

If a check must be re-issued, the bank fee and any other processing fee will be deducted from the employee's pay as allowed by applicable law. This is another reason that we encourage all employees to utilize direct deposit. Academic staff who elect the buyout at the end of the school year or staff who are terminated will have direct deposit cancelled and instead receive a pay check that they can pick up from their office manager at the school.

For more information on pay, please review your signed offer letter and the 2010-2011 Compensation Policy.

Garnishments

LHA is required by law to honor any legal order for garnishment. We will make initial notification of any demand for garnishment with specification of the total amount and the amount of each planned deduction. We will make every effort to notify you in advance, if such notice is available to us, and as applicable by law.

Office and Work Hours

LHA's employees work in a variety of settings. Those who work within the corporate office are expected to report to work according to their individual schedules. Those working at a school site must adhere to the campus schedule. If you are a non-exempt employee, you may be asked from time to time to work more than forty hours in one week. If you would like to discuss your overtime hours or the pay for such hours, please contact Human Resources. Full-time employees, regardless of their main place of business, are expected to dedicate all of their professional time to their LHA responsibilities.

Non-exempt employees may not work overtime without prior approval from the Principal or Regional Director. Non-exempt employees who work overtime without prior approval will be subject to discipline, up to and including termination.

Solicitation and Distribution

Working time is, of course, for work – preparing our students for college. We want to ensure that employees and students' learning time is not interrupted and that our schools and offices are not cluttered with litter by others who wish to solicit for their own or others' purposes (either business or charitable) or memberships in organizations. For these reasons, employees are expected to observe strictly the following rules:

- Do not solicit employees for any activity or purpose while either the employee(s) doing the soliciting or the employee(s) being solicited is on working time. "Working time" does not include approved break or meal periods.
- Do not distribute literature (that is, printed matter of any kind) on working time or in working areas at any time.
- Non-employees are prohibited from soliciting or distributing any written or printed material of any kind for any purpose on LHA property at any time.
- Do not post on the premises, including bulletin boards and E-mail, any notices, signs or written materials. LHA's bulletin boards are reserved for official LHA's communications, such as job openings and LHA's memoranda. Similarly, E-mail is for LHA's business use only.

The only exception to the foregoing will be activities related to LHA-sponsored charities and activities. Exceptions to this policy may be made at any time by the Chief Executive Officer (mronan@lighthouse-academies.org).

Attendance

Unless your absence is permitted or excused under LHA's paid time off policies, or you have been granted a leave in writing by Human Resources, you are responsible for being at work on time and not leaving early. If you are going to be absent or late, it is your responsibility to call the office as soon as possible during each day of your absence, preferably in advance of lateness and no later than one hour before the start of the workday. If you are absent for more than three consecutive days, you may be required to provide written documentation from your physician.

An employee who is absent for reasons other than those permitted or excused by the LHA's policies, or who fails to provide notice as required, will be subject to appropriate corrective action, up to and including discharge. In addition, an employee who is late or leaves early will face corrective action, up to and including discharge. An employee may not take an unpaid day off, and may not take a day off from work beyond accrued sick or PTO time, without the prior approval of the Principal or Supervisor.

Administration employees, including those working at a school site, are expected and required to work normal business hours during academic holidays and vacations.

General Complaint Procedure

Any employee may voice a complaint or concern to their supervisor. If the employee is not satisfied with the response, he/she may bring the concern or complaint to the Regional Director. If not satisfied with the response of the Regional Director, the employee may bring the concern or complaint to the Regional Vice President. If not satisfied with the response of the Regional Vice President, the employee may bring the concern or complaint to the Chief Executive Officer.

Business Conduct

In the event that you become aware of another employee's behavior or actions that you believe, are inappropriate, illegal, problematic, or in any way inhibit or affect your job performance or the LHA work environment, you should discuss such behavior or actions with your Supervisor, Regional Director, Regional Vice President, or Chief Executive Officer. All reasonable concerns will be promptly, thoroughly and confidentially investigated by LHA and, where necessary, appropriate corrective action will be taken.

Personal Conduct

LHA respects the privacy interests of its employees and recognizes their desire to conduct their personal lives free from interference from LHA. Nonetheless, employees should keep in mind that, even while off-duty, they represent LHA to the public and should strive to preserve LHA's reputation. In addition, certain types of off-duty conduct may reflect poorly upon an employee's character and judgment and thereby influence his or her standing as a Lighthouse Academy employee. Therefore, employees who engage in unprofessional or criminal conduct or other serious misconduct off-duty may be subject to disciplinary action by LHA, including termination of employment, if such conduct is determined by management to be harmful to our corporate image, inconsistent with expectations of our employees, or otherwise adversely affects our legitimate business interests.

Drugs and Alcohol

LHA is a drug-free, alcohol-free, smoke-free workplace. LHA will not tolerate alcohol or illegal drug use, or being under the influence of either, on the job at any site, whether a school, LHA property, or visit to a third party. Furthermore, employees may not distribute, possess, manufacture, use, dispense, or sell alcohol or illegal drugs at any time on LHA property.

Employees who violate this policy will be subject to corrective action, up to and including discharge. Employees convicted on charges related to alcohol or drug use, must report the conviction to their Supervisor within five (5) days of the conviction date. Employees facing

charges or arrest related to alcohol or drug use or distribution or other offense occurring on school property must report this to their Supervisor within five (5) days of the arrest or filing of charges. Failure to do so will result in disciplinary action up, to and including discharge.

An employee who is taking prescription drugs which may affect his/her ability to safely and effectively perform his/her job must report this to their Supervisor immediately. LHA will attempt to make reasonable accommodations to allow the employee to continue working while taking medications.

LHA employees may access information about drug or alcohol treatment and assistance programs in your area by contacting Lighthouse Benefits Service Center at 877-551-0603 or email lighthousebenefits@employease.com These matters will be kept confidential whenever possible, and to whatever extent that you may be protected by law.

Lighthouse Academies of Arkansas Inc. employees may access information on programs and services by going to www.arbenefits.org and clicking on school employees.

Smoking

Smoking is not allowed in LHA's offices or at any school sites, outdoors or indoors.

Food and Beverages

All employees are personally responsible for keeping the area around their workstation clean and presentable to visitors, as well as protecting the computer equipment from damage. Employees are also responsible for returning meeting areas to a clean and presentable condition after use.

Workplace Attire

LHA has adopted a business casual dress environment. However, employees are expected to use good judgment and taste, to maintain personal hygiene and to show courtesy to their co-workers and associates by dressing in a fashion that is presentable and appropriate. All LHA employees are expected to dress in a manner, and to present themselves in a manner, which presents a good example to each of our students. Examples of what employees should not wear include sweats or other athletic attire, t-shirts, halter or tank tops, jeans or denim, no sneakers, no flip flops or similar types of shoes. Underclothing should never be exposed. Clothing should not have holes or rips, should not be tie-dyed or otherwise discolored, such as by paint stains. All clothing must be tasteful, respectful and professional. Of course, a physical education teacher or an adult accompanying the students on a field trip may need to wear sneakers or similarly appropriate clothing.

LHA and the school Principal reserve the right to notify any Employee if certain attire is not deemed appropriate for the workplace.

Telephone Use, Cell Phones and Other Personal Technology

Personal telephone calls should be kept to a minimum and personal toll calls should not be made at the expense of LHA or of any school. Employees should not make personal calls at a time when they have any responsibility for supervising any child(ren), except in the event of an emergency.

Staff may not use cell phones, PDA devices, camera phones or other technology devices when teaching or otherwise supervising children. These devices may not be used during any staff meeting or meeting with any third party (parent, vendor, consultant, funder, etc.). Prohibited uses during these times include making or receiving calls, sending or receiving text messages, taking pictures, or checking email. Staff members may not send any text messages to any student. All communication outside of class between a staff member and any student, including text messages, emails, photographs and phone calls, must go through the student's parent.

Staff may not use their own laptops in any LHA site without the prior written consent of the Chief Information Officer.

Parking

LHA is not responsible for loss, theft, or damage to your vehicle or to any personal belongings left in your vehicle. Please park your vehicle at each site where indicated by signs or by personnel regularly working at that site.

Personal Property

LHA does not assume responsibility for any personal property brought by employees to its premises. Employees are to use their own discretion when choosing to bring personal property into the office, and do so at their own risk. Additionally, employees may not bring or display in the office any property that may be viewed as inappropriate or offensive to others.

Office Security

It is each employee's responsibility to make sure the office is secure at the end of each business day. The last employee to leave the office at night is responsible for making certain that all filing cabinets, doors and windows are locked and the alarm is set. No more than \$50.00 in cash may be kept in a school office overnight. Please review school procedures for more details.

Privacy in the Workplace Policy

The working environment does not provide the same degree of privacy experienced at home. Offices, desks, telephones, lockers, and computers are furnished for business purposes, and remain the property of LHA. Any content therein may require that they be opened to authorized management representatives. For that reason, an employee's use of an office, desk, telephone, locker, voicemail, email, or computer will not be considered private. In addition, to promote quality assurance, telephone calls made by all employees are periodically monitored by LHA. Furthermore, electronic data transmissions, as well as computer data of any type, are subject to monitoring, and desks and offices may be opened as management deems appropriate. To avoid embarrassment or other difficulties, employees should not discuss private matters over business phones, voice mail or electronic mail, nor should employees bring personal property and materials (especially flammable articles, drugs, personal alcohol-containing products, firearms, weapons of any type, explosives, or any other illegal or inappropriate item) onto LHA's premises.

If requested by management of LHA, employees are required to submit to a search of any pocket, package, purse, gym bag, briefcase, tool box, lunch box, or other container brought onto LHA's premises, and to submit to a search of a desk, file, locker, other stationary containers, data files,

voicemail, or email provided by LHA. Failure to cooperate in a requested search is cause for termination.

Confidential Information and Records

LHA requires that employees not disclose information considered to be confidential by LHA, including employment records, salaries and trade secrets. All new employees are required to sign a non-disclosure agreement. Employees are also subject to any restrictions listed under their offer letter. Any questions about this policy should be addressed to the Chief Executive Officer.

LHA's employees may upon occasion obtain access to student records. Applicable state and Federal statutes govern such access. These records are confidential and may not be removed from the school and may be used by LHA's employees only for the performance of their job duties. All employees must abide by applicable laws, including the Family Educational Rights and Privacy Act (FERPA), in regard to the confidentiality of student information. Employees may not use student pictures, student work or any information related to students for personal use either during the work day or outside the workplace.

Should any employee wish to receive a copy of his/her own personnel file, a request must be submitted in writing to the Principal, Regional Director, Regional Vice President or the Chief Executive Officer. All such requests will be honored as required by law.

Intellectual Property and Assignment of Rights

All materials, reports, plans, analyses, designs, presentations, and writings or compilations of any kind that are produced by the employee in connection with his/her employment shall be the sole and exclusive property of LHA, unless derived from materials already owned by the employee. The employee agrees to promptly execute any documents necessary to verify LHA's ownership of all such materials.

Employee Photographs

As part of our pursuit of our extraordinary mission of preparing students for college using our rigorous arts-infused program, we may use your photograph to market LHA. Materials may include one or more of the following: print materials including folders, flyers, advertisements, billboards and signs, and our website. We may include your name and a short bio or quote depending on the purpose. We will not include any confidential personal contact information. By agreeing to allow us to use your picture, we may continue to do so even if you are no longer an employee of Lighthouse Academies or Lighthouse Academies of Arkansas or your local board.

Competing Employment

Due to the nature of our business, employees are restricted from certain associations or working arrangements with competing or conflicting organizations. You may not work for other competing businesses during the course of your employment with LHA. All employees are also subject to any restrictions listed under their non-disclosure agreement. Employees may not engage in any other type of employment during hours when they are working for LHA. You must notify LHA of any other employment, which may present a conflict with your position at LHA.

Non-Compete

LHA employees must sign a non-compete agreement with their offer letter. Employees should direct any questions they have on this agreement to their Supervisor.

Non-Solicitation

During the period of your employment and for a period of one year after the termination of your employment with LHA, you shall not, directly or indirectly, (i) solicit for employment or employ any person who was employed by LHA during your employment with LHA; or (ii) call on, solicit, or take away for yourself or for any other person or entity any person, student or entity who or which was a customer of LHA during your employment with LHA. All employees are also subject to any restrictions listed under their employment letter.

Employment of Relatives and Others

No person can be hired or otherwise employed by LHA if the person is a relative of a LHA employee, unless the employee discloses the relationship to LHA prior to the person being offered a position with LHA. In such cases, the Chief Executive Officer will make the decision as to whether to hire the person. Employees should also notify Human Resources where a job applicant is a business associate or close friend of the employee. In cases where the relationship is not disclosed prior to an employment decision, both employees may be subject to discipline, including termination.

Visitors in the Workplace

In order to allow employees to perform their work free from unnecessary distractions, LHA employees should generally refrain from having personal visitors at the workplace. On rare occasions, it may be necessary for a child to accompany a parent to work. In those situations, the employee must obtain approval from the Principal in advance.

All visitors must sign in at the office and obtain a visitor's badge and wait in the office until they can be escorted by an employee. No unescorted visitors are permitted in the school. While a visitor is under your care, it is your responsibility to ensure that they comply with all Lighthouse policies and applicable laws.

Contractors and Third Party Vendors

LHA may authorize the use of contractors and consultants for various services, including but not limited to: physical therapy; speech professional development; maintenance and transportation. The school is responsible for ensuring that independent contractors comply with Lighthouse policies, this Handbook, and applicable laws. Employees are required to report to the school Principal immediately any violation of a Lighthouse policy.

Expense Reimbursement

LHA will reimburse employees for reasonable business expenses, including travel, if approved in advance by your immediate Supervisor. Employees requiring assistance with travel in advance must contact their Supervisor. Employees must refer to the Travel and Reimbursement Policy for specifics about travel and reimbursement procedures. No expenses will be reimbursed which violate the Travel and Reimbursement Policy. Expenses which are submitted more than thirty

(30) days after the expense was incurred will not be reimbursed to the employees, unless there are exigent circumstances.

Meals, Tickets, Food and Other “Gifts” from Third Parties to Employees

“Gift” shall include a meal, a drink(s), a ticket(s) to a sporting or other event, food, or any other item that a vendor, authorizer or individual, including parents, offers to a Lighthouse Academies, Inc. or Lighthouse Academies of Arkansas employee.

Employees may accept meals and other items of a value less than \$30.00 from third parties, provided they do so within these guidelines and provided further that:

- A meal eaten while conducting business may be accepted provided a reasonable person would not consider it to be extravagant. Alcohol should be consumed at business functions only in moderation and only in the evening.
- No business, purchasing or other decision will be in any way based on the receipt of or value of the gift.
- All LHA personnel will at all times conduct themselves with the utmost integrity and honesty.
- Upon accepting any gift valued at more than \$30.00, the Employee shall list the item, date and estimated value on a spreadsheet on the Extranet.

For other gifts, the Employee should send an email to the Chief Executive Officer detailing the third party, gift, date, estimated value, and any pending transaction with the third party. The Chief Executive Officer will then have sole discretion to approve or disapprove of the acceptance of the gift. If the gift is not approved and is already in possession of the employee, it shall be returned to the sender.

Corporate Credit Cards

Corporate credit cards, such as Visa or American Express, are for business use only and may not be used for personal items or services. Employees must review the Travel and Reimbursement Policy before accepting or using corporate credit cards. Credit cards are generally issued only to school Principals and corporate employees who travel on business.

Recruiting Referrals

LHA has a policy of financially rewarding employees who refer to us other dedicated, qualified staff members. Please see your school Principal for site details on this plan.

Absences: Time Off and Holidays

Paid Holidays

The following are paid holidays for full time administrative employees. The following are the only paid holidays for corporate employees and administration employees, as defined above:

New Year’s Day
Martin Luther King, Jr. Day
President’s Day

Memorial Day
Independence Day
Labor Day
Columbus Day
½ day prior to Thanksgiving Day
Thanksgiving Day
Day after Thanksgiving
½ day on Christmas Eve day
Christmas Day

In addition, all school buildings will be closed for two days between December 24 and January 1. The two day closure time will be determined by the Regional Director. School based administrative personnel will not be required to work during this time and will not be charged PTO for these days.

An announcement by LHA shall be made regarding days off should any of the above holidays fall on a Saturday or Sunday. The above holidays are the only holidays for administrative employees, including Principals, Director of Instruction, school office managers, all corporate staff, and others designated as administrative employees in their employment letters.

An employee must work the day before and after a holiday in order to be paid for the holiday, unless the employee receives prior written approval from his/her Supervisor.

An employee may convert one or more of the above-listed paid holidays to a floating personal day off, with prior written approval from the employee's Supervisor. This must be recorded in HRB system.

Note: LHA will make reasonable efforts to accommodate holidays pertaining to an employee's established beliefs that do not fall on the paid holidays listed. The employee may use PTO or a floating holiday for such purposes. Employees should speak with the school Principal, Regional Director, Regional Vice President, or the Chief Executive Officer to obtain approval for taking time off to observe such holidays.

Paid Time off (PTO)

Full-time employees are eligible to use paid time off as described in this policy. **Part-time, temporary and contracted employees are not eligible for paid time off.**

Academic employees are eligible for less PTO than administrative employees because academic employees are generally not expected to work during academic holidays and vacations. If a Principal schedules a required activity such as a meeting, training, professional development or planning day during an academic vacation, then the employee must work on that day. Academic employees should, as much as possible, schedule such appointments as medical and dental visits during non-school hours. Academic employees who have completed an introductory period of at least ninety days (90) will begin to accrue PTO at a rate of three (3) days per year accrued at a rate of 2.18 hours per school year month (September to June). All PTO accrues on the last day of each pay period. Academic employees may accrue a maximum of nine (9) days of unused PTO days. If an academic employee has accrued nine (9) days of PTO time, no additional time shall accrue until this employee has used PTO time to bring his/her PTO balance below nine (9) days.

Full-time, administrative employees will begin to accrue PTO at a rate of ten (10) days per year during their first year, accrued at a rate of 3.08 hours per bi-weekly pay period. Employees must

complete an introductory period of at least ninety (90) days before they may begin using this time. During their second and third years, employees will accrue PTO at a rate of fifteen (15) days per year, accrued at a rate of 4.62 hours per bi-weekly pay period. During their fourth year and years thereafter, employees will accrue PTO at a rate of eighteen (18) days per year, accrued at a rate of 5.54 hours per bi-weekly pay period. We strongly encourage employees to take vacation within the year, after it is accrued. Administrative employees may accrue a maximum of twenty (20) days of unused PTO at any time. Once an administrative employee has accrued twenty (20) days of unused PTO, no more will accrue until the employee has used at least ½ day of PTO time and thus reduced the accrual amount. All PTO accrues on the last day of each pay period.

Upon leaving LHA for any reason, the maximum amount of accrued, unused PTO to be paid to the employee will be fifteen (15) days. Such pay will be made in the second pay period following the employee's termination date.

To schedule planned PTO, employees must request advance approval from the school Principal or Supervisor. Requests will be reviewed based on a number of factors, including business needs, staffing requirements, and scheduled time off of other employees. Planned absences of more than one week must be approved six weeks in advance by your manager. Due to the operational needs of LHA, planned absences in excess of two weeks are not regularly granted.

At its discretion, LHA may grant an employee's request to use PTO in advance of its accrual. In such circumstances, the employee will be required to sign a form authorizing LHA to deduct appropriate amounts from the employee's paycheck for PTO taken in advance of its accrual. The Principal, Regional Director, Regional Vice President and Chief Executive Officer must approve all requests for PTO exceeding the amount of vacation accrual. Any paid time off taken prior to its accrual will be treated as unpaid time if prior written approval is not obtained. Taking time off which has not accrued may be grounds for disciplinary action. In no event will an employee be allowed to take PTO in advance of accrual in an amount that exceeds the maximum amount he/she could accrue through the end of the academic year (in the case of school employees) or through the end of the employee's employment year (in the case of administrative employees).

If a recognized holiday occurs while an employee is using PTO, the day will count as a holiday and not as PTO. Vacation does not accrue while the employee is on an unpaid leave of absence.

On occasion, an employee may have to work on a Saturday for professional development, to attend a conference or other reason. This is considered to be part of the responsibilities of an exempt employee and "comp time" will not accrue. Non-exempt employees will be compensated on an hourly basis for all time worked, including Saturdays.

If an employee is unable to get to school because of lack of transportation or snow or other similar reason, the day will be deducted from accrued PTO.

Sick Time

Employees may also need time off for short term illness. The benefit for paid sick time is measured annually coinciding with the employee's date of hire. A full-time administrative employee is eligible to accrue no more than five paid sick days per year and a full-time academic employee is eligible to accrue no more than 4 paid sick days per year. These sick days will accrue at a rate of approximately 1.54 (administrative) and 1.23 (academic) hours per pay period. On the employee's anniversary date, unused sick time, not to exceed 5 days for administrative employees and 4 days for academic employees, will carry over to the next year.

An employee will not be paid for sick time above what is accrued without the approval of the Supervisor and either the Regional Director, Regional Vice President or Chief Executive Officer. Excessive use of sick time, paid or unpaid, without proper medical documentation may result in discipline. An employee needing to take a paid sick day during the first sixty (60) days of employment shall be required to present medical documentation to Human Resources or the school Principal. The following rules and guidelines are designed for the proper use of sick time in the event of illness:

- If you are not able to report to work, you must notify the office/school via telephone or have someone call for you as early as possible. For each school site, notify the person responsible for securing substitutes.
- If you must leave the office/school before closing time because of illness, you must inform your Supervisor prior to your departure. Children may never be left unsupervised.
- If you foresee the need to take sick leave such as for non-emergency surgery, tell your Supervisor as soon as possible so that plans can be made to cover your absence. School employees must schedule physical check-ups, dental appointments and other such appointments outside of school hours.
- If you are absent because of sickness or disability for more than three consecutive days, and the medical information submitted is not, in the discretion of LHA, sufficient to establish inability to work, the employee may be required to submit to an examination by a doctor selected and paid by LHA. You may use sick time to care for your sick or injured children or family members living in your household on the same terms that apply to use for your own illnesses or injuries.
- In case of an extended absence, you should consult other sections of this Handbook and your insurance plan booklet to see whether you are eligible for short-term or long-term disability leave. Any accrued PTO or sick time may be required to be exhausted before payment of STD or LTD benefits.
- No accrued sick time will be paid out upon termination with LHA.

Reporting Time Off

Employees are responsible for keeping accurate records for the time that they work in accordance with current Lighthouse procedures. Any employee caught falsifying time records for themselves or for others will be disciplined, up to and including discharge.

Academic Employees Compensation (See General Policies)

Academic employees are required to work at least 210 days annually, including the 190 days when school is in session and the 20 days when professional development is provided at the school. At the end of each school year, academic employees who are continuing employment are given two options for the summer. They may elect to be paid the balance of their annual salary that was earned but not yet paid out as of the first paycheck in July or be paid ratably over the remaining scheduled pay dates in July and August. These payments will have any applicable deductions taken out for the remaining scheduled pay dates in July and August.

Time Used Beyond Accrued Time

An employee who leaves LHA, for any reason, and has taken off more paid time off or sick days than had been accrued will have this "negative balance" subtracted from the last or penultimate paycheck in accordance with applicable law. For example, if any employee has accrued three sick days but has taken five sick days and decides to leave LHA, pay for the two excess days may be

subtracted from the employee's final or penultimate paycheck. Any employee this applies to will sign an authorization, if any, needed to effect such deduction from the employee's final or penultimate paycheck. Any balance due to Lighthouse for any deductions, including healthcare or other benefits, may be billed to the employee at the discretion of LHA.

Family and Medical Leave

In compliance with the Family and Medical Leave Act of 1993 (FMLA), LHA will grant up to 12 weeks of leave during a 12-month period to an "eligible employee" for one or more of the following reasons:

- The birth of a child and to care for such child or placement for adoption or foster care of a child;
- To care for an immediate family member (spouse, child, parent) with a serious health condition;
- Because of a serious health condition which renders you unable to work; or
- Because of any qualifying exigency (as defined by U.S. Department of Labor regulations) arising out of the fact that your spouse, son, daughter or parent is on active duty (or has been notified of an impending call or order to active duty) in the Armed Forces in support of a contingency operation.
- An eligible employee also may take Service Member Family Caregiver Leave to care for a spouse, son, daughter or next of kin who is a covered service member, defined as a member of the Armed Forces, including a member of the National Guard or Reserves, who is undergoing medical treatment, recuperation, or therapy, is otherwise in outpatient status, or is otherwise on the temporary disability retired list, for a serious injury or illness. Eligible employees are entitled to a total of 26 weeks of unpaid Service Member Family Caregiver Leave during a 12-month period. This leave shall be available only during a single 12-month period. If an employee takes other leave covered by the federal FMLA under numbers 1-4 above, the combined leave shall not exceed 26 weeks during that 12-month period.
- A husband and wife, when both are eligible for FMLA and both work at LHA, are eligible for a combined 12 weeks unpaid leave during any rolling backward 12-month period if the leave is taken:
 - For the birth of the employee's son or daughter or to care for the child after birth;
 - For placement of a son or daughter with the employee for adoption or foster care, or to care for the child after placement;
 - To care for the employee's parent with a serious health condition; or
 - Because of any qualifying exigency (as defined by U.S. Department of Labor regulations) arising out of the fact that the employee's spouse, son, daughter or parent is on active duty (or has been notified of an impending call or order to active duty) in the Armed Forces in support of a contingency operation.

A husband and wife, when both are eligible for FMLA and both work at LHA, are eligible for a combined 26 weeks unpaid leave of Service Member Family Caregiver Leave during the single 12-month period described earlier in this policy. If the husband or wife takes leave for one of the reasons described in items 1-4 above, that leave also may count toward the 26 weeks of combined leave during that single 12-month period.

If an employee who wishes to take family or medical leave has accrued paid leave (for example, PTO or sick leave), LHA requires that all available paid leave in excess of three days be taken and exhausted before any unpaid family or medical leave may be used. FMLA leave is used instead of, and not in addition to, any other leave.

For example, present LHA policy allows employees to take paid sick leave when they have a serious health condition that prevents them from working. Therefore, employees with such a condition must exhaust all earned paid time off leave in excess of three days. Eligible employees may take unpaid leave for any balance of the 12-week family medical leave period or use their remaining paid time off leave. An employee who takes family leave in order to care for the employee's seriously ill parent, spouse, or child will likewise be required to substitute any earned paid sick leave available to the employee for that purpose, as well as accrued PTO in excess of three days, before taking unpaid leave for any balance of the 12-week leave period. In no case will FMLA be granted for more than 12 weeks unless governed by state or federal law. Additional unpaid time may be granted by the CEO, as defined in the section "Leaves of Absence", below, and will no longer be protected by FMLA laws.

The phrase "serious health condition" means an illness, injury, impairment, or physical mental condition that involves:

In-patient care (i.e., an overnight stay) in a hospital or other medical care facility (including any period of incapacity or any subsequent treatment in connection with such in-patient care);

A period of incapacity of more than three (3) consecutive calendar days, and any subsequent treatment or period of incapacity relating to the same condition that also involves (i) treatment two (2) or more times by a health care provider or under the supervision of a health care provider, or (ii) treatment by a health care provider on at least one (1) occasion which results in a regimen of continuing treatment under the supervision of a health care provider;

- Any period of incapacity due to pregnancy, or for prenatal care;
- Any period of incapacity due to a chronic serious health condition;
- A period of incapacity which is permanent or long-term due to a condition for which treatment may not be effective, during which the employee (or family member) must be under the continuing supervision of, but need not be receiving active treatment by, a health care provider; or
- Any period of absence to receive multiple treatments by a health care provider or under the supervision of a health care provider, either for restorative surgery after an accident or other injury, or for a condition that will likely result in a period of incapacity of more than three (3) consecutive calendar days in the absence of medical intervention or treatment.

The definition of "incapacity" is defined by law but generally means the inability to work or perform other regular daily activities due to the serious health condition, treatment therefore or recovery therefrom.

An employee taking medical leave also may be entitled to benefits under a short-term disability policy for all or part of the unpaid leave period, if applicable. It is the employee's responsibility to file a claim with the insurance provider.

Employees who are "Eligible". Employees are eligible to take family or medical leave (FMLA) if they have worked for LHA for at least 1250 hours in the preceeding 12 months.

Meaning of the "12-Month period". The 12-month period during which an eligible employee can take leave under this policy is measured backward on a "rolling" basis from the date when an employee uses any such leave. An employee's leave entitlement consists of any balance of the 12-weeks, which has not been used during the immediately preceding 12-month period.

Advance Notice Requirement. Whenever the need for leave is foreseeable, an employee must give LHA at least 30 days' advance notice before leave will commence. Forms for leave requests are available by sending an email to Lighthousebenefits@employease.com 877-551-0603

When the leave is not foreseeable 30 days in advance, an employee must give LHA notice within two working days of learning of the need for leave, absent extraordinary circumstances. If the need for leave was foreseeable, but the employee failed to give timely notice to LHA, then LHA may deny the taking of the leave until 30 days after the date of the employee's request.

Mandatory Medical Certification. Any employee requesting leave because of a serious health condition of the employee or their parent, spouse or child must provide LHA with appropriate medical certification. The certification must be signed by the appropriate health care provider and submitted to the School Principal or Chief Executive Officer. The employee should submit the medical certification form along with their leave request; LHA may provisionally grant the leave until the required certification is provided. LHA, at its discretion, may require an employee seeking leave because of a serious health condition to obtain a second opinion, at LHA's expense.

While an employee is on leave, subsequent recertification of a medical condition may be required in appropriate circumstances, such as when an employee seeks to extend the leave or there is a change in the serious health condition for which the leave is taken.

Intermittent or Reduced Leave. When medically necessary, an employee may take "intermittent" leave (two or more separate leave periods) or "reduced" leave (where an employee works fewer hours per day or per week than his/her regular schedule). In such cases, the total number of hours or days of leave taken by the employee is limited to the equivalent of 12 workweeks for that employee. An employee must make a reasonable effort to schedule the leave in a manner that will not unduly disrupt LHA's operations, including the students' schedules. LHA may transfer an employee to an available alternative position that has the equivalent pay and benefits and for which that employee is qualified, if that position can accommodate recurring periods of leave better than the employee's regular job.

Benefits. An employee who takes leave will not lose employment benefits that were accrued prior to the date when leave commenced. However, an employee will not accrue sick or paid time off leave during any unpaid leave period. Health, dental, life and disability insurance coverage will be continued by LHA during FMLA leave, subject to the conditions stated below.

Health and Dental Insurance Coverage. An employee who is on an approved FMLA leave will be maintained on LHA's group health insurance plan at the same level, with the same coverage, and under the same conditions as if they had not taken the leave. An employee on paid leave will have their share of the premium payments deducted from their pay in the usual manner. An employee on unpaid leave is responsible for making timely payments to LHA for their share of the premium payments, in accordance with the schedule established by the Vice President of

Finance before unpaid leave commences, in order to avoid cancellation of their health and dental insurance.

If an employee fails to return to work at the end of the leave period, due to circumstances other than the continuation, recurrence, or onset of a serious health condition or due to circumstances beyond the employee's control, the employee must reimburse LHA for health and dental insurance premiums paid by LHA while the employee was on unpaid leave. LHA requires sufficient medical certification of an employee's inability to return to work because of such a serious health condition before the employee will be released from the requirement to reimburse LHA for health and dental insurance premiums paid during the employee's leave period. LHA will deduct unreimbursed premiums from any amounts owed by LHA to the employee.

Employee Reporting Requirements During Leave. An employee on leave must report to the School Principal or Chief Executive Officer every 30 calendar days on their status and intent to return to work. LHA's obligations under the FMLA (including maintenance of health and dental insurance coverage and restoration to any equivalent position) cease when an employee gives LHA notice of his or her intention not to return to work.

Medical Certification of Fitness to Return to Work . Prior to an employee's return to work, he/she must submit a certification of fitness for duty to LHA.

Restoration to Position Upon return from leave, an employee will generally be restored either to the same position he or she held when the leave commenced, or to an equivalent position with equivalent employment benefits, pay, and other terms and conditions of employment. Because of the effect on students, there is a possibility that an employee may not return to a position with identical responsibilities. Pay and benefits will be maintained at the same level. However, an employee may have to finish the school year in a different position in order to minimize the disruption to students. In some circumstances, such as a reduction in force, an employee may not be reinstated from FMLA leave.

Leaves of Absence for Illness, Disability, or Pregnancy

An employee who is not eligible for FMLA leave may request an unpaid Leave of Absence for illness or disability of up to six (6) weeks by contacting LHA's Payroll and Benefits Manager in writing. The Payroll and Benefits Manager will then guide the employee through the application process, which shall include providing medical documentation of the need for the leave of absence. Only the Chief Executive Officer may grant a Leave of Absence.

The decision of whether or not to approve the leave of absence shall be made on a case-by-case basis, primarily considering the medical need, but also factoring in the employee's discipline record, if any, length of employment, and business needs. Absent extraordinary circumstances, an employee will not be granted a leave of absence unless and until the employee has worked for Lighthouse for at least six consecutive months (which includes summer months for teaching staff).

Notification Requirements

Employees must give at least thirty (30) days' advance notice in writing to LHA Payroll and Benefits Manager before a requested leave is to begin if the need for the leave is foreseeable. If thirty (30) days' notice is not possible, the employee should make the request as soon as possible.

LHA may ask the employee for re-certification at reasonable intervals, if (1) the employee requests an extension of his/her leave (which will be limited to six weeks); (2) the circumstances described by the employee's original certification have changed significantly; or (3) LHA learns of information that casts doubt upon the continuing validity of the employee's original certification.

Reinstatement

The employee must notify their supervisor in writing at least three working days prior to the scheduled date of return, including providing medical certification the employee is able to return to work. If the length of the leave was not established, or if it differs from the employee's original agreement, the employee will be returned to work within five business days, where feasible, after written notification has been provided to LHA's Payroll and Benefits Manager, including medical certification, of the employee's readiness to return.

A written release from the health care provider must certify that the employee is able to perform all of the essential duties of his/her job, with or without reasonable accommodation. You will not be able to return to work and your pay will not resume until this medical certification has been provided. *Failure to submit this medical certification in a timely manner may result in discharge from employment.*

LHA will reinstate an employee to the job he/she held before the leave began, unless one of the following conditions exists:

- The employee would not otherwise have been employed in the same job at the time reinstatement is requested for legitimate business reasons related to the leave; or
- The job could not be kept open or filled by a temporary employee without
- substantially undermining the ability of LHA to operate
- efficiently or a another change in personnel may harm the students' education; or
- The employee is a highly compensated employee, one who is among the highest paid 10% of all LHA employees.

If LHA cannot reinstate an employee to his/her exact job, it will offer the employee a comparable position consistent with the law provided that a comparable position exists and is available, except in the case of highly compensated employees. The employee may need to take an alternative job for the remainder of the school year in order to minimize disruption to the students.

Integration with Other Benefits

Leaves of Absence are unpaid, to the extent not covered by the employee's accrued PTO or sick time. To the extent an employee receives compensation under a disability insurance policy, PTO will not be deducted from the employee's accrued time.

Accruals of PTO and sick time and holiday benefits will be suspended during the unpaid portion of leave and will resume upon return to active employment. For the purpose of accrual rates for PTO, time taken will not count as "time worked" toward the next level of accrual.

Subject to the terms conditions and limitations of the applicable plans, LHA shall continue to provide health insurance coverage for up to the duration of the leave. During the leave of absence, the employee will be responsible for the full costs of these benefits under COBRA, or similar state statues if the employee wishes to continue coverage. When the employee returns from leave, benefits will resume as an employee, according to all applicable plans. If the employee fails to return from leave or terminates his/her employment within six months of the return to work, LHA shall recover any health premiums that may have been paid by LHA on the employee's behalf during any unpaid periods of leave.

Personal Leave of Absence: Non-medical

Requests for personal leave without pay are considered individually and granted at the discretion of management. For school employees, the leave must be approved by both the Principal and the Regional Director (or the Regional Vice President in the absence of the Regional Director). The reason for the request, the employee's length of service, the employee's work record, and the demands of the individual's job are examples of the types of factors typically considered in evaluating a request for personal leave of absence. A request for personal leave of absence may be granted only if the employee is not eligible for any other type of leave. An employee may not be on personal leave of absence for more than two (2) months in a calendar year. The section "Integration of Benefits", above, applies during this type of leave.

Bereavement Leave

When a death occurs in an employee's "immediate family", an employee may take up to three (3) days with pay in order to attend the funeral or make funeral arrangements. In unusual circumstances, additional time off may be granted, with or without pay, at the discretion of Human Resources. For purposes of the funeral leave policy, "immediate family" means an employee's spouse or child, stepchildren, as well as a parent, grandparent, brother, or sister of the employee or the employee's spouse. Employees will also be granted one day to attend the funeral of a close relative. A close relative is considered to be an employee's aunt, uncle, cousin, niece or nephew.

Jury Duty

Employees summoned for jury duty will be allowed the necessary time off from work to perform this civic responsibility. Employees must give LHA as much notice as possible. LHA will pay such employees the difference between their regular salary and any jury duty fees received for a maximum of three (3) days. Employees will be expected to report to work during all regular hours if their presence is not required at the courthouse. LHA requires employees to supply documentation from the court affirming the employee's jury duty service. Please notify the Principal or Regional Director as soon as you receive the jury summons.

Witness Leave

If you are summoned as a witness, you will be given the time off for that purpose. Please notify the Principal or Regional Director as soon as you receive a summons. You may elect to use PTO or take this time as unpaid.

Military Duty

A Military Leave of Absence will be granted to employees who are absent from work because of service in the United States uniformed services in accordance with the Uniformed Services Employment and Reemployment Rights Act ("USERRA"). Advance notice of military service is required, unless military necessity prevents such notice or it is otherwise impossible or unreasonable.

Indiana employees may be entitled to additional leave benefits under the Indiana Military Family Leave Act. Please e-mail the Payroll/Benefits Manager if you have any question on this.

Military Leave is unpaid. Continuation of health insurance benefits is available as is required by USERRA based on the length of the leave and subject to the terms, conditions and limitations of the applicable plan for which the employee is otherwise eligible. Employees may continue their health insurance benefits but are responsible for paying the health insurance premiums. Vacation and holiday benefits will not accrue during the unpaid portion of a Military Leave of Absence.

Employees on Military Leave for up to thirty (30) days are required to return to work on the first regularly scheduled day of work after the end of service, allowing reasonable travel time. Employees on longer Military Leave must apply for reinstatement in accordance with USERRA and all applicable state laws.

Employees returning from Military Leave within five (5) years will be placed in the position they would have attained had they remained continuously employed or in a comparable position depending upon the length of military service in accordance with USERRA. Employees will be treated as if they were continuously employed for purposes of determining benefits based on length of service.

Employees should send an e-mail to Lighthousebenefits@employease.com or (877) 551-0603 for more information or questions about Military Leave, or to notify LHA about such a leave.

Other Employee Benefits

Insurance coverage through Lighthouse Academies is available only to full-time, active employees. A school employee who is not returning for the following school year is no longer considered "active" once the school year ends.

Insurance for LHA Employees Only

The following is a brief description of insurance benefits available to all eligible LHA employees. Eligible employees are all full-time employees, as defined earlier in this Handbook. The descriptions in this Handbook are a summary only. The separate plan documents explain each benefit in more detail and the language of the individual plan documents controls the various plan benefits. Benefits may be modified, added or terminated at any time by the insurance provider or benefit provider, per the terms of the plan, or by LHA, at its sole discretion. If there is a discrepancy between the benefit description in the employee handbook and the plan document, the plan document is controlling.

LHA offers all full-time employees and members insurance benefits, such as medical, dental and disability. These benefits are effective as of the date stated in the insurance plan. LHA pays a percentage of the premium for each eligible employee, spouse and dependents. Domestic partners will be covered to the extent allowed for by the plans and subject to the covered employee and the domestic partner completing a form(s) required by the plans and LHA. The percentage paid by LHA and the eligibility requirements for the specific coverage, eligibility periods and benefits payable under the plans offered are described in insurance brochures, which may be obtained from the Office Manager or from the LHA Benefits Service Center at Lighthousebenefits@employease.com or (877) 551-0603. Premiums and coverage may change from time to time, at the sole discretion of LHA.

Insurance for Lighthouse Academies of Arkansas, Inc. Employee Only

Lighthouse Academies of Arkansas offers medical coverage and other benefits to certified and non certified employees who work 900 hours or more a year and meet other Plan requirements. The percentage paid by Lighthouse Academies of Arkansas and the eligibility requirements for the specific coverage, eligibility periods and benefits payable under the plans offered are described in insurance brochures, which may be obtained from the Business Manager. Premiums and coverage may change from time to time, at the sole discretion of Lighthouse Academies of Arkansas.

Savings for Retirement for LHA Employees

LHA provides a 401(k) plan for all employees who complete 3 months of service and who are twenty-one (21) years of age or older. Once eligible, an employee may begin participating on the first day of the month following the date the eligibility requirements are satisfied. Contributions to the plan are made by way of employee salary deferrals which are contributed with each payroll cycle. Where there is any conflict between this Handbook and the 401(k) plan document, the 401(k) plan document will control. LHA will make a Safe Harbor Matching Contribution once a year proportionate to your 401K contribution up to the first 4% of your pay that you contribute to the plan.

Lighthouse Academies of Arkansas employees will be enrolled in the Arkansas State retirement plan. Details of the plan, including enrollment and contribution requirements, may be obtained from the Business Manager.

Employees working in the District of Columbia: if you previously participated in the DC Public Retirement Plan, you may be eligible to continue making contributions to that plan, in addition to participating in the LHA 401(k) plan. It is the employee's responsibility to notify Human Resources if you want to continue your participation in the DC plan and to submit the proper forms. This can be done through deductions from your Lighthouse paycheck. For more information, contact:

District of Columbia Retirement Board
1400 L Street, NW
Suite 300
Washington, D.C. 20005
(202) 535-1271

Section 125 Plan

LHA allows all full time employees the opportunity to make their health insurance payments on a pre tax basis under Section 125 of the Internal Revenue Code.

FSA

Lighthouse Academies offers Flexible Spending Accounts for Healthcare and Dependent Care. FSA Accounts allow employees to set aside a portion of their earnings to pay for qualified medical and dependent care expenses. Money deducted from the employee's pay into an FSA account is not subject to payroll taxes, resulting in a substantial payroll tax savings.

Worker's Compensation

Injuries arising out of and occurring in the course of the employee's work for LHA are covered by the LHA worker's compensation insurance policy. If you are injured on the job, you must report it immediately to your supervisor. Failure to immediately report a work related injury may result in discipline and result in a denial of your claim. You must fill out any and all applicable paperwork provided to you, as well as any guidelines provided to you by our insurer.

Please be advised that LHA abides by all of the requirements of state worker's compensation requirements and will not retaliate against any employee for filing a worker's compensation claim.

Please be aware that there may be a waiting period for your first payment. Accrued leave time may be used during this period. If none is available, then the days will be unpaid.

Decisions to grant worker's compensation benefits are made by the applicable worker's compensation insurance carrier and not by LHA. After filing your claim, you will be given information on how to appeal any denial of benefits.

COBRA and Qualifying Events

The Consolidated Omnibus Budget Act of 1986 or "COBRA" refers to the continuation of group insurance benefits after a qualifying event. Employees and covered dependents will have the opportunity to continue insurance benefits at their own expense under COBRA for the following reasons:

- Termination of employment at LHA, except for gross misconduct
- A reduction in hours terminating an employee's eligibility for insurance coverage
- Dependent ceases to be a dependent based on age, marriage, or completion of schooling
- Divorce or legal separation from spouse
- Loss of spousal insurance coverage
- Employee is deceased (covered dependents would be eligible)

Effective February 20, 2009, persons known as "assistance eligible individuals" will be considered to have paid the required COBRA premium if they pay 35 percent of the COBRA premium. The remaining 65 percent will be paid on their behalf generally by the former employer who will be reimbursed by the government in the form of a credit to payroll taxes owed by the employer to the Internal Revenue Service.

Any assistance eligible individual is a person who is eligible for and elects COBRA coverage and who was involuntarily terminated from employment on or after September 1, 2008 and on or before February 28, 2010.

In the event of a qualifying event, you or a family member must notify LHA (Lighthousebenefits@employeasc.com or (877) 551-0603 within thirty (30) days of the qualifying event. Failure to notify LHA within thirty (30) days may result in loss of insurance coverage for yourself or a member of your family, including a newborn. You may be required to show written documentation of the qualified event. LHA will then notify you or the individual who qualifies for continued coverage of their right to elect COBRA.

Technology Policies

Acceptable Use Policy: Computer, Technology, Internet and PRISM Use

This policy governs the access and use of LHA's electronic communication system, which includes, but is not limited to, its telephone, voice mail, electronic mail, mail, computers, handheld devices, pagers, mobile phones, fax machines and the use of the internet and PRISM, ("Systems").

The use of these Systems is intended for business use only. Use of these Systems for any other reason is prohibited. All information transmitted, received or stored using these Systems is the property of LHA. All LHA's information, data and other property are to be treated by employees as confidential. Employees are not permitted to access, delete, copy, store, or read any information from the Systems without authorization. Electronic mail may not be forwarded en masse to any non-Lighthouse e-mail addresses.

All documents should be regularly backed up to the server. Documents, such as student lists and grades, should be protected by a password. You can put a password on Excel, Word and other documents. For technical assistance, please see your office manager, or submit a help desk ticket to LHA.

- There should be no student, parent, or staff social security numbers on any Word document, Excel spreadsheet or other document.
- The following information must be kept only on desktop machines in the school office, and may never be transferred to any laptop machine, portable memory device, PDA, cell phone or forwarded to your personal email:
 - Student or parents' name, address, telephone number, and social security number.
 - Student grade, attendance, medical, or transcript information.
 - Student or parent financial aid or similar financial information.
 - Employee name, address, telephone number.
 - Employee payroll and benefits information.
 - Any information which by itself or if combined with other information would lead a reasonable person to be able to discretely identify an individual.

You have been assigned an initial temporary password for accessing LHA's Systems and for logging into your computer. You must immediately change your password to one that only you know. Your password must be 8 characters long and must contain at least one capital letter and one number. You may only use your own assigned user id and password to access Lighthouse resources. In addition, sharing your id and password with other coworkers or friends is strictly prohibited. The only exception to sharing your password is with the Chief Information Officer.. You may not add encryption keys to the Systems.

If you are given a Blackberry or similar device, you must use the security functions to protect the data stored in the device. These devices are for business use only.

LHA's management reserves the right to monitor its Systems and the content, including all e-mails. Employees should not have an expectation that the information in the system, or in any system on school grounds, is confidential or private.

You may not use our Systems in any way that may be seen as offensive, harmful, insulting or disruptive. You may not use the Systems to send derogatory, threatening, insulting or harassing remarks, sexually explicit messages, cartoon, jokes or other potentially offensive material; access pornography or other offensive sites; gain access to others computers; steal computer files, or to damage in any way LHA's Systems or any other system or computer; or write personal letters, resumes, junk mail, or other documents not related to LHA's business.

You may not access MySpace.com, FaceBook.com or any other social networking site while using LHA's equipment or while at the school. Additionally, LHA reserves the right to further restrict sites either through content filtering or written notice. You may not post any school related information, student photos, student or staff information on any web site at any time without the express written permission of the school Principal.

Computer software on LHA's Systems may not be downloaded, copied, reproduced, altered or used by an employee without prior authorization. The violation of copyright laws may result in a fine and imprisonment, as well as discharge from employment. LHA will cooperate with software vendors in prosecuting those who violate copyright. LHA's prohibits the use of any "pirated" or "bootleg" software on its Systems.

The use of personal disks or software is not allowed on LHA's Systems without prior authorization.

The use of personal computers/laptops, printers or any other technology device in the school is prohibited without prior written authorization of the Chief Information Officer. No employee should ever bring a personal device (laptop, PDA, etc) to the school and connect it to the data network for the building. Doing so could create a security risk for the school. Any equipment which is brought to school is done so at the risk of the individual employee. LHA will not be responsible for any lost, stolen or damaged personal property.

Failure to follow this policy may result in disciplinary action up to and including discharge.

Wireless Communication Usage Guidelines

These guidelines are intended for employees who use a LHA issued cellular phone or a Blackberry.

Issuing of Phones

The Vice President of Finance will approve the issuance of cellular phones and Blackberry devices. LHA reserves the right at any time to re-evaluate the need for an employee to have a LHA issued wireless device.

Use

These phones are leased primarily for use for LHA's related business and remain the property of LHA. Plans and usage will be reviewed by the Chief Information Officer to ensure that the monthly plan is set at a reasonable level to meet LHA's business needs. While at work employees may use cell phones **only** while driving in a manner allowed for by state and local regulations.

Employees may use personal cell phones at work so long as these do not interfere with their assigned duties. An employee may not use their cell phone, or any other device to forward company email, student photos or any other image or data that would violate company policies.

Plan Administrator

The Chief Information Officer will manage contracts for cellular phones and Blackberry devices. Employees who would like to obtain a cellular phone or a Blackberry device should contact the Chief Information Officer to arrange for ordering, billing, and plan assessment, subject to the approval of the CEO. LHA will not pay for any contracts entered into outside of this process.

Termination

When an employee leaves LHA, any equipment issued to the employee, including all accessories, must be returned to that employee's direct supervisor or designee.

Loss or Damage of Equipment

Employees are personally responsible for the loss or damage to any equipment issued to them under this policy. Employees will be required to pay for the cost of any damages to the equipment or the loss of the equipment if this is not covered by LHA's insurance.

Receipt of Technology/Equipment

You will be required to sign a receipt for any equipment from the School ("the School") or LHA. Ownership of this Equipment at all times remains with the school, LHA, or the lessor.

The equipment named above is together referred herein as the "Equipment." The use of this equipment is intended for business use only. We recognize that on occasion you may use your computer and Lighthouse e-mail for personal reasons. We expect you will minimize this use and will not let it interfere with your work. Please keep in mind that all information transmitted, received or stored using this equipment is the property of the school. All school and Lighthouse Academies, Inc. information, data and other property are to be treated by you as confidential.

The school and LHA reserve the right to monitor the Equipment and the content, including all e-mails. You should not have an expectation that the information on the equipment is confidential or private.

Any Equipment issued to you is your own responsibility at all times. You are expected to exercise due care over the Equipment and all accessories. You will be held responsible for any theft or damage to the Equipment caused by any willful act or negligence on your part, including financial loss. You will also be responsible for the loss of any documents or intellectual property, if such are lost or stolen with the Equipment as a result of any willful act or negligence on your part. You may be required to file an insurance claim on your homeowner's insurance policy or other appropriate personal insurance policy and surrender all monies from a processed claim to the school. Any remaining financial loss after the submission of the insurance proceeds may be your responsibility.

LHA reserves the right to take whatever legal action is necessary to recover any loss due to theft or damage of the Equipment issued to you that is caused by any willful act or negligence on your part or any financial penalty incurred because of illegal appropriation of intellectual property and legal costs incurred in enforcing this agreement to the extent permitted by state statute.

Employee Relations

As a vital part of the LHA team, employees are expected to perform at a high professional standard in all aspects of their work activity. Occasionally, a LHA supervisor may be required to work constructively with employee performance problems and difficult employee issues. Please see Appendix B for the current organizational chart.

This process will be determined by LHA in light of the facts and circumstances of each case. Depending upon the facts and circumstances, the consequence applied may include, among other things, oral or written warnings, probation, suspension with or without pay, or immediate discharge. Each situation will be considered in light of a variety of factors including, but not limited to, the seriousness of the situation, the employee's past conduct and length of service, and the nature of the employee's previous performance or incidents involving the employee. Employees will be treated fairly and in accordance with all discrimination statutes. LHA will maintain confidentiality to the greatest extent possible.

All LHA employment is at-will employment. LHA may terminate the employment at any time, with or without cause, with or without notice. The employee has the same right to terminate the employment. The Handbook does not and in no way is intended to create any type of contract between LHA and any employee or any person related to any employee.

A Board of Directors

President/CEO Mike Ronan

National Office Manager Cheryl Bates

VP Midwest Kimbertee Sta

Regional Administrative Assistant Jennifer Earls

Regional Director Indianapolis Kristie Sweeney

Director of Facilities John McMichel

NWI Technology Specialist Kena Seguin

Principal ILCS K-8 Kelli Marshall

Principal ILCS CPA Ryan Gall

Principal MLCS Jamie Brady

VP South Phillis Nichols-Anderson

Bookkeeper Kelly Earnhart

Regional Director NW Indiana TBD

Principal ECLCS Michael Herring

Principal GLCS Lower Academy TBD

Principal GLCS UA/CPA Chrissy Hart

Principal WGLCS Kenneth McCants

Principal WGLCS CPA Juan Gardner

VP Organizational Development Regan Kelly

Principal PLPCS Ramon Richardson

Principal JLCS TBD

Principal ECLCS Michael Herring

Principal GLCS Lower Academy TBD

Principal GLCS UA/CPA Chrissy Hart

Principal WGLCS Kenneth McCants

Principal WGLCS CPA Juan Gardner

Chief Academic Officer (CAO) Peg Ecclesine

Director of Curriculum & Assessment K-8 Aubrey Goodman

Director of Curriculum & Assessment CPA John Marshall

Director of Data Management & Analysis Eric Stevens

VP Finance Bob Stearns

Controller Howard Hammon

Payroll & Benefits Manager Sharon Lepire

Director of Grant Management Lauren Travis

Staff Accountant Jerry Doble

Staff Accountant Yury Polishchuk

Network Goals

- 1) **College Acceptance:** 100% of 12th grade students will be accepted to at least one four-year college.
- 2) **College Success:** Less than 15% of high school graduates attending college are enrolled in remedial courses in English or math in the first semester of their freshman year.
- 3) **High School Graduation⁶:** More than 80% of students enrolled in a Lighthouse Academy in 9th grade will graduate within five full years.
- 4) **State Proficiency⁷ - School Target:** All LHA schools will make AYP.
- 5) **State Proficiency - Cohort Target:** 75% or more of students who enter a LHA school no later grade 4 and have been in a LHA school for at least three full years will score “proficient/passing” or higher on their state-specific assessments.⁸
- 6) **Academic Skills & Knowledge:** For students that have been at the school for three full years or more, the number of students at or beyond the national median percentile in reading and math will increase by at least 10 percent of the grade level cohort each year on NWEA’s MAP Assessment.
- 7) **Arts Infusion as a Lever for Student Engagement:** All schools receive an average score of 3 or better (1-4 scale) on the student satisfaction survey for the arts infusion and student engagement sections.
- 8) **Family Engagement:** All families will participate in at least three of four parent conferences.
- 9) **Attendance:** The average daily attendance will be at least 95%.
- 10) **Student Reenrollment:** 95% of K-11 students enrolled on count day will remain enrolled on the following year’s count day with this exception; 75% of 8th grade graduates will reenroll in the College Prep Academy.

⁶ The LHA graduation rate will be calculated in accordance with the new Title I definition for the *extended-year adjusted cohort graduation rate*. A definition can be found at <http://www.ed.gov/print/policy/elsec/reg/proposal/uni-form-grad-rate.html>.

⁷ Currently, science and social studies state assessments are not administered at each grade level, and science and social studies results are not a part of AYP determinations under the No Child Left Behind Act. Goal 4 will include science and social studies if/when federal law includes these subjects in AYP determinations. Goal 5 will be enacted in 2010-2011 in advance of anticipated NCLB requirements. Goal 6 will be enacted for social studies and science if/when social studies and science tests are administered in the 8th grade.

⁸ This target applies to cohorts of students who join a LHA school at any point during 4th grade or earlier.

Employee Receipt of Policies and Handbook

Acceptable Use Policy: Computer, Technology, Internet and PRISM Use

I understand and will abide by the LHA's Acceptable Use Policy. Should I violate this agreement, my access privileges may be revoked and I will be subject to disciplinary action, including termination and/or appropriate legal action.

Wireless Communication Usage Guidelines

I understand and will abide by the LHA's Wireless Communication Usage Guidelines. Should I violate this agreement, my access privileges may be revoked and I will be subject to disciplinary action, including termination and/or appropriate legal action.

Receipt of Technology/Equipment

I understand and will abide by the LHA's Technology and Equipment Policy. I will be handed a Receipt of Technology/Equipment policy with the exact equipment listed I am responsible for. Should I violate this agreement, my access privileges may be revoked and I will be subject to disciplinary action, including termination and/or appropriate legal action.

Receipt of Travel Policy

I understand and will abide by the LHA's Travel Policy. Should I violate this agreement, I will not be reimbursed and I will be subject to disciplinary action that may include termination and/or appropriate legal action.

Receipt of Whistleblower Policy

I understand and will abide by the LHA Whistleblower Policy. Should I violate this agreement, I will not be reimbursed and I will be subject to disciplinary action that may include termination and/or appropriate legal action.

Receipt of Personnel Handbook

I acknowledge that I have received a copy of the LHA Personnel Handbook, and I understand that, I am responsible for reading and familiarizing myself with the the policies and practices described within it. I understand that this Handbook replaces any and all prior handbooks, policies and practices of LHA.

I agree to abide by the policies and practices contained therein. If I have any questions regarding the Handbook, I will contact my supervisor to seek clarification. I understand that the policies and benefits contained in this employee Handbook may be added to, deleted or changed by LHA at any time. I understand that neither this Handbook nor any other written or verbal communications by a management representative may, in any way, create a contract of employment. If there are discrepancies between the employment letter and the employee Handbook, the provisions of the employment letter are controlling. I also understand that my employment with LHA is "at will" and that either I or LHA may terminate the relationship at any time with or without cause or prior notice. LHA will not modify their policy of employment-at-will in any case.

If I have questions regarding the content or interpretation of this Handbook, I will bring them to the attention of the Chief Executive Officer, (mronan@lighthouse-academies.org). In the event of a conflict of interpretation, the decision of LHA is final.

Employee Name (print): _____ **Date:** _____

Employee Signature: _____

Please sign this receipt page of this Handbook and return it to your Office Manager.