



Welcome!

On behalf of your colleagues, I welcome you to Leona and wish you every success here. Whether you are employed at Leona's corporate offices, or at any of our schools throughout the country, we're glad you have joined us. You are an important member of the Leona team and we want to help you learn about working here so that you will feel comfortable as quickly as possible. Each employee contributes directly to Leona's growth and I hope you take pride in being a member of our team.

This handbook provides information about Leona and answers most of the questions new team members have concerning their employment. It outlines the major human resource policies and benefit programs that help make this a great place to work. We encourage you to read this information carefully and to discuss any questions with your supervisor.

It is important to understand that no written statement can anticipate all situations. We change our policies, benefits and other guidelines from time to time as the needs of the organization change. This handbook is designed for general information purposes only; it is not intended to create any express or implied contractual rights. Leona reserves the right to change the terms and conditions outlined in this handbook and elsewhere at any time, with or without notice.

Again, I am pleased to welcome you to Leona. I know your experience here will be challenging, enjoyable and rewarding.

Sincerely,

Dr. William Coats, Ph.D.
Chief Executive Officer

Our Goal

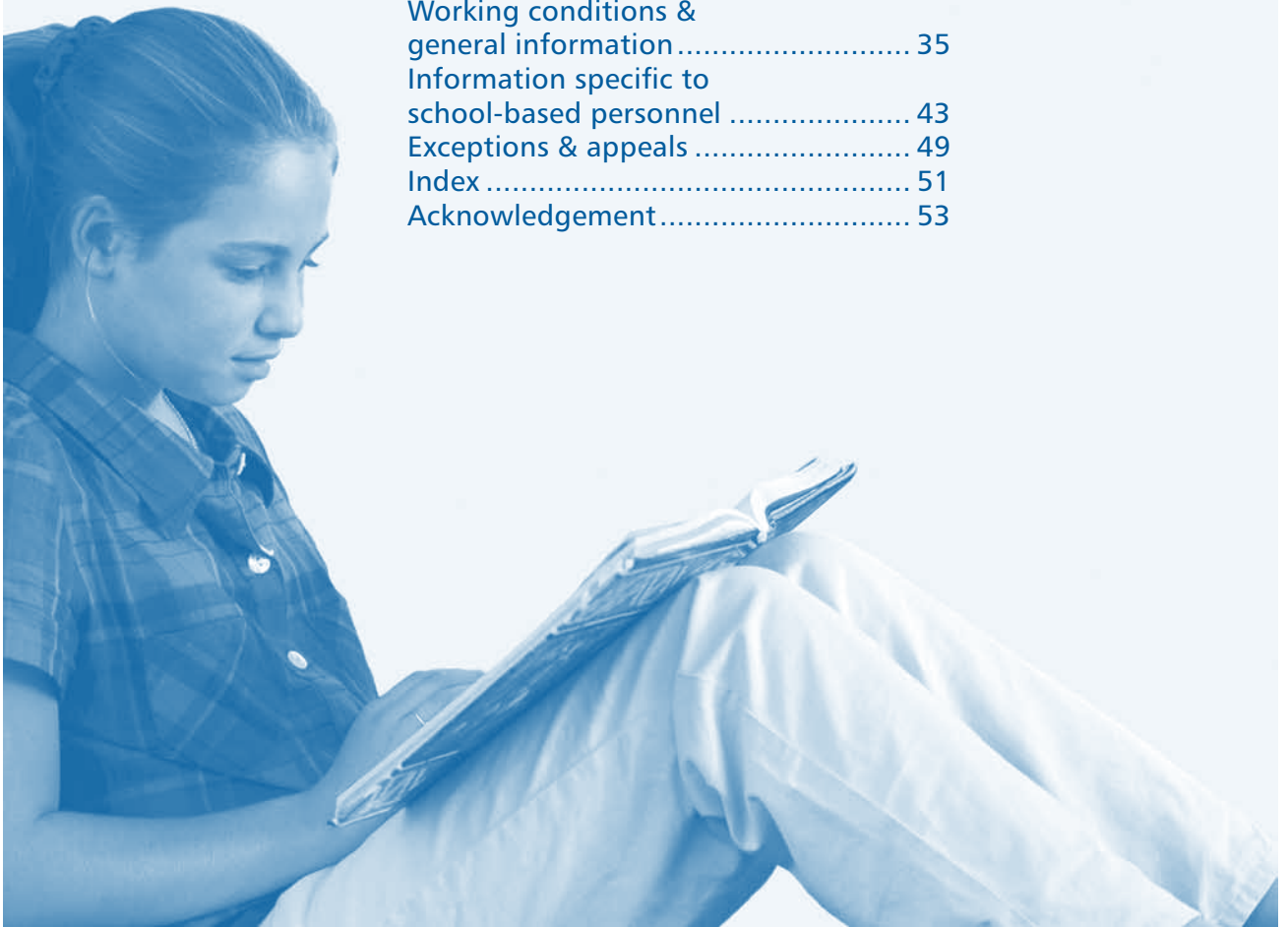
*is for each one
of our students
to graduate
from our schools
well prepared
for his or her
next step in life.*

*Whatever they
choose, we want
them to thrive as
individuals
as well as members
of their families
and communities.*



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Background information

A good place to begin is to help you understand a little about the organization you have chosen to work for by telling you about who we are – our history, philosophy and accountability.

Who is Leona?

Leona grew up in a small Ohio town in a largely rural area during the early part of the twentieth century. She was an outstanding student who valued school.

Leona lived a happy and productive life, but because of societal expectations, her formal education was limited to just seven years. Leona's experience mirrored that of countless other women, minorities and underprivileged.

We are proud to name our organization after Leona. Leona symbolizes our company's commitment to creating educational opportunities and opening up the schoolhouse door for all young people.

History of The Leona Group

In 1996 Michigan approved its first legislation establishing public funding of alternative forms of public education. Under the vision of Dr. William Coats, The Leona Group was formed to provide a quality choice in education to students who were not being effectively served by the traditional public school system. Cesar Chavez Academy opened in this inaugural year. This impressive academy now serves more than 2,000 students in grades K-12 on four campuses in Southwest Detroit.

With its proven track record in Michigan, The Leona Group looked to establish itself in Arizona in 1997. Arizona was an area that demonstrated tremendous need for a new kind of public school education. The Arizona State Legislature had approved public funding for charter schools in 1995 and put in place a dedicated and progressive State Board for Charter Schools. There was also strong support from the business community. The Leona Group opened five charter high schools in the metro-Phoenix area. The Leona Group formed its Arizona division and officially opened its second corporate headquarters in Phoenix in 2000.

The Leona Group broadened its reach to serve students in Ohio beginning with Eagle Academy, Toledo, in 2001. One year later, three additional schools in Toledo were

opened. In 2002, Leona opened its first Indiana charter school in Fort Wayne, Indiana. In 2006, Leona Group began operations in Florida and hurricane-ravaged New Orleans, Louisiana. To date, Leona Group provides a quality educational choice to more than 20,000 students in nearly 60 schools across five states.

As a contracted school management company, Leona Group operations in the Midwest provide educational services for a fee that comprises a portion of the school's budget. This management fee covers personnel management, finance, reporting and other responsibilities negotiated between Leona Group and each individual academy board. Leona Group holds itself strictly accountable to state regulations. All Leona Group-managed schools also are audited once a year by a major independent accounting firm as required by law.

The Leona Group Arizona, L.L.C., is among the largest public charter school systems in the state. To date, The Leona Group Arizona has invested more than \$30 million into buying and renovating properties to provide a caring and focused educational environment for its students. All Leona Group schools in Arizona are chartered by the Arizona State Board for Charter Schools and approved by the state of Arizona.

The Leona Group is proud of all of its schools. They provide a safe, focused, inclusive educational atmosphere—a nurturing place for young people to learn and grow—for young people who many times come from challenging, urban environments. We are reaching these students, as evidenced by recent state test results which indicate

that students in Leona Group schools continue to make significant academic progress and show positive, responsible growth.

Company philosophy

At Leona schools, excellence in teaching and learning occurs in small, caring environments where school leaders and teachers know every student by name, face and family. Respect, for ourselves and for each other, is a core value.

Students in Leona Group schools are active participants in their own education. Classes encourage a nurturing, caring and challenging environment where each student:

- receives personalized attention
- experiences constant evaluation and support
- encounters hands-on learning
- receives positive reinforcement and encouragement
- learns to read, write and think critically
- discovers the meaning of excellence and success
- learns to meet high academic and social standards

By offering our students a quality environment, The Leona Group provides the education that students and communities deserve. Each school has developed a unique instructional plan, carefully aligned with state standards, to provide maximum educational opportunities for each child.

Our goal is for each one of our students to graduate from our schools well prepared for his or her next step in life. Whatever they choose, we want them to thrive as individuals as well as members of their families and communities.

Staff members at Leona are encouraged to maximize their creative talents and innovation is emphasized throughout the organization.

Accountability to students & parents

We have a strong resolve to provide every student with an excellent, meaningful educational experience. We hold our schools to the following accountability measures:

- Every student who attends a Leona Group school for one year gains at least one grade level.
- Respect among school leaders, teachers, staff and students is evident at all times in all Leona Group schools.
- Diversity is embraced and honored at all Leona Group schools with individual students' talents and academic skills nurtured and strengthened.
- A curriculum review is held annually to ensure learning is current and relevant.



Employment

This handbook will help you become acquainted with various aspects of your employment. Please keep it handy as a reference for the future and don't hesitate to contact your supervisor if you have any questions.

Equal employment opportunity

It is the policy of Leona Group to employ, retain, promote, compensate, transfer, train, terminate and otherwise treat any and all employees and job applicants on the basis of merit, qualifications and competence in compliance with all applicable employment laws.

This policy shall be applied without regard to race, color, religion, age, sex, national origin, ancestry, disability, medical condition, marital status, request for a protected leave, veteran status or any other protected characteristic under local, state or federal law.

Policy against harassment & discrimination

Leona is committed to providing a workplace that is free from discrimination and harassment of any kind. Employees are expected to adhere to a standard of conduct that is respectful of all persons within the work place.

The definition of discrimination may include, but is not limited to, making an employment decision with respect to hiring, discharge, compensation, promotion, training, or any other term, condition or privilege of employment based upon an employee or applicant's race, color, religion, age, sex, national origin, ancestry, disability, medical condition, marital status, request for a protected leave, veteran status, or any other status protected by local, state or federal law.

The definition of harassment may include, but is not limited to, actions, words, or intentions which a reasonable person would consider harassing in nature or a workplace environment that is rendered intimidating, offensive or hostile by such actions, words or intentions. Sexual harassment is defined as unsolicited and unwelcome sexual advances, request for sexual favors and other verbal or physical conduct of a sexual nature or creation of an intimidating, hostile, or offensive working environment.

Leona uses the following methods, among others, to educate its employees regarding the prohibition of discrimination and harassment:

1. New employee orientation
2. Posting on company bulletin boards
3. Existing company policy
4. Employee handbook
5. Periodic employee meetings where discrimination and harassment are discussed

Social relationships which are mutually consensual and voluntary in nature are not prohibited by this policy.

Any employee who believes that he or she has experienced any job-related discrimination or harassment based on any legally protected status must report the matter to his or her supervisor, manager, regional vice president, executive vice president, CEO or human resources. The reporting employee may choose the most appropriate entity within Leona to report to based upon the identity of the alleged violator. All such complaints will be treated with as much confidentiality as possible and will be promptly and appropriately resolved. No employee will be retaliated against for making a complaint or bringing such conduct to the company's attention, or for participating in an investigation.

Any employee, at any level of the organization, who becomes aware of any such objectionable conduct by any employee, supervisor, manager, customer or vendor, must immediately advise the human resource department to assure that such conduct does not continue.

Discrimination, harassment (including sexual harassment) and retaliation are illegal and The Leona Group will impose appropriate disciplinary action, up to and including immediate termination of employment, against any employee found in violation of Leona policies prohibiting this conduct.

The Genetic Information Nondiscrimination Act (GINA) protects applicants and employees from discrimination based on genetic information in hiring, promotion, discharge, pay, benefits, job training, classification, referral, and other aspects of employment. GINA prohibits employers and other entities covered by GINA Title II from requesting or requiring genetic information of employees or their family members. In order to comply with this law, employees are asked not to provide any genetic information when responding to a request for medical information. 'Genetic information,' as defined by GINA, includes an individual's family medical history, the results of an individual's or family member's genetic tests, the fact that an individual or an individual's family member sought or received genetic services, and genetic information of a fetus carried by an individual or an individual's family member or an embryo lawfully held by an individual or family member receiving assistive reproductive services.

Open door policy

Effective communication at Leona depends upon a relationship based on mutual respect and trust. Leona will endeavor to keep you informed about its progress, policies and other general information that affect you in your job.

If an unsatisfactory situation exists in your position, department or location, Leona encourages discussion with your immediate supervisor, management or human resources.

Policy against conflicts of interest

Leona respects the personal affairs of all employees. However, all situations that do or may involve a conflict between personal interests and the interest of Leona must

be disclosed to management in order to protect the interests of both parties.

Each employee has an obligation at all times to promote the best interests of Leona. If an employee engages in any activity or transaction which might cause a conflict of interest between personal and company affairs, information about the conflict must be disclosed in advance to human resources. The employee must obtain a waiver of any such conflict before the employee may proceed with any activity that may cause a conflict of interest.

The following are the types of activities that are considered to be a conflict of interest. This list is not intended to be all-inclusive:

1. Being employed (regardless of whether employed for hourly wages or salary, or as a consultant) by or receiving any compensation from an outside concern which does business with, or is a competitor of Leona; or
2. Having any ownership or financial interest of any nature, as a customer, supplier (or goods or services) or a competitor of Leona, except where such ownership is stock in a corporation publicly held and listed on a recognized Stock Exchange or actively traded in the over-the-counter market, and consists of less than one percent of the outstanding capital stock of such customer, supplier or competitor, or
3. Having or participating in any dealing on behalf of Leona with a customer or supplier (of goods or services) which employs, or in which more than five percent of the ownership interest is beneficially held by a spouse, or the brother, sister, parent, child or grandchild of the employee or his/her spouse, or any person living the household or the spouse of any of the foregoing persons; or

4. Solicitation, acceptance or receipt of any gift having value of twenty-five dollars or more, whether in the form of money, services, loan, hospitality (except for ordinary business meals), or promise, or in any other form, under circumstances in which it could reasonably be concluded that the gift was intended to influence the employee, or would reasonably be expected to influence the employee, in the performance of his duties on behalf of Leona or was intended as a reward for any action on the employee's part on behalf of Leona.

If any employee finds himself or herself in a situation which may give rise to a conflict of interest, disclosure must be made in writing to human resources in order to protect the interests of both Leona and the employee. Every effort will be made to determine whether or not the situation involves a conflict of interest and to suggest reasonable and realistic alternatives. Conflicts of interest may result in disciplinary action including termination of employment.

Policy on outside employment

We expect that your employment with Leona Group will be your primary work commitment and any outside employment will present a conflict of interest if it has an adverse impact on the company.

You may hold another job if it does not interfere in any way with your job performance or ability to fulfill your responsibilities to Leona Group; is not competitive with your school or company operations; and does not pose a conflict of interest. All team members will be judged by the same performance standards and will be subject to company scheduling demands, regardless of any existing outside work requirements.

Because our work is primarily educational consulting, team members may not independently enter into consulting contracts of an educational nature, nor may they hold another position which is contrary to the business interests of Leona Group. Let your supervisor know if you currently have, or are considering accepting, outside employment.

Authorized workers only

Applicants who can provide proper documentation for their legal right to work in the United States may be employed. Such documentation must be provided within the first three days of employment with Leona Group.

Employment classification

Your employment will be classified as either exempt or non-exempt, contractual or at-will, and further classified as full-time regular, part-time regular or temporary. Additional classification consists of year-round or school-year status. These classifications are important because they determine eligibility for overtime pay and participation in benefit programs. Your classification may change if you are assigned to another job.

At-will employment is based upon contemporaneous mutual consent between Leona Group and the employee. Neither the employee nor Leona Group is obligated to continue the employment relationship if either party chooses not to do so. **At-will** employment may be terminated with or without cause, with or without advance notice and without progressive discipline or other procedural formality, at the option of either the employee or Leona Group. All Leona Group team members are at-will employees unless

specifically provided otherwise in a written contract, specifying a term of employment, that is signed by the CEO or his designee.

Contractual employment is based upon a written contract between the employee and Leona Group specifying a term of employment, and employment may be terminated only for cause as specified within the contract. Generally, only teachers are contractual employees.

No one at Leona Group, other than the CEO or his designee, is authorized to enter into written employment contracts.

No oral agreements or representation of any nature, by any person, shall alter at-will employment or contractual employment. Leona Group does not enter into oral agreements and does not make oral representations, and any person purporting to bind Leona Group by an oral statement is acting outside of his or her authority.

Exempt employees must meet specific tests established by the Fair Labor Standards Act (FLSA) and applicable state wage and hour laws. These positions are exempt from overtime and minimum-wage requirements. Generally, these include management, supervisory, professional and administrative jobs.

Non-exempt positions are those that do not meet the FLSA or state exemption tests and are paid a multiple of an hourly wage for overtime hours.

Full-time regular applies to team members, other than temporary employees, who are routinely scheduled to work 38 or more hours a week. Depending on length of service, full-time regular

employees are eligible to participate in all employee benefits offered by Leona Group.

Part-time regular team members are those, other than temporary employees, who are routinely scheduled to work less than 38 hours per week. Except for workers' compensation, 401(k) and several supplemental insurance plans, part-time regular employees are not eligible for participation in Leona Group benefits.

Temporary employees are hired on a full-time or part-time basis to complete a specific task or project and, except for workers' compensation insurance, are not eligible to participate in Leona Group benefit programs.

Year-round team members are those whose employment does not start and end with the school year. All year-round employees are hired on an at-will basis. The "year-round" designation is not a guarantee, representation or promise of employment for a particular year or any specified period, but is used only to distinguish certain employees from school-year-based employees. All year-round employees may terminate their employment, or have their employment terminated, at any time.

School-year team members are those who work only during the school year, generally from August through June. School-year employees can be at-will or contractual, full-time, part-time or temporary. The "school-year" designation is not a guarantee, representation or promise of employment for a particular school year or any specified period, but is used only to distinguish certain employees from year-round staff. All non-contractual school-year employees may terminate their

employment, or have their employment terminated, at any time.

Check with your supervisor or with the human resource department if you are not sure of your employment classification or for which benefit programs you are eligible.

Anniversary date

Your anniversary date is important because it is used to determine eligibility for, and calculation of, certain benefits. Normally, your anniversary date is the same as your date of employment. However, your anniversary date may change due to transfer among the various employment classifications and under certain rehire situations. Your date of employment will be specified in your offer letter or employment agreement. However, should circumstances arise that delay an employee's first day on the job, the employment date will be the first day actually worked.

In the event a part-time regular and/or temporary team member is selected for a full-time regular position, the employee will receive credit for hours worked prior to full-time employment, to a maximum of 12 service months (or 2,080 hours). Example: A part-time regular team member worked 20 hours per week for 36 months (3,120 hours). The employee begins full-time employment with a credit of 12 service months for the purposes of benefit eligibility.

Credentials requirement

If your position requires that you maintain a license, certification or other form of credential, such as a driver's license, teaching certificate or fingerprint clearance card, it is your responsibility to maintain such credential and to notify your supervisor of any restrictions or limitations imposed upon it. Failure to maintain required credentials can jeopardize your continued employment with Leona Group.

Non-competition

Leona Group has a substantial investment in the work and operations of its commercial educational enterprise. As a result employees may be asked to sign a non-competition agreement as a condition of employment. Such agreements are contained in employment offer letters for at-will employees and in employment contracts for contractual employees.

Employees with serious health conditions

Leona Group recognizes that team members with serious health conditions, such as cancer, heart disease, and Human Immunodeficiency Virus, may wish to continue to engage in as many of their normal activities as possible, including work. As long as they are able to perform the essential functions of their job in a satisfactory manner, maintain acceptable conduct, fulfill their responsibilities, communicate in the best interest of the organization, and the most current medical evidence available indicates they do not pose a threat to the health or safety of themselves or others, they may continue to work unless their employment becomes affected by an employment action unrelated

Termination of employment

Unless you are a contractual employee, both you and Leona Group have the right to terminate the employment relationship at will, with or without cause, with or without advance notice, and with or without progressive discipline or procedural formality.

There are two types of employment termination, voluntary and involuntary.

1. **Voluntary termination:** Non-contractual employees may resign from employment with Leona Group. Contractual employees may request release from their contract, but may not resign without management approval during the specified term of their contractual obligation. An employee shall be considered to have voluntarily terminated if he or she fails to return from a leave of absence or scheduled vacation. Additionally, employment is automatically terminated and deemed a voluntary resignation if you are absent without notice for three consecutive work days.

In the event of a voluntary termination other than job abandonment, Leona Group asks that you provide a minimum of two weeks advance written notice of your separation date (four weeks if you are in a management or supervisory position). This will allow the workflow to be maintained with minimum interruption. Other than in cases of job abandonment, an employee's separation date must be a regular Leona business day and not a designated Leona holiday.

2. **Involuntary termination:** Involuntary termination is based on cause, reduction in force, or any other termination of employment without cause such as those based upon other management prerogatives.

Duties upon separation

Upon separation, all Leona Group or school property including but not limited to keys, credit cards, manuals, materials and documents must be returned prior to receiving your final paycheck.

Team members who resign or are terminated will receive a final paycheck for all time worked and payment for awarded but unused vacation hours, less any amounts owed to Leona Group (such as travel advances). By executing your handbook acknowledgement, you hereby authorize Leona Group to withhold these amounts. Subject to the foregoing, terminated employees will be paid for one-half of their earned, unused personal and vacation time, but are not paid for any unused “banked” sick time or holidays. Payment for the final check will be made within the time frame determined by state law for each location.

Exit interviews

In order to improve Leona Group, the human resources department requests departing employees’ participation in an exit interview. Exit interviews will be conducted in person, by phone or will be mailed directly to the resigning employee’s home with a self-addressed, stamped envelope for return.

Access to personnel files

Personnel files are company property and will be maintained centrally by human resources.

An active employee may access and inspect his/her own file by scheduling an appointment with human resources. An active employee may request and be given copies of items in his/her file which would

normally be distributed to him/her, such as performance appraisals and letters of commendation or warning. Other items may be inspected, but not copied, except as regulated by state law.

File access for terminated employees is generally prohibited except in certain instances. Human resources will make a determination, in accordance with applicable law, on any request for access by a terminated employee.

It is each employee’s responsibility to ensure personal information, credentials data and benefit plan enrollment information is current in the file. This can be done by obtaining appropriate forms from the school office manager or from human resources.

Release of employee information

Leona Group collects and maintains personal information on its employees for administrative uses in the ordinary course of business. Uses include administering employee benefits, investigating criminal background and verification of identity. We restrict access to non-public personal information about employees to individuals with a business reason to know this information. Leona may share personal information about employees with vendors and service providers, such as insurance companies, as authorized. Such entities are required to adhere to strict privacy standards. Additionally, Leona may be required by law to provide information on individual team members to appropriate governmental authorities. Unlawful disclosure of personal information is strictly prohibited. Documents which display personal information will be secured at all times and will be shredded or otherwise destroyed when they are no longer in use. Individuals who violate

this policy will be subject to corrective action, up to and including termination of employment. Leona Group is in compliance with various state and federal laws regarding access to personal information of its employees.

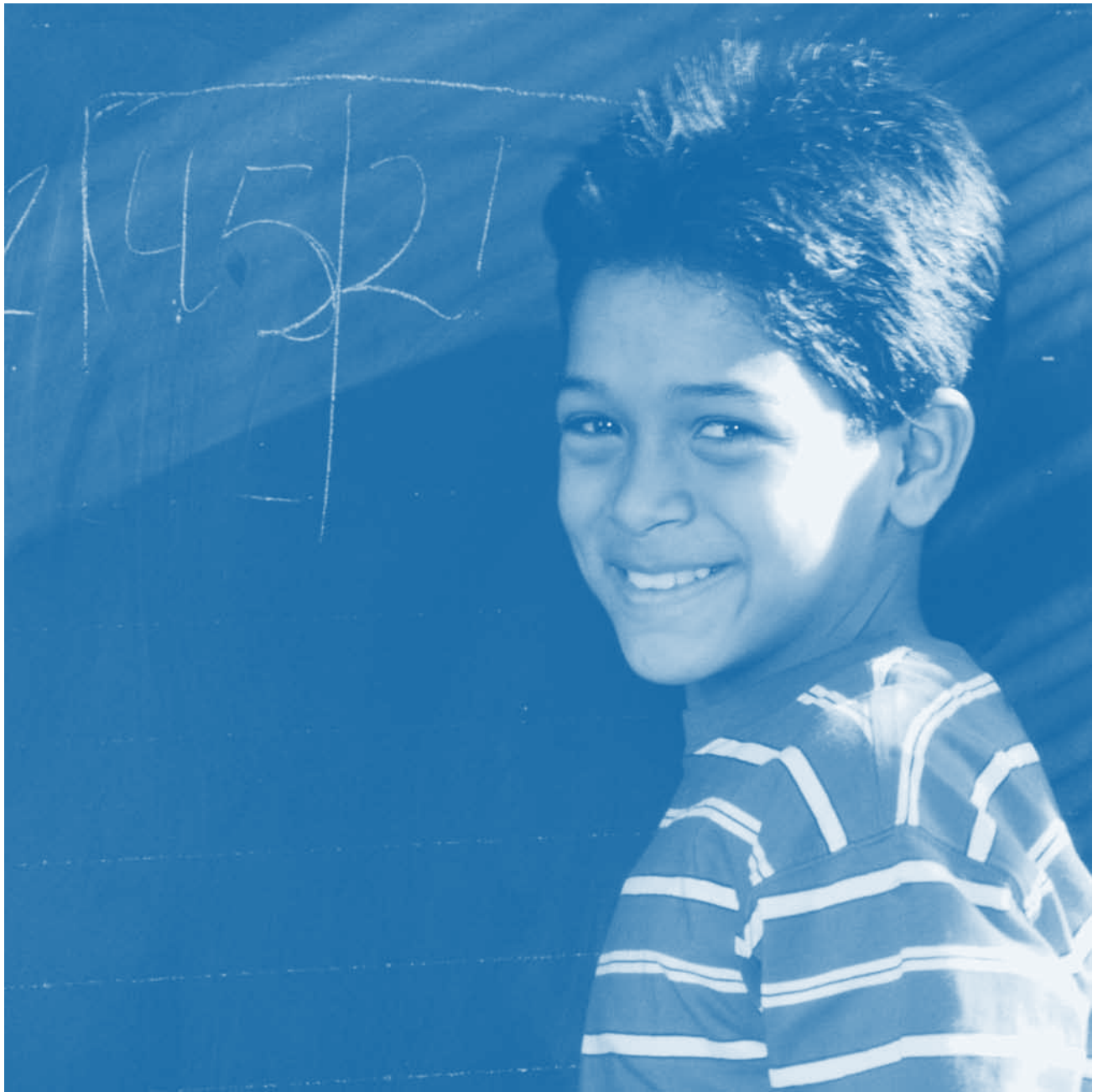
An inquiry made regarding active or terminated employee file information must be for legitimate purposes, such as mortgage applications or employment reference checks. Release of information is to be governed by the following guidelines:

- The CEO, his designee, or human resource personnel are the only persons authorized to release information.
- Release of information in response to telephone inquiries shall be limited to dates of employment, employment classification and position(s) held.
- Written inquiries should be on the requesting company's stationery and contain the requesting person's signature.

Information released shall be limited to dates of employment, employment classification and position(s) held unless the inquiry also contains the employee's signature authorizing Leona Group to release additional information. Additional information released will consist of factual, documented information which is not subjective (i.e., How did employee get along with others?) in nature such as salary and performance rating.

- Leona Group will cooperate with lawful requests for information contained in an employee's personnel file when made by authorized representatives of federal, state or local government or law enforcement agencies, who show proper identification and proof of legal authority for the request.





Compensation

It is Leona Group's goal to recruit and retain employees of the highest caliber.

Maintaining an equitable, pleasant workplace; promoting a culture where employees' ideas and contributions are valued; and offering an excellent benefits package and competitive wages all help to accomplish this.

Salary administration

Leona Group evaluates salaries and pay ranges at the end of each fiscal year. Salary increases and/or bonuses, however, are not guaranteed. Factors that may be considered in determining whether a change in pay or a bonus is appropriate include business conditions, level of responsibility and job performance.

All pay changes and bonuses are at the sole discretion of Leona Group.

Performance evaluation

Supervisors and employees are strongly encouraged to discuss job performance and goals on an informal, day-to-day basis. Formal performance appraisals by immediate supervisors are generally conducted annually but are dependent upon operational needs. Performance appraisals are used to strengthen communications between supervisors and employees, to assess individual and team achievement, to encourage employee growth and development, and to provide a basis for salary adjustments and compensation.

Timekeeping

Non-exempt (hourly) employees are required to complete, sign and submit a weekly time sheet recording on a daily basis hours worked, vacation and personal time taken, and other forms of paid and unpaid leave. Employees completing these forms are responsible to accurately determine their time and record it. Employees should never be asked by any person to record an incorrect or inaccurate number of hours worked for any day, and if they are requested to do so, they should report the request to human resources immediately. There are no exceptions to the requirement that time records accurately reflect time worked.

Exempt employees are required to complete, sign and submit a weekly exception report indicating whether they worked or used a paid-leave benefit on each day of the week. Time sheets for non-exempt staff and exception reports for exempt employees both contain an extra-duty section that must be completed if the employee engaged in any other compensated activities during the week, such as grant work or teaching extra classes.

Overtime

All non-exempt team members are eligible to receive overtime compensation at the rate of one and one-half times their regular rate of pay for time worked in excess of 40 hours per work week, unless otherwise specified by state law. Overtime work must be approved in advance by your supervisor. Only hours actually worked are counted in determining whether an employee is entitled to overtime pay. Vacation, personal, holiday and other paid leave time does not count toward hours worked for overtime computation.

Work hours/work week

Our standard work week is 40 hours, eight hours per day. However, this may vary from location to location and position to position. The standard work week begins at 12:01 a.m. on Saturday and ends at 12 midnight on Friday; however, this also may vary, particularly if you are assigned to an alternate work schedule. Your supervisor will assign your work hours and schedule, based upon staffing and operational demands.

Volunteering

Team members may elect to volunteer their time outside the course and scope of their assigned position to support special school programs, such as mentoring or coaching. Such voluntary service is valuable and appreciated, but not required. Volunteer activities are not compensated and are to be conducted in a manner that does not interfere with the team member's ability to perform his or her assigned job. Team members are encouraged to discuss volunteer placements with the school leader and to ensure that all parties have a clear understanding of the volunteer role, responsibilities and expectations.

Pay periods

Paychecks are prepared and distributed on the 15th day and last day of each month. In the event a payday falls on a day off, such as a weekend or holiday, paychecks will be distributed on the last day of work before the regularly scheduled payday.

For non-exempt personnel, each pay period will consist of two full work weeks (Saturday through Friday), except four times each fiscal year when the pay period will contain three full work weeks. For exempt personnel, annual salary will be equally distributed over 24 pay periods in the fiscal year. Exception reports for exempt personnel (payment for vacation, personal or other paid leave) will follow the same schedule as that for non-exempt personnel. A payroll schedule, indicating pay periods containing a third week, is available at each location.

Direct deposit

You may choose to have your paycheck directly deposited into one or more accounts at your bank or other financial institution each payday. You are encouraged to take advantage of this benefit, which can save both time and the inconvenience of going to the bank. You will receive an itemized statement showing earnings, deductions and deposit amounts in lieu of a check each payday.

Payroll deductions

Income tax and Social Security deductions from your paycheck comply with federal and state laws. As authorized by law or upon your written authorization, deductions may also be made for other items, such as some Leona Group-sponsored employee benefit plans and 401(k) participation. Additionally, Leona Group shall deduct appropriate

amounts to satisfy any court orders for garnishment or for child or spousal support orders, and shall be entitled to any clerical fee permitted by law. Finally, Leona Group may deduct offsets, reimbursements, and employee debts from pay as permitted by applicable state law, and you provide your authority to make these deductions by signing your handbook acknowledgement. Your paycheck stub will record all deductions. You should keep these stubs for your records.

Business travel expenses

From time to time, employees may be required to travel for business purposes and to use their own vehicles. All business travel must be approved in advance by your immediate supervisor. Employees will be reimbursed for reasonable business travel expenses incurred while on assignments away from the normal work location. Employees whose travel plans have been approved are responsible for making their own travel arrangements, unless instructed otherwise.

Travel expense reports should be approved by your supervisor and submitted to the finance department within 15 days of completing the travel. Receipts for all expenses must accompany the reports.



Benefits

As a member of the Leona Group team, you may be eligible to participate in a wide range of benefits depending on your employment classification and length of service.

Overview

Some benefit programs require contributions from employees but most are fully paid by Leona Group. The benefits package for full-time regular team members represents an additional cost to Leona Group of approximately 28 percent of wages.

All benefit programs are administered by Leona Group or its designated administrators. Leona Group reserves to itself and its administrators the exclusive authority and discretion to determine all issues of eligibility and all questions of interpretation and administration of each benefit. It also reserves the right to add, modify, discontinue, alter, amend or cancel any benefit program at its sole and absolute discretion. All plans are reviewed periodically and are changed as needed to ensure the programs remain comprehensive and competitive.

The following benefits are currently offered to employees of Leona Group. Some of the following benefits are more fully described in a Summary Plan Description and/or formal plan document. This section of this handbook is not a Summary Plan Description for any benefit. Where Summary Plan Descriptions are required by applicable law, they are available to you through human resources. In those cases, the summary in this section is designed only to introduce you generally to the benefit, not to contradict or vary the terms of the Summary Plan Description and/or Formal Plan document. You should refer to any applicable Summary Plan Description and/or Formal Plan document for the complete details on such benefits.

Vacation

Effective October 1, 2009, full-time, year-round employees will be awarded vacation based upon the following schedule:

Length of Service	Amount of Vacation	Accrual Rate
0 - 2 years	2 weeks per fiscal year	3.33 hours per pay period worked
3 - 4 years	3 weeks per fiscal year	5.00 hours per pay period worked
5 + years	4 weeks per fiscal year	6.67 hours per pay period worked

Vacation time must be taken during the fiscal year, and must be approved in advance and in writing by your immediate supervisor. Approval of vacation requests is based on a number of factors, including business needs and staffing requirements. For school-based personnel, vacation days should be scheduled to coincide with school breaks.

Team members are encouraged to use available paid vacation time for rest, relaxation and personal pursuits. Vacation allowances may not be carried over to the next fiscal year.

Employees may schedule approved vacation in half-day (four hour) or full-day (eight hour) increments.

In the event a team member does not use all awarded vacation time prior to the end of the fiscal year, the employee will be paid the regular pay rate for one-half the unused vacation, not to exceed one week (five days) unused vacation.

Upon termination of employment, a determination will be made as to the number of vacation days that have accrued from the beginning of the fiscal year (or first day worked) through the last day worked. Any team member who uses more vacation days than are accrued at termination will be required to reimburse Leona Group for vacation leave taken but not earned. Such reimbursement will be deducted from the employee's final paycheck, and by signing the Handbook Acknowledgement, the employee agrees that the Leona Group may make that deduction. Conversely, when an employee terminates and has accrued, unused vacation days, the employee will be paid the regular pay rate for one-half the unused vacation, not to exceed one week (five days) unused vacation.

Please note that full-time, year-round employees who were hired prior to October 1, 2009 will be grandfathered under Leona's previous policy (i.e. four weeks per fiscal year). However all employees, regardless of hire date are subject to the new policy concerning vacation pay-out upon termination of employment. the employee will be paid the regular pay rate for one-half the unused vacation, not to exceed one week (five days) unused vacation.

Personal time

Paid personal time is available to eligible team members to cover the employee's own illness, family illness or for other personal reasons. Full-time regular team members earn personal time at the rate of two hours per pay period worked. This equates to 48 hours (six eight-hour work days) per year for year-round employees and 40 hours (five eight-hour work days) per year for school-year employees. Personal time may be accrued up to two-times the annual maximum award. Thus, for eligible year-round team members, the maximum personal time that may be accrued is 96 hours (12 eight-hour work days) and for eligible school-year employees the maximum personal time that may be accrued is 80 hours (10 days). When a team member has reached the maximum accrued personal time, no further personal time will be earned until the employee has used sufficient personal time to drop below the cap.

Whenever possible, personal time should be scheduled in advance with your supervisor.

Personal time does not accrue while an employee is on a leave of absence.

Partial days missed

For any employee, exempt or non-exempt, who misses any portion of a workday, the portion of the workday missed will be charged first to the employee's accrued personal time off and, if personal time is exhausted, the employee's accrued vacation time will be charged.

For non-exempt team members, deductions from personal and vacation time will be made in quarter-hour increments, rounding down to the nearest quarter hour of time missed by the employee.

For exempt team members, partial days absences will be charged to the employee's personal time, then vacation time, in half or whole day increments.

Holidays

Leona will grant paid holiday time to full-time regular, team members. A recognized holiday that falls on a Saturday will be observed the preceding Friday. A recognized holiday that falls on a Sunday will be observed the following Monday.

The number of holidays and which holidays are observed will vary by location. Holiday schedules providing the number and list of observed holidays will be set by Leona Group management and will be posted annually for each location.

Holidays will not be paid for team members who are on any form of leave (other than vacation) during which the holiday falls. This includes but is not limited to employees on short- or long-term disability, paid or unpaid FMLA leaves, personal leaves, paid or unpaid administrative leaves, or workers' compensation leaves.

Jury duty

Leona Group encourages employees to fulfill their civic responsibilities by serving jury duty when required. Full-time regular employees will not lose pay as a result of serving on a jury or appearing as a witness as a result of a subpoena when required by law and up to a maximum of two weeks. Court-ordered appearances in excess of two weeks will be charged first to vacation time, then personal time. When paid time off is exhausted, the employee will not be compensated.

Employees must present the summons or subpoena to their supervisor as soon as possible so that arrangements can be made to accommodate the employee's absence. Employees are expected to report to work whenever the court schedule permits.

Bereavement leave

Full-time regular employees may be granted up to three days of paid bereavement leave for the death of an immediate family member. Leona Group defines immediate family members as an employee's spouse; parent/parent-in-law; stepparent; grandparent or grandparent-in-law; daughter or son (including step-children); daughter- or son-in-law; sister or brother (including step- and half-siblings); sister- or brother-in-law and grandchild. Based upon a discussion with you, your supervisor will determine how many days of the three available are reasonably required for your absence.

Full-time regular employees are granted one day of bereavement leave in the case of the death of any other family member such as an aunt or uncle, aunt- or uncle-in-law; niece or nephew.

Special consideration will also be given in the event of the death of any other person whose association with the employee was similar to any of the relationships defined above.

Employees needing bereavement time should notify their supervisor immediately. Employees may, with supervisory approval, use any available paid leave (i.e., vacation or personal time) for additional time off, if needed.

In the event of the death of a Leona Group team member, co-workers, with supervisory approval, may attend the funeral, if held locally, without loss of pay.

Religious observance

Leona Group will make every reasonable effort to accommodate the religious beliefs of individual team members. An individual who would like time off to observe a religious holy day should make the request in writing to the supervisor who will forward such requests to human resources. If approved, team members may use vacation or personal time, if available, or take unpaid leave to observe religious holidays.

Leaves of absence

We recognize that you may need time off work for medical reasons, certain family matters, a military obligation or urgent personal reasons. Any absence of more than five work days, other than approved vacation, personal time, jury duty, or annual reserve/guard training, requires an approved leave of absence. Written requests for leave must be submitted to human resources as soon as practicable. Leona Group will consider such requests in its sole discretion, using such criteria as it deems

appropriate to determine whether to approve the request for leave in accordance with applicable law.

An approved leave does not constitute a break in service and team members retain all previously earned or accrued benefits upon their return. Benefits normally granted to employees while on active duty, such as vacation and personal time, do not accrue during leaves of absence. When on an approved leave of absence, except for military leave and leaves governed by the Family and Medical Leave Act, your job will be held for you for a maximum of 30 calendar days unless it is affected by a reduction in force, reorganization or other business need. This provision shall not extend the length of employment of any contractual employee beyond the term stated in the employment contract.

While on an approved leave, with the exception of military duty, employees are strictly prohibited from performing services for any other employer.

If your compensation is paid on a pro-rated basis, such as a contracted Teacher, upon return from any unpaid leave of absence, your pay may be recalculated to account for days that you were contracted but did not work. A new pro-rata calculation may be necessary which may result in a change in your pay rate.

Failure to return to work at the end of a leave period will indicate that you have voluntarily resigned your position effective the last day you were paid wages by Leona Group.

Personal leave. The CEO or his designee will consider granting unpaid personal leave on a case-by-case basis.

Military leave. All employees, regardless of length of service, are eligible for military leave for up to four years (unless extended by the government) for active duty in

any branch of the U.S. Armed Forces. Return from military leave will be governed by applicable law.

If you are a full-time regular team member and belong to the military reserve or National Guard, you will be paid the difference between your military pay and your regular wage for up to 10 workdays per year to attend annual training duty. Please provide a copy of your military orders to your supervisor as soon as you receive them so that we may plan your absence. Also provide a copy of your military pay voucher when you receive it so that proper payment can be made to you. No payment will be made for annual reserve/guard training until such voucher has been received by the payroll department.

Family & Medical Leave (FMLA). Leona Group offers up to 12 weeks of unpaid leave (26-weeks for Service Member Family Leave) under the Family and Medical Leave Act of 1993 to those team members who, 1) have worked for Leona Group at least 12 consecutive months; 2) worked at least 1,250 hours during the previous 12 months; and 3) work at a location where at least 50 Leona team members are employed within 75 miles of that location; and 4) qualify for leave under the following conditions:

- Your serious health condition prevents you from performing your job;
- You have given birth to a child;
- You need to care for your newborn within 12 months of birth or adoption of your child, or placement of your foster child; or
- You need to care for a seriously ill spouse, child or parent.
- There is a qualifying exigency arising out of the fact

that your spouse, son, daughter or parent is on, or is called to active duty in the armed forces in support of a contingency operation.

- Service Member Family Leave – the spouse, son, daughter, parent or next-of-kin of a covered armed forces service member shall be entitled to a total of 26 work weeks of leave during a rolling 12-month period to care for an injured or ill covered service member.

The 12-week or 26-week leave period is inclusive of any paid leave, such as personal time, vacation time or short-term disability. Approved FMLA leave allows for continuation of certain benefits and reinstatement to your pre-FMLA leave job or an equivalent position.

Medical certification of leave: An application for leave based on the serious health condition of the employee or the employee's spouse, child or parent must also be accompanied by a "Medical Certification Statement" completed by the applicable health care provider. The certification must state the date on which the health condition commenced, the probable duration of the condition and the appropriate medical facts regarding the condition.

If the employee is needed to care for a spouse, child or parent, the certification must so state along with an estimate of the amount of time the employee will be needed. If the employee has a serious health condition, the certification must state that the employee cannot perform the essential functions of his or her job.

Notice of leave: An employee intending to take FMLA leave because of an expected birth or placement, or because of a planned medical treatment, must submit an application for leave at least thirty (30) days before

the leave is to begin. If the leave is to begin within thirty (30) days, an employee must give notice to his or her immediate supervisor as soon as the necessity for the leave arises.

Return from leave: If the FMLA leave is due to the employee's own serious health condition, the employee must provide a physician's medical certification of the ability to resume work (to include any restrictions, if applicable) prior to or upon returning to work. If the employee returns to work without the physician's release, the employee's supervisor must send the employee home until such documentation can be provided.

Professional development

Leona Group provides its team members the resources to perform their current jobs at higher skill levels and to prepare them for additional responsibilities by providing professional development opportunities. Team members who wish to engage in professional development activities (seminars, conferences) must submit written requests to their immediate supervisors, along with all pertinent information relating to travel expenses, conference fees and other costs. Additionally, written requests are required for payment of membership dues in professional associations and/or professional journals and subscriptions. Approval will be based upon budget and individual, and organizational, needs.

Professional development does not include payment for coursework in the pursuit of teacher certification.

Alternative work schedules

Alternative work schedules are available on a case-by-case basis to accommodate team members' personal responsibilities. All requests for such schedules should be submitted in writing to the employee's supervisor. Leona Group will consider such requests in its sole discretion, using such criteria as it deems appropriate to determine whether to approve the request for alternative work scheduling.

Flextime scheduling. Team members may request the opportunity to vary their work schedules within employer-defined limits, such as shifting their start and end times later or earlier in the day.

Job-sharing. Two employees may split what would ordinarily be a single, full-time position provided Leona Group incurs no incremental cost. The team members' schedules must overlap daily for a minimum of one-half hour to provide a smooth transition. Additionally, both employees may be required to be present at important company activities. The team members' immediate supervisor and the CEO or his designee must approve job-share positions.

Group medical, dental & vision insurance benefits

Leona Group provides eligible team members with a comprehensive program of medical, dental and vision benefits to help protect them and their families from the high cost of non-work related major illnesses, injuries, dental and vision care. Full-time regular employees become eligible for these benefits on the first of the month following 30 days of service with Leona Group. Leona Group currently pays the entire premium cost for both employee and dependent coverage. Eligible

dependents include the employee's legal spouse and dependent children.

You will be asked to fill out enrollment forms for your coverage when you are hired or assigned to a full-time regular position. If you complete and submit enrollment forms within 31 calendar days of eligibility, acceptance is automatic.

You will receive identification cards and information describing your coverage in detail. Please read the information carefully to help you understand these important benefits. If benefit questions arise, please direct them to your supervisor, office manager, or to the benefits manager in human resources.

If you leave Leona Group, you and your dependents may be eligible to continue medical, dental and/or vision coverage for a period of time under Leona Group's benefits program. Such coverage is called a COBRA continuation, and is explained in more detail under the COBRA section of this handbook. If you elect to continue coverage, you will be responsible for paying the full cost of such coverage. A letter explaining any continuation rights you have will be sent to you shortly after you leave Leona Group. Leona Group reserves the right to amend its benefits programs at any time.

Waiver of benefits

Upon providing evidence of coverage under another group or individual medical or dental plan outside of Leona Group, team members eligible for company medical, dental and vision coverage may waive part or all of that coverage each year. This election may be made at the time of eligibility, during annual open enrollment, or in the event of a family status change.

Eligible team members electing to waive their medical, dental and/or vision coverage will receive payment for such waiver. Payments will vary in amount depending upon which coverage is waived. Contact the benefits manager in human resources for details.

Waiver payments will be included in the employee's semi-monthly paycheck, are considered income, and are subject to taxation.

In the event of the loss of outside coverage, the team member previously waiving coverage may opt to enroll in the Leona Group benefit plan or plans for which outside coverage was lost. Written evidence of loss of coverage will be required. Should you be enrolled in Leona Group's benefit programs following loss of coverage, any waiver payments will cease when Leona Group benefit plan coverage begins.

In the event that an employee is married to another Leona Group employee, insurance benefits for both employees, and for any eligible dependents, will be provided under one of the two employee's names. The second employee may not collect a waiver since Leona Group is providing both employees with coverage.

COBRA & HIPPA

Team members who are covered under Leona Group's health insurance plan and who subsequently lose coverage due to a reduction in hours or termination of employment may be permitted to continue coverage under the group health plan. Continuation coverage will be at the individual's own expense. Notification of rights under the Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) will be mailed directly to the individual.

If employment terminates and the individual was covered under the company's group health plan but subsequently becomes eligible for coverage under another group health insurance plan, the Health Insurance Portability and Accountability Act of 1996 (HIPAA) limits the circumstances under which coverage may be excluded for medical conditions present before the individual enrolls in the new coverage. If the individual buys health insurance other than through an employer group health plan, a certificate of prior coverage may help the individual obtain coverage without a preexisting condition exclusion. Contact the medical insurance carrier to obtain a HIPAA certificate.

Life insurance

For eligible employees, Leona Group provides life insurance coverage equal to two times your base annual compensation, rounded up to the next \$1,000. This coverage is provided at no cost for all full-time regular team members.

Portions of group term life insurance premiums may be taxable to the employee. Leona Group will compute the cost of taxable group term coverage according to Internal Revenue Service standards, and that amount will be included as wages on W-2 forms.

Specific plan information is available in human resources. Life insurance benefits cannot be waived.

Accidental death/dismemberment

For eligible employees, Leona Group provides accidental death and dismemberment insurance coverage (AD&D) equal to two times your base annual compensation, rounded up to the next \$1,000. This coverage is payable upon accidental death or dismemberment, with dismemberment benefits varying based on the nature of the injury. This coverage is provided at no cost for all full-time regular team members.

Specific plan information is available in human resources. AD&D benefits cannot be waived.

Disability benefits

Full-time regular team members with at least three months of service are covered by both short- and long-term disability benefits. Leona Group pays the full cost for this coverage. Disability insurance provides a partial income if team members become disabled due to sickness or accident not incurred at work.

Short-Term Disability (STD): Full-time regular employees who are unable to work due to a medically-certified disability will receive disability pay replacing a percentage of their regular base wage. The percentage will depend upon length of service at onset of disability and length of disability. There is a five work-day waiting period before any benefits are payable. STD benefits are payable to a maximum of 90 calendar days, depending upon employee's length of service.

STD benefits for school-year employees will not be paid for days the employee is not scheduled to work, such as summer recess or winter break.

Long-Term Disability (LTD): Full-time regular employees are covered by an LTD plan that begins paying benefits after 90 days of continuous, non-work-related disability. LTD benefits pay a percentage of the team member's regular base wage.

Note: Details of both short- and long-term plans are available by contacting human resources. These plans cannot be waived.

Workers' compensation

Leona Group carries workers' compensation insurance in case you incur certain work-related injuries or illnesses. All team members are covered by this insurance upon hire, with Leona Group paying the entire cost for this protection.

We hope that you will never need to use this insurance coverage; however, if you do suffer an injury or become ill as a result of work conditions, please notify your supervisor at once and complete the required incident report forms. Failure to do so may delay or jeopardize any available coverage.

Any employee injured while carrying out Leona Group business may be required to submit to drug screening. Refusal to submit to testing is immediate grounds for dismissal, as is a positive drug test result indicating likely impairment at the time of the incident.

Section 125

Leona Group's Section 125 plan allows full-time regular and part-time regular team members to pay for certain expenses with pre-tax dollars. You may elect to have fixed amounts withheld through regular payroll deductions to cover such things as out-of-pocket health care co-pays and

deductibles, child care expenses and vision care expenses. Then, when you incur eligible expenses, you send the receipts to our independent claims administrator and receive reimbursement up to the amount in your withholding account. Depending upon your particular financial circumstances, this program may be more advantageous than taking a deduction on your taxes for such expenses; however, you are encouraged to check with a qualified tax advisor before deciding to enroll.

One of the requirements of this program, once you are enrolled, is that you may not drop out of the program during the year except for certain qualifying life events such as marriage, divorce or termination of employment for you or your spouse. In addition, any funds left in your account at the end of the calendar year are forfeited, except for expenses incurred during the year but not submitted until after year-end.

Pre-paid legal services

Full-time regular and part-time regular team members are eligible to participate in employee pre-paid legal services on a payroll deduction basis. This service is offered through a third-party vendor. Specific plan information is available through human resources.

Supplemental insurance programs

Full-time regular and part-time regular team members are eligible to participate in employee-paid supplemental insurance plans on a payroll-deduction basis. Supplemental plans such as accident insurance, critical illness insurance and whole life coverage for employee, spouse and child are offered through a third-party vendor. Specific plan information is available through human resources.

Retirement planning

To help you prepare for retirement, Leona Group provides a 401(k) contributory retirement savings program, or contributes on your behalf to the state retirement system, depending upon the state in which you work.

The 401(k) plan allows eligible team members to payroll deduct pre-tax dollars each pay day which are then invested, at the employee's direction, for retirement savings.

Leona Group will provide matching contributions not to exceed six percent of the employee's base income each payroll period.

Full-time regular and part-time regular team members who are at least 18 years of age, and who have worked at least 750 hours in their first year of employment with Leona Group, are eligible to enroll in the plan at the next open enrollment period following the end of their first year. Leona Group offers quarterly open enrollments for this plan.

Specific information about the 401(k) plan, and about which states are eligible for participation, is available through human resources.





Working conditions & general information

Whenever people work together, there must be guidelines for acceptable conduct and behavior. Only in that way can the mutual respect of everyone be assured. Part of your employment responsibility is to honor these guidelines.

Expectations regarding conduct

Team members are hired with the requirement to conduct themselves in a responsible, mature fashion. As such, a common sense approach to conduct is used. We do not have an all-encompassing list of standards and rules. Instead, conduct and actions are evaluated with regard to whether they are in the best interest of the organization and your team.

Leona Group's assessment of the seriousness of misconduct or performance deficiency and the general character of the team member's work history will be considered when determining the appropriate level of corrective action. Corrective action may be used in Leona Group's sole discretion in any combination and order, instead of, or before, resorting to termination. The choice to use any form of discipline may be based on a desire to help an employee improve or correct his/her conduct or performance. However, no statement in this handbook, and no existing or past practice, shall create any requirement or obligation that progressive discipline be used at all, or if it is used, that it conform to any particular guidelines.

Employee relations

To a great extent, a work environment can be pleasant or unpleasant based on how we treat one another. A great many people will form a lasting impression of Leona Group, your school, and our quality of education and service through you. Please help create a good impression by being respectful, courteous and helpful to everyone you come in contact with, including the public and your fellow team members.

When team members deal openly and directly with supervisors, the work environment can be excellent, communications can be clear and attitudes can be positive. Leona Group demonstrates its commitment to its team members by responding to employee concerns. Questions or concerns about work conditions or compensation should first be discussed with the employee's immediate supervisor. If an employee and immediate supervisor cannot resolve differences, the employee or supervisor may seek assistance through human resources.

Employee ethics

An effective educational program requires the services of men and women of integrity, high ideals and human understanding. To maintain and promote these essentials, Leona Group expects all staff members to maintain high standards in their working relationships and the performance of their professional duties and to:

- recognize the basic dignities of all individuals with whom they interact in the performance of their duties;
- exercise due care to protect the mental and physical safety of students, colleagues and subordinates;
- seek and apply the knowledge and skills appropriate to assigned responsibilities;
- keep in confidence legal/confidential information; and
- avoid accepting anything of value offered by another for the purpose of influencing judgment.

Working together safely

The safety of all team members and students is of the utmost importance. An essential part of your job is the development of safe work practices and observance of all safety policies and programs. Leona Group and its employees recognize their obligations and/or rights under existing right-to know laws with respect to safety and health matters.

You can help prevent accidents by being alert for potential safety hazards. Whenever you observe such a condition, report it immediately to your supervisor so corrective action can be taken. Violating safety standards, causing hazardous or dangerous situations, or failing to report such situations may result in disciplinary action.

All accidents, regardless of how insignificant the injury may appear, must be reported immediately to your supervisor.

Leona Group strives to maintain a safe and secure working environment for its employees and encourages you to remember that safety is everyone's responsibility.

Hazardous materials

Leona Group seeks to provide a safe environment for all team members. Appropriate training will be provided in the event that any team member must handle hazardous materials during employment. The supervisor is responsible for ensuring that Material Safety Data Sheets (MSDS) are available for any hazardous material used at the work location. These information sheets are available from the manufacturer or supplier, and should be used to meet hazard determination requirements. The supervisor is responsible for ensuring that chemicals and hazardous materials are properly labeled and maintained.

Attendance & punctuality

Nowhere is the need greater for reliability and dependability than in an educational setting. If you are absent or late reporting to work, an extra burden falls on your fellow team members. This is not only disruptive to those with whom you work but also to those we serve. It is only when everyone is on the job, on time and for the full scheduled workday, whether or not that job brings you into direct contact with students, that we can provide the level of educational instruction and service they have a right to expect from us.

You must contact your supervisor in advance regarding each absence or delayed arrival or return to work. If you are absent without notice for three consecutive workdays, you have voluntarily resigned your employment by abandoning your job. Contact your supervisor regarding specific attendance or punctuality standards that apply at your work location.

Working additional hours

To meet our business needs, it may be necessary for you to work beyond your normal work schedule from time to time. While every attempt is made to keep such needs to a minimum, all team members may be required to work extra hours when requested. Every effort will be made to distribute overtime and the requirement to work additional hours as equally as possible among qualified staff, and to provide as much advance notice to you as possible regarding the need for additional hours.

Use of company equipment

Postage, fax machines, computers, copiers, telephones and printers are provided to conduct company business. Personal use of these items is inappropriate.

Company communication systems (phone, radios, e-mail and Internet) are intended to be used for business purposes only; use for informal or personal purposes is permissible only within narrow, reasonable limits. Inappropriate use of these systems includes, but is not limited to, any one of the following:

- transmitting, storing or receiving information that is discriminatory, harassing, obscene, pornographic or offensive
- transmitting to public bulletin boards, chat rooms, other public forums, and to individuals or other entities, information about Leona Group
- broadcasting or transmitting inappropriate personal views on business or non-business matters, and representing those views as those of Leona Group
- using Leona Group communications systems for personal gain
- gambling or conducting illegal activities

- interfering with the normal operation of communication systems of Leona Group
- excessive personal use

Use of company communication systems is not confidential. Employees do not have any personal privacy right, or any reasonable expectation of privacy, in any matter or communication created, received, sent, in transit, accessed, or stored by, to or in Leona Group communication systems. By using Leona Group communication systems, employees waive any claim they may have to any right or expectation of privacy therein.

Leona Group reserves the right to, and will, monitor the use of its computers and communication systems, including without limitation by intercepting, accessing, viewing, reading, listening to, printing, copying, saving, and/or deleting content created, received, sent, in transit, accessed, or stored by, to or in such computers and communication systems, including without limitation voice and email messages. Computers and the accompanying software will be periodically monitored to ensure appropriate use. Employees expressly consent to such monitoring by using the Leona Group communication systems, .

Leona Group prohibits the use of its own computers in ways that are disruptive, offensive or illegal. The improper use of computers includes, but is not limited to:

- installing software without proper licensing
- copying software, except when creating a backup copy
- unauthorized use of passwords
- unauthorized access to systems or data

Any item purchased with Leona Group funds for use by team members, such as books, office equipment and supplies, computer supplies, phones and laptop computers, is the property of the company and must be returned upon termination of employment.

Team members are responsible for all company property provided to them for their care and custody. Any company property that is destroyed or damaged as a result of negligence, carelessness or non-attentiveness of the team member shall be the responsibility of the team member, and Leona Group may, at its discretion, deduct appropriate amounts from the employee's wages to compensate Leona Group for the cost of said destruction or damage.

Solicitation/fund-raising

Leona Group recognizes that team members may have interests in events and organizations outside the workplace. However, employees may not solicit or distribute literature concerning these activities during working time or during company-sponsored events. Solicitation or distribution of literature for any purpose by non-employees is strictly prohibited at every Leona Group location at all times.

Political activities

Leona Group recognizes that employees, when not working, have civic responsibilities and/or rights including the right to vote; to engage in activities on behalf of the political party of their choice; to campaign for candidates for election to public office and to seek, campaign for and serve in public office. These activities, however, must not conflict with the employee's duties and obligations to Leona Group.

In fulfilling responsibilities as an employee, team members will refrain from exploiting the privileges of their position. There will be no exploitation of students in any way for political purposes on behalf of any party or candidate.

Team members' employment will at no time be in jeopardy due to any political activity in which they engage (or decline to engage), provided they adhere to this policy.

Personal appearance & hygiene

Each work location has its own style as well as philosophy and standards. During business hours, team members are expected to present a clean, neat and professional appearance and to dress according to the requirements of their positions. Consult a supervisor for what constitutes appropriate attire.

Use of tobacco

Use of tobacco shall mean all uses of tobacco, including a cigar, cigarette, pipe, snuff, or any other matter or substance that contains tobacco.

Leona Group prohibits the use of tobacco by employees in company buildings, on school property, on school buses, and at any school-related event. The school leader or CEO will determine any exceptions to this policy.

Threatening behavior

Leona Group believes that a team member should be able to work in an environment free of threatening speech or action. Threatening behavior consisting of any words or deeds that intimidate an employee or cause anxiety concerning the employee's physical and/or psychological well-being is strictly forbidden.

Leona Group management and school leaders shall implement guidelines whereby students and employees understand this policy and shall establish appropriate procedures for prompt and effective action on any reported incident.

Dangerous weapons

Leona Group will not tolerate the possession of weapons or any other device designed to inflict serious bodily harm by any team member while on company property or at a company-sponsored event.

Any team member on company premises or at a company-sponsored event may be charged with a felony if found to possess a weapon or other device designed to inflict bodily harm. This restriction applies to team members licensed to possess firearms, unless they are serving as an authorized security officer.

The supervisor shall ensure that any team member possessing a weapon or other device designed to inflict bodily harm is reported immediately to the appropriate law enforcement agency.

Copyright policy

A copyright is a form of protection provided by federal law to the authors or creators of original literary, dramatic, musical, artistic, computer software and certain other intellectual works. Subject to several important exceptions, it is illegal under the Copyright Act for anyone to violate any of the copyright owner's rights.

It is Leona Group's intent to adhere to the provisions of the Copyright Act. In this respect, all duplication, retention and use of copyright materials by Leona Group team members shall conform with the Copyright Act. Team members violating the Copyright Act do so at their own risk and assume all liability for their actions.

Intellectual property rights

Leona Group is the sole and exclusive owner of any and all intellectual property of whatever kind or character produced by team members while providing service for the company. This includes properties which are a direct result of the team member's duties or which have been developed in whole or in part by the use of company funds, resources or facilities Leona Group administers. These properties shall be used and controlled in such a manner as to produce the greatest benefit to Leona Group, as it solely determines.

Drug & alcohol abuse

Employees are our most valuable resource and their safety and health is therefore of serious concern. Leona Group does not tolerate any drug or alcohol use which imperils the health or well-being of its employees or threatens its business at any site where individuals perform work on Leona Group's behalf.

Substance abuse, on or off duty, is inconsistent with lawful behavior expected of all citizens. Employees who abuse controlled substances tend to be less productive, less reliable and prone to greater absenteeism resulting in the potential for increased costs, delays and risk in business.

Employees have the right to work in an alcohol- and drug-free environment and to work with persons free from the effects of alcohol and drugs. Leona Group, may, however, elect to serve alcohol at official functions in accordance with the law, and without being in violation of this policy.

The legal use of prescribed drugs is permitted on the job only if it does not impair an employee's ability to perform the essential functions of the job effectively and in a safe

manner that does not endanger other individuals in the workplace.

Employment is contingent upon successfully passing a pre-employment drug screen. Additionally, if Leona Group has reason to suspect alcohol or illegal substance abuse, an employee may be required to submit to a drug or alcohol test. Refusal to submit, in such situations, will result in termination of employment.

Some positions at Leona Group, such as bus drivers, may be subject to random drug testing, based on federal and state requirements.

Violations of this policy may lead to corrective action, up to and including termination of employment. Employees with drug or alcohol problems that have not resulted in and are not the immediate subject of disciplinary action may request approval to take unpaid time off to participate in a rehabilitation or treatment program. Leave will be considered on a case-by-case basis, and may be granted if the employee agrees to abstain from use of the problem substance and abide by all company policies, rules and prohibitions relating to conduct in the workplace.

A complete copy of Leona Group's drug and alcohol policy is given to each new employee. Copies can be obtained by contacting human resources. Employees with questions or concerns about substance dependency or abuse are encouraged to discuss these matters with their supervisors or with human resources to receive assistance or referrals to appropriate sources in the community. Contact human resources to obtain a list of these resources.

Emergency procedures & closings

Should evacuation of a building be necessary, team members shall follow instructions for evacuation procedures as established by the work location. Team members are responsible for familiarizing themselves with all building exits.

At times, emergencies such as severe weather or power failures can disrupt operations. In extreme cases, these circumstances may require the work site to close. In the event that such an emergency occurs during non-working hours, team members will be notified by the work site's established emergency notification procedure.

Personnel are expected to report to work unless otherwise notified. Employees who are unable to report to work due to emergency conditions may opt to use vacation time, if available, if they miss a full day of work as a result. If a school must close due to emergency conditions, a day will be added to the school calendar or to professional development for exempt personnel, as needed, at the conclusion of the school year. Non-exempt workers may choose to take an unpaid day or may elect to use a vacation day if eligible for that benefit.

Searches & investigations

From time to time, situations may arise that require investigation, such as theft or substance abuse. If management asks, you are required to cooperate fully with any investigation being conducted in the workplace and to submit to a search in conjunction with the investigation. Searches may include any vehicle or container of any sort brought onto or into any company work location, including such items as a purse, briefcase, coat or package. In addition, all property and equipment supplied by the organization is subject to search, such as offices, desks, file cabinets and lockers.

Notice regarding terms & conditions of employment

An employee is encouraged to communicate with Leona Group whenever the employee believes working conditions may become intolerable to the employee and may cause the employee to resign. Under section 23-1502, Arizona Revised Statutes, an employee is usually required to notify an appropriate representative of Leona Group in writing that a working condition exists that the employee believes is intolerable, that will compel the employee to resign or that constitutes a constructive discharge, if the employee wants to preserve the right to bring a claim against the employer alleging that the working condition forced the employee to resign.

Under the law, an employee may be required to wait for 15 calendar days after providing written notice before the employee may resign if the employee desires to preserve the right to bring a constructive discharge claim against the employer. An employee may be entitled to paid or unpaid leave of absence up to 15 calendar days while waiting for the employer to respond to the employee's written communication about the employee's working condition.



Information specific to school personnel

Responsibilities of school personnel

Team members in our schools, because of their proximity to students, have heightened responsibilities to minimize risk to our students. It is Leona Group's intent to minimize that risk and we have thus established the following minimal standards of conduct for each employee:

- Team members shall maintain a standard of care for supervision, control and protection of students commensurate with the team member's assigned duties and responsibilities. All team members are expected to apply the highest standards of professional practice in the fulfillment of their duties.
- Team members shall not send students on any errands outside the school property and shall never send a student on a personal errand.
- Team members shall not transport students in a private vehicle without the advance written approval of the school leader and student's legal guardian.
- A student shall not be required to perform work or services, or engage in any activity that may be detrimental to his/her health.
- Team members shall not associate with students in a manner which gives the appearance of impropriety, including, but not limited to, the creation of or participation in any situation or activity which could be considered overly personal, abusive, sexually suggestive or involving alcohol, tobacco, drugs or illegal substances.
- If a student comes to a team member to seek advice or to ask questions regarding a personal matter related to sexual behavior, substance abuse, mental or physical health, and/or family relationships, the team member may help the student make contact with certified or licensed individuals in the school or community who specialize in the assessment, diagnosis and treatment of the student's problem. Under no circumstances may a team member attempt, unless properly licensed and authorized to do so, to counsel, assess, diagnose or treat the student's problem.
- Team members who, through conversations and/or observations, suspect sexual/physical abuse of students are required to report the situation directly to the school leader. Many

school-based personnel are considered, by law, to be “mandatory reporters” of child abuse or neglect. If you are unsure whether this standard applies in your location, seek guidance from your school leader.

- All staff members are strictly prohibited from utilizing corporal punishment, inappropriate restraint, or excessive physical force with students. In some locations, staff members are prohibited by law from such conduct. Regardless of local law or regulation, such practices are always inconsistent with Leona Group’s standards and expectations.

Board-staff communications

Only the school leader and corporate management staff are authorized to speak to any governing board on Leona Group’s behalf, and all official communication with any governing board must be conducted through them.

While teachers and other company personnel are free to speak with academy board members, they do so as individuals and not as official representatives of Leona Group or the academy. Additionally, it is our expectation that if any employees have issues of concern, those issues will be brought to the attention of the school leader or Leona Group management for resolution before being discussed with the members of the governing board.

Acts of generosity

Individual gifts from team members to students are strongly discouraged. It is suggested that team members who wish to give a gift do so as a gift to the classroom. For example, library books, scholarship funds or other educational resources for the class.

Team members should not accept gifts from students, parents or members of the community that could be perceived as being given for the purpose of influencing judgment.

Drug screening & physical exams

As a condition of employment, Leona Group requires all school personnel, after the job offer but prior to beginning work, to undergo a drug screen. A positive drug screen will result in the withdrawal of any employment offer and the applicant may not begin work with the company.

Some personnel, as required by state law, may also be required to undergo a tuberculosis (TB) test. Employees who undergo a TB test must return to the test facility within two days to have the TB test read. If an employee fails to have the TB test read within two days, the employee will be responsible for obtaining a second TB test at the employee’s own expense.

Criminal background & unprofessional conduct check

As a condition of employment, and as required by law, Leona Group conducts employee criminal background and unprofessional conduct checks on all school personnel. A copy of the report is kept at the corporate office.

Criminal convictions or acts of unprofessional conduct may result in the withdrawal of the employment offer or termination of employment.

By signing the Handbook Acknowledgement, the employee gives Leona Group the explicit authority to contact any appropriate law enforcement officers or agencies to be informed of any arrests that may occur during the course

of employment. Additionally, Leona Group or its agent is authorized to request from any person or former employer any records or information that may be relevant to employment with Leona Group.

Employees in Arizona who are required to have a valid fingerprint clearance card issued by the Department of Public Safety must ensure that their cards remain valid. Should any employee's card expire, that employee may be placed on an unpaid leave of absence until the card is renewed.

Criminal charges/arraignments

Employees are required to notify Leona Group in the event they are charged with, or arraigned for any felony, or any crime for which a conviction would require registration as a sex offender. For employees in the state of Michigan, this notification is required by law. Michigan employees must also notify the State Department of Education in such instances. Employees in Michigan who fail to report such an event within three days of the arraignment or arrest may be charged with an additional crime. Failure to report may also result in termination of employment. All employees, regardless of the state in which they work, are urged to notify their school leader immediately of being arraigned for or charged with any crime. All reported information will be handled with the utmost confidentiality.

Blood-borne pathogens

Leona Group seeks to protect those employees who are likely to be exposed to blood-borne pathogens and other potentially infectious materials in the performance of their assigned duties.

The school leader shall notify corporate management of those categories of employees whose duties create a reasonable anticipation of exposure to blood and other infectious materials. The school leader will then ensure proper training of those employees identified as possibly coming in contact with infectious materials.

Leona Group will provide for the inoculation of the Hepatitis B vaccine to employees in accordance with federally mandated scheduling, at no cost to the employee.

The school leader will be responsible for reporting all possible exposures to potentially infectious materials to Leona Group.

Health department

Leona Group advocates close working relationships with state and local health departments in all matters of health programs in the school. Team members shall safeguard the health of students in the school by supplementing and reinforcing the efforts of the home, and by providing conditions and educational opportunities conducive to good health.

Freedom of speech in non-instructional settings

Leona Group acknowledges the right of its employees, as citizens in a democratic society, to speak out on issues of public concern. When those issues are related to the school or to Leona Group, however, the employees' expression must be balanced with the interests of the school and the company.

Leona Group has adopted the following guidelines to help clarify and, therefore, avoid situations in which an

employee's expression could conflict with the school's interests. In such situations, employees should:

- state clearly that their expression represents personal views and not necessarily those of the school, Leona Group, its members, officers or directors;
- refrain from communication that does or may interfere with a safe and orderly educational workplace environment;
- not make threats or use abusive or defamatory comments about co-workers, administrators, members, officers, directors or officials of the school or Leona Group; and
- refrain from making public expressions which they know to be false or which are made without regard for truth or accuracy with reference to Leona Group, the school, co-workers, officials of the school community or its stakeholders; and
- if contacted by the news media with questions about Leona Group operations or management topics, employees should direct that person to Leona Group's communications department or the school leader as a first point of contact.

A final word

We hope this handbook has helped you become acquainted with The Leona Group and various aspects of your employment. Please keep it handy as a reference for the future, and don't hesitate to contact your supervisor if you have any questions.

*You are an important member of the team.
Again, welcome aboard!*





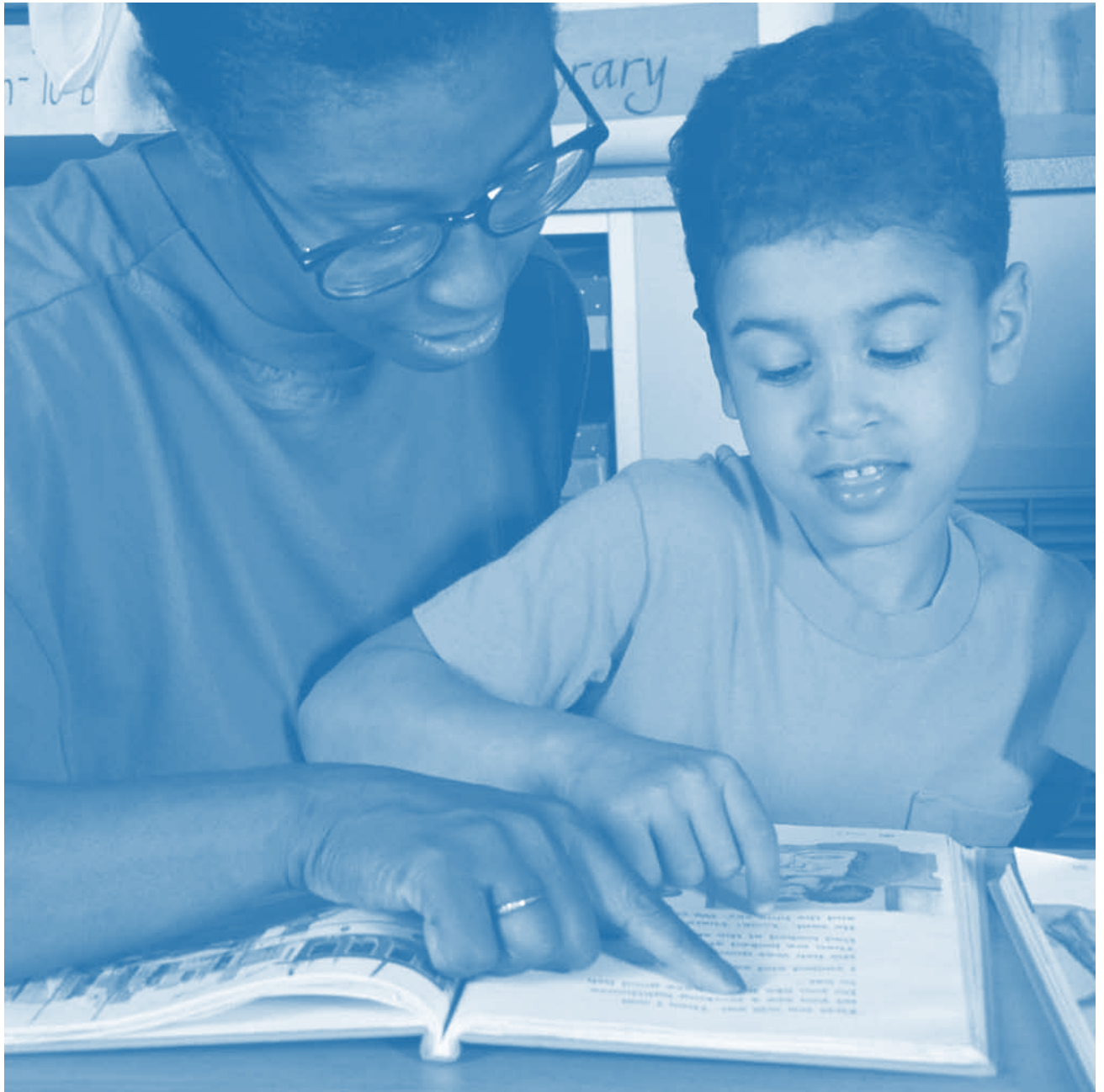
Exceptions & appeals

Any exceptions to the policies and procedures expressed in this manual require the written authorization of the CEO or his designee.

In any event where an appeal may be necessary, a team member should first notify his or her immediate supervisor in writing as to the specific appeal or exception requested. The immediate supervisor shall review the appeal/request and respond to the employee.

If the team member wishes to appeal the immediate supervisor's decision, the employee must provide a request in writing to the CEO detailing the policy and procedure for which an exception or change is requested, the reasons for the request, the immediate supervisor's decision, and additional support or reasons why the CEO should grant the request. Such requests should be submitted within 48 hours of the team member's receipt of the immediate supervisor's decision, and should be sent to human resources for delivery to the CEO.

The existence of this exception/appeal procedure is not a representation or guarantee that the employee will achieve the desired decision.



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Acknowledgement

My signature below indicates that I have received a copy of the Leona Group Employee Handbook. Leona Group will be referred to as “the company” or “Leona” or “Leona Group” throughout this handbook. I understand that the handbook contains information regarding the company’s rules, policies, procedures and benefits that affect me as an employee. I will read and retain it for future reference.

I also understand that the company may substantially revise, supplement or rescind any of the rules, policies, procedures or benefits described in the handbook, with or out without notice, and that my continued employment thereafter shall constitute consideration for any such change. The handbook is not intended to, nor does it constitute a contract of employment. I agree to an “at will” employment relationship, which can be terminated at any time for any reason, with or without cause, with or without notice, and without procedural formality or progressive discipline, unless I have a contract of employment in writing signed by the CEO.

I agree to read this handbook, become familiar with its contents, adhere to the rules, policies, and procedures contained within the handbook and keep it updated, and will not deviate from the handbook rules, policies or procedures unless I receive written permission to do so signed by the CEO.

Team member’s signature

Date

Printed name

Work location



The handbook acknowledgement form on
the reverse of this page must be completed,
removed and submitted to The Leona Group
human resources department.

