

Fletcher Academy, Inc.
General Employee Handbook

Fletcher Academy, Inc.

Fletcher Academy, Inc. General Employee Handbook

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020 WELCOME

Welcome new employee!

On behalf of your colleagues, I welcome you to Fletcher Academy, Inc. and wish you every success here.

We believe that each employee contributes directly to Fletcher Academy, Inc.'s growth and success, and we hope you will take pride in being a member of our team. Fletcher is a service organization and its employees are to strive to deliver Fletcher's services in the context of Christian values.

This handbook was developed to outline some of the expectations of our employees and to outline the policies and programs, as well as benefits available to eligible employees. Employees should familiarize themselves with the contents of the employee handbook as soon as possible, for it will answer many questions about employment with Fletcher Academy, Inc.

Should you have any questions about your employment, contact your supervisor.

We hope that your experience here will be challenging, enjoyable, and rewarding. Again, welcome!

Sincerely,

Dale E. Twomley, Ph.D.
President & CEO, Fletcher Academy, Inc.

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040 INTRODUCTORY STATEMENT

This handbook is designed to acquaint you with Fletcher Academy, Inc. and provide you with information about working conditions, employee benefits, and some of the policies affecting your employment. You should read, understand, and comply with all provisions of the handbook. It describes many of your responsibilities as an employee and outlines the programs developed by Fletcher Academy, Inc. to benefit employees. One of our objectives is to provide a work environment that is conducive to both personal and professional growth.

No employee handbook can anticipate every circumstance or question about policy. As Fletcher Academy, Inc. continues to grow, the need may arise and Fletcher Academy, Inc. reserves the right to revise, supplement, or rescind any policies or portion of the handbook from time to time as it deems appropriate, at its sole and absolute discretion. Employees will, of course, be notified of such changes to the handbook as they occur.

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051 EMPLOYEE ACKNOWLEDGEMENT FORM

The employee handbook describes important information about Fletcher Academy, Inc., and I understand that I should consult the Department Manager regarding any questions not answered in the handbook.

I have entered into my employment relationship with Fletcher Academy, Inc. voluntarily and acknowledge that there is no specified length of employment. Accordingly, either I or Fletcher Academy, Inc. can terminate the relationship at will, with or without cause, at any time, so long as there is no violation of applicable federal or state law.

Since the information, policies, and benefits described here are necessarily subject to change, I acknowledge that revisions to the handbook may occur, except to Fletcher Academy, Inc.'s policy of employment-at-will. All such changes will be communicated through official notices, and I understand that revised information may supersede, modify, or eliminate existing policies. Only the chief executive officer of Fletcher Academy, Inc. has the ability to adopt any revisions to the policies in this handbook.

Furthermore, I acknowledge that this handbook is neither a contract of employment nor a legal document. I have received the handbook, and I understand that it is my responsibility to read and comply with the policies contained in this handbook and any revisions made to it.

EMPLOYEE'S NAME (printed): _____

EMPLOYEE'S SIGNATURE: _____

DATE: _____

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060 CUSTOMER RELATIONS

Customers are among our organization's most valuable assets. Every employee represents Fletcher Academy, Inc. to our customers and the public. The way we perform our jobs presents an image of our entire organization. Customers judge all of us by how they are treated with each employee contact. Therefore, one of our first business priorities is to assist any customer or potential customer. Nothing is more important than being courteous, friendly, helpful, and prompt in the attention you give to customers.

Our personal contact with the public, our manners on the telephone, and the communications we send to customers are a reflection not only of ourselves, but also of the professionalism of Fletcher Academy, Inc. Positive customer relations not only enhance the public's perception or image of Fletcher Academy, Inc., but also pay off in greater customer loyalty and increased sales and profit.

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101 Nature of Employment

Effective Date: 3/20/2006

Revision Date:

This handbook is intended to provide employees with a general understanding of our personnel policies. Employees are encouraged to familiarize themselves with the contents of this handbook, for it will answer many common questions concerning employment with Fletcher Academy, Inc..

However, this handbook cannot anticipate every situation or answer every question about employment. It is not an employment contract and is not intended to create contractual obligations of any kind. Neither the employee nor Fletcher Academy, Inc. is bound to continue the employment relationship if either chooses, at its will, to end the relationship at any time.

In order to retain necessary flexibility in the administration of policies and procedures, Fletcher Academy, Inc. reserves the right to change, revise, or eliminate any of the policies and/or benefits described in this handbook, except for its policy of employment-at-will. The only recognized deviations from the stated policies are those authorized and signed by the chief executive officer of Fletcher Academy, Inc..

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102 Employee Relations

Effective Date: 3/20/2006

Revision Date: 11/01/2008

Fletcher Academy, Inc. believes that the work conditions, wages, and benefits it offers to its employees are competitive with those offered by other employers in this type of organization. If employees have concerns about work conditions or compensation, they are strongly encouraged to voice these concerns openly and directly to their supervisors.

When employees communicate openly and directly with supervisors, it creates a better work environment, open communication allows the supervisor the opportunity to respond to concerns or suggestions with are shared. We believe that Fletcher Academy, Inc. amply demonstrates its commitment to employees by responding effectively to employee concerns.

In an effort to protect and maintain direct employer/employee communications, we will resist the organization of labor, within applicable legal limits, and protect the right of employees to speak for themselves.

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103 Equal Employment Opportunity

Effective Date: 3/20/2006

Revision Date:

In order to provide equal employment and advancement opportunities to all individuals, employment decisions at Fletcher Academy, Inc. will be based on merit, qualifications, and abilities. Fletcher Academy, Inc. seeks qualified applicants for its workers who are sincere members of the Seventh-day Adventist church so as to continue its mission of Christian education in doctrine and philosophy. Fletcher Academy, Inc. does not discriminate in employment opportunities or practices on the basis of race, color, religion, sex, national origin, age, disability, or any other characteristic protected by law to the extent to protect Fletcher's ability to provide its religious instruction, instruction in the teaching of the Seventh-day Adventist Church, its doctrine, standards, values and mission. For that reason there is a qualification that restricts hiring options.

Fletcher Academy, Inc. will make reasonable accommodations for qualified individuals with known disabilities unless doing so would result in an undue hardship. This policy governs all aspects of employment, including selection, job assignment, compensation, discipline, termination, and access to benefits and training.

Any employees with questions or concerns about any type of discrimination in the workplace are encouraged to bring these issues to the attention of their immediate supervisor or the Personnel Department. Employees can raise concerns and make reports without fear of reprisal. Anyone found to be engaging in any type of unlawful discrimination will be subject to disciplinary action, up to and including termination of employment.

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104 Business Ethics and Conduct

Effective Date: 3/20/2006

Revision Date:

The successful business operation and reputation of Fletcher Academy, Inc. is built upon the principles of fair dealing and ethical conduct of our employees. Our reputation for integrity and excellence requires careful observance of the spirit and letter of all applicable laws and regulations, as well as a scrupulous regard for the highest standards of conduct and personal integrity.

The continued success of Fletcher Academy, Inc. is dependent upon our customers' trust and we are dedicated to preserving that trust. Employees owe a duty to Fletcher Academy, Inc., its customers, and constituents to act in a way that will merit the continued trust and confidence of the public.

Fletcher Academy, Inc. will comply with all applicable laws and regulations and expects its directors, officers, and employees to conduct business in accordance with the letter, spirit, and intent of all relevant laws and to refrain from any illegal, dishonest, or unethical conduct.

In general, the use of good judgment, based on high ethical principles, will guide you with respect to lines of acceptable conduct. If a situation arises where it is difficult to determine the proper course of action, the matter should be discussed openly with your immediate supervisor and, if necessary, with the Personnel Department for advice and consultation.

Compliance with this policy of business ethics and conduct is the responsibility of every Fletcher Academy, Inc. employee. Disregarding or failing to comply with this standard of business ethics and conduct could lead to disciplinary action, up to and including possible termination of employment.

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105 Hiring of Relatives

Effective Date: 3/20/2006

Revision Date:

The employment of relatives in the same area of an organization may cause serious conflicts and problems with favoritism and employee morale. In addition to claims of partiality in treatment at work, personal conflicts from outside the work environment can be carried over into day-to-day working relationships.

For purposes of this policy, a relative is any person who is related by blood or marriage, or whose relationship with the employee is similar to that of persons who are related by blood or marriage. This policy applies to all employees without regard to the gender or sexual orientation of the individuals involved.

Although Fletcher Academy, Inc. has no prohibition against employing relatives of current employees with current employees, we are committed to monitoring situations in which such relationships exist in the same area. In case of actual or potential problems, Fletcher Academy, Inc. will take prompt action. This can include reassignment or, if necessary, termination of employment for one or both of the individuals involved. Employees in a close personal relationship should refrain from public workplace displays of affection or excessive personal conversation.

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107 Immigration Law Compliance

Effective Date: 3/20/2006

Revision Date:

Fletcher Academy, Inc. is committed to employing only United States citizens and aliens who are authorized to work in the United States and does not unlawfully discriminate on the basis of citizenship or national origin. Fletcher holds that cultural background diversity enhances the educational process.

In compliance with the Immigration Reform and Control Act of 1986, each new employee, as a condition of employment, must complete the Employment Eligibility Verification Form I-9 and present documentation establishing identity and employment eligibility. Former employees who are rehired must also complete the form if they have not completed an I-9 with Fletcher Academy, Inc. within the past three years, or if their previous I-9 is no longer retained or valid.

Employees with questions or seeking more information on immigration law issues are encouraged to contact the Personnel Manager. Employees may raise questions or complaints about immigration law compliance without fear of reprisal.

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110 Outside Employment

Effective Date: 3/20/2006

Revision Date:

Employees may hold outside jobs as long as they meet the performance standards of their job with Fletcher Academy, Inc.. All employees will be judged by the same performance standards and will be subject to Fletcher Academy, Inc.'s scheduling demands, regardless of any existing outside work requirements.

Property, including but not limited to: land and buildings owned or controlled by Fletcher, powered vehicles and equipment, and hand equipment are not to be used as a means to generate personal income without proper authorization from appropriate department management. Should permission be granted, it shall not be for continued periods of time, only for the occasional request.

If Fletcher Academy, Inc. determines that an employee's outside work interferes with performance or the ability to meet the requirements of Fletcher Academy, Inc. as they are modified from time to time, the employee may be asked to terminate the outside employment if he or she wishes to remain with Fletcher Academy, Inc.

Outside employment that constitutes a conflict of interest is prohibited. Employees may not receive any income or material gain from individuals outside Fletcher Academy, Inc. for materials produced or services rendered while performing their jobs.

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114 Disability Accommodation

Effective Date: 3/20/2006

Revision Date:

Fletcher Academy, Inc. is committed to complying fully with the Americans with Disabilities Act (ADA) and ensuring equal opportunity in employment for qualified persons with disabilities. All employment practices and activities are conducted on a non-discriminatory basis.

Hiring procedures have been reviewed and provide persons with disabilities meaningful employment opportunities. Pre-employment inquiries are made only regarding an applicant's ability to perform the duties of the position.

Post-offer medical examinations are required only for those positions in which there is a bona fide job-related physical requirement. They are given to all persons entering the position only after conditional job offers. Medical records will be kept separate and confidential.

Reasonable accommodation is available to all disabled employees, where their disability affects the performance of job functions. All employment decisions are based on the merits of the situation in accordance with defined criteria, not the disability of the individual.

Qualified individuals with disabilities are entitled to equal pay and other forms of compensation (or changes in compensation) as well as in job assignments, classifications, organizational structures, position descriptions, lines of progression, and seniority lists. Leave of all types will be available to all employees on an equal basis.

Fletcher Academy, Inc. is also committed to not discriminating against any qualified employees or applicants because they are related to or associated with a person with a disability. Fletcher Academy, Inc. will follow any state or local law that provides individuals with disabilities greater protection than the ADA.

This policy is neither exhaustive nor exclusive. Fletcher Academy, Inc. is committed to taking all other actions necessary to ensure equal employment opportunity for persons with disabilities in accordance with the ADA and all other applicable federal, state, and local laws.

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201 Employment Categories

Effective Date: 3/20/2006

Revision Date: 11/01/2008

It is the intent of Fletcher Academy, Inc. to clarify the definitions of employment classifications so that employees understand their employment status and benefit eligibility.

Each employee is designated as either NONEXEMPT or EXEMPT from federal and state wage and hour laws. NONEXEMPT employees are entitled to overtime pay under the specific provisions of federal and state laws. EXEMPT employees are excluded from specific provisions of federal and state wage and hour laws. An employee's EXEMPT or NONEXEMPT classification may be changed only upon written notification by Fletcher Academy, Inc. management.

In addition to the above categories, each employee will belong to one other employment category:

REGULAR FULL-TIME employees are those who are not in a temporary or introductory status and who are regularly scheduled to work Fletcher Academy, Inc.'s full-time schedule. The full-time schedule will be defined by each department and may require work attendance 7 days per week. Full-time is generally defined as working more than 38 hours per week. Regular Full-Time workers are eligible for Fletcher Academy, Inc.'s benefit package, subject to the terms, conditions, and limitations of each benefit program. Employees working a full time 10 month schedule for our educational departments are considered Regular Full-Time workers and are eligible for all benefits except PTO and Long Term Sick Leave as defined in 315 and 307. Please see 303 for a special benefit to educational employees working a full-time 10 month program.

REGULAR PART-TIME employees are those who are not assigned to a temporary or introductory status and who are regularly scheduled to work less than the full-time work schedule, but at least 20 hours per week. Regular part-time employees are eligible for certain benefits sponsored by Fletcher Academy, Inc., subject to the terms, conditions, and limitations of each benefit program. Please see the benefit description for determining eligibility.

PART-TIME employees are those who are not assigned to a temporary or introductory status and who are regularly scheduled to work less than 20 hours per week. While they do receive all legally mandated benefits (such as Social Security and workers' compensation insurance), they are ineligible for all of Fletcher Academy, Inc.'s other benefit programs. Students who work for the organization in the Work Study program are considered Part-Time employees and are ineligible for benefits.

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TEMPORARY employees are those who are hired as interim replacements, to temporarily supplement the work force, or to assist in the completion of a specific project. While Temporary employees may work a full-time schedule, employment assignments in this category are of a limited duration. Employment beyond any initially stated period does not in any way imply a change in employment status. Temporary employees retain that status unless and until notified of a change. While temporary employees receive all legally mandated benefits (such as workers' compensation insurance and Social Security), they are ineligible for all of Fletcher Academy, Inc.'s other benefit programs.

PER DIEM employees are those who routinely work either a full-time or a part-time schedule and who accept additional compensation in lieu of participation in all but legally mandated benefit programs. Fletcher Academy, Inc. offers this category in limited classifications and to limited numbers of employees. Individuals participating in this program must sign waivers of their rights to participate in the benefit programs applicable to regular employees. Service in this category cannot be credited in any way toward any benefit program, even if the employee is later assigned to a benefit-eligible category. A change to or from this category can be accomplished only with the written consent of Fletcher Academy, Inc..

CASUAL employees are those who have established an employment relationship with Fletcher Academy, Inc. but who are assigned to work on an intermittent and/or unpredictable basis. While they receive all legally mandated benefits (such as workers' compensation insurance and Social Security), they are ineligible for all of Fletcher Academy, Inc.'s other benefit programs.

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202 Access to Personnel Files

Effective Date: 3/20/2006

Revision Date: 11/01/2008

Fletcher Academy, Inc. maintains a personnel file on each employee in the human resources department. The personnel file includes such information as the employee's job application, resume, records of training, documentation of performance appraisals and salary increases, and other employment records. Some departments may have an additional file on location that is to be sent to human resources upon the employee exit.

Personnel files are the property of Fletcher Academy, Inc., and access to the information they contain is restricted. Generally, only supervisors and management personnel of Fletcher Academy, Inc. who have a legitimate reason to review information in a file are allowed to do so.

Employees who wish to review their own file should contact the Personnel Department. With reasonable advance notice, employees may review their own personnel files in Fletcher Academy, Inc.'s offices and in the presence of an individual appointed by Fletcher Academy, Inc. to maintain the files.

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203 Employment Reference Checks

Effective Date: 3/20/2006

Revision Date: 11/01/2008

To ensure that individuals who join Fletcher Academy, Inc. are well qualified and have a strong potential to be productive and successful, it is the policy of Fletcher Academy, Inc. to check the employment references of all applicants.

The Personnel Department will respond to all reference check inquiries from other employers. Responses to such inquiries will be limited to factual information that can be substantiated by Fletcher Academy, Inc.'s records.

In addition to reference checks, background checks with law enforcement will also be performed to ensure the protection of the students who attend our schools. The departmental director seeking to hire a new individual must show these checks have been performed before hiring is confirmed.

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204 Personnel Data Changes

Effective Date: 3/20/2006

Revision Date:

It is the responsibility of each employee to promptly notify Fletcher Academy, Inc. of any changes in personnel data. Personal mailing addresses, telephone numbers, number and names of dependents, individuals to be contacted in the event of an emergency, educational accomplishments, and other such status reports should be accurate and current at all times. If any personnel data has changed, notify the Personnel Manager.

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205 Introductory Period

Effective Date: 3/20/2006

Revision Date:

The introductory period is intended to give new employees the opportunity to demonstrate their ability to achieve a satisfactory level of performance and to determine whether the new position meets their expectations. Fletcher Academy, Inc. uses this period to evaluate employee capabilities, work habits, and overall performance. Either the employee or Fletcher Academy, Inc. may end the employment relationship at will at any time during or after the introductory period, with or without cause or advance notice.

All new and rehired employees work on an introductory basis for the first 90 calendar days after their date of hire. Employees who are promoted or transferred within Fletcher Academy, Inc. must complete a secondary introductory period of the same length with each reassignment to a new position. Any significant absence will automatically extend an introductory period by the length of the absence. If Fletcher Academy, Inc. determines that the designated introductory period does not allow sufficient time to thoroughly evaluate the employee's performance, the introductory period may be extended for a specified period.

In cases of promotions or transfers within Fletcher Academy, Inc., an employee who, in the sole judgment of management, is not successful in the new position can be removed from that position at any time during the secondary introductory period. If this occurs, the employee may be allowed to return to his or her former job or to a comparable job for which the employee is qualified, depending on the availability of such positions and Fletcher Academy, Inc.'s needs.

Upon satisfactory completion of the initial introductory period, employees enter the "regular" employment classification.

Employment status is not changed during the secondary introductory period that results from a promotion or transfer within Fletcher Academy, Inc..

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208 Employment Applications

Effective Date: 3/20/2006

Revision Date:

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

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209 Performance Evaluation

Effective Date: 3/20/2006

Revision Date: 11/01/2008

Supervisors and employees are strongly encouraged to discuss job performance and goals on an informal, day-to-day basis. Formal performance evaluations are conducted at the end of an employee's initial period in any new position. This period, known as the introductory period, allows the supervisor and the employee to discuss the job responsibilities, standards, and performance requirements of the new position. Additional formal performance evaluations are conducted to provide both supervisors and employees the opportunity to discuss job tasks, identify and correct weaknesses, encourage and recognize strengths, and discuss positive, purposeful approaches for meeting goals.

Performance evaluations are scheduled approximately every 12 months, coinciding generally with the anniversary of the employee's original date of hire. Departmental managers are required to evaluate those under their supervision. A standard evaluation form will be used as provided by the human resources department.

When budgetary constraints allow, merit based pay adjustments are awarded by Fletcher Academy, Inc. in an effort to recognize truly superior employee performance. The decision to award such an adjustment is dependent upon numerous factors, including the information documented by this formal performance evaluation process, as well as employee ability, years of service, or specific achievements.

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301 Employee Benefits

Effective Date: 3/20/2006

Revision Date: 11/01/2008

Eligible employees at Fletcher Academy, Inc. are provided a wide range of benefits. A number of the programs (such as Social Security, workers' compensation, state disability, and unemployment insurance) cover all employees in the manner prescribed by law.

Benefits eligibility is dependent upon a variety of factors, including employee classification. Your supervisor can identify the programs for which you are eligible. Details of many of these programs can be found elsewhere in the employee handbook.

The following benefit programs are available to eligible employees:

- * 403(b) Savings Plan
- * Bereavement Leave
- * Dental Insurance
- * Employee Discounts
- * Jury Duty Leave
- * Life Insurance
- * Medical Insurance
- * Paid Time Off (PTO)
- * Long Term Sick Leave Benefits
- * Long Term disability Insurance
- * Vision (limited benefit)

Some benefit programs such as supplemental insurance require contributions from the employee, but most are fully paid by Fletcher Academy, Inc..

Educational Discount:

- Beginning July 1, 2009, Regular full-time employees, with children attending CG or FA, will be eligible for a 35% discount on their tuition.

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303 Vacation Benefits

Effective Date: 3/20/2006

Revision Date:

Vacation time off is a part of the Paid Time Off policy. For details see policy #315. All Regular Full-Time Employees except those educational employees working a 10 month full-time program receive the PTO benefit.

Educational employees who work a full-time 10 month program are not eligible for PTO benefits because, after consultation with the principal, they may request time off when school is not in session.

Ten month Educational employees may find it necessary to be absent from work due to illness, or other personal reasons. These employees will be granted 5 personal days per year for this purpose. These 5 days do not accrue as a benefit and are not payable upon exit, nor do they carry over from one year to another. As far as possible, arrangements should be made with the principal in advance of taking this personal time off. These personal days may not be taken immediately preceding or following a holiday.

Absences of this nature will require the use of a substitute teacher, the cost of which will be the responsibility of the employee requesting absence.

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306 Workers' Compensation Insurance

Effective Date: 3/20/2006

Revision Date: 11/01/2008

Fletcher Academy, Inc. provides a comprehensive workers' compensation insurance program at no cost to employees. This program covers any injury or illness due to an accident sustained in the course of employment that requires medical, surgical, or hospital treatment. Subject to applicable legal requirements, workers' compensation insurance provides benefits after a short waiting period or, if the employee is hospitalized, immediately.

Employees who sustain work-related injuries or illnesses should inform their supervisor immediately. No matter how minor an on-the-job injury may appear, it is important that it be reported immediately. The departmental manager is responsible for making the report. This will enable an eligible employee to qualify for coverage as quickly as possible. Failure to report immediately such injury could result in no coverage by the insurance.

Employees who receive workers compensation benefits will not be paid by Fletcher Academy, Inc. while receiving these benefits unless the employee is eligible for the Long Term Sick Leave benefit.

Neither Fletcher Academy, Inc. nor the insurance carrier will be liable for the payment of workers' compensation benefits for injuries that occur during an employee's voluntary participation in any off-duty recreational, social, or athletic activity sponsored by Fletcher Academy, Inc..

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307 Long Term Sick Leave Benefits

Effective Date: 3/20/2006

Revision Date: 11/01/2008

Fletcher Academy, Inc. provides paid long term sick leave benefits to all eligible employees for a period of temporary absence due to major illnesses or injuries. Eligible employee classification(s):

* Regular full-time employees except educational employees working a 10 month full time program.

Eligible employees will accrue long term sick leave benefits at the rate of 6 days per year (.50 of a day for every full month of service). Sick leave benefits are calculated on the basis of a "benefit year," the 12-month period that begins when the employee starts to earn long term sick leave benefits.

Paid long term sick leave can be used in minimum increments of one day. An eligible employee may only use long term sick leave benefits for an absence due to his or her own illness or injury. Should an employee need to take leave under the *Family Medical Leave Act* for a family illness in accordance with the Act, then in this case, the Long Term Sick Leave bank may be used.

If an employee is absent for five or more consecutive days due to illness or injury, a physician's statement must be provided verifying the disability and its beginning and expected ending dates. Such verification may be requested for other sick leave absences as well and may be required as a condition to receiving long term sick leave benefits.

Before returning to work from a sick leave absence of 5 calendar days or more, an employee must provide a physician's verification that he or she may safely return to work.

Long Term Sick leave benefits will be calculated based on the employee's base pay rate at the time of absence and will not include any special forms of compensation, such as incentives, commissions, bonuses, or shift differentials.

Unused long term sick leave benefits will be allowed to accumulate until the employee has accrued a total of 180 calendar days worth of sick leave benefits. If the employee's benefits reach this maximum, further accrual of long term sick leave benefits will be suspended until the employee has reduced the balance below the limit.

Long Term Sick leave may be used after five consecutive days of illness. Long Term Sick leave benefits are intended solely to provide income protection in the event of illness or injury, and may not be used for any other absence. Unused long term sick leave benefits will not be paid to employees while they are employed or upon termination of employment.

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309 Bereavement Leave

Effective Date: 3/20/2006

Revision Date:

Employees who wish to take time off due to the death of an immediate family member should notify their supervisor immediately. The employee may be asked to assist with arrangements for job details during the absence.

Up to 3 days of paid bereavement leave will be provided to eligible employees in the following classification(s):

- * Regular full-time employees
- * Regular part-time employees

Exceptions may be considered for the length of time away in the case of extenuating situations, such as excessive travel, catastrophic circumstances, or other unusual consideration.

Bereavement leave will normally be granted unless there are unusual business needs or staffing requirements. Employees may, with their supervisors' approval, use any available paid leave for additional time off as necessary. Educational staff must also provide for a substitute in their absence.

Fletcher Academy, Inc. defines "immediate family" as the employee's spouse, parent, child, sibling; the employee's spouse's parent, child, or sibling; the employee's child's spouse; grandparents or grandchildren. Special consideration will also be given to any other person whose association with the employees was similar to any of the above relationships.

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311 Jury Duty

Effective Date: 3/20/2006

Revision Date:

Fletcher Academy, Inc. encourages employees to fulfill their civic responsibilities by serving jury duty when required. Employees in an eligible classification may request up to 1 week of paid jury duty leave over any 1 year period.

Jury duty pay will be calculated on the employee's base pay rate times the number of hours the employee would otherwise have worked on the day of absence. Employee classifications that qualify for paid jury duty leave are:

- * Regular full-time employees
- * Regular part-time employees

If employees are required to serve jury duty beyond the period of paid jury duty leave, they may use any available paid time off (for example, vacation benefits) or may request an unpaid jury duty leave of absence.

Employees must show the jury duty summons to their supervisor as soon as possible so that the supervisor may make arrangements to accommodate their absence. Of course, employees are expected to report for work whenever the court schedule permits, even the partial days that the court does not require them to be in session.

Either Fletcher Academy, Inc. or the employee may request an excuse from jury duty if, in Fletcher Academy, Inc.'s judgment, the employee's absence would create serious operational difficulties.

Fletcher will continue to provide health insurance benefits for full term of the jury duty absence.

Benefit accruals such as vacation, sick leave, or holiday benefits will be suspended during unpaid jury duty leave and will resume upon return to active employment.

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313 Benefits Continuation (COBRA)

Effective Date: 3/20/2006

Revision Date:

The federal Consolidated Omnibus Budget Reconciliation Act (COBRA) gives employees and their qualified beneficiaries the opportunity to continue health insurance coverage under Fletcher Academy, Inc.'s health plan when a "qualifying event" would normally result in the loss of eligibility. Some common qualifying events are resignation, termination of employment, or death of an employee; a reduction in an employee's hours or a leave of absence; an employee's divorce or legal separation; and a dependent child no longer meeting eligibility requirements.

Under COBRA, the employee or beneficiary pays the full cost of coverage at Fletcher Academy, Inc.'s group rates plus an administration fee. Fletcher Academy, Inc. provides each eligible employee with a written notice describing rights granted under COBRA when the employee becomes eligible for coverage under Fletcher Academy, Inc.'s health insurance plan. The notice contains important information about the employee's rights and obligations.

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315 Paid Time Off (PTO)

Effective Date: 3/22/2006

Revision Date: 11/01/2008

Paid Time Off (PTO) is an all purpose time-off policy for eligible employees to use for holiday, vacation, illness or injury, and personal business. It combines traditional vacation, holiday, and sick leave plans into one flexible, paid time-off policy. Employees in the following employment classification(s) are eligible to earn and use PTO as described in this policy:

- Regular full-time employees except educational employees working a 10 month full time program.

Once employees enter an eligible employment classification, they begin to earn PTO according to the schedule below. However, before PTO can be used, a waiting period of 90 calendar days must be completed. After that time, employees can request use of earned PTO including that accrued during the waiting period.

Part-time employees do not qualify for PTO.

The amount of PTO full-time employees receive each year increases with the length of their employment as shown in the following schedule.

*Upon initial eligibility the employee is entitled to 168 PTO hours each year or 6.46 hours per pay period.

*After 4 years of eligible service the employee is entitled to 184 PTO hours each year or 7.08 hours per pay period.

*After 7 years of eligible service the employee is entitled to 208 PTO hours each year or 8 hours per pay period.

The length of eligible service is calculated on the basis of a "benefit year." This is the 12-month period that begins when the employee starts to earn PTO. An employee's benefit year may be extended for any significant leave of absence except military leave of absence. Military leave has no effect on this calculation. (See individual leave of absence policies for more information.)

PTO can be used in minimum increments of one hour. PTO is personal to the employee and not transferable. Employees who have an unexpected need to be absent from work should notify their direct supervisor before the scheduled start of their workday, if possible. The direct supervisor must also be contacted on each additional day of unexpected absence.

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To schedule planned PTO, employees should request advance approval from their supervisors. Requests will be reviewed based on a number of factors, including business needs and staffing requirements.

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

As an additional condition of eligibility for PTO, an employee on an extended absence for illness or injury must apply for any other available compensation and benefits, such as workers compensation. PTO will be used to supplement any payments that an employee is eligible to receive from state disability insurance, workers compensation, etc. The combination of any such disability payments and PTO cannot exceed the employee's normal weekly earnings.

Eligible employees may accrue up to the maximum available PTO hours for their classification. Employees may not accrue hours beyond the stated maximum for their classification. If employees accrue the maximum available PTO hours, their PTO accrual stops until the employee uses enough PTO hours to bring their accrued PTO hours below the state maximum allowed.

After six months of employment, upon termination of employment, employees will be paid for unused PTO that has been earned through the last day of work. Payments will be by check in an amount not to exceed the amount equal to the current pay rate times the hours scheduled per week for the worker's classification. Payment will continue in this manner until the full balance of the accrued PTO is paid out. If the employee leaves employment, for any reason prior to six months, PTO benefits are forfeited.

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316 Health Insurance

Effective Date: 3/20/2006

Revision Date: 11/01/2008

Fletcher Academy, Inc.'s health insurance plan provides employees access to medical, dental, and vision care insurance benefits. Employees in the following employment classifications are eligible to participate in the health insurance plan:

- * Regular full-time employees

Health insurance coverage is available to dependents of the employee subject to certain requirements. These conditions and qualifications are available from the Personnel Manager in the accounting office. Some cases require that the employee pay for additional premium for the dependent coverage.

Eligible employees may participate in the health insurance plan subject to all terms and conditions of the agreement between Fletcher Academy, Inc. and the insurance carrier. Employees may be required to contribute toward the cost of the premium by payroll deduction. Insurance providers and inclusions of the health insurance policy may change from time to time because of market conditions and availability. Major changes will be communicated to the covered employees when appropriate information is made available by the provider.

A change in employment classification that would result in loss of eligibility to participate in the health insurance plan may qualify an employee for benefits continuation under the Consolidated Omnibus Budget Reconciliation Act (COBRA). Refer to the Benefits Continuation (COBRA) Policy for more information.

The health insurance plan carried by Fletcher is provided by a preferred provider group and requires the participation of the employee through certain co-pay amounts. Some situations require deductible limits. Some optional medical coverage is available and may be included by choice of the employee at additional costs by the employee.

Details of the health insurance plan are described in the Summary Plan Description (SPD). An SPD and information on cost of coverage will be provided in advance of enrollment to eligible employees. Contact the Personnel Manager for more information about health insurance benefits.

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317 Life Insurance

Effective Date: 3/20/2006

Revision Date:

Life insurance offers you and your family important financial protection. Fletcher Academy, Inc. provides a basic life insurance plan for eligible employees. Additional supplemental and/or dependent life insurance coverage may also be purchased.

Employees in the following employment classifications are eligible to participate in the life insurance plan:

- * Regular full-time employees

Eligible employees may participate in the life insurance plan subject to all terms and conditions of the agreement between Fletcher Academy, Inc. and the insurance carrier.

Details of the basic life insurance plan including benefit amounts are described in the Summary Plan Description provided to eligible employees. Contact the Personnel Manager for more information about life insurance benefits.

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401 Timekeeping

Effective Date: 3/20/2006

Revision Date: 11/01/2008

For timekeeping purposes, employees fall into one of two categories. The federal *Wage and Hour Law* governs who must keep time records and classifies employees as either Exempt or Non-exempt from the Wage and Hour law. Generally, those in supervisory or professional roles are exempt from Wage and Hour law. All other employees are not.

Accurately recording time worked is the responsibility of every nonexempt employee. Federal and state laws require Fletcher Academy, Inc. to keep an accurate record of time worked in order to calculate employee pay and benefits. Time worked is all the time actually spent on the job performing assigned duties.

Nonexempt employees should accurately record the time they begin and end their work, as well as the beginning and ending time of each meal period. They should also record the beginning and ending time of any split shift or departure from work for personal reasons. Overtime work must always be approved before it is performed.

Altering, falsifying, tampering with time records, or recording time on another employee's time record may result in disciplinary action, up to and including termination of employment.

Nonexempt employees should clock in to work no more than 3 minutes prior to their scheduled starting time nor stay more than 3 minutes after their scheduled stop time without expressed, prior authorization from their supervisor.

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403 Paydays

Effective Date: 3/20/2006

Revision Date:

All employees are paid biweekly on every other Thursday. Each paycheck will include earnings for all work performed through the end of the previous payroll period.

In the event that a regularly scheduled payday falls on a day off such as a weekend or holiday, employees will be paid on the first day of work following the regularly scheduled payday.

If a regular payday falls during an employee's vacation, the employee may receive his or her earned wages before departing for vacation if a written request is submitted at least one week prior to departing for vacation.

Employees may have pay directly deposited into their bank accounts if they provide advance written authorization to Fletcher Academy, Inc. Employees will receive an itemized statement of wages when Fletcher Academy, Inc. makes direct deposits.

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405 Employment Termination

Effective Date: 3/20/2006

Revision Date: 11/01/2008

Termination of employment is an inevitable part of personnel activity within any organization, and many of the reasons for termination are routine. Below are examples of some of the most common circumstances under which employment is terminated:

- * Resignation - voluntary employment termination initiated by an employee.
- * Discharge - involuntary employment termination initiated by the organization.
- * Layoff - involuntary employment termination initiated by the organization for non-disciplinary reasons.
- * Retirement - voluntary employment termination initiated by the employee meeting age, length of service, and any other criteria for retirement from the organization.

Fletcher Academy, Inc. will generally schedule exit interviews at the time of employment termination. The exit interview will afford an opportunity to discuss such issues as employee benefits, conversion privileges, repayment of outstanding debts to Fletcher Academy, Inc., or return of Fletcher Academy, Inc.-owned property. Suggestions, complaints, and questions can also be voiced. The exit interview will take place with the employee, the departmental manager, and a representative from Treasury and Human Resources.

Since employment with Fletcher Academy, Inc. is based on mutual consent, both the employee and Fletcher Academy, Inc. have the right to terminate employment at will, with or without cause, at any time.

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410 Pay Deductions and Setoffs

Effective Date: 3/20/2006

Revision Date:

The law requires that Fletcher Academy, Inc. make certain deductions from every employee's compensation. Among these are applicable federal, state, and local income taxes. Fletcher Academy, Inc. also must deduct Social Security taxes on each employee's earnings up to a specified limit that is called the Social Security "wage base." Fletcher Academy, Inc. matches the amount of Social Security taxes paid by each employee.

Fletcher Academy, Inc. offers programs and benefits beyond those required by law. Eligible employees may voluntarily authorize deductions from their paychecks to cover the costs of participation in these programs.

Pay setoffs are pay deductions taken by Fletcher Academy, Inc., usually to help pay off a debt or obligation to Fletcher Academy, Inc. or others.

If you have questions concerning why deductions were made from your paycheck or how they were calculated, your supervisor can assist in having your questions answered.

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502 Work Schedules

Effective Date: 3/20/2006

Revision Date:

Work schedules for employees vary throughout our organization. Supervisors will advise employees of their individual work schedules. Staffing needs and operational demands may necessitate variations in starting and ending times, as well as variations in the total hours that may be scheduled each day and week.

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504 Use of Telephones

Effective Date: 3/20/2006

Revision Date: 11/01/2008

Personal use of corporate owned telephones for outgoing calls requiring tolls, including local calls, is not permitted. Employees will be required to reimburse Fletcher Academy, Inc. for any charges resulting from their personal use of the telephone.

To ensure effective telephone communications, employees should always use the approved greeting and speak in a courteous and professional manner. Please confirm information received from the caller, and hang up only after the caller has done so.

Fletcher Academy, Inc. discourages the use of corporate phones for personal use during work hours.

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506 Meal Periods

Effective Date: 3/20/2006

Revision Date:

All full-time employees are provided with one meal period each workday. Supervisors will schedule meal periods to accommodate operating requirements. Employees will be relieved of all active responsibilities and restrictions during meal periods and will not be compensated for that time.

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514 Visitors in the Workplace

Effective Date: 3/20/2006

Revision Date:

To provide for the safety and security of employees and the facilities at Fletcher Academy, Inc., only authorized visitors are allowed in the workplace. Restricting unauthorized visitors helps maintain safety standards, protects against theft, ensures security of equipment, protects confidential information, safeguards employee welfare, and avoids potential distractions and disturbances.

All visitors should enter Fletcher Academy, Inc. at the main entrance. Authorized visitors will receive directions or be escorted to their destination. Employees are responsible for the conduct and safety of their visitors.

If an unauthorized individual is observed on Fletcher Academy, Inc.'s premises, employees should immediately notify their supervisor or, if necessary, direct the individual to the main entrance.

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516 Computer and Email Usage

Effective Date: 8/21/2006

Revision Date:

Computers, computer files, the email system, and software furnished to employees are Fletcher Academy, Inc. property intended for business use. Employees should not use a password, access a file, or retrieve any stored communication without authorization. To ensure compliance with this policy, computer and email usage may be monitored.

Fletcher Academy, Inc. strives to maintain a workplace free of harassment and sensitive to the diversity of its employees. Therefore, Fletcher Academy, Inc. prohibits the use of computers and the email system in ways that are disruptive, offensive to others, or harmful to morale.

For example, the display or transmission of sexually explicit images, messages, and cartoons is not allowed. Other such misuse includes, but is not limited to, ethnic slurs, racial comments, off-color jokes, or anything that may be construed as harassment or showing disrespect for others.

Employees should notify their immediate supervisor, the Department Manager or any member of management upon learning of violations of this policy. Employees who violate this policy will be subject to disciplinary action, up to and including termination of employment.

ACCEPTABLE USE

The use of computing resources must be in support of official Fletcher Academy, Inc. business or education and research and must comply with federal, state, and local laws, regulations, and policies.

PRIVELEGES

The use of computing resources is a privilege. By participating in the use of these resources, users agree to be subject to and abide by this Acceptable Use Agreement. Willful violation of this agreement will be treated as misconduct and subject to appropriate disciplinary action. Illegal or immoral activities will be reported to the proper authorities.

GENERAL USE RULES FOR COMPUTING RESOURCES

1. Follow established procedures when using computers on campus.
2. Protect your username and password by not allowing others access to it.
3. Do not make unauthorized changes to the setting on computer hardware or software.
4. Do not use computing resources for sending frivolous, obscene, or harassing messages.
5. Be aware that confidentiality and privacy are not guaranteed. Computer use is subject to monitoring.

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6. Do not use computing resources to threaten, harass, or intimidate others.
7. Vandalism, disruption of services, attempting to circumvent security measures, spreading computer viruses or worms, promoting hate sites, promoting any sites that might commonly be considered inappropriate, installing software, or connecting electronic devices is prohibited.
8. Accessing, uploading, downloading, transmitting, or displaying or distributing obscene or sexually explicit language is prohibited.
9. Users are personally liable for any copyright violations or unauthorized bills incurred.
10. Users are responsible for any damages incurred by inappropriate use of computing resources.

COMPUTER USERS CODES OF CONDUCT

By using the computers at Fletcher Academy, Inc. you agree to abide by the code of conduct and employee acceptable use agreement. If you commit any violation, disciplinary action will occur.

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607 Maternity Leave/Family and Medical Leave

Effective Date: 1/24/2008

Revision Date:

A family and/or medical leave of absence is defined as an approved absence of an eligible employee for up to twelve weeks within a twelve-month period under particular circumstances to the life of a family.

Leave may be taken for the following reasons:

1. Birth of an employee's child;
2. Placement of a child with an employee for adoption or foster care;
3. Need for an employee to care for a child, spouse, or parent who has a serious health condition; or
4. When an employee is unable to perform the functions of his position because of a serious health condition.

Paid and Unpaid Leave

Family and/or medical leaves of absence are unpaid. However, if eligible employees have accrued paid leave benefits under other employment benefit plans or policies, the employee will be required to use those accrued benefits to provide compensation during all or any part of the twelve weeks leave. If the employee's paid benefits are exhausted, the remainder, if any, of the family or medical leave will be unpaid. The use of accrued benefits will not extend the duration of a family or medical leave. Female employees are granted 4 weeks paid leave in addition to PTO benefits for child delivery.

Eligibility

To be eligible for leave under this policy, an employee must have been employed for at least twelve months in total, and must have worked at least 1250 hours during the twelve-month period immediately preceding the commencement of leave. For purposes of eligibility, all full-time teachers of an elementary or secondary school system, and all salaried employees, are deemed to meet the 1250-hour test unless it can be clearly demonstrated that the employee did not work 1250 hours during the previous twelve months.

Advanced Notice Requirements

When the need for leave is foreseeable, such as the birth or adoption of a child or planned medical treatment, the employee must provide thirty days notice and make effort to schedule leave so as not to disrupt operations. In unforeseen circumstances, thirty days notification may not be possible; in such cases, as much prior notice as possible must be given.

Reinstatement

An employee who takes leave under this policy will be able to return to the same job or a job with the equivalent status, pay, benefits, or one which requires substantially equivalent skill, effort, responsibility and authority.

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701 Employee Conduct and Work Rules

Effective Date: 3/20/2006

Revision Date:

To ensure orderly operations and provide the best possible work environment, Fletcher Academy, Inc. expects employees to follow rules of conduct that will protect the interests and safety of all employees and the organization.

It is not possible to list all the forms of behavior that are considered unacceptable in the workplace. The following are examples of infractions of rules of conduct that may result in disciplinary action, up to and including termination of employment:

- * Theft or inappropriate removal or possession of property
- * Falsification of timekeeping records
- * Working under the influence of alcohol or illegal drugs
- * Possession, distribution, sale, transfer, or use of alcohol or illegal drugs in the workplace, while on duty, or while operating employer-owned vehicles or equipment
- * Fighting or threatening violence in the workplace
- * Negligence or improper conduct leading to damage of employer-owned or customer-owned property
- * Insubordination or other disrespectful conduct
- * Violation of safety or health rules
- * Sexual or other unlawful or unwelcome harassment
- * Possession of dangerous or unauthorized materials, such as explosives or firearms, in the workplace
- * Excessive absenteeism or any absence without notice
- * Unauthorized absence from work station during the workday
- * Unauthorized use of telephones, mail system, or other employer-owned equipment
- * Unauthorized disclosure of business "secrets" or confidential information
- * Violation of personnel policies
- * Unsatisfactory performance or conduct
- * Public display of materials or public support of occult principles or related materials.
- * Any behavior that may be legally, morally or ethically considered inappropriate with a minor or under aged person.

Employment with Fletcher Academy, Inc. is at the mutual consent of Fletcher Academy, Inc. and the employee, and either party may terminate that relationship at any time, with or without cause, and with or without advance notice.

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702 Drug and Alcohol Use

Effective Date: 3/20/2006

Revision Date: 11/01/2008

It is Fletcher Academy, Inc.'s desire to provide a drug-free, healthful, and safe workplace. To promote this goal, employees are required to report to work in appropriate mental and physical condition to perform their jobs in a satisfactory manner. Fletcher has as a portion of its mission the commitment of demonstrating to the young people of the campus, the Christian values and standards of the Seventh-day Adventist Church, which includes a healthy life style. The only way to daily demonstrate this is through the daily lives of the employees.

While on Fletcher Academy, Inc. premises and while conducting business-related activities off Fletcher Academy, Inc. premises, no employee may use, possess, distribute, sell, or be under the influence of alcohol or illegal drugs. 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.

Violations of this policy may lead to disciplinary action, up to and including immediate termination of employment, and/or required participation in a substance abuse rehabilitation or treatment program. Such violations may also have legal consequences.

Under the Drug-Free Workplace Act, an employee who performs work for a government contract or grant must notify Fletcher Academy, Inc. of a criminal conviction for drug-related activity occurring in the workplace. The report must be made within five days of the conviction.

Employees with questions on this policy or issues related to drug or alcohol use in the workplace should raise their concerns with their supervisor or the Personnel Manager without fear of reprisal.

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703 Sexual and Other Unlawful Harassment

Effective Date: 3/20/2006

Revision Date:

Fletcher Academy, Inc. is committed to providing a work environment that is free from all forms of discrimination and conduct that can be considered harassing, coercive, or disruptive, including sexual harassment. Actions, words, jokes, or comments based on an individual's sex, race, color, national origin, age, religion, disability, or any other legally protected characteristic will not be tolerated.

Sexual harassment is defined as unwanted sexual advances, or visual, verbal, or physical conduct of a sexual nature. This definition includes many forms of offensive behavior and includes gender-based harassment of a person of the same sex as the harasser. The following is a partial list of sexual harassment examples:

- * Unwanted sexual advances.
- * Offering employment benefits in exchange for sexual favors.
- * Making or threatening reprisals after a negative response to sexual advances.
- * Visual conduct that includes leering, making sexual gestures, or displaying of sexually suggestive objects or pictures, cartoons or posters.
- * Verbal conduct that includes making or using derogatory comments, epithets, slurs, or jokes.
- * Verbal sexual advances or propositions.
- * Verbal abuse of a sexual nature, graphic verbal commentaries about an individual's body, sexually degrading words used to describe an individual, or suggestive or obscene letters, notes, or invitations.
- * Physical conduct that includes touching, assaulting, or impeding or blocking movements.

Unwelcome sexual advances (either verbal or physical), requests for sexual favors, and other verbal or physical conduct of a sexual nature constitute sexual harassment when: (1) submission to such conduct is made either explicitly or implicitly a term or condition of employment; (2) submission or rejection of the conduct is used as a basis for making employment decisions; or, (3) the conduct has the purpose or effect of interfering with work performance or creating an intimidating, hostile, or offensive work environment.

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If you experience or witness sexual or other unlawful harassment in the workplace, report it immediately to your supervisor. If the supervisor is unavailable or you believe it would be inappropriate to contact that person, you should immediately contact the Executive Offices or any other member of management. You can raise concerns and make reports without fear of reprisal or retaliation.

All allegations of sexual harassment will be quickly and discreetly investigated. To the extent possible, your confidentiality and that of any witnesses and the alleged harasser will be protected against unnecessary disclosure. When the investigation is completed, you will be informed of the outcome of the investigation.

Any supervisor or manager who becomes aware of possible sexual or other unlawful harassment must immediately advise the Executive Offices or any member of management so it can be investigated in a timely and confidential manner. Anyone engaging in sexual or other unlawful harassment will be subject to disciplinary action, up to and including termination of employment.

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704 Attendance and Punctuality

Effective Date: 3/20/2006

Revision Date:

To maintain a safe and productive work environment, Fletcher Academy, Inc. expects employees to be reliable and to be punctual in reporting for scheduled work. Absenteeism and tardiness place a burden on other employees and on Fletcher Academy, Inc. In the rare instances when employees cannot avoid being late to work or are unable to work as scheduled, they should notify their supervisor as soon as possible in advance of the anticipated tardiness or absence.

Poor attendance and excessive tardiness are disruptive. Either may lead to disciplinary action, up to and including termination of employment.

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705 Personal Appearance

Effective Date: 3/21/2006

Revision Date: 11/01/2008

Fletcher employees play an important role in presenting to guests (customers), visitors and co-workers a positive image of conservative, Christian professionalism as exhibited through dress and personal appearance. Modest dress, personal grooming, and overall professional appearance of Fletcher employees should reflect commitment to the highest level of Christian values. Dress, grooming, and personal cleanliness standards contribute to the morale of all employees and affect the business image Fletcher Academy, Inc. presents to customers and visitors.

Professional circles generally accept the right to interpret policy and set regulations, standards, and principles governing professional and personal appearance for the work place. For these reasons, Fletcher requires all of its employees to follow the personal appearance standards outlined below.

During business hours, employees are expected to present a clean and neat appearance and to dress according to the requirements of their positions. Employees are expected to dress in a manner that is normally accepted in a conservative Christian work environment. Personal appearance in dress and grooming of adult staff is always to match, and more often exceed, that which has been established for the students attending Fletcher Academy. General standards of dress do not include tank tops and sleeveless shirts/dresses but includes modest-loose fitting attire that emulates the professional attire expected on a Christian campus.

In addition to the need to be representative, all employees need to remember that there are educational values in the appearance of the work as well as in the performance of the service. Students at Fletcher are to learn their responsibilities with-in an environment of high standards and learn another way to dress than what the general public-community culture may display. This education can best be taught and demonstrated by the adult employees' example.

Employees fit into one of two provider types: Office or Vocational service providers.

Office Professional (workers whose duties are of the types as: office, teacher, administrator, etc.) attire vary. It is always appropriate to be presented in "business attire:" dress shirt and tie, dress or professional pant suit, etc. Specific tasks and assignments may require alternate, suitable attire which adhere to the principles set forth above.

Vocational Professional (workers whose duties are of the type as: plant services, print shop, laundry, grounds, etc.) attire should reflect the appearance of the successful professional service organizations. All

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attire should be chosen for the function and in harmony with safety standards as well as principles of modesty and appropriateness.

Tank tops and sleeveless shirts are not part of the work attire. Those working out of doors are to wear shirts at all times: this is a protection from harmful rays and skin damage from abrasive types of injuries. This standard presents a very professional impression of quality and respect.

It is the personal character of a person that should adorn the individual and influence those in the employee's presence. Clothing which is worn should reflect Christian standards; Cosmetics and nail polish, if used, should leave the user with a natural, attractive look and should not draw attention.

Hair should be clean, combed and neatly trimmed or arranged; extreme hair styling, color or cuts are not permitted. Facial hair must be neatly trimmed and maintained.

Jewelry and Accessories: Fletcher Academy, Inc. asks its workers to refrain from wearing jewelry except for simple wedding bands. Our schools do not allow jewelry to be worn by the students and we ask our adult workers to set the example.

Consult your supervisor or department head if you have questions as to what constitutes appropriate attire.

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708 Resignation

Effective Date: 3/21/2006

Revision Date:

Resignation is a voluntary act initiated by the employee to terminate employment with Fletcher Academy, Inc. Although advance notice is not required, Fletcher Academy, Inc. requests at least 2 weeks' written notice of resignation from nonexempt employees and 4 weeks' notice from exempt employees.

Prior to an employee's departure, an exit interview will be scheduled to discuss the reasons for resignation and the effect of the resignation on benefits.

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712 Solicitation

Effective Date: 3/21/2006

Revision Date:

In an effort to ensure a productive and harmonious work environment, persons not employed by Fletcher Academy, Inc. may not solicit or distribute literature in the workplace at any time for any purpose.

Fletcher Academy, Inc. recognizes that employees may have interests in events and organizations outside the workplace. However, employees may not solicit or distribute literature concerning these activities during working time. (Working time does not include lunch periods, work breaks, or any other periods in which employees are not on duty.)

Examples of impermissible forms of solicitation include:

- * The collection of money, goods, or gifts for political groups
- * The sale of goods, services, or subscriptions outside the scope of official organization business
- * The distribution of literature not approved by the employer
- * The solicitation of memberships, fees, or dues

In addition, the posting of written solicitations on company bulletin boards is restricted. These bulletin boards display important information, and employees should consult them frequently for:

- * Employee announcements
- * Internal memoranda
- * Organization announcements
- * Workers' compensation insurance information
- * State disability insurance/unemployment insurance information

If employees have a message of interest to the workplace, they may submit it to the Personnel Manager for approval. All approved messages will be posted by the Personnel Manager.

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714 Drug Testing

Effective Date: 3/21/2006

Revision Date:

Fletcher Academy, Inc. is committed to providing a safe, efficient, and productive work environment for all employees. Using or being under the influence of drugs or alcohol on the job may pose serious safety and health risks. To help ensure a safe and healthful working environment, job applicants and employees may be asked to provide body substance samples (such as urine and/or blood) to determine the illicit or illegal use of drugs and alcohol. Refusal to submit to drug testing may result in disciplinary action, up to and including termination of employment.

Copies of the drug testing policy will be provided to all employees. Questions concerning this policy or its administration should be directed to the Personnel Manager.

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716 Progressive Discipline

Effective Date: 3/21/2006

Revision Date:

The purpose of this policy is to state Fletcher Academy, Inc.'s position on administering equitable and consistent discipline for unsatisfactory conduct in the workplace. The best disciplinary measure is the one that does not have to be enforced and comes from good leadership and fair supervision at all employment levels.

Fletcher Academy, Inc.'s own best interest lies in ensuring fair treatment of all employees and in making certain that disciplinary actions are prompt, uniform, and impartial. The major purpose of any disciplinary action is to correct the problem, prevent recurrence, and prepare the employee for satisfactory service in the future.

Although employment with Fletcher Academy, Inc. is based on mutual consent and both the employee and Fletcher Academy, Inc. have the right to terminate employment at will, with or without cause or advance notice, Fletcher Academy, Inc. may use progressive discipline at its discretion.

Disciplinary action may call for any of four steps -- verbal warning, written warning, suspension with or without pay, or termination of employment -- depending on the severity of the problem and the number of occurrences. There may be circumstances when one or more steps are bypassed.

Progressive discipline means that, with respect to most disciplinary problems, these steps will normally be followed: a first offense may call for a verbal warning; a next offense may be followed by a written warning; another offense may lead to a suspension; and, still another offense may then lead to termination of employment.

Fletcher Academy, Inc. recognizes that there are certain types of employee problems that are serious enough to justify either a suspension, or, in extreme situations, termination of employment, without going through the usual progressive discipline steps.

While it is impossible to list every type of behavior that may be deemed a serious offense, the Employee Conduct and Work Rules policy includes examples of problems that may result in immediate suspension or termination of employment. However, the problems listed are not all necessarily serious offenses, but may be examples of unsatisfactory conduct that will trigger progressive discipline.

By using progressive discipline, we hope that most employee problems can be corrected at an early stage, benefiting both the employee and Fletcher Academy, Inc.

Fletcher Academy, Inc.

Fletcher Academy, Inc. General Employee Handbook

717 FAI Vehicles

Effective Date: 4/22/2009

Revision Date:

Fletcher Academy Incorporated (FAI) owned vehicles are for the private use of the corporation by its agents and employees to carry out the purposes of FAI, and may not be used by any other party without the expressed written consent of the CEO, COO and/or the CFO of Fletcher Academy, Inc. There will be a written designation signed by the CEO, COO and/or the CFO of Fletcher Academy, Inc. and the Fletcher Academy, Inc. employee. A copy of the employee's current driver's license will be included in the documentation.

Under no circumstances will any Fletcher Academy, Inc. employee, without this designation, be allowed to drive a Fletcher Academy, Inc. vehicle. Fletcher Academy, Inc.'s insurance does not cover any employee who is not authorized by the Fletcher Academy, Inc.'s CEO, COO and/or CFO to drive any Fletcher Academy, Inc. vehicles.

The driving of a Fletcher Academy, Inc. vehicle, without the appropriate authorization, will be grounds for immediate termination of employment. Any accident caused by an employee not designated to drive a Fletcher Academy, Inc. vehicle will be the responsibility of such employee.