III. Succession Plan

A. Submit a succession plan for the charter holder, which describes replacing the officers, members, partners or board in the event of retirement, resignation or other circumstances.

Background:

The charter holder, South Pointe Public Charter High School ("Charter Holder") is an Arizona nonprofit membership corporation, which currently has as its sole member, The Leona Member Corporation, an Arizona corporation (the "Member"). Pursuant to the articles and bylaws of the Charter Holder (the "Governing Documents"), the Member has the exclusive authority to appoint individuals to the Board of Directors of the Charter Holder (the "Charter Holder Board"). The Governing Documents provide that the Member of the Charter Holder shall appoint a minimum of one and a maximum of five members to the Charter Holder Board. Pursuant to the Governing Documents, the Charter Holder Board has the authority and responsibility to operate the business activities of the Charter Holder ("Charter Holder Business Operations") in accordance with the Charter Contract and applicable state, local and federal laws, rules and regulation ("Applicable Law and Regulation"), including the (i) appointment (and removal) of officers, and (ii) employment (and discharge) of agents, employees and independent contractors.

The Charter Holder Board has contracted with Leona Arizona Management, L.L.C., an Arizona limited liability company ("Management Company") to manage the majority of the operational aspects and elements of the Charter Holder Business Operations, subject to the policies of the Charter Holder Board and Applicable Law and Regulation. The relationship between the Charter Holder and the Management Company is documented in the Management Agreement dated July 1, 2002 (the "Management Agreement"). The Management Company, is an independent contractor, possessing (i) extensive experience and expertise in the management of educational institutions, including charter schools and (ii) a successful history of providing management services to charter holders in Arizona and other jurisdictions.

Succession Plan:

The Governing Documents provide a comprehensive plan for the succession of governing authority of the Charter Holder. As referenced above, the Member of the Charter Holder has the authority, at any time, to appoint, remove and replace the members of the Charter Holder Board and will exercise that authority upon the occurrence of a vacancy within the Charter Holder Board, arising due to the retirement, resignation, death or other circumstances.

Again consistent with the Governing Documents and Applicable Law and Regulation, the Charter Holder Board has the authority, at any time, to appoint, remove and replace the officers of the Charter Holder and to establish and modify the duties and authority of those officers. Pursuant to the terms and conditions of the Management Agreement, the Management Company, oversees the Charter Holder Business Operations on behalf of the Charter Holder Board in

accordance with (i) the policies established and the authorities delegated by the Charter Holder Board and (ii) Applicable Law and Regulation.

The Member, as an Arizona corporation, pursuant to Applicable Law and Regulation, has perpetual existence and exercises it authority through its duly appointed board of directors ("Member Board") and officers. The shareholders of the Member appoint the Member Board, which in turn appoints the Member's officers. The succession of the ownership of the shares of common stock in the Members is controlled by the articles of incorporation and bylaws of the Member, as well as by Applicable Law and Regulation, which collectively provide for the fluid and perpetual transition and succession of voting authority over those shares.

In the event of the termination of the Management Agreement, for any reason, the Charter Holder Board and its officers, will exercise their respective obligations and duties to provide for continued and successful Charter Holder Business Operations.

B. Submit a succession plan for the school's instructional leadership team which may include:

- **Development of a clear career course at the school (e.g., merit pay, flex hours, etc.)**
- **Ongoing professional development**
- **High standards for hiring qualified personnel**
- **Appropriate resources to bring in new personnel**

South Pointe Junior High recognizes the impact of a strong instructional leadership team on student achievement. With this in mind, developing an instructional leadership succession plan is imperative for the school to build both capacity and sustainability within the system. The following plan illustrates how South Pointe Junior High is committed to building instructional leaders from within the organization and recruitment from the outside:

Identification:

South Pointe Junior High embraces a system-wide approach to building capacity from within The Leona Group management organization as well at the individual school level. We are looking for both aspiring, self-identified leaders as well as those people who have not yet been identified but who have skills to become effective leaders if they take advantage of available development opportunities. All faculty will meet annually with administration to review receive performance feedback, measure progress toward individual goals and discuss/document future action steps toward newly developed or existing career goals. At such time, merit pay is awarded to qualifying candidates.

Professional Development:

South Pointe Junior High School is committed to school level professional learning communities where teachers are empowered to become self-directed learners and leaders within their grade

level team and content area. Teachers are encouraged to present ideas/information and strategies to one another, share at district level meetings and branch out to various leadership roles within the school community. Professional development is not limited to just the school level. Periodically throughout the year, The Leona Group management company offers training opportunities to those wishing to learn more about the various aspects of curriculum, assessment, managing data and topics aimed at aspects of leadership. Such trainings extend from topics within education to hands-on training in grants, curriculum or finance. Additionally, the school participates in two to three days each year set aside solely for professional development for the faculty and staff hosted by the management company.

Qualified Personnel:

When hiring or promoting a candidate to the school's instructional leadership team, educational levels, educational experience and specialty areas are at the forefront of the decision. Although as a charter school in Arizona we are not required to hire certified personnel in leadership, South Pointe Junior High School values higher education, as well as state certifications and specialty training. Given the autonomy allotted at the charter school level, we ask that all candidates to the instructional leadership team possess a bachelor's degree and the necessary experience to lead a school.

Incentives:

South Pointe Junior High School is committed to having an attractive incentive package that encourages potential candidates to consider school leadership positions. In addition to offering a competitive salary along with a low cost, rich health/dental/vision insurance coverage for employee and/or dependants on the plan. Such leadership positions are also rewarded with a merit pay for performance on meeting school goals.

Resources:

South Pointe Junior High works collaboratively with their management company, The Leona Group, on allocating and protecting resources that will recruit and retain new personnel. The budget manager for South Pointe Junior High School in collaboration with the school leader ensures that appropriate student -teacher ratios are maintained and resources are adjusted accordingly as enrollment increases or declines. The Human Resources Department actively advertises current positions, attends nationwide job fairs, and assists the school with all hiring, orientation, and training needs for new personnel. South Pointe Junior High School's leadership works hand in hand with recruitment specialist to identify potential candidates, schedule interviews and do necessary background, drug and reference checks.