

Date of Receipt by TEA: _____	Date of Committee Review: _____
_____ Approved _____ Not Approved	Date of SBOE Review: _____
	Beginning Date of Operation: _____

Application for Approval of an  
Open-Enrollment Charter

**Instructions:** The open-enrollment charter proposal must be submitted in contractual form including, **in the order of the items below**, these same components. Attach the following after the answers to the questions below: (1) signed facilities agreement, (2) evidence of parental/community support for the proposed charter, and (3) documentation of non-profit status.

Submit two copies of the completed application with attachments to the Texas Education Agency, Document Control Center, 1701 North Congress Ave., Austin, Texas 78701. For assistance, contact the Division of Charter Schools at (512) 463-9575.

Chief Operating Officer

of Proposed Charter: Alastair Howie, M.A. Title: Acting Executive Director

Name of Sponsoring Entity: one2one Texas Learning Foundation

The applicant is an "eligible entity" under the following category (check one):

- \_\_\_\_\_ an institution of higher education (TEC 61.003);  
☒ X a tax-exempt organization [ 501(c)(3)];  
 \_\_\_\_\_ a private/independent institution of higher education (TEC61.003);  
 \_\_\_\_\_ a government entity.

Sponser Address: 1950 Stemmons Frwy Suite 2023 City: Dallas

Zip: 75207 Phone Number : (214)800-4000 FAX: (214)800-4050

Type of charter sought: \_\_\_\_\_ X an open-enrollment charter under  
 (check only one ) TEC 12.1011(a)(1)

\_\_\_\_\_ an open-enrollment charter under  
 TEC 12.1011 (a)(2) (75%)(applicants for  
 this charter must complete additional  
 question #10 and sign the additional  
 assurance found on page 30.)

Name of Proposed Charter School: Honors Academy

Date of Proposed opening: September, 1999

120/07/33/98-032

Charter Site Address: 1717 West 6<sup>th</sup> Street City: Austin  
Zip: 78713 Phone Number: N/A Fax: N/A  
Correspondence Address: c/o one2one Texas Learning Foundation  
City: Dallas Zip: 75207

Grade Initial Est. Maximum  
Levels: K-12 Enrollment: 500 Enrollment: 2,000

The charter will primarily serve an area that is geographically: 1/3 urban  
1/3 suburban  
1/3 rural

The proposed charter will be located in State Board District 10 (number).

In succinct terms describe the proposed school including grade levels offered, student populations served, educational focus and any other essential characteristics. For example, "The Seventh Avenue Charter School is designed to recover students who have dropped out of high school and prepare them through vocational training to be productive contributors to society."

Honors Academy is a Distance Learning Educational Program designed to nurture and educate "at-risk" k-12 students through the delivery of an individualized curriculum and access to a wide range of community services aimed at addressing the needs of the whole child so that they will become productive members of society.

Indicate the approximate percentage of each student population in as many categories as are applicable:

       pre-kindergarten;        special education; 5 migrant;

5 economically disadvantaged; 10 limited English Proficiency;

       gifted; 5 recovered dropouts; 50 at risk of dropping out;

       pregnant or parent students 25 other: unwilling or unable to attend traditional public school

## **Executive Summary**

The Honors Academy would be a K-12 charter school serving both the educational and many social needs of students and families who are not being served by the traditional public school system. The Honors Academy would be part of the one2one Texas Learning Foundation headquartered in Austin, Texas. This not-for-profit foundation is a subordinate organization to the one2one Learning Foundation which currently operates charter schools in California. The Foundation was created for the specific purpose of improving the lives of diverse students and their families through the delivery of an individualized curriculum and facilitation of access to a wide range of services that help families nurture as well as educate their children.

Although open to all students in the state of Texas, the Honors Academy will focus its resources and efforts on the "at risk" student population, drop-out recovery and inclusion of those students who have not been able to obtain an education through traditional sources of public or private education. Several essential components create the Honors Academy's model for program delivery. They are:

- a strong curriculum and assessment system based on Texas Essential Knowledge and Skills framework,
- integration of existing and emerging technologies into instruction and the development of entry level work place skills,
- an instructor facilitating individualized instruction to the student and support for the family learning environment,
- empowering parents to be directly involved in the education and social development of their children.

The Honors Academy would be a "virtual school" for the State of Texas. High standards will be set and maintained for all students and validated by rigorous and varied assessment instruments. Instruction will be individualized and provided in a variety of venues to account for various student learning styles. Learning, however, would occur anytime and not be restricted to a specific place. Parents would be an integral part of the learning and participate in the learning and nurturing processes. The student, the parent, and the instructor will form the core learning team. Each will have clear responsibilities and be accountable for students learning to high standards.

This proposal describes an alternative method for completion of a K-12 educational experience. The Honors Academy expects to provide an opportunity and second chance for those students and families that are at risk and in need. "High tech" combined with a committed instructional staff will provide the "high touch" necessary to affect the lives of those most in need. Upon meeting the prescribed requirements and standards for graduation, as set by the state of Texas, students will receive a high school diploma.

## Assurances

Signature of the Chief Operating Officer certifies that the following statements are addressed through policies adopted by the charter school and, if approved, the governing body, administration, and staff of the open-enrollment charter will abide by them:

- (1) The proposed open-enrollment charter school prohibits discrimination in its admission policy on the basis of sex, national origin, ethnicity, religion, disability, academic or athletic ability, or the district the child would otherwise attend in accordance with state statute.
- (2) Any educator employed by a school district before the effective date of a charter for an open-enrollment charter school operated at a school district facility will not be transferred to or employed by the open-enrollment charter school over the educator's objection.
- (3) The proposed open-enrollment charter school will retain authority to operate under the charter contingent on satisfactory student performance on assessment instruments adopted under TEC, Chapter 39, Subchapter B and as provided by the open-enrollment charter agreement approved by the State Board of Education.
- (4) The proposed open-enrollment charter school will not impose taxes, use financial incentives or rebates to recruit students, or charge tuition other than tuition allowable under TEC Section 12.106.
- (5) If the proposed open-enrollment charter school provides transportation, it will provide transportation to each student attending the school to the same extent a school district is required by law to provide transportation to district students.
- (6) The proposed open-enrollment charter school will operate in accordance with federal laws and rules governing public schools; applicable provisions of the Texas Constitution; state statute pertaining to provisions establishing a criminal offense; and prohibitions, restrictions, or requirements, as applicable, under state statute or rule adopted relating to:
  - the Public Education Information Management System (PEIMS) to the extent necessary to monitor compliance as determined by the commissioner;
  - criminal history records under TEC Subchapter C of Chapter 22;
  - high school graduation under TEC Section 28.025;
  - special education programs under TEC Subchapter A of Chapter 29;
  - bilingual education under TEC Subchapter B of Chapter 29;
  - pre-kindergarten programs under TEC Subchapter E of Chapter 29;
  - extracurricular activities under TEC Section 33.081;

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- health and safety under TEC Chapter 38; and
  - public school accountability under TEC Subchapters B, C, D, and G of Chapter 39.
- (7) The governing body of the school is considered a governmental body for purposes of Chapters 551 and 552, Government Code, and will comply with those requirements of state statute.
  - (8) The employees and volunteers of the open-enrollment charter school are held immune from liability to the same extent as school district employees and volunteers under applicable state laws.
  - (9) The open-enrollment charter school will ensure that any of its employees who qualify for membership in the Teacher Retirement System of Texas will be covered under the system to the same extent a qualified employee of a school district is covered. For each employee of the school covered under the system, the charter will be responsible for making any contribution that otherwise would be the legal responsibility of the school district, and will ensure that the state makes contributions for which it is legally responsible to such employees.
  - (10) The open-enrollment charter school complies with all health and safety laws, rules, and regulations of the federal, state, county, region, or community that may apply to the facilities and school property.
  - (11) The open-enrollment charter school agrees to assist in the completion of an annual evaluation of the charter that includes consideration of:
    - students' scores on assessment instruments administered under TEC, Chapter 39, Subchapter B;
    - student attendance;
    - students' grades;
    - incidents involving student discipline;
    - socioeconomic data on students' families;
    - parents' satisfaction with their children's schools;
    - students' satisfaction with their schools;
    - the costs of instruction, administration, and transportation incurred by the open-enrollment charter; and
    - the effect of the open-enrollment charter on surrounding school districts and on teachers, students, and parents in those districts.
  - (12) An assignment of the operation of the charter to another entity is a revision to the charter, and must be submitted to the State Board of Education for approval.
  - (13) Charter schools will provide parents of prospective students with a one-page prospectus of the charter, which includes, but is not limited to, information about staff qualifications and the instructional program.

- (14) The school will implement a policy to admit students eligible for a public education grant.

AP Howe , 7/22/98  
Signature of Chief Operating Officer of the School/ date

*Signature of Chief Operating Officer of the School/ date*

\_\_\_\_\_/\_\_\_\_\_  
Signature of the Chair of the State Board of Education/ date

**1. Give the long range vision (5-10 years) and the goals (of at least the first year) of the school.**

**Long Range Vision**

The vision of Honors Academy is to create an interactive learning community composed of families, and engaged learners linked with a high quality instructional team. As such Honors Academy will focus its resources and resolve to help nurture and educate children and families who are not served by the traditional education system. Since our target student population (grades K-12) are those not currently served by the traditional school system, there should be little or no impact to the individual school districts.

The Honors Academy is not a facility in the traditional sense. Using and integrating all types of existing and emerging technologies with the curriculum, the instructional staff will not be restricted by time, place or learning resources. The Academy will offer non-traditional students engaging learning opportunities and empower their families to be an active and true partner to nurture and educate the child. In doing such, the Academy will focus on reducing the overall state drop out rate, addressing special learning needs and styles of all students and providing learning opportunities for all children to excel.

The Academy is a child-centered learning organization committed to having one teacher mentor the development of one student at a time. The Academy staff will assist families to access and use community based services of all types to help support the learning and nurturing.

Specific groups of students will be the central focus of the school. Those who benefit will include but not be limited to:

- students who have diagnosed learning disabilities
- students who are determined to be "at-risk" of not completing their education
- students who have been expelled from the traditional school system and/or who are incarcerated, in treatment, or rehab centers
- students who are unable or currently unwilling to attend traditional school
- students with limited English proficiency who need to develop English language skills
- students who migrate with their families during the year

In all cases, children and families learning and growing together are fundamental to our philosophy of learning. Reducing the drop out rate and preparing students to be productive workers are two primary outcomes our programs must achieve. The Honors Academy will individualize instruction but hold all children and staff accountable to high standards.

## Goals

Building on strong course content standards and a sincere conviction that families will be an integral part of their children's education, Honors Academy will implement high performance standards for all students in order to achieve our goals that include:

- providing opportunities for learning to those not served by traditional education
- providing a quality education leading to a Texas high school diploma
- providing access to community based services and learning resources for the family and child
- working in close partnership with families to both nurture and educate the child
- creating a mutually supportive learning community composed of student, parent and teacher who are focused on learning and achieving high standards.

The result of our efforts will reduce drop out rates and provide learning opportunities to at-risk children. In doing such we will develop citizens capable of living and working in today's competitive economy.

**2. Describe the governing structure of the open-enrollment charter, including board composition, selection process and responsibilities. Also describe the role of administrators, faculty, parents, students and community members in the leadership and decision-making of the school.**

The governance structure of Honors Academy consists of an advisory Charter Council, which provides advice on management and on the integrity of the educational programs so that it is consistent with our vision and goals. Also the council will help maintain adherence to school policies and procedures which addresses all personnel matters, budgeting, purchasing, financial controls, and operations.

The advisory is composed of every facet of the learning community to include: parent, teacher, educational coordinator, principal, superintendent, and a local educational leader (i.e., former superintendent or principal). The principal and the superintendent are secretary and chairperson respectively since they oversee the daily operation and management of the charter school. The educational leader is requested to attend the monthly council meetings for the purposes of providing invaluable counsel, knowledge and expertise from an impartial third party. The educational coordinator, teacher and parent are duly elected by their peers and would represent their respective groups' interests.

The parent would be responsible for bringing to the council's attention those issues, concerns and questions expressed by the parent/student community related to the instruction and education of their children.

The teacher would be responsible for bringing to the council's attention those issues, concerns and questions expressed by their community related to the educational support and tools available for the equipping of parents and the educational instruction of their children.

The teacher is the primary resource for student and parent instruction and guidance, and is responsible for approximately twenty students. Any more than twenty needs to be approved by their supervisor and/or principal, and in no case will permission be granted for more than forty students.

The teacher reports directly to their educational coordinator. Other duties and responsibilities include:

- performing student grade level assessment at the time of student enrollment into the school
- devising , planning, and supporting with the parent(s) an individualized educational plan(s) which aligns with TEKS and school policies and procedures
- identifying with the parent(s) and student(s) the most appropriate learning resources available for the student
- reviewing on a weekly basis through direct contact the student's current accomplishments and assessing progress against the educational plan; also helps to formulate with the parent and student the next period's educational plan for the student
- reporting any significant changes in student performance
- complete required reports to include: student status, student educational achievements, and attendance
- attending recommended teacher training and development courses, for example - instruction in the use and purpose of educational technology

The educational coordinator would be responsible for bringing to the council's attention those issues, concerns and questions expressed by their community related to the administration and coordination of student documentation and management of teachers.

The educational coordinator reports directly to the principal. Other duties and responsibilities include:

- assessing the teacher's instruction and their student's appropriate progress level (includes monthly meeting with them to review teacher and student performance)
- overseeing teacher compliance with all aspects of reporting requirements as stipulated in foundation policy and procedure manual
- reporting any discrepancies in teacher or student performance
- communicating any complaints, concerns, suggestions, and questions from teachers, parents, students or other community sources
- facilitating training for teacher(s) under their management as deemed necessary and as required by the foundation

The principal would be responsible for addressing issues, concerns and questions related to the support and training of supervisors and teachers, policy and procedure compliance and school responses on issues involving the educational program.

The principal reports directly to the superintendent. Other duties and responsibilities include:

- reviewing teacher and educational coordinator prepared documentation regarding learning records, student attendance reporting, transcript assessment, and report card documentation.
- organizing and implementing staff development training courses and follow-up programs.
- providing leadership in the development of curriculum design, assessment tools, and scope and sequence development.
- acquiring and disseminating information regarding innovative instructional methods and techniques.
- supporting and providing supervisor and teacher training
- providing input for budget development

The superintendent would be responsible for addressing issues, concerns and questions related to the management and operation of the charter school program and compliance with contractual agreements with the TEA.

The superintendent reports directly to the foundation executive director. Other duties and responsibilities include:

- staff training and supervision
- reviewing student records including attendance reports, grade cards, and enrollment and admissions documentation
- recommending policies and procedures
- managing grievance procedures
- assessing, reviewing, and recommending curriculum development so that the educational program aligns with TEKS
- preparing and managing the operating budget
- representing foundation to state organizations

The president of the Foundation is responsible to the board of directors and is himself a board member. The board is responsible for seeing that it is operating strictly in accordance with its charter. The board is composed of three members currently:

Mr. Robert L. Carroll is the President. He has over ten years experience in education with a strong background in computer and on-line services, educational technology programs and implementation planning. His professional experiences include:

- developing and implementing the Indiana State "Buddy" System, home to school distance learning technology links for all fourth grade students
- developing instructional software for Internet access
- state experience with the California Computer Refurbishing Fund, refurbishing computers through donation to schools

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- developing and implementing a charter school management program

Mr. A. James Jones is the Vice President and Treasurer. He is the Director of Learning Technologies at the Milton Hershey School, Hershey, Pennsylvania. The Milton Hershey School is a full boarding, coed school with 1,100 students kindergarten through twelfth grade for financially needy and at-risk children. His professional experiences include:

- supporting and facilitating resource based learning
- adult staff development for technology
- integration of technology into curriculum with special emphasis on the information/literacy curriculum
- developing individual learning systems for academically at-risk students
- developing external partnerships for use of technology and support of the at-risk child
- writing articles for national technology and learning publications as well as a variety of state and national presentations dealing with the application of technology and learning

Mr. Gerry Hurst is the Secretary. He is President and C.E.O of Hurst Marketing Group, Inc., whose accounts include Mattel, Pepsi, and Frito-Lay. His company has a heavy emphasis on youth and team marketing. As such he has understood the drives, wants, and needs of today's youth and has valuable insight regarding their mindset and orientation toward life. This knowledge has provided a refreshing perspective for determining our effectiveness in "nurturing and educating" children from all backgrounds, including juveniles and at-risk students. Mr. Hurst also serves as a board member of Panola Academy, an extension of Texas A&M University which trains and equips students with specific skills that prepare them for specific jobs.

These members have been involved with the national foundation since its inception on June 13, 1997. The foundation provides educational management and distance learning technology to schools serving non-traditional student populations. Currently, it serves two distance learning charter schools in California that were established in September of 1997 and June of 1998 respectively. Both charter schools have received the support of their respective local school districts and their communities. This is evidenced by strong support from the respective local school superintendents and the enrollment of approximately 2000 students into our program.

### **3. Describe the educational program to be offered**

#### **Required Curriculum**

The Honors Academy's framework for student learning entitled *Standards and Benchmarks for Learning Excellence* (currently under development) defines what students should know and be able to do. All standards and benchmarks will be developmentally sensitive and age appropriate and lead to desired results for all eligible for a Texas high school diploma. Standards are benchmarked against Texas Essential Knowledge and Skills (Sep 98) and are consistent with recognized national standards and benchmarks for students learning to high standards. They

address content knowledge, process skills, and evolving work habits. The Texas Essential Knowledge and Skills (TEKS) serves as the foundation for what students need to learn for the 21st century. They emphasize real-world applications and acquisition of information, focusing on how and what students learn as well as how teachers teach. The Academy standards in combination with TEKS serve as the basis for real and authentic learning opportunities.

Upon start-up the Honors Academy will use the curriculum currently in use by the Independent and Distance Education (grades 9-12) program at the University of Texas at Austin and the Extended Learning program from Texas Tech University. NovaNet, an on-line curriculum provider, will supplement these curriculums. The NovaNet curriculum is aligned to TAAS. These courses have been reviewed and approved by the curriculum specialists at the Texas Education Agency.

The Honors Academy's framework for academic excellence will reflect alignment to the TEKS. These standards are a living document subject to continuous improvement. TEKS will continue to serve as the basis for the academic program of this Academy.

Each curriculum has been reviewed and endorsed by the Texas Education Agency. Each is culturally inclusive and respectful of all races, religions, gender and nationalities.

Core curriculum courses will be offered K-12 which will include the required foundation curriculum of English language arts with a very strong emphasis on reading, mathematics, science, social studies consisting of Texas, United States and world history, government and geography. Scope and sequence of the curriculum will develop in a manner that enables students to enter the program from a traditional school at any grade level. With the use of a variety of assessment instruments, students will be diagnosed and placed at an appropriate entry level without regard to age. The Honors Academy curriculum is performance based with an individualized learning focus, thus enabling students to move through the curriculum at their own pace. Students also will have the opportunity to participate in a variety of enrichment courses and related learning opportunities in addition to core courses. Courses and learning opportunities in health, physical education, fine arts, and economics will be offered according to the Texas Education Code 28.002.

The Honors Academy will develop its capabilities and systems to support children. Our programs will empower parents to become active partners and jointly responsible for the education and nurturing of their children. Parents participating with a highly qualified instructional team will work to emphasize our core curriculum to:

- insure each child effectively applies communication and quantitative skills
- insure each child learns to set goals, solves problems, makes responsible decisions, and analyzes and applies results,
- insure each child demonstrates the ability to access, evaluate, synthesize and present information using a variety of technologies



- insure each child exhibits a variety of critical thinking skills as they relate to current and future concerns,
- insure each child demonstrates an appreciation and understanding of community service.

### **Instructional practices and innovation**

There are three essential components that will enable children to learn to high standards. First, the Academy will develop *content and performance standards* based on TEKS for all students. Second, the Academy will obtain and use a *variety of assessments* to determine if children are learning and growing consistent with mutual expectations (school and family). Third, and the single most important component, which ties everything together, are *instructional strategies* used by teachers who work with the individual students.

The cycle of continuous improvement for learning involves development and continuous review of standards and benchmarks, evaluation of student assessment results and a staff development emphasis on best practice instructional strategies.

The Academy believes that all instructional strategies need to revolve around the concept and practice of engaged learning. Teachers will work with children and families to make them responsible for learning. They focus on preparing students to be problem solvers able to use information, not just remember it. Learning will be on-going and involve a variety of challenging and authentic projects. Parents will be co-learners. Assessment will be performance based and assessments will be integrated into all learning experiences.

### **Delivery Modes for Curriculum**

The Honors Academy recognizes that access to learning technologies present a challenge for families and students considered to be "at risk". Therefore, the Academy provides a variety of delivery which ranges from textbook based (pencil & paper) courses to on-line interactive learning and WEB based courses. The Honors Academy will help families choose the method of delivery most appropriate for the child. The Honors Academy will help facilitate access to and intelligent use of technology for those who choose that method of delivery. The academy staff will work to transition all students to a technology based learning environment in support of its curriculum.

Families will have a variety of choices for delivery modes of students. Although academy staff will encourage use of technologies for learning, the heart of distance learning is not the equipment that is used, but the capability of the student to access information and work with teacher and parent in remote locations. Technology merely affords the opportunity to do this in real-time.

One2one Learning Foundation has committed its resources and resolve to provide quality distance learning opportunities for students in the charter schools it operates. The Honors Academy is committed to teacher student contact with strong adult mentorship to facilitate learning. In doing such, the following methods of instructional delivery are all options that include and do not exclude interaction of student and teacher and parent.

**Option #1 / Print based learning** – Courses are provided in the traditional paper-and-pencil, textbook format. The teacher and parent work with the child to develop age appropriate learning skills. These courses will develop and reinforce a basic skill curriculum. Strong emphasis will be placed on drill and practice. Students follow a carefully guided course of study which include sequenced sets of lessons with learning objectives easily understood by parent, instructor, and student. Students complete their assignments and have them reviewed by parent and teacher. This delivery method will be enhanced by telephone and fax contact with the instructional support staff. Instructional staff will be available by telephone to provide learning support and feedback in addition to the written responses and personal attention provided by the assigned instructor. Extensive use of fax will further support this method delivery of instruction. Depending on the age of the student, and options for enrichment may be provided through the community library, local museums, and other community based resources. This option enables a student, especially a younger student, to complete all courses without using higher end technologies. All phone access to instructional staff will be via toll free calls. Use of the telephone will give students fast feedback for all inquiries. Inquires will be addressed to the assigned instructor or a support team for special problem based learning activities. Age appropriate audio conferences between instructor and multiple students can be accomplished as required.

**Option #2 / Print based plus computer** - Courses will be provided which combine textbook, paper-and-pencil, a study guide (lesson objectives and desired outcomes) and a disk for either a Mac or PC. This delivery will presuppose access to a mid-range computer (200 MHz) or better, but no connectivity to on-line services, i.e., Internet. This type course is focused on middle and high school students and provides problem based learning opportunities. This method of instruction delivery will place strong emphasis on performance-based learning and assessment while developing and reinforcing basic content knowledge and skills. Textbook and teacher contact will provide the content knowledge and focus on process skills. This method of delivery will require teacher, parent and student to use workplace skills to solve problems and perform tasks which show that students can use information – classify, compare, analyze, evaluate, present. All tasks are based on age appropriate problems to be solved or projects to be completed. Teachers will provide one2one feedback and the computer disk will provide hints and score selected exercises.

**OPTION #3 / Print based plus Internet & On-line Learning** – This model will offer the richest learning environment in that it will combine a vast amount of age appropriate learning resources available on the WEB with prescribed print curriculum and learning resources consistent with TEKS. Students will migrate from a dependence on textbook to a reliance on a variety of learning resources. This option will provide a computer-based education network, which will serve as the foundation for learning. Various recognized providers will support a system that integrates the power of individualized computer based instruction with the flexibility of on-line delivery. Academy teachers will use a variety of providers to individualize and customize instruction. Three recognized providers are the University of Texas distance learning program, Texas Tech distance learning program and NovaNet. These providers offer thousands of hours of approved instruction in more than 100 subjects. Each of the named vendors has a proven record of success in Texas and offers quality lessons, which are continually improved by curriculum experts. Their programs are developed from feedback from current users, pilot testing and continued careful examination of the requirements of national standards, SCAN skills, TEKS, SAT and GED results.

All feedback contributes to high quality and validation of curriculum.

This method of delivery centers on print, quality on-line learning opportunities and the instructional staff guiding and individualizing student learning to obtain maximum results. Directed on-line learning will be supplemented and enhanced with off-line (print based) activities and assignments, third party software, teacher/parent/student discussion, project based learning assignments and opportunities for collaborative projects.

**OPTION #4 / Credit by exam** – A full compliment and variety of exams will be available to assess students. This option will be available to high school students to complete course exams. The distance education center for the University of Texas and the distance education program at Texas Tech will assist the Honors Academy students who seek credit for courses by exam. Only testing for those courses approved for credit by exam by the UT Independent Distance Learning program will be offered to students.

### **School Calendar**

The Honors Academy is a distance learning performance based learning program that operates on a twelve month basis. Students may enroll at any time during the year and take up to nine months to complete a course. Students, parents and instructional staff will develop a time phased individualized learning plan and each student will advance to the next phase of learning based on completion of performance assessments. The principal may grant extra time for students to complete courses when students, parents or teacher justifies the need.

### **Course Load**

Parents and teachers will work together to develop an annual individualized learning plan for the student. Students must satisfactorily complete the course requirements and/or obtain the standards listed prior to moving to the next phase of learning.

### **Career and Technology**

As students use the on-line learning option described above (Option #3) they will have access to a variety of School To Work training and career exploration options. Currently NovaNet offers over 1500 hours of on-line time dealing with business, public service, health and technology careers. School to work internships exist as an authentic learning option.

All students using computers for day-to-day learning will be learning workplace technology skills as they access programs, prepare reports, databases and access and use learning resources via the Internet.

Teachers will seek community based experiential learning opportunities for students that help develop good work habits, workplace skills and varied work experiences.

## **Texas Essential Knowledge and Skills**

TEKS will serve as the guideline for all curriculum development and for selection of materials. Students will receive instruction in TEKS at appropriate grade levels in both required and enrichment courses.

## **Co-curricular or Extracurricular Activities**

Although not formally provided in the distance education model described in this application, each teacher is tasked with incorporating age appropriate extracurricular activities into the learning plan for each child. These activities will be community based and include but not be limited to: field trips, library experiences, workplace visits, private lessons in fine and performing arts (music, dance, art) participation on sports programs, volunteer work (community service), scouting, etc. Students will incorporate these activities into their academic portfolios for end of year review. All students will be encouraged to participate and teacher tasked with facilitation of enrollment and monitoring of progress for approved activities.

## **Accreditation & Rigor**

The Texas Education Agency has approved all courses in grades K-12. The sources for these courses are from two universities in Texas with a long tradition of excellence – Texas Tech and the University of Texas. As the Honors Academy continues to develop curriculum, the “best practice” models of University of Texas and Texas Tech will be used. The Southern Association of Colleges and Schools also accredits both curriculums.

## **Equal Access**

The Honors Academy is open to all persons regardless of race, color, religion, sex, age, national origin or disability. At the time of enrollment, all students with disabilities must provide documentation of their condition and recommended accommodations necessary for inclusion into the Honors Academy’s educational program. Accommodations that may be provided include large-print text, scribes (done by teacher), oral test administration (done by teacher) and a variety of testing options for students with hearing disabilities, and for the testing process – frequent breaks, extended time on task and special tutoring.

The teacher and area coordinator will handle each student who needs special accommodations. The Honors Academy will be designed to fully comply with the IDEA (Individuals with Disabilities Education Act) and related regulations and legislation.

Honors Academy will evaluate all children and seek to enroll any and all who may benefit from this program.

## **Student Attendance Requirements**

The Honors Academy is a distance learning or “virtual” school. Attendance and progress logs will be kept and submitted as required by PEIMS. To comply with the attendance requirements stated

in Subchapter B, Section 39 of Texas Education Code, all students will be required to keep a learning activity log of time spent on learning. This log will be reviewed weekly by the teacher and returned with year-end materials and/or final course examinations. At a minimum, it will be verified semi-annually by area educational coordinator and annual records kept on file for each enrolled student. Additional measures as requested by the State Board of Education will be adopted as needed.

### **Disciplinary procedures**

The Honors Academy will focus on nurturing as well as education. Although the very nature of the program creates a learning environment different from the traditional public school, discipline, especially self-discipline, is a critical component of the learning plan for every child regardless of age. To grow and be productive members of society, parents and teachers must work to model good discipline and set expectations for the child's development.

We fully recognize that the children we seek to enroll have many educational and social needs. It is our full intention to work with all children. The very organization and design of the school prevents many of the common discipline problems associated with the traditional classroom. The expectations the Academy will have of all students are those of self-discipline and the development of work place habits consistent with what an employers and post-secondary schools would require.

A formal policy for student discipline will be prepared and presented to students and families as part of the initial enrollment procedure. This policy will clearly detail student and family rights and responsibilities as well as provide a due process hearing procedure for all students and families. Should a child be expelled from the Academy, the appropriate local school district will be notified within three days.

#### **4. Describe the accountability measure the school will use to evaluate student performance.**

All instruction is designed with regular evaluation of student work. Assignments and examinations will measure student performance in each course. Instructional staff will perform weekly reviews of student work that will include but not be limited to reviews of assignments, evaluation of progress and evaluations of work completed (quantity and quality). Teachers have the first responsibility for measuring and monitoring student progress and performance.

Evaluation is defined as the process of interpretation and use of information to make decisions and judgements regarding the quality and value of student work

There are several methods of evaluation for student work in a performance-based learning environment. They include:

- **Teacher evaluation** of student work will include but not be limited to a review of assignments, evaluation of worksheets, projects, and special assignments and locally administered evaluations of student work. Summative assessments will be done at the end of

a unit, course or sequence of lessons. The chapter test, final exam, final draft of a writing project and senior exhibition are all examples of summative assessments.

- **Portfolio evaluation** (showcase portfolio) will include a purposeful and systematic collection of selected student work and self-assessment developed over time in collaboration with the teacher. The Academy staff will develop procedures and assessment criteria to review, evaluate and compare student portfolios in order to rank portfolios. The showcase portfolio will be a collection or gathering of a student's best work from all aspects of his learning experiences to include examples from academic curriculum, co-curricular activities and examples of work from community service. This showcase portfolio will contain finished works, which have been revised, polished, edited and proofread several times. All portfolio items will be stored to reflect progress of student learning.
- **Norm Referenced Exams** are specific exams describing a student's performance by comparison to a normal group: e.g. Scholastic Aptitude Test, TAAS gateway tests and other nationally recognized exams.
- **Performance based exams** are exams, which will relate student performance directly to performance standards, e.g. New Standards exams. These exams will provide an analytical approach to student performance and will be used as key criteria to adjust instructional strategies and modify learning plans.
- **Rubric Evaluations** are holistic or analytical. They are a list or matrix of narrative statements used to evaluate the quality of students work in relation to the performance benchmarks. All day-to-day work will be evaluated by rubrics in support of performance based learning.

The Honors Academy will meet or exceed the levels of student performance required under state accountability systems. All courses offered by the Honors Academy will be reviewed and approved by TEA as specified in the State Board of Education Rules for Curriculum. Courses as stated previously will be the approved curriculum of University of Texas, Texas Tech University and NovaNet, an on-line vendor of curriculum. All student progress will be carefully monitored and students will be counseled according to individual needs and abilities.

Successful completion of end of course assessments will be required of all students wishing to obtain a Texas high school diploma through the Honors Academy. Every student will be required to display an understanding and working knowledge of the essential knowledge and skills that all students must learn. Processes will be established with local school districts throughout the state, which will enable students to take formal exams as required. Special permission will be requested from the State Board to cover testing which must be conducted outside of the state. Each case will be considered on an individual basis. In all cases, measures to insure secure testing and confidentiality of records and transmission of tests and related information will be implemented.

Individual teachers will provide review and preparation materials to help students prepare for the TAAS test that they will take in a designated locations.

The Honors Academy staff will establish acceptable student performance levels on assessment instruments (Subchapter B, Chapter 39) in compliance with the accountability provisions specified by the charter.

**5. Provide a list of districts within the geographic area that may be affected by the open-enrollment charter school with the date the Statement of Impact form was sent to each affected school.**

On July 2, 1998, the following school districts were notified by certified letter that one2one Texas Learning Foundation intended to explore seeking State Board approval of an open-enrollment charter school:

- Austin ISD
- Coupland ISD
- Del Valle ISD
- Eanes ISD
- Elgin ISD
- Hays Consolidated ISD
- Lago Vista ISD
- Lake Travis ISD
- Leander ISD
- Manor ISD
- Pflugerville ISD
- Round Rock ISD
- Texas School for the Blind
- Texas School for the Deaf

We feel that no school will be negatively affected with the establishment of the Honors Academy but instead that many local schools will benefit by having a distance learning school to which students may be referred. In addition, this school will provide learning opportunities for those students not served by the traditional public school system. The Honors Academy will seek and enroll students not currently enrolled in the public school system, thus will not be taking money from a school district but rather be reimbursed by the State for students who were not in school at the time of enrollment. The Honors Academy will accept students from local districts only upon mutual agreement. It is not the intention of the Honors Academy to seek or accept students routinely from local districts.

**6. Describe the geographic area served by the program**

Given the nature of our program (distance learning), students will come from anywhere in the State of Texas who will benefit from this mode of learning and who are not currently served by the traditional public school system. Typically, students will be enrolled through teacher, parent, and/or community referrals.

**7. Specify any type of enrollment criteria to be used. (For admission to an open enrollment charter school, the person operating the school may require the students seeking admission to complete and submit applications no later than a reasonable deadline the school establishes.) Indicate whether the open-enrollment charter school provides for the exclusion of a student who has a documented history of criminal offense, juvenile court adjudication, or discipline problems under TEC, Chapter 37, Subchapter A.**

Families interested in having their children attend the Honors Academy will submit an application for review directly to the Honors Academy principal. If student has had prior formal education, the principal of the Honors Academy will obtain student transcripts from the last school the child attended. Applications may be obtained by phone, fax and via the Internet homepage for Honors Academy. All applicants will be required to undergo an interview with parent or guardian to verify the motivation and self discipline necessary for the type program offered by the academy. If the distance learning program offered by Honors Academy cannot meet student needs, the staff will refer the student to other educational alternatives.

Honors Academy seeks students who are not currently served by the traditional educational system. Therefore, students with criminal offenses, juvenile court adjudication, or discipline problems as outlined in TEC, Chapter 27, Subchapter A will be encouraged to apply for admission. (See student population as described in Section 1 of application.) All students will be required to demonstrate the required levels of self-discipline and motivation necessary for success in this program and will be counseled and encouraged to seek enrollment elsewhere if the academy cannot serve their needs.

Students who enroll may have received credit for work done in elementary, middle or high school. Credit for prior attendance may be granted for completion of courses. However, the Honors Academy will review each student's record on an individual basis to determine if prior work qualifies for state graduation credit by TEA.

Transfer credit may be given for courses taken at accredited schools. To receive credit for courses not taken at an accredited school, a student must demonstrate mastery of course content material. The home schooled student or the student from a non-accredited high school will be required to pass an examination over previously taken courses to verify they have mastered the TEKS requirements. No transfer credit will be given to these students without completion of the examination. If students have enrolled in the Academy, the Academy's instructional staff members will provide formal review in preparation for such examination.

The Honors Academy will award a student a Texas high school diploma after satisfactorily completing the exit level TAAS and course work as prescribed by the Texas Education Agency.

**8. Specify the qualifications to be met by the professional employees (administrators, teachers, counselors) of the program. Will the school automatically run a criminal history check on all employees? Describe the teaching philosophy used in the school.**

The Honors Academy is an equal opportunity employment institution. It will strive to develop a diverse pool of applicants from which it will choose only the most highly qualified candidates for teaching and administrative positions. At all times one2one Texas Learning Foundation will seek to recruit the best applicants available for administration and teaching positions. All candidates for employment, especially those dealing directly with children, will be required to automatically undergo a police background check to determine existence of criminal history as well as a thorough review of past employment history. An essential prerequisite for all applicants will be the necessity for understanding the composition of the student body we seek to serve. They must have a desire to work in this unique environment.



The following are description for key professional positions that constitute the core staff of this distance learning charter school.

### **Executive Director**

Executive management experience in a variety of environments from public and private sector will prove to be beneficial for this position. An entrepreneurial mind-set, with executive-level presentation skills is required. Background experience in program management or organizational development is essential. Ability to initiate and implement policies and procedures for all areas of operation is mandatory. Effective leadership skills to assess staff and evaluate needed personnel changes to facilitate a cohesive, dynamic team of committed individuals who value their work and a team approach. A minimum of five years executive management experience and a master's level degree is required.

### **Superintendent**

This position will require at least five years experience in public or private education supervisory management, an administrative certificate and preferably a master's degree. It would be expected that any candidate for this position would have considerable experience in education, including experience with state-adopted materials and frameworks so that the charter school curriculum aligns with TEKS. The candidate will possess strong supervisory and negotiating skills. Teaching and curriculum development experience will be mandatory. Knowledge of educational technology, Internet access and information retrieval will be valuable. Ability and attitude reflective of someone who will represent the foundation and school well to the whole community including state organization are essential.

### **Principal**

This person will be recruited based on requisite administrative certification and education, and experience as an administrator in the public school system. Experience must reflect educational program management as well as development and implementation of new school wide initiatives. The candidate also must possess knowledge of current state law and policy related to public education. The candidate will demonstrate knowledge of and experience with the state model curriculum frameworks (TEKS), curriculum guides and other exemplary instructional related resources. Besides possessing organizational skills, knowledge of educational technology, Internet access and information retrieval will be valuable. Excellent communications skills are a must since this position will require interaction with not only parents, students, and teachers but also contractors, staff and outside public relations. References, which address the above stated qualifications, will be required.

### **Educational Coordinator**

Supervisory experience or demonstrated supervisory skills will be required for this position. A minimum requirement of a Texas teaching certificate with three years teaching experiences and a bachelor's degree. Effective communication and organization skills are essential. The candidate

must demonstrate the ability to discern effective instructional strategies reflective of individual student learning needs. Knowledge of best practice teaching techniques for training and equipping teachers is essential. Knowledge and experience of distance learning will provide necessary background for effective delivery of instruction to diverse student populations.

### **Teacher**

A minimum requirement of a Texas teaching certificate and a bachelor's degree is required. Prior experience as a K-12 teacher, counselor or academic advisor, combined with strong interpersonal and communication skills are preferred. Candidates will be sought who bring a level of maturity and caring approach for children. Fluency in Spanish may be required by some teaching positions. The teacher must demonstrate an understanding and ability to implement an individualized learning plan consistent with delivery modes described in Section 3 of this application.

The following positions will provide additional statewide support:

**State Director – Staffing:** Experience in public and/or private education markets. Knowledgeable of contractor and employee parameters and law as well as compliance issues are essential for this position. Background and knowledge of site-based education is mandatory. Possess strong interpersonal communication skills, interview and analytical skills. Ability to assess teachers suitability and instructional abilities. Staff training and development capabilities are required. Awareness, wisdom and skills with local community relations and political environment are invaluable. This position requires someone who is highly self-motivated and able to motivate subordinates.

**State Director – Enrollment:** Significant experience in independent learning models and site-based education. Individual needs to motivate and assess individual motivational styles, capabilities, and intent. Requires significant interpersonal communication skills, especially with parents and students. Individual must be personable, have professional appearance with strong educational technology experience.

**State Director – Technology and Instruction:** This position coordinates and aligns the K-12 curriculum and integrates technologies and software into the instructional processes. This individual should have a strong background on use and maintenance of hardware and educational software. This position will coordinate adult training with special emphasis on integration of technology with the curriculum. Must possess the willingness to provide front line teacher training.

### **Teacher Retirement System**

One2one Texas Learning Foundation will provide educational management and technology services to Honors Academy. As such educational coordinators and teachers will be hired as independent contractors, and will be paid on the basis of work completed or student case load (i.e., set dollar amount for each student managed). There will not be a set number of hours they work each week because the number of enrollments will vary as will the individual

learning/nurturing needs of students. Given that they are independent contractors eligibility for the teacher retirement system (TRS) will not be permissible. The administrative staff (superintendent, principal) will be employees of one2one Texas Learning Foundation, a private sponsoring entity and as such they will not be permitted to participate in the TRS. However, the foundation will provide opportunities for contractors and employees to participate in group 401(k) retirement programs, if they so choose.

### **Proposed Teaching Philosophy**

The Honors Academy is designed to individualize student learning and provide assistance that meets students needs. However, the Academy recognizes full well that learning to high standards requires strong skills in core subject areas. Therefore, the philosophy of this Academy can be characterized by a strong emphasis on performance-based learning and a constructivist learning approach.

Performance based learning focuses on three areas. First, content knowledge comes from already defined curriculums and is enhanced by adoption of thematic and interdisciplinary units. This knowledge represents the core curriculum that is the basis for all learning. Special emphasis will be placed on developing strong reading skills. Second, experiential learning (process skills) asks students to go beyond telling what they know to how they apply the knowledge and develop work habits for learning and job skills for the workplace. Finally, the focus on performance benchmarks which build on earlier content knowledge, process skills and related work habits, indicate how good is good enough. As we develop this learning model, students, especially in early years will understand they must not only know the subject area content, but must be able to apply it. Two overriding questions must face students at every step of the learning process. They are: (1) What do you know? and, (2) Can you use what you know in practical applications?

As students are firmly grounded in performance based learning, they will become engaged in the learning process. Engaged (active) and experiential learning leads to development of a constructivist learning environment. Constructivism is both a theory of learning and a strategy for teaching. It builds on the "constructivist" theories of Jean Piaget, asserting that knowledge is not simply transmitted from teacher to student, but actively constructed by the mind of the learner. Children don't get ideas; they make ideas. Sound education practice will be rooted in developing core curriculum content competencies along with developing and providing experiential learning opportunities.

Curriculum at Honors Academy will fully integrate the requirements of Texas Essential Knowledge and Skills and be designed to enable students to learn and revisit ideas in various settings of increasing complexity. Working with curriculum (performance tasks) in a variety of experiential learning opportunities will enable students to be more engaged in the learning process and foster work place skills. Part of the learning process will require students and teachers to reflect on their learning, to self evaluate their progress, and to design steps for improvement and advancement of their growing body of knowledge. In doing such, students will learn how to use information as a strategic life long resource in that they will learn how to identify problems, find and evaluate resources, plan work strategies, synthesize and present information. By working

with information in a variety of contexts, students will develop an understanding and appreciation for its importance and they will be more likely to retain and apply it in real world applications.

### **Staff Development Plan**

Staff development will be comprehensive and cover a wide range of topics from school administration to development of skills dealing with the at risk child. Training opportunities will be offered to educational coordinators and teachers who are dealing with at risk students. The Schools Attuned program will be a staff development program for all Academy staff and teachers.

**Schools Attuned** is a comprehensive regular education program offering new methods for understanding and managing. It is based on 15+ years of research by Dr. Mel Levine - Professor of Pediatrics and Director of the Clinical Center for the Study of Development and Learning at the School of Medicine in Chapel Hill, NC

Specifically **Schools Attuned** provides the following:

- 1) Intervention strategies for at risk students based on; the eight neurodevelopmental constructs (attention, language, memory, fine and gross motor function, spatial ordering, temporal-sequential ordering, higher order cognition, and social cognition) and their roles in building - and, for many children, disabling - the foundation for learning;
- 2) Comprehensive observation instruments designed for teachers, parents, and children; and,
- 3) Understanding that all children have strengths and affinities and that each can attain authentic success.

**Schools Attuned** is a two-year service delivery model (with an optional third year) that provides educational coordinators and teachers new ways to cultivate success in all students, regardless of their learning profiles. It acknowledges the existence of a broad array of patterns of brain variation, guides teachers in replacing often damaging labels with usable descriptions, stresses the importance of positive reinforcement of learning, and provides methods to nurture students' strengths and affinities.

### **9. Describe how the following aspects of school support will be handled in the school: finances, budgeting, audits, PEIMS, facilities, food service, and transportation.**

One2one Texas Learning Foundation is subject to state compliance policies and procedures for academic accounts and administration. This provides safeguard measures for the student and state while ensuring quality educational standards are met as a basic minimum, as well as management integrity.

### **a) Describe the process by which the governance structure of the open-enrollment charter school will adopt an annual budget.**

Annual budgets will be prepared by the finance director in close association with the executive director of the foundation in January of each year, and approved by the board of directors no later than April for adoption the following school year (September). Solicitation and input will come from the principal, superintendent and charter council with budget recommendations submitted to the executive director no later than March for final approval by the board in April of each year.

- b) Submit a proposed budget as an attachment for this application using the template provided. Explain how the school will conduct its business office, and with what personnel.**

A proposed budget is attached. (see attachment C-Budget Template)

The school will conduct its business through the administrative offices located in Austin. The foundation will have a finance director, a qualified CPA, who will assist the academic administrative staff (superintendent and principal) to manage daily account activity, and provide financial and budgetary guidance.

One2one Texas Learning Foundation will contract out its accounting services. The accounting functions will be established and maintained using the Account Mate accounting system (a nationally recognized accounting software for not-for-profit corporations) with accounting codes being designated for every expenditure and transaction. Monthly account records will be kept including hard copies of all transactions for audit purposes.

- c) Describe the manner in which an annual audit of the financial and programmatic operations of the open-enrollment charter will be conducted.**

On an annual basis, the charter council, executive director, finance director and the foundation's board of directors will review all operational aspects of the program. In addition, the account firm of Ernst and Young, Inc. will examine and conduct an independent audit of the financial aspects of the operation and prepare a certified audit available to the community and State Board of Education.

#### **Accountability (Evaluation) of the Charter School**

The Honors Academy will submit reports and be reviewed as the State Board requests as per the requirements of Chapter 39, Subchapter C, as to the quality of learning and programs offered. Assessment will never be based on race, ethnicity, sex and socioeconomic status of students attending the Academy. The Academy will continually develop and improve programs which focus on learning disabled students and help to students and families with limited language abilities.

Because Honors Academy teachers and staff will be working with students who have not previously been enrolled in school or have diagnosed learning disabilities, the usual assessment measures for charter schools will not adequately evaluate the effectiveness of the Honors

Academy. In addition, many of the students and their families may have limited English language proficiency. Initially the success of the school will be recovering students who are deemed by the system to be "at risk" as defined in TEC Section 29:081(d).

The Honors Academy will allow students to enroll on any day and take up to nine months to complete a course. In this distance learning school, the concept of "drop out" will be quite different from conventional understanding that is applicable to the traditional school setting. The Honors Academy requests that an expanded definition "drop out" be adopted and the Academy be evaluated on the students recovered from "drop out" status. As baseline data is developed and students are recovered into the system, the Honors Academy will explore other accountability options. Without an expanded definition of "drop out" and "drop out recovery", the Honors Academy could possibly receive an unfavorable evaluation when evaluated under provisions of the TEC Sec. 12.118.

After all evaluations by State Board, the principal of the Honors Academy will publish the evaluation and make it available to all. The Academy will use the findings of the State Board evaluation as feedback on program and school development. This report will become an integral part of the Academy School Improvement Plans. The principal will be responsible for developing school improvement plans on an annual basis. Planning will be data driven and will be collaborative in that it will involve teacher, parent, student and community, and other individuals identified by the principal.

As a matter of record and to provide timely information to parents and the local communities which are served by the Honors Academy, the principal will be responsible to develop and maintain student demographic information, record of student achievement to include comparative data with comparable schools and surveys of customer (student and family) satisfaction.

- d) Describe the manner in which the charter school will participate in the Public Education Information Management System (PEIMS) information, as required by state statute or by State Board of Education rule.**

One2One Texas Learning Foundation is planning to purchase PEIMS software and reporting services through the Charter School Resource Center and have Carol Thorne their consultant manage our system. She will train a data entry person we will hire to input the necessary information and ensure all reporting requirements meet with state compliance.

- e) Describe the facilities to be used: If the facility to be used for an open-enrollment charter school is a facility of a school district, describe the terms established by the board of trustees or other governing body of the district stipulating the relationship between the proposed charter school and the district pertaining to the use of the facility. Attach a copy of the agreement, or pending agreement, signed by the president of the board of trustees or other governing body of the proposed open-enrollment charter school, and the chief operating officer of the proposed charter. If the facility is not operated by a school district, attach a copy of the agreement, or pending**

**agreement, signed by the entity owning and operating the facility and the chief operating officer of the proposed charter. The SBOE will not consider an application that does not have an agreement of some sort for a building.**

Since the proposed open-enrollment charter school will be a distance learning school there will be no physical building to accommodate students. However, administrative personnel will be situated at the Hartland Plaza Bank Building located at: 1717 West 6th Street, Austin, Texas 78713 (subject to space being available in the premises on September, 1999) (see attachment A-Facility Use Agreement)

These facilities will be suitable for the type of educational program we will be offering and accessible for parents, students and teachers will be a requirement. For instance computer and technical support will be available from this location by calling a toll-free telephone number, e-mail and /or voice mail capabilities. Similarly, anyone from the learning community who needs to access the administrative offices will have the ability to do so through the aforementioned avenues and through the web address, and dedicated fax machine.

**f) Describe provisions for transportation, if any, for students served the open-enrollment charter school.**

Not applicable to a distance learning open-enrollment charter school.

**g) Describe provisions for food service, if any, for students served by the open-enrollment charter school.**

Not applicable to a distance learning open-enrollment charter school.

**10) Provide a draft of a board policy providing for the admission of students eligible for a public education grant under Texas Education Code, Subchapter G, Chapter 29. Describe how the school will implement the policy.**

Honors Academy will accept students who apply under the public education grant program subject to available space.

# Attachment A

## Facility Use Agreement



OPEN-ENROLLMENT CHARTER SCHOOL  
FACILITIES LETTER OF INTENT

Lessor (Owner): Lake Austin Commons

Lessee (Tenant): One 2 One Texas Learning Foundation

Use: Office

Premises: 1717 West 6<sup>th</sup> Street Austin, TX 78713  
Address  
TBD  
Square footage

Terms of Lease: 3 Year

Rental Amount: \$22.00 sq. ft Yr 1, \$23.00 sq. ft Yr 2, \$24.00 sq. ft. Yr3

Contingency: The terms of this letter of intent are contingent upon One2One Texas Learning Foundation (sponsoring entity) receiving a charter and receiving state funding to operate an open-enrollment charter school from the State Board of Education by September 15, 1999 + space being available in the Premises.

Lessee: One2One Texas Learning Foundation  
By JPHowie, Executive Director  
Date: 6/30/98

Lessor/Agent: Pyramid Properties, Inc.  
By [Signature]  
Date: 6/30/98

RFA#701-98-016

# Attachment B

## Evidence of Parental and Community Support



## TRINIDAD UNION SCHOOL DISTRICT

DRAWER 3030, TRINIDAD, CALIFORNIA 95970-3030/(707) 877-3831  
RON FLANNÉR, SUPERINTENDENT/PRINCIPAL

July 21, 1998

The Texas Education Agency  
1701 N. Congress  
Austin, TX 78701

To Whom It May Concern:

It is my personal and professional pleasure to write a letter of support for the Honors Academy sponsored by the One-2-One Texas Learning Foundation. As a Public School Administrator in California for the past two decades, I have always supported innovative and alternative learning programs.

In recent discussions with a number of my professional colleagues, I learned about the work of the One-2-One Learning Foundation in California and Texas. The efforts of this group are coming at a time when all educators need to take advantage of the new technologies to reach diverse learners.

The proposed Honors Academy will evolve into a learning resource that will eliminate the barriers of distance and access that presently exist. It will provide the youth of Texas with educational and work-force options that presently do not exist.

The charter school configuration has worked successfully in California when the overall management was assigned to an educational management organization. The One-2-One Learning Foundation is proof positive of this strategy as evidenced by the success of the Sierra Summit Academy.

The Texas Education Agency

Page Two

July 21, 1998

A replication of these successes through the evolution of the Honors Academy will move this viable resource forward. America has always succeeded in the world arena because of a successful and progressive educational system. Now is the time to keep this viable resource constant. The Honors Academy and the One-2-One Texas Learning Foundation can achieve this most important undertaking.

If I can be of any further assistance, please feel free to call me at (707) 442-6228 at anytime.

Sincerely,

A handwritten signature in dark ink, appearing to read "Ron Flenner", with a long horizontal flourish extending to the right.

Ron Flenner,  
Superintendent Principal

RF/jd

## one2one Charter Schools Offer "New Opportunities to Learn and Grow"

Earlier this year, an informal survey was conducted of nearly 200 parents of students enrolled at the Sierra Summit Academy – a one2one California Learning Foundation public charter school.

- Nearly 70 percent of parents rated their experience at the one2one charter school as better than their experience with traditional schools.
- Asked to rank their child's teacher (called an educational facilitator) on a scale from one to ten, nearly half of the parents gave the teacher a perfect score of ten, with an average rating of 8.78.

**Here's what parents, students, and educational facilitators are saying about Sierra Summit Academy:**

### **Parent**

*"My husband and I enrolled our three oldest children in Sierra Summit Academy and have been very pleased with the services and the staff. We have maintained the same freedom to direct our subjects, services, and materials as we did before, but with some great new opportunities. I appreciate the support network, record keeping and accountability I now have. We have an educational facilitator to answer questions, offer suggestions, and other support. Sierra Summit Academy has allocated to us quality materials that would have been difficult to afford independently. Being a member of Sierra Summit Academy affords us many new opportunities to learn and grow. Our family is excited to be a part!" – [REDACTED]*

### **Student**

*"Sierra Summit Academy has been very beneficial to my family and me. Since we joined, I have been able to broaden my academic horizons. I now take a music class and gymnastics class once a week. We also have received a lot of school materials – science kits, work books, educational CD Roms, etc. We also have a computer that the Academy provided. I am very thankful to our charter school for all the school supplies we have received and for their support of home school families." – [REDACTED]*

### **Educational Facilitator**

*"As a facilitator, I have been able to work hand in hand with parents who wish to be an integral part of their children's education. I feel like I've been able to really make a difference in many of the student's lives this year. I got to know the family unit as a "whole," earned their trust, worked with them to solve problems, and was available to answer their educational questions. Being able to provide students with the resources which they need to achieve their goals has been wonderful." – [REDACTED]*

Reed Williams, MD

July 22, 1998

To Whom It May Concern:

Dear Sir or Madam:

Although much is right about our educational system, much is also wrong. Students have fallen through the cracks, and continue to do so.

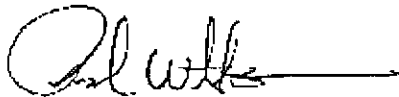
A single approach to education cannot meet the needs of all students. I believe we must, and can enact an instructional organization that will educate those that have fallen behind their peers. I believe the Charter System proposed by the Ono2One Learning Foundation will fill this need.

As a graduate of Princeton University, and UT Southwestern Medical School, I am intimately familiar with the processes of teaching and learning. This system is innovative, carefully structured, allows students to advance quickly, and provides much needed personal assistance.

Proper education will create opportunities that these people would not otherwise receive.

I wholeheartedly recommend the One2One system. It is my hope that you will endorse this system.

Sincerely,



Reed Williams, MD

[REDACTED], [REDACTED], [REDACTED] & [REDACTED], P.C.

ATTORNEYS & COUNSELORS  
9400 NCX, Suite 1200  
9400 North Central Expressway  
Dallas, Texas 75231

Telephone (214) 987-9500

Telecopy (214) 987-9505

July 22, 1998

Texas Education Agency  
1701 North Congress  
Austin, Texas 78701

Re: One2One Texas Learning Foundation.

To Whom It May Concern:

Each of us are either interested professionals, members of the community, or parents, and we enthusiastically endorse a program such as that proposed by One2One. This program provides an opportunity for significant and meaningful educational development because it recognizes and addresses the individual needs and circumstances of the student and tailors the curriculum accordingly. We further endorse this program because it offers a distraction free environment, thereby giving each student a much greater opportunity to reach their full learning and developmental potential.

In closing, we endorse One2One as a significant learning resource in the education of our children. Thank you for your consideration.

[REDACTED]

SMS/ska

[REDACTED]

# Attachment C

## Budget Template

036



## Budget Worksheet for Charter Schools: Year One

Overview	Object Code	Total
Net Assets at Beginning of Year		<u>\$0</u>
Estimated Revenues:		
Local Sources		<u>\$0</u>
State Sources		<u>\$3,075,290</u>
Federal Sources		<u>\$0</u>
Other Sources		<u>\$0</u>
Total Estimated Revenues		<u>\$3,075,290</u>
Estimated Expenses:		
Payroll Costs	6100	<u>\$346,406</u>
Professional and Contracted Services	6200	<u>\$1,662,042</u>
Supplies and Materials	6300	<u>\$770,792</u>
Other Operating Costs	6400	<u>\$304,273</u>
Debt Expense	6500	<u>\$14,848</u>
Total Estimated Expenses		<u>\$3,098,361</u>
Gains	7950	<u>          </u>
Losses	8950	<u>          </u>
Change in Net Assets		<u>-\$23,071</u>
Net Assets at End of Year		<u>-\$23,071</u>

Charter School Budget Categories  
Expenses

	Function Code	Object Code	Total
Instruction:	11		
Payroll Costs		6100	\$0
Professional and Contracted Services		6200	\$915,365
Supplies and Materials		6300	\$751,792
Other Operating Costs		6400	
Debt Expense		6500	\$11,136
Total			<u>\$1,678,292</u>
Instructional Resources & Media Services	12		
Payroll Costs		6100	
Professional and Contracted Services		6200	\$98,004
Supplies and Materials		6300	
Other Operating Costs		6400	
Debt Expense		6500	
Total			<u>\$98,004</u>
Curriculum & Instructional Staff Development	13		
Payroll Costs		6100	
Professional and Contracted Services		6200	\$37,400
Supplies and Materials		6300	
Other Operating Costs		6400	\$246,023
Debt Expense		6500	
Total			<u>\$283,423</u>
Instructional Leadership	21		
Payroll Costs		6100	
Professional and Contracted Services		6200	\$95,198
Supplies and Materials		6300	
Other Operating Costs		6400	\$12,000
Debt Expense		6500	
Total			<u>\$107,198</u>
School Leadership	23		
Payroll Costs		6100	\$149,004
Professional and Contracted Services		6200	\$33,000
Supplies and Materials		6300	
Other Operating Costs		6400	
Debt Expense		6500	
Total			<u>\$182,004</u>
Guidance, Counseling & Eval. Services	31		
Payroll Costs		6100	
Professional and Contracted Services		6200	
Supplies and Materials		6300	
Other Operating Costs		6400	
Debt Expense		6500	
Total			<u>\$0</u>

038

Charter School Budget Categories  
Expenses

	Function Code	Object Code	Total
Social Work Services	32		
Payroll Costs		6100	\$0
Professional and Contracted Services		6200	\$0
Supplies and Materials		6300	\$0
Other Operating Costs		6400	\$0
Debt Expense		6500	\$0
Total			\$0
Health Services	33		
Payroll Costs		6100	\$0
Professional and Contracted Services		6200	\$0
Supplies and Materials		6300	\$0
Other Operating Costs		6400	\$0
Debt Expense		6500	\$0
Total			\$0
Student Transportation	34		
Payroll Costs		6100	\$0
Professional and Contracted Services		6200	\$0
Supplies and Materials		6300	\$0
Other Operating Costs		6400	\$0
Debt Expense		6500	\$0
Total			\$0
Food Services	35		
Payroll Costs		6100	\$0
Professional and Contracted Services		6200	\$0
Supplies and Materials		6300	\$0
Other Operating Costs		6400	\$0
Debt Expense		6500	\$0
Total			\$0
Co-curricular/Extracurricular Activities	36		
Payroll Costs		6100	\$0
Professional and Contracted Services		6200	\$0
Supplies and Materials		6300	\$0
Other Operating Costs		6400	\$0
Debt Expense		6500	\$0
Total			\$0
General Administration	41		
Payroll Costs		6100	\$197,402
Professional and Contracted Services		6200	\$483,075
Supplies and Materials		6300	\$19,000
Other Operating Costs		6400	\$15,000
Debt Expense		6500	\$3,712
Total			\$718,189

Charter School Budget Categories  
Expenses

	Function Code	Object Code	Total
<b>Plant Maintenance &amp; Operations</b>	<b>51</b>		
Payroll Costs		6100	\$0
Professional and Contracted Services		6200	\$0
Supplies and Materials		6300	\$0
Other Operating Costs		6400	\$0
Debt Expense		6500	\$0
<b>Total</b>			<u>\$0</u>
<b>Security &amp; Monitoring Services</b>	<b>52</b>		
Payroll Costs		6100	\$0
Professional and Contracted Services		6200	\$0
Supplies and Materials		6300	\$0
Other Operating Costs		6400	\$0
Debt Expense		6500	\$0
<b>Total</b>			<u>\$0</u>
<b>Data Processing Services</b>	<b>53</b>		
Payroll Costs		6100	\$0
Professional and Contracted Services		6200	\$0
Supplies and Materials		6300	\$0
Other Operating Costs		6400	\$0
Debt Expense		6500	\$0
<b>Total</b>			<u>\$0</u>
<b>Community Services</b>	<b>61</b>		
Payroll Costs		6100	\$0
Professional and Contracted Services		6200	\$0
Supplies and Materials		6300	\$0
Other Operating Costs		6400	\$0
Debt Expense		6500	\$0
<b>Total</b>			<u>\$0</u>
<b>Fund Raising</b>	<b>81</b>		
Payroll Costs		6100	\$0
Professional and Contracted Services		6200	\$0
Supplies and Materials		6300	\$0
Other Operating Costs		6400	\$31,250
Debt Expense		6500	\$0
<b>Total</b>			<u>\$31,250</u>
<b>TOTAL EXPENSES (All Functions)</b>			<u>\$3,098,361</u>

040

# Attachment D

## Evidence of Status of Eligible Entity

5400 Renaissance Tower  
1201 Elm Street  
Dallas, Texas 75270-2199  
DALLAS HOUSTON AUSTIN  
MEXICO CITY

WINSTEAD  
SECHREST  
& MINICK  
A Professional Corporation  
Attorneys & Counselors

(214) 745-5400  
Fax (214) 745-5390  
www.winstead.com

Direct Dial No. 214/745-5280  
rroberts@winstead.com

July 22, 1998

Internal Revenue Service  
201 West Rivercenter Boulevard  
Covington, Kentucky 41011  
Attn: Extracting Stop 312

VIA FEDERAL EXPRESS

Re: Supplemental Filing with Respect to the Group Exemption Letter Filed by  
one2one Learning Foundation, a Texas Nonprofit Corporation

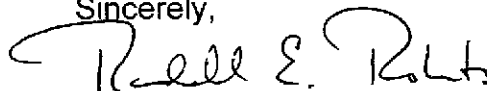
Dear Commissioner:

Enclosed please find a supplemental filing to the Form 1023, Application for Recognition of Exemption under 501(c)(3), filed on behalf of one2one Learning Foundation by letter dated June 15, 1998. For your convenience, please be advised that such Application for Recognition of Exemption has been assigned Document Locator Number 17053-169-02304-8. This supplemental filing requests that the recently formed one2one Texas Learning Foundation be included as a Subordinate Organization as such term is defined in Section 3.03 of Revenue Procedure 80-27.

Should you have any questions regarding the enclosed supplemental information, please contact either Alastair Howie or Bill Conley at one2one Learning Foundation at (214) 800-8877. I thank you in advance for your cooperation with respect to this matter.

Best personal regards.

Sincerely,



Randall E. Roberts  
Counsel to one2one Learning Foundation

RER/ng  
Enclosures  
3045207.1 - 07221998 - 139: 18554-1

# one2one Learning Foundation

1950 Stemmons Freeway, Suite 5001 Dallas, Texas 75207  
Tel: 214.800.8877 Fax: 214.800.8878

July 22, 1998

Internal Revenue Service  
201 West Rivercenter Blvd.  
Attn: Extracting Stop 312  
Covington, Kentucky 41011

Re: *one2one Texas Learning Foundation*

Dear Sirs:

In accordance with the requirements prescribed by Revenue Procedure 80-27 (June 30, 1980), one2one Learning Foundation (referred to herein as the "Central Organization" as such term is defined in Section 3.02 of Rev. Proc. 80-27) herein submits information on behalf of and with respect to one2one Texas Learning Foundation (referred to herein as the "Subordinate Organization" as such term is defined in Section 3.03 of Rev. Proc. 80-27). This information is submitted for purpose of including the Subordinate Organization in the group exemption letter sought by the Central Organization. The request for such group exemption letter was filed with your office by letter dated June 15, 1998 on Form 1023 and has been assigned Document Locator Number 17053-169-02304-8. We respectfully request that this letter be accepted as a supplemental filing under such Form 1023 to include one2one Texas Learning Foundation as an additional Subordinate Organization.

A. **General Information Regarding Subordinate Organization**

The Subordinate Organization:

- (1) is subject to the general supervision or control of the Central Organization through a common board of directors and common officers;
- (2) intends to be exempt under the same paragraph of I.R.C. §501(c) as all other subordinate organizations of the Central Organization which currently includes only one2one Indigenous Learning Foundation and one2one California Learning Foundation, Inc. In particular, all such Subordinate Organizations claim to be exempt for federal tax purposes under I.R.C. §501(c)(3);
- (3) intends not to be a private foundation;

- (4) is on the same accounting period as the Central Organization which currently is a fiscal year ending on May 31;
- (5) is seeking exempt status through a determination letter issued by the Internal Revenue Service to the Central Organization.

B. **Governing Instruments**

The Articles of Incorporation and Bylaws of the Subordinate Organization are attached hereto as Exhibit A and Exhibit B, respectively.

C. **Description of the Purposes and Activities**

See Statement 1 attached hereto.

D. **Sources of Receipts and the Nature of Expenditures**

See Statement 2 attached hereto.

E. **Written Authorization to Central Organization**

The Subordinate Organization has furnished written authorization to the Central Organization to include the Subordinate Organization in the group exemption letter sought by the Central Organization. A copy of this authorization is currently located in the Central Organization's corporate records.

F. **List of Subordinate Organizations**

See Statement 3.

G. **Exemption as a School**

The Subordinate Organization is not a school claiming exemption under I.R.C. §501(c)(3).

The undersigned hereby affirms, under penalties of perjury and false statement, that the information set forth in this letter (including attachments) is true and correct to the best of his knowledge and belief. The Subordinate Organization does not currently have an employer identification number. Enclosed is a completed Form SS-4 for the Subordinate Organization.

Sincerely,



Alastair Howie  
Acting Executive Director



**Statement 1**

**Page 1 of 4**

**Application for Recognition of Group Exemption  
Under Section 501(c)(3) of the Internal Revenue Code  
Detailed Description of the Purposes and Activities of the Subordinates  
Including the Sources of Receipts and the Nature of Expenditures**

**(a) *Description of the Purposes and Activities***

**(1) *Tax-Exempt Purpose***

The Subordinate Organization was organized on June 30, 1998 as a nonprofit corporation under the laws of the State of Texas. The Foundation was created for the specific purpose of improving the lives of diverse students through a specially designed academic curriculum referred to as the one2one Learning System. The one2one Learning System will emphasize both the nurturing and education of students enrolled in K-12 curricula. The one2one Learning System will provide the broadest possible learning opportunity through individualized instruction and lesson plans that will result in measurably increased student knowledge and understanding.

**(2) *Tax-Exempt Activities***

The Foundation will accomplish its educational and charitable purpose by providing a K-12 curriculum of "distance learning" to school districts that wish to implement a charter school program offering this method of educational instruction as a means to serve non-traditional student populations (referred to as the "Distance Learning Curriculum").

"Distance Learning" is a primarily home-based form of education implemented through an online computer network that utilizes the guidance of mentors, individualized curricula and the unlimited educational resources of the Internet.

The Foundation also provides the educationally-specific equipment, materials and expertise needed by The School District (or other educational organizations) to implement the academic curriculum, which may include any or all of the following: (1) computer hardware and software; (2) educational materials; (3) educational management services and (4) telecommunications management.

**(3) *Educational Objectives***

The Foundation has established the following educational objectives in furtherance of its mission:

- A. To support the goals of charter schools to serve those students and their families throughout the State of Texas who seek to gain from the program;

**Statement 1**

**Page 2 of 4**

**Application for Recognition of Group Exemption  
Under Section 501(c)(3) of the Internal Revenue Code  
Detailed Description of the Purposes and Activities of the Subordinates  
Including the Sources of Receipts and the Nature of Expenditures**

- B. To fulfill all student and school reporting requirements consistent with the respective school district;
- C. To create educational and managerial oversight of the Education Facilitators (as such term is defined in this Statement 1 at (c)(2)(A)(1)), students, parents and the school administration;
- D. To work proactively with the governing Charter Councils to ensure awareness of the past, present, and future facilities of the school and its educational materials and services; and
- E. To support and manage growth relative to both student population and academic opportunities.

***(b) When the Activity was or will be Initiated***

The Subordinate Organization commenced the activities on and after the date of its organization.

***(c) Where and by Whom the Activity Will be Conducted***

***(1) Locale of Activities***

The Subordinate Organization intends to offer the one2one Learning Systems curriculum only within the State of Texas.

***(2) Persons Conducting Activities***

***A. The Foundation***

The Foundation will provide its curriculum to the school district through a team of management experts, educational specialists, and computer network and telecommunications specialists. This team will provide a school district with: (1) educational management staff and (2) technology resource support.

Statement 1

Page 3 of 4

Application for Recognition of Group Exemption  
Under Section 501(c)(3) of the Internal Revenue Code  
Detailed Description of the Purposes and Activities of the Subordinates  
Including the Sources of Receipts and the Nature of Expenditures

(1) *Educational Management Staff*

The educational management staff will be capable of effectively managing the School and will consist of education-management specialists and educational specialists. The education-management specialists will provide overall management review and direction to ensure that the proper structure and procedures are supporting the attainment of the school district's objectives. The educational specialists will constantly review existing and potentially new educational materials to determine if they should be integrated into the academic curriculum offered by the Foundation. The education-management specialists and the educational specialists include the following personnel positions:

- *Area Superintendent*

The Area Superintendent will be responsible for the management of the Program Director and the Charter Schools. The Area Superintendent will represent the Foundation to the state organizations and assist in the start-up of new Charter School Programs. The Area Superintendent will report directly to the State Foundation Director and is a member of the Charter Council.

- *Program Director*

The Program Director will be the chief executive of the School and will be responsible for all of the operations of the School. The Program Director will directly supervise the Educational Coordinators (described in paragraph B. immediately below). The Program Director will report directly to the Area Superintendent of the Foundation and is a member of the Charter Council.

- *Educational Coordinators*

The Educational Coordinators will be responsible for staff development, education material, educational service awareness, operational efficiencies and effective reporting. The Educational Coordinators will also supervise the Educational Facilitators. The Educational Coordinators will report directly to the Program Director.

**Statement 1**

**Page 4 of 4**

**Application for Recognition of Group Exemption  
Under Section 501(c)(3) of the Internal Revenue Code**

**Detailed Description of the Purposes and Activities of the Subordinates  
Including the Sources of Receipts and the Nature of Expenditures**

- ***Educational Facilitators***

The Educational Facilitators will be responsible for providing instruction and guidance to students and parents. The Educational Facilitators will assist the students in determining their academic proficiency and needs. Each Educational Facilitator will be responsible for approximately twenty (20) students. The Educational Facilitators will report directly to the Educational Coordinators.

- ***Technology Resource Support***

Technology resource support will consist of computer network and telecommunications specialists who will ensure that on-line educational materials and technological services are available twenty-four (24) hours a day and provide any other technological resource support required by the School District.

***(b) Source of Receipts***

Both the present and anticipated future source of the Corporation's financial support is attributable to: Apportionments received from the state based on student population count earned by the Foundation in connection with implementing the one2one Learning System.

**Statement 2**  
**Application for Recognition of Group Exemption**  
**Under Section 501(c)(3) of the Internal Revenue Code**  
**Financial Projections**

See Attached

# one2one Texas Learning Foundation

## 1st Year Projection

1999/2000	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	Totals
Number of Students	500	550	600	650	700	750	800	850	900	950	1000	1000	
ADA @ 95%	475	522.5	570	617.5	665	712.5	760	807.5	855	902.5	950	950	
ADA Monthly Payment	333	333	333	333	333	333	333	333	333	333	333	333	
Accrued ADA Revenue	304,485	174,165	189,998	205,831	221,664	237,498	253,331	269,164	284,997	300,830	316,664	316,664	3,075,290
<b>Expenses:</b>													
Interest Exp. (Inc) @ 9% & 4%	0	1,500	717	918	1,090	1,240	1,368	1,473	1,559	1,624	1,668	1,689	14,848
Program Development	9,135	5,225	5,700	6,175	6,650	7,125	7,600	8,075	8,550	9,025	9,500	9,500	92,259
Indirect	15,224	8,708	9,500	10,292	11,083	11,875	12,667	13,458	14,250	15,042	15,833	15,833	153,765
Technology Services	19,950	21,945	23,940	25,935	27,930	29,925	31,920	33,915	35,910	37,905	39,900	39,900	369,075
Executive Director	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	99,000
Learning Services	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	80,004
Office	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
National Exp. Apportionment	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Principal	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	65,004
Academy Staff	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
Academy Rent/Utilities	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	33,000
Incentive Compensation	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Coordinator	5,146	5,660	6,175	6,690	7,204	7,719	8,233	8,748	9,263	9,777	10,292	10,292	95,198
Salary Overhead	8,200	8,200	8,200	8,200	8,200	8,200	8,200	8,200	8,200	8,200	8,200	8,200	98,402
Teacher	49,479	54,427	59,375	64,323	69,271	74,219	79,167	84,115	89,063	94,010	98,958	98,958	915,365
Supplies	3,000	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	19,500
Student Materials	39,583	43,542	47,500	51,458	55,417	59,375	63,333	67,292	71,250	75,208	79,167	79,167	732,292
Legal	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Public Affairs	3,000	3,000	3,000	3,000	3,000	3,000	4,000	4,000	4,000	4,000	4,000	4,000	42,000
Governmental Affairs	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
Postage/Overnight	500	500	500	500	500	500	500	500	750	750	750	750	7,000
Insurance	1,000	1,000	1,000	1,000	1,000	1,000	1,500	1,500	1,500	1,500	1,500	1,500	15,000
Contract Services	3,240	3,240	3,240	3,240	3,240	3,240	3,240	3,240	3,240	3,240	2,500	2,500	37,400
Advertising	2,000	2,000	2,000	2,000	2,000	2,000	1,000	1,000	1,000	1,000	1,000	1,000	18,000
Conf. Exhibit	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,250	1,250	1,250	1,250	1,250	13,250
Travel	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Telephone & L.D.	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Total Expenses	200,041	201,032	212,931	225,815	238,670	251,502	264,812	277,849	290,868	303,616	315,602	315,623	3,098,361
Net Revenue	\$104,443	(\$26,867)	(\$22,933)	(\$19,984)	(\$17,005)	(\$14,004)	(\$11,481)	(\$8,685)	(\$5,871)	(\$2,785)	\$1,061	\$1,040	(\$23,071)

# one2one Texas Learning Foundation

## 2nd Year Projection

2000/2001	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	Totals
Number of Students	1000	1100	1200	1300	1400	1500	1600	1700	1800	1900	2000	2000	
ADA @ 95%	950	1045	1140	1235	1330	1425	1520	1615	1710	1805	1900	1900	
1/13 ADA Payment	333	333	333	333	333	333	333	333	333	333	333	333	
<b>Accrued ADA Revenue</b>	<b>318,664</b>	<b>348,330</b>	<b>379,996</b>	<b>411,663</b>	<b>443,329</b>	<b>474,995</b>	<b>506,662</b>	<b>538,328</b>	<b>569,994</b>	<b>601,661</b>	<b>633,327</b>	<b>633,327</b>	<b>5,858,275</b>
<b>Expenses:</b>													
Interest Exp. (Inc) @ 9% & 4%	1,681	1,863	2,236	2,565	2,849	3,088	3,281	3,429	3,544	3,612	3,633	3,608	<b>33,708</b>
Program Development	9,500	10,450	11,400	12,350	13,300	14,250	15,200	16,150	17,100	18,050	19,000	19,000	<b>175,748</b>
Indirect	15,833	17,416	19,000	20,583	22,166	23,750	25,333	26,916	28,500	30,083	31,666	31,666	<b>292,914</b>
Technology Services	39,900	43,890	47,880	51,870	55,860	59,850	63,840	67,830	71,820	75,810	79,800	79,800	<b>738,150</b>
Executive Director	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	<b>120,000</b>
Learning Services	13,334	13,334	13,334	13,334	13,334	13,334	13,334	13,334	13,334	13,334	13,334	13,334	<b>160,008</b>
one2one Office	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	<b>42,000</b>
one2one Exp. Apportionment	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	<b>30,000</b>
Principal	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	<b>65,004</b>
Academy Staff	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	<b>120,000</b>
Academy Rent/Utilities	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	<b>33,000</b>
Incentive Compensation	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	<b>24,000</b>
Coordinator	10,292	11,321	12,350	13,379	14,408	15,438	16,467	17,496	18,525	19,554	20,583	20,583	<b>190,396</b>
Salary Overhead	12,225	12,225	12,225	12,225	12,225	12,225	12,225	12,225	12,225	12,225	12,225	12,225	<b>146,704</b>
Teacher	98,958	108,854	118,750	128,646	138,542	148,438	158,333	168,229	178,125	188,021	197,917	197,917	<b>1,830,729</b>
Supplies	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	<b>24,000</b>
Student Materials	79,167	87,083	95,000	102,917	110,833	118,750	126,667	134,583	142,500	150,417	158,333	158,333	<b>1,464,583</b>
Legal	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	<b>24,000</b>
Public Affairs	4,000	4,000	4,000	4,000	4,000	4,000	4,000	5,000	5,000	5,000	5,000	5,000	<b>53,000</b>
Governmental Affairs	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	<b>36,000</b>
Postage/Overnight	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,250	1,250	1,250	1,250	1,250	<b>13,250</b>
Insurance	1,500	1,500	1,500	1,500	1,500	1,500	1,500	2,000	2,000	2,000	2,000	2,000	<b>20,500</b>
Contract Services	3,834	3,834	3,834	3,834	3,834	3,834	3,834	3,834	3,834	3,834	3,834	3,834	<b>46,008</b>
Advertising	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	<b>18,000</b>
Conf. Exhibit	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	<b>18,000</b>
Travel	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	<b>18,000</b>
Telephone & L.D.	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	<b>24,000</b>
<b>Total Expenses</b>	<b>340,891</b>	<b>366,438</b>	<b>392,176</b>	<b>417,870</b>	<b>443,519</b>	<b>469,123</b>	<b>494,681</b>	<b>521,944</b>	<b>547,424</b>	<b>572,857</b>	<b>598,243</b>	<b>598,218</b>	<b>5,763,383</b>
<b>Net Revenue</b>	<b>(\$24,228)</b>	<b>(\$18,108)</b>	<b>(\$12,180)</b>	<b>(\$6,207)</b>	<b>(\$190)</b>	<b>\$5,872</b>	<b>\$11,980</b>	<b>\$16,384</b>	<b>\$22,571</b>	<b>\$28,804</b>	<b>\$35,084</b>	<b>\$35,109</b>	<b>\$94,891</b>

**Statement 3**  
**Application for Recognition of Group Exemption**  
**Under Section 501(c)(3) of the Internal Revenue Code**  
**Subordinates' Names, Addresses, and Employer Identification Numbers**

one2one California Learning Foundation, Inc.  
114 North Sunrise Avenue, Suite A-4  
Roseville, CA 95661  
EIN: Applied For

one2one Indigenous Learning Foundation  
Santa Fe Indian School  
Tenorio Hall  
1501 Cerillos Road  
Santa Fe, NM 87504  
EIN: Applied For

one2one Texas Learning Foundation  
1950 Stemmons Freeway, Suite 5001  
Dallas, Texas 75207  
EIN: Applied For (Form SS-4 attached to letter)



# one2one Learning Foundation

1950 Stemmons Freeway, Suite 5001 Dallas, Texas 75207  
Tel: 214.800.8877 Fax: 214.800.8878

July 22, 1998

Internal Revenue Service  
201 West Rivercenter Blvd.  
Attn: Extracting Stop 312  
Covington, Kentucky 41011

Re: *one2one Texas Learning Foundation*

Dear Sirs:

In accordance with the requirements prescribed by Revenue Procedure 80-27 (June 30, 1980), one2one Learning Foundation (referred to herein as the "Central Organization" as such term is defined in Section 3.02 of Rev. Proc. 80-27) herein submits information on behalf of and with respect to one2one Texas Learning Foundation (referred to herein as the "Subordinate Organization" as such term is defined in Section 3.03 of Rev. Proc. 80-27). This information is submitted for purpose of including the Subordinate Organization in the group exemption letter sought by the Central Organization. The request for such group exemption letter was filed with your office by letter dated June 15, 1998 on Form 1023 and has been assigned Document Locator Number 17053-169-02304-8. We respectfully request that this letter be accepted as a supplemental filing under such Form 1023 to include one2one Texas Learning Foundation as an additional Subordinate Organization.

## **A. General Information Regarding Subordinate Organization**

The Subordinate Organization:

- (1) is subject to the general supervision or control of the Central Organization through a common board of directors and common officers;
- (2) intends to be exempt under the same paragraph of I.R.C. §501(c) as all other subordinate organizations of the Central Organization which currently includes only one2one Indigenous Learning Foundation and one2one California Learning Foundation, Inc. In particular, all such Subordinate Organizations claim to be exempt for federal tax purposes under I.R.C. §501(c)(3);
- (3) intends not to be a private foundation;

- (4) is on the same accounting period as the Central Organization which currently is a fiscal year ending on May 31;
- (5) is seeking exempt status through a determination letter issued by the Internal Revenue Service to the Central Organization.

B. **Governing Instruments**

The Articles of Incorporation and Bylaws of the Subordinate Organization are attached hereto as Exhibit A and Exhibit B, respectively.

C. **Description of the Purposes and Activities**

See Statement 1 attached hereto.

D. **Sources of Receipts and the Nature of Expenditures**

See Statement 2 attached hereto.

E. **Written Authorization to Central Organization**

The Subordinate Organization has furnished written authorization to the Central Organization to include the Subordinate Organization in the group exemption letter sought by the Central Organization. A copy of this authorization is currently located in the Central Organization's corporate records.

F. **List of Subordinate Organizations**

See Statement 3.

G. **Exemption as a School**

The Subordinate Organization is not a school claiming exemption under I.R.C. §501(c)(3).

The undersigned hereby affirms, under penalties of perjury and false statement, that the information set forth in this letter (including attachments) is true and correct to the best of his knowledge and belief. The Subordinate Organization does not currently have an employer identification number. Enclosed is a completed Form SS-4 for the Subordinate Organization.

Sincerely,



Alastair Howie  
Acting Executive Director

**Statement 1**  
**Page 1 of 4**  
**Application for Recognition of Group Exemption**  
**Under Section 501(c)(3) of the Internal Revenue Code**  
**Detailed Description of the Purposes and Activities of the Subordinates**  
**Including the Sources of Receipts and the Nature of Expenditures**

**(a) *Description of the Purposes and Activities***

**(1) *Tax-Exempt Purpose***

The Subordinate Organization was organized on June 30, 1998 as a nonprofit corporation under the laws of the State of Texas. The Foundation was created for the specific purpose of improving the lives of diverse students through a specially designed academic curriculum referred to as the one2one Learning System. The one2one Learning System will emphasize both the nurturing and education of students enrolled in K-12 curricula. The one2one Learning System will provide the broadest possible learning opportunity through individualized instruction and lesson plans that will result in measurably increased student knowledge and understanding.

**(2) *Tax-Exempt Activities***

The Foundation will accomplish its educational and charitable purpose by providing a K-12 curriculum of "distance learning" to school districts that wish to implement a charter school program offering this method of educational instruction as a means to serve non-traditional student populations (referred to as the "Distance Learning Curriculum").

"Distance Learning" is a primarily home-based form of education implemented through an online computer network that utilizes the guidance of mentors, individualized curricula and the unlimited educational resources of the Internet.

The Foundation also provides the educationally-specific equipment, materials and expertise needed by The School District (or other educational organizations) to implement the academic curriculum, which may include any or all of the following: (1) computer hardware and software; (2) educational materials; (3) educational management services and (4) telecommunications management.

**(3) *Educational Objectives***

The Foundation has established the following educational objectives in furtherance of its mission:

- A. To support the goals of charter schools to serve those students and their families throughout the State of Texas who seek to gain from the program;

**Statement 1**

**Page 2 of 4**

**Application for Recognition of Group Exemption  
Under Section 501(c)(3) of the Internal Revenue Code**

**Detailed Description of the Purposes and Activities of the Subordinates  
Including the Sources of Receipts and the Nature of Expenditures**

- B. To fulfill all student and school reporting requirements consistent with the respective school district;
- C. To create educational and managerial oversight of the Education Facilitators (as such term is defined in this Statement 1 at (c)(2)(A)(1)), students, parents and the school administration;
- D. To work proactively with the governing Charter Councils to ensure awareness of the past, present, and future facilities of the school and its educational materials and services; and
- E. To support and manage growth relative to both student population and academic opportunities.

***(b) When the Activity was or will be Initiated***

The Subordinate Organization commenced the activities on and after the date of its organization.

***(c) Where and by Whom the Activity Will be Conducted***

***(1) Locale of Activities***

The Subordinate Organization intends to offer the one2one Learning Systems curriculum only within the State of Texas.

***(2) Persons Conducting Activities***

***A. The Foundation***

The Foundation will provide its curriculum to the school district through a team of management experts, educational specialists, and computer network and telecommunications specialists. This team will provide a school district with: (1) educational management staff and (2) technology resource support.

**Application for Recognition of Group Exemption  
Under Section 501(c)(3) of the Internal Revenue Code  
Detailed Description of the Purposes and Activities of the Subordinates  
Including the Sources of Receipts and the Nature of Expenditures**

**(I) *Educational Management Staff***

The educational management staff will be capable of effectively managing the School and will consist of education-management specialists and educational specialists. The education-management specialists will provide overall management review and direction to ensure that the proper structure and procedures are supporting the attainment of the school district's objectives. The educational specialists will constantly review existing and potentially new educational materials to determine if they should be integrated into the academic curriculum offered by the Foundation. The education-management specialists and the educational specialists include the following personnel positions:

- ***Area Superintendent***

The Area Superintendent will be responsible for the management of the Program Director and the Charter Schools. The Area Superintendent will represent the Foundation to the state organizations and assist in the start-up of new Charter School Programs. The Area Superintendent will report directly to the State Foundation Director and is a member of the Charter Council.

- ***Program Director***

The Program Director will be the chief executive of the School and will be responsible for all of the operations of the School. The Program Director will directly supervise the Educational Coordinators (described in paragraph B. immediately below). The Program Director will report directly to the Area Superintendent of the Foundation and is a member of the Charter Council.

- ***Educational Coordinators***

The Educational Coordinators will be responsible for staff development, education material, educational service awareness, operational efficiencies and effective reporting. The Educational Coordinators will also supervise the Educational Facilitators. The Educational Coordinators will report directly to the Program Director.

**Statement 1**

**Page 4 of 4**

**Application for Recognition of Group Exemption  
Under Section 501(c)(3) of the Internal Revenue Code  
Detailed Description of the Purposes and Activities of the Subordinates  
Including the Sources of Receipts and the Nature of Expenditures**

- ***Educational Facilitators***

The Educational Facilitators will be responsible for providing instruction and guidance to students and parents. The Educational Facilitators will assist the students in determining their academic proficiency and needs. Each Educational Facilitator will be responsible for approximately twenty (20) students. The Educational Facilitators will report directly to the Educational Coordinators.

- ***Technology Resource Support***

Technology resource support will consist of computer network and telecommunications specialists who will ensure that on-line educational materials and technological services are available twenty-four (24) hours a day and provide any other technological resource support required by the School District.

***(b) Source of Receipts***

Both the present and anticipated future source of the Corporation's financial support is attributable to: Apportionments received from the state based on student population count earned by the Foundation in connection with implementing the one2one Learning System.

**Statement 2**  
**Application for Recognition of Group Exemption**  
**Under Section 501(c)(3) of the Internal Revenue Code**  
**Financial Projections**

See Attached

**Statement 3**  
**Application for Recognition of Group Exemption**  
**Under Section 501(c)(3) of the Internal Revenue Code**  
**Subordinates' Names, Addresses, and Employer Identification Numbers**

one2one California Learning Foundation, Inc.  
114 North Sunrise Avenue, Suite A-4  
Roseville, CA 95661  
EIN: Applied For

one2one Indigenous Learning Foundation  
Santa Fe Indian School  
Tenorio Hall  
1501 Cerillos Road  
Santa Fe, NM 87504  
EIN: Applied For

one2one Texas Learning Foundation  
1950 Stemmons Freeway, Suite 5001  
Dallas, Texas 75207  
EIN: Applied For (Form SS-4 attached to letter)



## one2one Texas Learning Foundation

### 1st Year Projection 1999/2000

	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	Totals
Number of Students	500	550	600	650	700	750	800	850	900	950	1000	1000	
ADA @ 95%	475	522.5	570	617.5	665	712.5	760	807.5	855	902.5	950	950	
ADA Monthly Payment	333	333	333	333	333	333	333	333	333	333	333	333	
Accrued ADA Revenue	304,485	174,165	189,998	205,831	221,664	237,498	253,331	269,164	284,997	300,830	316,664	316,664	3,075,290

### Expenses:

Interest Exp. (Inc) @ 9% & 4%	0	1,500	717	918	1,090	1,240	1,368	1,473	1,559	1,624	1,668	1,689	14,848
Program Development	9,135	5,225	5,700	6,175	6,650	7,125	7,600	8,075	8,550	9,025	9,500	9,500	92,259
Indirect	15,224	8,708	9,500	10,292	11,083	11,875	12,667	13,458	14,250	15,042	15,833	15,833	153,765
Technology Services	19,950	21,945	23,940	25,935	27,930	29,925	31,920	33,915	35,910	37,905	39,900	39,900	369,075
Executive Director	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	8,250	99,000
Learning Services	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	6,667	80,004
Office	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
National Exp. Apportionment	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Principal	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	65,004
Academy Staff	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
Academy Rent/Utilities	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	33,000
Incentive Compensation	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Coordinator	5,146	5,660	6,175	6,690	7,204	7,719	8,233	8,748	9,263	9,777	10,292	10,292	95,198
Salary Overhead	8,200	8,200	8,200	8,200	8,200	8,200	8,200	8,200	8,200	8,200	8,200	8,200	98,402
Teacher	49,479	54,427	59,375	64,323	69,271	74,219	79,167	84,115	89,063	94,010	98,958	98,958	915,365
Supplies	3,000	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	19,500
Student Materials	39,583	43,542	47,500	51,458	55,417	59,375	63,333	67,292	71,250	75,208	79,167	79,167	732,292
Legal	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Public Affairs	3,000	3,000	3,000	3,000	3,000	3,000	4,000	4,000	4,000	4,000	4,000	4,000	42,000
Governmental Affairs	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
Postage/Overnight	500	500	500	500	500	500	500	500	750	750	750	750	7,000
Insurance	1,000	1,000	1,000	1,000	1,000	1,000	1,500	1,500	1,500	1,500	1,500	1,500	15,000
Contract Services	3,240	3,240	3,240	3,240	3,240	3,240	3,240	3,240	3,240	3,240	2,500	2,500	37,400
Advertising	2,000	2,000	2,000	2,000	2,000	2,000	1,000	1,000	1,000	1,000	1,000	1,000	18,000
Conf. Exhibit	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,250	1,250	1,250	1,250	1,250	13,250
Travel	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Telephone & L.D.	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Total Expenses	200,041	201,032	212,931	225,815	238,670	251,502	264,812	277,849	290,868	303,616	315,602	315,623	3,098,361

Net Revenue	\$104,443	(\$26,867)	(\$22,933)	(\$19,984)	(\$17,005)	(\$14,004)	(\$11,481)	(\$8,685)	(\$5,871)	(\$2,785)	\$1,061	\$1,040	(\$23,071)
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# one2one Texas Learning Foundation

## 2nd Year Projection

2000/2001	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	Totals
Number of Students	1000	1100	1200	1300	1400	1500	1600	1700	1800	1900	2000	2000	
ADA @ 95%	950	1045	1140	1235	1330	1425	1520	1615	1710	1805	1900	1900	
1/13 ADA Payment	333	333	333	333	333	333	333	333	333	333	333	333	
Accrued ADA Revenue	316,664	348,330	379,996	411,663	443,329	474,995	506,662	538,328	569,994	601,661	633,327	633,327	5,858,275
<b>Expenses:</b>													
Interest Exp. (Inc) @ 9% & 4%	1,681	1,863	2,236	2,565	2,849	3,088	3,281	3,429	3,544	3,612	3,633	3,608	33,708
Program Development	9,500	10,450	11,400	12,350	13,300	14,250	15,200	16,150	17,100	18,050	19,000	19,000	175,748
Indirect	15,833	17,416	19,000	20,583	22,166	23,750	25,333	26,916	28,500	30,083	31,666	31,666	292,914
Technology Services	39,900	43,890	47,880	51,870	55,860	59,850	63,840	67,830	71,820	75,810	79,800	79,800	738,150
Executive Director	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
Learning Services	13,334	13,334	13,334	13,334	13,334	13,334	13,334	13,334	13,334	13,334	13,334	13,334	160,008
one2one Office	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	3,500	42,000
one2one Exp. Apportionment	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	2,500	30,000
Principal	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	5,417	65,004
Academy Staff	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
Academy Rent/Utilities	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	2,750	33,000
Incentive Compensation	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Coordinator	10,282	11,321	12,350	13,379	14,408	15,438	16,467	17,496	18,525	19,554	20,583	20,583	190,396
Salary Overhead	12,225	12,225	12,225	12,225	12,225	12,225	12,225	12,225	12,225	12,225	12,225	12,225	146,704
Teacher	98,958	108,854	118,750	128,646	138,542	148,438	158,333	168,229	178,125	188,021	197,917	197,917	1,830,729
Supplies	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Student Materials	79,167	87,083	95,000	102,917	110,833	118,750	126,667	134,583	142,500	150,417	158,333	158,333	1,464,583
Legal	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Public Affairs	4,000	4,000	4,000	4,000	4,000	4,000	4,000	5,000	5,000	5,000	5,000	5,000	53,000
Governmental Affairs	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Postage/Overnight	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,250	1,250	1,250	1,250	1,250	13,250
Insurance	1,500	1,500	1,500	1,500	1,500	1,500	1,500	2,000	2,000	2,000	2,000	2,000	20,500
Contract Services	3,834	3,834	3,834	3,834	3,834	3,834	3,834	3,834	3,834	3,834	3,834	3,834	46,008
Advertising	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Conf. Exhibit	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Travel	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	1,500	18,000
Telephone & L.D.	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Total Expenses	340,891	366,438	392,176	417,870	443,519	469,123	494,681	521,944	547,424	572,857	598,243	598,218	5,763,383
Net Revenue	(\$24,228)	(\$18,108)	(\$12,180)	(\$6,207)	(\$190)	\$5,872	\$11,980	\$16,384	\$22,571	\$28,804	\$35,084	\$35,109	\$94,891



EXHIBIT A

HONORS  
Academy

The State of Texas

Secretary of State

CERTIFICATE OF INCORPORATION

OF

ONEZONE TEXAS LEARNING FOUNDATION  
CHARTER NUMBER 01495954

THE UNDERSIGNED, AS SECRETARY OF STATE OF THE STATE OF TEXAS,  
HEREBY CERTIFIES THAT THE ATTACHED ARTICLES OF INCORPORATION FOR THE  
ABOVE NAMED CORPORATION HAVE BEEN RECEIVED IN THIS OFFICE AND ARE  
FOUND TO CONFORM TO LAW.

ACCORDINGLY, THE UNDERSIGNED, AS SECRETARY OF STATE, AND BY VIRTUE  
OF THE AUTHORITY VESTED IN THE SECRETARY BY LAW, HEREBY ISSUES THIS  
CERTIFICATE OF INCORPORATION.

ISSUANCE OF THIS CERTIFICATE OF INCORPORATION DOES NOT AUTHORIZE  
THE USE OF A CORPORATE NAME IN THIS STATE IN VIOLATION OF THE RIGHTS OF  
ANOTHER UNDER THE FEDERAL TRADEMARK ACT OF 1946, THE TEXAS TRADEMARK LAW,  
THE ASSUMED BUSINESS OR PROFESSIONAL NAME ACT OR THE COMMON LAW.

DATED JUNE 30, 1998

EFFECTIVE JUNE 30, 1998



*Alberto R. Gonzales*

Alberto R. Gonzales, Secretary of State

663

ARTICLES OF INCORPORATION

FILED  
In the Office of the  
Secretary of State of Texas

OF

JUN 30 1998

ONE2ONE TEXAS LEARNING FOUNDATION Corporations Section

The undersigned natural person of the age of eighteen (18) years or more, acting as an incorporator of a corporation under the Texas Non-Profit Corporation Act, does hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE I

NAME

The name of the corporation is one2one Texas Learning Foundation.

ARTICLE II

DURATION

The period of its duration is perpetual.

ARTICLE III

PURPOSE

The corporation is organized exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended from time to time (the "Code").

## ARTICLE IV

### REGISTERED OFFICE AND AGENT

The street address in the State of Texas of the initial registered office of the corporation and the name of its initial registered agent for service of process at such address shall be:

CT Corporation System  
350 N. St. Paul Street  
Suite 2900  
Dallas, Texas 75201

## ARTICLE V

### INITIAL DIRECTORS

The number of directors constituting the initial Board of Directors is three (3) and the names and addresses of the persons who are to serve as directors are:

Robert L. Carroll  
114 N. Sunrise Avenue  
Suite A-4  
Roseville, California 95661

A. James Jones  
712 Zurich Drive  
Hummelstown, Pennsylvania 17036

Gerry R. Hurst  
1904 S. Akard  
Dallas, Texas 75215

## ARTICLE VI

### STATEMENT AS TO NO MEMBERS

The corporation shall have no members as that term is used in the Texas Non-Profit Corporation Act.

## ARTICLE VII

### RESTRICTED ACTIVITIES

No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its directors, officers, employees, agents or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article III hereof. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under § 501(c)(3) of the Internal Revenue Code, or corresponding section of any future federal tax code or (b) by a corporation, contributions to which are deductible under § 170(c)(2) of the Internal Revenue Code, or a corresponding section of any future federal tax code.

## ARTICLE VIII

### PRIVATE FOUNDATION

During any taxable year that the corporation is to be treated as a "private foundation", as defined in Section 509 of the Code, the corporation shall be subject to the following restrictions:

A. The corporation shall not engage in any act of self-dealing, as defined in Section 4941(d) of the Code, which would subject any person to the imposition of any tax under Section 4941 of the Code.

B. The corporation shall make distributions of its income and/or principal at such times and in such manner as not to subject the corporation to tax under Section 4942 of the Code.

C. The corporation shall not retain any excess business holdings, as defined in Section 4943(c) of the Code, which would subject the corporation to the imposition of any tax under Section 4943 of the Code.

D. The corporation shall not make any investments in such manner as to subject it to tax under Section 4944 of the Code.

E. The corporation shall not make any taxable expenditures, as defined in Section 4945(d) of the Code, which would subject any person to the imposition of any tax under Section 4945 of the Code.

## ARTICLE IX

### DISSOLUTION

Upon the dissolution of the corporation, its assets shall be distributed for one or more exempt purposes within the meaning of § 501(c)(3) of the Code, or corresponding section of any future federal tax code, or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a court of proper jurisdiction of the county in which the principal office of the corporation is then located, exclusively

for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

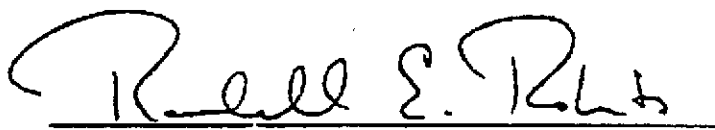
## ARTICLE X

### INCORPORATOR

The name and address of the incorporator is:

Randall E. Roberts  
Winstead Sechrest & Minick P.C.  
5400 Renaissance Tower  
1201 Elm Street  
Dallas, Texas 75270-1999

IN WITNESS WHEREOF, I have hereunto set my hand this the 30th day of June, 1998.

  
\_\_\_\_\_  
Randall E. Roberts

3036226  
06291998  
139-18554-1

068



BYLAWS  
OF  
ONE2ONE TEXAS LEARNING FOUNDATION

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BYLAWS  
OF  
ONE2ONE TEXAS LEARNING FOUNDATION  
A Texas Non-Profit Corporation

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ARTICLE I

OFFICES

The principal business office of the Corporation in the State of Texas shall be located at 1950 Stemmons Freeway, Suite 5001, Dallas, Texas 75207. The Corporation may have such other offices, either within or without the State of Texas as the Board of Directors may determine or as the affairs of the Corporation may require from time to time.

The Corporation shall have and continuously maintain in the State of Texas a registered office, and a registered agent whose office is identical with such registered office, as required by the Texas Non-Profit Corporation Act. The registered office may be, but need not be, identical with the principal office in the State of Texas, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE II

MEMBERSHIP

The Corporation shall have no "members" as that term is used in the Texas Non-Profit Corporation Act. The Corporation may, nevertheless, use the word "members" to describe persons having such status and privileges as may be prescribed herein or as determined by the Board of Directors. Such "members" shall have no voting or other legal or equitable right in the Corporation.

ARTICLE III

BOARD OF DIRECTORS

Section 1.     General Powers. The affairs of the Corporation shall be managed by the Board of Directors, who shall exercise all general powers conferred by the laws of the State of Texas upon corporations organized under the Texas Non-Profit Corporation Act and shall have such

additional powers and duties as are specifically provided by the Articles of Incorporation and by these Bylaws.

Section 2. Number. The Board of Directors shall initially consist of the three persons named in the Articles of Incorporation. The Board of Directors shall consist of not less than three directors, but may be increased from time to time by an amendment of these Bylaws. The Board of Directors shall at all times include a person who is also a member of the Board of Directors of one2one Learning Foundation.

Section 3. Election. The Board of Directors shall be elected annually by the members of the Board of Directors of one2one Learning Foundation. Each Director shall continue in office until the next annual meeting of Directors and until his successors shall have been elected and qualified. Any incumbent Director shall be eligible for reelection for a consecutive term. The method of nomination shall be determined by the Board of Directors of one2one Learning Foundation. Members of the Board shall be elected by a vote of the majority of the Board of Directors of one2one Learning Foundation in office at that time.

Section 4. Duties. The Board of Directors shall determine in what manner the funds of the Corporation shall be spent and see that the Corporation is operating strictly in accordance with its charter.

Section 5. Annual Meetings. An annual meeting of the Board of Directors shall be held on the first Monday in March of each year, beginning in 1999, at such place as may be determined by a majority of the Board of Directors.

Section 6. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any one Director. The person or persons authorized to call special meetings of the Board may fix any place, either within or without the State of Texas, as the place for holding any special meeting of the Board called by them.

Section 7. Notice of Special Meetings. Notice of any special meeting of the Board of Directors shall be given at least twenty-four (24) hours previously thereto by written notice delivered personally or sent by mail or telegram to each Director at his address as shown by the records of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If notice be given by telegram such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting except where a Director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by the Bylaws.

Section 8. Quorum. A majority of the number of members of the Board of Directors, shall be necessary and sufficient to constitute a quorum for the transaction of business at all meetings and the act of a majority of the Directors present at any meeting at which there is a quorum present shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute or by these Bylaws.

Section 9. Vacancies. Any vacancy occurring in the Board of Directors shall be filled by the majority vote of the members of the Board of Directors of one2one Learning Foundation. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section 10. Compensation. Directors as such shall not receive any stated salaries for their services, but by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board; but nothing herein contained shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor.

Section 11. Informal Action by Directors. Any action required by law to be taken, or which may be taken at a meeting of the Board of Directors, may be taken without any meeting if a consent in writing, setting forth the action so taken shall be signed by all of the Directors.

Section 12. Disqualification. No person who holds any public office for the State of Texas shall be eligible to serve as a member of the Board of Directors if such relationship might cause him to be placed in a position of conflict of interest.

## ARTICLE IV

### OFFICERS

Section 1. Officers. The officers of the Corporation shall be elected by the Board of Directors at their annual meeting and shall consist of a President and Vice President who shall be members of the Board of Directors. The officers shall also include a Secretary, a Treasurer, and such other officers as the Board of Directors may determine, who need not be members of the Board. Two or more offices may be held by the same person, except that the same person shall not be President and Secretary.

Section 2. Term of Office. The officers of the Corporation shall hold office for a term of one year and thereafter until their successors are chosen and qualify in their stead. Any officer may be removed at any time, with or without cause by the affirmative vote of a majority of the Board of Directors. If the office of any officer becomes vacant for any reason the vacancy shall be filled by the Board of Directors.

Section 3. President. The President shall be the chief executive officer of the Corporation. He shall preside at all meetings of the Directors; shall be an ex officio member of all

standing committees, shall have general and active management of the business of the Corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect.

Section 4. Vice President. In the absence of the President or in the event of his inability or refusal to act, the Vice President (or in the event there be more than one Vice President, Vice Presidents in the order of their election) shall perform the duties of and be subject to all the restrictions of the President. Any Vice President shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 5. Treasurer. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. He shall have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for monies due and payable to the Corporation from any source whatsoever, and deposit all such monies in the name of the Corporation in such banks, trust companies or other depositories as shall be selected by the Board of Directors; and, in general, perform all duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors. The Assistant Treasurers in the order of their election shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer, and shall perform such other duties as the Board of Directors shall prescribe.

Section 6. Secretary. The Secretary shall keep the minutes of the meetings of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; keep custody of the corporate records of the Corporation; keep a register of the post office address of each Director which shall be furnished to the Secretary by such Director; and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or the Board of Directors. The Assistant Secretaries in order of their election shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary and shall perform such other duties as the Board of Directors shall prescribe.

## ARTICLE V

### EXECUTIVE COMMITTEE

Section 1. Creation and Authority. The Board of Directors may, by resolution passed by a majority of the whole Board, designate an Executive Committee, to consist of one or more of the Directors of the Corporation, one of whom shall be the President of the Corporation. The Executive Committee, to the extent provided in said resolution, shall have and may exercise all of the authority of the Board of Directors in the management of the business and affairs of the Corporation, except where action of the full Board of Directors is required by statute, these Bylaws or by the Articles of Incorporation, and shall have power to authorize the seal of the Corporation to be affixed to all papers which may require it.

Section 2. Minutes and Quorum. The Executive Committee shall keep regular minutes of its proceedings and report the same to the Board of Directors when required. A majority of the members of the Executive Committee shall constitute a quorum.

Section 3. Fee for Services. Members of the Executive Committee may, by resolution of the Board of Directors, be allowed a fixed sum and expenses for attending committee meetings, but shall not receive any salary for their services, as committee members.

## ARTICLE VI

### COMMITTEES

Section 1. Creation and Authority. In addition to the Executive Committee, the Board of Directors may by resolution designate and appoint one or more other committees, which committees, to the extent provided in said resolution, shall have and exercise such authority and perform such duties as may be assigned to the committees by the Board; provided, however, that no such committee shall have any authority with respect to amending, altering or repealing any of the Bylaws; electing, appointing or removing any member of any such committee or any Director or officer of the Corporation; amending the Articles of Incorporation; adopting a plan of merger; adopting a plan of consolidation with another corporation; authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Corporation; authorizing the voluntary dissolution of the Corporation or revoking proceedings thereof; adopting a plan for the distribution of the assets of the Corporation; amending, altering or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered or repealed by such committee. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors or any individual Director, of any responsibility imposed upon it or him by law.

Section 2. Term of Office. Each member of a committee shall continue as such until the next annual meeting of the Board of Directors of the Corporation and until his successor is appointed, unless the committee shall be sooner terminated by the Board of Directors, or unless such member be removed from such committee by the Board of Directors, or unless such member shall cease to qualify as a member thereof.

Section 3. Chairman. One member of each committee shall be appointed chairman by the person or persons authorized to appoint the members thereof.

Section 4. Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

Section 5. Quorum. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and

the act of the majority of the committee members present at a meeting at which a quorum is present shall be the act of the committee.

## ARTICLE VII

### CONTRACTS, CHECKS, DEPOSITS AND FUNDS

Section 1. Contracts. The Board of Directors may authorize any officer or agent of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 2. Drafts, etc. All checks, drafts, orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officers or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 3. Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

Section 4. Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation.

Section 5. Operation Prohibitions. The Corporation, its Board of Directors, officers and agents, shall not do any act which shall constitute a basis for denial of tax exemption under applicable laws. In particular:

A. The Corporation shall not

- (1) lend any part of its income or corpus, without receipt of adequate security and a reasonable rate of interest;
- (2) pay any compensation, in excess of a reasonable allowance for salaries or other compensation for personal services actually rendered;
- (3) make any part of its services available on a preferential basis;
- (4) make any substantial purchase of securities or any other property for more than adequate consideration in money or money's worth;



(5) sell any substantial part of its securities or other property for less than an adequate consideration in money or money's worth; or

(6) engage in any other transaction which results in a substantial diversion of its income or corpus to a person who has made a substantial contribution to the Corporation, a member of the family of such person, or a corporation controlled by such person.

B. The Corporation shall not accumulate out of income amounts which are

(1) unreasonable in amount or duration in order to carry out the purpose or function constituting the basis for tax exemption;

(2) used to a substantial degree for purposes or functions other than those constituting the basis for tax exemption; or

(3) invested in such a manner as to jeopardize the carrying out of the purpose or function constituting the basis for tax exemption.

#### ARTICLE VIII

##### FISCAL YEAR

The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

#### ARTICLE IX

##### SEAL

The Corporation may, but is not required to, have a seal and may conduct all activities in furtherance of its purpose and execute all instruments necessary to any transaction conducted by the Corporation without imprinting of a seal on said instruments.

#### ARTICLE X

##### WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of the Texas Non-Profit Corporation Act or under the provisions of the Articles of Incorporation or Bylaws of the Corporation a waiver thereof in writing signed by the person or persons entitled to such notice whether before or after the time stated therein shall be deemed equivalent to the giving of such notice.

## ARTICLE XI

### INDEMNIFICATION

The Corporation shall indemnify every director and officer of the Corporation against, and reimburse and advance to every director and officer for, all liabilities, costs and expenses incurred in connection with such directorship or office and any actions taken or omitted in such capacity to the greatest extent permitted under the Texas Non-Profit Corporation Act and all other applicable laws at the time of such indemnification, reimbursement or advance payment.

## ARTICLE XII


### AMENDMENTS TO BYLAWS

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by a majority of the whole Board of Directors present at any regular meeting, or at any special meeting if at least two (2) days' written notice is given of intention to alter, amend or repeal or to adopt new Bylaws at such meeting, or by unanimous written consent signed by all of the members of the Board of Directors.

CERTIFICATE BY SECRETARY

The undersigned, being the secretary of the Corporation, hereby certifies that the foregoing code of bylaws was duly adopted by the initial directors of said Corporation effective on June 30, 1998.

IN WITNESS WHEREOF, I have signed this certification as of the 30th day of June, 1998.

  
\_\_\_\_\_  
GERRY R. HURST, Secretary

::ODMA\PCDOCS\DALLAS\_1\3036243\1  
06301998  
139:18554-1

079

# Application for Employer Identification Number

(For use by employers, corporations, partnerships, trusts, estates, churches,  
government agencies, certain individuals, and others. See instructions.)

EIN

OMB No. 1545-0003

► Keep a copy for your records.

Please type or print clearly.

1 Name of applicant (Legal name) (See instructions.)

one2one Texas Learning Foundation

2 Trade name of business (if different from name on line 1)

3 Executor, trustee, "care of" name

4a Mailing address (street address) (room, apt., or suite no.)

1950 Stemmons Freeway, Suite 5001

5a Business address (if different from address on lines 4a and 4b)

4b City, state, and ZIP code

Dallas, Texas 75207

5b City, state, and ZIP code

6 County and state where principal business is located

Dallas County, Texas

7 Name of principal officer, general partner, grantor, owner, or trustee—SSN required (See instructions.) ►

Gerry Hurst, Director

8a Type of entity (Check only one box.) (See instructions.)

☐ Sole proprietor (SSN)

☐ Partnership

☐ REMIC

☐ State/local government

☒ Other nonprofit organization (specify) ► 501(c)(3)

☐ Other (specify) ►

☐ Estate (SSN of decedent)

☐ Plan administrator—SSN

☐ Other corporation (specify) ►

☐ Trust

☐ Federal Government/military

☐ Farmers cooperative ☐ Church or church-controlled organization

8b If a corporation, name the state or foreign country (if applicable) where incorporated

Texas

Foreign country

9 Reason for applying (Check only one box.)

☐ Started new business (specify) ►

☐ Hired employees

☐ Created a pension plan (specify type) ►

☐ Banking purpose (specify) ►

☐ Changed type of organization (specify) ►

☐ Purchased going business

☐ Created a trust (specify) ►

☒ Other (specify) ► created 501(c)(3)

10 Date business started or acquired (Mo., day, year) (See instructions.)

11 Closing month of accounting year (See instructions.)

12 First date wages or annuities were paid or will be paid (Mo., day, year). Note: If applicant is a withholding agent, enter date income will first be paid to nonresident alien. (Mo., day, year)

13 Highest number of employees expected in the next 12 months. Note: If the applicant does not expect to have any employees during the period, enter -0-. (See instructions.)

Nonagricultural

Agricultural

Household

14 Principal activity (See instructions.) ► nonprofit organization - educational and charitable

15 Is the principal business activity manufacturing? If "Yes," principal product and raw material used ►

☐ Yes

☒ No

16 To whom are most of the products or services sold? Please check the appropriate box.

☐ Public (retail)

☒ Other (specify) ► school districts

☐ Business (wholesale)

☐ N/A

17a Has the applicant ever applied for an identification number for this or any other business? Note: If "Yes," please complete lines 17b and 17c.

☐ Yes

☒ No

17b If you checked "Yes" on line 17a, give applicant's legal name and trade name shown on prior application, if different from line 1 or 2 above.

Legal name ►

Trade name ►

17c Approximate date when and city and state where the application was filed. Enter previous employer identification number if known.

Approximate date when filed (Mo., day, year)

City and state where filed

Previous EIN

Under penalties of perjury, I declare that I have examined this application, and to the best of my knowledge and belief, it is true, correct, and complete.

Business telephone number (include area code):  
(214) 800-8877

Fax telephone number (include area code):  
(214) 800-8876

Name and title (Please type or print clearly.) ► Gerry Hurst, Director

Signature ►

Date ► 7-8-98

Note: Do not write below this line. For official use only.

Please leave blank ►

Geo.

Ind.

Class

Size

Reason for applying



Internal Revenue Service  
District Director  
Internal Revenue Service Center  
P.O. BOX 192  
COVINGTON KY 41012-0192929

Department of the Treasury  
Southeast Region  
F-5548 ALS EO  
Refer Reply To:  
17053-169-02304-8  
1028 /28

Date: June 18, 1998

ONE2ONE LEARNING FOUNDATION INC  
1950 STEMMONS FREEWAY STE 5001  
DALLAS TX 75207

Document Locator Number: 17053-169-02304-8  
User Fee Paid: \$ 500

**ACKNOWLEDGEMENT OF YOUR REQUEST**

We have received your application for recognition of exemption from Federal income tax and have assigned it document locator number 17053-169-02304-8. You should refer to that number in any communication with us concerning your application.

We will review your application and send a reply as soon as possible. However, we must process applications in the order that we receive them.

You may normally expect to hear from us within (120 days). If you do not hear from us within that period and choose to write again, please include a copy of this letter with your correspondence. Also, please provide a telephone number and the most convenient time to call if we need to contact you. If you wish, you may call E. Wolf between the hours of 8:00 a.m. and 4:30 p.m. EST at (513) 241-5199 for assistance.

Thank you for your cooperation.

Form 5548 EOA ALS

**User Fee for Exempt Organization  
Determination Letter Request**

▶ Attach this form to determination letter application.  
(Form 8718 is NOT a determination letter application.)

For IRS Use Only

Control number \_\_\_\_\_

Amount paid \_\_\_\_\_

User fee screener \_\_\_\_\_

1 Name of organization  
one2one Learning Foundation

2 Employer Identification Number \_\_\_\_\_  
applied for \_\_\_\_\_

**Caution:** Do not attach Form 8718 to an application for a pension plan determination letter. Use Form 8717 instead.

**3 Type of request**

Fee

a ☐ Initial request for a determination letter for:

- An exempt organization that has had annual gross receipts averaging not more than \$10,000 during the preceding 4 years, or
- A new organization that anticipates gross receipts averaging not more than \$10,000 during its first 4 years ▶

\$150

**Note:** If you checked box 3a, you must complete the Certification below.

**Certification**

I certify that the annual gross receipts of \_\_\_\_\_

name of organization

have averaged (or are expected to average) not more than \$10,000 during the preceding 4 (or the first 4) years of operation.

Signature ▶

Title ▶

b ☐ Initial request for a determination letter for:

- An exempt organization that has had annual gross receipts averaging more than \$10,000 during the preceding 4 years, or
- A new organization that anticipates gross receipts averaging more than \$10,000 during its first 4 years ▶

\$500

c ☒ Group exemption letters

\$500

**Instructions**

The law requires payment of a user fee with each application for a determination letter. The user fees are listed on line 3 above. For more information, see Rev. Proc. 98-8, 1998-1, I.R.B. 225.

Check the box on line 3 for the type of application you are submitting. If you check box 3a, you must complete and sign the certification statement that appears under line 3a.

Attach to Form 8718 a check or money order payable to the Internal Revenue Service for the full amount of the user fee. If you do not include the full amount, your application will be returned. Attach Form 8718 to your determination letter application.

Send the determination letter application and Form 8718 to:

Internal Revenue Service  
P.O. Box 192  
Covington, KY 41012-0192

If you are using express mail or a delivery service, send the application and Form 8718 to:

Internal Revenue Service  
201 West Rivercenter Blvd.  
Attn: Extracting Stop 312  
Covington, KY 41011

IRS

PAY  
TO THE  
ORDER OF

DATE	CHECK NO.
6/15/98	

AMOUNT
*****\$500.00*

**Application for Recognition of Exemption  
Under Section 501(c)(3) of the Internal Revenue Code**

Read the instructions for each Part carefully.

**A User Fee must be attached to this application.**

If the required information and appropriate documents are not submitted along with Form 8718 (with payment of the appropriate user fee), the application may be returned to you.

**Complete the Procedural Checklist on page 7 of the instructions.**

**Part I Identification of Applicant**

<b>1a</b> Full name of organization (as shown in organizing document)  one2one Learning Foundation		<b>2</b> Employer identification number (EIN) (If none, see page 2 of the instructions.)  Applied For
<b>1b</b> c/o Name (if applicable)		<b>3</b> Name and telephone number of person to be contacted if additional information is needed  Robert L. Carroll, President ( )
<b>1c</b> Address (number and street)  1950 Stemmons Freeway	Room/Suite  5001	
<b>1d</b> City or town, state, and ZIP code  Dallas, Texas 75202 - - -		<b>4</b> Month the annual accounting period ends  May
<b>5</b> Date incorporated or formed  4/7/98	<b>6</b> Activity codes (See page 3 of the instructions.)	<b>7</b> Check here if applying under section: a <input type="checkbox"/> 501(e) b <input type="checkbox"/> 501(f) c <input type="checkbox"/> 501(k)
<b>8</b> Did the organization previously apply for recognition of exemption under this Code section or under any other section of the Code? If "Yes," attach an explanation. <span style="float: right;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span>		
<b>9</b> Is the organization required to file Form 990 (or Form 990-EZ)? If "No," attach an explanation (see page 3 of the Specific Instructions). <span style="float: right;"><input type="checkbox"/> N/A <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</span>		
<b>10</b> Has the organization filed Federal income tax returns or exempt organization information returns? If "Yes," state the form numbers, years filed, and Internal Revenue office where filed. <span style="float: right;"><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</span>		

**11** Check the box for the type of organization. ATTACH A CONFORMED COPY OF THE CORRESPONDING ORGANIZING DOCUMENTS TO THE APPLICATION BEFORE MAILING. (See Specific Instructions for Part I, Line 11, on page 3.) Get Pub. 557, Tax-Exempt Status for Your Organization, for examples of organizational documents.)

- a ☒ Corporation—Attach a copy of the Articles of Incorporation (including amendments and restatements) showing approval by the appropriate state official; also include a copy of the bylaws.
- b ☐ Trust— Attach a copy of the Trust Indenture or Agreement, including all appropriate signatures and dates.
- c ☐ Association— Attach a copy of the Articles of Association, Constitution, or other creating document, with a declaration (see instructions) or other evidence the organization was formed by adoption of the document by more than one person; also include a copy of the bylaws.

If the organization is a corporation or an unincorporated association that has not yet adopted bylaws, check here ☐

I declare under the penalties of perjury that I am authorized to sign this application on behalf of the above organization and that I have examined this application including the accompanying schedules and attachments, and to the best of my knowledge it is true, correct, and complete.

Please  
Sign  
Here

  
(Signature)

See  
(Title or authority of signer)

6-15-98  
(Date)

For Paperwork Reduction Act Notice, see page 1 of the instructions.

Cat. No. 17133K

**Part II** Activities and Operational Information

- 1 Provide a detailed narrative description of all the activities of the organization—past, present, and planned.—Do not merely refer to or repeat the language in the organizational document. List each activity separately in the order of importance based on the relative time and other resources devoted to the activity. Indicate the percentage of time for each activity. Each description should include, as a minimum, the following: (a) a detailed description of the activity including its purpose and how each activity furthers your exempt purpose; (b) when the activity was or will be initiated; and (c) where and by whom the activity will be conducted.

See Statement 1 attached hereto.

- 2 What are or will be the organization's sources of financial support? List in order of size.

See Statement 2 attached hereto.

- 3 Describe the organization's fundraising program, both actual and planned, and explain to what extent it has been put into effect. Include details of fundraising activities such as selective mailings, formation of fundraising committees, use of volunteers or professional fundraisers, etc. Attach representative copies of solicitations for financial support.

See Statement 3 attached hereto.



**Part II** Activities and Operational Information (Continued)**4** Give the following information about the organization's governing body:

a Names, addresses, and titles of officers, directors, trustees, etc.

b Annual compensation

See Statement 4 attached hereto.

- c Do any of the above persons serve as members of the governing body by reason of being public officials or being appointed by public officials? ☐ Yes ☒ No  
If "Yes," name those persons and explain the basis of their selection or appointment.

- d Are any members of the organization's governing body "disqualified persons" with respect to the organization (other than by reason of being a member of the governing body) or do any of the members have either a business or family relationship with "disqualified persons"? (See Specific Instructions for Part II, Line 4d, on page 3.) ☐ Yes ☒ No  
If "Yes," explain.

- 5 Does the organization control or is it controlled by any other organization? ☒ Yes ☐ No  
Is the organization the outgrowth of (or successor to) another organization, or does it have a special relationship with another organization by reason of interlocking directorates or other factors? ☒ Yes ☐ No  
If either of these questions is answered "Yes," explain.

See Statement 5 attached hereto.

- 6 Does or will the organization directly or indirectly engage in any of the following transactions with any political organization or other exempt organization (other than a 501(c)(3) organization): (a) grants; (b) purchases or sales of assets; (c) rental of facilities or equipment; (d) loans or loan guarantees; (e) reimbursement arrangements; (f) performance of services, membership, or fundraising solicitations; or (g) sharing of facilities, equipment, mailing lists or other assets, or paid employees? ☐ Yes ☒ No  
If "Yes," explain fully and identify the other organizations involved.

However, the Foundation may explore grant opportunities from other foundations in the future. No specific foundations have been identified.

- 7 Is the organization financially accountable to any other organization? ☐ Yes ☒ No  
If "Yes," explain and identify the other organization. Include details concerning accountability or attach copies of reports if any have been submitted.

**Part II** Activities and Operational Information (Continued)

- 8 What assets does the organization have that are used in the performance of its exempt function? (Do not include property producing investment income.) If any assets are not fully operational, explain their status, what additional steps remain to be completed, and when such final steps will be taken. If "None," indicate "N/A."

## Intellectual property, computer/telecommunications/office equipment

- 9 Will the organization be the beneficiary of tax-exempt bond financing within the next 2 years? ☐ Yes ☒ No
- 10a Will any of the organization's facilities or operations be managed by another organization or individual under a contractual agreement? ☒ Yes ☐ No
- b Is the organization a party to any leases? ☒ Yes ☐ No
- If either of these questions is answered "Yes," attach a copy of the contracts and explain the relationship between the applicant and the other parties.

See Statement 6 attached hereto.

- 11 Is the organization a membership organization? ☐ Yes ☒ No
- If "Yes," complete the following:
- a Describe the organization's membership requirements and attach a schedule of membership fees and dues.
- b Describe the organization's present and proposed efforts to attract members and attach a copy of any descriptive literature or promotional material used for this purpose.
- c What benefits do (or will) the members receive in exchange for their payment of dues?

- 12a If the organization provides benefits, services, or products, are the recipients required, or will they be required, to pay for them? ☐ N/A ☒ Yes ☐ No
- If "Yes," explain how the charges are determined and attach a copy of the current fee schedule.

See Statement 7 attached hereto.

- b Does or will the organization limit its benefits, services, or products to specific individuals or classes of individuals? ☐ N/A ☐ Yes ☒ No
- If "Yes," explain how the recipients or beneficiaries are or will be selected.

- 13 Does or will the organization attempt to influence legislation? ☒ Yes ☐ No
- If "Yes," explain. Also, give an estimate of the percentage of the organization's time and funds that it devotes or plans to devote to this activity.
- We may be indirectly involved with other 501(c)(3) organizations in an attempt to broaden fund initiatives. We do not anticipate more than one percent (1%) of our time and funds to be devoted to this activity.
- 14 Does or will the organization intervene in any way in political campaigns, including the publication or distribution of statements? ☐ Yes ☒ No
- If "Yes," explain fully.

**Part III** Technical Requirements

- 1 Are you filing Form 1023 within 15 months from the end of the month in which your organization was created or formed? ☒ Yes ☐ No  
If you answer "Yes," do not answer questions on lines 2 through 7 below.

- 2 If one of the exceptions to the 15-month filing requirement shown below applies, check the appropriate box and proceed to question 8.

Exceptions—You are not required to file an exemption application within 15 months if the organization:

- ☐ a Is a church, interchurch organization of local units of a church, a convention or association of churches, or an integrated auxiliary of a church. See Specific Instructions, Line 2a, on page 4;
- ☐ b Is not a private foundation and normally has gross receipts of not more than \$5,000 in each tax year; or
- ☐ c Is a subordinate organization covered by a group exemption letter, but only if the parent or supervisory organization timely submitted a notice covering the subordinate.

- 3 If the organization does not meet any of the exceptions on line 2 above, are you filing Form 1023 within 27 months from the end of the month in which the organization was created or formed? ☐ Yes ☐ No

If "Yes," your organization qualifies under section 4.01 of Rev. Proc. 92-85, 1992-2 C.B. 490, for an automatic 12-month extension of the 15-month filing requirement. Do not answer questions 4 through 7.

If "No," answer question 4.

- 4 If you answer "No" to question 3, has the organization been contacted by the IRS regarding its failure to file Form 1023 within 27 months from the end of the month in which the organization was created or formed? ☐ Yes ☐ No

If "No," your organization is requesting an extension of time to apply under the "reasonable action and good faith" requirements of section 5.01 of Rev. Proc. 92-85. Do not answer questions 5 through 7.

If "Yes," answer question 5.

- 5 If you answer "Yes" to question 4, does the organization wish to request relief from the 15-month filing requirement? ☐ Yes ☐ No

If "Yes," give the reasons for not filing this application prior to being contacted by the IRS. See Specific Instructions, Line 5, on page 4 before completing this item. Do not answer questions 6 and 7.

If "No," answer question 6.

- 6 If you answer "No" to question 5, your organization's qualification as a section 501(c)(3) organization can be recognized only from the date this application is filed with your key District Director. Therefore, do you want us to consider the application as a request for recognition of exemption as a section 501(c)(3) organization from the date the application is received and not retroactively to the date the organization was created or formed? ☐ Yes ☐ No

- 7 If you answer "Yes" to question 6 above and wish to request recognition of section 501(c)(4) status for the period beginning with the date the organization was formed and ending with the date the Form 1023 application was received (the effective date of the organization's section 501(c)(3) status), check here ☐ and attach a completed page 1 of Form 1024 to this application.

**Part III** Technical Requirements (Continued)

8 Is the organization a private foundation?

☐ Yes (Answer question 9.)☒ No (Answer question 10 and proceed as instructed.)

9 If you answer "Yes" to question 8, does the organization claim to be a private operating foundation?

☐ Yes (Complete Schedule E.)☐ No

After answering question 9 on this line, go to line 15 on page 7.

10 If you answer "No" to question 8, indicate the public charity classification the organization is requesting by checking the box below that most appropriately applies:

**THE ORGANIZATION IS NOT A PRIVATE FOUNDATION BECAUSE IT QUALIFIES:**

a ☐ As a church or a convention or association of churches  
(CHURCHES MUST COMPLETE SCHEDULE A.)

Sections 509(a)(1)  
and 170(b)(1)(A)(i)

b ☐ As a school (MUST COMPLETE SCHEDULE B.)

Sections 509(a)(1)  
and 170(b)(1)(A)(ii)

c ☐ As a hospital or a cooperative hospital service organization, or a  
medical research organization operated in conjunction with a  
hospital (MUST COMPLETE SCHEDULE C.)

Sections 509(a)(1)  
and 170(b)(1)(A)(iii)

d ☐ As a governmental unit described in section 170(c)(1).

Sections 509(a)(1)  
and 170(b)(1)(A)(v)

e ☐ As being operated solely for the benefit of, or in connection with,  
one or more of the organizations described in a through d, g, h, or i  
(MUST COMPLETE SCHEDULE D.)

Section 509(a)(3)

f ☐ As being organized and operated exclusively for testing for public  
safety.

Section 509(a)(4)

g ☐ As being operated for the benefit of a college or university that is  
owned or operated by a governmental unit.

Sections 509(a)(1)  
and 170(b)(1)(A)(iv)

h ☐ As receiving a substantial part of its support in the form of  
contributions from publicly supported organizations, from a  
governmental unit, or from the general public.

Sections 509(a)(1)  
and 170(b)(1)(A)(vi)

i ☒ As normally receiving not more than one-third of its support from  
gross investment income and more than one-third of its support from  
contributions, membership fees, and gross receipts from activities  
related to its exempt functions (subject to certain exceptions).

Section 509(a)(2)

j ☐ The organization is a publicly supported organization but is not sure  
whether it meets the public support test of block h or block i. The  
organization would like the IRS to decide the proper classification.

Sections 509(a)(1)  
and 170(b)(1)(A)(vi)  
or Section 509(a)(2)

If you checked one of the boxes a through f in question 10, go to question

15. If you checked box g in question 10, go to questions 12 and 13.

If you checked box h, i, or j, in question 10, go to question 11.

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**Part III** Technical Requirements (Continued)

- 11 If you checked box h, i, or j in question 10, has the organization completed a tax year of at least 8 months?
- ☐ Yes—Indicate whether you are requesting:
- ☐ A definitive ruling (Answer questions 12 through 15.)
- ☐ An advance ruling (Answer questions 12 and 15 and attach two Forms 872-C completed and signed.)
- ☒ No—You must request an advance ruling by completing and signing two Forms 872-C and attaching them to the application.
- 12 If the organization received any unusual grants during any of the tax years shown in Part IV-A, attach a list for each year showing the name of the contributor; the date and the amount of the grant; and a brief description of the nature of the grant.

- 13 If you are requesting a definitive ruling under section 170(b)(1)(A)(iv) or (vi), check here ☐ and:

- a Enter 2% of line 8, column (e), Total, of Part IV-A. \_\_\_\_\_
- b Attach a list showing the name and amount contributed by each person (other than a governmental unit or "publicly supported" organization) whose total gifts, grants, contributions, etc., were more than the amount entered on line 13a above.

- 14 If you are requesting a definitive ruling under section 509(a)(2), check here ☐ and:

- a For each of the years included on lines 1, 2, and 9 of Part IV-A, attach a list showing the name of and amount received from each "disqualified person." (For a definition of "disqualified person," see Specific Instructions, Part II, Line 4d, on page 3.)
- b For each of the years included on line 9 of Part IV-A, attach a list showing the name of and amount received from each payer (other than a "disqualified person") whose payments to the organization were more than \$5,000. For this purpose, "payer" includes, but is not limited to, any organization described in sections 170(b)(1)(A)(i) through (vi) and any governmental agency or bureau.

- 15 Indicate if your organization is one of the following. If so, complete the required schedule. (Submit only those schedules that apply to your organization. Do not submit blank schedules.)

	Yes	No	If "Yes," complete Schedule:
Is the organization a church? . . . . .		X	A
Is the organization, or any part of it, a school? . . . . .		X	B
Is the organization, or any part of it, a hospital or medical research organization? . . . . .		X	C
Is the organization a section 509(a)(3) supporting organization? . . . . .		X	D
Is the organization a private operating foundation? . . . . .		X	E
Is the organization, or any part of it, a home for the aged or handicapped? . . . . .		X	F
Is the organization, or any part of it, a child care organization? . . . . .		X	G
Does the organization provide or administer any scholarship benefits, student aid, etc.? . . . .		X	H
Has the organization taken over, or will it take over, the facilities of a "for profit" institution? . . . .		X	I

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**Part IV Financial Data**

Complete the financial statements for the current year and for each of the 3 years immediately before it. If in existence less than 4 years, complete the statements for each year in existence. If in existence less than 1 year, also provide proposed budgets for the 2 years following the current year.

**A. Statement of Revenue and Expenses**

		Current tax year	3 prior tax years or proposed budget for 2 years			
		(a) From..... to	(b) 19.....	(c) 19.....	(d) 19.....	(e) TOTAL
Revenue	1 Gifts, grants, and contributions received (not including unusual grants—see pages 5 and 6 of the instructions)					
	2 Membership fees received					
	3 Gross investment income (see instructions for definition)	SEE	STATEMENT 8	FOR	PROJECTIONS	
	4 Net income from organization's unrelated business activities not included on line 3					
	5 Tax revenues levied for and either paid to or spent on behalf of the organization					
	6 Value of services or facilities furnished by a governmental unit to the organization without charge (not including the value of services or facilities generally furnished the public without charge)					
	7 Other income (not including gain or loss from sale of capital assets) (attach schedule)					
	8 Total (add lines 1 through 7)					
	9 Gross receipts from admissions, sales of merchandise or services, or furnishing of facilities in any activity that is not an unrelated business within the meaning of section 513. Include related cost of sales on line 22.					
	10 Total (add lines 8 and 9)					
	11 Gain or loss from sale of capital assets (attach schedule)					
	12 Unusual grants					
	13 Total revenue (add lines 10 through 12)					
Expenses	14 Fundraising expenses					
	15 Contributions, gifts, grants, and similar amounts paid (attach schedule)					
	16 Disbursements to or for benefit of members (attach schedule)					
	17 Compensation of officers, directors, and trustees (attach schedule) STATEMENT 9	49328				
	18 Other salaries and wages	89742				
	19 Interest	43485				
	20 Occupancy (rent, utilities, etc.)	32002				
	21 Depreciation and depletion					
	22 Other (attach schedule)	2380817				
	23 Total expenses (add lines 14 through 22) STATEMENT 9	2595374				
	24 Excess of revenue over expenses (line 13 minus line 23)	602296				

**Part IV** Financial Data (Continued)

B. Balance Sheet (at the end of the period shown)		Current tax year Date .....
<b>Assets</b>		
1 Cash . . . . .	1	93,906.52
2 Accounts receivable, net . . . . .	2	653,455.15
3 Inventories . . . . .	3	
4 Bonds and notes receivable (attach schedule) . . . . .	4	
5 Corporate stocks (attach schedule) . . . . .	5	
6 Mortgage loans (attach schedule) . . . . .	6	
7 Other investments (attach schedule) . . . . .	7	
8 Depreciable and depletable assets (attach schedule) . . . . .	8	STATEMENT 10 101,434.20
9 Land . . . . .	9	
10 Other assets (attach schedule) . . . . .	10	STATEMENT 10 21,224.71
11 Total assets (add lines 1 through 10) . . . . .	11	870,020.58
<b>Liabilities</b>		
12 Accounts payable . . . . .	12	267,724.68
13 Contributions, gifts, grants, etc., payable . . . . .	13	
14 Mortgages and notes payable (attach schedule) . . . . .	14	
15 Other liabilities (attach schedule) . . . . .	15	
16 Total liabilities (add lines 12 through 15) . . . . .	16	
<b>Fund Balances or Net Assets</b>		
17 Total fund balances or net assets . . . . .	17	602,295.90
18 Total liabilities and fund balances or net assets (add line 16 and line 17) . . . . .	18	870,020.58
If there has been any substantial change in any aspect of the organization's financial activities since the end of the period shown above, check the box and attach a detailed explanation <input type="checkbox"/>		

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**Consent Fixing Period of Limitation Upon  
Assessment of Tax Under Section 4940 of the  
Internal Revenue Code**

(See instructions on reverse side.)

OMB No. 1545-0058

To be used with  
Form 1023. Submit  
in duplicate.

Under section 6501(c)(4) of the Internal Revenue Code, and as part of a request filed with Form 1023 that the organization named below be treated as a publicly supported organization under section 170(b)(1)(A)(vi) or section 509(a)(2) during an advance ruling period.

one2one Learning Foundation

(Exact legal name of organization as shown in organizing document)

1950 Stemmons Freeway, Suite 5001, Dallas, Texas 75207

(Number, street, city or town, state, and ZIP code)

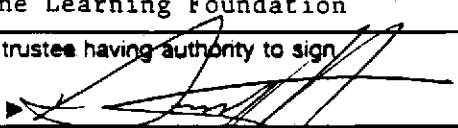
and the

District Director of  
Internal Revenue, or  
Assistant  
Commissioner  
(Employee Plans and  
Exempt Organizations)

Consent and agree that the period for assessing tax (imposed under section 4940 of the Code) for any of the 5 tax years in the advance ruling period will extend 8 years, 4 months, and 15 days beyond the end of the first tax year.

However, if a notice of deficiency in tax for any of these years is sent to the organization before the period expires, the time for making an assessment will be further extended by the number of days the assessment is prohibited, plus 60 days.

Ending date of first tax year 05/31/98  
(Month, day, and year)

Name of organization (as shown in organizing document)	Date
one2one Learning Foundation	6-15-98
Officer or trustee having authority to sign	Sec.
Signature 	Title ▶
<b>For IRS use only</b>	
District Director or Assistant Commissioner (Employee Plans and Exempt Organizations)	Date

By ▶

For Paperwork Reduction Act Notice, see page 1 of the Form 1023 Instructions.

Cat. No. 169050



**Consent Fixing Period of Limitation Upon  
Assessment of Tax Under Section 4940 of the  
Internal Revenue Code**

OMB No. 1545-0055

Rev. April 1996

Department of the Treasury  
Internal Revenue Service

(See instructions on reverse side.)

To be used with  
Form 1023. Submit  
in duplicate.

Under section 6501(c)(4) of the Internal Revenue Code, and as part of a request filed with Form 1023 that the organization named below be treated as a publicly supported organization under section 170(b)(1)(A)(vi) or section 509(a)(2) during an advance ruling period.

one2one Learning Foundation

(Exact legal name of organization as shown in organizing document)

1950 Stemmons Freeway, Suite 5001, Dallas, Texas 75207

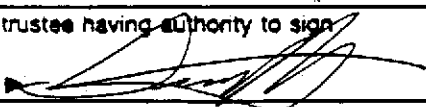
(Number, street, city or town, state, and ZIP code)

and the  
District Director of  
Internal Revenue, or  
Assistant  
Commissioner  
(Employee Plans and  
Exempt Organizations)

Consent and agree that the period for assessing tax (imposed under section 4940 of the Code) for any of the 5 tax years in the advance ruling period will extend 8 years, 4 months, and 15 days beyond the end of the first tax year.

However, if a notice of deficiency in tax for any of these years is sent to the organization before the period expires, the time for making an assessment will be further extended by the number of days the assessment is prohibited, plus 60 days.

Ending date of first tax year ..... 05/31/98 .....  
(Month, day, and year)

Name of organization (as shown in organizing document)	Date
one2one Learning Foundation	6-15-98
Officer or trustee having authority to sign	Sec.
Signature 	Title
For IRS use only	
District Director or Assistant Commissioner (Employee Plans and Exempt Organizations)	Date

By 

For Paperwork Reduction Act Notice, see page 1 of the Form 1023 Instructions.

Cat. No. 169050

one2one Learning Foundation  
EIN: Applied For  
1950 Stemmons Freeway  
Suite 5001  
Dallas, Texas 75207

Statement 1  
Page 1 of 5  
Application for Recognition of Exemption  
Under Section 501(c)(3) of the Internal Revenue Code  
Form 1023

Part II. Activities and Operational Information

**Line 1. Detailed Narrative Description of All the Activities of the Organization**

*(a) Detailed Description of the Activity*

*(1) one2one Learning Foundation*

The one2one Learning Foundation (referred to as the "Foundation") was organized on 7 April 1998 as a non-profit corporation under the Texas Business Corporation Act of the State of Texas. The Foundation was created for the specific purpose of supervising and controlling the activities of one2one Indigenous Learning Foundation and one2one California Learning Foundation, Inc. ("subordinate organizations") that provide a K-12 curriculum of "distance learning" to schools that wish to implement a charter school program offering this method of educational instruction as a means to serve non-traditional student populations (referred to as the "Distance Learning Curriculum").

"Distance Learning" is a primarily home-based form of education implemented through a computer network that utilizes the guidance of mentors, individualized curricula and the unlimited educational resources of the Internet.

The Foundation also oversees the distribution of educationally-specific equipment, materials and expertise relative to implementing the Distance Learning Curriculum, which may include any or all of the following: (1) computer hardware and software; (2) educational materials; and (3) educational management services and telecommunications management (the foregoing equipment, materials and expertise are referred to as "Curriculum Aids") (the

"Distance Learning Curriculum" and the "Curriculum Aids" are referred to collectively as the "one2one Learning System") (the activities incident to implementing the one2one Learning System are referred to as the "Educational Activities").

**(2) *Mission Statement***

The mission of one2one Learning Foundation is to improve the lives of diverse students through its specially designed one2one Learning System. The one2one Learning System will emphasize both the nurturing and education of students enrolled in K-12 curricula. The one2one Learning System will provide the broadest possible learning opportunity through individualized instruction and lesson plans that will result in measurably increased student knowledge and understanding.

**(3) *Educational Objectives***

The Foundation has established the following educational objectives in furtherance of its mission:

- A.** To support the goals of charter schools to serve those students and their families throughout the United States who seek to gain from the program;
- B.** To fulfill all student and school reporting requirements consistent with the respective school district(s);
- C.** To create educational and managerial oversight of the Education Facilitators (as such term is defined in this Statement 3 at (c)(2)(A)(1)), students, parents and the school administration;
- D.** To work proactively with the governing Charter Councils to ensure awareness of the past, present, and future facilities of the school and its educational materials and services; and
- E.** To support and manage growth relative to both student population and academic opportunities.

one2one Learning Foundation  
EIN: Applied For  
1950 Stemmons Freeway  
Suite 5001  
Dallas, Texas 75207

**Statement 1**

**Page 3 of 5**

**Application for Recognition of Exemption  
Under Section 501(c)(3) of the Internal Revenue Code  
Form 1023**

**Part II. Activities and Operational Information**

**Line 1. Detailed Narrative Description of All the Activities of the Organization**

***(b) When the Activity was or will be Initiated***

Supervisory activities of one2one Learning Foundation commenced on April 7, 1998.

***(c) Where and by Whom the Activity Will be Conducted***

***(1) Locale of Activities***

The Foundation will engage in Supervisory Activities in the State of New Mexico and in the State of California. Initially, the subordinate organizations will engage in the Educational Activities in this geographic region. After establishing the Educational Activities in this region, the Foundation will then look to expand the Educational Activities to other states, as well as within the states of current Educational Activities.

***(2) Persons Conducting Activities***

***A. The Foundation***

The Foundation will conduct Supervisory Activities through its directors and officers. These persons' primary responsibility will be to oversee the Educational Activities of subordinate organizations as well as develop new business opportunities to expand the reach of the one2one Learning System.

**Statement 1**

**Page 4 of 5**

**Application for Recognition of Exemption  
Under Section 501(c)(3) of the Internal Revenue Code  
Form 1023**

**Part II. Activities and Operational Information**

**Line 1. Detailed Narrative Description of All the Activities of the Organization**

***B. Subordinate Organizations***

The subordinate organizations will conduct Educational Activities through a team of management experts, educational specialists, and computer network and telecommunications specialists. This team will provide the School with both educational management structure and technology resource support.

***(1) Educational Management Structure***

The educational management structure will be capable of effectively managing the School and will consist of both education-management specialists and educational specialists. The education-managementspecialists will provide overall management review and direction to ensure that the proper structure and procedures are supporting the attainment of the School's objectives. The educational specialists will constantly review existing and potentially new educational materials to determine if they should be integrated into the one2one Learning System. The education-management specialists and the educational specialists include the following personnel positions:

- ***Area Superintendent***

The Area Superintendent will be responsible for the management of the Program Director and the Charter Schools. The Area Superintendent will represent the

**Statement 1**

**Page 5 of 5**

**Application for Recognition of Exemption  
Under Section 501(c)(3) of the Internal Revenue Code  
Form 1023**

**Part II. Activities and Operational Information**

**Line 1. Detailed Narrative Description of All the Activities of the Organization**

Foundation to the state organizations and assist in the start-up of new Charter School Programs. The Area Superintendent will report directly to the State Foundation Director and is a member of the Charter Council.

- ***Program Director***

The Program Director will be the chief executive of the School and will be responsible for all of the operations of the School. The Program Director will directly supervise the Educational Coordinators (described in paragraph B. immediately below). The Program Director will report directly to the Area Superintendent of the foundation and is a member of the Charter Council.

- ***Educational Coordinators***

The Educational Coordinators will be responsible for staff development education material, educational service awareness, operational efficiencies and effective reporting. The Educational Coordinators will be also be responsible for supervising the Educational Facilitators. The Educational Coordinators will report directly to the Program Director.

- ***Educational Facilitators***

The Educational Facilitators will be responsible for providing instruction and

one2one Learning Foundation  
EIN: Applied For  
1950 Stemmons Freeway  
Suite 5001  
Dallas, Texas 75207

**Statement 1**

**Page 6 of 5**

**Application for Recognition of Exemption  
Under Section 501(c)(3) of the Internal Revenue Code  
Form 1023**

**Part II. Activities and Operational Information**

**Line 1. Detailed Narrative Description of All the Activities of the Organization**

guidance to students and parents. The Educational Facilitators will assist the students in determining their academic proficiency and needs. Each Educational Facilitator will be responsible for approximately twenty (20) students. The Educational Facilitators will report directly to the Educational Coordinators.

- ***Technology Resource Support***

Technology resource support will consist of computer network and telecommunications specialists who will ensure that on-line educational materials and technological services are available twenty-four (24) hours a day and provide any other technological resource support required by the School.

one2one Learning Foundation  
EIN: Applied For  
1950 Stemmons Freeway  
Suite 5001  
Dallas, Texas 75207

**Statement 2**  
**Application for Recognition of Exemption**  
**Under Section 501(c)(3) of the Internal Revenue Code**  
**Form 1023**  
**Part II. Activities and Operational Information**  
**Line 2. Present and Future Sources of Support**

Both the present and anticipated future source of the Corporation's financial support is attributable to: An Administrative and Development Fee(as defined in Statement 7 ) earned by the Foundation in connection with implementing the one2one Learning System.



one2one Learning Foundation  
EIN: Applied For  
1950 Stemmons Freeway  
Suite 5001  
Dallas, Texas 75207

**Statement 3**  
**Application for Recognition of Exemption**  
**Under Section 501(c)(3) of the Internal Revenue Code**  
**Form 1023**  
**Part II. Activities and Operational Information**  
**Line 3. Fundraising Program**

No specific fundraising projects are anticipated. Funding for the Charter Schools comes in two forms: (1) from state education agencies directly or through school districts; and/or (2) educational foundations that target specific funds to a specific program.

one2one Learning Foundation  
EIN: Applied For  
1950 Stemmons Freeway  
Suite 5001  
Dallas, Texas 75207

**Statement 4**  
**Page 1 of 2**  
**Application for Recognition of Exemption**  
**Under Section 501(c)(3) of the Internal Revenue Code**  
**Form 1023**  
**Part II. Activities and Operational Information**  
**Line 4. Information About the Organization's Governing Body**

*(a) Names, Addresses, and Titles of Officers, Directors, Trustees, etc.*

<u>Name</u>	<u>Title</u>	<u>Address</u>
Robert L. Carroll	Director	114 N. Sunrise Avenue, A-4 Roseville, CA 95661
A. James Jones	Director	712 Zurich Drive Hummelstown, PA 17036
Gerry R. Hurst	Director	1904 S. Akard Dallas, Texas 75215
Robert L. Carroll	President	114 N. Sunrise Avenue Suite A-4 Roseville, CA 95661
A. James Jones	Vice President	712 Zurich Drive Hummelstown, PA 17036
Gerry R. Hurst	Secretary	1904 S. Akard Dallas, Texas 75215
A. James Jones	Treasurer	712 Zurich Drive Hummelstown, PA 17036

one2one Learning Foundation  
EIN: Applied For  
1950 Stemmons Freeway  
Suite 5001  
Dallas, Texas 75207

**Statement 4**  
**Page 2 of 2**  
**Application for Recognition of Exemption**  
**Under Section 501(c)(3) of the Internal Revenue Code**  
**Form 1023**  
**Part II. Activities and Operational Information**  
**Line 4. Information About the Organization's Governing Body**

**(b) *Annual Compensation***

Each Director and Officer will serve in his or her respective capacity without receiving compensation therefor other than outside directors that receive a \$500 meeting fee.

one2one Learning Foundation  
EIN: Applied For  
1950 Stemmons Freeway  
Suite 5001  
Dallas, Texas 75207

**Statement 5**  
**Application for Recognition of Exemption**  
**Under Section 501(c)(3) of the Internal Revenue Code**  
**Form 1023**  
**Part II. Activities and Operational Information**  
**Line 5. Special Relationship with Other Organizations**

one2one Learning Foundation is a parent corporation that supervises and controls the activities of two subordinate organizations -- one2one California Learning Foundation, Inc. (a California Nonprofit Public Benefit Corporation) and one2one Indigenous Learning Foundation (a New Mexico Nonprofit Corporation). Both subordinate organizations are wholly owned subsidiaries of one2one Learning Foundation. Moreover, all three entities share the same directors and officers.

Attached to the Form 1023 are group exemption letter requests for both one2one California Learning Foundation, Inc. and one2one Indigenous Learning Foundation asking for a group exemption letter under the procedures described in Rev. Proc. 80-27.

one2one Learning Foundation  
EIN: Applied For  
1950 Stemmons Freeway  
Suite 5001  
Dallas, Texas 75207

**Statement 6**  
**Application for Recognition of Exemption**  
**Under Section 501(c)(3) of the Internal Revenue Code**  
**Form 1023**

**Part II. Activities and Operational Information**

**Line 10. Contractual Agreements and Leases**

- (a) one2one Learning Foundation has a contractual agreement with DirectNet Corporation for On-line Services, Communications, Curriculum Review and On-line Support, and Accounting. (See Attached copy of agreement)

one2one Learning Foundation has a service agreement with OnRamp, Inc. for Internet Services. (See Attached copy of agreement)

- (b) one2one Learning Foundation is the beneficiary of a lease of office space at 1950 Stemmons Freeway, Dallas, Texas 75207. The lease is between Informart--Dallas, L.P. and one2one Learning Foundation. (See Attached copy of agreement)

one2one Learning Foundation  
EIN: Applied For  
1950 Stemmons Freeway  
Suite 5001  
Dallas, Texas 75207

**Statement 7**  
**Application for Recognition of Exemption**  
**Under Section 501(c)(3) of the Internal Revenue Code**  
**Form 1023**

**Part II. Activities and Operational Information**  
**Line 12a. Charges for Services Rendered by the Organization**

**(1) *The Party that is Charged for Services***

The Foundation charges the subordinate foundations an Administrative and Development Fee (referred to throughout Form 1623 as an "Administrative and Development Fee") for the one2one Learning System.

**(2) *Amount of Service Fee***

The Foundation determines the Administrative and Development Fee based as a percent of Subordinate Organization revenues. That percentage is 5% and 3% respectively.

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One2One Learning 1998  
one2one Learning Foundation - National  
For the Eleven Months Ending April 30, 1998

STATEMENT 8

	Current Month	Year to Date
Revenues		
Total Revenues	\$ 0.00	\$ 0.00
Expenditures:		
Total Direct Student Costs	0.00	0.00
Advertising - National	\$ 0.00	\$ 500.00
Bank Charges - Texas Comm Bank	0.00	445.54
Contract Labor - Dallas	2,803.68	9,685.01
Contract Services - Dallas	140.00	8,513.07
Dues & Subscription	0.00	49.00
Entertainment - Dallas	140.60	250.32
Meals - Dallas	0.00	50.63
Moving Expense - Dallas	0.00	906.74
Network Connection - Dallas	0.00	4,205.52
Office Supplies - Dallas	1,516.12	6,708.60
Overnight Delivery - Dallas	679.97	2,189.92
Salaries Exp - Other DAL	0.00	5,000.00
Space Rental - Dallas	0.00	24,705.80
Telephone - Dallas	718.62	2,617.16
Total Other Expenditures	5,998.99	65,827.31
Total All Expenditures	5,998.99	65,827.31
Revenue Less Expenditures	\$ <5,998.99>	\$ <65,827.31>

one2one Learning Foundation  
Confidential

1st Year Projection 1998/1999	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	Totals
<b>Revenues</b>													
Indirect	32,825	33,825	0	0	32,325	40,281	51,420	57,785	64,150	70,515	75,289	70,515	528,930
Program Development	19,095	19,095	0	0	19,095	23,869	30,552	34,371	38,190	42,009	44,873	42,009	313,158
<b>Total Revenues</b>	<b>51,920</b>	<b>52,920</b>	<b>0</b>	<b>0</b>	<b>51,420</b>	<b>64,150</b>	<b>81,972</b>	<b>92,156</b>	<b>102,340</b>	<b>112,524</b>	<b>120,162</b>	<b>112,524</b>	<b>842,088</b>
<b>Expenses:</b>													
Computer Services	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
National Director - Enrollment	8,667	8,667	8,667	8,667	8,667	8,667	8,667	8,667	8,667	8,667	8,667	8,667	80,004
National Director - Programs	8,667	8,667	8,667	8,667	8,667	8,667	8,667	8,667	8,667	8,667	8,667	8,667	80,004
National Director - Finance	0	0	0	0	0	0	8,000	8,000	8,000	8,000	8,000	8,000	48,000
Executive Assistant	0	0	2,916	2,916	2,916	2,916	2,916	2,916	2,916	2,916	2,916	2,916	29,160
Salary Overhead	3,200	3,200	3,900	3,900	3,900	3,900	5,820	5,820	5,820	5,820	5,820	5,820	58,920
Curriculum	0	0	0	0	0	0	15,278	17,188	19,095	21,005	22,437	21,005	116,002
Supplies/Equipment	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Rent/Utilities	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	3,000	36,000
Public Affairs	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
Governmental Affairs	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
Postage/Overnight	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Insurance	938	938	938	938	938	938	938	938	938	938	938	938	11,256
Accounting Services	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Advertising	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Conf. Exhibit	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Travel	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	60,000
Legal	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
<b>Total Expenses</b>	<b>45,472</b>	<b>45,472</b>	<b>49,088</b>	<b>49,088</b>	<b>49,088</b>	<b>49,088</b>	<b>74,284</b>	<b>76,184</b>	<b>78,103</b>	<b>80,013</b>	<b>81,445</b>	<b>80,013</b>	<b>757,346</b>
<b>Net Revenue</b>	<b>6,448</b>	<b>7,448</b>	<b>-49,088</b>	<b>-49,088</b>	<b>2,332</b>	<b>15,062</b>	<b>7,688</b>	<b>16,963</b>	<b>24,237</b>	<b>32,512</b>	<b>38,718</b>	<b>32,512</b>	<b>84,742</b>



one2one Learning Foundation  
Confidential

2nd Year Projection													
1999/2000	May	June	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	Totals
<b>Revenues:</b>													
Indirect	75,789	78,789	0	0	99,158	115,070	130,983	148,895	158,034	162,808	162,808	162,808	1,291,142
Program Development	44,873	44,873	0	0	59,195	68,742	78,200	87,837	94,520	97,385	97,385	97,385	770,485
<b>Total Revenues</b>	<b>120,662</b>	<b>121,662</b>	<b>0</b>	<b>0</b>	<b>158,353</b>	<b>183,812</b>	<b>209,273</b>	<b>234,732</b>	<b>252,554</b>	<b>260,193</b>	<b>260,193</b>	<b>260,193</b>	<b>2,061,627</b>
<b>Expenses:</b>													
Computer Services	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
National Director - Enrollment	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	96,000
National Director - Programs	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	8,000	96,000
National Director - Finance	8,000	8,000	8,000	8,000	8,000	8,000	9,334	9,334	9,334	9,334	9,334	9,334	104,004
National Director - Staffing	0	0	0	0	0	8,667	8,667	8,667	8,667	8,667	8,667	8,667	46,669
National Director - Development	0	0	0	0	0	8,667	8,667	8,667	8,667	8,667	8,667	8,667	46,669
Executive Assistant	2,918	2,918	2,918	2,918	2,918	5,832	5,832	5,832	5,832	5,832	5,832	5,832	55,404
Salary Overhead	8,480	8,480	8,480	8,480	8,480	10,360	10,880	10,880	10,880	10,880	10,880	10,880	108,736
Curriculum	22,437	22,437	0	0	29,598	34,371	39,145	43,919	47,260	48,693	48,693	48,693	385,243
Supplies/Equipment	3,000	3,000	3,000	3,000	3,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	50,000
Rent/Utilities	3,000	3,000	3,000	3,000	3,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	50,000
Public Affairs	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
Governmental Affairs	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	180,000
Postage/Overnight	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Insurance	938	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	23,851
Accounting	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000	12,000
Advertising	500	500	500	500	500	500	500	500	500	500	500	500	6,000
Conf Exhibit	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	2,000	24,000
Travel	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	120,000
Legal	3,000	3,000	3,000	3,000	3,000	3,000	5,000	5,000	5,000	5,000	5,000	5,000	48,000
<b>Total Expenses</b>	<b>106,750</b>	<b>107,895</b>	<b>85,459</b>	<b>85,459</b>	<b>116,056</b>	<b>143,989</b>	<b>152,408</b>	<b>157,182</b>	<b>160,823</b>	<b>161,958</b>	<b>161,958</b>	<b>161,958</b>	<b>1,800,879</b>
<b>Net Revenue</b>	<b>13,912</b>	<b>13,767</b>	<b>-85,459</b>	<b>-85,459</b>	<b>43,297</b>	<b>39,822</b>	<b>56,865</b>	<b>77,551</b>	<b>91,731</b>	<b>98,235</b>	<b>98,235</b>	<b>98,235</b>	<b>481,648</b>

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## Schedule Line 17 Part IV - Financial Data

Bob Carroll	38,071.06
Tom Helm	10,256.50
James Jones	500.00
Gerry Hurst	500.00
Total	<u>49,327.56</u>

## Schedule Line 22 Part IV - Other Expenses

Technology Services	440,033.00
Contract Teachers	1,221,100.20
Teacher Training	17,306.36
Student Materials	486,591.55
Advertising	1,240.96
Automobile Expense	8,829.60
Bank Charges	587.54
Conference Expense	70.00
Contract Services	116,649.12
Data Processing	1,988.43
Dues & Subscriptions	1,586.00
Entertainment	2,125.62
Equipment Rental	424.71
Payroll Taxes	13,187.45
Insurance	11,250.00
Legal Fees	4,471.66
Moving Expense	1,532.55
Telecommunication Network	4,205.52
Office Supplies	20,869.23
Overnight Delivery	2,963.33
Postage	1,249.58
Telephone	12,267.05
Travel	10,287.75
Total	<u>2,380,817.21</u>

STATEMENT 10

**Schedule Line 8 Part IV B. Balance Sheet - Depreciable and depletable assets**

Furniture and Fixtures	29,913.15
Equipment	51,330.82
Leasehold Improvements	<u>20,190.23</u>
Total	101,434.20

**Schedule Line 10 Part IV B. Balance Sheet - Other Assets**

Deposits	20,168.21
Organizational Costs	<u>1,056.50</u>
	21,224.71

**5001 INFOMART  
LEASE AGREEMENT**

This Lease Agreement ("Agreement"), which is effective March 1, 1998, is between INFOMART-Dallas, L.P., a Texas limited partnership ("Landlord") located at 1950 Stemmons Freeway, Suite 5001, Dallas, Texas 75207 and

Oné2One Learning Foundation, ("Tenant")  
New Mexico Corporation  
1950 Stemmons Frwy., Suite 5001  
Dallas, TX 75207

Landlord agrees to provide Tenant with the services and facilities described in this Agreement for the term specified below. The facilities are located in a portion of the suite of offices known as either Suite 5001 or as 5001 INFOMART ("INFOMART" or the "Building" for these purposes is the project also known as "INFOMART - The Technology Community").

In consideration of the benefits described in this Agreement, Tenant agrees to pay Landlord the Base Rental specified below and to comply with the other requirements of this Agreement. Base Rental shall be paid in advance on the first day of each month, without deduction or offset. If any Base Rental installment is more than 10 days late, a late charge will be due equal to the lesser of 5% of such installment or the maximum charge permitted by law. The Security Deposit (specified below) shall be paid at the time this Agreement is signed by Tenant; the Deposit may be used by Landlord from time to time to satisfy defaults by Tenant, without prejudice to any other remedy; Tenant shall deposit a new sum equal to any portion of the Security Deposit which was drawn down; Landlord may commingle the Security Deposit with other funds if it so wishes and Landlord shall have no obligation to pay to or credit Tenant for any interest on such Deposit.

If Tenant fails to pay any sum due under this Agreement or if Tenant fails to comply with any other requirements of this Agreement, then Landlord will have the right, without notice to Tenant (which notice is hereby waived by Tenant), to terminate all or any part of Tenant's rights under this Agreement.

**BASIC TERMS AND CONDITIONS**

Office Number(s)	I-37, I-38, I-39, E-21, E-27, E-31, I-36B	Monthly Base Rental	\$4,300
Term in Months	6	Security Deposit	On File
Commencement Date	March 1, 1998	Guarantor	N/A
Expiration Date	August 31, 1998		

The office or offices made available to Tenant shall hereafter be referred to simply as the "Office".

Tenant hereby agrees to comply with both the Rules and Regulations attached as Exhibit "A" and INFOMART's Policy Statement attached as Exhibit "B". Tenant also agrees to sign any additional documents which may be required by Landlord in order to further evidence the terms of this Agreement.

Tenant agrees to accept the Office "as is." Landlord is not obligated to provide additions or alterations to the Office and Tenant agrees not to make any additions or alterations to the Office without Landlord's prior written consent, which consent may be withheld in Landlord's sole discretion.

**INSURANCE**

Tenant agrees to maintain during the term of this Agreement standard form (occurrence-based) commercial liability insurance coverage of at least \$500,000.00 (combined single limit bodily injury, property damage or combination thereof), including a Form 294 endorsement or other comparable coverage which will insure Tenant for damage to property which it either rents or possesses. Tenant also agrees to maintain all-risk property insurance coverage which insures, at full replacement cost, all of Tenant's personal property, fixtures and inventory in the Office and Tenant agrees to maintain workers compensation and employer's liability insurance in state-required limits. All coverage shall be with an insurance company approved by Landlord

March 1, 1998

Oné2One Learning Foundation

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(however, any company with a Best's Insurance Rating of A,XII or better shall be deemed automatically approved). A certificate of insurance shall be delivered to Landlord before the Commencement Date and thereafter within 15 days before the expiration date of the policy then in force. Each policy shall specify that Landlord will be given at least 30 days written notice prior to cancellation or non-renewal. Tenant, on behalf of itself and its insurers, waives all rights of subrogation against Landlord and Landlord's insurers. Tenant shall not do, or permit anything to be done in or about the Building or the Office, or bring or keep anything therein, that will in any way increase the rate of fire or other insurance on the Building, or on property kept therein or otherwise increase the possibility of fire or other casualty.

Landlord, its property manager, mortgagees, agents, and employees (and each of their directors, officers, joint venturers, employees and agents) shall not be liable to Tenant or any person claiming through Tenant, for any injury or damage resulting from any incident occurring in or around the property known as INFOMART, including the Office, parking areas and outside areas, except where due to the gross negligence or willful misconduct of Landlord. Tenant agrees to indemnify and hold harmless Landlord, its property manager, mortgagees, agents, and employees (and each of their directors, officers, joint venturers, employees and agents) from any liability, loss, cost or expense (including attorneys fees) which may be incurred as a result of the use of the Office by Tenant or by any invitees of Tenant, or which may be incurred as a result of a default by Tenant under this Agreement, including incidents attributable in whole or in part to the negligence of such indemnified party (but not including incidents caused by the gross negligence or willful misconduct of such party). Tenant shall look solely to Landlord's equity interest in the INFOMART property and not to Landlord's personal liability for any liability recoverable under the terms of this Agreement. In no event shall Landlord be liable to Tenant for consequential damages.

In the event the Office, Suite 5001 or any portion of the INFOMART Building becomes unfit for occupancy for any reason, Landlord shall have no obligation to rebuild or repair the relevant facility. However, if the Office is rendered unfit for occupancy, for any reason other than Tenant's fault or negligence, Landlord may either terminate this Agreement or make such repairs as are necessary to again render the Office fit for occupancy. If Landlord elects to repair the Office, this Agreement shall not terminate, but if any portion of the Office is in fact not occupied during such repairs, Base Rental shall be reduced by a fair proportion until such time as the Office is again rendered fit for occupancy. In the event the Office, Suite 5001 or any portion of the Building becomes unfit for occupancy due to Tenant's fault or negligence, the Base Rental shall not be reduced during the repair and restoration and Tenant shall be liable for any cost or expense of repairing the Office, Suite 5001 or the Building.

#### TENANT QUALIFICATION

This Agreement has been signed by the Landlord on the express understanding that Tenant will be using the Office only for the sale of hardware, software or related services to information processing systems customers. If at any time during this Agreement Tenant fails to qualify under this qualification, Landlord shall have an immediate right to terminate this Agreement.

#### PROGRAM EVENT QUALIFICATIONS, PARTICIPATION RIGHTS AND CONDITIONS

Landlord agrees to include Tenant in the INFOMART marketing program known as "Program Events" (as such term is defined below) and to permit Tenant's participation in Program Events if requested by customers or sponsors, but only on the following terms and conditions:

##### Conditions

Tenant must be a "small business", as defined below and this Agreement must be for a term of 12 months or more. In addition, no participation will be permitted in each type of Program Event until either an on-site employee or an on-site representative of Tenant has attended an INFOMART marketing workshop devoted to that particular type of Program Event; if this on-site employee or representative later leaves Tenant's business or no longer works on-site, then Tenant must send a new on-site employee or representative to a marketing workshop devoted to each type of Program Event in which the Tenant is interested before Tenant's further participation in such Program Events will be permitted. If Tenant has canceled or failed to honor any Program Event commitment on 2 occasions, Tenant will no longer be eligible to participate in any further Program Event.

##### Terms

"Program Event" for these purposes shall mean any of the following: an "executive briefing" (where one or more customers requests a private conference with vendors of particular products or services), an "access event" (where a showroom program is offered at INFOMART to outside groups of customers), or "tradeshows" (where an outside tradeshow organizer requests select or general participation by INFOMART tenants in showroom activities). Landlord makes no representation or warranty that Tenant's name and business products will be promoted in every marketing effort

at INFOMART or in every Program Event. Tenant acknowledges that outside customers and tradeshow organizers are free to select whomever they wish for executive briefings or other presentations and Tenant acknowledges that it is not relying upon Landlord to specially promote Tenant's products or to exert influence on Tenant's behalf. Landlord reserves the right to determine in its discretion whether any particular request from a customer or tradeshow organizer is sufficiently relevant to Tenant's products or services to warrant furnishing Tenant's name to such party.

For these purposes "small business" shall mean a business which meets both the 1990 "average net income" test and the 1990 "annual receipts" test for the applicable SIC industry classification of the Small Business Administration in Sections 121.802(a)(2)(i) and 121.601, respectively, of Volume 13 of the Code of Federal Regulations; for purposes of the "average net income" test, the business must meet the applicable criteria both without considering its affiliates, and including its affiliates; "affiliates" shall be as defined in Section 121.401 of the same regulations. If at any time during this Agreement Tenant fails to qualify under these conditions, Landlord shall have an immediate right to terminate Tenant's participation in any Program Events.

Tenant agrees that it shall conduct itself in a professional, courteous manner in all marketing and Program Events associated with INFOMART.

#### **BASIC SERVICES PROVIDED BY LANDLORD**

The following office services will be provided to Tenant, at no additional charge, so long as Tenant promptly pays Base Rental: Building standard cleaning and maintenance services; Building standard heating, ventilation, air conditioning and electrical services; free parking in the unreserved, uncovered, surface parking areas of INFOMART subject to availability; use of the 5001 INFOMART address; up to four hours conference room usage per month in the conference rooms located within Suite 5001 (subject to availability); shared receptionist and switchboard services during normal business hours (8:00 a.m. to 5:00 p.m. weekdays, except holidays); up to 100 free message units per month (modem excluded); and Building standard security services.

#### **ADDITIONAL SERVICES PROVIDED BY LANDLORD**

The following services will be provided to Tenant on an "as available" basis, at Landlord's then customary charges for Suite 5001 tenants: telephone installation; telephone port connections; door signs; set up fees; local and long distance telephone service; administrative services (\$75.00 current monthly minimum); post office box rental; furniture rental; covered parking spaces, subject to availability (current charge is \$50.00 to \$90.00 per space per month); additional telephone message units (100 free units per month; thereafter the current charge for each unit is 30 cents); facsimile, word processing and photocopy services (at per page charges) in Suite 5001; telephone directory listing; special or extra cleaning and maintenance services; conference rooms in INFOMART, subject to availability (capacity ranges from 10 to 500 people); and exhibition space in INFOMART subject to availability. The above additional services and the charges associated therewith are subject to change from time to time by Landlord, without advance notice. Landlord's liability for failure to render any service shall be limited to the amount charged by Landlord for such service.

#### **NOTICES**

Any notices for purposes of this Agreement must be in writing and may be delivered by certified mail, return receipt requested (in which event notice is deemed received 3 days after it is sent), or by hand delivery. Notices to Tenant shall be addressed to 5001 INFOMART at the office number designated on page 1 of this Agreement. Notices to Landlord shall be addressed to INFOMART-Dallas, L.P. a Texas limited partnership, 1950 Stemmons Freeway, Suite 6038, Dallas, Texas 75207, Attention Lease Administrator. Either party may change their designated addresses by notice to the other.

#### **HOLD OVER**

If Tenant remains in possession of the Lease Premises after the expiration or termination of this Agreement without signing a new Agreement, Tenant will be occupying the Leased Premises on a month to month basis at a rental equal to twice the Base Rental. Tenant shall remain subject to all conditions, provisions and obligations of this Agreement. No holding over by Tenant shall be construed to extend the Lease term or in any other manner be construed as permission by Landlord to hold over.

#### **OTHER**

Any property left in the Office after termination or expiration of this Agreement or abandonment by Tenant shall be deemed abandoned and Landlord shall be free to dispose of such property in any manner it chooses. No property rented from Landlord

or owned by Landlord shall be removed from the Office. Tenant waives all rights to any condemnation proceeds (including proceeds from purchases in lieu of condemnation) which may accrue to the Building, project, Suite 5001 or the Office. ---

This Agreement constitutes the entire agreement of the parties. No prior written or oral promises and/or representations shall be binding. This Agreement supersedes and cancels any previous agreements, leases and/or Use and Service Agreements between either INFOMART USA, L.P., a Texas limited partnership or INFOMART-Dallas, L.P., a Texas limited partnership and One2One Learning Foundation.

LANDLORD:

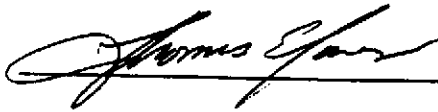
TENANT:

INFOMART- Dallas, L.P., a Texas limited partnership

One2One Learning Foundation  
New Mexico Corporation

By INFOMART USA, L.P., a Texas limited partnership

By



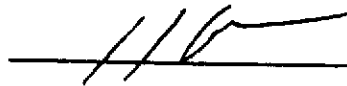
Name Thomas E. Jones

Title Authorized representative

Date

2-16-98

By



Name

William Couley

Title

Director

Date

2/13/98

Attachments: Exhibit "A" - Rules and Regulations  
Exhibit "B" - INFOMART Policy Statement  
Exhibit "C" - Other Terms

# EXHIBIT "A"

To Lease Agreement dated March 1, 1998 by and between  
INFOMART-Dallas, L.P., a Texas limited partnership, as Landlord and  
One2One Learning Foundation, as Tenant

## RULES AND REGULATIONS

For purposes of these Rules and Regulations, the terms "Leased Premises" and "Office" shall have the same meaning.

1. No additional locks shall be placed on the doors of the Leased Premises by Tenant, nor shall any existing locks be changed unless Landlord is immediately furnished with two keys thereto. Landlord will without charge furnish Tenant with two keys for each lock existing upon the entrance doors when Tenant assumes possession with the understanding that at the termination of the lease these keys shall be returned or paid for at five dollars (\$5.00) each. A deposit of two and 50/100 dollars (\$2.50) each shall be required for additional keys.
2. Tenant shall not at any time display a "For Rent" sign upon the Building or the Leased Premises, or advertise the Leased Premises for rent.
3. Safes and other unusually heavy objects shall be placed by Tenant only in such places as may be approved by Landlord. Any damage caused by overloading the floor or by taking in or removing any object from the Leased Premises or the Building shall be paid by Tenant.
4. Windows facing on corridors shall at all times be wholly clear and uncovered (except for such signs or vertical blinds as Landlord may approve) so that a full unobstructed view of the interior of the Leased Premises may be had from the corridors, unless otherwise approved in writing by Landlord.
5. No vehicles or animals shall be brought into the Building, other than as required by handicapped persons.
6. Tenant shall not make any changes in the pipes, ducts, or wiring serving the Leased Premises or add any additional pipes, ducts, or wiring without the prior written consent of Landlord, and any such changes or additions shall be made in such manner as Landlord may direct.
7. No sign, tag, label, picture, advertisement, or notice (other than price tags of customary size used in marking samples) shall be displayed, distributed, inscribed, painted or affixed by Tenant on any part of the outside of the Building or of the Leased Premises without the prior written consent of the Landlord.
8. In the event Landlord should advance upon the request, or for the account of the Tenant, any amount for labor, material, packing, shipping, postage, freight or express upon articles delivered to the Leased Premises or for the safety, care, and cleanliness of the Leased Premises, the amount so paid shall be regarded as additional rent and shall be due and payable forthwith to the Landlord from the Tenant.
9. The corridors and hallways of the Building shall not be used by Tenant for any purpose other than ingress to or egress from the Leased Premises.
10. Tenant shall not do or permit to be done within the Leased Premises anything which would unreasonably annoy or interfere with the rights of other tenants in the Building, or which might constitute a potential hazard to other tenants or visitors.
11. During the thirty (30) days prior to the expiration of this Lease, Landlord may show the Leased Premises to prospective tenants.
12. Tenant shall not put or operate any steam engine, boiler, industrial machinery or stove in the Building or upon the Leased Premises or do any cooking thereon or use or allow to be kept in the Building or upon the Leased Premises any explosives or any kerosene, camphene, bottled gas, oil or other highly flammable materials, except non-hazardous cleaning and janitorial supplies in small quantities only (that is, in quantities sufficient only for the furnishing of short-term maintenance and janitorial services to the Leased Premises), but in all events never in quantities that would require reporting or special handling obligations under federal, state and/or local regulations. Landlord reserves the right to prohibit the use, handling and/or storage of specific types or brand names of chemicals, solvents or products whenever Landlord deems such restriction to be in the best interest of the Building and/or property. Tenants must at all times dispose of cleaning,





janitorial and other solvents and chemicals prudently and safely, in compliance with all applicable laws, and in compliance with all further rules and regulations which may be imposed by Landlord from time to time.

13. Landlord reserves the right to prescribe reasonable qualifications for admission into the Building.
14. Models, salespersons or other employees or representatives of Tenant, shall not model, demonstrate display, or show in any manner any merchandise outside of the Leased Premises in the Building or on the Property without Landlord's prior written consent.
15. Tenants accept full responsibility for receiving all packages, mail and shipments sent to them at the Building and/or Leased Premises. If tenants are not available when such items arrive, Landlord may accept delivery of same, but shall have no obligation to do so. Nor shall Landlord have any obligation to confirm postage, handling, address information or prepaid costs associated with such delivered items. Nor shall Landlord have any obligation to pay handling or delivery costs for such items. If items are accepted on behalf of tenants, Landlord may store such items and charge the applicable tenants for storage, handling and delivery expenses incurred by Landlord. Tenants waive all claims against Landlord for any damage or loss to such articles or merchandise. It is expressly stipulated that no bailment will be created between Landlord and tenants by any actions taken by Landlord herein.
16. Canvassing, peddling, soliciting and distribution of handbills or any other written material in the Building or in the Building's parking areas are prohibited, and each tenant shall cooperate to prevent the same.
17. If the Leased Premises front on the atrium within the Building, Tenant shall cause the Leased Premises to be kept open for business and occupied by Tenant's personnel during all normal business hours of the Building.
18. Plumbing fixtures and appliances shall be used only for the purposes for which constructed, and no unsuitable material shall be placed therein.
19. A tenant shall notify Landlord when any equipment (including computers and/or related equipment) is to be taken in or out of the Building, and the moving shall be done after written permission is obtained from Landlord on such conditions as Landlord shall require.
20. All deliveries must be made via the service entrance and service elevator, at such times as approved by Landlord. Landlord's approval must be obtained for any delivery.
21. Each tenant shall cooperate with Landlord's employees in keeping their Leased Premises neat and clean.
22. Tenants shall not cause or permit any improper noises in the Building, or allow any unpleasant odors to emanate from the Leased Premises, or otherwise interfere, injure or annoy in any way other tenants, or persons having business with them.
23. Landlord has the right to evacuate the Building in the event of an emergency, safety drill or catastrophe.
24. Tenant shall comply with parking rules and regulations as may be posted or distributed from time to time.
25. No portion of the Building shall be used for the purpose of lodging rooms.
26. These Rules and Regulations are in addition to, and shall not be construed to in any way modify or amend, in whole or in part, the terms, covenants, agreements and conditions of any lease of space in the Building.
27. Landlord reserves the right to make such other and reasonable rules and regulations as in its judgment may from time to time be needed for the safety, care and cleanliness of the Building, and for the preservation of good order therein.
28. Tenant shall comply with the INFOMART Policy Statement. Tenant shall be liable for all injuries and damages sustained by Landlord or Landlord's agents or by other tenants, occupants, or invitees of the Building by reason of any breach of the requirements of the INFOMART Policy Statement by Tenant or Tenant's agents, employees or invitees.

LANDLORD'S INITIALS: TL

TENANT'S INITIALS: \_\_\_\_\_

## EXHIBIT "B"

To Lease Agreement dated March 1, 1998 by and between  
INFOMART-Dallas, L.P., a Texas limited partnership, as Landlord and  
One2One Learning Foundation, as Tenant

### INFOMART POLICY STATEMENT GENERAL POLICIES AND PROCEDURES REGARDING INFOMART, DALLAS

#### 1. PERMANENT TENANT QUALIFICATIONS

Permanent tenants must be producers of hardware, software or services utilizing information processing equipment unless otherwise specifically approved by Landlord and must sign Landlord's "Standard Lease Form". If the tenant's business includes the resale of products or services, the tenant must add to or enhance the value of such products or services.

#### 2. 5001 TENANT QUALIFICATIONS

5001 tenants must be producers of hardware, software or services utilizing information processing equipment unless otherwise specifically approved by Landlord and must sign Landlord's "Suite 5001 Lease Agreement". If the tenant's business includes the resale of products or services, the tenant must add to or enhance the value of such products or services.

#### 3. TEMPORARY TENANT QUALIFICATIONS

Temporary tenants are companies signing temporary space agreements at INFOMART for the temporary use of conference rooms, meeting rooms, and/or exhibit space at such rates as Landlord deems appropriate.

#### 4. TEMPORARY EXHIBITOR REGULATIONS

- (a) During designated temporary trade events sponsored by Landlord which are conducted in conjunction with the use of permanent showrooms and which include the rental of temporary exhibit space, permanent tenants will be offered a priority selection of such temporary exhibit space based in the initial year upon the dates on which such permanent tenants entered into leases for space within the Building and in subsequent years on a priority basis reasonably determined by Landlord.
- (b) When temporary exhibit space is used in conjunction with permanent showrooms, non-information processing industry representatives may display wares for specific trade markets.
- (c) Temporary space areas may be rented independent of permanent showrooms, in which event Landlord will have sole discretion as to exhibition policies.

#### 5. BUSINESS HOURS

Permanent showrooms bounded by an atrium wholly or partially will be open and staffed during all normal business hours of the Building which are currently 8:30 a.m. through 4:30 p.m. weekdays excluding national holidays. These hours are subject to change. Showrooms must be open during all Landlord sponsored trade events with exceptions approved in writing by Landlord. The hours of these events will be established by Landlord.

#### 6. SALES POLICY

Warehousing and on-site delivery to customers is prohibited in permanent showrooms and in exhibit space when used in conjunction with showrooms. Payment for products or services that are of a retail sales nature are prohibited (provided, however, that payment or partial payment for orders taken at the Building for future delivery to a buyer will be allowed if it is within the applicable tenant's normal business practice and is not of a retail sales nature, it being the intention hereof to permit payments or partial payments intended to bind an order for future delivery without in any way qualifying or circumventing the prohibition within the Building against retail sales).

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## 7. ACCESS AND ADMISSION OF VISITORS

Landlord reserves the right to implement and/or use any or all of the following policies with regard to access and admission of visitors into the Building. Tenant will receive prior notice of any change in the policy.

- (a) All entrants to the Building will be registered and issued an identification badge with the exception of visitors with a pre-arranged appointment with a specific tenant. Appointment-only visitors will be issued a badge which requires such visitors to be accompanied by the applicable inviter. Appointment-only visitors will not be required to register on the Building's visitor database.
- (b) Terms of issuance of badges will be annual with the exception of specific trade events, including without limitation conferences and symposia, in which event badges will be valid only during the scheduled event. Temporary user badges will be issued to non-scheduled daily visitors.
- (c) A registration fee will be established by Landlord which will defray the cost of registration and better ensure the quality of visitors.
- (d) Permanent tenants' badges will be issued based on one badge per 500 Usable Square Feet of space, with additional badges available upon payment of a registration fee cost or annual renewal cost.
- (e) Members of the press and educational institutions will be issued a maximum of five annual complimentary badges with additional badges available upon payment of the standard registration fee.
- (f) Employees and agents of Landlord will be issued badges at the discretion of Landlord.
- (g) Visitor registration information deemed appropriate by Landlord will be made available to permanent tenants. Information regarding tenant invitees will be proprietary and not available to tenants. Attendee registration lists of externally sponsored events will be the property of the sponsoring group.

## 8. PUBLIC FUNCTION AREAS/ON-SITE ACCOMMODATIONS

- (a) A visitor information directory system will be provided by Landlord to assist visitors in locating vendors. Tenant and exhibitor listings will be categorized by company name and product offerings. Each Permanent Tenant is eligible to multiple product listings applicable, up to a maximum of one product category listing per 500 Usable Square Feet of permanent lease space. Additional listings may be issued at a nominal fee subject to product eligibility. 5001 Tenants are eligible for one (1) product category listing. Temporary Tenants are not eligible for a product category listing.
- (b) Tenant's meeting room use will be coordinated on a reservation basis and all tenants will be eligible. Standard fees will be applied and Landlord will control the rental of these areas and the use of the areas will be coordinated by the buyer/tenant services department of Landlord. Reservations for meeting room space within the Building will be on a first-come first-served basis.

## 9. MERCHANDISING OF INFOMART

INFOMART reserves the right to list tenants, partially or in entirety, of INFOMART in merchandising programs and agrees that such use shall not contain editorial references regarding specific tenants.

## 10. TENANT PARKING

On-site parking for employees and guests of tenants shall be made available. Permanent Tenants are eligible to one parking space in the garage located adjacent to the Building, per 1,000 Usable Square Feet of lease space, subject to such terms and conditions (including without limitation such rental or other charges) as Landlord may from time to time impose. 5001 Tenants are eligible to one parking space in the garage located adjacent to the Building, subject to such terms and conditions (including without limitation such rental or other charges) as Landlord may from time to time impose. Temporary Tenants are not eligible for any parking spaces in the garage located adjacent to the Building.

## 11. POLICY AMENDMENTS

Landlord may amend its policies from time to time and such changes shall be binding upon Tenant.

LANDLORD'S INITIALS:   *KL*  

TENANT'S INITIALS:   *Q*

**EXHIBIT "C"**

To Lease Agreement dated March 1, 1998 by and between  
INFOMART-Dallas, L.P., a Texas limited partnership, as Landlord and  
One2One Learning Foundation, as Tenant

**OTHER TERMS**

Regardless of any item set forth in the above referenced Agreement and/or Exhibits A through C, Landlord and Tenant hereby agree as follows:

1. The Administrative Services Minimum shall be deleted (\$75.00 per month).
2. Landlord shall be entitled to cause Tenant to relocate from the Leased Premises to a Relocation Space within the Building at any time upon reasonable written notice to Tenant (which notice shall not be given in excess of ninety (90) days prior to such relocation). A relocation space shall mean a space designated by Landlord of comparable size to the Lease Premises. Landlord or the third party tenant replacing Tenant in the Leased Premises shall pay all reasonable costs of accomplishing such relocation.

LANDLORD'S INITIALS: JLJ

TENANT'S INITIALS: Q

## ***Service Exhibit***

### ***1. Overview and Technical Description.***

OnRamp Technologies Internet Access service (the "Service") provides IP packet delivery to the public TCP/IP network commonly referred to as the "Internet". OnRamp enables IP datagram routing to and from customer premise equipment to and from OnRamp's peering points with Internet autonomous systems.

### ***2. Access and Availability.***

ORTI's IP backbone is a packet-switched inter-LATA data transport service comprised of ATM and Frame-Relay wide area networking technology. Customers obtain access to via dedicated digital facilities, logical permanent virtual circuits (Frame-Relay), or dialup digital circuits (ISDN). Availability of the Service and the Internet Protocol ("IP") Space allocated to Customer by ORTI for the purposes of routing shall be in accordance with ORTI's good faith interpretation of generally accepted definitions, practices, customs and rules of internetworking standard authorities.

### ***3. Connection Service Ordered.***

A. Customer Name: One 2 One Learning Foundation

B. User ID: \_\_\_\_\_

C. Circuit ID: \_\_\_\_\_

D. Service Location (SPID#): \_\_\_\_\_

E. Transmission Rate of Connection: Level 1 Collocation

F. Initial Service Term: 1 Year

F. Price Schedule: \$ 495 per month \$ 495 set up fee  
\$ 250 per month for server administration

The installation will be done at a future date pending the receipt of Funding. Installation date will be on or before May 1, 1998. If for any reason the funding is not received, this agreement will be nullified.

Customer Initials



### OnRamp Technologies - Service Agreement

- A. This Service Agreement is between OnRamp Technologies, Inc. ("OnRamp") and the undersigned customer ("Customer"). The following terms and conditions come into effect upon the date when the connection from OnRamp's network is completed the Customer's physical site and IP packets are enable for transmission from OnRamp's network. Customer may use OnRamp's services, network, equipment and points of presence (the "Services") for lawful purposes only. Customer may not post or transmit any material that is in violation of any applicable law or regulation, including, but not limited to, material that is in violation of a copyright or trademark, material deemed to be obscene, or material that is protected by patent or trade secret. Customer agrees to indemnify and hold harmless OnRamp from any claims resulting from Customer's use of the Services or any use of the Services by any of the Customer's employees, agents, customers, or any other parties in Customer's chain of distribution. Customer's access of other networks or servers that are connected, either directly or indirectly, must be in compliance with the rules and regulations germane to such other networks or servers.
- B. Either party may terminate this Service Agreement after the Initial Term. Moreover, Customer may terminate this Service Agreement at any time upon providing sixty (60) days' prior written notice OnRamp. If Customer decides to terminate the Agreement, OnRamp will refund to Customer any credited payments for services to have been rendered after the date of termination through the last day of the initial term. Such refund will be made within ninety (90) days from the date of termination, and shall be reduced by early termination charges and any amounts owing on equipment provided by OnRamp, as provided for in the Service Exhibit. Any termination shall not relieve Customer of its obligation to pay any charges incurred hereunder for services rendered prior to Customer's termination. Notwithstanding the foregoing, OnRamp may terminate this Agreement, or suspend the provision of the Service to the Customer, at any time in the event of the occurrence of any of the following: (a) failure by the Customer to pay all required rates and charges under this Agreement to OnRamp on the payment due date specified in OnRamp's billing statements to customer; (b) breach; (c) the Customer makes an assignment for the benefit of creditors or becomes bankrupt or insolvent, or takes benefit of, or becomes subject to, any legislation in force relating to bankruptcy or insolvency, it being understood that the appointment of a receiver or trustee of the property and assets of the Customer is conclusive evidence of insolvency; or (d) OnRamp is unable to provide the Service by reason of any law, rule, regulation, or order of any municipal, state or federal authority, including, but not limited to, any regulatory authority having jurisdiction.
- C. Customer acknowledges and agrees that OnRamp has no control over the content or nature of the information transmitted through its network. Accordingly, OnRamp makes no warranties, either expressed or implied, for the Services it provides, and expressly disclaims any warranties of merchantability or fitness for a particular use. Customer's use of any information obtained via the Services is at Customer's own risk and OnRamp denies any responsibility for the quality or content of the information obtained via the Services.
- D. OnRamp will grant a credit allowance for interruptions to the Services and such credit allowance will be calculated and credited in 15-minute increments. OnRamp will not grant such credit allowance if the Service interruption is, in OnRamp's reasonable discretion, due to (i) the negligent acts of Customer or its agents; (ii) the failure or malfunction of non-OnRamp equipment or systems not provided by OnRamp; (iii) circumstances or causes beyond the control of OnRamp; or (iv) a service interruption caused by scheduled service maintenance. The foregoing states the Customer's sole remedy for Service interruption under this Service Agreement, and in no event shall OnRamp be liable for harm to business, lost revenues, lost savings, or lost profits suffered by Customer.
- E. Payment for the Services is due thirty (30) days after the date of invoice (with such invoice to be deemed accurate and binding unless an objection in writing is received by ORTI within twenty (20) days from the date of the invoice). If payment is not received within thirty (30) days of the invoice, Customer's account shall be deemed to be in default and OnRamp may interrupt the Services until the invoice is paid in full. If payment is not received within sixty (60) days after the date of invoice, OnRamp reserves the right to terminate the provision of the Services permanently.
- F. In the event any provision of this Service Agreement shall be invalid, illegal or enforceable in any respect, such a provision shall be considered separate and severable from the remaining provisions of this Service Agreement, and the validity, legality or enforceability of any of the remaining provisions of this Agreement shall not be affected or impaired by such provision in any way. This Service Agreement cancels, replaces, and supersedes as of its effective date all existing agreements and understandings, written or oral, between the parties to this Service Agreement relating to the subject matter contained herein. The whole contract between the parties is contained in this Agreement, and no preliminary proposals, written or oral, form any part of this Agreement. This Service Agreement shall not be assigned, in whole or in part, by either party without the written consent of the other party (which consent shall not be unreasonably withheld or unduly delayed), except that OnRamp may assign its rights and obligations hereunder (i) to any subsidiary, parent company or affiliate of OnRamp; (ii) pursuant to any sale or transfer of substantially all of the business of OnRamp; or (iii) pursuant to any financing, merger or reorganization of OnRamp. This Agreement shall be construed in accordance with the laws of the state of Texas, and shall be treated as a Texas contract.

CUSTOMER ACKNOWLEDGES THAT CUSTOMER HAS READ THIS AGREEMENT, UNDERSTANDS IT, AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS.

Customer Name: One Zone Learning Foundation

Signature: [Signature]

Printed Name: W.S. Conlay

Date: 7/27/98

OnRamp, Inc.  
1950 Stemmons Freeway, Suite 2026  
Dallas, Texas 75207

Authorized OnRamp Signature: \_\_\_\_\_

**Service Exhibit**

### 1. Overview and Technical Description.

OnRamp Technologies Internet Access service (the "Service") provides IP packet delivery to the public TCP/IP network commonly referred to as the "Internet". OnRamp enables IP datagram routing to and from customer premise equipment to and from OnRamp's peering points with Internet autonomous systems.

## 2. Access and Availability.

ORTI's IP backbone is a packet-switched inter-LATA data transport service comprised of ATM and Frame-Relay wide area networking technology. Customers obtain access to via dedicated digital facilities, logical permanent virtual circuits (Frame-Relay), or dialup digital circuits (ISDN). Availability of the Service and the Internet Protocol ("IP") Space allocated to Customer by ORTI for the purposes of routing shall be in accordance with ORTI's good faith interpretation of generally accepted definitions, practices, customs and rules of internetworking standard authorities.

### 3. Connection Services Ordered.

- A. Customer Name: One 2 One Learning Foundation
- B. User ID: \_\_\_\_\_
- C. Circuit ID: \_\_\_\_\_
- D. Service Location (SPID#): \_\_\_\_\_
- E. Transmission Rate of Connection: 1.544 Mbs T1 Connection in Albuquerque. 1.544 Mbs Cross Connect in Mae West or direct connect determined by one 2 one
- F. Initial Service Term: 1 Year \_\_\_\_\_
- F. Price Schedule: \$ 1,500 per month for T1 service \$2,000 for installation of T1 Service in Albuquerque  
\$ 1,500 per month for T1 service \$ 2,000 for installation of T1 Service in California

The installation will be done at a future date pending the receipt of Funding. Installation date will be on or before May 1, 1998. If for any reason the funding is not received, this agreement will be nullified.

**Customer Initials**

- Q. ASO is no more than 2 Hops from Dallas
- Q. Co-Lo in Dallas and San Jose
- Q. BGP4 interface when needed by oneZone in all locations
- Q. Billing begins when service is operational to oneZone router:

### OnRamp Technologies - Service Agreement

- A. This Service Agreement is between OnRamp Technologies, Inc. ("OnRamp") and the undersigned customer ("Customer"). The following terms and conditions come into effect upon the date when the connection from OnRamp's network is completed the Customer's physical site and IP packets are enable for transmission from OnRamp's network. Customer may use OnRamp's services, network, equipment and points of presence (the "Services") for lawful purposes only. Customer may not post or transmit any material that is in violation of any applicable law or regulation, including, but not limited to, material that is in violation of a copyright or trademark, material deemed to be obscene, or material that is protected by patent or trade secret. Customer agrees to indemnify and hold harmless OnRamp from any claims resulting from Customer's use of the Services or any use of the Services by any of the Customer's employees, agents, customers, or any other parties in Customer's chain of distribution. Customer's access of other networks or servers that are connected, either directly or indirectly, must be in compliance with the rules and regulations germane to such other networks or servers.
- B. Either party may terminate this Service Agreement after the Initial Term. Moreover, Customer may terminate this Service Agreement at any time upon providing sixty (60) days' prior written notice OnRamp. If Customer decides to terminate the Agreement, OnRamp will refund to Customer any credited payments for services to have been rendered after the date of termination through the last day of the initial term. Such refund will be made within ninety (90) days from the date of termination, and shall be reduced by early termination charges and any amounts owing on equipment provided by OnRamp, as provided for in the Service Exhibit. Any termination shall not relieve Customer of its obligation to pay any charges incurred hereunder for services rendered prior to Customer's termination. Notwithstanding the foregoing, OnRamp may terminate this Agreement, or suspend the provision of the Service to the Customer, at any time in the event of the occurrence of any of the following: (a) failure by the Customer to pay all required rates and charges under this Agreement to OnRamp on the payment due date specified in OnRamp's billing statements to customer; (b) breach; (c) the Customer makes an assignment for the benefit of creditors or becomes bankrupt or insolvent, or takes benefit of, or becomes subject to, any legislation in force relating to bankruptcy or insolvency, it being understood that the appointment of a receiver or trustee of the property and assets of the Customer is conclusive evidence of insolvency; or (d) OnRamp is unable to provide the Service by reason of any law, rule, regulation, or order of any municipal, state or federal authority, including, but not limited to, any regulatory authority having jurisdiction.
- C. Customer acknowledges and agrees that OnRamp has no control over the content or nature of the information transmitted through its network. Accordingly, OnRamp makes no warranties, either expressed or implied, for the Services it provides, and expressly disclaims any warranties of merchantability or fitness for a particular use. Customer's use of any information obtained via the Services is at Customer's own risk and OnRamp denies any responsibility for the quality or content of the information obtained via the Services.
- D. OnRamp will grant a credit allowance for interruptions to the Services and such credit allowance will be calculated and credited in 15-minute increments. OnRamp will not grant such credit allowance if the Service interruption is, in OnRamp's reasonable discretion, due to (i) the negligent acts of Customer or its agents; (ii) the failure or malfunction of non-OnRamp equipment or systems not provided by OnRamp; (iii) circumstances or causes beyond the control of OnRamp; or (iv) a service interruption caused by scheduled service maintenance. The foregoing states the Customer's sole remedy for Service interruption under this Service Agreement, and in no event shall OnRamp be liable for harm to business, lost revenues, lost savings, or lost profits suffered by Customer.
- E. Payment for the Services is due thirty (30) days after the date of invoice (with such invoice to be deemed accurate and binding unless an objection in writing is received by ORTI within twenty (20) days from the date of the invoice). If payment is not received within thirty (30) days of the invoice, Customer's account shall be deemed to be in default and OnRamp may interrupt the Services until the invoice is paid in full. If payment is not received within sixty (60) days after the date of invoice, OnRamp reserves the right to terminate the provision of the Services permanently.
- F. In the event any provision of this Service Agreement shall be invalid, illegal or enforceable in any respect, such a provision shall be considered separate and severable from the remaining provisions of this Service Agreement, and the validity, legality or enforceability of any of the remaining provisions of this Agreement shall not be affected or impaired by such provision in any way. This Service Agreement cancels, replaces, and supersedes as of its effective date all existing agreements and understandings, written or oral, between the parties to this Service Agreement relating to the subject matter contained herein. The whole contract between the parties is contained in this Agreement, and no preliminary proposals, written or oral, form any part of this Agreement. This Service Agreement shall not be assigned, in whole or in part, by either party without the written consent of the other party (which consent shall not be unreasonably withheld or unduly delayed), except that OnRamp may assign its rights and obligations hereunder (i) to any subsidiary, parent company or affiliate of OnRamp; (ii) pursuant to any sale or transfer of substantially all of the business of OnRamp; or (iii) pursuant to any financing, merger or reorganization of OnRamp. This Agreement shall be construed in accordance with the laws of the state of Texas, and shall be treated as a Texas contract.

CUSTOMER ACKNOWLEDGES THAT CUSTOMER HAS READ THIS AGREEMENT, UNDERSTANDS IT, AND AGREES TO BE BOUND BY ITS TERMS AND CONDITIONS.

Customer Name: William Conley

Signature: [Signature]

Printed Name: Charles Conley

Date: 3/27/95

OnRamp, Inc.  
1950 Stemmons Freeway, Suite 2026  
Dallas, Texas 75207

Authorized OnRamp Signature: \_\_\_\_\_



**AGREEMENT FOR SERVICES  
BY AND BETWEEN DIRECTNET CORPORATION  
AND  
ONE2ONE LEARNING FOUNDATION**

This Agreement is made this 13<sup>th</sup> day of June 1997, by and between DirectNet Corporation ("DirectNet"), a Texas Corporation and one2one Learning Foundation ("one2one"), a New Mexico non-profit Corporation.

In consideration of the mutual promises expressed in this Agreement, the parties agree as follows:

**ARTICLE 1  
SERVICES TO BE PROVIDED**

DirectNet agrees to provide all services described in Exhibit A.

**ARTICLE 2  
COMPENSATION FOR SERVICES**

one2one agrees to pay DirectNet for the work to be accomplished under this Agreement in accordance with the payments and schedule contained in Exhibit B, which is attached hereto and incorporated herein.

**ARTICLE 3  
CONTRACT TERM AND TERMINATION**

The term of this Agreement shall be from July 1, 1997 through June 30, 2002. This Agreement may be terminated in accordance with the provisions of this Agreement entitled DEFAULT, INSOLVENCY OR MUTUAL CONSENT OF THE PARTIES.

## **ARTICLE 4**

### **CONFIDENTIALITY OF STUDENT INFORMATION**

- A. To enable DirectNet to fulfill its obligations under this Agreement, it may be necessary for one2one to disclose to DirectNet proprietary or confidential school, student, technical and business information, including but not necessarily limited to, student cumulative records, student applications and student disciplinary records in written, graphic, oral and other tangible or intangible forms ("Information").
- B. In order to protect Information from improper disclosure, DirectNet agrees:
1. That all Information shall be and shall remain the exclusive property of one2one;
  2. To limit access to Information to individuals employed or retained by DirectNet who have a need to know the Information in order for DirectNet to perform the services set out in this Agreement;
  3. To keep Information and to use at least the same level of care to prevent disclosure or unauthorized use of the Information as DirectNet exercises in protecting its own information of a similar nature;
  4. To use Information only for purposes of fulfilling work or services performed hereunder and for such other purposes as shall be agreed upon by one2one in writing at the sole and absolute discretion of one2one.
- C. one2one Agrees:
1. To identify in writing as confidential or proprietary, or mark as confidential or proprietary, any materials which the one2one deems to be Information;
  2. Oral disclosures shall not be considered Information unless such disclosures are reduced to writing or to a written summary which identifies the specific information to be considered as Information, and such writing is provided to DirectNet at the time of disclosure or within thirty (30) days thereafter;
  3. The above-stated obligations shall not apply to any Information which: (a) was legally in DirectNet's possession prior to receipt from one2one; (b) was received in good faith from a third party not subject to confidential obligations to one2one; (c) is now or later becomes publicly known through no breach of the obligations of DirectNet under this Article 4 or elsewhere under this Agreement; (d) was developed by DirectNet without the developing person(s) having access to any of the information received in confidentiality by DirectNet.

## ARTICLE 5 MISCELLANEOUS

- A. Amendments, Modification and Supplements. Amendments, modifications, and supplements to this Agreement are allowed and will be binding on the parties provided such amendments, modification and supplements (1) are in writing, signed by authorized representative of both parties, (2) are by reference incorporated into this Agreement, and (3) identify the specific sections or clauses contained herein which are amended, modified and supplemented or indicate that the material is new. The term, "this Agreement" shall be deemed to include any future amendments, modifications and supplements.
- B. Assignment. Neither party may assign or delegate its obligations under this Agreement without the prior written consent of the other.
- C. Attorney's Fees. In the event any party to this Agreement shall be required to initiate legal proceedings (1) to interpret or to enforce performance of any term or condition of their Agreement; (2) to enjoin any action prohibited hereunder; or (3) to gain any other form of relief whatsoever, the prevailing party shall be entitled to recover such sums, in addition to any other damages or compensation received, as will reimburse the prevailing party for reasonable attorneys' fees and court costs incurred on account thereof notwithstanding the nature of the claim or cause of action asserted by the prevailing party.
- D. Compliance with Laws and Regulations. The parties shall comply with all federal, state and local laws and regulations applicable to their performance as described in this Agreement.
- E. Consent. Except as otherwise provided in Article 4, where consent, approval or mutual agreement is required of a party, it shall not be unreasonably withheld or delayed.
- F. Times Is of the Essence. The parties agree that time is of the essence and each shall initiate its performance of its duties upon commencement of the term of the agreement. In recognition of this, DirectNet agrees that operations shall begin July 1, 1997 and intends to have staff by that date.
- G. Default. If either party refuses or fails in any material respect properly to perform its obligations under this Agreement, or violates any of the material terms or conditions of this Agreement, such refusal, failure or violation shall constitute default. In such event, the non-defaulting party may so notify the other party in writing of the default and allow that party a period of thirty (30) calendar days to cure such default. If the defaulting party does not cure such default within said thirty (30) calendar days, the non-defaulting party shall have the right to terminate this Agreement upon written notice to the other party. Notwithstanding rights provided through this clause, all services fees for current month and previously certified student attendance shall still be due and payable per the terms of this Agreement.
- H. Entire Agreement. Except for written amendments, supplements or modifications made after the execution of this Agreement in accordance with Paragraph 5.A., this document and its Exhibits, other than Exhibit A, represent the entire agreement between the parties hereto with

respect to the subject matter of this Agreement and supersedes all prior renegotiations, representations and agreements, either oral or written.

- I. Force Majeure. In the event performance of this Agreement, or any obligations hereunder, is prevented, restricted or interfered with by reason of acts of God; wars; revolution; civil commotion; acts of public enemy; embargo; acts of the government in its sovereign capacity; labor difficulties, including without limitation, strikes, slowdowns, picketing or boycotts; and unavailability of service from telecommunication providers, the party affected, upon giving prompt notice to the other party, shall be excused from such performance on a day-to-day basis to the extent of such prevention restriction, or interference. The other party shall be excused from such performance on a day-to-day basis until the delay, restriction or interference has ceased, provided, however, that the party so affected shall use its best reasonable efforts to avoid and remove such cause of nonperformance and both parties shall proceed whenever such causes are removed or cease.
- J. Governing Law. This Agreement shall be governed by and interpreted or construed in accordance with the laws of the State of California and shall be subject to the exclusive jurisdiction of the courts herein.
- K. Headings. The headings in this Agreement are inserted for convenience an identification only and are in no way intended to define or limit the scope, extend or intents of this Agreement or any of the provisions hereof.
- L. Independent Contractor Relationship. The persons provided by each party shall be solely that party's employees and shall be under the sole and exclusive direction and control of that party. They shall not be considered employees of the other party for any purpose. Each party shall remain an independent contractor with respect to the other and shall be responsible for compliance with the laws, rules and regulations involving, but not limited to, employment of labor, hours of labor, health and safety, working conditions and payment of wages. Each party shall also be responsible for payment of taxes, including federal, state and municipal taxes, chargeable or assessed with respect to its employees, such as Social Security, unemployment, workers compensation, disability insurance, and federal and state withholding taxes. Each party shall indemnify the other for any loss damage, liability, claim demand or penalty that may be sustained by reasons of its failure to comply with this provision.
- M. Insolvency. Either party may terminate this agreement by notice, in writing, if the other party admits insolvency, makes an assignment for the benefit of creditors, or has a trustee or receiver appointed over all or any substantial part of its assets.
- N. Limitation of Liability. It is expressly understood that neither party makes any warranty to the other that the materials or services contemplated by this Agreement will result in guaranteed student outcomes. Changes of interpretation or specifics of software license agreement by DirectNet's suppliers shall not be deemed the responsibility of DirectNet and one2one shall not hold DirectNet liable for changes in service caused by software supplier license agreement modifications. Services offered under this Agreement and fees charged

for those services do not constitute or intend to replicate sale, rental, lease, or sublicense or assignment of the inclusive software. Except as otherwise provided in O. below, each party's liability to the other for loss, cost, claim, injury, liability of expense, including reasonable attorney's fees, relating to or arising out of any negligent act or omission in its performance of obligations arising out of this Agreement, shall be limited to the amount of direct damage actually incurred. Except as otherwise provided in O., below, absent gross negligence or knowing and willful misconduct, which causes a loss, neither party shall be liable to the other for any indirect, special or consequential damage of any kind whatsoever.

- O. Indemnification. DirectNet shall indemnify and hold harmless one2one against any enforcement of any intellectual property rights relating to any license or similar agreement negotiated or executed by DirectNet in connection with its obligations under this Agreement.
- P. Notices. Any notices to any of the parties required or permitted under this Agreement shall be deemed to have been received on the date of service if served personally on the party to whom notice is to be given, on the date receipt is acknowledged in writing by the recipient if delivered by regular mail or on the date stated on the receipt if delivered by certified mail, registered mail or by a courier service which obtains a written receipt. Any notice shall be delivered using one of the alternatives mentioned in this section.

For the purposes of this Agreement, notice and communications to the parties hereunder shall be directed to the addresses indicated below and such addresses shall be deemed to be the most recent address of the addressee and shall remain so until written notice of a change of address is provided to the other party by the party whose address has changed:

If to DirectNet :

DirectNet Corporation  
4835 N. O'Connor Road  
Suite 134347  
Dallas, TX 75062

If to one2one Learning Foundation:  
105 East Marcy  
Santa Fe, NM 87501


- Q. Severability. If any term, provision, covenant, or condition of this Agreement is held by a court or regulatory body of competent jurisdiction to be invalid, void, or unenforceable, the rest of the Agreement shall remain in full force and effect and shall in no way be affected, impaired, or invalidated.
- R. Successors. This Agreement shall be binding on and inure to the benefit of the respective successors and permitted assigns of the parties.

S. Construction. The parties agree that this Agreement was jointly developed and prepared and shall not be construed for or against either party by reason of the physical preparation of this Agreement.

T. Waiver. Any waiver of the terms and conditions of this Agreement may be made by either party with oral notice to the other. However, for any waiver to be binding, it must be reduced to writing and signed by both parties within the (10) business days of oral notice. No waiver of the terms of this Agreement or failure by either party to this Agreement to exercise any option, right or privilege on any occasion or through the course of dealings shall be construed to be a waiver of any subsequent breach or of any option, right or privilege on any subsequent occasion.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date indicated above in Sacramento California.

For DirectNet Corporation

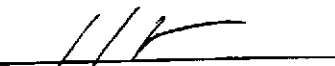
By: 

Printed Name: ROBERT D. BLOCKER

Title: PRESIDENT

Date: 6/13/97

For one2one Learning Foundation

By: 

Printed Name: William Couley

Title: Director

Date: 6/13/97

## **Exhibit A Services**

### **On-line Services:**

- Home Page
- Teacher Support
- Educational Links & Resources
- E-mail
- ISP Support

### **Communications:**

- Networks
- Servers
- Hubs
- Routers
- DSU/CSU

### **Curriculum:**

- Review
- On-line Support

### **Accounting:**

- Student Accounting
- Payroll
- Material Purchasing
- Budget Limit Notification
- Vendor Management

**Exhibit B**  
***Pricing***

DirectNet will invoice one2one monthly.

The monthly rate will be \$50 per unit of Average Daily Attendance or "ADA".

one2one agrees to pay DirectNet on receipt of invoice.





# The State of Texas

## Secretary of State

### CERTIFICATE OF INCORPORATION

OF

MEZURE LEARNING FOUNDATION, INC.  
CHARTER NUMBER 01485525

THE UNDERSIGNED, AS SECRETARY OF STATE OF THE STATE OF TEXAS,  
HEREBY CERTIFIES THAT THE ATTACHED ARTICLES OF INCORPORATION FOR THE  
MEZURE LEARNING FOUNDATION, HAVE BEEN RECEIVED IN THIS OFFICE AND ARE  
FOUND TO CONFORM TO LAW.

ACCORDINGLY, THE UNDERSIGNED, AS SECRETARY OF STATE, AND BY VIRTUE  
OF THE AUTHORITY VESTED IN THE SECRETARY BY LAW, HEREBY ISSUES THIS  
CERTIFICATE OF INCORPORATION.

ISSUANCE OF THIS CERTIFICATE OF INCORPORATION DOES NOT AUTHORIZE  
THE USE OF A CORPORATE NAME IN THIS STATE IN VIOLATION OF THE RIGHTS OF  
ANYONE UNDER THE FEDERAL TRADEMARK ACT OF 1946, THE TEXAS TRADEMARK LAW,  
THE ASSUMED BUSINESS OR PROFESSIONAL NAME ACT OR THE COMMON LAW.

DATED APR. 7, 1998

EFFECTIVE APR. 7, 1998



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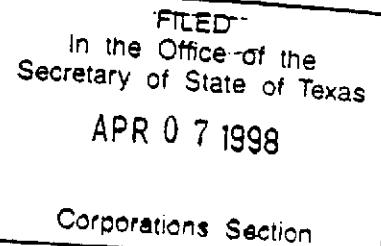
A handwritten signature in cursive script, reading "Alberto R. Gonzales".

Alberto R. Gonzales, Secretary of State

ARTICLES OF INCORPORATION

OF

ONE2ONE LEARNING FOUNDATION, INC



The undersigned natural person of the age of eighteen (18) years or more, acting as incorporator of a corporation under the Texas Non-Profit Corporation Act, does hereby adopt the following Articles of Incorporation for the corporation:

ARTICLE I

NAME

The name of the corporation is one2one learning foundation, Inc. The corporation is a non-profit corporation.

ARTICLE II

DURATION

The period of its duration is perpetual.

ARTICLE III

PURPOSE

The corporation is organized exclusively for charitable and educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986, as amended from time to time (the "Code").

#### ARTICLE IV

##### REGISTERED OFFICE AND AGENT

The street address in the State of Texas of the initial registered office of the corporation and the name of its initial registered agent for service of process at such address shall be:

<u>NAME</u>	<u>ADDRESS</u>
CT Corporation System	350 N. St. Paul Street Suite 2900 Dallas, Texas 75201

#### ARTICLE V

##### INITIAL DIRECTORS

The number of directors constituting the initial Board of Directors is three (3) and the names and addresses of the persons who are to serve as directors are:

Robert L. Carroll  
114 N. Sunrise Avenue  
Suite A-4  
Roseville, California 95661

A. James Jones  
712 Zurich Drive  
Hummelstown, Pennsylvania 17036

Gerry R. Hurst  
1904 S. Akard  
Dallas, Texas 75215

## ARTICLE VI

### STATEMENT AS TO NO MEMBERS

The corporation shall have no members as that term is used in the Texas Non-Profit Corporation Act.

## ARTICLE VII

### RESTRICTED ACTIVITIES

No part of the net earnings of the corporation shall inure to the benefit of, or be distributable to its directors, officers, employees, agents or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the purposes set forth in Article III hereof. No substantial part of the activities of the corporation shall be the carrying on of propaganda, or otherwise attempting to influence legislation, and the corporation shall not participate in, or intervene in (including the publishing or distribution of statements) any political campaign on behalf of any candidate for public office. Notwithstanding any other provision of these articles, the corporation shall not carry on any other activities not permitted to be carried on (a) by a corporation exempt from federal income tax under § 501(c)(3) of the Code or (b) by a corporation, contributions to which are deductible under § 170(c)(2) of the Code.

ARTICLE VIII

PRIVATE FOUNDATION

During any taxable year that the corporation is to be treated as "private foundation", as defined in Section 509 of the Code, the corporation shall be subject to the following restrictions:

- A. The corporation shall not engage in any act of self-dealing, as defined in Section 4941(d) of the Code, which would subject any person to the imposition of any tax under Section 4941 of the Code.
- B. The corporation shall make distributions of its income and/or principal at such times and in such manner as not to subject the corporation to tax under Section 4942 of the Code.
- C. The corporation shall not retain any excess business holdings, as defined in Section 4943(c) of the Code, which would subject the corporation to the imposition of any tax under Section 4943 of the Code.
- D. The corporation shall not make any investments in such manner as to subject it to tax under Section 4944 of the Code.
- E. The corporation shall not make any taxable expenditures, as defined in Section 4945(d) of the Code, which would subject any person to the imposition of any tax under Section 4945 of the Code.

## ARTICLE IX

DISSOLUTION

Upon the dissolution of the corporation, assets shall be distributed for one or more exempt purposes within the meaning of § 501(c)(3) of the Code or shall be distributed to the federal government, or to a state or local government, for a public purpose. Any such assets not so disposed of shall be disposed of by a court of proper jurisdiction of the county in which the principal office of the corporation is then located, exclusively for such purposes or to such organization or organizations, as said court shall determine, which are organized and operated exclusively for such purposes.

## ARTICLE X

INCORPORATOR

The name and address of the incorporator is:

Robert L. Carroll  
114 N. Sunrise Avenue  
Suite A-4  
Roseville, California 95661

IN WITNESS WHEREOF, I have hereunto set my hand this the 10th day of March, 1998.

  
\_\_\_\_\_  
ROBERT L. CARROLL  
Incorporator

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334:18554-1

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# The State of Texas

SECRETARY OF STATE

CERTIFICATE OF AMENDMENT  
OF

ONE2ONE LEARNING FOUNDATION  
FORMERLY  
ONE2ONE LEARNING FOUNDATION, INC.

The undersigned, as Secretary of State of Texas, hereby certifies that Articles of Amendment to the Articles of Incorporation of the above corporation duly executed pursuant to the provisions of the Texas Non-Profit Corporation Act, have been received in this office and are found to conform to law.

ACCORDINGLY the undersigned, as Secretary of State, and by virtue of the authority vested in the Secretary by law, hereby issues this Certificate of Amendment to the Articles of Incorporation and attaches hereto a copy of the Articles of Amendment.

Dated: May 5, 1998



*Alberto R. Gonzales*

109  
LCS

Alberto R. Gonzales  
Secretary of State

FILED  
In the Office of the  
Secretary of State of Texas

MAY 05 1998

ARTICLES OF AMENDMENT  
TO THE  
ARTICLES OF INCORPORATION  
OF  
ONE2ONE LEARNING FOUNDATION, INC.

Corporations Section

Pursuant to the provisions of Article 4.03 of the Texas Non-Profit Corporation Act, the undersigned corporation adopts the following Articles of Amendment to its Articles of Incorporation which change the name of such corporation.

## ARTICLE ONE

The name of the corporation is one2one learning foundation, Inc.

## ARTICLE TWO

The following amendment to the Articles of Incorporation was adopted by the corporation on April 22, 1998.

Article I of the Articles of Incorporation is hereby amended so as to read as follows:

"The name of the corporation is one2one Learning Foundation. The corporation is a non-profit corporation".

## ARTICLE THREE

The amendment was adopted in the following manner:

The amendment was adopted at a meeting of the board of directors held on April 22, 1998, and received the vote of a majority of the directors in office, there being no members having voting rights in respect thereto.

Dated April 22, 1998

one2one learning foundation, Inc.

By: 

Robert L. Carroll  
President

and 

Gerry R. Hurst  
Secretary



BYLAWS  
OF  
ONE2ONE LEARNING FOUNDATION, INC.

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BYLAWS  
OF  
ONE2ONE LEARNING FOUNDATION, INC.  
A Texas Non-Profit Corporation

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ARTICLE I

OFFICES

The principal business office of the Corporation in the State of Texas shall be located at 1950 Stemmons Freeway, Suite 5001, Dallas, Texas 75207. The Corporation may have such other offices, either within or without the State of Texas as the Board of Directors may determine or as the affairs of the Corporation may require from time to time.

The Corporation shall have and continuously maintain in the State of Texas a registered office, and a registered agent whose office is identical with such registered office, as required by the Texas Non-Profit Corporation Act. The registered office may be, but need not be, identical with the principal office in the State of Texas, and the address of the registered office may be changed from time to time by the Board of Directors.

ARTICLE II

MEMBERSHIP

The Corporation shall have no "members" as that term is used in the Texas Non-Profit Corporation Act. The Corporation may, nevertheless, use the word "members" to describe persons having such status and privileges as may be prescribed herein or as determined by the Board of Directors. Such "members" shall have no voting or other legal or equitable right in the Corporation. .

ARTICLE III

BOARD OF DIRECTORS

Section 1. General Powers. The affairs of the Corporation shall be managed by the Board of Directors, who shall exercise all general powers conferred by the laws of the State of Texas upon corporations organized under the Texas Non-Profit Corporation Act and shall have

such additional powers and duties as are specifically provided by the Articles of Incorporation and by these Bylaws.

Section 2. Number. The Board of Directors shall initially consist of the three persons named in the Articles of Incorporation. The Board of Directors shall consist of not less than three directors, but may be increased from time to time by an amendment of these Bylaws.

Section 3. Election. The Board of Directors shall annually elect the members of the Board who will serve for the coming year. Each Director shall continue in office until the next annual meeting of Directors and until his successors shall have been elected and qualified. Any incumbent Director shall be eligible for reelection for a consecutive term. The method of nomination shall be determined by the Board of Directors. Members of the Board shall be elected by a vote of the majority of Directors in office at that time and not just those present at the meeting.

Section 4. Duties. The Board of Directors shall determine in what manner the funds of the Corporation shall be spent and see that the Corporation is operating strictly in accordance with its charter.

Section 5. Annual Meetings. An annual meeting of the Board of Directors shall be held on the first Monday in March of each year, beginning in 1999, at such place as may be determined by a majority of the Board of Directors.

Section 6. Special Meetings. Special meetings of the Board of Directors may be called by or at the request of the President or any one Director. The person or persons authorized to call special meetings of the Board may fix any place, either within or without the State of Texas, as the place for holding any special meeting of the Board called by them.

Section 7. Notice of Special Meetings. Notice of any special meeting of the Board of Directors shall be given at least twenty-four (24) hours previously thereto by written notice delivered personally or sent by mail or telegram to each Director at his address as shown by the records of the Corporation. If mailed, such notice shall be deemed to be delivered when deposited in the United States mail in a sealed envelope so addressed, with postage thereon prepaid. If notice be given by telegram such notice shall be deemed to be delivered when the telegram is delivered to the telegraph company. Any Director may waive notice of any meeting. The attendance of a Director at any meeting shall constitute a waiver of notice of such meeting except where a Director attends the meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of any regular or special meeting of the Board need be specified in the notice or waiver of notice of such meeting, unless specifically required by law or by the Bylaws.

Section 8. Quorum. A majority of the number of members of the Board of Directors, shall be necessary and sufficient to constitute a quorum for the transaction of business at all

meetings and the act of a majority of the Directors present at any meeting at which there is a quorum present shall be the act of the Board of Directors, except as may be otherwise specifically provided by statute or by these Bylaws.

Section 9. Vacancies. Any vacancy occurring in the Board of Directors shall be filled by the majority vote of the remaining members of the Board of Directors (even though less than a quorum) and not just those present at the meeting. A director elected to fill a vacancy shall be elected for the unexpired term of his predecessor in office.

Section 10. Compensation. Directors as such shall not receive any stated salaries for their services, but by resolution of the Board of Directors, a fixed sum and expenses of attendance, if any, may be allowed for attendance at each regular or special meeting of the Board; but nothing herein contained shall be construed to preclude any Director from serving the Corporation in any other capacity and receiving compensation therefor.

Section 11. Informal Action by Directors. Any action required by law to be taken, or which may be taken at a meeting of the Board of Directors, may be taken without any meeting if a consent in writing, setting forth the action so taken shall be signed by all of the Directors.

Section 12. Disqualification. No person who holds any public office for the State of Texas shall be eligible to serve as a member of the Board of Directors if such relationship might cause him to be placed in a position of conflict of interest.

## ARTICLE IV

### OFFICERS

Section 1. Officers. The officers of the Corporation shall be elected by the Board of Directors at their annual meeting and shall consist of a President and Vice President who shall be members of the Board of Directors. The officers shall also include a Secretary, a Treasurer, and such other officers as the Board of Directors may determine, who need not be members of the Board. Two or more offices may be held by the same person, except that the same person shall not be President and Secretary.

Section 2. Term of Office. The officers of the Corporation shall hold office for a term of one year and thereafter until their successors are chosen and qualify in their stead. Any officer may be removed at any time, with or without cause by the affirmative vote of a majority of the Board of Directors. If the office of any officer becomes vacant for any reason the vacancy shall be filled by the Board of Directors.

Section 3. President. The President shall be the chief executive officer of the Corporation. He shall preside at all meetings of the Directors; shall be an ex officio member of all standing committees, shall have general and active management of the business of the

Corporation and shall see that all orders and resolutions of the Board of Directors are carried into effect.

Section 4. Vice President. In the absence of the President or in the event of his inability or refusal to act, the Vice President (or in the event there be more than one Vice President, Vice Presidents in the order of their election) shall perform the duties of and be subject to all the restrictions of the President. Any Vice President shall perform such other duties as from time to time may be assigned to him by the President or by the Board of Directors.

Section 5. Treasurer. If required by the Board of Directors, the Treasurer shall give a bond for the faithful discharge of his duties in such sum and with such surety or sureties as the Board of Directors shall determine. He shall have charge and custody of and be responsible for all funds and securities of the Corporation; receive and give receipts for monies due and payable to the Corporation from any source whatsoever, and deposit all such monies in the name of the Corporation in such banks, trust companies or other depositories as shall be selected by the Board of Directors; and, in general, perform all duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him by the President or by the Board of Directors. The Assistant Treasurers in the order of their election shall, in the absence or disability of the Treasurer, perform the duties and exercise the powers of the Treasurer, and shall perform such other duties as the Board of Directors shall prescribe.

Section 6. Secretary. The Secretary shall keep the minutes of the meetings of the Board of Directors in one or more books provided for that purpose; see that all notices are duly given in accordance with the provisions of these Bylaws or as required by law; keep custody of the corporate records of the Corporation; keep a register of the post office address of each Director which shall be furnished to the Secretary by such Director; and in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him by the President or the Board of Directors. The Assistant Secretaries in order of their election shall, in the absence or disability of the Secretary, perform the duties and exercise the powers of the Secretary and shall perform such other duties as the Board of Directors shall prescribe.

## ARTICLE V

### EXECUTIVE COMMITTEE

Section 1. Creation and Authority. The Board of Directors may, by resolution passed by a majority of the whole Board, designate an Executive Committee, to consist of one or more of the Directors of the Corporation, one of whom shall be the President of the Corporation. The Executive Committee, to the extent provided in said resolution, shall have and may exercise all of the authority of the Board of Directors in the management of the business and affairs of the Corporation, except where action of the full Board of Directors is required by statute, these Bylaws or by the Articles of Incorporation, and shall have power to authorize the seal of the Corporation to be affixed to all papers which may require it.

Section 2. Minutes and Quorum. The Executive Committee shall keep regular minutes of its proceedings and report the same to the Board of Directors when required. A majority of the members of the Executive Committee shall constitute a quorum.

Section 3. Fee for Services. Members of the Executive Committee may, by resolution of the Board of Directors, be allowed a fixed sum and expenses for attending committee meetings, but shall not receive any salary for their services, as committee members.

## ARTICLE VI

### COMMITTEES

Section 1. Creation and Authority. In addition to the Executive Committee, the Board of Directors may by resolution designate and appoint one or more other committees, which committees, to the extent provided in said resolution, shall have and exercise such authority and perform such duties as may be assigned to the committees by the Board; provided, however, that no such committee shall have any authority with respect to amending, altering or repealing any of the Bylaws; electing, appointing or removing any member of any such committee or any Director or officer of the Corporation; amending the Articles of Incorporation; adopting a plan of merger; adopting a plan of consolidation with another corporation; authorizing the sale, lease, exchange or mortgage of all or substantially all of the property and assets of the Corporation; authorizing the voluntary dissolution of the Corporation or revoking proceedings thereof; adopting a plan for the distribution of the assets of the Corporation; amending, altering or repealing any resolution of the Board of Directors which by its terms provides that it shall not be amended, altered or repealed by such committee. The designation and appointment of any such committee and the delegation thereto of authority shall not operate to relieve the Board of Directors or any individual Director, of any responsibility imposed upon it or him by law.

Section 2. Term of Office. Each member of a committee shall continue as such until the next annual meeting of the Board of Directors of the Corporation and until his successor is appointed, unless the committee shall be sooner terminated by the Board of Directors, or unless such member be removed from such committee by the Board of Directors, or unless such member shall cease to qualify as a member thereof.

Section 3. Chairman. One member of each committee shall be appointed chairman by the person or persons authorized to appoint the members thereof.

Section 4. Vacancies. Vacancies in the membership of any committee may be filled by appointments made in the same manner as provided in the case of the original appointments.

Section 5. Quorum. Unless otherwise provided in the resolution of the Board of Directors designating a committee, a majority of the whole committee shall constitute a quorum and the act of the majority of the committee members present at a meeting at which a quorum is present shall be the act of the committee.

## ARTICLE VII

### CONTRACTS, CHECKS, DEPOSITS AND FUNDS

Section 1. Contracts. The Board of Directors may authorize any officer or agent of the Corporation, in addition to the officers so authorized by these Bylaws, to enter into any contract or execute and deliver any instrument in the name of and on behalf of the Corporation, and such authority may be general or confined to specific instances.

Section 2. Drafts, etc. All checks, drafts, orders for the payment of money, notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by such officers or agents of the Corporation and in such manner as shall from time to time be determined by resolution of the Board of Directors.

Section 3. Deposits. All funds of the Corporation shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Board of Directors may select.

Section 4. Gifts. The Board of Directors may accept on behalf of the Corporation any contribution, gift, bequest or devise for the general purposes or for any special purpose of the Corporation.

Section 5. Operation Prohibitions. The Corporation, its Board of Directors, officers and agents, shall not do any act which shall constitute a basis for denial of tax exemption under applicable laws. In particular:

A. The Corporation shall not

(1) lend any part of its income or corpus, without receipt of adequate security and a reasonable rate of interest;

(2) pay any compensation, in excess of a reasonable allowance for salaries or other compensation for personal services actually rendered;

(3) make any part of its services available on a preferential basis;

(4) make any substantial purchase of securities or any other property for more than adequate consideration in money or money's worth;

(5) sell any substantial part of its securities or other property for less than an adequate consideration in money or money's worth; or

(6) engage in any other transaction which results in a substantial diversion of its income or corpus to a person who has made a substantial



contribution to the Corporation, a member of the family of such person, or a corporation controlled by such person.

B. The Corporation shall not accumulate out of income amounts which are

(1) unreasonable in amount or duration in order to carry out the purpose or function constituting the basis for tax exemption;

(2) used to a substantial degree for purposes or functions other than those constituting the basis for tax exemption; or

(3) invested in such a manner as to jeopardize the carrying out of the purpose or function constituting the basis for tax exemption.

#### ARTICLE VIII

#### FISCAL YEAR

The fiscal year of the Corporation shall be fixed by resolution of the Board of Directors.

#### ARTICLE IX

#### SEAL

The Corporation may, but is not required to, have a seal and may conduct all activities in furtherance of its purpose and execute all instruments necessary to any transaction conducted by the Corporation without imprinting of a seal on said instruments.

#### ARTICLE X

#### WAIVER OF NOTICE

Whenever any notice is required to be given under the provisions of the Texas Non-Profit Corporation Act or under the provisions of the Articles of Incorporation or Bylaws of the Corporation a waiver thereof in writing signed by the person or persons entitled to such notice whether before or after the time stated therein shall be deemed equivalent to the giving of such notice.

## ARTICLE XI

### INDEMNIFICATION

The Corporation shall indemnify every director and officer of the Corporation against, and reimburse and advance to every director and officer for, all liabilities, costs and expenses incurred in connection with such directorship or office and any actions taken or omitted in such capacity to the greatest extent permitted under the Texas Non-Profit Corporation Act and all other applicable laws at the time of such indemnification, reimbursement or advance payment.

## ARTICLE XII

### AMENDMENTS TO BYLAWS

These Bylaws may be altered, amended or repealed and new Bylaws may be adopted by a majority of the whole Board of Directors present at any regular meeting, or at any special meeting if at least two (2) days' written notice is given of intention to alter, amend or repeal or to adopt new Bylaws at such meeting, or by unanimous written consent signed by all of the members of the Board of Directors.

CERTIFICATE BY SECRETARY

The undersigned, being the secretary of the Corporation, hereby certifies that the foregoing code of bylaws was duly adopted by the initial directors of said Corporation effective on April, 1998.

IN WITNESS WHEREOF, I have signed this certification as of the 22 day of April, 1998.



GERRY R. HURST, Secretary

DB980490181  
042198 v19  
334:18554-1

151

# Application for Employer Identification Number

(For use by employers, corporations, partnerships, trusts, estates, churches, government agencies, certain individuals, and others. See instructions.)

EIN

OMB No. T545-0003

► Keep a copy for your records.

Please type or print clearly.	1 Name of applicant (legal name) (see instructions) <u>one2one Learning Foundation</u>	
	2 Trade name of business (if different from name on line 1)	3 Executor, trustee, "care of" name <u>c/o Gary Hurst</u>
	4a Mailing address (street address) (room, apt., or suite no.) <u>1950 Stemmons Freeway, Suite 5001</u>	5a Business address (if different from address on lines 4a and 4b)
	4b City, state, and ZIP code <u>Dallas, Texas 75207</u>	5b City, state, and ZIP code
	6 County and state where principal business is located <u>Dallas County, Texas</u>	
	7 Name of principal officer, general partner, grantor, owner, or trustor—SSN or ITIN may be required (see instructions) ► <u>Gerry Hurst, Director</u>	

8a Type of entity (Check only one box.) (see instructions)

Caution: If applicant is a limited liability company, see the instructions for line 8a.

<input type="checkbox"/> Sole proprietor (SSN)	<input type="checkbox"/> Estate (SSN of decedent)
<input type="checkbox"/> Partnership	<input type="checkbox"/> Plan administrator (SSN)
<input type="checkbox"/> REMIC	<input type="checkbox"/> Other corporation (specify) ►
<input type="checkbox"/> State/local government	<input type="checkbox"/> Trust
<input type="checkbox"/> Church or church-controlled organization	<input type="checkbox"/> Federal government/military
<input checked="" type="checkbox"/> Other nonprofit organization (specify) ► <u>501(c)(3)</u>	(enter GEN if applicable)
<input type="checkbox"/> Other (specify) ►	

8b If a corporation, name the state or foreign country (if applicable) where incorporated	State <u>TX</u>	Foreign country
---	--------------------	-----------------

9 Reason for applying (Check only one box.) (see instructions)	<input type="checkbox"/> Banking purpose (specify purpose) ►
<input type="checkbox"/> Started new business (specify type) ►	<input type="checkbox"/> Changed type of organization (specify new type) ►
<input type="checkbox"/> Hired employees (Check the box and see line 12.)	<input type="checkbox"/> Purchased going business
<input type="checkbox"/> Created a pension plan (specify type) ►	<input type="checkbox"/> Created a trust (specify type) ►
	<input checked="" type="checkbox"/> Other (specify) ► <u>Created 501(c)(3)</u>

10 Date business started or acquired (month, day, year) (see instructions) <u>4/7/98</u>	11 Closing month of accounting year (see instructions) <u>May</u>
---	--

12 First date wages or annuities were paid or will be paid (month, day, year). Note: If applicant is a withholding agent, enter date income will first be paid to nonresident alien. (month, day, year) . . . . .	<u>4/30/98</u>
---	----------------

13 Highest number of employees expected in the next 12 months. Note: If the applicant does not expect to have any employees during the period, enter -0-. (see instructions) . . . . .	Nonagricultural	Agricultural	Household
		<u>-0-</u>	<u>-0-</u>

14 Principal activity (see instructions) ► <u>Nonprofit Organization - Educational and Charitable</u>
---

15 Is the principal business activity manufacturing? . . . . .	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
If "Yes," principal product and raw material used ►		

16 To whom are most of the products or services sold? Please check one box.	<input type="checkbox"/> Business (wholesale)	<input type="checkbox"/> N/A
<input type="checkbox"/> Public (retail)	<input checked="" type="checkbox"/> Other (specify) ► <u>School Districts</u>	

17a Has the applicant ever applied for an employer identification number for this or any other business? . . . . .	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
Note: If "Yes," please complete lines 17b and 17c.		

17b If you checked "Yes" on line 17a, give applicant's legal name and trade name shown on prior application, if different from line 1 or 2 above.	Legal name ►	Trade name ►
---	--------------	--------------

17c Approximate date when and city and state where the application was filed. Enter previous employer identification number if known.	Approximate date when filed (mo., day, year)	City and state where filed	Previous EIN
---	--	----------------------------	--------------

Under penalties of perjury, I declare that I have examined this application, and to the best of my knowledge and belief, it is true, correct, and complete.	Business telephone number (include area code) <u>(214) 800-8877</u>	
	Fax telephone number (include area code) <u>(214) 800-8875</u>	
	Name and title (Please type or print clearly.) ► <u>Gerry Hurst, Director</u>	

Signature ► 	Date ► <u>6-15-98</u>
---	-----------------------

Note: Do not write below this line. For official use only.

Please leave blank ►	Geo.	Ind.	Class	Size	Reason for applying
----------------------	------	------	-------	------	---------------------

# Attachment E

## Disclosure of Litigation and Criminal Histories

# FELONY RECORD SEARCH CERTIFICATE

THE STATE OF TEXAS

COUNTY OF DALLAS

I, BILL LONG, Clerk of the District Courts of Dallas County, Texas,  
do hereby certify that a search of the Indexes from 1973 through  
the present date, on GERRY HURST

Date of Birth 02-28-51 :

XXX DOES NOT REFLECT ANY FELONY CHARGES OR CONVICTIONS.

       REFLECTS THE FOLLOWING:

<u>Case No.</u>	<u>Offense</u>	<u>Disposition</u>
-----------------	----------------	--------------------

GIVEN UNDER MY HAND AND SEAL of said Court, in Dallas, Texas, this  
the 16th day of JULY, 19 98.

BILL LONG  
DISTRICT CLERK  
DALLAS COUNTY, TEXAS

By: Sally G. Barber  
Deputy SALLY G. BARBER

# FELONY RECORD SEARCH CERTIFICATE

THE STATE OF TEXAS

COUNTY OF DALLAS

I, BILL LONG, Clerk of the District Courts of Dallas County, Texas, do hereby certify that a search of the Indexes from 1973 through the present date, on ALASTAIR HOWIE

Date of Birth 10-04-64 :

XXXX DOES NOT REFLECT ANY FELONY CHARGES OR CONVICTIONS.

       REFLECTS THE FOLLOWING:

<u>Case No.</u>	<u>Offense</u>	<u>Disposition</u>
-----------------	----------------	--------------------

GIVEN UNDER MY HAND AND SEAL of said Court, in Dallas, Texas, this the 16th day of JULY, 19 98.

BILL LONG  
DISTRICT CLERK  
DALLAS COUNTY, TEXAS

By: Sally G. Barber  
Deputy SALLY G. BARBER

# Attachment F

## Glossary of Terms



- At-risk** – Term used to describe children who are in jeopardy of not completing their education.
- Co-curricular** – Term used to describe learning opportunities for which a student may not receive specific credit. These opportunities relate to the core curriculum but are developed as part of a learning plan between teacher, parent and child.
- Community based services** – Term used to describe a variety of local learning and nurturing resources, which include but are not limited to; public library, museums, child care, visiting nurse, access to medical services, etc.
- Delivery Modes** – are ways that the student and teacher interact. The instruction and the learning are the interaction. The technology or method of delivery is just a tool for a professional educator to help the child learn to standards.
- Distance Learning** - is the term that describes learning in which teacher and student are not co-located in a traditional classroom facility. Learning is self-paced within the framework set by the teacher.
- Learning Plan** - Plan developed by teacher, parent and student for the child's focused learning activities. Plan will be for a defined period of time and appropriate assessments will be taken to insure satisfactory attainment of goals.
- Nurturing** Term used to describe the way in which parents and teachers help develop children's work habits and foster positive social interaction within family and community.

# Attachment G

An Example of Honors Academy Program

## █'s Year

█ is █ and the █ of a family who recently arrived from El Salvador. █ parents came to Texas to work in a local factory. The family was sponsored by an uncle who has lived in San Antonio for several years. No family member can speak English very well and █ has not been enrolled in school although █ has been living in the San Antonio area now for two years. █ parents do not earn much money but their life style is better than what they had in El Salvador. They want █ to succeed but do not know what to do. It is the start of the new school year, and they are afraid of going to the public schools because █ never attended school in this country and was afraid of what the teachers and students would think of █. A friend heard of the Honors Academy and told them that the teachers work with students in the home. █ mother got an application from the San Antonio office.

█ applied and was accepted. █ phoned the Academy office and was able to speak to someone in Spanish. The individual helped █ complete the application. The first day █ teacher arrived at their home, everyone was pleased to learn the teacher spoke fluent Spanish. The teacher explained the program and gave █ some pre-tests to help place █. After analyzing the test scores the teacher was able to develop a suggested program and course work for █. The teacher explained that it was important for █ to learn English well, but reassured the family that learning English did not mean abandoning █ native language. █ mother agreed to work closely with █. She has a high school diploma and understands the need for █ to learn English. The teacher's initial learning plan focused on developing strong language arts skills for █ and for █ mother. Reading is fundamental for learning and they could work on learning to read. A schedule was worked out for the first several months. The teacher would visit several times per week during the first three months.

Course materials were ordered and brought to the home by the teacher. Reading practice began immediately. The teacher read aloud for the first lesson. Both █ and █ mother tried to model what the teacher was doing. Drill and practice was the first identified need to help develop basic skills. █ was to complete two lessons per week. █ soon became very interested in reading English and the teacher scheduled a visit to the local library for █ and █ mother. █ began to progress quickly. They never used a library before and the teacher aided them in getting library cards and understanding the library schedule. The teacher showed them also how to view videos at the library and this helped them both learn quickly.

Soon reading skills developed and work became easier for █. █ mother worked with █ and █ worked to help █ mother. The teacher helped both. As █ mother became more confident with her English, she applied for a new job and was accepted. █ quickly progressed also learning writing and a wider range of language arts skills. Language skills' development were █ nine month learning goals and █ was meeting standards quickly. Mother and █ both appeared to enjoy practicing English. The teacher sent more learning materials to the home – children's literature, young adult stories, and textbooks. Progress was steady and the teacher reduced visits to one time per week. After three months it was time to place █ into a more

comprehensive program of study. [REDACTED] was ready for a curriculum which integrated a wider range of subjects.

Without any notice, however, the family told the teacher that they would move and [REDACTED] could not continue [REDACTED] lessons. The teacher reassured them that [REDACTED] could. [REDACTED] records would be transferred to another Honors Academy teacher. Complete records were maintained on the central student information system. The system documented [REDACTED] learning progress and [REDACTED] best practice work. No interruption was needed in learning and [REDACTED] did not have to register for a new school. The family was pleased to know that Honors Academy functioned throughout the state of Texas.

[REDACTED] new teacher also was proficient in Spanish. The teacher helped the family settle in the [REDACTED] area. There were several transition issues with work that required access to several community-based services. The teacher worked with [REDACTED] family. The new teacher was impressed that [REDACTED] had developed strong English language skills. She used a series of Honors Academy assessment instruments and recommended that [REDACTED] now be placed at grade level. She was determined to be reading at 2nd grade level.

Soon it seemed that the family was going to settle in to this area for a long time. [REDACTED] wanted to participate in sports and take dance lessons. The Academy teacher helped [REDACTED] join the local co-ed soccer team sponsored by the Lions Club and the school helped her locate and take dance lessons. [REDACTED] was learning and growing and through the help of the Academy staff the family was stable within the community.

In the early spring, two field trips were planned. The Academy teachers in the area were taking students into Mexico to visit border community museums. They wanted to emphasize the local heritage and hoped to develop an appreciation for the similarities of the local cultures. Teachers emphasize throughout the curriculum that sound work habits are necessary for entry into the world of work and the field trips were designed to examine how local leaders established museums and sought local artists to display their work. During this trip [REDACTED] met several of the other Academy students of her own age. They had fun and everyone looked forward to future trips.

As summer approached, there was a big decision for [REDACTED]. Should [REDACTED] work with the teacher during the summer or not continue until the start of the next school year? [REDACTED] decided not to take a vacation. [REDACTED] wanted be at grade level in all courses. [REDACTED] continued to work during the summer [REDACTED] teacher felt [REDACTED] was making progress and this was verified when [REDACTED] completed the New Standards exam and was found to meet all language arts standards for [REDACTED] age. It was hard to believe that [REDACTED] progressed so far within a twelve month period. [REDACTED] was in school and making good progress. [REDACTED] and [REDACTED] family were more confident and were pleased with their year with Honors Academy.

APPLICATION

Honors

**ASSURANCE REGARDING CONTENT OF APPLICATION FOR CHARTER**

I, ALASTAIR HOWIE, affirm that the contents of all applications for an open-enrollment charter submitted for the September 1998 selection round on behalf of Onezone Texas Learning Foundation (sponsoring entity) are identical except that the application for a charter to serve students under Section 12.1011(a)(2) (the "seventy-five percent rule") includes an answer to Question No. 11, regarding plans for serving students at-risk of dropping out of school.

I represent that I have been properly delegated authority to sign this document on behalf of Onezone Texas Learning Foundation (sponsoring entity).

Signature:

AP Howie

On behalf of Onezone Texas Learning Foundation (sponsoring entity)

Date:

7/31/98

Fax: (512) 463-9732

## one2one Learning Foundation

1950 Stemmons Freeway  
Suite 2023  
Dallas, Texas 75207

Date:

8/3/98

Number of pages including cover sheet:

2

FAX

To:

RON BRADFORD  
DEBRA HAVENS  
BROOKS FLEMISTER

Phone:

Fax phone: (512) 463-9732

CC:

From:

ALASTAIR HOWIE

Email:

Phone: 214-800-4000 x

Fax phone: 214-800-4040

REMARKS:

☐ Urgent☒ For your review☐ Reply ASAP☐ Please comment

Original to follow by (check one):

☐ U.S. Mail☐ Overnight Delivery☐ No Original to Follow

162

\*\*\*\*\*  
\*\*\* TX REPORT \*\*\*  
\*\*\*\*\*

TRANSMISSION OK

TX/RX NO	1425	
CONNECTION TEL		912148004050
SUBADDRESS		
CONNECTION ID		
ST. TIME	07/31 16:01	
USAGE T	00'42	
PGS.	2	
RESULT	OK	

Texas Education Agency

**Charter Schools Division**

# Fax

*Alastair Howie*

To: <i>Honors Academy</i>	From: Brooks Flemister		
Fax: <i>214-800-4050</i>	Fax: (512) 463-9732		
Phone:	Phone: (512) 463-9575		
	Date: <i>7/31/98</i>		
Re:	CC:		
<input type="checkbox"/> Urgent	<input type="checkbox"/> Information Requested	<input type="checkbox"/> For Review	<input type="checkbox"/> Please Comment

• Comments:



MIKE MOSES  
COMMISSIONER OF EDUCATION

CHARTER  
CONTINGENCIES

# TEXAS EDUCATION AGENCY

1701 NORTH CONGRESS AVENUE \* AUSTIN, TEXAS 78701-1494 \* 512/463-9734 \* FAX: 512/463-9838

OK  
CM

Dear Proposed Charter School Applicant:

August 31, 1998

## HONORS ACADEMY:

After review of the open-enrollment charter school application submitted by your organization, staff of the Texas Education Agency has determined that your application is incomplete. Your application is not eligible for consideration by the State Board of Education until the following items (indicated by a check mark) are supplied to the Agency. Except as provided below, the items must be addressed in writing and submitted to the Agency no later than 12:00 noon, Thursday, September 3, 1998. The items, other than those requiring an original signature, may be faxed to the attention of Brooks Flemister at (512) 463-9732. Items requiring an original signature may be delivered to the above address.

Please supply the following:

1. \_\_\_ Assurance that the proposed charter school will provide a curriculum designed to address the requirements of Section 28.002, including Texas Essential Knowledge and Skills.
2. \_\_\_ Assurance that the applicant has established performance levels for students served by the proposed open-enrollment charter school on the assessment instruments adopted under Chapter 39, Subchapter B, including the Texas Assessment of Academic Skills.
3. \_\_\_ Evidence that the sponsoring entity of the proposed charter is an organization that is exempt from taxation under Section 501(c)(3), Internal Revenue Code or has applied for such status. (See page four of Guidelines.) Note that the sponsoring entity must itself be tax exempt or have applied for such status. It is not sufficient that the sponsoring entity belong to or be associated with a tax exempt organization.
4. \_\_\_ Assurance that the governing body of the sponsoring entity will retain authority to ensure that the policies and operation of the school comply with all applicable laws and requirements of the charter contract.
5. \_\_\_ A copy of the last tax return filed by the sponsoring entity if applicable (If not, please state why).
6. ☒ A list of the board members of the sponsoring organization. The list must identify the officers of the sponsoring agency, their credentials and statements covering the litigation and criminal history of both board members and the sponsoring entity.
7. \_\_\_ Evidence that a facility has been secured for use by the proposed charter school. (See page 51 of the Application Guidelines). Note the evidence provided must satisfy requirements of sample form e.g. two signatures (lessor and lessee).
8. \_\_\_ Evidence of parent/community support. (See page four of Guidelines.)
9. \_\_\_ Two complete copies of the Assurances provided in the application packet, each with an original signature in blue ink.



OK 10. ☒ A description of the geographical area to be served. Note that this description must be specific and definite. For example, descriptions such as "the southwest portion of the city," or the "greater metropolitan area" are insufficient. Acceptable descriptions include those defining the area in terms of city or county limits, street names, boundaries of school districts, or zip codes.

CW 11. ☒ Clarification that the proposed charter school will admit and fully serve eligible students with disabilities. This clarification must include an assurance that the charter school will provide transportation to a disabled student when required by the student's Individual Education Plan. Include an assurance that certified teaching personnel will be employed when required by law and disciplinary procedures will follow the guidelines of the Individuals with Disabilities Education Act.

CW 12. ☒ Clarification that the admission policy of the proposed charter school will not discriminate on the basis of sex, national origin, ethnicity, religion, disability, academic or athletic ability, or the district the child would otherwise attend in accordance with the Texas Education Code. Information requested on admission application cannot be used to influence or deny admission. Exceptions would be grade level served, area of residence and disciplinary history.

13. ☐ Clarification that the policies of the proposed charter school will not provide for segregation on the basis of sex except where required or allowed by federal law.

14. ☐ Assurance that the admission policy of the proposed charter will not condition admission into the charter school on the promise of a student or parent that the student will meet certain attendance requirements.

15. ☐ Assurance that the admission policy of the proposed charter school will not favor students currently attending a predecessor or affiliated school. In other words, once a school or organization receives an open-enrollment charter, it may not give preference to students affiliated with the school or organization prior to the grant of the charter. A charter school may in its second year, however, give enrollment priority to students who attended the school in its first year of operation as a charter school.

16. ☐ Assurance that the proposed charter school will not withhold student records in violation of state or federal law.

17. ☐ Assurance that the proposed charter school will not charge tuition or impermissible fees, including fees charged as penalties for the failure of a student or parent to comply with the school's requirements.

18. ☐ Assurance neither members of the governing body, personnel, or students of the proposed charter school will be required to subscribe to particular religious beliefs or belong to a particular church or denomination.

CW 19. ☒ Clarification that the applicant assures compliance with the Texas Open Meetings Act and the Texas Public Information Act. Note that in some instances the applicant will be required to delete or revise statements in the application that are inconsistent with these acts.

20. Clarification that the applicant will provide a special education program that addresses the following provision of services i.e.; Child Find, Admission, Review and Dismissal Committee (ARD), Free and Appropriate Public Education (FAPE), Individualized Education Plan (IEP), due process and services for expelled students in the Least Restrictive Environment (LRE). This clarification should include a detailed explanation of each activity and how they will be provided to the student with disabilities.

21. Assurance that the applicant will provide, in accordance with the policy of the State, a program to ensure equal educational opportunities to every student whose primary language is other than English. The charter school will provide English as a Second Language (ESL) Program or Bilingual Education program as required in the Texas Education Code, Chapter 29, Subchapter B.

ok ✓ 22. State Revenue has not been correctly estimated.

Estimated Initial Enrollment

500

X 90% attendance =

450 (estimated ADA)

X \$4000 average state funding per ADA \$ 1,800,000 (estimated state aid)

Amount budgeted for state revenue

\$ 3,075,290

★ Difference

(1,275,290) loss

(Please call Nora Rainy in the School Financial Audit Department at 512-463-9126 with any questions regarding budget item).

p.25 ✓ 23. Applicant needs to provide a draft of a board policy for the admission of students eligible for a Public Education Grant (PEG) transfer.

✓ 24. Other concerns

ok ✓ Assurance that applicant understands the current funding problems with distance learning in Texas.


**Assurances**

Signature of the Chief Operating Officer certifies that the following statements are addressed through policies adopted by the charter school and, if approved, the governing body, administration, and staff of the open-enrollment charter will abide by them:

- (1) The proposed open-enrollment charter school prohibits discrimination in its admission policy on the basis of sex, national origin, ethnicity, religion, disability, academic or athletic ability, or the district the child would otherwise attend in accordance with state statute.
- (2) Any educator employed by a school district before the effective date of a charter for an open-enrollment charter school operated at a school district facility will not be transferred to or employed by the open-enrollment charter school over the educator's objection.
- (3) The proposed open-enrollment charter school will retain authority to operate under the charter contingent on satisfactory student performance on assessment instruments adopted under TEC, Chapter 39, Subchapter B and as provided by the open-enrollment charter agreement approved by the State Board of Education.
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- (6) The proposed open-enrollment charter school will operate in accordance with federal laws and rules governing public schools; applicable provisions of the Texas Constitution; state statute pertaining to provisions establishing a criminal offense; and prohibitions, restrictions, or requirements, as applicable, under state statute or rule adopted relating to:
  - the Public Education Information Management System (PEIMS) to the extent necessary to monitor compliance as determined by the commissioner;
  - criminal history records under TEC Subchapter C of Chapter 22;
  - high school graduation under TEC Section 28.025;
  - special education programs under TEC Subchapter A of Chapter 29;
  - bilingual education under TEC Subchapter B of Chapter 29;
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  - extracurricular activities under TEC Section 33.081;

- health and safety under TEC Chapter 38; and
  - public school accountability under TEC Subchapters B, C, D, and G of Chapter 39.
- (7) The governing body of the school is considered a governmental body for purposes of Chapters 551 and 552, Government Code, and will comply with those requirements of state statute.
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  - (9) The open-enrollment charter school will ensure that any of its employees who qualify for membership in the Teacher Retirement System of Texas will be covered under the system to the same extent a qualified employee of a school district is covered. For each employee of the school covered under the system, the charter will be responsible for making any contribution that otherwise would be the legal responsibility of the school district, and will ensure that the state makes contributions for which it is legally responsible to such employees.
  - (10) The open-enrollment charter school complies with all health and safety laws, rules, and regulations of the federal, state, county, region, or community that may apply to the facilities and school property.
  - (11) The open-enrollment charter school agrees to assist in the completion of an annual evaluation of the charter that includes consideration of:
    - students' scores on assessment instruments administered under TEC, Chapter 39, Subchapter B;
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    - students' grades;
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    - students' satisfaction with their schools;
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 7/22/98  
\_\_\_\_\_  
*Signature of Chief Operating Officer of the School/ date*

\_\_\_\_\_  
*Signature of the Chair of the State Board of Education/ date*

All feedback contributes to high quality and validation of curriculum.

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### **Course Load**

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As students use the on-line learning option described above (Option #3) they will have access to a variety of School To Work training and career exploration options. Currently NovaNet offers over 1500 hours of on-line time dealing with business, public service, health and technology careers. School to work internships exist as an authentic learning option.

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Teachers will seek community based experiential learning opportunities for students that help develop good work habits, workplace skills and varied work experiences.

\*\*\*\*\*  
\*\*\* TX REPORT \*\*\*  
\*\*\*\*\*

TRANSMISSION OK

TX/RX NO 1393  
CONNECTION TEL 92148004050  
SUBADDRESS  
CONNECTION ID  
ST. TIME 08/31 16:00  
USAGE T 01'28  
PGS. 4  
RESULT OK

*Honors Academy*

Texas Education Agency

**Charter Schools Division**

# Fax

To: *Charter Applicant* From: Dr. Deborah Havens  
Fax: (512) 463-9732  
Phone: (512) 463-9575  
Date: *8/31/98*  
Re: *Charter School Application* cc:  
☒ Urgent ☐ Information Requested ☐ For Review ☐ Please Comment

• Comments:

*Please respond to this request ASAP.  
Note deadline: Thursday Noon  
September 3, 1998*

Texas Education Agency Review  
OF  
Applications for Approval of Open-Enrollment Charter Schools

Name of Proposed Charter School: Honors Academy

Legal Review:

Governing Board Specified (pg 8) review - Advisory Board

Geographic bounds (pg 14) review - not specific -  
*Clarity that Bd of Directors of SOI = Gov. Bd. of Open mts, etc*

\* Distance Learning? anywhere in TX " will attendance be verified on-site  
Admission policy (pg 16) review "documentation of condition requirement" A/C DA  
2) enroll those who "may benefit from the program"  
clarity re discrim based on academic ability

Church/State N/A ✓ can

Special Education (pg 16) mentioned: review (no mention of trans.)

\* Facility agreement sufficient (pg 27) no facility - distance learning - review  
adm. facility pg 29) CALL CAN " do this

Non-profit/IRS status pg 45 Application ✓ OK

Tax Return not included OK - New

Reviewer/date



Texas Education Agency Review  
Of  
Applications for Approval of Open-Enrollment Charter Schools

Name of Proposed Charter School: Honors Academy <sup>(Cm)</sup>

Checklist of requirements:

✓ Two copies of application ✓ Two original signatures on Assurances

✓ Evidence of parental/community support

       Litigation history        Policy for Peg Students  
none none

NOTES:

Texas Education Agency Review  
Of  
Applications for Approval of Open-Enrollment Charter Schools

Name of Proposed Charter School: Honors Academy

Programmatic Review:

TEKS

oh

TAAS

oh

Church/State

na

Other

Ata spec. ed - discipline procedures  
under IDEA → expelled student.

Review/date

**one2one Learning Foundation**

1950 Stemmons Freeway  
Suite 2023  
Dallas, Texas 75207

Honors  
Academy

Date:

9/2/98

Number of pages including cover sheet:

11

**FAX**

To:

Debra Havens

or

Brooks Flemister

Phone:

Fax phone: (512) 463-9732

CC:

From:

Alastair Havie

Email:

Phone: 214-800-4000 x

Fax phone: 214-800-4040

REMARKS:

☐ Urgent☒ For your review  
& File☐ Reply ASAP☐ Please comment

Is this enough ?!

JPH

Original to follow by (check one):

☐ U.S. Mail☐ Overnight Delivery☒ No Original to Follow

175

## one2one Texas Learning Foundation

1950 Stemmons Freeway, Suite 2023 Dallas, Texas 75207

Tel: 214.800.4003

Fax: 214.800.4050

August 31, 1998

Texas Education Agency  
1701 North Congress Avenue  
Austin, Texas 78701-1494

To Whom It May Concern:

In response to your request please find listed or enclosed/attached the following check mark items:

Item#:

6. The following is a list of the board members of one2one Texas Learning Foundation:

Mr. Robert Carroll – President (see attached response from the original application – Question 2, page 8)

Mr. James Jones – Vice President (see attached response from the original application – Question 2, page 9)

Mr. Gerry Hurst – (see attached response from the original application – Question 2, page 9)

In addition the following are officers, not previously mentioned in our open-enrollment charter application:

Mr. Alastair Howie – Acting Executive Director

He has substantial experience in the areas of organization development, operations and fiscal management, and policy implementation. His background includes structuring, organizing and managing the growth and development of small private service companies and ministries to investment banking transactions involving the restructuring and reorganization of a large public corporation. Mr. Howie brings over ten years of leadership experience and understands the necessity of facilitating a positive work environment supported by sound policies and procedures. He has worked for an English merchant bank, The Hallwood Group Inc., which has holdings in real estate, oil and gas, manufacturing, hotel, and restaurants (notably Showbiz Pizza/Chuckie Cheese). He also has not-for-profit corporate management and teaching skills. His teaching experiences gives him added insight into effective pedagogy.

Mr. Scott Walker – Treasurer/Secretary

He has proven, results oriented leadership skills with seventeen years of corporate operating and finance background in domestic and international environments. His professional management experience in

large corporate and developing entrepreneurial settings has given him the ability to understand and complete a diverse array of financial transactions. He brings to the foundation significant banking experience having served as Vice President of First Interstate Bank, GE Capital - Corporate Finance Group, and Lloyds Bank, PLC. His recent experience included planning, directing and controlling Precept Business Services' overall financial plans and policies along with its accounting practices and the conduct of its relationship with lending institutions, shareholders and the financial community.

**NOTE: None of the board members and officers of one2one Texas Learning Foundation are involved in any litigation, pending or otherwise; and all board members and officers have no criminal history as evidenced by the completed criminal history reports and background checks conducted in compliance with the open-enrollment charter application.**

10. As per the answer to this question on the open-enrollment application (see attached Question 6, page 17). Note: students will come from anywhere in the state of Texas and will be Texas residents. The nature of our education program, distance education means that learning will take place anytime and anywhere through the use of technology as a means for teaching students. It is by no means the only method we would employ to teach as stipulated on page 11 of our application under the heading of "Delivery Modes for Curriculum".
11. The Honors Academy will admit and fully serve eligible students with disabilities. This means that assurance will be given by this statement (and signed by the Acting Executive Director of one2one Texas Learning Foundation at the bottom of this document): "that Honors Academy will provide transportation to a disabled student when required by the student's Individual Education Plan. Also the academy will employ certified teaching personnel when required by law and disciplinary procedures will follow the guidelines of the Individuals with Disabilities Education Act".
12. The admission policy of Honors Academy will not "discriminate on the basis of sex, national origin, ethnicity, religion, disability, academic or athletic ability, or the district the child would otherwise attend in accordance with the Texas Education Code." Assurance has already been given included in the application under "Assurances", item # 1. (see attached)
19. In accordance with the Texas Open Meetings Act and the Texas Public Information Act, Honors Academy will comply with the cited regulations and stipulations including but not limited to the public posting beforehand of all board of directors' meetings for members of the public to attend at their will.

22. one2one Texas Learning Foundation understands that a difference exists between our budget computations and the TEA School Financial Audit Department's calculations. At the time of contract negotiations any necessary adjustments to the budget can be made. (see attached page 13 of the open-enrollment charter application under "School Calendar" for clarification).
24. one2one Texas Learning Foundation is aware of the current funding problems associated with a distance learning program in Texas, and gives assurance that it understands those problems and issues.

Should you need further clarification or have any additional questions please feel free to contact me at (214) 800-4003.

Sincerely,



Alastair Howie  
Acting Executive Director

Ah/With attachments

Item #6

The principal reports directly to the superintendent. Other duties and responsibilities include:

- reviewing teacher and educational coordinator prepared documentation regarding learning records, student attendance reporting, transcript assessment, and report card documentation.
- organizing and implementing staff development training courses and follow-up programs.
- providing leadership in the development of curriculum design, assessment tools, and scope and sequence development.
- acquiring and disseminating information regarding innovative instructional methods and techniques.
- supporting and providing supervisor and teacher training
- providing input for budget development

The superintendent would be responsible for addressing issues, concerns and questions related to the management and operation of the charter school program and compliance with contractual agreements with the TEA.

The superintendent reports directly to the foundation executive director. Other duties and responsibilities include:

- staff training and supervision
- reviewing student records including attendance reports, grade cards, and enrollment and admissions documentation
- recommending policies and procedures
- managing grievance procedures
- assessing, reviewing, and recommending curriculum development so that the educational program aligns with TEKS
- preparing and managing the operating budget
- representing foundation to state organizations

The president of the Foundation is responsible to the board of directors and is himself a board member. The board is responsible for seeing that it is operating strictly in accordance with its charter. The board is composed of three members currently:

Mr. Robert L. Carroll is the President. He has over ten years experience in education with a strong background in computer and on-line services, educational technology programs and implementation planning. His professional experiences include:

- developing and implementing the Indiana State "Buddy" System, home to school distance learning technology links for all fourth grade students
- developing instructional software for Internet access
- state experience with the California Computer Refurbishing Fund, refurbishing computers through donation to schools

Item #6

- developing and implementing a charter school management program

Mr. A. James Jones is the Vice President and Treasurer. He is the Director of Learning Technologies at the Milton Hershey School, Hershey, Pennsylvania. The Milton Hershey School is a full boarding, coed school with 1,100 students kindergarten through twelfth grade for financially needy and at-risk children. His professional experiences include:

- supporting and facilitating resource based learning
- adult staff development for technology
- integration of technology into curriculum with special emphasis on the information/literacy curriculum
- developing individual learning systems for academically at-risk students
- developing external partnerships for use of technology and support of the at-risk child
- writing articles for national technology and learning publications as well as a variety of state and national presentations dealing with the application of technology and learning

Mr. Gerry Hurst is the Secretary. He is President and C.E.O of Hurst Marketing Group, Inc., whose accounts include Mattel, Pepsi, and Frito-Lay. His company has a heavy emphasis on youth and team marketing. As such he has understood the drives, wants, and needs of today's youth and has valuable insight regarding their mindset and orientation toward life. This knowledge has provided a refreshing perspective for determining our effectiveness in "nurturing and educating" children from all backgrounds, including juveniles and at-risk students. Mr. Hurst also serves as a board member of Panola Academy, an extension of Texas A&M University which trains and equips students with specific skills that prepare them for specific jobs.

These members have been involved with the national foundation since its inception on June 13, 1997. The foundation provides educational management and distance learning technology to schools serving non-traditional student populations. Currently, it serves two distance learning charter schools in California that were established in September of 1997 and June of 1998 respectively. Both charter schools have received the support of their respective local school districts and their communities. This is evidenced by strong support from the respective local school superintendents and the enrollment of approximately 2000 students into our program.

### 3. Describe the educational program to be offered

#### Required Curriculum

The Honors Academy's framework for student learning entitled *Standards and Benchmarks for Learning Excellence* (currently under development) defines what students should know and be able to do. All standards and benchmarks will be developmentally sensitive and age appropriate and lead to desired results for all eligible for a Texas high school diploma. Standards are benchmarked against Texas Essential Knowledge and Skills (Sep 98) and are consistent with recognized national standards and benchmarks for students learning to high standards. They



Item # 10

The Honors Academy staff will establish acceptable student performance levels on assessment instruments (Subchapter B, Chapter 39) in compliance with the accountability provisions specified by the charter.

5. Provide a list of districts within the geographic area that may be affected by the open-enrollment charter school with the date the Statement of Impact form was sent to each affected school.

On July 2, 1998, the following school districts were notified by certified letter that one2one Texas Learning Foundation intended to explore seeking State Board approval of an open-enrollment charter school:

- Austin ISD
- Coupland ISD
- Del Valle ISD
- Eanes ISD
- Elgin ISD
- Hays Consolidated ISD
- Lago Vista ISD
- Lake Travis ISD
- Leander ISD
- Manor ISD
- Pflugerville ISD
- Round Rock ISD
- Texas School for the Blind
- Texas School for the Deaf

We feel that no school will be negatively affected with the establishment of the Honors Academy but instead that many local schools will benefit by having a distance learning school to which students may be referred. In addition, this school will provide learning opportunities for those students not served by the traditional public school system. The Honors Academy will seek and enroll students not currently enrolled in the public school system, thus will not be taking money from a school district but rather be reimbursed by the State for students who were not in school at the time of enrollment. The Honors Academy will accept students from local districts only upon mutual agreement. It is not the intention of the Honors Academy to seek or accept students routinely from local districts.

6. Describe the geographic area served by the program

Given the nature of our program (distance learning), students will come from anywhere in the State of Texas who will benefit from this mode of learning and who are not currently served by the traditional public school system. Typically, students will be enrolled through teacher, parent, and/or community referrals.

7. Specify any type of enrollment criteria to be used. (For admission to an open enrollment charter school, the person operating the school may require the students seeking admission to complete and submit applications no later than a reasonable deadline the school establishes.) Indicate whether the open-enrollment charter school provides for the exclusion of a student who has a documented history of criminal offense, juvenile court adjudication, or discipline problems under TEC, Chapter 37, Subchapter A.

Item # 12**Assurances**

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AP Nowie / 7/22/98  
Signature of Chief Operating Officer of the School/ date

\_\_\_\_\_  
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Item # 22

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185

# one2one Texas Learning Foundation

1950 Stemmons Freeway, Suite 2023 Dallas, Texas 75207  
Tel: 214.800.4003 Fax: 214.800.4050

RECEIVED  
SEP 03 1998  
CHARTER SCHOOLS

August 31, 1998

Texas Education Agency  
1701 North Congress Avenue  
Austin, Texas 78701-1494

To Whom It May Concern:

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Should you need further clarification or have any additional questions please feel free to contact me at (214) 800-4003.

Sincerely,

A handwritten signature in cursive script, appearing to read "A Howie".

Alastair Howie  
Acting Executive Director

Ah/With attachments



## Item #6

The principal reports directly to the superintendent. Other duties and responsibilities include:

- reviewing teacher and educational coordinator prepared documentation regarding learning records, student attendance reporting, transcript assessment, and report card documentation.
- organizing and implementing staff development training courses and follow-up programs.
- providing leadership in the development of curriculum design, assessment tools, and scope and sequence development.
- acquiring and disseminating information regarding innovative instructional methods and techniques.
- supporting and providing supervisor and teacher training
- providing input for budget development

The superintendent would be responsible for addressing issues, concerns and questions related to the management and operation of the charter school program and compliance with contractual agreements with the TEA.

The superintendent reports directly to the foundation executive director. Other duties and responsibilities include:

- staff training and supervision
- reviewing student records including attendance reports, grade cards, and enrollment and admissions documentation
- recommending policies and procedures
- managing grievance procedures
- assessing, reviewing, and recommending curriculum development so that the educational program aligns with TEKS
- preparing and managing the operating budget
- representing foundation to state organizations

The president of the Foundation is responsible to the board of directors and is himself a board member. The board is responsible for seeing that it is operating strictly in accordance with its charter. The board is composed of three members currently:

Mr. Robert L. Carroll is the President. He has over ten years experience in education with a strong background in computer and on-line services, educational technology programs and implementation planning. His professional experiences include:

- developing and implementing the Indiana State "Buddy" System, home to school distance learning technology links for all fourth grade students
- developing instructional software for Internet access
- state experience with the California Computer Refurbishing Fund, refurbishing computers through donation to schools

- developing and implementing a charter school management program

Mr. A. James Jones is the Vice President and Treasurer. He is the Director of Learning Technologies at the Milton Hershey School, Hershey, Pennsylvania. The Milton Hershey School is a full boarding, coed school with 1,100 students kindergarten through twelfth grade for financially needy and at-risk children. His professional experiences include:

- supporting and facilitating resource based learning
- adult staff development for technology
- integration of technology into curriculum with special emphasis on the information/literacy curriculum
- developing individual learning systems for academically at-risk students
- developing external partnerships for use of technology and support of the at-risk child
- writing articles for national technology and learning publications as well as a variety of state and national presentations dealing with the application of technology and learning

Mr. Gerry Hurst is the Secretary. He is President and C.E.O of Hurst Marketing Group, Inc., whose accounts include Mattel, Pepsi, and Frito-Lay. His company has a heavy emphasis on youth and team marketing. As such he has understood the drives, wants, and needs of today's youth and has valuable insight regarding their mindset and orientation toward life. This knowledge has provided a refreshing perspective for determining our effectiveness in "nurturing and educating" children from all backgrounds, including juveniles and at-risk students. Mr. Hurst also serves as a board member of Panola Academy, an extension of Texas A&M University which trains and equips students with specific skills that prepare them for specific jobs.

These members have been involved with the national foundation since its inception on June 13, 1997. The foundation provides educational management and distance learning technology to schools serving non-traditional student populations. Currently, it serves two distance learning charter schools in California that were established in September of 1997 and June of 1998 respectively. Both charter schools have received the support of their respective local school districts and their communities. This is evidenced by strong support from the respective local school superintendents and the enrollment of approximately 2000 students into our program.

### **3. Describe the educational program to be offered**

#### **Required Curriculum**

The Honors Academy's framework for student learning entitled *Standards and Benchmarks for Learning Excellence* (currently under development) defines what students should know and be able to do. All standards and benchmarks will be developmentally sensitive and age appropriate and lead to desired results for all eligible for a Texas high school diploma. Standards are benchmarked against Texas Essential Knowledge and Skills (Sep 98) and are consistent with recognized national standards and benchmarks for students learning to high standards. They

The Honors Academy staff will establish acceptable student performance levels on assessment instruments (Subchapter B, Chapter 39) in compliance with the accountability provisions specified by the charter.

- 5. Provide a list of districts within the geographic area that may be affected by the open-enrollment charter school with the date the Statement of Impact form was sent to each affected school.**

On July 2, 1998, the following school districts were notified by certified letter that one2one Texas Learning Foundation intended to explore seeking State Board approval of an open-enrollment charter school:

- Austin ISD
- Coupland ISD
- Del Valle ISD
- Eanes ISD
- Elgin ISD
- Hays Consolidated ISD
- Lago Vista ISD
- Lake Travis ISD
- Leander ISD
- Manor ISD
- Pflugerville ISD
- Round Rock ISD
- Texas School for the Blind
- Texas School for the Deaf

We feel that no school will be negatively affected with the establishment of the Honors Academy but instead that many local schools will benefit by having a distance learning school to which students may be referred. In addition, this school will provide learning opportunities for those students not served by the traditional public school system. The Honors Academy will seek and enroll students not currently enrolled in the public school system, thus will not be taking money from a school district but rather be reimbursed by the State for students who were not in school at the time of enrollment. The Honors Academy will accept students from local districts only upon mutual agreement. It is not the intention of the Honors Academy to seek or accept students routinely from local districts.

**6. Describe the geographic area served by the program**

Given the nature of our program (distance learning), students will come from anywhere in the State of Texas who will benefit from this mode of learning and who are not currently served by the traditional public school system. Typically, students will be enrolled through teacher, parent, and/or community referrals.

- 7. Specify any type of enrollment criteria to be used. (For admission to an open enrollment charter school, the person operating the school may require the students seeking admission to complete and submit applications no later than a reasonable deadline the school establishes.) Indicate whether the open-enrollment charter school provides for the exclusion of a student who has a documented history of criminal offense, juvenile court adjudication, or discipline problems under TEC, Chapter 37, Subchapter A.**

CONTRACT

RECEIVED

NOV 03 1998

CHARTER SCHOOLS

CONTRACT FOR CHARTER

This contract is executed the <sup>2nd</sup> ~~30~~ day of <sup>Dec</sup> ~~Oct~~, 1998 between the Texas State Board of Education (the "Board") and one Zone Texas Learning Foundation ("Charterholder") for an open-enrollment charter to operate a Texas public school.

General

1. Definitions. As used in this contract:  
"Charter" means the open-enrollment charter, as provided by Subchapter D, Chapter 12, Texas Education Code (TEC), granted by this contract.  
"Charter school" means the open-enrollment charter school. Charterholder agrees to operate as provided in this contract. The charter school is a Texas public school.  
"Agency" means the Texas Education Agency.
2. The Charter. This contract grants to Charterholder an open-enrollment charter under Subchapter D, Chapter 12, TEC. The terms of the charter include: (a) this contract; (b) applicable law; (c) Request for Application #701-98-016; (d) any condition, amendment, modification, revision or other change to the charter adopted or ratified by the Board; (e) all statements, assurances, commitments and representations made by Charterholder in its application for charter, attachments or related documents, to the extent consistent with (a) through (d); and (f) assurance by Charterholder, evidenced by execution of this contract, that no false information was submitted to the Agency or the Board by Charterholder, its agents or employees in support of its application for charter, .
3. Authority Granted by Charter. The charter authorizes Charterholder to operate a charter school subject to the terms of the charter. Action inconsistent with the terms of the charter shall constitute a material violation of the charter.
4. Alienation of Charter. The charter may not be assigned, encumbered, pledged or in any way alienated for the benefit of creditors or otherwise. Charterholder may not delegate, assign, subcontract or otherwise alienate any of its rights or responsibilities under the charter. Any attempt to do so shall be null and void and of no force or effect; provided, however, that Charterholder may contract at fair market value for services necessary to carry out policies adopted by Charterholder or the governing body of the charter school.
5. Term of Charter. The charter shall be in effect from <sup>Dec</sup> ~~October~~ 2 30, 1998 through July 31, 2003, unless renewed or terminated.

6. Renewal of Charter. On timely application by Charterholder in a manner prescribed by the Board, the charter may be renewed for an additional period determined by the Board. The charter may be renewed only by written amendment approved by vote of the Board and properly executed by its chair.
7. Revision by Agreement. The terms of the charter may be revised with the consent of Charterholder by written amendment approved by vote of the Board. The commissioner of education ("the commissioner") may revise the charter on a provisional basis during an interim between Board meetings; however, such action shall expire unless ratified by the Board at its next regular meeting. Nothing in this paragraph limits the authority of the Board or the commissioner to act in accordance with other provisions of this contract.

## Students

8. Open Enrollment. Admission and enrollment of students shall be open to any person who resides within the geographic boundaries stated in the charter and who is eligible for admission based on lawful criteria identified in the charter. Total enrollment shall not exceed 2,000 students. The charter school's admission policy shall prohibit discrimination on the basis of sex, national origin, ethnicity, religion, disability, academic or athletic ability, or the district the student would otherwise attend. Students who reside outside the geographic boundaries stated in the charter shall not be admitted to the charter school until all eligible applicants who reside within the boundaries have been enrolled.
9. Public Education Grant Students. Charterholder shall adopt an express policy providing for the admission of, and shall admit under such policy, students eligible for a public education grant, including those students who reside outside the geographic area identified in the charter application, under Subchapter G, Chapter 29, TEC.
10. Non-discrimination. The educational program of the charter school shall be nonsectarian, and shall not discriminate against any student or employee on the basis of race, creed, sex, national origin, religion, disability or need for special education services.
11. Children with Disabilities. The charter school is a "local educational agency" as defined by federal law. Charterholder must comply with the Individuals with Disabilities Education Act (IDEA), 20 U.S.C. §1401, et seq., and implementing regulations; Section 504 of the Rehabilitation Act of 1973 ("Section 504"), 29 U.S.C. §794, and implementing regulations; Title II of the Americans with Disabilities Act, 42 U.S.C. §12131-12165, and implementing regulations; Chapter 29, TEC, and implementing rules; and the many court cases applying these laws. For example:

- (a) Child Find. Charterholder must adopt and implement policies and practices that affirmatively seek out, identify, locate, and evaluate children with disabilities enrolled in the charter school or contacting the charter school regarding enrollment, and must develop and implement a practical method to determine which children with disabilities are currently receiving needed special education and related services. For each eligible child, Charterholder must develop and offer an individualized education plan appropriate to the needs of that student.
- (b) Free Appropriate Public Education. Charterholder must provide a free appropriate public education to all children with disabilities otherwise eligible to enroll in the charter school. If the program, staff or facilities of the charter school are not capable of meeting the needs of a particular child, Charterholder must implement changes necessary to accommodate the child at the charter school. If reasonable accommodations would be insufficient to enable the child to benefit from the charter school's program, Charterholder must, at its own expense, place the child at an appropriate school.
- (c) Services to Expelled Students. Charterholder must continue to provide a free appropriate public education to a child with disabilities even after expelling or suspending the child for valid disciplinary reasons. This obligation to serve the child continues until the end of the school year.
- (d) Monitoring. The charter school's implementation of the laws governing education of children with disabilities will be monitored for compliance by the United States Department of Education, Office of Special Education Programs; the United States Department of Education, Office of Civil Rights; the Texas Education Agency; and others. This monitoring activity includes responding to complaints, random on-site inspections and other investigations by the enforcing agencies, and will result in corrective actions imposed on Charterholder by these agencies for all discrepancies found.
- (e) Due Process Hearings. The charter school's implementation of the laws governing education of children with disabilities will, in addition, be subject to court supervision via litigation against Charterholder brought by individuals affected by the actions of the charter school. The cost of this litigation can be substantial.

Notice: These are only a few of the charter school's legal responsibilities in this area, included here for illustrative purposes only.

- 12. Student Performance and Accountability. Charterholder shall satisfy Subchapters B, C, D, and G of Chapter 39 of the TEC, and related agency rules, as well as the student performance accountability criteria stated in its application for charter. Charterholder shall annually provide in a manner and form defined by the commissioner a written evaluation of the charter school's compliance with the statements, assurances, commitments and representations made by Charterholder in its application for a charter, attachments, and related documents.

13. Criminal History. Charterholder shall take prompt and appropriate measures if Charterholder or the charter school, or any of their employees or agents, obtains information that an employee or volunteer of the charter school or an employee, officer, or board member of a management company contracting with the charter school has a reported criminal history that bears directly on the duties and responsibilities of the employee, volunteer, or management company at the school. Charterholder further represents that the Board and the agency shall be notified immediately of such information and the measures taken.
14. Reporting Child Abuse or Neglect. Charterholder shall adopt and disseminate to all charter school staff and volunteers a policy governing child abuse reports required by Chapter 261, Texas Family Code. The policy shall require that employees, volunteers or agents of Charterholder or the charter school report child abuse or neglect directly to an appropriate entity listed in Chapter 261, Texas Family Code.
15. Notice to District. Charterholder shall notify the school district in which the student resides within five business days of any action expelling or withdrawing a student from the charter school.
16. School Year. Charterholder shall adopt a school year with fixed beginning and ending dates.

#### **Financial Management**

17. Fiscal Year. Charterholder shall adopt a fiscal year beginning September 1 and ending August 31.
18. Financial Accounting. Unless otherwise notified by the agency, Charterholder shall comply fully with generally accepted accounting principles ("GAAP") and the Financial Accountability System Resource Guide, Bulletin 679 or its successor ("Bulletin 679") published by the agency in the management and operation of the charter school.
19. Federal Requirements. Material failure to comply with Internal Revenue Service withholding regulations shall constitute a material violation of the charter.
20. Workers' Compensation. Charterholder shall extend workers' compensation benefits to charter school employees by (1) becoming a self-insurer; (2) providing insurance under a workers' compensation insurance policy; or (3) entering into an agreement with other entities providing for self-insurance.
21. Annual Audit. Charterholder shall at its own expense have the financial and programmatic operations of the charter school audited annually by a certified public accountant holding a permit from the Texas State Board of Public Accountancy. Charterholder shall file a copy of the annual audit

report, approved by Charterholder, with the agency not later than the 120<sup>th</sup> day after the end of the fiscal year for which the audit was made. The audit must comply with Generally Accepted Auditing Standards and must include an audit of the accuracy of the fiscal information provided by the charter school through PEIMS. Financial statements in the audit must comply with Government Auditing Standards and the Office of Management and Budget Circular 133.

22. Attendance Accounting. To the extent required by the commissioner, Charterholder shall comply with the "Student Attendance Accounting Handbook" published by the Agency and as then in effect; provided, however, that Charterholder shall report attendance data to the agency at six-week intervals or as directed by the agency.
23. Foundation School Program. Distribution of funds to the charter school under Section 12.106, TEC, is contingent upon charterholder's compliance with the terms of the charter. Charterholder is ineligible to receive Foundation School Program funds prior to execution of this contract by the board. Within 30 days of receiving notice of overallocation and request for refund under Section 42.258, TEC, Charterholder shall transmit to the agency an amount equal to the requested refund. If Charterholder fails to make the requested refund, the agency may recover the overallocation by any means permitted by law, including but not limited to the process set forth in Section 42.258, TEC.
24. Tuition and Fees. Charterholder shall not charge tuition and shall not charge a fee except that it may charge a fee listed in Subsection 11.158(a), TEC.
25. Assets of Charter. Charterholder shall not apply, hold, credit, transfer or otherwise make use of funds, assets or resources of the charter school for any purpose other than operation of the charter school described in the charter.
26. Indebtedness of Charter. Charterholder shall not incur a debt, secure an obligation, extend credit, or otherwise make use of the credit or assets of the charter school for any purpose other than operation of the charter school described in the charter.
27. Interested Transactions. All financial transactions between the charter school and (a) Charterholder; (b) an officer, director, or employee of Charterholder or of the charter school; or (c) a person or entity having partial or complete control over Charterholder or the charter school shall be separately and clearly reflected in the accounting, auditing, budgeting, reporting, and record keeping systems of the charter school. Charterholder shall not transfer any asset of the charter or incur any debt except in return for goods or services provided for the benefit of the charter school at fair market value.
28. Non-Charter Activities. Charterholder shall keep separate and distinct accounting, auditing, budgeting, reporting, and record keeping systems



for the management and operation of the charter school. Any business activities of Charterholder not directly related to the management and operation of the charter school shall be kept in separate and distinct accounting, auditing, budgeting, reporting, and record keeping systems from those reflecting activities under the charter. Any commingling of charter and non-charter business in these systems shall be a material violation of the charter.

### **Governance and Operations**

29. Non-Profit Status. Charterholder shall take and refrain from all acts necessary to be and remain in good standing as an organization exempt from taxation under Section 501(c)(3), Internal Revenue Code. If Charterholder is incorporated, it shall in addition comply with all applicable laws governing its corporate status. Failure to comply with this paragraph is a material violation of the charter, and the Board may act on the violation even if the Internal Revenue Service, Secretary of State, or other body with jurisdiction has failed to act.
30. Records Retention and Management. Charterholder shall implement a records management system that conforms to the system required of school districts under the Local Government Records Act, Section 201.001 et seq., Local Government Code, and rules adopted thereunder; provided, however, that records subject to audit shall be retained and available for audit for a period of not less than five (5) years from the latter of the date of termination or renewal of the charter.
31. PEIMS Reporting. Charterholder shall report timely and accurate information to the Public Education Information Management System (PEIMS), as required by the commissioner.
32. Conflict of Interest. Charterholder shall comply with any applicable prohibition, restriction or requirement relating to conflicts of interest imposed by law. If an officer or board member of Charterholder or of the charter school has a substantial interest, within the meaning of Chapter 171, Local Government Code, in a transaction, such interest shall be disclosed in public session at a duly called meeting of the governing body prior to any action on the transaction.
33. Disclosure of Campaign Contributions. Charterholder shall adopt policies that will ensure compliance with the disclosure requirements of State Board of Education Operating Rule 4.3 or its successor.
34. Indemnification. Charterholder shall hold the Board and agency harmless from and shall indemnify the Board and agency against any and all claims, demands, and causes of action of whatever kind or nature asserted by any third party and occurring or in any way incident to, arising out of, or in connection with wrongful acts of Charterholder, its agents, employees, and subcontractors.

35. Failure to Operate. Charterholder shall operate the charter school for the full school term as described in the charter application in each year of the charter contract. Charterholder may not suspend operation for longer than 21 days without a revision to its charter, adopted by the Board, stating that the charter school is dormant and setting forth the date on which operations shall resume and any applicable conditions. Suspension of operations in violation of this paragraph shall constitute abandonment of this contract and of the charter.
36. Charter School Facility. Charterholder shall have and maintain throughout the term of the charter a lease agreement, title or other legal instrument granting to Charterholder the right to occupy and use one or more facilities suitable for use as the charter school facilities described by the charter. During any period of dormancy granted by the Board, this requirement may be waived by the Board. Facilities occupied and used as charter school facilities shall materially comply with all applicable laws, including, but not limited to, the Texas Architectural Barriers Act, Article 9102, Vernon's Texas Civil Statutes.

#### **Enforcement**


37. Agency Investigations. The commissioner may in his sound discretion direct the agency to conduct investigations of the charter school to determine compliance with the terms of the charter or as authorized in Sections 39.074 and 39.075, Subchapter D, Chapter 39, TEC or other law. Charterholder, its employees and agents shall fully cooperate with such investigations. Failure to timely comply with reasonable requests for access to sites, personnel, documents or things is a material violation of the charter.
38. Commissioner Authority. The commissioner in his sole discretion may take any action authorized by Section 39.131, TEC or Chapter 29, TEC relating to the charter school. Such action is not "adverse action" as used in this contract. Charterholder, its employees and agents shall fully cooperate with such actions. Failure to timely comply with any action authorized by Section 39.131, TEC or Chapter 29, TEC is a material violation of the charter.
39. Adverse Action. The Board in its sole discretion may modify, place on probation, revoke or deny timely renewal of the charter for cause ("adverse action"). Each of the following shall be cause for adverse action on the charter: (a) any material violation of the terms of the charter listed in paragraphs 2, 3, and 20; (b) failure to satisfy generally accepted accounting standards of fiscal management; or (c) failure to comply with an applicable law or rule.

#### **This Agreement**


40. Entire Agreement. This contract, including all referenced attachments and terms incorporated by reference, contains the entire agreement of the parties. All prior representations, understandings and discussions are merged into, superseded by and canceled by this contract.
41. Severability. If any provision of this contract is determined by a court or other tribunal to be unenforceable or invalid for any reason, the remainder of the contract shall remain in full force and effect, so as to give effect to the intent of the parties to the extent valid and enforceable.
42. Conditions of Contract. Execution of this contract by the Board is conditioned on full and timely compliance by Charterholder with: (a) the terms, required assurances and conditions of Request for Application #701-97-028 (b) applicable law; and (c) all commitments and representations made in Charterholder's application and any supporting documents (to the extent such commitments and representations are consistent with the terms of this contract).
43. No Waiver of Breach. No assent, express or implied, to any breach of any of the covenants or agreements herein shall waive any succeeding or other breach.
44. Venue. Any suit arising under this contract shall be brought in Travis County, Texas.
45. Governing Law. In any suit arising under this contract, Texas law shall apply.
46. Authority. By executing this contract, Charterholder represents that it is an "eligible entity" within the meaning of Section 12.101 (a), TEC. Charterholder shall immediately notify the Board of any legal change in its status which would disqualify it from holding the charter, of any violation of the terms and conditions of this contract, or of any change in the chief operating officer of the charter school or Charterholder. Charterholder further represents that the person signing this contract has been properly delegated authority to do so.

g Entered into this <sup>2nd</sup> ~~30~~ day of <sup>Dec.</sup> ~~October~~, 1998.

Texas State Board of Education

  
By Dr. Jack Christie  
Chairman

Charterholder

  
By Alastair Howie  
Executive Director

Honors CS

ORIGINAL CONTRACT  
INCLUDED.

12/15/98

A. Howie

## one2one Texas Learning Foundation

1950 Stemmons Freeway, Suite 2023 Dallas, Texas 75207  
Tel: 214.800.4003 Fax: 214.800.4050

### VIA FACSIMILE

December 11, 1998

Division of Charter Schools  
Texas Education Agency  
1701 North Congress Avenue  
Austin, Texas 78701-1494

RECEIVED  
DEC 17 1998  
CHARTER SCHOOLS

To Whom It May Concern:

This letter will serve as confirmation of the receipt of our contract for charter with the signed items acknowledging the changes. As discussed with Christi Martin, the "Term of Charter" is standard for all third generation charter schools (October 30, 1998 through July 31, 2003) irrespective of whether our charter application has a start date of fall 1999. All it means is instead of five years, our term is actually four years given our program begins September, 1999.

Should you have any questions please contact me at (214) 800-4003. Thank you for your consideration.

Sincerely,

A. Howie

Alastair P. Howie  
Executive Director