

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: Submit four copies of completed application with the proposed charter and assurances signed by the Chief Operating Officer of the School and the evidence of parent/community support to the Texas Education Agency, Document Control Center, 1701 North Congress Ave., Austin, Texas 78701. For assistance, contact the Office of Charter Schools at (512) 463-9575.

Chief Operating Officer

of Proposed Charter: Mrs. Lois Bullock Title: President

Educational Learning & Enrichment Center,

Name of Sponsoring Entity: Academy of Accelerated Learning, Inc.

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

an institution of higher education (TEC 61.003); a tax-exempt organization [501(c)(3)];

a private/independent institution of higher education (TEC 61.003); a governmental entity.

Sponsor Address: 10700 Northwest Freeway City: Houston, Texas

Zip: 77092 Phone-Number: (713) 683-0044 FAX: (713) 683-8758

Educational Learning & Enrichment Center,

Name of Proposed Charter: Academy of Accelerated Learning, Inc.

Charter Site Address: (See Appendix for Pending Site(s)) City: Houston, Texas

Zip: _____ Phone Number: _____ FAX: _____

Grade K-5 Expected Initial _____ Projected Max. _____

Levels: 9-12 Enrollment: 375 Enrollment: 750

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

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."

The Academy of Accelerated Learning will serve a total of 375 students: 200 students in its early childhood program grades K-5; and 175 students in the secondary component. The major feature of the program is its accelerated, individualized, and self-paced curriculum focused on real-life learning activities.

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

10% pre-kindergarten; special education; migrant;

90% economically disadvantaged; 2% limited English proficiency; 10% recovered dropouts;

75% at risk of dropping out;

10% pregnant or parent students; 10% other Previously adjudicated youth

The facility to be used for an open-enrollment charter school is owned by _____

a commercial entity a non-profit entity a school district.

120/01/09/98-083

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 7/10/98 10:35 AM
 701-97-028

**EDUCATIONAL LEARNING & ENRICHMENT CENTER,
ACADEMY OF ACCELERATED LEARNING, INC.**

10700 Northwest Freeway, Suite 210 • Houston, Texas 77092

Phone No: (713) 683-0044

Fax No: (713) 683-8758

January 6, 1998

Dr. Mike Moses
Commissioner of Education
State Board of Education
Texas Education Agency
1701 North Congress Avenue
Austin, Texas 78701

Dear Dr. Moses:

Educational Learning Enrichment Center (ELEC), Academy of Accelerated Learning, Inc. (AAL, Inc.) is please to submit this application for approval for a year-round open-enrollment charter school. ELEC, AAL, Inc. is proposing to serve 200 students (PK-5th grade), 175 over-aged, placed (9th-12th grade) and out of school youth (ages 16-21 dropout recovery) in Houston, Texas. Our application adheres to all of the statutory requirements and criteria adopted by the State Board of Education as set forth in the Request for Application (RFA) #701-97-028.

ELEC, AAL, Inc., qualifies as an *eligible entity* in accordance with the provisions of the Texas Education Code (TEC), Section 12.101.

- A copy of our IRS Application for Non-Profit Status is included in Appendix B of this application.
- A copy of the response from the IRS has not been received as of the date of submission of this application. A copy of the response will be forwarded immediately upon receipt.
- ELEC, AAL, Inc. is a newly formed entity. A tax return has not been filed as of the date of submission of this application.
- A list of ELEC, AAL, Inc. officers and board members are included on page 2-2 of this application.
- Criminal background checks of the officers and board members are included in Appendix D of this application.
- The Application for Approval of an Open-Enrollment Charter School is accurately completed and has been signed by the Chief Operating Officer of ELEC, AAL, Inc., Lois Bullock.
- ELEC, AAL, Inc. submitted Statement of Impact Letters to the Houston Independent School District (HISD) on December 23, 1997 to Dr. Don McAdams, President, Board of Education (Exhibit 5-1) and Dr. Rod Paige, Superintendent, HISD, (Exhibit 5-2). Confirmation of receipt is included in Exhibit 5-3 and 5-3a of this application.

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- Three pending facility agreements for proposed sites are included in Appendix E of this application.
- Evidence of parental/community support for the open-enrollment charter is included in Appendix F and Appendix G, respectively.
 - Appendix F (Parent/guardian petition in Support of Application for ELEC, AAL, Inc.) contains over 450 signatures that were obtained prior to the submission of this application.
 - Appendix G (Letters of Support) includes letters of support and commitment from the following community leaders and local businesses.
 - State Senator Rodney Ellis
 - State Representative Harold V. Dutton, Jr.
 - City Councilman Jew Don Boney (Mayor Pro-Tem)
 - City Councilman Carroll Robinson, At-Large Position I
 - Houston Community College System, Dr. Margaret L. Ford, President of Northeast College Campus
 - Houston Area Urban league, Ms. Sylvia K. Brooks
 - Houston Works-Workforce Development Network, Mr. Terry Hudson
 - Astrodome Dental Career Center, Ms. Mary Ayala
 - Youth Build Houston, Dr. Linda Gibbs
- A proposed budget for the operation of the proposed open-enrollment charter is included in Appendix C of this application.

We understand the importance of this application to Texas Education Agency, the citizens of Houston, students and parents of HISD.

ELEC, AAL, Inc. accepts the terms and conditions of the contract resulting from this Request For Application (RFA).

If you should have any questions regarding our application, please contact us at voice number (713) 683-0044, or fax number (713) 683-8758.

Yours truly,

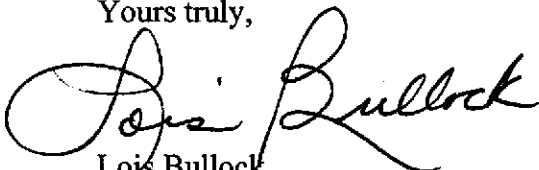

Lois Bullock
President

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EXECUTIVE SUMMARY

Executive Summary

Educational Learning and Enrichment Center, Academy of Accelerated Learning, Inc. (ELEC, AAL, Inc.) proposes to increase the capacity of the Houston community by establishing an innovative year-round open-enrollment Charter School focused on the needs of highly at-risk, inner-city youth.

ELEC, AAL, Inc. is submitting this application because there is an overwhelming need for our proposed program design in the Houston Independent School District (HISD).

HISD presently provides educational services to some 213,000 students including students from 90 countries. It is the largest school district in Texas and the fifth largest in the United States. The percentage of minority students is steadily increasing as job seekers, immigrants, and undocumented aliens are drawn to Houston. As reflected by Chapter I free and reduced lunch statistics, the number of HISD students from lower socioeconomic status increases annually. At present, the economically disadvantaged student enrollment is 55.3 percent. The district mobility rate is an alarming 38.2 percent. In 1996-97, HISD identified 59,000 limited English proficient students and approximately 60 home languages.

The proposed Academy for Accelerated Learning will have two distinct components:

- 1) The Early Childhood Component which will provide educational services for 200 students ages 4-10 in an environment based on exemplary early childhood programs such as the Head Start Program, and successful practices such as those outlined in the National Association for the Education of Young Children (NAEYC) guidelines (Exhibit I - Page iii); and
- 2) The Overage, Placed, and Out of School Component which will provide educational services for 175 highly at-risk students ages 16-21 offering various pathways to complete secondary education and begin post-secondary initiatives (Exhibit II - Page iv).

It is anticipated that many of the school's students will have familial ties, such as parent/child or sister/brother.

The program design is characterized by an integrated curriculum, interdisciplinary activities, alternative assessment, heterogeneous grouping, flexible organizational patterns, and thematic and individualized instruction. Curriculum in both components will be accelerated allowing students to progress at their own rate of speed. The design is further enhanced by the integration of school-to-work facets integrated with academic learning experiences for all students. Starting in kindergarten, students will participate in activities designed to show relationships between the academic world and the world of work. The secondary student will be provided with job training skills, internships, and actual work experience. All courses of study are designed to facilitate responsibility, self-esteem, and high academic achievement.

The school will be governed by a nine-member Board of Directors who are representatives of the school community. An on-site Advisory Committee comprised of school staff, parents, students, and community members will make decisions that determine priorities, develop strategies for meeting the needs of students, and expectations for student performance.

In order to guarantee a high degree of accountability, the teaching philosophy and methodology will focus on mastery learning techniques. A case management system will be implemented to provide additional resources necessary to meet sociological and physiological needs for students and their families. Job placement assistance will be available for all secondary students. The school guarantees that any child enrolled in the Early Childhood Program for two or more years will meet or exceed minimum requirements on TAAS subtests. Additionally, in the secondary component, any student enrolled for two or more semesters will meet or exceed expectations on the age-appropriate grade level TAAS, or after four semester pass the Exit level TAAS, or GED.

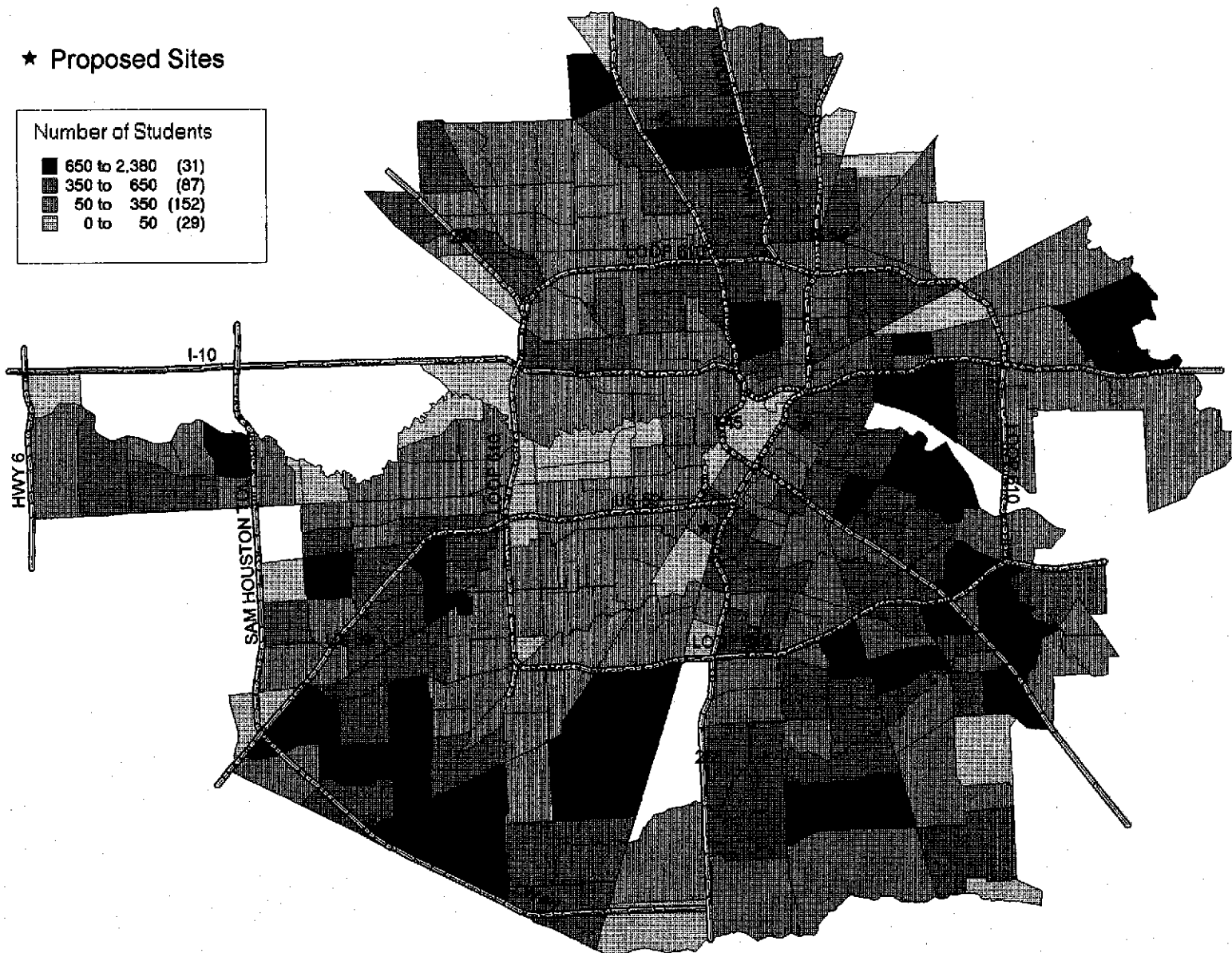
With high expectations for all students, ELEC, AAL, Inc. will serve as a national model demonstrating the power and viability of community-based alternative education programs.

EXHIBIT I

NUMBER OF HISD STUDENTS GRADES K-5TH BY CENSUS TRACT 1997-98

★ Proposed Sites

Number of Students	
■	650 to 2,380 (31)
▒	350 to 650 (87)
░	50 to 350 (152)
□	0 to 50 (29)

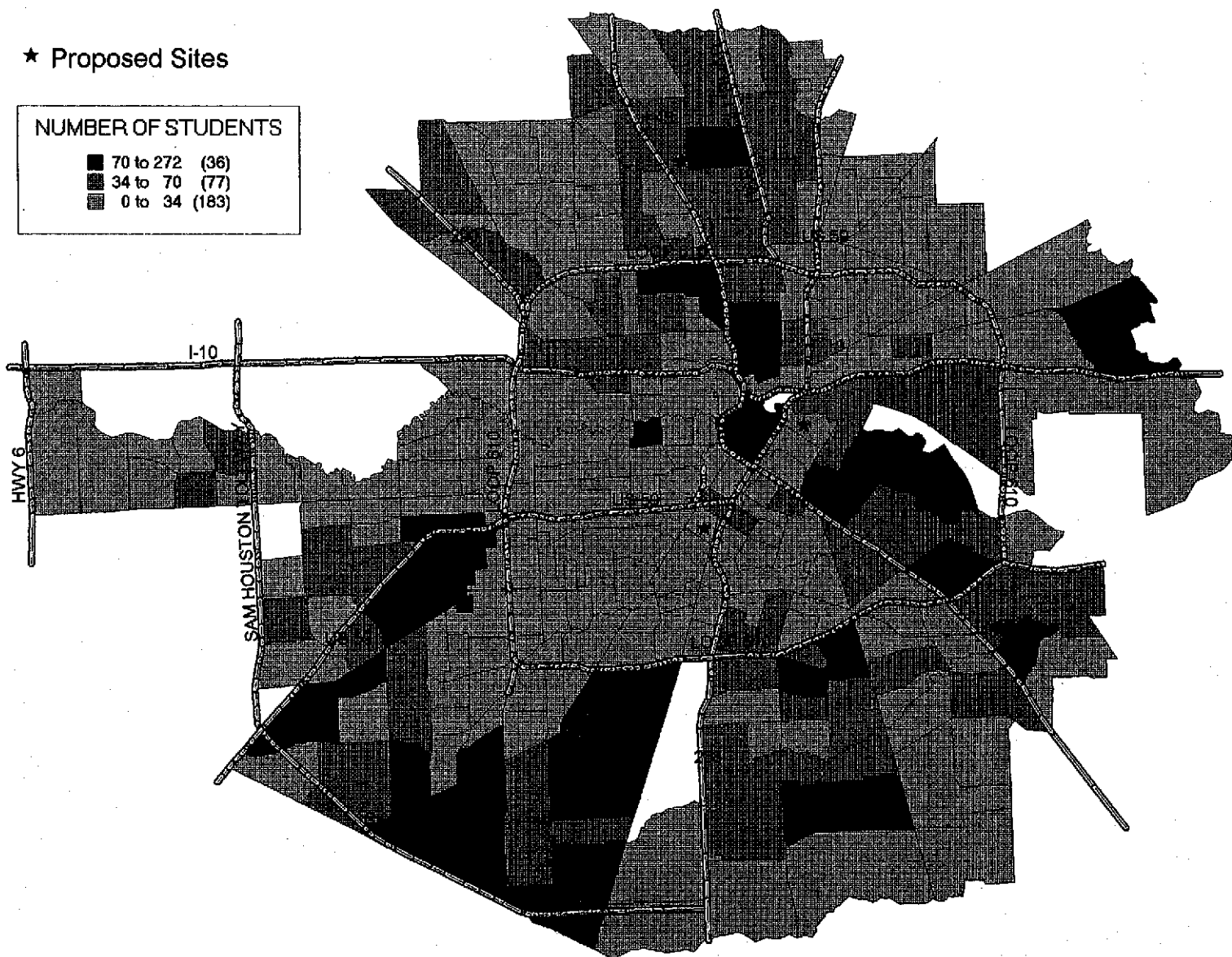
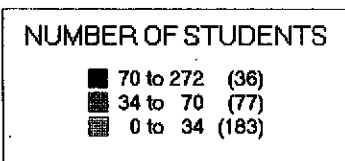


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EXHIBIT II

NUMBER OF PLACED 9TH GRADE AND OVERAGE HISD STUDENTS
GRADES 9-12TH BY CENSUS TRACT 1997-98

★ Proposed Sites



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VISION AND GOALS

SBOE District 4

AGREEMENT BETWEEN
EDUCATIONAL LEARNING & ENRICHMENT CENTER
ACADEMY OF ACCELERATED LEARNING, INC.
THE TEXAS STATE BOARD OF EDUCATION
TO OPERATE AN OPEN-ENROLLMENT CHARTER SCHOOL

Educational Learning & Enrichment Center, Academy of Accelerated Learning, Inc., (ELEC, AAL, Inc.), agrees to operate a year-round open-enrollment charter school described below in accordance with the provisions described within this AGREEMENT and the attached assurances.

1.0
Vision and Goals

As the nation is working to reform K-12 education and build restructured systems to prepare all students with the high-level academic and technical skills needed to succeed in the 21st century, the Board of Directors of ELEC, AAL, Inc. have focused on researching the best practices emerging from reform efforts across the country to develop an improved learning environment for children and youth in the Houston area.

Vision:

Our vision is to develop an accelerated learning environment that clearly charts a path for empowerment for primarily at-risk students to become tomorrow's problem solvers, thinkers, and leaders through participation in a wide variety of educational experiences appropriate to their age, interests, and needs. Our school staff will be encouraged to be innovative and will be given vehicles to plan, develop, and implement programs and activities that foster responsibility, academic achievement and lifelong learning in a safe and nurturing environment.

Major Goal:

The major goal for ELEC, AAL, Inc. is to become, by the year 2005, a national model of alternative community-based educational program through the development of a total quality learning environment that prepares primarily at-risk students for a changing world.

Specific Goals:

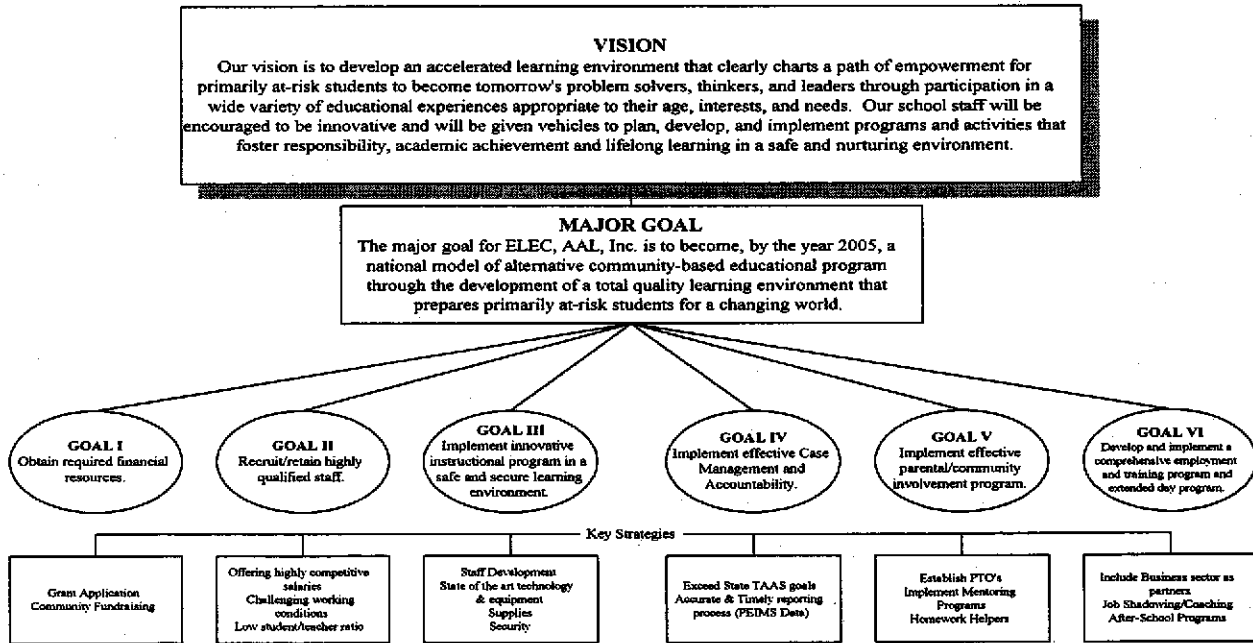
- To acquire equipment, resources and facilities conducive to the creation of a positive learning environment.
- To recruit and retain a highly-qualified, committed, and sensitive faculty.
- To design a motivational instructional program that encourages student participation and provides opportunities for students to work at different levels.
- To design a case-management system that identifies and provides appropriate assistance to enable students to complete their course of studies.
- To design a parental involvement program where parents take an active role in the educational lives of their children.
- To develop programs which extend beyond graduation to job placement, vocational training, college enrollment, and life-long learning.

The Board has written and approved the vision and mission of the school.

As a year-round accelerated school, ELEC, AAL, Inc. will provide its students with an exciting and dynamic environment in which the entire school focuses on bringing all children into the educational mainstream. Empowered students, teachers, and staff will be energized and enthusiastic about the teaching/learning process.

Exhibit 1.0-1 provides an illustration of ELEC, AAL, Inc.'s vision and goals for the open enrollment charter school.

Exhibit 1.0-1 ELEC, AAL, Inc., Inc. Vision and Goals Illustration



**GOVERNANCE, STAFF
AND
PARENTAL INVOLVEMENT**

2.0

Governance, Staff and Parental Involvement

2.1 Description of Governing Structure

The governing structure of ELEC, AAL, Inc. includes a nine member Board of Directors who have the educational background, academic credentials, business acumen, and enhanced sense of community to perceive the need for a reformed educational environment for at-risk children and youth.

ELEC, AAL, Inc. Board of Directors will represent a diverse multicultural segment of the community drawn together by a common interest in the education of at-risk children and youth. Future board members will be chosen from those in the community with like interests and compatibility of vision. This course of action will ensure that there will be continuity between the organization's vision and that of the initially established Board of Directors.

Board Composition:

Initial board members have been selected by the proposed Chief Administrator. Brief biographical information about each of the initial board members follows:

Mrs. Lois Bullock, a Black female, is a former educator. She is the Owner and Executive Director of ELEC, AAL, Inc. Mrs. Bullock is active in numerous civic activities. Her expertise in fund raising is well-known in the community, and she will use these talents to ensure that ELEC, AAL, Inc. remains financially stable and able to meet the special needs of students. **Mrs. Bullock will serve as President of the Board.** For the past 13 years she has served as the Executive Director of the Educational Learning & Enrichment Center, Inc. (ELEC, Inc.), a for-profit full service employment training agency. Under her leadership, the organization has been cited as a model for excellence, and garnered many awards.

Ms. Juana Sandavol, a Hispanic female, has over 25 years of accounting and auditing experience with for-profit and non-profit organizations. **Ms. Sandavol will serve as Treasurer of the Board.**

Ms. Rhodia Moore, a Black female, has a degree in Business Management. She has many years of experience in administrative management. **Ms. Moore will serve as Secretary of the Board.**

Dr. Janice Beal, ED. D., a Black female, is the owner of Beal Counseling Associates in Houston, Texas. Her company provides psychological counseling including individual, group and family therapy. The firm specializes in children and young adults. Dr. Beal has numerous years of experience as a psychotherapist, providing treatment for children ages 1-21 who have been diagnosed with varying degrees of emotional, behavioral, and personality disorders. She will be invaluable in providing expertise for developing resources for family and student service

plans. **Dr. Beal will also provide professional training for staff in understanding the mental health needs of students.**

Dr. George Yorke, a Black male, has over 18 years experience in developing business systems. Dr. Yorke will provide leadership in and training for employees and staff as well as monitor the business transactions of the school.

Mr. James Bullock, a Black male, is a professor of Law at Texas Southern University. His area of specialty is Contracts. Mr. Bullock will provide legal counsel to the Board, and provide leadership in developing admissions policies.

Mr. Isaac Ledesma, a Hispanic male, is a current employee with ELEC, Inc. He has experience in gathering and providing the data needed for reporting to the state. Mr. Ledesma will provide leadership in the submission of Public Education Information Management System (PEIMS) data and other reports generated by the school.

██████████, a ██████████, is a parent who has had extensive work experience in counseling and working as a job developer. ██████████ experience will be shared with school staff in workshops, professional development training, and in providing contacts with the business community in providing job placement assistance.

Ms. Sharon Murphy, a Black female, is co-owner of a Houston, Texas-based management consulting firm with significant consulting experience in public education (K-12), higher education, state and local government agencies, non-profit organizations and the private sector that spans 17 years. Ms. Murphy will be an asset to the ELEC, AAL, Inc. board of directors because of her educational consulting experience. During the past six years, Ms. Murphy has worked on more than 15 education-related consulting projects, serving in a project management role on many of these engagements. Additionally, Ms. Murphy has considerable experience in financial management and business and strategic planning.

Mrs. Lois Bullock
Board President
3704 South MacGregor Way
Houston, TX 77021

Ms. Juana Sandavol
Board Treasurer
2102 Althea
Houston, TX 77018

Ms. Rhodia Moore
Board Secretary
7814 Candle Lane
Houston, TX 77071

Dr. Janice Beal, ED.D.
Board Member
7505 Fannin Street, Suite 520
Houston, TX 77054

Dr. George Yorke
Board Member
10219 Sagegreen Drive
Houston, TX 77089

Mr. James Bullock
Board Member
3704 South MacGregor Way
Houston, TX 77021

Mr. Isaac Ledesman
Board Member
3233 Mangum Road #165
Houston, TX 77092

██████████
Board Member
██████████

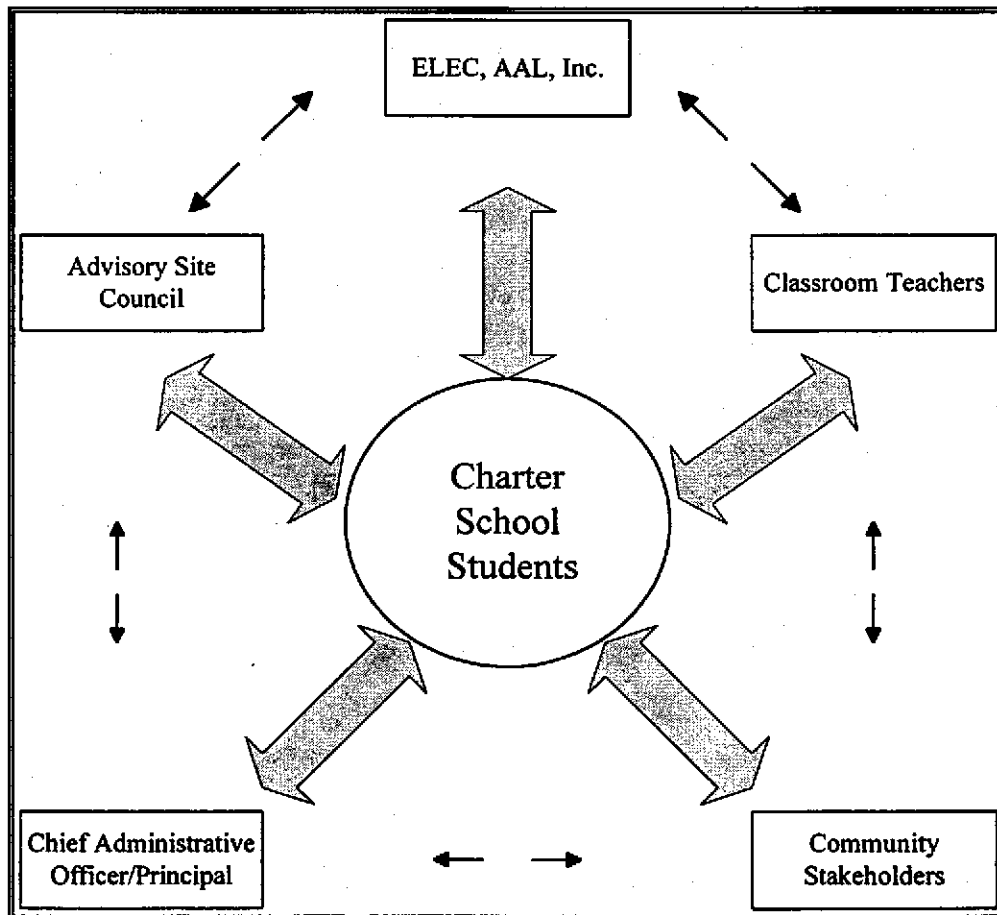
Ms. Sharon Murphy
Board Member
9800 Pagewood Lane #2101
Houston, TX 77042

Advisory Council

The nine member Advisory Site-Council made up of three parents, two teachers, two community members, and two students will be chaired by the chief administrative officer/principal. Members of the Council will meet to discuss the needs of the school and will work along with the Board and have a say in defining the school priorities. Members of the Council will be involved in setting the school policy. Overall responsibilities will include brainstorming and researching to provide input on various methods for meeting the needs of students, expectations for student performance and providing specific resources and other support for the school as it develops and implements new strategies. Decisions and activities planned by the Council will be made through consensus.

Exhibit 2.1-1 illustrates how the entire school community will interact with each other.

**Exhibit 2.1-1
Campus Administration and Stakeholders Interaction Model**



Other responsibilities will encompass:

- involvement in teacher recruiting, selection, and development;
- brokering information, professional knowledge, and programs that can help staff accomplish school goals;
- providing assistance in finding professional development and training opportunities;
- becoming entrepreneurs for additional resources;
- assisting in modifying and expanding the school vision;
- fostering a culture that supports shared decision-making and collegial approaches to school actions; and
- developing a reward structure that provides meaningful intrinsic and extrinsic rewards for the efforts of teachers.

School Board Selection Process

Initial charter school board members will be selected by the proposed school's Chief Administrator. (Initial board members proposed were shown under the Board Composition section).

Initial charter board members will be requested to serve on the board for a two year period. At the end of the two year period, one-third of the board members will have the option to rotate off the board, if desired. The Chief Administrator for the school will be responsible for replacing outgoing board members or board members that vacate their position prior to the end of their term. New board members will be appointed based on the educational, management, and business expertise most needed on the board. All remaining board members will vote on the approval of subsequent board members.

Board Responsibilities

Board members are critical to the success of the charter school. Initial board responsibilities are outlined below:

- Adopt rules and bylaws necessary to govern and oversee management of ELEC, AAL, Inc.
- Acquire and hold real and personal property, sue and be sued and receive bequests and donations and other money or funds.
- Dispose of property no longer necessary for the operation of the school district.
- Prepare, adopt and file a budget for the next fiscal year and file a report of disbursements and receipts for the preceding fiscal year.

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- Have district accounts audited following the close of each fiscal year, ELEC, AAL, Inc., by a Texas certified public accountant or public accountant holding a license from the Texas State Board of Public Accountancy.
- Board training will be required of all board members.
- Approve ELEC, AAL, Inc. developed plan for site-based decision-making (SBDM) and provide for implementation.
- Publish an annual report describing ELEC, AAL, Inc. educational performance, including campus performance objectives and the progress toward the objectives.
- Retain all powers and duties not specifically delegated by statute to the school board or the State Board of Education.

The parent nonprofit and the school board is the same entity. A policy manual is currently being developed. Proposed completion date is May 1, 1998.

Board members will be insured.

Board Meetings

Regular board meetings will be held at the school site on the third Thursday of each month and will be open to parents and community members. Regular board meetings will start at 6:30 p.m. Parents and community members will be invited to participate in a public forum session (about 30 minutes in duration) at the beginning of each regular board meeting so that issues of interest and concern can be expressed. A special board meeting will be held at 5:30 p.m. on the third Tuesday of each month prior to regular board meetings so that board members can review pertinent information and discussion items.

The Chief Administrator will be responsible for coordinating regular and special board meeting agendas. Each board member will be allowed to place items on board agendas. Both agendas and supporting materials will be delivered to each board member on the Friday afternoon before the week of the board meetings. **Meetings will follow the Open Meetings Act and the Open Records Act (TEC), Chapters 551 and 552.**

Please Note: The State Board of Education and the Texas Education Agency (TEA) should address its correspondence to:

Ms. Lois Bullock, President
ELEC, AAL, Inc.
10700 Northwest Freeway, Suite 210
Houston, TX 77092

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2.2 Administrators and Faculty

The following administrators will be at-will employees. The positions to be filled include:

Administrative Assistant (1)
Secretary (1)
ADA Clerk (1)
Teacher's Aides (5)

Duties:

Administrative Assistant

- Sets up and maintains files and record management systems; researches files to compile reports
- Types confidential letters and memoranda for administrative personnel.
- Composes reports, correspondence, memoranda; compiles graphical and statistical reports for administrative personnel.
- Performs bookkeeping and accounting procedures as assigned.
- Takes and transcribes dictation; answers telephones and takes messages.
- Schedules appointments and greets public.
- Arranges meetings for administrative personnel.
- provides administrative support to supervisors.
- Performs any task associated with equal or lower graded job classification as assigned.

Secretary

- Compiles and maintains student information folders or other information relevant to supervisor's assignment; participates in planning functions.
- Acts as information source to administrators an/or students on organizational policies and procedures.
- Composes required administrative reports; makes detailed analyses.
- May keep receipt and deposit information, post to appropriate journal, decide on proper disposition of resources.
- May have functional responsibility for a portion or a section of work in the department.
- May provide guidance or direction to other clerical employees.
- Answers telephones and takes messages.

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ADA Clerk

- Gathers information and maintains records of student activities.
- Extracts information from documents for reports for district or administrative use.
- Reconciles information or verifies data.
- Processes documents for entry into computer or report format.
- Composes routine correspondence.
- may have functional responsibility for a portion or section of work in the department.
- Performs other duties associated with equal or lower graded job classification assigned.
- Answers telephones and takes messages.

Teacher's Aide

- Maintains records of student activities and posts information for reports.
- Prepares reports from provided information and forms.
- Answers telephones, duplicates materials, uses equipment and runs errands as assigned.
- May make simple mathematical calculations.
- May assist students with use of materials or location of information.
- May provide first aid care.
- Performs other duties associated with equal or lower graded job classification as assigned.

Please refer to Exhibit 2.4-1, Governance/Organization Model.

There will be a written appeals process for administrators and faculty.

Lois Bullock, President of ELEC, AAL, Inc. will serve as Board President and Chief Administrator. ELEC, AAL, Inc. will have a nine member Advisory Council composed of three parents, two teachers, two students, and two community partners to share in the site-based management decision-making process. **Please see Exhibit 2.1-1 and 2.4-1.** The actual role, responsibility, and authority is discussed on page 2-3 and 2-4.

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2.3 Students and Parents

Parents, students, community members, teachers, administrators and school staff will share in the decision-making and leadership of the school.

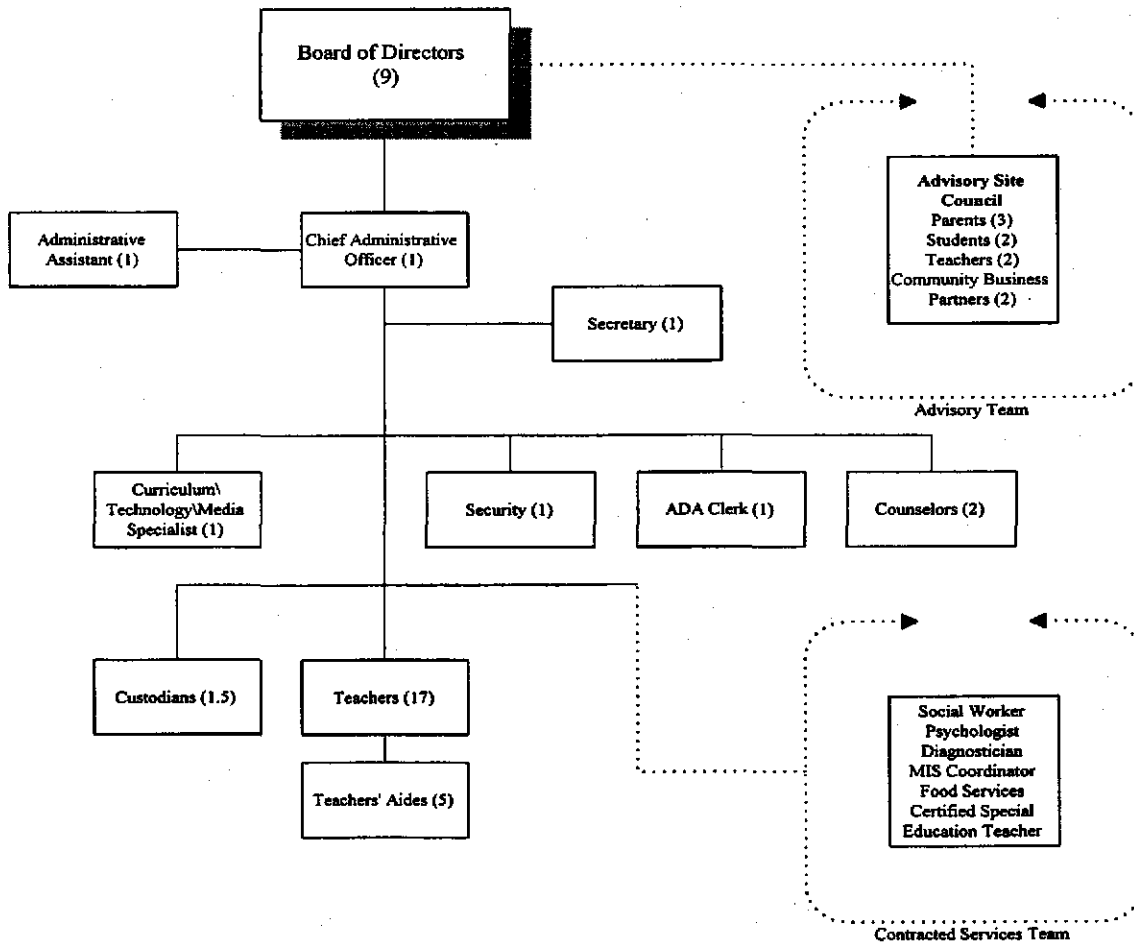
There are plans for a student leadership group in both the elementary and secondary components.

Parent groups will be formed to establish strong linkage with the school and community. The parents will be heavily involved in the overall operations of the school.

Exhibit 2.4-1 shows the relationships between the different entities involved in the school and the line of authority. The board has written and approved the vision of the school.

2.4 Governance/Organizational Model

**Exhibit 2.4-1
Governance/Organizational Model**



EDUCATIONAL PROGRAM

3.0

Educational Program

The educational program will provide service to students who are at critical points in their educational tenure: **at-risk children age four through 10, who are just entering the educational arena; and over-aged, placed (9-12), and/or out-of-school youth (dropout recovery 16-21) who have reached a plateau in their educational progress.** It is anticipated that many of the students will have familial ties, such as parent/child, or sister/brother.

The target population, drawn from inner-city Houston, will be racially diverse, largely minority and low income, and reflective of the general population of the city. The majority of the students will have societal and economic factors necessitating the use of specific learning models and adherence to specific educational theories. Models that will be used extensively include the Social Development Model (Hawkins, Lishner & Catalano, 1985) and the Social Learning Theory (Bandura, 1977; Akers 1985). From this perspective, the educational program at ELEC, AAL, Inc., will strengthen social bonds between students and institutions such as the school and peer group, provide opportunities for attachment and involvement in relevant educational activities and curricula, support the acquisition of skills for success in traditional and non-traditional educational settings, and provide a consistent discipline management system that leads to appropriate conduct.

Exhibit 3.0-1 demonstrates the relationship between risk factors and strategies that will be used.

Exhibit 3.0-1
Proposed Strategies to meet Students Needs

Risk Factors	Related Needs	Strategies
<ul style="list-style-type: none"> Community norms favorable to deviant behavior. 	Need to feel safe. Need for identification. Pro-social skills.	Attitude assessment. Curriculum to include pro-social skills training and decision making.
<ul style="list-style-type: none"> Family history of problem behaviors. 	Consequences for behavior. Encouragement for achievement.	Parent education. Social Services.
<ul style="list-style-type: none"> Family conflict and management problems. 	Encouragement for achievement.	Family Service Plan.
<ul style="list-style-type: none"> Early academic failure. 	Structure	Predictable environment.
<ul style="list-style-type: none"> Lack of bonding to school. 	Relevant curricula. Opportunities for success. Reinforcement of successes.	Clear rules and consequences. Individualized instruction when necessary.
<ul style="list-style-type: none"> Poor attitude. 	Opportunities for success.	Educational assessment.
<ul style="list-style-type: none"> Early onset of problem behaviors. 	Structure learning environment. Self-esteem. Relationship with consistent caring adults.	Anger management. Pro-social skills. Decision making. Individual and group counseling.

The proposed program is designed in such a manner as to provide students with positive school experiences which will enhance attachment and bonding to the school and promote academic progress.

The Goals 2000 Educate America Act, enacted by Congress in 1993 as well as the School-to-Work Opportunities Act of 1994 have a strong influence on the design of the educational program at ELEC, AAL, Inc. The center piece of both legislative acts contains a mandate for reforming the way teachers teach and students learn. The reforms will be interpreted into a comprehensive, coherent system that engages all students in the life-long acquisition of knowledge, skills and attitudes necessary to pursue meaningful, challenging and productive career pathways into high-skill, high-wage jobs.

The educational program will be designed to:

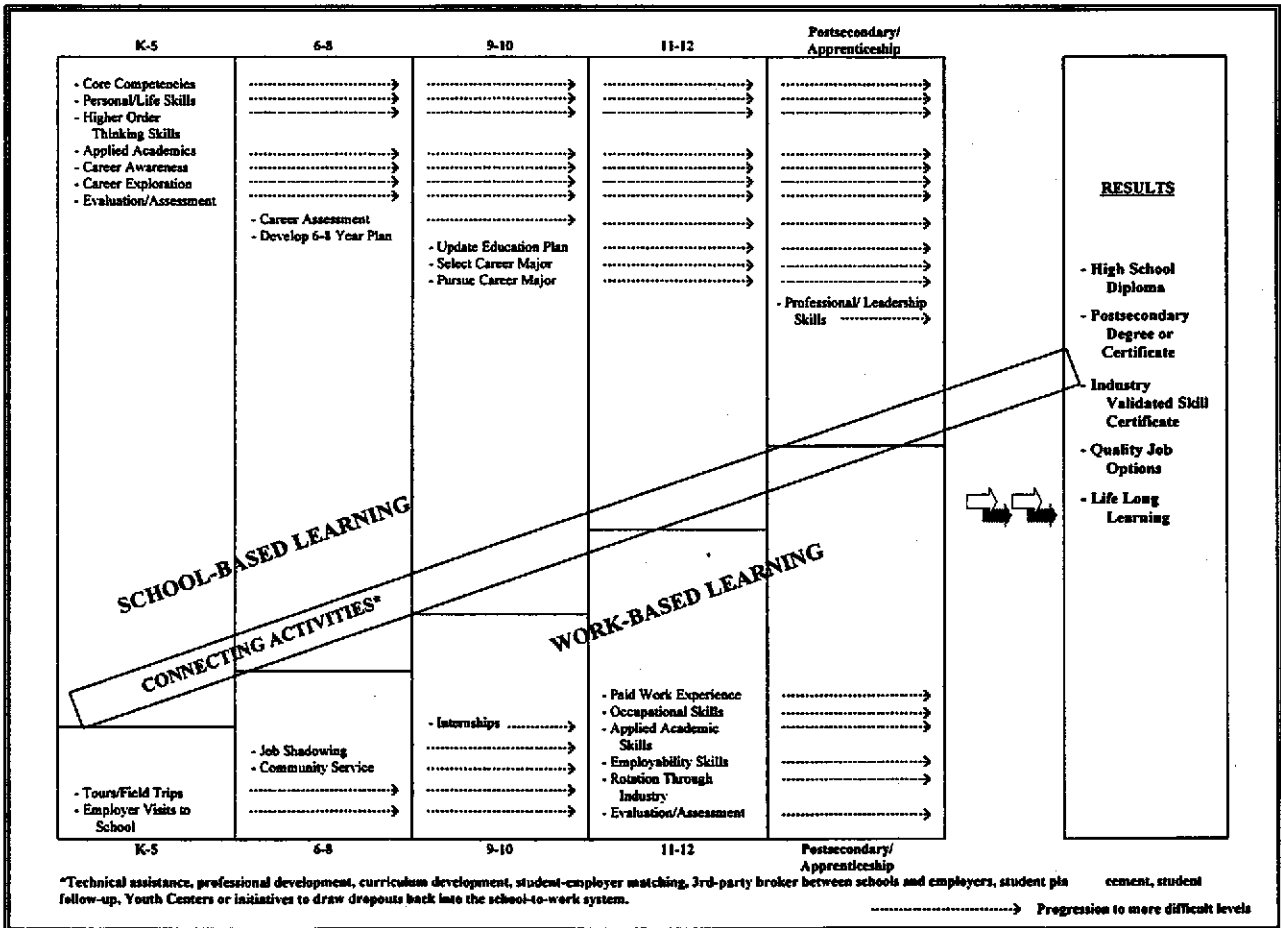
- recognize the unique needs and potential of every youth to achieve and benefit from challenging programs of study with high academic and skill standards;
- expose all youth to the range of career options that correspond with each individual's interests, skills and goals, as well as the career pathways to reach them; and
- integrate into the curriculum a sequence of learning experiences which will equip students for work and post-secondary education.

This design mandates curriculum innovation at all levels. Although the curriculum will be based on the Texas Essential Knowledge and Skills (TEKS) and will serve as a foundation of what students need to learn, teachers will be encouraged to research and test new instructional methodology consistent with the mission and educational design.

The design is characterized by an integrated curriculum, interdisciplinary activities, regular TAAS assessment, heterogeneous grouping, flexible organizational patterns, and thematic and individualized instruction.

The ELEC, AAL, Inc. program design includes some feature of a school-to-work model developed by the Texas Council on Workforce and Economic Competitiveness (TCWEC). The following chart shows how career pathways and career readiness begins in the early years and continues throughout a student's schooling.

Exhibit 3.0-2
Program Design-Infusion of School-To-Work principles in the Curriculum
Texas School-To-Work Opportunities System



Source: Texas Department of Commerce Workforce Development
 Permission for use granted March 3, 1994.

3.1 Component I - Early Childhood/Elementary Program

A. School Population

ELEC, AAL, Inc. will provide educational services to 200 low-income, inner-city students, primarily economically disadvantaged and at-risk, between the ages of four and 10 in the Early Childhood/Elementary Program. Reasonable accommodations will be provided to meet the needs of special populations, if enrolled, such as Special Education, Dyslexia, etc.. ELEC, AAL, Inc. will contract someone with Special Education certifications on an as-needed basis.

B. Curriculum

The Early Childhood/Elementary component will be based on exemplary early childhood programs such as the Head Start Program, and successful practices such as those outlined in the National Association for the Education of Young Children (NAEYC) guidelines.

Resources for implementation of the curriculum will include Grade-Appropriate Planning Guides, the state adopted learning systems, and other early childhood publications.

Using an integrated approach to planning and implementing instruction, curriculum goals will focus on the student being able to:

- develop a positive self-concept and attitude towards learning, self control, and a sense of belonging;
- develop a curiosity about the world, confidence as a learner, creativity and imagination, and personal initiative;
- develop relationships of mutual trust and respect with adults and peers, understand perspectives of other people, and negotiate and apply rules of group living;
- understand and respect social and cultural diversity;
- become literate and gain satisfaction from reading and writing;
- represent ideas and feelings through play, dance, drama, music, art, and construction;
- acquire knowledge of and appreciation for the fine arts, humanities, and sciences;
- acquire basic physical skills, both gross motor and fine motor; and
- gain knowledge about the care of their bodies and maintain a desirable level of health and fitness.

Classrooms will be arranged in learning centers large enough for several children to work together comfortably or independently. These centers will support learning in reading/language arts, mathematics, science, social studies, and fine arts, and will address physical development as

well as social and emotional development. Children will be engaged in active problem-solving experiences that develop critical thinking skills, and that are concrete and relevant to their learning.

Located with each learning center will be a variety of activities, materials, and equipment for a range of development stages.

In keeping with the program design, the curriculum will provide an environment where students see connections between school and the real world. Children will participate in experiences and learning activities that connect the world of work and their academic experiences. This will be facilitated through frequent tours of work-place sites, academic lessons integrated with career awareness and career exploration, and classroom visits from community employers and role models.

Formal assessment such as criterion referenced achievement tests and normative standardized tests will be used to generate data that can be aggregated.

Each student will be given a nationally recognized test at the beginning of the year to be used as a benchmark.

Assessment will be integral to curriculum and instruction and will entail observing, recording, and documenting the work of students. Informal types of assessment, such as teacher-made tests and analysis of work samples will be done systematically and will be the primary form of assessment to ensure that teaching and assessment are complimentary.

C. Attendance

Strong emphasis will be placed on regular school attendance. Curriculum innovations and the ability to progress at one's own pace will encourage and stimulate excellent attendance. **The overall attendance goal for all students in the early childhood component is 90%.**

3.2 Component II - Over-aged, Placed, and Out of School Youth/Secondary Program

A. School Population

This component of ELEC, AAL, Inc. will serve 175 overage, placed students, grade levels 9-12 and out of school youth dropout recovery (16-21) students with a flexible, individualized approach. Reasonable accommodations will be provided to meet the needs of special populations, if enrolled, such as Special Education, Dyslexia, etc. ELEC, AAL, Inc. will contract someone with Special Education certifications on an as-needed basis.

The two innovative strategies that will be used to support the needs of the at-risk student are: 1) the open entry system where students can enroll and start virtually any weekday of the year; and 2) an independent study program where students "can tailor the time and pace to meet personal needs or work schedules."

B. Curriculum

In this component students will be provided with a nurturing, caring, and intensively/ challenging instructional environment that will help improve students attitude toward learning, class attendance, and subsequently improve their academic performance. Long-range goals outcomes include reduced dropout rates, and increased graduation rates.

Curriculum at ELEC, AAL, Inc. will be performance-based and accelerated, as well as aligned with the state framework requirements and the high-school graduation requirements. Instruction delivery will be based on educational research, including a Texas Education Agency (TEA) study which indicates that teachers get the best learning outcomes from students in a learning environment characterized by:

- classroom activities that are student-initiated, student-directed, and activity based;
- instructional activities that focus on problem-solving;
- teaching and learning activities that are tailored to meet the learning style of each student and based on activities and materials that are real, concrete, and relevant;
- activities that are regularly assessed through multiple and diverse methods, including portfolios; and
- teaching that is interdisciplinary and involves all students through cooperative activities.

Strategies will include cooperative learning which is based on the premise that when students work interdependently on school tasks with common objectives, cross cultural attitudes and relations are enhanced and academic achievement improves. ELEC, AAL, Inc. teachers will use this strategy to foster pro-social behavior as students learn from and teach each other. Cooperative learning will require that students use interpersonal and group skills. This will provide students with the feeling that they need each other to complete the group's task.

Critical components of the curriculum will be a focus on reading and mathematics to ensure that participants acquire the skills required for transition to high school, post-secondary studies, General Equivalency Diploma (GED) preparation and beyond. In accordance with the Texas Education Code §28.001 students will also receive instruction in science and social studies and enrichment courses. In addition, a strong English as a Second Language (ESL) curriculum and Spanish for Spanish-Speakers and Spanish for Non Spanish Speakers curricula will be included when needed.

To meet the economic needs of students, career awareness, exploration and counseling, and job skills training will be an integral facet of the curriculum. Routinely, teachers will plan together in interdisciplinary teams to show connections between subjects and to integrate academic lessons with lessons learned in the workplace. Workplace personnel will be recruited to assist in teaching courses and in planning relevant lessons and courses.

Sample Core Instructional Sequence

9th Grade

English I
English as a Second Language
Integrated Science I
U. S. History
Spanish for Non-Spanish Speakers
Algebra

11th Grade

World Literature A (Dual Credit)
U. S. History from 1877
Geom. or Algebra (Dual Credit)
Chemistry
Foreign Language
Fine Arts

10th Grade

English II
English as a Second Language
Integrated Science II
U. S. History
Spanish for Non-Spanish Speakers
Geom.; Business Mathematics

12 Grade

British Literature (Dual Credit)
Government/Economics
Pre-Calculus, Calculus (Dual Credit)
Environmental Science
Other Electives

No matter which course of study the student decides to pursue, all learning experiences will be designed to enable every student to meet the highest academic standards. At the end of their tenure at ELEC, AAL, Inc., secondary students will be able to enter the workplace or matriculate in a post-secondary institution or both as they will possess the skills to do both,

In keeping with the option of providing pathways to post-secondary studies, students will be provided with opportunities to enroll simultaneously at the Houston Community College System for dual-credit academic courses depending on interest and ability. Depending on specified need, the student may choose from enrichment courses including fine arts, GED Preparation, Career Exploration, and Job Training Skills.

Each teacher will have a maximum teaching load of twenty children. This will provide a low pupil-teacher ratio suited for positive teacher/student interaction, and individualized attention.

Technology will be used as a major tool for delivery of instruction and management, and as a powerful support for learning skills through inquiry and problem solving. Using the state of the art PLATO interactive learning curriculum, staff will be able to:

- Establish and maintain clear standards for what learners must know and be able to do.
- Implement assessment to ensure that learners are meeting the highest academic standards.
- Align curriculum and instruction to standards.
- Prepare learners to reach high standards.
- Support lifelong learning.

This powerful resource has been specifically designed to meet the needs of young adult and adult learners. The comprehensive scope and sequence of PLATO courseware spans a broad range of subject areas, with each course targeted to specific competencies and skill levels.

It addresses a wide-range of program and learner needs and is ideally suited to a variety of learning situations, such as dropout prevention, school-to-work programs, adult basic education, GED preparation, developmental studies, employment preparation programs, and workplace training programs.

The use of PLATO curricula, courses, modules, and lessons will be consistent in design and comprehensive in scope. The modular structure of PLATO courseware will allow instructors to customize instruction to meet individual learner needs. It will be integrated into the instructional program using several of the following strategies:

- as a primary resource, with the instructor's role as that tutor, counselor, and manager;
- as a supplement to classroom learning, providing additional instruction and practice; or
- as a complement to classroom learning, to address the individual and special needs of learners.

ELEC, AAL, Inc. has PLATO license for 100 computers.

Participants will encounter a variety of instructional strategies as they work on their individual learning paths. Assessment strategies will identify needs and focus learning. Application and simulation lessons will encourage critical thinking, reasoning, and problem-solving. Life skills lessons will apply learned skills to real life situations. Basic concept lessons foster understanding. Skill exercises foster proficiency.

A wide-range of learning experiences will encompass career orientation and exploration and the integration of basic skills into academic content. This strategy will be important in helping students to understand the relevance of the academic skills. Partnerships with local post-secondary institutions, community-based training and job placement organizations will be developed so students with a need will have opportunities to receive certificates and degrees, and/or can be actively employed.

Students will have four semesters in which to master eighth-, ninth-, and tenth grade skills. Students who fail to successfully complete skills needed to enter high school within the four semester time-frame will be referred to ELEC, AAL, Inc.'s GED program.

Student progress in this component will be determined not only by what students know but what they are able to do, as well. Assessment strategies used to measure students' academic and skill development will include self/peer evaluations, portfolios, observations, conferences, videos, performances, interviews, and exhibitions of mastery.

Attendance

Regular attendance will be necessary for students to achieve their maximum potential. Numerous opportunities for success, relevant curriculum, and opportunities to chart one's career will motivate students to be regular in attendance. **The attendance goal for this component is 85%.**

3.3 Extra Curricular Activities

The arts will play a significant role in the ELEC, AAL, Inc. educational program. The philosophy of incorporating the arts into each student's educational experience is that it supports the educational attainment of a diverse population. In the elementary program, music and theater will give students opportunities to develop and display their creative ability. On the secondary level, the arts will build on academics to encourage thinking skills and lifetime creative abilities. Based on research, participation in artistic endeavors results in increased achievement, school retention, and development of feelings of self-worth.

3.4 Parental Involvement Program

A critical component of ELEC, AAL, Inc. will be the involvement of parents in their children's learning experiences. The ELEC, AAL, Inc. philosophy is that parental involvement is the basis on which education can and must be built. Staff will actively work towards creating good relations with parents and providing opportunities for their involvement in the school setting.

A wide range of parental involvement activities will foster partnerships with the home.

We have developed a community outreach plan to solicit parental participation. We will establish a committee which includes campus administrators, teachers, parents and representatives from the community including business leaders and community stakeholders to develop an extensive parental involvement program. Educational research shows that there is a direct correlation between parental involvement and academic performance. ELEC, AAL, Inc. will aggressively conduct parental involvement outreach activities geared toward the parents of the at-risk students enrolled in our school. Key components of our parental involvement outreach program includes:

- Identifying specific parents and community groups such as businesses, churches, service organizations, colleges and diverse ethnic groups that will agree to become involved in the perpetuation of the goals of our school.
- Developing strategies for these parents and community groups to become more involved in campus activities; and

- Establishing guidelines for notifying the parents and community groups of campus events and include the dates and methods for distributing information to parents and community groups.

In-School Volunteer Activities

Parents will be encouraged to help in classrooms. This includes assisting teachers with preparation of classroom materials, one-on-one tutoring with students who are experiencing difficulties, communicating with other parents on matters of school attendance, and involvement in the educational and career development plans for their children.

Workshops, seminars, and other activities will focus on helping parents to feel proficient enough to support their children. Regularly scheduled workshops on topics such as "Parenting Skills" and "Positive Discipline" will enable parents to support their children more effectively at home. Other activities such as "Raising Readers" and "Mega Skills" will emphasize strategies and activities that teach parents how to help their children succeed.

Family Literacy Activities

Because parent literacy will affect the academic success of the students, if the parent is not a student at the school, the staff at ELEC, AAL, Inc. will work with local literacy groups to provide parent literacy programs on-site.

3.5 Discipline Management Plan

Discipline management at ELEC, AAL, Inc. will focus on self-discipline, responsibility, cooperation, and problem-solving skills. A prominent feature of the plan will be the use of class sessions where teachers and students learn to see every problem as an opportunity for learning. Students learn to find non-punitive solutions to any problem that is brought to the agenda. Students will feel involved in problem solving, and feel a sense of belonging and significance that motivates them to follow guidelines they help create. They will develop an internal locus of control instead of dependence on external rewards and punishment. The primary benefit of the discipline management plan is that it will promote "social interest" and sincere concern for others, their community, and their environment. It will provide experiences that enhance academic learning and the development of life skills that will help students be successful throughout their lives.

Skills to be focused on include:

- life skills
- conflict resolution skills
- social skills
- taking responsibility for one's own behavior

A Student Code of Conduct will establish standards for all student conduct and will define misconduct, consistent with the Texas Education Code.

Discipline management within ELEC, AAL, Inc. begins with the district's Discipline Management Plan (DMP), which provides administrative guidance on the district's student code of conduct, the classification of offenses, and expulsion criteria. The DMP will be formally adopted by the board and will serve as the "handbook" for discipline management, used by teachers, campus administrators, community stakeholders, and other constituents.

Students and parents will be made aware of the student code of conduct and classification of offenses at the beginning of each school year. Both students and parents are informed of the consequences of unacceptable student behavior. Based on disciplinary measures suggested in the DMP, placement in an alternative education setting and expulsion are usually the last options for student discipline.

3.6 Other Services

Case Management, Follow-up, and Job Placement Assistance

To ensure that students are able to perform at their maximum potential, a **case management** system will be used to support students and their families. A **contracted** social worker will assess the medical, social, and mental health needs of the students and their parents. After identifying needs, the social worker will act as a broker for services by making referrals to community agencies such as the City of Houston Department of Health and Human Services, Texas Department of Human Services, Harris County Hospital District, and WIC. **Follow-up** will include checking to make sure that referrals led to services and that services solved a problem. Additional follow-up with the student and family will include helping with the formulation of individual and family plans for services, coordination of services from various community services, determining if there is a continuing need for services, and/or the need for additional services. **Job placement assistance will be available for all students enrolled in the secondary program component.**

**ACCOUNTABILITY
AND
TAAS ACHIEVEMENT GOALS**

4.0

Accountability and TAAS Achievement Goals**4.1 Expected Levels of Student Performance on Assessment Instruments*****A. Component I - Early Childhood/Elementary Program***

Upon entry, all students will be given criterion referenced readiness tests and developmental screening tests, to identify strengths and weaknesses, developmental level, and guide appropriate placement and instructional strategies.

The major test of accountability is the objective of ensuring that students who are continuously enrolled for a year will perform academically on grade level as evidenced on norm referenced tests of academic proficiency.

Additionally, any third-grade student who is enrolled in the Early Childhood program for two or more years will meet or exceed state average on reading and mathematics Texas Assessment of Academic Skills (TAAS) sub-tests.

Informal types of assessment done systematically will be the primary form of assessment to ensure that teaching and assessment are complimentary. However formal assessment will be used to provide data that can be aggregated, permitting comparisons to peers.

B. Component II - Over-aged, Placed, and Out of School Youth/Secondary Program

Over-aged placed students (ninth-graders) who have not performed satisfactorily on the eighth grade TAAS test will, after four semesters of intensive instruction, or the performance equivalent, be able to perform at grade level on the Exit-Level assessment. These students will be eligible for GED Preparation classes, or completion of credits for the high school diploma.

Out-of-school youth whose academic baseline score at admission in reading and/or mathematics is below age appropriate grade level, will, after four semesters of intensive instruction, or the performance equivalent, be able to pass the age-appropriate grade level TAAS in reading and/or mathematics. Out-of-school youth whose academic baseline score at admission in reading and/or mathematics is at age appropriate grade level, will, after two semesters of intensive instruction, or the performance equivalent, be able to pass the age appropriate grade level TAAS in reading and/or mathematics. These student will be eligible for GED Preparation and/or job placement.

4.2 Additional Accountability Provisions

Upon entry into the school each student will be tested using a norm-referenced standardized test such as the Metropolitan Achievement Test (MAT7) to ascertain appropriate placement and skill level. Younger children will be administered tests such as the Metropolitan Readiness Tests to assess literacy development.

To ensure that students are progressing satisfactorily and detect any special needs, specialized tests will be given periodically to measure attitude toward school, self-esteem, and learning styles.

The grading system will take into account various non-traditional types of assessment. Portfolio, presentations, videos, performances, and other nontraditional types of assessment will be the norm.

Teachers will use a mastery approach to learning and grading, essentially negating failure for any student. A student who is not performing up to expectations will be given individual assistance, tutoring, and instruction geared to a distinct learning style.

4.3 Timelines

TAAS test will be administered every spring and all data will be submitted to TEA and SBOE by September 1 of each year.

STATEMENT OF IMPACT LETTER

5.0

Statement of Impact Letter

A *Statement of Impact Letter* was sent to the Houston Independent School District (HISD) on December 23, 1997. It is anticipated that all the participating students will be HISD eligible.

Houston Independent School District
Dr. Rod Paige Superintendent

3830 Richmond Avenue
ID 101-912

Houston, Texas 77077

Dr. Don McAdams, President, Board of Education

00040

Exhibit 5-1
EDUCATIONAL LEARNING & ENRICHMENT CENTER,
ACADEMY OF ACCELERATED LEARNING, INC.

10700 Northwest Freeway, Suite 210 • Houston, Texas 77092
Phone No: (713) 683-0044
Fax No: (713) 683-8758

December 22, 1997

Dr. Don McAdams, President
Board of Education
Houston Independent School District
3830 Richmond Avenue
Houston, TX 77027

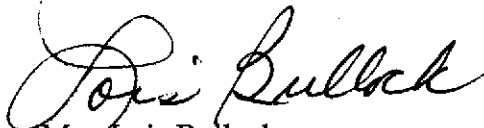
Dear Dr. McAdams:

The purpose of this letter is to inform you that the Educational Learning and Enrichment Center, Academy of Accelerated Learning, Inc. intends to submit an application to the State Board of Education for consideration for approval of an open-enrollment charter school. As part of the application process, entities applying for approval are required to notify any districts that are likely to be affected by the establishment of an open-enrollment charter school.

Specifically, the guidelines approved by the State Board of Education requires that the enclosed form, entitled *Statement of Impact*, and a copy of the application for the proposed open-enrollment charter school be sent to each district that may be affected. Information is requested if the proposed open-enrollment charter school may impact the student enrollment of a district in a manner that impairs the district's ability to comply with a court order. The enclosed form must be completed by any district that may be affected, signed by the district's board president and superintendent, and returned to the Texas Education Agency. Document Control Center Room 6-108, 101 North Congress Avenue, Austin, Texas 78701. It should be received no later than **January 15, 1998** for the information to be considered by the State Board of Education.

I am requesting that you review the enclosed application, complete the *Statement of Impact* form, and submit it to the Texas Education Agency. If you have questions about the enclosed application, please contact me at (713) 683-0044.

Sincerely,



Mrs. Lois Bullock
President
ELEC, AAL, Inc.

00041

Exhibit 5-2
EDUCATIONAL LEARNING & ENRICHMENT CENTER,
ACADEMY OF ACCELERATED LEARNING, INC.

10700 Northwest Freeway, Suite 210 • Houston, Texas 77092
Phone No: (713) 683-0044
Fax No: (713) 683-8758

December 22, 1997

Dr. Rod Paige
Superintendent of Schools
Houston Independent School District
3830 Richmond Avenue
Houston, TX 77027

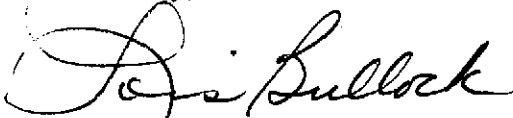
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Sincerely,



Mrs. Lois Bullock
President
ELEC, AAL, Inc.

00042



HOUSTON INDEPENDENT SCHOOL DISTRICT

HATTIE MAE WHITE ADMINISTRATION BUILDING

3830 RICHMOND AVENUE - HOUSTON, TEXAS 77027-5838 TEL (713) 892-6300 FAX (713) 892-6061

ROD PAIGE
Superintendent of Schools

EXHIBIT 5-3

TRANSMITTAL INFORMATION

DATE: 1/7/98

TO: Ms Lois Bullock
COMPANY: Educational Learning and Enrichment Center
FAX NO: 713-683-8258
FROM: Sandra Lynn Satterwhite
SUBJECT: _____

COMMENTS:

*Confirmation of
Proposal Receipt*

NUMBER OF PAGES (including this cover page) 2

If not received, please call (713) 892-6300 and ask for:

(713) 892-6329

00043

CONFIRMATION OF PROPOSAL RECEIPT

This is to confirm that two copies of the application to the State Board of Education for consideration for approval of an open-enrollment charter school for Educational Learning and Enrichment Center Academy of Accelerated Learning, Inc. were submitted to the Houston Independent School District on December 23, 1997. The proposals were hand delivered by Ms. Lois Bullock, President and received in the Office of the Superintendent of Schools, Dr. Rod Paige, by Ms. Sandra Lynn Satterwhite. The Statement of Impact was included with the proposal and will be submitted to the Texas Education Agency by the due date.

Sandra Lynn Satterwhite SLS

00044

January 6, 1998

Ms. Lois Bullock
President
Educational Learning & Enrichment Center,
Academy of Accelerated Learning
10700 N. West Frwy., Suite 210
Houston, TX 77092

Dear Ms. Bullock:

Thank you for your interest in our firm's auditing and accounting services. We would certainly be interested in performing the services for your company as we discussed on today.

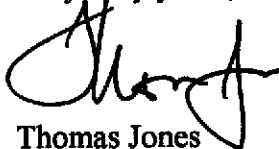
You indicated that your firm is pursuing a contract to operate charter schools in the Houston area. If successful, your company would be required to have an annual audit conducted by an independent accounting firm along with a review of data submitted to the Public Education Information Management System (PEIMS) as required by the Texas Education Agency.

McConnell & Jones has the requisite expertise to provide these services for your company. We have experience in conducting audits for school districts and are familiar with PEIMS data submitted by the various Texas school districts.

We would be happy to provide additional information about our audit experience, references, and fees upon request.

Good luck with your proposal and if I can be of assistance in any way, please call.

Very truly yours,



Thomas Jones

GEOGRAPHICAL AREA

6.0 Geographical Area

ELEC, AAL, Inc. proposes to serve students living in the greater Houston area. Houston, Texas is the fourth largest city in the country. It also has the fourth highest level of poverty and all of its resultant problems of crime, teen pregnancy, low academic performance, and unemployment. The city has a population of over 1.6 million.

The school district servicing the largest population in the targeted area is the HISD. The establishment of the ELEC, AAL, Inc. in this area will have little or no impact on HISD, as the target population of at-risk students are marginal in attendance, at-risk of dropping out, and with special needs, constitute a cadre of high-cost learners.

HISD provides educational services to some 213,000 students including students from 90 countries. It is the largest school district in Texas and the fifth largest in the United States. The percentage of minority students is steadily increasing as job seekers, immigrants, and undocumented aliens are drawn to Houston. As reflected by Chapter I free and reduced lunch statistics, the number of HISD students from lower socioeconomic status increases annually. At present, the economically disadvantaged student enrollment is 55.3 percent. The district mobility rate is an alarming 38.2 percent. In 1996-97, HISD identified 59,000 limited English proficient students and approximately 60 home languages.

The ELEC, AAL, Inc. will provide services to the area's marginal students and those that are at risk of dropping out, those who have dropped out, and young children coming from homes where there is little stimulation or motivation to succeed. The school's centralized location will be conducive to the inner-city student, the majority of whom are minority (Black, Hispanic), have low socioeconomic status, and are particularly at-risk due to environmental, economic, and societal factors.

ENROLLMENT

7.0
Enrollment

The Early Childhood Program will be open to any child in the Houston area, ages 4-10 who parents desire a challenging and accelerated alternative learning environment for their child. Particularly appealing to parenting students enrolled in the secondary components is that they will have a complimentary setting for their young children.

The secondary component will give preference enrollment to over-aged, placed students and out-of school youth between the ages of 16-21. Baseline scores at admission can be no more than three years below age appropriate grade level or no more than three years below 8th grade.

It will be the policy of ELEC, AAL, Inc. to admit students of any race, color, national origin, ethnicity, religion and gender. ELEC, AAL, Inc. will not exclude from enrollment students who have been a part of the criminal justice system. Enrollment will be limited to students who qualify for regular education. All students must apply and undergo screening before admittance.

00049

**QUALIFICATION OF PROFESSIONAL
EMPLOYEES AND TEACHING PHILOSOPHY**

8.0

Qualifications of Professional Employees and Teaching Philosophy

8.1 Certification Requirements

Teachers (17)

Lead Teachers (3)

Regular Teachers (14)

Classroom teachers providing instruction will have Basic Teacher Certification and/or a degree with extensive directly related experience or training related experience working with at-risk youth.

Teacher Aides (5)

Teacher aides, assigned to support certified classroom teachers in instruction will have relevant experience with or training in working with at-risk youth.

Curriculum/Technology/Media Specialist (1)

This position will require extensive experience in curriculum writing, staff development and program management. Also required is advanced technology and computer skills; ability to provide staff development in multimedia technology use and application; ability to communicate effectively (verbal and written); and strong public relations and interpersonal skills.

Counselors (2)

Individual and group counseling services will be provided to students by counseling specialists meeting the requirements of TEA and possessing experience with or training related to working with at-risk youth.

Data Specialist (1)

Data Specialist will have experience in gathering and inputting data. An ability to set up and maintain records will also be required.

8.2 Teaching Philosophy

ELEC, AAL, Inc. teaching philosophy is student focused as illustrated in Exhibit 2.4-1, Page 2-3.

Staff members will be selected for their ability to work with a multicultural population and highly at-risk youth. The teaching philosophy focuses on developing basic skills in the early grades and building on this foundation until the student completes his studies. At the heart of the teaching philosophy is learning by doing, or contextual learning. Instruction will incorporate

applied use of academic skills through the use of cooperative learning groups, team problem solving, and mastery learning techniques. In all learning experiences, students will be able to work at their own pace. Frequent feedback will be provided to students and grades will be based on performance. The model for instruction is teacher as facilitator. Assessment of learning will be flexible enough to provide options to accommodate a variety of learning styles and interest. Teachers will use assessment practices that include portfolios, demonstrations, productions, exhibits, and self-evaluation.

8.3 Criminal Background Checks

ELEC, AAL, Inc. will secure criminal background checks on all employees, whether paid or volunteer, who perform duties or services at the school. Background checks have already been provided for the members of the Board of Directors. See Appendix D.

SCHOOL SUPPORT ORGANIZATION

9.0
School Support Organization

9.1 Finances

The task of budget development will be a function of the Budget Committee of the Board of Directors. The school's fiscal year budget process will begin in March with an annual collection of data to consolidate the previous year's fixed costs, operating expenses, and variable income into one summarized statement. Pre-registration will provide school officials an approximate of the next year's student population. Input from the On-Site Advisory Committee will be due to the Budget Committee by March 15. The Budget Committee will also plan fundraising to complement anticipated needs. A draft budget will be completed by April 1 and will be presented to the Board of Directors. Budget revisions will be made after the first reading. The final budget will be presented for Board approval in May.

9.2 Budgeting

See enclosed budget Appendix C and Appendix I (Business Plan).

9.3 Audits

An annual audit of financial statements will be conducted by an independent firm to ensure conformity to generally accepted accounting principles. The audit will include assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial status. See letters from CPA in Exhibit 9.4-1.

9.4 PEIMS

Data collection will begin with enrollment. Demographic and academic data will be collected by the Data Specialist in a form acceptable to and consistent with state reporting requirements. ELEC, AAL, Inc. will comply with all Public Education Information Management System (PEIMS) data reporting requirements. Data will be submitted to Region IV Education Service Center on dates schedules by the ESC to comply with the following TEA requirements:

Submission 1 - December 10, 1998	Students served, staff employed, Finance, and organization
Submission 2 - February 4, 1999	Organization, Finance
Submission 3 - June 24, 1999	Organization, Student

See letter from CPA in Exhibit 9.4-1.

9.5 Facilities

ELEC, AAL, Inc. is currently negotiating the best rates from the following locations. A final decision will be made no later than March 10, 1998. Pending agreements signed by owners are included in Appendix E.

- 5100 Block Alameda Road at Southmore Boulevard - 1840 - 1842 Palm
Close to the Museum are, on block off Highway 288
48,000 square feet.
See pending agreement signed by Managing Partner in Appendix E.
- 2115 Runnels-Downtown Houston
380,000 sq. ft.
Located on block from Houston's central business district
Free parking for 500 cars
See pending agreement signed by the Owner in Appendix E.
- 611 E. Tidwell
Houston, Texas
30,000 sq. ft.
No asbestos or lead present
ELEC, Inc. is currently providing GED classes in this facility.
See current contract in Appendix E.

9.6 Transportation

During the first year of operation, ELEC, AAL, Inc. will not provide transportation for students. In the second and succeeding years, the need for transportation will be assessed annually, and if needed, the transportation policy will be amended.

9.7 Food Service

ELEC, AAL, Inc. will provide wholesome and nutritious lunches for all students enrolled at the school. Breakfast will also be provided for students in the early childhood program. All food service will be in compliance with applicable law and will conform to the guidelines provided by the Federal Government in order to be eligible for governmental assistance under Chapter 13 and 113 A of USCA Title 42, School Lunch Programs.

The school will contract with a certified vendor for such services.

APPENDICES

Appendix A. Assurances

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
- (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
 - prekindergarten programs under TEC Subchapter E of Chapter 29;
 - 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.
- (8) The employees and volunteers of the open-enrollment charter school are held immune from liability. 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.

- (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.

*Signature of Chief Operating Officer of the School,
testifying to the provisions of the charter
and the assurances above:*

Date:

John Pullock
January 8, 1998

*Signature of the Chair of the State Board of
Education, Approving the Open-Enrollment
Charter in accordance with the provisions of
this document:*

Date: _____

**Appendix B. IRS Application for Non-Profit
Status**

**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


1a Full name of organization (as shown in organizing document) EDUCATIONAL LEARNING & ENRICHMENT CENTER ACADEMY OF ACCELERATED LEARNING INC.		2 Employer identification number (EIN) (If none, see page 2 of the instructions.) <p align="center">APPLIED FOR</p>
1b c/o Name (if applicable)		3 Name and telephone number of person to be contacted if additional information is needed <p align="center">LOIS BULLOCK (713) 683-0044</p>
1c Address (number and street) 10700 NORTH WEST FREEWAY	Room/Suite 210	4 Month the annual accounting period ends <p align="center">JUNE 30</p>
1d City or town, state, and ZIP code HOUSTON, TEXAS		ZIP Code <p align="center">77092-7314</p>
5 Date incorporated or formed 12-16-97	6 Activity codes (See page 3 of the instructions.) 030 566 568	7 Check here if applying under section: a <input type="checkbox"/> 501(e) b <input checked="" type="checkbox"/> 501(f) c <input type="checkbox"/> 501(k)
8 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. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
9 Is the organization required to file Form 990 (or Form 990-EZ)? If "No," attach an explanation (see page 3 of the Specific Instructions). <input type="checkbox"/> N/A <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
10 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. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No <p align="center">NO</p>		

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  **PRESIDENT** **12/12/97**
 (Signature) (Title or authority of signer) (Date)

EDUCATIONAL LEARNING & ENRICHMENT CENTER

ACADEMY OF ACCELERATED LEARNING INC.

PART II

Fund Raising

2 months during the year

**Director/Major Corporations
in Houston**

The Charter School will provide academic instruction for elementary school students as well as over-aged ninth graders and school drop-outs. All activities are planned at this point. The activities referenced above are listed in a sequential manner and in the order of importance as they relate to the mission of the school. All activities will be conducted by staff members employed by the Charter School throughout the school year. Approximately 20 percent of the directors time will be devoted to fundraising from Major Corporations to provide incentives for students to remain in school and graduate.

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
LOIS BULLOCK 3704 S MCGREGORY WAY HOUSTON, TX 77002 PRESIDENT	\$1,200
BOBBY JACKSON 9436 PINEHAVEN DALLAS, TX 75227 TREASURER	\$1,200
LYNN MOORE 7814 CANDLE LANE HOUSTON TX 77071 SECRETARY	\$1,200

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.

EDUCATIONAL LEARNING & ENRICHMENT CENTER HAS BEEN IN THE EMPLOYMENT AND TRAINING FIELD FOR THE PAST 12 YEARS, WITH LOIS BULLOCK AS PRESIDENT AND HAS ESTABLISHED AN EXCELLENT TRACK RECORD IN THIS FIELD. THE NEW ORGANIZATION WILL BE HEADED BY LOIS BULLOCK AND WILL CONDUCT ACTIVITIES SIMILAR TO THOSE PERFORMED BY ELEC.

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.

THE ORGANIZATION WILL BE DIRECTLY ENGAGED IN NORMAL BUSINESS TRANSACTIONS SUCH, AS SPAACE RENTAL, EQUIPMENT ACQUISITIONS, MATERIALS ETC. WITH HOUSTON INDEPENDENT SCHOOL DISTRICT AND NORTH FOREST INDEPENDENT SCHOOL DISTRICT.

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."

N/A

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.

EQUIPMENT WILL BE LEASED AT THE TIME THE SCHOOL IS IN OPERATION

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.

LEASE FOR SPACE AND EQUIPMENT (COPIER, TELEPHONE, ETC.) WILL BE OBTAINED WHEN FUNDING FOR THE CHARTER SCHOOL IS SECURED. THE LESEE WILL BE ELEC ACADEMY OF ACCELERATED LEARNING INC AND THE LESSOR WILL BE A PRIVATE ORGANIZATION.

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.

N/A

c What benefits do (or will) the members receive in exchange for their payment of dues?

N/A

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.

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.

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 | <input type="checkbox"/> 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 | <input checked="" type="checkbox"/> As a school (MUST COMPLETE SCHEDULE B.) | Sections 509(a)(1) and 170(b)(1)(A)(ii) |
| c | <input type="checkbox"/> 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 | <input type="checkbox"/> As a governmental unit described in section 170(c)(1). | Sections 509(a)(1) and 170(b)(1)(A)(v) |
| e | <input type="checkbox"/> 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 | <input type="checkbox"/> As being organized and operated exclusively for testing for public safety. | Section 509(a)(4) |
| g | <input type="checkbox"/> 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)(vi) |
| h | <input type="checkbox"/> 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)(vii) |
| i | <input type="checkbox"/> 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 | <input type="checkbox"/> 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)(vii) 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.

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.

NONE

- 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

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			(e) TOTAL
	(a) From 12/19/97 to 06/30/98	(b) 1998-99	(c) 1999-2000	(d) 19.....	
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)					
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.		1,500,000	1,687,500		
10 Total (add lines 8 and 9)		1,500,000	1,687,500		
11 Gain or loss from sale of capital assets (attach schedule)					
12 Unusual grants (LOAN)	50,000				
13 Total revenue (add lines 10 through 12)	50,000	1,500,000	1,687,000		
Expenses					
14 Fundraising expenses		20,000	25,000		
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)		3,600	3,600		
18 Other salaries and wages		900,000	1,012,500		
19 Interest					
20 Occupancy (rent, utilities, etc.)		180,000	202,500		
21 Depreciation and depletion					
22 Other (attach schedule)		396,400	443,900		
23 Total expenses (add lines 14 through 22)	50,000	1,500,000	1,687,500		
24 Excess of revenue over expenses (line 13 minus line 23)	-0-	-0-	-0-		

Part IV Financial Data (Continued)

B. Balance Sheet (at the end of the period shown)

Current tax year
Date 12.31.97

Assets		
1	Cash	\$50,000.
2	Accounts receivable, net	
3	Inventories	
4	Bonds and notes receivable (attach schedule)	
5	Corporate stocks (attach schedule)	
6	Mortgage loans (attach schedule)	
7	Other investments (attach schedule)	
8	Depreciable and depletable assets (attach schedule)	
9	Land	
10	Other assets (attach schedule)	
11	Total assets (add lines 1 through 10)	\$50,000.
Liabilities		
12	Accounts payable	\$50,000
13	Contributions, gifts, grants, etc., payable	
14	Mortgages and notes payable (attach schedule)	
15	Other liabilities (attach schedule)	
16	Total liabilities (add lines 12 through 15)	\$50,000
Fund Balances or Net Assets		
17	Total fund balances or net assets	
18	Total liabilities and fund balances or net assets (add line 16 and line 17)	-0-

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

EDUCATIONAL LEARNING & ENRICHMENT CENTER
ACADEMY OF ACCELERATED LEARNING INC

PART IV FINANCIAL DATA
ITEM NUMBER 22

	1998-99	1999/2000
TEACHING MATERIALS	\$ 225,000	\$ 275,000
PAYROLL/GENERAL ADM AUDIT	75,000	80,000
EQUIPMENT	96,400	88,900
TOTAL	\$ 396,400	\$ 443,900

Schedule B. Schools, Colleges, and Universities

1 Does, or will, the organization normally have: (a) a regularly scheduled curriculum, (b) a regular faculty of qualified teachers, (c) a regularly enrolled student body, and (d) facilities where its educational activities are regularly carried on? Yes No
 If "No," do not complete the rest of Schedule B.

2 Is the organization an instrumentality of a state or political subdivision of a state? Yes No
 If "Yes," document this in Part II and do not complete items 3 through 10 of Schedule B. (See instructions on the back of Schedule B.)

3 Does or will the organization (or any department or division within it) discriminate in any way on the basis of race with respect to:

a Admissions? Yes No

b Use of facilities or exercise of student privileges? Yes No

c Faculty or administrative staff? Yes No

d Scholarship or loan programs? Yes No

If "Yes" for any of the above, explain.

4 Does the organization include a statement in its charter, bylaws, or other governing instrument, or in a resolution of its governing body, that it has a racially nondiscriminatory policy as to students? Yes No

Attach whatever corporate resolutions or other official statements the organization has made on this subject.

5a Has the organization made its racially nondiscriminatory policies known in a manner that brings the policies to the attention of all segments of the general community that it serves? Yes No

If "Yes," describe how these policies have been publicized and how often relevant notices or announcements have been made. If no newspaper or broadcast media notices have been used, explain.

POLICIES WILL BE DESCRIBED IN ALL BROCHURES, ADVERTISEMENTS AND ANY BROADCAST MEDIA NOTICES UTILIZED. THESE MATERIALS WILL BE DEVELOPED.

- b If applicable, attach clippings of any relevant newspaper notices or advertising, or copies of tapes or scripts used for media broadcasts. Also attach copies of brochures and catalogues dealing with student admissions, programs, and scholarships, as well as representative copies of all written advertising used as a means of informing prospective students of the organization's programs.
- 6 Attach a numerical schedule showing the racial composition, as of the current academic year, and projected to the extent feasible for the next academic year, of: (a) the student body, and (b) the faculty and administrative staff.
- 7 Attach a list showing the amount of any scholarship and loan funds awarded to students enrolled and the racial composition of the students who have received the awards. **NONE**
- 8a Attach a list of the organization's incorporators, founders, board members, and donors of land or buildings, whether individuals or organizations.
- b State whether any of the organizations listed in 8a have as an objective the maintenance of segregated public or private school education, and, if so, whether any of the individuals listed in 8a are officers or active members of such organizations.
- 9a Enter the public school district and county in which the organization is located.

HOUSTON INDEPENDENT SCHOOL DISTRICT

b Was the organization formed or substantially expanded at the time of public school desegregation in the above district or county? Yes No

10 Has the organization ever been determined by a state or Federal administrative agency or judicial body to be racially discriminatory? Yes No

If "Yes," attach a detailed explanation identifying the parties to the suit, the forum in which the case was heard, the cause of action, the holding in the case, and the citations (if any) for the case. Also describe in detail what changes in the organization's operation, if any, have occurred since then.

Instructions

A "school" is an organization that has the primary function of presenting formal instruction, normally maintains a regular faculty and curriculum, normally has a regularly enrolled student body, and has a place where its educational activities are carried on. The term generally corresponds to the definition of an "educational organization" in section 170(b)(1)(A)(ii). Thus, the term includes primary, secondary, preparatory and high schools, and colleges and universities. The term does not include organizations engaged in both educational and noneducational activities unless the latter are merely incidental to the educational activities. A school for handicapped children is included within the term, but an organization merely providing handicapped children with custodial care is not.

For purposes of Schedule B, "Sunday schools" that are conducted by a church are not included in the term "schools," but separately organized schools (such as parochial schools, universities, and similar institutions) are included in the term.

A private school that otherwise meets the requirements of section 501(c)(3) as an educational institution will not qualify for exemption under section 501(a) unless it has a racially nondiscriminatory policy as to students. This policy means that the school admits students of any race to all the rights, privileges, programs, and activities generally accorded or made available to students at that school and that the school does not discriminate on the basis of race in the administration of its educational policies, admissions policies, scholarship and loan programs, and athletic or

other school-administered programs. The IRS considers discrimination on the basis of race to include discrimination on the basis of color and national or ethnic origin. A policy of a school that favors racial minority groups in admissions, facilities, programs, and financial assistance will not constitute discrimination on the basis of race when the purpose and effect is to promote the establishment and maintenance of that school's racially nondiscriminatory policy as to students. See Rev. Proc. 75-50, 1975-2 C.B. 587, for guidelines and recordkeeping requirements for determining whether private schools that are applying for recognition of exemption have racially nondiscriminatory policies as to students.

Line 2

An instrumentality of a state or political subdivision of a state may qualify under section 501(c)(3) if it is organized as a separate entity from the governmental unit that created it and if it otherwise meets the organizational and operational tests of section 501(c)(3). (See Rev. Rul. 60-384, 1960-2 C.B. 172.) Any such organization that is a school is not a private school and, therefore, is not subject to the provisions of Rev. Proc. 75-50.

Schools that incorrectly answer "Yes" to line 2 will be contacted to furnish the information called for by lines 3 through 10 in order to establish that they meet the requirements for exemption. To prevent delay in the processing of your application, be sure to answer line 2 correctly and complete lines 3 through 10, if applicable.

EDUCATIONAL LEARNING & ENRICHMENT CENTER

ACADEMY OF ACCELERATED LEARNING INC.

**Schedule B
Item 4**

Educcational Leaning and Enrichment Center Academy of Acclerated Learning Inc. will make its services and facilities available to all eligible students without regard to their race, sex, national origin or religion.

EDUCATIONAL LEARNING & ENRICHMENT CENTER

ACADEMY OF ACCELERATED LEARNING INC.

**Schedule B
Item 6**

STUDENTS	Projected 1998-99	Projected 1999-2000
Black	150	165
Hispanic	75	82
Asian	10	15
White	15	13
FACULTY		
Black	8	9
Hispanic	4	4
ADMINISTRATION		
Black	3	3
Hispanic	1	1

**EDUCATIONAL LEARNING & ENRICHMENT CENTER
ACADEMY OF ACCELERATED LEARNING INC.**

SCHEDULE B

ITEM 8 A

LOIS BULLOCK	PRESIDENT
JUANA G. SANDOVAL	TREASURER
LYNN MOORE	SECRETARY

ITEM 8 B

None of the officers has as an objective the maintenance of segregated public or private school education and none of them is an active member or officer of any such organization.

**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

2 Employer Identification Number

EDUCATIONAL LEARNING & ENRICHMENT CENTER, ACADEMY OF ACCERATED LEARNING (The)

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 ▶ **\$465**
- 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. 97-8, 1997-1 I.R.B. 187.

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.

To avoid delays, send the determination letter application and Form 8718 to the applicable IRS address shown below. Use the address below even if a different address appears in another form or publication.

If the organization is in	Send fee and request for determination letter to
Connecticut, Maine, Massachusetts, New Hampshire, New York, Rhode Island, Vermont	Internal Revenue Service EP/EO Division P. O. Box 1680, GPO Brooklyn, NY 11202
Alaska, California, Hawaii, Idaho, Nevada, Oregon, Washington	Internal Revenue Service EO Application EP/EO Division McCaslin Industrial Park 2 Cupania Circle Monterey Park, CA 91755-7406
Any state not listed above, a U.S. possession, or a foreign country	Internal Revenue Service P. O. Box 192 Covington, KY 41012-0192

Attach Check or Money Order Here

Application for Employer Identification Number

Rev. December 1995)

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

EIN

Department of the Treasury
Internal Revenue Service

► Keep a copy for your records.

CMB No. 1545-0003

Please type or print clearly.

1 Name of applicant (Legal name) (See instructions.)
EDUCATIONAL LEARNING & ENRICHMENT CENTER ACADEMY OF ACCERLERATED LEARNING INC

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

3 Executor, trustee, "care of" name
LOIS E BULLOCK

4a Mailing address (street address) (room, apt., or suite no.)
10700 NORTHWEST FREEWAY, SUITE 210

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

4b City, state, and ZIP code
HOUSTON, TX 77092 - 7314

5b City, state, and ZIP code
SAME

6 County and state where principal business is located
HARRIS TEXAS

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

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

Sole proprietor (SSN)

Partnership

REMIC

State/local government

Other nonprofit organization (specify) ► **EDUCATIONAL ORG.** (enter GEN if applicable)

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

State: **U.S.A** State: **TEXAS** Foreign country: **N/A**

9 Reason for applying (Check only one box.)

Started new business (specify) ►

Banking purpose (specify) ►

Changed type of organization (specify) ►

Purchased going business

Created a trust (specify) ►

Other (specify) ►

Hired employees

Created a pension plan (specify type) ►

10 Date business started or acquired (Mo., day, year) (See instructions.)
DECEMBER 1997

11 Closing month of accounting year (See instructions.)
JUNE 30

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) ► **N/A**

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
21	0	0

14 Principal activity (See instructions.) ► **NONPROFIT ORGANIZATION EDUCATIONAL**

15 Is the principal business activity manufacturing? Yes No
If "Yes," principal product and raw material used ►

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

Public (retail) Other (specify) ►

Business (wholesale) N/A

17a Has the applicant ever applied for an identification number for this or any other business? Yes 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 ► **EDUCATIONAL LEARNING & ENRICHMENT CENTER INC** Trade name ► **EMPLOYMENT & TRAINING**

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

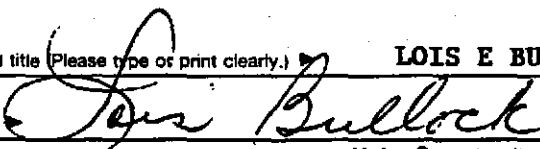
Approximate date when filed (Mo., day, year)	City and state where filed	Previous EIN
1985	HOUSTON, TEXAS	76-0147457

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): **(713) 683-0044**

Fax telephone number (include area code): **(713) 683-8758**

Name and title (Please type or print clearly.) ► **LOIS E BULLOCK EXEC. DIRECTOR**

Signature:  Date ► **12/15/97**

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

Please leave blank ►	Geo.	Ind.	Class	Size	Reason for applying
----------------------	------	------	-------	------	---------------------

Alaska, Arizona, California counties of Alpine, Amador, Butte, Calaveras, Colusa, Contra Costa, Del Norte, El Dorado, Glenn, Humboldt, Lake, Lassen, Marin, Mendocino, Modoc, Napa, Nevada, Placer, Plumas, Sacramento, San Joaquin, Shasta, Sierra, Siskiyou, Solano, Sonoma, Sutter, Tehama, Trinity, Yolo, and Yuba), Colorado, Idaho, Montana, Nebraska, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming	Attn: Entity Control Mail Stop 6271-T P.O. Box 9950 Ogden, UT 84409 (801) 620-7645
California (all other counties), Hawaii	Attn: Entity Control Fresno, CA 93888 (209) 452-4010
Alabama, Arkansas, Louisiana, Mississippi, North Carolina, Tennessee	Attn: Entity Control Memphis, TN 37501 (901) 365-5970

If you have no legal residence, principal place of business, or principal office or agency in any state, file your form with the Internal Revenue Service Center, Philadelphia, PA 19255 or call 215-574-2400.

Specific Instructions

The instructions that follow are for those items that are not self-explanatory. Enter N/A (nonapplicable) on the lines that do not apply.

Line 1.—Enter the legal name of the entity applying for the EIN exactly as it appears on the social security card, charter, or other applicable legal document.

Individuals.—Enter the first name, middle initial, and last name. If you are a sole proprietor, enter your individual name, not your business name. Do not use abbreviations or nicknames.

Trusts.—Enter the name of the trust.

Estate of a decedent.—Enter the name of the estate.

Partnerships.—Enter the legal name of the partnership as it appears in the partnership agreement. Do not list the names of the partners on line 1. See the specific instructions for line 7.

Corporations.—Enter the corporate name as it appears in the corporation charter or other legal document creating it.

Plan administrators.—Enter the name of the plan administrator. A plan administrator who already has an EIN should use that number.

Line 2.—Enter the trade name of the business if different from the legal name. The trade name is the "doing business as" name.

Note: Use the full legal name on line 1 on all tax returns filed for the entity. However, if you enter a trade name on line 2 and choose to use the trade name instead of the legal name, enter the trade name on all returns you file. To prevent processing delays and errors, always use either the legal name only or the trade name only on all tax returns.

Line 3.—Trusts enter the name of the trustee. Estates enter the name of the executor, administrator, or other fiduciary. If the entity applying has a designated person to receive tax information, enter that person's name as the "care of"

person. Print or type the first name, middle initial, and last name.

Line 7.—Enter the first name, middle initial, last name, and social security number (SSN) of a principal officer if the business is a corporation; of a general partner if a partnership; or of a grantor, owner, or trustor if a trust.

Line 8a.—Check the box that best describes the type of entity applying for the EIN. If not specifically mentioned, check the "Other" box and enter the type of entity. Do not enter N/A.

Sole proprietor.—Check this box if you file Schedule C or F (Form 1040) and have a Keogh plan, or are required to file excise, employment, information, or alcohol, tobacco, or firearms returns. Enter your SSN in the space provided.

REMIC.—Check this box if the entity has elected to be treated as a real estate mortgage investment conduit (REMIC). See the instructions for Form 1066 for more information.

Other nonprofit organization.—Check this box if the nonprofit organization is other than a church or church-controlled organization and specify the type of nonprofit organization (for example, an educational organization).

If the organization also seeks tax-exempt status, you must file either **Package 1023** or **Package 1024**, Application for Recognition of Exemption. Get Pub. 557, Tax-Exempt Status for Your Organization, for more information.

Group exemption number (GEN).—If the organization is covered by a group exemption letter, enter the four-digit GEN. (Do not confuse the GEN with the nine-digit EIN.) If you do not know the GEN, contact the parent organization. Get Pub. 557 for more information about group exemption numbers.

Withholding agent.—If you are a withholding agent required to file Form 1042, check the "Other" box and enter "Withholding agent."

Personal service corporation.—Check this box if the entity is a personal service corporation. An entity is a personal service corporation for a tax year only if:

- The principal activity of the entity during the testing period (prior tax year) for the tax year is the performance of personal services substantially by employee-owners, and
- The employee-owners own 10% of the fair market value of the outstanding stock in the entity on the last day of the testing period.

Personal services include performance of services in such fields as health, law, accounting, or consulting. For more information about personal service corporations, see the instructions for Form 1120, U.S. Corporation Income Tax Return, and Pub. 542, Tax Information on Corporations.

Limited liability co.—See the definition of limited liability company in the instructions for Form 1065. If you are classified as a partnership for Federal income tax

purposes, mark the "Limited liability co." checkbox. If you are classified as a corporation for Federal income tax purposes, mark the "Other corporation" checkbox and write "Limited liability co." in the space provided.

Plan administrator.—If the plan administrator is an individual, enter the plan administrator's SSN in the space provided.

Other corporation.—This box is for any corporation other than a personal service corporation. If you check this box, enter the type of corporation (such as insurance company) in the space provided.

Household employer.—If you are an individual, check the "Other" box and enter "Household employer" and your SSN. If you are a state or local agency serving as a tax reporting agent for public assistance recipients who become household employers, check the "Other" box and enter "Household employer agent." If you are a trust that qualifies as a household employer, you do not need a separate EIN for reporting tax information relating to household employees; use the EIN of the trust.

Line 9.—Check only one box. Do not enter N/A.

Started new business.—Check this box you are starting a new business that requires an EIN. If you check this box, enter the type of business being started. Do not apply if you already have an EIN and are only adding another place of business.

Hired employees.—Check this box if the existing business is requesting an EIN because it has hired or is hiring employee and is therefore required to file employment tax returns. Do not apply if you already have an EIN and are only hiring employees. For information on the applicable employment taxes for family members, see Circular E, Employer's Tax Guide (Publication 15).

Created a pension plan.—Check this box if you have created a pension plan and need this number for reporting purposes. Also, enter the type of plan created.

Banking purpose.—Check this box if you are requesting an EIN for banking purposes only, and enter the banking purpose (for example, a bowling league depositing dues or an investment club for dividend and interest reporting).

Changed type of organization.—Check this box if the business is changing its type of organization, for example, if the business was a sole proprietorship and has been incorporated or has become a partnership. If you check this box, specify in the space provided the type of change made, for example, "from sole proprietorship to partnership."

Purchased going business.—Check this box if you purchased an existing business. Do not use the former owner's EIN. Do not apply for a new EIN if you already have one. Use your own EIN.

Created a trust.—Check this box if you created a trust, and enter the type of trust created.



The State of Texas

Secretary of State

**CERTIFICATE OF INCORPORATION
OF**

**EDUCATIONAL LEARNING AND ENRICHMENT CENTER, INC.
CHARTER NUMBER 01471559**

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 DEC. 16, 1997

EFFECTIVE DEC. 16, 1997



A handwritten signature in black ink, appearing to read "J. [unclear]", written over a horizontal line.

Secretary of State



The State of Texas

Secretary of State

JAN. 7, 1990

SHERIDA A. MCKENZIE--MCKENZIE & POSTON
909 FANNIN ST #2090 2 HOUSTON CENTER
HOUSTON TX 77010

RE:
EDUCATIONAL LEARNING & ENRICHMENT CENTER, ACADEMY OF ACCELERATED LEARNING, INC
CHARTER NUMBER 01471559-01

IT HAS BEEN OUR PLEASURE TO APPROVE AND PLACE ON RECORD YOUR
ARTICLES OF AMENDMENT.

THE APPROPRIATE EVIDENCE IS ATTACHED FOR YOUR FILES AND THE
ORIGINAL HAS BEEN FILED IN THIS OFFICE.

PAYMENT OF THE FILING FEE IS ACKNOWLEDGED BY THIS LETTER.

IF WE CAN BE OF FURTHER SERVICE AT ANY TIME, PLEASE LET US KNOW.



Alberto R. Gonzales

Alberto R. Gonzales, Secretary of State



The State of Texas

SECRETARY OF STATE

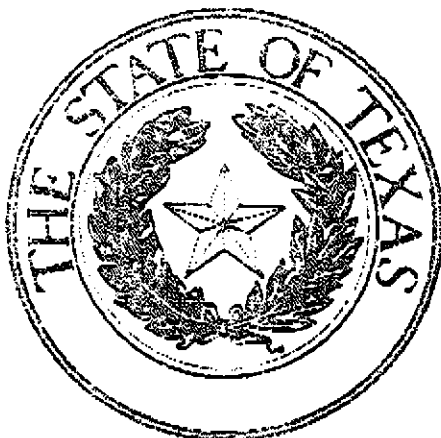
CERTIFICATE OF AMENDMENT
OF

EDUCATIONAL LEARNING & ENRICHMENT CENTER,
ACADEMY OF ACCELERATED LEARNING, INC.
FORMERLY:
EDUCATIONAL LEARNING AND ENRICHMENT CENTER, INC.'S
ACADEMY OF ACCELERATED LEARNING

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.

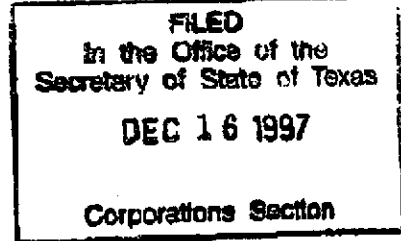
Dated: January 7, 1998



Alberto R. Gonzales
Secretary of State

dln

**Texas
Not for Profit
Articles of Incorporation**



Article I

NAME

The name of the corporation is

Educational Learning and Enrichment Center, Inc.'s Academy of Accelerated Learning
A Non-profit corporation.

ARTICLE II

DURATION.

The period of existence shall be perpetual.

ARTICLE III

PURPOSE

The corporation is organized exclusively for educational purposes within the meaning of Section 501 (c) (3) of the Internal Revenue Code of 1986 (or the corresponding provisions of any future United States Internal Revenue law). The corporation shall receive and disburse funds, property and gifts of any kind exclusively for the benefit of the Harris County Department of Education.

ARTICLE IV

REGISTERD OFFICE

The registered office is located in **HARRIS** County, Texas.

The address of the registered office is

10700 Northwest Freeway
Houston, Texas 77092

ARTICLE V

REGISTERED AGENT

The name and address of the initial registered agent is:

Lois Bullock
10700 Northwest Freeway
Houston, Texas 77092

ARTICLE VI

BOARD OF DIRECTORS

The names and addresses of the initial Board of Directors are:

Lois Bullock	10700 Northwest Freeway Houston, Texas 77092
Bobby Jackson	10700 Northwest Freeway Houston, Texas 77092
Rhodia L. Moore	10700 Northwest Freeway Houston, Texas 77092

ARTICLE VII

POWERS

Without limiting the general powers granted to the corporation by Texas law, the corporation shall have the following specific power(s):

- a. To act in accordance with the provisions of chapter 12.00 of the Texas Education Code and all related sections as they pertain to the creation, operation and management of charter schools, as provided therein.

ARTICLE VIII

MEMBERS

The corporation shall have no members.

ARTICLES IX

USE OF EARNINGS

No part of the net earnings shall inure to the benefit of or be distributable to its Directors, officers, or other private persons, except that the corporation shall be authorized and empowered to pay reasonable compensation for services rendered. 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 Section 501 (c) (3) of the Internal Revenue Code of 1986 (or the corresponding provision of any future United States Revenue law) or (b) by a corporation, contributions to which are deductible under section 170 (c) (2) of the Internal Revenue Code of the 1986 (or the corresponding provision of any future United States Revenue law).

ARTICLE X

DISSOLUTION

In the event of the dissolution of the corporation, the Board of Trustees shall cause the assets of the Corporation to be distributed as follows:

- a. All liabilities of the corporation shall be paid or adequate provision shall be made for payment;
- b. Assets held by the corporation upon a condition which occurs by reason of the dissolution shall be returned or conveyed in accordance with such requirements; and
- c. All of the remaining assets of the corporation shall be distributed to Harris County Department of Education or its successor for exclusively for public purposes, provided that the Harris County Department of Education or its successor is then a governmental unit as described in Section 170 of the Internal Revenue Code of 1986 (or corresponding section of any future federal tax code). If Harris County Department of Education or its successor shall not so qualify, the remaining of the assets shall be

distributed for one or more exempt purposes within the meaning of section 501 (c) (3) of the Internal Revenue 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 the District Court 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 XI

LIABILITY

A director of the corporation shall not be personally liable to the corporation for monetary damages for an act or omission in the director's capacity as a director, except to the extent that any applicable law may prevent such director from being relieved of such personal liability. Any repeal or modification of this article shall be prospective only and shall not adversely affect any limitation of the personal liability of a director of the corporation existing at the time of such repeal or modification.

ARTICLE XII

INDEMNIFICATION

The corporation shall indemnify and provide for the defense of any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation) by reason of the fact the he or she is or was a Director, officer, employee or agent of the corporation, to the full extent permitted under Texas state law, as in effect from time to time.

ARTICLE XIII

AMENDMENTS

The corporation reserves the right to amend the Articles of Incorporation from time to time in accordance with the Texas Nonprofit Corporation Act.

ARTICLE XIV

NAME AND ADDRESS OF INCORPORATOR

The name and address of the incorporator of the corporation is:

NAME

ADDRESS

Sherea A. McKenzie

Two Houston Center
909 Fannin, Suite 2090
Houston, Texas 77010

IN WITNESS WHEREOF, the undersigned has executed these Articles this

15th day of December, 1997.



Sherea A. McKenzie

STATE OF TEXAS

§
§
§
§

ss.

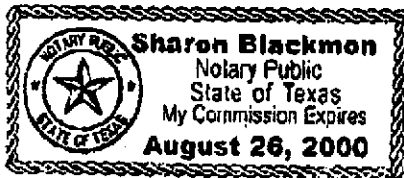
COUNTY OF HARRIS

I, Sharon Blackmon, a Notary Public, do hereby certify that on this 15th day of December, 1997, personally appeared before me Sherea A. McKenzie who, being duly sworn, declared that she is the Secretary of the Corporation executing the foregoing document in the capacity therein set forth and that the statements therein contained are true.

IN WITNESS THEREOF, I have hereunto set my hand and seal the day and year before written.



Notary Public, State of Texas



Sharon Blackmon

Printed or Stamped Name of Notary

My Commission Expires 8-26-2000

JAN 07 1998

ARTICLES OF AMENDMENT

Corporations Section

Pursuant to the provisions of article 1.396-4.03 of the Texas Non-Profit Corporations Act, the undersigned corporation adopts the following articles of amendment:

1. The name of the corporation is Educational Learning and Enrichment Center, Inc.'s Academy of Accelerated Learning
2. The following amendments to the articles of incorporation were adopted on January 5, 1998.

(a) Article I. Name. is amended to read as follows:

The name of the corporation is:
Educational Learning & Enrichment Center, Academy of Accelerated Learning, Inc.

(b) Article VI. Board of Directors. is amended to read as follows:

The names and addresses of the initial Board of Directors are:


Lois Bullock	10700 Northwest Freeway Houston, Texas 77092
Juan G. Sandoval	10700 Northwest Freeway Houston, Texas 77092
Rhodia L. Moore	10700 Northwest Freeway Houston, Texas 77092

The amendment deletes a portion of Article VI. Board of Directors. of the original Articles of Incorporation. That part that was deleted read as follows:

Bobby Jackson	10700 Northwest Freeway Houston, Texas 77092
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3. The amendments was adopted at a meeting of the board of directors on January 5, 1998, and received the vote of a majority of the directors in office, there being no members having voting right in respect thereof.

Educational Learning & Enrichment
Center, Academy of Accelerated Learning, Inc.

By 
Lois Bullock, President

**BYLAWS
OF
EDUCATIONAL LEARNING AND ENRICHMENT CENTER
ACADEMY OF ACCELERATED LEARNING INC.**

**ARTICLE I
OFFICES, CORPORATE SEAL**

Section 1.01 **Registered Office.** The registered office of the Corporation in Texas shall be that set forth in the Articles of Incorporation, or in a resolution of the Directors filed with the Secretary of State changing the registered office.

Section 1.02 **Other Offices.** The Corporation may have such offices, within the State of Texas, as the Directors shall from time to time determine.

Section 1.03 **Corporate Seal.** The Corporation may have a corporate seal of design and form to be determined by the Board of Directors.

**ARTICLE II
BOARD OF DIRECTORS**

Section 2.01. **Members.** The Corporation shall have no members. All corporate actions shall be approved by the Board of Directors as provided in these Bylaws. All rights which would otherwise rest in the members shall rest in the Directors.

Section 2.02. **General Powers.** The property, affairs and business of the Corporation shall be managed by the Directors.

Section 2.03. **Property.** No Director shall have any right, title or interest in or to the property of the Corporation.

Section 2.04. **Number, Qualification and term of Office.** The number of Directors shall be at least 3 and not more than 9, however, the number of voting Directors may be increased or decreased to any odd number, by amendment of these Bylaws. Directors to serve until the first annual meeting shall be appointed by the initial Directors named in the Articles of Incorporation. Thereafter, all Directors shall be appointed by those remaining duly qualified Directors. The President and the Vice President/Treasurer shall be known as permanent directors. All other Directors shall be known as Appointed Directors. Each appointed Director shall hold office until the annual meeting three (3) years following his or her election and until a successor is elected, or until his or her death, or until resignation, or until he or she is removed in the manner hereinafter provided. Each permanent Director shall hold office until his or her designated position with the Corporation is changed. The initial appointed Directors shall draw lots for initial terms of office. The term of office for approximately one-third of the appointed Directors shall expire each year. Appointed Directors may be re-elected to successive terms. Persons, together with representatives of banks or trust companies which serve as Directors,

investment advisors, custodian, or agents for or with respect to funds of or held for the benefit of this Corporation, shall never constitute more than one-half of the Directors of this Corporation.

Section 2.05. Resignation. Any Director of the Corporation may resign at any time by giving written notice to the Chairman of the Board or to the Secretary of the Corporation. The resignation of any Director shall take effect at the time specified therein; and, unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 2.06. Vacancies. Any vacancy in the appointed Board of Directors caused by death, resignation, disqualification, removal, or any other cause, shall be filled by a majority vote of the Board of Directors and the Director so elected shall hold office for the remaining term of that Directorship or until his or her successor shall be duly elected and qualified by the remaining Directors. Any vacancy in permanent Directors as noted in Section 2.04 shall be filled when the designated position with the Corporation has been determined.

Section 2.07. Place of Meeting. The Board of Directors may hold its meetings at such place or places, within Harris County City of Houston, as it may choose.

Section 2.08. Annual Meeting. As soon as practical and not more than sixty (60) days after the beginning of a new fiscal year, the annual meeting of the Corporation shall be held for the purpose of election of officers of the Corporation and any other business or transactions as shall come before the meeting. Notice of the annual meeting shall be given in writing by the Secretary to all Directors not less than ten (10) days prior to the meeting.

Section 2.09. Regular Meeting. Regular meetings of the Board of Directors shall be held at such time and place within the Harris County City of Houston as the Board may determine by resolution adopted by a majority of the whole Board of Directors. Notice of regular meetings shall be given by the Secretary not less than five (5) days prior to the meeting.

Section 2.10. Special Meetings Notice. Special meetings of the Board of Directors shall be held whenever called by the Chairman of the Board or by two or more of the Directors. Notice of each such special meeting shall be mailed to each Director, addressed to the Director at his or her residence or usual place of business, at least five (5) days before the day on which the meeting is to be held, or to be delivered personally or by telephone, no later than two (2) days before the day on which the meeting is to be held. Each such notice shall state the time and place of the meeting, but need not state the purposes thereof except as otherwise herein expressly provided. Any meeting of the Board shall be a legal meeting without any notice thereof having been given, if all of the Directors of the Corporation then in office shall be present (except where a Director attends a meeting for the express purpose of objecting to the transaction of any business because the meeting is not lawfully called or convened) or waive such notice in writing before, at, or after such meeting.

Section 2.11. Quorum and Manner of Acting. Except as otherwise provided by statute or by these Bylaws, a minimum of 51% of the Directors shall be required to constitute a quorum for the transaction of business at any meeting and the act of a majority of the Directors present at

any meeting at which a quorum is present shall be the act of the Board of Directors. In the absence of a quorum, a majority of the Directors present may adjourn any meeting until a quorum is assembled. Notice of any adjourned meeting need not be given.

Section 2.12. Meeting Attendance. It shall be the policy of the Corporation to require attendance at all Directors meetings. In the event a Director misses three (3) or more consecutive meetings, the Board of Directors may, if deemed appropriate under the circumstances, ask for the resignation of that Director. If the Director does not resign upon request, then the removal provisions of Section 2.13. must be followed if the Board, in its discretion, decides removal is appropriate. However, it shall also be the policy of the Corporation to accommodate the schedules of its Directors who demonstrate continuing interest in the affairs of the Corporation. It shall be at the discretion of the Board of Directors to invoke this provision.

Section 2.13. Removal of Directors. Any Director with the exception of the permanent seats, as outlined in Section 2.04. of these Bylaws, may be removed with or without cause at any time. Removal shall be by a vote of a majority of the Directors of the Corporation at a special meeting of the Directors called for that purpose. Written notice stating the place, date, hour and the purpose of any special meeting called for the purpose of removing one or more Directors must be delivered to all Directors at least twenty (20) days prior to such meeting. If mailed, the notice of a meeting shall be deemed delivered when deposited in the United States mail addressed to the Director at his or her address as it appears on the records of the Corporation, with postage thereon prepaid. The vacancy in the Board of Directors caused by any such removal shall be filled in the manner specified in Sections 2.06. hereof.

Section 2.14. Proxies. Proxies shall not be allowed or used.

ARTICLE III OFFICERS

Section 3.01. Number. The officers of the Corporation shall be a Chairman of the Board, a Secretary, a Treasurer and, if the Board shall so elect, one (1) or more Vice Charimen and such other officers as may be appointed by the Board of Directors. Any two (2) or more offices, except those of Chairman of the Board and Secretary, may be held by the same person.

Section 3.02. Election Term of Offices and Qualification. All officers shall be elected annually by the Directors of the Corporation, except in the case of officers appointed in accordance with the provisions of Section 3.10. Each shall hold office for a period of one (1) year and until his or her successor shall have been duly elected and qualified, or until his or her death, or until he or she shall resign, or until he or she shall have been removed in the manner hereinafter provided. Officers shall be Directors.

Section 3.03. Resignation. Any officer may resign at any time b giving written notice of his or her resignation to the Board of Directors, to the Chairman of the Board or to the Secretary of the Corporation. Any such resignation shall take effect at the time specified therein; and,

unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 3.04. Election and Removal. Election of an officer shall not of itself, create contract rights. Any officer elected by the Board of Directors may be removed by the Board whenever in its judgment, the best interests of the Corporation would be served thereby. Such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 3.05. Vacancies. A vacancy in any office because of death, resignation, removal or any other cause shall be filled for the unexpired portion of the term in the manner prescribed in these Bylaws for election or appointment to such office.

Section 3.06. Chairman of the Board. The Chairman of the Board shall not be an employee, trustee, agent or member of the Board of Trustees of the Educational Learning and Enrichment Center, Inc.'s Academy of Accelerated Learning Inc. The Chairman of the Board shall assume all duties normally associated with that office. The Chairman of the Board shall conduct the meetings of the Corporation. The Chairman of the board shall be the chief executive officer of the Corporation and shall have general active management of the business of the Corporation. He or she, shall, when present, preside at all meeting of the Directors. He or she shall see that all orders and resolutions of the Board of Directors are carried into effect. He or she, with the proper signature of one other duly qualified officer of the Corporation, may execute and deliver in the name of the Corporation, and deeds, mortgages, bonds contracts or other instruments pertaining to the business of the Corporation, including without limitation, any instruments necessary or appropriate to enable the Corporation to donate income or principal of the Corporation to or for the account of such organizations, causes and projects described in the Articles of Incorporation of the Corporation which the Corporation was organized to support. He or she shall have such other duties as may from time to time be prescribed by the Board of Directors.

Section 3.07. Vice Chairman. Each Vice Chairman, if any shall be elected by the Board of Directors, shall have such powers and shall perform such duties as may be specified in the Bylaws or prescribed by the Board of Directors or by the Chairman of he Board. In the event of absence or disability of the Chairman of the Board, the Vice Chairman shall succeed to his or her power and duties in the order designated by the Board of Directors.

Section 3.08. Secretary. The Secretary shall not be an elected position but shall be filled on a permanent basis by the President or designee. The Secretary shall see that the proceedings of the meetings of the Board of Directors are kept. He or she shall, when directed to do so, notify the Directors of all meetings and perform such other duties as may from time to time be prescribed by the Board of Directors or by the Chairman of the Board and in general, shall perform all duties incident to the office of the Secretary.

Section 3.09. Treasurer. The Treasurer shall cause to be kept accurate accounts of all funds of the Corporation received or disbursed. He or she shall deposit all funds, drafts and checks in the name of, and to the credit of, the Corporation in such banks an depositories, as a majority of the Board of Directors, by resolution, shall from time to time designate. He or she

shall have power to endorse for deposit all notes, check and drafts received by the Corporation. He or she shall cause to be rendered to the Chairman of the Board and the Directors, wherever required, an account of all his or her transactions as Treasurer and of the financial condition of the Corporation, and shall perform such other duties as may from time to time be prescribed by the Board of Directors or by the Chairman of the Board, and in general, shall perform all duties incident to the office of the Treasurer.

Section 3.10. Other Officers. The Corporation may have such other officers and agents as may be deemed necessary by the Board of Directors, who shall be appointed in such manner, have such duties and hold their offices for such terms as may be determined by resolution of the Board of Directors.

Section 3.11. Election Procedure. The nominating committee shall provide each Director with a list of officers not less than thirty (30) days prior to the annual meeting. The slate of officers shall be presented for vote at the annual meeting. A vote of a majority of duly qualified Directors shall be required to elect officers.

ARTICLE IV COMMITTEES

Section 4.01. Standing Committee. Standing committees of the Board of Directors shall be:

- (a) **The Executive Committee,** to be composed of at least (3) Directors which together with the Principal, shall be charged with the duties of managing the charter school in the ordinary course of business, employment of personnel other than an Executive Director, and the general handling of the affairs of the Foundation and the carrying out of the purposes of the Foundation and the performance of such other duties as may be imposed upon it or authorized by the Board of Directors. The Executive Committee shall be subject to the control of and be responsible to the Board of Directors and shall keep minutes and make reports to the Board of Directors, but there shall be no necessity of a further resolution specially authorizing its actions in the general carrying on of the affairs of the academy. The three (3) Directors who shall comprise the Executive Committee shall be these persons who hold the offices of Chairman, Secretary and Treasurer. The Vice Chairman and one (1) current Director, appointed by the Board of Directors, who is not an officer of the Corporation may be added to the Executive Committee.
- (b) **The Special Projects Committee,** which shall be charged with the duty of managing the special projects to be undertaken by the academy in accordance with its purpose and overseeing the use of any special funds and properties committed to its care and the performance of such other duties as may be imposed upon it or authorized by the Board of Directors.

- (c) **The Nominating Committee**, which shall be charged with the duty of making nominations to the Board of Directors for elective offices and for the filling of vacancies in the Board of Directors. Such nominations shall not preclude the right of additional nominations being considered. The Nominating Committee shall be composed of the President and at least three (3) Directors. The Nominating Committee shall be appointed by the Board of Directors.

The standing committees, other than the Executive Committee, and the Nominating Committee shall be composed of such numbers as may be determined by the Board of Directors and shall be appointed by the Chairman. The Executive Committee and the Nominating Committee shall be composed exclusively of members of the Board of Directors. Membership of the remaining standing committees need not be composed entirely of the members of each of said standing committees.

Section 4.02. Special Committees. The Board of Directors may from time to time, authorize special committees to be appointed by the Chairman, the Board of Directors specifying the number of persons composing such special committees and the terms and duties of such special committees. While the membership of the special committees need not be composed entirely of members of the Board of Directors, nevertheless, at least one (1) Director shall be a member of each special committee of such Board.

Section 4.03. Committee Meetings. Committee meetings shall be called and presided over by the Chairman of the committee, or in his or her absence or disability, by the Vice Chairman, or in case of absence and/or disability of both the Chairman and Vice Chairman by any member thereof after reasonable notice to all of the committee members. Committees shall meet as often as necessary to properly discharge their duties. A simple majority of committee members present in person shall constitute a quorum for any committee meeting and a simple majority vote of those present and voting at any committee meeting at which a quorum is present shall constitute the action or report of the committee.

Section 4.04. Reference to Committees. While it shall not be required, it is recommended, when applicable, that matters be referred to appropriate committees for consideration and recommendation prior to Board action.

ARTICLE V FISCAL AGENTS

This Corporation may designate such fiscal agents, investment advisors and custodians as the Board of Directors may select by resolution. The Board of Directors may at any time, with or without cause, discontinue the use of the services of any such fiscal agent, investment advisor, or custodian.

ARTICLE VI FIDUCIARY RESPONSIBILITY

It shall be the policy of this Corporation that the Board of Directors shall assume and discharge fiduciary responsibility with respect to all funds held or administered by this Corporation.

ARTICLE VII POLICIES WITH RESPECT TO DISTRIBUTION OF PRINCIPAL, INCOME AND RELATED MATERS

Section 7.01. Distribution Policy. Distributions shall find programs and projects that are aligned with the mission, Strategic Plan and educational philosophy of the Article 12.00 of the Texas Educational Code as they relate to planning, implimitation and management of charter schools.

Section 7.02. Annual Distributions. It shall be the policy of this Corporation to make annual distributions for one or more of the educational purposes for which it is organized, including administrative expenses and amounts paid to acquire an asset used (or held for use) directly in carrying out one or more of its purposed, in an amount determined by the Board of Directors to be appropriate. In any such distribution of funds, no discrimination shall be made on account of the age, sex, color religious affiliation, disability or national origin of the individuals or programs to be benefited there by.

Section 7.03 No Self-Dealing. It shall be the policy of this Corporation not to engage in any act which would constitute "self-dealing" as defined in Section 4941 (d) of the Internal Revenue Code of 1986.

Section 7.04. No Jeopardy Investments. It shall be the policy of this Corporation to assure that no funds, whether title thereto is vested in this Corporation or is vested in a trust for the benefit of this Corporation, are invested or reinvested in such a manner as to jeopardize the carrying out of any educational purposes for which this Corporation is organized.

The Corporation may purchase, sell and invest its funds and funds under its control in the following:

- (a) Obligations of the United States or its agencies and instrumentalities.
- (b) Direct obligations of the State of Texas or its agencies.
- (c) Other obligations, the principal of and interest on which are unconditionally Guaranteed or insured by the State of Texas or the United States.
- (d) Obligations of states, agencies, counties, cities and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than "A" or its equivalent.

(e) Certificates of deposits issued by state and national banks domiciled in the State of Texas that are:

(1) Guaranteed or insured by the Federal Deposit Insurance

Corporation or its successor; or

(2) Secured by obligations that are described by items "a-d" above which are intended to include all direct agency or instrumentality issued mortgage back securities rated "AAA" by a nationally recognized rating agency or by Article 2529b-1, V.A.T.S., and that have a market value of not less than the principal amount of the certificates.

(f) Full collateralized direct repurchase agreements having a defined termination date secured by obligations described by item "a" above, pledged with a third party selected or approved by the Board of Directors, and placed through a primary government securities dealer as defined by the Federal Reserve or a bank domiciled in the State of Texas.

Section 7.05. Expenditure Responsibility. Through its Board of Directors, this Corporation shall exercise "expenditure responsibility" as defined in Section 4945 (h)(1) and (2) of the Internal Revenue code of 1986, as now enacted or as hereafter amended, with respect to all grants and distribution.

Section 7.06. Reasonable Return. The Board of Directors shall take steps to assure that each Director, agent or custodian of the unrestricted trusts or funds that are a component part of this Corporation, administer them in accordance with accepted standards of fiduciary conduct to produce a reasonable (as determined by the Board of Directors) return of net income.

ARTICLE VIII BOOKS OF RECORD, AUDIT, FISCAL YEAR, BOND

Section 8. 01. Books and Records. The Board of Directors of this Corporation shall cause to kept:

- (a) records of all proceedings of the Board of Directors and Committees thereof, and
- (b) all financial statements of this Corporation; and
- (c) Articles of Incorporation and Bylaws of this Corporation and all amendments thereto; and

(d) such other records and books of account as shall be necessary and appropriate to the conduct of the corporate business.

Section 8.02. Audit and Publication. The Board of Directors shall cause the records and books of account of this Corporation to be audited at least once in each fiscal year in such a manner as may be deemed necessary or appropriate and also shall make such inquiry as the Board of Directors deems necessary or advisable into the condition of all trusts and funds held by any agent or custodian for the benefit of this Corporation, and shall retain such person or firm for such purposes as it may deem appropriate. Not later than six (6) months after the close of each fiscal year of this Corporation, the Board of Directors shall furnish to the copies of the Corporation's financial statements for its immediately preceding fiscal year and may, if determined necessary or appropriate by the Board of Directors, cause such financial statements to be published in one or more local newspapers having a general circulation and distribution, as may be selected by the Board of Directors.

Section 8.03. Fiscal Year. The fiscal year of the Corporation shall end on June 30 of each year.

Section 8.04. Bond. The Corporation shall obtain bond on such people and in such amounts as may from time to time be deemed necessary by the Board of Directors.

ARTICLE IX WAIVER OF NOTICE

Whenever any notice is required to be given by these Bylaws or any of the corporate laws of the State of Texas, such notice may be waived in writing, signed by the person or persons entitled to said notice, whether, before, at, or after the time stated, of before, at, or after the meeting.

ARTICLE X INDEMNIFICATION AND INSURANCE

Section 10.01. The corporation shall indemnify and provide for the defense of any person who was or is a party, or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the Corporation) by reason of the fact that he or she is or was a Director, officer, employee or agent of the Corporation, to the full extent permitted under Texas state law, as in effect from time to time.

Section 10.2. The Corporation may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation, or who is or was serving at the request of the Corporation as a Director, officer, employee

Section 10.2. The Corporation may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation, or who is or was serving at the request of the Corporation as a Director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of paragraph (a) of Article X of these Bylaws.

ARTICLE XI AMENDMENTS

The Board of Directors may amend this Corporation's Articles of Incorporation and these Bylaws to include or omit any provision which could be lawfully included or omitted. Any number of amendments, or an entire revision or restatement of the Articles of Incorporation or Bylaws, may be adopted at such meeting a quorum being present, upon receiving the affirmative vote or not less than two-thirds of the whole number of Directors. However, amendment of Article III (Purposes) of the Articles of Incorporation may be made only with the unanimous approval and resolution of all qualified Directors.

The undersigned certifies the foregoing Bylaws have been adopted as the first Bylaws of the Corporation, by the Board of Directors of the Corporation as of January 8, 1998.

Rhodia L. Moore, Secretary

TRANSMISSION VERIFICATION REPORT

TIME : 01/09/1998 11:43
NAME : EMPIRICAL MGMT SVCS
FAX : 7139888137
TEL : 7139888100

DATE, TIME	01/09 11:43
FAX NO./NAME	6838758
DURATION	00:00:31
PAGE(S)	01
RESULT	OK
MODE	STANDARD ECM

Section 10.2 The Corporation may purchase and maintain insurance on behalf of any person who is or was a Director, officer, employee or agent of the Corporation, or who is or was serving at the request of the Corporation as a Director, officer, employee or agent of another Corporation, partnership, joint venture, trust or other enterprise against any liability asserted against such person and incurred by such person in any such capacity, or arising out of his or her status as such, whether or not the Corporation would have the power to indemnify such person against such liability under the provisions of paragraph (e) of Article X of these Bylaws.

**ARTICLE XI
AMENDMENTS**

The Board of Directors may amend this Corporation's Articles of Incorporation and these Bylaws to include or omit any provision which could be lawfully included or omitted. Any number of amendments, or an entire revision or restatement of the Articles of Incorporation or Bylaws, may be adopted at such meeting a quorum being present, upon receiving the affirmative vote or not less than two-thirds of the whole number of Directors. However, amendment of Article III (Purposes) of the Articles of Incorporation may be made only with the unanimous approval and resolution of all qualified Directors.

The undersigned certifies the foregoing Bylaws have been adopted as the first Bylaws of the Corporation, by the Board of Directors of the Corporation as of January 8, 1998.

Rhodia L. Moore
Rhodia L. Moore, Secretary

Appendix C. Proposed Budget

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Budget Worksheet for Charter Schools

Overview	Object Code	Total
Net Assets at Beginning of Year		<u>50,000.00</u>
Estimated Revenues:		
Local Sources		
State Sources	<u>1,500,000.00</u>	
Federal Sources	<u>150,000.00</u>	
Other Sources	<u>45,000.00</u>	
Total Estimated Revenues		<u>1,695,000.00</u>
Estimated Expenses:		
Payroll Costs	6100 <u>1,062,743.00</u>	
Professional and Contracted Services	6200 <u>275,347.00</u>	
Supplies and Materials	6300 <u>158,653.00</u>	
Other Operating Costs	6400 <u>173,262.00</u>	
Debt Expense	6500 <u>5,000.00</u>	
Total Estimated Expenses		<u>1,675,005.00</u>
Gains	7950 _____	
Losses	8950 _____	
Change in Net Assets		<u>20,000.00</u>
Net Assets at End of Year		<u>20,000.00</u>

Charter School Budget Categories Expenses

	Function Code	Object Code	Total
Instruction:	11		
Payroll Costs		6100	697,643.00
Professional and Contracted Services		6200	105,210.00
Supplies and Materials		6300	95,190.00
Other Operating Costs		6400	103,957.00
Debt Expense		6500	
Total Instruction			<u>1,002,000.00</u>
Instructional Resources and Media Services:	12		
Payroll Costs		6100	20,929.00
Professional and Contracted Services		6200	3,156.00
Supplies and Materials		6300	2,856.00
Other Operating Costs		6400	3,119.00
Debt Expense		6500	
Total Instructional Resources and Media Services			<u>30,060.00</u>
Curriculum Development and Instructional Staff Development:	13		
Payroll Costs		6100	1,163.00
Professional and Contracted Services		6200	175.00
Supplies and Materials		6300	159.00
Other Operating Costs		6400	173.00
Debt Expense		6500	
Total Curriculum Development and Instructional Staff Development			<u>1,670.00</u>
Instructional Leadership:	21		
Payroll Costs		6100	34,882.00
Professional and Contracted Services		6200	5,261.00
Supplies and Materials		6300	4,760.00
Other Operating Costs		6400	5,198.00
Debt Expense		6500	
Total Instructional Leadership			<u>50,101.00</u>

Charter School Budget Categories (Continued)

Expenses	Function Code	Object Code	Total
School Leadership:			
Payroll Costs	23	6100	<u>41,859.00</u>
Professional and Contracted Services		6200	<u>6,313.00</u>
Supplies and Materials		6300	<u>5,711.00</u>
Other Operating Costs		6400	<u>6,237.00</u>
Debt Expense		6500	<u> </u>
Total School Leadership			<u>60,120.00</u>

Charter School Budget Categories (Continued)

	Function Code	Object Code	Total
Guidance, Counseling and Evaluation Services:	31		
Payroll Costs		6100	
Professional and Contracted Services		6200	<u>28,100.00</u>
Supplies and Materials		6300	<u>3,332.00</u>
Other Operating Costs		6400	<u>3,638.00</u>
Debt Expense		6500	
Total Guidance, Counseling and Evaluation Services			<u>35,070.00</u>
Social Work Services: (Optional)	32		
Payroll Costs		6100	
Professional and Contracted Services		6200	
Supplies and Materials		6300	
Other Operating Costs		6400	
Debt Expense		6500	
Total Social Work Services			<u>0.00</u>
Health Services:	33		
Payroll Costs		6100	
Professional and Contracted Services		6200	<u>12,043.00</u>
Supplies and Materials		6300	<u>1,428.00</u>
Other Operating Costs		6400	<u>1,559.00</u>
Debt Expense		6500	
Total Health Services:			<u>15,030.00</u>
Student Transportation: (Optional)	34		
Payroll Costs		6100	
Professional and Contracted Services		6200	
Supplies and Materials		6300	
Other Operating Costs		6400	
Debt Expense		6500	
Total Student Transportation			<u>0.00</u>

Charter School Budget Categories (Continued)

	Function Code	Object Code	Total
Food Services: (Optional)	35		
Payroll Costs		6100	
Professional and Contracted Services		6200	<u>34,790.00</u>
Supplies and Materials		6300	<u>4,125.00</u>
Other Operating Costs		6400	<u>4,505.00</u>
Debt Expense		6500	<u> </u>
Total Food Services			<u>43,420.00</u>

Charter School Budget Categories (Continued)

	Function Code	Object Code	Total
Co-curricular/Extracurricular Activities: (Optional)	36		
Payroll Costs		6100	60,462.00
Professional and Contracted Services		6200	9,118.00
Supplies and Materials		6300	8,250.00
Other Operating Costs		6400	9,010.00
Debt Expense		6500	
Total Co-curricular/Extracurricular Activities			<u>86,840.00</u>
General Administration	41		
Payroll Costs		6100	68,602.00
Professional and Contracted Services		6200	10,346.00
Supplies and Materials		6300	9,360.00
Other Operating Costs		6400	10,222.00
Debt Expense		6500	5,000.00
Total General Administration			<u>103,530.00</u>
Plant Maintenance and Operations:	51		
Payroll Costs		6100	102,321.00
Professional and Contracted Services		6200	15,431.00
Supplies and Materials		6300	13,961.00
Other Operating Costs		6400	15,247.00
Debt Expense		6500	
Total Plant Maintenance and Operations			<u>146,960.00</u>
Security and Monitoring Services:	52		
Payroll Costs		6100	34,882.00
Professional and Contracted Services		6200	5,261.00
Supplies and Materials		6300	4,760.00
Other Operating Costs		6400	5,198.00
Debt Expense		6500	
Total Security and Monitoring Services			<u>50,101.00</u>

Charter School Budget Categories (Continued)

	Function Code	Object Code	Total
Data Processing and Monitoring Services	53		
Payroll Costs		6100	
Professional and Contracted Services		6200	<u>13,381.00</u>
Supplies and Materials		6300	<u>1,587.00</u>
Other Operating Costs		6400	<u>1,733.00</u>
Debt Expense		6500	<u> </u>
Total Data Processing Services			<u>16,701.00</u>

**Appendix D. Criminal Background Check
Board Members**

Criminal History Records/Background

PAGES 109 - 124 = 16 PAGES

16 PAGES HAVE BEEN WITHHELD UNDER SECTIONS 411.0845 AND
411.0901 OF THE GOVERNMENT CODE

Appendix E. Proposed Sites/Facilities

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MEI**MIKE EASELY INTERESTS****COMMERCIAL REAL ESTATE SERVICES****OFFICE BUILDINGS . RETAIL CENTERS . INDUSTRIAL FACILITIES**

December 29, 1997

Mrs. Lois Bullock
President
Educational Learning & Enrichment Center,
Academy of Accelerated Learning, Inc.
10700 Northwest Freeway, Suite 210
Houston, Texas 77092

Dear Mrs. Bullock:

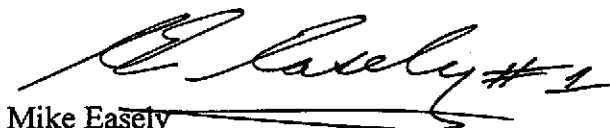
The building located at the 5100 block of Almeda and Southmore (near Downtown Houston) has the following description.

- Square footage: approximately 20,000 sq. feet.
- Building Renovations will meet all of the ADA requirements of 1990 Title III.
- Renovations can be completed within 90 days.
- Playground space will be available.
- Public transportation is located directly in front of this building.
- These facilities have recently been inspected by the City of Houston and meet health and safety requirements.

Pending agreement is attached.

If you should have any questions, please contact us at voice number (713) 721-9948, or fax number (713) 734-0051.

Sincerely,



Mike Easley
Broker

11016 CEDARHURST . HOUSTON TX 77096 . 713.721.9948

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EARNEST MONEY CONTRACT—COMMERCIAL IMPROVED PROPERTY

THIS CONTRACT FORM HAS BEEN PREPARED FOR USE BY MEMBERS OF THE HOUSTON BOARD OF REALTORS, BY ITS LEGAL COUNSEL, AN ATTORNEY AT LAW LICENSED IN TEXAS, AND APPROVED FOR USE IN A TRANSACTION INVOLVING THE SALE OF COMMERCIAL IMPROVED PROPERTY. SUCH APPROVAL RELATES TO THIS CONTRACT FORM ONLY. THIS FORM HAS NOT BEEN DRAFTED FOR A SPECIFIC TRANSACTION AND NO REPRESENTATION IS MADE AS TO THE LEGAL VALIDITY OR ADEQUACY OF ANY PROVISION IN ANY SPECIFIC TRANSACTION. TERMS AND PROVISIONS THAT ARE NOT APPLICABLE SHOULD BE STRICKEN BY THE PARTIES. THE PARTIES ARE ADVISED TO CONSULT THEIR ATTORNEYS BEFORE SIGNING.

1. PARTIES: Mr. Leon Baskt (Seller)
 agrees to sell and convey to Ms. Lois Bullock, DBA E.L.E.C. (Buyer) and Buyer agrees to buy from Seller the following property for the consideration and upon and subject to the terms, provisions, and conditions hereinafter set forth.

2. PROPERTY: A tract of land situated in Houston, Texas County, Texas, together with all buildings, improvements, fixtures, and all property of every kind and character and description owned by Seller located on, attached to, or used in connection with the Property; and all privileges, and appurtenances pertaining thereto including any right, title and interest of Seller in and to adjacent streets, alleys, or rights-of-way, Seller's interest in and to all leases or rents, and security deposits, Seller's interest in and to all licenses and permits with respect to the Property, Seller's interest in all service, maintenance, management or other contracts relating to the ownership or operation of the Property, Seller's interest in all warranties or guaranties relating to the Property or to any tangible personal property and fixtures located on, attached to, or used in connection with the Property, and Seller's interest in any trade names used in connection with the Property; all of the above hereinafter collectively called "Property", described as follows and as set out on Exhibit "A" attached hereto and incorporated herein: SEE ATTACHMENT "A"

The metes and bounds description determined by the survey of the Property hereinafter provided for will replace Exhibit "A" attached hereto in the event it should differ from the attached exhibit. Any property to be excluded from this sale should be set forth under Special Provisions below.

3. CONTRACT SALES PRICE:
 A. Cash payable at closing \$ 75,000 *
 B. Sum of all notes described in Paragraph 4 below \$ _____
 C. Sales Price (Sum of A and B) \$ _____

4. FINANCING:
 A. SUBJECT TO: Buyer takes subject to, and does not assume payment of, the unpaid balance of that promissory note to _____ dated _____, and does not assume those obligations imposed by the Deed of Trust, securing payment of said note, recorded in the county where the Property is situated. Buyer shall pay the installment payment due after the date of closing. The principal balance at closing will be \$ _____, allowing for an agreed \$ _____ variance. The cash payable at closing shall be adjusted for the amount of such variance. Should this not be acceptable to the note holder, or if the variance exceeds the amount above, or should the terms of the note or deed of trust or interest rate be modified, or should Buyer be required to pay a transfer fee in excess of \$ _____, this Contract may be terminated at Buyer's option and the Earnest Money shall be refunded to Buyer.
 B. ASSUMPTION: Buyer shall assume the unpaid balance of that promissory note payable to _____ dated _____, and those obligations imposed by the Deed of Trust recorded in Volume _____, Page _____ of the Deed of Trust Records in the county where the Property is situated. Buyer shall pay the installment payment due after the date of closing. The assumed principal balance at closing will be \$ _____, allowing for an agreed \$ _____ variance. The cash payable at closing shall be adjusted for the amount of such variance. Buyer shall apply for assumption approval within _____ days from the effective date hereof and shall make every reasonable effort to obtain the same. If the variance exceeds the above amount, or the existing interest rate is increased above _____%, or any other terms are modified, or Buyer is required to pay an assumption fee in excess of \$ _____, or assumption approval cannot be obtained within _____ days from the effective date hereof, this Contract may be terminated at Buyer's option and the Earnest Money shall be refunded to Buyer.
 C. THIRD PARTY FINANCING: This Contract is subject to approval of a loan for Buyer by a third party in the amount of \$ _____ payable in _____ installments for not less than _____ years with the interest rate not to exceed _____% per annum, and with each principal and interest installment not to exceed \$ _____, including interest plus interest. Buyer shall apply for the loan within _____ days from the effective date hereof and shall make every reasonable effort to obtain approval. If the loan has not been approved within _____ days from the effective date hereof, this Contract shall terminate and the Earnest Money shall be refunded to Buyer.
 D. SELLER FINANCING: Buyer shall execute a promissory note to Seller in the principal sum of \$ 900,000, bearing 10% interest per annum, and payable: (Check 1, 2, 3 and/or 4 below)
 (1) In full on the _____ day of _____, 19____, with accrued interest being due and payable _____
 (2) In monthly annual other: 120 installments of \$ 8000.00 xx, including interest plus interest each, beginning on the 1st day of MAY, 1998, and continuing regularly thereafter until the 1st day of APRIL, 192008, when the entire amount of principal and interest then remaining unpaid, shall be then due and payable.

* SEE SECTION # 10 (SPECIAL PROVISION)

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(3) Interest only in monthly annual other: _____ installments of \$ _____ each, beginning on the _____ day of _____, 19_____, and continuing regularly thereafter until the _____ day of _____, 19_____, and thereafter in monthly annual other: _____ installments of \$ _____, including interest plus interest, beginning on the _____ day of _____, 19_____, and continuing regularly thereafter until the _____ day of _____, 19_____, when the entire amount of principal and interest then remaining unpaid shall be due and payable.

(4) The Note shall provide for no personal or corporate liability in the event of a default, it being understood that the holder of the Note may look only to the security provided by the Deed of Trust and retained vendor's lien to enforce the payment of the indebtedness.

(5) The Deed of Trust securing payment of the Note shall provide that if all or any part of the Property or an interest therein is sold or transferred by Buyer without the prior written consent of the holder of the Note, the holder of the Note may, at its option, declare all the sums secured by the Deed of Trust to be immediately due and payable.

Any Seller financed note may be prepaid in whole or in part at any time without penalty. Any prepayments are to be applied toward the payment of the installments of principal last maturing, but interest shall immediately cease upon amount of principal prepaid. The lien securing payment of such note will be inferior to any lien securing any loan assumed, taken subject to or given in connection with third party financing. Each note herein provided shall be secured by Vendor's and Deed of Trust liens and assignment of leases. A Vendor's Lien and Deed of Trust to secure any assumption, or Buyer's performance if taken subject to, shall be required, which lien shall be automatically released on execution and delivery of a release by noteholder. In case of dispute as to the form of the Deed, Note(s), or Deed of Trust(s), forms prepared by the State Bar of Texas shall be used. Each note herein provided shall contain provision for acceleration of maturity in the event of default and for the payment of reasonable attorney's fees if the note is placed in the hands of an attorney for collection.

5. EARNEST MONEY: As a condition precedent to the validity of this Contract, \$ 2,500 is herewith tendered and is to be deposited as Earnest Money with American Title Company as Escrow Agent, and placed in an interest bearing account, upon execution of the Contract by both parties.

6. CLOSING: The closing of the sale (the "Closing Date") shall take place at the Title Company on or before April 19 98, unless such date is changed in writing by Seller and Buyer, or otherwise extended as herein provided.

A. At the closing, Seller shall deliver to Buyer, at Seller's sole cost and expense, the following:

(1) A duly executed and acknowledged General Warranty Deed conveying good and indefeasible title in fee simple to all of the Property, free and clear of any and all liens, encumbrances, conditions, easements, assessments, reservations and restrictions, except as permitted herein and/or approved by Buyer in writing;

(2) An Owner's Policy of Title Insurance (the "Title Policy") issued by American Title Company (the Title Company) in the full amount of the Sales Price, dated as of closing, insuring Buyer's fee simple title to the Property to be good and indefeasible subject only to those title exceptions permitted herein, or as may be approved by Buyer in writing, and the standard printed exceptions contained in the usual form of the Title Policy, provided, however:

(a) the exception as to area and boundaries shall not be deleted shall be deleted except for "any shortages in area" and if deleted, such deletion shall be an expense of Seller;

(b) the exception as to restrictive covenants shall be endorsed "None of Record", unless any existing restrictive covenants are approved by Buyer;

(c) the exception as to taxes shall be limited to taxes for the current year and subsequent years, and subsequent assessments for prior years due to changes in land usage or ownership;

(3) A Bill of Sale containing warranties to title, conveying title, free and clear of all liens, to any personal property specified herein and an assignment of leases, prepaid rents, security deposits, and trade name, and to the extent assignable, licenses and permits, maintenance, management or other contracts, warranties or guarantees, duly executed by Seller;

(4) A current rent roll duly certified by Seller;

(5) If requested by Buyer, to the extent assignable, an assignment of any one or more of the insurance policies held by Seller pertaining to the Property, duly executed by Seller;

(6) Furnish evidence of its capacity and authority for the closing of this transaction;

(7) Execute all other necessary documents to close this transaction.

B. At the closing, Buyer shall perform the following:

(1) Pay the cash portion of the Sales Price;

(2) Execute the note(s) and deed(s) of trust provided for herein;

(3) Furnish evidence of its capacity and authority for the closing of this transaction;

(4) Furnish to Seller and/or Third-Party Lender, at Buyer's expense, a mortgagee's policy issued by Title Company for the benefit of the holder(s) of the deed(s) of trust provided for herein;

(5) Execute all other necessary documents to close this transaction.

(6) Execute an assumption agreement for payment of any brokerage leasing commissions that become due and payable after the date of closing.

7. FEASIBILITY STUDY AND INSPECTION: Buyer is is not granted the right to conduct an engineering, and/or market and economic feasibility study ("Feasibility Study") of the Property, and a physical inspection ("Inspection") of all improvements, fixtures, mechanical equipment, and personal property being sold hereby. In the event Buyer is granted such right, Buyer shall have 60 days from the effective date hereof to perform such study and inspection and in this regard, Buyer or his designated agents may enter upon the Property for purposes of such analysis, or other tests and inspections which may be deemed necessary by Buyer. If Buyer determines, in his sole judgment, that the Property is not suitable for any reason for Buyer's intended use or purpose, or is not in satisfactory condition, then Buyer may, on written notice to Seller on or before 60 days from the effective date hereof, terminate this agreement, and it shall be null and void for all purposes and the Earnest Money shall be returned to Buyer, less the sum of \$ 100 to be delivered to and retained by Seller as consideration for this Contract, which consideration is deemed earned as of the date of this Contract. If the written notice is not given to Seller within such period, this condition and any and all objections with respect to the Feasibility Study and Inspection shall be deemed to have been waived by Buyer for all purposes. In the event this Contract shall not close, through no fault of Seller, Buyer shall restore the Property to its original condition, if changed due to the tests and inspections performed by Buyer, and shall provide Seller with a copy of the results of any tests and inspections made by Buyer, excluding any market and economic feasibility studies. The study/inspection shall be at Buyer's expense.

8. BROKER'S FEE: Irwin M. Caplan Properties Listing Broker (2.5 %) and MIKE Easely Interests Co-Broker (2.5 %) (collectively the "Broker"), as Broker, has negotiated this sale and Seller agrees to pay Broker in Harris County, Texas, on consummation of this sale or on Seller's default (unless otherwise provided herein) a total cash fee of \$ 50,025.00 of the total Sales Price, which Escrow Agent shall pay from the sales proceeds. Each of the parties represents to the other that it has not incurred any liability for brokerage fees or commissions in connection with this transaction other than the liability of Seller as set forth above. Each

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10. SPECIAL PROVISIONS:

- I. A total down payment of \$150,000 will be tendered, with \$75,000 paid at time of Closing and the remainder to be paid within a 12 month period after Closing.
- II. Buyer will immediately retain all lease payments from existing or future tenants on said property here in.
- III. Owner to offer Buildings in an acceptable condition, with all M.E.P. to be in good working order.
- IV. This Purchase will be contingent upon the approval and certification of a school charter by the State of Texas + approval of construction, build-out financing for buyer.
(Insert factual statements and business details applicable to this sale.)

11. SALES EXPENSES TO BE PAID IN CASH AT OR PRIOR TO CLOSING:

- A. SELLER'S EXPENSES: All costs of releasing existing loans and recording the releases; Owner's Title Policy; survey; tax statements; 1/2 of any escrow fee; preparation of Deed; other expenses stipulated to be paid by Seller under other provisions of this Contract.
- B. BUYER'S EXPENSES: All expenses incident to any loan (e.g., loan procurement fees, preparation of Note, Deed of Trust, and other loan documents, recording fees, Mortgagee's Title Policy, prepayable interest, credit reports); 1/2 of any escrow fee; copies of restrictions, easements, reservations, or conditions affecting the Property; and expenses stipulated to be paid by Buyer under other provisions of this Contract.
12. PRORATIONS: Insurance (at buyers option), interest on any debt assumed or taken subject to, assessments, current taxes, and any rents, and maintenance fees shall be prorated at the date of closing. No proration shall be made for delinquent rents existing as of Closing Date, which rents Seller shall be responsible for collecting. At the closing, Seller shall pay to Buyer in cash the amount of any prepaid rents paid to Seller by tenants of the Property for periods subsequent to the Closing Date. If ad valorem taxes for the year in which the sale is closed are not available on the Closing Date, proration of taxes shall be made on the basis of taxes assessed in the previous year, with a subsequent cash adjustment of such proration to be made between Seller and Buyer, if necessary, when actual tax figures are available. If Buyer is assuming payment of or taking subject to any existing loan on the Property, all reserve deposits for the payment of taxes, insurance premiums, or other charges shall be transferred to Buyer by Seller and Buyer shall pay to Seller the amount of such reserve deposits. Any special assessments applicable to the Property for improvements previously made to benefit the Property shall be paid by Seller. Seller shall pay to Buyer at closing in cash the amount of any deposits paid to Seller by tenants of the Property, including but not limited to, all rental security, cleaning, utility, key, damage, and other deposits. All other income and ordinary operating expenses of the Property, including but not limited to, public utility charges, maintenance, management, and other normal operating charges shall be prorated as of the date of closing.
13. TITLE APPROVAL: Seller shall deliver to Buyer within twenty (20) days from the date of this Contract a Commitment for Title Insurance (the "Commitment") and, at Buyer's request, legible copies of all recorded instruments affecting the Property and recited as exceptions in the Commitment. If Buyer has an objection to items disclosed in such Commitment or survey provided for herein, Buyer shall have fourteen (14) days after receipt of each such instrument to make written objections to Seller. If Buyer or third party lender makes such objections or if the objections are disclosed in Commitment, survey or by the issuer of the Title Policy, Seller shall have thirty (30) days from the date such objections are disclosed to cure the same, and the Closing Date shall be extended, if necessary. Seller agrees to utilize its best efforts and reasonable diligence to cure such objection, if any. If the objections are not satisfied within such time period, Buyer may (i) terminate this Contract and the Earnest Money shall be refunded to Buyer, and neither party shall have any further rights or obligations pursuant to this Contract, or (ii) waive the unsatisfied objections and close the transaction.
14. DEFAULT: Unless otherwise provided for herein, if Buyer fails to comply herewith, Seller may either (i) enforce specific performance and seek such other relief as may be provided by law, or (ii) terminate this Contract and receive the Earnest Money as liquidated damages, one-half of which (but not exceeding the herein recited Broker's fee) shall be paid by Seller to Broker in full payment of Broker's services. The Broker's fee is payable only if and when Seller enforces specific performances, collects damages for such default by suit, compromise, settlement, or receives the Earnest Money as liquidated damages. Unless otherwise provided for herein, if Seller fails to comply herewith, Buyer may either (i) enforce specific performance hereof and seek such other relief as may be provided by law, or (ii) terminate this Contract and receive the Earnest Money. Notwithstanding the above, accrued interest, if any, on the Earnest Money shall be paid to Buyer.
15. ATTORNEY'S FEES: Any signatory to this Contract who is the prevailing party in any legal proceeding against any other signatory brought under or with relation to the Contract or transaction shall be additionally entitled to recover court costs and reasonable attorney's fees from the non-prevailing party.
16. ESCROW: The Earnest Money is deposited with Escrow Agent with the understanding that Escrow Agent (i) is not a party to this Contract and does not assume or have any liability for performance or non-performance of any party and (ii) has the right to require from all signatories a written release of liability of the Escrow Agent, termination of the Contract and authorization to disburse the Earnest Money. At closing, Earnest Money and accrued interest shall be applied to any cash down payment required, next to Buyer's closing costs and any excess refunded to Buyer. Any refund or payment of the Earnest Money under this Contract shall be reduced by the amount of any actual expenses incurred on behalf of the party receiving the Earnest Money, and the Escrow Agent will pay the same to the creditors entitled thereto.
17. REPRESENTATIONS AND WARRANTIES OF SELLER: Seller hereby represents and warrants to Buyer as follows, which representations and warranties shall be deemed made by Seller to Buyer also as of closing date and such representations and warranties shall survive the closing:
- A. There are no parties in possession of any portion of the Property as lessees, tenants at sufferance, or trespassers except tenants under the written leases delivered to Buyer pursuant to the Contract;
- B. There is no pending or threatened condemnation or similar proceeding or assessment affecting the Property, or any part thereof, nor to the best knowledge and belief of Seller is any such proceeding or assessment contemplated by any governmental authority;
- C. Seller is the fee simple owner of the title to the Property and is duly authorized and empowered to sell said Property;
- D. Seller has paid, through the current year, all taxes, charges, debts, and other assessments due by the Seller with respect to the Property;
- E. The Property is not in a flood plain or water district, except as follows: _____;
- F. All loan(s) assumed or taken subject to are not presently in default and will not be in default at the time of closing;
- G. There will be no unrecorded liens or Uniform Commercial Code liens against any of the Property which will not be satisfied out of the Sales Price;

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- J. The Property is not being used and Seller has no knowledge that it has ever been used for the storage or disposal of any hazardous or toxic materials;
- K. To the best of Seller's knowledge, no fact or condition exists which would result in the termination of the current access from the Property to any presently existing highways and/or roads adjoining or situated on the Property, or to any existing sewer or other utility facilities servicing, adjoining, or situated on the Property;
- L. Seller shall not further encumber, or allow the encumbrance of, the title to the Property, or modify the terms or conditions of any existing encumbrances, if any, without the written consent of Buyer;
- M. Seller has no knowledge of any pending or contemplated change in any statute, ordinance, rule or other governmental regulation applicable to the Property, or any action pending or threatened by any governmental body, adjacent landowners or other persons, or of any condition upon or affecting the Property, any of which would result in any material change in the condition of the Property, or in any way limit the use of the Property;
- N. Seller has not received, and has no other knowledge of any notice from any insurance company requesting the performance of any work regarding the Property or relating to an increase in the insurance premiums applicable to the Property;
- O. Seller has all necessary licenses and permits required by any and all statutes, ordinances, rules or other governmental regulations for the use and operation of the Property;
- P. All obligations of Seller arising from the ownership and operation of the Property and business operated thereon, including, but not limited to salaries, taxes, leasing commissions, and the like, have been paid as they became due or will be paid at or prior to closing. Except for obligations for which provisions are herein made for proration or other adjustment at closing and the indebtedness taken subject to or assumed, there will be no obligations of Seller with respect to the Property outstanding as of the Closing Date;
- Q. Each Lease furnished to Buyer pursuant to this Contract is in full force and effect, and has not been amended or modified in any way that has not been disclosed to Buyer in writing. Such Leases constitute all of the written and oral agreements of any kind for the leasing, rental, or occupancy of any portion of the Property. To the best of Seller's knowledge Seller has performed and complied with all its obligations under the Leases as and when thereby required, and there exists no fact or circumstance that could constitute a default of the landlord or lessor under any of the Leases, or entitle any tenant thereunder to offsets or defenses against the prompt, current payment of rent thereunder. Each tenant under the Leases actually occupies the premises leased thereunder. Except as expressly disclosed to Buyer in writing on the rent rolls furnished to Buyer pursuant to this Contract, no rental under any lease has been collected in advance of the current month, and except as so disclosed to Buyer in writing on such rent rolls, there are no concessions, bonuses, free months rental, credits, or other matters affecting the rental for any tenant thereunder. Seller is the owner of the entire lessor's interest in and to each of the Leases and none of the Leases or the rentals or other sums payable thereunder has been assigned or otherwise encumbered, except as security for loan(s) assumed or taken subject to as provided herein. To the best of Seller's knowledge, no tenant under any of the Leases is in default thereunder;
- R. There are no attachments, executions, assignments for the benefits of creditors or voluntary or involuntary proceedings in bankruptcy or under any other debtor relief laws contemplated by or pending or threatened against Seller or the Property;
- S. Seller knows of no repairs that need to be made to the Property and has no knowledge of any latent structural defects or any other defects of the Property, except for the following: Special Note: Seller will provide Buyer with Phase I Environmental Report.

THIS COVENANT IS NOT INTENDED TO BE A WARRANTY AND NO EXPRESS OR IMPLIED WARRANTY IS GIVEN BY SELLER WITH RESPECT TO THE PROPERTY.

If any representation or warranty above is known by Buyer prior to closing, to be untrue and is not remedied by Seller prior to closing, Buyer may (i) terminate this Contract and the Earnest Money shall be refunded to Buyer, and neither party shall have any further rights or obligations pursuant to this Contract, or (ii) waive its objections and close the transaction.

5. AGREEMENTS OF SELLER:

- A. Seller agrees to deliver to Buyer within five (5) days of the effective date of this Contract copies of the following:
 - (i) A current rent roll acceptable in form to Buyer and certified by Seller to be true and correct as of the date of delivery;
 - (ii) All Leases pertaining to the Property, including any and all modifications, supplements, or amendments thereto;
 - (iii) A current inventory of all tangible personal property and fixtures owned by Seller and located on, attached to, or used in connection with the Property, certified by Seller to be true and correct as of the date of delivery;
 - (iv) Note(s), Deed(s) of Trust and other loan documents pertaining to loan(s) assumed or taken subject to;
 - (v) All service, maintenance, management, or other contracts relating to the ownership and operation of the Property;
 - (vi) All warranties and guaranties relating to the Property, or any part thereof, or to the tangible personal property and fixtures owned by Seller and located on, attached to, or used in connection with the Property, if available;
 - (vii) All fire, hazard, liability, and other insurance policies held by Seller on the Property;
 - (viii) All of the most recent real estate and personal property tax statements with respect to the Property;
 - (ix) All leasing or other commission agreements with respect to the Property, which commissions are being assumed by Buyer pursuant to paragraph hereof;
 - (x) The "as-built" plans and specifications with respect to the Property, if available;
 - (xi) Information on utility and repair expenses incurred by Seller for operation of the Property for each month for the preceding two (2) years;
 - (xii) A true and correct statement of income and expenses for the Property from _____ to _____.

Buyer shall have _____ days from the date of delivery of the above required information to review such information. If Buyer objects to any matters contained therein, Buyer may within the above time period (i) terminate this Contract and the Earnest Money shall be refunded to Buyer, and neither party shall have any further rights or obligations pursuant to this Contract, or (ii) waive such objections and close the transaction.

Seller agrees to deliver to Buyer at least seven (7) days prior to the Closing Date an estoppel certificate dated and executed not earlier than ten (10) days prior to the Closing Date by each of the tenants under the leases stating that as of the Closing Date (1) no default exists under the terms of the lease agreement by either landlord or tenant; (2) the amount of any rental payments made in advance, if any; (3) the amount of any security deposits made, if any; (4) that the tenant has no defenses or offsets against the payment of rent accruing under the terms of the lease agreement; and (5) a warranty by Seller that said Leases are in full force and effect and that there are no defaults thereunder. If any tenants assert defenses or offsets against the payment of rent which are unacceptable to Buyer, Buyer shall immediately notify Seller in writing. Seller shall promptly undertake to eliminate such unacceptable defenses or offsets. In the event Seller is unable to do so by Closing Date, Buyer may (i) terminate this Contract and the Earnest Money shall be refunded to Buyer, and neither party shall have any further rights or obligations pursuant to this Contract, or (ii) waive such objections and close the transaction.

- B. From the effective date of this Contract until the Closing Date or earlier termination of this Contract, Seller shall:
 - (i) Operate the Property diligently and in the ordinary course of its business and will use its best efforts to reasonably preserve for Buyer the relationships of Seller and its suppliers, tenants, and others having relations with it;
 - (ii) Keep, maintain, and repair the Property in a good and presentable condition and comply with all regulations affecting the Property;
 - (iii) Keep, observe and perform its obligations as landlord under the Leases, and as long as tenants remain in default under the Leases

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- (iv) Not enter into any written or oral service contract or other agreement with respect to the Property that will not be fully performed by Seller on or before the Closing Date, or that will not be cancellable by Buyer without liability on or after the Closing Date, without the prior written consent of Buyer;
- (v) Not enter into, or alter, amend, or otherwise modify, or supplement any lease without the prior written consent of Buyer;
- (vi) Not grant any bonus, free month's rental, rebate or other concession to any present or future tenant of the Property;
- (vii) Advise Buyer promptly of any litigation, arbitration, administrative hearing, or legislation before any governmental body or agency of which Seller becomes aware, concerning or affecting the Property which is instituted or threatened after the date hereof;
- (viii) Keep, observe, and perform all its obligations under the loan(s) assumed or taken subject to;
- (ix) Not take, or omit to take any action that would have the effect of violating any of the representations, warranties, covenants, and agreements of Seller contained in this Contract.

19. USE OF PROPERTY: Seller has has not claimed the benefit of laws permitting a special use valuation for the purposes of payment of ad valorem taxes on the Property, and if so, Seller represents that he was legally entitled to claim such benefits. If Seller claimed such benefit and after the purchase is closed, Buyer changes the use of the Property and the same results in the assessment of additional taxes, such additional taxes will be the obligation of the Buyer. The representation herein shall survive closing.

20. PROPERTY SURVEY: Within 30 days from effective date hereof, Seller, at Seller's sole cost and expense, shall cause to be delivered to Buyer a current plat or survey of the Property, prepared by a surveyor acceptable to the parties and the Title Company closing this transaction. The survey shall certify to the Buyer and Title Company that: (i) the survey was made and staked on the ground; (ii) the plat shows the location of all improvements, highways, streets, roads, railroads, rivers, creeks, or other waterways, fences, easements, and rights-of-way on or adjacent to the Property, if any; (iii) there are no visible discrepancies, conflicts, or encroachments except as shown on the survey plat; (iv) the Property does not lie in the 100 year flood plain as established by the U. S. Army Corps of Engineers or any other governmental body; (v) the survey plat is a true, correct, and accurate representation of the Property; and (vi) the survey sets forth the number of total acres/square feet comprising the Property, together with a metes and bounds description thereof. All easements and rights-of-way shall be referenced to the recording information applicable to the documents creating such easements or rights-of-way which have been recorded with the County Clerk of the County in which the Property is located. The survey shall locate and mark all corners and angles of the Property's perimeter on the ground with permanent, buried iron surveyor's stakes.

21. CONDEMNATION: If prior to Closing Date condemnation proceedings are commenced against any portion of the Property, Buyer may, at its option, terminate this agreement by written notice to Seller within 5 days after Buyer is advised of the commencement of condemnation proceedings and the earnest money shall be refunded to Buyer, or Buyer shall have the right to appear and defend in such condemnation proceedings, and any award in condemnation shall, at the Buyer's election, become the property of Seller and reduce the purchase price by the same amount or shall become the property of Buyer and the purchase price shall not be reduced.

22. CASUALTY LOSS: Risk of loss by damage or destruction to the Property prior to the closing shall be borne by Seller. In the event any such damage or destruction is not fully repaired prior to closing, Buyer, at its option, may either (i) terminate this Agreement, in which event the Earnest Money shall be refunded to Buyer, and neither party shall have any further rights or obligations pursuant to this Contract, or (ii) elect to close the transaction, in which event Seller's right to all insurance proceeds resulting from such damage or destruction shall be assigned in writing by Seller to Buyer.

23. MISCELLANEOUS:

- A. Any notice required or permitted to be delivered hereunder shall be deemed received when personally delivered or sent by United State mail, postage prepaid, certified mail, return receipt requested, addressed to Seller or Purchaser, as the case may be, at the address set forth below the signature of such party hereto.
- B. This Contract shall be construed under and in accordance with the laws of the State of Texas, and all obligations of the parties created hereunder are performable in Harris County, Texas.
- C. This Contract shall be binding upon and inure to the benefit of the parties hereto and their respective heirs, executors, administrators, legal representatives, successors, and assigns.
- D. In case any one or more the provisions contained in this Contract shall for any reason be held to be invalid, illegal, and unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Contract shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.
- E. This Contract constitutes the sole and only agreement of the parties hereto and supersedes any prior understandings or written or oral agreements between the parties respecting the within subject matter and cannot be changed except by their written consent.
- F. Time is of the essence of this Contract.
- G. Words of any gender used in this Contract shall be held and construed to include any other gender, and words in the singular number shall be held to include the plural, and vice versa, unless the context requires otherwise.
- H. In accordance with the requirements of the Texas Real Estate License Act, Buyer is hereby advised by Broker: (1) that it should be furnished with or obtain a policy of title insurance or have the abstract covering the Property examined by any attorney of its own selection, and (2) that unless otherwise agreed to in writing by the parties hereto, Broker and Co-Broker are being paid by Seller and are representing Seller in this transaction.

24. ASSIGNMENT:

- A. Buyer may not assign this contract.
- B. Buyer may assign this Contract and all rights hereunder and shall be relieved of any future liability under this Contract provided the assignee shall assume in writing all the obligations of Buyer hereunder.

25. TERMINATION OF OFFER: Unless accepted by Seller, as evidenced by Seller's signature hereto and delivered to Buyer by 5:00 P.M., the 29 day of December, 1997, this offer to purchase shall be null and void and all parties hereto shall stand relieved and released of any and all liability or obligations hereunder and all Earnest Money shall be returned to Buyer.

26. CONSULT YOUR ATTORNEY: This is intended to be a legally binding contract. READ IT CAREFULLY. NO REPRESENTATION OR RECOMMENDATION IS MADE BY BROKER OR ITS AGENTS OR EMPLOYEES AS TO THE LEGAL SUFFICIENCY, LEGAL EFFECT, OR TAX CONSEQUENCES OF THIS DOCUMENT OR THE TRANSACTION RELATING THERETO. THESE ARE QUESTIONS FOR YOUR ATTORNEY. CONSULT YOUR ATTORNEY BEFORE SIGNING. The Broker cannot give you legal advice — only factual and business details concerning land and improvements.

00131

~~00131~~

Exhibit A

Property:

5104 ALMEDA AT SOUTHMORE:

LEGAL : Lots 1,2,3,4,25 & 26 Tracts 5A and 24 BLOCK #
SOUTHMORE ADDITION # 106 (001*TR 31)

Above being an approx 37,000 ft of land with approx
17,400 sq ft of improvements.

LEGAL : Lots 22 & TRact 23 ~~A Block~~ 4 (001* TR 29)
Southmore Addition #106 Known as 1840 Palm and
being a brick house approx 50 ' x 100 '

Lots 23 & 24 A Block 4, (001*TR 30)
Southmore Addition # 106 Known as 1842 Palm St and
being a brick house. approx 50 ' x 100 '

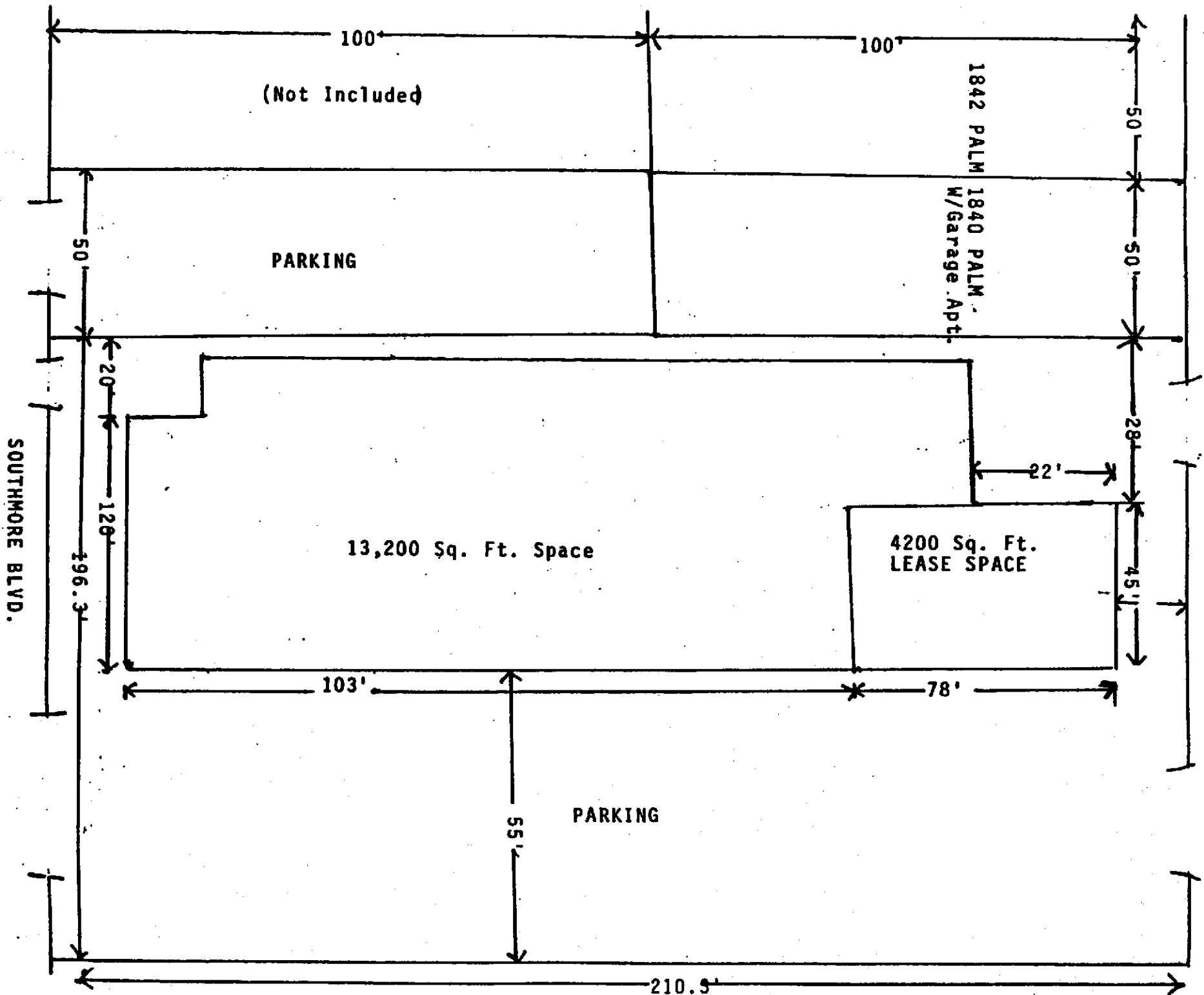
LEGAL OWNERS: Leon Bakst and wife Libby Bakst.
2929 Buffalo Spdway Houston, Texas 77098
Phone # 621-3825

Special Provisions:

Owner will have removed from the 10,000 sq ft open area
all fixtures.

00132

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(Not Included)

1842 PALM
1840 PALM
W/Garage Apt.

PARKING

13,200 Sq. Ft. Space

4200 Sq. Ft.
LEASE SPACE

PARKING

SOUTHMORE BLVD.

5100 BLOCK ALAMEDA ROAD
HOUSTON TEXAS

00133

EXECUTED in multiple originals effective the 9th day of JANUARY, 1998. (Fill in date last party signs.)
ALL APPLICABLE BOXES SHALL BE CHECKED BY THE PARTIES.

Michael Ross'c 015782
Listing Broker License No.

Leon B. Brest
Seller

Mike Easley Interests 332616
By Co-Broker License No.

LEON BREST
Seller

By _____
Seller's Address _____ Phone No. _____

Buyer _____

Receipt of \$ 2,500.00 earnest money is acknowledged in the form of _____

Pats Bullock
Buyer

Escrow Agent _____

Buyer's Address 10700 NW Freeway (30 Westway) Phone No. _____
Houston, Texas

By _____

By _____

This contract must be completed with earnest money received into title company no later than January 30, 1998. In event this contract is not accepted by Buyer/seller it shall be null & void + of no further force & effect.

APPROVED BY: Pats Bullock
Buyer

DATE: JANUARY 9, 1998

The TransAmerica Group LLC
2115 Runnels, Suite 1000
Houston, Texas 77003
Tel: (713) 225-2707
Fax: (713) 225-2790

December 22, 1997

Dr. Mike Moses
Commissioner of Education
Executive Officer of the State Board of Education
1701 N. Congress Avenue
Austin, Texas 78701-1494

Dear Dr. Moses:

We manage a 380,000 sq. ft. building in Houston known as *The Americas*. Our property is located one block from Houston's Central Business district, provides free parking for over five hundred cars, and adjoins beautifully maintained park space known as Guadalupe Park. The high density population in this neighborhood strains existing school facilities, and additional school space is greatly needed.

We are pleased to announce our offer to the Educational Learning & Enrichment Center, Inc. and the Academy of Accelerated Learning for lease space suitable for a Charter School. This lease space, which does not contain asbestos products or lead based paint, has been offered at below market rates and will be available for occupancy March 30, 1998. We understand that the total space required will range between 19,000 - 25,000 sq. ft., and that *The Americas* meets all foreseeable space and facility requirements. Additional lease space is available to meet future growth needs.

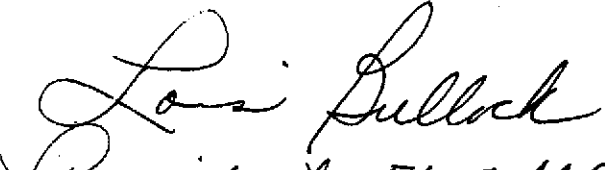
Facility plans, site maps and other data is available upon request. We encourage you to contact us directly if you desire additional information.

Very truly yours,

The TransAmerica Group, LLC

By:


Managing Director


President, ELEC, AAL, Inc

00135

~~00135~~

POLYTECHNIC INSTITUTE
"Educating Tomorrow's Professionals"

5206 Airline Dr.
Houston, Texas 77022
Bus. (713) 694-6027 Fax (713) 694-0419

FAX TRANSMITTAL SHEET

TO: Lois Bullock
FROM: Luis R. Cano
DATE: 1-9-98
FAX: 713-988-8137
MESSAGE: _____

NUMBER OF PAGES (Including this sheet): 6

NOTE: If you did not receive the number of pages stated above, please contact me immediately.

Signed
Pending Agreement
Bill E Tidwell

00136

~~00126~~

SUBLEASE

1. PARTIES
This Sublease is entered into as of the 1st day of March 1998 by and between Polytechnic Institute, Inc. and Educational Learning & Enrichment Center.

2. PROVISIONS CONSTITUTING SUBLEASE

(a) Except as herein provided, Sublessee agrees to comply with all of the terms and conditions set forth in the Lease (a copy of which is attached hereto as Exhibit 'A' and made a part hereof) as are to be performed by Sublessor as Lessee thereunder.

(b) All of the terms and conditions contained in the Lease in Exhibit A are incorporated herein and shall apply to this Sublease except as modified by the terms of this Sublease.

as terms and conditions of this Sublease (with each reference herein to Lessor and Lessee to be deemed to refer to Sublessor and Sublessee, and along with all of the following paragraphs set out in this Sublease, shall be the complete terms and conditions of this Sublease.

3. PREMISES

Sublessor leases to Sublessee and Sublessee hires from said Sublessor the following described premises situated in the City of Houston, County of Harris, State of Texas.

511 E. Tidwell Rd.

except for those modifications set forth

Sublessee agrees to accept the Subleased Premises in its present 'as is' condition at the date of this Sublease. Sublessee shall, at the end of the Term or upon sooner termination of this Sublease pursuant to the terms hereof, promptly remove the Subleased Premises in good order and condition and in conformity with the applicable provisions of this Sublease and the Lease, accepting only reasonable wear and tear.

4. TERM

4.1 Term. The terms of this Sublease shall be for a period commencing on March 1, 1998, and ending on March 1, 2000.

4.2 Delay in Commencement. Notwithstanding said commencement date, if for any reason Sublessor cannot deliver possession of the Premises to Sublessee on said date, Sublessor shall not be subject to any liability therefor, nor shall such failure affect the validity of this Lease or the obligations of Sublessee hereunder or extend the term hereof, but in such case Sublessee shall not be obligated to pay rent until possession of the Premises is tendered to Sublessee; provided, however, that if Sublessor shall not have delivered possession of the Premises within ninety (90) days from said commencement date, Sublessee may, at Sublessee's option, by notice in writing to Sublessor within ten (10) days thereafter cancel this Sublease.

4.3 Early Possession. In the event that Sublessor shall permit Sublessee to occupy the Premises prior to the commencement date of the term, such occupancy shall be subject to all of the provisions of this Sublease. Said early possession shall not constitute the termination date of this Sublease.

5. RENT

Sublessee shall pay to Sublessor as rent for the Premises equal monthly installments of six thousand nine hundred and 00/100 (\$6,900.00) Dollars, in advance, on the first day of each month of the term hereof.

Sublessee shall pay Sublessor upon the expiration period the sum of six thousand nine hundred and 00/100 (\$6,900.00) Dollars as rent for March 1, 1998. Rent for each period during the term hereof which is for less than one month shall be a pro rata portion of the monthly installment. Rent shall be payable on demand and without any deduction, offset, or abatement in lawful money of the United States of America to Sublessor at the address stated herein or to such other persons or at such other places as Sublessor may designate in writing.

6. SECURITY DEPOSIT

Sublessee shall deposit with Sublessor upon execution hereof the sum of six thousand nine hundred and 00/100 (\$6,900.00) Dollars as security for Sublessee's faithful performance of Sublessee's obligations hereunder.

Sublessor may use, apply or retain all or any portion of said deposit for the payment of any rent or other charge in default or for the payment of any other sum to which Sublessor may become obligated by reason of this lease a default, or to compensate Sublessor for any loss or damage which Sublessor may suffer thereby. If Sublessor so elects to apply any portion of said deposit, Sublessee shall within ten (10) days after written demand therefor deposit cash with Sublessor in an amount sufficient to restore said deposit to the full amount hereinabove stated and Sublessee's failure to do so shall be a breach of this Sublease, and Sublessor may at its option terminate this Sublease. Sublessor shall not be required to keep said deposit separate from its general assets. If Sublessee performs all of Sublessee's obligations hereunder, said deposit or so much thereof as had not previously been applied by Sublessor shall be returned without payment of interest for its use, to Sublessee (or, at Sublessor's option, to the last assignee, if any, of Sublessee's interest hereunder) within ten (10) days after the expiration of the term hereof, or after Sublessee has vacated the Premises, whichever is later.

7. USE

The Premises shall be used and occupied only for (see attached Exhibit A)

8. RIGHT OF ENTRY

Following the date of this Sublease and prior to the Commencement Date, Sublessee shall have access to the Subleased Premises, upon reasonable prior notice to Sublessor, for the purpose of evaluating what alterations, repairs or improvements are needed to modify the Subleased Premises for its use. Sublessee may not commence any such alteration, repair or improvement until Sublessor and Lessor shall have consented thereto pursuant to Paragraph 9 and Lessor shall have consented to this Sublease. Sublessee's access to the Subleased Premises prior to the commencement date shall be subject to all of the terms and conditions of this Sublease, except for the payment of Rent. Sublessee hereby agrees to indemnify and hold harmless Sublessor and Lessor from any and all liability, claims, demands, expenses, damages and judgments arising as a result of Sublessee's access to the Subleased Premises pursuant to this Paragraph 8.

9. ALTERATIONS AND MODIFICATIONS

Sublessee agrees to obtain Sublessor's and Lessor's prior written approval of alterations, modifications, repairs or renovations made to the Subleased Premises. Sublessor agrees that it shall promptly review plans and drawings submitted and that it will not unreasonably delay or deny approval with respect to non-structural alterations. Notwithstanding the foregoing, Sublessor's consent to such alterations shall be subject to Lessor's consent thereto. Any alterations, modifications or renovations of or to the Subleased Premises shall be limited to partition changes (non-bearing walls), electrical and mechanical alterations, telephone relocations, and decorating. The structural integrity of the Building will not be disturbed in any way. Sublessee shall provide Sublessor with a waiver of liens prior to the commencement of any alterations or modifications to the Subleased Premises and a release of liens at the completion of any alterations or modifications to the Subleased Premises executed by all contractors who performed such alterations or modifications. In addition, Sublessee agrees that all work performed upon the Subleased Premises shall be done in a good and workmanlike manner and shall be in accordance with all applicable law. All alterations, modifications and renovations, upon completion of construction thereof, shall become part of the Subleased Premises and the property of Sublessor only if they are affixed to the structure of the Subleased Premises without payment therefor by Sublessor and shall be surrendered to Sublessor at the end of the Term or upon sooner termination of this Sublease pursuant to the terms hereof; provided, however, that, if requested by Sublessor, Sublessee shall, at Sublessee's sole cost and expense, remove all such alterations, modifications and renovations, or any part or parts thereof specified by Sublessor, from the Subleased Premises and shall repair all damage caused by installation and removal, unless otherwise agreed in writing at the time of Sublessor's request for approval.

in Paragraph 25 below. Sublessor disclaims any warranty of fitness or suitability of the subleased premises for any particular purpose or use.

- not attached to the building structure.
10. **SUBLETTING OR ASSIGNMENT**
 Sublessee covenants that it will not assign its interest in this Sublease, in whole or in part, or permit the subletting of the Subleased Premises or any part thereof. Notwithstanding the foregoing, Sublessee shall have the right to assign the Sublease, or a portion thereof, to a third party, without Sublessor's prior consent.
 11. **INSURANCE AND INDEMNITY**
 Sublessee agrees to indemnify and hold harmless both Sublessor and Lessor from and against all liability, claims, demands, expenses, damages and judgments arising from property damage or injury to third parties (including wrongful death) upon the Subleased Premises during the Term or any extensions thereof, unless due to the negligence or willful misconduct of Sublessor. Sublessee agrees, at its own cost and expense, to keep the Subleased Premises insured under a public liability policy against claims for property damage and personal injury to third parties (including wrongful death). The minimum amounts of such insurance coverage shall not be less than the amounts required by the Lease. Upon execution of this Sublease by Sublessee and at least thirty (30) days prior to the expiration date of such policies, Sublessee shall furnish to Lessor and Sublessor a certificate or certificates of insurance confirming that the required insurance is in full force and effect with all premiums paid current. Sublessee further agrees to indemnify and hold harmless Sublessor and Lessor from all liability arising out of the filing of any mechanic's or materialman's lien against the Subleased Premises by reason of any act or omission of Sublessee.
 12. **PERSONAL PROPERTY**
 Sublessee agrees to assume full responsibility for its personal property located at the Subleased Premises, and to indemnify and hold harmless Sublessor and Lessor against damage sustained by fire, theft or other casualty loss.
 13. **HOLD OVER**
 Notwithstanding any provision of law or any judicial decision to the contrary, no notice shall be required to terminate the Term on the date herein specified as the end of the Term, and the Term shall expire on the date herein mentioned without notice being required from either party. In the event that Sublessee remains beyond the expiration date of the Term, it is the intention of the parties and it is hereby agreed that a tenancy at sufferance shall arise at a monthly rent equal to the terms and conditions of Section _____ of Sublessor's Lease in effect at the expiration of the Term plus any amounts charged against Sublessor as Lessee under the Lease for holdover rent or penalty. It is further agreed that Sublessee shall indemnify and hold harmless Sublessor from and against any and all liability, claims, demands, expenses, damages and judgments incurred by Sublessor as a result of Sublessee's retaining possession.
 14. **SUBLESEEZ DEFAULT * (See attached Exhibit A)**
 The occurrence of any one or more of the following events shall constitute a default under this Sublease by Sublessee:
 (a) The vacation or abandonment of the Subleased Premises by Sublessee with nonpayment of rent.
 (b) The failure by Sublessee to make any payment of Minimum Rent, Additional Rent or any other payment required to be made by Sublessee hereunder on the date due where such failure shall continue for a period of ten (10) days after the same shall become due and payable.
 (c) The failure by Sublessee to observe or perform any of the covenants, conditions or provisions of this Sublease other than as described in the immediately preceding paragraph and/or the failure by Sublessee to observe or perform any of the covenants, conditions or provisions of the Lease in which Sublessee has agreed to be bound pursuant to the terms of this Sublease, where such failure shall continue for a period of fifteen (15) days after written notice thereof from Sublessor to Sublessee.
 (d) The making by Sublessee of any general arrangement or assignment for the benefit of creditors; Sublessee becomes a "debtor" as defined in 11 U.S.C. 101 or any successor statute thereto (unless, in the case of a petition filed against Sublessee, the same be dismissed within sixty (60) days); the appointment of a trustee or receiver to take possession of all or substantially all of Sublessee's assets or of Sublessee's interest in this Sublease, where possession is not restored to Sublessee within thirty (30) days; or the attachment, execution or other judicial seizure of all or substantially all of Sublessee's assets or of Sublessee's interest in this Sublease, where such seizure is not discharged within thirty (30) days.
 15. **REMEDIES**
 In the event of any such default by Sublessee, Sublessor may at any time hereafter, without limiting Sublessor in the exercise of any right or remedy which Sublessor may have by reason of such default or breach:
 (a) Terminate Sublessee's right to possession of the Subleased Premises by any lawful means, in which case the Sublessee shall terminate and Sublessee shall immediately surrender possession of the Subleased Premises to Sublessor. In such event, Sublessor shall be entitled to recover from Sublessee all damages permitted to be recovered by Sublessor pursuant to the laws of the jurisdiction where the Subleased Premises are located, together with all damages incurred by Sublessor by reason of Sublessee's default, including, but not limited to, the cost of recovering possession of the Subleased Premises, reasonable attorney's fees, and any real estate commission actually paid.
 (b) Maintain Sublessee's right to possession in which case the Sublease shall continue in effect whether or not Sublessee shall have vacated or abandoned the Subleased Premises. In such event, Sublessor shall be entitled to enforce all of Sublessor's rights and remedies under this Sublease under the laws of the jurisdiction where the Subleased Premises are located at law and equity, including the right to recover the Minimum Rent, Additional Rent, and all other sums due hereunder as the same become due.
 (c) Declare the entire balance of Minimum Rent, Additional Rent and all other sums payable hereunder during the remaining Term of this Sublease to be immediately due and payable and in arrears as if by the terms and provisions of this Sublease said balance of Minimum Rent, Additional Rent and other sums were on that date payable in advance. Any such acceleration by Sublessor shall not constitute a waiver of any right or remedy of Sublessor.
 (d) Pursue any other remedy now or hereafter available to Sublessor under the laws of the jurisdiction where the Subleased Premises are located or in equity.
 (e) Pursue any remedy enforceable by Lessor under the Lease.
 All remedies available to Sublessor hereunder shall be cumulative and concurrent. No waiver or delay in enforcement by Sublessor of any breach of Sublessee's obligations hereunder shall constitute a waiver of any such breach or any subsequent breach.
 16. **INTEREST**
 In the event that any sums due and payable to Sublessor pursuant to the terms of this Sublease are not paid when due, such sums shall bear interest at the rate of twelve percent (12%) per year, from the due date until actually paid, unless that rate is usurious as applied to Sublessee in which event the rate shall be reduced to the highest non-usurious rate. Neither the accrual nor the payment of interest shall cure any default by Sublessee under this Sublease.
 17. **COMPLIANCE WITH LAWS**
 Sublessee shall, throughout the Term of this Sublease, observe and comply with all statutes, laws, ordinances, notices, orders, rules, regulations and requirements of all federal, state and municipal governments and appropriate departments, commissions, boards and officers thereof, and notices, orders, rules and regulations of the National Board of Fire Underwriters, or any other body now or hereafter constituted exercising similar functions, relating to the Subleased Premises, foreseen or unforeseen, ordinary as well as extraordinary, or to the use or manner of use of the Subleased Premises, or to the fixtures and equipment thereof.
 18. **AUTHORITY**
 The parties executing this Sublease represent and warrant that they have the full right and lawful authority to execute this Sublease for the Term, in the manner and upon the conditions and provisions herein contained.
 19. **FURTHER DOCUMENTS**
 Each party agrees to execute and deliver to the other all instruments which may reasonably be required to carry out all terms and provisions of this Sublease.
 20. **RECOVERY OF FEES**
 If either party is successful in enforcing against the other any legal or equitable remedy for a breach of any provision of this Sublease, the successful party shall be entitled to recover its expenses and reasonable attorney's fees as determined by the court as part of the judgment or decree.
 21. **BINDING EFFECT**
 This Sublease shall be binding upon the successors and permitted assigns of Sublessee and Sublessor.

22. **INTEGRATED DOCUMENT**
This instrument embodies all of the agreements between the parties with respect to the Subleased Premises, and no oral agreements, or correspondence or other prior writings shall be held to vary the provisions hereof. Any subsequent changes, modifications and all persons affected by any written instrument duly executed by Sublessee and Sublessor.

23. **LESSOR'S CONSENT**
This Sublease is contingent upon, and shall have no force or effect until receipt of, the Lessor's written consent hereto.

24. **BROKERS COMMISSION**
Sublessor and Sublessee represent, warrant and agree that each has not dealt with any broker, agent, finder or other person in connection with the subletting of the Subleased Premises except _____ (the "Listing Broker"). Sublessor shall be solely liable for any commission due to the Listing Broker. Sublessor and Sublessee agree to indemnify, defend and hold the other harmless from and against any claims against the other resulting from a breach or inaccuracy of the foregoing representation, warranty and agreement, which shall survive expiration, cancellation or other termination of this Sublease.

Upon execution of this Sublease, Sublessor shall pay _____ a real estate commission in the amount of \$_____.

25. **SPECIAL PROVISIONS**

Prior to occupancy:

1) Sublessor disclaims any warranty of fitness or suitability of the subleased premises for any particular purpose.

2) Space rented is limited to classroom use and other school purposes. Total sq. footage is 18000 sq. ft.

3) E.L.E.C. will pay for the electric bill, gas bill, water bill, alarm and fire alarm separately from lease payment.

4) Sublessee will pay for damage caused by its clients or visitors and maintain landscaping, yard and interior building in a professional clean manner.

IN WITNESS WHEREOF, the parties hereto have executed this Sublease Agreement as of the day and year first above written.

Address: 5206 Airline Drive
Houston, Texas 77022
(713) 694-6027
By: _____
LEASING NEGOTIATION
Sublessor

POLYTECHNIC INSTITUTE, INC.

Address: 10700 Northwest Freeway
Houston, Texas 77092
(713) 683-0044
By: _____
EDUCATIONAL LEARNING & ENRICHMENT CENTER
Sublessee

EDUCATIONAL LEARNING & ENRICHMENT CENTER

Consent by Lessor: The undersigned, Lessor under the Lease in Exhibit A, hereby consents to the subletting of the Premises described herein on the terms and conditions contained in this Sublease. This consent shall apply only to this Sublease and shall not be deemed to be a consent to any other Sublease. Consult your Attorney - This document has been prepared for submission to your attorney for his approval. No representation or recommendation is made by Collette Abbott Workack or its agents or employees as to the legal sufficiency or legal effect of this document. These are questions for your attorney.

LESSOR: TRISTAR INVESTMENTS

Date: _____

*Pending Agreement
6/11 E. Tidwell*

Pending Agreement

4. USE.

The premises shall be used only for the purpose of operating an E.L.E.C. GED Program under the provisions of the Texas Workforce Commission. Tenant specifically covenants that it will operate such school in accordance with all applicable Federal, State and local laws, ordinances and regulations. No more than 25 students will be allowed on the premises at any time, and all students shall be restricted to stay within the fenced area at all times. Tenant shall operate the school in substantial compliance with the Statement of Purpose set forth in the attached Exhibit B hereto, which is incorporated herein for all purposes. Tenant shall conduct such activities in such a manner as to not constitute a violation of any deed restrictions encumbering the Premises which are now recorded in the real property records of Harris County, Texas. Tenant shall obtain, at its own cost and expense, any and all licenses and permits necessary for any such use. Tenant shall not take any action which would constitute a nuisance or would disturb or endanger Landlord or any surrounding properties or persons or unreasonably interfere with their use of their respective properties.

14. LIABILITY.

A. Landlord shall not be liable to Tenant or Tenant's employees, agents, invitees, patrons or visitors or to any other person, for any injury to person or damage to property on or about the Premises, resulting from, in whole or in part, the negligence or misconduct of Tenant, its agents, servants, employees, or of any other person entering upon the Premises, or caused by the buildings and improvements located on the premises becoming out of repair, or caused by leakage of gas, oil, water or steam or by electricity emanating from the Premises, or due to any other cause whatsoever, subject to the waiver and release contained in Section 13.F. of the Lease. **TENANT HEREBY COVENANTS AND AGREES THAT IT WILL AT ALL TIMES INDEMNIFY AND HOLD SAFE AND HARMLESS THE PREMISES, THE LANDLORD, AND LANDLORD'S AGENTS AND EMPLOYEES FROM ANY LIABILITY, CLAIMS, SUITS, COSTS, EXPENSES, INCLUDING, WITHOUT LIMITATION, ATTORNEY'S FEES AND DAMAGES, ARISING OUT OF ANY DAMAGE OR INJURY CAUSED IN WHOLE OR IN PART BY THE NEGLIGENCE OR MISCONDUCT OF TENANT, ITS AGENTS, SERVANTS OR EMPLOYEES, EXCEPT TO THE EXTENT THAT SUCH INJURY TO PERSONS OR DAMAGE TO PROPERTY IS CAUSED BY THE SOLE NEGLIGENCE OF LANDLORD, OR THE FAILURE OF LANDLORD TO REPAIR ANY PART OF THE PREMISES WHICH LANDLORD IS OBLIGATED TO REPAIR, AND PROVIDED THAT LANDLORD HAS HAD A REASONABLE NOTICE FROM THE TENANT OF THE NEED FOR REPAIRS AND A REASONABLE OPPORTUNITY TO MAKE REPAIRS.** Tenant shall procure and maintain throughout the term of this Lease a policy or policies of insurance, at its sole expense, insuring Tenant and Landlord against all claims, demands or actions arising out of

or in connection with Tenant's operations, maintenance and use of the Premises, including Tenant's liability assumed under this Lease. The limits of such policy or policies shall be in the amount of not less than One Million and 000/100 Dollars (\$1,000,000.00) for bodily injury or death of one person, One Million and 00/100 Dollars (\$1,000,000.00) for any occurrence, and not less than One Million and 00/100 Dollars (\$1,000,000.00) for property damage or destruction, including loss of use thereof. The foregoing general liability policy or policies shall contain an endorsement covering Tenant's contract indemnity under this Lease. All such policies shall be procured by Tenant from insurance companies licensed to do business in the State of Texas and which have a rating of A+ or better in Moody's Insurance Guide. Certification of insurance in a form and manner satisfactory to Landlord in its sole discretion, shall be delivered to Landlord prior to the Commencement Date of this Lease. Not less than fifteen (15) days prior to the expiration date of any such policies, Certificates of Insurance substantially in the form initially approved by Landlord evidencing renewals thereof shall be delivered to Landlord. Such policies shall further provide that not less than thirty (30) days written notice shall be given to Landlord before such policy may be canceled or changed to reduce insurance provided thereby.

*Pending
Agreement*

**Appendix F. Parental/Guardian Petitions in
Support of Application for
ELEC, Academy for Accelerated Learning, Inc.**

00142

~~00132~~

In order to conceal student identifiable information, per FERPA (Family Educational Rights and Privacy Act), 48 pages have been withheld. A sample page of the withheld documents follows this notice.

For more information or to request a copy of these pages, please contact:

Texas Education Agency
Division of Charter Schools
1701 N Congress Ave
Austin, TX 78701
512-463-9575 phone
512-463-9732 fax

TO: The Texas State Board of Education

My signature below indicates that I have been included in discussions regarding the proposed Educational Learning and Enrichment Academy of Accelerated Learning (AAL). I understand the merits of this proposed program include individualized and self-paced instruction as well as instruction relevant to real-world situations.

My past experiences with the Educational Learning and Enrichment Center, Inc. support my belief that this organization will implement an excellent educational program. The organization consistently provides a quality teaching staff, challenging curriculum, and positive school environment.

As a parent, I strongly support the ideals on which AAL bases its vision, and believe that this charter school will provide a needed alternative learning environment for youth in the community.

Please feel free to contact me for additional information.

Sincerely,

Appendix G. Letters of Support



The Senate of The State of Texas

COMMITTEES:

Chair, Jurisprudence
State Affairs
Economic Development
Redistricting
General Investigating

SENATOR RODNEY ELLIS
District 13

January 6, 1998

Dr. Mike Moses
Commissioner of Education
Executive Officer of the State Board of Education
William B. Travis Building
1701 North Congress Avenue
Austin, TX 78701-1494

Dear Dr. Moses:

I would like to express my support for the open-enrollment Charter School proposed by the Educational Learning and Enrichment Center, Inc.

I believe that when students are educated in real-world environments, they gain skills that make them self-reliant as well as better citizens. I further believe that the residents of Houston deserve the opportunity to participate in a truly unique alternative learning environment.

Educational Learning and Enrichment Center, Inc., has consistently proven to be one of the exemplary providers of education and training in the City of Houston. Their ability to consistency achieve results over a sustained period of time, quality of service, coupled with their well-defined mission and vision provides them with the basis from which to provide students with the academic discipline and life skills to enable them to be self-sufficient and lead productive lives.

I whole hearted support granting an open-enrollment Charter School to ELEC, INC.

Sincerely,

Rodney Ellis

cc: Mrs. Lois Bullock

Lyric Centre
440 Louisiana, Suite 575
Houston, Texas 77002
(713) 236-0306
FAX: (713) 236-0604

P.O. Box 12068
Austin, Texas 78711
(512) 463-0113
FAX: (512) 463-0006 • TDD 1-800-735-2989
E-Mail: rodney.ellis@senate.state.tx.us

145

2440 Texas Parkway, Suite 260
Missouri City, Texas 77489
(713) 261-2360



STATE of TEXAS
HOUSE of REPRESENTATIVES

Harold V. Dutton, Jr.

District 142

January 7, 1997

Committees:
Public Education, Vice-Chairman
Calendars
Civil Practices

Honorable Mike Moses, Ph.D.
Commissioner of Education
State of Texas
1701 N. Congress Avenue
Austin, Texas 78701-1494

Dear Dr. Moses:

It has come to my attention that Mrs. Lois Bullock has applied for an open enrollment charter school in the name of Educational Learning and Enrichment Center ("ELEC"). The ELEC will serve an over-looked population in the Houston area and provide a positive learning and educational environment for the overage and at-risk elementary school child. The concept of addressing this population, while perhaps innovative and creative, is both timely and certainly needed.

Additionally, over the past several years, ELEC has been providing alternative education programs aimed at reducing the dropout rate through successful partnering with the Houston Independent School District. ELEC's services have included academic assessment, counseling, computer-assisted learning, GED preparation and life skills and job training and placement.

Having reviewed their application and assessing the qualifications of ELEC, it is my pleasure to offer my unconditional support for their application for an open enrollment charter school.

Thank you for this opportunity and if I can be of further assistance in this or any other capacity, please don't hesitate to contact me.

Best personal regards,

HAROLD V. DUTTON, JR.

146

0

~~00104~~

CARROLL G. ROBINSON
Houston City Council Member
At-Large, Position Five

January 8, 1998

Dr. Mike Moses
Commissioner of Education
Executive Officer of the State Board of Education
William B. Travis Building
171 North Congress Avenue
Austin, Texas 787011-1494

Dear Dr. Moses:

I am writing to express my support for a very special school designed to serve an often-overlooked population in Houston. The proposal for the Learning & Enrichment Center (ELEC), Academy of Accelerated Learning open-enrollment charter School is one that I feel is impressive in its reach. The concept of serving the non-traditional youth and at risk elementary school child is a creative and innovative response to the challenge of the number of young people dropping out of the educational system. The school will provide a positive learning environment where students can receive encouragement as well as life skills.

Additionally, I endorse this project because of the positive manner in which ELEC, Inc. has been providing educational opportunities in the Houston Community for over 13 years. Over the past several years, ELEC Inc. has successfully partnered with the Houston with the Houston Independent School District and North Forest Independent School District in providing alternative education programs focused on reducing the dropout rate and preparing students with life skills. Their services to students have included academic assessment, counseling, case management, computer-assisted learning, General Educational Development (GED) preparation, and job training and placement. Weighting their qualifications against the need in the Houston area for non-traditional educational programs, I commend this group for their willingness to help make a positive difference in the life of young people.

As a representative of this community, I offer my support to Mrs. Lois Bullock, Founder and Executive Director of ELEC, Inc., in this visionary and needed undertaking.

If I can be of any further assistance please do not hesitate to contact me at (713) 247-2012.

Sincerely,


Carroll G. Robinson

cc: Mrs. Lois Bullock, Executive Director,
Educational Learning & Enrichment Center, Inc.

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~~00185~~

HOUSTON COMMUNITY COLLEGE SYSTEM
NORTHEAST COLLEGE



January 8, 1998

Office of the
President

Dr. Mike Moses
Commissioner of Education
Executive Officer of the State Board of Education
William B. Travis Building
1701 North Congress Avenue
Austin, Texas 78701-1494

Dear Dr. Moses:

I am pleased to provide this letter of support for the Educational Learning and Enrichment Center, Academy for Accelerated Learning (AAL) Charter School. I have had the opportunity to work with Lois Bullock, President of ELEC for the past three (3) years and can attest to the high degree of professionalism, integrity and quality of work for which her organization is known. The innovative concept serving two interrelated age groups is typical of the creative ideas that have been the foundation for her organization. I sincerely believe that a school such as the AAL charter school will not only have a meaningful impact on this community, but provide a model setting that other community-based organizations can emulate.

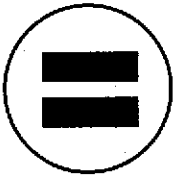
I believe that ELEC has the staff, expertise, and work ethic which will produce a high quality school. I strongly recommend that the AAL application be reviewed favorably. Thank you in advance for your careful consideration of this proposal.

Sincerely,

Dr. Margaret L. Ford
President

cc: Mrs. Lois Bullock
Executive Director, Educational Learning and Enrichment Center, Inc.

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Houston Area Urban League, Inc.

1300 Main Bldg.
Suite 1600
Houston, Texas 77002

808-1/2 Magnolia
Barrett Station, Texas 77532

5320 Griggs
Houston, Texas 77021

Executive Committee

WILLIE BROWN
Chairperson

ANDERSON BYNUM
1st Vice Chairperson

ODIS MACK
2nd Vice Chairperson

JACKIE T. HOYER
3rd Vice Chairperson

LARRY BERKMAN
Secretary

DR. PRISCILLA D. SLADE
Treasurer

SYLVIA BROOKS
President and Chief
Executive Officer

Members

ASHLEY B. ALDRIDGE
JOHN ALLEN
PAULETTE ALLEN
TAMRA BENTSEN
EFFIE BOOKER
BRIAN C. BRADFORD
WAYDE BUTLER
THERESA W. CHANG
SISTER MARIE B. CLANCY
AUSTIN H. COLEMAN
SHIVARIA D. CRAWFORD
BENAYE B. DEMBY
WILFORD DODD
LUPE FRAGA
GILBERT A. GARCIA
DR. JOHN L. GREEN
DONNA JO HARRIS
RICK JARAMILLO
JOHN KELLY, JR.
DARRYL KING
JOHN LOVE
VALERIE D. MARSHALL
MABEL MENESEE
WILLIAM MILLER
BOBBY J. MOON
THERESA G. WILTURNER-MOOR
LOIS MOORE
PAUL POUILLARD
BARBARA J. SEYMOUR
DR. DOUGLAS SIMMONS
STEVE WASSERMAN
DR. KENNETH D. WELLS
REV. RALPH WEST
JIMMY R. WYNN

December 19, 1997

Dr. Mike Moses
Commissioner of Education
Executive Officer of the
State Board of Education
William B. Travis Building
1701 North Congress Avenue
Austin, Texas 78701-1494

Dear Dr. Moses:

I am writing to inform of The Houston Area Urban League's support for the proposed Educational Learning and Enrichment Center Academy for Accelerated Learning (AAL) Charter School. What makes the proposed school absolutely unique is the design of the school which proposes to serve two different age groups that are quite often interrelated; the average youth and the at-risk elementary child. By serving both groups in a stable nurturing environment, there is an opportunity to make a real difference in the quality of life for those targeted young people and their families.

There is no doubt in my mind that a school such as the proposed charter school will not only have a meaningful impact on the community, but can be a model of what can be done for at-risk children and youth in other major urban areas.

The Houston Area Urban League pledges strong support for this undertaking. We will:

- Actively participate in the provision of community-based educational and social services and,
- Act as a referral resource for other social services that may be sought by the child and his family

This is the kind of educational initiative needed in the community. AAL is a component organization with a proven track record in educational initiatives.

Thank you in advance for your careful consideration of this proposal.

Respectfully,

Sylvia K. Brooks
President & CEO

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~~00187~~

HOUSTONWORKS
WORKFORCE DEVELOPMENT NETWORK



January 6, 1998

Dr. Mike Moses
Commissioner of Education
Executive Officer of the Board of Education
William B. Travis Building
1701 North Congress Avenue
Austin, Texas 78701-1494

Dear Dr. Moses:

I am writing in support of Educational Learning and Enrichment Center, Inc's proposal to establish and operate an open-enrollment Charter School.

Over the past thirteen years, we have had the opportunity to develop a continuing working relationship with the ELEC, Inc., staff and administration and have found their operation to be highly successful. Their Out-of-School Vocational Program and Dislocated Worker's Program has received high recognition for outstanding performance. Additionally, ELEC, Inc., is currently one of two primary contractors for a national demonstration grand awarded *HoustonWorks* by the U.S. Department of Labor. Their rate of success in providing assistance to our targeted population is phenomenal.

As the City of Houston's representative in issues dealing with workforce development, I know of no other group so appropriately suited to operating an open-enrollment charter school. Because of past relationships, I can, without reservation, say that their efforts in education and training have given many young people the opportunity to become productive participants in our society.

I urge your serious consideration of granting an open-enrollment Charter School to ELEC, Inc. This will be a positive step toward improving the quality of life for future generations in the Houston area.

Sincerely,

Terry Hudson

cc: Mrs. Lois Bullock
Executive Director, Educational Learning and Enrichment Center, Inc.

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~~0016~~

T.W. Hudson, Executive Director
Howard Lederer, Chairman



CERTIFIED MEMBER
ENTERPRISE
YOUR QUALITY CAREER NETWORK
1 9 9 6

600 Jefferson, Suite 1300 Houston, TX 77002
713/654-1919 FAX 713/655-0715

ASTRODOME DENTAL CAREER CENTER

OUR GRADUATES ARE EXPERIENCED!

January 7, 1998

Ms. Lois Bullock
ELEC
10700 Northwest Frwy.
Suite 210
Houston, Texas 77023

Dear Ms. Bullock:

Astrodome Dental Career Center will look forward to serving your student body annually, with dental screening, x-rays, proper brushing and flossing techniques, as well as, Career Exploration in the Medical/Dental field.

If there are any questions or concerns regarding this matter, please contact me at (713) 664-5300.

Sincerely,



Mary Ayala

Program Manager

cc: Ms. Julia Higga

HOUSTON COMMUNITY COLLEGE SYSTEM

January 8, 1998



Dr. Mike Moses
Commissioner of Education
Executive Officer of the State Board of Education
William B. Travis Building
1701 North Congress Avenue
Austin, Texas 78701-1494

Dear Dr. Moses:

I am pleased to endorse the application for an open-enrollment Charter School being developed by Educational Learning and Enrichment Center, Inc.

As Director of YouthBuild Houston, a program of Houston Community College - Northeast, I am acquainted with the fine educational and training programs provided by ELEC, Inc., and I am confident that their management principles and educational models are of the highest quality. Numerous awards to their community programs attest to their ability to provide first-rate educational opportunities.

Only by providing disadvantaged youth with relevant curriculum, a safe and caring environment and extended services to meet all physical and psychological needs, will we break the cycle of poverty and underachievement in which many of our youth are now trapped. Your consideration of the proposed project will be of great importance in reaching Houston's at-risk youth.

I recommend your positive consideration of the Academy for Accelerated Learning as an open-enrollment Charter School. I feel that this model of alternative education will have a positive impact on our community.

Sincerely,

Linda L. Gibbs, Ph.D.
Director, YouthBuild Houston

cc: Mrs. Lois Bullock
Executive Director, Educational Learning and Enrichment Center, Inc.

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Appendix H. Additional Information



TEXAS EDUCATION AGENCY

1701 NORTH CONGRESS AVENUE ★ AUSTIN, TEXAS 78701-1494 ★ 512/463-9734 ★ FAX: 512/463-9838

MIKE MOSES
COMMISSIONER OF EDUCATION

November 20, 1997

Ms. Lois Bullock
Education Learning Enrichment Center
10700 NW Fwy, Suite 210
Houston, Tx 77092

Dear Ms. Bullock:

This is the second year of operation for seventeen open-enrollment charter schools in the state of Texas. The Texas legislature requires evaluation of these schools as part of Senate Bill 1, which authorized the establishment of charter schools. Responsibility for this evaluation has been assigned by the State Board of Education (SBOE) to a team of researchers from the University of North Texas, The University of Texas at Arlington, the University of Houston, the Texas Justice Foundation, and the Texas Center for Educational Research.

As part of the evaluation process, the research team has again selected your school for its control group. As was the case last year, your school was chosen because its size and student demographics most closely match one of the charter schools.

In a few weeks, a member of the research team will call you. The researcher will answer your questions and will request your cooperation in providing names and phone numbers for students in your school. As was the case last year, this list will be used to conduct a ten-minute telephone survey. Parents are contacted and requested to participate; payment of five dollars is provided for completion of the survey.

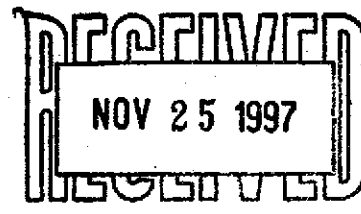
The survey focuses on parental involvement in their child's education and parental attitudes about the education their child is receiving. All answers are strictly confidential. The results of the parental surveys are combined and reported in such a way that individual responses from your school's parents are not identifiable.

Your cooperation in this research is critical to the evaluation of the open-enrollment charter schools. Should you have any questions about the evaluation, please feel free to call Brooks Flemister, Senior Director for Charter Schools, at (512) 463-9575.

Sincerely yours,

Mike Moses
Commissioner of Education

MM:gl

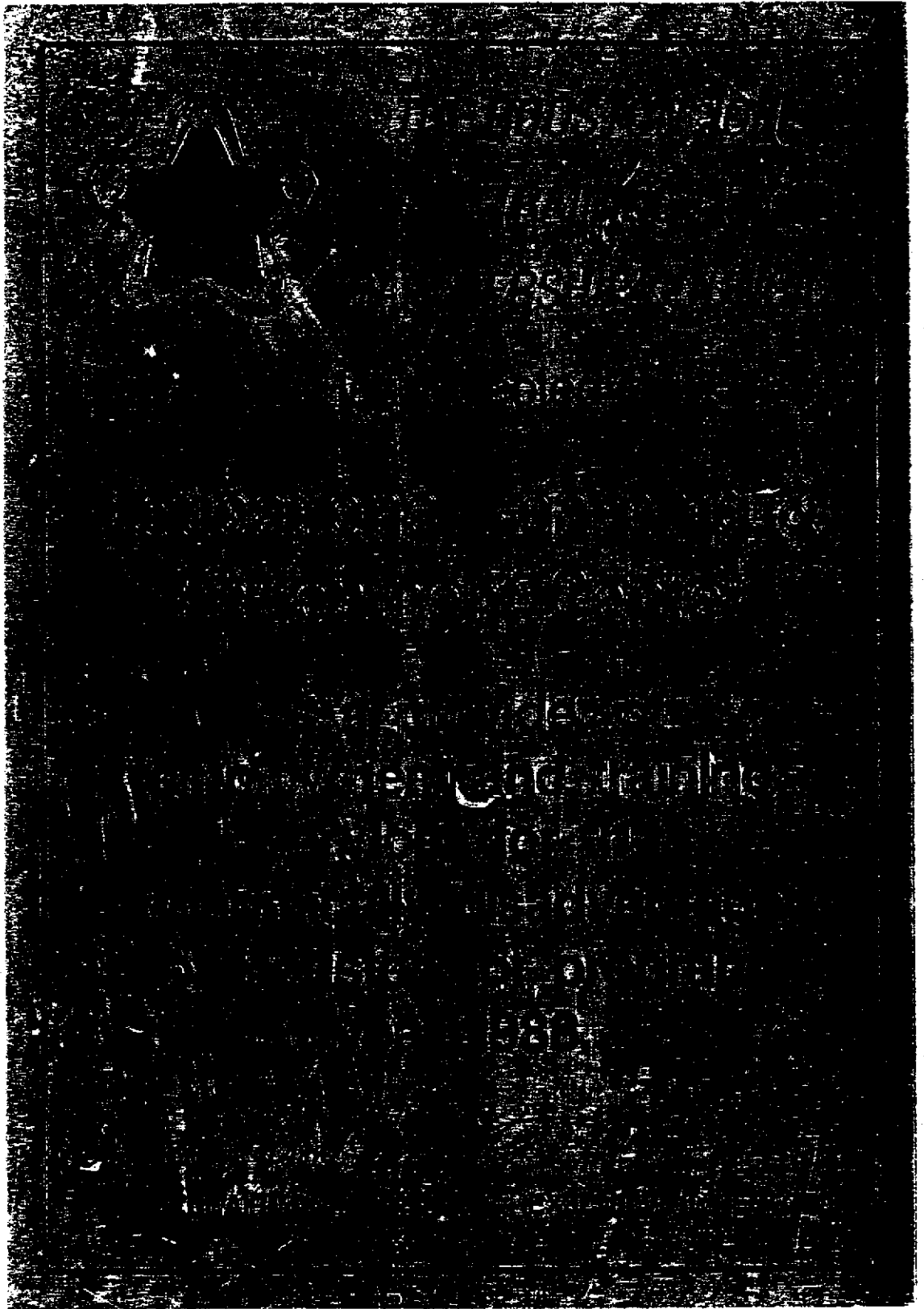


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Appendix H Additional Information

School Organization by Task	Proposed Completion Date																
	October 1997	November 1997	December 1997	January 1998	February 1998	March 1998	April 1998	May 1998	June 1998	July 1998	August 1998	September 1998	October 1998	November 1998	December 1998	Ongoing	
Preliminary Planning & Research for Governance & Operating																	
Organization Meetings with parents and community																	
Submit Application to TEA				◆													
Licenses and certificates																	
Furnishings and equipment																	
Secure approval from TEA						◆											
Staffing: hiring and development																	
Inspections																	
Building renovations																	
Recruiting/marketing																	
Enrollment																	
School program and handbook																	
Curriculum																	
Library																◆	
Food Service																	
Student/parent organization																◆	
Grants/fundraising																	◆
Board Policy Manual																	◆



CERTIFICATE OF EXEMPLARY PERFORMANCE

Presented to

**Educational Learning
and Enrichment Centers**


by

HOUSTON WORKS

*In Recognition of its Contribution to the HOUSTON WORKS IIA/IIC Program
in Achieving the Highest Standards of Performance for PY 1995-1996*

Given this Fifth Day of December 1996


Frank Thompson, Chairman


T. W. Hudson, Executive Director

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60195

**Certificate
of
Appreciation**

**The
Private Industry Council
of Dallas, Inc.**

**wishes to express its' appreciation
to**

**Educational Learning &
Enrichment Center**

**for its' role in the successful
completion of the
1994 Dallas JAMS Program**

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~~0000000000~~

LOIS BULLOCK
3523 ROLLING GREEN
MISSOURI CITY, TEXAS 77459

OBJECTIVE

Management position which utilizes my leadership abilities and extensive training and experience in the public and private sectors.

EDUCATION

1991 Post Graduate Studies- Counseling/ Psychology
University of Houston, Central Campus
1983 M.B.A.- General Business
Houston Baptist University
1973 B.S.- Education
North Texas State University

EXPERIENCE

1985 - Pres. Educational Learning & Enrichment Center, Inc.
Houston, Texas
President and Principal owner
Managing and Supervising Title IIA and IIB
Programs as a subcontractor with HJTPC, HC-PIC
Dallas PIC and HISD.

1985 - 1991 Texas Southern University,
Houston, Texas
School of Business
Assistant Dean of Development, Assistant Professor

1982 - 1985 Texas Instruments Incorporated,
Houston, Texas
Software Applications Engineer: Develop Software
for computer users. Train and orientate new com-
puter users.

1978 - 1980 Texas Instruments Incorporated,
Houston, Texas
Manager, Human Resources: Managed division college
recruiting in Houston, Dallas and Lubbock. Planned
and coordinated special projects for vice-
president.

INTEREST AND HOBBIES

Reading, Swimming, Games of Wit, Avid Reader.

GEORGE G. YORKE, Ph.D.
Associate Professor of Management Science
Jesse H. Jones School of Business
Texas Southern University

Office Telephone: 713/313-7706
Home Telephone: 281/481-9702

EDUCATION

- 1983 (Summer), The University of Minnesota: Post Doctorate Studies in Management Information Systems
- 1977, Ph.D., The University of Virginia: Systems Engineering
- 1974, M.S.U.S.E. (Urban Systems Engineering), Howard University
- 1972, B.A., Economics, Howard University

AREAS OF TEACHING EXPERTISE

Quantitative Business Methods, Production and Operations Management, Life Coping Skills, Systems Analysis and Design, and Statistics.

OTHER AREAS OF EXPERTISE

Design and Administration of JTPA Program (Title IIA, IIC, IIB & III). Budgeting. Proposal preparation. Contract Compliance Monitoring.

EMPLOYMENT

- 1988 - Present Deputy Director/Project Manager. Education Learning and Enrichment Center, Houston, Texas.
- 1989-Present Associate Professor, Department of Business Administration, Jesse H. Jones School of Business, Texas Southern University (Houston (tenured)).
- 1984-1989 Dean and Associate Professor, School of Business, Texas Southern University, Houston, Texas.
- 1983-1984 Acting Dean and Associate Professor, School of Business, Texas Southern University, Houston, Texas.
- 1981-1983 MBA Coordinator and Associate Professor, School of Business, Texas Southern University, Houston, Texas.

1979-1981 Chairman, General Services and Development, Howard University, Washington, D.C.

1977-1979 Assistant Professor, Department of General Business and Development, Howard University, Washington, D.C.

AREAS OF SIGNIFICANT PROFESSIONAL EXPERIENCE

1984-Present AACSB Accreditation, Curriculum Planning, School/Program Administration and Management. Faculty Recruitment and Development. Proposal Preparation.

1983-1984 Administration of the School of Business. Fundraising and Development activities, curriculum design, faculty recruitment. Implementation of policies to improve student performance, AACSB accreditation preparation, accreditation preparation, etc.

1986-Present Coordinate activities related to funded programs for "at risk" students. Program design, curriculum design, establishment of training objectives, evaluation and assessment of training and program objectives and related research.

1988-Present, Provide management consulting to Multi Million Dollar Business.

REPORTS, STUDIES AND PUBLICATIONS

Prepared dozens of proposals in Training and Employment for Youth and Adults which have been consistently funded, 1988 - Present.

Procedure for Evaluating Future Energy Sources/Technologies, Analysis Group, Inc., Washington, D.C.

Development of a Plan to Evaluate the Implementation of Real Property Management Activities (RPMA) Consolidation in the National Capitol Region (NCR). School of Business, Howard University, Washington, D.C. January 1981.

Self-Study (Revisitation) Report, American Assembly of Collegiate Schools of Business. January 1982.

Provision of Technical and Managerial Services to Minority-Owned Business in the Houston-Galveston Area - \$92,000. September 1984.

Continuation of the Banking/Finance Major - Title III Proposal. Department of General Business and Economics, Texas Southern University.

Banking and Insurance - Title III Proposal. Department of General Business and Economics, Texas Southern University. 1987.

RESUME

JAMES BULLOCK
3523 Rolling Green
Missouri City, Texas 77459
(713) 527-7395(work)
(713) 499-0990(home)

EMPLOYMENT OBJECTIVE: Continue challenging and rewarding growth in the field of Higher Education.

PERSONAL: Age 55 HEALTH: Excellent MARITAL STATUS: Married

EDUCATION: B.A., J.D. Texas Southern University

Seminars and Workshops:

- * Seminar on Title VII, Civile Rights Act 1964
- * Seminar on Title VII, Litigation, National Bar Association
- * Practice Skills Training-State Bar of Texas
- * Seminar on Eousing and Urban Development, American Bar Association
- * Anti-Trust Law-Baylor University
- * Criminal Law Institute-San Antonio Bar Association
- * Numerous Continuing Legal Education Programs, G.M.C. Modified Management Program

EMPLOYMENT EXPERIENCE:

Special Projects:

- 1) LEGAL COUNSEL for ELEC 1985 - Present
- 2) PROJECT DIRECTOR for ELEC IIB 1985 - Present
- 3) MONITOR IIA PRE VOCATIONAL 1992

981 - Present Associate Professor of Law, Thurgood Marshall School of Law

971 - 1980 Associate Dean, Thurgood Marshall School of Law Texas Southern University

969 - 1970 Clerk, Justice of Peace Court, Precinct 1, Position, 1 Harris County, Texas

968 - 1969 Research Assistant, Humble Oil and Refining Company, Extended Title Search

959 - 1967 Postal Supervisor, United States Postal Services, Houston, Texas

956 - 1967 Private Business

Recent Litigation: McDonald vs. Sante Fe R.R.Co..
423 U.S.273 (1976) Fed.2d90.

Consultant: Affirmative Action in Higher Education
University Task Force Minority Business
Development

Military Service: United States Air Force, 1947-1956. Non-
Commissioned Officer. Honorable
Discharge. MAAG Advisor

MEMBERSHIPS AND OTHER ACTIVITIES:

- * Member of the American Bar Association
- * Member of the National Bar Association
- * State Bar of Texas
- * Harris County Council of Organizations
- * National Business League
- * Houston Lawyers Association
- * Texas Association of College Teachers
- * Law School Admissions Council
- * Admissions and Standards Committee-State Bar of Texas
- * Organizer and first elected Justice, Greener Chapter, Phi
Alpha Delta Legal Fraternity
- * Vita Volunteer

REFERENCES

Mr. Butler T. Henderson
Director, Earl Warren Legal
Training Program
10 Columbus Circle Suite 2030
New York City, New York 17019
Telephone: (212) 586-8397

Mr. Carl
Distinguished Professor of Law
Texas Southern University
3201 Wheeler Avenue
Houston, Texas 77004
Telephone: (713)527-711

Mr. Larry I. Palmer
Vice Provost, Cornell University
309 Day Hall
Itacha, New York 14853

Mr. John Chase, A.I.A., Architect
1201 Southmore Street
Houston, Texas 77004
Telephone: (713)524-8413

Honorable Joe R. Greenhill
Chief Justice, Supreme Court of Texas
Supreme Court Building
Austin, Texas

Additional references will be furnished upon request.

JUANA G. SANDOVAL
2102 Althea
Houston, Texas 77018
(713) 688-0702

OBJECTIVE

Accounting Position

EXPERIENCE

Nov 97 to Present Educational Learning & Enrichment Center, Inc.

- Prepare and post all journal entries
- Prepare work-paper for Audit
- Assist in the preparation of budgets
- Assist and train other accounting staff in proper accounting procedures

Sept 96- Nov 97 United Way of the Texas Gulf Coast, Inc

- In the Campaign Dept (Campaign Coordinator) Coordinate receipt and recording of contributions from corporations.
- Train temporary staff in audit procedures for Campaign Department
- Coordinate information between Fund Development dept., Campaign Audit and Finance Dept.
- In Finance Dept(Senior Accountant) - coordination and posting of all journal entries for all UW campaigns. (Regular Campaign, State Charitable and Combined Federal Campaigns)
- Analysis of Balance Sheet accounts for accuracy and make any adjustments or corrections.
- Analysis of pledges and pledge payment for all campaigns through agency Pull-down.

Apr 94- Sept 96 Educational Learning & Enrichment Center, Inc

- Prepared budgets for proposals for all program
- Payroll preparation and journal entries associated with it.
- Maintain ledger for all program operating by ELEC.
- Preparation of all Federal Filing forms for the agency
- Preparation of work-paper for agency audit.

1989-Present **Accounting Supervisor, Vocational Guidance Service, Inc.**

- Coordinate timely submission of monthly expenditure reports, budget analysis, cash flow statements, and other managerial reports
- Review all work performed by staff, relay findings and recommendations to CFO
- Ensure fiscal compliance with contractual obligations of various funding sources to assist auditors
- Supervise staff of 4

1988-1989 **Senior Accountant, SER-Jobs for Progress**

- Provided computerized assistance to the Junior Accountant in updating books
- Handled 8 different sets of books for 8 different programs

1987-1988 **Coordinator Self-Employed, New Immigration and Legalization Program**

- Assisted illegal aliens applying for amnesty under the Legalization Act of 1986
- Prepared the necessary paperwork needed to meet temporary residence requirements for approximately 600 people
- Provided translations, notary and copying services, filled out necessary applications and forms
- Prepared tax returns for prior years in order to ensure compliance to U. S. Government

1985-1987 Accountant/Office Manager, Sandoval Consulting Engineers, Inc.

- **Supervised office personnel, kept books, authorized purchases, prepared invoices and payroll in addition to all necessary tax reports**
- **Prepared and submitted necessary forms needed to the Department of Highways and Public Transportation, City of Houston, and Metropolitan Transit Authority to receive minority certification**

Skills

Lotus 1-2-3, Quatro Pro, Excel, Work Perfect, Word, Fundware Accounting, Macola Accounting, 10-key by touch, typing 70 wpm, Bilingual-English/Spanish

Education

1981 BBA, Business Administration, major Accounting University of Houston

RHODIA L. MOORE
7814 Candle Lane
Houston, TX 77071
(713) 272-9334

- Objective:** A career that offers contact with the public, management opportunities, and a quality service or product where I can utilize my 5 years of military experience and training.
- Education:** Southern Illinois University, Bachelors of Science, Aviation Management/Business Management, August 1991
- Experience:** U.S. Navy, May 1987 - May 1992
Aviation Maintenance Administrator
Naval Air Station, North Island, San Diego, CA
- Supervised and maintained the effective operation of a Maintenance Library with over 8,000 technical publications.
 - Initiated an efficient method for tracking and computing aircraft readiness data which resulted in a zero percentage error rate during Command Administrative Inspection.
 - Reviewed Aircraft Technical Directives requirements, updating and establishing a highly effective monitoring system.
 - Implemented and created an exceptionally strong training program for office personnel.
 - Implemented and created new methods for compiling personnel data which greatly improved command efficiency.
- Training:** Aviation Maintenance Administration School
Aviation Logs and Records School
Aviation Data Analyst School
Office Management School
Quattro Pro
Word Perfect
Microsoft
- References:** Available upon request

ISAAC LEDESMA GOMEZ
3233 MANGUM RD. APT# 165
HOUSTON TX 77092
(713)681-3814

OBJECTIVE

A competitive position requiring interaction with the youth of today society.

PROFILE

- good communication skills
- learns quickly and effectively
- dedicated worker
- responsible and organized

EDUCATION

COLLEGE/UNIVERSITY: Houston Community College
YEARS ATTENDED: 1995-1996
MAJOR: Accounting/Requisites for the Houston Fire Department

HIGH SCHOOL: St. Anthony's Seminary
YEARS ATTENDED: 1984-1986

HIGH SCHOOL: Mac Arthur High School
YEARS ATTENDED: 1986-1987

HIGH SCHOOL: Sam Houston High School
YEARS ATTENDED: 1987-1988
DEGREE/DIPLOMA: High School Diploma
SUBJECTS ACQUIRED: Math

ACADEMY: "ACADEMIA DE DANZA MEXICANA ATEMOZTLI"
YEARS ATTENDED: 1988-1994
DEGREE/DIPLOMA: Degree of a Certified Dance Instructor
SUBJECTS ACQUIRED: Cultural Subjects

WORK EXPERIENCE

1995-present EDUCATIONAL LEARNING AND ENRICHMENT CENTER

ADA CLERK

- complete special as requested
- familiar with the SASI program
- work in correlation with HISD alternative district

1995-1996 EDUCATIONAL LEARNING AND ENRICHMENT CENTER

G.E.D. Instructor

- teach fundamentals to drop out students
- provide a role model to youth
- emphasize the importance of an education

1989-present AMBASSADORS INTERNATIONAL BALLET FOLKLORICO

Certified Dance Instructor/Artistic Director

- teach the cultural dances (Mexico, Ecuador, Texas, and Native American Indians)
- preserve these cultures
- community service
- directs and coordinates major cultural events

- communicates data among other dance instructors
- develops a plan of work for the season
- assures that all cultural dances preserve their significance

1988-present SAM HOUSTON HIGH SCHOOL FOLKLORIC DANCE GROUP

Dance Instructor

- teach the cultural dances of Mexico and Ecuador
- preserved these cultures
- maintain the youth active
- coordinate special cultural events

1995 MILLER THEATER

Stage Manager

- operate technical equipment for all participants
- assure that all participants followed the guidelines of the program in session
- interact with all instructors of all the dance groups

1990-1993 NORTHLINE ELEMENTARY SCHOOL

Dance Instructor

- coordinate cultural programs
- teach the culture of Mexico
- preserve the culture
- maintain youth active

1990-1993 WESLEY HOUSE COMMUNITY CENTER

Dance Instructor

- interaction with senior citizens
- interaction with pre-kinder children
- teach the Mexican culture
- preserve the culture

MARGARET S. BASKIN

2310 Crescent Park #407

Houston, Texas 77077

(281) 679-1990

(713) 468-5883

SUMMARY

Fifteen years of progressively responsible experience in problem solving as well as organizational skills. Expertise in case management/career counseling, training, and public relations.

COUNSELING

- **Manage case loads of 80 or more clients**
- **Exhibit and maintain sensitivity to client needs**
- **Develop support systems to enhance client well-being**
- **Act as strong team member, communicating with staff about client needs**
- **Provide individual and group counseling and referral**
- **Develop jobs for clients, with placement rate as high as 80 percent**
- **Participate actively in orientation, intake, and assessment to determine individual needs**
- **Handle documentation with speed and accuracy**

TRAINING

- **Deliver broad range of skill-based programs, such as self-image workshops, resume writing, job search skills, interviewing skills and dress-for-success.**
- **Motivate, train, develop and evaluate clients and staff from diversified backgrounds and educational levels, including adults over 55, high school students, dislocated workers, developmentally delayed children and adults**
- **Devise career-development plans for job seekers**
- **Create curriculum to provide clients/ students the opportunity for optimum self-development**
- **Identify and prioritize training and development needs using self-directed assessment and personal goal evaluations**

PUBLIC RELATIONS

- Organize professional workshops for employment and training conference attended by up to 1,000 job seekers, identify appropriate workshop subjects, select workshop presenters, and see that workshops run smoothly
- Produce and direct special event style shows attended by as many as 300 persons designed to increase community involvement and yield favorable publicity for sponsoring organizations
- Plan and execute United Way tours for United Way agency

ACHIEVEMENTS

- Served as United Way Speaker
- Organized and facilitated support group for widowed and divorced women
- Recognized for service and achievement by Humble ISD
- Chosen as parent representative for Humble ISD five-year site program
- Served as Election Judge for Harris County Junior College Bond Election

WORK HIGHLIGHTS

<u>Briarwood School</u>	
<u>Teaching Assistant</u>	Houston, Texas
<u>Unlimited Potential/Easter Seals</u>	
<u>Trainer/Employment Specialist</u>	Houston, Texas
<u>SER - Jobs for Progress</u>	
<u>Coordinator/Teacher</u>	Houston, Texas
<u>VGS, Inc. - Experienced Worker Program</u>	
<u>Case Manager/Trainer</u>	Houston, Texas
<u>Texas School of Business</u>	
<u>Placement Coordinator/Teacher</u>	Houston, Texas
<u>Foley's Department Store</u>	Humble, Texas
<u>Group Sales Manager/Acting Store Manager</u>	
<u>Aldine Independent School District</u>	Houston, Texas
<u>Distributive Education Coordinator</u>	

EDUCATION

Texas Technological University	Texas Teacher Certificate
Lubbock, Texas	Vocational Distributive
B.A. in Business Administration	Education

**SHARON ELAINE MURPHY
VICE PRESIDENT
EMPIRICAL MANAGEMENT SERVICES**

DATE OF BIRTH

July 6, 1956

CURRENT ADDRESS

9800 Pagewood Lane, #2101, Houston, Texas 77042

EDUCATION

M.B.A., Finance, Atlanta University, 1980

B.A., Communications, Indiana University, 1978

EXPERIENCE SUMMARY

Ms. Murphy is a principal of EMS and has over 17 years of experience in financial management, business and strategic planning, and management performance reviews. Ms. Murphy has managed large scale cost and service level analysis projects in conjunction with operations and performance reviews conducted for school districts, state agencies, and local governments.. Examples of Ms. Murphy's professional experience includes:

- Project Director responsible for conducting extensive community-based research and public input activities to facilitate a comprehensive management and performance review of the Houston Independent School District (HISD). HISD is the 7th largest school district in the nation. The purpose of the research and public input activities was to determine the major focus issues from Houston business, civic, and political leaders and community members perspective. Evaluated the district's Communications and Public Relations Department and benchmarked it against the top five school districts in Texas and the top 10 school districts across the nation to form accurate analysis of management practices—including a search for "best practices" models.
- Project Director responsible for conducting a comprehensive review of the Ysleta Independent School District (YISD) in El Paso, Texas. YISD is the 8th largest school district in Texas. EMS is the prime contractor (this project is in progress) for the comprehensive review of the 47,000 student school district which covers: district organization and management, educational service delivery, personnel management, facilities, transportation, asset and risk management, financial management, management information services, purchasing, food service, and safety and security. In addition to project management responsibilities, Ms. Murphy is the team leader for the facilities use and management component and the co-team leader for the financial management component of the review.

EXPERIENCE SUMMARY (Continued)

- Team leader for the asset and risk management component of the management and performance review of Hillsborough County Public Schools (HCPS) in Tampa, Florida. HCPS is the 12th largest school district in the nation. The asset and risk management component of the review involved the evaluation of cash and investment management and health benefits, workers' compensation and property insurance cost effectiveness. The review of asset and risk management functions also included the adequacy of fixed assets systems and safety and loss control systems.
- Team leader for the budget and planning and asset and risk management components of the management review of Fairfax County Public Schools (FCPS) in Fairfax, Virginia. FCPS is the 13th largest school district in the nation. The budget and planning component of the review involved the evaluation of staffing levels, adequacy of budget and planning systems, variance analysis and campus expenditure and staffing allocation models. The asset and risk management component of the review involved the evaluation of cash and investment management and health benefits, workers' compensation and property insurance cost effectiveness; and, the adequacy of fixed assets systems and safety and loss control systems were reviewed.
- Project Director for the management and performance review of the Laredo Independent School District (LISD) in Laredo, Texas. EMS was the prime contractor for a comprehensive review of the 22,000 student school district which covered: district organization and management, educational service delivery, personnel management, facilities, transportation, asset and risk management, financial management, management information services, purchasing, food service, and safety and security. In addition to project management responsibilities, Ms. Murphy was co-team leader for the educational service delivery and performance measures and community involvement functions for the district.
- Project Director for the management and performance review of the Texarkana Independent School District (TISD) in Texarkana, Texas. EMS was the prime contractor for a comprehensive review of the 5,500 student school district which covered: district organization and management, educational service delivery, personnel management, facilities, transportation, asset and risk management, financial management, management information services, purchasing, food service, and safety and security. In addition to project management responsibilities, Ms. Murphy was the team leader for the educational service delivery, asset and risk management, food service, and community involvement functions for the district.
- Project Director for the management and performance review of the Tyler Independent School District (TISD), initiated by the Texas Comptroller of Public Accounts. Focus areas in the review included district organization and management, educational service delivery and performance measures, personnel management, facilities use and management, transportation, asset and risk management, financial management, information services, purchasing, food service and safety and security. In addition to project management responsibilities, Ms. Murphy was the team leader for the asset and risk management, financial management and information services functions for the district.

EXPERIENCE SUMMARY (Continued)

- Team leader for the asset and risk management and financial management functions for the management and performance review of the San Angelo Independent School District (SAISD). This review was initiated by the Texas State Comptroller of Public Accounts.
- Member of the management review team for the Midland Independent School District (MISD) initiated by the Texas State Comptroller of Public Accounts. Reviewed the asset and risk management functions for the district.
- Team leader for the facilities component of the management and performance review of the Paris Independent School District (PISD) initiated by the Texas State Comptroller of Public Accounts. The review consisted of the evaluation of facilities conditions and space utilization, maintenance, and energy management functions. Ms. Murphy also participated in the public input phase of the review.
- Conducted a privatization study for Houston Independent School District (HISD) in conjunction with a comprehensive management audit of the Facilities Management & Operations Division (FMO). The purpose of the study was to provide executive management with a detailed assessment of privatization opportunities within HISD's maintenance and operations area. The privatization study included an assessment of potential service providers, contractual and administrative requirements associated with privatization; and cost vs. benefit analysis of privatization opportunities. Annual savings opportunities that resulted from this study were in excess of \$1 million.
- Conducted comparative wage survey for Houston Independent School District's Facilities Management & Operations Division. Wage information was collected and compared from the following sources: two (2) Texas independent school districts; two (2) local public sector agencies; a local labor union; and four (4) independent school districts in the Western, Southern, Mid-Western and Eastern sections of the country. The data was analyzed to compare salary levels between similar sized school districts across the country, as well as local public sector employers in order to discern whether wage disparities existed.
- Assisted with the development of an automated data collection system to identify specific cost savings associated with Kansas City Missouri School District's (KCMSD) Group Exit Incentive Plan (GEIP). The system was designed to monitor payment of incentives and distributions of savings to each of four disbursement funds affected by the GEIP.
- Team leader responsible for obtaining public input for the Texas Education Agency (TEA) Teacher Appraisal project. The three-year project that involved conducting a series of focus groups at selected sites around the state of Texas in order to obtain stakeholder (Administrators--Superintendents, Teacher Appraisers, Staff Development Administrators; Teachers, Education Service Center staff; university education professors; and, parents) input regarding the development of the new Texas Teacher Appraisal instrument.

EXPERIENCE SUMMARY (Continued)

- Team leader responsible for the review of revenue administration functions for the Texas State Comptroller of Public Accounts (a core business function of the agency). Responsibilities included the review of revenue collections, processing and account maintenance functions. Developed process maps and performance measures and conducted taxpayer surveys and focus groups to facilitate the review process. The objective of this project was to improve taxpayer service levels by identifying methods to expedite processing revenue checks and tax documents. Opportunities for staff efficiency improvements were also identified through recommendations resulting in decreased preparation time of tax returns, fewer tax account adjustments and database corrections, and faster processing time for taxpayer refunds.
- Team leader responsible for evaluating the public health service level provided by the City of Houston Health Department. The study included productivity analysis, data collection and impact analysis required to improve department efficiency and cost effectiveness. Evaluated various clinic and administrative processes such as patient flow and patient scheduling in order to achieve optimal efficiency. Reviewed organizational structure and clinic functions to determine which City of Houston Health clinic functions were duplicated by Harris County Health Department clinic functions. Assisted with the initial research involving the consolidation of some City of Houston health clinic services with the Harris County Hospital District in order to facilitate increased cost savings for the City. Reviewed and analyzed several manual processes in Personnel and Business Management organizational units within the Health Department and rendered recommendations to reduce costs through more effective use of automation. Recommended steps to reduce bureaucracy and expedite procurement and vendor payment process in the purchasing unit of the Health Department.
- Responsible for coordination of field surveys and focus groups for the Assessment of the Electronic Benefits Transfer (EBT) System "Shakedown" for Chambers and parts of Harris counties (Texas). The study was initiated by the Texas State Comptroller of Public Accounts. The purpose of the assessment was to identify potential problems in the EBT system that electronically delivers food stamp and AFDC benefits for Texas Department of Human Services clients, and render recommendations for improvement prior to state-wide implementation.
- Project Director for comprehensive economic and demographic background research project to be used for Lamar University Center for Justice and Research and Education. Study activities included identifying, collecting and analyzing historical data sources relative to population trends, employment statistics which will influence the activities of the center such as: (1) nature and scope of the local criminal justice agencies within an eight county target area for the next ten years; (2) projected need for education and training; and (3) effect of changing patterns on correctional, law enforcement and court related services over the next ten years.
- Project Manager and team leader for a Management Control Audit at Texas Southern University. Functions evaluated included Administrative Organizational structure/effectiveness, Facilities Planning, Purchasing, Accounting, Payroll, and Personnel functions.

Appendix I. Business Plan

Financial Projections and Assumptions

Initial Funding Sources

During its first year of operations, the ELEC, Academy of Accelerated Learning, Inc. (The Academy) will receive a \$50,000 loan from ELEC. Loan proceeds will be used to fund working capital requirements. The loan will bear interest at 10% per year with principal and interest payable one year from the date of the loan.

Basis of Accounting

The school has adopted the Texas Education Association's (TEA) standard fiscal accounting system. The sequence of account codes, chart of accounts, and fund structure are uniformly used by all Texas school districts and are in accordance with generally accepted accounting principles.

Basis of Projections

Historical financial data is unavailable because 1998-99 will be the first year of school operations. Therefore, budget projections were developed with financial information from school districts of comparable size. Exhibit 1 presents the districts and information used to form the basis for financial projections made in this business plan. The rates shown were used as guidelines to develop the Academy's budget. Rates were reviewed for reasonableness, modified to reflect the Academy's unique circumstances and applied to the Academy's total projected budget. The resulting amount was then allocated to the appropriate categories.

Exhibit 1
ELEC, Academy of Accelerated Learning, Inc.
Basis for Budget Projections
Districts of Comparable Size

Factor	Asherton ISD	Aspermont ISD	Big Sandy ISD
Student Enrollment	392	368	358
Budgeted Revenues	\$2,260,171	\$2,565,153	\$3,197,723
Budgeted Expenses	\$2,303,739	\$2,531,820	\$2,638,058
Revenues per Student	\$5,766	\$6,971	\$8,932
Expenditures per Pupil	\$5,877	\$6,880	\$7,369
Percent of Total Revenue by Source:			
State & Local	92.3%	92.2%	95.9%
Federal	5.3%	2.7%	2.6%
Other Sources	2.4%	5.1%	1.5%

Exhibit 1
ELEC, Academy of Accelerated Learning, Inc.
Basis for Budget Projections
Districts of Comparable Size (Continued)

Factor	Asherton ISD	Aspermont ISD	Big Sandy ISD
Percent of Total Expenditures By Object:			
Payroll costs	50.3%	68.6%	63.8%
Professional & Contracted Services	9.8%	12.2%	10.3%
Supplies & Materials	7.7%	9.8%	9.6%
Other Operating Costs	32.2%	9.4%	16.3%
Percent of Total Expenditures By Function:			
Instruction	45.5%	59.5%	60.4%
Instruction Related Services	2.0%	1.6%	1.0%
Instructional Leadership	-	-	-
School Leadership	3.0%	4.3%	5.9%
Support Services-Student	4.5%	3.4%	2.2%
Student Transportation	4.1%	1.3%	6.8%
Food Services	10.3%	4.6%	3.9%
Cocurricular/Extracurricular Activities	5.1%	4.6%	3.7%
Central Administration	14.5%	7.6%	7.5%
Plant Maintenance & Operations	11.0%	11.9%	8.5%
Data Processing Services	-	1.2%	-

Source: TEA's 1996-97 Academic Educator Indicator System Reports (AEIS)

Other Relevant Assumptions

Revenues

State revenues are based upon a rate of \$4,000 per student. Projected enrollment for the first year is 375 students. Federal revenues are based upon a flat 10 percent of state revenues and will be generated from active grant writing efforts. Other revenue sources include fund raisers and contributions from affiliated entities such as ELEC Inc.

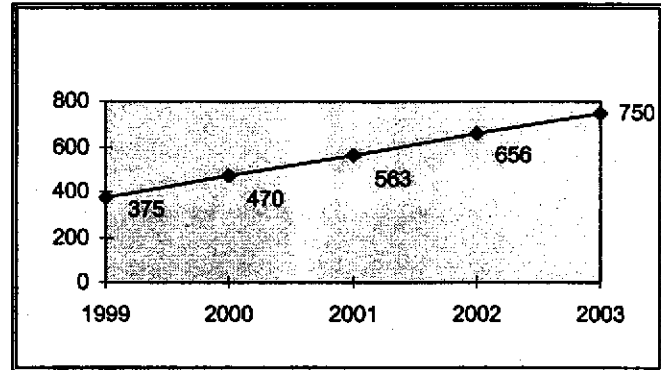
Facilities

The Academy will lease its facility from a commercial entity (see appendix) at a cost of .80 per square foot. The facility comprises of 30,000 square feet of total space of which 20,000 square feet is classroom space. The lease term will be from May 1, 1998 to June 1, 2003.

1998-99 to 750 in 2002-03. Exhibit 2 presents the expected rate of growth in student enrollment.

Exhibit 2
ELEC, Academy of Accelerated Learning, Inc.
Projected Student Enrollment

Fiscal Year	Projected Enrollment
1998-99	375
1999-2000	470
2000-01	563
2001-02	656
2002-03	750



Payroll Costs

Payroll costs and associated benefits represent the largest operating cost of the school. Initially, the staff will consist of 12 full-time positions and 1 part-time position. Total payroll costs include benefits of \$184,443 calculated at 21% of total salaries. Benefits include employer's share of social security and Medicare taxes, employee health, life, and dental insurance, and retirement plan contributions. Exhibit 3 presents a summary of staff positions and related salaries and benefits.

Exhibit 3
ELEC, Academy of Accelerated Learning, Inc.
Proposed Positions and Related Salaries & Benefits

Position	Full-Time Equivalents (FTEs)	Annual Salary	Total Salaries	Benefits	Total Salaries & Benefits
Chief Administrative Officer	0.5	\$ 125,000.00	\$ 62,500.00	\$ 13,125.00	\$ 75,625.00
Administrative Assistant	1	\$ 32,300.00	\$ 32,300.00	\$ 6,783.00	\$ 39,083.00
Secretary	1	\$ 25,000.00	\$ 25,000.00	\$ 5,250.00	\$ 30,250.00
Curriculum/Technology/ Media Specialist	1	\$ 60,000.00	\$ 60,000.00	\$ 12,600.00	\$ 72,600.00
Teachers - Lead	3	\$ 29,700.00	\$ 89,100.00	\$ 18,711.00	\$ 107,811.00
Teachers - Regular	10	\$ 24,000.00	\$240,000.00	\$ 50,400.00	\$ 290,400.00
Teachers - Regular	4	\$ 26,000.00	\$104,000.00	\$ 21,840.00	\$ 125,840.00
Teachers' Aides	5	\$ 18,000.00	\$ 90,000.00	\$ 18,900.00	\$ 108,900.00

Exhibit 3
ELEC, Academy of Accelerated Learning, Inc.
Proposed Positions and Related Salaries & Benefits (Continued)

Security (\$10/Hr.)	1	\$ 21,000.00	\$ 21,000.00	\$ 4,410.00	\$ 25,410.00
Custodian (\$10/Hr.)	1.5	\$ 31,200.00	\$ 46,800.00	\$ 9,828.00	\$ 56,628.00
ADA Clerk	1	\$ 16,000.00	\$ 16,000.00	\$ 3,360.00	\$ 19,360.00
Counselor	1	\$ 43,600.00	\$ 43,600.00	\$ 9,156.00	\$ 52,756.00
Counselor	1	\$ 48,000.00	\$ 48,000.00	\$ 10,080.00	\$ 58,080.00
Total	31	\$499,800.00	\$878,300.00	\$184,443.00	\$ 1,062,743.00

Budget Preparation Process

Budgets are vital tools used to provide financial direction and control in both non-profit and for profit organizations. They are particularly important in the public education sector because schools are expected to provide children with a quality education using limited resources. The Academy recognizes the importance of the budgeting process. Input will be obtained from a variety of sources to produce a budget that reflects the educational goals of the school and the expectations of students, parents, and the community. The budget process will begin early in the calendar year with discussions of financial status and future goals and objectives. **Exhibit 4** presents an overview of the Academy's proposed budget process and **Exhibit 5** presents a proposed budget calendar.

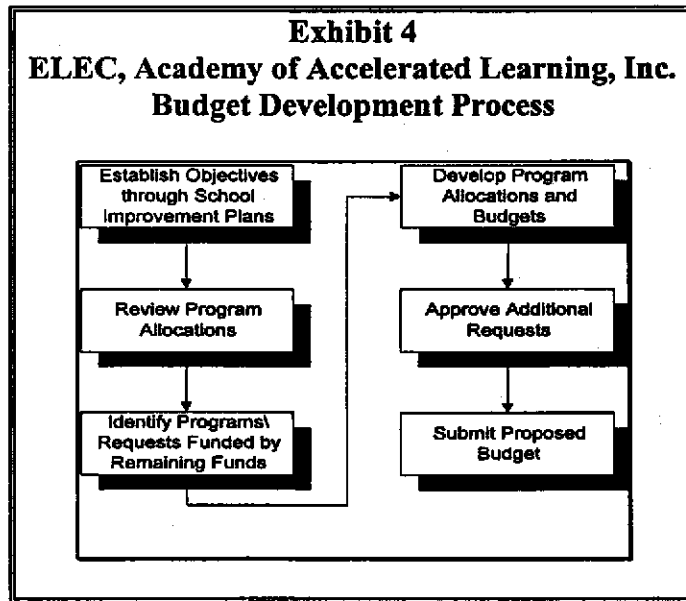


Exhibit 5
ELEC, Academy of Accelerated Learning, Inc.
Budget Development Calendar

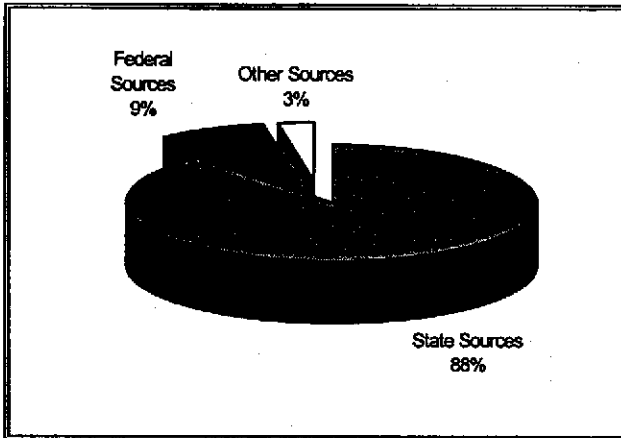
January	<ul style="list-style-type: none"> • Review of current status and issues. • Preliminary estimates of enrollment, revenue, and costs.
February	<ul style="list-style-type: none"> • Review preliminary estimates and discuss allocations. • Revise budget formula allocations. • Review allocations.
March	<ul style="list-style-type: none"> • Board of Directors discusses revenues, allocations, and costs. • Budget workshop and distribution of budget packets. • Budget development workshop for parents and community.
April	<ul style="list-style-type: none"> • Review budget projections. Discuss salary increases and technology/equipment priorities. • Present current year projections, salary/tax increase proposals, and central allocations to Board of Directors. • Submission of budget packets for cabinet approval.
May	<ul style="list-style-type: none"> • Discussion of salary increase proposals. • Cabinet submits budget packets back to budget office.
June	<ul style="list-style-type: none"> • Discussion of salary increase proposals. • Preliminary discussion of additional requests and final discussion on salary increase proposals. • Salary increase proposals submitted to Board of Directors. • Discussion of special revenue fund budgets and continued discussion of additional requests. • Approval of technology and equipment budgets and additional requests.
July	<ul style="list-style-type: none"> • Approval of proposed budget. • Presentation of proposed budget to Board of Directors.

Financial Highlights

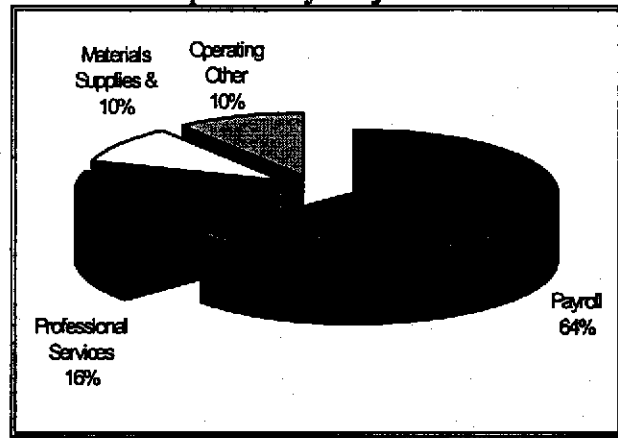
The Academy's projected 1998-99 budget includes revenues of \$1,695,000 and expenses of \$1,670,000. School revenues come from diverse sources and are disbursed in a variety of ways. Most of the school's resources will come from State sources, primarily TEA contributions for open enrollment charter schools. Most of the school budget is allocated to operations that directly affect students. Exhibit 6 presents projected revenues by source and projected expenses by object code.

Exhibit 6
ELEC, Academy of Accelerated Learning, Inc.
Projected Revenues and Expenses

Revenues

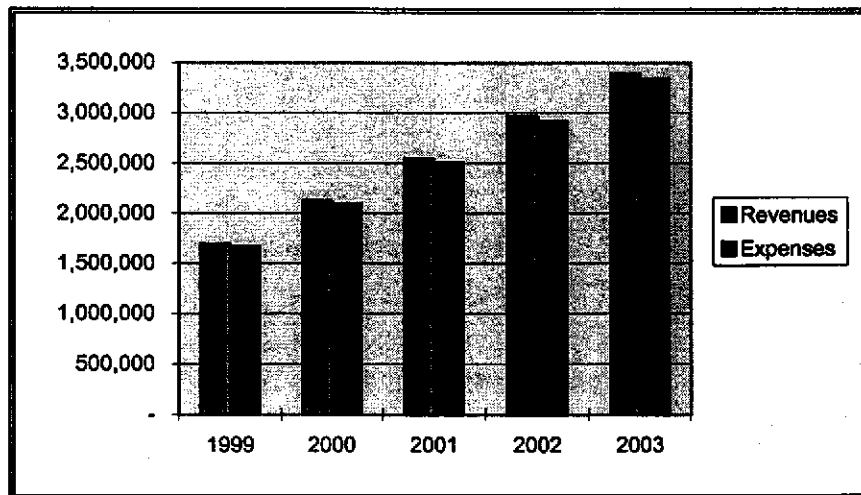


Expenses by Object Code



The financial projections include a five year income and expense projection. Revenue and expenses are expected to grow at an average rate of 19% per year based upon the growth in student enrollment. Revenue and expense growth is depicted in Exhibit 7.

Exhibit 7
ELEC, Academy of Accelerated Learning, Inc.
Five Year Projection of Enrollment, Revenue, and Expenses



Balance Sheet

The Academy does not anticipate large investments in capital equipment during the first few years. Further, the school does not intend to borrow funds except for the initial \$50,000 mentioned above. It is expected that this loan will be repaid by the end of the first year. The projected fund balance for the first 5 years is shown in **Exhibit 8**.

Exhibit 8
ELEC, Academy of Accelerated Learning, Inc.
Five Year Projection of Fund Balance

Fiscal Year	Projected Fund Balance
1998-99	\$20,000
1999-2000	\$51,333
2000-01	\$88,867
2001-02	\$132,600
2002-03	\$182,600

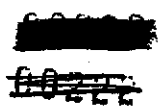
The projected financial information presented with this business plan includes a cash flow statement for fiscal year 1998-99 and five years of projected income and expenses for fiscal years 1998-99 through 2002-03.

ELEC, Academy of Accelerated Learning, Inc.
Pro Forma Statement of Revenues, Expenses, and Fund Balance-By Object
For the Five Years Ended August 31, 2003

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>
REVENUES					
State Sources	1,500,000	1,880,000	2,252,000	2,624,000	3,000,000
Federal Sources	150,000	188,000	225,200	262,400	300,000
Other Sources	45,000	56,400	67,560	78,720	90,000
Total Revenues	1,695,000	2,124,400	2,544,760	2,965,120	3,390,000
EXPENDITURES					
Payroll Costs	1,062,743	1,331,971	1,595,531	1,859,092	2,125,486
Professional & Contracted Services	275,346	345,100	413,385	481,671	550,691
Supplies & Materials	158,650	198,841	238,187	277,532	317,300
Other Operating Costs	173,261	217,154	260,123	303,092	346,523
Total Expenditures	1,670,000	2,093,067	2,507,227	2,921,387	3,340,000
Excess of Revenues over Expenses	25,000	31,333	37,533	43,733	50,000
Debt Service (Interest)	(5,000)				
Fund Balance, Beginning of Period	0	20,000	51,333	88,867	132,600
Fund Balance, End of Period	20,000	51,333	88,867	132,600	182,600

ELEC, Academy of Accelerated Learning, Inc.
Pro Forma Statement of Revenues, Expenses, and Fund Balance-By Function
For the Five Years Ended August 31, 2003

	1999	2000	2001	2002	2003
REVENUES					
State Sources	1,500,000	1,880,000	2,252,000	2,624,000	3,000,000
Federal Sources	150,000	188,000	225,200	262,400	300,000
Other Sources	45,000	56,400	67,560	78,720	90,000
Total Revenues	1,695,000	2,124,400	2,544,760	2,965,120	3,390,000
EXPENDITURES					
Instruction					
Payroll Costs	697,643	874,379	1,047,395	1,220,410	1,395,286
Professional & Contracted Services	105,210	131,863	157,955	184,047	210,420
Supplies & Materials	95,190	119,305	142,912	166,519	190,380
Other Operating Costs	103,957	130,293	156,074	181,855	207,914
Total Instruction	1,002,000	1,255,840	1,504,336	1,752,832	2,004,000
Instructional Resources & Media Services					
Payroll Costs	20,929	26,231	31,422	36,612	41,859
Professional & Contracted Services	3,156	3,956	4,739	5,521	6,313
Supplies & Materials	2,856	3,579	4,287	4,996	5,711
Other Operating Costs	3,119	3,909	4,682	5,456	6,237
Total Instructional Resources & Media Services	30,060	37,675	45,130	52,585	60,120
Curriculum & Instructional Staff Development					
Payroll Costs	1,163	1,457	1,746	2,034	2,325
Professional & Contracted Services	175	220	263	307	351
Supplies & Materials	159	199	238	278	317
Other Operating Costs	173	217	260	303	347
Total Curriculum & Instructional Staff Development	1,670	2,093	2,507	2,921	3,340
Instructional Leadership					
Payroll Costs	34,882	43,719	52,370	61,021	69,764
Professional & Contracted Services	5,261	6,593	7,898	9,202	10,521
Supplies & Materials	4,760	5,965	7,146	8,326	9,519
Other Operating Costs	5,198	6,515	7,804	9,093	10,396
Total Instructional Leadership	50,100	62,792	75,217	87,642	100,200
School Leadership					
Payroll Costs	41,859	52,463	62,844	73,225	83,717
Professional & Contracted Services	6,313	7,912	9,477	11,043	12,625
Supplies & Materials	5,711	7,158	8,575	9,991	11,423
Other Operating Costs	6,237	7,818	9,364	10,911	12,475
Total School Leadership	60,120	75,350	90,260	105,170	120,240
Guidance Counseling & Evaluation Services					
Payroll Costs	-	-	-	-	-
Professional & Contracted Services	28,100	35,218	42,187	49,156	56,200
Supplies & Materials	3,332	4,176	5,002	5,828	6,663
Other Operating Costs	3,638	4,560	5,463	6,365	7,277
Total Guidance Counseling & Evaluation Services	35,070	43,954	52,652	61,349	70,140
Health Services					
Payroll Costs	-	-	-	-	-
Professional & Contracted Services	12,043	15,094	18,080	21,067	24,086
Supplies & Materials	1,428	1,790	2,144	2,498	2,856
Other Operating Costs	1,559	1,954	2,341	2,728	3,119
Total Health Services	15,030	18,838	22,565	26,292	30,060
Food Services					
Payroll Costs	-	-	-	-	-
Professional & Contracted Services	34,790	43,604	52,232	60,860	69,581
Supplies & Materials	4,125	5,170	6,193	7,216	8,250
Other Operating Costs	4,505	5,646	6,763	7,880	9,010
Total Food Services	43,420	54,420	65,188	75,956	86,840



ELEC, Academy of Accelerated Learning, Inc.
Pro Forma Statement of Revenues, Expenses, and Fund Balance-By Function
For the Five Years Ended August 31, 2003

	1999	2000	2001	2002	2003
Co-curricular/Extracurricular Activities					
Payroll Costs	60,462	75,780	90,774	105,769	120,925
Professional & Contracted Services	9,118	11,428	13,689	15,951	18,236
Supplies & Materials	8,250	10,340	12,386	14,432	16,500
Other Operating Costs	9,010	11,292	13,526	15,761	18,019
Total Co-curricular/Extracurricular Activities	86,840	108,839	130,376	151,912	173,680
General Administration					
Payroll Costs	68,602	85,981	102,994	120,007	137,203
Professional & Contracted Services	10,346	12,967	15,532	18,098	20,691
Supplies & Materials	9,360	11,732	14,053	16,374	18,721
Other Operating Costs	10,222	12,812	15,347	17,882	20,445
Total General Administration	98,530	123,491	147,926	172,362	197,060
Plant Maintenance & Operations					
Payroll Costs	102,321	128,242	153,618	178,994	204,642
Professional & Contracted Services	15,431	19,340	23,167	26,994	30,862
Supplies & Materials	13,961	17,498	20,960	24,423	27,922
Other Operating Costs	15,247	19,110	22,891	26,672	30,494
Total Plant Maintenance & Operations	146,960	184,190	220,636	257,082	293,920
Security & Monitoring Services					
Payroll Costs	34,882	43,719	52,370	61,021	69,764
Professional & Contracted Services	5,261	6,593	7,898	9,202	10,521
Supplies & Materials	4,760	5,965	7,146	8,326	9,519
Other Operating Costs	5,198	6,515	7,804	9,093	10,396
Total Security & Monitoring Services	50,100	62,792	75,217	87,642	100,200
Data Processing & Monitoring Services					
Payroll Costs	-	-	-	-	-
Professional & Contracted Services	13,381	16,771	20,089	23,408	26,762
Supplies & Materials	1,587	1,988	2,382	2,775	3,173
Other Operating Costs	1,733	2,172	2,601	3,031	3,465
Total Data Processing & Monitoring Services	16,700	20,931	25,072	29,214	33,400
Community Services					
Payroll Costs	-	-	-	-	-
Professional & Contracted Services	13,381	16,771	20,089	23,408	26,762
Supplies & Materials	1,587	1,988	2,382	2,775	3,173
Other Operating Costs	1,733	2,172	2,601	3,031	3,465
Total Community Services	16,700	20,931	25,072	29,214	33,400
Fund Raising					
Payroll Costs	-	-	-	-	-
Professional & Contracted Services	13,381	16,771	20,089	23,408	26,762
Supplies & Materials	1,587	1,988	2,382	2,775	3,173
Other Operating Costs	1,733	2,172	2,601	3,031	3,465
Total Fund Raising	16,700	20,931	25,072	29,214	33,400
Total Expenditures	1,670,000	2,093,067	2,507,227	2,921,387	3,340,000
Revenues over (under) Expenses	25,000	31,333	37,533	43,733	50,000
Debt Service (Interest)	(5,000)				
Fund Balance Beginning of Period	0	20,000	51,333	88,867	132,600
Fund Balance End of Period	20,000	51,333	88,867	132,600	182,600

ELEC, Academy of Accelerated Learning, Inc.
Monthly Pro Forma Cash Flow Statement
For the Fiscal Year Ended August 31, 1999

	September	October	November	December	January	February	March	April	May	June	July	August	Total
REVENUES													
State Sources	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000	1,500,000
Federal Sources	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	12,500	150,000
Other Sources	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	3,750	45,000
Total Revenues	141,250	141,250	141,250	141,250	141,250	141,250	141,250	141,250	141,250	141,250	141,250	141,250	1,695,000
EXPENDITURES													
Instruction													
Payroll Costs	58,137	58,137	58,137	58,137	58,137	58,137	58,137	58,137	58,137	58,137	58,137	58,137	697,643
Professional & Contracted Services	8,768	8,768	8,768	8,768	8,768	8,768	8,768	8,768	8,768	8,768	8,768	8,768	105,210
Supplies & Materials	7,933	7,933	7,933	7,933	7,933	7,933	7,933	7,933	7,933	7,933	7,933	7,933	95,190
Other Operating Costs	8,663	8,663	8,663	8,663	8,663	8,663	8,663	8,663	8,663	8,663	8,663	8,663	103,957
Total Instruction	83,500	83,500	83,500	83,500	83,500	83,500	83,500	83,500	83,500	83,500	83,500	83,500	1,002,000
Instructional Resources & Media Services													
Payroll Costs	1,744	1,744	1,744	1,744	1,744	1,744	1,744	1,744	1,744	1,744	1,744	1,744	20,929
Professional & Contracted Services	263	263	263	263	263	263	263	263	263	263	263	263	3,156
Supplies & Materials	238	238	238	238	238	238	238	238	238	238	238	238	2,856
Other Operating Costs	260	260	260	260	260	260	260	260	260	260	260	260	3,119
Total Instructional Resources & Media Services	2,505	2,505	2,505	2,505	2,505	2,505	2,505	2,505	2,505	2,505	2,505	2,505	30,060
Curriculum & Instructional Staff Development													
Payroll Costs	97	97	97	97	97	97	97	97	97	97	97	97	1,163
Professional & Contracted Services	15	15	15	15	15	15	15	15	15	15	15	15	175
Supplies & Materials	13	13	13	13	13	13	13	13	13	13	13	13	159
Other Operating Costs	14	14	14	14	14	14	14	14	14	14	14	14	173
Total Curriculum & Instructional Staff Development	139	139	139	139	139	139	139	139	139	139	139	139	1,670
Instructional Leadership													
Payroll Costs	2,907	2,907	2,907	2,907	2,907	2,907	2,907	2,907	2,907	2,907	2,907	2,907	34,882
Professional & Contracted Services	438	438	438	438	438	438	438	438	438	438	438	438	5,261
Supplies & Materials	397	397	397	397	397	397	397	397	397	397	397	397	4,760
Other Operating Costs	433	433	433	433	433	433	433	433	433	433	433	433	5,198
Total Instructional Leadership	4,175	4,175	4,175	4,175	4,175	4,175	4,175	4,175	4,175	4,175	4,175	4,175	50,100
School Leadership													
Payroll Costs	3,488	3,488	3,488	3,488	3,488	3,488	3,488	3,488	3,488	3,488	3,488	3,488	41,859
Professional & Contracted Services	526	526	526	526	526	526	526	526	526	526	526	526	6,313
Supplies & Materials	476	476	476	476	476	476	476	476	476	476	476	476	5,711
Other Operating Costs	520	520	520	520	520	520	520	520	520	520	520	520	6,237
Total School Leadership	5,010	5,010	5,010	5,010	5,010	5,010	5,010	5,010	5,010	5,010	5,010	5,010	60,120

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ELEC, Academy of Accelerated Learning, Inc.
Monthly Pro Forma Cash Flow Statement
For the Fiscal Year Ended August 31, 1999

	September	October	November	December	January	February	March	April	May	June	July	August	Total
Guidance Counseling & Evaluation Services													
Payroll Costs	0	0	0	0	0	0	0	0	0	0	0	0	0
Professional & Contracted Services	2,342	2,342	2,342	2,342	2,342	2,342	2,342	2,342	2,342	2,342	2,342	2,342	28,100
Supplies & Materials	278	278	278	278	278	278	278	278	278	278	278	278	3,332
Other Operating Costs	303	303	303	303	303	303	303	303	303	303	303	303	3,638
Total Guidance Counseling & Evaluation Services	2,923	2,923	2,923	2,923	2,923	2,923	2,923	2,923	2,923	2,923	2,923	2,923	35,070
Health Services													
Payroll Costs	0	0	0	0	0	0	0	0	0	0	0	0	0
Professional & Contracted Services	1,004	1,004	1,004	1,004	1,004	1,004	1,004	1,004	1,004	1,004	1,004	1,004	12,043
Supplies & Materials	119	119	119	119	119	119	119	119	119	119	119	119	1,428
Other Operating Costs	130	130	130	130	130	130	130	130	130	130	130	130	1,559
Total Health Services	1,253	1,253	1,253	1,253	1,253	1,253	1,253	1,253	1,253	1,253	1,253	1,253	15,030
Food Services													
Payroll Costs	0	0	0	0	0	0	0	0	0	0	0	0	0
Professional & Contracted Services	2,899	2,899	2,899	2,899	2,899	2,899	2,899	2,899	2,899	2,899	2,899	2,899	34,790
Supplies & Materials	344	344	344	344	344	344	344	344	344	344	344	344	4,125
Other Operating Costs	375	375	375	375	375	375	375	375	375	375	375	375	4,505
Total Food Services	3,618	3,618	3,618	3,618	3,618	3,618	3,618	3,618	3,618	3,618	3,618	3,618	43,420
Co-curricular/Extracurricular Activities													
Payroll Costs	5,039	5,039	5,039	5,039	5,039	5,039	5,039	5,039	5,039	5,039	5,039	5,039	60,462
Professional & Contracted Services	760	760	760	760	760	760	760	760	760	760	760	760	9,118
Supplies & Materials	687	687	687	687	687	687	687	687	687	687	687	687	8,250
Other Operating Costs	751	751	751	751	751	751	751	751	751	751	751	751	9,010
Total Co-curricular/Extracurricular Activities	7,237	7,237	7,237	7,237	7,237	7,237	7,237	7,237	7,237	7,237	7,237	7,237	86,840
General Administration													
Payroll Costs	5,717	5,717	5,717	5,717	5,717	5,717	5,717	5,717	5,717	5,717	5,717	5,717	68,602
Professional & Contracted Services	862	862	862	862	862	862	862	862	862	862	862	862	10,346
Supplies & Materials	780	780	780	780	780	780	780	780	780	780	780	780	9,360
Other Operating Costs	852	852	852	852	852	852	852	852	852	852	852	852	10,222
Total General Administration	8,211	8,211	8,211	8,211	8,211	8,211	8,211	8,211	8,211	8,211	8,211	8,211	98,530
Plant Maintenance & Operations													
Payroll Costs	8,527	8,527	8,527	8,527	8,527	8,527	8,527	8,527	8,527	8,527	8,527	8,527	102,321
Professional & Contracted Services	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286	1,286	15,431
Supplies & Materials	1,163	1,163	1,163	1,163	1,163	1,163	1,163	1,163	1,163	1,163	1,163	1,163	13,961
Other Operating Costs	1,271	1,271	1,271	1,271	1,271	1,271	1,271	1,271	1,271	1,271	1,271	1,271	15,247
Total Plant Maintenance & Operations	12,247	12,247	12,247	12,247	12,247	12,247	12,247	12,247	12,247	12,247	12,247	12,247	146,960

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ELEC, Academy of Accelerated Learning, Inc.
Monthly Pro Forma Cash Flow Statement
For the Fiscal Year Ended August 31, 1999

	September	October	November	December	January	February	March	April	May	June	July	August	Total
Security & Monitoring Services													
Payroll Costs	2,907	2,907	2,907	2,907	2,907	2,907	2,907	2,907	2,907	2,907	2,907	2,907	34,882
Professional & Contracted Services	438	438	438	438	438	438	438	438	438	438	438	438	5,261
Supplies & Materials	397	397	397	397	397	397	397	397	397	397	397	397	4,760
Other Operating Costs	433	433	433	433	433	433	433	433	433	433	433	433	5,198
Total Security & Monitoring Services	4,175	4,175	4,175	4,175	4,175	4,175	4,175	4,175	4,175	4,175	4,175	4,175	50,100
Data Processing & Monitoring Services													
Payroll Costs	0	0	0	0	0	0	0	0	0	0	0	0	0
Professional & Contracted Services	1,115	1,115	1,115	1,115	1,115	1,115	1,115	1,115	1,115	1,115	1,115	1,115	13,381
Supplies & Materials	132	132	132	132	132	132	132	132	132	132	132	132	1,587
Other Operating Costs	144	144	144	144	144	144	144	144	144	144	144	144	1,733
Total Data Processing & Monitoring Services	1,392	1,392	1,392	1,392	1,392	1,392	1,392	1,392	1,392	1,392	1,392	1,392	16,700
Community Services													
Payroll Costs	0	0	0	0	0	0	0	0	0	0	0	0	0
Professional & Contracted Services	1,115	1,115	1,115	1,115	1,115	1,115	1,115	1,115	1,115	1,115	1,115	1,115	13,381
Supplies & Materials	132	132	132	132	132	132	132	132	132	132	132	132	1,587
Other Operating Costs	144	144	144	144	144	144	144	144	144	144	144	144	1,733
Total Community Services	1,392	1,392	1,392	1,392	1,392	1,392	1,392	1,392	1,392	1,392	1,392	1,392	16,700
Fund Raising													
Payroll Costs	0	0	0	0	0	0	0	0	0	0	0	0	0
Professional & Contracted Services	1,115	1,115	1,115	1,115	1,115	1,115	1,115	1,115	1,115	1,115	1,115	1,115	13,381
Supplies & Materials	132	132	132	132	132	132	132	132	132	132	132	132	1,587
Other Operating Costs	144	144	144	144	144	144	144	144	144	144	144	144	1,733
Total Fund Raising	1,392	1,392	1,392	1,392	1,392	1,392	1,392	1,392	1,392	1,392	1,392	1,392	16,700
Total Expenditures	139,167	139,167	139,167	139,167	139,167	139,167	139,167	139,167	139,167	139,167	139,167	139,167	1,670,000
Cash from Operations	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	2,083	25,000
Debt Service													(55,000)
Cash at Beginning of Period	50,000	52,083	54,167	56,250	58,333	60,417	62,500	64,583	66,667	68,750	70,833	72,917	50,000
Cash at End of Period	52,083	54,167	56,250	58,333	60,417	62,500	64,583	66,667	68,750	70,833	72,917	20,000	20,000

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**APPLICATION FOR APPROVAL OF AN
OPEN-ENROLLMENT CHARTER SCHOOL**

**Application Title:
RFA # 701-97-028**

SUBMITTED TO:

**Texas Education Agency
William B. Travis Building
Document Control Center, Room 6-108
1701 North Congress Avenue
Austin, Texas 78701**

SUBMITTED BY:

**Educational Learning & Enrichment Center,
Academy of Accelerated Learning, Inc.
10700 Northwest Freeway, Suite 210
Houston, Texas 77092**

**January 9, 1998
5:00 p.m.**

NOTICE OF INTENT TO APPLY

The undersigned school district hereby files a notice of intent to apply for
Public Charter Schools

SAS # 408

Name of Organization Academy of Accelerated Learning Inc

Name of Contact Person: George G. Yoke

Mailing Address 10700 N.W. Freeway, Suite 210
Houston TX 77092

Phone Number (713) 683-0044

Fax Number () _____

- The filing of this notice is not mandatory; however, it will assist the Texas Education Agency in anticipating the volume of applications in order to better expedite the review process and finalize awards.
- Filing this notice in no way binds the applicant in regards to its application for Public Charter Schools
- Applicants who do not file this notice are still eligible to apply for funding.

PLEASE SUBMIT THIS NOTICE BY MAIL OR BY FAX AS SOON AS POSSIBLE AFTER RECEIPT OF THE REQUEST FOR APPLICATION, BUT NOT LATER THAN Friday, December 18, 1998 TO:

Document Control Center
Texas Education Agency
1701 North Congress, Room 6-108
Austin, Texas 78701-1494
FAX (512) 463-9811

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**EDUCATIONAL LEARNING & ENRICHMENT CENTER,
ACADEMY OF ACCELERATED LEARNING, INC.**

10700 NORTHWEST FREEWAY, SUITE 210 HOUSTON, TX 77092

(713) 683-0044

FAX NO: (713) 683-8758

December 4, 1998

Mr. Brooks Flemister
Senior Director
Texas Education Agency
1701 North Congress Ave
Austin, Texas 78701-1494

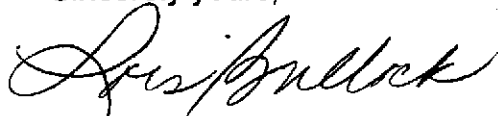
Dear Mr. Flemister:

In our application to operate an Open Enrollment Charter School, Educational Learning and Enrichment Center, Inc., Academy of Accelerated Learning Inc., proposed to serve students in the greater Houston area. As per your request for a description of the greater Houston area, the undermentioned information is provided.

The greater Houston area consists of incorporated areas surrounding the City of Houston which include Baytown, Clear Lake, Humble, Jersey Village, Kingwood, Missouri City, Pasadena, Pearland, Seabrook, Spring, Sugar Land and Tomball. These areas represent parts of Brazoria, Fort Bend, Harris, Montgomery and Waller counties and include the following school districts among others: Aldine, Alief, Channelview, Crosby, Cypress-Fairbanks, Fort Bend, Friendswood, Galena Park, Goosecreek Consolidated, Houston, Huffman, Humble, Katy, Klein, Lamar Consolidated, LaMarque, New Caney, North Forest, Pasadena, Pearland, Sheldon, Spring, Spring Branch, Tomball and Waller Independent School Districts.

Should you have any further questions, please feel free to contact me at (713) 683-0044.

Sincerely yours,



Lois Bullock
President

File

CHARTER
CONTINGENCIES

EDUCATIONAL LEARNING & ENRICHMENT CENTER, INC.

10700 Northwest Freeway, Suite 210 • Houston, Texas 77092
(713) 683-0044
Fax No: (713) 683-8758

February 27, 1998

RECEIVED

FEB 27 1998

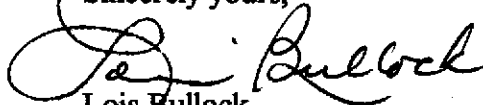
CHARTER SCHOOLS

Mr. Brook Flemister
Texas Education Agency
1701 North Congress Avenue
Austin, TX 78701-1494

Dear Mr. Flemister:

Please find attached the IRS Determination Letter for Non-Exempt Status (501c3) for Educational Learning and Enrichment Center Academy of Accelerated Learning, Inc.

Sincerely yours,



Lois Bullock
President

CHARTER
CONTINGENCIES

DEPARTMENT OF THE TREA

INTERNAL REVENUE SERVICE
DISTRICT DIRECTOR
P. O. BOX 2508
CINCINNATI, OH 45201

Date: FEB 24 1998

EDUCATIONAL LEARNING & ENRICHMENT
CENTER ACADEMY OF ACCELERATED
LEARNING INC
10700 NORTH WEST FREEWAY STE 210
HOUSTON, TX 77092-7314

Employer Identification Number
31-1583056

DLN:
17053026061008

Contact Person:
D. A. DOWNING
Contact Telephone Number:
(513) 241-5199

Accounting Period Ending:
June 30

Form 990 Required:
Yes

Addendum Applies:
No

RECEIVED

FEB 27 1998

CHARTER SCHOOLS

Dear Applicant:

Based on information supplied, and assuming your operations will be as stated in your application for recognition of exemption, we have determined you are exempt from federal income tax under section 501(a) of the Internal Revenue Code as an organization described in section 501(c)(3).

We have further determined that you are not a private foundation within the meaning of section 509(a) of the Code, because you are an organization described in sections 509(a)(1) and 170(b)(1)(A)(ii).

If your sources of support, or your purposes, character, or method of operation change, please let us know so we can consider the effect of the change on your exempt status and foundation status. In the case of an amendment to your organizational document or bylaws, please send us a copy of the amended document or bylaws. Also, you should inform us of all changes in your name or address.

As of January 1, 1984, you are liable for taxes under the Federal Insurance Contributions Act (social security taxes) on remuneration of \$100 or more you pay to each of your employees during a calendar year. You are not liable for the tax imposed under the Federal Unemployment Tax Act (FUTA).

Since you are not a private foundation, you are not subject to the excise taxes under Chapter 42 of the Code. However, if you are involved in an excess benefit transaction, that transaction might be subject to the excise taxes of section 4958. Additionally, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please contact your key district office.

Grantors and contributors may rely on this determination unless the Internal Revenue Service publishes notice to the contrary. However, if you lose your section 509(a)(1) status, a grantor or contributor may not rely on this determination if he or she was in part responsible for, or was aware of, the act or failure to act, or the substantial or material change on the part of the organization that resulted in your loss of such status, or if he she acquired knowledge that the Internal Revenue Service had given notice that

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FEB 27 1998

CHARTER SCHOOLS

-2-

EDUCATIONAL LEARNING & ENRICHMENT

you would no longer be classified as a section 509(a)(1) organization.

Donors may deduct contributions to you as provided in section 170 of the Code. Bequests, legacies, devises, transfers, or gifts to you or for your use are deductible for federal estate and gift tax purposes if they meet the applicable provisions of Code sections 2055, 2106, and 2522.

Contribution deductions are allowable to donors only to the extent that their contributions are gifts, with no consideration received. Ticket purchases and similar payments in conjunction with fundraising events may not necessarily qualify as deductible contributions, depending on the circumstances. See Revenue Ruling 67-246, published in Cumulative Bulletin 1967-2, on page 104, which sets forth guidelines regarding the deductibility, as charitable contributions, of payments made by taxpayers for admission to or other participation in fundraising activities for charity.

In the heading of this letter we have indicated whether you must file Form 990, Return of Organization Exempt From Income Tax. If Yes is indicated, you are required to file Form 990 only if your gross receipts each year are normally more than \$25,000. However, if you receive a Form 990 package in the mail, please file the return even if you do not exceed the gross receipts test. If you are not required to file, simply attach the label provided, check the box in the heading to indicate that your annual gross receipts are normally \$25,000 or less, and sign the return.

If a return is required, it must be filed by the 15th day of the fifth month after the end of your annual accounting period. A penalty of \$20 a day is charged when a return is filed late, unless there is reasonable cause for the delay. However, the maximum penalty charged cannot exceed \$10,000 or 5 percent of your gross receipts for the year, whichever is less. For organizations with gross receipts exceeding \$1,000,000 in any year, the penalty is \$100 per day per return, unless there is reasonable cause for the delay. The maximum penalty for an organization with gross receipts exceeding \$1,000,000 shall not exceed \$50,000. This penalty may also be charged if a return is not complete, so be sure your return is complete before you file it.

You are required to make your annual return available for public inspection for three years after the return is due. You are also required to make available a copy of your exemption application, any supporting documents, and this exemption letter. Failure to make these documents available for public inspection may subject you to a penalty of \$20 per day for each day there is a failure to comply (up to a maximum of \$10,000 in the case of an annual return).

You are not required to file federal income tax returns unless you are subject to the tax on unrelated business income under section 511 of the Code. If you are subject to this tax, you must file an income tax return on Form 990-T, Exempt Organization Business Income Tax Return. In this letter we are not determining whether any of your present or proposed activities are unrelated trade or business as defined in section 513 of the Code.

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FEB 27 1998

CHARTER SCHOOLS

-3-

EDUCATIONAL LEARNING & ENRICHMENT

You need an employer identification number even if you have no employees. If an employer identification number was not entered on your application, a number will be assigned to you and you will be advised of it. Please use that number on all returns you file and in all correspondence with the Internal Revenue Service.

If we have indicated in the heading of this letter that an addendum applies, the enclosed addendum is an integral part of this letter.

Because this letter could help resolve any questions about your exempt status and foundation status, you should keep it in your permanent records.

If you have any questions, please contact the person whose name and telephone number are shown in the heading of this letter.

Sincerely yours,

Ellen Murphy
Director

District Director

195

EDUCATIONAL LEARNING & ENRICHMENT CENTER, INC.

10700 Northwest Freeway, Suite 210 • Houston, Texas 77092
(713) 683-0044
Fax No: (713) 683-8758

February 20, 1998

RECEIVED
FEB 23 1998
CHARTER SCHOOLS

Mr. Brooks Flemister
Senior Director
Texas Education Agency
1701 North Congress Avenue
Austin, TX 78701-1494

*Check facility
agreements
geographic based
otherwise OK
Left
message
2/2*

Dear Mr. Flemister:

With reference to your memo dated February 17, 1998 regarding additional information, please find the following information herewith attached:

1. (4) Copies of the Assurances
2. Clarification that the Charter School will adhere to the following guidelines:
 - Admit and fully serve eligible students with disabilities and handicapping conditions.
 - 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.
3. IRS correspondence regarding non-profit status application and Employee Identification Number (EIN).

Should you have any questions, please feel free to me at (713)683-0044. Thanks.

Sincerely yours,

Lois Bullock
Lois Bullock,
President

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~~00292~~

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EDUCATIONAL LEARNING & ENRICHMENT CENTER, INC.

FEB 23 1998

10700 Northwest Freeway, Suite 210 • Houston, Texas 77092
(713) 683-0044
Fax No: (713) 683-8758

CHARTER SCHOOLS

CHARTER
CONTINGENCIES

February 20, 1998

Mr. Brooks Flemister
Senior Director
Texas Education Agency
1701 North Congress Avenue
Austin, TX 78701-1494

OK

Dear Mr. Flemister:

Educational Learning and Enrichment Center, Inc. Academy of Accelerated Learning assures that the Charter School will admit and fully serve eligible students with disabilities and handicapping conditions. In addition, transportation will be provided to disabled students when required by the student's individual Education Plan. The teaching personnel will be certified when required by law.

The Charter School admission's policy 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.

Should you need additional information, please do not hesitate to call me.

Sincerely yours,



Lois Bullock
President

137

~~683-0044~~
~~683-8758~~

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.
- (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
 - prekindergarten programs under TEC Subchapter E of Chapter 29;
 - 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.
- (8) The employees and volunteers of the open-enrollment charter school are held immune from liability. 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.

- (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.

*Signature of Chief Operating Officer of the School,
testifying to the provisions of the charter
and the assurances above:*

Date: _____

Pats Bullack

*Signature of the Chair of the State Board of
Education, Approving the Open-Enrollment
Charter in accordance with the provisions of
this document:*

Date: _____

Jack Christie

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.

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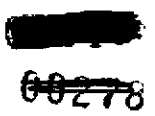
- (4) The proposed open-enrollment charter school will not impose taxes, use financial incentives or rebates to recruit students, or charge tuition other than tuition allowable under TEC, Section 12.106.

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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
 - prekindergarten programs under TEC Subchapter E of Chapter 29;
 - 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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- (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.
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- (14) The school will implement a policy to admit students eligible for a public education grant.

*Signature of Chief Operating Officer of the School,
testifying to the provisions of the charter
and the assurances above:*

Date:

Pis. Bullock

*Signature of the Chair of the State Board of
Education, Approving the Open-Enrollment
Charter in accordance with the provisions of
this document:*

Date: _____

DEPARTMENT OF THE TREASURY
INTERNAL REVENUE SERVICE
CINCINNATI OH 45999

DATE OF THIS NOTICE: 01-27-1998
NUMBER OF THIS NOTICE: CP 575 F
EMPLOYER IDENTIFICATION NUMBER: 31-1583056
FORM: SS-4
1731222245 0
CHARTER
CONTINGENCIES

RECEIVED

FEB 23 1998 FOR ASSISTANCE CALL US AT:
742-2440 LOCAL DALLAS
1-800-829-1040 OTHER TX

EDUCATIONAL LRNING & ENRICH CTR INC
% LOIS E BULLOCK
10700 NORTHWEST FREEWAY SUITE 210
HOUSTON TX 77092

CHARTER SCHOOLS

OR WRITE TO THE ADDRESS
SHOWN AT THE TOP LEFT.

IF YOU WRITE, ATTACH THE
STUB OF THIS NOTICE.

WE ASSIGNED YOU AN EMPLOYER IDENTIFICATION NUMBER (EIN)

Thank you for your Form SS-4, Application for Employer Identification Number (EIN). We assigned you EIN 31-1583056. This EIN will identify your business account, tax returns, and documents, even if you have no employees. Please keep this notice in your permanent records.

Use your complete name and EIN shown above on all federal tax forms, payments, and related correspondence. If you use any variation in your name or EIN, it may cause a delay in processing, incorrect information in your account, or cause you to be assigned more than one EIN.

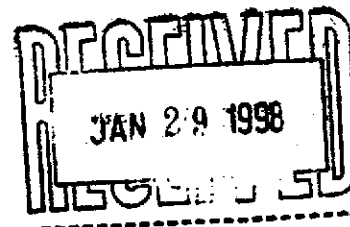
If you want to receive a ruling or a determination letter recognizing your organization as tax exempt, you should file Form 1023/1024, Application for Recognition of Exemption, with your IRS Key District office. Publication 557, Tax Exempt Status for Your Organization, is available at most IRS offices and has details on how you can apply.

Please use the label IRS provided when filing tax documents. If that isn't possible, you should use your EIN and complete name and address as shown below to identify your account and to avoid delays in processing.

EDUCATIONAL LRNING & ENRICH CTR INC
ACADEMY OF ACCERLERATED LEARNING
% LOIS E BULLOCK
10700 NORTHWEST FREEWAY SUITE 210
HOUSTON TX 77092

If this information isn't correct, please correct it using page 2 of this notice. Return it to us at the address shown so we can correct your account.

Thank you for your cooperation.



202



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

CHARTER
 CONTINGENCIES

Department of the Treasury
 Southeast Region
 F-5548 ALS EO
 Refer Reply To:
 1733131004 :JT/QR67

Date: January 26, 1998

*2/2/98
 JST*

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FEB 23 1998

CHARTER SCHOOLS

EDUCATIONAL LEARNING & ENRICHMENT
 CENTER ACADEMY OF ACCELERATED
 LEARNING INC
 10700 NORTH WEST FREEWAY STE 210
 HOUSTON TX 77092-7314000

Document Locator Number:17053-026-06100-8
 User Fee Paid:\$ 465

ACKNOWLEDGEMENT OF YOUR REQUEST

We have received your application for recognition of exemption from Federal income tax and have assigned it document locator number 17053-026-06100-8. 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.

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 FEB 02 1998

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

If exempt status is approved, this application will be open for public inspection.

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

1a Full name of organization (as shown in organizing document) EDUCATIONAL LEARNING & ENRICHMENT CENTER ACADEMY OF ACCELERATED LEARNING INC.		2 Employer identification number (EIN) (If none, see page 2 of the instructions.) APPLIED FOR
1b c/o Name (if applicable)		3 Name and telephone number of person to be contacted if additional information is needed LOIS BULLOCK (713) 683-0044
1c Address (number and street) 10700 NORTH WEST FREEWAY	Room/Suite 210	
1d City or town, state, and ZIP code HOUSTON, TEXAS 77092-7314		4 Month the annual accounting period ends JUNE 30
5 Date incorporated or formed 12-16-97	6 Activity codes (See page 3 of the instructions.) 030 566 568	7 Check here if applying under section: a <input type="checkbox"/> 501(e) b <input checked="" type="checkbox"/> 501(f) c <input type="checkbox"/> 501(k)
8 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. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
9 Is the organization required to file Form 990 (or Form 990-EZ)? If "No," attach an explanation (see page 3 of the Specific Instructions). <input type="checkbox"/> N/A <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
10 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. <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		

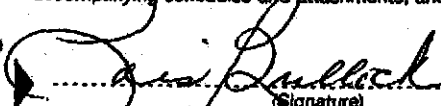
NO

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  **PRESIDENT** **12/12/97**
(Signature) (Title or authority of signer) (Date)

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.

<u>ACTIVITY/PURPOSE</u>	<u>TIMING</u>	<u>WHERE/BY WHOM CONDUCTED</u>
RECRUITMENT OF STUDENTS	EACH SEMESTER JAN / AUGUST	THROUGHOUT THE CITY OF HOUSTON BY STAFF
EVALUATION/ASSESSMENT OF STUDENTS	EACH SEMESTER JAN/AUGUST	SCHOOLS IN HOUSTON/STAFF
PROVISIONS OF ACADEMIC INSTRUCTION	THROUGHOUT THE SCHOOL YR	SCHOOLS IN HOUSTON/STAFF
PROVISION OF EMPLOYABILITY SKILLS AND JOB PLACEMENT ASSISTANCE AND REFERRAL TO VOCATIONAL TRAINING	THROUGHOUT THE SCHOOL YEAR	SCHOOLS IN HOUSTON/STAFF

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

FUNDING FROM THE STATE OF TEXAS
FUNDING FROM HOUSTON INDEPENDENT SCHOOL DISTRICT
FUNDING FROM MAJOR CORPORATIONS

- 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.

EXTENSIVE FUNDRAISING IS NOT ANTICIPATED. THE PROGRAM WILL BE DESIGNED TO GENERATE REVENUE FROM STUDENT ATTENDANCE. INCENTIVES TO REMAIN IN SCHOOL AND TO ACHIEVE GOOD GRADES WILL BE SOLICITED FROM MAJOR CORPORATIONS.

**EDUCATIONAL LEARNING & ENRICHMENT CENTER
ACADEMY OF ACCELERATED LEARNING INC.**

PART II

Fund Raising

2 months during the year

Director/Major Corporations
in Houston

The Charter School will provide academic instruction for elementary school students as well as over-aged ninth graders and school drop-outs. All activities are planned at this point. The activities referenced above are listed in a sequential manner and in the order of importance as they relate to the mission of the school. All activities will be conducted by staff members employed by the Charter School throughout the school year. Approximately 20 percent of the directors time will be devoted to fundraising from Major Corporations to provide incentives for students to remain in school and graduate.

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
LOIS BULLOCK 3704 S McGREGORY WAY HOUSTON, TX 77002 PRESIDENT	\$1,200
BOBBY JACKSON 9436 PINEHAVEN DALLAS, TX 75227 TREASURER	\$1,200
LYNN MOORE 7814 CANDLE LANE HOUSTON TX 77071 SECRETARY	\$1,200

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.

EDUCATIONAL LEARNING & ENRICHMENT CENTER HAS BEEN IN THE EMPLOYMENT AND TRAINING FIELD FOR THE PAST 12 YEARS, WITH LOIS BULLOCK AS PRESIDENT AND HAS ESTABLISHED AN EXCELLENT TRACK RECORD IN THIS FIELD. THE NEW ORGANIZATION WILL BE HEADED BY LOIS BULLOCK AND WILL CONDUCT ACTIVITIES SIMILAR TO THOSE PERFORMED BY ELEC.

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.

THE ORGANIZATION WILL BE DIRECTLY ENGAGED IN NORMAL BUSINESS TRANSACTIONS SUCH, AS SPAACE RENTAL, EQUIPMENT ACQUISITIONS, MATERIALS ETC.WITH HOUSTON INDEPENDENT SCHOOL DISTRICT AND NORTH FOREST INDEPENDENT SCHOOL DISTRICT.

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.

70 [REDACTED]

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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."

N/A

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.

EQUIPMENT WILL BE LEASED AT THE TIME THE SCHOOL IS IN OPERATION

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.

LEASE FOR SPACE AND EQUIPMENT (COPIER, TELEPHONE, ETC.) WILL BE OBTAINED WHEN FUNDING FOR THE CHARTER SCHOOL IS SECURED. THE LESSEE WILL BE ELEC ACADEMY OF ACCELERATED LEARNING INC AND THE LESSOR WILL BE A PRIVATE ORGANIZATION.

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.

N/A

c What benefits do (or will) the members receive in exchange for their payment of dues?

N/A

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.

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.

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? [X] 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 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 | <input type="checkbox"/> 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 | <input checked="" type="checkbox"/> As a school (MUST COMPLETE SCHEDULE B.) | Sections 509(a)(1)
and 170(b)(1)(A)(ii) |
| c | <input type="checkbox"/> 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 | <input type="checkbox"/> As a governmental unit described in section 170(c)(1). | Sections 509(a)(1)
and 170(b)(1)(A)(v) |
| e | <input type="checkbox"/> 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)(9) |
| f | <input type="checkbox"/> As being organized and operated exclusively for testing for public
safety. | Section 509(a)(4) |
| g | <input type="checkbox"/> 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 | <input type="checkbox"/> 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 | <input type="checkbox"/> 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 | <input type="checkbox"/> 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)(vii)
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.

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.

NONE

- 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

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

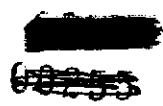
	Current tax year	3 prior tax years or proposed budget for 2 years			(e) TOTAL
	(a) From 12/19/97 to 06/30/98	(b) 1998-99	(c) 1999-2000	(d) 19.....	
Revenue					
1 Gifts, grants, and contributions received (not including unusual grants—see pages 5 and 6 of the instructions)					
2 Membership fees received					
3 Gross investment income (see instructions for definition)					
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.		1,500,000	1,687,500		
10 Total (add lines 8 and 9)		1,500,000	1,687,500		
11 Gain or loss from sale of capital assets (attach schedule)					
12 Unusual grants. (LOAN)	50,000				
13 Total revenue (add lines 10 through 12)	50,000	1,500,000	1,687,000		
Expenses					
14 Fundraising expenses		20,000	25,000		
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)		3,600	3,600		
18 Other salaries and wages		900,000	1,012,500		
19 Interest					
20 Occupancy (rent, utilities, etc.)		180,000	202,500		
21 Depreciation and depletion					
22 Other (attach schedule)		396,400	443,900		
23 Total expenses (add lines 14 through 22)	50,000	1,500,000	1,687,500		
24 Excess of revenue over expenses (line 13 minus line 23)	-0-	-0-	-0-	212	

0-0-0-0

Part IV Financial Data (Continued)

B. Balance Sheet (at the end of the period shown)		Current tax year Date 12.31.97
Assets		
1	Cash	1 \$50,000.
2	Accounts receivable, net	2
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
9	Land	9
10	Other assets (attach schedule)	10
11	Total assets (add lines 1 through 10)	11 \$50,000.
Liabilities		
12	Accounts payable	12 \$50,000
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 \$50,000
Fund Balances or Net Assets		
17	Total fund balances or net assets	17
18	Total liabilities and fund balances or net assets (add line 16 and line 17)	18 -0-

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



EDUCATIONAL LEARNING & ENRICHMENT CENTER
ACADEMY OF ACCELERATED LEARNING INC

PART IV FINANCIAL DATA
ITEM NUMBER 22

	1998-99	1999/2000
TEACHING MATERIALS	\$ 225,000	\$ 275,000
PAYROLL/GENERAL ADM AUDIT	75,000	80,000
EQUIPMENT	96,400	88,900
TOTAL	\$ 396,400	\$ 443,900

Schedule B. Schools, Colleges, and Universities

1 Does, or will, the organization normally have: (a) a regularly scheduled curriculum, (b) a regular faculty of qualified teachers, (c) a regularly enrolled student body, and (d) facilities where its educational activities are regularly carried on? Yes No
 If "No," do not complete the rest of Schedule B.

2 Is the organization an instrumentality of a state or political subdivision of a state? Yes No
 If "Yes," document this in Part II and do not complete items 3 through 10 of Schedule B. (See instructions on the back of Schedule B.)

3 Does or will the organization (or any department or division within it) discriminate in any way on the basis of race with respect to:

a Admissions? Yes No

b Use of facilities or exercise of student privileges? Yes No

c Faculty or administrative staff? Yes No

d Scholarship or loan programs? Yes No

If "Yes" for any of the above, explain.

4 Does the organization include a statement in its charter, bylaws, or other governing instrument, or in a resolution of its governing body, that it has a racially nondiscriminatory policy as to students? Yes No

Attach whatever corporate resolutions or other official statements the organization has made on this subject.

5a Has the organization made its racially nondiscriminatory policies known in a manner that brings the policies to the attention of all segments of the general community that it serves? Yes No

If "Yes," describe how these policies have been publicized and how often relevant notices or announcements have been made. If no newspaper or broadcast media notices have been used, explain.

POLICIES WILL BE DESCRIBED IN ALL BROCHURES, ADVERTISEMENTS AND ANY BROADCAST MEDIA NOTICES UTILIZED. THESE MATERIALS WILL BE DEVELOPED.

b If applicable, attach clippings of any relevant newspaper notices or advertising, or copies of tapes or scripts used for media broadcasts. Also attach copies of brochures and catalogues dealing with student admissions, programs, and scholarships, as well as representative copies of all written advertising used as a means of informing prospective students of the organization's programs.

6 Attach a numerical schedule showing the racial composition, as of the current academic year, and projected to the extent feasible for the next academic year, of: (a) the student body, and (b) the faculty and administrative staff.

7 Attach a list showing the amount of any scholarship and loan funds awarded to students enrolled and the racial composition of the students who have received the awards. **NONE**

8a Attach a list of the organization's incorporators, founders, board members, and donors of land or buildings, whether individuals or organizations.

b State whether any of the organizations listed in 8a have as an objective the maintenance of segregated public or private school education, and, if so, whether any of the individuals listed in 8a are officers or active members of such organizations.

9a Enter the public school district and county in which the organization is located.

HOUSTON INDEPENDENT SCHOOL DISTRICT

b Was the organization formed or substantially expanded at the time of public school desegregation in the above district or county? Yes No

10 Has the organization ever been determined by a state or Federal administrative agency or judicial body to be racially discriminatory? Yes No

If "Yes," attach a detailed explanation identifying the parties to the suit, the forum in which the case was heard, the cause of action, the holding in the case, and the citations (if any) for the case. Also describe in detail what changes in the organization's operation, if any, have occurred since then.

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Instructions

A "school" is an organization that has the primary function of presenting formal instruction, normally maintains a regular faculty and curriculum, normally has a regularly enrolled student body, and has a place where its educational activities are carried on. The term generally corresponds to the definition of an "educational organization" in section 170(b)(1)(A)(ii). Thus, the term includes primary, secondary, preparatory and high schools, and colleges and universities. The term does not include organizations engaged in both educational and noneducational activities unless the latter are merely incidental to the educational activities. A school for handicapped children is included within the term, but an organization merely providing handicapped children with custodial care is not.

For purposes of Schedule B, "Sunday schools" that are conducted by a church are not included in the term "schools," but separately organized schools (such as parochial schools, universities, and similar institutions) are included in the term.

A private school that otherwise meets the requirements of section 501(c)(3) as an educational institution will not qualify for exemption under section 501(a) unless it has a racially nondiscriminatory policy as to students. This policy means that the school admits students of any race to all the rights, privileges, programs, and activities generally accorded or made available to students at that school and that the school does not discriminate on the basis of race in the administration of its educational policies, admissions policies, scholarship and loan programs, and athletic or

other school-administered programs. The IRS considers discrimination on the basis of race to include discrimination on the basis of color and national or ethnic origin. A policy of a school that favors racial minority groups in admissions, facilities, programs, and financial assistance will not constitute discrimination on the basis of race when the purpose and effect is to promote the establishment and maintenance of that school's racially nondiscriminatory policy as to students. See Rev. Proc. 75-50, 1975-2 C.B. 587, for guidelines and recordkeeping requirements for determining whether private schools that are applying for recognition of exemption have racially nondiscriminatory policies as to students.

Line 2

An instrumentality of a state or political subdivision of a state may qualify under section 501(c)(3) if it is organized as a separate entity from the governmental unit that created it and if it otherwise meets the organizational and operational tests of section 501(c)(3). (See Rev. Rul. 60-384, 1960-2 C.B. 172.) Any such organization that is a school is not a private school and, therefore, is not subject to the provisions of Rev. Proc. 75-50.

Schools that incorrectly answer "Yes" to line 2 will be contacted to furnish the information called for by lines 3 through 10 in order to establish that they meet the requirements for exemption. To prevent delay in the processing of your application, be sure to answer line 2 correctly and complete lines 3 through 10, if applicable.

Educational Learning & Enrichment
Center, Academy of Accelerated
Learning, Inc.

215

60250

*** TX REPORT ***

CHARTER
CONTINGENCIES

TRANSMISSION OK

TX/RX NO 0671
CONNECTION TEL 917136811989
SUBADDRESS
CONNECTION ID
ST. TIME 02/20 16:49
USAGE T 03'15
PGS. 4
RESULT OK

TEA/FAX TRANSMITTAL FORM

CHARTER SCHOOLS

TEXAS EDUCATION AGENCY
DEPARTMENT OF SCHOOL/COMMUNITY SUPPORT
1701 NORTH CONGRESS AVENUE
AUSTIN, TEXAS 78701-1494

Phone: (512) 463-9575
Fax: (512) 463-9732

*Educational Learning
Enrichment*

DATE: February 18, 1998

TO: Charter School Applicant

FAX NUMBER: 713-683-8758

FROM: Brooks Flemister 713-681-2235

Total Number of Pages Including Cover Page: 4

If there are problems with this fax, please call Glenda Lackey at (512) 463-9575.

TEA/FAX TRANSMITTAL FORM

CHARTER SCHOOLS

TEXAS EDUCATION AGENCY
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1701 NORTH CONGRESS AVENUE
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Phone: (512) 463-9575

Fax: (512) 463-9732

*Educational Learning
Enrichment*

DATE:

February 18, 1998

TO:

Charter School Applicant

FAX NUMBER:

713-683-8758

FROM:

Phone 713 683 - 0044
Brooks Flemister 713 681 2235

Total Number of Pages Including Cover Page: 4

If there are problems with this fax, please call Glenda Lackey at (512) 463-9575.

COMMENTS:

URGENT MEMO

*sent
Overnight
mail*



TEXAS EDUCATION AGENCY

1701 NORTH CONGRESS AVENUE * AUSTIN, TEXAS 78701-1494 * 512/463-9734 * FAX: 512/463-9838

MIKE MOSES
COMMISSIONER OF EDUCATION

URGENT MEMO

TO: *Lois Bullock* DATE: February 17, 1998
Educational Learning & Enrichment
Center, Academy & Accelerated Learning Inc

FROM: Brooks Flemister
Senior Director

After review of the open-enrollment charter school application submitted by your organization, staff at the Texas Education Agency has determined that your application is incomplete or proposes a policy or practice that is inconsistent with State or Federal laws. **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 5:00 p.m., Tuesday, February 24, 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. Applicants who have not yet submitted a signed lease agreement, as described below, or evidence of ownership of a facility may submit such agreement or evidence no later than 5:00 p.m., Friday, February 27, 1998.

Please supply the following:

___ 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.

___ Assurance that the applicant has the ability to compile baseline performance data 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.

___ 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. Note that the sponsoring entity must itself be tax exempt or have applied for such status. It is not sufficient that the sponsoring entity belongs to or be associated with a tax-exempt organization.



_____ A copy of the last tax return filed by the sponsoring entity.

_____ A list of the board members of the sponsoring organization. The list must identify the officers of the sponsoring organization.

_____ Evidence that a facility has been secured for use by the proposed charter school. If the school will be housed in a leased facility, the applicant must supply a copy of a lease agreement signed by the owner of the facility, the president or chair of the governing body of the proposed open-enrollment charter school (if members of the governing body have been identified), and the chief operating officer of the proposed charter. Note that the agreement may be structured as an option to lease the facility upon award of a charter. Any agreement provided must, however, be enforceable. It must contain all essential terms of a lease agreement, including the location of the property, the rental amount, and the term of the lease (i.e., number of months or years.) If the charter school will be housed in a building owned by the sponsoring entity, the applicant must provide an enforceable agreement between the owner and the chief operating officer of the proposed charter providing for use of the facility by the school.

_____ Evidence of parent/community support.

Four complete copies of the Assurances provided in the application packet, each with an original signature. ok

_____ 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.

Clarification that the proposed charter school will admit and fully serve eligible students with disabilities or handicapping conditions. 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. This clarification must also include an assurance that certified teaching personnel would be employed when required by law. ok

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.

___ Clarification that the policies of the proposed charter school will not provide for segregation or discrimination on the basis of sex except where required or allowed by federal law. (Title IX applies to open-enrollment charters)

___ 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.

___ 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 and siblings of students who attended the school in its first year of operation as a charter school.

___ Assurance that the proposed charter school will not withhold student records in violation of state or federal law.

___ 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.

___ Assurance none of the 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.

___ 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.

___ Clarification that students will be provided due process prior to expulsion.

___ Completed application form (provided by TEA in application packet).

___ 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.

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: Submit four copies of completed application with the proposed charter and assurances signed by the Chief Operating Officer of the School and the evidence of parent/community support to the Texas Education Agency, Document Control Center, 1701 North Congress Ave., Austin, Texas 78701. For assistance, contact the Office of Charter Schools at (512) 463-9575.

Chief Operating Officer of Proposed Charter: Mrs. Lois Bullock Title: President
Educational Learning & Enrichment Center,
 Name of Sponsoring Entity: Academy of Accelerated Learning, Inc.

The applicant is an "eligible entity" under the following category (check one):
 _____ an institution of higher education (TEC 61.003); a tax-exempt organization [501(c)(3)];
 _____ a private/independent institution of higher education (TEC 61.003); _____ a governmental entity.

Sponsor Address: 10700 Northwest Freeway City: Houston, Texas

Zip: 77092 Phone Number: (713) 683-0044 FAX: (713) 683-8758 713-681-1989
Educational Learning & Enrichment Center,
 Name of Proposed Charter: Academy of Accelerated Learning, Inc.

Charter Site Address: (See Appendix for Pending Site(s)) City: Houston, Texas

Zip: _____ Phone Number: _____ FAX: _____
 Grade K-5 Expected Initial _____ Projected Max. _____
 Levels: 9-12 Enrollment: 375 Enrollment: 750

The charter will primarily serve an area that is geographically: urban _____ suburban _____ rural

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."

The Academy of Accelerated Learning will serve a total of 375 students: 200 students in its early childhood program grades K-5; and 175 students in the secondary component. The major feature of the program is its accelerated, individualized, and self-paced curriculum focused on real-life learning activities.

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

10% pre-kindergarten; _____ special education; _____ migrant;
90% economically disadvantaged; 2% limited English proficiency; 10% recovered dropouts;
75% at risk of dropping out;
10% pregnant or parent students; 10% other Previously adjudicated youth

The facility to be used for an open-enrollment charter school is owned by _____
 a commercial entity _____ a non-profit entity _____ a school district.

SEARCHED
SERIALIZED
INDEXED
FILED
MAY 11 2000
FBI - HOUSTON
221

120/01/09/98-083

CONTRACT FOR CHARTER

This contract is executed the 15th day of May, 1998 between the Texas State Board of Education (the "Board") and Educational Learning & Enrichment Center, Academy of Accelerated ("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 #701-97-028; (d) any condition, amendment, modification, revision or other change to the charter adopted or ratified by the Board and (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).

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 August 1, 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 750 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 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

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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 has a reported criminal history that bears directly on the duties and responsibilities of the employee or volunteer 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 state that no employee, volunteer or agent of Charterholder or the charter school can be required to report child abuse or neglect to Charterholder or the charter school. Rather, such reports must be made directly by the person suspecting child abuse or neglect 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 three 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. 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. 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 120th 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.
20. Attendance Accounting. To the extent required by the commissioner, Charterholder shall comply with the "Student Attendance Accounting Handbook" published by the Agency; provided, however, that

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Charterholder shall report attendance data to the agency at six-week intervals or as directed by the agency.

21. Foundation School Program. Funds distributed to the charter school under Section 12.106, TEC shall be calculated and distributed by the agency at six-week intervals. Distribution of funds to the charter school is contingent upon charterholder's compliance with the terms of the charter. Charterholder is ineligible to receive Foundation School Program funds prior to September 1, 1998. 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.
22. 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.
23. 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.
24. 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.
25. 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.
26. 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

27. 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.
28. 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.
29. PEIMS Reporting. Charterholder shall report timely and accurate information to the Public Education Information Management System (PEIMS), as required by the commissioner.
30. Conflict of Interest. Charterholder shall comply with any applicable prohibition, restriction or requirement relating to conflicts of interest. 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.
31. 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.
32. 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.
33. 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.

34. 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.

Enforcement

35. 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.
36. 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.
37. 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 paragraph 2; (b) failure to satisfy generally accepted accounting standards of fiscal management; or (c) failure to comply with an applicable law or rule.

This Agreement

38. 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.

1. 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).
2. 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.
3. Venue. Any suit arising under this contract shall be brought in Travis County, Texas.
4. Governing Law. In any suit arising under this contract, Texas law shall apply.
5. 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.

Entered into this 15th day of May, 1998.

Texas State Board of Education

Charterholder

Jack Christie
By Dr. Jack Christie
Chairman

Educational Learning & Enrichment
Center, Academy of Accelerated

By Lois Bullock
Lois Bullock

Typed Name

