

TEXAS EDUCATION AGENCY

Open-Enrollment Charter School Renewal Application

Application

Coversheet

Name of School: Medical Center Charter School

Current Grade Levels Served: PK - Grade 6 Additional Grade Levels Requested: Grades 7, 8

Maximum Grade Levels to be Served: 3 Year PK - Grade 8

Current Enrollment: 270 Maximum Authorized Enrollment: 375 Requested: 620

Name of Sponsoring Entity: Medical Center Charter School

Check One:	<input checked="" type="checkbox"/>	501 (c) (3) Nonprofit
Organization	<input type="checkbox"/>	Governmental Entity
	<input type="checkbox"/>	College or University

SBOE District: 6

Chairperson of Board of Sponsoring Entity: R. Vernon Colpitts, M. D.

Applicant Mailing Address: 1920 N. Braeswood, Houston, TX 77030

Contact Phone #: 713.791.9980 Fax #: 713.791.9594

Chief Executive Officer of Sponsoring Entity: R. Vernon Colpitts, M.D.

Chief Executive Officer of School: Terry-Heard Management, Inc. and JLM Management, Inc.

CEO/School Contact Phone #: 713.791.9980 Fax #: 713.791.9594

CEO/School E-nail Address: mheard@snschools.com jmckey@snschools.com

CEO/School Mailing Address: 1920 N. Braeswood Houston, TX 77030 (Also first campus)

School Site Address: Second campus: 10420 Mullins Houston, TX 77096
(If different from above)

I certify that I have the authority as the Chief Executive Officer of the sponsoring entity designated above to make application for renewal of an open-enrollment charter school. I further certify all information contained in this application is complete and accurate, realizing that any misrepresentation could result in disqualification from the charter application process or revocation after award. I authorize the agency to investigate the references included in this application.

James L. McKey Margot T. Heard
Signature of Chief Executive Officer of Sponsoring Entity/Date

R. Vernon Colpitts
Signature of Chairperson of the Governing Board of the Sponsoring Entity/Date

**Open-Enrollment Charter School
Renewal Application
For
MEDICAL CENTER CHARTER SCHOOL
HOUSTON**

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**Open-Enrollment Charter School
Renewal Application
For
MEDICAL CENTER CHARTER SCHOOL
HOUSTON**

INTRODUCTION

Medical Center Charter School was the seventh applicant in the state to be granted an open-enrollment charter.

I. CHARTER SCHOOL PERFORMANCE REVIEW

INTRODUCTION:

Medical Center Charter School has achieved high performance levels in educational program, student achievement, enrollment growth, financial development, and other measures submitted in the *Application for Approval of an Open-Enrollment Charter* in 1996.

Specifically, the charter school addresses here in the renewal process the accomplishment of all provisions contained in the charter relating to the educational program as required: **[(1), (3), (4), (6), (7), (8), (10), (11), (12), (13) of Oct. 13, 1995 application]** and components that support the program.

A. The Educational Program: Provision (1): The educational program is offered as proposed in the application for charter, and has been successful.

1. Languages taught are English, Spanish, French, and Latin (Grade 6). The method is phonetic, grammatical, and immersion in format. Students complete activities in speaking, reading, and writing in these languages. Eight multi-lingual teachers are on the faculty.
2. Computer centers for student use support the curriculum in each classroom and a Telecommunications Infrastructure Fund Board grant this year will provide additional applications, including internet use.
3. The Montessori Method is provided for the prekindergarten and kindergarten students and brings our children who have not developed readiness, academic, and social skills to the level of more advantaged peers. Most are reading by the end of prekindergarten and virtually all are reading by the end of kindergarten.
4. Rules and attitudes are approached with a set of Ground Rules that summarize required behaviors. Each classroom begins the day with a presentation of a ground rule and one period each day is reserved to read classic literature to the students and teach character development principles. Students are taught to understand the cause and effect relationship between behavior and results.
5. The curriculum is presented as designed in all subject areas. Subjects include Language Arts, Mathematics, Science, History/Geography/Economics, Physical Education/Health, Montessori/Practical Life Skills, Computer/Library, Fine Arts/Music/Art, and Character Development. Mid-term and final exams are given by the school to evaluate mastery of curriculum requirements.

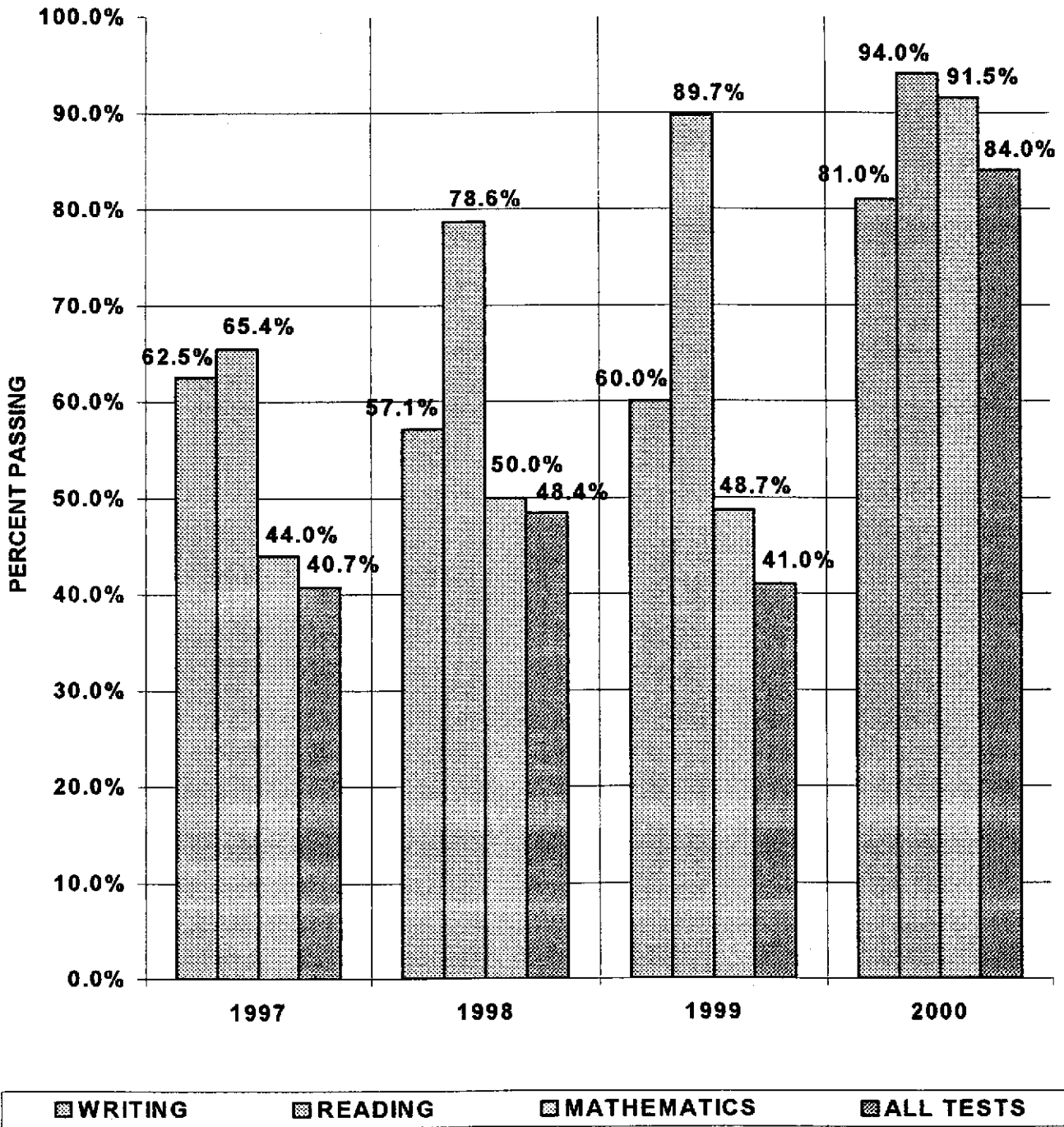
6. A high grading standard is maintained with percentage reporting, weighting of tests in the six week's grade, and a Progress Report that includes conduct and study habits.
7. A Summer School session has been offered. A twenty day Summer School in July is offered for a possible total of 204 days for the purpose of meeting promotion requirements or for progressing into more advanced work.
8. One period per day is scheduled to address program needs, including English Second Language, Special Education, and Gifted and Talented. The levels system of placement also addresses individual needs. A small group tutorial program called Study Skills has given students small group tutoring.
9. Parents have received instruction in using books and materials to assist learning at home. Topics include the different subject areas, planning, and study skills.
10. The school participates in the Child Nutrition Program for free, reduced, and full price breakfast and lunch. The snack program will be added in the future.

B. Student Achievement: Provision (3): The Texas Assessment of Academic Skills tests:

1. No student has been exempted from TAAS at Medical Center Charter School. Students may be exempted only by recommendation of the ARD or LPAC.
2. The accountability rating has been Acceptable and for 2000 was Recognized for the MCCS-SW campus.

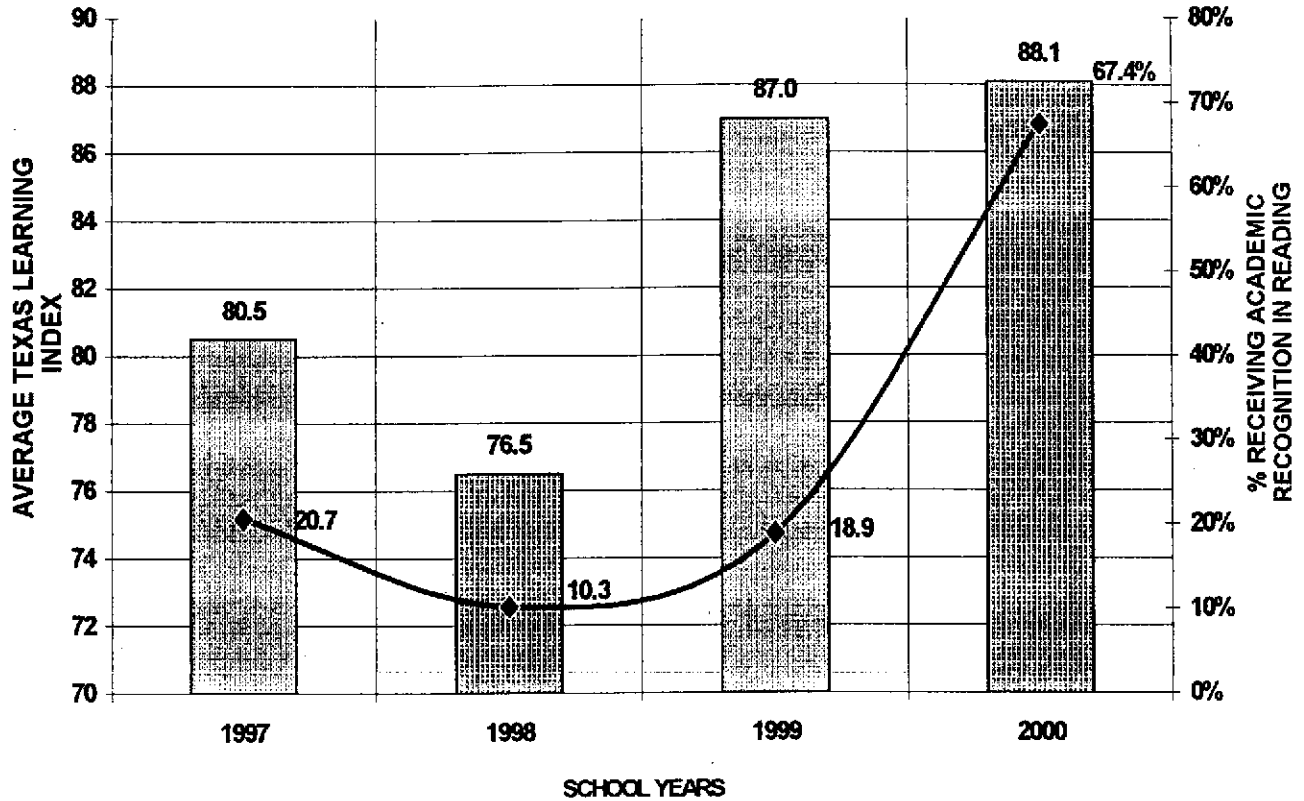
3. TAAS Scores for four years show increasing percentages of students passing with a score of at least 70.



MEDICAL CENTER CHARTER SCHOOL, HOUSTON
Percent of Students Passing TAAS: 1997-2000



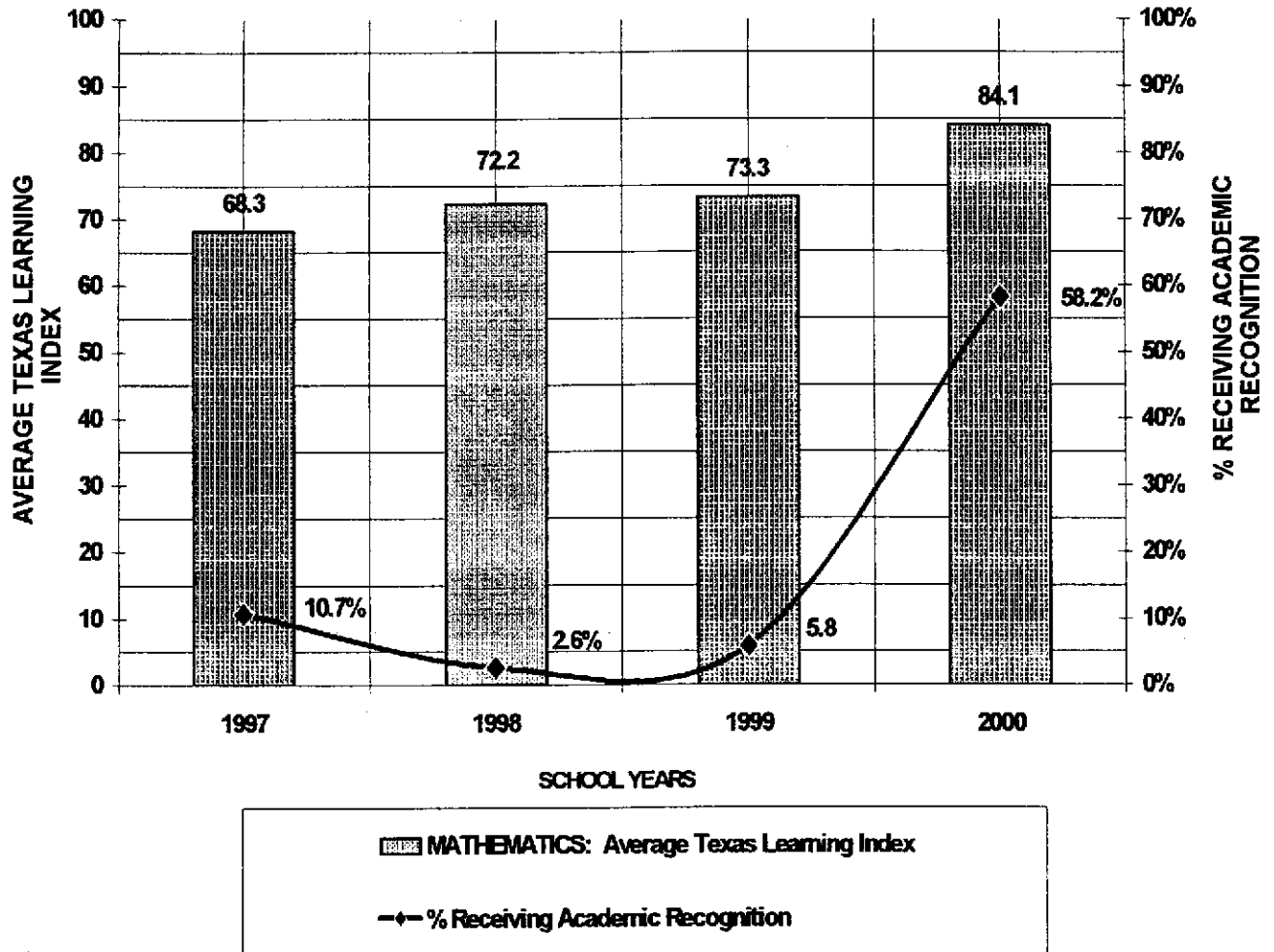
4. The average Texas Learning Index, which shows smaller increments of change than pass/fail, has improved each year along with the percent of students receiving Academic Recognition in reading and mathematics.

MEDICAL CENTER CHARTER SCHOOL, HOUSTON
Texas Assessment of Academic Skills: Reading
Growth in the Texas Learning Index and Percent Receiving Academic Recognition:
1997-2000



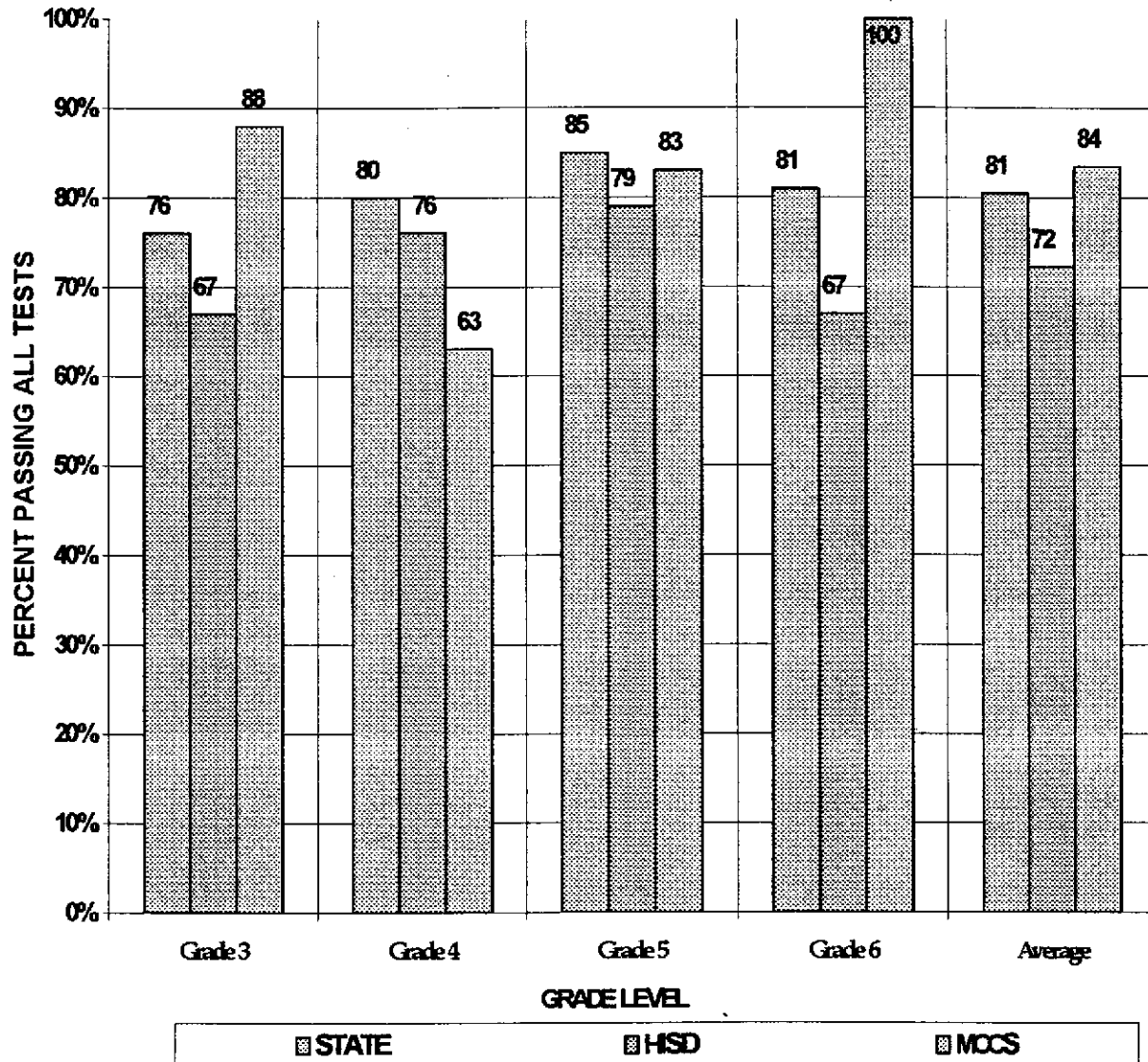
 **READING: Average Texas Learning Index**
 **% Receiving Academic Recognition in Reading**

MEDICAL CENTER CHARTER SCHOOL, HOUSTON
Texas Assessment of Academic Skills: Mathematics
Growth in the Texas Learning Index and the Percent Receiving Academic Recognition: 1997-2000



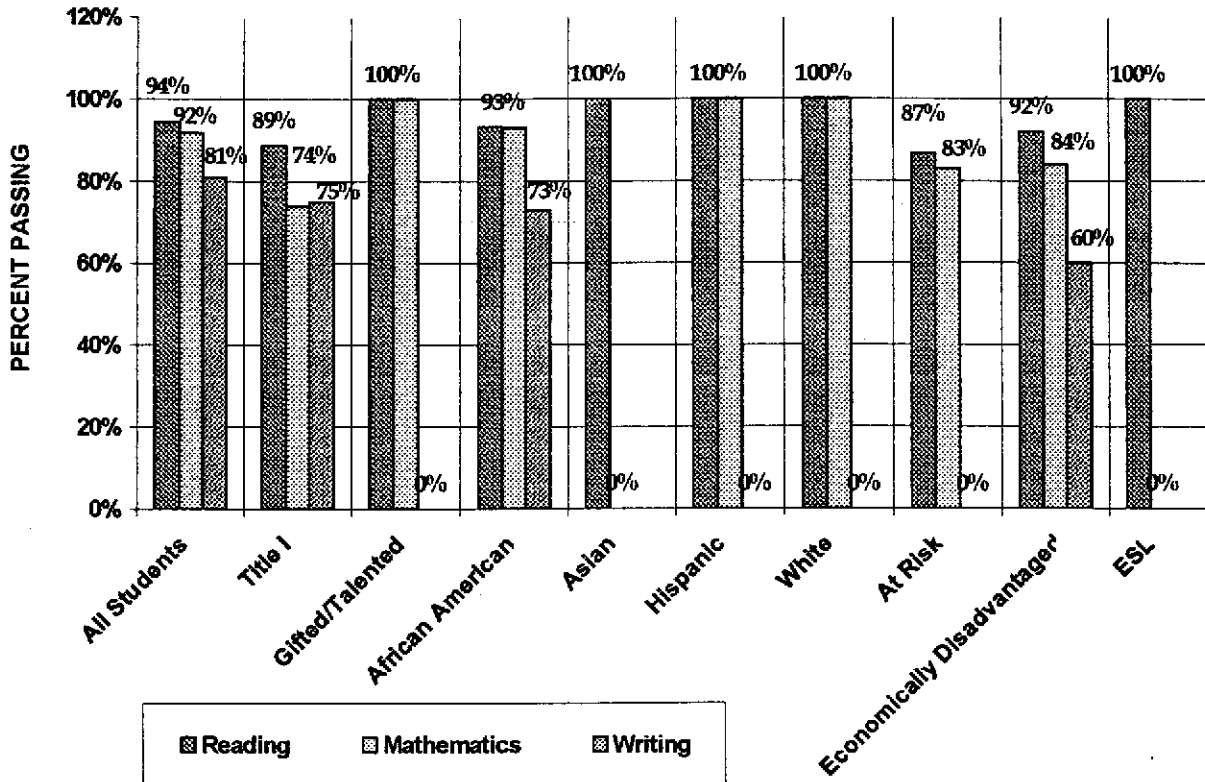
5. Medical Center Charter School students compare well to the Texas state and local ISD TAAS scores.

**MEDICAL CENTER CHARTER SCHOOL, HOUSTON
TEXAS ASSESSMENT OF ACADEMIC SKILLS 2000
PERCENT PASSING ALL TESTS IN THE STATE, HISD, AND MCCS**



6. Students enrolled in all groups, including special programs and racial and ethnic groups have shown strong achievement gains.

MEDICAL CENTER CHARTER SCHOOL, HOUSTON
PERCENT PASSING TAAS BY RACE, ETHNIC GROUP, OR PROGRAM: 2000
 (Scores listed as 0% are omitted for sake of confidentiality.)



C. Additional Accountability: Provision (4):

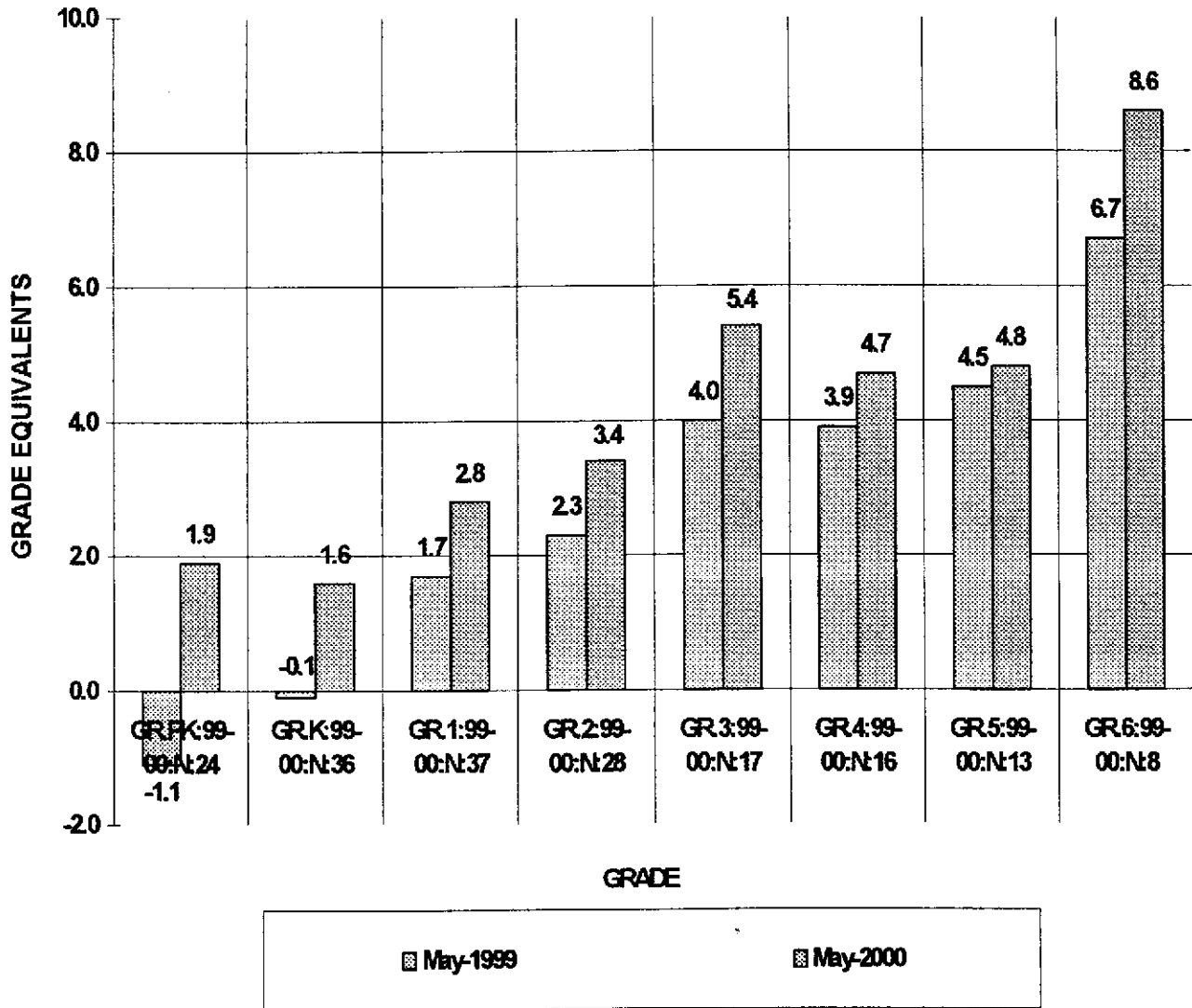
“The Iowa Tests of Basic Skills will be used annually with projected annual gains of one year or more” (This was listed in the additional accountability provision in the charter for MCCS.)

1. The Iowa Tests of Basic Skills have been given in May or upon entrance, again in December, and at the end of each year for a baseline for students completing kindergarten through grade six.
2. The Iowa Tests of Basic Skills gains in Total Reading, Total Language, and Total Mathematics have exceeded the annual minimum gains of one year (10 months) per year of study.

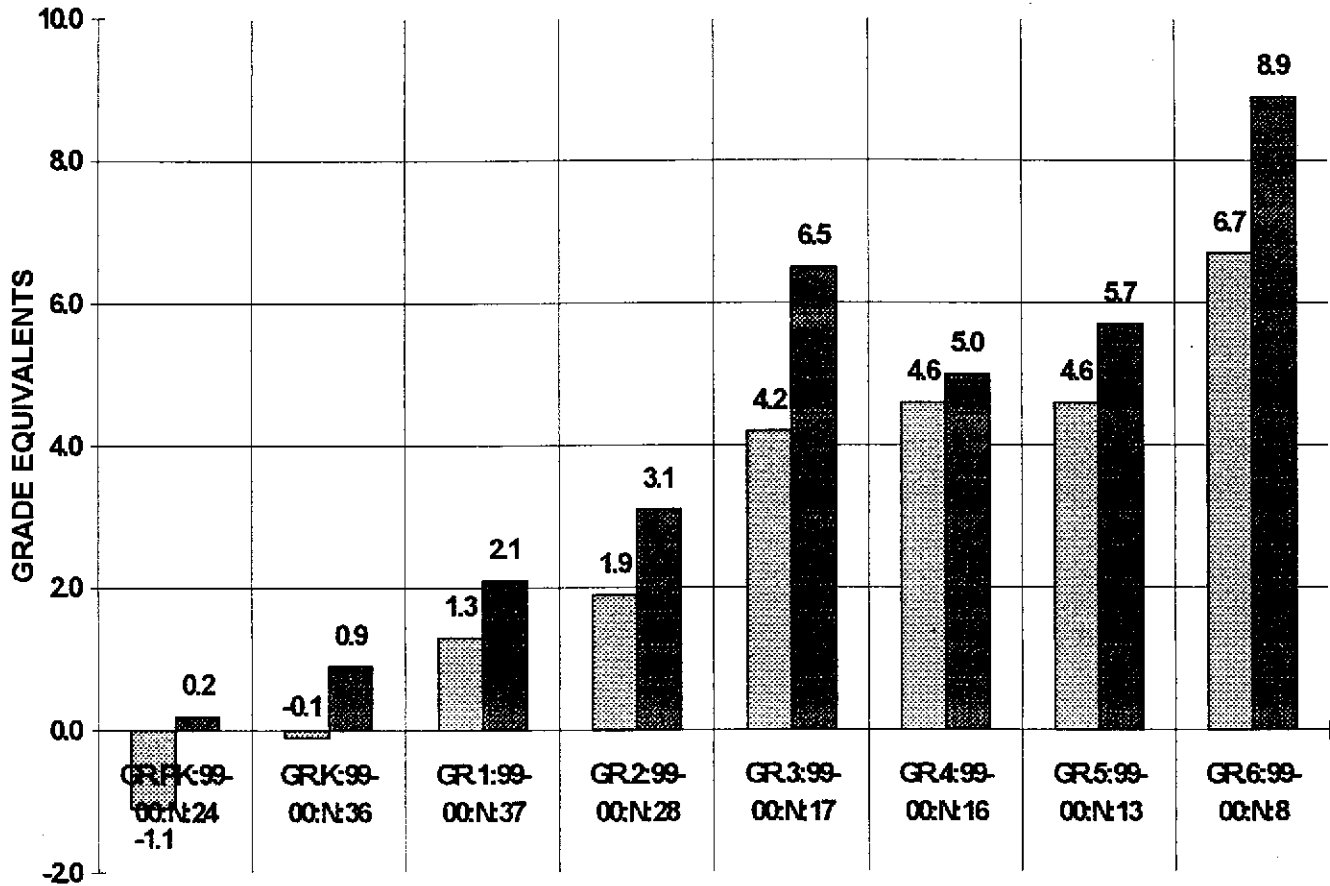
AVERAGE GAINS ON THE ITBS FROM 1997-2000

IOWA TEST OF BASIC SKILLS: SUBJECT AREA	AVERAGE GAIN PER YEAR (In years)	PERCENT OF TYPICAL GAIN (10mo.)
Total Reading	1.28	128%
Total Language	1.24	124%
Total Mathematics	1.39	139%

MEDICAL CENTER CHARTER SCHOOL
IOWA TESTS OF BASIC SKILLS: TOTAL READING: 1999-2000
 Change In One Year



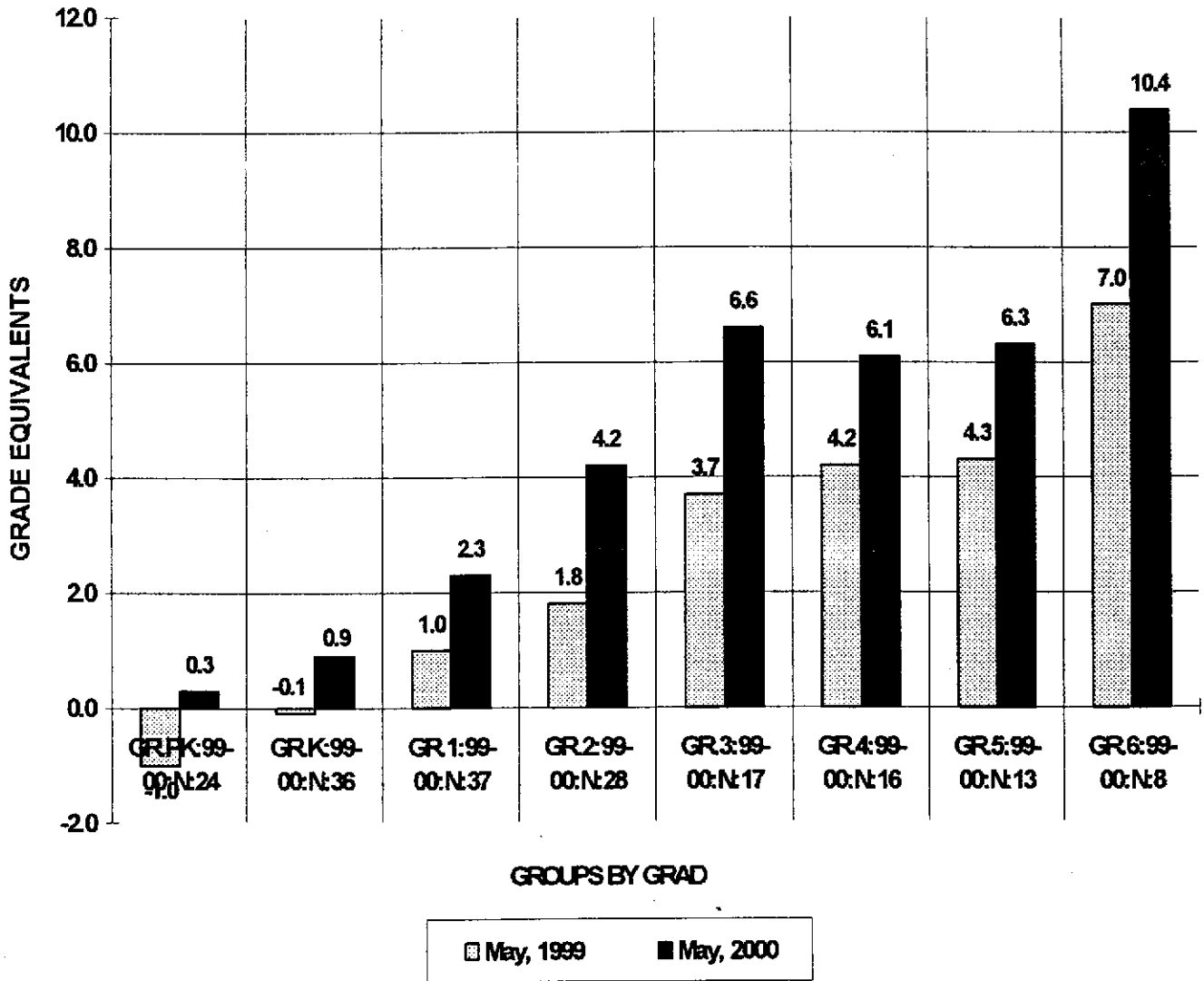
MEDICAL CENTER CHARTER SCHOOL
IOWA TESTS OF BASIC SKILLS BY GRADE: TOTAL LANGUAGE 1999-2000
 Change in One Year



GROUPS BY GRAD



MEDICAL CENTER CHARTER SCHOOL
IOWA TESTS OF BASIC SKILLS: TOTAL MATHEMATICS: 1999-2000
Change In One Year



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D. The Governing Structure: Provision (6)

1. The governing body is the Board of Directors of Medical Center Charter School, operating pursuant to its By-Laws.
2. The Board of Directors contracts with Terry-Heard Management, Inc. and JLM Management Inc. to operate the schools as Chief Executive Officers.

E. Qualifications of Professional Employees: Provision (7)

1. Professional employees are certified or hold a minimum of a bachelor's degree with educational experience.
2. Continuing education has exceeded the charter specifications of 20 hours per year with six days of school presented workshops and other inservice opportunities.
3. Criminal history checks are done for all employees and volunteers on the campuses.

F. Annual Budget Adoption: Provision (8) .

1. The Board of Directors approves a budget prepared by the CEO's in consultation with their accountants, McGee Wheeler, and Co., P.C.
2. The Certified Public Accountants advise management concerning in house financial procedures and provide quarterly reports to the school.
3. Teachers, staff, and administrators make funding and budget recommendations for budget planning.

G. The Annual Audit and PEIMS Information: Provision (10)

1. The annual audit has performed by a CPA firm approved by the TEA, Bloomstrom and Co., P.C., after the close of the fiscal year.
2. PEIMS information is submitted by the Director of Administration and employees attend training sessions for using approved software. Submissions are made with the assistance of Region IV.
3. The physical and management startup environment for MCCS was provided by Saint Nicholas School, II, L.P. Startup expenses were deferred without interest until they could be paid. MCCS has operated with a surplus for the last two years.

H. Describe the facilities: Provision (11)

1. The first campus is located at 1920 N. Braeswood, Houston, 77030. It is a private school campus, with 19% of the classroom space reserved for the charter school.
2. The second campus, 10420 Mullins, Houston, 77096, was approved by the State Board of Education. It is also a private school campus with 69% of classroom space reserved for the charter school
3. Both campuses are widely known as workplace schools with the majority of parents working in the medical center.

I. The geographical area served: Provision (12).

1. The area served is U.S. Postal ZIP Code 77030, including all employees of the Texas Medical Center, and U.S. Postal ZIP Code 77096.
2. After the registration deadline of February 1, registration has been open-enrollment.
3. MCCS has served students from seventeen school districts throughout the Houston and Galveston area.

J. The districts in the geographical area: Provision (13)

1. The only district in the physical geographical area is the Houston ISD.
2. The impact forms in previous years have been sent to the Houston ISD, the Alief ISD and the Fort Bend ISD.

K. Enrollment History

1. Projected enrollment was originally 110 students. Additional enrollment has been approved for 360 students.
2. The current enrollment is 270. The school has grown from 115 to 270, an average growth of 34% per year.

II. STATEMENT OF NEED

A. Describe the continuing need of this charter school.

1. Our charter parents and the community have made recommendations for the charter's renewal because the school is meeting a need for parental choice. Parents express a need for "something better", or an alternative. They express a feeling that the school is "like a private school" because they get to choose, and in this case to choose a curriculum that is not offered in other public schools.
2. There is a strong demand for the educational program we are providing. The growth in program offered and numbers of students enrolled demonstrate this need. More than half of students entering the school are functioning below grade level and need remedial work.

B. Explain why the charter school model is the appropriate vehicle to address this need.

1. Charter schools in Texas were established at a time when high school graduates too often were not performing well enough in basic skills to be able to function well in our society. Some groups of students were not showing adequate levels of mastery. The preferred curriculum, methods and content of educational institutions were not always research based. Innovation and reform models did not have high visibility. Both campus charters and open-enrollment charters responded to those needs. The charter schools have contributed with the districts to rising tests scores in a climate of competition, innovation and focus on evaluation.
2. The charter school model is in a position to demonstrate very different approaches and interpretations in public education that can be adapted elsewhere when they are successful. The charter school model brings the *possibility of failure* to a low performing school, which gives definitive meaning to the *possibility of success* to a high performing school.
3. With increasing numbers of students entering elementary schools and producing facility demands, charter schools help provide campus space for the children of the community. The charter schools have managed to provide facility space, not withstanding the lack of funding for this purpose.

4. The charter school model provides competition and diversity that will improve performance in all schools.

In 1998 after the Texas State Board of Education awarded 41 additional charters then-board chairman Dr. Jack Christie said, "This is a large step in the bold experiment to create competition and excellence in the [Texas] public school system."

From *Charter Schools in Action: Reviewing Public Education*, by Chester Finn, Jr., Bruno V. Manno, and Gregg Vanourek, copyright 2000 by Princeton University Press.

III. VISION OF THE SCHOOL

- A. The long-range vision of the school is expressed in the Mission Statement of Medical Center Charter School, found in the *Parent/Student Handbook*:

The goal of Medical Center Charter School is to offer a model school environment to inspire and serve families through high standards of personal interaction and through a challenging curriculum that sets high standards of achievement. The school environment strives to show respect for the individual and teaches the values of duty, honor, and service: to individuals, to the family, and to the community. It is our goal that each child will become a person of integrity and will take responsibility for personal attitude, behavior, achievement, and relationships. The school and parents can accomplish this by explicit teaching of these values and the essential skills producing independence in thinking and learning. The parent and student pledge that homework and all school requirements will be met as a condition of enrollment.

Self-respect, personal confidence, and an optimistic personality are benefits for the child who has been successful in essential skills, can risk the effort to do his best, wants to do what is right, and wants to help and give to others.

- B The school offers a classical curriculum that meets the individual learning needs of students and addresses the special requirements of the international community of the Medical Center and the city of Houston.

1. The curriculum presents multilingual classrooms: Spanish (PK-6), French (Gr.PK-6), and Latin (Gr.5 and 6).
2. Technology, phonetic and grammatical analysis of languages, development of mathematical thinking, and the *Core Knowledge* sequence are important strands.
3. Prekindergarten and Kindergarten Montessori classes orient students to work habits, caring attitudes, ground rules for behavior, and a concrete basis for the development of knowledge.
4. Character development and self-discipline are explicitly taught
 - Understanding *why we learn* and *how we learn* are the key to understanding motivation.
 - It is important that the entire school community *be motivated*.

- The *Student/Parent Handbook* is a summary of our agreement to work together.

**MEDICAL CENTER CHARTER SCHOOL
PARENT ACKNOWLEDGEMENT FORM
STUDENT/PARENT HANDBOOK**

We have received, read, and agree that our family will support and comply with all policies and provisions of the Medical Center Charter School Student/Parent Handbook as a condition for enrollment in school.

Student Signature:

Parents' Signatures or Person with legal authority

5. Our vision supports academic focus on the Texas Essential Knowledge and Skills, and other goals of the school, including standardized national tests, and international tests, if available.

IV. GOALS FOR THE SCHOOL

A. Student goals

1. Our goals and objectives for the next five years are:
 - To ensure consistent organization of curriculum and presentation based on the TEKS
 - To improve performance on the the minimum performance set by the state
 - To improve performance on the ITBS, a national standardized achievement test
 - To improve performance on required six weeks, mid-term, and final exams prepared by administrators and faculty of the school.
 - To provide an orderly, safe, and cheerful environment supported by the students, parents, and faculty that promotes personal and academic growth
2. The measurable school performance objectives for each goal listed above are:
 - The student performance will meet or exceed the minimum required by the state for an Acceptable or higher level of accountability.
 - The Texas Learning Index will improve an average of at least 10% per year until Exemplary accountability status is attained
 - There will be an average improvement of at least 10% per year in percentage of students passing each test within each group tested.
 - The ITBS will be given each year, before school begins, in December, and at the end of the year for a base line with gains of 110% or more annually in Total Reading, Total Language, and Total Mathematics.
 - Required school tests will set minimum levels and equalize the testing standard of the school.
 - Working relationships and perceptions of groups in the school will be measured and reported including administrative, faculty, parents, and students.
3. Progress will be measured in this way:
 - These objectives will be organized and reported on a School Scoresheet.(C), which will be posted in the lobby of each campus.

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- The Accountability Rating by the state will also reflect the measurable objectives above.
4. Progress will be reported in the annual report of other accountability measures to the SBOE.

B. Other School Goals

1. Other school goals include continued enrollment growth.
2. The acquisition of a third campus (to be owned by Medical Center Charter School) is a continuing goal. A third campus would enable us to offer 3yr PK through grade 8 for 620 students. The campus might also include a separately managed licensed childcare facility to accommodate younger siblings, afterschool, and summer programs.
3. It is anticipated that a grant proposal for land will be prepared and submitted by the spring of 2001. In view of no current state funding for charter school facilities such an objective will only be met by a substantial gift of property, the value of which would enable the offering of non-taxable bonds for the construction of a campus.
4. These accomplishments, if achieved, will be reported to the SBOE in the annual report of other accountability measures and possibly to the agency and public.

V. EDUCATIONAL PLAN

A. INTRODUCTION: Describe the educational program:

- Student needs are evaluated by scores in readiness and language skills, or vocabulary and reading comprehension, and students are assigned to multi-aged classrooms. The curriculum adjusts to custom fit the student in a three grade range that includes remedial, average, and advanced placement.
- Study Skills classes are held for students testing below grade level and English Second Language students.
- Students are presented an enriched environment of foreign languages, computer centers, classroom work centers, and additional assistance from their teachers.
- The educational program of the school will continue to be strengthened over the next five years:
 1. **The minimum curriculum** required by Section 28.002, Texas Education Code is described by the Scope and Sequence Correlation with TEKS for Language Arts, Mathematics, Science, and Social Studies.
 2. **Unique Curricular Experiences are offered:**
 - a. English, Spanish, French, and Latin
 - b. Technology, with classroom computers, calculators, and other equipment
 - c. Practical life skills and other concrete learning from the Montessori curriculum
 - d. Character development, self-discipline, and social skills
 - The cornerstones of the curriculum and are taught through established ground rules based on the Montessori method and values in classical literature.
 - They are the basis for the calm classroom atmosphere that gives personal support, a time on task focus, and high achievement.
 - Character development is not an add-on or enrichment curriculum; it is the foundation that enables learning and personal development. Social

skills are an integral part of character development and include personal care, table manners, and personal relationships.

- Some examples of character qualities are: alertness, ambition, appreciation, bravery, cheerfulness, consideration, contentment, cooperation, courage, and courtesy.
3. **The TEKS** goals, objectives, and content are corollated with the Scope and Sequence information and address goals, objectives, and content in all subject areas and grade levels. The Scope and Sequence Correlation with TEKS for Language Arts, Mathermatics, Science, and Social Studies is based on the ***Star-Spangled Skills for Student Success, Curriculum Resource***, by Jimmie Driver, with modifications for Medical Center Charter School.
 4. The curriculum plan of the school incorporates TEKS requirements. Teacher Year Plans follow the curriculum plan as well as Lesson Plans, classroom instruction, and teacher evaluations. Student assessment by Criterion Referenced Tests, school required tests (end of course), the TAAS, and the ITBS standardized tests will show the effectiveness of the curriculum plan.
 5. Students will be on track to meet state graduation requirements if they are passing state required tests at the elementary level such as the TAAS. Each year additional requirements will be evaluated.
 6. Teaching methods used in the school enhance student learning. For example, the following describes the pedagogy of reading and mathematics:
 - Reading instruction includes a comprehensive language arts approach of a sequence of the 44 phonetic elements of English in materials that are more than 90% decodable and predictable. The English language is presented so that most first graders complete the sequence and are competent independent readers, recognizing 2000 or more words. Less dependence on context for word recognition focuses attention on comprehension. With increasing student proficiency, the reading material includes words that expand the vocabulary. The student becomes ready to read literary works of classical authors in complete original form, many of whom wrote for children. It is a lost dimension in education and a lost sensitive period of childhood to present diminished "readability" versions of literature. Oral phoneological work, oral language instruction, and oral and written comprehension skills support comprehension and vocabulary development. Language material is supplemented with early teaching of the parts of speech and diagramming of sentences. The Latin (romantic) basis of the four languages we teach is a unifying element. The formal teaching of handwriting includes the calligraphy skills of Italic Handwriting.
 - Mathematics instruction proceeds from intuition and the concrete to abstractions and symbol processing. Practical problem solving and projects using manipulatives in small groups develop concepts. Students recognize that there are many ways to accomplish a task, and are involved in discovering algorithms and sharing approaches. Teachers present mathematical routines and oral drills daily to supplement the lesson. Concepts are introduced in years before mastery is required and are revisited with varieties of format. At strategic points after a concrete basis has been established, students overlearn (or memorize) and are tested on, in a traditional format, basics such as arithmetic facts and their application to

- computation and problem solving. Evaluations are based on mastery concepts and skills. Most students will complete Algebra I in grade 8.
7. The assessment of individual student progress is a key concept that determines homeroom placement and student programs at MCCS.
 - Using the Iowa Tests of Basic Skills, students are assigned to levels that will present the curriculum that they need.
 - Students entering PK and K take Criterion Referenced Tests that correlate with the materials used for placement into the curriculum. They are followed by the ITBS during the K year.
 - Early assessment of reading is continued every day in the classroom with daily practice and evaluation of sounds, blending, decoding, and dictation, with weekly records kept on every child.
 - The baseline of achievement is established upon entrance and is evaluated each semester by ITBS scores in Total Reading, Total Language, and Total Mathematics.
 - This information is used for placement decisions and for assignment to Study Skills classes.
 - Placement may be different for mathematics classes which is important for the significant minority whose math skills predominate.
 8. Identification of strengths and needs of individual students are accomplished by analyzing the evaluation data. Teacher and parent insight also contributes. Individual needs are met by placements into the curriculum, the Study Skills program, tutoring, parent involvement, and individual attention.
 9. Program goals and standards are being met as demonstrated by assessments including the TAAS and ITBS, and by faculty, parental, and student reporting.
 10. Student evaluation results improve instructional programs. Programs are reevaluated each semester to realign the emphasis indicated.
 11. Professional development opportunities are offered to support the mission of the school.
 - Beginning with a four day workshop on instruction and classroom management each summer, a twenty day team teaching summer school session follows.
 - Two inservice days are held during the school year for all teachers.
 - All teachers in grades two through six attend the Charter Resource Center TEKS workshops in July.
 - Teachers attend workshops at Region IV, including sessions for TAAS coordinators, grant writers, and special education coordinators.
 - All kindergarten and first grade teachers attend the Kindergarten and First Grade Academies.
 - An annual Everyday Mathematics workshop presented by a consultant is attended at Saint Nicholas Schools.
 - Neiheus Center courses are attended.
 - Core Knowledge Conferences are attended.
 - Workshops in Special Education and English Second Language are presented by consultants.
 - Early dismissal every Thursday permits teachers meeting time for work in curriculum, grading, classroom management, discipline, team planning, or other topics.

- Throughout the year the teacher receives feedback on proficiency towards school goals from a three stage ongoing evaluation plan: preparation of the environment, curriculum and planning, and classroom performance and management.

B. Special Needs Students/Programs

1. Special Education students are accommodated. Board policies address these and other issues: Information is taken from ***Medical Center Charter School: SPECIAL EDUCATION POLICY MANUAL.***

- **Child Find:** It is the policy of this school that ongoing efforts will be made to identify, locate and evaluate children below 22 years of age who reside within the school attendance area as described in the charter application and have a confirmed or suspected disability in accordance with all federal regulations and state standards.
- **Confidentiality:** It is the policy of this school that the confidentiality of personally identifiable data relating to children with disabilities and their parents and families are protected at collection, storage, disclosure, and destruction, and that one official of this school is assigned the responsibilities for protecting the confidentiality of personally identifiable data. This school follows federal regulations and state standards related to the confidentiality of data.
- **Procedural Safeguards:** It is the policy of this school that the child with a disability and his/her parent are provided with safeguards, as required by law, throughout the identification, evaluation, and placement process, and the provision of a free appropriate public education to the child.
- **Notice of Admission, Review, and Dismissal (ARD) Committee Meetings:** MCCS assures (in the case of non-adult students) that one or both parents of the student with disabilities are present at each meeting or are afforded the opportunity to participate.
- **Assessment of Children to determine eligibility:** Procedures will include Evaluation, including Comprehensive Individual Assessment, Determination of Needed Evaluation Data, Time Line, Purpose, Documentation, Observation, Assessment of Physical, Mental, and Emotional Conditions, and Assessment of Learning Competencies.
- **Development and Implementation of the Individual Educational Plan (IEP):** At the beginning of each school year, the school has in effect an IEP for every special education student who is receiving special education and related services from the school.
- **Least Restrictive Environment (LRE) Placement:** MCCS offers educational programming and opportunities to students with disabilities within the regular program and curriculum to the greatest extent possible and with individuals who are not disabled.
- **Transition Planning:** Beginning at age 14, transition planning is a consideration of the ARD meeting during development of the Individual Education Plan. The IEP goals and objectives are developed considering student description of interests and postgraduate living experience expectations through the transition plan addendum.
- **Certified Personnel:** MCCS currently serves all special education students in the mainstream setting. We contract with a special education consultant who

provides assessment and speech services. We also contract with a consultant who conducts the ARD and meets with parents and teachers on a regular basis. Training is regularly conducted with teachers regarding the referral and ARD/IEP process. All contracted personnel are properly certified. We are continually advertising and looking for additional special education certified personnel. Currently one staff member holds an out of state special education permit and two are in the process of applying for emergency permits in Texas. Medical Center Charter School encourages the teaching staff, through incentives, to enter certification programs through the local universities and Region IV.

- Services to Expelled Students: A special education or 504 student may not be expelled until an ARD meeting or 504 meeting is held to determine whether the child's handicapping condition is related to his conduct.
1. Other federal programs have been used in the school and are coordinated for maximum impact with the special language and mathematics programs in Study Skills, tutoring, summer, parent education, and other MCCS programs. Funding programs that have been in place include:
 - Title I Part A: Helping Disadvantaged Children Meet High Standards
 - Title I Part D: Prevention and Intervention Programs for Children and Youth Who are Neglected, Delinquent, or At Risk of Dropping Out
 - Title II Part B: Eisenhower Professional Development Program
 - Title IV Safe and Drug-Free Schools and Communities Program
 - Title VI Innovative Education Program Strategies
 - Title X: Public Charter Schools Grant
 2. Children may qualify for other state programs, whose funding and programs are also coordinated for maximum impact. The school has implemented the following programs:
 - Bilingual/ English as a Second Language (ESL): Every student that is enrolled who has a home language other than English and who is identified by testing as limited English proficient is provided an ESL program as required by the Texas Education Code, Chapter 29, Subchapter B. The summer program includes students entering pre-kindergarten who are ESL, and the school offers special language programs. The Language Proficiency Assessment Committee (LPAC) receives training in its duties.
 - State Compensatory or Accelerated Education: Students who are testing below grade level on the ITBS participate in the coordinated programs of the school to enhance academic success, especially Study Skills.
 - Dyslexia: Screening and Treatment for Dyslexia and Related Disorders as defined in TEC 38.003 is performed in connection with the ongoing testing and evaluation program of the school and in accordance with special education policy.
 - Gifted and Talented: All students are tested upon entrance and yearly to identify students as defined by Texas Education Code 29.121. Students who score 89th percentile or higher on the Iowa Tests of Basic Skills in language, reading, or mathematics will be eligible for the gifted and talented program.
 3. Students "At risk of dropping out of school" are identified as described in TEC 29.081 or may be identified by a score below the 40th percentile in a major area of

the Iowa Tests of Basic Skills. They receive educational support from programs including Study Skills and other measures as indicated.

4. The extended school day and twenty day summer program provide opportunities for other student activities and an enriched curriculum including art, music, soccer, softball, swimming, pets and gardening.
 - The extended school day is from 7:15 to 8:00 a.m. and from 3:15 to 4:00 p.m.
 - Childcare from 6 a.m. and to 6 p.m. is available at the campus with Saint Nicholas School but with separate registration, policy, and fees requirements. Saint Nicholas Schools has provided a sliding scale for these services.

C. Admissions Policy

1. The timeline for admitting students begins December 15th this year. New applications will be available at that time and completed applications are accepted with a stamped date and sequential number of receipt. After February 1, open-enrollment is followed, with no zipcode or other additional requirement. During the year at any time students may apply and be admitted if space remains. If the application is complete students are scheduled for testing. Prekindergarten students must qualify as ESL, homeless, or economically disadvantaged to be eligible for attendance.
2. Students are tested for placement in groups according to the grade they are projected to enter. Upon scoring the test, students are assigned to a homeroom level. If more students qualify than can be accepted, a lottery will be held. Acceptance letters are sent to parents beginning March 1.
3. The testing process proceeds monthly for grades that have possible openings until the school has no openings.
4. This process is non discriminatory on the basis of sex, national origin, ethnicity, religion, disability, academic or athletic ability, or the district the child would otherwise attend. Students are excluded by a documented history of a criminal offense, a juvenile court adjudication or discipline problems under Subchapter A, Chapter 37.

VI. SCHOOL DEMOGRAPHICS

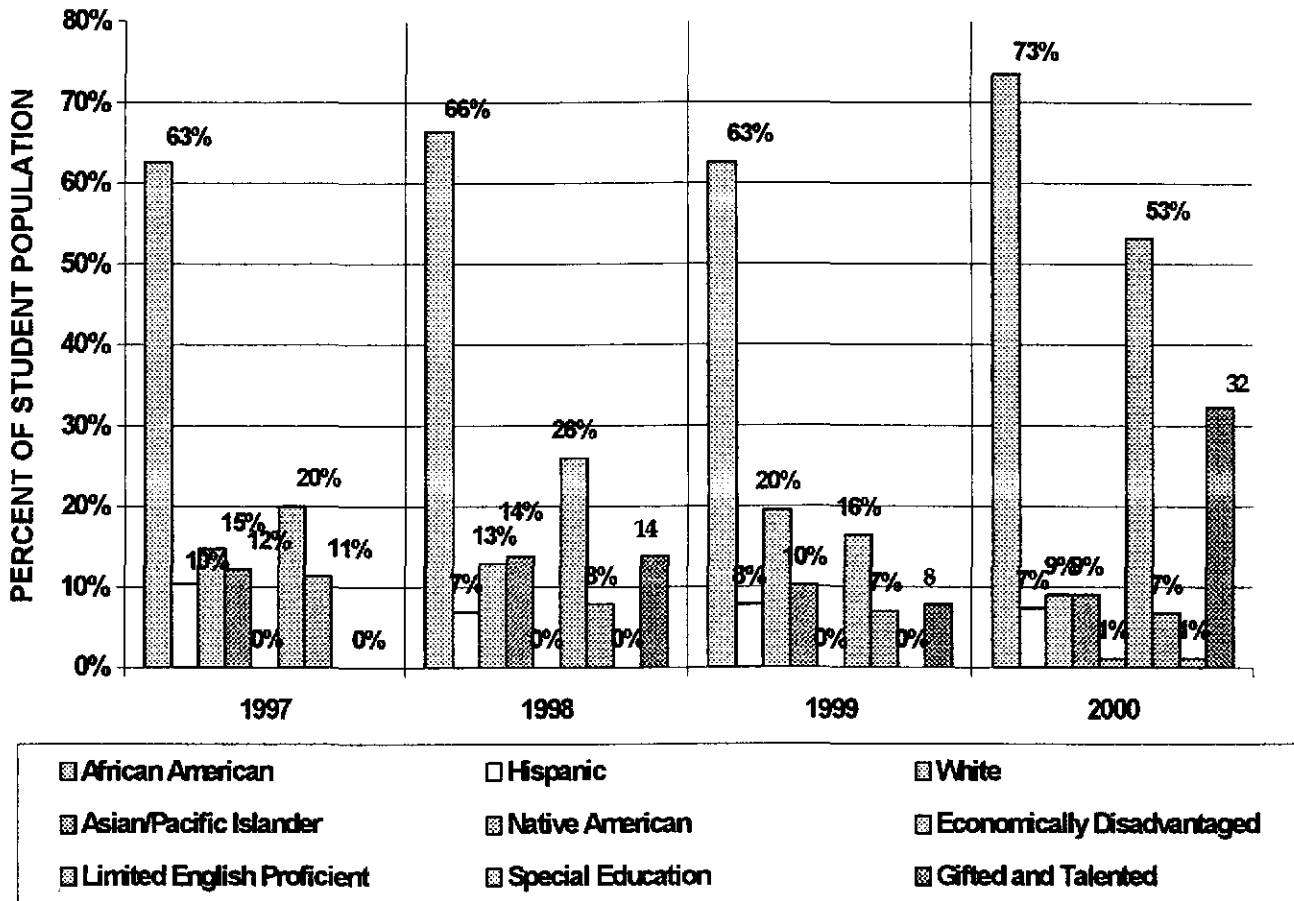
A. Enrollment projections for the next five years:

1. The school has grown at an annual average rate of 34%. Although that should decrease over time, the increase for this year was 59%.
2. There is parent interest in completing the school through grade 8.
3. The number of students in each homeroom is projected to be 24-28 with enrichment subject teachers (Study Skills, PE, Art/Music, and French/Spanish/Latin) adjusting the ratio to 1:19, and with assistant teachers included to lower the ratio to 1:15. Each grade level is expected to include an average of 56 students.
4. Projections of growth for five years are:
 - 2001-2002: 350
 - 2002-2003: 440
 - 2003-2004: 530.....
 - 2004-2005: 620 (maximum)

927

5. School demographics by race, ethnicity, and program are illustrated:

MEDICAL CENTER CHARTER SCHOOL, HOUSTON
Percent of Student Population



B. Describe the community or region of each campus:

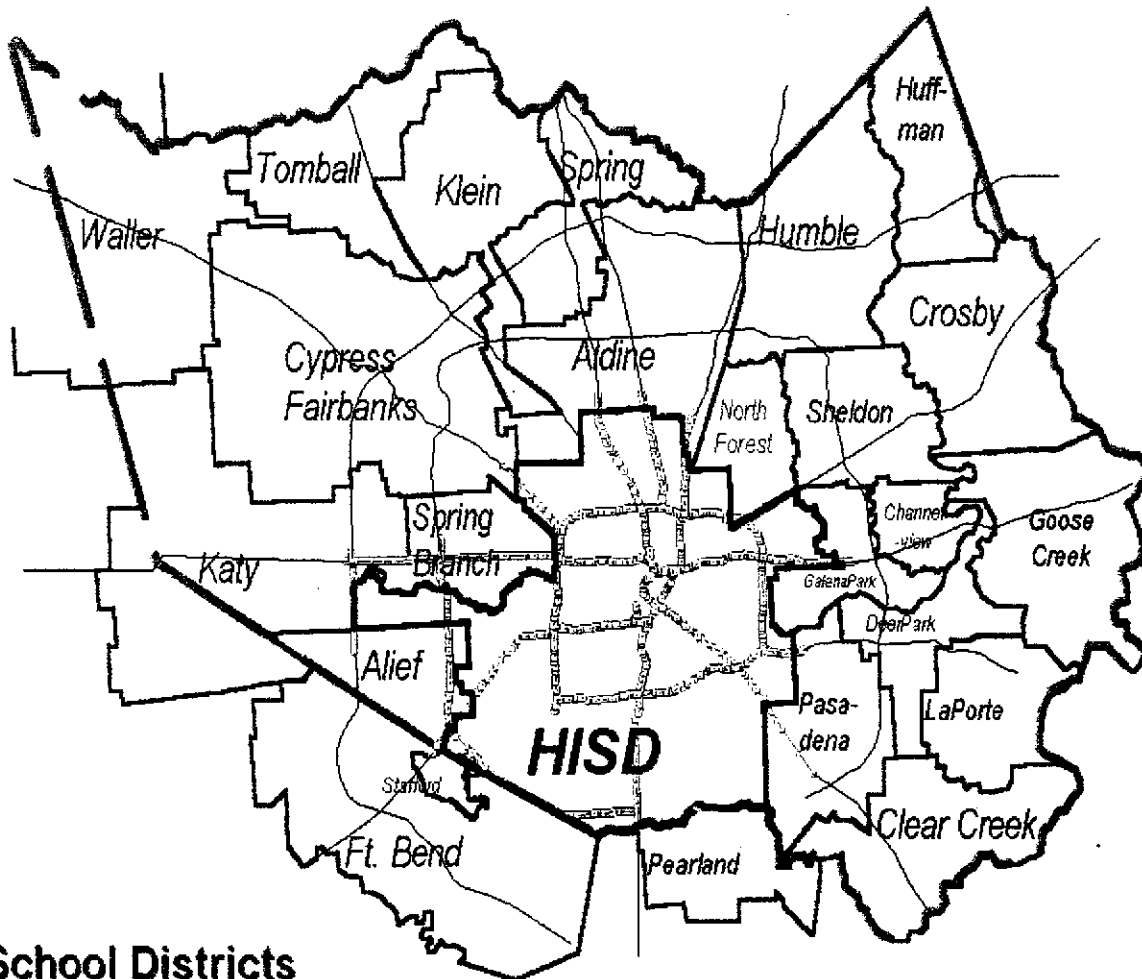
1. The Medical Center campus, 1920 N. Braeswood, 77030, is south of Holcombe Blvd. and because of new medical construction is moving toward being central to the entire medical center area. The shuttle is nearby. The new light rail system will be one block away on Fannin. The majority of school parents work in this area, and many younger families live here as well. It is an international community with strong diversity of nationality, race, and economic status.
2. The Southwest Campus, 10420 Mullins, 77096, is in the Meyerland/ Bellaire area, which is a favorite area of many who work in the medical center. It is accessible to many charter parents who live in the Missouri City and Bellaire areas.
3. A third campus would preferably be in the South Main area. Several tracts have been identified as suitable. This area would be close to the South Loop and is on a triangle with the other two campuses that places them about 20 minutes apart.

VII. GEOGRAPHIC BOUNDARIES AND STATEMENTS OF IMPACT

A. Description of area:

1. The proposed geographic boundaries are the zipcodes of each campus plus those zipcodes of satellite healthcare operations of medical center institutions located in zipcode 77030.
2. After February 1, applications may be accepted for open-enrollment of any student.

B. The list of all districts that we have drawn students from in the geographical area includes: Houston, Alief, Fort Bend, Stafford, Galveston, Friendswood, Aldine, Lamar, Pasadena, Pearland, Cy-Fair, Galina Park, LaPorte, North Forest, Crosby, Waller, and Spring. Sixty-eight percent of MCCS students come from HISD, seventeen percent from Fort Bend, and seven percent from Alief.



**School Districts
in the Harris Co./ Houston Area**

C. The *Statement of Impact* form has been sent to Houston ISD, Alief ISD, and Fort Bend ISD and the receipts will be sent to the Division of Charter Schools:

VIII. COMMUNITY SUPPORT

A. Local and national groups are interested in the charter school.

1. Area hospitals are involved and continuing development is anticipated.
2. ***Charter Schools In Action, Renewing Public Education***, by Chester Finn, Jr., Bruno V. Manno, and Gregg Vanourek, copyright 2000 by Princeton University Press, lists Medical Center Charter School twice.
 - **"Finding a Serviceable Facility"**, page 125, describes using a shared building.
 - **Many Kinds of Neighborhood"**, describes where "neighborhoods transcend contiguous geographic space to include workplaces, curricular philosophies, values, etc.", on page 232.
3. ***Education Week*** published an article March 25, 1998, about MCCS entitled "Worksite Charter Schools Take the Edge Off Commuting", by Lynn Schnaiberg. This may be seen at www.edweek.net, then Archives, 1998, Medical Center Charter.
4. Margot Heard was a conference speaker at the National Charter School Conference: Accountability, sponsored by Drexel University and Foundations Technical Assistance Center, held April 15-17, 1998 in Atlantic City, New Jersey. The Charter School in Action Workshop topic was "*Scaling Up, the Crucial First Two Years*".
5. The ***Forbes*** article, "*Build It and They Will Come*" was published in April, 1999, and mentions Medical Center Charter School.
6. Margot Heard was a guest instructor in April, 1999, on the distance learning University of Houston course "*Evaluating Gifted and Talented Programs*", where she described instruction by levels instead of grades and mainstreaming gifted and talented students.

B. Discuss any business arrangements or partnerships:.

1. Cooperative arrangements have been made with local hospitals.
2. Joint activities with the hospitals have included:
 - Promotion of the school as an employee benefit
 - Promotion of enrollment
 - Information on intranets
 - Funding of science and mathematics teacher training
 - Sale of used equipment
 - Field trips and tours
 - Invitation of the children for holiday events and parties
 - Concerts by the students presented in the lobbies
3. Letters are included: **Attachments 1-7**

C. The Notice of Intent To Apply For Renewal of Open Enrollment Charter School has been published in the Houston Chronicle, and mailed to the city council and commissioner's court. Evidence of publication and delivery are enclosed.
Attachment 8

D. The notice of a hearing to publicly review the renewal application was published in the Houston Chronicle. Evidence of publication and delivery are enclosed.
Attachment 9

1. The meeting was held at Medical Center Charter School, 1920 N. Braeswood, at 6:00pm on Friday, October 27th.
2. The Minutes of the Meeting: The meeting was a summary presentation of the charter renewal application by Margot Heard and James McKey.

IX. HUMAN RESOURCE INFORMATION

A. Human resources policies

1. Salaries: Salary Scale
 - Bachelor's degree, no certification: \$24,000 minimum
 - Certified teacher: \$27,000 minimum. Will increase to \$30,000 in 2001.
 - Other considerations are previous work history, responsibility, and salary, proposed duties and responsibilities, length of employment at MCCS, teacher evaluations, and student performance.
2. Hiring, dismissal, and Contracts: All MCCS non-leased employees at this time are professional. Professional employees are offered an annual contract when their employee file including credentials is complete. Sample Contract:
Attachment 10
3. Teacher Evaluations are completed throughout the year by principals and administrators and are signed by the teacher and evaluator.

4. Selections From the Faculty Handbook: Policies

Benefits: Contract employees are eligible for medical and dental benefits upon employment. Full time non-contract employees are eligible for medical and dental benefits after 90 days.

- The school has a cafeteria plan whereby costs toward medical insurance, child or grandchild tuition, or 401k contributions apply as pre-tax expenditures, which results in a tax savings.
- The school offers employee medical insurance, dental insurance, and life insurance at rates announced each year. Saint Nicholas Schools also offer parent and grandparent discounts of 50% (or no more than one-third of income) for tuition and childcare expenses at Saint Nicholas Schools.
- Charter employees receive Texas Teacher Retirement.

Absence from work:

- Full time salary employees are allowed five personal days per year earned at the rate of one day per month worked that year if required notice is given.
- Emergency absence must be reported by 6:30 am that day to the office so that staffing may be planned. An employee who is absent must call the office before 4pm each day to report whether he will be returning the next day for staffing purposes. In the case of absence due to illness, a doctor's excuse may be required.

- Unapproved absence may place the employee on probation, and additional incidents may result in termination. Staff will not be excused for late arrival, extended lunch breaks, or leaving work early, without approval in writing (unless for illness) from the Principal.
- Absence from work will result in reduction in pay unless approved for illness or, in the case of a personal day, in writing by the Principal in advance.
- Staff may have personal leave without pay (if approved in advance) if suitable substitutes can be arranged, with the exception of days immediately before or after a scheduled holiday, when absence is never approved.
- Family leave will be given; please give adequate notice when possible.

B. Administrators

1. A notarized Biographical Affidavit is attached for the following administrators
 - James L. McKey: **Attachment 11**
 - Margot T. Heard: **Attachment 12**
 - William H. Heard: **Attachment 13**
 - Graciela Garcia: **Attachment 14**
 - Hazel Harrison: **Attachment 15**
2. The powers and duties of administrators are as follows:
 - a. The school's Chief Executive Officers are Terry-Heard Management, Inc., and JLM Management, Inc. The job description for the CEO's is to manage the financial and education operations of the charter school under the policies and directives of the Board of Trustees of Medical Center Charter School. Organizational Chart: Attachment
 - b. The Organizational Chart illustrates the chain of command. All administrators are leased part-time employees from Saint Nicholas Schools. Most full time charter teachers are charter contract employees. **Attachment 16**

C. For Faculty and Staff

1. The qualifications for teachers is to be certified or to hold a minimum of a bachelor's degree and have teaching experience.
2. The qualifications for assistant teachers or substitutes is to have a minimum of a high school diploma and have pre-service training or educational experience.
3. The administrative, faculty and staff size is thirty. There are thirteen homeroom teachers, four language teachers, two physical education teachers, and three music or art teachers for a total of 22, or 16 full time equivalent teachers. Present enrollment is 270 and the teacher-to-student ratio is 1:17. Including four assistant teachers, the ratio is 1:14.
 Job descriptions for faculty and staff include instructional and non-instructional duties such as preparation and teaching, faculty and parent meetings, record keeping, before and afterschool duties, routines of taking students to the restrooms and food service, and teaching practical life.

The Faculty Handbook describes some duties.

Curriculum and teaching:

- Year Plans are due as announced prior to the summer session and the school year. Lesson Plans are due each week to the Director by Thursday at the faculty meeting.
- Weekly exams and key papers must be submitted to the Director or Principal to be ready for the teacher to send home Friday. If a student's average drops below 80 in any subject, the Principal must be notified and the student may be placed in Study Skills tutoring.
- Procedures and requirements regarding homework, assignment books, grading, grades, grade books, lesson plans, class lessons, methods, and classroom management are included in the Teacher Notebook and teacher manuals and are required.
- Report cards are issued each six weeks period and averaged grade sheets are due as announced. Non-homeroom teachers are required to submit grades to the homeroom teachers a minimum of one day before the homeroom teacher's grades are due.
- Classroom Schedules must be followed exactly and coordinated smoothly by staff.
- The annual and faculty calendars list events and due dates.
- The weekly Faculty Meetings are appropriate times to present questions, problems, and opportunities.

Displays and Housekeeping:

- Each teacher should prepare displays of academic work, art work, and other displays producing an attractive environment and showing the quality of teaching, work, and units being taught in that classroom. They must be kept fresh and updated, and must relate to the required Curriculum and Materials.
- Each day teachers, assistants, and students, using practical life skills, must leave classrooms in good order, clean, and ready for class.

D. Code of Conduct

1. Student Behavior Requirements are described in the Student/Parent Handbook.

DISCIPLINE

SUMMARY OF THE GROUND RULES FOR STUDENTS:

- **THE BELL:** When the teacher rings the hand bell: Students stand, watch the teacher, fold their arms in front of them, wait in silence, listen to directions, and wait to move until the bell has been set down.
- **SITTING ON CIRCLE (FLOOR):** Students sit straight attentively with legs crossed, hands in lap.
- **STANDING FOR CLASS:** Students stand behind chairs quietly with hands resting until given instructions.
- **TO SPEAK:** Student raises hand, waits to be recognized, and then speaks. Yes and no, preferably used with ma'am or sir, are required.
- **LINING UP:** Students are to get in line when directed, have hands down by their sides, face forward, and walk silently.

- **RUGS AND MATERIAL:** Carry all materials carefully and with both hands. Walk around rugs, keep all work pieces on the rug, and mark rugs with student name cards. Put materials away according to lesson directions. Everything in the classroom has a designated place.
- **QUIET VOICES:** Students use quiet voices inside the building.
- **SITTING IN CHAIRS:** Students sit facing forward, legs under the desk or table, and feet flat on the floor.
- **DESKS:** Students keep their desks neat and clean with books and tablets stored as instructed, with two pencils and one eraser and any other materials in the zippered school supply case.
- **TABLE MANNERS:** Students sit correctly, use a napkin, hold and use silverware correctly, eat without spilling, use appropriate conversation, and finish their meal on time.
- **GREETING AND DEPARTURE:** Students speak to adults first, greet the teacher and adults upon arrival, and get signed in for attendance. When students leave they are taken to carpool, checked out, and say good-by to the adult. They are expected to greet the parent or person picking them up, and maintain ground rules until off school property.
- **UNIFORM AND NEATNESS:** The complete uniform and neat appearance is a requirement to attend class. Shirts tucked in, ties tied, belts on, correct socks, shoelaces tied, and neat and clean hair and nails are required at all times. The complete PE uniform is required for participation. Students will not be admitted to class without complete uniform.
- **BOOKS AND MATERIALS:** Students are required to have books and supplies at school each day as required. Composition books, paper, pencils, and ink will be needed and may be purchased in the office. Supplies for Art and Music are required for participation.
- **PARENTAL TEACHING:** Parents are asked to teach their children the ground rules of the school. Not caring for the property of others, not showing respect and manners toward adults, and any manner of hitting other students will be swiftly and firmly corrected.

2. School Policy regarding suspension and suspension.

DISCIPLINE MANAGEMENT TECHNIQUES for not following the ground rules may include (1) issuing of a discipline notice to parents; (2) assignment of compositions that analyze behavior in terms of responsibility, duty, personal honor, and service to others, including family and school; (3) confiscation of items that are not allowed at school; (4) in-school suspension; (5) detention; (6) practical life duties; (7) loss of privilege; (8) probation; or (9) expulsion from school.

DISCIPLINE NOTICES: Discipline Notices may be sent home for incorrect or incomplete uniform, excessive tardiness or absence, incomplete work, or poor conduct. Before returning to class any corrective written assignments must be made, a conference held (if requested), and the notice signed by the parent and returned to the front Office desk before going to class. If a student returns to school without such compliance the result will be an immediate suspension. If parents cease to support and comply with the policies of the school to which they agreed upon upon enrollment

of their child, the student will need to be withdrawn. The school has a written process for expulsion.

GENERAL MISCONDUCT VIOLATIONS: Any conduct that would be a violation of the laws of the State of Texas or the United States of America or one listed in General Misconduct Violations must be reported to the principal, who in turn must notify the parent within 24 hours of receiving the report. Disciplinary action may include serious action including removal from class, suspension, removal to an alternative education program, or expulsion.

The Code of Conduct of the School describes student expulsion policies. Prior to an expulsion a hearing will be held in which the student is afforded due process.

3. Attendance requirements are described in the Student/Parent Handbook, and are required to meet conduct requirements and the mission of the school.

TARDINESS AND ABSENCE: Elementary students are tardy if they arrive in their seats after 8:00 am. Students absent or tardy are not entitled to complete work or exams missed without an excused absence slip. An acceptable written excuse from the parent must be given to the Administrator upon arrival in case of tardy arrival, or upon return from absence, or an excused absence will not be given. Absence without prior approval from the office is not excused without an acceptable written excuse for excludable illness, doctor ordered absence from school, or death in the family. Absence, with prior approval from the office required, will be excused for reasons of medical appointments or religious observance only. Students may not be absent for family travel or any other reason. All unexcused work will receive a grade of zero.

X. BUSINESS PLAN

A. Financial Management:

1. The current year's budget with revenues and expenditures to date is attached.
Attachment 17
2. The 2001-2002 projected budget is enclosed. **Attachment 18**
3. The Business Procedure Handbook procedures for MCCS daily operations
Attachment 19
 - Financial: Deposits are prepared daily by the Administrator with cash receipts given and taken to the CEO for depositing into the bank. Data entry is made by the person responsible for Accounts Receivable. Accounts Payable checks are approved by the CEO and then written. Reconciliation and other record keeping is completed for review by the CPA monthly.
 - Food Service: Cards or tickets are sold to the students for breakfast or lunch and the designated teacher punches used units.
4. The current monthly budget status report to the Board of Directors is included in
Attachment 17
5. The financial and payroll accounting system, being used this year is SchoolWorks. With both student and financial components, it gives us the capacity to meet PEIMS requirements. PEIMS information is submitted by the Director of

Administration. Four employees have attended training sessions, and data entry is in progress. Submissions are made through the assistance of Region IV.

6. The outside annual audit is performed by a CPA approved by the TEA , Bloomstrom and Co., P.C., after the close of the fiscal year. The 1999 audit report is attached. **Attachment 20**. The 2000 audit is in progress.

B. Facility Management

1. Description, addresses

The original campus is located at 1920 N. Braeswood, Houston, 77030. It is a private school campus, with 19% of the classroom space reserved for the charter school. It is fenced, locked, and has video surveillance and keypad entry. A gate and stairway lead to the charter classrooms. The school also uses a playing field, classroom computer centers, a commercial kitchen, a dining room, a clinic, and office space.

2. The second campus, 10420 Mullins, Houston, 77096, was approved by the State Board of Education. It is also a private school campus with 69% of classroom space reserved for the charter school. This neighborhood, in the Meyerland area, is popular with medical center families. The campus is four acres, fenced, locked, and has video-surveillance and keypad entry. A charter office, a six classroom building, a soccer field, driveway, and parking expansion have been added for charter school growth. The schools each share a commercial kitchen, clinic, and some office space.
- 3 Acquisition of land and a permanent charter school facility is anticipated in the next few years.
4. Lease agreements are attached. **Attachment 21,22**

C. Student attendance accounting

- Procedures: Attendance: Attendance forms are turned into the office every day by the homeroom teacher with absent students listed. Attendance is taken daily at noon and turned into the office for recording into software.
- A current school year calendar is attached. **Attachment 23**
- Teacher/student contact hours are 8 a.m. to 4 p.m. with early arrival time of 7:15 a.m.
- Students eligible for a Public Education Grant may enroll at any time under school board policy, space permitting.

D. Transportation and food service

1. Transportation will be provided for students eligible for special education as required by their Individual Education Plan (IEP).
2. Saint Nicholas School provides van service for a fee.
3. Provisions for food service are made, including free/reduced breakfast and lunch under the Child Nutrition Program.
4. The school contracts food service with Saint Nicholas Schools.
5. Breakfast and lunch cards or tickets are available for purchase in the office.

E. Outreach and Marketing Plan to attract students

1. Daily tours of campuses for prospective parents and interested persons at 8:30 a.m.
2. Workplace postings of letters, posters, and brochures
3. Workplace intranet postings of information
4. Attending workplace vendor events with literature and personnel available
5. Giving out literature outside grocery stores and posting inside
6. Apartment building postings of literature in mail or laundry rooms
7. Direct mail cards in nearby neighborhoods
8. A teacher and class was featured on a local TV talk show
9. Local newspaper features have been done
10. National newspaper, magazine, and CNN features have been done
11. Parents have brought their friends and co-workers
12. Monthly prospective enrollment noon Brown Bag parent meetings and tours
13. Uniforms result in questions about the school because students make a good impression.

XI. GOVERNANCE OF THE SPONSORING ENTITY

A. Profile of the sponsoring entity board members

1. Describe members, including names, background and experience, and three references for each. **Attachments 24**
2. Notarized Biographical Affidavit for each member attached. **Attachments 25-29**
3. Describe the following
 - a. Officer positions are President, Vice-President, and Secretary
 - b. Selection of officers and members is by vote of the board.
 - c. Removal of officers and members is by vote of the board.
 - d. Vacancies are filled by vote of the board.
 - e. Terms of the board members are four years.
 - f. Terms are not staggered.
4. The CEO presents textbook selections to the Board of Trustees for approval. Selections are prepared by administrators and faculty.

B. Governance Structures and Processes

1. Steps are being taken to maintain continuity between the founding coalition's vision and future governing boards. The written structures of the school define policies, procedures, and curriculum. A team of administrators work together to establish procedures and routines that further efficiency and success. The faculty is growing in size and contribution. The CEO's coordinate this development.
2. There is one board.
3. The procedures for receiving and responding to complaints from parents and employees are described in the Handbooks.
 - Parents and employees are asked to first consult with the teacher or administrator as relevant,
 - Second, to consult with the principal.
 - Third, to consult with an appointment with the Administrative Team of directors and principals.

- Fourth, if necessary, a letter should be addressed to the President of the Board of Directors for board consideration.
4. A productive relationship between administrators and teachers is fostered by the following: Administrators have interviewed and selected the teachers. Contracts and the Faculty Handbook define the agreement. Orientation to the job and one week of inservice before summer school, and summer workshops help faculty prepare. During the school year weekly faculty meetings are held. Faculty calendars are prepared with due dates and events. Conference time is available each day with administrators. The principals and curriculum director are in each classroom most days. Assistance with materials, year plans, lesson plans, and classroom management is given. Inservices from outside sources are presented. Teachers are backed up by administrators and have authority over their students as defined by the school. Teachers receive regular evaluations and in turn submit a questionnaire, both of which are factored into the School Scoresheet.
 5. Each month an average of 75 parents participate in school activities. Each month many parents have telephone or personal conferences with administrators and with teachers. Parents have times each month to participate in school meetings:
 - Curriculum (Home/School Connection, third Thursdays at 5:30 p.m.),
 - Recruitment (Brown Bag Meetings at noon first Thursdays),
 - School Committees, meet on fourth Thursdays at 5:30p.m.
 - Homeroom meetings on Mondays at 4:00 p.m.

Notes from parent meetings are discussed by administrators and are responded to with changes in communication and program to increase effectiveness. Parents and students have full access to teachers and administrators. Parent concerns have a complaint procedure to follow. Parents and older students complete questionnaires each marking period that are factored into the School Scoresheet.

6. The Private Entity

- Leases have been signed with Saint Nicholas School, Ltd. and Saint Nicholas School, II, L.P. for the use of buildings, furniture, equipment, and maintenance, and for administrative, curriculum, and teaching services.
- The Board of Directors has a management agreement with Saint Nicholas School, II, L.P. for the school to provide school management services to Medical Center Charter School.
- The individuals involved in management are Margot T. Heard and James L. McKey, who were the founders of the charter school.
- The CEO and founders of the charter school are also presidents of the corporations that are the general partners of Saint Nicholas School, Ltd. and Saint Nicholas School, II, L.P.

XII. EVIDENCE OF ELIGIBILITY OF SPONSORING ENTITY

- L. **Medical Center Charter School**, the sponsoring entity, was established for charitable and educational purposes after the granting of the open-enrollment charter school to the founders. It was established to sponsor Medical Center Charter School, a first generation open-enrollment school that offers a preparatory program for students at two campuses, 1920 N. Braeswood and 10420 Mullins, in Houston.

M. A copy of the 501©(3) determination letter, Articles of Incorporation, and bylaws are attached. Attachment 30-32

N. The sponsoring entity was established in 1996 and the only activity is the operation of the charter school.

1. Financial history: The entity does not have any financial transactions except those of the charter school.
2. Credit report pending, to be sent
3. Most recent IRS filing is included: **Attachment 33**
4. There have been no liens.
5. There has been no litigation.

October 23, 2000

Texas Education Agency
W.B. Travis Building
1701 North Congress Avenue
Austin, Texas 78701

Dear T.E.A.:

As director of the Employee Assistance and Work/Life Programs for the University of Texas-Houston Health Science Center I am responsible for providing help and resources to our students, faculty, and staff. One of the resources that I find extremely helpful to our UT-HHSC family is having a school near our medical center for our employees' and students' children. That school is the Medical Center Charter School.

Our employees and students who take their children to Medical Center Charter School report back to me many reasons why they are so pleased with the school. Just some of the reasons include: the high quality education their children are receiving, the low student-to-teacher ratio, the close proximity to their jobs, and the availability of the School's entire staff, including extended hours and sick care availability.

Our University is delighted to have this valuable resource available to our employees and I am sure the other facilities of the Texas Medical Center are equally pleased. We hope your agency will do whatever it takes so that the Medical Center Charter School can continue to be available to our population, as there is no other resource like this one any where nearby.

Sincerely,



Sherry M. Wilson, LMSW-ACP
Director, UT-Houston Employee Assistance and Work/Life Programs

Cc: Mr. Jim McKey



TEXAS ORTHOPEDIC HOSPITAL

A Specialty Surgery, Rehabilitation and Sports Medicine Center

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ATTACHMENT NO. 2

State Board of Education
Texas Education Agency
Division of Charter Schools
1701 N. Congress Ave.
Austin, TX 78701

October 20, 2000

Dear Board Members,

Texas Orthopedic Hospital is pleased to support the Medical Center Charter School and to extend our confidence in the programs that you offer. [REDACTED]

They voice their appreciation for [REDACTED]

I have had the pleasure of meeting and working with the administrative team, several of the teachers and students. While touring the facility, I found the atmosphere to be one of security and devotion. There is certainly a higher standard of learning that occurs at the Medical Center Charter School.

I appreciate the relationship that our hospital shares with the children and staff and I look forward to future involvement. You have a wonderful team of teachers at your facility....keep up the great work.

Sincerely, [REDACTED]

October 27, 2000

ATTACHMENT NO. 3

State Board of Education
Charter Renewal Application Committee

RE: Medical Center Charter School – Renewal
of Charter

Dear Sirs/Madams:

I am writing in support of the Medical Center Charter School's application renewal.

It is crucial for parents to be allowed to choose and make decisions for our children's education. MCCS provides our children with strong learning skills and study habits that will go a long way for their future success. At the same time, we know the children are safe in a smaller scaled and controlled environment that the public school systems.

[REDACTED]

[REDACTED] The curriculum is strong, structured and rigorous. Providing good learning habits in the early educational years for long term success is significant and MCCS provides these tools. They teach organization and discipline.

[REDACTED]

[REDACTED] This is an excellent enrichment opportunity for these young minds.

The charter schools are very important to our community because it is an alternative to the public school systems. [REDACTED]

[REDACTED] And, I highly recommend this charter's application. We should be able to dictate where and how our children will be educated.

As you well know, MCCS demonstrated a significant improvement in the TAAS scores in 1999 and they will do just as well in the future years.

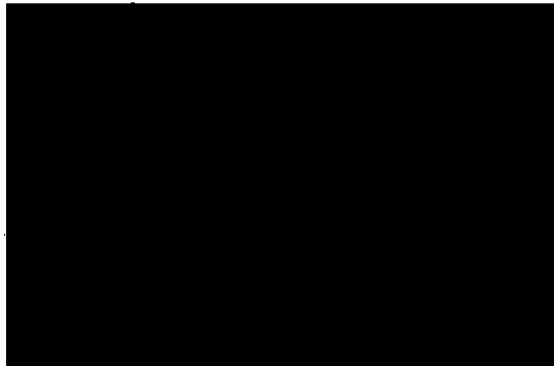
One of the areas I feel that the TEA could help charter schools and the Medical Center Charter School is in additional funding to hire good, strong teachers. I am not implying that MCCS does not have good teachers, but their pay is significantly lower than in the normal public school systems. They eventually move on because they work many long hours without adequate compensation. If this improved, the turnover would be less likely. Articles suggest this to be one of the main concerns and affects all charter schools as well as the MCCS.

042

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Again, I strongly request that you approve the renewal application for the Medical Center Charter School. I would be happy to speak with you further if you wish.

Sincerely,



October 24, 2000

State of Texas Board of Education:

I would like to express my views on the Medical Center Charter School. I am a middle class citizen who wants the best education for [REDACTED]. [REDACTED]

I had attended public school during high school. I had gone to a private school up until that point. When I attended the public school, I was bored. I was not challenged and because of this, I slacked off on my studies. Sometimes, I would skip class. Fortunately, I was not a 'bad' kid. I did not get into drugs, but I wonder what would have happened if I had been around the wrong influences.

Because the public school I attended was so big, I became a number. I went from a private school of 700 (K-12) to a public school with 700 students in my graduating class. I felt my teachers really did not care about how I did in my studies as long as I was in class. Only one teacher figured me out. [REDACTED] held me after class one day and told me that [REDACTED] knew I was not doing my best. [REDACTED] challenged me to bring up my grade to an "A". [REDACTED] was the only teacher who noticed and encouraged me. You see, as long as I made a passing grade – the teachers did not worry. This is what is wrong with public schools.

Perhaps the teachers themselves are frustrated and because of this the children get lost in the numbers. As long as a student is "passing", noone notices him/her. Only if they fail, do the alarms go off. And to the contrary, if a student makes straight A's, then they are learning enough. Who is to say that these same straight A students do not get bored and may later get into trouble.

I believe that kids should be challenged. They should be able to learn as much as they can. They should not have time to sit idly and contemplate trouble. This is why I feel the charter school system is a good one – particularly M CCS.

I had my doubts about M CCS at first since the organization of the school was not great at first. I think with the new buildings, this will change. What I have seen so far, is that [REDACTED]

I have attended all of the [REDACTED]. I have seen how much the parents are concerned with their children's education. Some of them have expressed their concerns with the public school system. Some have children that were bored in public

school. Some have children that need extra help. This is what I like about the charter school system. They go by levels, not grades. This enables kids to learn as much as they can; they can catch up where needed or progress if not challenged. They are not limited to stay within the traditional 'grade level'.

There is a great need for this type of school. I feel that because it is small by public school standards, this is a benefit. The parents and the teachers are able to communicate with each other more, thereby keeping closer tabs on their children. One of the requirements to attend this school, is that the parents must sign an agreement that they will attend all the meetings. If not, they must have a family representative attend.

The school helps the community in that it has children from different economic backgrounds. I know this because

Some of these kids perhaps have not had the discipline at home and school to learn respect. This is why it helps to have a smaller school, so that parents and school can work together. I also think that it helps to have people of all races and socio-economic levels together so we can erase all the bias that children are exposed to because of their surroundings.

The charter school system enables parents to be more proactive in their children's education. No matter what socio-economic level, the common bond that ties us together is that we . We all care enough to look for better ways to . If you see what – you would agree.

I had my doubts, but I believe that with time this school will prove that charter schools should be a 'freedom of choice' given to all parents. Why should children be forced into one public school system? I am not saying to do away with the public school system. It needs to improve immensely. The standards need to be raised. Until then, children should not suffer the consequences. They should be allowed the freedom to learn as much as they can regardless of their socio-economics. After all, isn't this what our country is about – freedom? For this reason, I ask that you continue to support MCCS.

Sincerely,

To : The State Board Of Education,

The Medical Center Charter School has been a great educational asset [REDACTED]. The educational high standard curriculum has given [REDACTED] the opportunity to grow in their Reading, Language, Math, History, Science, French, and Spanish. In our community we need this type of curriculum available to teach our children at the tender ages of 4-12 their basic skills. I have recruited family and friends to The Medical Center Charter School to receive the educational benefits that is available in our community.

Sincerely [REDACTED]

October 25, 2000

The Charter school has helped [REDACTED] academically and spirituality. I there is a continued need for this type of school to help students and parents be successful.

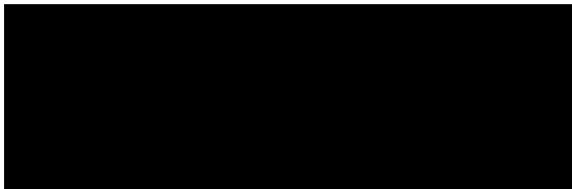
If you look at the news daily, you will see evidence of schools not meeting educational demands to make children go above and beyond their level. Charter schools are appropriate for parents and students who want to put education first.

Sincerely,

Larry A. Laker

ATTACHMENT NO. 6

047



ATTACHMENT NO. 7

October 25, 2000

State Board of Education
Charter Renewal Application Committee

RE: Medical Center Charter School – Renewal of Charter Application

To the Charter Application Renewal Committee:

[REDACTED]
[REDACTED] We have been asked by the administration to give our comments related to MCCS' operations.

MCCS has been and currently still is a great help [REDACTED]. MCCS provides first-rate educational opportunities [REDACTED].
[REDACTED]

I feel that the charter school program is needed in our communities because charter schools provide a viable alternative to public schools. We reside in [REDACTED] and the schools, although excellent, do not provide the type of curriculum that I feel would adequately challenge all children. [REDACTED]

[REDACTED] The Fort Bend school district kinder age children were not reading until the 2nd half of the semester, at best. We felt that this alone meant [REDACTED]. This is what began the search for alternatives [REDACTED].

Another problem that I encountered with public schools are the age restrictions. My [REDACTED]. If we had enrolled [REDACTED] in public school at age [REDACTED] (almost [REDACTED]), [REDACTED] would have been forced to attend kindergarten. However, my [REDACTED] Iowa test scores proved him to be 2nd grade level! I felt that my [REDACTED] would not have been adequately challenged in public school kindergarten. Allowing the students to be grouped according to academic ability versus age only is another benefit provided by MCCS, which is not an alternative, provided in public schools.

There is a noted difference in the way that charter schools approach education. There seems to be a "cookie-cutter" type mentality in public schools i.e., they all do the same thing. It's scary but most of the public schools that I have encountered (either by visiting or in tutoring other children) appear to be teaching a TAAS based curriculum. In other words, public school students seem to be taught items that are on the TAAS test only. This was also a concern of ours and MCCS and other charter schools do not teach TAAS only. Rather MCCS teaches a well-rounded curriculum that is inclusive of TAAS guiding principles.

MCCS is also teaching [REDACTED] to be more organized and detail oriented. The public schools that I have visited did not encourage the children to use assignment books, which is a basic foundation of MCCS' ideals. MCCS also encourages excellent handwriting skills in their students, something else that is lacking in public school curriculums.

MCCS offers French and Spanish to its students. There is not a school in Fort Bend or Houston school districts that offer both French and Spanish (that I am aware of). This is an excellent benefit and a wonderful enrichment opportunity for elementary students. Elementary students can grasp alternative languages better at their age than the latter years (I believe that this is a proven fact but I was unable to locate the research that I had found in the past on that subject).

I only have one complaint that I have addressed with MCCS administration on more than one occasion. MCCS does not encourage a parent/teacher organization. Ms. Heard does not feel that there is a need for such an organization. Education of children cannot be solely the responsibility of the school that children attend. Parents have to be involved to insure that the educational needs of the children and parents are adequately addressed. Even though Ms. Heard is an exceptional administrator in many ways, she downplays the need for a parent/teacher organization. If a strong parent/teacher organization was encouraged, organized and utilized, MCCS would be an award winning school because the needs of the students would be more adequately addressed and the parents could help the school streamline many of its administrative tasks.

I conclude this letter with a plea that MCCS' application be renewed. TAAS scores have improved over the 5 years that MCCS has been in operation. Enrollment has definitely increased. Since MCCS offers so many opportunities that are not available at the school districts in the area, I feel this is one of the many reasons that the MCCS should continue operation.

Sincerely,
[REDACTED]

AFFIDAVIT OF PUBLICATION

STATE OF TEXAS:

COUNTY OF HARRIS:

Before me, the undersigned authority, a Notary Public in and for the State of Texas, on the day personally appeared: GAIL FEAGINS, who after being duly sworn, says that she is the SUPERVISOR-ACCOUNTS RECEIVABLE at the HOUSTON CHRONICLE, a daily newspaper published in Harris County, Texas, and that the publication, of which the annexed herein, or attached to, is a true and correct copy, was published to-wit:

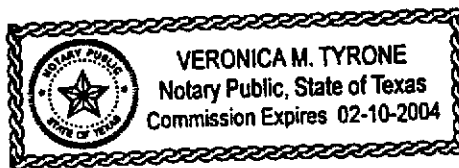
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ATTACHMENT NO. 8

Gail Feagins

GAIL FEAGINS
SUPERVISOR - ACCOUNTS RECEIVABLE

Sworn and subscribed to before me, this the 31st Day of October A.D. 2000



Veronica M. Tyrone

Notary Public in and for the State of Texas

**NOTICE OF INTENT
TO APPLY FOR
RENEWAL OF
OPEN ENROLLMENT
CHARTER SCHOOL**

The Medical Center Charter School, a 501 (C) (3) non profit corporation, is applying to the State Board of Education for approval to continue to operate an open-enrollment charter school ("charter school") to be located at 1920 N. Braeswood, Houston, Texas 77030 and 10420 Mullins, Houston, Texas 77096. Charter schools are public schools established by nonprofit organizations, institutions of higher education, or governmental entities. These schools are publicly funded and are free from many state regulations that apply to other public schools. The following descriptive information about the proposed school is being provided for the benefit of the community in which the school is located.

Name of the sponsoring entity: Medical Center Charter School

Chief Executive Officers of the school: Margot T. Heard and James L. McKey

Board members of the sponsoring entity:

Dr. R. Vernon Colpitts
Dr. Leonard F. Crabtree
Dr. Gurney F. Pearsall
Herbert L. Davis

Richard L. Gann
Location of the school: The school's administrative office is located at 1920 N. Braeswood, Houston, Texas 77030.

Brief description of the school: Medical Center Charter School is an open enrollment charter school, offering preparatory instruction to Pre-K through grade 6. The School presently has an enrollment of 270 students.

Grade levels to be served: Pre-K through 8.

The State Board of Education invites comments about any aspect of the school or its sponsoring entity. Comments must be communicated in the form of a signed letter directed to the State Board of Education. Only letters specifically addressing a specific proposed school will be considered by the board.

Letters may be sent to the following address: Texas Education Agency, Division of Charter Schools, 1701 North Congress Avenue, Austin, Texas 78701.

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AFFIDAVIT OF PUBLICATION

STATE OF TEXAS:

COUNTY OF HARRIS:

Before me, the undersigned authority, a Notary Public in and for the State of Texas, on the day personally appeared: GAIL FEAGINS, who after being duly sworn, says that she is the SUPERVISOR-ACCOUNTS RECEIVABLE at the HOUSTON CHRONICLE, a daily newspaper published in Harris County, Texas, and that the publication, of which the annexed herein, or attached to, is a true and correct copy, was published to-wit:

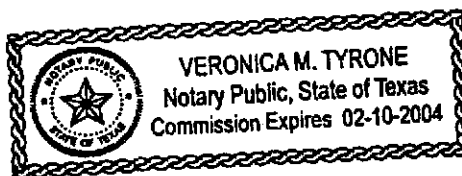
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ATTACHMENT NO. 9

Gail Feagins

GAIL FEAGINS
SUPERVISOR - ACCOUNTS RECEIVABLE

Sworn and subscribed to before me, this the 31st Day of October A.D. 2000



Veronica M. Tyrone
Notary Public in and for the State of Texas

**NOTICE OF INTENT TO
HOLD PUBLIC HEARING
TO REVIEW THE RE-
NEWAL APPLICATION
FILED BY MEDICAL
CENTER CHARTER
SCHOOL**

A public hearing will be held on Friday, October 27, 2000 at 6:00 p.m. at the Medical Center Charter School, 1920 N. Braeswood, Houston, Texas 77030, for the purpose of reviewing the Application filed by Medical Center Charter School to renew its five(5) year open enrollment charter.

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MEDICAL CENTER CHARTER SCHOOL

Teacher Employment Contract

THIS AGREEMENT, effective _____, is entered into by and between MEDICAL CENTER CHARTER SCHOOL. (hereinafter called "the SCHOOL") and _____ (hereinafter called "TEACHER"). TEACHER's residence address is _____.

The SCHOOL wishes to hire TEACHER and TEACHER wishes to be employed by the SCHOOL, to teach in the SCHOOL; and both parties wish to enter into an agreement to set forth the terms of such employment.

THEREFORE, in consideration of the terms of the employment of TEACHER by the SCHOOL, and in consideration of the salary paid TEACHER by the SCHOOL, the parties agree as follows:

(1) The SCHOOL hereby hires TEACHER to teach at the SCHOOL, and TEACHER hereby accepts and agrees to this employment at the assigned position.

(2) This agreement is for the SCHOOL year commencing on the ____ day of _____, _____, and terminating on the ____ day of, _____.

(3) The SCHOOL shall pay TEACHER and TEACHER shall accept from the SCHOOL in full payment for TEACHER'S service hereunder, compensation in the amount of _____ (\$_____) for the contract period. The full Contract amount shall be paid in _____ (____) payments of _____ (\$_____) each, on the 5th and 20th day of the month, from, and including _____ through _____.

(4) TEACHER agrees to perform the responsibilities of his or her position and to use his or her best efforts in such performance. TEACHER also agrees to attend all faculty meetings, special inservice meetings scheduled by the SCHOOL, and any special function of the SCHOOL, as requested by the Principal. In addition, TEACHER agrees to follow all reasonable rules set down by the Principal, or the Board of Directors, including the handbooks of SCHOOL policies.

TEACHER also agrees to exemplify impeccable character, principles and ideals in the performance of all his or her duties, and to refrain from any act which would discredit or reflect unfavorably on the SCHOOL.

(5) The SCHOOL will be closed a total of ____ days during the _____ school year for various holidays set out in the SCHOOL calendar. In addition, TEACHER will be allowed five (5) days off with pay, provided that the dates are approved in advance by the administration, and an additional four (4) days off with pay, to be taken during the Christmas holiday, and an additional four (4) days off with pay, to be taken during the Easter holiday.

(6) If TEACHER is unable to complete his or her contract due to accident or illness, upon receipt of proper medical proof of such disability, the SCHOOL shall grant TEACHER a medical leave of absence, but TEACHER shall not be entitled to pay while on a medical leave of absence.

(7) If TEACHER fails to execute his or her duties, due to his or her absence, and has submitted no medical proof that he or she is entitled to a medical leave of absence, he or she shall be deemed to have breached the Employment Agreement, and shall be required to pay the SCHOOL the sum of _____ DOLLARS (\$ _____), to compensate the SCHOOL for injury by reason of such breach. Such sum is not a penalty; it is mutually agreed to constitute liquidated damages, since it is impossible to ascertain or estimate the exact cost, damage, or injury which the SCHOOL may sustain by reason of the breach. Since such damage is likely to be less if TEACHER provides at least two (2) weeks' notice of his or her intention to breach, both parties agree that the sum of _____ DOLLARS (\$ _____), shall constitute the liquidated damages where such notice is provided.

In the event of a breach of contract by the TEACHER, under paragraph (7), the SCHOOL may apply all or any part of the pay then due to the TEACHER in payment of the liquidated damages sustained by the School.

(8) If TEACHER wilfully breaches or habitually neglects the duties which he or she is required to perform under the terms of this agreement, the SCHOOL, may at its option terminate this agreement by giving written notice of termination to TEACHER without prejudice to any other remedy to which the SCHOOL may be entitled either at law, in equity, or under this agreement.

(9) This agreement may be terminated at any time by the mutual consent of both parties.

(10) This agreement shall be governed by and construed under the laws of the State of Texas.

IN WITNESS WHEREOF, the parties have affixed their signatures this _____ day of _____.

Medical Center Charter School.

Teacher

By: _____
Margot T. Heard, Principal

**TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
(Print or Type)**

Full Name of Sponsoring Entity and Name of Proposed Charter School: _____
Medical Center Charter School

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): Hazel Patrice Harrison

2. Have you ever had your name changed? NO If yes, give reason for the change: _____

b. Maiden Name (if female) Harrison
 c. Other names used at any time none

3. Social Security Number*: [REDACTED]

4. Date and Place of Birth: 9.8.1963, Shelby County, Tennessee

5. Business Address: 1920 N. Bratswood
 Business Telephone: 713 791 9980

6. List your residences for the last ten (10) years starting with your current address, giving:

DATES	ADDRESS	CITY AND STATE	ZIP CODE
<u>7/1/999-present</u>	<u>14504 Briar Forest</u>	<u>#221 Houston, TX</u>	<u>77077</u>
<u>4/1/987-7/1/999</u>	<u>2865 Sandwood</u>	<u>Memphis, TN</u>	<u>38127</u>

7. Education: Dates, Names, Locations and Degrees

College University of Memphis Memphis, TN

Graduate Studies _____

Others National Academy Paralegal Studies Middletown, NY 1992
Microsoft Certified System Engineer Houston, TX 1999
(Rice University)

8. List Membership in Professional Societies and Associations: NONE

9. Present or Proposed Position with the Proposed Charter School : DIRECTOR OF ADMINISTRATION

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
4/1988-9/1996	Carmen's Shoe Gallery	Mpls, TN	Owner/Manager
9/1996-6/1998	University of Memphis	Mpls, TN	Accounts Rec.
11/1999-Presently	St. Nicholas school	Houston, TX	

11. Present employer may be contacted: Yes No (Circle One)
Former employers may be contacted: Yes No (Circle One)

12. a Have you ever been in a position which required a fidelity bond? NO If any claims were made on the bond, give details: none

b Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? no
If yes, give details: na

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): na

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? no If yes, give details: na

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? no If yes, give details: na

16. Have you ever been adjudged bankrupt? no

17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? no

If yes, give details: n/a

18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? no

19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? no. If so, please furnish details: n/a

Dated and signed this 30TH day of OCTOBER, 192000, at HOUSTON, HARRIS COUNTY, TEXAS

I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

Hazel Harrison
(Signature of Affiant)

State of TEXAS
County of HARRIS

Personally appeared before me the above named HAZEL PATRICE HARRISON personally known to me, who, being duly sworn, deposes and says that he/she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 30TH day of OCTOBER, 192000

Christine Groenewold
(Notary Public)
My commission expires 11/12/03

(SEAL)



**TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
(Print or Type)**

Full Name of Sponsoring Entity and Name of Proposed Charter School: MEDICAL CENTER CHARTER SCHOOL

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): Graciela Garcia

2. Have you ever had your name changed? No If yes, give reason for the change: _____

b. Maiden Name (if female) None

c. Other names used at any time None

3. Social Security Number*: 

4. Date and Place of Birth: 4-20-67 Corpus Christi, TX

5. Business Address: 1920 North Braeswood

Business Telephone: 713-791-9977

6. List your residences for the last ten (10) years starting with your current address, giving:

DATES	ADDRESS	CITY AND STATE	ZIP CODE
<u>8/95 to present</u>	<u>12102 MEADOWDALE</u>	<u>MEADOWS PLACE, TX</u>	<u>77477</u>
<u>8/90 to 8/95</u>	<u>8405 Wilcrest #1601</u>	<u>HOUSTON, TX</u>	<u>77089</u>

7. Education: Dates, Names, Locations and Degrees

College Two years study at University of Houston - Houston, TX

Graduate Studies _____

Others Montessori Certification through National Center of Montessori Education in Houston, Tx. Certified ~~in~~ 1991

8. List Membership in Professional Societies and Associations: None

9. Present or Proposed Position with the Proposed Charter School : Director of Instruction

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
8/89 to now	Saint Nicholas Schools	10420 Mullins	- Teacher, Montessori Director Curriculum Director

11. Present employer may be contacted: Yes No (Circle One)
Former employers may be contacted: Yes No (Circle One)

12. a Have you ever been in a position which required a fidelity bond? NO If any claims were made on the bond, give details: _____

b Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? NO
If yes, give details: _____

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): NO

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? NO If yes, give details: _____

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? _____ If yes, give details: _____

16. Have you ever been adjudged bankrupt? NO

17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? NO

If yes, give details: _____

18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? NO

19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? NO. If so, please furnish details: _____

Dated and signed this 30TH day of OCTOBER, 2000, at HOUSTON, HARRIS COUNTY, TEXAS

I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

Graciela Garcia
(Signature of Affiant)

State of TEXAS
County of HARRIS

Personally appeared before me the above named GRACIELA GARCIA personally known to me, who, being duly sworn, deposes and says that he/she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 30TH day of OCTOBER, 2000

Christine Groenewold
(Notary Public)
My commission expires 11/12/03

(SEAL)



TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
(Print or Type)

Full Name of Sponsoring Entity and Name of Proposed Charter School: Medical Center
Charter School, a 501(c)(3) Non-profit Corporation. The school name
is the same.

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): William Hugh Heard
2. Have you ever had your name changed? No If yes, give reason for the change: _____

b. Maiden Name (if female) N/A

c. Other names used at any time None

3. Social Security Number*: [REDACTED]
4. Date and Place of Birth: December 30, 1935, at Dallas, Texas
5. Business Address: 10,420 Mullins Houston, TX 77056
Business Telephone: 713-726-0223
6. List your residences for the last ten (10) years starting with your current address, giving:

DATES	ADDRESS	CITY AND STATE	ZIP CODE
1993-Present	5535 Lyubar	Houston, TX	77096
199 - 1993	11010 Atwell	Houston, TX	77056
1986-1991	6335 Creekbend	Houston, TX	77096

7. Education: Dates, Names, Locations and Degrees

College 1993-1957: Texas A&M, at College Station, TX. B.A.

Graduate Studies 1961-1964: Episcopal Theological Seminary of the S.W. Austin, TX: M.Div.

1974-75: University of Dallas, Institute of Philosophy Studies: Irving, TX.

Others 1998-89: Memorial Hospital Southwest, Houston, TX: Clinical Pastoral Education Residency.

1989-1990: Methodist Hospital, Houston, TX: Clinical Pastoral Education Residency.

8. List Membership in Professional Societies and Associations: American Montessori Society.

9. Present or Proposed Position with the Proposed Charter School: Campus Principal, Southwest Campus

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
1998-Present	MCCS	10,420 Mullins, Houston TX 77096	Campus Principal
1995-Present	St. Nicholas School	10,420 Mullins, Houston, TX 77096	Headmaster
1994-1995	St. Nicholas School	10,420 Mullins, Houston, TX 77096	Teacher
2/94-5/94	Vitas	4928 Loop Central Drive, Houston TX	Chaplain
1991-1994	Columbia Hospital, Clearlake	500 Med. Dr. Blvd, Webster, TX	Chaplain

(see reverse side)

11. Present employer may be contacted: Yes No (Circle One)

Former employers may be contacted: Yes No (Circle One)

12. a Have you ever been in a position which required a fidelity bond? No If any claims were made on the bond, give details: _____

b Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? No
If yes, give details: _____

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): 1981, Texas Insurance Commission, to 1994. Ceased to sell insurance.
1981, National Association of Securities Dealers, to 1988. Ceased to sell securities.

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? No If yes, give details: _____

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? No If yes, give details: _____

16. Have you ever been adjudged bankrupt? No

1989-1990	Methodist Hospital,	6565 Fannin, Houston 77030	Chaplain Resident
1988-1989	Memorial Hospital S.W.	7600 Beechnut, Houston	Chaplain Resident
1987-1988	Transamerica Financial Resources	5847 San Felipe, Houston	Securities & Insurance Agent
1986-1987	American Physicians Svcs. Gp.	Austin, TX	Securities Agent
1984-1986	Donaldson, Lufkin & Jenrette	Houston, TX	Securities Agent
1981-1984	Dean Witter	Houston, TX	Securities Agent
1980-1981	Marine Military Academy	Harlingen, TX	Instructor

17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? No
If yes, give details: _____

18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? No

19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? No. If so, please furnish details: _____

Dated and signed this 31ST day of OCTOBER,
19 2000, at HOUSTON, HARRIS COUNTY, TEXAS

I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

William H. Heard
(Signature of Affiant)

State of TEXAS
County of HARRIS

Personally appeared before me the above named WILLIAM H. HEARD personally known to me, who, being duly sworn, deposes and says that he/she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 31ST day of
OCTOBER, 19 2000

Christina Muesenold
(Notary Public)
My commission expires 11/12/03

(SEAL)

TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
(Print or Type)

Full Name of Sponsoring Entity and Name of Proposed Charter School: Medical Center Charter School

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): Margot Ellen Terry Heard

2. Have you ever had your name changed? No If yes, give reason for the change: _____

b. Maiden Name (if female) Terry

c. Other names used at any time None

3. Social Security Number*: [REDACTED]

4. Date and Place of Birth: August 30, 1942 Laredo, Texas

5. Business Address: 1920 N. Braeswood Houston, TX 77030
Business Telephone: 713. 791. 9977

6. List your residences for the last ten (10) years starting with your current address, giving:

DATES	ADDRESS	CITY AND STATE	ZIP CODE
<u>12/93 Present</u>	<u>5535 Lyubar</u>	<u>Houston, TX</u>	<u>77096</u>
<u>6/91 - 11/93</u>	<u>11010 Atwell</u>	<u>Houston, TX</u>	<u>77096</u>
<u>6/86 - 5/91</u>	<u>6335 Creekbend</u>	<u>Houston, TX</u>	<u>77096</u>

7. Education: Dates, Names, Locations and Degrees

College 9/61 - 5/64 University of Texas at Austin Bachelor of Science in H.E.

Graduate Studies None

Others _____

8. List Membership in Professional Societies and Associations: American Montessori Society

9. Present or Proposed Position with the Proposed Charter School: CEO

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
1995 Present	MCCS	1920 N. Braeswood	CEO, Principal
1987 Present	Saint Nicholas Schools	"	General Partner
1983 - 1987	St. Patrick's School	10420 Mullins	Headmistress
1981 - 1983	Blessed Sacrament School	"	Principal
1980 - 1981	"	4015 Sherman	Teacher

11. Present employer may be contacted: Yes No (Circle One)

Former employers may be contacted: Yes No (Circle One)

12. a Have you ever been in a position which required a fidelity bond? No If any claims were made on the bond, give details: _____

b Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? No
If yes, give details: _____

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): 1983 Childcare Director's License, Dept. of Human Services, State of Texas. Inactive since 1998.

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? No If yes, give details: _____

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? No If yes, give details: _____

16. Have you ever been adjudged bankrupt? No

17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? No

If yes, give details: _____

18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? No

19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? No. If so, please furnish details: _____

Dated and signed this 31st day of October, 10 2000, at Houston, Harris County, Texas.

I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

Margot T. Heard
(Signature of Affiant)

State of Texas
County of Harris

Personally appeared before me the above named Margot T. Heard personally known to me, who, being duly sworn, deposes and says that he/she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 31st day of October, 10 2000.

Christine Greenwald
(Notary Public)
My commission expires 11/12/03

(SEAL)

TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
 (Print or Type)

Full Name of Sponsoring Entity and Name of Proposed Charter School: MEDICAL CENTER CHARTER SCHOOL IS A 501(c)(3) NON PROFIT CORPORATION. THE NAME OF THE SCHOOL IS THE SAME.

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): JAMES LAWSON MCKEY

2. Have you ever had your name changed? NO If yes, give reason for the change: _____

b. Maiden Name (if female) _____

c. Other names used at any time _____

3. Social Security Number*: [REDACTED]

4. Date and Place of Birth: JULY 29, 1932, NEAR ATHENS, TEXAS

5. Business Address: 1920 N. BRAES WOOD

Business Telephone: (713) 791-9980

6. List your residences for the last ten (10) years starting with your current address, giving:

<u>DATES</u>	<u>ADDRESS</u>	<u>CITY AND STATE</u>	<u>ZIP CODE</u>
<u>1964 - PRESENT</u>	<u>5814 SOUTHMINSTER,</u>	<u>HOUSTON, TEXAS</u>	<u>77035</u>

7. Education: Dates, Names, Locations and Degrees

College LAMAR COLLEGE (NOW LAMAR UNIVERSITY), NORTH TEXAS STATE COLLEGE, (NOW NORTH TEXAS UNIVERSITY)

Graduate Studies RECEIVED J.D. FROM UNIVERSITY OF HOUSTON SCHOOL OF LAW IN 1968

Others _____

8. List Membership in Professional Societies and Associations: TEXAS BAR ASSOCIATION

9. Present or Proposed Position with the Proposed Charter School: CEO

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
<u>1968-2000</u>	<u>SELF EMPLOYED AS ATTORNEY-MEDIATOR</u>		

11. Present employer may be contacted: Yes No (Circle One) NOT APPLICABLE
Former employers may be contacted: Yes No (Circle One) NOT APPLICABLE

12. a Have you ever been in a position which required a fidelity bond? YES If any claims were made on the bond, give details: NONE

b Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? NO
If yes, give details: _____

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): 1968

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? NO If yes, give details: _____

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? NO If yes, give details: _____

16. Have you ever been adjudged bankrupt? NO

17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? YES

If yes, give details: I REFERRED A CASE TO ANOTHER ATTORNEY, WHO BECAME ATTORNEY OF RECORD. I TOOK NO PART IN HANDLING THE CASE. CLIENT INITIALLY HAD NO OBJECTIONS, AND WORKED WITH OTHER LAWYER UNTIL HE ALLEGEDLY MISHANDLED CASE. I WAS REPRIMANDED FOR FAILURE TO KEEP CLIENT ADVISED.

18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? NO

19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? NO. If so, please furnish details: _____

Dated and signed this 31ST day of OCTOBER, 192000, at HOUSTON, HARRIS COUNTY, TEXAS

I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

James Lawson McKey
(Signature of Affiant)

State of TEXAS
County of HARRIS

Personally appeared before me the above named JAMES LAWSON MCKEY personally known to me, who, being duly sworn, deposes and says that he/she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

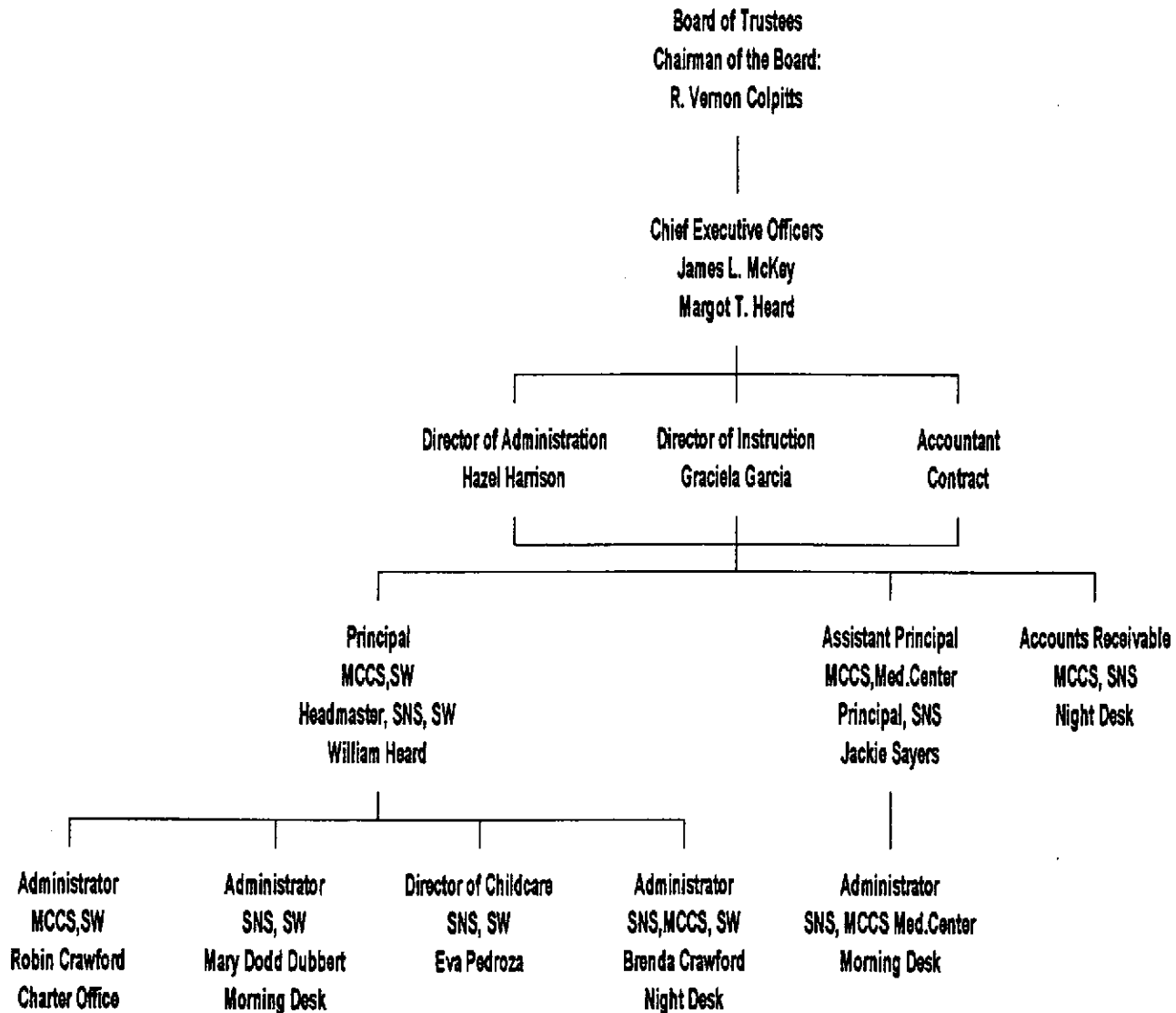
Subscribed and sworn to before me this 31ST day of OCTOBER, 192000

Christine Groenewold
(Notary Public)
My commission expires 11/12/03

(SEAL)



Medical Center Charter School Organization Chart



Charter School: Medical Center Charter School
For the Fiscal Year Ending August 31, 2001

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Charter School Budget Categories

	Object Code	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total	30-Sep-00
Net Assets at Beginning of Year				\$0	
Estimated Revenues:					
Local Sources	5749			\$52,613	-\$275
State Sources	5829			\$1,333,235	\$124,900
Federal Sources	5929			\$139,538	
Other Sources	5919			\$50,000	
Total Estimated Revenues		\$0	\$0	\$1,575,386	\$124,625
Estimated Expenses:					
Payroll Costs	6100			\$317,982	\$28,826
Professional and Contracted	6200			\$1,115,086	\$867
Supplies and Materials	6300			\$42,450	\$579
Other Operating Costs	6400			\$91,043	\$167
Debt Expense	6500			\$2,810	
Total Estimated Expenses		\$0	\$0	\$1,569,371	\$30,439
Gains	7950			\$6,015	\$94,186
Losses	8950			\$0	
Change in Net Assets		\$0	\$0		
Net Assets at End of Year		\$0	\$0	\$0	

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Charter School Budget Categories (Continued)

	Function Code	Object Code	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
Instruction	11				
Payroll Costs		6100			\$317,982
Professional and Contracted		6200			\$216,068
Supplies and Materials		6300			\$33,000
Other Operating Costs		6400			\$0
Debt Expense		6500			\$0
Total Instruction			\$0	\$0	\$567,050
Instructional Resource Media Services	12				
Payroll Costs		6100			\$0
Professional and Contracted		6200			\$13,500
Supplies and Materials		6300			\$0
Other Operating Costs		6400			\$50,000
Debt Expense		6500			\$2,810
Total Instructional Resources and Media Services			\$0	\$0	\$66,310
Curriculum Development and Instructional Staff Development	13				
Payroll Costs		6100			\$0
Professional and Contracted		6200			\$41,252
Supplies and Materials		6300			\$0
Other Operating Costs		6400			\$6,500
Debt Expense		6500			\$0
Total Curriculum and Instructional Staff Development			\$0	\$0	\$47,752

Charter School Budget Categories (Continued)

	Function Code	Object Code	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
Instructional Leadership	21				
Payroll Costs		6100			\$0
Professional and Contracted		6200			\$103,369
Supplies and Materials		6300			\$0
Other Operating Costs		6400			\$0
Debt Interest		6500			\$0
Total Instructional Leadership			\$0	\$0	\$103,369
School Leadership:	23				
Payroll Costs		6100			\$0
Professional and Contracted		6200			\$175,462
Supplies and Materials		6300			\$0
Other Operating Costs		6400			\$0
Debt Interest		6500			\$0
Total School Leadership			\$0	\$0	\$175,462
Guidance, Counseling and Evaluation Services	31				
Payroll Costs		6100			\$0
Professional and Contracted		6200			\$8,750
Supplies and Materials		6300			\$4,050
Other Operating Costs		6400			\$0
Debt Interest		6500			\$0
Total Guidance, Counseling and Evaluation Services			\$0	\$0	\$12,800

Charter School Budget Categories (Continued)

	Function Code	Object Code	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
Social Work Services:	32				
Payroll Costs		6100			\$0
Professional and Contracted		6200			\$0
Supplies and Materials		6300			\$0
Other Operating Costs		6400			\$0
Debt Expense		6500			\$0
Total Social Work Services			\$0	\$0	\$0
Health Services:	33				
Payroll Costs		6100			\$0
Professional and Contracted		6200			\$0
Supplies and Materials		6300			\$0
Other Operating Costs		6400			\$0
Debt Expense		6500			\$0
Total Health Services			\$0	\$0	\$0
Student Transportation	34				
Payroll Costs		6100			\$0
Professional and Contracted		6200			\$6,875
Supplies and Materials		6300			\$0
Other Operating Costs		6400			\$0
Debt Expense		6500			\$0
Total Student Transportation			\$0	\$0	\$6,875

Charter School Budget Categories (Continued)

	Function Code	Object Code	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total	
Food Services:	35					
Payroll Costs		6100			\$0	
Professional and Contracted		6200			\$94,289	
Supplies and Materials		6300			\$0	
Other Operating Costs		6400			\$0	
Debt Expense		6500			\$0	
Total Food Services			\$0	\$0	\$94,289	
Cocurricular/Extracurri Activities:	36					
Payroll Costs		6100			\$0	
Professional and Contracted		6200			\$6,063	
Supplies and Materials		6300			\$0	
Other Operating Costs		6400			\$1,623	
Debt Expense		6500			\$0	
Total Cocurricular/Extracurricular Activities:			\$0	\$0	\$7,686	
General Administration	41					
Payroll Costs		6100			\$0	
Professional and Contracted		6200			\$95,374	\$867
Supplies and Materials		6300			\$0	
Other Operating Costs		6400			\$22,234	
Debt Expense		6500			\$0	
Total General Administration			\$0	\$0	\$117,608	

Charter School Budget Categories (Continued)

	Function Code	Object Code	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total	
Plant Maintenance and Operations:	51					
Payroll Costs		6100			\$0	
Professional and Contracted		6200			\$354,084	
Supplies and Materials		6300			\$0	
Other Operating Costs		6400			\$5,250	\$167
Debt Expense		6500			\$0	
Total Plant Maintenance and Operations			\$0	\$0	\$359,334	\$167
Security and Monitoring Services:	52					
Payroll Costs		6100			\$0	
Professional and Contracted		6200			\$0	
Supplies and Materials		6300			\$0	
Other Operating Costs		6400			\$0	
Debt Expense		6500			\$0	
Total Security and Monitoring Services:			\$0	\$0	\$0	
Data Processing Service	53					
Payroll Costs		6100			\$0	
Professional and Contracted		6200			\$0	
Supplies and Materials		6300			\$0	
Other Operating Costs		6400			\$5,436	
Debt Expense		6500			\$0	
Total Data Processing Services			\$0	\$0	\$5,436	

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Charter School Budget Categories (Continued)

	Function Code	Object Code	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
Community Services:	61				
Payroll Costs		6100			\$0
Professional and Contracted		6200			\$0
Supplies and Materials		6300			\$0
Other Operating Costs		6400			\$0
Debt Expense		6500			\$0
Total Community Services			\$0	\$0	\$0
Fund Raising:	81				
Payroll Costs		6100			\$0
Professional and Contracted		6200			\$0
Supplies and Materials		6300			\$5,400
Other Operating Costs		6400			\$0
Debt Expense		6500			\$0
Total Fund Raising			\$0	\$0	\$5,400

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Charter School: Medical Center
For the Fiscal Year Ended August 31, 2002 Year 2

Page 1

Charter School Budget Categories

	Object Code	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
Net Assets at Beginning of Year				\$0
Estimated Revenues:				
Local Sources				\$72,054
State Sources				\$1,533,220
Federal Sources				\$103,002
Other Sources				\$50,000
Total Estimated Revenues		\$0	\$0	\$1,758,276
Estimated Expenses:				
Payroll Costs	6100			\$403,786
Professional and Contracted	6200			\$1,099,034
Supplies and Materials	6300			\$85,173
Other Operating Costs	6400			\$93,949
Debt Expense	6500			\$0
Total Estimated Expenses		\$0	\$0	\$1,681,942
Gains	7950			\$76,334
Losses	8950			\$0
Change in Net Assets		\$0	\$0	\$0
Net Assets at End of Year		\$0	\$0	\$0

Charter School Budget Categories (Continued)

	Function Code	Object Code	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
Instruction	11				
Payroll Costs		6100			\$403,786
Professional and Contracted		6200			\$200,928
Supplies and Materials		6300			\$37,950
Other Operating Costs		6400			\$0
Debt Expense		6500			\$0
Total Instruction			\$0	\$0	\$642,664
Instructional Resource Media Services	12				
Payroll Costs		6100			\$0
Professional and Contracted		6200			\$15,525
Supplies and Materials		6300			\$0
Other Operating Costs		6400			\$50,000
Debt Expense		6500			\$0
Total Instructional Resources and Media Services			\$0	\$0	\$65,525
Curriculum Development and Instructional Staff Development	13				
Payroll Costs		6100			\$0
Professional and Contracted		6200			\$40,565
Supplies and Materials		6300			\$0
Other Operating Costs		6400			\$6,500
Debt Expense		6500			\$0
Total Curriculum and Instructional Staff Development			\$0	\$0	\$47,065

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Charter School Budget Categories (Continued)

	Function Code	Object Code	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
Instructional Leadership	21				
Payroll Costs		6100			\$0
Professional and Contracted		6200			\$106,897
Supplies and Materials		6300			\$0
Other Operating Costs		6400			\$0
Debt Interest		6500			\$0
Total Instructional Leadership			\$0	\$0	\$106,897
School Leadership:	23				
Payroll Costs		6100			\$0
Professional and Contracted		6200			\$196,305
Supplies and Materials		6300			\$0
Other Operating Costs		6400			\$0
Debt Interest		6500			\$0
Total School Leadership			\$0	\$0	\$196,305
Guidance, Counseling and Evaluation Services	31				
Payroll Costs		6100			\$0
Professional and Contracted		6200			\$9,763
Supplies and Materials		6300			\$4,658
Other Operating Costs		6400			\$0
Debt Interest		6500			\$0
Total Guidance, Counseling and Evaluation Services			\$0	\$0	\$14,421

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Charter School Budget Categories (Continued)

	Function Code	Object Code	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
Social Work Services:	32				
Payroll Costs		6100			\$0
Professional and Contracted		6200			\$0
Supplies and Materials		6300			\$0
Other Operating Costs		6400			\$0
Debt Expense		6500			\$0
Total Social Work Services			\$0	\$0	\$0
Health Services:	33				
Payroll Costs		6100			\$0
Professional and Contracted		6200			\$0
Supplies and Materials		6300			\$0
Other Operating Costs		6400			\$0
Debt Expense		6500			\$0
Total Health Services			\$0	\$0	\$0
Student Transportation	34				
Payroll Costs		6100			\$0
Professional and Contracted		6200			\$6,875
Supplies and Materials		6300			\$0
Other Operating Costs		6400			\$0
Debt Expense		6500			\$0
Total Student Transportation			\$0	\$0	\$6,875

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Charter School Budget Categories (Continued)

	Function Code	Object Code	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
Food Services:	35				
Payroll Costs		6100			\$0
Professional and Contracted		6200			\$108,432
Supplies and Materials		6300			\$0
Other Operating Costs		6400			\$0
Debt Expense		6500			\$0
Total Food Services			\$0	\$0	\$108,432
Cocurricular/Extracurri Activities:	36				
Payroll Costs		6100			\$0
Professional and Contracted		6200			\$4,648
Supplies and Materials		6300			\$0
Other Operating Costs		6400			\$1,244
Debt Expense		6500			\$0
Total Cocurricular/Extracurricular Activities:			\$0	\$0	\$5,892
General Administration	41				
Payroll Costs		6100			\$0
Professional and Contracted		6200			\$95,577
Supplies and Materials		6300			\$0
Other Operating Costs		6400			\$21,059
Debt Expense		6500			\$0
Total General Administration			\$0	\$0	\$116,636

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Charter School Budget Categories (Continued)

	Function Code	Object Code	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
Plant Maintenance and Operations:					
	51				
Payroll Costs		6100			\$0
Professional and Contracted		6200			\$354,085
Supplies and Materials		6300			\$0
Other Operating Costs		6400			\$3,500
Debt Expense		6500			\$0
Total Plant Maintenance and Operations			\$0	\$0	\$357,585
Security and Monitoring Services:					
	52				
Payroll Costs		6100			\$0
Professional and Contracted		6200			\$0
Supplies and Materials		6300			\$0
Other Operating Costs		6400			\$5,436
Debt Expense		6500			\$0
Total Security and Monitoring Services:			\$0	\$0	\$5,436
Data Processing Service					
	53				
Payroll Costs		6100			\$0
Professional and Contracted		6200			\$0
Supplies and Materials		6300			\$0
Other Operating Costs		6400			\$0
Debt Expense		6500			\$0
Total Data Processing Services			\$0	\$0	\$0

Charter School Budget Categories (Continued)

	Function Code	Object Code	Unrestricted Net Assets	Temporarily Restricted Net Assets	Total
Community Services:	61				
Payroll Costs		6100			\$0
Professional and Contracted		6200			\$0
Supplies and Materials		6300			\$0
Other Operating Costs		6400			\$0
Debt Expense		6500			\$0
Total Community Services			\$0	\$0	\$0
Fund Raising:	81				
Payroll Costs		6100			\$0
Professional and Contracted		6200			\$0
Supplies and Materials		6300			\$0
Other Operating Costs		6400			\$6,210
Debt Expense		6500			\$0
Total Fund Raising			\$0	\$0	\$0

Saint Nicholas Schools Giving Receipts and Handling Cash

Only authorized persons may accept cash, the Administrators, Mary Dodd and Hazel.

Each school has a separate Receipt Book for cash. They are labeled on the front. Each Receipt Book is numbered in a sequence. Complete one for each school before another is begun. When completed, they are stored in the financial office.

If you receive cash you must issue a receipt and immediately put the cash in the safe. If you receive a check put it into the check box. When closing the desk each night the closer must check the reception desk for checks possibly left on the desk by parents and put them into the check box, especially important on the fifth of the month. Do not put any checks received on the sixth in that day's first deposit because of late payment charges. In general, we will prepare a deposit any day for \$100 or more, and always for income from the 5th and last day of the month.

All checks that are mixing income between the schools should be returned to be re-written. Do not accept mixed income checks or cash. In the case of cash accept exact change only. If it is an overpayment they will have a credit.

MEDICAL CENTER CHARTER SCHOOL

The only income for the charter school is full or reduced breakfast and/or lunches (\$40 and \$8) and semester school supply packets. Receive this income, give a receipt for cash and put into the safe and put checks into the check box.

PREPARING THE DEPOSITS

Separate all checks into three schools. Return any mixed checks.

- Photocopy each school's checks separately.
- Prepare the deposits.
 - Stamp each check for deposit only with the appropriate account number
 - Use tapes to verify cash and check amounts for each deposit.
 - Each deposit is entered into the Deposit Notebook for each school with the following stapled to it: the tapes for cash and checks, the copies of the checks, the Accounts Receivable software printout, the deposit slip, and the deposit receipt from the bank.
- Store the receipt books, check copies, charge copies, checks, in their secure place. You may be asked to take the deposit to the bank, or leave it in a bank bag in the safe.
- Keep the three schools' Deposit Notebooks in their designated place. They will be checked by the Accountant.

MEDICAL CENTER CHARTER SCHOOL
Auditor's Report on Financial Statements
For the year ended August 31, 1999 and 1998

BLOMSTROM & CO., P.C.
Certified Public Accountants
8323 Southwest Freeway, Suite 650
Houston, Texas 77074
Tel: (713) 771-4385
(800) 235-0517
FAX: (713) 771-5553

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MEDICAL CENTER CHARTER SCHOOL
Houston, Texas

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INDEPENDENT AUDITOR'S REPORT

Medical Center Charter School
1920 N. Braeswood
Houston, Texas 77030

We have audited the statement of financial position of the Medical Center Charter School (MCCS) as of August 31, 1999 and 1998 and the related statements of activities, cash flows and functional expenses for the years then ended. These basic financial statements are the responsibility of the School's management. Our responsibility is to express an opinion on these basic financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards, issued by the Comptroller General of the United States*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Medical Center Charter School as of August 31, 1999 and 1998, and the result of its operation and its cash flows for the years then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 3, 1999 on our consideration of MCCS's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of MCCS taken as a whole. The accompanying supplemental schedule is presented for purposes of additional analysis and is not a required part of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Houston, Texas
December 3, 1999

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MEDICAL CENTER CHARTER SCHOOL
Statement of Financial Position
August 31, 1999 and 1998

	1999	1998
ASSETS		
Current Assets:		
Cash - Frost National Bank checking	\$ 22,024	\$ 23,459
Accounts Receivable	16,125	1,500
Total Current Assets	\$ 38,149	\$ 24,959
Property and Equipment (at cost):		
Furniture and Equipment	\$ 6,883	\$ 3,601
Less: Accumulated Depreciation	2,349	1,609
Net Property, Plant, and Equipment	4,534	1,992
TOTAL ASSETS	\$ 42,683	\$ 26,951
 LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts Payable - Trade	\$ 10,533	\$ 42,521
Accounts Payable - St. Nicholas II, Curr Oper	93,484	59,570
Accounts Payable - St. Nicholas II, Pre Oper, Net	97,008	60,295
Other Payable	21,439	15,930
Deferred Revenue - TEA	15,805	73,191
Reimbursable to St. Nicholas II	-	16,535
Frost Bank - Credit Loan Payable	11,810	17,640
Total Current Liabilities	\$ 250,079	\$ 285,682
Net Assets (Deficit)		
Unrestricted	\$ (207,396)	\$ (258,731)
TOTAL LIABILITIES AND NET ASSETS	\$ 42,683	\$ 26,951

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MEDICAL CENTER CHARTER SCHOOL
Statement of Activities
for Years Ending August 31, 1999 and 1998

	1999	1998
REVENUES AND OTHER SUPPORT		
Support:		
Texas Education Agency - Tuition	\$ 687,320	\$ 483,823
TEA - Child Nutrition Program	16,200	14,834
Other TEA Grants (Note 10)	42,216	48,326
Total Support	745,736	546,983
Fees and Other Revenue:		
Child Nutrition Fees	28,100	26,490
School Supplies	2,274	4,131
Fundraising	14,963	-
Other	4,463	7,284
Total Fees and Other Revenue	\$ 49,800	\$ 37,905
TOTAL REVENUES AND OTHER SUPPORT	\$ 795,536	\$ 584,888
EXPENSES		
Program Services:		
General School Operations	\$ 624,112	\$ 588,824
Title I - Part A	25,536	18,330
National School Breakfast/Lunch Program	16,200	14,834
Title IV - Part A	1,326	711
Title VI	599	444
Title IIB	727	-
ESEA - Charter Schools	9,000	25,000
Technology	5,028	3,841
Support Services		
Administrative and General	50,823	32,268
Fundraising	10,850	-
TOTAL EXPENSES	\$ 744,201	\$ 684,252
CHANGE IN NET ASSETS (Deficit)	51,335	(99,364)
NET ASSETS - (Deficit) BEGINNING	(258,731)	(159,367)
NET ASSETS - (Deficit) ENDING	\$ (207,396)	\$ (258,731)

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MEDICAL CENTER CHARTER SCHOOL
Statement of Cash Flows
August 31, 1999 and 1998

CASH FLOWS FROM OPERATING ACTIVITIES	1999	1998
Change in Net Assets	\$ 51,335	\$ (99,364)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities		
Depreciation	740	1,198
Decrease (Increase) in Due from State	-	4,519
Decrease (Increase) in Due from Employee	-	400
Decrease (Increase) in Prepaid Expenses	-	12,329
Decrease (Increase) in Due from Contributors	-	15,000
Decrease (Increase) in Receivable	(14,625)	(1,500)
Increase (Decrease) in Accounts Payable	(31,988)	100,110
Increase (Decrease) in Other Liabilities	-	(8,816)
Increase (Decrease) in Other	5,509	(2,317)
Increase (Decrease) in Due to State	(57,386)	8,414
Net Cash Provided (Used) by Operating Activities	(46,415)	29,973
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Equipment	(3,282)	(858)
Net Cash Used for Investing Activities	(3,282)	(858)
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of Loan Principal	(5,830)	(2,360)
Loan from St. Nicholas	70,627	-
Repayment of Loan from St. Nicholas	(16,535)	(3,296)
Net Cash Provided (Used) by Financing Activities	48,262	(5,656)
Net Increase (Decrease) in Cash and Cash Equivalents	(1,435)	23,459
Cash and Cash Equivalents at Beginning of Period	23,459	-
Cash and Cash Equivalents at End of Period	\$ 22,024	\$ 23,459
<u>Memo:</u>		
Interest Paid	\$ 1,120	\$ 2,044

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MEDICAL CENTER CHARTER SCHOOL
Statement of Functional Expenses
for Year Ending August 31, 1999

	Program Services				
	General School Operations	ESEA Title I Part A Improving Basic Programs	National School Breakfast and Lunch Program	Title IV Part A Drug-Free	ESEA Title VI
EXPENSES					
Payroll Costs					
Teachers and Other Professional Personnel	\$ 144,052	\$ 13,314	\$ -	\$ 1,326	\$ 599
Support Personnel	27,439	12,222			
Employee Benefits	22,499				
Total Payroll	\$ 193,990	\$ 25,536	\$ -	\$ 1,326	\$ 599
Professional and Contracted Services					
Professional Services	\$ 77,582	\$ -	\$ -	\$ -	\$ -
Education Service Center Services	1,733	-			
Contracted Maintenance and Repair Services	20,532				
Utilities	43,300				
Rentals - Operating Leases	198,302				
Total Professional and Contracted Services	\$ 341,449	\$ -	\$ -	\$ -	\$ -
Supplies and Materials					
Supplies and Materials for Maintenance and/ or Operations		\$ -	\$ -	\$ -	\$ -
Textbooks and Other Reading Materials	40,028				
Food Service	34,041		16,200		
Supplies and Materials - General					
Total Supplies and Materials	\$ 74,069	\$ -	\$ 16,200	\$ -	\$ -
Other Operating Costs					
Advertising	\$ 2,033	\$ -	\$ -	\$ -	\$ -
Insurance and Bonding Costs	10,426				
Miscellaneous Operating Costs					
Total Other Operating Costs	\$ 12,459	\$ -	\$ -	\$ -	\$ -
Other Expenses					
Interest Expenses	\$ 1,120	\$ -	\$ -	\$ -	\$ -
Field Trips	285				
Total Other Expenses	\$ 1,405	\$ -	\$ -	\$ -	\$ -
Total Expenses Before Depreciation	\$ 623,372	\$ 25,536	\$ 16,200	\$ 1,326	\$ 599
Depreciation Expense	740				
Total Expenses	\$ 624,112	\$ 25,536	\$ 16,200	\$ 1,326	\$ 599

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MEDICAL CENTER CHARTER SCHOOL

Statement of Functional Expenses

for Year Ending August 31, 1999

Support Services					
Title IIB Professional Development	ESEA Charter Schools	Technology Allotment	Total Program Services	Administrative and General	Total All Funds
\$ 727	\$ 6,000 3,000	\$ -	\$ 166,018 42,661 22,499	\$ -	\$ 166,018 42,661 22,499
<u>\$ 727</u>	<u>\$ 9,000</u>	<u>\$ -</u>	<u>\$ 231,178</u>	<u>\$ -</u>	<u>\$ 231,178</u>
\$ -	\$ -	\$ -	\$ 77,582 1,733 20,532 43,300 198,302	\$ -	\$ 77,582 1,733 20,532 43,300 198,302
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 341,449</u>	<u>\$ -</u>	<u>\$ 341,449</u>
\$ -	\$ -	\$ 5,028	\$ 5,028 40,028 50,241	\$ -	\$ 5,028 40,028 50,241
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,028</u>	<u>\$ 95,297</u>	<u>\$ -</u>	<u>\$ 95,297</u>
\$ -	\$ -	\$ -	\$ 2,033 10,426	\$ -	\$ 2,033 10,426
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 12,459</u>	<u>\$ 61,673</u>	<u>\$ 74,132</u>
\$ -	\$ -	\$ -	\$ 1,120 285	\$ -	\$ 1,120 285
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,405</u>	<u>\$ -</u>	<u>\$ 1,405</u>
\$ 727	\$ 9,000	\$ 5,028	\$ 681,788 740	\$ 61,673	\$ 743,461 740
<u>\$ 727</u>	<u>\$ 9,000</u>	<u>\$ 5,028</u>	<u>\$ 682,528</u>	<u>\$ 61,673</u>	<u>\$ 744,201</u>

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MEDICAL CENTER CHARTER SCHOOL

Statements of Functional Expenses

August 31, 1998

	Program Services				
	General School Operations	ESEA Title I Part A Improving Basic Programs	National School Breakfast and Lunch Program	Title IV Part A Drug-Free	ESEA Title IV
EXPENSES					
Payroll Costs					
Teachers and Other Professional Personnel	\$ 112,045	\$ 17,195	\$ -	\$ 711	\$ 376
Support Personnel	71,375				
Employee Benefits	13,635				
Total Payroll	<u>\$ 197,053</u>	<u>\$ 17,195</u>	<u>\$ -</u>	<u>\$ 711</u>	<u>\$ 376</u>
Professional and Contracted Services					
Professional Services	\$ 98,804	\$ -	\$ -	\$ -	\$ -
Education Service Center Services		1,135			68
Contracted Maintenance and Repair Services	22,528				
Utilities					
Rentals - Operating Leases	183,100				
Total Professional and Contracted Services	<u>\$ 304,432</u>	<u>\$ 1,135</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 68</u>
Supplies and Materials					
Supplies and Materials for Maintenance and/or Operations	\$ 6,758	\$ -	\$ -	\$ -	\$ -
Textbooks and Other Reading Materials	34,750				
Food Service	30,666		14,834		
Supplies and Materials - General					
Total Supplies and Materials	<u>\$ 72,174</u>	<u>\$ -</u>	<u>\$ 14,834</u>	<u>\$ -</u>	<u>\$ -</u>
Other Operating Costs					
Advertising	\$ 415	\$ -	\$ -	\$ -	\$ -
Insurance and Bonding Costs	3,049				
Miscellaneous Operating Costs	6,912				
Total Other Operating Costs	<u>\$ 10,376</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Other Expenses					
Interest Expenses	\$ 3,226	\$ -	\$ -	\$ -	\$ -
Field Trips	365				
Total Other Expenses	<u>\$ 3,591</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Expenses Before Depreciation	<u>\$ 587,626</u>	<u>\$ 18,330</u>	<u>\$ 14,834</u>	<u>\$ 711</u>	<u>\$ 444</u>
Depreciation Expense	1,198				
Total Expenses	<u>\$ 588,824</u>	<u>\$ 18,330</u>	<u>\$ 14,834</u>	<u>\$ 711</u>	<u>\$ 444</u>

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MEDICAL CENTER CHARTER SCHOOL
Statement of Functional Expenses
August 31, 1998

Title IB Professional Development	ESEA Charter Schools	Technology Allotment	Total Program Services	Support Services	
				Administrative and General	Total All Funds
\$ -	\$ 25,000	\$ -	\$ 155,325	\$ -	\$ 155,325
			71,375	-	71,375
			13,635		13,635
<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ -</u>	<u>\$ 240,335</u>	<u>\$ -</u>	<u>\$ 240,335</u>
\$ -	\$ -	\$ -	\$ 98,804	\$ -	\$ 98,804
			1,203		1,203
			22,528		22,528
			-		-
			183,100		183,100
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 305,635</u>	<u>\$ -</u>	<u>\$ 305,635</u>
\$ -	\$ -	\$ -	\$ 6,758	\$ -	\$ 6,758
		3,841	38,591		38,591
			45,500		45,500
			-		-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,841</u>	<u>\$ 90,849</u>	<u>\$ -</u>	<u>\$ 90,849</u>
\$ -	\$ -	\$ -	\$ 415	\$ -	\$ 415
			3,049		3,049
			6,912	32,268	39,180
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,376</u>	<u>\$ 32,268</u>	<u>\$ 42,644</u>
\$ -	\$ -	\$ -	\$ 3,226	\$ -	\$ 3,226
			365		365
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,591</u>	<u>\$ -</u>	<u>\$ 3,591</u>
\$ -	\$ 25,000	\$ 3,841	\$ 650,786	\$ 32,268	\$ 683,054
			1,198		1,198
<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ 3,841</u>	<u>\$ 651,984</u>	<u>\$ 32,268</u>	<u>\$ 684,252</u>

MEDICAL CENTER CHARTER SCHOOL
Notes to the Financial Statements
August 31, 1999 and 1998

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

The Medical Center Charter School (MCCS) offers a model school environment to inspire and serve families through high standards of personal interaction and to present a challenging curriculum that sets high standards of achievement in public education. MCCS, incorporated January 26, 1996, is a Texas nonprofit corporation, organized pursuant to the provision of the Internal Revenue Code, Section 501 (c) (3), for the purpose of establishing and operating an open enrollment charter school in the medical center area of Houston. MCCS is part of the public school system of the state and is entitled to distribution from the State's available school fund. However, MCCS does not have the authority to impose taxes or charge tuition.

Financial Statement Presentation

The organization follows the provisions of Statement of Financial Accounting Standards No. 116, Accounting for Contributions Received and Contributions Made and No. 117, Financial Statements for Not-for-Profit Organizations. Statement No. 116 requires the Organization to distinguish between contributions that increase permanently restricted net assets, temporarily restricted net assets, and unrestricted net assets. It also requires recognition of contributions, including contributed services meeting certain criteria, at fair values. Statement No. 117 establishes standards for general purpose external financial position, a statement of activities and a statement of cash flows, or for the modified cash basis of accounting, a statement of assets, liabilities and fund balance, and the related statements of support, revenues and expenses, and cash flows.

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles. Net assets and revenues, and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the organization and changes therein are classified and reported as follows:

Unrestricted net assets—Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets—Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the organization and/or the passage of time. When restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Support and Revenue

MCCS receives its grant and contract revenue primarily through the State's Department of Education, Texas Education Agency. Revenue recognition depends on the contract. MCCS recognizes contract revenue (up to the contract ceiling) from its tuition reimbursement contract based upon the annual (school-year) average daily attendance. Revenue on other grants and contracts are based upon compliance with the terms of the grants/contracts.

MEDICAL CENTER CHARTER SCHOOL
Notes to the Financial Statements
August 31, 1999 and 1998

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and Equipment

Property and equipment are recorded at cost. The organization records depreciation on fixed assets using the straight-line method over the estimated useful lives of the assets. Depreciation expense for the year ended August 31, 1999 was \$740.

Advertising Expense

MCCS policy on advertising and marketing expenses is to recognize the advertising expense when the expense is incurred.

NOTE 2: BANK LOAN PAYABLE

At August 31, 1999, MCCS had a unsecured line of credit with a bank available as needed with an interest rate of 10%. As of August 31, 1999 and 1998, \$11,810 and \$17,640 of the line of credit was outstanding. The maturity date of the unsecured line of credit is January 31, 2000.

NOTE 3: INCOME TAXES

The organization is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

NOTE 4: FUNCTIONAL EXPENSE ALLOCATION

The costs of providing the School's various programs and supporting services have been summarized on a functional basis in the schedule of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services on the basis of time records and actual costs by the School's management.

NOTE 5: COMMITMENTS AND CONTINGENCIES

MCCS receives funds through federal grant programs which are governed by various rules and regulation of the grantor. Expenses charged to the grant program are subject to audit and adjustment by the grantor agency. In the opinion of management, there are no contingent liabilities relating to compliance with the rules and regulations governing the grants; therefore, no provision has been made in the accompanying financial statements for such contingencies.

NOTE 6: RELATED PARTY TRANSACTIONS

MCCS and Saint Nicholas School, Ltd. (SNS I) and Saint Nicholas Schools II (SNS II) entered into various leases, and other reimbursements contract, SNS I and SNS II have agreed to supply a portion of the building, land, and equipment, as well as certain supplies and contract personnel.

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MEDICAL CENTER CHARTER SCHOOL
Notes to the Financial Statements
August 31, 1999 and 1998

NOTE 7: DEFINED BENEFIT PENSION PLAN

C. Pension Plan

1. Plan Description

MCCS contributes to the Teacher Retirement System of Texas (the "System"), a public employee retirement system. It is a cost-sharing, multiple-employer defined benefit pension plan with one exception: all risks and costs are not shared by the District, but are the liability of the State of Texas. The System provides service retirement and disability retirement benefits, and death benefits to plan members and beneficiaries. The System operates primarily under the provisions of the Texas Constitution and Texas Government Code, Title 8, Subtitle C. The Texas legislature has the authority to establish or amend benefit provisions. The System issued a publicly available financial report that includes financial statements and required supplementary information for the District. That report may be obtained by writing the Teacher Retirement System of Texas, 1000 Red River Street, Austin, Texas 78701-2698 or by calling (800) 877-0123.

2. Funding Policy

Under provisions in State law, plan members are required to contribute 6.4% of their annual covered salary and the State of Texas contributes an amount to 6.0% of the MCCS's covered payroll. The MCCS's employees' contributions to the System for the years ending August 31, 1999, 1998 and 1997 were \$5,829, \$6,342, and \$6,423, respectively, and were equal to the required contributions for each year. The amount contributed by the State on behalf of the District was \$6,423.

NOTE 8: OTHER TEA GRANTS

The other TEA Grants consisted of:

	<u>1999</u>	<u>1998</u>
Technology Allotment - Textbooks	\$ 5,028	\$ 3,841
Title IB - Professional Development	727	0
ESEA Title I Part A	25,536	18,330
ESEA Title VI	599	444
Title IV - Part A Drug-Free	1,326	711
ESEA Charter Schools Grant	<u>9,000</u>	<u>25,000</u>
Total Other TEA Grants	<u>\$ 42,216</u>	<u>\$ 48,326</u>

MEDICAL CENTER CHARTER SCHOOL
Notes to the Financial Statements
August 31, 1999 and 1998

NOTE 9: DUE TO STATE

The liability to the state consists of:

	<u>1999</u>	<u>1998</u>
Overpayment of TEA-Tuition Reimbursements	\$ 15,805	\$73,191
Overpayment of Title 4, Safe Schools-Drug Free	<u>0</u>	<u>0</u>
	<u>\$ 15,805</u>	<u>\$73,191</u>

NOTE 10: GOING CONCERN

During its first two years of operations, Medical Center Charter School sustained operating losses in both years. However, the school operated at a profit during this current fiscal year. The step initiated by management to reduce expenses and increase revenue through increased enrollment has had a positive impact on the school's operations this fiscal year.

The school still has a cumulative deficit of approximately \$215,000. These losses have been financed by deferring payments to private schools from which MCCA leases classroom and office space. Management of MCCA are also the general partners of the private schools and has indicated that they will continue to defer MCCA's operating losses as the school becomes profitable.

Blomstrom & Co., P.C.
Certified Public Accountants

8323 Southwest Freeway, Suite 650
Houston, Texas 77074

(800) 235-0517
(713) 771-4385
Fax (713) 771-5553

Independent Auditor's Report on
**YEAR 2000 REQUIRED SUPPLEMENTAL
INFORMATION (UNAUDITED)**

Medical Center Charter School
1920 N. Braeswood
Houston, Texas 77030

The Year 2000 supplemental information on pages 16 and 17 is not a required part of the basic financial statements but is supplementary information required for not-for-profit organizations. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that the School is or will become year 2000 compliant, that the School's year 2000 remediation efforts will be successful in whole or in part, or that parties with which the School does business are or will become year 2000 compliant.

Blomstrom & Co. P.C.

Houston, Texas
December 3, 1999

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YEAR 2000 SUPPLEMENTAL INFORMATION
(UNAUDITED)

In accordance with Governmental Accounting Standards Board ("GASB") Technical Bulletin 98-1, "Disclosures about Year 2000 Issues," as amended by GASB Technical Bulletin 99-1, following are disclosures about year 2000 issues in general and of the stage of work in process or completed at year end by Medical Center Charter School ("School") to address year 2000 issues for computer systems and other electronic equipment.

The year 2000 issue is the result of many shortcomings in many electronic data processing systems and other equipment may adversely affect operations in the year 1999 and beyond. For many years, programmers eliminated the first two digits from a year when writing programs. For example, programmers would designate January 1, 1965 as "01/01/65" instead of "01/01/1965". On January 1, 2000 at 12:00:01 a.m., the internal clock in computers and other equipment will roll over from "12/31/99" to "01/01/00". Unfortunately, many programs (if not corrected) will not be able to distinguish between the year 2000 and the year 1900. This may cause the programs to process data inaccurately or to stop processing data altogether. Another factor that may cause problems in programs is the leap year calculation. Some programs are unable to detect the year 2000 as a leap year.

Problems affecting a wide range of activities will likely result if computers and other electronic equipment that are dependent upon data-sensitive coding are not corrected. These problems have the potential for causing a disruption to some government operations and may temporarily increase the cost of those operations.

There was no significant amount committed - contracted at August 31, 1999 - by the School to address year 2000 issues for computer systems and other electronic equipment

The following stages of work have been identified by GASB Technical Bulletin 98.1, "Disclosures about Year 2000 Issues," as amended by GASB Technical Bulletin 99-1, as necessary to address the year 2000 issue. These stages were adapted by the GASB from U.S. Securities and Exchange Commission ("SEC"), *Division of Market Regulation Year 2000 (Y2K) Work Program* (January 1998).

1. Awareness Stage - Encompasses establishing a budget and project plan for dealing with the year 2000 issue.
2. Assessment Stage - When the organization begins the actual process of identifying all of its systems (preparing an inventory) and individual components of the system. An organization may decide to review all system components or, through a risk analysis, identify only mission-critical systems and equipment - - systems and equipment critical to conducting operations.
3. Remediation Stage - When the organization actually makes changes to systems and equipment. This stage deals primarily with the technical issues of converting existing systems, or switching to compliant systems. During this stage, decisions are made on how to address year 2000 system or equipment issues, and the required changes are made.

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4. **Validation/Testing Stage** – When the organization validates and test the changes made during the conversion process. The development of test data and test scripts, the running of test scripts, and the review of test results are crucial for this stage of the conversion process to be successful. If the testing results show anomalies, the tested areas need to be corrected and retested.

The School currently is in the validation/testing stage as defined above. However, the completion of these stages of work is not a guarantee that the School is or will become year 2000 compliant

MEDICAL CENTER CHARTER SCHOOL
Supplemental Schedule of Functional Expenses
for the Year ended August 31, 1999

Data Control Codes		Program Services			
		General School Operations	ESEA Title I Part A Improving Basic Programs	National School Breakfast and Lunch Program	Title IV Part A Drug-Free
EXPENSES					
0010	Instruction and Instructional-Related Services	\$ -	\$ -	\$ -	\$ -
0011	Instruction	193,990	13,314		1,326
0012	Instructional Resources and Media Services	21,616	12,222		
0013	Curriculum Development and Instructional Staff Development	41,587			
	Total Instruction and Instructional-Related Services	\$ 257,193	\$ 25,536	\$ -	\$ 1,326
0020	Instructional and School Leadership				
0023	School Leadership	\$ 63,206	\$ -	\$ -	\$ -
	Total Instructional and School Leadership	\$ 63,206	\$ -	\$ -	\$ -
0030	Support Services - Student				
0031	Guidance, Counseling and Evaluation Services	\$ 3,174	\$ -	\$ -	\$ -
0032	Social Work Services				
0035	Food Service	34,041		16,200	
0036	Cocurricular/Extracurricular Activities	421			
	Total Support Service - Student	\$ 37,636	\$ -	\$ 16,200	\$ -
0040	Administrative Support Services		\$ -	\$ -	\$ -
0041	General Administration	2,210			
	Total Administrative Support Services	\$ 2,210	\$ -	\$ -	\$ -
0050	Support Services - Non-student Based		\$ -	\$ -	\$ -
0051	Plant Maintenance and Operations	262,134			
0053	Data Processing Services	1,733			
	Total Support Services - Non-student Based	\$ 263,867	\$ -	\$ -	\$ -
TOTAL EXPENSES		\$ 624,112	\$ 25,536	\$ 16,200	\$ 1,326

NOTE: Data Control Codes refer to the account code structure prescribed by the Texas Education Agency in the Special Supplement to Financial Accounting and Reporting-Nonprofit Charter School Chart of Accounts module of the Financial Accountability System Resource Guide.

MEDICAL CENTER CHARTER SCHOOL
Supplemental Schedule of Functional Expenses
for the Year ended August 31, 1999

ESEA Title VI	Title IIB Professional Development	ESEA Charter Schools	Technology Allotment	Total Program Services	Support Services		Total All Funds
					Administrative and General		
			\$ -	\$ -	\$ -	\$ -	\$ -
599	727	6,000		215,956			215,956
		3,000		36,838	-		36,838
				-			-
				41,587			41,587
<u>\$ 599</u>	<u>\$ 727</u>	<u>\$ 9,000</u>	<u>\$ -</u>	<u>\$ 294,381</u>	<u>\$ -</u>		<u>\$ 294,381</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,206</u>	<u>\$ -</u>		<u>\$ 63,206</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 63,206</u>	<u>\$ -</u>		<u>\$ 63,206</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,174</u>	<u>\$ -</u>		<u>\$ 3,174</u>
				-			-
				50,241	-		50,241
				421	-		421
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 53,836</u>	<u>\$ -</u>		<u>\$ 53,836</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,617</u>		<u>\$ 1,617</u>
				2,210	60,056		62,266
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,210</u>	<u>\$ 61,673</u>		<u>\$ 63,883</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ -</u>
				262,134			262,134
			5,028	6,761			6,761
			<u>\$ 5,028</u>	<u>\$ 268,895</u>	<u>\$ -</u>		<u>\$ 268,895</u>
<u>\$ 599</u>	<u>\$ 727</u>	<u>\$ 9,000</u>	<u>\$ 5,028</u>	<u>\$ 682,528</u>	<u>\$ 61,673</u>		<u>\$ 744,201</u>

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MEDICAL CENTER CHARTER SCHOOL
Supplemental Schedule of Functional Expenses
August 31, 1998

Data Control Codes		Program Services			
		General School Operations	ESEA Title I Part A Improving Basic Programs	National School Breakfast and Lunch Program	Title IV Part A Drug-Free
EXPENSES					
0010	Instruction and Instructional-Related Services	\$ 6,342	\$ 17,195	\$ -	\$ -
0011	Instruction	92,196			
0012	Instructional Resources and Media Services	32,390	-		711
0013	Curriculum Development and Instructional Staff Development	3,205			
		18,984	1,135		
	Total Instruction and Instructional-Related Services	\$ 153,117	\$ 18,330	\$ -	\$ 711
0020	Instructional and School Leadership	\$ 26,632			
0023	School Leadership	11,291	\$ -	\$ -	\$ -
	Total Instructional and School Leadership	\$ 37,923	\$ -	\$ -	\$ -
0030	Support Services - Student				
0031	Guidance, Counseling and Evaluation Services	\$ 13,579	\$ -	\$ -	\$ -
0032	Social Work Services				
0035	Food Service	30,666		14,834	
0036	Cocurricular/Extracurricular Activities	145			
	Total Support Service - Student	\$ 44,390	\$ -	\$ 14,834	\$ -
0040	Administrative Support Services	\$ 31,374	\$ -	\$ -	\$ -
0041	General Administration	72,958			
	Total Administrative Support Services	\$ 104,332	\$ -	\$ -	\$ -
0050	Support Services - Non-student Based	\$ 7,419	\$ -	\$ -	\$ -
0051	Plant Maintenance and Operations	240,802			
0053	Data Processing Services	841			
	Total Support Services - Non-student Based	\$ 249,062	\$ -	\$ -	\$ -
	TOTAL EXPENSES	\$ 588,824	\$ 18,330	\$ 14,834	\$ 711

NOTE: Data Control Codes refer to the account code structure prescribed by the Texas Education Agency in the Special Supplement to Financial Accounting and Reporting-Nonprofit Charter School Chart of Accounts module of the Financial Accountability System Resource Guide.

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MEDICAL CENTER CHARTER SCHOOL
Supplemental Schedule of Functional Expenses
August 31, 1998

ESEA Title VI	Title IIB Professional Development	ESEA Charter Schools	Technology Allotment	Total Program Services	Support Services	
					Administrative and General	Total All Funds
\$ -		\$ -	\$ 1,578	# \$ 25,115	\$ -	\$ 25,115
		5,849	2,263	100,308		100,308
444		7,148	-	40,693	-	40,693
				3,205	-	3,205
				20,119		20,119
<u>\$ 444</u>	<u>\$ -</u>	<u>\$ 12,997</u>	<u>\$ 3,841</u>	<u>\$ 189,440</u>	<u>\$ -</u>	<u>\$ 189,440</u>
		\$ 11,153				
\$ -	\$ -	-	\$ -	\$ 11,291	\$ -	\$ 11,291
\$ -	\$ -	\$ 11,153	\$ -	\$ 49,076	\$ -	\$ 49,076
\$ -	\$ -	\$ 850	\$ -	\$ 14,429	\$ -	\$ 14,429
				45,500	-	45,500
				145	-	145
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 850</u>	<u>\$ -</u>	<u>\$ 60,074</u>	<u>\$ -</u>	<u>\$ 60,074</u>
\$ -	\$ -	\$ -	\$ -	\$ 31,374	\$ -	\$ 31,374
				72,958	32,268	105,226
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 104,332</u>	<u>\$ 32,268</u>	<u>\$ 136,600</u>
\$ -	\$ -	\$ -	\$ -	\$ 7,419	\$ -	\$ 7,419
				240,802	-	240,802
				841		841
			\$ -	\$ 249,062	\$ -	\$ 249,062
<u>\$ 444</u>	<u>\$ -</u>	<u>\$ 25,000</u>	<u>\$ 3,841</u>	<u>\$ 651,984</u>	<u>\$ 32,268</u>	<u>\$ 684,252</u>

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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

Board of Trustees
Medical Center Charter School
1920 N. Braeswood
Houston, Texas 77030

Members of the Board of Trustees:

We have audited the financial statements of Medical Center Charter School as of and for the years ended August 31, 1999 and 1998, and have issued our report thereon dated December 3, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

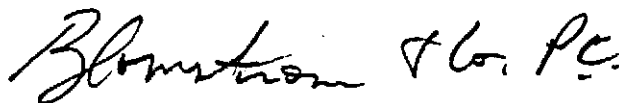
As part of obtaining reasonable assurance about whether Medical Center Charter School's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Medical Center Charter School's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended for the information of the Board, management and federal awarding agencies and pass through entities and is not intended to be used by anyone other than those specified parties.

Houston, Texas
December 3, 1999



LEASE OF SCHOOL FACILITY

STATE OF TEXAS
COUNTY OF HARRIS

This Lease Agreement is made and entered into by and between SAINT NICHOLAS SCHOOL, LTD. ("Lessor"), and MEDICAL CENTER CHARTER SCHOOL, ("Lessee").

In consideration of the obligation of Lessee to pay the rent provided in this Lease and in consideration of the other terms, covenants, and conditions of this Lease, Lessor hereby demises and leases to Lessee, and Lessee hereby takes from Lessor the following real property:

- (1) all elementary class rooms and the playing field, which are part of the improvements described in Exhibit "A" attached hereto and made a part hereof for all purposes; and
- (2) the right to equal use of administrative offices, and all common areas, halls, and stairways, which are part of the improvements described in Exhibit "A" attached hereto and made a part hereof for all purposes; and
- (3) the fixtures and equipment described in Exhibit "B" attached hereto and made a part hereof for all purposes (the "lease premises"),

to have and to hold for a term commencing on September 1, 1998, and ending August 31, 2001, on the following terms and conditions:

ARTICLE I
Acceptance of Existing Premises

1.1 Lessee acknowledges that it has, prior to the execution of this Lease, inspected the leased premises. By occupying the leased premises, Lessee shall be deemed to have accepted the premises and to have acknowledged that the premises comply fully with Lessor's covenants under this Lease.

ARTICLE II
Rent

2.1 Rental shall accrue under this Lease from September 1, 1997, and shall be payable at the place designated for the delivery of notices to Lessor at the time of payment.

2.2 Lessee shall pay to Lessor rental in the aggregate amount of FORTY-NINE THOUSAND EIGHT HUNDRED FORTY-FIVE DOLLARS (\$49,845.00), payable in advance, in fifteen equal monthly installments of THREE THOUSAND THREE HUNDRED TWENTY-THREE DOLLARS (\$3,323.00), beginning on or before June 1, 1997, with a like amount being due and payable on or before the first day of each and every succeeding calendar month during the term of this Lease. Notwithstanding the foregoing, Lessee shall pay to Lessor on the commencement date the sum of THREE THOUSAND THREE HUNDRED TWENTY-THREE DOLLARS (\$3,323.00) as a security deposit, to be held by Lessor without interest and to be applied to the last accruing installments of Rental under this Lease.

ARTICLE III Use and Care of Premises

3.1 The leased premises shall be used and occupied for the purpose of operating an open-enrollment charter school and for no other purposes, without the prior written consent of Lessor.

3.2 All property kept, stored or maintained within the leased premises by Lessee shall be at Lessee's sole risk.

3.3 Lessee shall not conduct within the leased premises any objectionable activity, nor permit any objectionable or unpleasant odors to emanate from the premises, nor take any other action which would disturb or endanger the public.

3.4 Lessee shall take good care of the leased premises and keep them free from waste at all times. Lessee shall keep the leased premises, including signs, sidewalks, service ways, and loading areas adjacent to the premises neat, clean, and free from dirt or rubbish at all times.

ARTICLE IV Maintenance and Repair of Premises

4.1 Lessee shall keep the leased premises in good, clean condition and shall make all needed repairs, including, but not limited to, the foundation, exterior walls, and roof. Lessee shall be responsible 25.00% of all maintenance or repair charges, and Lessor shall be responsible for 75.00% of said charges. If any repairs required to be made by Lessee hereunder are not made within ten (10) days after written notice delivered to Lessee by Lessor, Lessor may at its option make such repairs without liability to Lessee for any loss or damage by reason of such repairs, and Lessee shall pay to Lessor on demand as additional rental under this Lease its pro rata share of the cost of the repairs, together with interest at the maximum legal rate in effect in the State of Texas

from the date of payment by Lessor until repaid by Lessee. At the expiration of this Lease, Lessee shall surrender the leased premises in good condition, reasonable wear and tear, loss by unavoidable casualty, alone excepted.

ARTICLE V
Alterations and Fixtures

5.1 Lessee shall not make any alterations, additions, or improvements to the leased premises without the prior written consent of Lessor. All alterations, additions, improvements, and fixtures, that may be made or installed by either party on the leased premises shall become the property of Lessor and at the termination of this Lease shall remain on and be surrendered with the leased premises, unless Lessor requests their removal, in which event Lessee shall remove the same and restore the leased premises to their original condition at Lessee's expense. Any linoleum, carpeting, or other floor covering of similar character that may be cemented or otherwise affixed to the floor of the demised premises, and any paneling or other wall covering, shall also become the property of Lessor, all without credit or compensation to Lessee.

5.2 Lessee shall not permit any lien or obligation to be imposed on the leased premises by reason of any alteration, repair, labor performed, or materials furnished to the leased premises for or on behalf of Lessee, and Lessee will discharge any such lien or charge immediately after the lien attaches or the charge becomes due and payable.

ARTICLE VI
Utilities

6.1 Lessee shall promptly pay all charges for electricity, water, telephone service, and other utilities furnished to the leased premises.

6.2 Lessor shall not be liable for any interruption or impairment whatsoever in utility services.

ARTICLE VII
Insurance and Indemnity

7.1 Lessor shall not be liable to Lessee or to any other person on the leased premises for any loss or damage to the person or property of Lessee or such other person caused by any act of negligence whatsoever or due to improper construction, condition, or repair of the building, and Lessee hereby agrees to indemnify

Lessor and hold it harmless from any loss, expense, or claim arising out of any such damage or injury.

7.2 Lessor shall procure and maintain throughout the term of this Lease policies of insurance providing fire and extended coverage on the building and other improvements, general liability insurance on the premises, and medical payments coverage for all children, whether enrolled in the open-enrollment charter school or the day care facility. Lessor shall pay 75.00% of the total premium and Lessee shall pay 25.00% of the total premium.

ARTICLE VIII
Non-Liability for Certain Damages

Lessor shall not be liable to Lessee for any injury to person or damage to property caused by escape or leakage of gas, water, steam, electricity, or oil on or into the leased premises, nor shall Lessor be liable to Lessee for any loss or damage that may be occasioned by or through the acts or omissions of any persons whatsoever.

ARTICLE IX
Access to Premises

9.1 Lessee shall have the right to the exclusive use of all elementary class rooms and the playing field, and shall have the right to equal use of administrative offices, and all common areas, halls, and stairways.

9.2 Lessor shall have the right to the exclusive use of the areas designated for infants, including infant orientation, and the right to equal use of administrative offices, and all common areas, halls, and stairways.

9.3 In addition, Lessor shall have the right to enter upon the areas reserved for the exclusive use of the Lessee, at reasonable hours for the purpose of inspection. Lessor shall not be liable to Lessee for any expense, loss, or damage caused by any such entry on the leased premises.

ARTICLE X
Damage by Casualty

10.1 Lessee shall give immediate written notice to Lessor of any damage caused to the leased premises by fire or other casualty.

10.2 In the event that the leased premises are damaged or

destroyed by fire or other casualty insurable under standard fire and extended coverage insurance and Lessor does not elect to terminate the Lease as provided below, Lessor shall proceed with reasonable diligence and at its sole cost and expense to rebuild and repair the leased premises. If the leased premises are damaged or destroyed by fire or other casualty so as to render un-leasable more than fifty percent (50%) of the floor area of the entire building in which the leased premises are located, Lessor may elect either to terminate this Lease or to proceed to rebuild and repair the leased premises. Lessor shall give written notice to Lessee of its election within sixty (60) days after the occurrence of the casualty and, if it elects to rebuild and repair, shall proceed to do so with reasonable diligence and at its sole cost and expense.

10.3 Lessor's obligation to rebuild and repair under this Article X shall be limited to restoring the damaged portion of the leased premises to substantially the condition in which Lessor had placed the leased premises at the time of Lessor's original tender of possession to Lessee, as modified by ordinary wear and tear preceding the damage or destruction. Lessee agrees that, promptly after completion of any such work by Lessor, it will proceed with reasonable diligence and at its sole cost and expense to rebuild, repair and restore its signs, fixtures, and equipment, and perform any other work necessary to open the leased premises for business.

10.4 During any period of reconstruction or repair of the leased premises, this Lease shall continue in full force and effect, except that the Rental shall be abated for the length of time necessary for the reconstruction or repairs in proportion to the amount of floor area of the leased premises rendered unusable. There shall be no abatement of any other amounts payable by Lessee under the terms of this Lease.

10.5 Any insurance against casualty loss which may be carried by either Lessor or Lessee shall be under the sole control of the party carrying the insurance, and the other party shall have no interest in any proceeds of that insurance. Lessor and Lessee hereby expressly waive any cause of action or right of recovery which either of them may hereafter have against the other for any loss or damage to the leased premises or to the contents of the premises belonging to either caused by fire, explosion, or other risk covered by the Texas standard form of fire and extended coverage policy.

ARTICLE XI Eminent Domain

11.1 If the whole or any substantial part of the leased premises should be taken for any public or quasi public use under

any law, ordinance, or regulation or by right of eminent domain or by private purchase in lieu thereof, then it is agreed that at the option of either party to this Lease, this Lease shall be cancelled as of the date of the taking, and both parties shall be relieved of all obligations imposed by this Lease. Should this Lease contract be cancelled by any such event, it is agreed that the Lessee shall have the right to recover only such damages suffered or sustained by Lessee as are the result of the taking of the property belonging to Lessee. It is expressly understood and agreed that the Lessee shall have no claim against the Lessor and shall not have any claim or right to any portion of any amount that may be awarded as damages or paid as a result of any such involuntary conversion, whether brought about by suit or agreement, for the cancellation of the Lease or for Lessee's leasehold interest. It is expressly understood and agreed that any and all such amounts shall belong to the Lessor. All rights of the Lessee to damages for cancellation of lease or loss of leasehold, if any, are hereby assigned by the Lessee to the Lessor.

11.2 If less than a substantial portion of the leased premises should be taken for any public or quasi public use under any law, ordinance, or regulation or by right of eminent domain or by private purchase in lieu thereof, this Lease shall not terminate. But the Rental under this Lease during the unexpired portion of this Lease shall be reduced as of the date of the taking in proportion to the ratio that the number of usable feet taken bears to the total number of usable feet in the leased premises. In the event of a taking such as that set out in this paragraph it is agreed that the Lessee shall have the right to recover only such damages suffered or sustained by Lessee as are the result of the taking of property which belongs to the Lessee, It is expressly understood and agreed that the Lessee shall have no claim against the Lessor and shall not have any claim or right to any portion of any amount that may be awarded as damages or paid as a result of such taking for the loss of any part of Lessee's leasehold interest. It is expressly understood that any and all of such amounts shall belong to the Lessor and all rights of the Lessee to damages for the loss of leasehold interest, if any, are hereby assigned by the Lessee to the Lessor.

ARTICLE XII Assignment and Subletting

12.1 Lessee shall not assign or in any manner transfer this Lease or any estate or interest in this Lease, or sublet the leased premises or any part of the premises without the prior written consent of Lessor. Consent by Lessor to one or more assignments or sublettings shall not operate as a waiver of Lessor's rights as to any subsequent assignments and sublettings. Notwithstanding any

assignment or subletting, Lessee shall at all times remain fully responsible and liable for the payment of the rent specified in this Lease and for compliance with all of its other obligations under this lease.

12.2 In the event of the transfer and assignment by Lessor of its interest in this Lease and in the building containing the leased premises to a person, firm, or corporation assuming Lessor's obligations under this Lease, Lessor shall be released from any further obligations under this Lease. Lessee agrees to look solely to the responsibility of the successor in interest of the Lessor. Any security given by Lessee to secure performance of its obligations under this Lease may be assigned and transferred by Lessor to a successor in interest of Lessor and Lessor shall thereby be discharged of any further obligation for the security.

ARTICLE XIII
Property Taxes

13.1 Lessee shall be liable for all taxes levied against personal property and trade fixtures placed by Lessee in the leased premises. If any such taxes for which Lessee is liable are levied against Lessor or Lessor's property, and if Lessor elects to pay them, or if the assessed value of Lessor's property is increased by inclusion of personal property and trade fixtures placed by Lessee in the Leased premises and Lessor elects to pay the taxes based on that increase, Lessee shall pay to Lessor on demand that part of the taxes attributable to Lessee's personal property and trade fixtures.

13.2 As additional rental, the Lessee agrees to pay to the Lessor, on demand, an amount equal to any additions to or increases in any and all taxes, assessments, impositions, levies, charges, exercises, fees, licenses, and other sums levied, assessed, or imposed by any governmental authority ("taxes and assessments") against the leased premises that shall become due and payable during the term of this Lease that are in addition to or greater than taxes and assessments for the year 1995. Lessor shall be required to send Lessee copies of all tax bills pertaining to the leased premises. Provided, however, that for any partial tax year occurring during the term of this Lease, the Lessee shall be liable for only that portion of any such taxes and assessments as the number of days in the partial tax year bears to 365.

ARTICLE XIV
Events of Default and Remedies

14.1 The following events shall be deemed to be events of default by Lessee under this Lease:

a. Failure of Lessee to pay when due any installment of rent or any other sums or charges due under this Lease.

b. Failure of Lessee comply with any term, provision, or covenant of this Lease, other than the payment of rent, and failure to cure that breach within thirty (30) days after written notice of the breach to Lessee.

c. Insolvency of Lessee, a transfer by Lessee in fraud of creditors, or assignment by Lessee for the benefit of creditors.

d. Commencement by or against Lessee proceedings in bankruptcy, or for reorganization of Lessee, or for the re-adjustment or arrangement of Lessee's debts, whether under the Bankruptcy Act of the United States of America or under any other law, whether State or Federal, now or hereafter existing for the relief of debtors, or commencement of any analogous statutory or nonstatutory proceeding involving Lessee. The acceptance by Lessor of Lessee's monthly payment as provided in this Lease subsequent to the occurrence of any such event of default, or that set forth in subparagraph (e) below, shall be as compensation for use and occupancy of the leased premises, and shall in no way constitute a waiver by Lessor of its right to exercise any of the remedies provided below on the occurrence of any event of default.

e. Appointment of a Receiver or Trustee for all or substantially all of the assets of Lessee.

f. Desertion or vacation by Lessee of any substantial portion of the premises.

15.2 On the occurrence of any of such events of default, Lessor shall have the option to pursue any one or more of the following remedies without any notice or demand whatsoever:

a. Termination of this Lease, in which event Lessee shall immediately surrender the leased premises to Lessor, and if Lessee fails to do so, Lessor may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the leased premises and expel or remove Lessee and any other person who may be occupying the premises or any part of the premises, by force if necessary, without liability for prosecution or any claim of damages; and Lessee agrees to pay to Lessor on demand the amount of all loss and damage that Lessor may suffer by reason of any such termination, whether through inability to relet the leased premises on satisfactory terms or otherwise.

b. Entry on and repossession of the leased premises and

expulsion or removal of Lessee and any other person who may be occupying the premises or any part of the premises, by force if necessary, without liability for prosecution or for any claim for damages, and relet the leased premises and receive the rent; and Lessee agrees to pay to Lessor on demand any deficiency that may arise by reason of such re-letting.

c. Entry on the leased premises, by force if necessary, without liability for prosecution or for any claim for damages, and performance of any of Lessee's obligations under the terms of this Lease; and Lessee agrees to reimburse Lessor on demand for any expenses that Lessor may incur in thus effecting compliance with Lessee's obligation under this Lease. Lessee further agrees that Lessor shall not be liable for any damages resulting to the Lessee from such actions, whether caused by the negligence of Lessor or otherwise.

Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies provided in this Lease or any other remedies provided by law, nor shall pursuit of any of the other remedies provided constitute a forfeiture or waiver of any rent due to Lessor under this Lease or of any damages accruing to Lessor by reason of the violation of any of the terms, provision, or covenants contained in this Lease. Forbearance by Lessor to enforce one or more of the remedies provided on an event of default shall not be deemed or construed to constitute a waiver of the default.

14.3 If, on account of any breach or default by Lessee in Lessee's obligations under this Lease, it shall become necessary for Lessor to employ an attorney to enforce or defend any of Lessor's rights or remedies, Lessee agrees to pay any reasonable attorney's fees incurred by Lessor for that purpose.

ARTICLE XV Lessor's Lien

15.1 Lessee hereby grants to Lessor a valid first security interest on all the goods, chattels, furniture, trade fixtures, and property that Lessee may own and have on the leased premises at any time or times during the term of this Lease, as well as on the proceeds of any insurance accruing to Lessee by reason of any destruction of or damage to any such property, to secure all rents and other sums due or to become due Lessor under this Lease, any and all exemption laws being expressly waived in favor of the security interest. It is agreed that this express security

interest shall not be construed as a waiver of any statutory or other liens given or that may be given to Lessor, but shall be in addition to any such statutory or other lien. It is agreed that in the event of default by Lessee under this Lease, Lessor shall have and be entitled to exercise all right and remedies provided or granted to a secured party after default under the Uniform Commercial Code with respect to any and all personal property on the premises, including, without limitation, the right to take and retain possession of any or all such property and to sell or otherwise utilize such property at public or private sale or in any other manner authorized or provided in the Uniform Commercial Code. On request by Lessor, Lessee agrees to execute and deliver to Lessor from time to time such UCC Financing Statements as Lessor may deem necessary to perfect the security interest of Lessor in the property described above and the proceeds of such property under the provisions of the Uniform Commercial Code in force in the State of Texas.

ARTICLE XVI
Subordination

16.1 This Lease is subject and subordinate to any mortgage, Deed of Trust or other lien which may now or hereafter encumber the leased premises and to all renewals, modifications, consolidations, replacements, and extensions of any such mortgage, Deed of Trust, or lien. This clause shall be self operative and no further instrument of subordination need be required by any mortgagee. In confirmation of this subordination, however, Lessee shall, at Lessor's request, execute promptly any appropriate certificate or instrument that Lessor may request. Lessee hereby constitutes and appoints Lessor the Lessee's attorney-in-fact to execute any such certificate or instrument for and on behalf of Lessee. In the event of the enforcement by the Trustee or the Beneficiary under any such mortgage or Deed of Trust of the remedies provided for by law or by the mortgage or Deed of Trust, Lessee will, upon request of any person or parties succeeding to the interest of Lessor as a result of such enforcement, automatically become the Lessee of the successor in interest without change in the terms or other provisions of this Lease.

ARTICLE XVII
Miscellaneous

17.1 In this Lease, the singular shall include the plural and vice versa, and the masculine shall include the feminine or neuter.

17.2 If any clause or provision of this Lease is illegal,

invalid, or unenforceable under present or future laws effective during the term of this Lease, it is the intention of the parties that the remainder of this Lease shall not be affected by any such illegality, invalidity, or un-enforceability, and the parties hereby declare that this Lease would have been entered into without the unenforceable portion.

17.3 This Lease may not be altered, changed, or amended except by instrument in writing signed by both parties. The terms, provisions, covenants, and conditions contained in this Lease shall apply to, inure to the benefit of, and be binding on the parties and on their respective successors in interest and legal representatives, except as otherwise expressly provided.

17.4 The captions used in this Lease are for convenience only and do not in any way limit or amplify the terms and provisions.

17.5 One or more waivers of any covenant, term, or condition of this Lease by either party, or of any act by the other party requiring consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any subsequent similar act.

17.6 Whenever a period of time is prescribed in this Lease for action to be taken by Lessor, Lessor shall not be liable or responsible for, and there shall be excluded from the computation of any such period of time, any delays due to strikes, riots, acts of God, shortages of labor or materials, war, governmental laws, regulations, or restrictions or any other causes of any kind whatsoever which are beyond the reasonable control of Lessor.

17.7 Lessor covenants and agrees that, on payment by Lessee of the rent and all other sums provided for in this Lease, and on the observance and performance of all of the covenants and agreements on the Lessee's part to be observed and performed, Lessee shall, subject to the terms and provisions of this Lease, at all times during the continuance of this Lease have the peaceable and quiet enjoyment and possession of the leased premises.

17.8 Nothing contained in this Lease shall be deemed or construed by the parties, or by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between the parties, it being understood and agreed that neither the method of computation of rent, nor any other provision contained in this Lease, nor any acts of the parties, shall be deemed to create any relationship between the parties other than the relationship of Lessor and Lessee.

17.9 Lessee warrants that it has had no dealings with any

broker or agent in connection with the negotiation or execution of this Lease and Lessee agrees to indemnify and hold Lessor harmless from and against any and all costs, expense, or liability for commissions or other compensations and charges claimed by any broker or agent with respect to this Lease.

17.10 Should Lessee fail to pay when due any installment of Rent, or any other sum payable to the Lessor under the terms of this Lease, interest at the maximum legal rate then payable by Lessee in the State of Texas shall accrue from and after the date on which any such installment or sum shall be due and payable, and the interest shall be paid by Lessee to Lessor at the time of payment of the sum on which the interest shall have accrued.

17.11 The term "Lessor" shall mean only the owner from time to time of the leased premises. It is specifically understood and agreed that Lessor shall have no personal liability with respect to any of the covenants, conditions, or provisions of this Lease. In the event of a breach or default by Lessor of any of its obligations under this Lease, Lessee shall look solely to the equity of the Lessor in the leased premises for the satisfaction of Lessee's remedies, and Lessee shall have no right to seek, obtain, or enforce a claim or judgement against Lessor for any deficiency remaining, following exhaustion of Lessor's equity in the leased premises.

17.12 The term "Lease Year", as used in this Lease, shall, in the case of the first Lease year, mean the period that commences with the Commencement Date of the Lease term and terminates on the last day of the twelfth (12th) full calendar month after the commencement, and the first Lease Year shall include twelve (12) full calendar months plus the partial month, if any, at the commencement of the lease term if the lease term does not commence on the first day of a calendar month. Each subsequent Lease Year shall mean a period of twelve (12) full calendar months commencing with the date following the last day of the first Lease Year, and each subsequent anniversary of such day. The last Lease year of the Lease term shall include the period which commences on the day immediately following the last day of the preceding Lease Year and terminates on the last day of the Lease term, and the parties recognize that the last Lease Year may be less than twelve (12) full calendar months, depending on the date of termination of the Lease term.

ARTICLE XVIII Notices

18.1 Wherever any notice is required or permitted under this Lease, the notice shall be in writing. Any notice or document

required or permitted to be delivered, whether actually received or not, shall be deemed given when deposited in the United States Mail, postage prepaid, Certified Mail, Return Receipt Requested, addressed to the parties at the respective addresses set out opposite their names below, or at such other addresses as they have specified by written notice delivered in accordance with this paragraph.

SAINT NICHOLAS SCHOOL, LTD.
1920 N. Braeswood Blvd.
Houston, Texas 77030

Medical Center Charter School
1920 N. Braeswood Blvd.
Houston, Texas 77030

EXECUTED the ____ day of _____, _____.

SAINT NICHOLAS SCHOOL, LTD., LESSOR

BY: _____
Terry-Heard Management, Inc., General Partner

MEDICAL CENTER CHARTER SCHOOL, LESSEE

BY: _____
James L. McKey, Superintendent

EXHIBIT "A"
BUILDING AND GROUNDS

1. Downstairs elementary suite, containing class rooms A and B, science and service areas, restrooms, locker and storage rooms, and networked computer center
2. Up stairs elementary suite, containing class rooms C and D, science and service areas, restrooms, locker and storage rooms, and networked computer center
3. The computer resource center and the library
4. The soccer field/playgrounds
5. Clinic
6. Copy room
7. Use, as needed, of the following common areas: Administrative offices, hallways, stairways, elevator, courtyard, and porches

EXHIBIT "B"
FIXTURES AND EQUIPMENT

1. Science and restroom fixtures
2. Projectors, screens, and chalkboards
3. Student desks, tables, and chairs for 24 children
4. Teacher desks and chairs for 2 teachers

LEASE OF SCHOOL FACILITY

STATE OF TEXAS
COUNTY OF HARRIS

This Lease Agreement is made and entered into by and between SAINT NICHOLAS SCHOOL II, L.P. ("Lessor"), and MEDICAL CENTER CHARTER SCHOOL, ("Lessee").

In consideration of the obligation of Lessee to pay the rent provided in this Lease and in consideration of the other terms, covenants, and conditions of this Lease, Lessor hereby demises and leases to Lessee, and Lessee hereby takes from Lessor the following real property:

- (1) all elementary class rooms and the playing field, which are part of the improvements described in Exhibit "A" attached hereto and made a part hereof for all purposes; and
- (2) the right to equal use of administrative offices, and all common areas, halls, and stairways, which are part of the improvements described in Exhibit "A" attached hereto and made a part hereof for all purposes; and
- (3) the fixtures and equipment described in Exhibit "B" attached hereto and made a part hereof for all purposes (the "lease premises"),

to have and to hold for a term commencing on March 1, 1996, and ending May 31, 1997, on the following terms and conditions:

ARTICLE I
Acceptance of Existing Premises

1.1 Lessee acknowledges that it has, prior to the execution of this Lease, inspected the leased premises. By occupying the leased premises, Lessee shall be deemed to have accepted the premises and to have acknowledged that the premises comply fully with Lessor's covenants under this Lease.

ARTICLE II
Rent

2.1 Rental shall accrue under this Lease from March 1, 1996, and shall be payable at the place designated for the delivery of notices to Lessor at the time of payment.

2.2 Lessee shall pay to Lessor rental in the aggregate amount of ONE HUNDRED FIFTY-FOUR THOUSAND NINE HUNDRED NINETY-FIVE DOLLARS (\$154,995.00), payable in advance, in three equal monthly installments of THREE THOUSAND FOUR HUNDRED NINETY-THREE DOLLARS (\$3,493.00), beginning on or before the commencement date, and twelve equal monthly installments of TWELVE THOUSAND FORTY-THREE DOLLARS (\$12,043.00) each beginning on or before June 1, 1996, with a like amount being due and payable on or before the first day of each and every succeeding calendar month during the term of this Lease. Notwithstanding the foregoing, Lessee shall pay to Lessor on the commencement date the sum of TWELVE THOUSAND FORTY-THREE DOLLARS (\$12,043.00) as a security deposit, to be held by Lessor without interest and to be applied to the last accruing installments of Rental under this Lease.

ARTICLE III Use and Care of Premises

3.1 The leased premises shall be used and occupied for the purpose of operating an open-enrollment charter school and for no other purposes, without the prior written consent of Lessor.

3.2 All property kept, stored or maintained within the leased premises by Lessee shall be at Lessee's sole risk.

3.3 Lessee shall not conduct within the leased premises any objectionable activity, nor permit any objectionable or unpleasant odors to emanate from the premises, nor take any other action which would disturb or endanger the public.

3.4 Lessee shall take good care of the leased premises and keep them free from waste at all times. Lessee shall keep the leased premises, including signs, sidewalks, service ways, and loading areas adjacent to the premises neat, clean, and free from dirt or rubbish at all times.

ARTICLE IV Maintenance and Repair of Premises

4.1 Lessee shall keep the leased premises in good, clean condition and shall make all needed repairs, including, but not limited to, the foundation, exterior walls, and roof. Lessee shall be responsible 42.55 % of all maintenance or repair charges, and Lessor shall be responsible for 57.45% of said charges. If any repairs required to be made by Lessee hereunder are not made within ten (10) days after written notice delivered to Lessee by Lessor, Lessor may at its option make such repairs without liability to Lessee for any loss or damage by reason of such repairs, and Lessee shall pay to Lessor on demand as additional rental under this Lease

its pro rata share of the cost of the repairs, together with interest at the maximum legal rate in effect in the State of Texas from the date of payment by Lessor until repaid by Lessee. At the expiration of this Lease, Lessee shall surrender the leased premises in good condition, reasonable wear and tear, loss by unavoidable casualty, alone excepted.

ARTICLE V
Alterations and Fixtures

5.1 Lessee shall not make any alterations, additions, or improvements to the leased premises without the prior written consent of Lessor. All alterations, additions, improvements, and fixtures, that may be made or installed by either party on the leased premises shall become the property of Lessor and at the termination of this Lease shall remain on and be surrendered with the leased premises, unless Lessor requests their removal, in which event Lessee shall remove the same and restore the leased premises to their original condition at Lessee's expense. Any linoleum, carpeting, or other floor covering of similar character that may be cemented or otherwise affixed to the floor of the demised premises, and any paneling or other wall covering, shall also become the property of Lessor, all without credit or compensation to Lessee.

5.2 Lessee shall not permit any lien or obligation to be imposed on the leased premises by reason of any alteration, repair, labor performed, or materials furnished to the leased premises for or on behalf of Lessee, and Lessee will discharge any such lien or charge immediately after the lien attaches or the charge becomes due and payable.

ARTICLE VI
Utilities

6.1 Lessee shall promptly pay all charges for electricity, water, telephone service, and other utilities furnished to the leased premises.

6.2 Lessor shall not be liable for any interruption or impairment whatsoever in utility services.

ARTICLE VII
Insurance and Indemnity

7.1 Lessor shall not be liable to Lessee or to any other person on the leased premises for any loss or damage to the person or property of Lessee or such other person caused by any act of

negligence whatsoever or due to improper construction, condition, or repair of the building, and Lessee hereby agrees to indemnify Lessor and hold it harmless from any loss, expense, or claim arising out of any such damage or injury.

7.2 Lessor shall procure and maintain throughout the term of this Lease policies of insurance providing fire and extended coverage on the building and other improvements, general liability insurance on the premises, and medical payments coverage for all children, whether enrolled in the open-enrollment charter school or the day care facility. Lessor shall pay 57.45% of the total premium and Lessee shall pay 42.55% of the total premium.

ARTICLE VIII Non-Liability for Certain Damages

Lessor shall not be liable to Lessee for any injury to person or damage to property caused by escape or leakage of gas, water, steam, electricity, or oil on or into the leased premises, nor shall Lessor be liable to Lessee for any loss or damage that may be occasioned by or through the acts or omissions of any persons whatsoever.

ARTICLE IX Access to Premises

9.1 Lessee shall have the right to the exclusive use of all elementary class rooms and the playing field, and shall have the right to equal use of administrative offices, and all common areas, halls, and stairways.

9.2 Lessor shall have the right to the exclusive use of the areas designated for infants, including infant orientation, and the right to equal use of administrative offices, and all common areas, halls, and stairways.

9.3 In addition, Lessor shall have the right to enter upon the areas reserved for the exclusive use of the Lessee, at reasonable hours for the purpose of inspection. Lessor shall not be liable to Lessee for any expense, loss, or damage caused by any such entry on the leased premises.

ARTICLE X Damage by Casualty

10.1 Lessee shall give immediate written notice to Lessor of any damage caused to the leased premises by fire or other casualty.

10.2 In the event that the leased premises are damaged or destroyed by fire or other casualty insurable under standard fire and extended coverage insurance and Lessor does not elect to terminate the Lease as provided below, Lessor shall proceed with reasonable diligence and at its sole cost and expense to rebuild and repair the leased premises. If the leased premises are damaged or destroyed by fire or other casualty so as to render un-leasable more than fifty percent (50%) of the floor area of the entire building in which the leased premises are located, Lessor may elect either to terminate this Lease or to proceed to rebuild and repair the leased premises. Lessor shall give written notice to Lessee of its election within sixty (60) days after the occurrence of the casualty and, if it elects to rebuild and repair, shall proceed to do so with reasonable diligence and at its sole cost and expense.

10.3 Lessor's obligation to rebuild and repair under this Article X shall be limited to restoring the damaged portion of the leased premises to substantially the condition in which Lessor had placed the leased premises at the time of Lessor's original tender of possession to Lessee, as modified by ordinary wear and tear preceding the damage or destruction. Lessee agrees that, promptly after completion of any such work by Lessor, it will proceed with reasonable diligence and at its sole cost and expense to rebuild, repair and restore its signs, fixtures, and equipment, and perform any other work necessary to open the leased premises for business.

10.4 During any period of reconstruction or repair of the leased premises, this Lease shall continue in full force and effect, except that the Rental shall be abated for the length of time necessary for the reconstruction or repairs in proportion to the amount of floor area of the leased premises rendered unusable. There shall be no abatement of any other amounts payable by Lessee under the terms of this Lease.

10.5 Any insurance against casualty loss which may be carried by either Lessor or Lessee shall be under the sole control of the party carrying the insurance, and the other party shall have no interest in any proceeds of that insurance. Lessor and Lessee hereby expressly waive any cause of action or right of recovery which either of them may hereafter have against the other for any loss or damage to the leased premises or to the contents of the premises belonging to either caused by fire, explosion, or other risk covered by the Texas standard form of fire and extended coverage policy.

ARTICLE XI Eminent Domain

11.1 If the whole or any substantial part of the leased

premises should be taken for any public or quasi public use under any law, ordinance, or regulation or by right of eminent domain or by private purchase in lieu thereof, then it is agreed that at the option of either party to this Lease, this Lease shall be cancelled as of the date of the taking, and both parties shall be relieved of all obligations imposed by this Lease. Should this Lease contract be cancelled by any such event, it is agreed that the Lessee shall have the right to recover only such damages suffered or sustained by Lessee as are the result of the taking of the property belonging to Lessee. It is expressly understood and agreed that the Lessee shall have no claim against the Lessor and shall not have any claim or right to any portion of any amount that may be awarded as damages or paid as a result of any such involuntary conversion, whether brought about by suit or agreement, for the cancellation of the Lease or for Lessee's leasehold interest. It is expressly understood and agreed that any and all such amounts shall belong to the Lessor. All rights of the Lessee to damages for cancellation of lease or loss of leasehold, if any, are hereby assigned by the Lessee to the Lessor.

11.2 If less than a substantial portion of the leased premises should be taken for any public or quasi public use under any law, ordinance, or regulation or by right of eminent domain or by private purchase in lieu thereof, this Lease shall not terminate. But the Rental under this Lease during the unexpired portion of this Lease shall be reduced as of the date of the taking in proportion to the ratio that the number of usable feet taken bears to the total number of usable feet in the leased premises. In the event of a taking such as that set out in this paragraph it is agreed that the Lessee shall have the right to recover only such damages suffered or sustained by Lessee as are the result of the taking of property which belongs to the Lessee, It is expressly understood and agreed that the Lessee shall have no claim against the Lessor and shall not have any claim or right to any portion of any amount that may be awarded as damages or paid as a result of such taking for the loss of any part of Lessee's leasehold interest. It is expressly understood that any and all of such amounts shall belong to the Lessor and all rights of the Lessee to damages for the loss of leasehold interest, if any, are hereby assigned by the Lessee to the Lessor.

ARTICLE XII Assignment and Subletting

12.1 Lessee shall not assign or in any manner transfer this Lease or any estate or interest in this Lease, or sublet the leased premises or any part of the premises without the prior written consent of Lessor. Consent by Lessor to one or more assignments or sublettings shall not operate as a waiver of Lessor's rights as to

any subsequent assignments and sublettings. Notwithstanding any assignment or subletting, Lessee shall at all times remain fully responsible and liable for the payment of the rent specified in this Lease and for compliance with all of its other obligations under this lease.

12.2 In the event of the transfer and assignment by Lessor of its interest in this Lease and in the building containing the leased premises to a person, firm, or corporation assuming Lessor's obligations under this Lease, Lessor shall be released from any further obligations under this Lease. Lessee agrees to look solely to the responsibility of the successor in interest of the Lessor. Any security given by Lessee to secure performance of its obligations under this Lease may be assigned and transferred by Lessor to a successor in interest of Lessor and Lessor shall thereby be discharged of any further obligation for the security.

ARTICLE XIII Property Taxes

13.1 Lessee shall be liable for all taxes levied against personal property and trade fixtures placed by Lessee in the leased premises. If any such taxes for which Lessee is liable are levied against Lessor or Lessor's property, and if Lessor elects to pay them, or if the assessed value of Lessor's property is increased by inclusion of personal property and trade fixtures placed by Lessee in the Leased premises and Lessor elects to pay the taxes based on that increase, Lessee shall pay to Lessor on demand that part of the taxes attributable to Lessee's personal property and trade fixtures.

13.2 As additional rental, the Lessee agrees to pay to the Lessor, on demand, an amount equal to any additions to or increases in any and all taxes, assessments, impositions, levies, charges, exercises, fees, licenses, and other sums levied, assessed, or imposed by any governmental authority ("taxes and assessments") against the leased premises that shall become due and payable during the term of this Lease that are in addition to or greater than taxes and assessments for the year 1995. Lessor shall be required to send Lessee copies of all tax bills pertaining to the leased premises. Provided, however, that for any partial tax year occurring during the term of this Lease, the Lessee shall be liable for only that portion of any such taxes and assessments as the number of days in the partial tax year bears to 365.

ARTICLE XIV Events of Default and Remedies

14.1 The following events shall be deemed to be events of

default by Lessee under this Lease:

a. Failure of Lessee to pay when due any installment of rent or any other sums or charges due under this Lease.

b. Failure of Lessee comply with any term, provision, or covenant of this Lease, other than the payment of rent, and failure to cure that breach within thirty (30) days after written notice of the breach to Lessee.

c. Insolvency of Lessee, a transfer by Lessee in fraud of creditors, or assignment by Lessee for the benefit of creditors.

d. Commencement by or against Lessee proceedings in bankruptcy, or for reorganization of Lessee, or for the re-adjustment or arrangement of Lessee's debts, whether under the Bankruptcy Act of the United States of America or under any other law, whether State or Federal, now or hereafter existing for the relief of debtors, or commencement of any analogous statutory or nonstatutory proceeding involving Lessee. The acceptance by Lessor of Lessee's monthly payment as provided in this Lease subsequent to the occurrence of any such event of default, or that set forth in subparagraph (e) below, shall be as compensation for use and occupancy of the leased premises, and shall in no way constitute a waiver by Lessor of its right to exercise any of the remedies provided below on the occurrence of any event of default.

e. Appointment of a Receiver or Trustee for all or substantially all of the assets of Lessee.

f. Desertion or vacation by Lessee of any substantial portion of the premises.

15.2 On the occurrence of any of such events of default, Lessor shall have the option to pursue any one or more of the following remedies without any notice or demand whatsoever:

a. Termination of this Lease, in which event Lessee shall immediately surrender the leased premises to Lessor, and if Lessee fails to do so, Lessor may, without prejudice to any other remedy which it may have for possession or arrearages in rent, enter upon and take possession of the leased premises and expel or remove Lessee and any other person who may be occupying the premises or any part of the premises, by force if necessary, without liability for prosecution or any claim of damages; and Lessee agrees to pay to Lessor on demand the amount of all loss and damage that Lessor may suffer by reason of any such termination, whether through inability to relet the leased premises on satisfactory terms or otherwise.

b. Entry on and repossession of the leased premises and expulsion or removal of Lessee and any other person who may be occupying the premises or any part of the premises, by force if necessary, without liability for prosecution or for any claim for damages, and relet the leased premises and receive the rent; and Lessee agrees to pay to Lessor on demand any deficiency that may arise by reason of such re-letting.

c. Entry on the leased premises, by force if necessary, without liability for prosecution or for any claim for damages, and performance of any of Lessee's obligations under the terms of this Lease; and Lessee agrees to reimburse Lessor on demand for any expenses that Lessor may incur in thus effecting compliance with Lessee's obligation under this Lease. Lessee further agrees that Lessor shall not be liable for any damages resulting to the Lessee from such actions, whether caused by the negligence of Lessor or otherwise.

Pursuit of any of the foregoing remedies shall not preclude pursuit of any of the other remedies provided in this Lease or any other remedies provided by law, nor shall pursuit of any of the other remedies provided constitute a forfeiture or waiver of any rent due to Lessor under this Lease or of any damages accruing to Lessor by reason of the violation of any of the terms, provision, or covenants contained in this Lease. Forbearance by Lessor to enforce one or more of the remedies provided on an event of default shall not be deemed or construed to constitute a waiver of the default.

14.3 If, on account of any breach or default by Lessee in Lessee's obligations under this Lease, it shall become necessary for Lessor to employ an attorney to enforce or defend any of Lessor's rights or remedies, Lessee agrees to pay any reasonable attorney's fees incurred by Lessor for that purpose.

ARTICLE XV Lessor's Lien .

15.1 Lessee hereby grants to Lessor a valid first security interest on all the goods, chattels, furniture, trade fixtures, and property that Lessee may own and have on the leased premises at any time or times during the term of this Lease, as well as on the proceeds of any insurance accruing to Lessee by reason of any destruction of or damage to any such property, to secure all rents and other sums due or to become due Lessor under this Lease, any and all exemption laws being expressly waived in favor of the

security interest. It is agreed that this express security interest shall not be construed as a waiver of any statutory or other liens given or that may be given to Lessor, but shall be in addition to any such statutory or other lien. It is agreed that in the event of default by Lessee under this Lease, Lessor shall have and be entitled to exercise all right and remedies provided or granted to a secured party after default under the Uniform Commercial Code with respect to any and all personal property on the premises, including, without limitation, the right to take and retain possession of any or all such property and to sell or otherwise utilize such property at public or private sale or in any other manner authorized or provided in the Uniform Commercial Code. On request by Lessor, Lessee agrees to execute and deliver to Lessor from time to time such UCC Financing Statements as Lessor may deem necessary to perfect the security interest of Lessor in the property described above and the proceeds of such property under the provisions of the Uniform Commercial Code in force in the State of Texas.

ARTICLE XVI
Subordination

16.1 This Lease is subject and subordinate to any mortgage, Deed of Trust or other lien which may now or hereafter encumber the leased premises and to all renewals, modifications, consolidations, replacements, and extensions of any such mortgage, Deed of Trust, or lien. This clause shall be self operative and no further instrument of subordination need be required by any mortgagee. In confirmation of this subordination, however, Lessee shall, at Lessor's request, execute promptly any appropriate certificate or instrument that Lessor may request. Lessee hereby constitutes and appoints Lessor the Lessee's attorney-in-fact to execute any such certificate or instrument for and on behalf of Lessee. In the event of the enforcement by the Trustee or the Beneficiary under any such mortgage or Deed of Trust of the remedies provided for by law or by the mortgage or Deed of Trust, Lessee will, upon request of any person or parties succeeding to the interest of Lessor as a result of such enforcement, automatically become the Lessee of the successor in interest without change in the terms or other provisions of this Lease.

ARTICLE XVII
Miscellaneous

17.1 In this Lease, the singular shall include the plural and vice versa, and the masculine shall include the feminine or neuter.

17.2 If any clause or provision of this Lease is illegal, invalid, or unenforceable under present or future laws effective during the term of this Lease, it is the intention of the parties that the remainder of this Lease shall not be affected by any such illegality, invalidity, or un-enforceability, and the parties hereby declare that this Lease would have been entered into without the unenforceable portion.

17.3 This Lease may not be altered, changed, or amended except by instrument in writing signed by both parties. The terms, provisions, covenants, and conditions contained in this Lease shall apply to, inure to the benefit of, and be binding on the parties and on their respective successors in interest and legal representatives, except as otherwise expressly provided.

17.4 The captions used in this Lease are for convenience only and do not in any way limit or amplify the terms and provisions.

17.5 One or more waivers of any covenant, term, or condition of this Lease by either party, or of any act by the other party requiring consent or approval shall not be deemed to waive or render unnecessary consent to or approval of any subsequent similar act.

17.6 Whenever a period of time is prescribed in this Lease for action to be taken by Lessor, Lessor shall not be liable or responsible for, and there shall be excluded from the computation of any such period of time, any delays due to strikes, riots, acts of God, shortages of labor or materials, war, governmental laws, regulations, or restrictions or any other causes of any kind whatsoever which are beyond the reasonable control of Lessor.

17.7 Lessor covenants and agrees that, on payment by Lessee of the rent and all other sums provided for in this Lease, and on the observance and performance of all of the covenants and agreements on the Lessee's part to be observed and performed, Lessee shall, subject to the terms and provisions of this Lease, at all times during the continuance of this Lease have the peaceable and quiet enjoyment and possession of the leased premises.

17.8 Nothing contained in this Lease shall be deemed or construed by the parties, or by any third party, as creating the relationship of principal and agent or of partnership or of joint venture between the parties, it being understood and agreed that neither the method of computation of rent, nor any other provision contained in this Lease, nor any acts of the parties, shall be deemed to create any relationship between the parties other than the relationship of Lessor and Lessee.

17.9 Lessee warrants that it has had no dealings with any broker or agent in connection with the negotiation or execution of this Lease and Lessee agrees to indemnify and hold Lessor harmless from and against any and all costs, expense, or liability for commissions or other compensations and charges claimed by any broker or agent with respect to this Lease.

17.10 Should Lessee fail to pay when due any installment of Rent, or any other sum payable to the Lessor under the terms of this Lease, interest at the maximum legal rate then payable by Lessee in the State of Texas shall accrue from and after the date on which any such installment or sum shall be due and payable, and the interest shall be paid by Lessee to Lessor at the time of payment of the sum on which the interest shall have accrued.

17.11 The term "Lessor" shall mean only the owner from time to time of the leased premises. It is specifically understood and agreed that Lessor shall have no personal liability with respect to any of the covenants, conditions, or provisions of this Lease. In the event of a breach or default by Lessor of any of its obligations under this Lease, Lessee shall look solely to the equity of the Lessor in the leased premises for the satisfaction of Lessee's remedies, and Lessee shall have no right to seek, obtain, or enforce a claim or judgement against Lessor for any deficiency remaining, following exhaustion of Lessor's equity in the leased premises.

17.12 The term "Lease Year", as used in this Lease, shall, in the case of the first Lease year, mean the period that commences with the Commencement Date of the Lease term and terminates on the last day of the twelfth (12th) full calendar month after the commencement, and the first Lease Year shall include twelve (12) full calendar months plus the partial month, if any, at the commencement of the lease term if the lease term does not commence on the first day of a calendar month. Each subsequent Lease Year shall mean a period of twelve (12) full calendar months commencing with the date following the last day of the first Lease Year, and each subsequent anniversary of such day. The last Lease year of the Lease term shall include the period which commences on the day immediately following the last day of the preceding Lease Year and terminates on the last day of the Lease term, and the parties recognize that the last Lease Year may be less than twelve (12) full calendar months, depending on the date of termination of the Lease term.

ARTICLE XVIII Notices

18.1 Wherever any notice is required or permitted under this

Lease, the notice shall be in writing. Any notice or document required or permitted to be delivered, whether actually received or not, shall be deemed given when deposited in the United States Mail, postage prepaid, Certified Mail, Return Receipt Requested, addressed to the parties at the respective addresses set out opposite their names below, or at such other addresses as they have specified by written notice delivered in accordance with this paragraph.

Saint Nicholas School II, L.P.
1920 N. Braeswood Blvd.
Houston, Texas 77030

Medical Center Charter School
1920 N. Braeswood Blvd.
Houston, Texas 77030

EXECUTED the _____ day of _____, 19____.

SAINT NICHOLAS SCHOOL II, L.P., LESSOR

BY: _____
Terry-Heard Management, Inc., General Partner

MEDICAL CENTER CHARTER SCHOOL, LESSEE

BY: _____
James L. McKey, Chairman,
Medical Center Charter School

EXHIBIT "A"
BUILDING AND GROUNDS

1. Downstairs elementary suite, containing class rooms A and B, science and service areas, restrooms, locker and storage rooms, and networked computer center
2. Up stairs elementary suite, containing class rooms C and D, science and service areas, restrooms, locker and storage rooms, and networked computer center
3. The computer resource center and the library
4. The soccer field/playgrounds
5. Clinic
6. Copy room
7. Use, as needed, of the following common areas: Administrative offices, hallways, stairways, elevator, courtyard, and porches

EXHIBIT "B"
FIXTURES AND EQUIPMENT

1. Science and restroom fixtures
2. Projectors, screens, and chalkboards
3. Student desks, tables, and chairs for 24 children
4. Teacher desks and chairs for 2 teachers

2000-2001 Charter School Calendar

MEDICAL CENTER Charter School 101-301 County District Number

August 00

S	M	T	W	T	F	S
			1	2	3	4
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

September 00

S	M	T	W	T	F	S
						1
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

October 00

S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

November 00

S	M	T	W	T	F	S
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10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

December 00

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17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

January 01

S	M	T	W	T	F	S
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17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

Reporting Periods	[Begin/End]	Days Taught
1 st Reporting Period	8/14/00 - 9/26/00	30
2 nd Reporting Period	9/27/00 - 11/7/00	30
3 rd Reporting Period	11/8/00 - 1/8/01	29
4 th Reporting Period	1/9/01 - 2/23/01	33
5 th Reporting Period	2/26/01 - 4/16/01	30
6 th Reporting Period	4/19/01 - 5/29/01	30
Total Days Taught		182

Holiday ○	Date
LABOR DAY	9-4-00
THANKSGIVING	11-23-00
THANKSGIVING	11-24-00
WINTER BREAK	12/18/00 - 1/1/01
SPRING BREAK	4/13/01 - 4/20/01

Staff Development □	Date
	6/26/00 - 6/30/00
	9-1-00
	1-02-01

Bad Weather Make Up days ☆	Date
	5-30-01
	5-31-01

Teacher Work Days ▲	Date
	11-22-00
	1-15-01
	5-28-01

Legend
 Begin Attendance Reporting Period [
 End Attendance Reporting Period]
 Holiday ○
 Staff Development □
 Bad Weather Make Up days ☆
 Teacher Work Days ▲

February 01

S	M	T	W	T	F	S
						1
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17	18	19	20	21	22	23
24	25	26	27	28		

March 01

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24	25	26	27	28	29	30
31						

April 01

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17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

May 01

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17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

June 01

S	M	T	W	T	F	S
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17	18	19	20	21	22	23
24	25	26	27	28	29	30

July 01

S	M	T	W	T	F	S
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10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

MEDICAL CENTER CHARTER SCHOOL

BOARD OF TRUSTEES

R. Vernon Colpitts, M.D., Chairman of the Board, is a practicing obstetrician and gynecologist and is Clinical Instructor of Obstetrics and Gynecology with Baylor College of Medicine, Clinical Associate Surgeon of Gynecology with M.D. Anderson Hospital, Active Staff of OB/GYN with Methodist Hospital and St. Luke's Hospital, and Clinical Associate GYN with the University of Texas Medical School.

References: Mrs. T. Robert Ingram, Robert G. Robertson, William H. Heard

Leonard E. Crabtree, D.D.S., is a practicing dentist and Adjunct Associate Professor, University of Texas Dental Branch. He is a Fellow of the Academy of General Dentistry, Fellow of the Royal Society of Health, a member of the Texas Dental Association, the American Dental Association, the American Academy of Implant Dentistry, and the Federation Dentarie Internationale. He has been a director of the Houston District Dental Society.

References: Lloyd Koenig, William Essl, Fr. Ted Valencia

Herbert L. Davis, is a Quality Supervisor for Ingram Cactus Co. , a manufacturer of oilfield equipment. He attended Texas Southern University prior to being associated with Brown and Root Co. and has been a supporter of quality in education.

References: Robbie Jenkins, Thelma Davis, Gerald Shanks

Richard Lee Gann, has B.S. from University of Oklahoma in 1953 with a major in pharmacy and minor in chemistry. Retired from pharmacy, he has been associated with Lion's Club and Elks. His main hobbies are lapidary and collecting fossils and minerals which he has shared with the students.

References: Charles Anderson, Jack Farnham, Rolando Rangel

Gurney F. Pearsall, M.D. is a practicing pediatrician and is Assistant Clinical Professor in Pediatrics and Clinical Instructor in Community Medicine with Baylor University, College of Medicine, and is a Diplomat with the American Board of Pediatrics and a Fellow with the American Academy of Pediatrics. He is presently pediatrician with Patrice House, medical advisor with Houston Headstart Program, and Founder Member of the Clear Creek Foundation. In 1973 he was a member of the Houston Independent School District Board of Education. In Desert Storm he was Commander of 4005th Augmentation Hospital.

References: Dr. Paul Miniffee, Dr. Gary Lepow, Dr. Roosevelt Alcorn

TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
(Print or Type)

Full Name of Sponsoring Entity and Name of Proposed Charter School: MEDICAL CENTER CHARTER SCHOOL, A 501(c)(3) NON PROFIT CORPORATION. THE SCHOOL NAME IS THE SAME

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): ROBERT VERNON COLPITTS

2. Have you ever had your name changed? NO If yes, give reason for the change: _____

b. Maiden Name (if female) _____

c. Other names used at any time NONE

3. Social Security Number [REDACTED]

4. Date and Place of Birth: 12/14/19 SALISBURY COLLETS NEW BRUNSWICK, CAN.

5. Business Address: 6624 FANNIN, SUITE 1430, HOUSTON, TEXAS 77030
Business Telephone: (713) 797-1051

6. List your residences for the last ten (10) years starting with your current address, giving:

<u>DATES</u>	<u>ADDRESS</u>	<u>CITY AND STATE</u>	<u>ZIP CODE</u>
<u>1962-PRESENT</u>	<u>2202 STANMORE</u>	<u>HOUSTON, TEXAS</u>	<u>77019</u>

7. Education: Dates, Names, Locations and Degrees

College MOUNT ALLISON UNIVERSITY, SACKVILLE NEW BRUNSWICK, CAN.

Graduate Studies MCGILL UNIVERSITY, MONTREAL QUEBEC, CAN.

Others _____

8. List Membership in Professional Societies and Associations: AMERICAN MEDICAL ASSOCIATION, HARRIS COUNTY MEDICAL SOCIETY, TEXAS MEDICAL ASSOCIATION, CENTRAL ASSOCIATION. OB/GYN

9. Present or Proposed Position with the Proposed Charter School : PRESIDENT, BOARD

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

<u>DATES</u>	<u>EMPLOYER</u>	<u>ADDRESS</u>	<u>TITLE</u>
<u>1962 - PRESENT</u>	<u>SELF EMPLOYED</u>	<u></u>	<u>MEDICAL DOCTOR</u>

11. Present employer may be contacted: Yes No (Circle One) NOT APPLICABLE
Former employers may be contacted: Yes No (Circle One) NOT APPLICABLE

12. a Have you ever been in a position which required a fidelity bond? NO If any claims were made on the bond, give details: _____

b Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? NO
If yes, give details: _____

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): TEXAS MEDICAL ASSOCIATION, ISSUED 1962
STILL ACTIVE

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? NO If yes, give details: _____

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? NO If yes, give details: _____

16. Have you ever been adjudged bankrupt? NO

17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? NO
If yes, give details: _____

18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? NO

19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? NO. If so, please furnish details: _____

Dated and signed this _____ day of OCTOBER, 2000, at HOUSTON, HARRIS COUNTY, TEXAS.

I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

Robert Vernon Colpitts
(Signature of Affiant)

State of TEXAS
County of HARRIS

Personally appeared before me the above named ROBERT VERNON COLPITTS personally known to me, who, being duly sworn, deposes and says that he/she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 2nd day of OCTOBER, 19 2000

Vickie Sengbusch
(Notary Public)
My commission expires 11/29/02

(SEAL)



TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
(Print or Type)

Full Name of Sponsoring Entity and Name of Proposed Charter School: MEDICAL CENTER CHARTER SCHOOL IS A 501(C)(3) NON PROFIT CORPORATION. THE SCHOOL AND THE SPONSORING ENTITY HAVE THE SAME NAME.

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): LEONARD EUGENE CRABTREE

2. Have you ever had your name changed? NO If yes, give reason for the change: _____

b. Maiden Name (if female) _____

c. Other names used at any time _____

3. Social Security Number*: [REDACTED]

4. Date and Place of Birth: MARCH 16, 1934, TULSA, OKLAHOMA

5. Business Address: 1011 AUGUSTA DRIVE, SUITE 209, HOUSTON, TX 77057
Business Telephone: (713) 623-0700

6. List your residences for the last ten (10) years starting with your current address, giving:

DATES	ADDRESS	CITY AND STATE	ZIP CODE
1987-PRESENT	1119 SUGAR LAKES BLVD.	SUGAR LAND, TX	77478

7. Education: Dates, Names, Locations and Degrees

College TEXAS A & M UNIVERSITY - KINGSVILLE

Graduate Studies UNIVERSITY OF TEXAS DENTAL BRANCH

Others _____

8. List Membership in Professional Societies and Associations: AMERICAN DENTAL ASSOCIATION, TEXAS DENTAL ASSOCIATION, GREATER HOUSTON DENTAL SOCIETY

9. Present or Proposed Position with the Proposed Charter School: MEMBER OF BOARD OF DIRECTORS, VICE PRESIDENT

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

<u>DATES</u>	<u>EMPLOYER</u>	<u>ADDRESS</u>	<u>TITLE</u>
<u>1963-PRESENT</u>	<u>ENGAGED IN THE PRIVATE PRACTICE OF GENERAL DENTISTRY</u>		

11. Present employer may be contacted: Yes No (Circle One) NOT APPLICABLE
Former employers may be contacted: Yes No (Circle One) NOT APPLICABLE

12. a Have you ever been in a position which required a fidelity bond? NO If any claims were made on the bond, give details: _____

b Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? NO
If yes, give details: _____

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): 1963 RECEIVED TEXAS DENTAL LICENSE; I HAVE PRACTICED DENTISTRY SINCE 1963. MY LICENSE IS VALID TO DATE

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? NO If yes, give details: _____

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? NO If yes, give details: _____

16. Have you ever been adjudged bankrupt? NO

TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
(Print or Type)

Full Name of Sponsoring Entity and Name of Proposed Charter School: MEDICAL CENTER CHARTER SCHOOL, A 501 (c) (3) NON-PROFIT CORPORATION.
THE NAME OF THE SCHOOL IS THE SAME.

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): HERBERT LEE DAVIS

2. Have you ever had your name changed? NO If yes, give reason for the change: _____

b. Maiden Name (if female) _____

c. Other names used at any time NONE

3. Social Security Number*: [REDACTED]

4. Date and Place of Birth: 8/8/56, SUGAR LAND, TEXAS

5. Business Address: 16500 SOUTH MAIN, MISSOURI CITY, TEXAS 7748
Business Telephone: (714) (281) 261-3505

6. List your residences for the last ten (10) years starting with your current address, giving:

<u>DATES</u>	<u>ADDRESS</u>	<u>CITY AND STATE</u>	<u>ZIP CODE</u>
<u>1997-PRESENT</u>	<u>14631 PRESIDENTS DRIVE WEST</u>	<u>HOU, TX</u>	<u>77047</u>
<u>1978-1997</u>	<u>5930 SOUTHFIELD</u>	<u>HOU, TEX</u>	<u>77033</u>

7. Education: Dates, Names, Locations and Degrees

College TEXAS SOUTHERN UNIVERSITY

Graduate Studies _____

Others _____

8. List Membership in Professional Societies and Associations: NO

9. Present or Proposed Position with the Proposed Charter School: A MEMBER OF BOARD OF DIRECTORS

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
1983-PRESENT	COOPER CAMERON VALVES	14500 SOUTH MAIN MISSOURI CITY, TX 77459	QUALITY SPECIALIST
1975-1982	BROWN+ROOT THOMPSON	TX	

11. Present employer may be contacted: Yes No (Circle One)

Former employers may be contacted: Yes No (Circle One)

12. a Have you ever been in a position which required a fidelity bond? NO If any claims were made on the bond, give details: _____

b Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? NO
If yes, give details: _____

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): NO

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? NO If yes, give details: _____

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? NO If yes, give details: _____

16. Have you ever been adjudged bankrupt? NO

17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? NO
If yes, give details: _____

18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? NO

19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? NO. If so, please furnish details: _____

Dated and signed this 30TH day of OCTOBER,
19 2000, at HOUSTON, HARRIS COUNTY, TEXAS.

I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

Herbert Lee Davis
(Signature of Affiant)

State of TEXAS
County of HARRIS

Personally appeared before me the above named HERBERT LEE DAVIS personally known to me, who, being duly sworn, deposes and says that he/she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 30TH day of
OCTOBER, 19 2000.

Christine Gruenewold
(Notary Public)

My commission expires 11/12/03



TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
(Print or Type)

Full Name of Sponsoring Entity and Name of Proposed Charter School: MEDICAL CENTER CHARTER SCHOOL, A 501(c)(3) NON-PROFIT CORPORATION. THE SCHOOL NAME IS THE SAME.

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): RICHARD LEE GANN

2. Have you ever had your name changed? NO If yes, give reason for the change: _____

b. Maiden Name (if female) _____

c. Other names used at any time NONE

3. Social Security Number*: [REDACTED]

4. Date and Place of Birth: 12/11/26, MCKINNEY, TEXAS

5. Business Address: RETIRED

Business Telephone: NOT APPLICABLE

6. List your residences for the last ten (10) years starting with your current address, giving:

<u>DATES</u>	<u>ADDRESS</u>	<u>CITY AND STATE</u>	<u>ZIP CODE</u>
<u>1960 - PRESENT</u>	<u>611 SUNNYCREST,</u>	<u>HOUSTON, TX</u>	<u>77087</u>

7. Education: Dates, Names, Locations and Degrees

College UNIVERSITY OF OKLAHOMA, B.S.

Graduate Studies NONE

Others _____

8. List Membership in Professional Societies and Associations: AMERICAN PHARMACEUTICAL ASSOCIATION

9. Present or Proposed Position with the Proposed Charter School: MEMBER OF BOARD OF DIRECTORS

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
<u>RETIRED 1986</u>			
<u>1974-1986</u>	<u>ECKERD #355</u>	<u>PASADENA</u>	<u>PHARMACIST</u>
<u>1971-1974</u>	<u>CRESI PHARM.</u>	<u>PASADENA</u>	<u>PHARMACIST</u>

11. Present employer may be contacted: Yes No (Circle One) NOT APPLICABLE
Former employers may be contacted: (Yes) No (Circle One)

12. a Have you ever been in a position which required a fidelity bond? UNCERTAIN If any claims were made on the bond, give details: NO CLAIMS OF ANY KIND

b Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? NO
If yes, give details: _____

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): LICENSED PHARMACIST IN FOLLOWING STATES: OKLAHOMA (1953); ILLINOIS (1955); WYOMING (1956); TEXAS (1958)

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? NO If yes, give details: _____

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? NO If yes, give details: _____

16. Have you ever been adjudged bankrupt? NO

17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? NO
If yes, give details: _____

18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? NO

19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? NO. If so, please furnish details: _____

Dated and signed this 30TH day of OCTOBER,
19 2000, at HOUSTON, HARRIS COUNTY, TEXAS

I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

Richard Lee Gann
(Signature of Affiant)

State of TEXAS
County of HARRIS

Personally appeared before me the above named RICHARD LEE GANN personally known to me, who, being duly sworn, deposes and says that he/she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 30TH day of
OCTOBER, 19 2000

Christine Groenewold
(Notary Public)
My commission expires 11/12/03

(SEAL)



TEXAS EDUCATION AGENCY
OPEN-ENROLLMENT CHARTER SCHOOL APPLICANT
BIOGRAPHICAL AFFIDAVIT
(Print or Type)

Full Name of Sponsoring Entity and Name of Proposed Charter School: MEDICAL CENTER CHARTER SCHOOL IS A 501 (c) (3) NON PROFIT CORPORATION. THE NAME OF THE SPONSORING ENTITY AND THE SCHOOL IS THE SAME

In connection with the above-named organization and charter school application, I herewith make representations and supply information about myself as hereinafter set forth. (Attach addendum or separate sheet if space hereon is insufficient to answer any questions fully.)

IF ANSWER IS "NO" OR "NONE", SO STATE.

1. Full Name (Initials Not Acceptable): GURNEY FIELDS PEARSELL

2. Have you ever had your name changed? NO If yes, give reason for the change: _____

b. Maiden Name (if female) _____

c. Other names used at any time _____

3. Social Security Number*: [REDACTED]

4. Date and Place of Birth: DECEMBER 1, 1935, HOUSTON, TEXAS

5. Business Address: 6624 FANNIN, SUITE 1400, HOUSTON, TX 77030

Business Telephone: (713) 790-9265

6. List your residences for the last ten (10) years starting with your current address, giving:

<u>DATES</u>	<u>ADDRESS</u>	<u>CITY AND STATE</u>	<u>ZIP CODE</u>
<u>6/86 TO PRESENT</u>	<u>2408 MERION DRIVE</u>	<u>LEAGUE CITY, TX</u>	<u>77573</u>

7. Education: Dates, Names, Locations and Degrees

College UNIVERSITY OF MICHIGAN

Graduate Studies MEHARRY MEDICAL SCHOOL, NASHVILLE TENN

Others _____

8. List Membership in Professional Societies and Associations: AMERICAN MEDICAL ASSOC., HARALIS COUNTY MEDICAL SOCIETY, AMERICAN ACADEMY OF PEDIATRICS, AND HOUSTON PEDIATRICS

9. Present or Proposed Position with the Proposed Charter School: MEMBER OF THE BOARD OF DIRECTORS

10. List complete employment record (up to and including present jobs, positions, directorates or officerships) for the past twenty (20) years:

DATES	EMPLOYER	ADDRESS	TITLE
<u>I HAVE BEEN PRIVATE PRACTICE SINCE SEPTEMBER OF 1966. I OWN THE PRACTICE</u>			

11. Present employer may be contacted: Yes No (Circle One) NOT APPLICABLE
Former employers may be contacted: Yes No (Circle One) NOT APPLICABLE

12. a Have you ever been in a position which required a fidelity bond? NO If any claims were made on the bond, give details: _____

b Have you ever been denied an individual or position schedule fidelity bond, or had a bond cancelled or revoked? _____
If yes, give details: _____

13. List any professional, occupational or vocational licenses issued by any public or governmental licensing agency or regulatory authority which you presently hold or have held in the past. (State date license was issued, issuer of license, date terminated, reasons for termination): 8/20/66, TEXAS STATE BOARD OF MEDICAL EXAMINERS, LICENSE HAS NOT BEEN TERMINATED, I AM STILL IN ACTIVE PRIVATE PRACTICE

14. During the last ten (10) years, have you ever been refused a professional, occupational or vocational license by any public or governmental licensing agency or regulatory authority, or has such license held by you ever been suspended or revoked? NO If yes, give details: _____

15. Will you or members of your immediate family be employed by (directly or through contract) or receive remuneration from the proposed charter school? NO If yes, give details: _____

16. Have you ever been adjudged bankrupt? NO

17. Have you ever been convicted or had a sentence imposed or suspended or had pronouncement of a sentence suspended or been pardoned for conviction of or pleaded guilty or nolo contendere to any information or indictment charging any felony, or charging a felony or misdemeanor involving moral turpitude, or have you been the subject of any disciplinary proceedings of any federal or state regulatory agency? NO

If yes, give details: _____

18. Have you ever been an officer, director, trustee, investment committee member, key employee, or controlling stockholder of any business, which, while you occupied any such position or capacity with respect to it, became insolvent or was placed under supervision or in receivership, rehabilitation, liquidation or conservatorship? NO

19. Are you now, or have you been, within the past five years, a plaintiff or defendant in any lawsuit? NO. If so, please furnish details: _____

Dated and signed this _____ day of OCTOBER

~~19-21000~~, at HOUSTON, HARRIS COUNTY, TEXAS

I hereby certify under penalty of perjury that I am acting on my own behalf, and that the foregoing statements are true and correct to the best of my knowledge and belief.

Gurney Fields Pearsall
(Signature of Affiant)

State of TEXAS
County of HARRIS

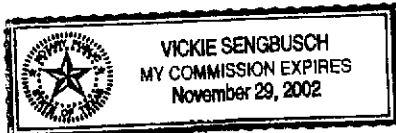
Personally appeared before me the above named GURNEY FIELDS PEARSALL personally known to me, who, being duly sworn, deposes and says that he/she executed the above instrument and that the statements and answers contained therein are true and correct to the best of his/her knowledge and belief.

Subscribed and sworn to before me this 21st day of OCTOBER, ~~19~~ 2000

Vickie Sengbusch
(Notary Public)

My commission expires 11/29/02

(SEAL)



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

DEPARTMENT OF THE TREASURY

Date: JUN 18 1997

Employer Identification Number:
76-0506915

DLN:
17053125073007

MEDICAL CENTER CHARTER SCHOOL
1920 N BRAESWOOD
HOUSTON, TX 77030-3711

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

Accounting Period Ending:
December 31

Form 990 Required:
Yes

Addendum Applies:
Yes

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, you are not automatically exempt from other federal excise taxes. If you have any questions about excise, employment, or other federal taxes, please let us know.

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 or she acquired knowledge that the Internal Revenue Service had given notice that 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

MEDICAL CENTER CHARTER SCHOOL

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 \$10 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 \$5,000 or 5 percent of your gross receipts for the year, whichever is less. This penalty may also be charged if a return is not complete, so please be sure your return is complete before you file it.

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.

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.

Revenue Procedure 75-50, published in Cumulative Bulletin 1975-2 on page 587, sets forth guidelines and recordkeeping requirements for determining whether private schools have racially nondiscriminatory policies as to students. You must comply with this revenue procedure to maintain your tax-exempt status.

If we have indicated in the heading of this letter that an addendum

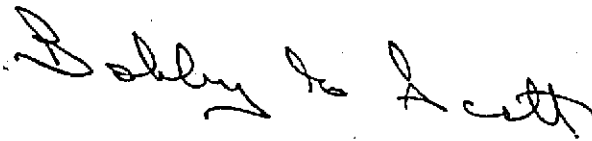
MEDICAL CENTER CHARTER SCHOOL

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,

A handwritten signature in cursive script, appearing to read "Bobby L. Smith".

District Director

MEDICAL CENTER CHARTER SCHOOL

You indicate that you will not finance your activities with tax-exempt bonds or certificates of participation. Therefore, this determination letter is based on the understanding that you will not raise funds through such financing. If in the future you wish to raise funds by either of these methods, you should request a ruling from the Internal Revenue Service, 1111 Constitution Avenue, N.W., Washington, D.C. 20224, Attn: CP:E:EO:R, according to Revenue Procedure 90-4, 1990-2 I.R.B. 10.



The State of Texas
SECRETARY OF STATE

**CERTIFICATE OF INCORPORATION
OF
MEDICAL CENTER CHARTER SCHOOL
CHARTER NUMBER 1385851-01**

The undersigned, as Secretary of 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: January 26, 1996
Effective: January 26, 1996



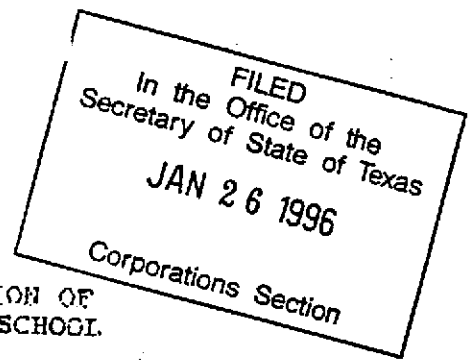
Antonio O. Garza, Jr.

Antonio O. Garza, Jr.
Secretary of State

lsv

157

129



ARTICLES OF INCORPORATION OF
MEDICAL CENTER CHARTER SCHOOL

The undersigned natural person, who is a citizen of the State of Texas, and of the age of 18 years or more, acting as incorporator, pursuant the Texas Non-profit Corporation Act, does hereby adopt the following Articles of Incorporation for such corporation:

ARTICLE I.

The name of this corporation is: Medical Center Charter School.

ARTICLE II.

The corporation is a nonprofit corporation.

ARTICLE III.

The period of its duration is perpetual.

ARTICLE IV.

The general purposes for which the corporation is organized are exclusively educational and charitable, and will not permit discrimination in violation of local, state, or federal law. The general purposes include, but are not limited to, the following:

1. The establishment and operation of an open-enrollment charter school, pursuant to Chapter 12, Subchapter D. of the Texas Education Code, and 25 U.S.C. Section 501 (c) (3).
2. The receipt and maintenance of a fund or funds of real or personal property, or both, and, subject to the restrictions and limitations herein set forth, the use and application of the whole or any part of the income and principal thereof for charitable or educational purposes either directly or by contributions to organizations that qualify as exempt organizations under Section 501 of the Internal Revenue Code and its Regulations as they now exist or as they may be amended.
3. No part of the net earnings of the corporation shall inure to the benefit of any director or officer of the corporation, or any private individual (except that reasonable compensation may be paid for services rendered to or for the corporation affecting one or more of its purposes), and no director or officer of the corporation, or any private individual, shall be entitled to share in the distribution of any of the corporate assets on

dissolution of the corporation.

4. The corporation shall not carry on propaganda, nor participate in, or intervene in (including the publication or distribution of statements) any political campaign on behalf of any candidate for public office.
5. The corporation shall distribute its income for each taxable year at such time and in such manner as not to become subject to tax on undistributed income imposed by applicable provisions of the Internal Revenue Code of 1986, or corresponding provisions of any subsequent federal tax laws.
6. The corporation shall not engage in any act of self-dealing as defined in Section 4941(d) of the Internal Revenue Code or corresponding provisions of any subsequent provisions of any subsequent federal tax laws.
7. The corporation shall not retain any excess business holdings as defined in Section 4943(c) of the Internal Revenue Code or corresponding provisions of any subsequent federal tax laws.
8. The corporation shall not make any investments in such manner as to subject to tax under Section 4944 of the Internal Revenue Code or corresponding provisions of any subsequent federal tax laws.
9. The corporation shall not make any taxable expenditures as defined in Section 4945(d) of the Internal Revenue Code or corresponding provisions of any subsequent federal tax laws.
10. The corporation shall not engage in activities which are disallowed under Section 501(c)(3) of the Internal Revenue Code and its regulations as they now exist or may be hereinafter amended.

ARTICLE V.

The corporation shall have no capital stock or shares.

ARTICLE VI.

The corporation shall have no members. It shall be managed by a board of directors, whose number and qualifications shall be fixed by the By-laws, but in no case shall the number of directors be less than four (4).

ARTICLE VII.

Upon dissolution of the corporation or the winding up of its affairs, the assets of the corporation shall be distributed to educational organizations which would then qualify under the provisions of Section 501 of the Internal Revenue Code and its Regulations as they now exist or as they may hereafter be amended.

ARTICLE VIII.

The street address of the initial registered office of the corporation is 1920 North Braeswood, Houston, Texas 77010, and the name of its initial registered agent as such address is James L. McKey.

ARTICLE VIV.

The number of directors constituting the initial board of directors of the corporation is four (4) and the names and addresses of the persons who are to serve as the initial directors are:

Marget T. Heard
5535 Lyubar
Houston, Texas 77096

Dr. Vernon R. Colpitts
2202 Stanmore
Houston, Texas 77019

Dr. Leonard E. Crahtree
1119 Sugar Lakes Blvd
Sugar Land, Texas 77478

James L. McKey
5814 Southminster
Houston, Texas 77035

ARTICLE X.

The name of the incorporator is:

Marilyn S. Hershman
408 West 17th Street
Austin, Texas 78701



Marilyn S. Hershman, Incorporator

BY-LAWS

OF

MEDICAL CENTER CHARTER SCHOOL
A Texas Non-Profit Corporation

ARTICLE 1

Name and Location

The name of the Corporation is Medical Center Charter School, hereinafter referred to as the "Corporation." The principal office of the Corporation shall be located at 1920 North Braeswood, Houston, Texas 77030, but meetings of directors may be held at such places in or outside the State of Texas, as may be designated by the Board of Directors.

ARTICLE II

Definitions

Section 1. "Corporation" shall mean and refer to Medical Center Charter School, its successors and assigns.

ARTICLE III

Board of Directors: Selection and Term Of Office

Section 1. Meetings of the Board of Directors. The first annual meeting of the Board of Directors shall be held on February 5, 1996, at 5:00 p.m., and subsequent annual meetings shall be held on the anniversary dates, also at 5:00 p.m. The principal business of the annual meeting shall be the election of directors and a review of the operations for the previous year. In addition, The Board of Directors shall take up any matters arose during the fourth quarter of the previous year.

The quarterly meetings of the Board of Directors shall held on the following dates:

April 15, at 5:00 p.m.
July 15, at 5:00 p.m.
October 15, at 5:00 p.m.

If the anniversary date of the annual meeting, or the date of a quarterly meeting, is a legal holiday, or weekend day, or weekend day, then on the next succeeding business day.

The Board of Directors may call as many special meetings as needed, provided that notice of such meetings must be in compliance

the requirements of applicable state and federal law.

Section 2. Number. The affairs of this Corporation shall be managed by a board of seven (7) directors.

Section 3. Term of Office. At the first annual meeting the Board of Directors shall elect three (3) directors for a term of one (1) year, and four (4) directors for terms of two (2) years; and at each annual meeting thereafter the Directors shall elect directors for terms of two (2) years as may be needed.

Section 4. Removal. Any director may be removed from the Board, with or without cause, by a vote of five directors. In the event of death, resignation or removal of a director, his successor shall be selected by the remaining members of the Board and shall serve for the unexpired term of his predecessor.

Section 5. Compensation. No director shall receive compensation for any service he may render to the Corporation.

Section 6. Action Taken Without a Meeting. The directors shall have the right to take any action in the absence of a meeting which they could take at a meeting by obtaining the written approval and consent of all the directors. Any action so approved shall have the same effect as though taken at a meeting of the directors.

ARTICLE V

Nomination and Election of Directors

Section 1. Nomination. Nomination for election to the Board of Directors shall be made by a nominating committee of three (3) directors. The Nominating Committee shall choose one of its members to be chairman of the committee. The Nominating Committee shall be appointed by the Board of Directors prior to each annual meeting, to serve from the close of such annual meeting until the close of the next annual meeting and such appointment shall be announced at each annual meeting. The Nominating Committee shall make as many nominations for election to the Board of Directors as it shall in its discretion determine, but not less than the number of vacancies that are to be filled.

Section 2. Election. Election to the Board of Directors shall be by raised hand, or other visible sign or writing, during an open meeting of the Board of Directors. The persons receiving the largest number of votes shall be elected.

ARTICLE VI

Meetings of Directors

Section 1. Regular Meetings. Regular meetings of the Board of Directors shall be held quarterly without notice, at such place and hour as may be fixed from time to time by the Board. Should said meeting fall upon a legal holiday, then that meeting shall be held at the same time on the next day which is not a legal holiday.

Section 2. Special Meetings. Special meetings of the Board of Directors shall be held when called by the President of the Corporation, or by any two directors, after not less than three (3) days notice to each director.

Section 3. Quorum. A majority of the number of directors shall constitute a quorum for the transaction of business. Every act or decision done or made by a majority of the directors present at a duly held meeting at which a quorum is present shall be regarded as the act of the Board.

ARTICLE VII

Power and Duties of the Board of Directors

Section 1. Powers. The Board of Directors shall have the power to:

- (a) exercise for the Corporation all powers, duties and authority vested in or delegated to this Corporation by the provisions of these By-Laws, the Articles of Incorporation, and the laws of the State Of Texas and The United States Of America;
- (b) declare the office of a member of the Board of Directors to be vacant in the event each such member shall be absent from three (3) consecutive regular meetings of the Board of Directors; and

Section 2. Duties. It shall be the duty of the Board of Directors to:

- (a) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the public at the annual meeting of the;
- (b) supervise all officers, agents and employees of this Corporation, and to see that their duties are properly performed;
- (c) to cause all officers or employees having fiscal responsibilities to be bonded, as the Board may deem appropriate; and

ARTICLE VIII

Officers and Duties

Section 1. Enumeration of Offices. The officers of this Corporation shall be a President and Vice President (who shall at all times be members of the Board of Directors), a Secretary, a Treasurer, and such other officers as the Board, from time to time, by resolution may create.

Section 2. Election of Officers. The election of officers shall take place at the annual meeting of the Board of Directors.

Section 3. Term. The officers of this Corporation shall be elected annually by the Board and each shall hold office for one (1) year unless he shall sooner resign, be removed, or otherwise be disqualified to serve.

Section 4. Special Appointments. The Board may elect such other officers as the affairs of the Corporation may require, each of whom shall hold office for such period, have such authority, and perform such duties as the Board may, from time to time, determine.

Section 5. Resignation and Removal. Any officer may be removed from office, with or without cause, by the Board. Any officer may resign at any time giving written notice to the Board, the President or the Secretary. Such resignation shall take effect on the date of receipt or at any later time specified therein, and unless otherwise specified therein, the acceptance of such resignation shall not be necessary to make it effective.

Section 6. Vacancies. A vacancy in any office may be filled by appointment by the Board. The officer appointed to such vacancy shall serve for the remainder of the term of the officer he replaces.

Section 7. Multiple Offices. The offices of Secretary and Treasurer may be held by the same person. No person shall simultaneously hold more than one of any of the other offices, except in the case of Special Offices created pursuant to Section 4 of this Article.

Section 8. Duties. The duties of the officers are as follows:

- (a) President. The President shall preside at all meetings of the Board of Directors; shall see that orders and resolutions of the Board are carried out; shall sign all leases, mortgages, deeds and other written instruments and shall co-sign all checks and promissory notes.
- (b) Vice-President. The Vice President shall act in the place and stead of the President in the event of his absence, inability or refusal to act, and shall exercise and discharge such other duties as may be required by him

by the Board.

- (c) Secretary. The Secretary shall record the votes and keep the minutes of all meetings and proceedings of the Board; keep the corporate seal of the Corporation and affix it upon the minutes of the meetings of the Board of Directors and all other papers requiring said seal; serve notice of meetings of the Board; keep appropriate records, including the names and addresses Directors; and perform such other duties as required by the Board.
- (d) Treasurer. The Treasurer shall receive and deposit in appropriate bank accounts all monies of the Corporation and shall disburse such funds as directed by resolution of the Board of Directors; shall co-sign all promissory notes of the Corporation; keep property books of account; cause a report of the Corporation's books to be made at the completion of each fiscal year; and prepare an annual budget and a statement of income and expenditures, to be presented to the Directors at their regular annual meeting. Copies of these documents shall be available for purchase at a reasonable cost.

ARTICLE IX

Committees

ARTICLE X

Books and Records

The books, records and papers of the Corporation shall at all times, during reasonable business hours, be subject to inspection by the officers and directors of the Corporation. The books, records and papers of the Corporation, the Articles of Incorporation, these By-Laws, and any amendments thereto shall, to the extent required by federal or state law, be available for inspection as public records.

ARTICLE XI

Corporate Seal

The Corporation shall have a seal in circular form having within its circumference the words: MEDICAL CENTER CHARTER SCHOOL.

ARTICLE XIII

Amendments

165

Section 1. These By-Las may be amended at a regular or special meeting of the Board by an affirmative vote of not less than four (4) directors.

Section 2. In the case of any conflict between the Articles of Incorporation and these By-Laws, the Articles shall control.

ARTICLE XIV

Fiscal Year

The fiscal year of the Corporation shall begin on the first day of January and end on the 31st day of December of every year, except that the first fiscal year shall begin on the date of incorporation.

IN WITNESS WHEREOF, we being all of the directors of Medical Center Charter School, have hereunto set our hands this 17th day of July, 1996.

Margot T. Heard

James L. McKey

Herbert Davis

Dr. Leonard E. Crabtree

Dr. Vernon P. Colpitts

Dr. L. Esperanza McKay

Dr. Gurney F. Pearsall

'96

166

990 FORM

PAGES 171 to 184 = 14 PAGES

UNDER SECTION 6103 & 6104 OF U.S. CODE
TITLE 26

14 PAGES HAVE BEEN WITHHELD

2758 FORM

PAGE 185 = 1 PAGE

UNDER SECTION 6103 & 6104 OF U.S. CODE
TITLE 26

1 PAGE HAS BEEN WITHHELD

COPYRIGHT MATERIAL

1 page has been withheld

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INITIAL REPORT OF BENEFITS OR CAMPAIGN CONTRIBUTIONS CONFERRED ON
MEMBERS OF OR CANDIDATES FOR THE STATE BOARD OF EDUCATION
For the period May 12, 2000 to the present

Individual making report MARGOT T. HEARD / JAMES L. MURPHY

Employer or Company Represented MEDICAL CENTER CHARTER SCHOOL

Position CEO

Services Rendered to SBOE or Contract, Grant, or Charter Issued by SBOE
NONE

Transaction 1.

DATE _____

AMOUNT _____

NAME OF PERSON (S) RECEIVING BENEFIT OR CONTRIBUTION

DETAILED DESCRIPTION OF EXPENDITURE _____

Medical Center

Transaction 2.

DATE _____

AMOUNT _____

NAME OF PERSON (S) RECEIVING BENEFIT OR CONTRIBUTION

DETAILED DESCRIPTION OF EXPENDITURE _____

Transaction 3.

DATE _____

AMOUNT _____

NAME OF PERSON (S) RECEIVING BENEFIT OR CONTRIBUTION

DETAILED DESCRIPTION OF EXPENDITURE _____

MEDICAL CENTER CHARTER SCHOOL

Admissions: The description of the admissions process (p. 26) is not entirely clear, in that it says that "open enrollment" is followed only after February 1st. Does this mean simply that after February 1st they accept students from outside the geographic boundaries? We might ask the applicants to clarify whether the lottery conducted in late February would include all applicants within the geographical area applying for over-subscribed grades, or only those who applied after February 1st. If it includes all applicants (as it should), then what is the significance of the "stamped date and sequential number of receipt" given to each application prior to February 1st?

Geographic Boundaries: OK (p. 17, 28).

Impact Statement: The application states that the Impact Statement was mailed to three school districts (p. 28), but I do not think that copies of mailing receipts have yet been provided to TEA.

Public Notice: OK (p. 30 & Attachment 8).

Facilities: OK (pp. 17, 35, Attachments 21-22).

Governance Structure: OK (p. 36 & Attachments 25-29, 32).

Evidence of Nonprofit Status: OK (Attachment 30).



MEDICAL CENTER CHARTER SCHOOL

More Than Academic Excellence

RECEIVED

SEP 29 PM 1:01

LEGAL SERVICES

January 26, 2001

From Charly
1/29

✓
Charly

Charles Moody
TEA Legal Services
Texas Education Agency
1701 North Congress Avenue
Austin, Texas 78701-1494

Dear Mr. Moody:

When Medical Center Charter School was organized, we adopted (and modified) preprinted by-laws. Although we adopted language requiring notice of special meetings (Article III, Section 1.), and have complied with the Chapter 551, notice of meetings requirement, we over looked preprinted language in Article VI, Section 1. that "Regular meetings of the Board of Directors shall be held quarterly without notice---". We have never held a meeting without proper notice, and will never do so. The agenda for the next meeting of the Board of Directors will include a request to delete this provision and replace it with clear and unambiguous language requiring notice of all meetings of the Board of Directors.

We used a private courier service (Action Run way) to deliver Impact Statements to Houston I.S.D., Fort Bend County I.S.D., and Alief I.S.D. Inclosed are photo copies of the receipts which we received from Action Runway.

Thank you for your cooperation.

Yours very truly,

James L. McKey

JLM/km
encl.



1111 FANNIN ST., SUITE C-60
HOUSTON, TEXAS 77002
(713) 651-1818
FAX (713) 651-3939

(713) 651-1818
www.actionrunway.com

DELIVERY TICKET #
70945

TYPE OF DELIVERY → 4 HOUR 2 HOUR 1 HOUR A.S.A.P. ROUNDTrip

DATE **11-1-00**

THIS SHIPMENT IS ACCEPTED BY ACTION RUNWAY COURIERS INC. FOR DELIVERY BASED ON THE TERMS AND CONDITIONS APPEARING HEREON BELOW AND ON THE REVERSE SIDE OF THIS FORM. SPECIFIC PROVISIONS CONCERNING LIMITATIONS OF LIABILITY ARE HERE. PLEASE READ THIS FORM CAREFULLY.

LIMITATIONS OF LIABILITY: ACTION RUNWAY COURIERS INC. MAXIMUM LIABILITY FOR ANY DELAY, LOSS OR DAMAGE (WHETHER DIRECT, INCIDENTAL, SPECIAL, EXEMPLARY OR CONSEQUENTIAL) RELATED TO THIS SHIPMENT AND REGARDLESS OF THE CAUSE OF SUCH DELAY, LOSS, OR DAMAGE, EVEN THOUGH CAUSED IN WHOLE OR IN PART BY ACTION RUNWAY COURIERS NEGLIGENCE (ACTIVE, PASSIVE, JOINT, CONCURRENT OR SOLE), STRICT LIABILITY OR OTHER THEORY OF LIABILITY, IS LIMITED TO \$100.00 FOR THIS SHIPMENT UNLESS (i) A DIFFERENT VALUE IS DECLARED IN WRITING BELOW, (ii) SUCH VALUE IS ACCEPTED IN WRITING BY AN AUTHORIZED OFFICER OF ACTION RUNWAY COURIERS INC., AND (iii) AN INCREASED CHARGE IS ACCEPTED IN WRITING TO BE PAID BY SHIPPER.

VALUE OF SHIPMENT **IS LESS THAN** \$100.00 () "X" MARK PLEASE.

VALUE OF SHIPMENT **IS GREATER THAN** \$100.00 () "X" MARK PLEASE.

DRIVER: **45**

VALUE (GREATER THAN \$100.00) DECLARED BY SHIPPER \$_____

BY:(NAME) _____; TITLE: _____

(ABOVE VALUE GREATER THAN \$100.00) APPROVED FOR ACTION RUNWAY COURIERS INC.

BY:(NAME) _____; TITLE: _____

Shipper Address
St. Nicholas School
1920 N. BRASWOOD
HOUSTON, TX 77030

Consignee Address
FORT Bend I.S.D.
16431 LEXINGTON
SUGARLAND, TX 77479

NO. PCS. _____ **DESCRIPTION AND REMARKS** _____ **WEIGHT** _____

WHEN PLACING ORDER PLEASE ADVISE IF VALUE OF SHIPMENT EXCEEDS \$100.00

PERSON RECIPIENT NAME HERE: _____

RECEIVED IN GOOD CONDITION BY: _____

SHIPPER



1111 FANNIN ST., SUITE C-60
 HOUSTON, TEXAS 77002
 (713) 651-1818
 FAX (713) 651-3939

(713) 651-1818
 www.actionrunway.com

DELIVERY TICKET #
 DATE 11-1-00

TYPE OF DELIVERY → 4 HOUR 2 HOUR 1 HOUR A.S.A.P. ROUNDTrip

THIS SHIPMENT IS ACCEPTED BY ACTION RUNWAY COURIERS INC. FOR DELIVERY BASED ON THE TERMS AND CONDITIONS APPEARING HEREON BELOW AND ON THE REVERSE SIDE OF THIS FORM. SPECIFIC PROVISIONS CONCERNING LIMITATIONS OF LIABILITY ARE HERE. PLEASE READ THIS FORM CAREFULLY.

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VALUE OF SHIPMENT IS LESS THAN \$100.00 () "X" MARK PLEASE.
 VALUE OF SHIPMENT IS GREATER THAN \$100.00 () "X" MARK PLEASE.
 VALUE (GREATER THAN \$100.00) DECLARED BY SHIPPER \$ _____
 BY:(NAME) _____; TITLE: _____
 (ABOVE VALUE GREATER THAN \$100.00) APPROVED FOR ACTION RUNWAY COURIERS INC.
 BY:(NAME) _____; TITLE: _____

DRIVER: 45

Shipper Address St. Nicholas School 1720 N. Braeswood HOUSTON, TX 77030	Consignee Address H.L.S.D. 3830 Richmond Ave HOUSTON, TX 77027
---	--

NO. PCS.	DESCRIPTION AND REMARKS	WEIGHT
----------	-------------------------	--------

WHEN PLACING ORDER PLEASE ADVISE IF VALUE OF SHIPMENT EXCEEDS \$100.00

PERSON RECIPIENT NAME HERE:	RECEIVED IN GOOD CONDITION BY: _____ SHIPPER
-----------------------------	--



1111 FANNIN ST., SUITE C-60
 HOUSTON, TEXAS 77002
 (713) 651-1818
 FAX (713) 651-3939

(713) 651-1818
 www.actionrunway.com

DELIVERY TICKET #
 10950
 DATE 11-1-00

TYPE OF DELIVERY → 4 HOUR 2 HOUR 1 HOUR A.S.A.P. ROUNDTrip

THIS SHIPMENT IS ACCEPTED BY ACTION RUNWAY COURIERS INC. FOR DELIVERY BASED ON THE TERMS AND CONDITIONS APPEARING HEREON BELOW AND ON THE REVERSE SIDE OF THIS FORM. SPECIFIC PROVISIONS CONCERNING LIMITATIONS OF LIABILITY ARE HERE. PLEASE READ THIS FORM CAREFULLY.

LIMITATIONS OF LIABILITY: ACTION RUNWAY COURIERS INC. MAXIMUM LIABILITY FOR ANY DELAY, LOSS OR DAMAGE (WHETHER DIRECT, INCIDENTAL, SPECIAL, EXEMPLARY OR CONSEQUENTIAL) RELATED TO THIS SHIPMENT AND REGARDLESS OF THE CAUSE OF SUCH DELAY, LOSS, OR DAMAGE, EVEN THOUGH CAUSED IN WHOLE OR IN PART BY ACTION RUNWAY COURIERS NEGLIGENCE (ACTIVE, PASSIVE, JOINT, CONCURRENT OR SOLE), STRICT LIABILITY OR OTHER THEORY OF LIABILITY, IS LIMITED TO \$100.00 FOR THIS SHIPMENT UNLESS (i) A DIFFERENT VALUE IS DECLARED IN WRITING BELOW, (ii) SUCH VALUE IS ACCEPTED IN WRITING BY AN AUTHORIZED OFFICER OF ACTION RUNWAY COURIERS INC., AND (iii) AN INCREASED CHARGE IS ACCEPTED IN WRITING TO BE PAID BY SHIPPER.

VALUE OF SHIPMENT IS LESS THAN \$100.00 () "X" MARK PLEASE.

VALUE OF SHIPMENT IS GREATER THAN \$100.00 () "X" MARK PLEASE.

DRIVER: 45

VALUE (GREATER THAN \$100.00) DECLARED BY SHIPPER \$ _____

BY:(NAME) _____ ; TITLE: _____

(ABOVE VALUE GREATER THAN \$100.00) APPROVED FOR ACTION RUNWAY COURIERS INC.

BY:(NAME) _____ ; TITLE: _____

Shipper Address
 St. Nicholas School
 1720 N. BRIDGWOOD
 HOUSTON, TX 77030

Consignee Address
 Whit J.S.D
 12302 HADISTAR
 HOUSTON, TX 77072

NO. PCS. _____ **DESCRIPTION AND REMARKS** _____ **WEIGHT** _____

WHEN PLACING ORDER PLEASE ADVISE IF VALUE OF SHIPMENT EXCEEDS \$100.00

PERSON RECIPIENT NAME HERE: _____

RECEIVED IN GOOD CONDITION BY: _____

SHIPPER

**TEXAS EDUCATION AGENCY
Division of School Financial Audits**

MEMORANDUM

To: Mary Perry
From: Brenda Niles
Date: Wednesday, December 19, 2000
RE: Review of Charter Application for Medical Center Charter School

The following summarizes various issues and/or concerns for Medical center Charter School based on our review of their charter application.

Business Plan

Financial Management

Page 17 letter D

"The Board of Directors contracts with Terry-Heard Management Inc and JLM Management Inc. to operate the schools as Chief Executive Officers."

They have two management Companies that act as CEO?
Margot Heard is one CEO, and William Heard is a principle what is the relationship between the Management Company, CEO, and principle?

Attachment 17. Budget

What is the local source of the \$52,613?

What is the *other* source of \$50,000?

Why are contracted services 70% of revenue and payroll is 20% of revenue?

Is there a relationship between the employees and the management company?

Attachment 20. Annual Financial Report

Discloses the school ending 1998 fiscal year end with a \$258,731 net asset deficit and ending the 1999 fiscal year end with a \$207,396 net asset deficit. Please explain why there is a deficit and what actions have been taken to correct the situation. Will the 2000 fiscal year end disclose a deficit as well?

The audit discloses loans between the charter school and St Edwards. Are there official loan documents signed by each party?

Student Attendance Accounting

Attachment 23. School Calendar

The calendar is incorrect in that it lists spring break as 4/13/01-04/20/01 but 03/13/00 -03/20/00 is circled on the calendar. The calendar also indicates 182 days of instruction. Are they aware that they will only be funded for 180 days?

GENERATION 1 CHARTER SCHOOLS RENEWAL APPLICATION REVIEW

Please list and explain any issues that need clarification in the interview process.

ISSUE(S)	REQUIRED INFORMATION	APPLICATION PROVIDED
<p>Procedural Safeguards 300.504</p>	<p><i>Any reference or assurance to follow 34 CFR 300.504; or a reference to the State Procedural Safeguard Brochure;</i></p> <ul style="list-style-type: none"> • A copy of the procedural safeguards is given to parents at a minimum of <ul style="list-style-type: none"> ▪ Initial referral for evaluation ▪ Each ARD / IEP notification ▪ Reevaluation ▪ Receipt of a request for due process • Contents: <ul style="list-style-type: none"> ▪ Full explanation of independent evaluation ▪ Prior written notice ▪ Parental consent ▪ Access to educational records ▪ Opportunity to present complaints ▪ Initiate due process hearing ▪ AEP placement ▪ Private school students ▪ Mediation ▪ Due process hearing ▪ State level appeals ▪ Civil actions ▪ Attorneys' fee ▪ State complaint procedures • Understandable language 	<p>Application provided:</p> <ul style="list-style-type: none"> • A copy of the procedural safeguards is given to parents at a minimum of <ul style="list-style-type: none"> ▪ Initial referral for evaluation ▪ Each ARD / IEP notification ▪ Reevaluation ▪ Receipt of a request for due process <p>MISSING</p> <ul style="list-style-type: none"> • Contents: <ul style="list-style-type: none"> ▪ Full explanation of independent evaluation ▪ Prior written notice ▪ Parental consent ▪ Access to educational records ▪ Opportunity to present complaints ▪ Initiate due process hearing ▪ AEP placement ▪ Private school students ▪ Mediation ▪ Due process hearing ▪ State level appeals ▪ Civil actions ▪ Attorneys' fee ▪ State complaint procedures • Understandable language
<p>Prior notice by agency; content of notice 300.503</p>	<p><i>Any reference or assurance to follow 34 CFR 300.503 and 300.345</i></p> <ul style="list-style-type: none"> • Notice. Five school days written notice given to parents before the charter <ul style="list-style-type: none"> ▪ Proposes to initiate or change educational placement, evaluation ▪ Refuses to initiate or change the above • Contents of notice: <ul style="list-style-type: none"> ▪ Description of action proposed or refused ▪ Explanation of why agency proposes or refuses to take action ▪ Description of other options & why options refused ▪ Description of evaluation procedures, test, record, or report 	<p>Application did not convey key concepts of this component.</p> <p>NOTE</p> <ul style="list-style-type: none"> ➤ Commissioner's Rule defines "reasonable time" as five school days. <p>MISSING</p> <ul style="list-style-type: none"> • Notice. Five school days written notice given to parents before the charter <ul style="list-style-type: none"> ▪ Proposes to initiate or change educational placement, evaluation

<p>Prior notice by agency; content of notice (con't.)</p>	<ul style="list-style-type: none"> ▪ Statement that parents have protection under procedural safeguards document ▪ Sources for parents to contact ▪ Understandable language 	<ul style="list-style-type: none"> ▪ Refuses to initiate or change the above • Contents of notice: <ul style="list-style-type: none"> ▪ Description of action proposed or refused ▪ Explanation of why agency proposes or refuses to take action ▪ Description of other options & why options refused ▪ Description of evaluation procedures, test, record, or report ▪ Statement that parents have protection under procedural safeguards document ▪ Sources for parents to contact ▪ Understandable language
<p>Observation (assessment/ evaluation) 300.531 – 300.543</p>	<p><i>Any reference or assurance to follow 34 CFR 300.531- 300.543, and TEC 29.004</i></p> <ul style="list-style-type: none"> • Initial evaluation • Evaluation procedures • Determination of needed evaluation data • Determination of eligibility • Procedures for determining eligibility & placement • Reevaluation • Additional team members • Criteria for determining the existence of specific learning disabilities • Observation • Written report 	<p>Application provided:</p> <ul style="list-style-type: none"> • Determination of needed evaluation data • Observation <p>MISSING</p> <ul style="list-style-type: none"> • Initial evaluation • Evaluation procedures • Determination of eligibility • Procedures for determining eligibility & placement • Reevaluation • Additional team members • Criteria for determining the existence of specific learning disabilities • Written report
<p>Development & implementation of the IEP</p>	<p><i>Any reference or assurance to follow 34 CFR 300.342-350</i></p> <ul style="list-style-type: none"> • When IEPs must be in effect • IEP / ARD meetings • IEP / ARD team • Parent participation • Development, review, and revision of the IEP (TAC 89.1050) • Content of the IEP • Agency responsibilities for transition services • IEP accountability 	<p>Application provided:</p> <ul style="list-style-type: none"> • When IEPs must be in effect <p>MISSING</p> <ul style="list-style-type: none"> • IEP / ARD meetings • IEP / ARD team • Parent participation • Development, review, and revision of the IEP (TAC 89.1050) • Content of the IEP • Agency responsibilities for transition services • IEP accountability
<p>Least Restrictive Environment (LRE) Placement</p>	<p><i>Any reference or assurance to follow 34 CFR 300.550-553</i></p>	<p>Application provided:</p> <ul style="list-style-type: none"> • General LRE requirements

<p>Least Restrictive Environment (LRE) Placement (con't.) 300.550-553</p>	<ul style="list-style-type: none"> • General LRE requirements <ul style="list-style-type: none"> ▪ All placements are made on an individual basis • Continuum of alternative placements • Placements <ul style="list-style-type: none"> ▪ Annual placement decisions are determined by an ARD committee • Nonacademic settings 	<ul style="list-style-type: none"> ▪ All placements are made on an individual basis <p>MISSING</p> <ul style="list-style-type: none"> • Continuum of alternative placements • Placements <ul style="list-style-type: none"> ▪ Annual placement decisions are determined by an ARD committee • Nonacademic settings
<p>Certified Personnel 300.23; 300.136</p>	<p><i>Any reference or assurance to follow 34 CFR 300.23, 300.136, TAC 89.1131, and SBEC certification requirements.</i></p> <ul style="list-style-type: none"> • Qualified Personnel • Personnel standards • 	<p>Application addressed:</p> <ul style="list-style-type: none"> • Personnel standards <p>MISSING</p> <ul style="list-style-type: none"> • Qualified Personnel
<p>Services to Expelled Students 300.121; 300.522</p>	<p><i>Any reference or assurance to follow 34 CFR 300.121; 300.522 and TEC Chapter 37</i></p> <ul style="list-style-type: none"> • Free Appropriate Public Education (FAPE) <ul style="list-style-type: none"> ▪ 10 day rule ▪ TEC Chapter 37 • Determination of Setting 	<p>Application discussed 504 and services to expelled students.</p> <p>MISSING</p> <ul style="list-style-type: none"> • Free Appropriate Public Education (FAPE) <ul style="list-style-type: none"> ▪ 10 day rule ▪ TEC Chapter 37 • Determination of Setting

Please list and explain any areas of concern that need to be raised before the State Board of Education.

CONCERN	ASSURANCE REQUESTED
<p>Charter could be at-risk for potential:</p> <ul style="list-style-type: none"> • Due process hearings • FAPE violations • Compliance issues 	<p>Will the charter submit documentation of knowledge in the specific areas requested above?</p>
<p>Placement for students with disabilities, page 24,</p> <p>"MCCS currently serves all special education students in the mainstream setting."</p> <p>NOTE Least Restrictive Environment (LRE) is an ARD committee decision. The continuum of special education services should be considered on an individual basis and not influenced by the policies or philosophies of a school."</p>	<p>Will the charter school provide assurances to follow Federal and State laws regarding the least restrictive environment and the placement of students with disabilities?</p>

<p>Charter school is currently serving Pre-K and Kindergarten.</p>	<p>Will the charter school submit documentation of knowledge of federal guidelines for children with disabilities, ages 3-5, or provide a general assurance to follow the federal guidelines stipulated in 34 CFR 301?</p>
--	--

Please provide the following general assurance statement on charter letterhead. The charter may choose to fax the statement in advance, however, the statement with an original signature needs to be archived with the application.

General Assurance Statement for Generation 1 renewal applications

The General Assurance Statement with the official signature of the ^{Medical Center Charter} ~~XYZ~~ Charter School representative provides a general assurance that the ~~XYZ~~ Charter School will follow all special education guidelines stipulated in the State Board of Education Rules (Texas Administrative Code), Commissioner Rules (Texas Administrative Code), Texas Education Code, State Board of Educator Certification Requirements, Final Regulations (March 1999) of IDEA – Parts 99, 300, & 301, and other applicable laws and regulations related to implementation of special education requirements and the provision of a Free, Appropriate Public Education (FAPE) to students with disabilities. **The Division of Special Education at the Texas Education Agency accepts the statement as a general assurance to follow the special education guidelines, however, this statement does not reflect the division's acceptance of the inaccuracies or deletions in the renewal application.** Furthermore, it is the responsibility of the ~~XYZ~~ Charter School to remain in compliance with new revisions and regulations to State Board of Education Rules (Texas Administrative Code), Commissioner Rules (Texas Administrative Code), Texas Education Code, State Board of Educator Certification Requirements, and Final Regulations (March 1999) of IDEA – Parts 99, 300, & 301, and other applicable laws and regulations related to implementation of special education requirements and the provision of a Free, Appropriate Public Education (FAPE) to students with disabilities.

X Margot T. Heard
(Name & title of authorizing signature)

February 1, 2001
(Date)

**Medical Center Charter School
SPECIAL EDUCATION
BOARD POLICY**

*Copy
to Carolyn
2/1/01*

FREE APPROPRIATE PUBLIC EDUCATION (FAPE) - Medical Center Charter School Board, as an expression of its commitment to provide a free appropriate public education for children with disabilities in accordance with state and federal laws, rules, and regulations, does hereby resolve to implement the following policies:

1. CHILD IDENTIFICATION

It is the policy of this school that ongoing efforts will be made to identify, locate and evaluate children below 22 years of age who reside within the school attendance area as described in the charter application and have a confirmed or suspected disability in accordance with all federal regulations and state standards.

2. PROCEDURAL SAFEGUARDS

It is the policy of this school that the child with a disability and his/her parent are provided with safeguards, as required by law, throughout the identification, evaluation, and placement process, and the provision of a free appropriate public education to the child.

3. MULTIFACETED EVALUATION

It is the policy of this school to provide a multifaceted evaluation for children with disabilities by ensuring that:

- Children are assessed in their native language or other mode of communication.
- Tests are used for their validated purposes.
- Children are evaluated in all areas related to their suspected disability.
- Testing is conducted by a multidisciplinary team.
- Testing materials and procedures are not racially or culturally biased.
- Tests are administered by trained personnel qualified in accordance with all federal regulations and state standards.
- Tests are administered in conformance with the instructions provided by the producer. That medical evaluation, when required as part of the multifaceted evaluation, shall be provided at no cost to the parent by a licensed physician designated by the superintendent or his/her designee, when other no-cost resources are not available.

4. INDIVIDUALIZED EDUCATION PROGRAM

It is the policy of this school district that an individualized education program (IEP) will be developed for each child with a disability that needs special education. The IEP is designed to meet the unique educational needs of the child and is developed in a planning conference. - Parents of the child are strongly encouraged to participate in the planning conference. The IEP is reviewed and revised as often as necessary, but at least annually.

5. LEAST RESTRICTIVE ENVIRONMENT

It is the policy of this school that:

- The education of children with disabilities occurs in the least restrictive environment.
- Special education programs and services are appropriate and designed to meet the unique needs of each child with a disability to the maximum extent appropriate.
- Children with disabilities, including children in public or private institutions or other care facilities are educated with children who do not have disabilities.
- Special classes, separate schooling, or other removal of children with disabilities from the regular educational environment occurs only when the nature or severity of the disability is such that education in regular classes with the use of supplementary aids and services cannot be achieved satisfactorily.

6. CONFIDENTIALITY OF DATA

It is the policy of this school that the confidentiality of personally identifiable data relating to children with disabilities and their parents and families are protected at collection, storage, disclosure, and destruction, and that one official of this school is assigned the responsibilities for protecting the confidentiality of personally identifiable data. This school follows federal regulations and state standards related to the confidentiality of data.

CHILD IDENTIFICATION

The Medical Center Charter School with the assistance of the Texas Education Agency, the Education Service Center and the Early Childhood Intervention Program is responsible for providing a free appropriate public education (FAPE) to all individuals with disabilities age birth through 21, or within the age group described in the charter application, who fall within our jurisdiction and therefore are served by the school. Regardless of the severity of the disability, Medical Center Charter School will make every effort to locate, identify and evaluate those individuals. Dissemination of availability of information to the public concerning services offered to all individuals with disabilities includes:

A. Child Find

1. Participation in a network of public information dissemination which includes the education service center, other agencies, communities and facilities providing services to the handicapped;
2. Providing information regarding availability of services;
3. Determining which individuals are currently receiving needed special education and related services and which individuals are not currently receiving needed special education and related services;
4. Identifying and referring individuals with disabilities who may or may not be in school and who may need special education including highly mobile children and children who are suspected of being children with disabilities even though they are advancing from grade to grade.
5. Referring individuals ages 0-3 to a local early childhood intervention program for evaluation;
6. Reviewing this process on a yearly basis, updating staff as to on-going "child find" activities implemented in the community;
7. Maintaining confidentiality of all personally identifiable information used and collected in this system in the same manner that special education records are maintained.

The school administrator (director) is responsible for implementation and direction of the Child Find program, as well as identifying any other staff members, annually, who will participate in the organization and implementation of this program.

Any students of an age addressed by the school program who are screened and found to be potentially eligible for services under the Individuals with Disabilities Education Act are referred for possible special education or early intervention services within the school, using referral procedures adopted by the school.

All federal and state regulations governing the confidentiality of records, timelines and implementation of programs for students eligible for services will be adhered to in this program.

B-Referral Process

1. Initial Referral to Special Education

Consideration of a student's need for special education is initiated by a referral. Referrals of students for possible special education services shall be a part of our district's overall regular education referral or screening system and child find system. Referral may be made by school personnel, parent or guardian, physician, community agencies, other appropriate individuals, or as a result of any district wide testing or screening program, which is provided for all students.

A. Who may be referred for special education services?

All students ages birth through twenty-one (0-21) residing within the Medical Center Charter School boundaries who are suspected of having a disability may be referred for special education appraisal.

1. For school-age children, the suspected disability must be interfering with the student's educational process in order to warrant a referral.
2. Students who are not currently enrolled in a school may also be referred by the principal of the neighborhood school.
3. Students who are new to a district and have been receiving special education services in the student's previous district will not go through the referral process. (See Transfers in this section and in the ARD section, or see Transfers/Temporary Placement).

B. Membership of the Referral Committee (RC)

1. The membership in the district's overall regular education screening system, as referenced in the Texas Administrative Code, is determined by the local campus administration unless specified in district policy.

C. Timeline- Referral to Assessment

A written report of a comprehensive individual assessment of a student for purposes of special education services will be completed not later than the 60th calendar day following the date on which the referral for assessment was initiated by school personnel, the student's parent or legal guardian, or another appropriate person. The assessment will be conducted using procedures that are appropriate for the student's most proficient method of communication. The 60th calendar daytime line requirements for the special education department processing and assessment includes the time used by regular education to complete the referral. Data will be gathered and sent to special education assessment person as soon as possible, no later than 30 school days from the date the referral is initiated.

D. Referrals by Parents/Guardians/Others

For children with suspected developmental delays, birth through 2 years of age, MCCS will maintain logs that documents:

1. Within 2 working days from the date that a "Child Find" referral is received it is forwarded to an ECI program (MCCS will collaborate with the ECI program and determine appropriate steps based on the student age and needs).
2. MCCS completes the assessment within 45 calendar days from the date the referral is received.
3. The ARD committee will determine eligibility, educational need and develop an IEP to determine placement prior to the third birthday.

C- Evaluation

1. Comprehensive Individual Assessment (CIA)

Initial Evaluations

MCCS will ensure that a full and individual evaluation is conducted for each student being considered for special education and related services. The evaluation will be completed before the initial provision of special education and related services and will:

- a. Determine if the student is a "student with a disability" in accordance with federal and state requirements.
- b. Determine the educational needs of the student.

In implementing the requirements above, MCCS ensures that:

- a. The evaluation is conducted in accordance with the procedures in federal and state law.
- b. The results of the evaluation are used by the ARD committee in developing an individualized education program.

2. Determination of Needed Evaluation Data

As part of an initial evaluation (if appropriate) and as part of any reevaluation, a team that includes appropriate individuals (same as ARD members - see Section 4), and other qualified professionals, as appropriate, shall:

A. Review existing evaluation data on the student, including but not limited to:

1. evaluation and information provided by the parents of the students
2. current classroom based assessments and observations
3. observations by teachers and related service providers
4. group assessments such as TAAS, Terra Nova, etc., and
5. other school records such as attendance, discipline reports, language survey, etc.

B. On the basis of that review, including input from the student's parents, the ARD committee will identify what additional data, if any, are needed to determine:

- 1-whether the child has a particular category of disability, as described in federal law or in case of a reevaluation of a student,
- 2-whether the student continues to have a disability,
- 3-the present levels of performance and educational needs of the student,
- 4-whether the student needs special education and related services, or in the case of a reevaluation of a student,
- 5-whether the student continues to need special education and related services,
- 6-whether any additions or modifications to the special education and related services are needed to enable the student to meet the measurable annual goals set out in the IEP of the student and to participate, as appropriate, in the general curriculum.

C. MCCS will administer tests and other evaluation materials as may be needed to produce the data identified in A and B above.

D. If determination under paragraph A is that no additional data are needed to determine whether the student continues to be a student with a disability the MCCS will notify the student's parents of:

- 1.the determination and the reasons for it and,

2. the rights of the parents to request a comprehensive individual assessment to determine whether the student continues to be a student with a disability
- E. MCCS is not required to conduct an assessment described in paragraph D 2 above unless requested to do so by the student's parents

3. Time Line

A written report of a comprehensive individual assessment of a student for purposes of special education services will be completed not later than the 60th calendar day following the date on which the referral for assessment was initiated by school personnel, the student's parent or legal guardian, or another appropriate person. The assessment will be conducted using procedures that are appropriate for the student's most proficient method of communication.

The 60 calendar day time line requirements for the special education department processing and assessment includes the time used by regular education to complete the referral. Data should be gathered and sent to special education assessment person as soon as possible, no later than 30 school days from the date that the referral is initiated.

4. Purpose

The purpose of the comprehensive individual assessment is to:

- a. determine eligibility and the presence or absence of a physical, mental, or emotional disability, which may be contributing to a student's educational need,
- b. determine the presence or absence of a significant educational deficit and the need for special education instruction and/or related services,
- c. identify specific learning competencies in instructional and related service areas,
- d. make recommendations for determining the grading criteria and procedures for participation in extra curricular activities, and
- e. provide information relative to the appropriate mastery level or levels at which the student should be expected to achieve in order to receive passing grades in all content areas of instruction.

5. Documentation

- A. MCCS will maintain documentation concerning referral and comprehensive individual assessment data in the special education referral packet. Personnel responsible for the referral and the assessment shall sign and date referral forms and written assessment reports.
- B. Tests and other evaluation materials and procedures used for the purposes of evaluation and placement of children with disabilities must be selected and administered so as not to be racially or culturally discriminatory.
- C. A copy of the CIA is given to the parent.

1. Written Report

Medical Center Charter School appraisal personnel will prepare a written report of the results of the evaluation which will address the presence or absence of those symptoms or conditions included in the specific eligibility criteria for the disability for which the student is being assessed.

The report will include a statement as to:

- a. whether the student has a specific disability and meets state and federal eligibility criteria.
- b. the basis for making the determination.
- c. the relevant behavior noted during the observation of the child.
- d. the relationship of that behavior to the student's academic functioning
- e. the educationally relevant medical findings, if any.

- f. the type and severity of the impairment and the functional implications for the educational process,
- g. the determination of the team concerning the effects of environmental, cultural or economic factors on a student's ability to benefit from his/her education and,
- h. the inclusion of sources of data for all areas assessed.
- i. if an assessment is not conducted under standard conditions, information about the extent to which the assessment varied from standard conditions, such as the qualifications of the person administering the test or the method of test administration, will be included in the evaluation report.
- j. each team member certifying in writing whether the report reflects his or her conclusion. If it does not reflect his or her conclusion, the team member must submit a separate statement presenting his or her conclusions.

2. Related Service Assessment Report

- A. The assessment report for the related services will include:
 - 1. Learning competencies which identify the need for the related service.
 - 2. Documentation that the service will enable the student to benefit from instruction.
 - 3. Recommendation for the specific service(s) to be offered

6. Observation

- A. At least one team member other than the student's regular teacher will observe the student.
- B. In the case of a student of less than school age or out of school, a team member will observe the student in an environment appropriate for a student of that age.

7. Assessment of Physical, Mental, and Emotional Conditions

A. Language Dominance

The assessment team will first determine the student's dominant language. The student's dominant language is the language in which the student is most proficient. This determination may be made by formal or informal assessment. Assessment instruments must be administered in the student's dominant language (native language or other mode of communication unless it is clearly not feasible to do so). If the primary language of the home is not English, the student's dominant language will be determined as a result of recommendations made by the Language Proficiency Assessment Committee (LPAC). Where no bilingual examiner is available, an interpreter may be used.

B. Language Proficiency

The assessment team must determine the student's most proficient method of communication. The language proficiency information must indicate the student's skill in understanding and using both receptive and expressive domains, such as oral and written language, reading comprehensive, and listening comprehension, when appropriate. Proficiency in both English and the other language(s) will be addressed for Limited English Proficient(LEP) students.

C. Physical

The assessment of an individual's health factor (including visual, hearing, and psychomotor abilities) will consist of an examination of physical conditions, which directly affect the student's ability to profit from the education process. A general medical examination shall be required only when specified by eligibility criteria or when abnormal physical factors have been identified as part of the assessment of physical factors. The health information collected during the referral

process will be sufficient if a complete medical examination is not required by specific eligibility criteria and if there are no indications of need for further physical assessment.

D. Emotional/Behavioral

The assessment of an individual's emotional and behavioral factors will consist of formally or informally identifying those characteristics manifested in school out of school, or both, which may influence learning. The assessment will include behaviors relative to the disability which may affect educational placement, programming, or discipline. Adaptive behavior of all students will be considered to some degree. Formal measures are required only when establishing a diagnosis of mental retardation.

E. Sociological

The assessment of an individual's sociological variables will consist of identifying the child's family or community environmental situation influencing learning and behavioral patterns. Students will not be eligible for special education if the only deficiencies identified are directly attributable to a different cultural lifestyle or to their not having had educational opportunity.

F. Intellectual

The assessment of an individual's intellectual functioning will include an assessment of verbal or performance or both. Intellectual functioning will be the last factor assessed, since the student's performance in this area will be analyzed and interpreted in light of all other data.

Intelligence will always be addressed. An informal assessment of intelligence may be used to determine intellectual functioning as a part of eligibility for:

1. visual impairment
2. orthopedic impairment
3. deaf-blindness

Examples of informal assessment include achievement test results, teacher observations, adaptive behavior, grades, etc.

8. Assessment of Learning Competencies (Academic Performance)

The assessment will include:

- A. criterion-referenced or curriculum-referenced assessments designed to aid in the development of the student's IEP,
- B. information about the student's strengths and weaknesses and,
- C. the specific modifications of instructional content, settings, methods and/or materials required by the student to achieve and maintain satisfactory progress, including those that can only be provided through special education services, and those adaptations necessary for the student's progress in regular classes and other special compensatory education programs.

Certified Personnel

Medical Center Charter School currently serves all special education students in the mainstream setting. We contract with a special education consultant who provides assessment and speech services. We also contract with a consultant who conducts the ARD and meets with parents and teachers on a regular basis. Training is regularly conducted with teachers regarding the referral and ARD/IEP process. All contracted personnel are properly certified.

We are continually advertising and looking for additional special education certified personnel. Currently one staff member holds an out of state special education permit and is in the process of applying for an emergency permit in Texas.

Medical Center Charter School encourages the teaching staff, through incentives, to enter certification programs through the local universities and Region IV.

INDIVIDUALIZED EDUCATION PROGRAMS (IEP)

Medical Center Charter School procedures for implementing the IEP requirements consistent with the Board policy are as follows:

At the beginning of each school year, the school has in effect an IEP for every special education student who is receiving special education and related services from the school.

A. An IEP must:

1. be in effect before special education and related services are provided to the student.
2. be implemented as soon as possible following the meetings under this section.

It is expected that the IEP of a student eligible for special education services will be implemented immediately following the meetings under this section. An exception to this would be when the meetings occur during the summer or a vacation period, or where there are circumstances that require a short delay (e.g., working out transportation arrangements). However, there is no undue delay in providing special education and related services to the student.

B. IEP Committee Members:

A meeting is conducted within thirty calendar days after the date upon which a student's evaluation report is completed for the purpose of determining eligibility and developing the student's IEP. The school schedules and conducts the meeting which includes the following members:

1. A representative of the school who is qualified to provide or supervise the provision of special education and related services;
2. A member of the evaluation team who is knowledgeable about the evaluation procedures used with the child and is familiar with the results of the evaluation (in the instance of initial placement or re-evaluations);
3. The student's regular classroom teacher, a special education-certified teacher or therapist who is knowledgeable and qualified in the area of the student's suspected disability;
4. The parent or guardian (in the case of a non-adult student), or adult student;
5. The non-adult student if appropriate (for instance, if transition services are discussed);
6. Other individuals at the discretion of the school, the parent or the student;

C. Parent Notice and Participation

MCCS assures (in the case of non-adult students) that one or both parents of the student with disabilities are present at each meeting or are afforded the opportunity to participate.

1. The notice to the parent(s) includes the purpose, time and location of the meeting and who will be in attendance. If the purpose is transition, the parent is notified that the purpose of the meeting is to discuss transition and that the student is invited, and identify any other agencies that will be invited.
2. If a parent cannot attend, the school uses other methods to assure participation, including individual or conference telephone calls.

3. A meeting may be conducted (in the case of a non-adult student) without a parent in attendance if the parent gives permission on the written invitation (or by telephone with documentation by school official) for the committee members to proceed without parent participation.
4. The school documents attempts to schedule the meeting at a convenient time. Such documentation could include: records of telephone calls and results, copies of correspondence sent to parents and responses received.
5. The school takes whatever action is necessary to ensure that the parent (or adult student) understands the proceedings at the meeting, including arranging for an interpreter for parents (or adult students) who are deaf or whose native language is other than English.
6. The school obtains written consent by parent/guardian or adult student before initial placement begins.

D. Types of Meetings

The school conducts meetings consistent with this section at least once a year for the purpose of reviewing and revising as necessary each student's IEP. Meetings may be held more frequently. Other IEP meetings may occur in the following instances:

1. Temporary ARD - held upon enrollment by a student who is eligible for special education services and that eligibility is reported by the student or parent and verified by the previous school district in writing or by telephone. In this instance, special education services are temporary, contingent upon either receipt of valid assessment data from the previous school district or the collection of new assessment data. A second meeting, a transfer ARD, is held within 30 school days from the temporary meeting to transfer services to the present school and finalize or develop a new IEP based on received previous school records or assessment data.
2. Review ARD - may be called at any time by any person with interest in the educational performance of the student (teachers, administrators, parent or guardian, etc.) to review the current placement and its appropriateness for the student. This meeting will address change in instructional arrangement, change in course schedules, need for additional assessment or evaluation, review of Behavior Intervention Plan or any program based on current competencies, handicapping condition or individual education plan.
3. Annual ARD - scheduled by the school annually to review the placement, services, related services and program offered to the student as well as to review student educational progress and effectiveness of the program offered. Additionally, programming for the next year is based on the determination of the effectiveness of the current program.
4. Dismissal ARD - held when special education eligibility has ended due to student no longer needing services, parent refusal to consent to continue services for the student or when disability has diminished in the extent of the effect it has upon the student's academic progress.
5. Graduation ARD - A graduation ARD will be held to determine the student's method of graduation and the ARD will determine that the student will graduate under the following options:
 - a. This student has satisfactorily completed the minimum academic credit requirements for graduation applicable to students without disabilities, which includes satisfactory performance on the exit level assessment instrument.

- b. This student has maintained full time employment without direct and ongoing educational support of the local school district based on this student's abilities and local employment opportunities. This option requires this student to complete his/her IEP, minimum credit requirements, and attain sufficient self-help skills to maintain the employment.
- c. This student has demonstrated mastery of specific employability and self-help skills which will not require direct ongoing educational support of the local school district. This option requires this student to complete his/her IEP and minimum credit requirements.
- d. This student has gained access to services which are not within the legal responsibility of public education, or employment, or further educational opportunities. This option requires this student to complete his/her IEP and minimum credit requirements.
- e. This student no longer meets age eligibility requirements and has completed the requirements specified in the IEP.

- 6. Individualized Family Services Plan OFSP - must be held in place of an ARD committee meeting in accordance with federal law and the understanding between the Texas Education Agency and Texas Interagency Council on Early Childhood Intervention for a child from birth through two years of age with visual and/or auditory impairments.

E. IEP Content

- 1. The purpose of each meeting is to develop the student's IEP, which is a written document based on the evaluation and parental input, and includes:
 - a. A statement of the student's present levels of educational performance.
 - b. A statement of specific annual goals including short-term instructional objectives which are stated in terms that provide for measurement of progress, expected levels of performance, and the schedules for their accomplishments.
 - c. A statement of the specific special education and related services to be provided to the student based upon the individual needs of the student, as determined through the evaluation process.
 - d. The development of a Behavior Intervention Plan, if appropriate.
 - e. The extent to which the student will be able to participate in the regular education program, including physical education. If modifications (supplementary aids and services) to the general education program are necessary to ensure participation in that program, those modifications must be described. If the student is unable to participate in the regular education program, a description of the specially designed physical education to be provided to the student is included.
 - f. In the case of the student who is blind or visually impaired, provide for instruction in Braille and the use of Braille unless the IEP team determines after an evaluation of the student's reading and writing skills, needs, and appropriate reading and writing media (including an evaluation of the student's future needs for instruction in Braille or the use of Braille), that instruction in Braille or the use of Braille is not appropriate for the student.
 - g. Consider the communication needs of the student and in the case of a student who is deaf, or hard of hearing, consider the student's language and communication needs, opportunities for direct communications with peers and professional personnel in the student's language and communication mode, academic level, and full range of needs, including opportunities for direct communication mode.
 - h. Consider the following information for students with autism/pervasive developmental disorders (justifying why, if not considered):

1. extended education programming (EYS)
 2. daily schedules reflecting minimal unstructured time
 3. in-home training or viable alternatives
 4. prioritized behavioral objectives
 5. prevocational and vocational needs of students ages 12 or older
 6. parent training
 7. suitable staff-to-student ratio
- i. A statement of the needed transition services including goals and objectives, based on a functional vocational evaluation anticipated post school outcome(s) beginning no later than age sixteen and annually thereafter (and when determined for an individual student, beginning in elementary school or sooner), including, when appropriate, a statement of the interagency responsibilities or linkages (or both) before the student leaves the schools setting. In the case where a participating public agency fails to provide agreed upon services, the district shall reconvene the IEP team, as soon as possible, to identify alternative strategies to meet transition objectives and, if necessary, revise the IEP, as long as the student is eligible for services.
 - j. If the IEP team determines that services are not needed in one or more of the areas specified in state regulations, the IEP must include a statement to that effect and the basis upon which the determination was made.
 - k. The projected dates for the initiation of services and the anticipated duration of the services, including the number of school days, the number of hours per day, and the length of the school year over which such services are provided.
 - l. The determination of need for extended school year, is appropriate for the student when the student has exhibited, or reasonably may be expected to exhibit, severe or substantial regression that cannot be recouped within a reasonable time period, therefore being unable to maintain one or more acquired critical skills because of the absence of extended school programming.
 - m. Appropriate objective criteria and evaluation procedures and schedules for determining, on at least an annual basis, whether the short-term instructional objectives are being met.
 - n. A statement as to whether or not the student should participate in the state competency testing, which, if any, modifications are to be made during the testing, and consideration of any alternative testing more appropriate to the measurement of the student's competencies.
 - o. The school documents the findings of the committee meeting including the date, names, of the members participating in each meeting; additionally, agreement or disagreement of each member with the committee's recommendations.
2. Medical Center Charter School provides the parent (or the adult student) a copy of the IEP.
 3. Medical Center Charter School provides assurances that special education and related services are provided to a student with disability at no cost to the student or parent.
 4. If the committee determines that as a result of the comprehensive independent evaluation that the student is not eligible for services from special education, then the Notice Refusal to Provide Services in Regard to Identification, Evaluation, Placement or Free Appropriate Public Education form will be completed, procedural safeguards given to parent, and the student referred back to the mainstream education program for modifications and/or 504 referral.

F. Collaboration and Mutual Agreement

All members of the ARD committee have the opportunity to participate in a collaborative manner in developing the IEP, and all decisions made concerning required elements of the IEP are made by mutual agreement. When mutual agreement is not achieved, the following procedures are followed:

1. The parent/legal guardian or individual with a disability disagreeing, is offered a single opportunity to have the ARD committee recess for a period of time not to exceed 10 school days (not if student's presence on campus presents danger of physical harm to the student or others, has committed an expellable offense or an offense which may lead to placement in an alternative education program).
2. During the recess, alternatives are considered, additional data gathered and additional resource persons are contacted to enable the ARD committee to reach mutual agreement.
3. The date, time and place for re-convening the meeting is mutually agreed upon prior to the recess.
4. If mutual agreement is still not reached after recess, an IEP that is appropriate for the individual will be implemented, as determined by the school.

5. Prior written notice to the parent/legal guardian or adult student is given upon implementation of IEP with which there is disagreement;
6. MCCS ensures parent/adult student understanding of their right to complaint, mediation or a due process hearing.

G. IEPs for Private School Students

If the school contracts with an approved non-public or public school agency in order to provide FAPE to a special education student, the school:

1. Initiates and conducts a pre-placement meeting prior to the student's enrollment with appropriate personnel and the student's parent(s) for the purpose of developing the student's IEP.
2. Ensures that a representative of the non-public or public school agency attends the meeting or in some other way assures participation by the non-public school agency.
3. Meets to review or revise the student's IEP after the student has been placed shall be initiated and conducted by the non-public or public school agency at the discretion of the school.
4. Assures that the parent(s) (or the adult student) and the nonpublic school agency are involved in any decision concerning the student's IEP and agree to proposed changes in the program before those changes are implemented.

The responsibility for compliance with this section lies with the school, including development of a written contract consistent with state standards.

LEAST RESTRICTIVE ENVIRONMENT

Medical Center Charter School offers educational programming and opportunities to students with disabilities within the regular program and curriculum to the greatest extent possible and with individuals who are not disabled.

A. Consideration for Instructional Arrangement

The IEP meeting includes consideration that each special education student shall be offered an instructional arrangement that is:

1. In the regular educational environment with students without disabilities to the maximum extent appropriate to his or her needs, unless it can be demonstrated by the school that the nature or severity of the student's disability is such that his or her education in regular classes with the use of supplementary aids and services cannot be achieved satisfactorily.
2. In the school in which he or she would attend if not disabled, unless his or her IEP requires some other arrangement. If some other arrangement is required, the student is placed in the appropriate educational program that is as close to the student's home as is reasonably possible.

These placement provisions also apply to special education students in public or private institutions or other care facilities.

B. Nonacademic and Extracurricular Services

1. Each student with disabilities shall be provided nonacademic and extracurricular services and activities conducted by the school (e.g. meals and recess) with students without disabilities to the maximum extent taking into consideration the needs of the student.

1. Nonacademic and extracurricular services and activities may also include:
- a. counseling services
 - b. athletics
 - c. transportation
 - d. health services
 - e. recreational activities
 - f. special interest groups or clubs sponsored by the school

C. Daily Schedule

Each student will have available the same instructional regular school day as is provided all other students. The regular school day is determined appropriate by the admission, review, and dismissal (ARD) committee for a student whose individual educational plan (IEP) specifies a shortened day; The ARD (Admission, Review, and Dismissal) Committee may determine a student's instructional day should be shortened based on the individual educational plan (IEP).

D. Instructional Arrangements

The ARD committee will consider, based on the assessment and evaluation data, the most appropriate instructional arrangement to serve the needs of the student.

RELATED SERVICES

Support services are available to students with disabilities that supplement the student's special education program or may be determined by the ARD committee to be the only requirement of delivery of service required to meet the identified needs of the student,

A. Types of Services - These related services include developmental or corrective services such as:

1. Audiology services
2. Psychological services
3. Counseling services
4. Physical therapy
5. Occupational therapy
6. Recreational therapy
7. Rehabilitation counseling
8. Medical services (diagnostic or evaluative)
9. Mobility services
10. School health services
11. Parent counseling and training
12. Social work services

B. Notice and Consent- prior to referral for assessment for related services, notice and consent for assessment is obtained from the parent.

C. Evaluation - upon referral for assessment or evaluation to determine eligibility for related services, the special education coordinator or other designated school personnel schedules the evaluation at school expense

D. Certified clinicians - all evaluations and assessments for related services are conducted by fully certified and trained personnel contracted with by the school in the specific area of related service.

E. Appropriate instruments - assessment instruments used in the assessment are those generally accepted by TEA to be appropriate for the evaluation of need by the student for such services.

F. ARD - Upon completion of assessment for related services, the ARD committee meets. The usual members of the ARD committee are included in the ARD, with the addition of a person trained or certified in the field of related service to be provided. Eligibility is determined by the committee, frequency of service delineated and goals and objectives for the related service are developed and approved by the committee.

G. No Cost - Services are provided to the student at no cost to the student or parent.

INDIVIDUAL TRANSITION PLAN

Beginning at age 14, transition planning is a consideration of the ARD meeting during development of the Individual Education Plan. The IEP goals and objectives are developed considering student description of interests and postgraduate living experience expectations through the transition plan addendum.

A. ITP Developed - On or before the student's 16th birthday, a separate Individual Transition Plan (I.T.P.) is developed for each student with a disability that is eligible for special education services. Updated annually, the document is developed and/or reviewed in a meeting separate from the annual ARD and incorporated into the individual education plan while still remaining a separate document. The parent or guardian and the student are encouraged to attend this meeting and provide any input or request they feel appropriate.

B. The I.T.P. will include:

1. The student's goals and objectives after graduation including, but not limited to, college or university enrollment, employment and/or vocational education, adult services, independent living, community participation, recreation and leisure, and any other important life considerations.
2. Resources needed to attain these goals and objectives such as community or government agency contact information, support networks and when and how they will be made available, and any needed transition services and how to access them.
2. For student's who are incarcerated, any services needed to transition from incarceration to a home community and/or the receiving school district.

C. Coordination between the IEP and the ITP:

1. The IEP includes instructional goals, objectives and activities appropriate to the identified components of the ITP.
2. Educational and related service goals and objectives are reflected (embedded) within the IEP instructional/related service goals.
3. Time lines for goals and objectives including specific beginning and ending dates for all activities are included in the ITP document.

D. Local Adult Service Agency involvement:

1. The parents or legal guardian or adult student and/or the non-adult student are invited to the meeting.
2. If the student does not attend the meeting, the coordinator of special education ensures that information reflecting the interests and preferences of the student are obtained and considered by the committee.
3. Local adult service agencies that are likely to be responsible for providing or paying for transition services are invited.
4. The coordinator of special education and the school director work to liaise with local adult service agencies in order to develop a positive relationship, as well as to obtain brochures and literature regarding those adult services for use in the ITP meeting when representatives from those agencies are not in attendance.

5. Not every local adult service agency is invited to attend the ITP meeting, and the school administrator and special education coordinator will work with the student and the parents to determine which agencies are most appropriate for involvement.

E. Notice

1. 30 days written notice is given to parents, legal guardian or adult student, which delineates time, date, purpose of meeting (consideration of transition services for student) and other invitees.
2. 30 days written notice is given to local adult service agencies deemed appropriate for attendance by school administrator and special education coordinator which delineates time, date, purpose of meeting (consideration of transition services for student) and other invitees.
3. If meeting time must be changed from the original scheduled date and time, then a waiver, with 5 days notification, is given to all members of the ITP team prior to the rescheduled meeting.

F. Parent/legal guardian participation and understanding

1. The school administrator takes whatever action is necessary to ensure that the parent/legal guardian understands the proceedings at the meeting, including arranging for an adequately trained interpreter for parents/legal guardians with deafness or for those whose native language is other than English.
2. The special education director maintains documentation to indicate the extent of parent/legal guardian participation in the development of the Individual Transition Plan, and ensures that all members of the committee have the opportunity to participate in a collaborative manner.

G. Agency's failure to provide services

1. The school special education coordinator initiates a meeting as soon as possible upon any agency's failure to provide agreed-upon transition services for the purpose of identifying alternative strategies to meet the transition objective.
2. The school may choose to expand efforts to elicit the participation of a local service agency in providing or paying for any transition service that the agency would otherwise provide to individuals with disabilities who meet the eligibility criteria of that agency.

PROCEDURAL SAFEGUARDS

I. Notice

Procedural Safeguard Notice

When a student is referred to special education for the first time for an individual comprehensive assessment, MCCS is responsible for providing a copy of An Explanation of Rights and Procedural Safeguards document to notify the student, parent, or guardian of students having a disability of their educational rights. TEA adopted this written document based on the Office of Special Education Programs model, which includes a full explanation of all procedural safeguards.

A. Distribution

The Procedural Safeguards document developed by the Texas Education Agency must be provided to parents of a student with a disability, at a minimum upon:

1. initial referral for evaluation.
2. each notification of an ARD / IEP meeting.
3. reevaluation of the student.
4. receipt of a request for due process.

B. Prior Written Notice

Written notice must be given to the parents of a student with disabilities (and the adult student) a reasonable amount of time before MCCS:

1. Proposes to initiate or change the identification, evaluation, or educational placement of the child or the provision of FAPE.
2. Refuses to initiate or change the identification, evaluation, or educational placement of the child or the provision FAPE.
3. When the notice relates to an action proposed by MCCS that also requires parental consent, notice be given at the same time parental consent is requested.
4. The written notice must be:
 - a. Written in language understandable to the general public.
 - b. Provided in the native language of the parent or other mode of communication used by the parent, unless it is clearly not feasible to do so.
5. If the notice is not in the native language, the district shall take steps to insure:
 - a. that the notice is translated orally or by other means to the parent in his or her native language, or other mode of communication used by the parent.
 - b. that the parent understands the content of the notice.
 - c. there is written evidence of the above.

C. Content of the Notice of Assessment must include:

1. A description of the action proposed or refused by M CCS.
2. An explanation of why the district proposes or refuses to take the action.
3. A description of any options the district considered and the reasons why those options were rejected.
4. A description of each evaluation procedure, test, record, or report the district uses as a basis for the proposal or refusal.
5. A description of any other factors which are relevant to the district's proposal or refusal.
6. That the parents of a student with a disability have protection under the procedural safeguards. If this notice is not an initial referral for evaluation, the means by which a copy of a description of the procedural safeguards can be obtained.
7. Sources for parents to contact to obtain assistance in understanding these provisions.
8. A statement informing the parents about the state complaint procedures, including a description of how to file a complaint and the timelines under those procedures.

D. Notice of ARD Committee Meeting

Local campuses will take steps to ensure that one or both of the parents of the student and adult student are present at each meeting or are afforded the opportunity to participate.

1. Content of Notice of ARD Meeting will include:
 - a. A description of the action proposed or refused by M CCS.
 - b. An explanation of why the district proposes or refuses to take the action.
 - c. A description of options the district considered and the reasons why those options were rejected,
 - d. A description of each evaluation procedure, test, record, or report the district uses as a basis for the proposal or refusal,
 - e. A description of any other factors which are relevant to the district's proposal or refusal,
 - f. A statement that the parents of a student with a disability have protection under the procedural safeguards.
2. The ARD notice will:
 - a. Be provided to parents or the adult student at least 5 school days in advance of the ARD to ensure that they will have an opportunity to participate.
 - b. Include the purpose, time, and location of the meeting and who will be in attendance.
 - c. Provide opportunity to schedule the meeting at a mutually agreed upon time and place, including rescheduling the meeting.
 - d. For a student with a disability beginning at age 14, or younger, if appropriate, the notice will:
 1. Indicate that a purpose of the meeting will be the development of a statement of the transition services needs of the student.
 2. Indicate that the student will be invited.
 - e. For a student with a disability beginning at age 16, or younger, if appropriate, the notice will:

1. Indicate that a purpose of the meeting is the consideration of the individual transition plan for the student.
2. Indicate that the student will be invited.
3. Identify any other agency that will be invited to send a representative, if appropriate.

E. Timeline For Notice

State Board of Education rule interprets the federal term "reasonable time" as at least five school days. Parents may agree to waive the five day notice period to which they are entitled.

F. Notice of Refusal to Provide Services in Regard to Identification, Evaluation, Placement, or Free Appropriate Public Education

The Notice of Refusal includes the following:

1. It is given in the native language or other mode of communication of the parent or adult student.
2. The date sent/mailed.
3. The action refused.
4. Why the action was refused.
5. Description of the options considered.
6. Description of why those options were rejected.
7. Description of evaluation procedures, tests, records, or reports used as a basis for the refusal.
8. Other factors relevant to the refusal.
9. The notice includes a full explanation of all procedural safeguards.

G. Age of Majority

At least one year before a student reaches age of majority in Texas, a student's IEP will include a statement that the student and the parents have been notified of the student's rights under IDEA-B, if any, that will transfer to the student on reaching the age of majority. (Exception - a student with a disability has been determined to be incompetent under state law. MCCS will follow the state procedures for appointing the parent, or, if the parent is not available, another appropriate individual to represent the educational interests of the student throughout the student's eligibility).

All rights accorded to parents transfer to students who are incarcerated in an adult or juvenile, state or local correctional institution.

II. CONSENT

A. Consent means the parent and adult student:

1. has been fully informed of all information relevant to the activity for which consent is sought, in his or her native language, or other mode of communication,
2. understands and agrees in writing to the carrying out of the activity for which consent is sought, and the consent describes that activity and lists the records (if any) which will be released and to whom, and
3. understands that the granting of consent is voluntary on the part of the parent and may be revoked at any time. Note: With respect to A.3. above, the parent's ability to revoke consent, if invoked, is not retroactive, i.e., it does not negate an action that has occurred after the consent was given and before it was revoked.

B. Parental consent must be obtained before:

1. conducting an initial evaluation,
2. initial provision of special education and related services to a student with a disability in a program providing special education and related services, and
3. before conducting any new test as a part of a reevaluation of an eligible student under IDEA-B.

C. Refusal

If the parents refuse consent for initial evaluation or a reevaluation, MCCA may continue to pursue those evaluations by using the due process procedures or the mediation procedures if appropriate, except to the extent inconsistent with State law.

When a parent refuses or otherwise does not give consent prior to the initiation of formal evaluation procedures or for initial special education services:

1. MCCA will first ensure with all reasonable effort that the parent understands the proceedings and understands his or her rights.
2. MCCA will then attempt to come to agreement with parents.
3. MCCA may then request a due process hearing or mediation.
4. MCCA may evaluate or initially provide special education and related services to the child without the parent's consent, subject to the parent's rights if a hearing officer upholds MCCA.

D. Failure to Respond to a Request for Reevaluation

1. Informed parental consent need not be obtained for reevaluation if MCCA can demonstrate that it has taken reasonable measures to obtain that consent, and the student's parent has failed to respond.
2. To meet the reasonable measures requirement above, MCCA will use one or more of the following documentation of efforts to obtain consent:
 - a. detailed records of telephone calls made or attempted and the results of those calls.
 - b. copies of correspondence sent to the parents and any responses received.
 - c. detailed records of visits made to the parents' home or place of employment and the results of those visits.
 - d. conference telephone calls to ensure parent receipt of the consent and their understanding.

3. MCCS may proceed with the responsibility to conduct a reevaluation after exhausting all avenues to obtain informed consent from the parent(s).
4. Efforts described in 2. above will be documented and in the student folder.
5. MCCS will take whatever action is necessary to ensure that the parents understand the consent, including arranging for an interpreter for parents with deafness, or whose native language is other than English.

E. Parental Consent may not be Required

Parental consent may not be required as a condition of any benefit to the parent or the student except for the service or activity for which consent is required in B. above.

F. Consent to Request Confidential Information (Transfers)

MCCS or the previous school district is not required to obtain parental consent before requesting or sending a student's special education records if disclosure is conducted according to requirements relating to the disclosure of personally identifiable information from education records.

III. PARENT PARTICIPATION IN MEETINGS

See ARD section for specific information.

Parents will receive notice of meetings to ensure they have the opportunity to participate in meetings.

Meetings are described:

1. As a prearranged event in which MCCS personnel come together at the same time and place to discuss any matter relating to an individual student with a disability.
2. The term does not include informal or unscheduled conversations involving MCCS personnel and conversations on issues such as teaching methodology, lesson plans, or coordination of service provisions if those issues are not addressed in the student's IEP.
3. The term also does not include preparatory activities that MCCS personnel engage in to develop a proposal or response to a parent proposal that will be discussed at a later meeting.

IV. COMPLAINT PROCEDURES

If there is a disagreement at any point in the child centered process, and parents wish to file a complaint, parents are first provided a current Procedural Safeguards document, an explanation of the Safeguards, and it is documented that they have received the document. This documentation of receipt of the Procedural Safeguards is kept in the special education student eligibility file. The parents have the following options available:

- A. Parents may notify the TEA at which point the TEA will collect information, respond to inquiry, act on complaints, assist in grievance matters, and engage in mediation in response to requests from SWHS. This process will include:
 1. Receiving information concerning special education and analyzing the information in conjunction with other information on file with TEA.
 2. Responding to inquiries concerning special education services
 3. Taking appropriate action on substantial complaints.
 4. Engaging in mediation activities.
 5. Providing information on the formal procedures available in the impartial hearing process.

ELIGIBILITY FOLDER

The school's special education department maintains an eligibility folder on each individual with a disability receiving special education services in addition to the individual cumulative records. The eligibility folder includes, but is not limited to:

- copies of referral data.
- documentation of notices and consents.
- assessment reports and supporting data.
- admission, review and dismissal committee deliberations.
- individual educational plan.
- individual transition plan.

Additionally, the eligibility folder may contain reports of progress to the parents/legal guardians of students with disabilities who receive special education. These reports of progress are developed and recorded with the same frequency as those provided to students in regular education.

The eligibility folders are maintained according to the policies and procedures regarding confidentiality, and are located in the special education department in a locked file cabinet. A list of persons who have access to the files is attached to the file cabinet in public view, and access logs are maintained in the file cabinet as well as in each student eligibility folder as to the date, the person accessing the file and their position, as well as the reason for access.

The classroom teacher(s) who provide services to the student with disabilities will have available to them a copy of the Individual Education Plan in relation to the responsibilities of that teacher in the implementation of the IEP in the classroom, along with any instructions or suggestions for teaching modifications or strategies which enable the student to progress in the regular curriculum, goals and objectives, modifications and adaptations as indicated by the IEP.

Surrogate Parent

A surrogate parent, as the term applies to special education, is an individual who represents and protects the educational interests of a student identified as having a disability. These duties include, but are not limited to:

- Learning about the student's educational background and educational disability (or potential disability).
- Receiving notices and giving/denying consent.
- Participating in the identification of a disability for a student who is initially referred for special education services.
- Taking part in the student's admission, review dismissal (ARD) meeting.
- Collaborating in the development of the student's Individual Education Plan (IEP).
- Assisting in the determination of appropriate educational placement.
- To ensure that the student receives a free appropriate public education (FAPE).

Criteria for selection as a surrogate parent include the following:

- Completion of an application in which personal and employment references are checked thoroughly.
- Determination that the potential surrogate parent has no interests that conflict with the interests of the child.
- Completion of surrogate parent training.

A student with a disability will be assigned a surrogate parent when *one* of the following circumstances exist:

- No parent can be identified.
- After reasonable efforts, the school cannot discover the whereabouts of a parent.
- The student is a ward of the state.

Once the need for a surrogate parent has been established, a surrogate parent will be appointed by the special education director in a timely manner.

What is a conflict of interest? According to 34 CFR paragraphs 300-515, a person selected to be a surrogate parent may not be an employee of the Texas Education Agency, MCCS, or any other agency that is involved in the education or care of the child. In situations where a child is in the care of a nonpublic agency that has no role in the education of the child, an employee of that agency may be the person best suited to serve as a surrogate because of his or her knowledge of the child. In a case such as this, the individual should not be prohibited from serving as a surrogate parent as long as he/she has no other interests that conflict with interest of the child and has the knowledge and skills that would ensure adequate representation of the child. Additionally, in most cases where the foster parent meets the definition of a parent and is acting as the parent, there would be no need to appoint a surrogate, unless it was determined that one was need to ensure that the rights of the child are protected.

Confidentiality

MCCS provides parents of students with disabilities notification of their rights under the Family Educational Rights and Privacy Act of 1974, and of the locations where copies of the school policies may be located. Parents of students who have been identified as having a primary language other than English are notified in that language. Copies of the notices are available in the special education offices.

MCCS provides the parent(s) and/or the adult student, upon request, a list of the types and locations of educational records collected, maintained, or used by the school. These records, for use by authorized school personnel, are stored in a safe and secure manner at all times. The superintendent or his/her designee assumes the responsibility for ensuring the confidentiality of all personally identifiable information.

MCCS has available for public inspection a list of names and positions of those employees within the school who may have access to personally identifiable information about students with disabilities. The school may disclose the personally identifiable information from the educational records of a student with disabilities without the consent of the parent or adult student to all school officials including teachers and other personnel with whom the school has determined to have legitimate educational interests in the records. Within the student's folder there is an access record that addresses the names of parties obtaining access to the student's educational records, the date access was given, and the purpose for which the party was authorized to use the record.

MCCS conducts staff training annually regarding the state's policies and procedures for confidentiality to all individuals using or collecting personally identifiable information. A notice of confidentiality is given to the parents and/or the adult student on an annual basis. When personally identifiable information is no longer needed to provide educational services to the child, the school destroys the child's records at the parents' request.

Parents are afforded the opportunity to inspect and review any education records relating to their child that are collected, maintained, or used by MCCS. The school provides parents with explanations and interpretations of the records if so requested. At the parent's request, the school provides a representative of the parent an opportunity to inspect and review their child's records. The school provides the parent copies of the records containing information about the child. The MCCS will not charge fees for copies of these records. When the record includes information on children other than their own, the school permits parents to review and inspect only information specific to their child.

If a parent requests the amendment of records, MCCS will determine whether to amend the information in accordance with the request within a reasonable period of time from the receipt of the request. If the school refuses to amend the information in accordance with the parents' request, the school will advise the parents of their right to a hearing under 334 CFR paragraph 300.568. The school will provide, upon request, an opportunity for a hearing to challenge information in education records to ensure that is not inaccurate, misleading, or otherwise in violation of the privacy or other rights of the child. The following procedures apply to a hearing:

- The hearing will be held within a reasonable time after receiving a request for a hearing from the parent.
- The school will give the parent notice of the date, time, and place, in a reasonable time prior to the hearing.
- An official of the school who did not have an interest in the outcome of the hearing will conduct the hearing.
- The school will give the parent the full opportunity to present evidence relevant to the amendment of the record.
- The school will make its decision in a reasonable amount of time after the hearing and present it in writing to the parent.
- The school's decision will be based solely on the evidence presented at the hearing.
- The summary of evidence and the reasons for the decision will be included in the written report of the hearing.

As a result of the hearing, the school will either decide that the information is inaccurate, misleading, or otherwise in violation of the privacy or other rights of the child, amend the information accordingly, and inform the parent in writing or decide that the information is not inaccurate, misleading, or otherwise in violation of the privacy or other rights of the child, and inform the parent of their right to place in the records of their child a statement commenting on the information or setting forth any reasons for disagreeing with the decision of the school. Any information placed in the record as a result of a hearing will be maintained by the school as part of the record for as long as the school maintains the child's record and will be included whenever the record is disclosed by the school to a third party.

Independent Educational Evaluation

If a parent disagrees with all or part of the MCCS Comprehensive Individual Assessment (CIA), the parent may ask MCCS to provide an Independent Educational Evaluation (IEE), which means an evaluation conducted by a qualified examiner not employed by the school. If a parent asks MCCS to provide an IEE, then MCCS must either pay for the IEE (the IEE must meet MCCS criteria) or initiate a due process hearing to show that the MCCS evaluation is appropriate. If MCCS prevails in a hearing, the parent still has the right to an IEE, but not at the school's expense.

If MCCS has not conducted a CIA the parent does not have the right to an independent evaluation at the school's expense. Only one IEE may be reimbursed for each comprehensive evaluation obtained by the school. The results of an IEE initiated by a parent will be considered by the school, but such consideration does not make the school liable for reimbursement for the IEE.

Parents are requested to notify the school of specific areas of disagreement when they disagree with the school's evaluation. MCCS may offer to resolve the parent's disagreement by providing additional evaluation, but the parents are not required to accept the offer.

How to Request an IEE

Parents desiring an IEE must make the request to the special education director in writing. This request should be made as soon as possible, but within six months of the school's CIA. The request should specify the areas of disagreement with the school's CIA. The request should specify the areas of disagreement with the school's CIA and list assessment questions they want addressed in the IEE. Upon the request for an independent educational evaluation, the parents must be given a Procedural Safeguard Notice.

If MCCS agrees to pay for the IEE (instead of filing for a due process of hearing to prove the school's assessment appropriate), the special education director will give the parents information on where an IEE may be obtained and the school's reporting criteria. The independent educational evaluation may be restricted to one assessment area upon mutual agreement by MCCS and the parent.

Qualifications of the Independent Examiner

An independent examiner is required to have the same qualifications as the MCCS personnel (e.g., psychologist, associate psychologist, or educational diagnostician). The independent examiner is required to follow federal and state assessment rules and regulations, reporting requirements, and established eligibility criteria for the diagnosis of students with disabilities.

Requirements of the Independent Educational Evaluation

The independent educational evaluation is to take place at the school where the independent examiner shall have access to the student's cumulative folder and special education folders in gathering information about the student. The independent examiner may visit with the school ARD committee to gather information about a student prior to the assessment and to share information following the assessment.

The evaluator must provide an original report to MCCS within 30 calendar days from the time that an IEE is approved by MCCS and five days prior to the ARD meeting. The report must be written in MCCS format (which will be provided to the evaluator) for both the assessment and the eligibility. Protocols must be available for review and the report must include an original signature and the title of the assessment personnel involved in the evaluation. The report must comply with all requirements of state and federal regulations.

Consideration of the Results of an Independent Educational Evaluation

The results of a parent initiated IEE obtained at private expense will be considered by the ARD committee in any decision made with respect to the provision of a free, appropriate public education (FAPE) to the student. Such consideration does not make the school responsible for payment of the evaluation.

Discipline for Students with Disabilities

All disciplinary actions regarding students with disabilities will be conducted in accordance with the most current federal and state laws.

I. Procedural Safeguards

All procedural safeguards, including required notice and consent, will be followed throughout the process of disciplinary action for students with disabilities.

II. Change in Placement Totaling 10 School Days

The ARD committee meeting will be held prior to a disciplinary change in placement totaling more than 10 school days concerning expulsions, removal to alternative education programs, or suspensions (totaling more than 10 days).

III. ARD Action Required

A. The ARD committee will:

1. Develop a functional behavioral assessment and appropriate behavioral interventions to address the behavior.
 2. Develop, review, and modify the Behavioral Intervention Plan (BIP), as necessary if a behavior plan was in place.
 - a. Administrative staff in each building will have a copy of the BIP for students on their campus who have a BIP developed by the ARD.
 - b. Follow provisions of the current BIP until the ARD committee reviews and determines any necessary changes (ex: BIP may include no detentions, ISS, etc. if specified in the BIP that these are not to be used).
 3. Conduct a manifestation determination review:
 - a. Immediately if possible and the parents waive the 5 day notice, but not later than 10 school days after the date of the disciplinary action which proposes to change the student's placement for more than 10 school days.
 - b. If drug/weapon offense has occurred.
 - c. If a hearing officer's approval is sought for interim placement of a dangerous student.
 4. The manifestation review will consider:
 - a. Evaluation and diagnostic results or other relevant information supplied by the parents of the student,
 - b. Observation of the student.
 - c. The student's IEP and placement.
 5. The manifestation review will determine:
 - a. in relationship to the behavior subject to disciplinary action, whether or not the student's IEP and placement were appropriate and the special education services, supplementary aides and services, and behavior interventions strategies provided were consistent with the student's IEP.
 - b. whether or not, the student's disability impaired the ability of the student to understand the impact and consequences of the behavior subject to action, and
 - c. whether or not the student's disability impaired the ability of the student to control the behavior subject to disciplinary action.
- If the behavior is found to be a manifestation of the student's disability, MCCS will take immediate steps to remedy any deficiencies found in the IEP, placement or implementation.

- If the behavior is not a manifestation of the student's disability, MCCS relevant disciplinary procedures applicable to students without disabilities may be applied to the student in the same manner they would be applied to students with disabilities.
6. Develop IEPs that address the provision of a FAPE for expelled students with disabilities or those removed to AEP.
- B. Students with disabilities can be given AEP placement if the behavior is not a manifestation of the disability and if that placement would be the consequence for the student without a disability.

Students with disabilities are not placed in alternative education programs solely for educational reasons and a student will meet the criteria of TEC.

Assistive Technology Devices and Services

Medical Center Charter School will ensure that assistive technology devices or assistive technology services are made available to a student with a disability if required as a part of special education, related services, or supplementary aids and services. Assistive technology devices and services are used to adapt conditions to improve the student's functioning when need to implement the student's IEP. The ARD committee will review recommendations for assistive technology from the CIA and include in the IEP those devices and services determined to be educationally necessary.

- A. The CIA will include formal or informal assistive technology evaluations and recommendations,
- B. The CIA report will address assistive technology needs based on competencies identified during assessment. The report will specify one of the following:
 - 1. Assistive technology devices and services are not recommended for this student at this time.
 - 2. Referral to the assistive technology team has been made
 - 3. Referral to the assistive technology team is recommended.
 - 4. List other referrals if recommended.
 - 5. List of modifications, which have been recommended.
- C. Assistive technology services are potentially available to all students with disabilities, not just those with sensory impairments, or severe physical disabilities. Categories of assistive technology include:
 - 1. aides to improve self-help skills and encourage independence
 - 2. electronic and non-electronic devices that enhance communication skills, instructional material aides
 - 3. sensory aids
 - 4. environmental control systems
 - 5. home/work modifications



October 23, 2000

Texas Education Agency
W.B. Travis Building
1701 North Congress Avenue
Austin, Texas 78701

*Medical Center
Charter School*

Dear T.E.A.:

As director of the Employee Assistance and Work/Life Programs for the University of Texas-Houston Health Science Center I am responsible for providing help and resources to our students, faculty, and staff. One of the resources that I find extremely helpful to our UT-HHSC family is having a school near our medical center for our employees' and students' children. That school is the Medical Center Charter School.

Our employees and students who take their children to Medical Center Charter School report back to me many reasons why they are so pleased with the school. Just some of the reasons include: the high quality education their children are receiving, the low student-to-teacher ratio, the close proximity to their jobs, and the availability of the School's entire staff, including extended hours and sick care availability.

Our University is delighted to have this valuable resource available to our employees and I am sure the other facilities of the Texas Medical Center are equally pleased. We hope your agency will do whatever it takes so that the Medical Center Charter School can continue to be available to our population, as there is no other resource like this one any where nearby.

Sincerely,

Sherry M. Wilson

Sherry M. Wilson, LMSW-ACP
Director, UT-Houston Employee Assistance and Work/Life Programs

Cc: Mr. Jim McKey



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ATTACHMENT NO. 2

State Board of Education
Texas Education Agency
Division of Charter Schools
1701 N. Congress Ave.
Austin, TX 78701

October 20, 2000

Dear Board Members,

Texas Orthopedic Hospital is pleased to support the Medical Center Charter School and to extend our confidence in the programs that you offer. 



I have had the pleasure of meeting and working with the administrative team, several of the teachers and students. While touring the facility, I found the atmosphere to be one of security and devotion. There is certainly a higher standard of learning that occurs at the Medical Center Charter School.

I appreciate the relationship that our hospital shares with the children and staff and I look forward to future involvement. You have a wonderful team of teachers at your facility....keep up the great work.

Sincerely, 



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October 27, 2000

ATTACHMENT NO. 3

State Board of Education
Charter Renewal Application Committee

RE: Medical Center Charter School – Renewal
of Charter

Dear Sirs/Madams:

I am writing in support of the Medical Center Charter School's application renewal.

It is crucial for parents to be allowed to choose and make decisions for our children's education. MCCS provides our children with strong learning skills and study habits that will go a long way for their future success. At the same time, we know the children are safe in a smaller scaled and controlled environment that the public school systems.

[REDACTED]

[REDACTED] The curriculum is strong, structured and rigorous. Providing good learning habits in the early educational years for long term success is significant and MCCS provides these tools. They teach organization and discipline.

A plus for me was that this school provided foreign languages, Spanish and French. [REDACTED]
[REDACTED] This is an excellent enrichment opportunity for these young minds.

The charter schools are very important to our community because it is an alternative to the public school systems. [REDACTED]

[REDACTED] And, I highly recommend this charter's application. We should be able to dictate where and how our children will be educated.

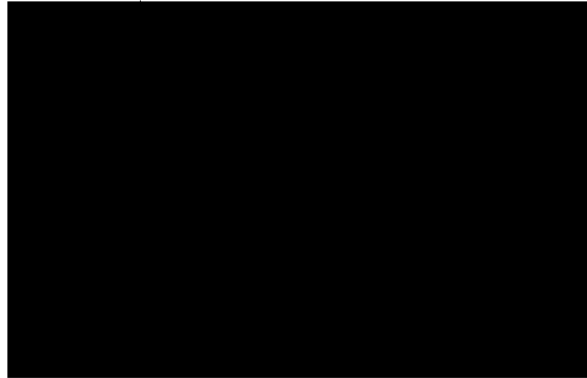
As you well know, MCCS demonstrated a significant improvement in the TAAS scores in 1999 and they will do just as well in the future years.

One of the areas I feel that the TEA could help charter schools and the Medical Center Charter School is in additional funding to hire good, strong teachers. I am not implying that MCCS does not have good teachers, but their pay is significantly lower than in the normal public school systems. They eventually move on because they work many long hours without adequate compensation. If this improved, the turnover would be less likely. Articles suggest this to be one of the main concerns and affects all charter schools as well as the MCCS.

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Again, I strongly request that you approve the renewal application for the Medical Center Charter School. I would be happy to speak with you further if you wish.

Sincerely,



October 24, 2000

State of Texas Board of Education:

I would like to express my views on the Medical Center Charter School. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

I had attended public school during high school. I had gone to a private school up until that point. When I attended the public school, I was bored. I was not challenged and because of this, I slacked off on my studies. Sometimes, I would skip class. Fortunately, I was not a 'bad' kid. I did not get into drugs, but I wonder what would have happened if I had been around the wrong influences.

Because the public school I attended was so big, I became a number. I went from a private school of 700 (K-12) to a public school with 700 students in my graduating class. I felt my teachers really did not care about how I did in my studies as long as I was in class. Only one teacher figured me out. [REDACTED] held me after class one day and told me that [REDACTED] knew I was not doing my best. [REDACTED] challenged me to bring up my grade to an "A". [REDACTED] was the only teacher who noticed and encouraged me. You see, as long as I made a passing grade – the teachers did not worry. This is what is wrong with public schools.

Perhaps the teachers themselves are frustrated and because of this the children get lost in the numbers. As long as a student is "passing", no one notices him/her. Only if they fail, do the alarms go off. And to the contrary, if a student makes straight A's, then they are learning enough. Who is to say that these same straight A students do not get bored and may later get into trouble.

I believe that kids should be challenged. They should be able to learn as much as they can. They should not have time to sit idly and contemplate trouble. This is why I feel the charter school system is a good one – particularly M CCS.

I had my doubts about M CCS at first since the organization of the school was not great at first. I think with the new buildings, this will change. What I have seen so far, [REDACTED]

[REDACTED]

[REDACTED] I have seen how much the parents are concerned with their children's education. Some of them have expressed their concerns with the public school system. Some have children that were bored in public

school. Some have children that need extra help. This is what I like about the charter school system. They go by levels, not grades. This enables kids to learn as much as they can; they can catch up where needed or progress if not challenged. They are not limited to stay within the traditional 'grade level'.

There is a great need for this type of school. I feel that because it is small by public school standards, this is a benefit. The parents and the teachers are able to communicate with each other more, thereby keeping closer tabs on their children. One of the requirements to attend this school, is that the parents must sign an agreement that they will attend all the meetings. If not, they must have a family representative attend.

The school helps the community in that it has children from different economic backgrounds. [REDACTED]

[REDACTED] Some of these kids perhaps have not had the discipline at home and school to learn respect. This is why it helps to have a smaller school, so that parents and school can work together. I also think that it helps to have people of all races and socio-economic levels together so we can erase all the bias that children are exposed to because of their surroundings.

The charter school system enables parents to be more proactive in their children's education. No matter what socio-economic level, the common bond that ties us together is that we want the best for our children. We all care enough to look for better ways to educate and raise our children. If you see what these children are learning - you would agree.

I had my doubts, but I believe that with time this school will prove that charter schools should be a 'freedom of choice' given to all parents. Why should children be forced into one public school system? I am not saying to do away with the public school system. It needs to improve immensely. The standards need to be raised. Until then, children should not suffer the consequences. They should be allowed the freedom to learn as much as they can regardless of their socio-economics. After all, isn't this what our country is about - freedom? For this reason, I ask that you continue to support MCCS.

Sincerely,

[REDACTED]

To : The State Board Of Education,

The Medical Center Charter School has been a great educational asset [REDACTED]. The educational high standard curriculum has given [REDACTED]

In our community we need this type of curriculum available to teach our children at the tender ages of 4-12 their basic skills. I have recruited family and friends to The Medical Center Charter School to receive the educational benefits that is available in our community.

Sincerely [REDACTED]

October 25, 2000

The Charter school has helped the children academically and spirituality. I there is a continued need for this type of school to help students and parents be successful.

If you look at the news daily, you will see evidence of schools not meeting educational demands to make children go above and beyond their level. Charter schools are appropriate for parents and students who want to put education first.

Sincerely,

Larry A. Laker.

ATTACHMENT NO. 6



ATTACHMENT NO. 7

October 25, 2000

State Board of Education
Charter Renewal Application Committee

RE: Medical Center Charter School – Renewal of Charter Application

To the Charter Application Renewal Committee:

[REDACTED]
[REDACTED] We have been asked by the administration to give our comments related to MCCS' operations.

[REDACTED] We chose MCCS after researching at least three other charter schools. One of the main reasons we chose MCCS is because of their excellent curriculum.

I feel that the charter school program is needed in our communities because charter schools provide a viable alternative to public schools. [REDACTED]

[REDACTED] The Fort Bend school district kinder age children were not reading until the 2nd half of the semester, at best. [REDACTED]

[REDACTED] When I toured MCCS in spring of 1999, I was impressed with the curriculum, the discipline of the classroom and the class structures.

Another problem that I encountered with public schools are the age restrictions. [REDACTED]

[REDACTED] Allowing the students to be grouped according to academic ability versus age only is another benefit provided by MCCS, which is not an alternative, provided in public schools.

There is a noted difference in the way that charter schools approach education. There seems to be a "cookie-cutter" type mentality in public schools i.e., they all do the same thing. It's scary but most of the public schools that I have encountered (either by visiting or in tutoring other children) appear to be teaching a TAAS based curriculum. In other words, public school students seem to be taught items that are on the TAAS test only. This was also a concern of ours and MCCA and other charter schools do not teach TAAS only. Rather MCCA teaches a well-rounded curriculum that is inclusive of TAAS guiding principles.

[REDACTED] The public schools that I have visited did not encourage the children to use assignment books, which is a basic foundation of MCCA's ideals. MCCA also encourages excellent handwriting skills in their students, something else that is lacking in public school curriculums.

MCCA offers French and Spanish to its students. There is not a school in [REDACTED] or [REDACTED] school districts that offer both French and Spanish (that I am aware of). This is an excellent benefit and a wonderful enrichment opportunity for elementary students. Elementary students can grasp alternative languages better at their age than the latter years (I believe that this is a proven fact but I was unable to locate the research that I had found in the past on that subject).

I only have one complaint that I have addressed with MCCA administration on more than one occasion. MCCA does not encourage a [REDACTED]. Ms. Heard does not feel that there is a need for such an organization. Education of children cannot be solely the responsibility of the school that children attend. Parents have to be involved to insure that the educational needs of the children and parents are adequately addressed. Even though Ms. Heard is an exceptional administrator in many ways, she downplays the need for a [REDACTED]. If a strong [REDACTED] was encouraged, organized and utilized, MCCA would be an award winning school because the needs of the students would be more adequately addressed and the parents could help the school streamline many of its administrative tasks.

I conclude this letter with a plea that MCCA's application be renewed. TAAS scores have improved over the 5 years that MCCA has been in operation. Enrollment has definitely increased. Since MCCA offers so many opportunities that are not available at the school districts in the area, I feel this is one of the many reasons that the MCCA should continue operation.

Sincerely,
[REDACTED]

CONTRACT FOR CHARTER RENEWAL

This contract is executed between the Texas State Board of Education, 1701 North Congress Avenue, Austin, Texas 78701-1494 (the "Board") and Medical Center Charter School, 1920 N. Braeswood, Houston, Texas, 77030 ("Charterholder") for an open-enrollment charter to operate a Texas public school known as Medical Center Charter 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.

"Charterholder" means Medical Center Charter School, the sponsoring entity identified in the charter application.

"Charter school" means Medical Center Charter School, the open-enrollment charter school. Charterholder agrees to operate Medical Center Charter School as provided in this contract. The charter school is a Texas public school and a charter school within the meaning of 20 U.S.C. §8066.

"Agency" means the Texas Education Agency.

2. The Charter. This contract renews the open-enrollment charter granted to Medical Center Charter School by that certain Contract for Charter attached as "Exhibit A" hereto. The terms of the charter include: (a) this Contract for Charter Renewal; (b) applicable law; (c) the Request for Proposals dated October 1995, as modified and superseded by Charterholder's application for charter renewal; (d) any condition, amendment, modification, revision or other change to the charter adopted or ratified by the Board; (e) all statements, assurances, commitments and representations made by Charterholder in its application for charter renewal, attachments or related documents, to the extent consistent with (a) through (d); and (f) assurance by Charterholder, evidenced by execution of this contract, that no false information was submitted to the Agency or the Board by Charterholder, its agents or employees in support of its application for charter or for renewal. For purposes of this paragraph, information is "false" if the person submitting the information knew, or through reasonable diligence should have discovered, that the information submitted was not true.

3. Authority Granted by Charter. The charter authorizes Medical Center Charter School to operate Medical Center Charter School subject to the terms of the charter. Action inconsistent with the terms of the charter shall constitute a 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. Charterholder may not engage or modify the terms of the

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AS Initialed by the SBOE Chair on 7/13/2001.

RO Initialed by the Charterholder Chair on 6/26/2001.

AP Initialed by the Charterholder CEO on 6/26/2001.

engagement of a private management company without approval by the Board in accordance with Paragraph 7 of this contract.

5. Term of Charter. The charter shall be in effect from the date of execution through July 31, 2011, unless renewed or terminated; provided that before the end of the fifth year of the contract term, (a) the Board will conduct a review of the school's academic, financial, and compliance record; and (b) the Board and the school will negotiate new or modified contract terms upon completion of such review.

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. For purposes of this paragraph, the terms of the charter include, among other provisions, specifications concerning the school's governance structure, characteristics of the educational program to be offered, and the location, type and number of facilities at which the school will operate. 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. Student Performance. Notwithstanding any provision in Charterholder's application for charter or for renewal, acceptable student performance under Section 12.111(3), TEC, shall be student performance meeting the standards for an acceptable rating as determined by the commissioner of education under Title 19, Texas Administrative Code, Chapter 97, or under the Alternative Education Accountability Rating Procedures, if registered under those procedures.

9. Open Enrollment. Total enrollment shall not exceed the maximum number of students approved by the State Board of Education. 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, and have submitted a timely application, have been enrolled. Students will be admitted on the basis of a lottery if more students apply for admission than can be accommodated, or using another method approved by the Board.

10. Criminal History. Charterholder shall take prompt and appropriate measures if Charterholder or the charter school, or any of their employees or agents, obtains information that an employee or volunteer of the charter school or an employee, officer, or board member of a management company contracting with the charter school has a reported criminal history that bears directly on the duties and responsibilities of the employee, volunteer, or management company at the school. Charterholder further represents that the Board and the Agency shall be notified immediately of such information and the measures taken.

11. Reporting Child Abuse or Neglect. Charterholder shall adopt and disseminate to all charter school staff and volunteers a policy governing child abuse reports required by Chapter 261, Texas Family Code. The policy shall require that employees, volunteers or agents of Charterholder or the charter school report child abuse or neglect directly to an appropriate entity listed in Chapter 261, Texas Family Code.

JS Initialed by the SBOE Chair on 7/13/2001.
JP Initialed by the Charterholder Chair on 6/26/2001.
CP Initialed by the Charterholder CEO on 6/26/2001.

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12. 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.
13. School Year. Charterholder shall adopt a school year with fixed beginning and ending dates.

Financial Management

14. Fiscal Year. Charterholder shall adopt a fiscal year consistent with Section 44.0011, Education Code.
15. Financial Accounting. Unless otherwise notified by the Agency, Charterholder shall comply fully with generally accepted accounting principles ("GAAP") and the Financial Accountability System Resource Guide, Bulletin 679 or its successor ("Bulletin 679") published by the Agency in the management and operation of the charter school. Charter holder shall also comply with the standards for financial management systems outlined in 34 CFR §80.20.
16. 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 A-133 or its successor.
17. 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 Charterholder shall report attendance data to the Agency at six-week intervals or as directed by the Agency.
18. Foundation School Program. Distribution of funds to the charter school under Section 12.106, TEC, is contingent upon Charterholder's compliance with the terms of the charter. Charterholder is ineligible to receive Foundation School Program funds prior to execution of this contract by the Board. Within 30 days of receiving notice of overallocation and request for refund under Section 42.258, TEC, Charterholder shall transmit to the Agency an amount equal to the requested refund. If Charterholder fails to make the requested refund, the Agency may recover the overallocation by any means permitted by law, including but not limited to the process set forth in Section 42.258, TEC.
19. 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.
20. 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 authorized by the charter.
21. 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 authorized by the charter.
22. Interested Transactions. All financial transactions between the charter school and (a)

JS Initialed by the SBOE Chair on 7/13/2001.
NO Initialed by the Charterholder Chair on 6/26/2001.
AP Initialed by the Charterholder CEO on 6/26/2001.

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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.

23. 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 violation of the charter.

Governance and Operations

24. 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.

25. PEIMS Reporting. Charterholder shall report timely and accurate information to the Public Education Information Management System (PEIMS), as required by the commissioner.

26. Conflict of Interest. Charterholder shall comply with any applicable prohibition, restriction or requirement relating to conflicts of interest or fiduciary duties. 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.

27. 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.

28. Indemnification. Except as limited by the Texas Constitution, 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.

29. 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. Charterholder may not suspend operation of the school for a period of more than three days without mailing written notice to the parent or guardian of each student and to the Agency at least 14 days in advance of the suspension; except that in an emergency Charterholder must notify the Agency by telephone or other means within 24 hours of suspending operations. Suspension of operations in violation of this paragraph shall constitute abandonment of this contract

AS Initialed by the SBOE Chair on 7/13/2001.

AD Initialed by the Charterholder Chair on 6/26/2001.

AD Initialed by the Charterholder CEO on 6/26/2001.

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and of the charter.

30. Charter School Facility. Charterholder shall have and maintain throughout the term of the charter a lease agreement, title or other legal instrument granting to Charterholder the right to occupy and use one or more facilities suitable for use as the charter school facilities described by the charter. During any period of dormancy granted by the Board, this requirement may be waived by the Board. Facilities occupied and used as charter school facilities shall comply with all applicable laws, including, but not limited to, the Texas Architectural Barriers Act, Article 9102, Vernon's Texas Civil Statutes. The charter school shall not change location of its instructional facilities or administrative offices from those listed in the charter application or in a subsequent charter amendment without prior approval of the Board. When approved by the Board for a new location for an instructional facility, the charterholder shall, prior to commencing school operations at that location, submit to the Charter Schools Division a certificate of occupancy or equivalent certificate for use of the facility at the new location as a public school, as required in the charter application.

Enforcement

31. 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 the Texas Education Code 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 violation of the charter.

32. Commissioner Authority. The commissioner in his sole discretion may take any action authorized by Chapter 39, TEC, Chapter 29, TEC, or Chapter 42, 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 Chapter 39, TEC, Chapter 29, TEC or Chapter 42, TEC is a violation of the charter.

33. Adverse Action. The Board in its sole discretion may modify, place on probation, revoke or deny timely renewal of the charter for cause ("adverse action"). Each of the following shall be cause for adverse action on the charter: (a) any material violation of the terms of the charter listed in paragraphs 2 and 3, including accountability provisions; (b) failure to satisfy generally accepted accounting standards of fiscal management; or (c) failure to comply with an applicable law or rule.

This Agreement

34. 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.

35. Severability. If any provision of this contract is determined by a court or other tribunal to be unenforceable or invalid for any reason, the remainder of the contract shall remain in full force and effect, so as to give effect to the intent of the parties to the extent valid and enforceable.

36. 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 the Request for Proposals dated October 1995; (b) applicable law; and (c) all commitments and

YS Initialed by the SBOE Chair on 7/13/2001.

SP Initialed by the Charterholder Chair on 6/26/2001.

AP Initialed by the Charterholder CEO on 6/26/2001.

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representations made in Charterholder's renewal application and any supporting documents (to the extent such commitments and representations are consistent with the terms of this contract).

37. 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.

38. Venue. Any suit arising under this contract shall be brought in Travis County, Texas.

39. Governing Law. In any suit arising under this contract, Texas law shall apply.

40. 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 Charterholder. Charterholder further represents that the person signing this contract has been properly delegated authority to do so.

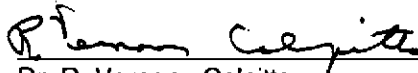
For the State Board of Education:



Grace Shore, Chair

7-13-01
Date

For Medical Center Charter School:






Dr. R. Vernon Colpitts
Chief Executive Officer

6.26.01
Date



Dr. R. Vernon Colpitts
Chair, Governing Board

6.26.01
Date

 Initialed by the SBOE Chair on 7/13/2001.
 Initialed by the Charterholder Chair on 6/26/2001.
 Initialed by the Charterholder CEO on 6/26/2001.

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CONTRACT FOR CHARTER

Exhibit A

CONTRACT entered into this 25th day of March, 1996 by and between the Texas State Board of Education (the "Board") and Medical Center Charter Schools, Inc., a 501 (c) (3) ("Charterholder") for the purpose of establishing a charter to operate a public school.

The term of the charter granted by this contract is from July 1996 through June 1997. The charter may be renewed for an additional period by mutual agreement of the parties at any time prior to its expiration.

The charter granted by this contract is contingent upon full and timely compliance with the following, all of which are incorporated by reference:

1. The terms of the Request for Proposals dated October 1995, including the assurances required by the Request;
2. All applicable requirements of state and federal law and court orders, including any amendments thereto; and
3. All additional commitments and representations made in Charterholder's application and any supporting documents which are consistent with the provisions and requirements of this contract.

Charterholder understands that the Board may modify, place on probation, revoke or deny renewal to a charter if the Board determines that a material violation of the charter has occurred, that Charterholder has failed to satisfy generally accepted accounting standards of fiscal management, or that the Charterholder has failed to comply with an applicable law or rule. The parties agree that failure to satisfy accountability provisions adopted under Subchapters B, C, D and G of Chapter 39 of the Texas Education Code, or their successor provisions, or failure to operate an open-enrollment charter school during the period of this contract are material violations of the charter. Charterholder understands that its charter may not be assigned, encumbered, pledged or in any way alienated for the benefit of creditors or otherwise.

Charterholder represents that it is qualified to enter into this contract and agrees to 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 agreement, and of any change in the chief operating officer of the Charterholder.

Entered into this 25th day of March, 1996.

Texas State Board of Education

Medical Center Charter Schools, Inc.,
a 501 (c) (3)
1920 N. Braeswood
Houston, Texas 77030

Dr. Jack Christie
By Dr. Jack Christie, Chairman

James L. McKey
By James L. McKey, Chairman



MEDICAL CENTER CHARTER SCHOOL
More Than Academic Excellence

June 28, 2001

CERTIFIED MAIL, R.R.R.
NO. Z 730 936 818

RECEIVED

Mary Perry, Assistant Director
Charter Schools Division
Texas Education Agency
1701 North Congress Ave.
Austin, Texas 78701-1494

Dear Ms. Perry:

Enclosed are the duly executed duplicate original contracts mailed to me under cover of letter dated June 5, 2001.

Thank you for your cooperation.

Yours very truly,

R. Vernon Colpits

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