



RECEIVED

NOV 16 2009

CHARTER SCHOOLS
DIVISION

Joan Hall

DATE: November 13, 2009
TO: Iqbal Badwalz, Charter Schools Division-CDE
FROM: Joan Hall, President – Options For Youth Public Charter Schools
SUBJECT: Options For Youth Public Charter Schools Request for Mitigating Circumstances

This memo is in response to the questions received on November 5, 2009, from the Charter School Division of the CDE regarding Options For Youth Public Charter School's request for mitigating circumstances resulting from the recent budget cuts due to the State's economic crisis. This response is on behalf of the following Options For Youth Charter Schools:

Charter School Name	Charter School Number	Current Funding Level
Options For Youth-Burbank	130	85%
Options For Youth-San Gabriel	117	85%
Options For Youth-San Juan	217	85%
Options For Youth-Upland	105	85%
Options For Youth-Victor Valley	013	85%

- I. Please provide a copy of the contract/agreement/MOU between the charter school and the charter management organization, indicating whether the contract/agreement/MOU is annual in duration. If not, please indicate under what conditions the contract/agreement/MOU can be terminated or renewed and by whom.

With respect to Options For Youth, the charter schools do not use the services of a "Charter Management Company". In order to cost effectively administer the schools and increase purchasing power with respect to goods and services acquired by all of the schools, Options For Youth, Inc., a separate non-profit company, is used to purchase and administer goods and services, payroll, and curriculum distribution for all of the charter schools. The costs of these services are passed through, without mark-up, to the Options For Youth entities. A copy of the Instructional and Operational Services Agreement between Options For Youth, Inc. and the Options For Youth entities is provided herewith. Each of the Options For Youth entities has an agreement with Options For Youth, Inc. that is identical in form and substance to the enclosed agreement. The terms and conditions related to termination and renewal are set forth in the agreements. The contract expires June 30, 2010 unless terminated by either party upon sixty (60) days written notice (please reference Section I, page I of the agreement).

Options For Youth
Public Charter Schools

Empowering Minds by Inspiring Hearts



2. Please provide a copy of contract/agreement/MOU between the OFY and OFL, indicating whether the contract/agreement/MOU is annual in duration. If not, please indicate under what conditions the contract/agreement/MOU can be terminated or renewed and by whom.

The Opportunities For Learning Charter School entities have each entered into an agreement with Options For Youth, Inc. concerning the acquisition of curriculum materials. In part, these agreements are also for the purpose of furthering the collective purchasing power achieved by purchasing all materials on behalf of the Options For Youth and Opportunities For Learning charter schools through a single purchasing entity. A copy of the Curriculum Delivery Agreement (which is identical to all of the agreements entered into by each Opportunities For Learning Charter School entities) is provided herewith and contains the provisions concerning termination and renewal of the agreement. The contract expires June 30, 2010 unless terminated by either party upon sixty (60) days written notice (please reference Section I, page I of the agreement).



INSTRUCTIONAL AND OPERATIONAL SERVICES AGREEMENT

OPTIONS FOR YOUTH - SAN JUAN, a California nonprofit corporation ("OFY SAN JUAN"), does hereby retain **OPTIONS FOR YOUTH, INC.**, a California nonprofit corporation ("Contractor") to furnish the below-described services and materials upon the following terms and conditions:

1. Term and Termination

This Agreement shall be effective as of July 1, 2008 and shall continue in effect until June 30, 2010 unless terminated by either party upon sixty (60) days written notice.

2. Services and Materials Provided By Contractor

a. Contractor shall provide to OFY – SAN JUAN the following services and materials:

- (i) Operational Support in the form of Accounting, Payroll, Human Resources, and any other mutually agreed upon Administrative services as needed now or in the future;
- (ii) Instructional Support in the form of Recruiting, Training, IT, Community Outreach, Special Education, Educational Support, Curriculum Development, Teacher and Student File Audits, Student Assessment, Instructional Reporting, Experiential Learning and any other mutually agree upon Instructional Support as needed now or in the future;
- (iii) Future Program developments as they arise, consistent with the methodology established within this Agreement.

b. Contractor agrees to perform all services hereunder to OFY – SAN JUAN reasonable satisfaction.

3. Shared Costs

a. In consideration for Contractor providing the above-described services, OFY – SAN JUAN shall share with other similar contract participants the Contractor's costs for delivery and provision of the services described in paragraph 2a (the "Shared Costs"). The Shared Costs shall include OFY – SAN

JUAN proportionate share of Contractor's costs associated with the management and delivery of the services and materials described in paragraph 2a, including Contractor's overhead costs (such as rent, utilities, sales tax, support materials, employee costs and any other reasonable cost incurred by the Contractor in meeting the needs of the OFY - SAN JUAN School). The OFY – SAN JUAN proportionate share of costs shall be based on its proportionate percentage of total Average Daily Attendance (ADA) compared to the ADA of all school's obtaining services from the Contractor under this Agreement. In determining OFY – SAN JUAN proportionate share of Contractor's costs, Contractor shall charge the OFY – SAN JUAN at least monthly for (1) the actual cost incurred and specifically identifiable to the OFY – SAN JUAN and (2) the prorated portion of costs incurred by Contractor in supporting this Agreement and shared by all Agreement participants for which Contractor provides these services. Any necessary adjustments between OFY – SAN JUAN actual proportionate share of costs and the cumulative charged amounts shall be subject to adjustment on a twelve-month cycle.

b. A Statement of Activities capturing Agreement activity shall be submitted to the OFY – SAN JUAN by Contractor monthly.

4. Ownership

All physical written materials and programming documentation originated and prepared for OFY – SAN JUAN by Contractor pursuant to this Agreement shall belong to Contractor, but Owner shall retain the copyright in all materials.

5. Independent Contractor Status

It is expressly agreed and understood that Contractor, including its employees and/or subcontractors, is performing services under this Agreement as an independent contractor for OFY – SAN JUAN and neither Contractor nor any of its employees or subcontractors is an employee or agent of OFY - SAN JUAN School. OFY – SAN JUAN liability hereunder shall be limited to payment of the fees provided in this Agreement. All liability to the persons actually providing services under this Agreement or related to the providing of such services, including but not limited to, payment of wages or other compensation, withholding of taxes and similar charges related to such wages or other compensation, and Worker's Compensation, shall be the sole responsibility of Contractor.

6. Confidentiality

All materials and information of OFY – SAN JUAN which Contractor gains access to or knowledge of in the performance of this Agreement shall be deemed confidential. Contractor agrees to take all possible precautions to guard the confidentiality of such materials and information and to limit access to such information to its authorized agents and employees.

7. Excused Performance

Neither party shall be liable for any failure to perform or for delayed performance of any obligation under this Agreement if such performance is prevented, hindered or delayed by reason of any cause beyond its reasonable control, including, without limitation, any labor dispute, strike, or other industrial disturbance, Act of God, flood, earthquake, casualty, war, act of public enemy, riot, insurrection, embargo, law or court action, and regulation or order of any government, government agency or subdivision thereof.

8. Amendment

This Agreement may be amended only in writing by both parties.

9. Assignment

Neither party may assign, without the other party's prior written consent, this Agreement or any right or obligation hereunder, and any and all assignments without said prior written consent shall be deemed void.

10. Arbitration

The parties agree that each dispute, controversy or claim arising out of or relating to this Agreement shall be settled by binding arbitration before an arbitrator selected from a panel of members of JAMS (Judicial Arbitration and Mediation Service) in Los Angeles, California, in accordance with California law. Judgment on the award rendered by the arbitrator may be entered in any court having competent jurisdiction. The decision of the arbitrator as to damages, injunctive relief and all other matters comprising the decision shall be enforceable and included in any judgment on the award of the arbitrator. The parties shall be entitled to all rights of discovery provided by the California Code of Civil Procedure, provided, however, that the arbitrator may omit discovery for good cause shown or in the interests of justice in order to ensure that the arbitration proceeds in a fair and efficient manner.

11. Entire Agreement

This Agreement represents the entire understanding of the parties hereto and supersedes all prior written or oral agreements with respect to the subject matter hereof.

12. Governing Law

This Agreement shall be governed by the laws of the State of California.

OPTIONS FOR YOUTH - SAN JUAN, Inc.
a California nonprofit corporation

By: One Name
Title: Director
Date: 3-11-09

OPTIONS FOR YOUTH, INC.,
A California nonprofit corporation

By: Joan Hall
Title: President
Date: April 30, 2009



INSTRUCTIONAL AND OPERATIONAL SERVICES AGREEMENT

OPTIONS FOR YOUTH - UPLAND, a California nonprofit corporation ("OFY UPLAND"), does hereby retain OPTIONS FOR YOUTH, INC., a California nonprofit corporation ("Contractor") to furnish the below-described services and materials upon the following terms and conditions:

1. Term and Termination

This Agreement shall be effective as of July 1, 2008 and shall continue in effect until June 30, 2010 unless terminated by either party upon sixty (60) days written notice.

2. Services and Materials Provided By Contractor

a. Contractor shall provide to OFY – UPLAND the following services and materials:

- (i) Operational Support in the form of Accounting, Payroll, Human Resources, and any other mutually agreed upon Administrative services as needed now or in the future;
- (ii) Instructional Support in the form of Recruiting, Training, IT, Community Outreach, Special Education, Educational Support, Curriculum Development, Teacher and Student File Audits, Student Assessment, Instructional Reporting, Experiential Learning and any other mutually agree upon Instructional Support as needed now or in the future;
- (iii) Future Program developments as they arise, consistent with the methodology established within this Agreement.

b. Contractor agrees to perform all services hereunder to OFY – UPLAND reasonable satisfaction.

3. Shared Costs

a. In consideration for Contractor providing the above-described services, OFY – UPLAND shall share with other similar contract participants the Contractor's costs for delivery and provision of the services described in paragraph 2a (the "Shared Costs"). The Shared Costs shall include OFY –

Options For Youth

Public Charter Schools

Empowering Minds by Inspiring Hearts

UPLAND proportionate share of Contractor's costs associated with the management and delivery of the services and materials described in paragraph 2a, including Contractor's overhead costs (such as rent, utilities, sales tax, support materials, employee costs and any other reasonable cost incurred by the Contractor in meeting the needs of the OFY - UPLAND School). The OFY - UPLAND proportionate share of costs shall be based on its proportionate percentage of total Average Daily Attendance (ADA) compared to the ADA of all school's obtaining services from the Contractor under this Agreement. In determining OFY - UPLAND proportionate share of Contractor's costs, Contractor shall charge the OFY - UPLAND at least monthly for (1) the actual cost incurred and specifically identifiable to the OFY - UPLAND and (2) the prorated portion of costs incurred by Contractor in supporting this Agreement and shared by all Agreement participants for which Contractor provides these services. Any necessary adjustments between OFY - UPLAND actual proportionate share of costs and the cumulative charged amounts shall be subject to adjustment on a twelve-month cycle.

b. A Statement of Activities capturing Agreement activity shall be submitted to the OFY - UPLAND by Contractor monthly.

4. Ownership

All physical written materials and programming documentation originated and prepared for OFY - UPLAND by Contractor pursuant to this Agreement shall belong to Contractor, but Owner shall retain the copyright in all materials.

5. Independent Contractor Status

It is expressly agreed and understood that Contractor, including its employees and/or subcontractors, is performing services under this Agreement as an independent contractor for OFY - UPLAND and neither Contractor nor any of its employees or subcontractors is an employee or agent of OFY - UPLAND School. OFY - UPLAND liability hereunder shall be limited to payment of the fees provided in this Agreement. All liability to the persons actually providing services under this Agreement or related to the providing of such services, including but not limited to, payment of wages or other compensation, withholding of taxes and similar charges related to such wages or other compensation, and Worker's Compensation, shall be the sole responsibility of Contractor.

6. Confidentiality

All materials and information of OFY - UPLAND which Contractor gains access to or knowledge of in the performance of this Agreement shall be deemed confidential. Contractor agrees to take all possible precautions to guard the confidentiality of such materials and information and to limit access to such information to its authorized agents and employees.

7. Excused Performance

Neither party shall be liable for any failure to perform or for delayed performance of any obligation under this Agreement if such performance is prevented, hindered or delayed by reason of any cause beyond its reasonable control, including, without limitation, any labor dispute, strike, or other industrial disturbance, Act of God, flood, earthquake, casualty, war, act of public enemy, riot, insurrection, embargo, law or court action, and regulation or order of any government, government agency or subdivision thereof.

8. Amendment

This Agreement may be amended only in writing by both parties.

9. Assignment

Neither party may assign, without the other party's prior written consent, this Agreement or any right or obligation hereunder, and any and all assignments without said prior written consent shall be deemed void.

10. Arbitration

The parties agree that each dispute, controversy or claim arising out of or relating to this Agreement shall be settled by binding arbitration before an arbitrator selected from a panel of members of JAMS (Judicial Arbitration and Mediation Service) in Los Angeles, California, in accordance with California law. Judgment on the award rendered by the arbitrator may be entered in any court having competent jurisdiction. The decision of the arbitrator as to damages, injunctive relief and all other matters comprising the decision shall be enforceable and included in any judgment on the award of the arbitrator. The parties shall be entitled to all rights of discovery provided by the California Code of Civil Procedure, provided, however, that the arbitrator may omit discovery for good cause shown or in the interests of justice in order to ensure that the arbitration proceeds in a fair and efficient manner.

11. Entire Agreement

This Agreement represents the entire understanding of the parties hereto and supersedes all prior written or oral agreements with respect to the subject matter hereof.

12. Governing Law

This Agreement shall be governed by the laws of the State of California.

OPTIONS FOR YOUTH-UPLAND, Inc,
a California nonprofit corporation

By: [Signature]

Title: BOARD MEMBER

Date: 3-25-09

OPTIONS FOR YOUTH, INC.,
A California nonprofit corporation

By: [Signature]

Title: President

Date: April 30, 2009



INSTRUCTIONAL AND OPERATIONAL SERVICES AGREEMENT

OPTIONS FOR YOUTH - BURBANK, a California nonprofit corporation ("OFY BURBANK"), does hereby retain **OPTIONS FOR YOUTH, INC.**, a California nonprofit corporation ("Contractor") to furnish the below-described services and materials upon the following terms and conditions:

1. Term and Termination

This Agreement shall be effective as of July 1, 2008 and shall continue in effect until June 30, 2010 unless terminated by either party upon sixty (60) days written notice.

2. Services and Materials Provided By Contractor

a. Contractor shall provide to OFY – BURBANK the following services and materials:

- (i) Operational Support in the form of Accounting, Payroll, Human Resources, and any other mutually agreed upon Administrative services as needed now or in the future;
- (ii) Instructional Support in the form of Recruiting, Training, IT, Community Outreach, Special Education, Educational Support, Curriculum Development, Teacher and Student File Audits, Student Assessment, Instructional Reporting, Experiential Learning and any other mutually agree upon Instructional Support as needed now or in the future;
- (iii) Future Program developments as they arise, consistent with the methodology established within this Agreement.

b. Contractor agrees to perform all services hereunder to OFY – BURBANK reasonable satisfaction.

3. Shared Costs

a. In consideration for Contractor providing the above-described services, OFY – BURBANK shall share with other similar contract participants the Contractor's costs for delivery and provision of the services described in paragraph 2a (the "Shared Costs"). The Shared Costs shall include OFY –

BURBANK proportionate share of Contractor's costs associated with the management and delivery of the services and materials described in paragraph 2a, including Contractor's overhead costs (such as rent, utilities, sales tax, support materials, employee costs and any other reasonable cost incurred by the Contractor in meeting the needs of the OFY - BURBANK School). The OFY – BURBANK proportionate share of costs shall be based on its proportionate percentage of total Average Daily Attendance (ADA) compared to the ADA of all school's obtaining services from the Contractor under this Agreement. In determining OFY – BURBANK proportionate share of Contractor's costs, Contractor shall charge the OFY – BURBANK at least monthly for (1) the actual cost incurred and specifically identifiable to the OFY – BURBANK and (2) the prorated portion of costs incurred by Contractor in supporting this Agreement and shared by all Agreement participants for which Contractor provides these services. Any necessary adjustments between OFY – BURBANK actual proportionate share of costs and the cumulative charged amounts shall be subject to adjustment on a twelve-month cycle.

b. A Statement of Activities capturing Agreement activity shall be submitted to the OFY – BURBANK by Contractor monthly.

4. Ownership

All physical written materials and programming documentation originated and prepared for OFY – BURBANK by Contractor pursuant to this Agreement shall belong to Contractor, but Owner shall retain the copyright in all materials.

5. Independent Contractor Status

It is expressly agreed and understood that Contractor, including its employees and/or subcontractors, is performing services under this Agreement as an independent contractor for OFY – BURBANK and neither Contractor nor any of its employees or subcontractors is an employee or agent of OFY - BURBANK School. OFY – BURBANK liability hereunder shall be limited to payment of the fees provided in this Agreement. All liability to the persons actually providing services under this Agreement or related to the providing of such services, including but not limited to, payment of wages or other compensation, withholding of taxes and similar charges related to such wages or other compensation, and Worker's Compensation, shall be the sole responsibility of Contractor.

6. Confidentiality

All materials and information of OFY – BURBANK which Contractor gains access to or knowledge of in the performance of this Agreement shall be deemed confidential. Contractor agrees to take all possible precautions to guard the confidentiality of such materials and information and to limit access to such information to its authorized agents and employees.

7. Excused Performance

Neither party shall be liable for any failure to perform or for delayed performance of any obligation under this Agreement if such performance is prevented, hindered or delayed by reason of any cause beyond its reasonable control, including, without limitation, any labor dispute, strike, or other industrial disturbance, Act of God, flood, earthquake, casualty, war, act of public enemy, riot, insurrection, embargo, law or court action, and regulation or order of any government, government agency or subdivision thereof.

8. Amendment

This Agreement may be amended only in writing by both parties.

9. Assignment

Neither party may assign, without the other party's prior written consent, this Agreement or any right or obligation hereunder, and any and all assignments without said prior written consent shall be deemed void.

10. Arbitration

The parties agree that each dispute, controversy or claim arising out of or relating to this Agreement shall be settled by binding arbitration before an arbitrator selected from a panel of members of JAMS (Judicial Arbitration and Mediation Service) in Los Angeles, California, in accordance with California law. Judgment on the award rendered by the arbitrator may be entered in any court having competent jurisdiction. The decision of the arbitrator as to damages, injunctive relief and all other matters comprising the decision shall be enforceable and included in any judgment on the award of the arbitrator. The parties shall be entitled to all rights of discovery provided by the California Code of Civil Procedure, provided, however, that the arbitrator may omit discovery for good cause shown or in the interests of justice in order to ensure that the arbitration proceeds in a fair and efficient manner.

11. Entire Agreement

This Agreement represents the entire understanding of the parties hereto and supersedes all prior written or oral agreements with respect to the subject matter hereof.

12. Governing Law

This Agreement shall be governed by the laws of the State of California.

OPTIONS FOR YOUTH-BURBANK, Inc,
a California nonprofit corporation

By: Bethi Newman

Title: Director

Date: March 27, 2009

OPTIONS FOR YOUTH, INC.,
A California nonprofit corporation

By: Joan Hall

Title: President

Date: April 30, 2009



INSTRUCTIONAL AND OPERATIONAL SERVICES AGREEMENT

OPTIONS FOR YOUTH - SAN GABRIEL, a California nonprofit corporation ("OFY SAN GABRIEL"), does hereby retain OPTIONS FOR YOUTH, INC., a California nonprofit corporation ("Contractor") to furnish the below-described services and materials upon the following terms and conditions:

1. Term and Termination

This Agreement shall be effective as of July 1, 2008 and shall continue in effect until June 30, 2010 unless terminated by either party upon sixty (60) days written notice.

2. Services and Materials Provided By Contractor

a. Contractor shall provide to OFY – SAN GABRIEL the following services and materials:

- (i) Operational Support in the form of Accounting, Payroll, Human Resources, and any other mutually agreed upon Administrative services as needed now or in the future;
- (ii) Instructional Support in the form of Recruiting, Training, IT, Community Outreach, Special Education, Educational Support, Curriculum Development, Teacher and Student File Audits, Student Assessment, Instructional Reporting, Experiential Learning and any other mutually agree upon Instructional Support as needed now or in the future;
- (iii) Future Program developments as they arise, consistent with the methodology established within this Agreement.

b. Contractor agrees to perform all services hereunder to OFY – SAN GABRIEL reasonable satisfaction.

3. Shared Costs

a. In consideration for Contractor providing the above-described services, OFY – SAN GABRIEL shall share with other similar contract participants the Contractor's costs for delivery and provision of the services described in paragraph 2a (the "Shared Costs"). The Shared Costs shall include OFY – SAN

Options For Youth

Public Charter Schools

Empowering Minds by Inspiring Hearts

743523.1
15555.210

GABRIEL proportionate share of Contractor's costs associated with the management and delivery of the services and materials described in paragraph 2a, including Contractor's overhead costs (such as rent, utilities, sales tax, support materials, employee costs and any other reasonable cost incurred by the Contractor in meeting the needs of the OFY - SAN GABRIEL School). The OFY – SAN GABRIEL proportionate share of costs shall be based on its proportionate percentage of total Average Daily Attendance (ADA) compared to the ADA of all school's obtaining services from the Contractor under this Agreement. In determining OFY – SAN GABRIEL proportionate share of Contractor's costs, Contractor shall charge the OFY – SAN GABRIEL at least monthly for (1) the actual cost incurred and specifically identifiable to the OFY – SAN GABRIEL and (2) the prorated portion of costs incurred by Contractor in supporting this Agreement and shared by all Agreement participants for which Contractor provides these services. Any necessary adjustments between OFY – SAN GABRIEL actual proportionate share of costs and the cumulative charged amounts shall be subject to adjustment on a twelve-month cycle.

b. A Statement of Activities capturing Agreement activity shall be submitted to the OFY – SAN GABRIEL by Contractor monthly.

4. Ownership

All physical written materials and programming documentation originated and prepared for OFY – SAN GABRIEL by Contractor pursuant to this Agreement shall belong to Contractor, but Owner shall retain the copyright in all materials.

5. Independent Contractor Status

It is expressly agreed and understood that Contractor, including its employees and/or subcontractors, is performing services under this Agreement as an independent contractor for OFY – SAN GABRIEL and neither Contractor nor any of its employees or subcontractors is an employee or agent of OFY - SAN GABRIEL School. OFY – SAN GABRIEL liability hereunder shall be limited to payment of the fees provided in this Agreement. All liability to the persons actually providing services under this Agreement or related to the providing of such services, including but not limited to, payment of wages or other compensation, withholding of taxes and similar charges related to such wages or other compensation, and Worker's Compensation, shall be the sole responsibility of Contractor.

6. Confidentiality

All materials and information of OFY – SAN GABRIEL which Contractor gains access to or knowledge of in the performance of this Agreement shall be deemed confidential. Contractor agrees to take all possible precautions to guard the confidentiality of such materials and information and to limit access to such information to its authorized agents and employees.

7. Excused Performance

Neither party shall be liable for any failure to perform or for delayed performance of any obligation under this Agreement if such performance is prevented, hindered or delayed by reason of any cause beyond its reasonable control, including, without limitation, any labor dispute, strike, or other industrial disturbance, Act of God, flood, earthquake, casualty, war, act of public enemy, riot, insurrection, embargo, law or court action, and regulation or order of any government, government agency or subdivision thereof.

8. Amendment

This Agreement may be amended only in writing by both parties.

9. Assignment

Neither party may assign, without the other party's prior written consent, this Agreement or any right or obligation hereunder, and any and all assignments without said prior written consent shall be deemed void.

10. Arbitration

The parties agree that each dispute, controversy or claim arising out of or relating to this Agreement shall be settled by binding arbitration before an arbitrator selected from a panel of members of JAMS (Judicial Arbitration and Mediation Service) in Los Angeles, California, in accordance with California law. Judgment on the award rendered by the arbitrator may be entered in any court having competent jurisdiction. The decision of the arbitrator as to damages, injunctive relief and all other matters comprising the decision shall be enforceable and included in any judgment on the award of the arbitrator. The parties shall be entitled to all rights of discovery provided by the California Code of Civil Procedure, provided, however, that the arbitrator may omit discovery for good cause shown or in the interests of justice in order to ensure that the arbitration proceeds in a fair and efficient manner.

11. Entire Agreement

This Agreement represents the entire understanding of the parties hereto and supersedes all prior written or oral agreements with respect to the subject matter hereof.

12. Governing Law

This Agreement shall be governed by the laws of the State of California.

OPTIONS FOR YOUTH-SAN GABRIEL, Inc,
a California nonprofit corporation

By: [Signature]
Title: Director
Date: March, 24, 2009

OPTIONS FOR YOUTH, INC.,
A California nonprofit corporation

By: [Signature]
Title: President
Date: April 30, 2009



INSTRUCTIONAL AND OPERATIONAL SERVICES AGREEMENT

OPTIONS FOR YOUTH - VICTOR VALLEY, a California nonprofit corporation ("OFY VICTOR VALLEY"), does hereby retain **OPTIONS FOR YOUTH, INC.**, a California nonprofit corporation ("Contractor") to furnish the below-described services and materials upon the following terms and conditions:

1. Term and Termination

This Agreement shall be effective as of July 1, 2008 and shall continue in effect until June 30, 2010 unless terminated by either party upon sixty (60) days written notice.

2. Services and Materials Provided By Contractor

a. Contractor shall provide to OFY – VICTOR VALLEY the following services and materials:

- (i) Operational Support in the form of Accounting, Payroll, Human Resources, and any other mutually agreed upon Administrative services as needed now or in the future;
- (ii) Instructional Support in the form of Recruiting, Training, IT, Community Outreach, Special Education, Educational Support, Curriculum Development, Teacher and Student File Audits, Student Assessment, Instructional Reporting, Experiential Learning and any other mutually agree upon Instructional Support as needed now or in the future;
- (iii) Future Program developments as they arise, consistent with the methodology established within this Agreement.

b. Contractor agrees to perform all services hereunder to OFY – VICTOR VALLEY reasonable satisfaction.

3. Shared Costs

a. In consideration for Contractor providing the above-described services, OFY – VICTOR VALLEY shall share with other similar contract participants the Contractor's costs for delivery and provision of the services described in paragraph 2a (the "Shared Costs"). The Shared Costs shall include OFY –

Options For Youth

Page 1 of 4
Public Charter Schools

Empowering Minds by Inspiring Hearts

743523.1
15555.210

VICTOR VALLEY proportionate share of Contractor's costs associated with the management and delivery of the services and materials described in paragraph 2a, including Contractor's overhead costs (such as rent, utilities, sales tax, support materials, employee costs and any other reasonable cost incurred by the Contractor in meeting the needs of the OFY - VICTOR VALLEY School). The OFY – VICTOR VALLEY proportionate share of costs shall be based on its proportionate percentage of total Average Daily Attendance (ADA) compared to the ADA of all school's obtaining services from the Contractor under this Agreement. In determining OFY – VICTOR VALLEY proportionate share of Contractor's costs, Contractor shall charge the OFY – VICTOR VALLEY at least monthly for (1) the actual cost incurred and specifically identifiable to the OFY – VICTOR VALLEY and (2) the prorated portion of costs incurred by Contractor in supporting this Agreement and shared by all Agreement participants for which Contractor provides these services. Any necessary adjustments between OFY – VICTOR VALLEY actual proportionate share of costs and the cumulative charged amounts shall be subject to adjustment on a twelve-month cycle.

b. A Statement of Activities capturing Agreement activity shall be submitted to the OFY – VICTOR VALLEY by Contractor monthly.

4. Ownership

All physical written materials and programming documentation originated and prepared for OFY – VICTOR VALLEY by Contractor pursuant to this Agreement shall belong to Contractor, but Owner shall retain the copyright in all materials.

5. Independent Contractor Status

It is expressly agreed and understood that Contractor, including its employees and/or subcontractors, is performing services under this Agreement as an independent contractor for OFY – VICTOR VALLEY and neither Contractor nor any of its employees or subcontractors is an employee or agent of OFY - VICTOR VALLEY School. OFY – VICTOR VALLEY liability hereunder shall be limited to payment of the fees provided in this Agreement. All liability to the persons actually providing services under this Agreement or related to the providing of such services, including but not limited to, payment of wages or other compensation, withholding of taxes and similar charges related to such wages or other compensation, and Worker's Compensation, shall be the sole responsibility of Contractor.

6. Confidentiality

All materials and information of OFY – VICTOR VALLEY which Contractor gains access to or knowledge of in the performance of this Agreement shall be deemed confidential. Contractor agrees to take all possible precautions to guard the confidentiality of such materials and information and to limit access to such information to its authorized agents and employees.

7. Excused Performance

Neither party shall be liable for any failure to perform or for delayed performance of any obligation under this Agreement if such performance is prevented, hindered or delayed by reason of any cause beyond its reasonable control, including, without limitation, any labor dispute, strike, or other industrial disturbance, Act of God, flood, earthquake, casualty, war, act of public enemy, riot, insurrection, embargo, law or court action, and regulation or order of any government, government agency or subdivision thereof.

8. Amendment

This Agreement may be amended only in writing by both parties.

9. Assignment

Neither party may assign, without the other party's prior written consent, this Agreement or any right or obligation hereunder, and any and all assignments without said prior written consent shall be deemed void.

10. Arbitration

The parties agree that each dispute, controversy or claim arising out of or relating to this Agreement shall be settled by binding arbitration before an arbitrator selected from a panel of members of JAMS (Judicial Arbitration and Mediation Service) in Los Angeles, California, in accordance with California law. Judgment on the award rendered by the arbitrator may be entered in any court having competent jurisdiction. The decision of the arbitrator as to damages, injunctive relief and all other matters comprising the decision shall be enforceable and included in any judgment on the award of the arbitrator. The parties shall be entitled to all rights of discovery provided by the California Code of Civil Procedure, provided, however, that the arbitrator may omit discovery for good cause shown or in the interests of justice in order to ensure that the arbitration proceeds in a fair and efficient manner.

11. Entire Agreement

This Agreement represents the entire understanding of the parties hereto and supersedes all prior written or oral agreements with respect to the subject matter hereof.

12. Governing Law

This Agreement shall be governed by the laws of the State of California.

OPTIONS FOR YOUTH-VICTOR VALLEY, Inc,
a California nonprofit corporation

By: *Al Andrews*
Title: Director
Date: April 2, 2009

OPTIONS FOR YOUTH, INC.,
A California nonprofit corporation

By: *Joan Hall*
Title: President
Date: April 30, 2009