

SERVICE AGREEMENT

THIS AGREEMENT (the "Agreement") is entered into as of the date of both parties signing this agreement, by and between **EXPLORING NEW HORIZONS**, a California nonprofit public benefit corporation ("ENH"), and **HIDDEN VALLEY SCHOOL**, a Public School (the "School"). ENH and the School are collectively referred to herein as the "Parties."

WHEREAS, ENH is exempt from federal income tax under Internal Revenue Code Section 501(c) (3) and corresponding provisions of state law;

WHEREAS, the charitable purposes of ENH include conducting outdoor education for grade school children as part of their regular school curriculum; and

WHEREAS, ENH's provision of services to the School pursuant to this Agreement will fall within the scope of ENH's charitable purposes;

NOW, THEREFORE, in consideration of the mutual covenants set forth herein, the receipt and adequacy of which is hereby acknowledged, the Parties hereby agree as follows:

1. Services. Subject to the terms and conditions set forth in this Agreement, ENH shall provide on behalf of the School an outdoor education program for the School's students (the "Program"), to be conducted at YMCA Camp Loma Mar, Loma Mar, California (the "Program Location") for the period of **October 4- 8, 2010** (the "Term"). ENH shall provide the following services (the "Services") in connection with the Program:

- a. Orientation Meetings. Prior to the commencement of the Term, ENH shall conduct at the School location, or such other location mutually agreed upon by the Parties, and at times mutually acceptable to the Parties, orientation meetings regarding the Program. The School shall cooperate with ENH in organizing the orientation meetings and inviting students, teachers, counselors and parents to such meetings.
- b. Counselors. Prior to the commencement of the Term, ENH may, in its sole discretion, interview candidates and select from such candidates individuals to serve as counselors for the Program for the duration of the Term.
- c. Activities. ENH shall organize and conduct the outdoor educational activities.
- d. Supplies. ENH shall provide all materials and supplies required to implement the Program.
- e. Room and Board. ENH shall provide for the duration of the Term housing and meals for all students, classroom teachers and counselors, whose numbers are estimated to be as follows:
 - i. 124 students;
 - ii. 4 classroom teachers; and
 - iii. 14 counselors.
- f. Transportation. ENH shall provide for all students, classroom teachers and counselors (i) bus transportation for trips from the Program Location to any off-

site locations scheduled as part of the Program, and (ii) a van to transport materials and supplies as required by the Program and to serve as an on site emergency vehicle. The School shall be responsible for arranging, and ENH shall not be responsible for, all other transportation for participating students, classroom teachers and counselors to and from the Program Location.

2. Fees; Payment.

- a. The School shall pay ENH for the Services in an amount equal to (i) the number of students enrolled in the Program multiplied by (ii) **\$273 per student** (the "Fee"), *provided that a minimum of 112 students* are enrolled in the Program prior to the beginning of the Term [*Minimum number equal to 90% of the estimated enrollment number*]. If the School fails to enroll this minimum number of students, the Fee shall be calculated as if the minimum number of students indicated above were enrolled in the Program; if the School does not agree to pay this Fee, ENH may in its discretion either negotiate a new per-student fee based on the fixed expenses that ENH reasonably expects to incur in conducting the Program, or terminate this Agreement. If ENH terminates this Agreement pursuant to this clause, ENH shall return all amounts previously paid by the School, less a termination fee equal to twenty-five percent (25%) of the Fee, and ENH shall have no obligation to provide the Program or the Services.
- b. **The School shall pay ENH the Fee as follows:**
 - i. Based on the minimum number of students enrolled in the program the total sum owed to ENH is \$30,576.
 - ii. A deposit of 50% or \$15,288 is due as of **September 17, 2010**; and
 - ii. the balance of the Fee is **due by December 10, 2010** to accommodate parent payment plans and following the School's receipt of an invoice from ENH.
- c. The School shall remit all deposits and payments to:

Exploring New Horizons
PO Box 1514
Felton, California 95018
- d. For purposes of calculating the termination fee in Section 2(a), Section 8(a) or Section 8(b), or the Cancellation Amount in Section 8(b), the Fee shall be determined based on (i) the number of students enrolled in the Program on the date of termination, or on the date of cancellation, as applicable, or (ii) the minimum number of students set forth in Section 2(a), whichever number is greater.

3. Default. If the School fails to make any payment pursuant to Section 2 within ten (10) days after the date on which such payment was due, ENH may in its discretion (a) continue to conduct the Program, in which case ENH shall have the right to enforce all its rights and remedies granted by this Agreement, including, without limitation, the right to collect the Fee, or (b) cancel or suspend the Program, in which case ENH shall be entitled to recover from the

School any amount necessary to compensate ENH for all detriment proximately caused by the School's failure to perform its obligations under this Agreement, including without limitation the amount ENH would have earned by providing services to another organization or organizations during the Term. At ENH's discretion, unpaid installments of the Fee under the terms of this Agreement may bear interest from the date due at the maximum rate then allowable by law. ENH's remedies are not exclusive and are cumulative with any other remedies allowed by law.

4. Representations and Warranties. Each Party represents and warrants that (i) it is duly organized, validly existing and in good standing under the laws of its state of incorporation, (ii) it has the legal right, power and authority to execute, deliver and perform its obligations under this Agreement, and (iii) all approvals requisite to the valid and binding execution, delivery and performance of this Agreement by such Party have already been obtained and are in full force and effect.

5. Independent Status of ENH. The School shall not have any right to direct or control the Program or the means, manner, or details by which ENH provides the Services. ENH may, in its sole discretion, employ and supervise such counselors, Program staff and other employees or agents as ENH deems necessary or convenient to perform the Services. The School may not control, direct, or supervise ENH's employees or agents in the performance of the Services. This Agreement does not create a partnership between the Parties. Nothing in this Agreement shall be deemed to restrict or prohibit ENH from providing services to other organizations that are the same as or similar to the Services described herein.

6. Student Waivers. Prior to the beginning of the Term, the School shall cause a parental guardian of each student participating in the Program to sign a waiver with respect to such participation, and shall cause each executed waiver to be delivered to ENH. No student shall be enrolled or allowed to participate in the Program without first providing such executed waiver to ENH.

7. Disciplinary Action. ENH may remove any student from the Program who, in ENH's sole discretion, creates a significant disciplinary problem for the Program staff or who otherwise disrupts the Program. ENH shall not be responsible for transporting such student from the Program Location in the event of removal from the Program. The School shall not be entitled to any refund of any portion of the Fee for any student who leaves the Program for disciplinary reasons.

8. Cancellation.

- a. In the event the School cancels its participation in the Program more than one hundred twenty (120) days prior to the beginning of the Term, the School shall promptly notify ENH in writing of such cancellation. ENH shall refund all amounts paid by the School to ENH under this Agreement, less a termination fee of twenty-five percent (25%) of the Fee, calculated as set forth in Section 2(d) above.
- b. In the event the School cancels its participation in the Program less than one hundred twenty (120) days prior to the beginning of the Term, the School shall promptly notify ENH in writing of such cancellation and shall pay to ENH at the time of such notice of cancellation the sum of ninety percent (90%) of the Fee

(the "Cancellation Amount"). The School may set off against the Cancellation Amount any payments already made by the School to ENH pursuant to Section 2. If ENH arranges to conduct the Program for another organization or organization(s) during all or part of the Term, thus filling the vacancy created by the School's cancellation, and the School has paid the Cancellation Amount in full, ENH shall refund to the School the lesser of (i) the total amount paid by the other organization or organizations for ENH's services during the Term, or (ii) the Cancellation Amount, less a termination fee of twenty-five percent (25%) of the Fee, calculated as set forth in Section 2(d) above.

- c. If ENH is unable to perform the Services due to unavoidable causes such as fire damage to the Program Location or other loss of facilities prior to the beginning of the Term, ENH shall notify the School and shall refund all portions of the Fee previously deposited by the School to ENH. If such damage or loss of facilities occurs at any point during the Term such that ENH is unable to continue conducting the Program, ENH shall notify the School, and the School shall be responsible for paying only the amount of the Fee proportionate to the period of the Term during which ENH actually provided the Services.

9. Insurance. ENH shall provide accident and health coverage for all students, classroom teachers and counselors participating in the Program. The School shall maintain such general liability insurance as the School is required by law to maintain and shall include ENH as additional insured on such policy. Upon request of either Party, the other Party shall provide certificates of such insurance.

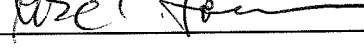
10. Waivers. The failure of either Party to exercise any of its rights under this Agreement shall not be deemed to be a waiver of such rights.

11. No Assignment. This Agreement shall not be assignable by either Party without the prior written consent of the other Party.

12. Notice. All notices, requests, waivers, approvals, consents, demands and other communications hereunder shall be in writing and shall be deemed duly given when delivered personally, or three days after being deposited with the United States Postal Service, or one day after being deposited for delivery with a nationally recognized overnight delivery service, with all charges, fees and first-class postage prepaid, properly addressed, as follows:

If to the School, at the following address (please fill in appropriate information):

School: _____
Address: _____

Contact:  _____
Phone: _____
email: _____

If to ENH, at the following address:

EXPLORING NEW HORIZONS
PO Box 1514
Felton, California 95018

Michelle Parr
(831) 600-7543
michelle@exploringnewhorizons.org

13. Arbitration. The Parties agree that, with respect to all controversies, claims, disputes or counterclaims arising out of or relating to this Agreement, the Services or the Program, whether it involves a disagreement about the meaning, interpretation, application, or validity of this Agreement, and whether based on statute, tort, contract, common law, or otherwise (a "Dispute"), to attempt to resolve the Dispute by good faith negotiation. If the Parties are unable to resolve the Dispute by good faith negotiation, either Party may refer the matter to arbitration. If the other Party does not object in writing to arbitration within thirty (30) days of receiving written notice of a request for arbitration, then the arbitration shall take place in the County of Santa Cruz, State of California in accordance with the rules of the American Arbitration Association then in effect. The decision of the arbitrator(s) shall be final and binding on the parties, and any award of the arbitrator(s) may be entered or enforced in any court of competent jurisdiction.

14. Attorneys' Fees. If either party commences an action against the other party arising out of or in connection with this Agreement, or for interpretation of any of its provisions, including without limitation an arbitration pursuant to Section 13, the prevailing party shall be entitled to recover its costs and expenses, including reasonable attorneys' fees and court costs, from the other party.

15. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

16. Entire Agreement; Amendments. This Agreement shall supersede any prior oral or written understandings or communications between the Parties and constitutes the entire agreement of the Parties with respect to the subject matter hereof. This Agreement may not be amended or modified, except in a writing signed by both Parties hereto.

17. Severability. The invalidity or unenforceability of any provision hereof shall in no way affect the validity or enforceability of any other provision hereof.

18. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties have executed this Agreement effective as of the date first above written.

EXPLORING NEW HORIZONS,
a California non-profit public benefit
corporation

By: *[Signature]*

Title: Exec Director

Date: 8.26.10

HIDDEN VALLEY SCHOOL
a California Public School

By: *[Signature]*

Title: Asst. Supt

Date: 9/11/10