

MANAGEMENT SERVICES AGREEMENT

This Management Services Agreement (the "Agreement") is made and entered into as of the 17th day of July, 2024 by and between Distinctive Schools, Inc., an Illinois nonprofit corporation ("Distinctive Schools"), and A. I. M. (Art in Motion), (the "Charter School"), a body corporate and public Charter School organized under the Illinois School Code (the "Code").

WHEREAS, The Charter School operates pursuant to a charter contract (the "Contract") issued by the Chicago Board of Education ("CPS"); and

WHEREAS, The Charter School operates a public Charter School under the direction of the Charter School Board (the "Board"); and

WHEREAS, Distinctive Schools is a nonprofit organization providing educational and managerial services to public school academies that has the ability to implement a comprehensive educational program and management methodologies for the Charter School; and

WHEREAS, The Charter School desires to engage Distinctive Schools to perform certain services related to the Charter School's educational program and operations.

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

ARTICLE I

CONTRACTUAL RELATIONSHIP

A. Authority. The Charter School has been granted the Contract by CPS to organize and operate a public Charter School, together with the powers necessary or desirable for carrying out the educational program set forth in the Contract. The Charter School is authorized by law to contract with a private entity to provide educational management services, provided that no provision of such a contract shall be effective if it would prohibit the Board from acting as an independent, self-governing public body, allow public decisions to be made other than in compliance with the Open Meetings Act, or interfere with the Board's constitutional duty to exercise its statutory, contractual and fiduciary obligations governing the operation of the Charter School.

B. Delegated Authority. Acting under and in the exercise of such authority, the Charter School hereby delegates to Distinctive Schools, to the extent permitted by law, specified functions relating to the provision of educational services and the management and operation of the Charter School; provided, however, that this Agreement is subject to all of the terms and conditions of the Contract. The Contract shall be deemed incorporated herein by reference. In the event of any inconsistency between the provisions of this Agreement and the provisions of the Contract, the provisions of the Contract shall prevail.

C. Status of the Parties. Distinctive Schools is an Illinois nonprofit corporation, and is not a division or part of the Charter School. The Charter School is a body corporate and governmental entity authorized by the Code, and is not a division or part of Distinctive Schools. The relationship between

Distinctive Schools and the Charter School is based solely on the terms of this Agreement. The parties to this Agreement acknowledge that the relationship between them created by this Agreement is that of an independent contractor, and that except as expressly set forth in this Agreement, no employee of Distinctive Schools shall be deemed to be an agent or employee of the Charter School. Distinctive Schools will be solely responsible for its acts and the acts of its agents, employees, and subcontractors.

D. Designation of Agents. No agent or employee of the Charter School shall be determined to be an agent or employee of Distinctive Schools for any reason or purpose. No agent or employee of Distinctive Schools shall be determined to be an agent or employee of the Charter School, except as follows:

1. The Charter School agrees to define "school official" in the Charter School's annual notification of rights under 20 U.S.C. § 1232g, 34 C.F.R. § 99, the Family Educational Rights and Privacy Act ("FERPA") to include a contractor who performs an institutional service or function for which the Charter School would otherwise use its own employees, who is under the direct control of the Charter School with respect to the use and maintenance of personally-identifiable information from education records, and who is subject to the requirements of 34 C.F.R. § 99.33(a) governing the use and re-disclosure of personally identifiable information from education records. The Board designates Distinctive Schools and certain of its employees and subcontractors as school officials of the Charter School having a legitimate educational interest such that they are entitled to access to educational records under FERPA. Distinctive Schools and its employees and subcontractors agree to comply with FERPA and corresponding regulations applicable to school officials.

2. During the term of this Agreement, the Charter School may disclose confidential data and information to Distinctive Schools, and its respective officers, directors, employees and designated agents to the extent permitted by applicable law, including without limitation, the Individuals with Disabilities Education Act ("IDEA"), 20 USC §1401 et seq., 34 CFR 300.610 -300.626; Section 504 of the Rehabilitation Act of 1973, 29 USC §794a, 34 CFR 104.36; Title 23 of the Illinois Administrative Code Part 226; the Americans with Disabilities Act, 42 USC §12101 et seq.; the Health Insurance Portability and Accountability Act ("HIPAA"), 42 USC 1320d - 13200d-8; 45 CFR 160, 162 and 164; and social security numbers, as protected by the federal Privacy Act of 1974, 5 USC §552a; and the Illinois Identity Protection Act, 5 ILCS 179 et seq. If Distinctive Schools receives information that is part of a pupil's education records from any source as permitted under the Code, Distinctive Schools shall not sell or otherwise provide the information to any other person except as provided under 105 ILCS 10/6.

ARTICLE II

TERM

A. Term. This Agreement shall become effective, July 1, 2024 and shall cover three (3) academic years commencing on **July 1, 2024** and ending on **June 30, 2027**. Distinctive Schools reserves the right to terminate this Agreement for any reason by providing 90-day written notice to the

Charter School of its intentions pursuant to Article XI, Section C during the time period between the date of execution and June 30, 2027.

During the term between July 1, 2024 and June 30, 2027, and any subsequent extensions, this Agreement is subject to a continued charter contract issued by CPS and continued state per capita funding. The Contract from CPS is effective through June 2027 and the parties recognize that during the reauthorization process CPS may condition an extension or reauthorization of the Contract upon modifications to this Agreement or submission of a new agreement.

ARTICLE III

FUNCTIONS OF DISTINCTIVE SCHOOLS

A. Responsibility. Under the policy direction of the Board, Distinctive Schools shall be responsible for all of the management, operation, administration, and education at the Charter School. Such functions include, but are not limited to:

- I. Implementation and administration of the Educational Program contained in the Contract;
2. Curriculum improvement services;
3. Student environment management and community outreach/ marketing services;
4. Computer services;
5. Budget preparation and financial management services, such as accounting and bookkeeping services, financial and operational reports;
6. Risk management, such as the administration of any insurance claims involving personal injury or property loss, relating to the security of the facilities and confidential information and files;
7. Accounts payable;
8. Acquisition of instructional and non- instructional material, equipment and supplies as requested by the Board;
9. Selection, employment and supervision of all teachers and staff and the personnel management services (recordkeeping, wage and benefits administration, training and technical assistance) necessary to support those employees;
10. Food service management;
11. Transportation management;
12. Facilities maintenance;

13. Preparation of required CPS, local, state and federal reports with prior review by the Board;
14. Information and technology system development and management;
15. Preparation of applications for grants and special programs;
16. Securing funding sources for special programs and facility improvements as requested by the Board;
17. Operation of the school building and the installation of technology integral to school design;
18. Administration of extra-curricular and co-curricular activities and programs;
19. Preparation of regulations governing operations of the Charter School as approved by the Board;
20. Provide special education services to students who attend the Charter School in conformity with the requirements of state and federal laws and applicable regulations and policies;
21. Preparation of strategic plans for the continuing educational and financial benefit of the Charter School;
22. Implementation of an ongoing public relations strategy, developed for the Board, for the development of beneficial and harmonious relationships with other organizations and the community;
23. Preparation and enforcement of student codes of conduct; and
24. Any other function necessary or expedient for the administration of the Charter School with prior approval from the Board.

B. Educational Goals and Program. Distinctive Schools shall implement the educational goals and programs set forth in the Contract, including but not limited to methods of pupil assessment, admission policy and criteria, school calendar and school day schedule, age and grade classifications or pupils to be enrolled, and methods to be used to monitor performance towards targeted educational outcomes. In the event that Distinctive Schools determines that it is advisable to modify the educational goals and program set forth in the Contract, Distinctive Schools will provide written notification to the Board specifying the changes it recommends and the reasons for the proposed changes. No changes in the educational goals and programs shall be implemented without the prior written approval of the Board and CPS. Distinctive Schools shall provide the Board with periodic written reports specifying the level of achievement of each of the Charter School's educational goals set forth in the Contract and detailing its plan for meeting any educational goals that are not being attained. These reports will be submitted to the Board immediately prior to the Board's regular meeting in January and July each year, and at such other times as specified in Board policy as the time may be changed from time to time.

C. Subcontracts. It is anticipated that Distinctive Schools will utilize subcontracts to provide some of the services it is required to provide to the Charter School, including but not limited to transportation and/or food service. Distinctive Schools shall not subcontract the management, oversight, or operation of the teaching and instructional program, without the prior written approval of the Board. Board approval of other subcontracts is not required unless the cost for the subcontracted services exceeds the funds appropriated for that purpose in the Charter School's approved budget. Distinctive Schools will receive no additional fee as a result of subcontracting of any services. Distinctive Schools remains responsible to the Charter School for the services provided through subcontracting agreements.

D. Place of Performance. Instructional services other than field trips will normally be performed at the Charter School facilities. Distinctive Schools may perform functions other than instruction, such as purchasing, professional development, and administrative functions at off-site locations, unless prohibited by applicable law. The Charter School shall provide Distinctive Schools with the necessary office space at the Charter School site to perform all services for the Charter School described in this Agreement.

E. Acquisitions. All acquisitions made by Distinctive Schools for the Charter School, including, but not limited to, instructional materials, equipment, supplies, furniture, computers and other technology, shall be owned by and remain the property of the Charter School. Distinctive Schools and its subcontractors will comply with all federal laws, rules, and regulations in addition to such policies as the Board may, from time to time adopt, as well as the Code including, but not limited to, Section 10-20.21 as if the Charter School were making these purchases directly from a third party supplier. Distinctive Schools will not include any fees or charges to the cost of the equipment, materials, and supplies purchased from third parties when it seeks reimbursement for the cost of those acquisitions.

F. Pupil Performance Standards and Evaluation. Distinctive Schools is responsible for and accountable to the Board for the performance of students who attend the Charter School. Distinctive Schools shall implement pupil performance evaluations which permit evaluation of the educational progress of each Charter School student, using measures of student and school performance required by the Contract or applicable laws and such additional measures as shall be mutually agreed between the Board and Distinctive Schools including but not limited to parent satisfaction surveys.

G. Student Recruitment. Distinctive Schools shall be responsible for assisting collaboratively in the recruitment of students subject to the provisions of the Contract or applicable laws and the policies adopted by the Board. Students shall be selected in accordance with the procedures set forth in the Contract and in compliance with applicable law. Distinctive Schools shall follow all applicable procedures regarding student recruitment, enrollment, and lottery management, and shall be responsible for publication of appropriate public notices and scheduling open houses.

H. Student Due Process Hearings. Distinctive Schools shall provide students with procedural and substantive due process in conformity with the requirements of applicable law regarding discipline, special education, confidentiality, and access to records, to an extent consistent with the Charter School's own obligations. The Board shall retain the right to provide due process as required by law and to determine whether any student will be expelled.

I. Legal Requirements. Distinctive Schools shall provide educational programs that meet the requirements imposed under the Contract and applicable law, unless such requirements are or have been waived.

J. Rules and Procedures. The Board shall adopt rules, regulations, and procedures applicable to the Charter School and Distinctive Schools is directed to enforce the rules, regulations, and procedures adopted by the Board. Distinctive Schools shall assist the Board in its policy making function by recommending the adoption of reasonable rules, regulations and procedures applicable to the Charter School.

K. School Year and School Day. The school year and the school day shall be as provided in the Contract and as defined annually by the Board.

L. Authority. Distinctive Schools shall have authority and power necessary to undertake its responsibilities described in this Agreement except in the case(s) wherein such power might not be delegated by law.

M. Compliance with Charter School's Contract. Distinctive Schools agrees to perform its duties and responsibilities under this Agreement in a manner that is consistent with the Charter School's obligations under the Charter School's Contract issued by the Chicago Public School's Board of Education. The provisions of the Charter School's Contract shall supersede any competing or conflicting provisions contained in this Agreement. Distinctive Schools agrees to assist the Charter School in complying with all of the Charter School's reporting, recordkeeping, and other obligations under the Charter School's Contract. Distinctive Schools shall not act in a manner, which will cause the Charter School to be in breach of its Contract. Any action or inaction by Distinctive Schools that causes the Contract to be in jeopardy of termination is a material breach of the Agreement. In addition, a failure of Distinctive Schools to perform reasonably the functions set forth in Article III may be considered a material breach of this Agreement.

N. Additional Programs. The services provided by Distinctive Schools to the Charter School under this Agreement consist of the Educational Program as set forth in the Contract, as the same may change from time to time. The Board may decide to provide additional programs, including but not limited to summer school. Any revenues collected from such programs will go directly to the Charter School. The Charter School may also purchase additional services from Distinctive Schools at mutually agreeable cost.

O. Annual Budget Preparation. Distinctive Schools will provide the Board with a proposed annual budget that shall conform to the State accounting manual and as mandated by Section 5/17-1 of the Illinois School Code (105 ILCS 5/17-1) and Part 100 of Section 23 of the Illinois Administrative Code in a form satisfactory to the Board and to CPS. The budget shall contain object level detail and comply with the public accounting standards applicable to public schools and applicable law. The budget shall include anticipated revenues and projected expenses and costs reasonably associated with operating the Charter School and the Educational Program including, but not limited to, the projected cost of all services and educational programs provided to the Charter School, rent and lease payments, debt service, maintenance and repairs to Charter School facilities, supplies and furnishings necessary to operate the Charter School, taxes, insurance premiums, utilities, professional fees, and other costs and expenses connected to the operation of the Charter School. The proposed budget shall be submitted to the Board for approval no later than 30 days prior to the date when the approved budget is required to be submitted to CPS. Distinctive Schools may not make deviations from the approved budget without the prior written approval of the Board.

P. Financial Reporting. On not less than a monthly basis, Distinctive Schools shall provide the Board with a balance sheet and statement of revenue, expenditures, and changes in fund balance, detailing the status of the budget to actual revenues and a detailed schedule of expenditures at an object level for review and approval by the Board. A written report shall explain any variances from the approved budget, shall contain recommendations for necessary budget corrections, and shall be prepared at least seven (7) calendar days in advance of the Board meeting to be available for Board packets sent to Board Members in preparation for Board meetings. Distinctive Schools shall provide special reports as necessary to keep the Board informed of changing conditions.

Q. Operational Reporting. At least four (4) times per year Distinctive Schools will provide the Board with comprehensive written reports on detailing Charter School operations, finances, and student performance. In order to enable the Board to monitor Distinctive Schools' educational performance and the efficiency of its operation of the Charter School, upon the request of the Board, Distinctive Schools will provide written reports to the Board on any topic of Charter School activity or operations and which are consistent with this Agreement. These special repayments will be provided in a timely fashion, but not less than one (1) week after the request for the repayment is received by Distinctive Schools unless the Board and Distinctive Schools mutually agree upon an extended timetable.

R. Required Disclosure Information. On an annual basis, Distinctive Schools agrees to provide the Board with the same information that a school district is required to disclose under Section 100 of Section 23 of the Illinois Administrative Code of the Code and pursuant to Sections 2-3.11, 2-3.27, 3- 15.1, 10-17, 10-20.21, 17-1, and 18-3 of the School Code [105 ILCS 5/2-3.11, 2-3.27, 3-15.1, 10-17, 10-20.21, 17-1, and 18-3] for the most recent school fiscal year for which the information is available,

S. Suspension and Debarments List. Federal agencies are required to award contracts only to presently responsible sources and cannot award funds to entities that have been suspended or debarred from doing business with the federal government. The Charter School is a recipient of federal funding and Distinctive Schools is required to refrain from any action that will result in being suspended or debarred. Distinctive Schools certifies and affirms that it is not included on the federal Suspension and Debarments list of Excluded Parties List; nor is Distinctive Schools affiliated with any party that is included on the federal Suspension and Debarments list of Excluded Parties List.

ARTICLE IV

OBLIGATIONS OF THE BOARD

A. Board Policy Authority. The Board is responsible for determining the fiscal and academic policies that will govern the operation of the Charter School, including but not limited to, policies relative to the conduct of students while in attendance at the Charter School or enroute to and from the Charter School and regulations governing the procurement of supplies, materials, and equipment. The Board shall exercise good faith in considering the recommendations of Distinctive Schools on issues including, but not limited to, policies, rules, regulations, procedures, curriculum, and budgets subject to the constraints of law and the requirements of the Contract. Failure of Distinctive Schools and the Board to agree on educational policies is grounds for termination of the Agreement by either party.

B. Building Facility. The Board is responsible for the acquisition by either purchase or lease of a building facility that complies with all of the requirements of the Contract and applicable law.

C. Charter School Employees. The Board may employ a Liaison Officer to review the operations of the Charter School and the performance of Distinctive Schools under this Agreement, and to ensure smooth relationships among the Charter School, Distinctive Schools, and CPS. The Board Liaison Officer may be employed full or part-time and will perform the functions established by the Board. The Board may also employ such clerical staff as it deems necessary. Distinctive Schools shall cooperate with the Board Liaison Officer and will provide that individual with prompt access to records, facilities, and information as if such requests came from the full Board. Distinctive Schools shall have no authority to select, evaluate, assign, supervise or control the Board Liaison Officer and agrees that it will not bring or threaten to bring any legal action against the Liaison Officer for the performance of the duties and functions established for that position by the Board and which are consistent with this Agreement. The cost to employ a Liaison Officer and necessary clerical employees shall be paid by the Board.

D. Educational Consultants. The Board may retain an educational consultant or consultants to review the operations of the Charter School and the performance of Distinctive Schools under this Agreement. Distinctive Schools shall cooperate with the educational consultant or consultants and will provide those individuals with prompt access to records, facilities, and information as if such requests came from the full Board. Distinctive Schools shall have no authority to select, evaluate, assign, supervise or control any educational consultant employed by the Board, and agrees that it will not bring or threaten to bring any legal action against any educational consultant for the performance of the functions requested to be performed by the Board and which are consistent with this Agreement. The cost to employ an educational consultant shall be paid by the Board.

E. Legal Counsel. The Board shall select and retain legal counsel to advise the Charter School regarding its rights and responsibilities under the Contract, this Agreement and applicable law. The Board has the sole authority to hire independent legal counsel.

F. Audit Services. The Board shall select and retain the independent auditor to perform the annual financial audit in accordance with the Contract and applicable state law. The Board has the sole authority to hire independent legal auditors.

G. Budget. The Board will have the sole authority to approve any budget. The Board is responsible for adopting a budget in accordance with the provisions of Section 17 of the Code, 105 ILCS 5/17 et seq., that has adequate resources to fulfill its obligations under the Contract, including but not limited to its oversight of Distinctive Schools, the organization of the Charter School, negotiation of the Contract and any amendments, payment of employee costs, insurance required under the Contract and this Agreement, the annual financial audit and retention of the Board's legal counsel and consultants. In addition, the Board is responsible for determining the budget reserve amount included as part of the Charter School's annual budget, for implementing fiscal policies that will assist the Charter School in attaining the stated budget reserve amount and for approving necessary amendments to the budget to reflect necessary deviations from the adopted budget. The budget may be amended from time to time as deemed necessary by the Board.

H. Charter School Funds. The Board shall determine the depository of all funds received by the Charter School. All funds received by the Charter School shall be deposited in the Charter School's depository account. Signatories on the Charter School Board accounts shall solely be current Board members properly designated annually by Board resolution. All interest or investment earnings on Charter

School accounts shall accrue to the Charter School. The Board shall provide Charter School funding on a consistent and timely basis to Distinctive Schools to fulfill its obligations under this Agreement.

I. Governmental Immunity. The Board shall determine when to assert, waive or not waive its governmental immunity.

J. Contract with CPS. The Board will not act in a manner, which will cause the Charter School to be in breach of its Contract with CPS.

K. Evaluation of Distinctive Schools. The Board will evaluate the performance of Distinctive Schools each year to provide Distinctive Schools with an understanding of the Board's view of its performance under this Agreement. A preliminary evaluation will normally occur in December of each year followed by a yearend evaluation in June. The Board will determine the format to conduct this evaluation. Special evaluations may occur at any time.

ARTICLE V

FINANCIAL ARRANGEMENT

A. Primary Source of Funding. As an Illinois public school, the primary source of funding for the Charter School is state aid payments based upon the number of students enrolled in the Charter School combined with such other payments as may be available from state and federal sources for specific programs and services.

B. Other Revenue Sources. In order to supplement and enhance the state school aid payments and improve the quality of education at the Charter School, the Board and Distinctive Schools, with prior Board approval, shall endeavor to obtain revenue from other sources. In this regard:

- I. The Charter School and/or Distinctive Schools shall solicit and receive donations consistent with the mission of the Charter School.
2. The Charter School and/or Distinctive Schools may apply for and receive grant money, in the name of the Charter School. Distinctive Schools shall provide advance notification to the Board of any grant applications it intends to make and receive the approval of the Board for the application prior to accepting any grant.
3. To the extent permitted under the Code, the Board authorizes Distinctive Schools to charge fees to students for extra services such as summer programs, after school programs and athletics and charge non-Charter School students who participate in such programs.

All funds received by Distinctive Schools or the Charter School from such other revenue sources shall inure to and be deemed the property of the Charter School, except as otherwise agreed by the parties in writing.

C. Compensation for Services. For the term of this Agreement, the Charter School shall pay Distinctive Schools an annual fee. This annual fee shall be calculated as follows:

1. The annual fee to be paid for services performed between July 1, 2024 through June 30, 2027 shall be the sum of ten (10.00%) percent of all payments that the Charter School receives directly or indirectly under Paragraph A above less amounts retained by CPS and all grants received by the Charter School under Paragraph B (except for donations that are made to Charter School) that are to be expended during that school year.
2. Reference is hereby made to (i) that certain Indenture of Trust dates as of December 1, 2021 (as it may be amended or supplemented from time to time, the "Indenture") between the Illinois Finance Authority (the "Issuer") and UMB Bank, N.A. as Successor Trustee (the "Trustee") pursuant to which the Issuer issued Social Bonds – A.I.M. (Art in Motion Project) Series 2021 Bonds (the "Bonds"); and (ii) that certain Loan Agreement, dates as of December 1, 2021 (as it may be amended or supplemented from time to time, the "Loan Agreement") between the Charter School and the Issuer pursuant to which the proceeds of the Bonds were loaned to the Charter School and which was assigned by the Issuer to the Trustee.

Notwithstanding anything to the contrary herein, the payment of the Annual Fee shall be subordinate to all obligations of the Charter School arising under the Loan Agreement, the Indenture, and under the Bonds, including post-petition interest whether or not allowed or allowable (such obligations, collectively, the "Bond Obligations"). The Annual Fee shall be paid in equal monthly installments beginning in July of each school year, but solely to the extent funds are available during any given month after the payment in full to the Trustee of the Bond Obligations due in such month. Each month, Distinctive Schools shall cause the payment on account of the Bond Obligations to be paid to the Trustee in full prior to receiving any portion of the Annual Fee for such month. To the extent the funds are insufficient to pay in full the monthly installment of the Annual Fee, the unpaid portion of the Annual Fee shall be deferred without interest and shall be paid as soon as sufficient funds are available after the payment of all Bond Obligations to date. The amount of the annual fee is subject to reduction in a mutually agreeable amount in any school year if extenuating circumstances make payment of the entire annual fee inappropriate.

In the event that, contrary to the provisions of this Section V(C)(2), any payment or distribution is received by Distinctive Schools prior to payment in full of all of the Bond Obligations then due, such payment or distribution shall be held by Distinctive Schools in trust for the benefit of, and shall be delivered to, the Trustee for application pursuant to the Loan Agreement and the Indenture.

D. Reasonable Compensation. The parties wish to satisfy the requirements of Rev. Proc. 2016-44) so that the provision of Distinctive Schools' services under this Agreement does not cause the Charter School's facilities to be treated as used in a private business use under Section 141(b) of the Internal Revenue Code of 1986, as amended. Distinctive Schools' compensation under this Agreement is reasonable compensation for services rendered. Distinctive Schools' compensation for services under this Agreement

will not be based, in whole or in part, on a share of net profits from the operation of the Charter School.

E. Payment of Educational Program Costs. In addition to the Charter School's obligation to reimburse Distinctive Schools for the compensation of certain Distinctive Schools employees under Article VI, all costs reasonably incurred in providing the Educational Program at the Charter School shall be paid by the Charter School. Such costs shall include, but shall not be limited to, curriculum materials, professional development, textbooks, library books, computer and other equipment, software, supplies utilized at the Charter School for educational purposes, services provided pursuant to subcontract, building payments, maintenance, utilities, capital improvements, and marketing and development costs. No corporate costs of Distinctive Schools shall be paid for by the Charter School. Marketing and development costs paid by or charged to the Charter School shall be limited to those costs specific to the Charter School program, and shall not include any costs for the marketing and development of Distinctive Schools. The Board shall reimburse Distinctive Schools monthly for approved fees and expenses upon properly presented documentation and approval by the Board, but reimbursements for the cost of compensation of Distinctive Schools employees under Article VI shall be made no later than three (3) business days before that compensation is due to the employees. At its option, the Board may advance funds to Distinctive Schools for the fees and expenses associated with the Charter School's operation provided that documentation for the fees and expenses are provided for Board ratification. In paying costs on behalf of the Charter School, Distinctive Schools shall not charge an added fee. Any costs reimbursed to Distinctive Schools that are determined by the independent audit not to be reasonably incurred on behalf of the Educational Program of the Charter School shall be promptly returned to the Charter School by Distinctive Schools.

F. Distinctive Schools Costs. The annual management fee to be paid to Distinctive Schools set forth in Article V, Section C is intended to compensate Distinctive Schools for all expenses it incurs for administrative and financial services Distinctive Schools is required to provide under this Agreement, including but not limited to, expenses associated with individuals providing professional and curriculum development services, accounting services, clerical services, management and budgeting services, and administrative services. Distinctive Schools will provide sufficient professional and non-professional staff in these areas, which shall be compensated by Distinctive Schools. In addition, the annual management fee is intended to compensate Distinctive Schools for all costs incurred by Distinctive Schools to provide these services. The annual management fee does not include payments for Distinctive Schools' personnel provided pursuant to Article VI (B), (C), and (D), the cost of which will be reimbursed in accordance with Article VI (A).

G. Distinctive Schools Legal Services. The annual management fee set forth in Article V, Section C is intended to compensate Distinctive Schools for routine legal fees it incurs to receive advice regarding the scope of its obligations under state and federal law to provide the administrative and financial services Distinctive Schools is required to provide under this Agreement. The annual management fee does not cover non-routine legal services, including but not limited to the legal fees and costs associated with the appointment of special education hearing officers and the engagement of counsel to represent the Charter School in legal or administrative proceedings, which are the responsibility of the Charter School. The Charter School Board shall at all times retain the sole authority and discretion to engage independent legal counsel.

H. Other Public School Academies. The Charter School acknowledges that Distinctive Schools has entered, or will enter into management agreements with other public school academies. Distinctive Schools shall separately account and provide written detail for reimbursable expenses incurred on behalf of the Charter School and other public school academies, and only charge the Charter School for

expenses incurred on behalf of the Charter School.

I. Audit Report Information. Distinctive Schools will make all of its financial and other records related to the Charter School available to the Charter School and the Charter School's independent auditor selected by the Board.

J. Other Financial Relationships. Any lease, promissory notes or other negotiable instruments, lease-purchase agreements or other financing agreements between the Charter School and Distinctive Schools shall be contained in a document separate from this Agreement and shall comply with CPS's Policies and applicable law.

K. Access to Records. Distinctive Schools shall keep accurate financial records pertaining to its operation of the Charter School, together with all Charter School financial, educational and student records prepared by or in the possession of Distinctive Schools, and retain all of these records for a period of seven years (or longer if required by Section 4 of The Illinois School Student Records Act) from the close of the fiscal year to which such books, accounts and records relate. All records shall be kept in accordance with applicable state and federal requirements. Financial, educational, operational and student records that are now or may in the future come into the possession of Distinctive Schools remain Charter School records and are required to be returned by Distinctive Schools to the Charter School upon demand, provided that Distinctive Schools may retain copies of records necessary to document the services provided to the Charter School and its actions under the Agreement. Distinctive Schools and the Charter School shall maintain the proper confidentiality of personnel, student, and other records as required by law. All Charter School records shall be physically or electronically available, upon request, at the Charter School's physical facilities. The financial, educational, operational and student records pertaining to the Charter School are public documents subject to disclosure in accordance with the provisions of the Illinois Freedom of Information Act. This Agreement shall not be construed to restrict CPS's or the public's access to these records under that Act or the Contract.

ARTICLE VI

PERSONNEL AND TRAINING

A. Personnel Responsibility. Distinctive Schools is responsible for providing the Charter School with qualified administrative, teaching, food service, secretarial, maintenance and transportation staff to operate the Charter School within the staffing levels approved by the Board in its annual budget. Distinctive Schools shall have the authority to select, evaluate, assign, discipline, transfer and terminate the employment of all individuals working at or for the Charter School with the exception of the Board Liaison officer and Board clerical staff, if any, consistent with applicable law and the provisions of this Agreement. With the exception of the Board Liaison Officer and Board clerical staff, if any, Distinctive Schools shall be the employer of all individuals working at or for the Charter School and will be responsible for the payment of all costs attributable to these employees, including wages, salaries, fringe benefits, unemployment costs, workers' compensation costs, and liability insurance costs. Unless required by applicable statute, court or administrative decision, or Attorney General's opinion, Distinctive Schools shall comply with all State and Federal Laws governing applicable pension and retirement accounts or any other public retirement system on behalf of its employees of its employees. Distinctive Schools will provide the Board with a detailed listing of the anticipated compensation and fringe benefit costs for all employees of Distinctive Schools who will be assigned to provide services at the Charter School. The Board will reimburse Distinctive Schools for the cost of the salaries, fringe benefits, and social security withholdings of employees assigned to the Charter School, provided that these costs are no higher than anticipated and approved in the annual budget. At its option, the Board may advance funds to Distinctive Schools for the cost of the salaries, fringe benefits, and social security of employees assigned to the Charter School provided that documentation for the fees and expenses are provided for Board review and the costs are consistent with budget allocations. At the request of the Board, Distinctive Schools will provide payroll services for employees of the Board. Distinctive Schools will not assign any employee to work at the Charter School who has not successfully completed a pre-employment background check (including criminal history, criminal background and unprofessional conduct checks) and credential verification, and, if appropriate, a pre-employment physical. Distinctive Schools will not place in the employment contracts with any of its employees assigned to work at the Charter School any restrictions that would prevent the Charter School from employing those individuals at the Charter School or would prevent those individuals from working for the Charter School or for any other entity providing educational services to the Charter School. Distinctive Schools agrees that any provision of an employment agreement with any of its employees that would be in violation of this provision is void and shall not be enforceable in any forum. Distinctive Schools will comply with the requirements of applicable law, including but not limited to Article 24 of the Illinois School Code (105 ILCS 5/24 et seq.), regarding the evaluation of its employees based in part upon data on student growth and the establishment of employee compensation levels that include job performance and job accomplishments as a significant factor.

B. School Principal. As part of the annual budgeting process, Distinctive Schools shall make a recommendation to the Board regarding the number of Principals required for the operation of the Charter School pursuant to the Contract but the Board shall decide the number of Principals that will be utilized. Distinctive Schools shall provide the Charter School with such Principals as are required by the Charter School. Distinctive Schools will have the authority, consistent with applicable law, to select and supervise the Principal or Principals and to hold those individuals accountable for the success of the Charter School. At the request of the Board, Distinctive Schools will review the performance of a Principal with the Board. The Principal or Principals will be Distinctive Schools' employees, but Distinctive Schools agrees to consult with the Board prior to hiring a Principal and will consult with the Board prior to taking any action that would alter the employment status of a Principal. Upon receipt of written notification indicating that the Board is not satisfied with the performance of a Principal, Distinctive Schools will provide a replacement Principal if the performance problems are not resolved. If Distinctive Schools disagrees with the removal, then the Board will reimburse Distinctive Schools for reasonable costs associated with the termination of a Principal at the Board's request, provided that the amount of costs to be reimbursed shall not exceed three (3) months of the Principal's compensation. The terms of the employment agreement with a Principal, and the duties and compensation of a Principal shall be determined by Distinctive Schools, but each Principal must be assigned on a full time basis to the Charter School and may not be providing services to any other school or Charter School without the prior approval of the Board. If Distinctive Schools chooses to execute an employment agreement with a Principal that has a term longer than one year, the Board reserves the right to have that Principal placed elsewhere by Distinctive Schools if the Board is dissatisfied with that individual's performance at the end of any school year.

C. Teachers. As part of the annual budgeting process, Distinctive Schools shall make a recommendation to the Board regarding the number of teachers required for the operation of the Charter School pursuant to the Contract. The Board, however, shall ultimately decide the number of teachers and curriculum. Distinctive Schools shall provide the Charter School with such teachers, qualified in the grade levels and subjects as are required by the Charter School. The curriculum taught by such teachers shall be the curriculum, applicable grade levels and subjects taught at the Charter School as prescribed in the Contract, and shall conform to the state endorsed requirements, including those for a high school diploma. Such teachers may, at the discretion of Distinctive Schools, work at the Charter School on a full or part time basis. If assigned to the Charter School on a part time basis, such teachers may also work at other schools operated by Distinctive Schools. Each teacher assigned to or retained by the Charter School shall be a highly qualified teacher with a valid teaching certificate or temporary special permit issued by the State Board of Education under the Code, to the extent required under the Code and the No Child Left Behind Act of 2001, as amended. If Distinctive Schools chooses to execute employment agreements with teaching staff that have a term of longer than one year, the Board reserves the right to have teachers placed elsewhere by Distinctive Schools if the Board is dissatisfied with their performance at the end of any school year. Teachers employed by Distinctive Schools shall not be considered teachers for purposes of continuing tenure under Section 24 of the Illinois School Code (105 ILCS 5/24 et seq).

D. Support Staff. As part of the annual budgeting process, Distinctive Schools shall make a recommendation to the Board regarding the number of support staff required for the operation of the Charter School pursuant to the Contract. The Board, however, shall ultimately decide the number of support staff at the Charter School. Distinctive Schools shall provide the Charter School with such support staff, qualified in the areas required, as are required by the Charter School. Such support staff may, in the discretion of Distinctive Schools, work at the Charter School on a full or part time basis. If

assigned to the Charter School on a part time basis, such support staff may also work at other schools operated by Distinctive Schools. Each support staff employee assigned to or retained by the Charter School shall have received the training and hold the certificates, degrees, or licenses legally required for the position to which they are assigned under the Code and the No Child Left Behind Act of 2001, as amended. If Distinctive Schools chooses to execute contracts with support staff that have a term of longer than one year, the Board reserves the right to have support staff placed elsewhere by Distinctive Schools if the Board is dissatisfied with their performance at the end of any school year.

E. Training. Distinctive Schools shall provide training in its methods, curriculum, program, and technology to all instructional personnel on a regular and continuing basis and shall insure that they receive all training required by law. Non-instructional personnel shall receive such other training as Distinctive Schools determines as reasonable and necessary under the circumstances.

ARTICLE VII

TERMINATION OF AGREEMENT

A. Termination by the Charter School for Cause. This Agreement may be terminated by the Charter School for cause prior to the end of the term specified in Article II in the event that Distinctive Schools should fail to remedy a material breach within a period reasonable under the circumstances, which shall not be longer than sixty (60) days after notice from the Charter School. Material breach may include, but is not limited to, a failure to carry out its responsibilities under this Agreement such as a failure to make required reports to the Board, failure to account for its expenditures or to pay operating costs (provided funds are available to do so); or a violation of the Contract or of applicable law. In order to terminate this Agreement for cause, the Board is required to provide Distinctive Schools with written notification of the facts it considers to constitute material breach and the period of time within which Distinctive Schools has to remedy this breach. After the period to remedy the material breach has expired, the Board may terminate this Agreement by providing Distinctive Schools with written notification of termination. Any action or inaction by Distinctive Schools that is not cured within 60 days of notice thereof which causes the Contract to be revoked, terminated, suspended or which causes the Contract to be in jeopardy of revocation, termination or suspension by Chicago Public Schools is a material breach.

B. Termination by Distinctive Schools for Cause. This Agreement may be terminated by Distinctive Schools for cause prior to the end of the term specified in Article II in the event the Charter School fails to remedy a material breach within a period reasonable under the circumstances, which shall not be longer than sixty (60) days after notice from Distinctive Schools. Material breach may include, but is not limited to, a failure by the Charter School to carry out its responsibilities under this Agreement such as a failure to make payments to Distinctive Schools as required by this Agreement or a failure to give consideration to the recommendations of Distinctive Schools regarding the operation of the Charter School; a violation of the Contract or of applicable law. In order to terminate this Agreement for cause, Distinctive Schools is required to provide the Board with written notification of the facts it considers to constitute material breach and the period of time within which the Charter School has to remedy this breach. After the period to remedy the material breach has expired, Distinctive Schools may terminate this Agreement by providing the Board with written notification of termination.

C. Revocation or Termination of Contract. If the Charter School's Contract issued by the Chicago Board of Education is revoked, terminated or a new charter contract is not issued to the Charter School after expiration of the Charter School's Contract, this Agreement shall automatically terminate on

the same date as the Charter School's Contract is revoked, terminated, or expires without further action of the parties.

D. Termination by Either Party without Cause.

This Agreement is terminable without cause if Distinctive Schools and the Board are unable to agree on educational programs, curriculum or other educational policies that affect the Charter School in a significant way, or if the parties are unable to agree upon the reduction of that annual fee in any school year if extenuating circumstances make payment of the entire annual fee inappropriate, either party may elect to terminate this Agreement at the end of a school year, provided that the terminating party gives the other party written notification of termination at least ninety (90) calendar days prior to the termination date and provides the other party with an opportunity within that period to negotiate an agreement on the educational policies at issue or to negotiate over the amount of the reduction of that year's annual fee.

E. Change in Law. If any federal, state or local law or regulation, or court decision has a material adverse impact on the ability of either party to carry out its obligations under this Agreement, then either party, upon written notice, may request renegotiation of the Agreement; and if the parties are unable or unwilling to renegotiate the terms within 60 days after the notice, the party requiring the renegotiation may terminate this Agreement on 30 days further written notice.

F. Notice of Intention for New Agreement. On or before January 1, 2027, the Charter School shall review the performance of Distinctive Schools and provide notice of intention to approve a new agreement for an additional year or years, subject to the negotiation of the terms for the new agreement and the extension or reauthorization of the Contract. In the event that the Charter School does not provide timely notice of intention to continue the contractual relationship with a new agreement, Distinctive Schools will take appropriate actions to provide for an orderly transition of the management functions performed under this Agreement upon its termination on June 30, 202.

G. Effective Date of Termination. In the event this Agreement is terminated by either party prior to the end of the term specified in Article II, paragraph A, absent unusual and compelling circumstances, the termination will not become effective until the end of that school year.

H. Rights to Property upon Termination. Upon termination of this Agreement all property (real or personal), equipment, materials and supplies whether purchased by the Charter School or by Distinctive Schools with state school aid funds or other funds secured by the Charter School, shall remain the exclusive property of the Charter School. Distinctive Schools shall have the right upon proof of ownership to reclaim any usable property or equipment (e.g., including, but not limited to, desks, computers, copying machines, fax machines, telephones) that were purchased by Distinctive Schools with funds other than those paid to Distinctive Schools under Article V(C). Fixtures and building alterations shall become the property of the Charter School.

I. Transition. In the event of termination of this Agreement for any reason by either party prior to the end of the Agreement's term, Distinctive Schools shall provide the Charter School reasonable assistance for up to 90 days after the effective date of the termination to allow a transition back to a regular school program or to another education service provider.

J. Amendment Caused By Charter School Site Closure or Reconstitution. In the event that the Charter School is required (i) to close a Charter School site pursuant to a notice issued by CPS or the State Board under Section 27A-9 of the Code, I05 ILCS 5/27A-9, and such closure of an Charter School site causes an amendment to or termination of this ESP Agreement, the parties agree that this ESP Agreement shall be amended or terminated to implement the Charter School site closure or reconstitution, with no cost or penalty to the Charter School, and Distinctive Schools shall have no recourse against the Charter School or the CPS for implementing such site closure or reconstitution.

ARTICLE VIII

PROPRIETARY INFORMATION

A. Proprietary Information. The Charter School shall own all copyright and other proprietary rights to all instructional materials, training materials, curriculum and lesson plans, and any other materials developed by Distinctive Schools, its employees, agents or subcontractors, or by any individual working for or supervised by Distinctive Schools, which were developed during working hours or during time for which the individual is being paid by Distinctive Schools which (i) were directly developed and paid for by the Charter School; or (ii) were developed by Distinctive Schools at the direction of the Board with Charter School funds.

B. Required Disclosure. The Charter School shall be permitted to report any new teaching techniques or methods of significant revisions to known teaching techniques or methods to CPS and to the State Board of Education, which teaching techniques or methods may thereafter be made available to the public. Except for Distinctive Schools' intellectual property consisting of confidential, proprietary and/or trade secret information, Distinctive Schools' educational materials and teaching techniques are subject to disclosure under the Code and the Illinois Freedom of Information Act. Notwithstanding the foregoing, the disclosure of Distinctive Schools' intellectual property as required to be disclosed by law, rule or regulation or by reason of subpoena, court order or government action shall not constitute a breach of this Agreement.

ARTICLE IX INDEMNIFICATION

A. Indemnification of Distinctive Schools. To the extent permitted by law, the Charter School shall indemnify and hold Distinctive Schools (which term for purposes of this Paragraph A, includes Distinctive Schools' officers, directors, agents and employees) harmless against any and all claims, demands, suits, or other forms of liability that may arise out of, or by reason of, any noncompliance by the Charter School with any agreements, covenants, warranties, or undertakings of the Charter School contained in or made pursuant to this Agreement; and any misrepresentation or breach of the representations and warranties of the Board contained in or made pursuant to this

Agreement. In addition, the Charter School shall reimburse Distinctive Schools for any and all legal expenses and costs associated with the defense of any such claim, demand, or suit. The indemnification requirements of this paragraph may be met by the purchase of insurance in a form and amounts acceptable to Distinctive Schools.

B. Limitations of Liabilities. The Charter School may assert all immunities and statutory limitations of liability in connection with any claims arising under this Agreement.

C. Indemnification of the Charter School. To the extent permitted by law, Distinctive Schools shall indemnify and hold the Charter School (which term for purposes of this Paragraph C, includes the Charter School's officers, directors, agents and employees) harmless against any and all claims, demands, suits, or other forms of liability that may arise out of, or by reason of, any noncompliance by Distinctive Schools with any agreements, covenants, warranties, or undertakings of Distinctive Schools contained in or made pursuant to this Agreement including any and all employment related claims, demands or suits by Distinctive Schools employees, former Distinctive Schools employees or applicants; and any misrepresentation or breach of the representations and warranties of Distinctive Schools contained in or made pursuant to this Agreement. In addition, Distinctive Schools shall reimburse the Charter School for any and all legal expenses and costs associated with the defense of any such claim, demand, or suit. The indemnification requirements of this paragraph may be met by the purchase of insurance in a form and amounts acceptable to the Charter School.

D. Indemnification for Negligence. To the extent permitted by law, the Charter School shall indemnify and hold harmless Distinctive Schools, and Distinctive Schools' Owner, Board of Directors, partners, officers, employees, agents and representatives, from any and all claims and liabilities which Distinctive Schools may incur and which arise out of the negligence of the Charter School's directors, officers, employees, agents or -representatives to the extent permitted by law, Distinctive Schools shall indemnify and hold harmless the Charter School, and the Charter School' s Board of Directors, officers, employees, agents or representatives, from any and all claims and liabilities which the Charter School may incur and which arise out of the negligence of Distinctive Schools' directors, officers, employees, agents or representatives.

E. Indemnification of Chicago Public Schools. The parties acknowledge and agree that Chicago Public Schools, its Board, and its members, officers, employees, agents or representatives (collectively "Chicago Public Schools") are deemed to be third party beneficiaries for purposes of this Agreement. As third party beneficiaries, Distinctive Schools hereby promises to indemnify, defend and hold harmless Chicago Public Schools from and against all demands, claims, actions, suits, causes of action, losses, judgments, liabilities, damages, fines penalties, demands, forfeitures, or any other liabilities or losses of any kind whatsoever, including costs and expenses (not limited to reasonable attorney fees, expert and other professional fees), of settlement and prosecution imposed upon or incurred by Chicago Public Schools, and not caused by the sole negligence of the Chicago Public Schools, which arise out of or are in any manner connected with the Chicago Public School Board's approval of the Charter School's Application, the Chicago Public School's Board's consideration of or issuance of a Contract, Distinctive Schools' preparation for or operation of the Charter School, or which are incurred as a result of the reliance by Chicago Public School upon information supplied by Distinctive Schools, or which arise out of Distinctive Schools' failure to comply with the Contract or applicable law. The parties expressly acknowledge and agree that the Chicago Public Schools may commence legal action against Distinctive Schools to enforce its rights as set forth in this section of the Agreement.

ARTICLE X

INSURANCE

A. Insurance of the Charter School. The Charter School shall purchase its own insurance policy and shall secure and maintain such policies of insurance as required by the Code and applicable State law. This coverage shall include the building and related capital facilities if they are the property of the Charter School. The Charter School shall maintain such insurance in an amount and on such terms as required by the provisions of the Contract, including the indemnification of Distinctive Schools required by this Agreement. The Charter School shall, upon request, present evidence to Distinctive Schools that it maintains the requisite insurance in compliance with the provisions of this paragraph. Distinctive Schools shall comply with any information or reporting requirements applicable to the Charter School under the Charter School's policy with its insurer(s), to the extent practicable.

B. Insurance of Distinctive Schools. Distinctive Schools shall secure and maintain such policies of insurance as required by the Code and applicable State law. In the event CPS requests any change in coverage by Distinctive Schools, Distinctive Schools agrees to comply with the change in the type or amount, as requested, within thirty (30) days after notice of the insurance coverage change. Distinctive Schools' insurance is separate from and in addition to the insurance the Charter School Board is required to obtain under the Contract. Distinctive Schools shall, upon request, present evidence to the Charter School and CPS that it maintains the requisite insurance in compliance with the provisions of this paragraph. The Charter School shall comply with any information or reporting requirements applicable to Distinctive Schools under Distinctive Schools' policy with its insurer(s), to the extent practicable.

C. Workers' Compensation Insurance. Each party shall maintain workers' compensation insurance when and as required by law, covering their respective employees.

ARTICLE XI

MISCELLANEOUS

A. Sole Agreement. This Agreement supersedes and replaces any and all prior agreements and understandings between the Charter School and Distinctive Schools on the subject matter hereof.

B. Force Majeure. Neither party shall be liable if the performance of any part or all of this Agreement is prevented, delayed, hindered or otherwise made impracticable or impossible by reason of any strike, flood, riot, fire, explosion, war, act of God, sabotage, accident, or any other casualty, or cause beyond either party's control, and which cannot be overcome by reasonable diligence and without unusual expense.

C. Notices. All notices, demands, requests, and consents under this Agreement shall be in writing, shall be delivered to each party, and shall be effective when received by the parties or mailed to the parties at their respective addresses set forth below, or at such other address as may be furnished by a party to the other party:

If to Distinctive Schools:

910 West Van Buren
Suite315
Chicago, IL 60607

Attn: David Sundstrom
dsundstrom@davidmsundstrom.org

If to AIM (Art in Motion):

7415 S. East End
Chicago, IL 60649
Attn: Matthew Williams
Mattmacwllms@gmail.com

D. Severability. The invalidity of any of the covenants, phrases, or clauses in this Agreement shall not affect the remaining portions of this Agreement, and this Agreement shall be construed as if such invalid covenant, phrase, or clause had not been contained in this Agreement.

E. Successors and Assigns. This Agreement shall be binding upon, and inure to the benefit of, the parties and their respective successors and assigns.

F. Entire Agreement. This Agreement is the entire agreement between the parties relating to the services provided, and the compensation for such services, by the parties. Any modification to this Agreement must be made in writing, approved by the Board and Distinctive Schools, and signed by a duly authorized officer. In addition, any modification of this Agreement must follow CPS's ESP Policies before it can be executed.

G. Non-Waiver. No failure of a party in exercising any right, power or privilege under this Agreement shall affect such right, power or privilege, nor shall any single or partial exercise thereof preclude any further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies of the parties under this Agreement are cumulative and not exclusive of any rights or remedies, which any of them may otherwise have.

H. Assignment. Distinctive Schools may not assign this Agreement without the prior written approval of the Board and without prior notification to CPS and must be done in a manner consistent with CPS's ESP Policies. Any assignment to another Educational Service Provider (ESP) will be considered an ESP as defined by CPS' s ESP policies and any assignable ESP party shall follow the requirements set forth in the CPS policies.

I. Governing Law. This Agreement shall be governed by and enforced in accordance with the Laws of the state of Illinois.

J. Delegation of Authority. Nothing in this Agreement shall be construed as delegating to Distinctive Schools any of the powers or authority of the Board that are not subject to delegation by the Board under Illinois Law or the Contract.

K. Compliance with Law. The parties agree to comply with all applicable laws and regulations.

L. Warranties and Representations. Both the Charter School and Distinctive Schools represent that each has the authority under law to execute, deliver and perform this Agreement and to incur the obligations provided for under this Agreement, that its actions have been duly and validly authorized, and that it will adopt any and all resolutions or expenditure approvals required for execution of this Agreement.

M. Dispute Resolution Procedure. Any and all disputes between the parties concerning any alleged breach of this Agreement or arising out of or relating to the interpretation of this Agreement or the parties' performance of their respective obligations under this Agreement that are unable to be resolved through discussion and negotiation shall be resolved by arbitration, and such an arbitration procedure shall be the sole and exclusive remedy for such matters. The arbitrator shall be selected from a panel provided by and in accordance with the rules of the American Arbitration Association. The arbitration shall be conducted in accordance with the rules of the American Arbitration Association ("AAA"), with such variations as the parties and the arbitrator unanimously accept. Further, the Parties agree that the Expedited Procedures of the AAA shall be used, regardless of amount in controversy or number of parties named. Any arbitration hearing shall be conducted in Chicago, Illinois. The arbitrator shall be required to issue a cause opinion with a written explanation as to the final decision. CPS shall be notified of the arbitrator's decision and a copy of the arbitrator's opinion shall be made available to CPS upon request. A judgment on the award rendered by the arbitrators may be entered in any court having appropriate jurisdiction. The cost of arbitration, not including attorney fees, shall be paid by the losing party. It shall be in the discretion of the arbitration panel to award reasonable attorney fees to the prevailing party, to be paid if awarded by the losing party.

N. Modification to Conform to Changed CPS Policies. The parties intend that this Agreement shall comply with **CPS's Policies**, as the same may be changed from time to time. In the event that changes in **CPS's Educational Service Provider Policies** implemented after the date of execution of this Agreement cause any provision of this Agreement to be in conflict the revised Policies, the parties agree to amend this Agreement to eliminate the conflict within thirty (30) days after being advised by CPS of the changes to its policies.

O. CPS Review. This Agreement is subject to review and non-disapproval by CPS and shall not become effective until the Charter School Board is notified in writing that CPS does not disapprove of this Agreement.

[SIGNATURE PAGE IMMEDIATELY FOLLOWS THIS PAGE 20]

The parties have executed this Agreement as of the day and year first above written.

A. I. M. (Art in Motion)

Distinctive Schools, Inc.

By: Matthew Williams

By: Scott Frauenheim

Matthew Williams

Scott Frauenheim

(Printed Name)

(Printed Name)

Its: Board Chair

Its: Chief Executive Officer