

**Withdrawal Agreement
By and Between
Maine School Administrative District No. 27 and
The Town of Eagle Lake Withdrawal Committee**

This agreement dated as of March 17, 2017 is by and between Maine School Administrative District No. 27, a Maine regional school unit comprising the municipalities of Eagle Lake, Fort Kent, New Canada, Saint Francis, Saint John Plantation, and Wallagrass (hereinafter "SAD 27" or "the District") and the Town of Eagle Lake Withdrawal Committee, a duly appointed municipal withdrawal committee for the Town of Eagle Lake (hereinafter "Eagle Lake") organized in accordance with 20-A M.R.S. § 1466(4)(A).

1. Purpose. The purposes of this Agreement are:

- a. To provide for the timely and orderly withdrawal of Eagle Lake from SAD 27
- b. To provide educational continuity for all students residing in Eagle Lake
- c. To allocate SAD 27's financial and contractual obligations, and its assets, between SAD 27 and the new administrative unit that includes or comprises Eagle Lake (hereinafter the "new Eagle Lake SAU"), as of the effective date of Eagle Lake's withdrawal in a manner that fairly takes into account the continuing educational needs of students, the continuity of educational programs and the goal of avoiding sudden or excessive increases in property taxes. For purposes of this Agreement the term "new Eagle Lake SAU" includes any school administrative unit that is composed solely of Eagle Lake or that includes Eagle Lake as a member during the term of this Agreement.

2. Withdrawal. Pursuant to 20-A M.R.S. § 1466, Eagle Lake shall withdraw from SAD 27 in accordance with the terms of this Agreement as of June 30, 2018 and thereafter shall no longer be a member of the SAD 27 school administrative unit. As of July 1, 2018 (The "Effective Date"), Eagle Lake shall become a separate municipal school unit composed solely of Eagle Lake.

3. Right to Continued Enrollment.

- a. Elementary Students. During the first year following Eagle Lake's withdrawal and thereafter, elementary school students residing in Eagle Lake may attend the school they would have attended if Eagle Lake had not withdrawn from SAD 27, provided that SAD 27 shall also permit elementary school students residing in towns other than Eagle Lake, at the discretion of their parents or guardians, to attend Eagle Lake elementary school on a tuition basis. Conversely, Eagle Lake shall also permit elementary school students residing in Eagle Lake, at the discretion of their parents or guardians, to attend the elementary schools in SAD 27. The Superintendent of SAD 27 and the Superintendent of the new Eagle Lake SAU shall confer with each other and shall develop a list of those PreK-8 students residing in the new Eagle Lake SAU

who will be enrolled in SAD 27 schools outside of Eagle Lake and the SAD #27 students who will be enrolled in the new Eagle Lake SAU (hereinafter “Enrolled Students”). On or before the Effective Date, the Superintendents shall jointly certify both lists of Enrolled Students for the 2018-2019 school year. The tuition rate for Eagle Lake elementary students attending SAD 27 schools and SAD #27 students attending the new Eagle Lake SAU elementary school during the first year following withdrawal and thereafter shall be determined under 20-A M.R.S. §5804. Eagle Lake has an elementary school which is being used as a PreK-2 school during the 2016-2017 school year. SAD 27 intends to close the Eagle Lake Elementary School as of June 30, 2017. Following the Effective Date, it is the intent of the Eagle Lake Withdrawal Committee that that school building be reopened as an elementary school by the new Eagle Lake SAU; that elementary education be provided to students within that school, including special education and/or support services; and that the new Eagle Lake SAU continue to provide educational services for elementary students attending the Eagle Lake Elementary School in the same manner that educational services were provided when Eagle Lake was a member of SAD 27.

- b. Secondary Students. During the first year following withdrawal, secondary school students residing in Eagle Lake shall attend the Fort Kent Community High School in Fort Kent which is the school they would have attended if Eagle Lake had not withdrawn from SAD 27. The tuition rate for secondary students residing in Eagle Lake during the first year after withdrawal shall be determined under 20-A M.R.S. §5805(1), provided that the tuition rate for secondary students shall not be subject to the state per pupil average limitation in 20-A M.R.S. §5805(2).

4. Continued Enrollment/ Nine Year Tuition Agreement.

- a. During the nine-year period from July 1, 2019 to June 30, 2028, elementary students residing in Eagle Lake attending school at public expense may attend school in SAD 27 and SAD 27 elementary students residing in SAD 27 attending school at public expense may attend school in Eagle Lake. Tuition for these elementary students shall be determined in accordance with 20-A MRS §5804.
- b. During the nine-year period from July 1, 2019, to June 30, 2028, secondary students residing in Eagle attending school at public expense shall attend school in SAD 27, provided that this provision shall not preclude Eagle Lake resident students from attending magnet schools or charter schools or from attending school in another school unit pursuant to an approved Superintendents’ Agreement.
- c. During the nine-year period from July 1, 2019, to June 30, 2028, the tuition rate for Eagle Lake secondary students attending school in SAD 27 shall be determined under 20-A M.R.S. § 5805(1). The secondary student tuition shall not be subject to the state per pupil average limitation in 20-A M.R.S. § 5805(2).

- d. To the extent that the costs of programs provided by SAD 27 to Eagle Lake students (such as, but not limited to, gifted and talented programs and the Pleasant Street Academy Early College High School program) are not included in the calculation of tuition rates under section 5805(1), the new Eagle Lake SAU shall be responsible to pay such costs to SAD 27 in proportion to the number of Eagle Lake students participating in such programs.
- e. In accordance with 20-A M.R.S. §§ 5804(1), 5804(3), 5805(2), and 5805(4) in addition to the tuition rates described above, SAD 27 shall charge a debt service factor for any (i) newly incurred capital outlay and debt service costs to the extent permitted by law; and (ii) newly incurred renovation project capital outlay and debt service to the extent permitted by law (“Debt Service Factor”). The parties agree that any Debt Service Factor shall not exceed 10% of the legal tuition rate per student in any one year and must be limited to the period of the capital outlay debt service. The parties agree that the amount of the Debt Service Factor in any year shall be that dollar amount that is proportional to the debt service costs of the project(s) allocable to Eagle Lake students. For example, the Debt Service Factor for capital outlay at Fort Kent Community High School would be the percentage of the amount of capital outlay debt service equal to the percentage of Fort Kent Community High School students who are Eagle Lake resident students.
- f. Tuition determined under Section 5805(1) expressly excludes costs for career and technical education. Accordingly, in addition to the tuition required under Sections 3 and 4 of this Agreement, the new Eagle Lake SAU shall be directly responsible to pay all costs that are attributable to Eagle Lake resident students’ enrollment in a career and technical program (currently, the St. John Valley Technical Center (the “Technical Center”). Under Article 9 of the St. John Valley Technical Center Cooperative Agreement between MSAD27, MSAD33, and the Madawaska School Department, “MSAD27 and Madawaska agree to assign to MSAD33 that portion of their state educational subsidy for actual local program costs adjusted in accordance with 20-A M.R.S.A. §15603(5) which equals their respective vocational education costs as defined in 20-A M.R.S.A. §15603(30) for the program adjusted pursuant to 20-A M.R.S.A. §15603(5)”. In addition, “the participating units agree to share “excess vocational costs to be incurred by M.S.A.D. #33 for the program which exceed the combined total of the participating units’ two-year-old vocational costs for the program as adjusted pursuant to 20-A M.R.S.A. §15603(5), after making an adjustment for revenues for the program from tuition receipts and other sources.” Upon approval of this Agreement by the voters of Eagle Lake, SAD 27 shall work with the new Eagle Lake SAU to be billed directly for its career and technical education costs by MSAD No. 27 (in its capacity as the sending school district for students under a tuition agreement from the new Eagle Lake SAU). These costs will be based on the proportion of high school Juniors and Seniors from the new Eagle Lake SAU attending Fort Kent Community High School Under Article 7 - Allocation of Vocational Education Slots outlined in the St. John Valley Technical Center Cooperative Agreement, program slots for the students shall be allocated “on a program-by-program basis in proportion to the respective number of high school

juniors and high school seniors attending school in each of the three administrative school district". For students of the new Eagle Lake SAU, slots will be determined based on the proportion of the respective number of high school juniors and high school seniors attending Fort Kent Community High School as the sending school.

- g. Tuition payments due to the new Eagle Lake SAU or to SAD 27 under Sections 3 and 4 shall be paid semi-annually in January and June of each year based on the number of days that a tuition student residing in SAD 27 school was enrolled in the Eagle Lake Elementary School or the number of days that a student residing in Eagle Lake was enrolled in a SAD 27 school.

5. **Termination of Right to Attend SAD 27 or Eagle Lake SAU School.** A student's right to continue to be educated at SAD 27 or new Eagle Lake SAU schools under Sections 3 and 4 of this Agreement may be discontinued to the extent provided by law, including without limitations, for reasons of suspension, expulsion, out-of-district placement, or enrollment in another public or private school.

6. **Adult Education.** The new Eagle Lake SAU shall be responsible to pay all costs paid by SAD 27 that are attributable to Eagle Lake's 16-20 years old out-of-school youth enrollment in adult education high school completion courses provided by SAD 27. The parties anticipate that such costs will be shown as the Basic Cost Allocation for Adult Education course on the annual Form ED 279 (at section 2.B.3 on the current form) for the new Eagle Lake SAU.

7. **Special Education.** It is anticipated that elementary students from both SAD 27 and the new Eagle Lake SAU will attend Eagle Lake Elementary School and Fort Kent Elementary Schools(s). Accordingly, provision must be made for the likelihood that some of those SAD 27 and Eagle Lake Elementary School students will require special education services.

A. **Placement and Planning.** Following the Effective Date the sending unit shall be responsible for special education and Section 504 placement obligations for its resident students. The receiving unit shall provide all special education services to the sending unit's students required by the IEP prepared by each student's IEP team to the extent that the receiving unit has an appropriate program to meet the terms of the IEP and applicable requirements of Maine law and regulations. Except for short term programming changes of not more than ten (10) school days, decisions about whether the receiving unit can implement the terms of the IEP and whether the receiving unit has an appropriate program or placement for a student pursuant to the requirements of the IEP shall be made by the receiving unit after a careful review of the IEP for the student. In no event shall the receiving unit refuse to provide needed special education services as specified in the IEP for students who are permitted to attend the receiving unit under this agreement, except for student removals of not more than 10 cumulative days in the school year, when a student has been properly expelled from the receiving unit, or when the receiving unit has determined that it cannot provide an appropriate program or placement for that student. The decision of the receiving unit that it cannot provide an appropriate program

is final and is not subject to further review in arbitration under Section 20 of this Agreement.

In the event the receiving unit determines that it cannot implement the terms of the sending unit's IEP and provide an appropriate program or placement for that student, the sending unit shall be responsible for implementing the terms of the IEP for that student. The sending unit's special education director or designee shall represent the sending unit for special education programming, supervision of the IEP Team process, and supervision of the student evaluation process for the sending unit's students enrolled by the receiving unit. In the event the IEP Team is unable to reach consensus on issues that are the responsibility of the Team, the sending unit's representative at that Team meeting shall make the decisions on those issues, subject to the parent's due process rights in relation thereto. The receiving unit's personnel will work cooperatively with the sending unit's representative and other staff, and upon request will provide the sending unit's representative with all information regarding classroom observations, student performance, academic achievement testing, and functional behavior assessment components of the student evaluation process. The sending unit's representative may provide input to the receiving unit's special education director (or other administrative designee) on the proper implementation of the student's IEP or perceived deficiencies in IEP implementation process. The receiving unit shall consider that input seriously and in good faith, and the receiving unit shall respond in an appropriate manner consistent with the terms of this agreement. The decision of the receiving unit that it cannot provide an appropriate program shall be final and not subject to the mediation and arbitration procedures of Section 20 of this Agreement.

B. Special Education and 504 Costs. The tuition rates determined under 20-A M.R.S 5804 and 5805 expressly exclude expenditures for special education. In accordance with Chapter 101 of the Rules of the Maine Department of Education, Maine Unified Special Education regulations, Section IV (4)(A), (B), the sending unit shall be responsible for the costs of special education for its students. Therefore in addition to the tuition required under Sections 3 and 4 of this Agreement, the sending unit shall be responsible for the actual costs of special education for its students attending the receiving unit's school(s), including special education transportation costs and costs for facilities modifications required to accommodate the students, regardless of whether the costs qualify for State subsidy. For purposes of this Section 7, special education shall include non-special education Section 504/ADA plans, services, facilities modifications and reasonable attorney fees incurred by the receiving unit in connection with disputes over delivery of special education services and/or Section 504/ADA plans and services for individual students from the sending unit. The receiving unit shall provide an itemized invoice to the sending unit for such special education costs and such costs shall be paid semi-annually in January and June during the fiscal year in which the special education costs are incurred.

8. **Transportation.** SAD 27 shall retain ownership of all school buses and other vehicles which it owns as of the Effective Date. SAD 27 shall provide transportation for Eagle Lake students attending SAD 27 schools on a tuition basis. The new Eagle Lake SAU shall be

responsible for the cost of such transportation which shall be determined by dividing the prior year total transportation costs of the District by the portion of District transportation attributed to Eagle Lake students during the prior fiscal year and adding an adjustment for increases or decreases in transportation costs. Transportation attributed to Eagle Lake students shall be only those student miles traveled within Eagle Lake plus the number of student miles outside of Eagle Lake traveled by students residing in Eagle Lake in proportion to the total number of student miles outside of Eagle Lake traveled by all students attending SAD 27 schools. The new Eagle Lake SAU may request transportation for its resident students in addition to the regular school-day pick-ups and drop-offs (for example, "late bus" service). To the extent that such additional transportation runs serve Eagle Lake students [i.e., times when students on a bus are Eagle Lake students), the new Eagle Lake SAU shall be responsible for its proportionate share of such additional transportation costs based on the percentage of students from Eagle Lake transported on such additional transportation runs. Transportation costs due under this Section 8 shall be paid semi-annually in January and June of each school year. The school boards of SAD 27 and the new Eagle Lake SAU may, at their discretion and by written agreement, provide for a different method of providing transportation for Eagle Lake resident students attending SAD 27 schools.

9. **Financial Commitments from Outstanding Bonds or Notes.** Pursuant to 20-A M.R.S. §1466(16)(A), whenever a municipality withdraws from a regional school unit having outstanding indebtedness, the regional school unit remains intact for the purpose of securing and retiring the indebtedness; however, a withdrawal agreement may provide for alternate means of retiring outstanding indebtedness.
 - a. **Existing Debt Obligations.** As of the Effective Date (July 1, 2018) SAD 27 will have outstanding indebtedness as shown in the table below. The parties acknowledge that the voters of Eagle Lake agreed to issue this debt as a school administrative district and/or a regional school unit with the understanding that all member municipalities would contribute to the payment of debt service. The parties further acknowledge that the withdrawal of Eagle Lake will leave the remaining members of SAD 27 with increased debt responsibility unless Eagle Lake fulfills its obligation with respect to the debt service.

As an alternate means of retiring Eagle Lake's outstanding indebtedness, the new Eagle Lake SAU agrees to pay SAD 27, based on Eagle Lake's percentage share of total fiscal capacity for FY 2016-17, SAD 27's outstanding indebtedness after taking into account Winterville's payments against the outstanding principal.

action, failure to act, or omission the Town of Eagle Lake or the New Eagle Lake SAU, or their officers or employees, the new Eagle Lake SAU shall reimburse SAD 27 for all of its additional interest cost, legal fees, and other expenses in connection therewith.

To the extent requested by the Maine Municipal Bond Bank (“the Bond Bank”) with respect to bonds issued (and to be issued) by SAD 27 and held by the Bond Bank that are outstanding as of the Effective Date, SAD 27 shall have its bond counsel prepare and submit an opinion to the Bond Bank that this Agreement does not effect the Bond Bank’s substantive rights to enforce the terms of such outstanding bonds. On the Effective Date, the new Eagle Lake SAU shall reimburse SAD 27 its legal costs for this opinion of bond counsel.

b. Financial Commitments Issued Prior to Vote on Eagle Lake’s Withdrawal.

During FY 2016-2017 or FY 2017-2018 SAD 27 may issue bonds or notes to enter into additional lease purchase financing arrangements to upgrade facilities at the SAD’s schools or for other purposes. Such improvements are not currently contemplated, but may be necessary in case of a failure of a structure or building system or other need. For any debt issued or incurred by SAD 27 before the vote on Eagle Lake’s withdrawal, under 20-A M.R.S. § 1466(16), SAD 27 will remain intact for purposes of retiring and securing that indebtedness. If Eagle Lake votes to withdraw and if such bonds, notes or lease purchase obligations relate solely to school facilities located outside of Eagle Lake, as an alternate means for retiring such indebtedness or lease purchase obligations under 20-A M.R.S. §1466(16), SAD 27, exclusive of the new Eagle Lake SAU, hereby agrees to pay such indebtedness. Where possible during this period, SAD 27 shall issue any bond which relates to school facilities in the new Eagle Lake SAU separately from any other bond which benefits schools in other SAD 27 municipalities. To the extent that such bonds, notes or lease purchase obligations relate solely to school facilities located in the new Eagle Lake SAU, as an alternate means of retiring this indebtedness or lease purchase obligations, the new Eagle Lake SAU hereby agrees to assume, and at its own expense to pay on or before the due date, such indebtedness entirely from funds of the new Eagle Lake SAU with no contribution or participation by SAD 27. To issue such obligations on a tax advantaged (tax exempt or tax credit) basis, SAD 27 may have to make certain certifications and representations with respect to compliance with provisions of the Internal Revenue Code of 1986, as amended (the “Code”). These certifications and representations in part, ensure the holder that the financial obligations retain their tax advantaged status. With respect to obligations relating to school facilities located in the new Eagle Lake SAU, following withdrawal, the new Eagle Lake SAU shall be responsible for continued compliance with any such certifications and representations with respect to the financial obligations, the proceeds of the financial obligations, and the financed property. By this Agreement, the new Eagle Lake SAU shall be fully bound by all of the terms and representations made by SAD 27 in connection with the issuance of any such financial obligations.

c. Debt Obligations for Current Operating Expenses. To the extent that any obligation may be issued by SAD 27 for current operating expenses during FY 2016-

Date issued	Amount borrowed	Purpose (Type of loan)	Outstanding Principal as of Effective Date	Maturity Date	Eagle Lake's Proportionate Share (%)
12-20-2013	\$697,800	Energy Conservation Project (School Revolving Renovation Fund)	\$418,680	7-31-2023	19.04%
12-20-2013	\$120,256	Energy Conservation Project (Municipal Lease Purchase)	\$88,188	12-20-2028	19.04%
5-22-2014	\$842,746	Energy Conservation Project (2014 General Obligation Bond)	\$674,197	11-1-2029	19.04%

After the first year following withdrawal, the new Eagle Lake SAU shall be given a credit against its debt service obligation for existing debt service as set forth above for each fiscal year based on the actual amount of debt service included in tuition payments paid by the new Eagle Lake SAU to SAD 27 in the prior fiscal year. Each year a *per pupil debt service rate* will be determined by dividing the total debt payment for the above-mentioned debt the previous fiscal year by the total students attending SAD 27 that same year. The Eagle Lake SAU will receive a credit for each student that was enrolled on a tuition basis in SAD 27 in the prior year multiplied by the *per pupil debt service rate*. For example, if the per pupil debt service rate was calculated as \$191.59 and the Eagle Lake SAU enrolled 30 students on a tuition basis to SAD 27 the prior year, then the Eagle Lake SAU would receive a credit of $30 \times \$191.59 = \$5,747.70$ towards their debt service payment to SAD 27 in the current year.

To retire the 2013 School Revolving Renovation Fund loan, the new Eagle Lake SAU shall pay SAD 27 the 19.04% of the outstanding principal in six (6) substantially equal installments by July 15 of each year commencing on July 15, 2018.

To retire the 2014 General Obligation Bond, the new Eagle Lake SAU shall pay 19.04% of the outstanding principal and interest directly to SAD 27 at least thirty (30) days prior to the due date of each installment and shall pay any costs incurred as a result of any late payment by the new Eagle Lake SAU.

To retire the 2013 Energy Conservation Municipal Lease Purchase Obligation, the new Eagle Lake SAU shall pay 19.04% of each remaining installment of principal and interest to SAD 27 at least thirty (30) days prior to the due date of each installment. In the event that the Energy Conservation Municipal Lease Purchase obligation becomes taxable due to any

2017 or FY 2017-2018, including tax and revenue anticipation notes, the obligation shall be a general obligation of SAD 27 payable from ad valorem taxation in all of its member municipalities, including Eagle Lake.

- d. **Financial Commitments for Bonds or Notes Issued After Eagle Lake's Vote to Withdraw.** After Eagle Lake has voted to withdraw, SAD 27 may issue bonds or notes or enter into lease purchase financing arrangements to upgrade facilities at the SAD's schools or to purchase equipment or for other purposes. Such improvements are not currently contemplated, but may be necessary in case of a failure of a structure or building system or other need. As of the Effective Date, SAD 27 will remain intact for purposes of retiring and securing any such indebtedness. To the extent that such proposed indebtedness is related to real or personal property located at or serving school facilities in Eagle Lake and is a general obligation that requires voter approval, and is to be submitted to the voters for approval after Eagle Lake has voted to withdraw, the obligations will be authorized to be issued by the SAD 27 school board in the name of SAD 27, but these obligations shall be obligations only of the new Eagle Lake SAU, and to the extent the obligations are general obligations they shall be secured by ad valorem taxation, only in Eagle Lake. To issue such obligations on a tax advantaged (tax exempt or tax credit) basis, SAD 27 will make certain certifications and representations with respect to compliance with provisions of the Code. These certifications and representations in part, ensure the holder that the financial obligations retain tax advantaged status. Following withdrawal, the new Eagle Lake SAU shall be responsible for continued compliance with any such certifications and representations with respect to the financial obligations, the proceeds of the financial obligations, and the financed property. By this Agreement, the new Eagle Lake SAU shall be fully bound by all of the terms and representations made by SAD 27 in connection with the issuance of any such financial obligations. On or after the Effective Date, the obligations will be authorized to be issued by the school board of the new Eagle Lake SAU under the general laws, except that, as provided herein, any voter approval requirement applicable to the issuance of such indebtedness shall be deemed to have been satisfied by the referendum approval in SAD 27 as described under these procedures. Whether issued before or after the Effective Date, in either case, such indebtedness shall be paid entirely from funds of the new Eagle Lake SAU with no contribution or participation by SAD 27.

Where possible during this period, SAD 27 shall issue any bond which relates to school facilities in Eagle Lake separately from any other bond which benefits schools in other SAD 27 municipalities. To the extent that such proposed indebtedness is related to real or personal property located at or serving only school facilities in SAD 27 outside of Eagle Lake and is a general obligation, the SAD 27 obligations will be authorized to be issued by the SAD 27 school board in the name of SAD 27, but these obligations shall not be obligations of the new Eagle Lake SAU, and to the extent the obligations are general obligations they shall be secured by ad valorem taxation in the SAD 27 member towns other than Eagle Lake. SAD 27 hereby agrees to assume, and at its own expense to pay, such indebtedness entirely from its own funds with no contribution or participation by the new Eagle Lake SAU.

10. Financial Commitments.

- a. SAD 27 has signed a two year contract with the Superintendent of Schools of SAD 27 effective July 1, 2016 through June 30, 2018 (the "Superintendent Contract"). The new Eagle Lake SAU shall have no responsibility for any Superintendent Contract extending beyond the Effective Date.
- b. As of the Effective Date, the new Eagle Lake SAU will assume and be solely liable at its own expense for any copier lease and maintenance agreements related to copy machines or other equipment located at the Eagle Lake School on the Effective Date.
- c. As of the Effective Date, the new Eagle Lake SAU will assume and be solely liable at its own expense for any other contracts or lease purchase agreements related to assets located at the Eagle Lake School on the Effective Date or to be owned by the new Eagle Lake SAU under the terms of this Agreement.
- d. To the extent that any of the agreements in subsection b or c include products or services related to SAD 27 and the agreements cannot be separated between SAD 27 and the new Eagle Lake SAU, the new Eagle Lake SAU shall pay SAD 27 its proportionate share of the costs related to such agreements.

11. Collective Bargaining Agreements.

The withdrawal of Eagle Lake from SAD 27 will not affect any of SAD 27's collective bargaining agreements since no SAD 27 employees will be assigned to the new Eagle Lake SAU following withdrawal.

12. Continuing Contract Rights under Section 13201. The withdrawal of Eagle Lake from SAD 27 will not affect the continuing contract rights of teachers and administrators under 20-A M.R.S. §§ 13201 and 13303 since no SAD 27 employees will be assigned to the Eagle Lake Elementary School during the 2017-2018 school year and no SAD 27 employees will be assigned to the new Eagle Lake SAU.

13. Disposition of Real Property. :

SAD 27 currently holds title to the Eagle Lake Elementary School by virtue of the following deeds recorded in the Northern Aroostook Registry of Deeds:

- a. Denis and Yvonne Pelletier to SAD 27 dated April 15, 1964 recorded in Volume 323, Page 212; excepting deed from SAD 27 to Russell and Emily Roy dated June 4, 1964 and recorded in Volume 324, Page 81.
- b. Deed from Russell and Emily Roy to SAD 27 dated April 18, 1964 recorded in Volume 323, Page 435.

- c. Deed from Fernand Devoe to SAD 27 dated February 1974 and recorded in Volume 409, Page 707.
- d. Deed from Eagle Lake Development Corporation to SAD 27 dated June 18, 2003 and recorded in Volume 1357, Page 328.

On August 8, 2016, the Board of Directors of SAD 27 voted to recommend the closure of the Eagle Lake Elementary School as of June 30, 2017 for lack of need pursuant to 20-A M.R.S. §4102(3). On January 24, 2017, the Town of Eagle Lake voted at referendum to approve the school closure pursuant to 20-A M.R.S. §4102(4). If the voters of Eagle Lake approve the withdrawal of Eagle Lake from SAD 27, it is the intent of the Eagle Lake Withdrawal Committee that the Eagle Lake Elementary School and library buildings be reopened following the Effective Date and that they be used as an elementary school serving students from the new Eagle Lake SAU. Accordingly, SAD 27 agrees to retain ownership of the Eagle Lake Elementary School and library building during the 2017-2018 school year until the vote for withdrawal has occurred. If the voters of Eagle Lake vote to approve the withdrawal from the District, the Eagle Lake Elementary School shall be conveyed by quitclaim deed to the Town of Eagle Lake for use by the new Eagle Lake SAU. After delivery of the deed, SAD 27 shall have no further responsibility for the Eagle Lake Elementary School property. If the voters of Eagle Lake do not approve the withdrawal from the District, the Eagle Lake Elementary School shall be offered to the Town of Eagle Lake pursuant to 20-A M.R.S §4103(3).

- 14 **Division of Personal Property.** Any personal property of SAD 27 located at the Eagle Lake Elementary School as of the Effective Date shall be transferred to the new Eagle Lake SAU. The new Eagle Lake SAU may require such assignments, bills of sale or other instruments of transfer that are reasonably necessary to establish the new Eagle Lake SAU's right, title, and interest in such personal property.

Ownership and possession of the servers, network infrastructure, printers, and software licenses in use in SAD 27 as of the Effective Date shall remain the property of SAD 27.

- 15 **Scholarships and Trust Funds.** Scholarships and trust funds held by SAD 27 solely for the benefit of schools in Eagle Lake or students residing in Eagle Lake shall be transferred to the new Eagle Lake SAU subject to any applicable requirements.

- 16 **Undesignated Fund Balance.** Within 30 days of finalized audit for FY 2017-18, SAD 27 shall pay to the new Eagle Lake SAU 19.04% of SAD 27's undersigned fund balance, net of all encumbered funds and other charges under generally accepted accounting principles, such as but not limited to funds for summer salaries and benefits obligations. In the event that the audit for FY 2017-18 shows that SAD 27 had a negative undesignated fund balance as of June 30, 2018 then within 30 days of the finalized audit, the new Eagle Lake SAU shall pay SAD 27 19.04% of the amount of negative fund balance.

- 17. **Food Service Account.** Within thirty (30) days of a finalized audit for FY 2017-18, the new Eagle Lake SAU shall pay SAD 27 any deficit in the SAD 27 food service account

attributable to Eagle Lake resident students. In addition, within thirty (30) days of the finalized audit for each fiscal year commencing FY 2017-18, the New Eagle Lake SAU shall reimburse SAD 27 for any deficit in the food service account attributable to Eagle Lake resident students.

- 18 Transition of Administration and Governance.** As of the Effective Date, the new Eagle Lake SAU will become a municipal school unit, and, subject to the terms of this Agreement, the administration and governance of education for students residing in Eagle Lake will be transferred accordingly. Upon voter approval of this Agreement, Eagle Lake will provide for the election of a school committee in accordance with state law. The school committee will have the responsibility to develop an operating budget for the new Eagle Lake SAU for the 2018-19 fiscal year.

The new Eagle Lake SAU school committee shall be responsible for hiring necessary administrative staff, including a superintendent, providing for necessary central office services and for hiring necessary teaching and support staff.

Following certification of voter approval of this Agreement, the voters of Eagle Lake thereafter shall not participate in, as applicable, the annual budget meeting or budget validation referendum for the SAD 27 2018-19 annual school budget.

- 19 Superintendents' Agreements.** Nothing in this Withdrawal Agreement shall limit the availability or use of Superintendent's Agreements with respect to any student who is not a tuition student under this Agreement.

- 20 Dispute Resolution.** Any dispute between Eagle Lake, the new Eagle Lake SAU, and SAD 27 (hereinafter individually a "Party" or collectively, the "Parties") arising out of or relating to this Agreement shall be resolved in accordance with this paragraph. Either Party may give written notice of dispute arising out of or related to this Agreement to the other Party in person or by certified mail, return receipt requested. The Parties shall attempt to resolve the matter through informal communication or negotiation for a period of ten (10) days from the date of receipt of notice by the noticed Party. If the dispute has not been resolved within ten (10) days, either Party may serve written notice on the other Party for a request of mediation. The mediation shall be conducted in Maine by a mediator mutually agreeable to the Parties, shall not exceed one full day or two half days in length, and shall be completed within thirty (30) days from the date of receipt of notice of request for mediation. In the event that Parties are unable to agree on a mediator within ten (10) days, or resolve the dispute through mediation within thirty (30) days, the dispute shall be settled by arbitration as provided by Title 14, M.R.S. § 5927, et seq. The arbitration shall be before a panel of three arbitrators. Each party shall select one arbitrator within thirty (30) days of the failure of mediation. The arbitrators selected shall then select a third arbitrator. The arbitrators shall then proceed promptly with the hearing and the determination of the dispute.

- 21 Applicability to Successor School Administrative Units.** Upon approval by the Maine Commissioner of Education and approval of Eagle Lake at referendum by a two-thirds majority of the voters of Eagle Lake, this Agreement shall be binding upon Eagle Lake, the

new Eagle Lake SAU and its successor school administrative units, and on SAD 27 and its successor school administrative units. Accordingly, the terms of this Agreement shall be incorporated by reference into any Reorganization Plan to which Eagle Lake, the new Eagle Lake SAU, or SAD 27, or their respective successor school administrative units, is or becomes a party.

22 Contingent Liabilities.

a. **Future Claims.** The parties acknowledge that SAD 27 may be liable for future legal claims based on incidents arising prior to the Effective Date, when Eagle Lake was a member of SAD 27. The new Eagle Lake SAU shall be responsible for and agrees to pay 19.04% of SAD 27's costs, expenses, damages, and other losses arising from such claims, including costs to defend such claims, to the extent that SAD 27's costs, expenses, damages, and other losses are not covered by insurance or other outside sources. SAD 27 shall give written notice of such claims to the new Eagle Lake SAU within 30 days after SAD 27 receives notice of a claim. SAD 27 shall regularly update the new Eagle Lake SAU regarding the status of such claims, and shall consult with the school committee or as applicable the superintendent of the new Eagle Lake SAU before entering into a settlement of such claims.

b. **Audits.** In the event that SAD 27 becomes the subject of a federal or state audit for a period when Eagle Lake was a member of SAD 27 and as a result of such audit, SAD 27 becomes subject to any payment obligation or withholding by federal or state authority, then the new Eagle Lake SAU shall reimburse SAD 27 for 19.04% of the amount of such payment obligation or withholding relating to the period when Eagle Lake was a member of SAD 27 including without limitation, any interest and penalties thereon, within thirty (30) days of any such payment by SAD 27 or any such withholding from SAD 27. If, as a result of such audit, SAD 27 receives any rebate, refund, credit or overpayment from any federal or state authority, then SAD 27 shall reimburse the new Eagle Lake SAU 19.04% of such rebate, refund, credit, or overpayment within thirty (30) days of receipt of any such payment or credit to SAD 27.

23 **State and Local Approval.** This agreement is subject to approval by the Maine Commissioner of Education as required by 20-A M.R.S. § 1466(4)(B) and approval by two-thirds vote at a referendum conducted at Eagle Lake as required by 20-A M.R.S. § 1466(9-A). The referendum vote on withdrawal shall be conducted in Eagle Lake no later than November 30, 2017.

24 **School Construction.** The Withdrawal of Eagle Lake from SAD 27 will not cause a need within five (5) years from the effective date of withdrawal for any school construction projects that would be eligible for state funds, except when a need for school construction existed prior to the Effective Date or when a need for school construction would have arisen if Eagle Lake had not withdrawn.

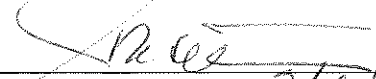
25 **Miscellaneous.**

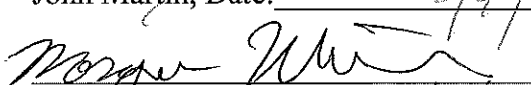
- a. This agreement contains the entire agreement between the parties in relation to its subject matter, and there are no other agreements or understandings, oral or otherwise, between the Parties at the time of execution of this Agreement.
- b. This Agreement may only be amended by mutual written agreement of the new Eagle Lake SAU and the school board of SAD 27. Any amendment is subject to the written approval of the Commissioner of the Maine Department of Education.
- c. This Agreement may not be assigned and shall not be interpreted, governed, construed, and enforced in accordance with the laws of the State of Maine, without regard to any of its conflict of laws principles.
- d. Each Party represents that its signatories to this Agreement are duly authorized by that Party to execute this Agreement and in so doing to bind that Party to its terms.
- e. The headings and subheadings of the sections and paragraphs of this Agreement are inserted for convenience of reference only and shall not control or affect the meaning or construction of any of the agreements, terms, covenants and conditions of this Agreement in any manner.
- f. If any provision(s) of this Agreement is determined to be invalid or unenforceable in whole or in part for any reason, such provision(s) shall be severed and the Parties shall negotiate in good faith to amend this Agreement so as to effect the original intent of the Parties as closely as possible. The remaining provisions of this Agreement shall be unaffected thereby and shall remain in full force and effect to the full extent permitted by law.
- g. In the event that any of the methods of calculation described herein become unworkable due to change in law, regulation, policy, or procedure of the State of Maine Department of Education, the method of calculation shall be equitably modified to effect the original intent of the Parties as closely as possible.
- h. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which, taken together, shall constitute one and the same Agreement.

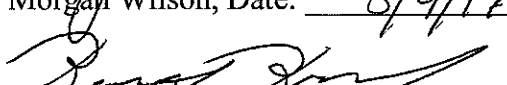
[Signature page(s) follow]

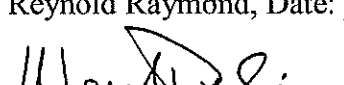
In witness whereof, the duly authorized representatives of the parties have set their hands as of the date(s) written below.

EAGLE LAKE WITHDRAWAL COMMITTEE



John Martin, Date: 3/9/17

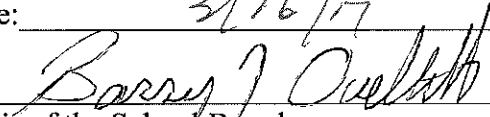

Morgan Wilson, Date: 3/9/17


Reynold Raymond, Date: 3/9/2017

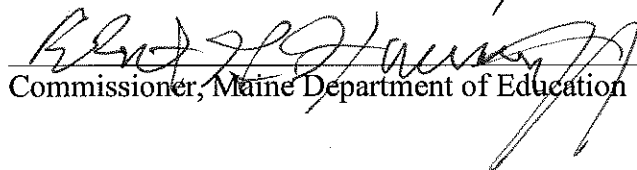

Wendy Dube, Date: 3/9/2017

MAINE SCHOOL ADMINISTRATIVE UNIT NO. 27

By: 
Benjamin Sirois, Superintendent of Schools
Date: 3/16/17

By: 
Chair of the School Board
Dated: 3/16/17, 2017

Approved this 9th day of May, 2017:


Commissioner, Maine Department of Education

