

# WITHDRAWAL AGREEMENT

## By and Between

### RSU 26 and the Town of Veazie Withdrawal Committee

This Agreement dated as of August 9, 2012, by and between Regional School Unit No. 26, a Maine regional school unit comprised of the municipalities of Glenburn, Orono, and Veazie (hereinafter "RSU 26", "RSU", or the "District") and the Town of Veazie Withdrawal Committee, a duly appointed municipal withdrawal committee representing the Town of Veazie (hereinafter "Veazie" or the "Town") organized in accordance with 20-A MRS §1466(4)(A).

1. **Purposes.** The purposes of this Agreement are:

- a. To provide for the timely and orderly withdrawal of Veazie from RSU 26 as required by 20-A MRS § 1466;
- b. To provide educational continuity for those students residing in Veazie who wish to continue their education with RSU 26 as provided in section 3 below; and
- c. To allocate RSU 26's financial and contractual obligations, and its assets, between RSU 26 and the new administrative unit that includes, or is comprised solely of, Veazie, as of the effective date of Veazie'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 mitigating where possible increases in property taxes as a result of the withdrawal. For the purposes of this Agreement the term "New Veazie SAU" shall mean the Town of Veazie municipal school unit or any successor school administrative unit that Veazie may join, merge with or otherwise be included in as a member during the term of this Agreement, as the case may be.

2. **Withdrawal.** Pursuant to 20-A MRS §1466, the Town shall withdraw from RSU 26 in accordance with the terms of this Agreement as of June 30, 2013, and thereafter shall no longer be a member of RSU 26. As of June 30, 2013, the Town shall create the New Veazie SAU which will be a separate municipal school administrative unit comprised solely of the Town of Veazie, unless the Town joins, merges with or otherwise is included in another school administrative unit.

3. **Provision for Educational Services.**

- a. **Grade K-8 Students.** The Town will continue to provide educational services for its grade K-8 students, including those with special education needs, in the same manner that educational services were provided prior to Veazie joining RSU 26. Veazie has a K-8 school, the Veazie Community School, and education for the vast majority of grade K-8 students will continue to be provided within the Veazie Community School, including special education services, gifted/talented, resource room, self-contained and many options in the individual grade classrooms. Alternatives, if needed, are available through tutoring, placements outside of Veazie pursuant to Superintendent agreements, etc.
- b. **Right to Continued Enrollment.** During the first year after withdrawal (i.e. from July 1, 2013 to June 30, 2014) students residing in Veazie may attend the RSU 26 school they would have attended if Veazie had not withdrawn from RSU 26 in accordance with 20-A MRS §1466(4)(A)(1). The Superintendents of RSU 26 and the New Veazie SAU shall determine this enrollment in accordance with applicable law. A student's right to continue to be educated at RSU 26 schools during the 2013-2014 school year may be discontinued to the extent provided by law, including without limitation suspension, expulsion, out-of-district placement, or enrollment in another public or private school. In addition, educational services will continue to be provided through the other numerous area high schools which Veazie high school students attend. Accordingly, for the first year following withdrawal, Veazie high school students may attend the school they would have attended if Veazie had not withdrawn from the RSU.
- c. **Secondary Students.** Following the first year after withdrawal, pursuant to chapter 219 of Title 20-A of the Maine Revised statutes, RSU 26 agrees to accept Veazie secondary students as tuition students, subject to its right to limit enrollment when other choice options exist as described below. Notwithstanding section 5803 of Title 20-A, if RSU 26 gives a notice of discontinuance of acceptance of the Veazie secondary students, such notice shall not be effective before June 30, 2023, unless:
- i. the New Veazie SAU has a secondary school that Veazie secondary students may attend; or

- ii. the New Veazie SAU has a tuition contract for its Veazie secondary students whose term ends on or after June 30, 2023.

During the first ten years following withdrawal, the New Veazie SAU shall maintain school choice and shall not take any affirmative action to terminate secondary tuition student options that currently exist. Local secondary tuition student options that currently exist for Veazie secondary students include, but are not limited to: Bangor High School, John Bapst High School, Brewer High School and Hampden Academy. During the second through tenth years after withdrawal, RSU 26 reserves the right to limit enrollment of Veazie secondary tuition students unless all of the following schools verify that they will not accept those Veazie secondary students as secondary tuition students: Bangor High School, John Bapst High School, Brewer High School and Hampden Academy - in which case RSU 26 shall accept those Veazie secondary students as tuition students.

4. **Tuition; Adjustments and Receipt of State Allocation.** In accordance with Chapter 219 of Title 20-A of the Maine Revised Statutes, the New Veazie SAU shall pay tuition to RSU 26 for students residing in Veazie who are eligible under section 3 of this Agreement and who elect to enroll in RSU 26 schools. Pursuant to 20-A MRS §1466(4)(A)(1), the tuition rate shall be determined under 20-A MRS § 5805(1).

For Veazie secondary students that attend RSU 26 because Bangor High School, John Bapst High School, Brewer High School and Hampden Academy would not accept that student, in addition to the tuition rate determined in the preceding paragraph, for each of the ten years following withdrawal, including the first year, RSU 26 may charge a 10% debt service factor pursuant to §5805(4).

Charges for tuition are subject to other adjustments to the extent permitted by chapter 219 of Title 20-A, as it may be amended from time to time, including without limitation adjustments pursuant to §5807 for compliance costs, §5809 for career and technical student enrollment, §5812 for summer school and §5813 for driver education. Charges are further subject to

adjustment for costs of delivery of services required under 504/ADA plans for students that are not special education students.

Under 20-A MRS Chapter 606-B, the Essential Programs and Services Funding Act, the New Veazie SAU will receive the State education subsidy allocations for Veazie students attending RSU 26 schools on a tuition basis.

**5. Special Education.**

- a. For the term of July 1, 2013 through June 30, 2014, the New Veazie SAU shall share the administrative services of the RSU's Special Services Department, which services shall include but not be limited to special education, section 504/ADA, Chapter 104 (gifted and talented), English as a second language, and homeless student services. The duration and costs of this agreement are described in Section 8-c of this Agreement. Anticipated costs include payroll and benefits for administrator(s) and staff in the Special Services office. The RSU's Special Services Department will represent the New Veazie SAU for all administrative special education activities, including overseeing special education referrals, ensuring delivery of special education programming, supervision of the IEP Team process, and supervision of the student evaluation process for all Veazie students for the term of one year.
- b. For Veazie students enrolled at an RSU 26 school pursuant to this Agreement, RSU 26 shall oversee all special education child find and referral efforts, and shall provide all special education and related special education services, as required by the IEP prepared by each student's IEP Team to the extent that RSU 26 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 10 school days, decisions about whether RSU 26 can implement the terms of the IEP, and whether the New Veazie SAU or RSU 26 has an appropriate program or placement for a student pursuant to the requirements of the IEP shall be made by RSU 26 after a careful review of the IEP for the student. In no event shall RSU 26 refuse to provide needed special education services as provided in the IEP for students residing in Veazie who are permitted to attend RSU 26 schools under this Agreement, except for student removals of not more than 10 school

days or for when RSU 26 has determined that RSU 26 cannot provide an appropriate program or placement for that student.

- c. The IEP team for each Veazie student attending RSU 26 programs shall include a New Veazie SAU representative(s). The New Veazie SAU team member(s) and other New Veazie SAU personnel shall work cooperatively with the RSU 26 Special Services Department and team members. Upon request each party will provide the other with, as applicable and permitted by law, all information regarding classroom observations, student performance, academic achievement testing and functional behavior assessment components of the student evaluation process. The New Veazie SAU team member(s) shall provide input to RSU 26's Special Education Director (or other administrative designee) on the proper implementation of Veazie students' IEPs, or perceived deficiencies in IEP implementation. RSU 26 shall consider that input in good faith and shall respond in an appropriate manner consistent with the terms of this Agreement. In the event that the IEP Team is unable to reach consensus on issues that are the responsibility of the Team, the New Veazie SAU representative(s) at that Team meeting (or if that representative is absent, the RSU 26 representative at that Team meeting) shall make the decisions on those issues, subject to the parent's due process rights in relation thereto.
- d. The IEP team for each Veazie student not attending RSU 26 programs shall also include a New Veazie SAU representative(s). The New Veazie SAU team member(s) and other New Veazie SAU personnel shall work cooperatively with the RSU 26 Special Services Department and team members. Upon request each party will provide the other with, as applicable and permitted by law, all information regarding classroom observations, student performance, academic achievement testing and functional behavior assessment components of the student evaluation process. The New Veazie SAU team member(s) shall provide input to RSU 26's Special Education Director (or other administrative designee) on the proper implementation of Veazie students' IEPs, or perceived deficiencies in IEP implementation. RSU 26 shall consider that input in good faith and shall respond in an appropriate manner consistent with the terms of this Agreement. In the event that the IEP Team is unable to reach consensus on issues that are the responsibility of the Team, the New Veazie SAU representative(s) at that Team meeting (or if that representative is absent, the RSU 26 representative at that Team meeting) shall

make the decisions on those issues, subject to the parent's due process rights in relation thereto.

- e. The secondary tuition rate and debt service factor permitted by §5805, when applicable, and this Agreement do not include expenditures for special education. Therefore, in accordance with Chapter 101 of the Rules of the Maine Department of Education, Maine Unified Special Education Regulation, Section IV(4)(A) and (B), and Section XVIII.2 the New Veazie SAU, in addition to tuition payments and other charges under Section 4 of this Agreement, when applicable, shall be responsible for the actual costs of special education for Veazie students that are tuition students in RSU 26, including special education transportation costs and costs for facilities modification required to accommodate the student. RSU 26 shall provide the New Veazie SAU with invoices for such special education costs.
- f. To the extent not included in the foregoing or in charges under section 4 of this Agreement for implementation of non-special education section 504/ADA plans, RSU 26 may adjust charges for reasonable attorneys' fees it incurs that arise in connection with disputes over delivery of special education services and/ or section 504/ADA plan services for individual Veazie students.

6. **Need for School Construction.** Withdrawal of Veazie from the RSU will not cause a need within five years from the effective date of withdrawal for Veazie SAU school construction projects that would be eligible for state funds.
7. **Transportation.** Upon expiration of the current RSU 26 transportation contract on June 30, 2013 and upon withdrawal from the RSU, the New Veazie SAU will provide all transportation for Veazie students attending RSU 26 schools under this Agreement. The New Veazie SAU shall be responsible to negotiate a new contract with a busing company for Veazie students, or otherwise provide for their transportation needs.
8. **Distribution of Certain Financial Commitments and Services.**
  - a. RSU 26 has signed a two-year contract with Doug Smith to be its Superintendent through June 30, 2014 (the "Superintendent Contract"). To the extent the

Superintendent Contract has not been assigned to a new Glenburn school administrative unit at the date of withdrawal, the New Veazie SAU will pay 25.6% of the contract for the term of July 1, 2013 – June 30, 2014 and RSU 26 will provide Superintendent services to the New Veazie SAU for the term of July 1, 2013 – June 30, 2014. In the event that the Superintendent Contract is assigned to a new Glenburn school administrative unit for the 2013-2014 year, the New Veazie SAU will have no financial obligation or commitment to Doug Smith after the date of withdrawal, other than those obligations incurred during the 2012-2013 school year when Veazie was part of RSU 26. To the extent Doug Smith has a contract with an entity other than RSU 26 at the date of withdrawal, the New Veazie SAU will negotiate a new contract for Superintendent services.

- b. The New Veazie SAU will pay to RSU 26 25.6% of the actual costs associated with a shared business office to provide administrative services, regardless of whether such staff is employed by RSU 26 or a new Glenburn school administrative unit, for the term of July 1, 2013 – June 30, 2014. Anticipated costs include payroll and benefit costs for the business manager and other business office staff, as well as related facility, equipment and supplies cost. Shared costs shall be reasonable out of pocket expenditures and do not include rent, costs of the Superintendent, costs of staff serving the Superintendent, and other costs incurred for other than a shared business office purpose. Shared costs also do not include costs of a capital nature or to repair or maintain the shared facility.
- c. For RSU 26's administration of Special Services, as described in Section 5-a of this Agreement, the New Veazie SAU agrees to pay RSU 26 25.6% of the total costs associated with the Special Services Department for the fiscal year ending June 30, 2014. Anticipated costs include payroll and benefits for Special Services administrators and administrative staff, as well as all related equipment and supply costs.
- d. Effective upon the date of withdrawal, the New Veazie SAU will negotiate a contract for a Technology Director as needed. After the date of withdrawal, the New Veazie SAU will not be responsible for costs associated with the existing contract between

- RSU 26 and its technology director, which terminates June 30, 2014, other than those costs incurred during the 2012-2013 school year when Veazie was part of RSU 26.
- e. The New Veazie SAU will pay 25.6% of the actual staff administration costs for the RSU 26 Curriculum Coordinator to provide curriculum coordinator services for the term of July 1, 2013 – June 30, 2014, based on mutually acceptable terms that fairly reflect the costs of such services. Anticipated costs include the salary and benefit costs of the RSU 26 Curriculum Coordinator.
  - f. Effective upon the date of withdrawal, the New Veazie SAU will negotiate a contract for Food Services Director as needed. After the date of withdrawal, the New Veazie SAU will not be responsible for costs associated with the existing contract between RSU 26 and its food service director, which runs through June 30, 2014, other than those costs incurred during the 2012-2013 school year when Veazie was part of RSU 26.
  - g. There are no other financial obligations of RSU 26 related to this section 8 in which the New Veazie SAU will participate subsequent to its withdrawal from the RSU.
  - h. Effective upon the date of withdrawal, the New Veazie SAU will negotiate contracts for other staff positions as necessary, for example, music teacher(s), art teacher(s), speech/occupational/physical therapist(s) and nurse(s).
  - i. An evaluation will be made subsequent to the 2013-2014 school year to determine what changes, if any, will be made to the administrative and supervisory structure of the New Veazie SAU.

9. **Financial Commitments from Outstanding Bonds, Notes, and Lease Purchase Agreement.**

a. **Debt and Lease Purchase Obligations That Existed When RSU 26 was Formed.**

Under Paragraph 6.A of the RSU 26 reorganization plan (the “Reorganization Plan”), RSU 26 assumed liability to pay the bonds, notes and lease purchase agreements listed in Exhibit 6-A to the Reorganization Plan. Under paragraph 6.B. of the Reorganization Plan, no debt is listed that RSU 26 did not assume. Under 20-A MRS §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, provided that the withdrawal agreement may provide for alternate means for retiring outstanding indebtedness. In accordance with 20-A MRS §1466(16)(A), as an alternate means for retiring the outstanding indebtedness assumed by RSU 26 under paragraph 6.A. of the Reorganization Plan, after the date of withdrawal, (i) RSU 26, exclusive of the New Veazie SAU, will pay any remaining debt service on the outstanding bonds, notes, and lease purchase agreements assumed by RSU 26 under paragraph 6.A. of the Reorganization Plan that are identified as having been issued originally by Orono or Glenburn; and (ii) the New Veazie SAU will pay any remaining debt service on the outstanding bonds, notes, and lease purchase agreements assumed by RSU 26 under paragraph 6.A. of the Reorganization Plan that are identified as having been issued originally by Veazie.

b. **Debt and Lease Purchase Obligations Issued by RSU 26 after its Formation.** As of the date of this Agreement, RSU has issued the following bonds, notes and lease purchase agreements

Date Issued	Amount Issued	Type/Purpose	Outstanding Principal Balance as of June 30, 2013
June 17, 2011	\$645,000	Direct Pay Qualified School Construction Bond issued to Bangor Savings Bank	\$602,000.00
March 31, 2011	\$3,604,181	Direct Pay Qualified School Construction Bond Lease Purchase Agreement issued to Pinnacle Public Finance, Inc.	\$3,514,678
November 30, 2011	\$1,310,785.58*	Revolving Renovation Fund Loan issued to MMBB	\$1,179,707.03*

\*amounts shown are net of principal forgiveness by MMBB

The Revolving Renovation Fund Loan improved Adams School, Orono High School and Orono Middle School. The \$645,000 QSCB and the \$3,604,181 QSCB (totaling \$4,249,181) improved various RSU 26 schools. Of that sum, the amount of QSCB proceeds expended on Veazie's school facilities was \$65,538, or 1.54%. Under 20-A MRS §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, provided that the withdrawal agreement may provide for alternate means for retiring outstanding indebtedness. In accordance with 20-A MRS §1466(16)(A), as an alternate means for retiring the outstanding indebtedness assumed by RSU 26 under paragraph 6.A. of the Reorganization Plan, after the date of withdrawal, (i) RSU 26, exclusive of the New Veazie SAU, will pay any remaining debt service on the Revolving Renovation Fund loan issued to the MMBB on November 30, 2011; (ii) with respect to the \$645,000 Direct Pay Qualified School Construction Bond issued June 17, 2011 to Bangor Savings Bank, as well as the \$3,604,181 Direct Pay Qualified School Construction Bond issued March 31, 2011 to Pinnacle Public Finance, Inc. (collectively, hereinafter, the "QSCBs"), the New Veazie SAU shall pay RSU 26 on July 1, 2013 a lump sum payment of \$63,449, equal to 1.54% of the remaining amount of the QSCB's after principal payments of \$2,089 made by RSU 26 during the 2012/2013 school year.

The interest cost of the QSCBs is subsidized by direct subsidy payments from the United States Treasury. RSU 26 has filed applications for these subsidy payments for interest costs to date. The parties anticipate that the withdrawal of Veazie shall not affect RSU 26's eligibility to apply for and to receive the QSCBs' subsidy payments without adverse tax consequences. If withdrawal of Veazie from the RSU nevertheless results in a loss of interest subsidy of the QSCB's, the New Veazie SAU shall be responsible for 1.54% of the loss of interest subsidy of the QSCBs, and its payments shall be adjusted accordingly, and for 1.54% of any other costs of adverse tax consequences to RSU 26 attributable to Veazie's withdrawal, including amounts to compensate RSU 26 for loss of prior subsidy payments, and shall pay those amounts to RSU 26 when and if due. In such event, RSU 26 and the New Veazie SAU shall consult regarding proposals to mitigate these costs, including redemption and refunding of the QSCBs, or other remedial action.

Notwithstanding any provision of this Agreement to the contrary, the substantially prevailing party in any dispute or proceeding involving a claim that RSU 26 or the New Veazie SAU has breached its obligations under Section 9 of this Agreement shall be entitled to recover its legal expenses, including its reasonable attorneys' fees.

- c. Effective upon the date of withdrawal, the New Veazie SAU will assume and be solely liable at its own expense for the copier lease and maintenance agreement related to the copy machines located at Veazie Community School.
- d. Effective upon the date of withdrawal, the New Veazie SAU will assume and be solely liable at its own expense for any other contracts related to assets currently owned or to be owned by the New Veazie SAU under the terms of this Agreement, including the New Veazie Community School.
- e. There are no other financial obligations of RSU 26 related to this section 9 in which the New Veazie SAU will participate subsequent to its withdrawal from the RSU.

**10. Financial Commitments for Bonds or Notes Issued During FY 2012-2013.** During FY 2012-2013 RSU 26 may issue bonds or notes or enter into lease purchase financing arrangements to upgrade facilities at the RSU's schools. Such improvements are not currently contemplated, but may be necessary in case of a failure of a structure or building system or other urgent need. If Veazie withdraws from RSU 26 as of June 30, 2013, under 20-A MRS §1466(16) RSU 26 will remain intact for purposes of retiring and securing that indebtedness. As an alternate means for retiring this indebtedness under 20-A MRS §1466(16), RSU 26 hereby agrees to retire such debt by assessing the taxable property in the remaining towns in RSU 26 and further agrees not to assess taxable property located in Veazie for that purpose. By this agreement, any referendum vote to incur debt for the purpose of construction or renovation projects at an RSU 26 school during FY 2012-2013 will be held solely in the town(s) that have not voted to withdraw, even if such a decision is made prior to Veazie's proposed withdrawal date of June 30, 2013. Similarly, should Veazie wish to conduct a referendum during FY 2012-2013 on the issuance of bonds for construction or renovation projects at its school facilities, that referendum will be held only in Veazie, at the expense of the Town of Veazie, and will only impact the indebtedness of the New Veazie SAU.

**11. Undesignated Fund Balance.** Within thirty (30) days of a finalized audit, RSU 26 shall pay the New Veazie SAU the total of Veazie's share of the undesignated fund balance as of June 30, 2013, calculated based on Veazie's FY13 over-EPS share of RSU 26 expenses (25.6%).

Funds required to pay 2013 summer salaries and benefits for work performed prior to July 1, 2013 shall not be included in RSU 26's undesignated fund balance as of June 30, 2013 but rather shall be treated as encumbered funds to be used to pay FY 2012-2013 salary and benefit obligations of RSU 26.

**12. Collective Bargaining Agreements.** The New Veazie SAU shall assume the RSU's existing collective bargaining agreements to the extent they cover employees of RSU 26 assigned on a full-time basis to Veazie Community School at the end of the 2012-2013 school year and who have a right to continued employment as of July 1, 2013. RSU 26's collective bargaining agreements in effect on July 1, 2013 shall continue to cover employees of RSU 26 assigned on a part-time basis to the Veazie Community School at the end of the 2012-2013 school year, and who have a right to continued employment as of July 1, 2013. The New Veazie SAU shall be responsible for the percentage of the total salary and benefits of employees assigned to the New Veazie SAU on a part-time basis equal to the percentage of that employee's service to the New Veazie SAU. Liability for payroll accrued by employees for the school year 2012-2013, but not paid as of July 1, 2013, will remain with RSU 26. (Exhibit A, Collective Bargaining Agreements.)

**13. Continuing Contract Rights under Section 13201.** The withdrawal of Veazie from RSU 26 will not affect the continuing contract rights of teachers subject to collective bargaining agreements under 20-A MRS § 13201. On June 30, 2013, the effective date of withdrawal, all continuing contract teachers then assigned on a full-time basis to the Veazie Community School shall become continuing contract teachers of the New Veazie SAU. Continuing contract teachers of RSU 26 assigned to the Veazie Community School on a part-time basis at the end of the 2012-2013 school year shall remain as continuing contract teachers of RSU 26. The New Veazie SAU shall be responsible for the percentage of any such continuing contract teacher's total salary and benefits equal to the percentage of that continuing contract teacher's service to the New Veazie SAU. (Exhibit B, RSU employees providing service to Veazie.)

**14. Disposition of Real and Personal Property.**

- a. Real Property: RSU 26 agrees to tender a Release Deed to the Town of Veazie of any and all real property that may have been transferred to the RSU by the Town of Veazie upon consolidation by the operation of law, which release deed shall be expressly subject to the terms of this Agreement regarding securing and retiring outstanding indebtedness. See Exhibit C for the Release Deed.
- b. Personal Property: RSU 26 agrees that any and all personal property located in or on the Veazie Community School as of the date of this agreement will become the property of the New Veazie SAU upon withdrawal.
- c. Notwithstanding the foregoing, any RSU 26 files and records in any form, including computer files, shall remain property of RSU 26. Any of these records applicable to Veazie shall be made available to Veazie upon request, as permitted by law.

**15. Transition of Administration and Governance.** Upon withdrawal, the administration and governance of education for students residing in Veazie will be transferred directly from RSU 26 to the New Veazie SAU as of July 1, 2013, except as provided herein with respect to Veazie students attending RSU 26 as tuition students. Prior to the date of withdrawal, Veazie shall elect a school committee. This school committee shall have the authority to take all actions necessary to prepare for the establishment of the New Veazie SAU, including but not limited to establishing a budget for the 2013-2014 school year. If the withdrawal of Veazie is approved, the voters of Veazie shall not participate in approval of the RSU 26 budget for fiscal year 2013-2014 at either the RSU 26 budget meeting or the RSU 26 budget validation referendum, and shall not vote on whether to continue the budget validation process in RSU 26.

**16. Dispute Resolution.** Any dispute between the New Veazie SAU and RSU 26 (hereinafter individually a "Party" or collectively, the "Parties") arising out of or relating to this Agreement shall be resolved in accordance with this paragraph. Any Party may give written notice of a dispute arising out of or related to this Agreement to another Party or Parties in person or by certified mail, return receipt requested. The Parties to the dispute (hereinafter the "Affected Parties") shall attempt to resolve the matter through informal communication or negotiation for a period of thirty (30) days from the date of receipt of notice by the last

Party to receive notice. If the dispute has not been resolved within thirty (30) days, any Party may serve written notice of the other Affected Parties of a request for mediation. The mediation shall be conducted in Maine by a mediator mutually agreeable to the Affected Parties, shall not exceed one full day or two half days in length, and shall be completed within ninety (90) days from the date of receipt of notice of a request for mediation by the last Affected Party to receive notice. If the parties are not able to reach agreement with the assistance of the mediator, then they retain all rights and remedies provided by law and the right to initiate and pursue litigation.

**17. State and Local Approval.** This agreement is subject to approval by the Maine Commissioner of Education as required by 20-A MRS §1466(4)(B) and approval by the Town of Veazie at a referendum conducted in Veazie as required by 20-A MRS § 1466(9). Approval by RSU 26 and Veazie of this Agreement constitutes approval for purposes of establishing the rights and responsibilities of RSU 26 and Veazie with respect to the matters contained herein. Approval by RSU 26 shall not be deemed a representation by RSU 26 that the contents of this Agreement will provide for appropriate educational and related services to Veazie students, or that the Agreement will not cause costs to maintain educational and related services for RSU 26 students to increase.

**VEAZIE WITHDRAWAL COMMITTEE**

By: Janine A. Raquet  
Its: Chair of the Withdrawal Committee

**REGIONAL SCHOOL UNIT NO. 26**

By: Julia Emily Hathaway  
Its: Chair of the Board of Directors

EXHIBIT B

Christy Boyd

Nancy Connor

Beric Deane

Terry Henry

Stephanie McLean



## EXHIBIT C

### RELEASE DEED

Regional School Unit No. 26 shall execute a Release Deed to the Town of Veazie in accordance with paragraph 14 (a) of the Withdrawal Agreement By and Between RSU 26 and the Town of Veazie Withdrawal Committee, subject to review and agreement by counsel for both parties on the final language of the Release Deed. The basic terms of the Release Deed shall be as follows:

Grantor: Regional School Unit No. 26  
Grantee: Town of Veazie  
Real Estate: All Veazie Community School Property, including the following:

Those certain lots or parcels of land, together with the buildings and improvements to realty thereon, comprising the Veazie Community School property, so-called, situated in the Town of Veazie, County of Penobscot and State of Maine, and being a portion of the parcel designated as Tax Map 7, Lot 9 on the Town of Veazie, Maine Property Tax Maps, Revised as of April 1, 2008, and being more particularly bounded and described in the following deed references:

1. Warranty Deed from Ralph Drinkwater to the Town of Veazie dated December 30, 1949 and recorded in the Penobscot County Registry of Deeds at Book 1314, Page 333.
2. Warranty Deed from Clifford Prouty to the Inhabitants of the Town of Veazie dated September 24, 1953 and recorded in the Penobscot County Registry of Deeds at Book 1408, Page 95.
3. Warranty Deed from Roland F. Kennett and Esther F. Kennett to the Inhabitants of the Town of Veazie dated January 23, 1975 and recorded in the Penobscot County Registry of Deeds at Book 2620, Page 327.
4. Warranty Deed from Martha K. Gervais and Paul E. Gervais to the Town of Veazie dated November 8, 1996 and recorded in the Penobscot County Registry of Deeds at Book 6265, Page 75.

The above referenced properties are conveyed together with and subject to all rights, easements, terms and conditions as set forth in the above referenced deeds.

**EXCEPTING** from the above-described property those portions thereof bounded and described in the following instruments of record:

1. Municipal Quitclaim Deed from the Inhabitants of the Town of Veazie to Graham School Senior Housing Associates Limited Partnership dated December 20, 2001, recorded in the Penobscot County Registry of Deeds in Book 8021, Page 222.
2. Memorandum of Lease by and between Inhabitants of the Town of Veazie (Lessor) and Veazie Village Senior Housing Limited Partnership (Lessee) dated October 11, 2007, recorded in the Penobscot County Registry of Deeds in Book 11161, Page 169, as

amended by Memorandum of Amended Lease Agreement dated November 4, 2008, recorded in said Registry of Deeds in Book 11595, Page 197.

**ALSO EXCEPTING** from the above-described property that portion thereof bounded and described as follows:

A certain lot or parcel of land situated on the northeasterly side of School Street, in the Town of Veazie, County of Penobscot, State of Maine, being more particularly described as follows:

**BEGINNING** at a point in the northeasterly sideline of School Street at the generally southwesterly corner of land now or formerly of Sampson W. Henderson and Dorothy D. Henderson as described in a deed from Northern Forest Products, Inc. dated November 23, 1953, recorded in Book 1920, Page 187 of the Penobscot County Registry of Deeds, said point of beginning being further described as being situated at the generally southeasterly corner of land of the Town of Veazie as described in a deed from Martha K. Gervais and Paul E. Gervais dated November 8, 1996, recorded in Book 6265, Page 75 of said Registry of Deeds;

**THENCE**, North 52° 16' 50" West, along the northeasterly sideline of School Street, a distance of 50.00 feet to a point;

**THENCE**, North 32° 04' 28" East, a distance of 77.32 feet to a point;

**THENCE**, North 56° 26' 39" East, a distance of 99.01 feet to a point;

**THENCE**, South 82° 47' 51" East, a distance of 92.08 feet to a 1" iron bolt found at the generally southeasterly corner of aforesaid land of the Town of Veazie;

**THENCE**, continuing South 82° 47' 51" East, a distance of 193.52 feet, more or less, to a point situated 50 feet distant, as measured at right angles, from the westerly line of land of William E. Murdock, IV and Ellie May Murdock as described in a deed from Eulalia G. Harriman and Laura May Tenney dated April 8, 1986, recorded in Book 3801, Page 98;

**THENCE**, North 08° 32' 42" East, parallel to and 50 feet distant, as measured at right angles, from the westerly lines of land of said Murdock, Mark A. Torres and Collene F. Torres (Book 9681, Page 237), Kenneth E. Bolen, et al (Book 9876, Page 242), David F. Kennett (Book 8966, Page 159), Ronald H. St. Pierre and Brandy Jean St. Pierre (Book 3632, Page 142), O. Dale Anthony and Lucille N. Anthony (Book 8574, Page 69) and Carol L. Wilber and Robert A. Wilber (Book 10349, Page 245), a total distance of 653.35 feet to a point situated 50 feet distant, as measured at right angles, from the premises described in Memorandum of Lease from the Inhabitants of the Town of Veazie to the Veazie Village Senior Housing Limited Partnership (hereinafter referred to as VVSHLP);

**THENCE**, North 41° 20' 23" West, parallel to and 50 feet distant, as measured at right angles, from southwesterly line of said VVSHLP lease hold, a distance of 156.15 feet to a point;

**THENCE**, North 09° 30' 21" East, parallel to and 50 feet distant, as measured at right angles, from westerly line of said VVSHLP lease hold, a distance of 354.46 feet to a point;

**THENCE**, North 33° 29' 41" West, a distance of 250.00 feet to an iron rod found in the southeasterly sideline of Main Street;

**THENCE**, North 42° 04' 15" East, along the southeasterly sideline of Main Street, a distance of 246.72 feet to an iron rod found;

**THENCE**, South 29° 08' 23" East, along the southwesterly line of said VVSHLP leasehold, a distance of 142.07 feet to an iron rod found;

**THENCE**, South 33° 29' 41" East, along the southwesterly line of said VVSHLP leasehold, a distance of 152.77 feet to an iron rod found;

**THENCE**, South 56° 30' 19" West, along the northwesterly line of said VVSHLP leasehold, a distance of 143.86 feet to an iron rod found;

**THENCE**, South 09° 30' 21" West, along the westerly line of said VVSHLP leasehold, a distance of 400.65 feet to an iron rod found;

**THENCE**, South 41° 20' 23" East, along the southwesterly line of said VVSHLP leasehold, a distance of 155.64 feet to an iron rod found at the generally westerly corner of said land of Wilber;

**THENCE**, South 08° 32' 42" West, along the westerly line of said lands of Wilber, Anthony, St. Pierre, Kennett, Bolen et al, Torres, Murdock, Lisa Black (Book 7644, Page 207) and Thomas E. Stone, Jr. and Melissa M. Stone (Book 9291, Page 158), a total distance of 922.59 feet to an iron rod found at the northeasterly corner of land of Stephen T. G. Arsenault and Natalie J. Arsenault as described in a deed from the Town of Veazie dated February 27, 2004, recorded in Book 9671, Page 146, aforesaid westerly line being shown on a "Plan of City - Mills, Veazie, Maine", prepared by Samuel L. Valentine, in 1846, recorded in Plan Book 3, Page 37 of the Penobscot County Registry of Deeds;

**THENCE**, North 52° 14' 38" West, along the northeasterly line of said land of Arsenault, a distance of 35.28 feet to an iron rod found at the northeasterly corner of land of Robert S. Gillam and Joan M. Gillam as described in a deed from PHH Mortgage Corporation dated April 26, 2006, recorded in Book 10441, Page 176;

**THENCE**, North 52° 14' 38" West, along the northeasterly line of said land of Gillam, Sherri L. Treadwell (Book 9985, Page 10) and Thomas H. Hambrock and Michael E. Hambrock, (Book 7138, Page 7), a total distance of 258.92 feet, more or less, to a point in the generally easterly line of said land now or formerly of Henderson;

**THENCE**, North 32° 04' 28" East, along the generally easterly line of said land now or formerly of Henderson, a distance of 23.85 feet, more or less, to an iron rod found at the northeasterly corner thereof;

**THENCE**, North 52° 16' 50" West, along the northeasterly line of said land now or formerly of Henderson, a distance of 75.00 feet to the northwesterly corner thereof;

**THENCE**, South 32° 04' 28" West, along the generally westerly line of said land now or formerly of Henderson, a distance of 150.00 feet to the **POINT OF BEGINNING**.

The parcel herein described contains 4.0 acres, more or less.

Reference is made to a plan entitled "Survey Plan of a portion of land of The Town of Veazie, School Street, Veazie, Penobscot County, Maine", dated August 8, 2008, prepared by CES, Inc.

The direction of lines refers to the Magnetic Meridian of 1989 as determined by Technical Services, Inc.

This release is subject to the terms of that certain Withdrawal Agreement between Grantor and Grantee dated ~~July~~ <sup>July 9</sup>, 2012 regarding securing and retiring outstanding indebtedness.