

WITHDRAWAL AGREEMENT
By and Between
RSU 14 and the Town of Raymond Withdrawal Committee

This Withdrawal Agreement, dated as of June __, 2020 (“**Agreement**”), is entered into by and between Regional School Unit No. 14, a Maine regional school unit currently comprising the municipalities of Windham and Raymond (“**RSU 14**”) and the Town of Raymond Withdrawal Committee, a duly appointed municipal withdrawal committee representing the Town of Raymond (“**Raymond**” or the “**Town**”) organized in accordance with 20-A M.R.S. § 1466(4)(A), and provides for withdrawal of Raymond from RSU 14.

The parties agree as follows.

1. **Purposes.** The purposes of this Agreement are:
 - A. To provide for the timely and orderly withdrawal of Raymond from RSU 14 as required by 20-A M.R.S. § 1466;
 - B. To provide educational continuity for all students residing in Raymond;
 - C. To fairly allocate responsibility for RSU 14’s financial and contractual obligations, and to fairly allocate RSU 14’s assets; and
 - D. To minimize the disruption to RSU 14’s educational programming and services, and to minimize any cost increases to taxpayers in Raymond and in RSU 14 that Raymond’s withdrawal may cause.
2. **Effective Date of Withdrawal.** Raymond shall withdraw from RSU 14 in accordance with the terms of this Agreement as of July 1, 2021 (the “Effective Date”). As of the Effective Date, Raymond shall no longer be a member of the RSU 14 school administrative unit. As of the Effective Date, Raymond shall be a separate municipal school administrative unit comprised solely of Raymond. Thereafter, if Raymond joins, merges or otherwise combines with one or more other school administrative units into a new school administrative unit, Raymond’s

obligations under this Agreement shall be binding on that successor school administrative unit. For the purposes of this Agreement the term "New Raymond SAU" shall mean the municipal school administrative unit comprised solely of Raymond, or any school administrative unit that Raymond may join, merge with or otherwise be included in as a member.

3. **Continuity of Educational Services.** The New Raymond SAU will provide continuity of educational services to its students, as follows:

A. **Raymond Students Attending New Raymond SAU Schools.** The New Raymond SAU will provide educational services for grade K-8 students at Raymond Elementary School and Jordan Small Middle School in the same manner that educational services were provided when Raymond was a member of RSU 14. Except to the extent provided in this Agreement with respect to the New Raymond SAU's obligation to pay secondary tuition and other costs to RSU 14, nothing in this Agreement shall limit the New Raymond SAU's authority to provide educational services to students in grades other than grade K-8.

B. **Statutory Right of Students to Continued Enrollment in First Year Following Withdrawal.** In accordance with Section 1466(4)(A)(1) of Title 20-A, any student in grades K-12 residing in Raymond who attends an RSU 14 school outside of Raymond and is enrolled in that school at the close of the school year prior to the Effective Date, or any student in grades K-12 residing in Raymond who would have attended an RSU 14 school during the school year following withdrawal if Raymond had not withdrawn from RSU 14, may continue to attend RSU 14 schools during the first year after withdrawal, and the New Raymond SAU shall pay tuition and costs as described in Section 4(B) and (C). The New Raymond SAU shall pay transportation costs accordance with Section 6.

Any student in grades K-8 residing in Windham who attends Raymond Elementary School or Jordan Small Middle School and is enrolled in these schools at the close of the school year prior to the Effective Date, or any student in grades K-8 residing in Windham who would have attended Raymond Elementary School or Jordan Small Middle School during the school year following withdrawal if Raymond had not withdrawn from RSU 14, may continue to attend Raymond Elementary School or Jordan Small Middle School during the first year after withdrawal, and RSU 14 shall pay tuition and costs as described in Sections 4(B) and (C). RSU 14 shall pay transportation costs in accordance with Section 6.

The Superintendents of RSU 14 and the New Raymond SAU shall determine enrollments in accordance with applicable law.

To the extent that any Windham resident K-8 student attends Raymond Elementary School or Jordan Small Middle School for the school year following the Effective Date and has not completed the final grade of that school, or any Raymond resident K-8 student attends an RSU 14 elementary school for the year following the Effective Date and has not completed the final grade of that school, such attendance shall be taken into favorable consideration by the superintendents of RSU 14 and the New Raymond SAU in connection with review and approval of any application by the student for a Superintendents' Agreement to allow the student to continue attendance in the applicable school after the first year following the Effective Date until that student completes the final grade of that school. "Favorable consideration" does not alter the statutory standard for a superintendent agreement. Nothing contained herein shall be deemed to require the school unit of the student's residence to provide transportation to a student attending pursuant to a Superintendent Agreement, irrespective of whether transportation was provided in the year after the Effective Date, except as expressly provided in Section 6 with respect to middle school students.

4. School Unit of Guaranteed Acceptance; Tuition Payments.

A. Right to Continued Enrollment in RSU 14 Schools. For a period of ten years commencing on the Effective Date, Raymond resident secondary students may enroll in RSU 14 as the school unit of guaranteed acceptance. For a period of 10 years commencing on the Effective Date, RSU 14 shall accept enrollment of any Raymond resident students in grades 9 to 12 who choose to attend RSU 14 schools. In accordance with the Raymond Windham tuition agreement dated January 3, 2002, the New Raymond SAU reserves the right to send up to fifty per cent (50%) of its resident secondary students to an educational institution other than RSU 14. Subject to the foregoing, Raymond resident students in grades 9 to 12 shall continue to have school choice. On or before January 1 next prior to the Effective Date and on or before January 1 of each following school year during the term of this Agreement, the Superintendent of RSU 14 and the Superintendent of the New Raymond SAU (hereinafter the "Superintendents") shall confer with each other and shall develop a list of those students who reside in Raymond who are expected to attend RSU 14 schools for the subsequent school year.

B. Elementary Tuition. The tuition rate for Raymond resident elementary students attending RSU 14 schools pursuant to this Agreement, whether during the first year following the Effective Date or during the second through tenth years following the Effective Date, shall be the RSU 14 elementary tuition rate established by the Maine Department of Education pursuant to 20-A M.R.S. §5804; and the tuition rate for RSU 14 students residing in Windham who attend Raymond Elementary School or Jordan Small Middle School pursuant to this Agreement shall be the New Raymond SAU's elementary tuition rate established by the Maine Department of Education pursuant to 20-A M.R.S. §5804.

C. Secondary Tuition. The tuition rate for Raymond resident secondary students attending RSU 14 schools during the first year following the Effective Date shall be the RSU 14 secondary tuition rate established by the Maine Department of Education pursuant to 20-A M.R.S. §5805(1), and the State average tuition limitation of 20-A M.R.S. §5805(2) shall not apply. The tuition rate for Raymond resident secondary students attending RSU 14 schools during the second through tenth year following the Effective Date shall be the maximum allowable tuition rate determined by the Maine Department of Education pursuant to 20-A M.R.S. §5805(2).

For the period of ten years commencing on the Effective Date, the New Raymond SAU shall pay tuition for the actual number of Raymond resident secondary students attending RSU 14 schools, but in any event for not less than 50% of the total number of Raymond resident secondary students attending school in RSU 14 schools or other educational institutions.

D. Tuition Invoices and Payments. RSU 14 will invoice the New Raymond SAU, and the New Raymond SAU will invoice RSU 14, for tuition calculated in accordance with this Agreement on a quarterly basis payable on or before October 1, January 1, April 1, and June 1, with a reconciliation after the Department of Education sets final tuition rates and during the fiscal year in which the tuition costs are incurred.

E. Raymond Special Education Students Attending New Raymond SAU Schools; Out of District Placements. The New Raymond SAU at its sole expense will provide for continuity of

programming for all special education students residing within the Town of Raymond attending Raymond Elementary School, Jordan Small Middle School, or schools other than RSU 14 schools. The New Raymond SAU assumes all responsibilities for decisions, and all costs, related to special education for these students.

F. Raymond Special Education Students Attending RSU 14 Schools. For students residing in Raymond attending RSU 14 schools pursuant to this Agreement, RSU 14 shall provide all special education and related special education services required by the IEP prepared by each student's IEP Team to the extent that RSU 14 has an appropriate program to meet the terms of the IEP and applicable requirements of Maine law and regulations. Decisions about whether RSU 14 can implement the terms of the IEP, and whether RSU 14 has an appropriate program or placement for a student pursuant to the requirements of the IEP, shall be made by RSU 14 after a careful review of the IEP for the student. In no event shall RSU 14 refuse to provide needed special education services as provided in the IEP for students residing in Raymond who are permitted to attend RSU 14 schools under this Agreement, except for student removals of not more than 10 cumulative school days in the school year, when the student has been properly expelled from RSU 14, or when RSU 14 has determined that RSU 14 cannot provide an appropriate program or placement for that student.

The New Raymond SAU's Director of Special Education Services (or other administrative designee) shall represent the New Raymond SAU for special education programming, supervision of the IEP Team process, and supervision of the student evaluation process for Raymond students attending RSU 14 schools. In the event that the IEP Team is unable to reach consensus on issues that are the responsibility of the Team, the Raymond SAU's representative at that Team meeting shall make the decisions on those issues, subject to the parent's due process rights in relation thereto. RSU 14 personnel will work cooperatively with the Raymond SAU's representative, and, upon request will provide the Raymond SAU's representative with all information regarding classroom observations, student performance, academic achievement testing, and functional behavior assessment components of the student evaluation process. The Raymond SAU's representative shall provide input to RSU 14's Special Education Director (or other administrative designee) on the proper implementation of the IEP's of Raymond special education students attending RSU 14 schools or perceived deficiencies in IEP implementation. RSU 14 shall consider that input in good faith and RSU 14 shall respond in an appropriate manner consistent with the terms of this Agreement.

The tuition rate calculations under sections 5804 and 5805 of Title 20-A expressly exclude 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), the New Raymond SAU, in addition to the tuition payments required under this Agreement, shall be responsible for the actual costs of special education for those students, including special education transportation costs and costs for facilities modifications required to accommodate the students. For purposes of this paragraph, special education shall include non-special education 504/ADA plans and services and special education costs shall include costs of non-special education 504/ADA plans and services and reasonable attorneys' fees incurred by RSU 14 in connection with disputes with third parties over delivery of special education services and/or section 504/ADA plan services for individual Raymond students. RSU 14 shall provide itemized invoices to the New Raymond SAU for such special education costs, on a quarterly basis payable on or before October 1, January 1, April 1, and June 1 with a final reconciliation prior to the end of the fiscal year in which the special education costs are incurred.

- G. RSU 14 Special Education Students Attending Raymond Elementary School or Jordan Small Middle School. For students residing in Windham and attending Raymond Elementary School or Jordan Small Middle School in the first year following withdrawal pursuant to this Agreement, the New Raymond SAU shall provide all special education services required by the IEP prepared by each student's IEP Team to the extent that the New Raymond SAU has an appropriate program to meet the terms of the IEP and applicable requirements of Maine law and regulations. Decisions about whether the New Raymond SAU can implement the terms of the IEP, and whether the New Raymond SAU has an appropriate program or placement for a student pursuant to the requirements of the IEP shall be made by the New Raymond SAU after a careful review of the IEP for the student. In no event shall the New Raymond SAU refuse to provide needed special education services as provided in the IEP for students residing in RSU 14 who are permitted to attend Raymond Elementary School or Jordan Small Middle School under this Agreement, except for student removals of not more than 10 cumulative school days in the school year, when the student has been properly expelled from the New Raymond SAU, or when the New Raymond SAU has determined that it cannot provide an appropriate program or placement for that student.

RSU 14's Director of Special Education Services (or other administrative designee) shall represent RSU 14 for special education programming, supervision of the IEP Team process, and supervision of the student evaluation process for RSU 14 students attending New Raymond SAU schools. In the event that the IEP Team is unable to reach consensus on issues that are the responsibility of the IEP Team, RSU 14's representative at that Team meeting shall make the decisions on those issues, subject to parental due process rights in relation thereto. New Raymond SAU personnel will work cooperatively with RSU 14's representatives, and upon request will provide RSU 14's representative with all information regarding classroom observations, student performance, academic achievement testing and functional behavior assessment components of the student evaluation process. RSU 14's representative shall provide input to the New Raymond SAU's Special Education Director (or other administrative designee) on the proper implementation of the IEPs of RSU 14 students attending New Raymond SAU schools or perceived deficiencies in IEP implementation. The New Raymond SAU shall consider that input in good faith and shall respond in an appropriate manner consistent with the terms of this Agreement.

The tuition rate calculations under 20-A M.R.S. §§ 5804 and 5805 expressly exclude 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), RSU 14, in addition to the tuition payments required under this Agreement, shall be responsible for the actual costs of special education for RSU 14 students attending New Raymond SAU schools, including special education transportation costs and costs for facilities modifications required to accommodate the students. For purposes of this paragraph, special education shall include non-special education 504/ADA plans and services and special education costs shall include costs of non-special education 504/ADA plans and services and reasonable attorneys' fees incurred by the New Raymond SAU in connection with disputes over delivery of special education services and/or Section 504/ADA plan services for individual RSU 14 resident students. The New Raymond SAU shall provide itemized invoices to RSU 14 for such special education costs on a quarterly basis payable on or before October 1, January 1, April 1, and June 1 with a final reconciliation prior to the end of the fiscal year in which the special education costs are incurred.

H. The New Raymond SAU Responsibility for Career and Technical Education Costs.

RSU 14 students receive career and technical education opportunities from Westbrook and Portland School Departments. Pursuant to section 5805(1) of Title 20-A, the costs of career and technical education are not included in the statutory tuition rate and are paid directly to the school administrative units that own the career and technical education centers. Nonetheless, RSU 14 is subject to assessment for certain costs not subsidized by the state, such as certain "Part 2" budget costs under the terms of the technology center cooperative agreements. To the extent RSU 14 is assessed any amounts for career and technical education costs (including technology center debt service costs, if any, assessed from time to time by Portland or Westbrook to RSU 14) that are attributable to Raymond resident secondary students (which attribution could be due to attending RSU 14 secondary school and/or attending the technology center, depending upon the cooperative agreement cost sharing formula in effect from time to time), the New Raymond SAU shall reimburse RSU 14 for those costs.

5. **Need for School Construction.** The Parties agree that the withdrawal will not cause a need within 5 years from the Effective Date for school construction projects that would be eligible for state funds. This does not include a need for a school construction project that existed prior to the Effective Date or a need that would have arisen even if Raymond had not withdrawn.

6. **Transportation.** RSU 14 shall not be required to provide transportation services for Raymond students attending an RSU 14 school pursuant to this Agreement, except as provided below. During the 10 years commencing on the Effective Date, the New Raymond SAU shall be responsible to provide transportation services at its own expense to and from a single location in Raymond, the Sheri Gagnon Memorial Park, for all Raymond resident secondary students attending RSU 14 schools. RSU 14 shall provide transportation services at its own expense for Raymond resident secondary students to attend RSU 14 schools during the school day between that location and the applicable RSU 14 schools, including one late bus run back to that location. RSU 14 shall also provide transportation at its own expense for Raymond resident secondary students attending RSU 14 schools that participate in career and technical education in Westbrook and Portland. RSU 14 shall provide and pay for transportation of RSU 14 resident elementary students attending Raymond schools in the first year following withdrawal pursuant to Section 3.B above.

The New Raymond SAU shall provide and pay for transportation of Raymond resident primary school students attending RSU 14 schools in the first year following withdrawal pursuant to Section 3.B above. The New Raymond SAU shall provide and pay for transportation of Raymond middle school students attending RSU 14 schools in the first year following withdrawal pursuant to Section 3.B above to a single location in Raymond, the Sheri Gagnon Memorial Park, and RSU 14 shall provide transportation services at its own expense for these students between that location and the applicable RSU 14 schools, including one late bus run back to that location. The parties have identified 6 buses currently serving Raymond students that will be transferred by RSU 14 to the New Raymond SAU on the effective date of withdrawal, including Bus #02 (2014 Intl), Bus #07 (2014 Intl), Bus #16 (2012 Intl), Bus #18 (2019 Intl), Bus #25 (2015 Intl) and Bus # 04 (2008 Freightliner). The parties also have identified 4 vans currently serving Raymond students that will be transferred by RSU 14 to the New Raymond SAU on the effective date of withdrawal, including Van #03 (2016 Kia Sedona), Van #06 (2017 Kia Sedona), Van #12 (2016 Dodge Caravan) and Van #05 (2016 Kia Sedona). See Exhibit A. All vehicles transferred by RSU 14 to the New Raymond SAU under this paragraph shall bear current inspection certificates, indicating that they passed inspection. Any inspection of a bus or van required upon transfer, or required on or after the Effective Date, shall be the responsibility of the New Raymond SAU. Any outstanding lease purchase agreements or other financial obligations that financed the buses or vans transferred shall be the obligation of the New Raymond SAU as set forth below.

7. Allocation and Distribution of Financial Commitments and Services under Long Term Contracts. By way of clarification, this section includes the allocation of certain long term financial commitments, including long term employment commitments to individual employees. Collective bargaining agreements and rights of continuing contract employees are addressed elsewhere in this Agreement.

A. RSU 14 Employment Commitments. The parties agree that as of the Effective Date, RSU 14 shall be fully responsible for the costs of its employees, including any employees with long term individual employment contracts that extend beyond the Effective Date. The New Raymond SAU shall be responsible at its own expense to contract for any long term individual employment contracts it may require, including, if applicable, a principal, a superintendent of schools, and other administrative and central office positions.

B. Other RSU 14 Financial Commitments: Vendor Contracts. The New Raymond SAU agrees to assume and be solely liable for and at its own expense to pay any amounts that come due on or after the Effective Date under the Vendor Contracts related to maintenance, care and servicing of Raymond Elementary School or Jordan Small Middle School, or equipment and other tangible personal property located at or servicing Raymond Elementary School or Jordan Small Middle School. These Vendor Contracts are listed in Exhibit B. RSU 14 may, as of the Effective Date or thereafter, and following 30 days advance written notice to the New Raymond SAU, have the vendors issue replacement Vendor Contracts to the new Raymond SAU. To the extent the vendor is not agreeable to replacement contracts, the New Raymond SAU shall pay and perform and otherwise fully comply with the terms and conditions of the existing Vendor Contract. Notwithstanding anything in this Section B to the contrary, the parties agree to allocate their responsibility for vendor contracts, including design and construction contracts, for improvements to RSU 14 schools funded by certain SRRF loans approved by the Department of Education in accordance with Exhibit G.

The parties acknowledge that RSU 14 belongs to a CES buyer consortium and has negotiated the purchase of power output credits based upon a percentage of measured usage in its facilities, including Raymond schools. The parties agree that these contracts are not Vendor Contracts, and are not assigned to or assumed by the New Raymond SAU. The benefits and risks of these contracts belong to RSU 14, irrespective of whether the remaining facilities of RSU 14 have the capacity for all the credits RSU 14 has agreed to purchase.

8. Financial Commitments from Outstanding Bonds, Notes, and Lease Purchase Agreements; Contingent Liabilities.

A. Debt and Lease Purchase Obligations Generally. 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, provided that the withdrawal agreement may provide for alternate means for retiring outstanding indebtedness.

B. Debt Obligations Issued by Town of Windham Prior to Formation of RSU 14. Prior to the formation of RSU 14, the Town of Windham issued a 2003 \$35,787,000 bond for various

purposes, including bond principal of \$32,787,000 for Windham High School. The amount of bond principal for Windham High School is allocated between a local only portion and a state subsidized ("state/local") portion, as follows:

<u>Date Issued</u>	<u>Amount Issued</u>	<u>Purpose/Type</u>	<u>Final Maturity Date</u>	<u>Outstanding Principal Balance as of July 1, 2021¹</u>
11/01/03	\$7,181,000	Windham High School (local only debt)	11/01/23	\$1,140,000
11/01/03	\$25,606,000	Windham High School (state subsidized)	11/01/24	\$5,120,000

C. Debt Service on Windham High School. As an alternate means of retiring outstanding local only and state/local bonds issued by the Town of Windham for Windham High School as set forth above, the parties agree that as of the Effective Date, RSU 14 will be fully responsible at its own expense for amounts owed to the Town of Windham for that debt service, and that the New Raymond SAU shall have no obligations for those payments.

D. Debt Obligations Issued by Town of Raymond Prior to Formation of RSU 14. Prior to the formation of RSU 14, the Town of Raymond issued a 1999 \$7,795,145 bond for an elementary school. This bond will be retired by RSU 14 on November 1, 2019, prior to the Effective Date.

E. Financial Commitments Issued by RSU 14 Prior to Vote to Withdraw. During FY 2018-2019, FY 2019-2020 and FY 2020-2021, RSU 14 may issue bonds or notes to enter into additional lease purchase financing arrangements to upgrade facilities at RSU 14'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 need. For any debt issued or incurred by RSU 14 before Raymond votes to withdraw, RSU 14 will remain intact for purposes of retiring and securing that indebtedness. If Raymond subsequently votes to withdraw and if such bonds, notes or lease purchase obligations relate solely to school facilities located outside of Raymond, as an alternate means for retiring such indebtedness or lease purchase obligations under 20-A M.R.S. § 1466(16), RSU 14, exclusive of Raymond, hereby agrees to pay such indebtedness.

¹ Numbers to be verified before Agreement is finalized. RSU 14 to verify all numbers.

Where possible during this period, RSU 14 shall issue any bond, note, or lease purchase agreement which relates to school facilities in Raymond separately from any other obligation which benefits schools in Windham. To the extent that such bonds, notes, or lease purchase obligations relate solely to school facilities located in Raymond, as an alternate means of retiring this indebtedness or lease purchase obligations, the New Raymond 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 Raymond SAU with no contribution or participation by RSU 14. To issue such obligations on a tax advantaged (tax exempt or tax credit) basis, RSU 14 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 Raymond, following withdrawal, the New Raymond 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 Raymond SAU shall be fully bound by all of the terms and representations made by RSU 14 in connection with the issuance of any such financial obligations. Notwithstanding anything in this Section E to the contrary, the parties agree to allocate their debt and other obligations for certain SRRF loans approved by the Department of Education in accordance with **Exhibit G**.

F. Lease Purchase and Other Agreements. **Exhibit B** lists all lease purchase and other agreements that relate to buses, photocopiers, other equipment, or real or personal property transferred to the New Raymond SAU or that relate to the New Raymond SAU schools, including without limitation the boiler lease purchase agreement for Jordan Small School. The New Raymond SAU may elect to prepay the Jordan Small boiler lease by issuing a new lease or by other means. RSU 14 shall deduct either the Total Raymond lease obligation amount shown in **Exhibit B** or that amount net of the prepaid boiler lease balance, as applicable, from the fund balances required to be paid to the New Raymond SAU under section 10 of this Agreement. If the New Raymond SAU did not elect to prepay the Jordan Small boiler lease, RSU 14 shall promptly prepay the Jordan Small boiler lease. RSU 14 shall make the lease payments on the other leases in **Exhibit B** on or before their due dates. With respect to financial obligations relating to such transferred property relating to the New Raymond SAU schools, the New Raymond SAU shall be responsible for continued compliance with any tax and other certifications and representations with respect to the financial obligations, the proceeds of the

financial obligations, and the financed property. By this Agreement, the New Raymond SAU shall be fully bound by all of the terms and representations made by RSU 14 in connection with the issuance of any such financial obligations.

G. Contingent Liabilities.

- A. The Parties acknowledge that RSU 14 may be liable for future legal claims based on incidents arising prior to the Effective Date, when Raymond was a member of RSU 14. The New Raymond SAU shall be responsible for and agrees to pay 35% of RSU 14's costs, expenses, damages, and other losses arising from such claims, including costs to defend such claims, to the extent that RSU 14's costs, expenses, damages, and other losses are not covered by insurance or other sources. RSU 14 shall give written notice of any existing claims to the New Raymond SAU within 30 days after the date that this agreement is executed by the parties. RSU 14 shall give written notice of any new claims to the New Raymond SAU within 30 days after RSU 14 receives notice of a claim. RSU 14 shall regularly update the New Raymond SAU regarding the status of such claims, and shall consult with the school board or as applicable the superintendent of the New Raymond SAU before entering into a settlement of such claims.
- B. In the event that RSU 14 becomes the subject of a federal or state audit for a period when Raymond was a member of RSU 14 and as a result of such audit, RSU 14 becomes subject to any payment obligation or withholding by federal or state authority, then the New Raymond SAU shall reimburse RSU 14 for 35% of the amount of such payment obligation or withholding relating to the period when Raymond was a member of RSU 14 including without limitation, any interest and penalties thereon, within thirty (30) days of any such payment by RSU 14 or any such withholding from RSU 14. If as a result of such audit RSU 14 receives any rebate, refund, credit or overpayment from any federal or state authority, then RSU 14 shall reimburse the New Raymond SAU for 35% of such rebate, refund, credit or overpayment within thirty (30) days of receipt of any such payment or credit to RSU 14.

H. Transportation Facility Obligations. As of the Effective Date, RSU 14 assumes and agrees to pay all lease and other obligations to the Town of Windham associated with the joint transportation facility. In the unexpected event that DOE allocates some or all of transportation facility lease payments that qualify for purposes of state transportation subsidy between the New Raymond SAU and RSU 14, the New Raymond SAU shall pay RSU 14 the amount the New Raymond SAU is allocated. This payment shall be made by December 31 of each year in the year of allocation.

9. New Financial Commitments Issued After Vote to Withdraw but Prior to the Effective Date. If Raymond votes to withdraw from RSU 14, during the period between the date of the vote to withdraw and the Effective Date, pursuant to applicable provisions of law (including without limitation sections 5721, 5724(4) and 5772 of Title 30-A), Raymond shall have the responsibility to issue such debt (including lease purchase agreements) as it deems necessary to make unexpected or emergency repairs, or other renovations as it deems necessary, to Raymond Elementary School or Jordan Small Middle School. If Raymond issues a bond or note or enters into a lease purchase agreement for such repairs, renovations or upgrades, these obligations shall be issued in the name of Raymond and shall be the sole responsibility of Raymond with no contribution from RSU 14. Until the schools are transferred to the New Raymond SAU, the parties shall reasonably cooperate to complete the financed renovations, upgrades or repairs to effect the same without unnecessarily interfering with the operation of the schools.

In addition, if Raymond votes to withdraw from RSU 14, during the period between the date of the vote and the Effective Date, RSU 14 may issue bonds or notes or enter into lease purchase financing arrangements to upgrade facilities at RSU 14 facilities outside of Raymond. Pursuant to 20-A M.R.S. § 1466(16), RSU 14 will remain intact for purposes of retiring and securing that indebtedness. RSU 14, however, hereby agrees to assume, and at its own expense to pay, such obligations entirely from its own funds with no contribution or participation from the New Raymond SAU.

10. Undesignated Fund Balance and All Other RSU 14 Funds. Within thirty (30) days of a finalized audit for the year prior to the Effective Date, RSU 14 shall pay to the New Raymond SAU 35% of RSU 14's undesignated fund balance as of the June 30 immediately preceding the Effective Date, less the amount withheld for lease payments under section 8.F above. Funds for summer salaries and benefits obligations for that year shall not be included in RSU 14's

undesignated fund balance as of June 30 of that year, but rather shall be treated as encumbered funds to be used to pay salary and benefit obligations of RSU 14. Within thirty (30) days of that finalized audit, RSU 14 shall pay to the New Raymond SAU all grant moneys, donations and scholarship funds as of June 30 prior to the Effective Date that are specifically dedicated to the Raymond Elementary School, Jordan Small Middle School or to Raymond students, and 35% of all capital and other reserve account balances held by RSU 14 as of June 30 prior to the Effective Date that are not appropriated for expenditure by the RSU 14 voters. The audit relied upon by RSU 14 to determine the amount of the year end undesignated fund balance, reserve accounts, and grant moneys, donations and scholarship funds dedicated to Raymond Elementary School, Jordan Small Middle School or to Raymond students shall be based upon generally accepted accounting principles, including accrual of expenses.

11. Collective Bargaining Agreements. RSU 14 is a party to the following collective bargaining agreements:

Union	Bargaining Unit	Expiration Date
Sebago East Shore Educational Association	Teachers, etc.	August 21, 2021 0
Raymond Windham Educational Support Professional Association	Support Staff	June 30, 2021 0
RSU 14 Administrators Association	Administrators	June 30, 2023 0

A. Collective bargaining agreements listed above that are in effect on the Effective Date and that expire after the Effective Date shall, to the extent they cover employment positions that will be included in the New Raymond SAU, be assigned to and assumed by the New Raymond SAU as of the Effective Date. Prior to the Effective Date, a list of positions located in Raymond Elementary and the names of persons filling those positions will be attached to this Agreement by RSU 14 as Exhibit C.

B. After withdrawal is approved by the voters of Raymond, RSU 14 shall have no further authority to bargain with respect to employment positions to be assigned to the New Raymond SAU for any period following the Effective Date.

C. If any collective bargaining agreement covering employment positions to be included in the New Raymond SAU has expired and no successor agreement has been executed as of the Effective Date, the New Raymond SAU shall maintain the static status quo existing under the expired agreement with regard to employment positions that will be included in the New Raymond SAU.

D. Employees occupying employment positions that are included in existing bargaining units and are to be included in the New Raymond SAU shall continue to be represented by the bargaining agents representing them before the Effective Date.

E. Positions of employees who work more than 50% of their time at schools or in positions serving the Raymond Elementary School or Jordan Small Middle School shall be assigned to the New Raymond SAU.

F. Liability for encumbered payroll and benefits accrued by employees for the school year immediately preceding the Effective Date, but not paid as of the Effective Date will remain with RSU 14.

12. Continuing Contract Rights under Section 13201.

A. On the Effective Date, all continuing contract teachers assigned to the New Raymond SAU, and having a right to continued employment as of the Effective Date, shall become continuing contract teachers of the New Raymond SAU. Prior to the Effective Date, a list of positions located in Raymond Elementary and the names of persons filling those positions will be attached to this Agreement by RSU 14 as Exhibit D.

B. The New Raymond SAU shall credit probationary teachers assigned to the New Raymond SAU who become employees of the New Raymond SAU with prior consecutive years of probationary service, if any, that they accumulated as employees of RSU 14.

C. The RSU 14 Board shall refrain from filling positions at Raymond Elementary for periods of employment beginning on or after the Effective Date. The New Raymond SAU shall be responsible for decisions on new probationary contracts or continuing contracts to probationary teachers occupying positions assigned to the New Raymond SAU for periods of employment

beginning on or after the Effective Date, and shall assume responsibility under 20-A M.R.S. §§13201 and 13303 to notify any employees whose positions are assigned to the New Raymond SAU of its intent with respect to their employment following the Effective Date.

13. Disposition of Real and Personal Property. Except as expressly provided otherwise herein, RSU 14 shall be responsible for its own attorneys' fees, and the New Raymond SAU shall be responsible for its own attorneys' fees, as well as for the cost of all recording, registration and filing fees and all transfer, re-titling, inspection and other taxes, fees or charges of any governmental authority to effectuate the transfer of any property pursuant to this Agreement. All transfers and assignments shall be without warranty or covenant of title of any kind, and subject to rights and interests of lessors, lessees, secured parties, and others, if any, whether or not recorded or filed of record.

A. Real Property: RSU 14 shall convey all right, title and interest in and to the Raymond Elementary School, the Jordan Small Middle School, and related premises, including the bus turnaround, to the New Raymond SAU, including the building, grounds and all improvements and fixtures thereon, all as set forth in the deed attached hereto as Exhibit E and made a part hereof (collectively, the "*Real Estate*") by quitclaim deed. The New Raymond SAU shall have its own attorney prepare this deed and related transfer documents for review by RSU 14 and its attorney. Each party shall each bear the cost of its own attorneys' fees for real estate transfer and related documentation, and the New Raymond SAU shall bear the costs of recording and any transfer or other taxes or charges of any government authority to effectuate the transfer of real estate title.

B. Personal Property: All right, title and interest of RSU 14 in and to the school buses and vans listed in Exhibit A, and all tangible personal property of RSU 14, including moveable equipment, furnishings, textbooks and other curriculum materials, supplies, and inventories, located within or on Raymond Elementary School and Jordan Small Middle School premises as of January 1, 2019, and through the Effective Date, shall become the property of the New Raymond SAU on the Effective Date, including Pre-K property, if any. RSU 14 shall be responsible for transferring the bus and van title certificates. The New Raymond SAU shall have its own attorney prepare a quitclaim bill of sale for the personal property to be transferred for review by RSU 14 and its attorney. If the New Raymond SAU requires an itemized list of property for attachment to the bill of sale, it shall prepare that list at its cost and expense for RSU

14's approval. Each party shall bear the cost of its own attorneys' fees for personal property transfer and related documentation.

Pursuant to section 1466(19) of Title 20-A, the RSU 14 Board has determined that its education program will not be disrupted solely because of the transfer of the real estate and tangible personal property identified in this Agreement to be transferred to the New Raymond SAU.

As of the Effective Date, license agreements and software for the direct operation of Raymond Elementary School, Jordan Small Middle School, and equipment and other tangible personal property transferred by this Agreement shall be assigned by RSU 14 to the New Raymond SAU to the extent permitted by the terms of the licensing or software agreements, and to the extent such transfer is permissible under the terms of such agreements without imposition of any additional fee or cost to RSU 14 or any limitation or restriction on RSU 14's use of such license or software agreement in connection with RSU 14's other facilities, equipment and operations. For purposes of the preceding sentence, "direct operation" does not include RSU 14's software and licenses pertaining to its central office operations serving its schools, including Raymond Elementary School and Jordan Small Middle. Thus for example, RSU 14's accounting software is not assigned or transferred under this Agreement. The New Raymond SAU shall be responsible for purchasing all of its central office licenses and software, including accounting software. Any transfers of software and license agreements are further subject to the terms and conditions of such agreements, which the new Raymond SAU assumes and agrees to pay.

C. Cooperation; Records. RSU 14 and Raymond shall reasonably cooperate to effect the withdrawal. All RSU 14 files and records in any form, including computer files, shall remain the property of RSU 14. Files and records applicable to Raymond, Raymond employees or Raymond students, to the extent reasonably necessary and not prohibited by applicable privacy, confidentiality or other laws, shall be made available solely to duly authorized school officials of the New Raymond SAU for (i) review at an agreed time following reasonable notice during the regular business hours of RSU 14 and (ii) copying upon the request of the New Raymond SAU. RSU 14 shall provide its copiers at no expense for said officials of the New Raymond SAU to make copies under this section.

14. Transition of Administration and Governance. If this Agreement is approved by the Commissioner of Education and the voters of Raymond, the administration and governance of

education for Raymond students will be transferred from RSU 14 to the New Raymond SAU as of the Effective Date. Prior to the Effective Date, Raymond shall elect a school committee ("*School Committee*"). The School Committee shall have authority to take all actions necessary to prepare for the establishment of the New Raymond SAU, including but not limited to establishing a budget for the fiscal year that commences on the Effective Date, and shall constitute the governing committee of the New Raymond SAU.

If this withdrawal agreement is approved by the Commissioner of Education and the withdrawal of Raymond as of the Effective Date is approved by the voters of Raymond, the voters of Raymond shall not participate in the approval of the RSU 14 budget or other RSU 14 budget or other matters for the fiscal year commencing on the Effective Date at either the budget meeting or the budget validation referendum.

15. Child Nutrition; Raymond Budget; Equitable Allocation of Entitlement Programs

- A. The New Raymond SAU will provide child nutrition services in compliance with state and federal law at the schools it operates. The New Raymond SAU will employ a qualified individual to oversee the nutrition program, and will continue to provide food service with the kitchen staff at Raymond Elementary School and Jordan Small Middle School.
- B. Pursuant to 20-A M.R.S. §1466(4)(A)(13), the Raymond withdrawal committee has prepared an anticipated budget for the first year of operation of schools by the New Raymond SAU, attached as **Exhibit F**, which includes its estimate of all revenues and expenditures for the year following the Effective Date in accordance with the cost center summary budget format pursuant to Title 20-A, section 1485 of the Maine Revised Statutes. RSU 14 has not prepared or reviewed **Exhibit F**, which is the work product solely of the Raymond withdrawal committee.

C. During the first year following the Effective Date, to the extent not allocated by the Maine Department of Education, RSU 14 will allocate and pay to the New Raymond an equitable share of funds received by RSU 14 that year attributable to elementary grades for Local Entitlement, Title I, Title II, Title III, Title IV and Title V programs. "Equitable share" means such federal funds will be allocated to provide maintenance of comparable effort at schools located in Raymond and in Windham with amounts adjusted from the prior year to reflect changes in funding levels as well as, where applicable, changes in schools' enrollments of students targeted by those programs.

16. Dispute Resolution. Any dispute between the New Raymond SAU and RSU 14 (each a "**Party**" and collectively the "**Parties**") arising out of or relating to this Agreement shall be resolved in accordance with this section 15. Either Party may give written notice of a dispute arising out of or related to this Agreement to the other Party by certified mail, return receipt requested. The 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 notified Party. If the dispute has not been resolved within said thirty (30) days, either Party may serve written notice by certified mail, return receipt requested, on the other Party of a request for mediation, which request shall trigger required mediation between the Parties. 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 ninety (90) days from the date of receipt of the request for mediation. The Parties shall share the cost of the mediator, but each shall bear its own costs related to mediation. If the Parties are not able to reach agreement with the assistance of the mediator, then each retains all rights and remedies provided by law, including 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 M.R.S. § 1466(4)(B) and approval by a majority of the voters of the Town of Raymond casting votes at a referendum conducted in Raymond in which the total number of votes cast equals or exceeds 50% of the number of the total number of votes cast in Raymond for Governor in the last gubernatorial election as required by 20-A M.R.S. § 1466(9).

18. Applicability to Successor School Administrative Units. Upon approval by the Maine Commissioner of Education and pursuant to 20-A M.R.S. § 1466(9), approval by a vote of the Town of Raymond as aforesaid, this Agreement shall be binding upon the Town of Raymond, the New Raymond SAU, and any successor school administrative units that the New Raymond SAU may join, merge with or otherwise be included in as a member, and on RSU 14 and its successor school administrative units. Accordingly, the terms of this Agreement shall be incorporated by reference into any Reorganization Plan to which Raymond, the New Raymond SAU, or RSU 14, or their respective successor school administrative units, is or becomes a party.

19. Amendment. This Agreement may be amended by vote of the RSU 14 school board and the elected school board of the New Raymond SAU (or the Raymond Withdrawal Committee if

a Raymond school board has not yet been elected), either before or after the Effective Date. Any such amendment shall be effective only if in writing, signed by duly authorized representatives of the parties to the amendment. No such amendment shall be effective unless approved by the Commissioner of the Maine Department of Education.

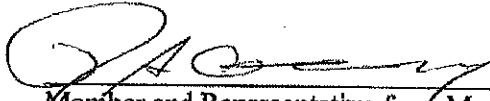
20. Miscellaneous. This Agreement may not be assigned and shall be interpreted, governed, construed, and enforced in accordance with the laws of State of Maine, without regard to any of its conflict of laws principles. This Agreement contains the entire agreement between the Parties in relation to its subject matter, and there are no other agreements or understandings, oral or otherwise, between the Parties at the time of execution of this Agreement. Each Party represents that its signatory to this Agreement is duly authorized by that Party to execute this Agreement and in so doing to bind that Party to its terms. 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. If any provision(s) of this Agreement is determined to be invalid or unenforceable in whole or in part for any reason, 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. 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 Follows]

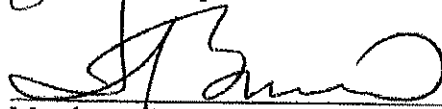
Signed at Raymond, this ^{24th}~~16th~~ day of ~~July~~²⁰²⁰, ~~2019~~

The Withdrawal Committee of the Town of Raymond:

Member from the RSU 14 School Board



Member and Representative from Municipal Officers

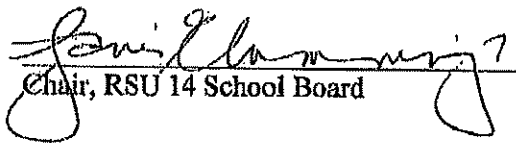


Member at Large



Member of Petitioning Group

Signed at ~~Raymond~~, this 16 day of July, ²⁰²⁰~~2019~~



Chair, RSU 14 School Board

Signed at Augusta, this 14th day of August, ²⁰²⁰~~2019~~

Approved as a Final Withdrawal Agreement under 20-A M.R.S. §1466(5)



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Pender Makin

Commissioner of Education

List of Exhibits

- Exhibit A: Buses and vans to be transferred to the New Raymond SAU
- Exhibit B: List of contracts and lease purchase agreements relating to Raymond Elementary School and Jordan Small Middle School, including leases of equipment, buses and vans
- Exhibit C: List of employees and positions covered by CBAs and assigned to Raymond
- Exhibit D: List of continuing contract teachers and probationary teachers with their number of years of service toward continuing contract status, assigned to Raymond
- Exhibit E: Real Estate description for Raymond Elementary School and Jordan Small Middle School
- Exhibit F: Raymond Budget

Raymond Withdrawal Agreement

EXHIBIT A

Buses and vans to be transferred from RSU 14 to the New Raymond SAU

Buses

Bus 02	2014 INTERNATIONAL	4DRBUAAN6EB781949
Bus 04	2008 FREIGHTLINER-C2	4UZABRCS28CY10073
Bus 07	2014 INTERNATIONAL	4DRBUAAN2EB781950
Bus 16	2012 INTERNATIONAL-CEXTND	4DRBUAAN9CB395765
Bus 18	2019 INTERNATIONAL	4DRBUC8N0KB134086
Bus 25	2015 INTERNATIONAL-CE	4DRBUC8N3FB646060

Vans

VAN 03	2016 KIA SEDONA	KNDMB5C14G114720
VAN 05	2016 KIA SEDONA	KNDMB5C15G6102902
VAN 06	2017 KIA SEDONA	KNDMB5C10H6220048
VAN 12	2016 DODGE GRAND CARAVAN	2C4RDGCG7GR373470

Raymond Withdrawal Agreement
EXHIBIT B

**Vendor Contracts and Lease Purchase Agreements Related to
Raymond Elementary School and Jordan Small Middle School. Including Leases for
Equipment, Buses and Vans**

VENDOR CONTRACTS						
Service	Vendor	Date of Contract	Total Contract Cost	Percent allocable to Raymond	Remaining Contract Term as of July 1, 2021	Notes
HVAC Prev. Maint. for RES and JSM	Mechanical Services	August 6, 2019	\$13,410	100%	One year	To be assumed by Raymond
Snowplowing for RES and JSM	Town of Raymond	N/A No contract	N/A; provided by town	100%	N/A	No contract

LEASE PURCHASE AGREEMENTS								
Lease Number	Lease	Date of Lease	Original Equipment Principal Cost	Interest Rate	Total of remaining payments (principal and interest) as of July 1, 2021	Percent Allocable to Raymond	Raymond's obligation	# years of payments remaining
5316039862	Androscoggin Bank – Copiers		\$363,296	2.59%	\$155,472.18	15%	\$23,320.83	2 years left
	Apple Financial – Grade 4 & 5 MacBook Airs		\$592,555	0.00%	\$148,138.85	18%	\$26,664.98	1 year left
ME1049-31	Gorham Leasing 2 International Buses		\$175,000	3.64%	\$112,630.36	50%	\$56,315.28	3 years left
PUB18665	Apple Financial K-1/Sped iPads		\$95,359	2.68%	\$80,374.36	18%	\$14,467.38	4 years left
PUB17804	Apple Financial K-3 iPads		130,341	1.59%	\$66,720.44	18%	\$12,009.68	2 years left
	Gorham Leasing Jordan Small Boiler	2019	\$130,000	2.98%	\$110,195.72	100%	\$110,195.72	4 years left;

Total Raymond Lease obligation:

\$242,973.87

Total net of boiler lease obligation, if prepaid by Raymond:

\$132,778.15

Raymond Withdrawal Agreement

EXHIBIT C

**List of CBA employment positions located in
Raymond Elementary School and Jordan Small Middle School
(Exhibit to be provided before the Effective Date)**

Raymond Withdrawal Agreement

EXHIBIT D

**List of continuing contract teachers and probationary teachers (w/# years of service)
assigned to Raymond (to be provided before the Effective Date)**

Raymond Withdrawal Agreement

EXHIBIT E

Deeds to Raymond Elementary School and Jordan Small Middle School

See attached deed from the Inhabitants of the Town of Raymond, a/k/a the Town of Raymond, to Regional School Unit No. 14, dated May 13, 2015, and recorded in the Cumberland County Registry of Deeds in Book 3227, Page 108.

Exhibit F

Raymond Budget Document in Cost Center Summary Budget Format
[To be provided by Raymond Withdrawal Committee Prior to Signing of Withdrawal Agreement]

Raymond Draft Budget Exhibit F

Projected Expenditures

Cost Centers	2021-2022
Regular Instruction	\$6,429,080
Special Education	\$1,585,071
Career and Technical	\$0
Other Instruction	22,712
Student and Staff Support	995,612
System Administration	296,715
School Administration	418,941
Transportation and buses	727,102
Facilities Maintenance	938,844
Debt Service	100,000
Nutrition	180,000

TOTAL EXPENDITURES	\$11,694,077
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Projected Revenues	2021-2022
Balance Forward	150,000
State Funds	713,282
Local Funds	10,830,795
Misc	0

TOTAL REVENUES	\$11,694,077
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difference	\$0
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Exhibit G
New SRRF Loans and Construction Contracts

In 2020, the DOE approved certain School Revolving Renovation (“SRRF”) loans for design and construction of health safety and other Priority I repairs and improvements to schools in Raymond and Windham. Principal forgiveness will be 40.20% of the approved loan amounts. The bonded indebtedness will be 59.80% of the approved amounts. Interest on the bonded indebtedness will be 0%. The amount of principal forgiven and the amount invoiced for principal indebtedness evidenced by the bond face amount will be adjusted to reflect the amounts advanced for approved project costs. Repayment is over ten (10) years.

RSU 14 intends to seek referendum approval of the SRRF loans in June 2020, which date may be delayed by pandemic emergency. RSU 14 will present the SRRF bonds to the voters in a single referendum question.

If approved by RSU 14 voters, it is in the interests of both parties that RSU 1 proceed with the SRRF bonds and improvements.

If approved by the RSU 14 voters, RSU 14 will use separate loan agreements and bonds for the SRRF loans for Windham schools (“Windham SRRF Obligations”) and Raymond schools (“Raymond SRRF Obligations”) through the Maine Municipal Bond Bank (“MMBB”). Likewise, RSU 14 shall use separate design and construction contracts.

RSU 14 will remain intact for purposes of these SRRF loan agreement obligations to MMBB and for purposes of retiring and securing that SRRF indebtedness.

If Raymond votes to withdraw, then pursuant to 20-A M.R.S. § 1466(16), (i) as an alternate means for performing the Windham SRRF Obligations, RSU 14, exclusive of Raymond, hereby agrees to perform the Windham SRRF Obligations from and after the Effective Date, and (ii) as an alternate means for performing the Raymond SRRF Obligations, the New Raymond SAU, exclusive of RSU 14, hereby agrees to perform the Raymond SRRF Obligations from and after the Effective Date.

If the MMBB has not agreed that RSU 14 may deliver two separate SRRF loan agreements and bonds without reduction in maturity schedule, then RSU 14 shall deliver a single loan agreement and bond for the Windham SRRF obligations and the Raymond SRRF obligations. In that case, if Raymond subsequently votes to withdraw, then pursuant to 20-A M.R.S. § 1466(16), as an alternate means of performing the SRRF loan agreement obligations and retiring the SRRF indebtedness, from and after the Effective Date each party hereby agrees to assume, and at its own expense to pay on or before the due dates, its ratable share of such indebtedness and any SRRF loan agreement obligations from its own funds with no contribution or participation by the other party. Each party's ratable share shall be determined in accordance with the respective unforgiven loan amounts for Raymond and Windham schools, subject to adjustment to reflect amounts advanced for approved project costs.

By this Agreement, the New Raymond SAU shall be fully bound by all of the terms and representations made by RSU 14 in connection with the SRRF loan agreement(s) and the SRRF bonds.

If approved by the RSU 14 voters, RSU 14 shall use separate vendor contracts, including design and construction contracts. Where applicable, the contracts for the Raymond projects shall be based upon contracts approved for use by the Bureau of General Services/Bureau of Real Estate Management for public school projects, and pursuant to Title 14 MRSA §871 shall be secured by payment and performance bonds.

The parties anticipate that the improvements to Raymond schools will not be completed until after school starts following the Effective Date. RSU 14 agrees to complete the administration of construction and design services through final completion. RSU 14 shall make decisions in good faith but in its sole discretion. The New Raymond SAU shall cooperate with those decisions, including the continuation of construction during the school year if necessary. If permitted by the MMBB and the Department of Education, RSU 14 may in its discretion provide for the vendor contracts to be assigned to and assumed by the New Raymond SAU, in which case in the exercise of its sole reasonable discretion, RSU 14 may assign the vendor contracts to the New Raymond SAU. If so assigned, the New Raymond SAU shall fully assume and perform the owner's obligations to be performed under those contracts from and after the date of such assignment. The New Raymond SAU shall execute and deliver an assignment and assumption agreement in form prepared by RSU 14 for that purpose, and shall release RSU 14 from all claims with respect to RSU's obligations under those contracts. The parties expressly recognize the possibility of construction change order increases related to improvements to Raymond

schools, and that in order to pay for such additional costs, the scope of work for improvements to Raymond schools may need to be reduced. In no case shall RSU 14 be liable for such increased costs from its own funds.