

SETTLEMENT AGREEMENT

THIS AGREEMENT is made as of August 8, 2016, by and between the Manchester School District (Manchester) and the Candia School District (Candia).

WHEREAS, Manchester and Candia (hereinafter “the Parties”) are parties to a 20-year High School Maintenance Agreement dated July 1, 2003 (hereinafter “the Agreement”) under which the Candia School District, the Auburn School District and the Hooksett School District (hereinafter “the Sending Districts”) now or did pay tuition to send their public high school students to Manchester high schools; and

WHEREAS, the Agreement obligates the Sending Districts to pay Manchester tuition on a per student basis (“base tuition” under paragraph 5(a) of the Agreement) together with a portion of Manchester’s capital costs (“capital costs” under paragraph 5(b) of the Agreement) for improvements made to Manchester’s school facilities; and

WHEREAS, each Sending District under the Agreement has the right to terminate its participation in the Agreement without cause by providing notice at least two (2) years prior to the end of the 5th year (2008), the 10th year (2013) or the 15th years (2018) of the Agreement, and Auburn and Hooksett have previously given such notice and have terminated the Agreement; and

WHEREAS, Candia contends that under the terms of the Agreement the capital cost paid by a Sending District the last year all that withdrawing Sending District’s students attended Manchester (defined as the “continuing cost obligation amount” under paragraph 5(b)(iv) of the Agreement) is deducted from the capital cost obligation of any of the remaining SAU 15 districts for the remaining term of the agreement thereby relieving Candia of any obligation for capital costs since 2014 due to the amount of the “continuing cost obligation amount” of the previously withdrawing districts; and

WHEREAS, Manchester disputes Candia's position and claims Candia owes capital costs for the 2013-2014 school year, the 2014-2015 school year, and the 2015-2016 school year and will continue to owe capital costs in future years in various amounts for as long as Candia maintains students in Manchester under the Agreement; and

WHEREAS, the Parties are therefore in a dispute as to the amount of capital cost Candia owes now and will owe Manchester in the future under the Agreement; and

WHEREAS, it is agreed that Candia is entitled under the parties' Agreement to terminate the Agreement in 2018 and it has done so by providing notice before June 1, 2016 of its intent to withdraw from and to terminate the agreement effective June 30, 2018; and

WHEREAS, following such notice and termination Candia can either (1) stop sending its students to Manchester after June 30, 2018 and thereby be relieved of any obligation to make any future payments whatsoever to Manchester after June 30, 2018, or (2) continue to send Manchester Candia's high school students in attendance in Manchester as of June 30, 2018 and pay Manchester base tuition for those students together with the "continuing capital cost obligation amount," if any, owed under the Agreement until all Candia students are no longer attending school in Manchester; and

WHEREAS, until June 30, 2018, Candia is required by Paragraph 1 of the Agreement to send all of its high school students to Manchester with the exception of those students who are approved for attendance elsewhere by the Candia School Board on a case-by-case basis; and

WHEREAS, Candia students may seek to attend high schools other than Manchester High Schools beginning in the 2016-2017 school year; and

WHEREAS, the Parties wish to buy peace and settle all disputes concerning the tuition Agreement;

NOW, THEREFORE, the Parties agree as follows:

1. Candia and Manchester's High School Maintenance Agreement will terminate on June 30, 2018.

2. Candia will pay Manchester \$322,386.50 within two (2) weeks after the date of this settlement.

3. Candia will pay Manchester base tuition for each Candia student attending Manchester schools (other than students residing in Candia accepted by Manchester pursuant to RSA 193:3, IV at the parents' expense) between now and when the last students graduate, in accordance with paragraph 5(a), 5(c) and 12 of the Agreement.

4. Candia will also pay Manchester the following amounts for capital costs in each designated year below regardless of whether any Candia students are attending Manchester schools during the given years:

<u>School Year</u>	<u>Fiscal Year</u>	<u>Amount</u>
2016-17	2017	\$146,165
2017-18	2018	\$135,871
2018-19	2019	\$124,930
2019-20	2020	\$113,503
2020-21	2021	\$101,856

5. After July 1, 2021, Manchester will allow special education students who were enrolled in Manchester during the 2017-2018 school year to remain enrolled in Manchester until they graduate or reach 21, whichever is first, and will allow regular education students who have not graduated within four years or who have moved to Candia from Manchester and would like to continue their education in Manchester, to remain enrolled until they graduate. Candia will pay tuition for each student so enrolled after July 1, 2021 based on paragraph 5(a), 5(c) and 12 of

the Agreement together with an additional fee for capital costs for each student equal to 10% of that student's tuition.

6. Beginning in July 2016, Candia may allow 9th graders in each succeeding school year to attend high schools outside of Manchester at Candia's expense.

7. Except as modified by this Settlement Agreement, the terms of the 2003 High School Maintenance Agreement shall remain in effect after termination on June 2018 until Candia students in attendance in Manchester in the 2020-2021 school year no longer attend school in Manchester.

8. The Parties hereby mutually release and forever discharge each other from all claims either of them have or may have with respect to their rights and obligations under the 2003 High School Maintenance Agreement, "the Agreement," up to the date of this Settlement Agreement. Nothing in this Agreement shall eliminate or affect Manchester's obligation to provide educational services as set forth in the High School Maintenance Agreement while Candia students remain enrolled in Manchester.

9. The Parties further mutually agree that if Candia fails to make any payment to Manchester when due under this Settlement Agreement, then Candia shall, after written notice and a 20 day opportunity to cure, automatically become obligated to pay as liquidated damages to Manchester and not as penalty the additional sum of \$350,000.00 together with any outstanding amounts then due under this Settlement Agreement, as well as all reasonable and necessary attorneys fees incurred by Manchester in seeking to enforce this Settlement Agreement and interest at the rate of 10% per annum from the date any such sums are due. The Parties further mutually agree that the terms of this Settlement Agreement may be enforced by suit brought in the Superior Court of Hillsborough County Northern District.

IN WITNESS WHEREOF, the Parties hereto have set their hands and seals as of the date written above. This Agreement may be executed in multiple counterparts. Each of which shall be considered an original.

MANCHESTER SCHOOL DISTRICT

Mary
Witness

Mary
Witness

By: Theodore Gattas
Chairman, Board of School Committee

By: Alba Trovati
Superintendent of Schools, Duly Authorized

CANDIA SCHOOL DISTRICT

Robert G. Gattas
Witness

Robert G. Gattas
Witness

By: Nicole LaPlante 8/17/16
Chair, School Board

By: [Signature] 8/17/16
Superintendent of Schools, Duly Authorized