

AGREEMENT

THIS AGREEMENT made this March 10, 2011, by and between the AUBURN SCHOOL DISTRICT, situated in the County of Rockingham, State of New Hampshire (hereinafter called the "District"), and PINKERTON ACADEMY of Derry, County of Rockingham, State of New Hampshire (hereinafter called the "Academy").

WHEREAS the District does not maintain a high school, and is desirous having the pupils who seek a high school education attend high school in said Academy; and

WHEREAS in order to provide a high school education and career and technical education, the Academy must hire teachers and other personnel, and must construct, equip and maintain buildings and facilities as needed; and

WHEREAS the Academy is willing to receive the pupils and afford them such courses of instruction at a tuition to be determined annually on the basis of the per pupil cost of current expenses of operation and the cost of retiring debt for capital expenditures; and

WHEREAS the Academy would not undertake the maintenance, construction and equipping of buildings and facilities and would not incur any loans therefore unless the contract with the District is of sufficient term to allow the amortization of such loans.

NOW THEREFORE in consideration of the mutual promises contained herein, the parties hereto agree as follows:

The Academy agrees that in accordance with the terms of the contracts between the Academy and the contracting districts, it will provide an approved high school program to the contracting districts.

1. **Non-Contracting Districts** - Children of the Academy faculty and staff and other tuition paying students may be admitted by the Academy from non-contracting districts. These students shall pay tuition equal to that amount charged the contracting districts.

Further, that those students enrolled at the date of this agreement from non-contracting districts will be allowed to complete their program of studies until graduation.

2. **Academy Accreditation** - The Academy agrees that during the term of this contract, it will provide a course of studies for grades 9-12 and such facilities and equipment so that at all times during the term of this agreement, the Academy (1) qualifies as an approved high school according to New Hampshire statutes (NH R.S.A. 194:23 and 194:23b) and (2) is accredited by the New England Association of Secondary Schools and Colleges, Inc. by the Commission on Independent Schools.

3. **Special Education and Enrollment Outside of the Academy –**

(A) The District agrees to send and the Academy agrees to accept all of the pupils who are qualified to attend grades 9 through 12 to said Academy during the term of this contract, except for educationally disabled and exceptional students requiring special schools or special facilities, students who desire special vocational training not offered at said Academy, and students ordered by the State Board of Education to attend another school pursuant to NH R.S.A. 193:3. It is the Academy's intention to continue to provide schooling for educationally disabled and exceptional students not requiring special schools or special facilities. In addition, the Academy will, at the request of the district, offer facilities and programs comparable to those offered by public high schools of like size in New Hampshire for educationally disabled and exceptional children, and the District will be charged the costs of such programs for each pupil from the District enrolled in the programs.

(B) It is specifically agreed that from time to time the School Board of the District for whatever reason it deems valid may allow up to 5% of its total high school population to enroll in another public high school provided that the Academy's total student population from all the Districts is not less than 2,500 students at the time of the request. However, the District must notify the Academy in writing of the number of students who plan to attend another high school by October 1st of the year preceding the student's departure. The District may in such cases pay tuition for such students to such other public high schools, and shall have no obligation to pay tuition to the Academy for such students.

(C) It is understood and agreed that the District may continue to send students in grades 10, 11, and 12 to another public high school at the District's expense without an obligation to pay tuition to the Academy for such students during the transition years of 2013-14, 2014-15, and 2015-16. The District must notify the Academy in writing of the number of students who plan to attend another high school during the period of transition by October 1 of the year preceding the student's enrollment in another high school.

4. **Foreign Exchange Students** - Each year the Academy agrees to accept a maximum of two (2) foreign exchange students residing in the District. The number of foreign exchange students so enrolled will not be used in the calculation of the number of students for tuition purposes, as called for in Appendix A.

5. **District and Board of Trustees Meetings** - The parties agree that the Board of Trustees of the Academy and the School Board of the District will meet at least three (3) times each year at the Academy and at such other times as the parties shall agree, so that the Trustees may have the benefit of the suggestions and

recommendations of the School Board on curriculum, financial matters and policies of the Academy and the sending districts. These meetings will be held on Thursday of the last full week of the fall and winter terms and on graduation day.

The Pinkerton Academy Board of Trustees will designate not less than two (2) trustees of the Board who are residents of the District at all times during the term of this contract.

6. **Career Guidance Services** - Career Guidance Services by the Academy shall be made available to all high school pupils of the District as well as for grade placement and subject placement at the Academy.

7. **Student Records.** The District will have reasonable access to educational records for pupils residing within the District, consistent with the Family Education Rights and Privacy Act, 20 U.S.C. § 1232g. Without limiting the generality of the foregoing, the Board of Trustees of the Academy shall, at the request of the District, provide the District with report cards, attendance records, NECAP scores, SAT scores, other achievement test scores, advance placement and honors class enrollment, honors awarded, and college placement for District students.

8. **Discipline** - The Academy will be legally responsible for student discipline, while students are under the jurisdiction of the Academy and any matters arising out of such discipline, including any alleged violations of students' rights, will be the sole responsibility of the Academy.

9. **Construction/ Planning Committee** - From time to time, the Academy may borrow money, may refinance any loans; may lease real and personal property, acquire real estate, construct and reconstruct buildings.

Whenever any capital expenditure in excess of \$750,000 is contemplated, a Planning Committee shall be formed composed of four members of the Board of Trustees from the Academy, two Administrators from the Academy, a member of the School Board from each sending district, and one Superintendent chosen by and from the sending districts. The Planning Committee will study the need for such a capital expenditure and will participate in the planning for such capital expenditure. The Planning Committee will make its recommendations to a joint meeting of representatives of the Board of Trustees of the Academy and of the School Boards from the sending districts. If, in the opinion of the Board of Trustees, there is an emergency for such capital expenditure, the Planning Committee shall complete its recommendations and submit the same for consideration at a joint meeting of the Board of Trustees and School Board members within 30 days of the date the Board of Trustees of the Academy request the School Boards to create a Planning Committee.

Notwithstanding the foregoing, the Board of Trustees reserves the right to make the final decision regarding the above capital expenditure which it determines to be in the best interest of the contracting parties and to include the expense thereof pursuant to paragraph 11 in the annual billings to the District

10. **Payment Schedule** - The Academy will make a "good faith" effort annually to supply the School Board of the District and the State Board of Education a written estimate of the tuition charges for each pupil to be made by the Academy for the succeeding school year. Said estimate will be incorporated into the District's annual budget. Further said, the estimate shall be based upon the total costs estimated pursuant to the following paragraph 11, divided by the estimated number of students attending the Academy. The District agrees to pay to the Academy such estimated tuition during the following school year in the following installments:

October 15	50%	of the estimated tuition
February 15	25%	of the estimated tuition
April 15	25%	of the estimated tuition

The payments on October 15, February 15, and April 15 will be based on the total number of students from the District enrolled at the Academy on the third Friday in September, January, and March, respectively, and will be adjusted to reflect the daily pro rata tuition charge for students who enroll or withdraw between:

- (1) The first day of school and the third Friday in September;
- (2) The Monday following the third Friday in September and the third Friday in January;
- (3) The Monday following the third Friday in January and the third Friday in March, respectively;

An additional adjustment of the estimated tuition will be made to reflect the daily pro rata tuition charge for students who enroll or withdraw between the Monday following the third Friday in March and the 180th school day. The District will be notified of the adjustment on or before June 30 and settlement will be made on or before July 15. The daily pro rata tuition is equal to 1/180th of the estimated tuition or one part of the total number of school days required in a given school year by the State Board of Education as outlined in the State Standards for High Schools.

11. **(A) Accounting Requirement** - On or before September 30th of each year, the Treasurer of the Academy shall deliver to the School Board of the District and to the State Board of Education an itemized accounting for the prior school year. This will detail actual operating expenditures and amortization of all bonded capital expenditures and shall include principal and interest payments made by the Academy.

(B) Tuition Calculation - The Treasurer of the Academy shall also determine the actual tuition charge for the school year ended the prior June 30th, which shall be computed by dividing the actual average number of students enrolled in the Academy during the school year into the expenses computed in accordance with paragraph 11(A).

(C) Student Computation - The actual average number of students shall be computed by adding the actual number of students from the District enrolled in

the Academy on the Friday of each week, beginning with the third Friday in September and ending with the second Friday in June, and dividing the sum thereof by the number of weeks during that period.

(D) Daily Tuition Rate Calculation - The District will pay the Academy the tuition computed in accordance with (A) and (B) for each student enrolled for the entire school year and the daily pro rata amount of the tuition for any student enrolled for less than the entire school year.

(E) Tuition Adjustments - In the event that the amount paid by the District during the preceding school years is less than the actual tuition due the Academy computed in accordance with this paragraph, the District shall pay such amount to the Academy on the following October 15, in addition to the payment of the estimated tuition due on that date. In the event that the tuition paid by the District during the preceding school year exceeds the actual tuition due the Academy, the Academy shall credit such sum on the payment of the estimated tuition due on the following October 15th.

(F) Tuition Refund - In the event that the term of this contract is not extended, any amounts due either party by reason of the fact that the estimated tuition was overestimated or underestimated, shall be paid to the other party on or before September 15th next following the termination of the contract.

12. **Tuition Due Dates** - The parties agree that tuition payments are due twenty (20) days from the date of the bill or the dates set forth in paragraph 10, whichever is later. The District agrees that if a payment is not made on or before the date called for above, the District shall pay to the Academy, in addition to such payment, interest at the New York prime rate as reported in the Eastern section of the Wall Street Journal, on the date the payment was due. Such interest shall accrue daily as of the date payment is due to the Academy.

13. Term –

(A) The initial term of this agreement shall be for a period of 20 years commencing July 1, 2013.

(B) In July of 2018 and every 5 years henceforth, the term of this agreement will be extended by 5 years unless either party notifies the other in writing prior to March 30 of that year of their intent not to extend the term by the additional 5 years.

14. **Contract Language Change** - In July of 2018 and every 5 years thereafter, either party may give notice, as provided above, of a desire to change some language in the contract. If such changes are agreed to by the parties, the contract will be so amended. Any and all such changes to the contract language shall be agreed upon and made on or before June 30 of that year. In the event that no agreement can

be reached as to contract language changes, the contract will remain in force for the remainder of the term, unless otherwise amended, by mutual agreement of the parties on a subsequent 5-year anniversary of the contract.

15. **Authorization** - The District agrees that the School Board of the District is duly authorized to take any and all action and do any and all things necessary or convenient to carry out this contract, and any such action taken by the School Board shall be binding upon the District.

16. **Financial Reporting** - The written estimate of the proposed tuition charge called for under paragraph 10 and the itemized accounting called for under paragraph 11 shall be in the form of Appendix A.

17. **State Board of Education Approval** - The parties agree that this contract shall be binding after approval of the contract by the District and after the execution of the contract by the Trustees of the Academy, and approval by the State Board of Education pursuant to NH R.S.A. 194.22.

18. **Student Transportation** - The sending district will be responsible for transporting students to and from the District and the Academy.

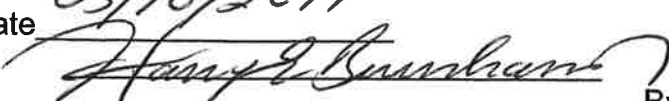
19. **Required Administrative Meetings** - The District will be advised of any major changes in policies, curricula and other school programs and services at the Academy. Further, that the Headmaster or designee of the Academy shall meet twice annually with the superintendent of schools or other administrators from the Districts to advise on matters of policy, curricula, facilities, programs, and services. The principals of the middle schools of the District will meet with the designated administrator for the Academy two times each year on matters of curricula, programs, and services.

20. **Contract Dispute** - The parties further agree that in the event of any dispute regarding the performance or interpretation of the contract, or any statement of expense or any computation called for under this contract, such dispute shall be referred to arbitration before the Commissioner of Education in accordance with the provisions of NH R.S.A. 542. The decision of the Commissioner of Education in such matter shall be binding upon the parties, pursuant to NH R.S.A. 542.

IN WITNESS WHEREOF, the Academy and the School Board of the Auburn School District have caused this Agreement to be executed by their duly authorized officers, on the day and year first above written.

PINKERTON ACADEMY

Date

03/10/2011


By Its Duly Authorized Board Chair

AUBURN SCHOOL DISTRICT

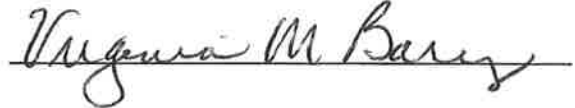
Date 12 April 2011



By Its Duly Authorized Board Chair

Approved by State Board of Education
Commissioner of Education

Dated June 6, 2011



APPENDIX A

School Year _____

INSTRUCTION:

Salaries - Teachers, Librarian, Nurse
Retirement & Group Insurance
Transportation
Social Security
Student Supplies
Textbooks - (Net of Receipts)
Library, Audio-Visual - (Net of Receipts)
Athletics - (Net of Receipts)
Other Instructional - (Net of Receipts)

TOTAL

OPERATION AND MAINTENANCE:

Salaries Custodial, Grounds, Security
Custodial Fringe Benefits and Social Security
Custodial Supplies
Repairs - Buildings / Equipment / Grounds
Fuel - School
Electricity - Including Electric Heat
Water & Sewage
Snow & Waste Removal
Miscellaneous

TOTAL

GENERAL AND ADMINISTRATIVE:

Salaries - Administrative, Secretarial
New Hire Fringe Benefits and Social Security
Administration Expense
Insurance

TOTAL

NEW EQUIPMENT:

TOTAL

COST OF NEW FACILITIES:

Bond Expense
Amortization of Facilities (Principal & Interest)
Land & Building Improvements

TOTAL

TOTAL ACADEMY EXPENSE:

Number of Students
Cost Per Student

RECEIVED
MAY 12 2011
STATE DEPARTMENT
OF EDUCATION

MEMORANDUM OF UNDERSTANDING
re Expulsion and Class Advancement Notification
between
Auburn School District
and
Pinkerton Academy

I. Introduction

This Memorandum of Understanding (hereinafter this "MOU") is entered between the Auburn School District and Pinkerton Academy. It is the intention of the parties to work in a joint cooperative effort to carry out the terms of the Agreement approved by the New Hampshire Department of Education regarding Pinkerton Academy providing educational services to the students of the Auburn School District as set forth in that Agreement. It is understood that communication and flexibility to meet the respective needs and obligations set forth under the Agreement is crucial to the cooperative endeavor being entered between the parties. This Memorandum of Understanding is entered to address concerns raised by the New Hampshire Department of Education at the time of approval of the Agreement which approval was granted subject to the parties entering into a MOU. The two issues raised by the NHDOE concerned (1) communication to the sending district regarding expulsions and (2) notice regarding any student who may not be fulfilling the educational requirements for advancement into the next grade level.

II. Expulsion and Class Advancement Notification

The parties agree as follows:

A. **Expulsion:** At such time that any student and/or parent is provided with written notice of an upcoming disciplinary hearing before the Pinkerton Academy Board of Trustees for gross misconduct or neglect or refusal to conform to the rules or regulations of the school for which expulsion may be the result, Pinkerton Academy shall also send a copy of such letter to the Auburn School District superintendent. Any such expulsion hearing shall be held pursuant to the rules and regulations set forth in the Pinkerton Academy Student Planner.

B. **Class Advancement Notification:** Pinkerton Academy shall provide student report cards to the Auburn School District following each semester. When the report cards are provided to the District, Pinkerton Academy shall also provide a report to the District which identifies any student who may not be on target to adequately complete any educational or credit requirements for advancement into the next grade level.

The parties further agree to maintain regular and open communication to evaluate the effect of this MOU and suggest improvements and adjustments that may be necessary.

SO AGREED

PINKERTON ACADEMY

Date


June 23, 2011


By Its Duly Authorized Board Chair

AUBURN SCHOOL DISTRICT

Date

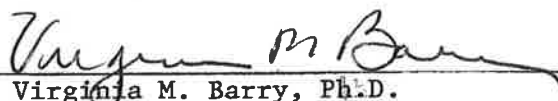
17 June 11


By Its Duly Authorized Board Chair

Approved at State Board of Education meeting August 10, 2011

Date

August 17, 2011


Virginia M. Barry, Ph.D.
Commissioner of Education