



# EAGLE RIDGE ACADEMY

## **Board of Directors Special Meeting and Workshop Topics**

September 1, 2015 6:00 p.m. Room #117

7255 Flying Cloud Drive, Eden Prairie, MN 55344

### **Special Meeting Agenda**

- I. Call to Order
- II. Recitation of the Pledge of Allegiance
- III. Recitation of the Mission and Vision Statements of Eagle Ridge Academy
- IV. Approval of Agenda
- V. Agenda:
  - i. Consider/Approve Covenant of Eagle Ridge Academy's Intent to Sell the Eden Prairie Facility to a Tax-Exempt Organization
  - ii. Consider/Approve Resolution to Close Due Diligence Process by September 14, 2015 for Bren Road Facility
  - iii. Consider/Approve Employee Agreement for Zac Holm, Interim Director of Special Services
- VI. Adjournment



# EAGLE RIDGE

## ACADEMY

### **Mission Statement:**

The mission of Eagle Ridge Academy is to provide our students with a traditional, classical education that demands their best in academic achievement, behavior, and attitude, and challenges them to attain their highest potential.

### **Vision Statement:**

Eagle Ridge Academy will offer an academically rigorous, time-tested classical, liberal arts curriculum that:

- prepares students to be exemplary and knowledgeable citizens;
- instills a life-long passion for learning;
- values self-discipline, respect, perseverance, and achievement;
- teaches truth, beauty and goodness; and
- fosters an appreciation for the United States of America and her unique role in the world.

WHEREAS, by resolution adopted \_\_\_\_\_, 2015, the Board of \_\_\_\_\_ (the “Board”) of Eagle Ridge Academy has previously approved the acquisition of facilities located at 11111 Bren Road West in the City of Minnetonka, Minnesota (the “Minnetonka Facilities”) for the purpose of providing a new campus for the expanded operations of Eagle Ridge Academy (the “Academy”);

WHEREAS, in connection with the relocation of the Academy’s operations to the Minnetonka Facilities, the Academy anticipates selling its current facilities located at 7255 Flying Cloud Drive in the City of Eden Prairie, Minnesota (the “Eden Prairie Facilities;” together with the Minnetonka Facilities, the “Facilities”);

WHEREAS, in order to finance the acquisition of the Eden Prairie Facilities, the Academy requested that the City of Deephaven, Minnesota (the “City”) issue its \$8,950,000 Charter School Lease Revenue Bonds (Eagle Ridge Academy Project), Series 2013A and its \$295,000 Taxable Charter School Lease Revenue Bonds (Eagle Ridge Academy Project), Series 2013B (together, the “Series 2013 Bonds”);

WHEREAS, in order to finance the acquisition of the Minnetonka Facilities and the advance refunding of the Series 2013 Bonds, the Academy has requested that the City issue its Charter School Lease Revenue Bonds (Eagle Ridge Academy Project), Series 2015A (the “Series 2015A Bonds”) and its Taxable Charter School Lease Revenue Bonds (Eagle Ridge Academy Project), Series 2015B in a total principal amount not to exceed \$35,000,000 (the “Series 2015 Bonds”);

WHEREAS, the Academy understands that in order to issue tax-exempt bonds in an amount attributable to the refinancing of the Eden Prairie Facilities, the Internal Revenue Code of 1986, as amended (the “Code”), and Treasury Regulations promulgated thereunder (the “Regulations”), require that the issuer reasonably expects, as of the issue date of tax-exempt bonds, that such bonds will not meet either the private business tests or the private loan financing test applicable to tax-exempt bonds;

NOW THEREFORE BE IT RESOLVED:

[recitals regarding documents being approved] (the “Documents”)

The Academy understands that the sale of the Eden Prairie Facilities to a purchaser other than a governmental or 501(c)(3) organization (an “Exempt Organization”) could cause the private business tests of the Code to be met. The Board intends to sell the Eden Prairie Facilities to an Exempt Organization, and understands that the Documents prohibit sale of any of the Facilities to an entity other than an Exempt Organization unless the Corporation obtains an opinion of nationally-recognized bond counsel to the effect that such transfer will not adversely impact the exclusion from gross income of interest on the Series 2015A Bonds and any other tax-exempt bonds issued to finance or refinance the facilities proposed to be transferred.



# EAGLE RIDGE ACADEMY

## Employment Agreement –Interim Director of Special Services

This Employment Agreement ("Agreement") is entered into by and between the Board of Directors ("Board") of Eagle Ridge Academy ("Academy") and Zac Holm ("Interim Director of Special Services"). The Academy and Interim Director of Special Services are hereinafter collectively referred to as "the parties."

WHEREAS, the parties desire to enter into an employment agreement governing the terms and conditions of Interim Director of Special Services' employment with the Academy;

NOW, THEREFORE, IN CONSIDERATION OF the mutual promises and covenants contained in this Agreement, including the relinquishment of certain legal rights, the parties hereby agree as follows:

- 1) **Term.** This Agreement will be in effect from September 2, 2015 to June 30, 2016, unless early termination occurs pursuant to paragraph 10 or 12 of this Agreement. Absent early termination, the Interim Director of Special Services' employment will terminate effective at the close of business on June 30, 2016. This Agreement will not automatically renew.
- 2) **Position and Duties.** Subject to the other provisions of this Agreement, the Academy hereby agrees to employ the Interim Director of Special Services as an at-will employee in the position of "Interim Director of Special Services" for the Academy, and the Interim Director of Special Services hereby accepts such employment, upon the terms and conditions set forth in this Agreement.
  - a) The position of Interim Director of Special Services' a full-time position with exempt status under the Fair Labor Standards Act. Regular attendance is an essential function of the job. A regular work day will be eight (8) hours in length, but the Interim Director of Special Services is expected to work the number of hours necessary to perform his/her job duties and to meet the professional expectations of the job. In light of the exempt status of the position, additional hours worked beyond a forty-hour workweek will not constitute overtime. Beyond the basic duty day, the Interim Director of Special Services is expected and may be required to attend and participate in meetings and school-sponsored events, such as curriculum nights, informational meetings, student and parent conferences, meetings called by the Board, and other similar events.
  - b) Subject to the Executive Director's oversight, the Interim Director of Special Services will direct and assign the employees of the Lower School of the Academy in a reasonable manner and will generally be responsible for the day-to-day oversight of the special education staff. The Interim Director of Special Services will also perform the job duties and meet the professional expectations established in the job description for the position of "Interim Director of Special Services." The Interim Director of Special Services also agrees to comply with all applicable federal and state laws.
  - c) The Board and Executive Director retain the authority to modify the Interim Director of Special Services' written job description as they see fit; to oversee and direct the Interim Director of Special Services' performance as they see fit; and to review the Interim Director of Special Services' performance as they see fit.
- 3) **Compensation.** While this Agreement is in effect, the Interim Director of Special Services will earn a gross of \$57,525 for the period September 2, 2015 – June 30, 2016 in consideration for faithfully performing the duties of the Interim Director of Special Services for the Academy. In accordance with its regular payroll schedule, the Academy will pay the Interim Director of Special Services this salary in equal installments (i.e. twice a month), less applicable withholdings and deductions. If this Agreement is terminated during the middle of a pay period, the salary paid to the Interim Director of Special Services for that period will be prorated and decreased to reflect the number of days actually worked.

- 4) **Connectivity Allowance.** While this Agreement is in effect, the parties agree that the Academy will provide the Interim Director of Special Services with an allowance of up to \$35 per month for cell phone needs.
- 5) **Insurance Benefits.** The Interim Director of Special Services will be eligible to enroll in the Academy's group health insurance plan, dental plan, life insurance plan short-term disability plan and long-term disability plan. The details of the benefit plans, applicable premiums, and eligibility for coverage are fully outlined in the Employee Benefit Summary.
  - a) In order to receive any insurance benefits described in the Employee Benefit Summary, the Interim Director of Special Services must pay his/her percentage of the applicable premiums for single coverage, and he/she must timely enroll in and qualify for the insurance plans selected by the Academy.
  - b) The Interim Director of Special Services is solely responsible for the cost of any premiums for insurance in excess of the Board's contribution for single coverage and the percentage determined by the Board for dependent coverage.
  - c) The description of insurance benefits in this Agreement is intended to be informational only. The Interim Director of Special Services agrees that no action may be brought against the Academy for any particular claim that is not covered or paid by insurance. The Academy is not insuring or guaranteeing that any particular claim will be paid or covered by insurance. The eligibility and coverage of the Interim Director of Special Services and dependents will be governed entirely by the terms of the applicable insurance policy.
  - d) The Academy's contribution will be made so as to provide coverage through the month in which this Agreement terminates. If the Parties agree to extend this Agreement pursuant to paragraph 11 of this Agreement, the Academy's contribution will be made so as to provide coverage through the month in which extended Agreement terminates.

**Term Life Insurance.** While this Agreement is in effect, the Academy will pay the premiums for a group term life insurance policy for the Interim Director of Special Services with a death benefit in the amount of fifty thousand dollars (\$50,000). The eligibility of the Interim Director of Special Services and his/her beneficiaries for these insurance benefits will be governed by the terms of the insurance policies selected by the Academy. The parties agree that the Academy's only obligation is to pay the premiums for the insurance policy described in this paragraph, and no claim may be brought against the Academy for any particular claim or benefit not paid by insurance. The Academy is not ensuring or guaranteeing that any particular claim or benefit will be paid or covered by insurance.

- 6) **TRA Contributions.** While this Agreement is in effect, the Employee will be a member of the Minnesota Teacher Retirement Account ("TRA") system. The Academy and the Interim Director of Special Services will each contribute at least the minimum amounts required by TRA. The Academy's obligation to make any contribution to TRA will cease immediately in the event that the Employee resigns or his/her employment is terminated for any reason. The Academy is authorized to make payroll deductions for paying for the Employee's TRA contributions.
- 7) **Paid Time Off.** The Interim Director of Special Services will not be expected to work on the following days: Labor Day; Thanksgiving Day; the day after Thanksgiving; Christmas Eve, December 24<sup>th</sup>; Christmas Day, December 25<sup>th</sup>; New Year's Eve Day; New Year's Day; Good Friday; Memorial Day and July 4<sup>th</sup>, if applicable. In addition, the Interim Director of Special Services may take up to 17 days of paid time off during the term of this Agreement with the understanding that the Interim Director of Special Services will be expected to be working on instructional days, staff development, and student non-session days, for a total of 177 days, or use paid time off.
  - a) The Interim Director of Special Services may carry over a maximum of ten (10) days per school year, cumulative up to thirty (30) days. Upon any termination of Employment, the Interim Director of Special Services will have a right to receive a cash value for no more than thirty (30) days of accrued paid time off days.
  - b) Pursuant to the Family Medical Leave Act (FMLA), the Academy allows employees to use their accumulated Paid Time Off and any accumulated Sick Leave during a period of FMLA leave. If the Interim Director of

Special Services takes a leave of absence for a serious health condition, the Interim Director of Special Services' accumulated Paid Time Off and Sick Leave will be applied beginning at the time the leave commences.

- c) Any absences that are in excess of the Interim Director of Special Services' current or accumulated Paid Time Off days and accrued Sick Leave banks will be without pay.
- 8) **Emergency/Bereavement Leave.** In addition to sick leave, up to four (4) days of paid leave will be allowed during the term of this Agreement for any emergencies or deaths in Interim Director of Special Services' immediate family. For the purposes of this Agreement, immediate family is defined as a spouse, child, parent, brother, sister, grandchild, grandparent, or in-laws. Upon termination of this Agreement, Interim Director of Special Services will have no right to be paid for unused days of emergency/bereavement leave.
- 9) **Covenant of Diligence, Good Faith, and Loyalty.** The Interim Director of Special Services agrees to perform his/her job duties diligently, in good faith, to the best of his/her ability with loyalty to the Board and to the Academy.
  - a) The Interim Director of Special Services may not, directly or indirectly, engage or participate in any action or conduct that conflicts in any respect with the interests of the Academy, nor may the Interim Director of Special Services engage or participate in any action or conduct that is inconsistent with the Board's policies or actions, his/her duties as the Interim Director of Special Services, the basic educational mission of the Academy, or the desired image of the Academy.
  - b) The Interim Director of Special Services must fully comply with all federal and state laws and with all policies and rules of the Academy. The Interim Director of Special Services must perform his/her duties in a trustworthy, ethical, legal, and diligent manner and must use his/her best efforts to promote the interests of the Academy.
  - c) During the term of this Agreement, the Interim Director of Special Services must not enter into another employment contract or an independent contract with another entity, or write a grant for another entity, without the prior written approval of the Academy's Board.
  - d) The Interim Director of Special Services must not and agrees to refrain from using any Academy time, property or resources or allowing Academy employees to use Academy time, property or resources:
    - i) for purposes of serving on the board of an educational entity or school, or
    - ii) to promote, market or assist the founding and opening of an educational entity or school. This must not restrict the Interim Director of Special Services' ability to devote non-Academy time, property and resources to such purposes.
- 10) **Employment Status and Termination.** The Interim Director of Special Services is an at-will employee regardless of any statements, representations, procedures, or policies that may be made or promulgated by the Academy or its agents or representatives. Accordingly, the Board may terminate this Agreement and Interim Director of Special Services' employment as it sees fit by providing the Interim Director of Special Services with written notice of termination. The Board is not required to show cause for termination of this Agreement and the Interim Director of Special Services' employment. After the effective date of any termination, the Interim Director of Special Services is not entitled to receive any form of unearned salary, severance, compensation for unused sick leave, payment of any insurance premium, or any other employer-paid benefit.
- 11) **Notice of Intent to Continue as Interim Director of Special Services.** On or before March 15, 2016, the Interim Director of Special Services must provide the Executive Director with written notice stating whether or not he/she will request to be employed by the Academy as Interim Director of Special Services for the following school year. The Academy agrees that if it elects to offer the Interim Director of Special Services an opportunity to renew this contract for a subsequent year, an offer of renewal will be given in writing. After the renewal document is issued, the Interim Director of Special Services must sign and return it within 14 days of the offer. If the Interim Director of Special Services chooses not to return the renewal document by the due date, it will be assumed that the Interim Director of Special Services would not like to be considered for rehire and therefore the Academy

would post the position. There shall be no obligation on the Academy's part to renew the contract after the expiration date stated; fulfillment of the terms of this contract does not entitle the Interim Director of Special Services to renewal of the contract.

- 12) **Resignation.** The Interim Director of Special Services may terminate this Agreement and his/her employment with the Academy by providing the Executive Director with written notice of his/her resignation no less than thirty (30) calendar days in advance of the effective date of the resignation. In the event that such notice is given, the Interim Director of Special Services must continue to perform his/her job duties diligently, in good faith, and to the best of his/her ability until the effective date of the resignation. The Interim Director of Special Services must also act in good faith to facilitate the transfer of job duties to a new Interim Director of Special Services. In the event that the Interim Director of Special Services resigns and provides less than thirty days advance written notice to the Academy, he/she will be liable to the Academy for liquidated damages in the amount of two thousand five hundred dollars (\$2,500). With the Interim Director of Special Services' written authorization, the Academy may deduct this sum from the Interim Director of Special Services' final paycheck. If the Interim Director of Special Services does not give the Academy authorization to deduct this amount from his paycheck or in the event that his final paycheck is less than two thousand five hundred (\$2,500), the Interim Director of Special Services will be liable to the Academy for the \$2,500 or the balance of that sum plus any costs, expenses, and attorney fees incurred by the Academy in recovering or collecting the outstanding sum. After the effective date of any resignation, the Interim Director of Special Services is not entitled to receive any form of unearned salary, severance, unused sick leave, payment of any insurance premium, or any other employer-paid benefit.
- 13) **Choice of Law and Severability.** This Agreement must be governed by the laws of the State of Minnesota, regardless of whether any change occurs in the Interim Director of Special Services' domicile or status as a resident of Minnesota. If any part of this Agreement is construed to be unenforceable or in violation of any applicable law, the remaining portions of the Agreement will remain in full force and effect.
- 14) **Waiver.** Waiver by either party of any term or condition of this Agreement or any breach will not constitute a waiver of any other term or condition or breach of this Agreement.
- 15) **Entire Agreement.** This Agreement constitutes the entire agreement between the parties relating to the employment of the Interim Director of Special Services. No party has relied upon any oral statements or promises that are not set forth in this document. The terms of this Agreement are contractual and supersede any and all prior agreements between the parties and any inconsistent provisions in any employee handbooks or policies. The Interim Director of Special Services understands and agrees that any handbooks or policies adopted by the Academy do not create an express or implied contract. No waiver or modification of any provision of this Agreement is valid unless it is in writing and signed by both parties.

IN WITNESS WHEREOF, the parties have entered into this Agreement on the dates shown below. This Agreement will not become effective unless and until it is approved by the Board of Directors of Eagle Ridge Academy and signed by both parties.

**By signing below, each party acknowledges that it has read this Agreement; that it understands the terms of the Agreement; and that it intends to be legally bound by the terms of the Agreement.**

**Interim Director of Special Services**

Dated: \_\_\_\_\_

**Board Officers of Eagle Ridge Academy**

Dated: \_\_\_\_\_  
Ann Watanabe, Chairman of the Board of Directors  
Eagle Ridge Academy

Dated: \_\_\_\_\_  
Secretary of the Board of Directors  
Eagle Ridge Academy