

**SOUTH DAKOTA HEALTH AND EDUCATIONAL
FACILITIES AUTHORITY**

MINUTES OF THE NOVEMBER 29, 2011 SPECIAL MEETING

Pursuant to due notice, the South Dakota Health and Educational Facilities Authority met on Tuesday, November 29, 2011 at 10:00 a.m., CST, via telephone conference call. Mr. Norbert Sebade, Chairman, instructed the Secretary to call the roll.

Present: Mr. Alan “Dick” Dempster
 Mr. Dave Fleck
 Mr. Gene Lebrun
 Mr. William Lynch
 Mr. Norbert Sebade
 Mr. Mack Wyly

Absent: Mr. William Fischer

Other staff and representatives of the Authority present were:

Mr. Donald Templeton, Executive Director and Secretary
Mr. Jerry Fischer, Administrative and Financial Assistant
Mr. Vance Goldammer, General Legal Counsel
Mr. Dustin Christopherson, SDHEFA
Mr. Steve Corbin, SDHEFA
Mr. Bruce Bonjour, Perkins Coie
Mr. Jack Arnold, Dougherty & Company

A quorum was declared by the Chairman and the meeting was called to order. The notice of the meeting dated November 23, 2011 was posted at the entrance of the South Dakota Health and Educational Facility Authority prior to the meeting (*see Attachment #1*).

The Chairman asked for consideration of the minutes for the November 1, 2011 special meeting. Bill Lynch moved to approve the minutes as presented, seconded by Dick Dempster. All members present voted aye, motion carried.

VOCATIONAL EDUCATIONAL SERIES 2011 A & B

Mr. Templeton and Mr. Arnold explained that Lake Area Technical Education wants the South Dakota Health and Educational Facilities Authority to bond for \$12.5 million to finance a 73,000 square foot Agricultural building to house Agricultural programs, Environmental Technology and Heavy Equipment Operator programs. In addition, the Series 1998 and 1999 Vocational Education bonds are being refunded with the upfront savings to be given to the State to be spent on capital expenditures. The safeguards of the program were reviewed with the members, along with the preliminary sources and uses of funds, the interest rates and the costs of issuance. The Preliminary Official Statement was reviewed. Bruce Bonjour and Vance Goldammer reviewed the Resolution (*see Attachment #2*) with the Authority Members. Bill Lynch moved to approve the Resolution, Mack Wyly seconded, and upon roll call the ayes were Dempster, Fleck, Lebrun, Lynch, Sebade, and Wyly; nays: none; abstain: none.

Adjournment

The Chairman stated there being no further business at this meeting, the meeting adjourned at 10:29 a.m.



SOUTH DAKOTA
HEALTH AND EDUCATIONAL
FACILITIES AUTHORITY

Date: November 23, 2011

To: Members of the South Dakota Health and Educational Facilities Authority

From: Don A. Templeton, Executive Director

Re: Notice of Special meeting

You are hereby notified that the Chairman has set Tuesday, November 29, 2011 as the meeting date for the special meeting of the South Dakota Health and Educational Facilities Authority to be held via telephone conference call at 10:00 a.m. CST (9:00 a.m. MST).

You may participate in the meeting by dialing **1-877-336-1828 and enter your Participant Access Code, which is 4677196 followed by the # key.**

The following members have indicated they will be available for the meeting:

Dick Dempster
David Fleck
Gene Lebrun

William Lynch
Norbert Sebade
Mack Wyly

Enclosed is the agenda and information on agenda items.

Cc: Jack Arnold
Bruce Bonjour
Jerry Fischer
Vance Goldammer

RESOLUTION authorizing the issuance and sale of the South Dakota Health and Educational Facilities Authority Vocational Education Program Revenue Bonds, Series 2011B, authorizing the execution and performance of a Supplemental Indenture of Trust and a Supplement to Lease Purchase Agreement to secure such Series 2011B Bonds, authorizing the execution and performance of the Bond Purchase Agreement in connection therewith, authorizing distribution of a Preliminary Official Statement and an Official Statement relating to the Series 2011B Bonds, and authorizing execution, performance and delivery of other documents, certificates and instruments in connection therewith.

RECITALS

WHEREAS, the South Dakota Health and Educational Facilities Authority (the "Authority") has been created by the South Dakota Health and Educational Facilities Authority Act, as amended (the "Act");

WHEREAS, the Authority is authorized pursuant to the Act to issue revenue bonds and acquire vocational education facilities to be leased to and purchased by the State Board of Education (the "Board") and/or certain participating institutions under Chapter 13-39, SDCL;

WHEREAS, to secure the bonds of the Authority issued for such purposes, the Act authorizes the Authority to pledge payments to be made to the Authority pursuant to lease or leases;

WHEREAS, Title 13, SDCL, provides that to secure lease purchase rentals payable by participating institutions and the State Board of Education (the "Board") to the Authority, (i) the Treasurer may pledge earnings on the Vocational Education Facilities Fund and (ii) the Board may pledge certain amounts of tuition and other student fees required to be paid to the Treasurer and deposited into the Tuition Subaccount;

WHEREAS, the Authority has established a program (the "Program") whereby the Board may lease purchase post-secondary vocational technical education facilities from the Authority and sublease such facilities to the Participating Institutions;

WHEREAS, the Authority and the Board have heretofore entered into a Lease Purchase Agreement dated as of August 1, 1988 as supplemented by various Supplements through and including a Fifteenth Supplement to Lease Purchase Agreement dated as of August 1, 2011 and certain Omnibus Amendments dated as of May 1, 2011 (collectively, as so supplemented the "*Original Lease*") pursuant to which the Board is leasing with an option to purchase certain facilities the acquisition and/or improvement and equipping of which was financed or refinanced in part or in whole with the proceeds derived from the issuance and sale by the Authority of its Vocational Education Program Revenue Bonds, Series 1988 in the original principal amount of \$11,120,000 (the "*Series 1988 Bonds*"), its Vocational Education Program Revenue Bonds, Series 1990 in the original principal amount of \$1,315,000 (the "*Series 1990 Bonds*"), its Vocational Education Program Revenue Bonds, Series 1992 in the original principal amount of \$8,785,000 (the "*Series 1992 Bonds*"), its Vocational Education Program Revenue Bonds, Series

1993 in the original principal amount of \$9,780,000 (the “*Series 1993 Bonds*”), its Vocational Education Program Revenue Bonds, Series 1997 in the original principal amount of \$10,365,000 (the “*Series 1997 Bonds*”), its Vocational Education Program Revenue Bonds, Series 1998 in the original principal amount of \$4,705,000 (the “*Series 1998 Bonds*”), its Vocational Education Program Revenue Bonds, Series 1999 in the original principal amount of \$7,135,000 (the “*Series 1999 Bonds*”), its Vocational Education Program Revenue Bonds, Series 2004 in the original principal amount of \$6,265,000 (the “*Series 2004 Bonds*”), its Vocational Education Program Revenue Bonds, Series 2007 in the original principal amount of \$8,805,000 (the “*Series 2007 Bonds*”), its Vocational Education Program Revenue Bonds, Series 2008 in the original principal amount of \$19,465,000 (the “*Series 2008 Bonds*”), its Vocational Education Program Revenue Bonds, Series 2010A and Series 2010B in the original principal amount of \$23,590,000 (collectively, the “*Series 2010AB Bonds*”), its Taxable Vocational Education Program Revenue Bonds, Series 2010C (Build America Bonds) in the original principal amount of \$12,605,000 (the “*Series 2010C Bonds*”), its Vocational Education Program Revenue Bonds, Series 2011A in the original principal amount of \$20,140,000 (the “*Series 2011A Bonds*” and, together with the Series 1988 Bonds, Series 1990 Bonds, Series 1992 Bonds, Series 1993 Bonds, Series 1997 Bonds, Series 1998 Bonds, Series 1999 Bonds, Series 2004 Bonds, Series 2007 Bonds, Series 2008 Bonds, Series 2010AB Bonds, the Series 2010C Bonds, Series 2011A Bonds and Series 2011B Bonds described below, and any parity bonds issued in the future, the “*Bonds*”);

WHEREAS, the Authority issued the Series 1988 Bonds pursuant to an Indenture of Trust dated as of August 1, 1988 (the “*Original Indenture*”) between the Authority and The First National Bank in Sioux Falls, as Trustee (the “*Trustee*”). The Authority issued the Series 1990 Bonds pursuant to the Original Indenture as amended and supplemented by the First Supplemental Indenture of Trust dated as of May 1, 1990 between the Authority and the Trustee (the “*First Supplemental Indenture*”). The Authority issued the Series 1992 Bonds pursuant to the Original Indenture as amended and supplemented by the Second Supplemental Indenture of Trust dated as of December 15, 1992 between the Authority and the Trustee (the “*Second Supplemental Indenture*”). The Authority issued the Series 1993A Bonds pursuant to the Original Indenture as amended and supplemented by the Third Supplemental Indenture of Trust dated as of August 1, 1993 between the Authority and the Trustee (the “*Third Supplemental Indenture*”). The Authority issued the Series 1993B Bonds pursuant to the Original Indenture as amended and supplemented by the Fourth Supplemental Indenture of Trust dated as of August 1, 1993 between the Authority and the Trustee (the “*Fourth Supplemental Indenture*”). The Authority issued the Series 1997 Bonds pursuant to the Original Indenture as amended by the Fifth Supplemental Indenture of Trust dated as of December 1, 1997 between the Authority and the Trustee (the “*Fifth Supplemental Indenture*”). The Authority issued the Series 1998 Bonds pursuant to the Original Indenture as amended and supplemented by the Sixth Supplemental Indenture of Trust dated as of May 1, 1998 between the Authority and the Trustee (the “*Sixth Supplemental Indenture*”). The Authority issued the Series 1999 Bonds pursuant to the Original Indenture as amended and supplemented by the Seventh Supplemental Indenture of Trust dated as of June 1, 1999 between the Authority and the Trustee (the “*Seventh Supplemental Indenture*”). The Authority issued the Series 2004 Bonds pursuant to the Original Indenture as amended and supplemented by the Eighth Supplemental Indenture of Trust dated as of December 1, 2004 between the Authority and the Trustee (the “*Eighth Supplemental Indenture*”). The Authority issued the Series 2007 Bonds pursuant to the Original Indenture as amended and supplemented by the Ninth Supplemental Indenture of Trust dated as of November 1, 2007

between the Authority and the Trustee (the "*Ninth Supplemental Indenture*"). The Authority issued the Series 2008 Bonds pursuant to the Original Indenture as amended and supplemented by the Tenth Supplemental Indenture of Trust dated as of September 1, 2008 between the Authority and the Trustee (the "*Tenth Supplemental Indenture*"). The Authority issued the Series 2010AB Bonds pursuant to the Original Indenture as amended and supplemented by the Eleventh Supplemental Indenture of Trust dated as of July 1, 2010 between the Authority and the Trustee (the "*Eleventh Supplemental Indenture*"), as subsequently amended by certain Omnibus Amendments dated as of May 1, 2011. The Authority issued the Series 2010C Bonds pursuant to the Original Indenture as amended and supplemented by the Twelfth Supplemental Indenture of Trust dated as of November 1, 2010 between the Authority and the Trustee (the "*Twelfth Supplemental Indenture*"). The Authority issued the Series 2011A Bonds pursuant to the Original Indenture as amended and supplemented by the Thirteenth Supplemental Indenture of Trust dated as of August 1, 2011 between the Authority and the Trustee (the "*Thirteenth Supplemental Indenture*"). ;

WHEREAS, pursuant to the Authority's Program in order to provide a credit against Lease Rentals owed by the Board under the Lease Purchase Agreement as heretofore amended and supplemented:

- A. All Participating Institutions have heretofore entered into the Amended and Restated Facility Fee Tuition Collection and Deposit Agreement dated as of September 1, 2008 (the "*Collection Agreement*") with the Board, the South Dakota Treasurer (the "Treasurer") and The First National Bank in Sioux Falls, as Escrow Holder (the "*Escrow Holder*") providing for the collection of Facility Fees on a current basis (no less frequently than quarterly) and the deposit of such Facility Fees to the Tuition Subaccount (an account of the Treasurer's maintained with the Escrow Holder); and
- B. The Treasurer pledged the earnings on the statutorily created Vocational Education Facility Fund (the "*Trust Fund Earnings*") to the Tuition Subaccount pursuant to a certain General Pledge and Escrow Agreement most recently amended as of September 16, 2008 (the "*Original Pledge Agreement*") among the Authority, the Escrow Holder, the Board, and the Treasurer;

WHEREAS executed counterparts or copies of the Original Indenture and all Supplemental Indentures described above, the Original Pledge Agreement, the Original Lease, all Supplements to the Lease described above and all related documents and instruments heretofore executed and delivered in connection with the Program are on file with the Authority;

WHEREAS, the Authority proposes to issue and sell its Vocational Education Program Revenue Bonds, Series 2011B (the "*Series 2011B Bonds*") in a principal amount sufficient, together with other available moneys, to (i) refund on a current basis the outstanding principal amount of Series 1998A Bonds and Series 1999 Bonds (the "Refunded Bonds"); (ii) [fund a Debt Service Reserve Fund]; (iii) [fund capitalized interest]; (iv) provide funds to the State general fund in an amount approximately equal to the present value savings realized by the issuance of the Series 2011B Bonds (the "*Contribution*") as a credit for prior and future financing of capital improvements for vocational education; and (v) for such other purposes as shall be described in a

Preliminary Official Statement of the Authority, a Fourteenth Supplemental Indenture between the Authority and The First National Bank in Sioux Falls, a Sixteenth Supplement to Lease Purchase Agreement between the Authority and the Board and a Bond Purchase Agreement among the Board, the Authority and the Dougherty & Company LLC (the "*Underwriter*") (the "*Preliminary Official Statement*", the "*Series 2011B Supplemental Indenture*", the "*Series 2011B Supplement to Lease*" and the "*Bond Purchase Agreement*," respectively) in forms substantially similar to those used for the Program in past transactions, as modified, revised or supplemented in the manner herein provided or contemplated;

WHEREAS, in furtherance of the foregoing it is also necessary to prepare and distribute to potential investors the Preliminary Official Statement;

WHEREAS, in connection with the foregoing the Authority, the Board and the Treasurer have determined it is necessary and appropriate to amend the Original Pledge Agreement (the "Pledge Agreement Amendment"), a copy of which is currently on file with the Authority;

WHEREAS, Section 3.07 of the Original Indenture authorizes the issuance of Additional Bonds (as defined therein) by the Authority from time to time in accordance with the provisions thereof for various purposes, including (i) refunding of any series of Outstanding Bonds, any maturity of any series of Outstanding Bonds or any Related Amount of Series Bonds within a series of Bonds by depositing with the Trustee, in trust for the sole benefit of such Bonds, noncallable "Eligible Investments" (as defined in the Original Indenture) which will, together with the income or increment to accrue thereon without consideration of any reinvestment thereof, be sufficient to pay or redeem (when redeemable) and discharge the indebtedness of all Bonds to be refunded at or before their respective maturity dates; (ii) obtaining funds to make the required deposit to the Debt Service Reserve Fund, and (iii) obtaining funds for any other purpose permitted under the Act, provided that any Facilities acquired within proceeds of such Additional Bonds shall become part of the Facilities and shall be subject to the Lease;

WHEREAS, the Authority has been advised that the Series 2011B Bonds are expected to be priced and sold within the following parameters: the principal amount of the Series 2011B Bonds shall not exceed \$8,000,000, the last stated maturity date of the Series 2011B Bonds will not be later than August 1, 2025, the yield on the Series 2011B Bonds for arbitrage purposes will not exceed 4.50%, the purchase price of the Series 2011B Bonds to be paid by the Underwriter will be not less than 98.5% of the principal amount of the Series 2011B Bonds and the underwriter's discount (as measured as a percentage of total proceeds of the Series 2011B Bonds) shall not exceed 0.75%; and

WHEREAS, in furtherance of the foregoing, it shall be necessary for the Authority and other parties to execute, deliver and approve, as applicable, (i) the Series 2011B Supplement to Lease, (ii) the Series 2011B Supplemental Indenture, (iii) a Supplement to the Sublease Agreement with each Participating Institution (the "*Supplemental Subleases*") between the Board, as sublessor, and each Series 2011B Tenant, as sublessee, (iv) the Bond Purchase Agreement, (v) a Continuing Disclosure Agreement with respect to the Series 2011B Bonds, (vi) the Pledge Agreement Amendment and (vii) an Escrow Agreement (the "*Escrow Agreement*") between the Authority and The First National Bank in Sioux Falls, as escrow agent (the "*Escrow Agent*");

NOW, THEREFORE, Be It Resolved by the South Dakota Health and Educational Facilities Authority as follows:

Section 1. Findings. The Authority hereby makes the following findings and determinations:

(a) The projects being refinanced with the Series 2011B Bonds (the "*Series 2011B Projects*") shall be leased to the Board and subleased to the School Districts identified in the supplements to the Subleases entered into in connection with the original issuance of the Series 1998A Bonds and the Series 1999 Bonds (herein, the "*Series 2011B Tenants*") and shall be operated by the Series 2011B Tenants, each of which is a Participating Institution, and will serve the public purposes of the Program.

(b) The Authority is authorized pursuant to Chapter 1-16A, SDCL, to act on behalf of the government of the State of South Dakota to issue revenue bonds to finance and refinance vocational education facilities in the State, including the issuance of refunding bonds in an amount as the Authority deems necessary, but does not exceed, the amount sufficient to refund the principal of outstanding bonds together with any unpaid interest thereon and any premiums, commissions, service fees and other expenses necessary to be paid in connection therewith.

(c) The Authority has the power and authority to issue bonds to reduce the cash flow difficulties of public bodies, including school districts, and to finance capital improvements and other expenses for vocational education,

(d) The Contribution will be applied to reimburse the State of South Dakota for the purposes described in (b) and (c) above, including reimbursement for Appropriated Payments made or to be made from time to time for such purposes.

(e) Upon issuance of the Series 2011B Bonds, the aggregate outstanding principal amount of bonds, notes or other obligations of the Authority which are payable out of receipts, rentals and other payments made pursuant to lease purchase agreements with an LEA or the South Dakota Board of Education under the authority of Chapter 13-39, SDCL, will not exceed the limitation for obligations issued by the Authority in connection with any lease-purchase agreement with the Series 2011B Tenant. In making the determination set forth in this preceding sentence for the purpose of computing compliance with the statutory limitation on the principal amount of such outstanding obligations, Section 77 of the Act permits the Authority to disregard any such bonds, notes or other obligations which are, or as a result of issuance of refunding obligations shall be deemed to be paid, discharged or defeased by reason of an irrevocable deposit of cash or securities.

Section 2. Series 2011B Bonds. The Series 2011B Bonds shall be issued pursuant to the Original Indenture as amended and supplemented by the Series 2011B Supplemental Indenture (herein, as so amended and supplemented, the "Indenture"). Pursuant to the provisions of the Indenture, the Bonds authorized hereby are designated the Series 2011B Bonds. The Series 2011B Bonds are hereby authorized to be issued in fully registered form in an aggregate

principal amount of not to exceed \$8,000,000 of Series 2011B Bonds with such maturities and interest rates to be finally determined by the officers executing and delivering the Series 2011B Supplemental Indenture and the Bond Purchase Agreement, *provided* that an Authorized Officer (as defined below) determine that the Series 2011B Bonds will bear interest at rates resulting in a yield for arbitrage purposes not in excess of 4.50% per annum with a final stated maturity of no later than August 1, 2025; *provided further* that the written determination of an Authorized Officer to such effect shall constitute absolute, irrevocable conclusive evidence of the validity of the Series 2011B Bonds and other instruments described herein. The Series 2011B Bonds shall be designated “South Dakota Health and Educational Facilities Authority Vocational Education Program Revenue Bonds, Series 2011B,” with such additions or other modifications to such designation as any Authorized Officer may deem necessary or appropriate. The form of the Series 2011B Bonds and trustee’s certificate of authentication shall be substantially in the form of the draft of the Series 2011B Supplemental Indenture on file with the Executive Director. The purpose of the issuance of the Series 2011B Bonds is to finance all or a portion of the Series 2011B Project as described in the Preliminary Official Statement.

Series 2011B Bonds shall have a date of initial issuance as specified in Section 2.02 of the Series 2011B Supplemental Indenture. Thereafter, the Series 2011B Bonds shall be dated as set forth in the specimen form of Bond approved hereby. The Series 2011B Bonds shall mature on August 1 in the years and in the principal amounts, and shall bear interest from the date thereof at the rates, and shall be payable semiannually on February 1 and August 1 of each year, until final payment of the principal thereof, all as specified in the Bond Purchase Agreement and Section 2.02 of the Series 2011B Supplemental Indenture. The Series 2011B Bonds shall be issued in the denominations specified in Section 2.02 of the Series 2011B Supplemental Indenture. The Trustee is hereby appointed the Paying Agent for the Series 2011B Bonds. The place of payment of the principal or redemption price of and interest on the Bonds shall be as provided in the Indenture.

The Series 2011B Bonds shall be subject to redemption prior to their maturity at the option of the Authority in whole or in part on any Interest Payment Date, at such redemption price and on such dates as shall be approved by the officers executing the Series 2011B Bonds and the Series 2011B Supplemental Indenture, such redemption to be as otherwise provided in Article II of the Series 2011B Supplemental Indenture. Any Series 2011B Term Bonds (as identified in the Bond Purchase Agreement and the Series 2011B Supplemental Indenture) shall be redeemed prior to maturity by payment of Sinking Fund Installments (as specified in the Series 2011B Supplemental Indenture based upon the parameters established in this Resolution), upon notice, as provided in Article II of the Series 2011B Supplemental Indenture, on each of the dates and in the respective principal amounts specified in the Bond Purchase Agreement, in each case at a redemption price of 100% of the principal amount of such Term Bonds or portions thereof to be so redeemed, together with accrued interest to the redemption date as set forth in the form of Series 2011B Bond approved hereby. Except as otherwise provided herein, all Series 2011B Bonds shall be redeemed in accordance with the Series 2011B Supplemental Indenture.

The Related Amount of Series 2011B Bonds shall be as provided in Exhibit D to the Series 2011B Supplement to Lease and Section 2.16 of the Original Indenture as amended by the Series 2011B Supplemental Indenture.

The Authority hereby covenants and agrees to cause the Series 2011B Supplement to Lease to require that the Board comply, and that the Board will cause each applicable Participating Institution to comply, with all applicable terms and conditions of the Internal Revenue Code of 1986, as amended (the “Code”) in order to preserve the tax-exempt status for federal income tax purposes of interest on the Series 2011B Bonds.

Section 3. Application of Bond Proceeds. The proceeds of the sale and delivery of the Series 2011B Bonds shall be deposited in the Funds and Accounts as specified in Article IV of the Series 2011B Supplemental Indenture.

Section 4. Series 2011B Supplemental Indenture, Series 2011B Supplement to Lease, Series 2011B Supplements to Sublease; the Pledge Agreement Amendment and the Escrow Agreement. The Series 2011B Supplemental Indenture, Series 2011B Supplement to Lease, the Series 2011B Supplements to Sublease, the Pledge Agreement Amendment and the Escrow Agreement in substantially the forms of the drafts of the Series 2011B Supplemental Indenture, Series 2011B Supplement to Lease, the Series 2011B Supplements to Sublease, the Pledge Agreement Amendment and the Escrow Agreement presently on file, containing such additions, deletions and substitutions to be made to the text of the Series 2011B Supplemental Indenture, Series 2011B Supplement to Lease, the Series 2011B Supplements to Sublease, the Pledge Agreement Amendment and the Escrow Agreement from such forms as hereby determined by the Authority as necessary or desirable in the refinancing of the Series 2011B Project and accomplishment of the purposes of this Resolution are hereby approved. Any member or officer of the Authority is hereby authorized to execute and deliver or accept, as the case may be, the Series 2011B Supplemental Indenture, the Series 2011B Supplement to Lease, the Series 2011B Supplements to Sublease, the Pledge Agreement Amendment and the Escrow Agreement, together with the definitive Series 2011B Bonds authorized hereunder, in substantially the forms referred to herein with such changes, variations, omissions and insertions as the officer executing such documents shall approve. The execution, to the extent so required, or delivery of each such document by such member shall constitute conclusive evidence of such approval, including the approval of all such changes, variations, omissions and insertions in such documents or instrument contemplated by this Resolution. Any member or officer of the Authority is hereby authorized and directed for and in the name and on behalf of the Authority to do all acts and things required or provided for by the provisions of Series 2011B Supplemental Indenture, Series 2011B Supplement to Lease, the Series 2011B Supplements to Sublease, the Pledge Agreement Amendment and the Escrow Agreement, and to execute and deliver all such additional certificates, instruments and documents and to do all such further acts and things as may be necessary or, in the opinion of such member, desirable and proper to effect the purposes of this Resolution and to cause compliance by the Authority with all of the terms, covenants and provisions of said documents, including, without limitation, such certificates, acts and things as may be required by Bond Counsel, to show the facts relating to the legality and marketability of the Series 2011B Bonds and other matters.

Section 5. Bond Purchase Agreement; Preliminary Official Statement and Official Statement. The Series 2011B Bond Purchase Agreement, in substantially the form previously used by the Authority in connection with the Program (herein, the “Bond Purchase Agreement”) is hereby approved. The Series 2011B Bonds shall be sold and delivered in the manner, at a purchase price and on the terms and conditions set forth in the Bond Purchase Agreement

including a purchase price to be approved by the officers executing the Bond Purchase Agreement (but in no event at a purchase price less than 98.5% of the principal amount thereof or with an underwriting discount of more than 0.75%). The distribution of the Preliminary Official Statement in the form on file is hereby authorized. The preparation of the final Official Statement, and its use and distribution, as contemplated by such Bond Purchase Agreement, is hereby approved, ratified and confirmed.

Section 6. Designation of Authorized Officers. The Chairman or the Vice Chairman or other member of the Authority or the Executive Director of the Authority (each, an "Authorized Officer" and collectively, the "Authorized Officers") be and hereby are each authorized, empowered and directed (provided only one such signature shall be required) to execute the Series 2011B Supplemental Indenture, Series 2011B Supplement to Lease, the Series 2011B Supplements to Sublease, the Pledge Agreement Amendment and the Escrow Agreement, the Continuing Disclosure Agreement and any and all other documents, agreements or instruments which such officers deem necessary or appropriate in connection therewith, (collectively, the "*Series 2011B Bond Documents*") in the name and on behalf of the Authority to be delivered to the Underwriter and the Underwriter shall be authorized to use the Preliminary Official Statement and the Official Statement in connection with the sale of the Series 2011B Bonds. The Chairman or the Vice Chairman or other member of the Authority or the Executive Director of the Authority are hereby authorized, empowered and directed (provided only one such signature shall be required) to do all such acts and things necessary to carry out and comply with the provisions of the Official Statement and the Bond Purchase Agreement. The execution, to the extent so required, or delivery of each such document by such member shall constitute conclusive evidence of such approval, including the approval of all such changes, variations, omissions and insertions in such documents as well as the interest rates, maturities, Sinking Fund Installments and other redemption terms and conditions for the Series 2011B Bonds as contemplated by this Resolution and any other change, revision, deletion or addition to any such document or instrument contemplated by this Resolution.

Section 7. Authorization and Ratification of Subsequent Acts. The Members, agents and employees of the Authority, general counsel to the Authority and Perkins Coie LLP acting in the capacity as Bond Counsel to the Authority are hereby authorized and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of these resolutions and the documents approved hereby and to develop and implement post-issuance compliance procedures to facilitate compliance with requirements of the Code; and all of the acts and doings of the members, agents and employees of the Authority which are in conformity with the intent and purposes of these resolutions, whether heretofore or hereafter taken or done, shall be and are hereby ratified, confirmed and approved. Without limiting the generality of the foregoing, the proper officers of the Authority are hereby also authorized and directed to execute, acknowledge and deliver such certificates, agreements and documents which, in the opinion of Bond Counsel, are necessary to preserve the intended federal income tax treatment of the Series 2011B Bonds.

Section 8. Effective Date. This Resolution shall take effect immediately. If any one or more of the covenants or agreements provided in this Resolution on the part of the Authority or any fiduciary to be performed should be contrary to law, then such covenant or covenants or

agreement or agreements shall be deemed severable from the remaining covenants and agreements, and shall in no way affect the validity of the other provisions of this Resolution.

Adopted this 29th day of November, 2011.

EXHIBIT A

Series 2011B Project

Originally Funded by <u>Series</u>	<u>Project Description</u>	<u>Bond Financed Improvements</u>	<u>Institutes</u>
1987	Renovate Existing Classroom Building	\$ 1.5 million	Western Dakota
1987	Construct First Building on New Vocational Education Campus	\$ 3.5 million	Southeast
1988	Construct Building Two	\$ 2.3 million	Southeast
1988	Classroom Addition	\$ 0.4 million	Lake Area
1988	Remodeling	\$ 0.7 million	Mitchell
1999	Classrooms and Computer Labs	\$ 4.0 million	Southeast
1999	Electronic, Machine Tool and Engineering Labs, Shops and Classrooms	\$ 2.2 million	Lake Area