

**SOUTH DAKOTA HEALTH AND EDUCATIONAL
FACILITIES AUTHORITY**

MINUTES OF THE MAY 20, 2014 SPECIAL MEETING

Pursuant to due notice, the South Dakota Health and Educational Facilities Authority met on Tuesday, May 20, 2014 at 9:30 a.m. CDT (8:30 a.m. MDT), 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. Norbert Sebade
Mr. Dave Timpe

Absent:

Mr. William Lynch
Mr. Mack Wyly

Other staff and representatives of the Authority and other parties present were:

Donald Templeton, Executive Director
Vance Goldammer, General Legal Counsel
Dustin Christopherson, Associate Director
Steve Corbin, Finance Officer
Bruce Bonjour, Perkins Coie
Jack Arnold – Dougherty and Company

The Chairman declared a quorum and called the meeting to order. The notice of the meeting dated May 14, 2014 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 April 23, 2014 special meeting. Gene Lebrun moved to approve the minutes as presented, seconded by Dick Dempster. All members present voted aye, motion carried.

Technical Education Series, 2014A Refunding Bonds

Mr. Templeton explained that there are present value savings expected by refunding the Technical Education Series 2004 bonds.

Mr. Jack Arnold reviewed the projected sources and uses of funds, along with the present value savings and the costs of issuance.

Mr. Templeton explained the Preliminary Official Statement, the program revenues and expenses and the Moody's rating of Aa2.

Mr. Bonjour explained that the \$1,500,000 Technical Education Fund held by the State of South Dakota in trust would be able to be used for equipment purchases for Technical Education once the Series 2004 bonds have been retired on August 1, 2014.

Mr. Bonjour reviewed the Resolution (*see Attachment #2*). Dave Timpe moved the Resolution, Dick Dempster seconded and upon roll call, the ayes were Dempster, Fleck, Lebrun, Sebade, and Timpe; nays: none; abstain: none.

Adjournment

The Chairman stated there being no further business at this meeting, the meeting adjourned at 9:58 a.m.



Attachment #1

SOUTH DAKOTA
HEALTH AND EDUCATIONAL
FACILITIES AUTHORITY

Date: May 14, 2014

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, May 20, 2014 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 9:30a.m. CST (8:30a.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:

Gene Lebrun
Dave Fleck

Norbert Sebade
Dave Timpe

Mack Wyly
Dick Dempster

Attached is an agenda. Information on agenda items will be sent via Federal Express or Email

Cc: Vance Goldammer
Bruce Bonjour

RESOLUTION authorizing the issuance and sale of the South Dakota Health and Educational Facilities Authority Vocational Education Program Revenue Bonds, Series 2014A for the purposes of refinancing and refunding existing bonds, authorizing the execution and performance of a Supplemental Indenture of Trust and a Supplement to Lease Purchase Agreement to secure such Series 2014A 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 2014A 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 establishes the postsecondary technical institutes facilities fund (the "*Technical Institutes Facilities Fund*") and provides that (i) the State Treasurer or others may pledge earnings on the Technical Institutes 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 (the "*Original Lease*"), as supplemented by various Supplements through and including a Sixteenth Supplement to Lease Purchase Agreement dated as of February 1, 2012 and certain Omnibus Amendments dated as of May 1, 2011 (collectively, as so supplemented and amended, the "*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 2010A&B 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*”), its Vocational Education Program Revenue Bonds, Series 2012A in the original principal amount of \$18,810,000 (the “*Series 2012A 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 2010A&B Bonds, Series 2010C Bonds, Series 2011A Bonds, and its Series 2014A 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 2010A&B 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*"). The Authority issued the Series 2012A Bonds pursuant to the Original Indenture as amended and supplemented by the Fourteenth Supplemental Indenture of Trust dated as of August 1, 2012 between the Authority and the Trustee (the "*Fourteenth Supplemental Indenture*"). The Original Indenture as subsequently amended and supplemented is referred to herein as the "*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 (the "*Trust Fund Earnings*") on the statutorily created Technical Institutes Facilities Fund (the "*Technical Institute Facilities Fund*") to the Tuition Subaccount pursuant to a certain General Pledge and Escrow Agreement most recently amended as of February 1, 2012 (the "*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 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, 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, pursuant to 1-16A-95, beginning on July 1, 2013, the issuance of any additional 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 the Participating Institutions or the Board under the authority of chapter 13-39 shall be approved by the South Dakota Legislature before issuance; provided, however, this requirement, does not apply to the issuance of bonds for the purposes of refinancing or refunding existing bonds, notes, or other obligation;

WHEREAS, at the request of the Board, the Authority proposes to issue bonds in one or more series (the "*Series 2014A Bonds*") in an amount estimated to be necessary, together with other available funds for the purposes of refinancing and refunding the outstanding Series 2004 Bonds (the "*Refunded Bonds*");

WHEREAS, the Authority has been presented with drafts of a Preliminary Official Statement, a Fifteenth Supplemental Indenture between the Authority and The First National Bank in Sioux Falls, a Seventeenth Supplemental Lease Purchase Agreement between the Authority and the Board, and a Bond Purchase Agreement among the Board, the Authority and Dougherty & Company LLC (together with any other investment banking firm approved by the Authority, the "*Underwriter*") (the "*Preliminary Official Statement*", the "*Series 2014A Supplemental Indenture*", the "*Series 2014A Lease Supplement*" 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; and

WHEREAS, the Refunded Bonds financed or refinanced certain projects (the "*Refinanced Projects*") which were leased by the Authority to the Board pursuant to the Lease and in turn subleased by the Board to the Participating Institutions pursuant to the respective Sublease Agreements between the Board and each Participating Institution (as amended and supplemented from time to time the "*Subleases*"); and

WHEREAS, the Authority has advised the Board that the Series 2014A Bonds shall be priced and sold within the following parameters: the principal amount of the Series 2014A Bonds shall not exceed \$1,850,000, the last stated maturity date of the Series 2014A Bonds will not be later than August 1, 2024, the Series 2014A Bonds will bear interest at rates resulting in a yield

for arbitrage purposes not in excess of 3.50% per annum, the purchase price of the Series 2014A Bonds to be paid by the underwriter will be not less than 98.0% of the principal amount of the Series 2014A Bonds, and the underwriter's discount (as measured as a percentage of total proceeds of the Series 2014A Bonds) shall not exceed 2.0%; **WHEREAS**, in furtherance of the foregoing, it shall be necessary for the Board and other parties to execute, deliver and approve, as applicable, (i) the Series 2014A Lease Supplement, (ii) the Series 2014A Supplemental Indenture, (iii) the Bond Purchase Agreement, (iv) a Continuing Disclosure Agreement with respect to the Series 2014A Bonds (the "*Continuing Disclosure Agreement*") and (v) an Escrow Agreement (the "*Escrow Agreement*") between the Authority and The First National Bank in Sioux Falls as Escrow Agent (the "*Escrow Agent*") providing for the refunding of the Refunded Bonds; and

WHEREAS, Section 7 of House Bill 1142, enacted by the Legislature in the 2014 Session and signed into law by the Governor ("*House Bill 1142*") provides that one million five hundred thousand dollars (\$1,500,000) from the current balance of the Technical Institutes Facilities Fund shall be transferred to the postsecondary technical institute equipment fund, a fund held by the State of South Dakota which is not pledged to secure any Bonds (the "*Equipment Fund*") provided the collateral requirements associated with the postsecondary technical institute facilities fund have been released or satisfied, and upon the refunding of the Refunded Bonds, all such collateral requirements shall be have been released or satisfied;

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 Refinanced 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 issuance of the Series 2004 Bonds (herein, the "*Series 2014A Tenants*") and shall be operated by the Series 2014A 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 bonds for the purposes of refinancing or refunding existing bonds, notes or other obligations.

(c) Prior to the issuance of the Series 2014A Bonds, and as provided in Section 1-16A-93, the Board of Education shall determine that the estimated receipts, rentals, and other payments, including appropriations by the South Dakota Legislature, student fee payments, and other balances and revenues pledged under the Indenture or any other agreement or arrangement with respect to outstanding Bonds will not be less than one hundred three percent (103%) of the projected scheduled payments of principal and interest on all outstanding Bonds, which for purposes of this determination shall include the Series 2014A Bonds to be issued but shall exclude the Refunded Bonds.

(d) Section 1-16A-93 provides that the Authority may conclusively rely upon the determinations of the Board.

(e) Pursuant to Section 1-16A-95, no approval of the Legislature is required before the issuance of the Series 2014A Bonds since the issuance of the Series 2014A Bonds is for the purposes of refinancing or refunding existing bonds, notes or other obligations.

(f) As a consequence of refunding the Refunded Bonds, pursuant to Section 7 of House Bill 1142 the final remaining collateral requirements shall be released and satisfied and the \$1,500,000 balance in the Technical Institutes Facilities Fund may be transferred to the Equipment Fund.

Section 2. Series 2014A Bonds. The Series 2014A Bonds shall be issued pursuant to the Original Indenture as amended and supplemented by the Series 2014A Supplemental Indenture. The Series 2014A Bonds are hereby authorized to be issued in fully registered form in an aggregate principal amount of not to exceed \$1,850,000 of Series 2014A Bonds with such maturities and interest rates to be finally determined by the officers executing and delivering the Series 2014A Supplemental Indenture and the Bond Purchase Agreement, *provided* that an Authorized Officer (as defined below) determine that the Series 2014A Bonds will bear interest at rates resulting in a yield for arbitrage purposes not in excess of 3.50% per annum with a final stated maturity of no later than August 1, 2024) the purchase price of the Series 2014A Bonds to be paid by the underwriter will be not less than 98.0% of the principal amount of the Series 2014A Bonds; the underwriter's discount (as measured as a percentage of total proceeds of the Series 2014A Bonds) shall not exceed 2.0%; *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 2014A Bonds and other instruments described herein. The Series 2014A Bonds shall be designated "South Dakota Health and Educational Facilities Authority Vocational Education Program Revenue Bonds, Series 2014A." The form of the Series 2014A Bonds and trustee's certificate of authentication shall be substantially in the form of the draft of the Series 2014A Supplemental Indenture on file with the Executive Director, with such additions or other modifications to such designation as any Authorized Officer may deem necessary or appropriate.

The purpose of the issuance of the Series 2014A Bonds is to refund the Refunded Bonds.

Series 2014A Bonds shall have a date of initial issuance as specified in Section 2.02 of the Series 2014A Supplemental Indenture. Thereafter, the Series 2014A Bonds shall be dated as set forth in the specimen form of Bond approved hereby. The Series 2014A 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 2014A Supplemental Indenture. The Series 2014A Bonds shall be issued in the denominations specified in Section 2.02 of the Series 2014A Supplemental Indenture. The Trustee is hereby appointed the Paying Agent for the Series 2014A 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 2014A 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 2014A Bonds and the Series 2014A Supplemental Indenture, such redemption to be as otherwise provided in Article II of the Series 2014A Supplemental Indenture. Any Series 2014A Term Bonds (as identified in the Bond Purchase Agreement and the Series 2014A Supplemental Indenture) shall be redeemed prior to maturity by payment of Sinking Fund Installments (as specified in the Series 2014A Supplemental Indenture based upon the parameters established in this Resolution), upon notice, as provided in Article II of the Series 2014A 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 2014A Bond approved hereby. Except as otherwise provided herein, all Series 2014A Bonds shall be redeemed in accordance with the Series 2014A Supplemental Indenture.

The Related Amount of Series 2014A Bonds shall be as provided in Exhibit D to the Series 2014A Supplement to Lease and Section 2.16 of the Original Indenture as amended by the Series 2014A Supplemental Indenture.

The Authority hereby covenants and agrees to cause the Series 2014A 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 2014A Bonds.

Section 3. Application of Bond Proceeds. The proceeds of the sale and delivery of the Series 2014A Bonds shall be deposited in the Funds and Accounts as specified in Article IV of the Series 2014A Supplemental Indenture.

Section 4. Series 2014A Supplemental Indenture, Series 2014A Lease Supplement, Continuing Disclosure Agreement, and Escrow Agreement. The Series 2014A Supplemental Indenture, Series 2014A Lease Supplement, the Continuing Disclosure Agreement, and the Escrow Agreement, in substantially the forms of the drafts currently on file, containing such additions, deletions and substitutions to be made to the text of such forms as hereby determined by the Authority as necessary or desirable in the refinancing of the Refinanced Projects and related matters, and accomplishment of the purposes of this Resolution, including providing proceeds in an amount not in excess of the amounts required to pay the redemption price plus accrued interest on the Refunded Bonds, to pay costs of issuance of the Series 2014A Bonds and to provide working capital in an amount equal to the present value savings on debt service with respect to the Refunded Bonds, 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 2014A Supplemental Indenture, the Series 2014A Lease Supplement, the Continuing Disclosure Agreement, and the Escrow Agreement, together with the definitive Series 2014A 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 2014A Supplemental Indenture, Series 2014A Lease Supplement, the Continuing Disclosure Agreement, 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 2014A Bonds and other matters.

Section 5. Bond Purchase Agreement; Preliminary Official Statement and Official Statement. The Series 2014A 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 2014A 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 98.0% of the principal amount thereof or with an underwriting discount of more than 2.0%). 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. Transfer of \$1,500,000 to the Equipment Fund. As a consequence of refunding the Refunded Bonds, pursuant to Section 7 of House Bill 1142, the Authority hereby finds and determines that the final remaining collateral requirements shall be satisfied and the Authority hereby consents to the release of the pledge of the Trust Fund Earnings such that they are no longer pledged under or pursuant to the Indenture, Pledge Agreement or any related document or instrument, and the \$1,500,000 balance in the Technical Institutes Facilities Fund may be transferred as provided in House Bill 1142. 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 execute any and all instruments deemed necessary or appropriate (herein, the "*Satisfaction and Release*") to release the Trust Fund Earnings from any pledge with respect to Bonds and/or evidence satisfaction of any collateral requirements so that the transfer of the \$1,500,000 balance to the Equipment Fund may occur and to do such further acts and things necessary to carry out such release and transfer.

Section 7. 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 2014A Supplemental Indenture, Series 2014A Lease Supplement, the Continuing Disclosure Agreement, the Escrow Agreement and Satisfaction and Release, and any and all other documents, agreements or instruments which such officers deem necessary or

appropriate in connection therewith, (collectively, the "*Series 2014A 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 2014A 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 2014A 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 8. 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 2014A Bonds.

Section 9. 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 20th day of May, 2014.

EXHIBIT A

Series 2014A Projects (the "Refinanced Projects")

Originally Funded by <u>Series</u>	<u>Project Description</u>	<u>Bond Financed Improvements</u>	<u>Institutes</u>
1988*	Addition to Aviation Mechanics Annex	\$0.4 million	LakeArea
1988*	Misc. Remodeling and Expansion of Facilities	\$1.0 million	Mitchell
1988*	Ed Wood Building Construction	\$2.3 million	Southeast
1990*	Construction of 4 Day-care Centers	\$1.3 million	Lake Area, Mitchell, Southeast, W. Dakota
1993B	Multi-Purpose Classroom Additions	<u>\$ 2.5 million</u> \$7.5 million	Lake Area

*The Series 1988 and 1990 Bonds were refunded by the Authority's Series 1993A Bonds.
The Series 1993A and 1993B Bonds were in turn refunded by the Authority's Series 2004 Bonds.

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