

**SOUTH DAKOTA HEALTH AND EDUCATIONAL
FACILITIES AUTHORITY**

MINUTES OF THE JUNE 3, 2015 SPECIAL MEETING

Pursuant to due notice, the South Dakota Health and Educational Facilities Authority met on Wednesday, June 3, 2015 at 12:30 p.m. CST (11:30 a.m. MST), at the Deadwood Lodge and 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
 Mr. Mack Wyly

Absent: Mr. William Lynch

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
Dan Bacastow, Chapman and Cutler

The Chairman declared a quorum and called the meeting to order. The notice of the meeting dated May 27, 2015 was posted on the Authority door prior to the meeting (*see Attachment #1*).

The Chairman asked for consideration of the minutes for the May 21, 2015 special meeting. Mr. Dave Timpe moved to approve the minutes as presented, seconded by Mr. Dick Dempster. All members present voted aye, motion carried.

Good Samaritan Society Bond Issue

Mr. Templeton reviewed the Good Samaritan Society projects that were published and TEFRA hearing notices. Mr. Dan Bacastow reported that a citizen attended the meeting. Mr. Bacastow reviewed with the Board the approval of the bond issue with the Resolution (*see Attachment #2*). Mr. Gene Lebrun motioned to approve the bond issue, seconded by Mr. Mack Wyly and upon roll call, the ayes were Dempster, Fleck, Lebrun, Sebade, Timpe and Wyly; nays: none; abstain: none.

FY-16 Budget

Mr. Templeton reviewed the FY-16 Budget, on file at the Authority office, in detail and told the annual service fee will remain at .00045 of the outstanding bonds at June 30th. The other revenues were reviewed as were the payroll benefits and other expenses. The projected FY-16 revenues over expenses are \$129,836. Mr. Dave Timpe moved to approve the budget, seconded by Mr. Dave Fleck and upon the roll call the ayes were Dempster, Fleck, Lebrun, Sebade, Timpe and Wyly; nays: none; abstain: none.

Mr. Mack Wyly moved to approve the payroll and benefit amounts on file at the Authority office. Mr. Dick Dempster seconded and upon roll call, the ayes were Dempster, Fleck, Lebrun, Sebade, Timpe and Wyly; nays: none; abstain: none.

Contracts

Mr. Templeton reviewed the South Dakota Health and Educational Facilities Authority/South Dakota Building Authority contract for FY-16 on file. Mr. Dick Dempster moved to approve, seconded by Mr. Dave Timpe and upon roll call, the ayes were Dempster, Fleck, Lebrun, Sebade, Timpe and Wyly; nays: none; abstain: none.

Mr. Templeton reviewed the South Dakota Health and Educational Facilities Authority/Educational Enhancement Funding Corporation contract for FY-16 on file. Mr. Mack Wyly moved to approve, seconded by Mr. Gene Lebrun and upon roll call, the ayes were Dempster, Fleck, Lebrun, Sebade, Timpe and Wyly; nays: none; abstain: none.

Mr. Templeton reviewed the Employment Agreement of the Executive Director on file at the Authority office. Mr. Gene Lebrun moved to approve, seconded by Mr. Dave Fleck and upon roll call, the ayes were Dempster, Fleck, Lebrun, Sebade, Timpe and Wyly; nays: none; abstain: none.

The Eide Bailly engagement letter was reviewed and it was decided to accept the FY-16 Eide Bailly fee of \$25,250, but then put a request for proposal out to different accounting firms to consider for the FY-17 audit. Mr. Lebrun moved to approve, seconded by Mr. Fleck and upon the roll call, the ayes were Dempster, Fleck, Lebrun, Sebade, Timpe and Wyly; nays: none; abstain: none.

Mr. Templeton reviewed the Murphy Goldammer and Prendergast contract for FY-16 on file at the Authority office. The hourly fee is \$170.00 with a not to exceed amount of \$45,000. Mr. Gene Lebrun moved to approve the contract, seconded by Mr. Mack Wyly and upon roll call, the ayes were Dempster, Fleck, Lebrun, Sebade, Timpe and Wyly; nays: none; abstain: none.

2015 Annual Meeting

Sutton Bay was chosen to be the site of the annual meeting on September 30th and October 1st.

Adjournment

The Chairman stated there being no further business at this meeting, the meeting adjourned at 1:06 p.m.



SOUTH DAKOTA
HEALTH AND EDUCATIONAL
FACILITIES AUTHORITY

Date: May 27, 2015

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 Wednesday, June 3, 2015 as the meeting date for the special meeting of the South Dakota Health and Educational Facilities Authority to be held following the Quad State Conference in Deadwood, SD at The Lodge at Deadwood and via telephone conference call at 12:30 p.m. CST (11:30 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:

Gene Lebrun	Norbert Sebade	Dave Timpe	Dave Fleck
Mack Wylie	Dick Dempster	Bill Lynch	

Attached is one of the letters that the Governor sent to me and Dustin regarding the Standard and Poor's upgrade of the state and an agenda. Information on agenda items will be sent in the near future.

Cc: Vance Goldammer, Murphy, Goldammer & Prendergast, LLP
Dan Bacastow, Chapman & Cutler LLP

RESOLUTION pursuant to Section 1-16A-15.1 of the South Dakota Codified Laws authorizing a financing by the Colorado Health Facilities Authority to proceed with respect to the financing and refinancing of certain facilities of The Evangelical Lutheran Good Samaritan Society in South Dakota, and requesting the approval of the Governor of the State of South Dakota under Section 147(f) of the Internal Revenue Code of 1986.

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*"); and

WHEREAS, The Evangelical Lutheran Good Samaritan Society (the "*Society*"), has advised the Authority of its desire to accomplish a plan of finance to (a) refund that portion of the Health Facilities Revenue Bonds (The Evangelical Lutheran Good Samaritan Society Project), Series 2004A and Series 2009B, issued on behalf of the Society by the Colorado Health Facilities Authority (the "*Colorado Authority*"), which were used for the acquisition, construction, improvement and equipping of certain facilities at the Society's National Campus, 4800 West 57th Street, Sioux Falls, South Dakota (the "*Society's National Campus*"), (b) refund that portion of the Colorado Authority's Health Facilities Revenue Bonds (The Evangelical Lutheran Good Samaritan Society Project), Series 2005, issued on behalf of the Society, which were used for the acquisition, construction, improvement and equipping of certain facilities at the Society's National Campus, at the Society's Prairie Creek facility, 4400 Creekside Drive, Sioux Falls, South Dakota and at the Society's Luther Manor facility, 2900 South Lake Avenue, Sioux Falls, South Dakota, (c) refund that portion of the Colorado Authority's Health Facilities Revenue Bonds (The Evangelical Lutheran Good Samaritan Society Project), Series 2006, issued on issued on behalf of the Society, which were used for the acquisition, construction, improvement and equipping of certain facilities at the Society's Echo Ridge facilities, 821 and 931 Fox Run Drive, Rapid City, South Dakota, at the Society's National Campus, and at the

Society's Sioux Falls Village, 3901 South Marion Road, Sioux Falls, South Dakota, and (d) acquire, construct, improve and equip certain facilities at the Society's National Campus (consisting of remodeling and construction of the existing national office complex buildings and the construction of an additional national office building) and Good Samaritan Society—Prairie Creek, 4400 Creekside Drive, Sioux Falls, South Dakota (consisting of the construction of a 32-unit memory care assisted living facility), owned and operated by the Society (collectively, such financed and refinanced facilities are referred to herein as the "*South Dakota Project*"); and

WHEREAS, the financing and refinancing of the South Dakota Project will be accomplished by the issuance by the Colorado Authority of its Health Facilities Revenue Bonds (The Evangelical Lutheran Good Samaritan Society Project) Series 2015 (the "*Bonds*"), in a principal amount not to exceed \$300,000,000, of which an amount not to exceed \$61,855,000 will be applied to finance and refinance the South Dakota Project and the remainder of the proceeds of the Bonds will be used to (i) finance and refinance the cost of the acquisition, construction, improvement and equipping of certain skilled nursing facility and other health care and senior living facility improvements in various locations outside of the State of South Dakota, (ii) refund certain outstanding bonds of the Society which financed capital projects outside of the State of South Dakota, (iii) establish a reserve fund for the Bonds, and (iv) pay certain costs of issuing the Bonds; and

WHEREAS, because a portion of the facilities proposed to be financed and refinanced by the Bonds of the Colorado Authority are or will be located in South Dakota, and because the Colorado Authority is an "out-of-state issuer" for purposes of Section 1-16A-15.1 of the South Dakota Codified Laws, said Section 1-16A-15.1 requires that the Authority determine whether the financing by the Colorado Authority shall proceed with respect to the South Dakota Project and requires the approval of the Governor of the State of South Dakota pursuant to Section

147(f) of the Internal Revenue Code of 1986, as amended (the “Code”) following a public hearing required by said Section 147(f); and

WHEREAS, in connection with any financing under Section 1-16A-15.1 by an out-of-state issuer, the Authority is designated by Section 1-16A-15.1 as the only entity in the State of South Dakota which may conduct the public hearing required by said Section 147(f); and

WHEREAS, the public hearing required by Section 147(f) of the Code was held on May 29, 2015, after notice duly provided in compliance with said Section 147(f); and

WHEREAS, the Authority will not issue the Bonds, nor will the Authority or the State of South Dakota have any liability with respect to the Bonds which will be issued by the Colorado Authority; and

WHEREAS, the Authority has not reviewed, passed upon, or approved, and will not review, pass upon or approve, among other matters: (i) the financial feasibility of the plan of finance described in this resolution, (ii) the feasibility or advisability of the financing and refinancing of the South Dakota Project, (iii) the adequacy or operations of the South Dakota Project financed and refinanced with the proceeds of the Bonds or (iv) the validity, credit or feasibility of the Bonds or the status of interest on the Bonds themselves, nor will the South Dakota Authority approve or pass upon, the sufficiency of any official statement or other offering document with respect to the Bonds;

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

Section 1. Determination with respect to Financing and Refinancing by an Out-of-State Issuer. The Authority hereby finds and determines pursuant to Section 1-16A-15.1 of the South Dakota Codified Laws that the financing and refinancing with respect to the South Dakota Project by the Colorado Authority should proceed in an aggregate amount not to exceed

\$61,855,000, subject to the authorization and approval of the Bonds by the Society and the Colorado Authority. The Authority has been informed by the Society that the Bonds will constitute special limited obligations of the Colorado Authority payable solely from amounts received by the Colorado Authority pursuant to a Loan Agreement between the Colorado Authority and the Society. The Authority shall not issue the Bonds, nor shall the Authority or the State of South Dakota have any liability with respect to the Bonds or the sale or offering thereof. The Authority has not reviewed, passed upon, or approved, and will not review, pass upon or approve, among other matters: (i) the financial feasibility of the plan of finance described in this resolution, (ii) the feasibility or advisability of the financing and refinancing of the South Dakota Project, (iii) the adequacy or operations of the South Dakota Project financed and refinanced with the proceeds of the Bonds or (iv) the validity, credit or feasibility of the Bonds or the status of interest on the Bonds themselves, nor will the South Dakota Authority approve or pass upon, the sufficiency of any official statement or other offering document with respect to the Bonds.

Section 2. Governor's Approval. The Authority hereby authorizes and directs the Executive Director of the Authority to request the approval of the Governor of the State of South Dakota of the issuance of Bonds in an aggregate amount not to exceed \$61,855,000 by the Colorado Authority for the South Dakota Project and related costs described above as required by Section 147(f) of the Code and Section 1-16A-15.1 of the South Dakota Codified Laws.

Section 3. Authorization and Ratification of Subsequent Acts. The Members, Executive Director, agents and employees of the Authority are hereby authorized and directed to do all such acts and things, to cooperate with the Colorado Authority with respect to the South Dakota Project, and to execute or accept all such documents as may be necessary to carry out and comply with the provisions of these resolutions, and all of the acts and doings of the Members,

Executive Director, officers, agents and employees of the Authority which are in conformity with the intent and purposes of this resolution, whether heretofore or hereafter taken or done, shall be and are hereby ratified, confirmed and approved.

Adopted this 3rd day of June, 2015.