

SOUTH DAKOTA HEALTH AND EDUCATIONAL
FACILITIES AUTHORITY

MINUTES OF THE JULY 18, 2013 SPECIAL MEETING

Pursuant to due notice, the South Dakota Health and Educational Facilities Authority met on Thursday, July 18, 2013 at 2:00 p.m., CDT, via telephone conference call. Norbert Sebade, Chairman, instructed the Secretary to call the roll.

Present: Alan "Dick" Dempster
 Gene Lebrun
 William Lynch
 Norbert Sebade
 Dave Timpe
 Mack Wyly

Absent: Dave Fleck

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

Joseph Herdina, Evangelical Good Samaritan Society
Dan Bacastow, Jones Day
Donald Templeton, Executive Director
Dustin Christopherson, Associate Director

A quorum was declared by the Chairman and the meeting was called to order. The notice of the meeting dated July 12, 2013 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 June 18, 2013 special meeting. Gene Lebrun moved to approve the minutes as amended with one suggested change per Dave Timpe, seconded by Dick Dempster. All members present voted aye, motion carried.

Good Samaritan Society Series 2013 Bonds

Don Templeton reviewed the reasons given by the Good Samaritan Society for the Series 2013 bond issuance through the Colorado Health Facilities Authority and the request to have the South Dakota Health and Educational Facilities Authority hold the TEFRA hearing. The bonds fund 50 twin homes, 42 congregate living units, 32 assisted living units for a bond amount not to exceed \$28.5 million for the South Dakota projects. Dan Bacastow reviewed the approving resolution to hold the TEFRA meeting. (*see Attachment #2*). Mack Wyly moved to approve the resolution with additional property addresses revised per Dan Bacastows explanation and Dave Timpe seconded. Ayes were Dempster, Lebrun, Lynch, Sebade, Timpe and Wyly; nays: none; abstain: none.

Adjournment

The Chairman stated there being no further business at this meeting, the meeting adjourned at 2:20 p.m.



SOUTH DAKOTA
HEALTH AND EDUCATIONAL
FACILITIES AUTHORITY

Date: July 12, 2013

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 Thursday, July 18, 2013 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 2:00 p.m. CDT (1:00 p.m. MDT).

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 | Gene Lebrun (uncertain) | Dave Timpe | Mack Wyly |
| Dave Fleck | William Lynch | Norbert Sebade | |

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

Cc: Dan Bacastow
Joseph Herdina

**RESOLUTION OF THE SOUTH DAKOTA HEALTH AND
EDUCATIONAL FACILITIES AUTHORITY CALLING FOR
A PUBLIC HEARING ON AN ISSUE OF REVENUE BONDS
ON BEHALF OF THE EVANGELICAL LUTHERAN GOOD
SAMARITAN SOCIETY**

BE IT RESOLVED by the South Dakota Health and Educational Facilities Authority (the “Authority”), as follows:

1. The Evangelical Lutheran Good Samaritan Society (the “Society”), has advised the Authority of its desire (i) to finance and refinance the cost of the acquisition, construction, improvement and equipping of certain skilled nursing facility and other health care, assisted living and senior living facility improvements in various locations outside of the State of South Dakota, (ii) to finance the acquisition, construction, improvement and equipping of an assisted living facility, senior apartments and related infrastructure, including, but not limited to up to approximately 50 twinhomes, approximately 42 housing with services apartments, and an approximately 32-bed assisted living community at the Good Samaritan Society—St. Martin Village, to be located at 1304 through 1765 City Springs Road, 4929 through 4950 Grace Way, 4808 through 4965 Good Shepherd Way and 4964 through 4905 Jericho Way, all in Rapid City, South Dakota 57702, in the case of the twinhomes, at 4811 St. Martin Drive, Rapid City, South Dakota 57702, in the case of the assisted living facilities, and at 4825 Jericho Way, Rapid City, South Dakota 57702, in the case of the senior housing and independent living facilities (collectively the “South Dakota Project”), owned, managed and operated by the Society, (iii) to establish a reserve fund for the hereinafter referred to Bonds, and (iv) to pay certain costs of issuing the Bonds, all through the issuance by the Colorado Health Facilities Authority (the “Colorado Authority”) of its Health Facilities Revenue Bonds (The Evangelical Lutheran Good Samaritan Society Project), Series 2013 (the “Bonds”), in a principal amount not to exceed \$115,000,000, of which an amount not to exceed \$28,500,000 will be applied to finance the South Dakota Project and certain related costs described above.

2. 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 or the sale or offering thereof. The public hearing and any subsequent action, if any, taken by the Authority is solely for purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), in compliance with Section 1-16A-15.1 of the South Dakota Codified Laws. 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 related to the Bonds, (ii) the feasibility or advisability of the financing of the South Dakota Project, (iii) the adequacy or operations of the South Dakota Project to be financed 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 has the Authority approved or passed upon, nor will the Authority approve or pass upon, the sufficiency of any official statement or other offering document with respect to the Bonds.

3. Since a portion of the facilities proposed to be financed by the Bonds are to be located in South Dakota, Section 147(f) of the Code, and regulations promulgated thereunder, requires that prior to the issuance of the Bonds, the Authority and the Governor of

the State of South Dakota approve the use of proceeds of the Bonds finance the South Dakota Project, after conducting a public hearing thereon. Section 1-16A-15.1 of the South Dakota Codified Laws requires that the Authority determine whether the financing by the Colorado Authority should proceed with respect to the financing of the South Dakota Project and requires the approval of the Governor of the State of South Dakota pursuant to Section 147(f) of the Code. A public hearing on the proposal to issue the Bonds to finance the South Dakota Project is hereby called and shall be held on a convenient date as is selected by the Executive Director of the Authority to allow sufficient time for publication of the notice of the public hearing in the manner required by law. The Authority will receive a fee, to be paid by the Society, of \$10,000 for calling and conducting the public hearing and obtaining the necessary approvals under Section 147(f) of the Code for the State of South Dakota, and Jones Day, Bond Counsel to the Authority, and Murphy, Goldammer & Prendergast, L.L.P., Counsel to the Authority, will each separately be paid, by the Society, for its respective time charges and expenses in connection with the review and preparation of certain materials required for the South Dakota portion of the financing under Section 147(f) of the Code and Section 1-16A-15.1 of the South Dakota Codified Laws.

4. The Executive Director of the Authority is hereby authorized and directed to cause notice of the public hearing, in substantially the form attached hereto as *Exhibit A*, to be published once in the Daily Capital Journal and once in the Rapid City Journal, each publication to be not less than 14 days prior to the date fixed by the Executive Director for the public hearing.

Adopted by the South Dakota Health and Educational Facilities Authority on the 18th day of July, 2013.

EXHIBIT A

[Form of TEFRA Notice to be Attached]

**NOTICE OF PUBLIC HEARING CONCERNING THE ISSUANCE OF BONDS
ON BEHALF OF
THE EVANGELICAL LUTHERAN GOOD SAMARITAN SOCIETY**

NOTICE IS HEREBY GIVEN that the South Dakota Health and Educational Facilities Authority (the “South Dakota Authority”) will conduct a public hearing concerning the approval of the issuance by the Colorado Health Facilities Authority (the “Colorado Authority”) of its Health Facilities Revenue Bonds (The Evangelical Lutheran Good Samaritan Society Project) Series 2013 (the “Bonds”) on behalf of The Evangelical Lutheran Good Samaritan Society (the “Society”). Under this plan of finance, the Bonds will be issued in an aggregate principal amount not to exceed \$115,000,000. A portion of the Bond proceeds in an amount not to exceed \$28,500,000 will be used to finance the acquisition, construction, improvement and equipping of an assisted living facility, senior apartments and related infrastructure, including, but not limited to up to approximately 50 twinhomes, approximately 42 housing with services apartments, and an approximately 32-bed assisted living community at the Good Samaritan Society—St. Martin Village, to be located at 1304 through 1765 City Springs Road, 4929 through 4950 Grace Way, 4808 through 4965 Good Shepherd Way and 4964 through 4905 Jericho Way, all in Rapid City, South Dakota 57702, in the case of the twinhomes, at 4811 St. Martin Drive, Rapid City, South Dakota 57702, in the case of the assisted living facilities, and at 4825 Jericho Way, Rapid City, South Dakota 57702, in the case of the senior housing and independent living facilities (collectively the “South Dakota Project”). 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.

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 principal owner, operator and manager of the South Dakota Project. The South Dakota Authority will not issue the Bonds, nor will the South Dakota Authority or the State of South Dakota have any liability with respect to the Bonds or the sale or offering thereof. The public hearing and any subsequent action, if any, taken by the South Dakota Authority is solely for purposes of Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), in compliance with Section 1-16A-15.1 of the South Dakota Codified Laws. The South Dakota 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 notice, (ii) the feasibility or advisability of the financing of the South Dakota Project, (iii) the adequacy or operations of the South Dakota Project financed 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.

All interested parties are invited to present comments at the public hearing regarding the issuance of the Bonds and the use of the proceeds thereof. The public hearing is required by Section 147(f) of the Code, and Section 1-16A-15.1 of the South Dakota Codified Laws.

Following the hearing, the South Dakota Authority will meet to consider whether the financing by the Colorado Authority may proceed with respect to the South Dakota Project. Written comments to be presented at the hearing may be submitted to the Executive Director of the South Dakota Health and Educational Facilities Authority at 330 South Poplar, Suite 102, Pierre, South Dakota 57501 until August 7, 2013. The public hearing will be held at 10:00 a.m. on August 7, 2013, at the offices of the South Dakota Health and Educational Facilities Authority, at 330 South Poplar, Suite 102, Pierre, South Dakota 57501.

Notice dated: July 24, 2013.

/s/ Donald A. Templeton
Executive Director, South Dakota Health
and Educational Facilities Authority