

**SOUTH DAKOTA HEALTH AND EDUCATIONAL
FACILITIES AUTHORITY**

MINUTES OF THE AUGUST 28, 2014 SPECIAL MEETING

Pursuant to due notice, the South Dakota Health and Educational Facilities Authority met on August 28, 2014 at 10:00 a.m., CST, via telephone conference call. Mr. Norbert Sebade, Chairman, instructed the Secretary to call the roll.

Present: Mr. Dave Timpe
 Mr. Dave Fleck
 Mr. Gene Lebrun
 Mr. William Lynch
 Mr. Norbert Sebade
 Mr. Mack Wyly

Absent: Mr. Dick Dempster

Other staff and representatives of the Authority present were:
 Mr. Donald Templeton, Executive Director and Secretary
 Mr. Vance Goldammer, General Legal Counsel
 Mr. Dustin Christopherson, Associate Director
 Mr. Steve Corbin, Finance Officer
 Mr. Dan Bacastow, Jones Day
 Mr. Bill Marlette, Sanford Health
 Mr. Mitch Morrison, Sanford Health

The Chairman declared a quorum and called the meeting to order.

The notice of the meeting dated August 26, 2014 was posted on the Authority door prior to the meeting (*see Attachment #1*).

The Chairman asked for consideration of the minutes for the July 23, 2014 special meeting. Mr. Mack Wyly moved to approve the minutes as presented, seconded by Mr. Dave Timpe. All members present voted aye, motion carried.

Sanford Health Mortgaged Property Exchange

Mr. Bill Marlette of Sanford Health explained that Sanford would like to exchange unimproved mortgaged property currently valued at \$21,880,000, which is adjacent to the new Sanford Fargo Medical Center campus for two improved properties valued at \$24,000,000. Both new properties would contain a first mortgage held by the Master Trustee. The site location maps were reviewed in detail along with the legal descriptions, the appraisal report and the fair market valuation report.

Mr. Vance Goldammer explained that this transfer complied with all the bonding requirements and pointed out that the South Dakota Health and Educational Facilities Authority would receive mortgages in the amount of \$2,120,000 more than currently held.

Mr. Dan Bacastow reviewed the Resolution (*see Attachment #2*) Mr. Bill Lynch moved to approve the resolution and Mr. Mack Wyly seconded. Ayes were Fleck, Lebrun, Lynch, Sebade, Timpe and Wyly. Nays: none and abstain: none.

Adjournment

The Chairman moved, that there being no further business at this meeting, the meeting be adjourned at 10:20 a.m.



SOUTH DAKOTA
HEALTH AND EDUCATIONAL
FACILITIES AUTHORITY

Date: August 25, 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 Thursday, August 28, 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 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:

Gene Lebrun	Norbert Sebade	Mack Wyly	Bill Lynch
Dave Fleck	Dave Timpe		

Attached is an agenda. Information on agenda items will be sent in the near future.

Cc: Vance Goldammer
Dan Bacastow, Chapman and Cutler
Bill Marlette, Sanford Health
Kim Patrick, Sanford Health

**RESOLUTION AUTHORIZING THE SUBSTITUTION OF PROPERTY
BY SANFORD NORTH**

BE IT RESOLVED by the Board of the South Dakota Health and Educational Facilities Authority as follows:

1. *Findings.* Pursuant to the Mortgage and Security Agreement and Fixture Filing Statement entered into between Sanford North ("*Sanford North*"), Mortgagor, and The First National Bank in Sioux Falls, as Master Trustee, Mortgagee, dated October 1, 2012, and recorded as document number 1368666 with the Cass County Recorder of Deeds on October 25, 2012 (as heretofore and hereafter amended from time to time, the "*Mortgage*"), Sanford North mortgaged, among other property, (i) the approximately 7.78 useable acre unimproved parcel as legally described on *Exhibit A* (located in Agassiz Crossing Fifth Addition) and shown on page 2 of *Exhibit C*, which exhibits are attached hereto and by this reference incorporated as if fully set forth herein, and (ii) the approximately 25.74 useable acre unimproved parcels as legally described on *Exhibit A* (located in Agassiz Crossing Fourth Addition) and shown on page 2 of *Exhibit C*. Pursuant to the provisions of Article V of the Mortgage, Sanford North has requested the release of the unimproved parcels of real estate described on *Exhibit A* (such parcels being hereinafter collectively referred to as the "*Released Property*") by substituting therefore the improved real property parcels (consisting of approximately 12.3 improved and developed acres) as legally described on *Exhibit B* (and referred to herein as the "*Substituted Property*"), which is attached hereto and by this reference incorporated as if fully set forth herein. As part of its compliance with the applicable process prescribed by the provisions of the Mortgage, Sanford has provided two separate appraisals by experts acceptable to the Master Trustee and the Authority, as set forth in *Exhibit D*, which are attached hereto and by this reference incorporated as if fully set forth herein, and with respect to which this Board is relying on in determining that the fair market value of the Substituted Property exceeds the fair market value of the Released Property as shown in *Exhibit D* hereto.

2. *Approval.* Based upon its consideration of, and in reliance upon, the materials provided to the Authority by Sanford North and attached hereto as *Exhibits C* and *D*, the South Dakota Health and Educational Facilities Authority hereby approves the request of Sanford North for the substitution under the Mortgage of the property described on *Exhibit B* for the property to be released as described on *Exhibit A* hereto. Furthermore, the Chairman and/or Executive Director are authorized to execute any and all consents, certificates and documents necessary to effectuate the purposes hereof, including, but not limited to, a consent to a supplement and amendment to the Mortgage and all other required documents and certificates to be prepared by Chapman and Cutler LLP, Bond Counsel to the Authority.

Dated this 28th day of August, 2014.