

**SOUTH DAKOTA HEALTH AND EDUCATIONAL**

**FACILITIES AUTHORITY**

**MINUTES OF THE OCTOBER 4, 2012 ANNUAL MEETING**

Pursuant to due notice, the South Dakota Health and Educational Facilities Authority met on October 4, 2012 at 2:00 p.m., MDT, at the Deadwood Lodge in Deadwood, South Dakota and via telephone conference call. Mr. Norbert Sebade, Chairman, instructed the Secretary to call the roll.

Present: Mr. Dick Dempster (via telephone)  
Mr. Dave Fleck  
Mr. Gene Lebrun  
Mr. William Lynch (via telephone)  
Mr. Norbert Sebade  
Mr. Mack Wyly (via telephone)

Absent: Mr. William Fischer

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 (via telephone)  
Mr. Bert Olson, First National Bank in Sioux Falls

The Chairman declared a quorum and called the meeting to order.  
The notice of the meeting dated September 24, 2012 was posted on the Authority door prior to the meeting (*see Attachment #1*).

The Chairman asked for consideration of the minutes for the August 30, 2012 special meeting. Mr. Mack Wyly moved to approve the minutes as presented, seconded by Mr. Dave Fleck. All members present voted aye, motion carried.

### **Sanford Health Series 2012E Bonds**

Mr. Don Templeton and Mr. Bill Marlette of Sanford Health reviewed the projects of a hospital and clinic in Thief River Falls, Minnesota, a super clinic in Dickinson, North Dakota, the West Campus Power Plant and site preparation in Fargo, North Dakota, a clinic and other campus remodeling and equipment in Sioux Falls, South Dakota. The project size totals \$126,990,000. The individual projects were reviewed as for drawings and description. The Sanford Health actual 2011 and 2012 debt service coverage was reviewed along with the 2013 through 2017 projections. The projected Series 2012E sources and uses of funds, interest rates, debt service payments and costs of issuance were reviewed. The Preliminary Official Statement was reviewed along with the ratings. Mr. Bill Marlette explained that the bond issue would be limited to \$120 million. The Moody's rating of A1 has stayed the same since the last bond issuance while the Standard and Poor's rating has dropped from AA- to A+ due to concerns of debt related to Sanford's five year capital plan.

Mr. Vance Goldammer reviewed the Resolution (*see Attachment #2*) Dave Fleck moved to approve the resolution and Bill Lynch seconded. Ayes were Fleck, Lebrun, Lynch, Sebade and Wyly. Nays: none and abstain: Dempster.

### **Election of Officers**

Mr. Templeton reviewed the current officers as being Norbert Sebade, Chairman, Mack Wyly, Vice-Chairman, William Fischer, Treasurer and Don Templeton – Executive Director and Secretary.

Bill Lynch moved that the same officers remain the same and Dave Fleck seconded. Upon roll call, the ayes were Dempster, Fleck, Lebrun, Lynch, Sebade, and Wyly. Nays: none and abstains: none.

### **Western Dakota Technology Easements**

Mr. Templeton and Mr. Goldammer reviewed the water main easement, the drainage easement and the bus shelter easements. Mr. Gene Lebrun recommended changing the words “cancel or void” to “terminate” on the bus easement and to insert whom should maintain the drainage area on the drainage easement. Mr. Gene Lebrun moved to allow Executive Director to be able to execute the three easements with the proposed changes, which are on file at the Authority's office. Bill Lynch seconded and upon roll call, the ayes were Dempster, Fleck, Lebrun, Lynch, Sebade, and Wyly. Nays: none and abstains: none.

### **Banking Account Authorized Signers**

Mr. Templeton reviewed the Resolution to allow any officers to sign on the Authority's banking account. Authorized signers are Mr. Norbert Sebade as Chairman, Mack Wyly as Vice Chairman, William Fischer as Treasurer and Don Templeton as Executive Director and Secretary (*See Attachment #3*). Bill Lynch moved to approve the Resolution and Mack Wyly seconded. Upon roll call, the ayes were Dempster, Fleck, Lebrun, Lynch, Sebade, and Wyly. Nays: none and abstains: none.

### **South Dakota Codified Law 1-16A Review**

Mr. Don Templeton and Mr. Vance Goldammer explained that they met with the Lt. Governor Matt Michels, Mary Masten of Regional Health, Rick Korman of Avera Health and Kim Patrick of Sanford Health.

Mr. Michels explained that the Governor has been asking state agencies to review their pertinent South Dakota Codified Laws. Mr. Michels asked that the South Dakota Health and Educational Facilities Authority review section 1-16A for areas to clean up and make more efficient.

Mr. Rick Korman and Mr. Kim Patrick explained that section 1-16A-54.2 that requires mortgages has been costly for any Minnesota mortgage as there is a tax of filing mortgages in the State of Minnesota. If health systems did not need to file mortgages in Minnesota it would save them money. Rick Korman, Kim Patrick and Mary Masten discussed presenting legislation on behalf of Avera Health, Sanford Health and Regional Health to the State Legislature to amend 1-16A to allow the South Dakota Health and Educational Facilities Authority the ability to have a mortgage or not to.

It was discussed by the board to work with the health systems in an effort to eliminate extraordinary mortgage fees. It was also discussed that the three health systems may want to take the lead in legislation concerning mortgages and the Authority has left past legislation changes to the State Legislature and the Authority has not taken the lead in legislation changes to any South Dakota Codified Law.

Mr. Vance Goldammer explained that he and Mr. Templeton would update the board as any legislation is introduced.

### **Summary of Annual Reviews**

Mr. Templeton and Mr. Corbin explained that staff had reviewed the financial operations and bond covenant compliance of all borrowers and showed the members the most current audits and quarterly financial statements of each borrower. Mr. Templeton and Mr. Corbin reported that all borrowers are in good financial position and are in compliance with bond covenants.

### **Adjournment**

The Chairman moved, that there being no further business at this meeting, the Chairman adjourned the meeting at 3:46 p.m., MDT.



**ATTACHMENT 1**

**Date:** September 24, 2012

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

**From:** Don A. Templeton, Executive Director

**Re:** Notice of Annual Meeting

You are hereby notified that the Chairman has set **Thursday**, October 4, 2012 as the date for the annual meeting of the South Dakota Health and Educational Facilities Authority to be held at the Deadwood Lodge located in Deadwood, SD. Our annual meeting will begin **Thursday**, October 4, 2012 at 2:00 p.m. MDT and 3:00 p.m. CDT. We will be gathering at the Deadwood Lodge for lunch at 12:30 p.m. MDT. The dress code will be casual for the day.

To participate via phone please dial **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 (via Phone)	David Fleck	Gene Lebrun
Bill Lynch (via Phone)	Norbert Sebade	Mack Wyly

An agenda is enclosed along with a meeting summary. We will mail out meeting information in the near future. Please call if you have any questions.

If your plans change, please contact me as soon as possible so we can make the appropriate changes.

cc: Dan Bacastow  
Jerry D. Fischer  
Vance Goldammer  
Bill Marlette  
Bert Olson

RESOLUTION authorizing the issuance of not to exceed \$150,000,000 aggregate original principal amount of Revenue Bonds, Series 2012E (Sanford) of the South Dakota Health and Educational Facilities Authority, authorizing and approving certain documents pertaining thereto and authorizing and approving certain other matters.

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, Sanford (the “*Borrower*”), a North Dakota nonprofit corporation, is affiliated with and is the corporate parent of, or is the sole member of the corporate parent of, Sanford Medical Center d/b/a Sanford USD Medical Center, a South Dakota nonprofit corporation (“*Sanford Medical Center*”), Sanford Clinic, a South Dakota nonprofit corporation (“*Sanford Clinic*”), Sanford Bismarck, a North Dakota nonprofit corporation (“*Sanford Bismarck*”), Sanford North, a North Dakota nonprofit corporation (“*Sanford North*”), and Sanford Medical Center Thief River Falls, a Minnesota nonprofit corporation (“*Medical Center Thief River Falls*” and, together with Sanford Medical Center, Sanford Clinic, Sanford Bismarck and Sanford North, the “*Affiliates*”), which Borrower is an entity affiliated with participating health institutions as defined in the Act (the same participating health institutions being the Affiliates), and the proceeds of the hereinafter referred to Series 2012E Bonds will be made available to or otherwise applied for the benefit of such Affiliates, which are participating health institutions; and

WHEREAS, the Borrower has requested the Authority to assist the Borrower and the Affiliates in providing funds to (i) pay or reimburse the Borrower and/or the Affiliates for the payment of the costs of acquiring, constructing, remodeling, renovating and equipping certain healthcare facilities owned by the Affiliates; (ii) pay a portion of the interest on the Series 2012E

Bonds, if deemed necessary or advisable by the Authority or the Borrower; (iii) provide working capital, if deemed necessary or advisable by the Authority or the Borrower; and (iv) pay certain expenses incurred in connection with the issuance of the Series 2012E Bonds (collectively, the “*Financing Purposes*”), all as permitted under the Act;

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 with respect to the Borrower, the Affiliates, the Financing Purposes and the bonds to be issued by the Authority:

(a) The Borrower is a nonprofit corporation incorporated under the laws of the State of North Dakota and is the corporate parent of, or is the sole member of the corporate parent of, each of the Affiliates;

(b) Sanford Medical Center is a nonprofit corporation incorporated under the laws of the State of South Dakota and operates Sanford Medical Center, which is licensed by the South Dakota Department of Health;

(c) Sanford Clinic is a nonprofit corporation incorporated under the laws of the State of South Dakota and will operate the new clinic facility in Sioux Falls, South Dakota to be constructed with proceeds of the Series 2012E Bonds;

(d) Sanford Bismarck is a nonprofit corporation incorporated under the laws of the State of North Dakota and will operate the new hospital and clinic facility in Dickinson, North Dakota to be constructed with proceeds of the Series 2012E Bonds, which hospital will be licensed by the North Dakota Department of Health;

(e) Sanford North is a nonprofit corporation incorporated under the laws of the State of North Dakota and owns, and operates through its subsidiary, Sanford Medical Center Fargo, Sanford Medical Center Fargo, which is licensed by the North Dakota Department of Health;

(f) Medical Center Thief River Falls is a nonprofit corporation incorporated under the laws of the State of Minnesota and operates Sanford Thief River Falls Medical Center, which is licensed by the Minnesota Department of Health, and will operate the replacement facility therefor;

(g) The Borrower has properly filed with the Authority its request for assistance in the financing for the benefit of itself and the Affiliates for the Financing Purposes; the facilities to be financed with proceeds of the bonds as a part of the Financing Purposes are included within the term “*facilities*” for a “*health institution*” as such terms are defined in the Act; and the facilities to be financed with proceeds of the bonds as part of the Financing Purposes do not include any institution, place or building used or to be used primarily for sectarian instruction or study or as a place for devotional activities or religious worship;

(h) The Series 2012E Bonds will finance “*facilities*” located in the City of Dickinson, North Dakota that are owned by Sanford Bismarck, “*facilities*” located in the City of Fargo, North Dakota that are owned by Sanford North and “*facilities*” located in Thief River Falls, Minnesota that are owned by Medical Center Thief River Falls; each of such “*facilities*” are located in a state geographically contiguous to South Dakota; and Sanford Medical Center and Sanford Clinic, each an affiliate of Sanford Bismarck, Sanford North and Medical Center Thief River Falls, are each also engaged in a financing of “*facilities*” located within the State of South Dakota; and

(i) The bonds herein authorized are being issued for a valid purpose under and in accordance with the provisions of the Act.

*Section 2. Series 2012E Bonds.* In order to obtain funds to loan to the Borrower to be used for the purposes aforesaid, the Authority hereby authorizes the issuance of the South Dakota Health and Educational Facilities Authority Revenue Bonds, Series 2012E (Sanford) (the “*Series 2012E Bonds*”); said Series 2012E Bonds to be issued under and secured by and to have the terms and provisions set forth in the Bond Indenture hereinafter referred to, and such Series 2012E Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of its Chairman and by the manual or facsimile signature of its Executive Director or such other Member or officer designated by the Authority and the seal of the Authority shall be impressed manually or printed by facsimile thereon.

The Series 2012E Bonds shall be issued in an aggregate principal amount not to exceed \$150,000,000. The Series 2012E Bonds shall be dated as of their date of issuance. The Series 2012E Bonds may be subject to mandatory bond sinking fund redemption if and as provided in

the Bond Indenture. The Series 2012E Bonds shall be subject to optional redemption, optional purchase in lieu of redemption and extraordinary redemption and be payable all as set forth in the Bond Indenture.

The Series 2012E Bonds shall mature, subject to rights of prior redemption, not later than November 1, 2044 and shall bear interest at fixed rates of interest producing an overall bond yield (the same being equal to the bond yield computed for arbitrage purposes) of not to exceed 5.5% per annum.

The Authority hereby delegates to the Chairman or the Executive Director of the Authority the power and duty to make final determinations as to the principal amount, maturities, purchase price, mandatory sinking fund redemption dates and amounts, optional and extraordinary redemption and purchase provisions and interest rates of the Series 2012E Bonds, all within the parameters set forth herein, and within such parameters, as such terms are (or have been in the form of appropriate parameters) approved by the Borrower (such approval to be evidenced by the delivery of the Series 2012E Bond Obligations (defined below) by the Borrower).

The Series 2012E Bonds shall be issued and sold by the Authority and purchased by Cain Brothers & Company LLC (the "*Purchaser*") at a purchase price not less than 98.5% of the par amount of the Series 2012E Bonds, excluding original issue discount and premium, if any.

*Section 3. Purchase Contract.* The Authority does hereby authorize and approve the execution and delivery of a Bond Purchase Agreement (the "*Purchase Contract*") among the Authority, the Borrower, on behalf of itself and as Obligated Group Agent on behalf of the other Members of the Obligated Group (as such terms are defined in the hereinafter defined Master Indenture), and the Purchaser, providing for the issuance and sale of the Series 2012E Bonds and



setting forth the terms thereof, such Series 2012E Bonds to be sold at a price not less than 98.5% of the par amount of the Series 2012E Bonds, excluding original issue discount and premium, if any. The Purchase Contract will be substantially in the form attached hereto and marked “*Exhibit A*” and hereby approved, or with such changes therein as shall be approved by the Borrower (such approval to be evidenced by the execution and delivery of the Purchase Contract by the Borrower) and as shall be approved by the Chairman or other Member of the Authority or the Executive Director of the Authority executing the same, with such execution to constitute conclusive evidence of their approval and the Authority’s approval of any changes or revisions therein from the form of Purchase Contract attached hereto.

*Section 4. Bond Indenture.* The Authority does hereby authorize and approve the execution and delivery of a Bond Trust Indenture (the “*Bond Indenture*”) between the Authority and The First National Bank in Sioux Falls, as bond trustee (the “*Bond Trustee*”), providing for the issuance thereunder of the Series 2012E Bonds and further setting forth the terms and provisions applicable to the Series 2012E Bonds, including securing the Series 2012E Bonds by an assignment thereunder of the Authority’s right, title and interest in the Series 2012E Bond Obligations (as hereinafter defined). The Bond Indenture will be substantially in the form attached hereto and marked “*Exhibit B*” and hereby approved, or with such changes therein as shall be approved by the Chairman or other Member of the Authority or the Executive Director of the Authority executing the same with such execution to constitute conclusive evidence of their approval and the Authority’s approval of any changes or revisions therein from the form of Bond Indenture attached hereto.

*Section 5. Loan Agreement.* The Authority does hereby authorize and approve the execution and the delivery of a Loan Agreement (the “*Loan Agreement*”), between the Borrower

and the Authority, pursuant to which the Authority will lend the proceeds of the Series 2012E Bonds to the Borrower, all as more fully described in the Loan Agreement. The Loan Agreement will be substantially in the form attached hereto and marked “*Exhibit C*” and hereby approved, or with such changes therein as shall be approved by the Borrower (such approval to be evidenced by the execution and delivery of the Loan Agreement by the Borrower) and as shall be approved by the Chairman or other Member of the Authority or the Executive Director of the Authority executing the same, with such execution to constitute conclusive evidence of their approval and the Authority’s approval of any changes or revisions therein from the form of Loan Agreement attached hereto.

*Section 6. Supplemental Master Indenture.* The Authority does hereby authorize and approve the execution and delivery of an Eighteenth Supplemental Master Trust Indenture (the “*Eighteenth Supplemental Master Indenture*”) supplementing and amending the Master Trust Indenture dated as of July 1, 1997, as heretofore supplemented and amended (the “*Original Master Indenture*”), among the Borrower, Sanford Medical Center d/b/a Sanford USD Medical Center (“*Sanford Medical Center*”), Sanford Health Network (“*Health Network*”), Sanford Health of Northern Minnesota, Sanford Health, Sanford Clinic, Sanford Health Foundation, Sanford Home Health, Sanford North, Medical Center Fargo, Sanford Clinic North, Sanford Health Network North, Sanford Medical Center Mayville, Sanford Health Foundation North, Medical Center Thief River Falls, Sanford West, Sanford Bismarck, Sanford West Foundation and The First National Bank in Sioux Falls, as master trustee (the “*Master Trustee*”). The Original Master Indenture, together with the Eighteenth Supplemental Master Indenture and all other supplements and amendments thereto, are hereinafter collectively referred to as the “*Master Indenture.*” The Eighteenth Supplemental Master Indenture shall be substantially in the

form attached hereto and marked “*Exhibit D*” and hereby approved, or with such changes therein as shall be approved by the Borrower (such approval to be evidenced by the execution and delivery of the Eighteenth Supplemental Master Indenture by the Borrower) and as shall be approved by the Chairman or other Member of the Authority or the Executive Director of the Authority executing the Loan Agreement, with such execution to constitute conclusive evidence of their approval and the Authority’s approval of any changes or revisions therein from the form attached hereto.

*Section 7. Series 2012E Bond Obligations.* Pursuant to the Master Indenture, the Borrower will issue to the Authority its Direct Note Obligation, Series 2012E-1 (South Dakota Health and Educational Facilities Authority) (the “*Series 2012E-1 Bond Obligation*”), and its Direct Note Obligation, Series 2012E-2 (South Dakota Health and Educational Facilities Authority) (the “*Series 2012E-2 Bond Obligation*” and, together with the Series 2012E-1 Bond Obligation, the “*Series 2012E Bond Obligations*”) as security for the Series 2012E Bonds. The Series 2012E Bond Obligations will be in an aggregate principal amount equal to the aggregate principal amount of the Series 2012E Bonds and have similar prepayment provisions, maturities and interest rates as the Series 2012E Bonds. The Authority hereby approves the assignment of the Series 2012E Bond Obligations by the Authority to the Bond Trustee under the Bond Indenture for the benefit and security of the Series 2012E Bonds.

*Section 8. Mortgages.* The Authority does hereby authorize and approve the execution and delivery of (i) a Leasehold Mortgage and Security Agreement – One Hundred Eighty Day Redemption (the “*Sanford Clinic Mortgage*”), from Sanford Clinic to the Master Trustee, (ii) a Mortgage and Security Agreement and Fixture Filing Statement (the “*Sanford North Mortgage*”), from Sanford North to the Master Trustee, (iii) a Mortgage and Fixture Financing

Statement (the “*Medical Center Thief River Falls Mortgage*”) from Medical Center Thief River Falls to the Master Trustee and (iv) a Mortgage and Security Agreement and Fixture Filing Statement (the “*Sanford Bismarck Mortgage*”) from Sanford Bismarck to the Master Trustee, each creating a first mortgage lien (subject to Permitted Encumbrances, as defined therein) on certain facilities of Sanford Clinic, Sanford North, Medical Center Thief River Falls and Sanford Bismarck, as the case may be, and providing additional security, in the case of the Sanford Clinic Mortgage, the Sanford North Mortgage and the Sanford Bismarck Mortgage, for all Obligations heretofore and hereafter issued under the Master Indenture and designated as “Secured Obligations” entitled to the benefit and security of the Mortgage (as defined in the Master Indenture), and, in the case of the Medical Center Thief River Falls Mortgage, providing security for the Obligations designated as “Secured Minnesota Obligations” and entitled to the benefit and security of the Medical Center Thief River Falls Mortgage; such Mortgages to be in substantially the forms thereof attached hereto and marked *Exhibit E*, *Exhibit F*, *Exhibit G* and *Exhibit H*, respectively, with such changes therein as shall be approved by the Borrower (such approval to be evidenced by the execution and delivery of such Mortgages by the Borrower) and as shall be approved on behalf of the Authority by the Chairman or other Member of the Authority or the Executive Director of the Authority executing the Loan Agreement, with such execution to constitute conclusive evidence of their approval on behalf of the Authority and the Authority’s approval of any changes or revisions in such Mortgages from the form of such Mortgage attached hereto.

The Authority does hereby further authorize and approve the execution and delivery of a Tenth Supplement to First Amended and Restated Mortgage and Security Agreement and Fixture Filing Statement – One Hundred Eighty Day Redemption (the “*Tenth Supplemental Sanford*

*Medical Center Mortgage*”) from Sanford Medical Center to the Master Trustee, supplementing and amending the First Amended and Restated Mortgage and Security Agreement – One Hundred Eighty Day Redemption dated as of July 1, 1997, as previously supplemented and amended (the “*Original Sanford Medical Center Mortgage*” and, together with the Tenth Supplemental Sanford Medical Center Mortgage, the “*Sanford Medical Center Mortgage*”) and providing additional security for all Obligations heretofore and hereafter issued under the Master Indenture and designated as “Secured Obligations” entitled to the benefit and security of the Mortgage (as defined in the Master Indenture); such Tenth Supplemental Sanford Medical Center Mortgage to be in substantially the form thereof attached hereto and marked *Exhibit I*, with such changes therein as shall be approved by the Borrower (such approval to be evidenced by the execution and delivery of such Tenth Supplemental Sanford Medical Center Mortgage by the Borrower) and as shall be approved on behalf of the Authority by the Chairman or other Member of the Authority or the Executive Director of the Authority executing the Loan Agreement, with such execution to constitute conclusive evidence of their approval on behalf of the Authority and the Authority’s approval of any changes or revisions in the Tenth Supplemental Sanford Medical Center Mortgage from the form of such Tenth Supplemental Sanford Medical Center Mortgage attached hereto.

The Authority does hereby further authorize and approve the execution and delivery of a Second Supplement to Mortgage and Security Agreement – One Hundred Eighty Day Redemption and Fixture Financing Statement (the “*Second Supplemental Health Network Mortgage*”) from Health Network to the Master Trustee, supplementing and amending the Mortgage and Security Agreement - One Hundred Eighty Day Redemption dated as of March 1, 2012, as previously supplemented and amended (the “*Original Health Network Mortgage*” and,

together with the Second Supplemental Health Network Mortgage, the “*Health Network Mortgage*”) and providing additional security for all Obligations heretofore and hereafter issued under the Master Indenture and designated as “Secured Obligations” entitled to the benefit and security of the Mortgage (as defined in the Master Indenture); such Second Supplemental Health Network Mortgage to be in substantially the form thereof attached hereto and marked *Exhibit J*, with such changes therein as shall be approved by the Borrower (such approval to be evidenced by the execution and delivery of such Second Supplemental Health Network Mortgage by the Borrower) and as shall be approved on behalf of the Authority by the Chairman or other Member of the Authority or the Executive Director of the Authority executing the Loan Agreement, with such execution to constitute conclusive evidence of their approval on behalf of the Authority and the Authority’s approval of any changes or revisions in the Second Supplemental Health Network Mortgage from the form of such Second Supplemental Health Network Mortgage attached hereto.

*Section 9. Authorization and Ratification of Subsequent Acts.* The members, agents and employees of the Authority are hereby authorized and directed to do all such acts and things and to execute or accept all such documents as may be necessary to carry out and comply with the provisions of these resolutions and the documents attached hereto as *Exhibits A* through *J*, respectively, and all of the acts and doings of the Members, officers, 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, Jones Day, are necessary to preserve the

tax exempt status of the Series 2012E Bonds, including a Tax Exemption Agreement providing for the periodic payment of certain earnings on funds held by the Bond Trustee to the United States of America.

*Section 10. Hearing and Approval as required by Section 147(f) of the Internal Revenue Code of 1986.* The issuance of the Series 2012E Bonds is subject to the approval by the Governor of the State of South Dakota of the issuance of such Series 2012E Bonds following the hearing which was held on September 14, 2012, after due notice, regarding the issuance of such Series 2012E Bonds, all as required by Section 147(f) of the Internal Revenue Code of 1986 (the “Code”). The issuance of the Series 2012E Bonds is further subject to (i) the approval by the City Commission of the City of Fargo, North Dakota following a hearing which was held on September 17, 2012 after due notice, regarding the issuance of the Series 2012E Bonds; (ii) the approval by the City Commission of the City of Dickinson, North Dakota following a hearing which was held on September 17, 2012 after due notice, regarding the issuance of the Series 2012 Bonds; and (iii) the approval by the City Council of the City of Thief River Falls, Minnesota following a hearing which was held on September 18, 2012 after due notice, regarding the issuance of the Series 2012E Bonds, all as required by Section 147(f) of the Code.

Adopted this 4th day of October, 2012.

**SOUTH DAKOTA HEALTH AND EDUCATIONAL FACILITIES AUTHORITY**

**BOARD RESOLUTION  
AUTHORIZING SIGNATURES**

**WHEREAS**, the Corporation has determined that it is in the best interests of this Corporation to authorize the below officers in this resolution to sign on behalf of the Corporation for the transaction in the following resolutions.

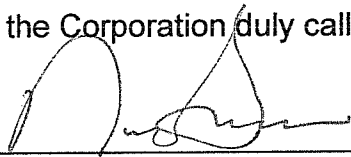
**RESOLVED** that the following officer positions be and hereby are authorized to sign checks and conduct all necessary banking business in the name of and on behalf of the Corporation:

Executive Director and Secretary  
Chairman

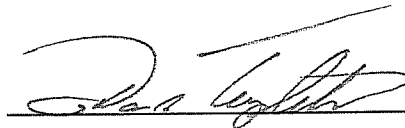
Vice Chairman  
Treasurer

**RESOLVED FURTHER**, that this Resolution shall be in full force and effect immediately upon its adoption.

The undersigned Chairman and the Executive Director and Secretary of the Corporation hereby certify that the Resolution set forth herein was duly adopted at a meeting of the Corporation duly called on October 4, 2012.



Chairman



Executive Director and Secretary