



Date: December 22, 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 Thursday, January 7, 2016 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 11:00 a.m. CST (10:00 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 | Dave Timpe | Don Scott |
| Dave Fleck | Jim Scull | Bill Lynch | |

Attached is an agenda and information on agenda items.

Cc: Vance Goldammer, Redstone Law Firm
Dan Bacastow, Chapman & Cutler LLP

SOUTH DAKOTA HEALTH AND EDUCATIONAL

FACILITIES AUTHORITY

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JANUARY 7, 2016 SPECIAL MEETING

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**SOUTH DAKOTA HEALTH AND EDUCATIONAL
FACILITIES AUTHORITY**

MINUTES OF THE SEPTEMBER 28, 2015 ANNUAL MEETING

Pursuant to due notice, the South Dakota Health and Educational Facilities Authority met on Monday, September 28, 2015 at 3:00 p.m., CDT, at Sutton Bay Lodge and via telephone conference call. Norbert Sebade, Chairman, instructed the Secretary to call the roll.

Present: Dave Fleck
 Gene Lebrun (via telephone)
 Jim Scull (via telephone)
 Norbert Sebade
 Don Scott
 Dave Timpe

Absent: William Lynch

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

Donald Templeton, Executive Director
Vance Goldammer, Murphy, Goldammer & Prendergast, LLP
Dustin Christopherson, Associate Director
Steve Corbin, Finance Officer
Dan Bacastow, Chapman and Cutler (via telephone)
Bert Olson, First National Bank in Sioux Falls (via telephone)
Bill Marlette, Sanford Health (via telephone)
Toby Morris, Dougherty & Company
Bob Mercer

A quorum was declared by the Chairman and the meeting was called to order. The notice of the meeting dated September 2, 2015, was posted at the entrance of the South Dakota Health and Educational Facility Authority prior to the meeting.

The Chairman asked for consideration of the minutes for the June 26, 2015 special meeting. Mr. Dave Timpe moved to approve the minutes, seconded by Mr. Don Scott. All members present voted aye, motion carried.

Sanford Series 2015A Bond Issue

Mr. Templeton and Mr. Bill Marlette of Sanford Health reviewed the two new projects being:

- Construction Completion of a new Fargo Medical Center with bonding at approximately \$90 million
- Imagenetics Center in Sioux Falls with bonding at approximately \$25 million

In addition, the South Dakota Health and Educational Facilities Authority Series 2007 bonds are to be refunded in the approximate amount of \$66 million and the Series 2007 Traill County, North Dakota bonds of approximately \$11 million. Mr. Templeton and Bill Marlette reviewed the expected Sources and Uses of funds, yields, debt service and potential present value savings of the refundings for Sanford. Mr. Marlette explained that Standard and Poor's rated them A+ with a stable outlook.

Mr. Templeton and Mr. Dan Bacastow reviewed the Preliminary Official Statement regarding potential future bonding, debt service coverage and financial statements.

Mr. Dan Bacastow reviewed the Resolution (on file at the Authority Office). Mr. Gene Lebrun moved to approve the Resolution, seconded by Mr. Don Scott. Upon roll call, the ayes were Fleck, Lebrun, Scott, Scull, Sebade and Timpe. Nays: none; Abstained: none.

Avera Sacred Heart Mortgage

Mr. Dan Bacastow reviewed the request to release Yankton Care Center Property from the Avera Sacred Heart Mortgage which was appraised at \$285,000 by an independent appraiser. Mr. Bacastow reviewed the appraisal report with the Board.

Avera Sacred Heart would deposit \$285,000 into an account with The First National Bank in Sioux Falls and also a consultant's report will need to be delivered that the transfer and substitution will not adversely affect the operations of the facilities and properties of Avera Sacred Heart.

The Resolution on file at the Authority office authorizing the substitution of Property by Sacred Heart Health Series was reviewed. Mr. Timpe and Mr. Fleck recused themselves from the vote. Mr. Don Scott moved to approve the Resolution, seconded by Mr. Gene Lebrun. Upon roll call, the ayes were Lebrun, Scott, Scull and Sebade. Nays: none; Abstained: Fleck and Timpe.

Western Dakota Technical Institute Easements

Mr. Dustin Christopherson explained that four new building projects are currently in progress on the Western Dakota Technical Institute campus that were financed by the South Dakota Health and Educational Facilities Authority Series 2015B bonds.

Five easements and one vacation of easement that were necessary for the new construction projects were reviewed in detail and are on file at the office of the Authority.

The staff of Western Dakota Technical Institute have reviewed the easements and request the South Dakota Health and Educational Facilities Authority approve these.

Dave Timpe moved to approve the easements and Dave Fleck seconded. Upon the roll call, the ayes were Fleck, Lebrun, Scott, Scull, Sebade and Timpe. Nays: none; Abstained: none.

School District Capital Outlay Program

Don Templeton reviewed the past history of the South Dakota Health and Educational Facilities Authority capital outlay program. Toby Morris of Dougherty and Company reviewed the new legislation passed by the Legislature that allows for a state aid intercept to enhance the bond ratings for certain borrowers. School Districts would issue their own bonds and the South Dakota Health and Educational Facilities Authority would act as a facilitator. Mr. Morris explained that he and Jack Arnold are contacting rating agencies and Mr. Templeton explained their program will be brought back to the Board in the near future.

Election of Officers

Mr. Templeton reviewed current officers as being Norbert Sebade, Chairman, an open position for Vice-Chairman and William Lynch, Treasurer. Mr. Dave Timpe moved to elect Dave Fleck to the Vice-Chairman position and Mr. Gene Lebrun seconded. Upon roll call, the ayes Fleck, Lebrun, Scott, Scull, Sebade and Timpe. Nays: none and abstains: none. Gene Lebrun moved to reelect Norbert Sebade as Chairman and Bill Lynch as Treasurer. Don Scott seconded and upon the roll call, the ayes were Fleck, Lebrun, Scott, Scull, Sebade and Timpe. Nays: none; Abstained: none

Summary of Annual Reviews

Mr. Templeton, Mr. Christopherson and Mr. Corbin explained that the 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 which are on file at the Authority office. Mr. Templeton reported that all borrowers are in a financial position to repay the bonds and were in compliance with bond covenants. Post issuance compliance was reviewed with the Board as well.

Bank Signature Card

Mr. Dustin Christopherson explained since Mack Wyly is no longer on the board we visited the Department of Legislative Audit and Eide Bailly about putting Dustin Christopherson on the card to facilitate dual signatures when a Board member is not physically nearby to sign checks. Neither auditor objected to this. Dave Timpe moved to approve the addition of Dustin Christopherson to the bank signature card and Dave Fleck seconded. Upon the roll call, the ayes were Fleck, Lebrun, Scott, Scull, Sebade and Timpe. Nays: none; Abstained: none.

Adjournment

The Chairman stated there being no further business at this meeting, the meeting adjourned at 4:36 p.m., CDT.

**TRAIL RIDGE RETIREMENT COMMUNITY
SUMMARY OF SERIES 2016 TEFRA (TAX EQUITY AND FISCAL
RESPONSIBILITY ACT OF 1982) PROCESS**

American Baptist Homes of the Midwest “ABHM” have facilities in:

LOCATIONS

Crest Services
Des Moines, IA

Elm Crest
Harlan, IA

Franklin Park
Denver, CO

Maple Crest
Omaha, NE

Mountain Vista
Denver, CO

Thorne Crest
Albert Lea, MN

Trail Ridge
Sioux Falls, SD

Tudor Oaks
Milwaukee, WI

Our Communities

Colorado Community at Franklin Park Health Center & Residences
Mountain Vista Senior Living Community

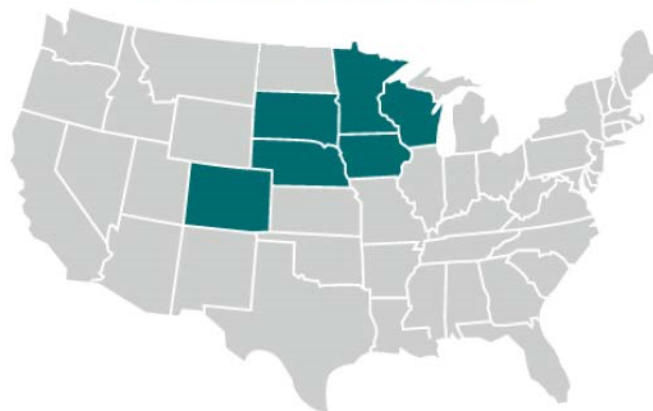
Iowa Elm Crest Retirement Community

Minnesota Thorne Crest Retirement Community

Nebraska Maple Crest Care Center

South Dakota Trail Ridge Retirement Community

Wisconsin Tudor Oaks Retirement Community



The South Dakota Health and Educational Facilities Authority was asked by ABHM to hold a TEFRA hearing for a Colorado Health Facilities Authority “CHFA” Series 2016 bond issue for the Sioux Falls project. The bond issue finances the South Dakota project and 5 additional projects in 4 other states. ***It is advantageous to bond through the CHFA as they can issue bonds for all the states shown on the above map. The South Dakota Health and Educational Facilities Authority cannot issue bonds for Wisconsin or Colorado per our state law.***

South Dakota Codified Law 1-16A-15.1 requires the South Dakota Health and Educational Facilities Authority to approve out of state bond issues that are funding a South Dakota project. The South Dakota Health and Educational Facilities Authority has assisted in holding TEFRA hearings for “ABHM” for two past Trail Ridge Retirement Community bonds issued by CHFA in 2007 and 2013. ***As part of the assistance the South Dakota Health and Educational Facilities Authority has not analyzed the financial credit of the borrowing as CHFA is the issuer and the credit of the bond issuance is reflected in the final interest rate offered by the lender.*** The South Dakota Health and Educational Facilities Authority does ask a standard set of Questions (see pages 3 through 8).

The Series 2016 South Dakota project will be limited to \$630,000 of bonds for the Trail Ridge Retirement Community completion costs of the construction projects funded by the Series 2013 bonds. Attached on page 2 is a map of the Trail Ridge Retirement Community campus and the Resolution on pages 9 through 12. The Authority charges an application fee of \$10,000 for this service.

**Trail Ridge Retirement Community in Sioux Falls, SD
18 Acres Established in 1995 – 112 Independent Living Units,
40 Assisted Living Units, and 22 Memory Care Units.**



The 2016 Bonds finance the completion costs of the Series 2013 Bonds used primarily on the four labeled buildings.

**COLORADO HEALTH & EDUCATIONAL FACILITIES AUTHORITY –
SOUTH DAKOTA QUESTIONNAIRE SERIES 2016
AMERICAN BAPTIST HOMES OF THE MIDWEST**

Please provide answers and send documentation where appropriate to address the following questions: *Answers are in Bold and Italic*

1. What are the South Dakota projects to be financed by the bond issue? Please provide a detailed project description.

Proceeds of the 2016 bond issue are to be used to finance completion of the renovation and remodeling of various portions of the entire health care campus, including in particular the independent living corridors, common areas and support service areas; and the construction, improvement and equipping of a new wellness center and related amenities, a new memory support service line with 22 apartments, and a new 40 unit assisted living addition; all at the Trail Ridge Retirement Community located at 3408 W. Ralph Rogers Road in Sioux Falls, South Dakota 57108, and on the property located immediately to the south of and adjacent to the existing Trail Ridge Retirement Community facilities at 3408 W. Ralph Rogers Road (collectively, the “South Dakota Project”). The initial project financing occurred in 2013.

2. What is the dollar cost for each separate component of the South Dakota projects?

The total cost to complete the South Dakota Project, including bond reserve fund and costs of issuance, is expected to be approximately \$630,000.

3. In addition to the South Dakota projects to be financed, please describe generally the remaining projects to be financed with bond proceeds, their location and their aggregate cost that will be bond financed.

The total bond issue for 2016, including the South Dakota project, is expected to be not greater than \$7,075,000, including the funding of a reserve fund and costs of issuance of the bonds. Please see the attached Appendix A for a list of the projects to be completed and financed with bond proceeds. This amount (and the answers to questions 4 and 5) assumes a traditionally structured, private placement financing.

4. Please detail the costs of issuance for the bond issue that will be allocated to the South Dakota projects.

We anticipate approximately \$14,000 in costs of issuance will be allocated for completion of the South Dakota project. This amount includes the fees of the South Dakota Health and Educational Facilities Authority and its counsel in connection with any approvals necessary with respect to the 2016 bonds, as well as an allocable portion of the other costs of issuance for the 2016 bonds, including underwriter’s fees, bond, underwriter and American Baptist Homes of the Midwest (“ABHM”) counsel fees, Colorado Health Facilities Authority (“COHFA”) fees, printing fees, the costs of holding the TEFRA hearings, etc. It does not include any credit enhancement fees or

the bond reserve fund. This figure is tentative and is based on the fees of previous financings. (See the answer to question 3 above for a caveat.)

5. What is the current credit rating of the ABHM, and what will the credit rating on these bonds be? Will the rating on the bonds be based solely on the credit of the borrower or obligated group, or will it be based upon the credit of a third party credit enhancer? Please describe any such third party credit enhancer. Please provide us with a copy of the most recent audit of ABHM.

ABHM has no current ratings. We have requested that Jeff Hongslo, the Chief Financial Officer of ABHM, send the most recent audited financial statements of ABHM.

(This audit is on file at the South Dakota Health and Educational Facilities Authority office)

6. Please describe for our board how financing the South Dakota projects through the Colorado Authority will be financially advantageous to ABHM when compared to financing the South Dakota projects through the SDHEFA?

As is shown on Appendix A, the 2016 bonds will also finance completion of five (5) projects in four (4) states other than South Dakota. Doing the financing as one large issuance saves on issuance costs, saves the time of the ABHM officers who direct the financing work on behalf of the ABHM, and saves the time of the various governmental units which would otherwise be more heavily involved. It is basically an economy of scale. In addition, a single financing for multiple projects makes financing the smaller projects possible, as the ABHM can more easily access the market with one large issue, achieving lower interest rates on the bonds compared to separate financings for each project.

7. Are there reasons, other than financial reasons, that are motivating the decision by ABHM to borrow for the South Dakota projects through the Colorado Authority?

No.

8. Please provide a copy of the draft TEFRA notice you propose using in South Dakota, using as a starting point the form last used by the SDHEFA for a ABHM/COHFA financing, along with the TEFRA notice to be adopted by the Colorado Authority when the same is available.

Please see the attached Appendix B for the South Dakota TEFRA notice. The Colorado TEFRA notice will be supplied when it is available.

Appendix A

Other Out of State Series 2013 New Money Projects financed with Series 2016 bonds

1. Denver, Colorado (Franklin Park): Completion of the renovation and remodeling of an existing assisted living wing to create a new 20 bed memory support addition to the skilled nursing facility, remodeling of resident dining areas on all other skilled nursing units, and remodeling of the skilled nursing therapy area. (\$377,000)

2. Wheat Ridge, Colorado (Mountain Vista): Completion of the construction of a memory support assisted living building with 22 apartments and renovation of a wing of the skilled nursing facility to create a 16 bed transitional care unit with separate entrance, dining and therapy areas, and private rooms with roll-in showers. (\$646,000)

3. Albert Lea, MN (Thorne Crest): Completion of the renovation and updating of the entire campus, including addition of a wellness center with pool, theater and fitness center; construction of an attached garage with 63 parking stalls; renovation and remodeling of one independent living wing to create 16 assisted living apartments and 9 memory support assisted living apartments; renovation and updating of all other independent living corridors, common areas and support service areas; and refurnishing and refinishing of the skilled nursing facility. (\$1,000,000)

4. Omaha, NE (Maple Crest): Completion of the renovation of a vacant floor of the skilled nursing facility to create a 19 bed transitional care unit with private rooms, therapy and dining areas; renovation of a memory support unit to upgrade furnishings and finishes and expand the capacity from 16 to 28 beds; and renovation of all other areas of the building to update furnishings and finishes in resident rooms and common areas, upgrade HVAC, electrical, and plumbing systems, and re-roof the building. (\$3,323,000)

5. Muskego, WI (Tudor Oaks): Completion of the renovation and expansion of a vacant wing to create 18 independent living apartments with attached parking garages; renovation of the skilled nursing facility to enhance transitional care services with expanded therapy facilities and private rooms with roll-in showers; and the addition of 7 assisted living apartments. (\$1,099,000)

Appendix B
Draft TEFRA Notice

See attached.

**NOTICE OF PUBLIC HEARING CONCERNING THE ISSUANCE OF BONDS ON BEHALF
OF AMERICAN BAPTIST HOMES OF THE MIDWEST**

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 Care Facilities Revenue Bonds (American Baptist Homes of the Midwest Obligated Group), Series 2016 (the "Bonds") on behalf of American Baptist Homes of the Midwest ("ABHM"). Under this plan of finance, the Bonds will be issued in an aggregate principal amount not to exceed \$7,075,000. A portion of the Bond proceeds in an amount not to exceed \$630,000 will be used to finance the completion of the renovation and remodeling of various portions of the entire healthcare campus, including in particular the independent living corridors, common areas and support service areas, and the construction, improvement and equipping of a new wellness center and related amenities, a new memory support service line with 22 apartments, and a new 40-unit assisted living addition, all at the Trail Ridge Retirement Community located at 3408 W. Ralph Rogers Road in Sioux Falls, South Dakota 57108, and on the property located immediately to the south of and adjacent to the existing Trail Ridge Retirement Community facilities at 3408 W. Ralph Rogers Road (collectively, the "South Dakota Project"). The remainder of the proceeds of the Bonds will be used to (i) finance or reimburse the costs of completion of the acquisition, construction, improvement and equipping of certain skilled nursing facilities and other health care facilities of ABHM in various locations outside of the State of South Dakota which have been under construction since 2013, due to unanticipated additional project costs, (ii) establish a reserve fund for the Bonds, (iii) pay capitalized interest on 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 ABHM, 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"), and 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, enforceability, credit, or feasibility of the Bonds or the tax status of interest on the Bonds themselves. The South Dakota Authority will not pass upon or approve the sufficiency of any Official Statement or other offering document with respect to the Bonds, or any document securing or providing for the issuance of or relating to such 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 Authority at 330 South Poplar, Suite 102, Pierre, South Dakota 57501 until January 5, 2016. The public hearing will be held at 9:00 a.m. on January 5, 2016 at the offices of the South Dakota Authority, at 330 South Poplar, Suite 102, Pierre, South Dakota 57501.

FINAL NOTICE OF PUBLIC HEARING CONCERNING THE ISSUANCE OF BONDS ON BEHALF OF AMERICAN
BAPTIST HOMES OF THE MIDWEST

Notice Dated: December 16, 2015

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

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 of certain facilities of American Baptist Homes of the Midwest 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, American Baptist Homes of the Midwest (“*ABHM*”), has advised the Authority of its desire to (i) finance the completion of the renovation and remodeling of various portions of its entire healthcare campus, including in particular the independent living corridors, common areas and support service areas, and the construction, improvement and equipping of a new wellness center and related amenities, a new memory support service line with 22 apartments, and a new 40-unit assisted living addition, all at the Trail Ridge Retirement Community located at 3408 W. Ralph Rogers Road in Sioux Falls, South Dakota 57108, and on the property located immediately to the south of and adjacent to the existing Trail Ridge Retirement Community facilities at 3408 W. Ralph Rogers Road (collectively, the “*South Dakota Project*”), (ii) finance or reimburse the costs of completion of the acquisition, construction, improvement and equipping of certain skilled nursing facilities and other health care facilities of ABHM in various locations outside of the State of South Dakota which have been under construction since 2013, due to unanticipated additional project costs, (iii) establish a reserve fund for the hereinafter described Bonds, (iv) pay capitalized interest on the Bonds, and (v) pay certain costs of issuing the Bonds, all through the issuance by the Colorado Health Facilities Authority (the “*Colorado Authority*”) of its Health Care Facilities Revenue Bonds (American Baptist Homes of the Midwest Obligated Group), Series 2016 (the “*Bonds*”), in an

aggregate principal amount not to exceed \$7,075,000, of which an amount not to exceed \$630,000 will be applied to finance the South Dakota Project and certain related costs described above; and

WHEREAS, because a portion of the facilities proposed to be financed 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 January 5, 2016, after notice duly provided (the “*TEFRA Notice*”) 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 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, enforceability, credit, or feasibility of the Bonds or the tax status of interest on the Bonds themselves, nor will the Authority pass upon or approve the sufficiency of any Official Statement or other offering document with respect to the Bonds, or any document securing or providing for the issuance of or relating to such Bonds;

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

Section 1. TEFRA Notice. The publication by the Authority of the TEFRA Notice over the signature of the Executive Director of the Authority is hereby ratified and approved.

Section 2. Determination with respect to Financing 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 with respect to the South Dakota Project by the Colorado Authority should proceed in an aggregate amount not to exceed \$630,000, subject to the authorization and approval of the Bonds by ABHM and the Colorado Authority. The Authority has been informed by ABHM 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 ABHM. 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 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, enforceability, credit, or feasibility of the Bonds or the tax status of interest on the Bonds themselves, nor will the Authority pass upon or approve the sufficiency of any official statement or other offering document with respect to the Bonds, or any document securing or providing for the issuance of or relating to such Bonds.

Section 3. 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 \$630,000 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 4. 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 this resolution, 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 7th day of January, 2016.

Tab 3

Information Redacted Pursuant to SDCL 1-27

Tab 4

The South Dakota Health and Educational Facilities Authority Annual Report

is available for viewing at

<http://www.sdhefa.com/2015%20Annual%20Report.pdf>