

NOTICE OF PUBLIC HEARING

Public Notice is hereby given that a public hearing will be held on Monday, September 14, 2015, at 9:00 a.m., in the offices of the South Dakota Health and Educational Facilities Authority (the "*Authority*"), 330 South Poplar, Pierre, South Dakota, regarding a plan to issue not to exceed \$208,000,000 aggregate original principal amount of Revenue Bonds in one or more series (collectively, the "*Bonds*") of the Authority for Sanford ("*Sanford*"), a North Dakota nonprofit corporation, and/or certain corporate affiliates thereof (collectively with Sanford, the "*Borrower*"), including, without limitation, Sanford Health, Sanford Medical Center d/b/a Sanford USD Medical Center, Sanford Health Network, Sanford Clinic, Sanford Health Foundation and Sanford Home Health, each a South Dakota nonprofit corporation; Sanford North, Sanford Medical Center Fargo, Sanford Clinic North, Sanford Health Network North, Sanford Medical Center Mayville, Sanford Health Foundation North, Sanford West, Sanford Bismarck, Sanford Health Foundation West and Sanford Hillsboro, each a North Dakota nonprofit corporation; and Sanford Medical Center Thief River Falls and Sanford Health of Northern Minnesota, each a Minnesota nonprofit corporation. The Bonds will be issued in one or more series pursuant to Sections 1-16A-1 through 1-16A-92 of the South Dakota Codified Laws, as part of a plan of finance to provide the Borrower with moneys to finance projects located in the States of South Dakota and North Dakota.

Not to exceed \$90,000,000 principal amount of the Bonds, together with certain other moneys, will be used in Fargo, North Dakota, to pay (i) the costs of acquiring, constructing and equipping a previously commenced healthcare complex project consisting of an approximately 51,000 square foot energy plant and an approximately 905,000 square foot combined 284-licensed bed tertiary hospital, healthcare and clinic facility, and the costs of continued development of the healthcare complex's infrastructure including grading, landscaping, utility infrastructure development, road access and other infrastructure (collectively, the "*Fargo Medical Center Project*"), and (ii) pay expenses incurred in connection with the issuance of the Bonds. Public approval by the City of Fargo, North Dakota has been or will be obtained following a public notice and public hearing regarding the Bonds and the Fargo Medical Center Project.

Not to exceed \$13,000,000 principal amount of the Bonds, together with certain other moneys, will be used in Traill County, North Dakota, to (i) refund all or a portion of the \$13,325,000 original principal amount Traill County, North Dakota Health Care Revenue Bonds (Hillsboro Medical Center) Series 2007 (the "*Traill County 2007 Bonds*"), and (ii) pay expenses incurred in connection with the issuance of the Bonds and the refunding of the Traill County 2007 Bonds. The proceeds of the Traill County 2007 Bonds were used, among other things, to (a) pay the costs of renovating the Borrower's existing hospital facility and constructing and equipping a 36-bed nursing facility and a 16-unit assisted living facility adjoining the existing hospital facility, all located at 12 3rd Street SE, Hillsboro, North Dakota, (b) repay certain debt of the Borrower, (c) fund capitalized interest, (d) fund a reserve fund for the benefit of the Traill County 2007 Bonds, and (e) pay certain costs of issuance of the Traill County 2007 Bonds. Public approval by Traill County, North Dakota has been or will be obtained following a public notice and public hearing regarding the Bonds and the refunding of the Traill County 2007 Bonds.

Not to exceed \$105,000,000 principal amount of the Bonds, together with certain other moneys, will be used in the State of South Dakota to (i) pay or reimburse the Borrower for the costs of acquiring, constructing and equipping certain health care facilities owned by the Borrower, including, but not limited to the costs (totaling approximately \$30,000,000) of acquiring, constructing and equipping an approximately 100,000 square foot healthcare complex consisting of a three level combined clinic, genetic lab and dialysis treatment facility adjacent to the main Sanford Medical Center campus on land located within the area bounded by 22nd Street to the north, Grange Avenue to the east, Covell Avenue to the west and vacated 24th Street to the south in Sioux Falls, South Dakota; (ii) refund all or a portion of the \$72,755,000 original principal amount South Dakota Health and Educational Facilities Authority Revenue Bonds, Series 2007 (Sanford Health Issue) (the “*SDHEFA 2007 Bonds*”); (iii) pay a portion of the interest on the Bonds, if deemed necessary; (iv) provide working capital, if deemed necessary; and (v) pay certain expenses incurred in connection with the issuance of the Bonds and the refunding of the SDHEFA 2007 Bonds.

The proceeds of the SDHEFA 2007 Bonds were used, among other things, to (a) pay or reimburse the Borrower for the costs of acquiring, constructing and equipping a children’s hospital and clinic, an expansion of the existing cancer center, an expansion of the existing power plant and renovations to the existing acute care hospital facility, all located on the Sanford Medical Center campus on land located within the area bounded by West Avenue, Grange Avenue, 17th Street and 24th Street in Sioux Falls, South Dakota.

All of the improvements financed or refinanced by the Bonds in South Dakota are or will be owned, operated or managed by the Borrower at: 1305 West 18th Street, within the area bounded by West Avenue, Grange Avenue, 17th Street and 24th Street, 4201 South Oxbow, 3401 West 49th Street, 1216 West 19th Street and 1100 East 21st Street, each in Sioux Falls, South Dakota.

The Bonds shall not be deemed to constitute a debt or liability of the State of South Dakota, the State of North Dakota or of any political subdivision thereof other than the Authority or a pledge of the faith and credit of the State of South Dakota, the State of North Dakota or of any such political subdivision, and neither the State of South Dakota, the State of North Dakota nor any political subdivision thereof will be liable on the Bonds nor will the Bonds be payable out of any funds other than those pledged and assigned under the Loan Agreement between the Authority and Sanford and the Master Trust Indenture among Sanford, certain affiliates of Sanford and The First National Bank in Sioux Falls, Sioux Falls, South Dakota, as master trustee, as amended.

The public hearing is required by Section 147(f) of the Internal Revenue Code of 1986. Written comments may be submitted to the Executive Director of the South Dakota Health and Educational Facilities Authority at his office located at 330 South Poplar, Suite 102, Pierre, South Dakota 57501, until Monday, September 14, 2015.

Notice dated: August 28, 2015.

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