RESOLUTION AUTHORIZING **$681,661.44** FROM THE TUITION SUBACCOUNT TO A SUBACCOUNT IN THE TECHNICAL COLLEGES FACILITIES FUND TO BE USED AS THE BOARD OF TECHNICAL EDUCATION SHALL DIRECT FOR FUTURE REPAIR AND IMPROVEMENT OF VOCATIONAL EDUCATION FACILITIES SUBJECT TO THE LEASE PURCHASE AGREEMENT AUTHORIZED IN 13-39A-24 AND 13-39A-25

RECITALS

WHEREAS, the South Dakota Health and Educational Facilities Authority (the "*Authority*") is authorized pursuant to Chapter 1-16A, South Dakota Codified Laws, to issue bonds to finance the acquisition and improvement of post-secondary vocational technical education facilities for use by the Participating Institutions and the Board;

WHEREAS, the Authority and the Board of Education Standards *f/k/a* the State Board of Education ("*State Board*") have heretofore entered into a Lease Purchase Agreement dated as of August 1, 1988 as supplemented by various Supplements through and including a Twentieth Supplement to Lease Purchase Agreement dated as of April 15, 2015 (collectively, as so supplemented, the "*Lease*") pursuant to a program sponsored by the Authority (the "*Program*") pursuant to which the State Board leased, with an option to purchase, certain facilities the acquisition and/or improvement and equipping of which was financed or refinanced in part or in whole with the proceeds derived from the issuance and sale by the Authority from time to time of its Vocational Education Program Revenue Bonds listed on Exhibit A attached hereto (the "*Prior Bonds*"), which Exhibit is hereby incorporated herein;

WHEREAS, the State Board has heretofore entered into four Sublease Agreements, each dated as of August 1, 1988, between the State Board and, respectively, Mitchell School District 17-2, Rapid City Area School District No. 51-4, Sioux Falls School District 49-5, and Watertown School District No. 14-4(collectively, the "*School Districts*"), each as heretofore amended or supplemented (the "*Subleases*"); and

WHEREAS, the State Board has heretofore entered into that certain First Supplement to General Pledge and Escrow Agreement dated as of August 1, 1988 (as amended and supplemented, the "*Pledge Agreement*") to which the Authority, the State Treasurer and U.S. Bank National Association (as successor to The First National Bank in Sioux Falls), as Escrow Holder (the *"Escrow Holder"*) are also parties; and

WHEREAS, the State Board has heretofore entered into that certain Amended and Restated Facility Fee Tuition Collection and Deposit Agreement dated September 1, 2008 (as amended and supplemented, the "*Collection Agreement*") to which the State Treasurer, the Escrow Holder, the School Districts and the Authority are also parties; and

WHEREAS, pursuant to Section 13-39A-19, South Dakota Codified Laws, the South Dakota Board of Technical Education (the "*Board*") is the lawful successor to the State Board with respect to all rights, privileges, obligations and duties is the statutory successor to the State Board under and respect to the Lease, Subleases, Pledge Agreement, Collection Agreement and

all other agreements related to any of the foregoing and with respect to the Prior Bonds and additional bonds issued under the Indenture identified below (the Prior Bonds and any such additional bonds being referred to herein as the "*Bonds*"); and

WHEREAS, Title 1-16A and Title 13, South Dakota Codified Laws, permits the Board to lease purchase post-secondary vocational technical education facilities from the Authority and permits the Board to sublease such facilities to the School Districts and Local Education Agencies (collectively the "Participating Institutions");

WHEREAS, the Authority issued the Bonds pursuant to an Indenture of Trust dated as of August 1, 1988 (as amended and supplemented from time to time, the "*Indenture*") between the Authority and The First National Bank in Sioux Falls, as Trustee (the "*Original Trustee*") and U.S. Bank National Association is the assignee of the Original Trustee and has assumed all obligations of the Original Trustee under the Indenture (the "*Trustee*");

WHEREAS, pursuant to the Program in order to provide a credit against Lease Rentals owed by the Board under the Lease, all Participating Institutions have heretofore entered into the Collection Agreement providing for the collection of Facility Fees on a current basis (no less frequently than quarterly) and the deposit of such Facility Fees to the Tuition Subaccount (an account of the Treasurer's maintained with the Escrow Holder are pledged pursuant to the Pledge Agreement;

WHEREAS, the Authority has certified that:

a. As of August 1, 2026, there was **$8,350,020.42** on deposit in the Tuition Subaccount of the Vocational Education Facilities Fund (originally established by §§13-39-69 & 70 SDCL and now governed by §13-39A-28 SDCL) following all transfers under the Indenture and Lease to pay (together with other moneys on deposit therefor) all lease rentals and debt service and other amounts due or to become due within the next three months with respect to the lease purchase agreement and all sublease agreements authorized under §§13-39A-24 and 13-39A-25 SDCL; and

b. A total of **$6,816,614.43** of Facility Fees was collected by the Qualified Participating Institutions and deposited with the Escrow Holder for the credit of the Tuition Subaccount for the most recently completed fiscal year which ended June 30, 2026; and

WHEREAS, such certification by the Authority constitutes a "Certificate of Availability" under Section 9(a)(1) of the Pledge Agreement and also satisfies the statutory requirement set forth in §13-39A-28 SDCL), both of which are conditions precedent to the request by the Board for moneys in the Tuition Subaccount to be retained in the technical colleges facilities fund for future repair and improvement of vocational education facilities as the Board of Technical Education shall direct; and

WHEREAS, pursuant to §13-39A-28 SDCL, at the direction of the Board, an amount to be retained/withdrawn from the Tuition Subaccount shall not exceed ten percent of the Vocational Education Facilities Fund as required by Section 13-39A-28, SDCL. Ten percent of

the remaining amount on deposit in the Tuition Subaccount as of August 1, 2026, was **$835,002.04**; and

WHEREAS, pursuant to Section 9 of the Pledge Agreement at the election and direction of the Board, the Treasurer shall retain in a Repair and Improvement Subaccount of the Vocational Education Facilities Fund (formerly established pursuant to 13-39-69) for repair and improvement of vocational education facilities, a sum which does not exceed ten percent of the Facility Fees collected for each completed fiscal year. Ten percent of Facility Fees collected during the most recently completed fiscal year equals **$681,661.44**.

NOW THEREFORE, BE IT RESOLVED, by the South Dakota Board of Technical Education hereby authorizes and requests that the State Treasurer withdraw, transfer and or apply $681,661.44 from the Tuition Subaccount to a subaccount in the Technical Colleges Facilities Fund to be used as the Board of Technical Education shall direct for future repair and improvement of vocational education facilities subject to the lease-purchase agreement authorized in 13-39A-24 and 13-39A-25.

ADOPTED THIS 22nd DAY OF OCTOBER, 2026 BY A ROLL CALL VOTE IN WHICH MEMBERS _____

ALL _____
VOTED IN FAVOR OF ADOPTION OF THIS RESOLUTION AND MEMBERS _____
VOTED AGAINST SUCH ADOPTION.

By:_____

Its: Executive Director_____

EXHIBIT A

The following bonds have been issued by the South Dakota Health and Educational Facilities Authority in connection with its Vocational Education Program:

1. South Dakota Health and Educational Facilities Authority Vocational Education Program Revenue Bonds, Series 1988 in the original principal amount of $11,120,000 (the *"Series 1988 Bonds"),*

2. South Dakota Health and Educational Facilities Authority Vocational Education Program Revenue Bonds, Series 1990 in the original principal amount of $1,315,000 (the *"Series 1990 Bonds"),*

3. South Dakota Health and Educational Facilities Authority Vocational Education Program Revenue Bonds, Series 1992 in the original principal amount of $8,785,000 (the *"Series 1992 Bonds"),*

4. South Dakota Health and Educational Facilities Authority Vocational Education Program Revenue Bonds, Series 1993 in the original principal amount of $9,780,000 (the *"Series 1993 Bonds"),*

5. South Dakota Health and Educational Facilities Authority Vocational Education Program Revenue Bonds, Series 1997 in the original principal amount of $10,365,000 (the *"Series 1997 Bonds"),*

6. South Dakota Health and Educational Facilities Authority Vocational Education Program Revenue Bonds, Series 1998A in the original principal amount of $4,705,000 (the *"Series 1998A Bonds"),*

7. South Dakota Health and Educational Facilities Authority Vocational Education Program Revenue Bonds, Series 1999 in the original principal amount of $7,135,000 (the *"Series 1999 Bonds"),*

8. South Dakota Health and Educational Facilities Authority Vocational Education Program Revenue Bonds, Series 2004 in the original principal amount of $6,265,000 (the *"Series 2004 Bonds"),*

9. South Dakota Health and Educational Facilities Authority Vocational Education Program Revenue Bonds, Series 2007 in the original principal amount of $8,805,000 (the *"Series 2007 Bonds"),*

10. South Dakota Health and Educational Facilities Authority Vocational Education Program Revenue Bonds, Series 2008 in the original principal amount of $19,465,000 (the *"Series 2008 Bonds"),*

11. South Dakota Health and Educational Facilities Authority Vocational Education Program Revenue Bonds, Series 2010A and Series 2010B in the original principal amount of $23,590,000 (collectively, the *"Series 2010AB Bonds"),*

12. South Dakota Health and Educational Facilities Authority Vocational Education Program Revenue Bonds, Series 2010C in the original principal amount of
$12,605,000 (the *"Series 2010C Bonds"),*

13. South Dakota Health and Educational Facilities Authority Vocational Education Program Revenue Bonds, Series 2011A in the original principal amount of
$20,140,000 (the *"Series 2011A Bonds"),*

14. South Dakota Health and Educational Facilities Authority Vocational Education Program Revenue Bonds, Series 2012A in the original principal amount of
$18,810,000 (the *"Series 2012A Bonds"),*

15. South Dakota Health and Educational Facilities Authority Vocational Education Program Revenue Bonds, Series 2014A in the original principal amount of
$1,790,000 (the *"Series 2014A Bonds"),*

16. South Dakota Health and Educational Facilities Authority Vocational Education Program Refunding Revenue Bonds, Series 2015A, in the original principal amount of $20,590,000 (the *"Series 2015A Bonds"),*

17. South Dakota Health and Educational Facilities Authority Vocational

Education Program Revenue Bonds, Series 2015B, in the original principal amount of
$16,050,000 (the *"Series 2015B Bonds"),*

18. South Dakota Health and Educational Facilities Authority Vocational Education Program Revenue Bonds, Series 2015C in the original principal amount of
$17,320,000 (the *"Series 2015C Bonds"),*

19. South Dakota Health and Educational Facilities Authority Program Refunding Revenue Bond, Series 2021 in the original principal amount of $30,316,000 (the *"Series 2021 Bond"),*

20. South Dakota Health and Educational Facilities Authority Program Refunding Revenue Bond, Series 2022 in the original principal amount of $13,749,000 (the *"Series 2022 Bond") and*

21. South Dakota Health and Educational Facilities Authority Vocational Education Program Refunding Revenue Bonds, Series 2026, in the original principal amount of $30,245,000 (the *"Series 2026 Bonds"*).