

EDUCATIONAL ENHANCEMENT FUNDING CORPORATION

MINUTES OF THE ANNUAL MEETING

September 26, 2013

Pursuant to due notice, the Educational Enhancement Funding Corporation met on Thursday, June 27, 2013. The annual meeting began at 2:00 p.m., CDT via telephone. Mr. Tom Graham, Chairman, instructed the Executive Secretary to call the roll.

Present: Mr. Tom Graham
Mr. Dennis Haan
Mr. Doug Hajek
Mr. Ken Karels
Mr. Joe Lien
Mr. D. J. Mertens
Mr. Dennis Neugebauer (via telephone)
Mr. James Roby (via telephone)

Absent:
Mr. James Spies

Other staff and representatives of the Corporation present were:

Mr. Donald Templeton, Executive Secretary
Mr. Todd Meierhenry, Meierhenry Sargent, LLP (via telephone)
Mr. Dustin Christopherson, South Dakota Health and Educational
Facilities Authority
Mr. Steve Corbin, South Dakota Health and Educational Facilities Authority
Mr. Bruce Bonjour, Perkins Coie (via telephone)
Mr. Jack Arnold, Dougherty & Company
Mr. William Bloom, Barclay's Capital (via telephone)
Ms. Kim Arnone, Barclay's Capital (via telephone)

A quorum was declared by the Chairman and the meeting was called to order.

Mr. Don Templeton advised the Corporation members that the notice of the meeting had been posted at the entrance of the office of the Educational Enhancement Funding Corporation on September 20, 2013. A copy of that notice is attached hereto and is an integral part of the minutes (*see Attachment #1*).

The Chairman asked for consideration of the minutes for the June 27, 2013 meeting. Mr. Haan moved to approve the minutes as presented, seconded by Mr. Hajek. All members present voted aye. Motion carried.

ELECTION OF OFFICERS

Mr. Templeton reviewed the current Vice-President position of D.J. Mertens and Treasurer position of Joe Lien. Mr. Lien made a motion to re-elect the current officers and Mr. Karels seconded the motion. All members present voted aye. Motion carried.

PERKINS COIE CONTRACT

Mr. Bruce Bonjour reviewed the Perkins Coie contract on file with the Educational Enhancement Funding Corporation for the period of September 1, 2013 through August 31, 2014 with the annual fee not to exceed \$22,500 for the legal fees plus \$1,250 per each rebate computation prepared by Wildan Financial. Mr. Karels moved to approve the contract, seconded by Mr. Mertens. Tom Graham, Dennis Haan, Doug Hajek, Ken Karels, Joe Lien, D.J. Mertens, Dennis Neugebauer and Jim Roby voted aye. Nays: none and abstains: none. Motion carried.

SUMMARY OF THE SERIES 2013A&B BONDS

Mr. Jack Arnold, Dougherty & Co., Mr. William Bloom, Barclay's Capital and Ms. Kim Arnone, Barclay's Capital analyzed the refunding of the Series 2002 bonds. The aggregate projected present value of governmental spending and increase in Trust Fund balance is \$42.9 million. The Series 2013 A&B bonds have an average debt service coverage of 1.82 times. Mr. Arnold reviewed the categories of investors of the bonds. Mr. Templeton reported that \$1.67 million was remitted to the Trust Fund in April 2013 from excess Master Settlement Agreement payments over program expenses. Program revenues and receipts were reviewed along with the FY-14 year-to-date financial statements.

ADJOURNMENT

The Chairman stated that there being no further business at this meeting, the meeting would be adjourned at 2:30 p.m. CDT.

Educational Enhancement Funding Corporation

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Date: September 9, 2013

To: Members of the
Educational Enhancement Funding Corporation

From: Don A. Templeton, Executive Secretary

Re: Notice of Annual Meeting

You are hereby notified that the Chairman has set Thursday, September 26, 2013 as the date for the annual meeting of the Educational Enhancement Funding Corporation to be held at the Hilton Garden Inn located in Sioux Falls, SD (see map for driving directions). Our annual meeting will begin Thursday, September 26, 2013 at 2:00 p.m. CDT.

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:

Tom Graham
Dennis Haan
Doug Hajek
Joe Lien,

DJ Mertens
Dennis Neugebauer
James Roby
Ken Karels ✓

An agenda is enclosed. We will bring the meeting information along with us and hand out to members coming to the meeting. Please call if you have any questions.

Cc: Todd Meierhenry
Jack Arnold – Dougherty & Company
Bill Bloom – Barclays Capital ✓
Bruce Bonjour – Perkins Coie