

EDUCATIONAL ENHANCEMENT FUNDING CORPORATION

MINUTES OF THE SPECIAL MEETING

JUNE 10, 2010

Pursuant to due notice, the Educational Enhancement Funding Corporation met on Thursday, June 10, 2010. The Special meeting began at 10:00 a.m., CDT, via telephone. Mr. Tom Graham, Chairman, instructed the Executive Secretary to call the roll.

Present: Mr. Tom Graham
Mr. Dennis Haan
Mr. Joe Lien
Mr. D. J. Mertens
Mr. Dennis Neugebauer
Mr. James Roby
Mr. Douglas Sharp
Mr. James Spies

Absent: Mr. Ken Karels

Other staff and representatives of the Corporation present were:

Mr. Donald Templeton, Executive Secretary
Mr. Todd Meierhenry, General Legal Counsel
Mr. Dustin Christopherson, SDHEFA
Mr. Mick Jost, SDHEFA

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 June 7, 2010. 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 September 17, 2009 annual meeting. Mr. Joe Lien moved to approve the minutes as presented, seconded by Mr. Doug Sharp. All members present voted aye. Motion carried.

MSA Payments

Mr. Templeton reviewed the turbo redemption schedule, the debt service schedule and the new commercial paper of Ford Credit Auto Receivable with the Educational Enhancement Funding Corporation Members.

FY-2011 Educational Enhancement Funding Corporation Operating Budget

The FY-2011 Educational Enhancement Funding Corporation operating budget was reviewed with the Board Members (*see Attachment #2*). Mr. D.J. Mertens moved to approve the budget seconded by Mr. Jim Spies and upon roll call the ayes were: Graham, Haan, Lien, Mertens, Neugebauer, Roby, Sharp, Spies nays: none; abstain: none

Agreement for Legal Services with Meierhenry Sargent

Mr. Todd Meierhenry explained that the new agreement for fiscal year 2011 with Meierhenry Sargent is at a rate of \$130 per hour not to exceed \$10,000 for FY-2011. Mr. Doug Sharp moved to approve the contract seconded by Mr. Jim Roby and upon roll call the ayes were: Graham, Haan, Lien, Mertens, Neugebauer, Roby, Sharp, Spies nays: none; abstain: none.

South Dakota Health and Educational Facilities Authority Contract

Mr. Templeton reviewed the contract with South Dakota Health and Educational Facilities Authority for fiscal year 2011 in the amount of \$35,000. Mr. Jim Roby moved to approve the contract seconded by Mr. Doug Sharp and upon roll call the ayes were: Graham, Haan, Lien, Mertens, Neugebauer, Roby, Sharp, Spies nays: none; abstain: none.

Adjournment

The Chairman stated that there being no further business at this meeting, the meeting would be adjourned at 10:20 a.m. CDT.

Educational Enhancement Funding Corporation

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Date: June 7, 2010

To: Members of the Educational Enhancement Funding Corporation

From: Don A. Templeton, Executive Secretary

Re: Notice of Special Meeting

You are hereby notified that the Chairman has set Thursday, June 10, 2010 as the date for the Special Meeting of the Educational Enhancement Funding Corporation to be held via telephone at 10:00 a.m. CDT (9:00 a.m. MDT).

The following members have indicated they will be available for the meeting.

Tom Graham

Dennis Haan

Joe Lien

D.J. Mertens

Dennis Neugebauer

James Roby

Doug Sharp (uncertain)

James Spies

In order to participate in the call you should dial 1-877-336-1828 and enter your Participant Access Code which is 4677196 (followed by the # key).

Enclosed is the agenda and information on agenda items for the meeting on Thursday.

Cc: Todd Meierhenry, Legal Counsel

EDUCATIONAL ENHANCEMENT FUNDING CORPORATION
Operating Budget for FY - 2011

	FY-11 Budget	FY-10 Actual
Beginning Balance July 1:	\$ 1,904,223	\$ 1,698,463
Revenues:		
Annual tobacco payments	\$ 342,622	\$ 342,622
Interest income	10,000	12,461
Total revenues	<u>\$ 352,622</u>	<u>\$ 355,083</u>
Expenses:		
Directors and Officers insurance	\$ 100,000	\$ 55,150
SDHEFA		
Management fee	32,000	32,000
Supplies	3,000	3,000
Trustee annual fee	15,000	15,000
Legal services - Meierhenry	10,000	1,038
Legal services and rebate computation - Perkins Coie	22,500	14,510
Travel and meeting expense	5,000	3,924
Audit	5,000	4,701
Standard and Poor's annual fee	10,000	10,000
Moody's annual fee	10,000	10,000
Miscellaneous	14,000	-
Total expenses	<u>\$ 226,500</u>	<u>\$ 149,323</u>
Ending cash balance	<u><u>\$ 2,030,345</u></u>	<u><u>\$ 1,904,223</u></u>

EEFC Special Reserve Sub-Account Balance 6/30/2010 = \$797,884.57