

EDUCATIONAL ENHANCEMENT FUNDING CORPORATION

MINUTES OF THE ANNUAL MEETING

SEPTEMBER 16, 2010

Pursuant to due notice, the Educational Enhancement Funding Corporation met on Thursday, September 16, 2010. The annual meeting began at 4:09 p.m., CDT, in Brookings, South Dakota. 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. Douglas Sharp
Mr. James Roby

Absent: Mr. Ken Karels
Mr. James Spies

Other staff and representatives of the Corporation present were:

Mr. Donald Templeton, Executive Secretary
Mr. Todd Meierhenry, General Legal Counsel
Mr. Dustin Christopherson, South Dakota Health and Educational
Facilities Authority
Mr. Mick Jost, South Dakota Health and Educational
Facilities Authority
Mr. Bert Olson, Trustee
Mr. Bruce Bonjour, Bond Counsel (via telephone)
Mr. Jack Arnold, Dougherty & Company
Mr. Neil Pritz, BMO Capital Market
Ms. Kim Arnone, Barclay Capital (via telephone)
Mr. Monte Kramer, Board of Regents
Mr. Dean Kattlemann, SDSU
Mr. Wes Tschetter, SDSU
Ms. Jennifer Kindt, SDSU

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 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 June 10, 2010 meeting. Mr. Roby moved to approve the minutes as presented, seconded by Mr. Lien. 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. Mertens made a motion to reelect the current officers, Mr. Lien seconded the motion. All members present voted aye. Motion carried.

Year-to-Date

Mr. Templeton reviewed the August 31, 2010 financial statements. He next reviewed the MSA Payments through the current calendar year 2010. He also reviewed the turbo redemptions through June 1, 2010. He reviewed the debt service schedule of the existing bonds. Mr. Bruce Bonjour gave an update of the Tobacco Bond issues from other states.

Mr. Templeton reported that the Debt Service Reserve Fund investment agreement with FCAR scheduled to mature November 30, 2010 was rated A-1+ by Standard & Poor's.

Ms. Kim Arnone of Barclay Capital gave a presentation of the current tobacco bonding environment, reporting that the State of Illinois is in the process of issuing tobacco bonds.

Adjournment

The Chairman stated that there being no further business at this meeting, the meeting would be adjourned at 4:45 p.m. CDT.

Educational Enhancement Funding Corporation

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Date: September 7, 2010

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 and Friday, September 16 & 17, 2010 as the dates for the annual meeting of the Educational Enhancement Funding Corporation to be held at the Student Union, Room 260 located on the campus of South Dakota State University in Brookings, South Dakota (see map for driving directions, we have also included a parking pass). Our annual meeting will begin Thursday, September 16, 2010 at 3:30 p.m. We will meet at Bravo's at 6:00 p.m. for social hour and meal.

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

Tom Graham

Dennis Haan

Joe Lien

Dennis Neugebauer

James Roby

Doug Sharp

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.

Please take the time to review the attached schedule of events to assure we have the correct lodging and board available for all attendees. Let us know as soon as possible if your plans change so we can make the appropriate adjustments. For those who are flying, you will be flying in a Navaho Twin Engine 7-seat airplane. **The dress code for the meeting will be casual.** See the attached airplane itinerary.

Cc: Todd Meierhenry
Jack Arnold
Bert Olson
Neil Pritz