BOARD OF REGENTS
MINUTES OF THE MEETING
November 7, 2013

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ADJOURN 3841
The Board of Regents convened via teleconference at 1:00 p.m. on November 7, 2013 with the following members in attendance:

ROLL CALL:

Dean Krogman – PRESENT
Randy Schaefer – PRESENT
Randy Morris – PRESENT
Terry Baloun – PRESENT
Harvey Jewett – PRESENT
Kathryn Johnson – PRESENT
Joe Schartz – PRESENT
Kevin Schieffer – PRESENT
Bob Sutton – ABSENT

Also present were Jack Warner, Executive Director and CEO; Monte Kramer, System Vice President of Finance and Administration; James Shekleton, General Counsel; Janelle Toman, Director of Communications; Molly Weisgram, System Director of Student Affairs and Executive Administrative Assistant to the CEO and Board; President James Abbott and Sheila Gestring, USD; Wes Tschetter, SDSU.

Regent President Krogman called the public meeting of the Board of Regents to order and declared a quorum present.

APPROVAL OF THE AGENDA

IT WAS MOVED by Regent Morris, seconded by Regent Johnson to approve the agenda as published.

ROLL CALL:

Krogman - AYE
Schaefer - AYE
Morris - AYE
Baloun - AYE
Jewett - AYE
Johnson - AYE
Schartz - AYE
Schieffer - AYE
Sutton - ABSENT
The MOTION CARRIED.

**HOUSING AND AUXILIARY REVENUE BONDS, SERIES 2014A, INCLUDING THE REFUNDING OF SDBOR SDSU HOUSING AND AUXILIARY FACILITIES REVENUE BONDS, SERIES 2004**

Dr. Monte Kramer explained that the 2014A Housing and Auxiliary Revenue Bond Series will provide the necessary financing for two new projects in the revenue system, replacement housing at BHSU and an expanded and remodeled student wellness center at SDSM&T. The series also includes the refunding of a 2004 series revenue bond for SDSU and an additional $7.0M for the remodel of Brown Hall.

He explained that approval of this agenda item will account for total bond proceeds of about $40.8M. Money for new projects, related capitalized interest and issuance costs account for and estimated 22.2M. The issue also includes a refunding of SDSU 2004 bonds for a total estimated cost of $18.6M including financing costs.

The proceeds of the bonds are supplemented with $5,361,352 of private and local funds to complete a total of $27,082,653 in auxiliary projects.

He said final Board approval was given to the BHSU New Residence Hall Facility in August of 2013. The facility is estimated to cost $11,182,653. Bond proceeds will yield approximately $8,021,301, supplemented with $2,161,352 coming from the auxiliary system Renewals/Replacement/Reserve funds, and another $1,000,000 coming from university funds related to the transfer of Pangburn Hall to the academic side of the operation. Debt service for the BHSU portion of the 25 year bonds and operating costs will be covered by student rent revenues and parking fees. In April 2013, the Board approved a 5% increase to all of BHSU residence hall rates, a 7% increase to the apartment rates and a 34% increase to parking fees for FY14. BHSU will have similar increases in rates for FY15 to support the funding for the project.

Final Board approval was given to the SDSM&T Wellness and Recreations Center Addition and Remodel project in October of 2013. The facility is estimated to cost $8,900,000. Bond proceeds will yield approximately $6,700,000, with the balance coming from a generous private donation of $2,200,000. Debt service for the SDSM&T portion of the 25 year bonds and operations funding will come from the $10.00 per credit hour general activity fee increase approved by the Board in April 2013.

The Board approved the Preliminary Facility Statement and the Facility Program Plan for the remodel of Brown Hall at the October 2013 meeting. The cost of the project is estimated at $7.0M. Bond proceeds will yield $7.0M, which is a change in plans since the October meeting. Originally the planning was to get $5.0M in bond proceeds from refinancing savings and extension of repayment terms along with $2.0M from redirected M&R funds. SDSU and board staff has agreed that bonding for the full $7.0M is appropriate and provides for the remaining RRR dollars to be used for other M&R projects and not on new projects. The term of debt service for the SDSU refunding will not be extended and will go through 2024. The term for the new money portion will be through 2026. Debt service of the bonds will continue to be from rent revenues and a rate increase that will be requested for the remodeled hall.
At this time the plan is to do a pre-pricing call at the beginning of December after the rating agency(s) have rated the bonds and closing the sale in early January. Preliminary financial estimates show the NPV savings related to just the portion of the financing allocated to the refunding is $1.7 million or 9.57% of refunded bonds. This is based on market rates from 10/23/13. The new money portion of the bonds Total All In Cost is around 4.6% and the refinancing is around 3.3%.

IT WAS MOVED by Regent Jewett, seconded by Regent Schaefer to authorize the issuance of an additional series of Bonds under the Amended and Restated Bond Resolution adopted by the Board on October 21, 2004 (the “Original Resolution”) to finance:

(i) the BHSU Project, the SDSMT Project and the SDSU Project;

(ii) capitalized interest during construction for the SDSMT Project;

(iii) the refunding of the Refunded Series 2004 SDSU Bonds, but only if (a) the net present value of the savings from the portion of the Bonds attributable to the refunding shall be at least $540,000 and (b) the aggregate debt service on the portion of the Bonds attributable to the refunding does not exceed the aggregate debt service on the Refunded Series 2004 SDSU Bonds; and

(iv) costs of issuance of the Bonds (Attachment II—Ninth Supplemental System Revenue Bond Resolution);

ROLL CALL:
Krogman - AYE
Schaefer - AYE
Morris - AYE
Baloun - AYE
Jewett - AYE
Johnson - AYE
Schartz - AYE
Schieffer - AYE
Sutton - ABSENT

The MOTION CARRIED.

IT WAS MOVED by Regent Jewett, seconded by Regent Schaefer to approve the contract with the underwriter, BMO Capital Markets GKST Inc., who will market the Bonds for the Board; provided, however, that the aggregate principal amount of Bonds sold pursuant thereto shall not exceed $43,000,000, shall mature not later than April 1, 2039, shall bear interest at a true interest cost not exceeding 5.00%, and shall be sold at an underwriter’s discount of not more than 0.625% of the proceeds of the Bonds (Attachment III—Bond Purchase Agreement);

ROLL CALL:
Krogman - AYE
Schaefer - AYE
Morris - AYE
Baloun - AYE
Jewett - AYE
Johnson - AYE
Schartz - AYE
Schieffer - AYE
Sutton - ABSENT

The MOTION CARRIED.

IT WAS MOVED by Regent Jewett, seconded by Regent Schaefer to approve an escrow agreement with First Bank & Trust, Brookings, South Dakota, the Bond Registrar for the Series 2004 SDSU Bonds, to provide for the defeasance of the Series 2004 SDSU Bonds maturing on or after April 1, 2015. (Attachment IV—Escrow Agreement);

ROLL CALL:
Krogman - AYE
Schaefer - AYE
Morris - AYE
Baloun - AYE
Jewett - AYE
Johnson - AYE
Schartz - AYE
Schieffer - AYE
Sutton - ABSENT

The MOTION CARRIED.

IT WAS MOVED by Regent Jewett, seconded by Regent Schaefer to approve the distribution of the preliminary official statement and the official statement to reflect the actual terms of the transaction once they are determined and the Bonds are ready for sale (Attachment V—draft Preliminary Official Statement);

ROLL CALL:
Krogman - AYE
Schaefer - AYE
Morris - AYE
Baloun - AYE
Jewett - AYE
Johnson - AYE
Schartz - AYE
Schieffer - AYE
The MOTION CARRIED.

IT WAS MOVED by Regent Jewett, seconded by Regent Schaefer to authorize the President of the Board, the President of Black Hills State University, the President of the South Dakota School of Mines and Technology, the President of South Dakota State University, the Executive Director of the Board and other Board officials to perform those acts and to execute those documents necessary to complete the Bond issue, the Ninth Supplemental Bond Resolution, the Bond Purchase Agreement and the Escrow Agreement (Attachment I—Board action to approve the issuance of revenue bonds).

ROLL CALL:

Krogman - AYE
Schaefer - AYE
Morris - AYE
Baloun - AYE
Jewett - AYE
Johnson - AYE
Schartz - AYE
Schieffer - AYE
Sutton - ABSENT

The MOTION CARRIED.

A copy of Housing and Auxiliary Revenue Bonds, Series 2014A, Including the Refunding of SDBOR SDSU Housing and Auxiliary Facilities Revenue Bonds, Series 2004 can be found on pages 3842 to 4013 of the official minutes.

SOUTH DAKOTA BUILDING AUTHORITY REVENUE BONDS, SERIES 2013B AND 2013C

Dr. Kramer explained that the proposed Series 2013B and 2013C bonds to be issued by South Dakota Building Authority will support thirteen projects from the 2012 Ten-Year Plan plus the USD Arena project. The 2013C bonds are the taxable bonds related to financing the $10.0M portion of the Arena deemed to involve private use, and the 2013B are the tax-exempt bonds related to the HEFF projects and the remaining portion of the Arena. The Arena project is to be financed over a 20-year period and the balance of the bonds are 25 years.

The proceeds of the bond funds are intended to complete $56,960,000 of HEFF supported projects, $24,700,000 of Other funds bond supported projects (Arena and Cow Calf Unit), supplemented with $13,434,000 of HEFF M&R funds and $43,651,800 of cash commitments from donors and the Foundations, and $4,806,000 of local campus funds. Total projects to be completed will be $143,551,800.
Preliminary financial estimates show the taxable bonds Total All In Financing Cost at 2.06%. The tax-exempt bonds reflect a 4.37% Total All In Financing Cost. The taxable bonds were scheduled to mature within five years to get a better overall yield on the issue.

The Building Authority, at the request of the Board of Regents, has agreed to finance the Projects through the issuance of revenue bonds ("Revenue Bonds"), which Revenue Bonds will consist of both a tax-exempt series of bonds (to be designated "Series 2013B") and a taxable series of bonds (to be designated "Series 2013C").

The construction, completion, furnishing, equipping, and maintaining of, including heating, air conditioning, plumbing, water, sewer, electric facilities, sidewalks, parking, landscaping, architectural and engineering services, and such other services or actions as may be required to complete the Black Hills State Projects, the Dakota State Project, the NSU Projects, the SDSMT Project, the SDSU Projects, and the USD Projects for lease from the South Dakota Building Authority to the South Dakota Board of Regents (the "Board of Regents") are collectively referred to herewith as the "Projects."

The USD Arena Project was authorized by SB 8 (chapter 94 of the 2013 Session Laws), with up to $22,700,000 of the costs thereof to be financed through the issuance of revenue bonds by the South Dakota Building Authority (the "Building Authority"). The Projects other than the USD Arena Project were all authorized by HB 1051 (chapter 107 of the 2012 Session Laws), as modified by HB 1016 (chapter 87 of the 2103 Session Laws), with financing to be provided through revenue bonds to be issued for such purpose by the Building Authority in an aggregate amount not to exceed $58,960,000.

The Building Authority advised the Board staff that the Revenue Bonds are expected to be priced and sold within the following parameters:

(i) In the case of the Series 2013B tax-exempt Revenue Bonds, the principal amount of such Revenue Bonds shall not exceed an amount which will finance construction costs not to exceed $81,660,000 (decreased by the amount of construction costs being financed with proceeds of the Series 2013C taxable Revenue Bonds), the last stated maturity date of the Series 2013B Revenue Bonds will not be later than June 1, 2038, the yield on the Series 2013B Revenue Bonds for arbitrage purposes will not exceed 6.0%, the purchase price of the Series 2013B Revenue Bonds to be paid by the underwriter will be not less than 99.0% of the principal amount of the Series 2013B Revenue Bonds and the underwriter's discount (as measured as a percentage of total proceeds of the Series 2013B Revenue Bonds) shall not exceed 0.60%.

(ii) In the case of the Series 2013C taxable Revenue Bonds, the principal amount of such Revenue Bonds shall not exceed $12,000,000, the last stated maturity date of the Series 2013C Revenue Bonds will not be later than June 1, 2026, the yield on the Series 2013C Revenue Bonds for arbitrage purposes will not exceed 6.0%, the purchase price of the Series 2013C Revenue Bonds to be paid by the underwriter will be not less than 99.0% of the principal amount of the Series 2013C Revenue Bonds and the underwriter's discount
(as measured as a percentage of total proceeds of the Series 2013C Revenue Bonds) shall not exceed 0.60%.

The Board is being asked to adopt a single resolution on roll call vote, that will (1) request the Building Authority to go forward with the Projects, (2) authorize the formal transfer of jurisdiction over the necessary property or structures to the Building Authority, and (3) amend the lease agreement between the Board and the Building Authority to reflect the new transactions.

Property transferred to the Building Authority as collateral for the Revenue Bonds will be reconveyed to the Board once the construction bonds, or refinancing instruments, have been discharged.

Regent Kathryn Johnson noted that a few of the campuses have been successful at fundraising for their projects and in fact have exceeded the authorized amounts in the legislation. Regent Johnson wondered if the higher amounts were reflected in the bond issue. Dr. Kramer noted that the BHSU and NSU projects have both exceeded their total authority, but that has to do with the private funds portion of the projects and the action today only approved the bonded portion.

Dr. Kramer explained that the USD Arena project includes bond proceeds that will be debt financed by a gift from Sanford Health System of $1 million each year over 20 years. In addition about $750,000 annually would come from rental agreements and corporate sponsorships to service the debt.

Regent Schieffer asked how the revenue stream of $1 million a year is guaranteed. General Counsel James Shekleton said that the Sanford Health Board will need to approve the $1 million a year each year, but he explained that bond counsel reviewed this and agreed to go forward considering the historical success of these types of gifts.

Regent Jewett noted that spreading the gift over many years is often done for tax purposes and is pretty common. Regent Baloun further explained that the pledge is communicated throughout the organization via the board minutes and the commitment is fully understood by all parties.

IT WAS MOVED by Regent Jewett, seconded by Regent Morris to adopt Special Resolution No. 35-2013, which will:

A. Request the Building Authority to proceed with the issuance of revenue bonds ("Revenue Bonds") to finance costs of the Projects defined below, together with such additional amount of bonds as shall be required to pay costs of issuance of such bonds

B. Authorize the President of the Board and the Executive Director to execute an instrument of transfer to effect the transfer of jurisdiction over the affected real property for the Projects.

C. Authorize the President of the Board and the Executive Director to execute a supplement to the existing lease between the Board and the Building Authority. This lease establishes the basis for the continued occupancy and use of the premises by the
Board and outlines the conditions of payment to the Building Authority for such occupancy and use.

D. Authorize the officers of the Board and the Executive Director to take such other actions and to execute such other documents as may be required to carry out the actions approved pursuant to such special resolutions.

ROLL CALL:

Krogman - AYE
Schaefer - AYE
Morris - AYE
Baloun - AYE
Jewett - AYE
Johnson - AYE
Schartz - AYE
Schieffer - AYE
Sutton - ABSENT

The MOTION CARRIED.

A copy of South Dakota Building Authority Revenue Bonds, Series 2013B and 2013A can be found on pages 4014 to 4037 of the official minutes.

ADJOURN

IT WAS MOVED by Regent Morris, seconded by Regent Baloun to adjourn the meeting of the full board at 1:25 p.m.

ROLL CALL:

Krogman - AYE
Schaefer - AYE
Morris - AYE
Baloun - AYE
Jewett - AYE
Johnson - AYE
Schartz - AYE
Schieffer - AYE
Sutton - ABSENT

The MOTION CARRIED. Meeting adjourned.
SOUTH DAKOTA BOARD OF REGENTS

Full Board

AGENDA ITEM: 2

DATE: November 7, 2013


Background

The 2014A Housing and Auxiliary Revenue Bond Series will provide the necessary financing for two new projects in the revenue system, replacement housing at BHSU and an expanded and remodeled student wellness center at SDSMT. The series also includes the refunding of a 2004 series revenue bond for SDSU and an additional $7.0M for the remodel of Brown Hall.

Final Board approval was given to the BHSU New Residence Hall Facility in August of 2013. The facility is estimated to cost $11,182,653. Bond proceeds will yield approximately $8,021,301, supplemented with $2,161,352 coming from the auxiliary system Renewals/Replacement/Reserve funds, and another $1,000,000 coming from university funds related to the transfer of Pangburn Hall to the academic side of the operation. The 50,433 square foot facility will be comprised of four floors with rooms designed as 4-person suites containing a shared bathroom area. Each floor will contain a commons area and a laundry facility. The design will provide replacement housing of approximately 196 beds, replacing 163 beds in Pangburn and Humbert Hall. Humbert Hall will continue to be an asset of the housing system and will be available to address future housing growth if needed.

Debt service for the BHSU portion of the 25 year bonds and operating costs will be covered by student rent revenues and parking fees. In April 2013, the Board approved a 5% increase to all of BHSU residence hall rates, a 7% increase to the apartment rates and a 34% increase to parking fees for FY14. BHSU will have similar increases in rates for FY15 to support the funding for the project.

(Continued)

RECOMMENDED ACTION OF THE EXECUTIVE DIRECTOR

Approve the action items as set forth in detail on Attachment I. Each action should be approved on separate motion and seconded, and a roll call vote on each should be taken and recorded.
Final Board approval was given to the SDSMT Wellness and Recreations Center Addition and Remodel project in October of 2013. The facility is estimated to cost $8,900,000. Bond proceeds will yield approximately $6,700,000, with the balance coming from a generous private donation of $2,200,000. The addition is comprised of 19,500 square feet and will house a new two-court gymnasium, a cardio-fitness area, and a bouldering wall. The facility will also have a new entrance, and about 18,200 square feet of remodeled space which will accommodate weights, group exercise, expanded locker rooms and a new elevator that will provide access to all three levels.

Debt service for the SDSMT portion of the 25 year bonds and operations funding will come from the $10.00 per credit hour general activity fee increase approved by the Board in April 2013.

The Board approved the Preliminary Facility Statement and the Facility Program Plan for the remodel of Brown Hall at the October 2013 meeting. The cost of the project is estimated at $7.0M. Bond proceeds will yield $7.0M, which is a change in plans since the October meeting. Originally the planning was to get $5.0M in bond proceeds from refinancing savings and extension of repayment terms along with $2.0M from redirected M&R funds. SDSU and board staff has agreed that bonding for the full $7.0M is appropriate and provides for the remaining RRR dollars to be used for other M&R projects and not on new projects. The Brown Hall remodel will involve two four-story tower sections with a one-floor central lobby structure. The lobby structure and apartments will be replaced with a structure connecting all floors and will include study lounges and community space. The remodeled space will include replacement of bathroom plumbing, floor replacement, heating system replacement, fire safety upgrades, asbestos abatement, replacement of hot water convertors, and installation of air conditioning.

The term of debt service for the SDSU refunding will not be extended and will go through 2024. The term for the new money portion will be through 2026. Debt service of the bonds will continue to be from rent revenues and a rate increase that will be requested for the remodeled hall.

At this time the plan is to do a pre-pricing call at the beginning of December after the rating agency(s) have rated the bonds and closing the sale in early January. Preliminary financial estimates show the NPV savings related to just the portion of the financing allocated to the refunding is $1.7 million or 9.57% of refunded bonds. This is based on market rates from 10/23/13. The new money portion of the bonds Total All In Cost is around 4.6%.
Board Action

The Board is requested to authorize the financing of (i) the construction and equipping of new housing facilities for the Institutional System for Black Hills State University ("BHSU") (the "BHSU Project"); (ii) the remodeling, renovation and addition to the student wellness and fitness facilities and the acquisition of related equipment for the Institutional System for South Dakota School of Mines and Technology ("SDSMT") (the "SDSMT Project"); (iii) the remodeling and renovation of Brown Hall, including an addition for community space and the acquisition of related equipment for the Institutional System for South Dakota State University ("SDSU") (the "SDSU Project"); (iv) the refunding of certain of the Board’s South Dakota State University Housing and Auxiliary Facilities Revenue Bonds, Series 2004 (the "Refunded Series 2004 SDSU Bonds") and (v) certain capitalized interest and costs of issuance through the issuance of the referenced Revenue Bonds (the "Bonds").

The bond counsel for the Bonds has prepared appropriate resolutions and documents to proceed with the next phases of the financing. The five action items include resolutions:

1. Authorizing the issuance of an additional series of Bonds under the Amended and Restated Bond Resolution adopted by the Board on October 21, 2004 (the "Original Resolution") to finance:
   
   (i) the BHSU Project, the SDSMT Project and the SDSU Project;
   
   (ii) capitalized interest during construction for the SDSMT Project;
   
   (iii) the refunding of the Refunded Series 2004 SDSU Bonds, but only if (a) the net present value of the savings from the portion of the Bonds attributable to the refunding shall be at least $540,000 and (b) the aggregate debt service on the portion of the Bonds attributable to the refunding does not exceed the aggregate debt service on the Refunded Series 2004 SDSU Bonds; and
   
   (iv) costs of issuance of the Bonds (Attachment II—Ninth Supplemental System Revenue Bond Resolution);

2. Approving the contract with the underwriter, BMO Capital Markets GKST Inc., who will market the Bonds for the Board; provided, however, that the aggregate principal amount of Bonds sold pursuant thereto shall not exceed $43,000,000, shall mature not later than April 1, 2039, shall bear interest at a true interest cost not exceeding 5.00%, and shall be sold at an underwriter’s discount of not more than 0.625% of the proceeds of the Bonds (Attachment III—Bond Purchase Agreement);

3. Approving an escrow agreement with First Bank & Trust, Brookings, South Dakota, the Bond Registrar for the Series 2004 SDSU Bonds, to provide for the
defeasance of the Series 2004 SDSU Bonds maturing on or after April 1, 2015.
(Attachment IV—Escrow Agreement);

4. Approving the distribution of the preliminary official statement and the
official statement to reflect the actual terms of the transaction once they are determined
and the Bonds are ready for sale (Attachment V—draft Preliminary Official Statement);

5. Authorizing the President of the Board, the President of Black Hills State
University, the President of the South Dakota School of Mines and Technology, the
President of South Dakota State University, the Executive Director of the Board and
other Board officials to perform those acts and to execute those documents necessary to
complete the Bond issue, the Ninth Supplemental Bond Resolution, the Bond Purchase
Agreement and the Escrow Agreement (Attachment I—Board action to approve the
issuance of revenue bonds); and

6. Making the certifications required prior to the issuance of additional
Bonds under Section 14(K) of the Original Resolution based on the Actual Net Revenues
of the System for each of the two most recent Fiscal Years and the Projected Net
Revenues of the System for each of the specified three Fiscal Years (Attachment VI).

Except for the distribution of the preliminary official statement, the documents approved
under this action will not be completed and executed until the Bonds are issued; provided
that the Bond Purchase Agreement and the official statement will not be completed and executed until
the Bonds are sold to the underwriter.

The contents of the documents referenced in the first five items are as follows:

The first document referenced in the resolution is the Ninth Supplemental Bond
Resolution, under which the Bonds are to be issued. The Ninth Supplemental Bond Resolution
supplements the Original Resolution (referenced therein), as supplemented and amended to date,
and describes the terms of the Bonds as additional parity bonds under the Original Resolution,
and outlines the conditions under which the Bonds may be redeemed, describes the disposition
that will be made of the Bond proceeds, stipulates that the Bonds will not constitute a debt
chargeable to the general revenues of the State, and, when adopted, authorizes the sale of the
Bonds.

The second document referenced in the resolution is the Bond Purchase Agreement
between the Board and the underwriter. This document reiterates the various assurances that the
Board must give in order to establish that the issuance of the Bonds is within its legal authority
and otherwise consistent with State law; that the issuance has been effected in the manner
required by law; that the statements made on the Board’s behalf in the various documents
prepared in furtherance of the transaction are accurate; that no proceedings are underway, by
referendum, court action or otherwise, to impede the completion of the Bond issue; that the
Board will cooperate with the underwriter as needed to complete the sale of the Bonds; that the
Board operates the properties of the System consistently with governing law, and that the Board will notify the underwriter of any changed circumstances or new information that would affect the accuracy of the documents or the marketability of the Bonds. The document also provides for termination of the agreement, identifies additional certifications required to complete the transaction, provides for mutual covenants, stipulates that Board members will not be liable to the underwriter and contains appendices setting forth opinions of counsel to the effect that the Bond issue will be in proper legal form.

The third document referenced in the resolution is the Escrow Agreement between the Board and the escrow agent. This document authorizes the initial deposit of Bond proceeds in trust with the escrow agent into an escrow fund, directs the investment of the moneys in the escrow fund, and directs the payment of the Refunded Series 2004 SDSU Bonds from the escrow fund on the redemption date.

The fourth document referenced is the Preliminary Official Statement which is provided to prospective purchasers in order to assist them in determining whether the Bonds are a sound investment. The Preliminary Official Statement describes the Bonds to be issued, the manner of their purchase, transfer and redemption, the expected use of Bond proceeds, the source of funds for their repayment, the various financial, demographic and programmatic factors that provide assurance that there will be sufficient System revenues to retire the Bonds, the Bond rating and their federal tax treatment and the continuing disclosure obligations of the Board with respect to the Bonds. The Official Statement will be prepared in final form once the amount, interest rate and the date of sale are determined.

The Ninth Supplemental Bond Resolution and the Escrow Agreement were prepared by bond counsel. The Preliminary Official Statement and the Bond Purchase Agreement were prepared by counsel to the underwriter.
1. Authorize the issuance of an additional series of Bonds under the Amended and Restated Bond Resolution adopted by the Board on October 21, 2004 (the “Original Resolution”) to finance:

   (i) the BHSU Project, the SDSMT Project and the SDSU Project;

   (ii) capitalized interest during construction for the SDSMT Project;

   (iii) the refunding of the Refunded Series 2004 SDSU Bonds, but only if (a) the net present value of the savings from the portion of the Bonds attributable to the refunding shall be at least $540,000 and (b) the aggregate debt service on the portion of the Bonds attributable to the refunding does not exceed the aggregate debt service on the Refunded Series 2004 SDSU Bonds; and

   (iv) costs of issuance of the Bonds (Attachment II—Ninth Supplemental System Revenue Bond Resolution);

2. Approve the contract with the underwriter, BMO Capital Markets GKST Inc., who will market the Bonds for the Board; provided, however, that the aggregate principal amount of Bonds sold pursuant thereto shall not exceed $43,000,000, shall mature not later than April 1, 2039, shall bear interest at a true interest cost not exceeding 5.00%, and shall be sold at an underwriter’s discount of not more than 0.625% of the proceeds of the Bonds (Attachment III—Bond Purchase Agreement);

3. Approve an escrow agreement with First Bank & Trust, Brookings, South Dakota, the Registrar for the Series 2004 SDSU Bonds, to provide for the defeasance of the Series 2004 SDSU Bonds maturing on or after April 1, 2015. (Attachment IV—Escrow Agreement);

4. Approve the distribution of the preliminary official statement and the official statement to reflect the actual terms of the transaction once they are determined and the Bonds are ready for sale (Attachment V—draft Preliminary Official Statement);

5. Authorize the President of the Board, the President of Black Hills State University, the President of the South Dakota School of Mines and Technology, the President of South Dakota State University, the Executive Director of the Board and other Board officials to perform those acts and to execute those documents necessary to complete the Bond issue, the Ninth Supplemental Bond Resolution, the Bond Purchase Agreement and the Escrow Agreement; and

6. Make the certifications required prior to the issuance of additional Bonds under Section 14(K) of the Original Resolution based on the Actual Net Revenues of the System for each of the two most recent Fiscal Years and the Projected Net Revenues of the System for each of the specified three Fiscal Years (Attachment VI).
SOUTH DAKOTA BOARD OF REGENTS


Ninth Supplemental System Revenue Bond Resolution approved November 7, 2013

Re: Housing and Auxiliary Facilities System Revenue Bonds, Series 2014A
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**SCHEDULE I** EVIDENCE OF COMPLIANCE WITH PARITY TEST

**EXHIBIT A-1** THE SERIES 2014A PROJECTS

**EXHIBIT A-2** EXISTING FACILITIES

**EXHIBIT B** FORM OF SERIES 2014A BOND

**EXHIBIT C** SERIES 2014A BOND TERMS

**SCHEDULE C-1** SERIES 2014A BHSU DEBT SERVICE

**SCHEDULE C-2** SERIES 2014A SDSMT DEBT SERVICE

**SCHEDULE C-3** SERIES 2014A SDSU DEBT SERVICE

*                         *                         *

WHEREAS, under the terms and provisions of South Dakota Codified Laws, Chapter 13-49, the Board of Regents (the “Board”) was created to, among other matters, control and have jurisdiction of six state-supported universities, including Black Hills State University (“BHSU”), Dakota State University (“DSU”), Northern State University (“NSU”), South Dakota School of Mines and Technology (“SDSMT”), South Dakota State University (“SDSU”) and the University of South Dakota (“USD”) (collectively, the “Institutions” and each, an “Institution”); and

WHEREAS, under the terms and provisions of South Dakota Codified Laws, Chapter 13-51A (the “Act”), the Board is authorized to issue bonds to acquire any one project, or more than one, or any combination thereof, for each Institution under its jurisdiction and to refund bonds heretofore issued; and

WHEREAS, the Board on October 21, 2004, did duly adopt a resolution (herein called the “Original Resolution”) amending and restating previous resolutions relating to the Series 2003 SDSMT Bonds, the Series 2003 USD Bonds, the Series 2004 BHSU Bonds and the Series 2004 SDSU Bonds (all as defined in the Original Resolution) and authorizing the issuance of $12,965,000 aggregate principal amount of Housing and Auxiliary Facilities System Revenue Bonds, Series 2004A (the “Series 2004A Bonds”), and establishing a combined system of housing and auxiliary facilities (the “System”) pursuant to which each Institution continues to operate its existing system (collectively, the “Institutional Systems” and each, an “Institutional System”) but the revenues of which are subject to being used by the Board to avoid a potential default on each series of bonds issued by the Board on behalf of any Institution in the System pursuant to the Original Resolution (as more specifically defined in the Original Resolution, the “Bonds”); and

WHEREAS, the Board on December 6, 2005 did authorize the issuance and delivery of its $14,810,000 aggregate principal amount of Housing and Auxiliary Facilities System Revenue Bonds, Series 2005A (the “Series 2005A Bonds”) and the $1,000,000 aggregate principal amount of Housing and Auxiliary Facilities System Revenue Bonds, Series 2005B (Taxable) (the
“Series 2005B Bonds” and with the Series 2005A Bonds, the “Series 2005 Bonds”) pursuant to the Original Resolution, as supplemented by a First Supplemental System Revenue Bond Resolution (the “First Supplemental Resolution”), which Series 2005 Bonds were issued for projects for USD and SDSU; and

WHEREAS, the Board on November 22, 2006 did authorize the issuance and delivery of its $9,015,000 aggregate principal amount of Housing and Auxiliary Facilities System Revenue Bonds, Series 2006 (the “Series 2006 Bonds”) pursuant to the Original Resolution, as supplemented, and as further supplemented by a Second Supplemental System Revenue Bond Resolution (as amended on July 19, 2011, the “Second Supplemental Resolution”), which Series 2006 Bonds were issued for projects for SDSU and BHSU; and

WHEREAS, the Board on December 13, 2007 did authorize the issuance and delivery of its $8,540,000 aggregate principal amount of Housing and Auxiliary Facilities System Revenue Bonds, Series 2007 (the “Series 2007 Bonds”) pursuant to the Original Resolution, as supplemented, and as further supplemented by a Third Supplemental System Revenue Bond Resolution (as amended on July 19, 2011, the “Third Supplemental Resolution”), which Series 2007 Bonds were issued for projects for BHSU and DSU; and

WHEREAS, the Board on March 28, 2008 did authorize the issuance and delivery of its $4,770,000 aggregate principal amount of Housing and Auxiliary Facilities System Revenue Bonds, Series 2008A (the “Series 2008A Bonds”) pursuant to the Original Resolution, as supplemented, and as further supplemented by a Fourth Supplemental System Revenue Bond Resolution (as amended on July 19, 2011, the “Fourth Supplemental Resolution”), which Series 2008A Bonds were issued for projects for DSU; and

WHEREAS, the Board on October 22, 2008 did authorize the issuance and delivery of its $5,230,000 aggregate principal amount of Housing and Auxiliary Facilities System Revenue Bonds, Series 2008B (the “Series 2008B Bonds”) pursuant to the Original Resolution, as supplemented, and as further supplemented by a Fifth Supplemental System Revenue Bond Resolution (as amended on July 19, 2011, the “Fifth Supplemental Resolution”), which Series 2008B Bonds were issued for projects for SDSMT and NSU; and

WHEREAS, the Board on May 21, 2009 did authorize the issuance and delivery of its $90,325,000 aggregate principal amount of Housing and Auxiliary Facilities System Revenue Bonds, Series 2009 (Build America Program - Taxable) (the “Series 2009 Bonds”) pursuant to the Original Resolution, as supplemented, and as further supplemented by a Sixth Supplemental System Revenue Bond Resolution (the “Sixth Supplemental Resolution”), which Series 2009 Bonds were issued for projects for NSU, SDSMT, SDSU and USD; and

WHEREAS, the Board on October 12, 2011 did authorize the issuance and delivery of its $63,480,000 aggregate principal amount of Housing and Auxiliary Facilities System Revenue Bonds, Series 2011 (the “Series 2011 Bonds”) pursuant to the Original Resolution, as supplemented, and as further supplemented by a Seventh Supplemental System Revenue Bond Resolution (the “Seventh Supplemental Resolution”), which Series 2011 Bonds were issued for projects for NSU and SDSU; and
WHEREAS, the Board on December 12, 2012 did authorize the issuance and delivery of its $11,990,000 aggregate principal amount of Housing and Auxiliary Facilities System Revenue Bonds, Series 2013A (the “Series 2013A Bonds”) pursuant to the Original Resolution, as supplemented, and as further supplemented by an Eighth Supplemental System Revenue Bond Resolution (the “Eighth Supplemental Resolution”), which Series 2013A Bonds were issued for projects for USD and the refunding of the Series 2003 USD Bonds; and

WHEREAS, the Board, upon due consideration and investigation, does now find and determine that it is advisable and necessary (i) for the use and benefit of SDSU and its student body to pay (a) the costs of financing the remodeling and renovation of Brown Hall, including an addition for community space and the acquisition of related equipment for the SDSU Institutional System (as more particularly described in Exhibit A-1, the “Series 2014A SDSU Project”) and (b) the costs of refunding certain of the Board’s South Dakota State University Housing and Auxiliary Facilities Revenue Bonds, Series 2004 (the “Refunded Series 2004 SDSU Bonds”); (ii) for the use and benefit of BHSU and its student body to pay the costs of financing the construction and equipping of new housing facilities for the BHSU Institutional System (as more particularly described in Exhibit A-1, the “Series 2014A BHSU Project”); (iii) for the use and benefit of SDSMT and its student body to pay the costs of financing the remodeling, renovation and addition to the student wellness and fitness facilities and the acquisition of related equipment for the SDSMT Institutional System (as more particularly described in Exhibit A-1, the “Series 2014A SDSMT Project”) and (iv) capitalized interest on a portion of the Series 2014A Bonds and certain expenses relating to the issuance of the Series 2014A Bonds, pursuant to the Original Resolution; and

WHEREAS, in order to accomplish the purposes hereinabove referred to, it is advantageous to the Board and necessary that the Board borrow money and issue and sell Bonds under the provisions of the Act and the Original Resolution; and

WHEREAS, the Board now desires to create and to authorize the issue and delivery of an additional issue of Bonds under and in accordance with the Original Resolution, as supplemented by this Ninth Supplemental Resolution thereto, which additional Bonds shall be known as “Housing and Auxiliary Facilities System Revenue Bonds, Series 2014A” (the “Series 2014A Bonds”) and shall be issued for the purpose of financing the Series 2014A SDSU Project, the Series BHSU Project and the Series 2014A SDSMT Project, paying interest on a portion of the Series 2014A Bonds for a certain period, refunding the Refunded Series 2004 SDSU Bonds, and paying the cost of certain expenses relating to the issuance of the Series 2014A Bonds:

NOW, THEREFORE, Be It and It Is Hereby Resolved by the South Dakota Board of Regents, as follows:
ARTICLE I

DEFINITIONS; PLEDGE OF REVENUES

Section 1.1. Defined Terms. (a)(i) Terms used in this Ninth Supplemental Resolution and not defined herein shall have the same meanings set forth in the Original Resolution, except that the following definitions in the Original Resolution are hereby amended to read as follows:

“Existing Facilities” means, for each Institution, the facilities (including equipment) of such Institution described in Exhibit A-2, together with all improvements, repairs, extensions or replacements, hereafter constructed or acquired that have not been converted to non-income use or abandoned for non-economic feasibility, as determined by resolution of the Board and filed with the Executive Director.

(b) For purposes of this Ninth Supplemental Resolution, in addition to the terms defined in the WHEREAS Clauses, the following terms shall have the following meanings:


“Escrow Agent” means First Bank & Trust, Brookings, South Dakota, and its successors and assigns.

“Escrow Agreement” means the Escrow Agreement between the Board and the Escrow Agent with respect to the Refunded Series 2004 SDSU Bonds.

“Favorable Opinion of Bond Counsel” means, with respect to any action the occurrence of which requires such an opinion, a written opinion of legal counsel acceptable to the Board, having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal obligations, to the effect that such actions will not adversely affect the exclusion of interest on the Series 2014A Bonds from federal gross income for purposes of the Code. Such opinion may be in such form and with such disclosures as may be required so that the opinion will not be treated as a “covered opinion” for purposes of the United States Treasury Department regulations governing practice before the Internal Revenue Service (Circular 230), 31 CFR Part 10.

“Permitted Investments” for the proceeds of the Series 2014A Bonds are any investments permitted by law.

“Record Date” means the fifteenth day of the calendar month preceding the calendar month in which an interest payment date occurs.

“Series 2014A BHSU Bond and Interest Subaccount” means the subaccount of that name established in Section 3.1(a)(i) of this Ninth Supplemental Resolution.

“Series 2014A BHSU Project” is described in Exhibit A-1.

“Series 2014A BHSU Project Construction Fund” means the fund of that name established in Section 3.1(a)(iii) of this Ninth Supplemental Resolution.

“Series 2014A BHSU Proportion” is defined in Exhibit C.

“Series 2014A Expense Fund” means the fund of that name established in Section 3.1(a)(ii) of this Ninth Supplemental Resolution into which a part of the proceeds of the Series 2014A Bonds will be deposited and which will be used for the purpose of paying the costs of issuance of the Series 2014A Bonds.

“Series 2014A Projects” means, collectively, the Series 2014A BHSU Project, the Series 2014A SDSMT Project and the Series 2014A SDSU Project.

“Series 2014A SDSMT Bond and Interest Subaccount” means the subaccount of that name established in Section 3.1(a)(i) of this Ninth Supplemental Resolution.

“Series 2014A SDSMT Capitalized Interest Subaccount” means the subaccount of that name of the Series 2014A SDSMT Project Construction Fund established in Section 3.4 of this Ninth Supplemental Resolution.

“Series 2014A SDSMT Project” is Exhibit A-1.

“Series 2014A SDSMT Project Construction Fund” means the fund of that name established in Section 3.1(a)(iii) of this Ninth Supplemental Resolution.

“Series 2014A SDSMT Proportion” is defined in Exhibit C.

“Series 2014A SDSU Bond and Interest Subaccount” means the subaccount of that name established in Section 3.1(a)(i) of this Ninth Supplemental Resolution.

“Series 2014A SDSU Escrow Fund” means the fund of that name established in Section 3.1(a)(iv) of this Ninth Supplemental Resolution.

“Series 2014A SDSU Project” is described in Exhibit A-1.

“Series 2014A SDSU Project Construction Fund” means the fund of that name established in Section 3.1(a)(iii) of this Ninth Supplemental Resolution.

“Series 2014A SDSU Proportion” is defined in Exhibit C.
Section 1.2. Pledge of Revenues. The pledge of revenues and income contained in Section 10 of the Original Resolution is hereby ratified and confirmed. The Series 2014A Bonds are payable from and secured by a pledge of and lien on the following sources in the following order of priority:

(a) the Net Revenues of the BHSU Institutional System, as to the Series 2014A BHSU Proportion; the Net Revenues of the SDSMT Institutional System, as to the Series 2014A SDSMT Proportion; and the Net Revenues of the SDSU Institutional System, as to the Series 2014A SDSU Proportion;

(b) uncommitted funds of the Repair and Replacement Reserve Accounts of BHSU, SDSMT and SDSU, as to the Series 2014A BHSU Proportion, the Series 2014A SDSMT Proportion and the Series 2014A SDSU Proportion, respectively;

(c) Net Revenues of the other Institutions, but only after provision for payment of interest due on the next interest payment date and one-half of the principal due on the Bonds issued on behalf of such Institutions within the succeeding 12 months;

(d) uncommitted funds in the Repair and Replacement Reserve Accounts of the other Institutions, in an amount and from such Institutions as determined by the Executive Director; and

(e) such other funds which may be pledged or used as authorized by the Act;


Certain Prior Parity Bonds are further secured by income received from, and funds on deposit in, Debt Service Reserve Accounts relating only to such series or to the related Institutional System. The Series 2014A Bonds are not secured by a Debt Service Reserve Subaccount.

ARTICLE II

SERIES 2014A BONDS AND THE ISSUANCE THEREOF

Section 2.1. Authorization of Series 2014A Bonds. For the purpose of paying (i) the costs of the Series 2014A Projects; (ii) interest on a portion of the Series 2014A Bonds through the date or dates set forth in Exhibit C; (iii) the costs of refunding the Refunded Series 2004 SDSU Bonds; and (iv) the expenses incurred in connection with the issuance of the Series 2014A Bonds, there is hereby created an issue of Bonds of the Board in an aggregate principal amount not exceeding $43,000,000, as provided by the Act and the proceedings of the Board adopted on November 7, 2013. Said aggregate principal amount of Series 2014A Bonds is hereby
authorized to be executed, issued and delivered as a unit and as one bond issue in accordance with the terms and conditions of this Ninth Supplemental Resolution. Set forth on Exhibit C are percentages, designated the “Series 2014A BHSU Proportion,” the “Series 2014A SDSMT Proportion” and the “Series 2014A SDSU Proportion” which shall be used to make certain calculations required by the Original Resolution and this Ninth Supplemental Resolution.

Section 2.2. Findings of the Board. Pursuant to Section 14(K) of the Original Resolution, the Board hereby makes the following determinations:

(a) The Series 2014A Projects shall be a part of the System and the revenues derived from the operation of the Series 2014A Projects are pledged as additional security for the payment of all Bonds outstanding and the Series 2014A Bonds.

(b) The Board is current in all transfers and deposits to be made under the terms of the Bond Resolution.

(c) The Board is in full compliance with all of the covenants and undertakings in connection with all Bonds currently outstanding and payable from the Net Revenues of the System or any part of it, and no event of default has occurred or is continuing under the Bond Resolution.

(d) (i) Historic Test. As shown on Schedule I attached hereto, Actual Net Revenues of the System for each of the two most recent Fiscal Years equal at least 120% of Annual Debt Service on all Outstanding Bonds, there being no outstanding additional obligations issued on a parity with the Bonds; and

(ii) Projected Test. As shown on Schedule I attached hereto, Projected Net Revenues of the System for each of the three full Fiscal Years immediately succeeding the later of the issuance of the Series 2014A Bonds or the end of any capitalized interest period are equal to at least 120% of Annual Debt Service on all Outstanding Bonds, plus the Series 2014A Bonds, there being no additional obligations. The Annual Debt Service for the outstanding Refunded Series 2004 SDSU Bonds has been eliminated from this calculation. The Projected Net Revenues from the Series 2014A Projects are included in this calculation.

(e) (i) The amount of each semiannual deposit into the Bond and Interest Sinking Fund Account of BHSU is hereby increased by a sum equal to the interest which will be payable by BHSU on the Series 2014A Bonds as shown in Exhibit C on the next succeeding interest payment date and one-half of the principal maturing as shown in Exhibit C, if any, within the next succeeding twelve-month period.

(ii) The amount of each semiannual deposit into the Bond and Interest Sinking Fund Account of SDSMT is hereby increased by a sum equal to the interest which will be payable by SDSMT on the Series 2014A Bonds as shown in Exhibit C on the next succeeding interest payment date and one-half of the principal maturing as shown in Exhibit C, if any, within the next succeeding twelve-month period.
The amount of each semiannual deposit into the Bond and Interest Sinking Fund Account of SDSU is hereby increased by a sum equal to the interest which will be payable by SDSU on the Series 2014A Bonds as shown in Exhibit C hereto on the next succeeding interest payment date and one-half of the principal maturing as shown in Exhibit C, if any, within the next succeeding twelve-month period.

(f) The Series 2014A Bonds shall not be secured by a Debt Service Reserve Subaccount.

(g) (i) The minimum amount to be accumulated in the Renewal and Replacement Reserve Account of BHSU with respect to the Series 2014A BHSU Project shall be an amount equal to the existing RRR Requirement for BHSU and at least an additional five percent of the cost of construction of the Series 2014A BHSU Project plus the cost of any furnishing and moveable equipment for the Series 2014A BHSU Project which is financed with the proceeds of the Series 2014A Bonds.

(ii) The minimum amount to be accumulated in the Renewal and Replacement Reserve Account of SDSMT with respect to the Series 2014A SDSMT Project shall be an amount equal to the existing RRR Requirement for SDSMT and at least an additional five percent of the cost of construction of the Series 2014A SDSMT Project plus the cost of any furnishing and moveable equipment for the Series 2014A SDSMT Project which is financed with the proceeds of the Series 2014A Bonds.

(iii) The minimum amount to be accumulated in the Renewal and Replacement Reserve Account of SDSU with respect to the Series 2014A SDSU Project shall be an amount equal to the existing RRR Requirement for SDSU and at least an additional five percent of the cost of construction of the Series 2014A SDSU Project plus the cost of any furnishing and moveable equipment for the Series 2014A SDSU Project which is financed with the proceeds of the Series 2014A Bonds.

Section 2.3. Terms of the Series 2014A Bonds. (a) The Series 2014A Bonds shall be issued as fully registered Bonds in the denomination of $5,000 and integral multiples thereof (but no single Series 2014A Bond shall represent installments of principal maturing on more than one date), and shall be numbered I and upward. The Series 2014A Bonds shall bear interest from their date or from the most recent interest payment date to which interest has been paid, or duly provided for, until the principal amount of the Series 2014A Bonds is paid, or such earlier date or dates as provided in the form of Series 2014A Bonds set forth in Exhibit B, such interest (computed upon the basis of a 360 day year of twelve 30-day months) payable semiannually on the first days of April and October in each year until paid, commencing on the date, and shall mature on April 1 of each of the years, in the amounts, bear interest per annum and be subject to optional and mandatory redemption, all as provided in Exhibit C. The aggregate principal amount of the Series 2014A Bonds shall be as set forth in Exhibit C.

All redemptions shall be made in the manner, upon the notice, and with the effect provided in Exhibit C and in the form of Series 2014A Bond set forth in Exhibit B.
Interest on each Series 2014A Bond shall be paid by check or draft of the Bond Registrar, in lawful money of the United States of America, to the person in whose name such Series 2014A Bond is registered at the close of business on the Record Date; provided, however, that interest on the Series 2014A Bonds held by a registered owner of at least $100,000 in aggregate principal amount of the Series 2014A Bonds may also be paid by wire transfer of immediately available funds to any bank in the continental United States as such registered owner shall specify in a written request to the Bond Registrar. The principal of the Series 2014A Bonds shall be payable when due upon presentation and surrender thereof in lawful money of the United States of America at the principal corporate trust office of the Bond Registrar.

Section 2.4. Execution and Authentication of Series 2014A Bonds. The Series 2014A Bonds shall be signed by the facsimile signatures of the President and Executive Director of the Board and the seal of the Board or a facsimile thereof shall be impressed or imprinted thereon and in case any officer whose signature shall appear on any Series 2014A Bond shall cease to be such officer before the delivery of such Series 2014A Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

All Series 2014A Bonds shall have thereon a certificate of authentication substantially in the form set forth in Exhibit B hereto duly executed by the Bond Registrar as authenticating agent of the Board and showing the date of authentication. No Series 2014A Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under the Bond Resolution unless and until such certificate of authentication shall have been duly executed by the Bond Registrar by manual signature, and such certificate of authentication upon any such Series 2014A Bond shall be conclusive evidence that such Series 2014A Bond has been authenticated and delivered under the Bond Resolution. The certificate of authentication on any Series 2014A Bond shall be deemed to have been executed by the Bond Registrar if signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Series 2014A Bonds issued hereunder.

Section 2.5. Form of Series 2014A Bonds. The Series 2014A Bonds shall be prepared in substantially the form attached hereto as Exhibit B.

ARTICLE III

PROCEEDS OF THE SERIES 2014A BONDS

Section 3.1. Creation of Funds and Accounts; Application of Series 2014A Bond Proceeds. (a) There are hereby created and designated the following funds, accounts and subaccounts:

(i) a separate subaccount of the Bond and Interest Sinking Fund Account of each of the following Institutional Systems: (A) for BHSU’s Institutional System, the “Series 2014A BHSU Bond and Interest Subaccount;” (B) for SDSMT’s Institutional System, the “Series 2014A SDSMT Bond and Interest Subaccount;” and (C) for SDSU’s Institutional System, the “Series 2014A SDSU Bond and Interest Subaccount;”
(ii) a separate Expense Fund under the Bond Resolution, designated the “Series 2014A Expense Fund;”

(iii) three separate Project Construction Funds under the Bond Resolution, designated the “Series 2014A BHSU Project Construction Fund;” the “Series 2014A SDSMT Project Construction Fund;” and the “Series 2014A SDSU Project Construction Fund;” and

(iv) a separate trust fund with the Escrow Agent designated the “Series 2014A SDSU Escrow Fund.”

(b) All deposits to the funds and accounts described in clauses (a)(i), (a)(ii) and (a)(iii) shall be made with the Depository.

(c) The proceeds of the Series 2014A Bonds shall be deposited in the amounts set forth in Exhibit C, to the following funds:

(i) the Series 2014A SDSU Escrow Fund;

(ii) the Series 2014A BHSU Project Construction Fund, the Series 2014A SDSMT Project Construction Fund and the Series 2014A SDSU Project Construction Fund; and

(iii) the Series 2014A Expense Fund.

(d) Amounts in the Series 2014A Expense Fund shall be used to pay the expenses of the issuance of the Series 2014A Bonds not paid on the date of the delivery of the Series 2014A Bonds. Any excess after payment of such expenses shall be deposited by the Executive Director in the Series 2014A Project Construction Funds of each related Institution in accordance with the Series 2014A Proportion of each Institution, or as otherwise determined by the Executive Director.

Section 3.2. Series 2014A SDSU Escrow Fund. The amount of the proceeds of the Series 2014A Bonds deposited to the Series 2014A SDSU Escrow Fund will be sufficient to provide for the payment of the principal of and interest on the outstanding Refunded Series 2004 SDSU Bonds to their redemption date, April 1, 2014. The Series 2014A SDSU Escrow Fund shall be applied as set forth in the Escrow Agreement. The Executive Director of the Board is hereby authorized, empowered and directed to execute and deliver the Escrow Agreement in substantially the same form as approved by the Board, or with such changes therein as the Executive Director shall approve, the execution thereof by the Executive Director to constitute conclusive evidence of the approval by the Executive Director of such changes. When the Escrow Agreement is executed and delivered on behalf of the Board as herein provided, the Escrow Agreement will be binding on the Board and the officers, employees and agents of the Board, and the officers, employees and agents of the Board are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Escrow Agreement as executed.
Section 3.3. Series 2014A BHSU Project Construction Fund. Except as otherwise provided in the Bond Resolution, all moneys held in the Series 2014A BHSU Project Construction Fund shall be used or held for use solely for the payment of the cost of the Series 2014A BHSU Project. The moneys in the Series 2014A BHSU Project Construction Fund that are not needed for expenditures therefrom may be invested and reinvested in any Permitted Investments, having a maturity date, or becoming due at the option of the holder, not more than three years subsequent to the date of investment or the completion of the Series 2014A BHSU Project, whichever is sooner, having due regard to the estimates of BHSU as to the times such moneys will be needed. Interest, or any profit or loss realized, from such investments prior to the completion of the Series 2014A BHSU Project shall be deposited in or charged to the Series 2014A BHSU Project Construction Fund.

The description of the Series 2014A BHSU Project set forth herein (the “Series 2014A BHSU Project Description”) may be supplemented or amended at any time by the Board, without the consent of any Series 2014A Bondholder as long as the facilities to be added to the Series 2014A BHSU Project Description are authorized by the Act and upon receipt of a Favorable Opinion of Bond Counsel with respect to such supplement or amendment. Prior to the application of money in the Series 2014A BHSU Project Construction Fund for the cost of facilities to be included in the amended Series 2014A BHSU Project Description and if the facilities to be so included are not already a part of the BHSU Institutional System, the Board shall adopt a resolution which describes such new facilities in sufficient detail to allow such facilities to be included in the BHSU Institutional System and which includes such facilities in the BHSU Institutional System. The Board shall also adopt a resolution which amends the Series 2014A BHSU Project Description; provided that, if the Board has previously delegated authority to make expenditures consistent with such changes to the Series 2014A BHSU Project Description, such delegation shall control.

If, upon the completion of the Series 2014A BHSU Project, such proceeds received from the sale of the Series 2014A Bonds deposited in the Series 2014A BHSU Project Construction Fund or transferred therein from the Series 2014A Expense Fund, and the investment income thereon, shall exceed the cost of the Series 2014A BHSU Project, any surplus shall be (i) paid into the Series 2014A BHSU Bond and Interest Subaccount of the Bond and Interest Sinking Fund Account of BHSU and shall be used for the next interest payment on the Series 2014A Bonds or (ii) used for any purpose approved by Bond Counsel.

Section 3.4. Series 2014A SDSMT Project Construction Fund. There is hereby created a subaccount of the Series 2014A SDSMT Project Construction Fund designated as the “Series 2014A SDSMT Capitalized Interest Subaccount” into which an amount equal to the interest costs on a portion of the Series 2014A Bonds as set forth in Exhibit C shall be deposited. Except as otherwise provided in the Bond Resolution, all moneys held in the Series 2014A SDSMT Project Construction Fund shall be used or held for use solely for the payment of the cost of the Series 2014A SDSMT Project and, with respect to the Series 2014A SDSMT Capitalized Interest Subaccount, for the payment of capitalized interest. The moneys in the Series 2014A SDSMT Project Construction Fund that are not needed for expenditures therefrom may be invested and reinvested in any Permitted Investments, having a maturity date, or becoming due at the option of the holder, not more than three years subsequent to the date of
investment or the completion of the Series 2014A SDSMT Project, whichever is sooner, having due regard to the estimates of SDSMT as to the times such moneys will be needed. Interest, or any profit or loss realized, from such investments prior to the completion of the Series 2014A SDSMT Project shall be deposited in or charged to the Series 2014A SDSMT Project Construction Fund.

The description of the Series 2014A SDSMT Project set forth herein (the “Series 2014A SDSMT Project Description”) may be supplemented or amended at any time by the Board, without the consent of any Series 2014A Bondholder as long as the facilities to be added to the Series 2014A SDSMT Project Description are authorized by the Act and upon receipt of a Favorable Opinion of Bond Counsel with respect to such supplement or amendment. Prior to the application of money in the Series 2014A SDSMT Project Construction Fund for the cost of facilities to be included in the amended Series 2014A SDSMT Project Description and if the facilities to be so included are not already a part of the SDSMT Institutional System, the Board shall adopt a resolution which describes such new facilities in sufficient detail to allow such facilities to be included in the SDSMT Institutional System and which includes such facilities in the SDSMT Institutional System. The Board shall also adopt a resolution which amends the Series 2014A SDSMT Project Description; provided that, if the Board has previously delegated authority to make expenditures consistent with such changes to the Series 2014A SDSMT Project Description, such delegation shall control.

If, upon the completion of the Series 2014A SDSMT Project, such proceeds received from the sale of the Series 2014A Bonds deposited in the Series 2014A SDSMT Project Construction Fund or transferred therein from the Series 2014A Expense Fund, and the investment income thereon, shall exceed the cost of the Series 2014A SDSMT Project, any surplus shall be (i) paid into the Series 2014A SDSMT Bond and Interest Subaccount of the Bond and Interest Sinking Fund Account of SDSMT and shall be used for the next interest payment on the Series 2014A Bonds or (ii) used for any purpose approved by Bond Counsel.

Section 3.5. Series 2014A SDSU Project Construction Fund. Except as otherwise provided in the Bond Resolution, all moneys held in the Series 2014A SDSU Project Construction Fund shall be used or held for use solely for the payment of the cost of the Series 2014A SDSU Project. The moneys in the Series 2014A SDSU Project Construction Fund that are not needed for expenditures therefrom may be invested and reinvested in any Permitted Investments, having a maturity date, or becoming due at the option of the holder, not more than three years subsequent to the date of investment or the completion of the Series 2014A SDSU Project, whichever is sooner, having due regard to the estimates of SDSU as to the times such moneys will be needed. Interest, or any profit or loss realized, from such investments prior to the completion of the Series 2014A SDSU Project shall be deposited in or charged to the Series 2014A SDSU Project Construction Fund.

The description of the Series 2014A SDSU Project set forth herein (the “Series 2014A SDSU Project Description”) may be supplemented or amended at any time by the Board, without the consent of any Series 2014A Bondholder as long as the facilities to be added to the Series 2014A SDSU Project Description are authorized by the Act and upon receipt of a Favorable Opinion of Bond Counsel with respect to such supplement or amendment. Prior to the
application of money in the Series 2014A SDSU Project Construction Fund for the cost of facilities to be included in the amended Series 2014A SDSU Project Description and if the facilities to be so included are not already a part of the SDSU Institutional System, the Board shall adopt a resolution which describes such new facilities in sufficient detail to allow such facilities to be included in the SDSU Institutional System and which includes such facilities in the SDSU Institutional System. The Board shall also adopt a resolution which amends the Series 2014A SDSU Project Description; provided that, if the Board has previously delegated authority to make expenditures consistent with such changes to the Series 2014A SDSU Project Description, such delegation shall control.

If, upon the completion of the Series 2014A SDSU Project, such proceeds received from the sale of the Series 2014A Bonds deposited in the Series 2014A SDSU Project Construction Fund or transferred therein from the Series 2014A Expense Fund, and the investment income thereon, shall exceed the cost of the Series 2014A SDSU Project, any surplus shall be (i) paid into the Series 2014A SDSU Bond and Interest Subaccount of the Bond and Interest Sinking Fund Account of SDSU and shall be used for the next interest payment on the Series 2014A Bonds or (ii) used for any purpose approved by Bond Counsel.

ARTICLE IV

MISCELLANEOUS

Section 4.1. Non-Arbitrage; Tax Law Compliance. The Board further covenants that it will not make any investment or do any other act or thing during the period that any Series 2014A Bonds are outstanding which would cause the Series 2014A Bonds to become or be classified as “arbitrage bonds” within the meaning of Section 148 of the Code and the regulations thereunder now or hereafter proposed or published in the Federal Register or as promulgated in final form.

The Board also agrees and covenants with the purchasers and holders of the Series 2014A Bonds from time to time outstanding that, to the extent possible under South Dakota law, it will comply with whatever federal tax law is adopted in the future which applies to the Series 2014A Bonds and affects the exclusion of interest on the Series 2014A Bonds from federal gross income of the owners thereof.

The Board agrees to comply with all provisions of the Code, which if not complied with by the Board, would cause the interest on the Series 2014A Bonds not to be excludable from gross income of the owners thereof for federal income tax purposes. Without limiting the generality of the foregoing agreement, the Board agrees: (a) through its officers, to make such further specific covenants, representations and assurances as may be necessary or advisable; (b) to comply with all representations, covenants and assurances contained in the Tax Exemption Certificate and Agreement to be prepared by counsel approving the Series 2014A Bonds; (c) to consult with such counsel and to comply with such advice as may be given; (d) to pay to the United States, as necessary, such sums of money representing required rebates of excess arbitrage profits relating to the Series 2014A Bonds; (e) to file such forms, statements and supporting documents as may be required and in a timely manner; and (f) if deemed necessary or
advisable by its officers, to employ and pay fiscal agents, financial advisors, attorneys and other persons to assist the Board in such compliance.

Section 4.2. Continuing Disclosure Undertaking. The Executive Director of the Board is hereby authorized, empowered and directed to execute and deliver a Continuing Disclosure Undertaking (the “Continuing Disclosure Undertaking”) in substantially the same form as approved by the Board, or with such changes therein as the individual executing the Continuing Disclosure Undertaking on behalf of the Board shall approve, his execution thereof to constitute conclusive evidence of his approval of such changes. When the Continuing Disclosure Undertaking is executed and delivered on behalf of the Board as herein provided, the Continuing Disclosure Undertaking will be binding on the Board and the officers, employees and agents of the Board, and the officers, employees and agents of the Board are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Continuing Disclosure Undertaking as executed. Notwithstanding any other provision of this Ninth Supplemental Resolution, the sole remedies for failure to comply with the Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Series 2014A Bond to seek mandamus or specific performance by court order, to cause the Board to comply with its obligations under the Continuing Disclosure Undertaking.

Section 4.3. Interpretation and Construction. This Ninth Supplemental Resolution is supplemental to and is adopted in accordance with Section 14(K) of the Original Resolution. In all respects not inconsistent with this Ninth Supplemental Resolution, the Original Resolution is hereby ratified, approved and confirmed, and all of the definitions, terms, covenants and restrictions of the Original Resolution shall remain applicable except as otherwise expressly provided. All of the terms and provisions of this Ninth Supplemental Resolution shall be deemed to be a part of the terms and provisions of the Original Resolution and the Original Resolution and this Ninth Supplemental Resolution shall be read, taken and construed as one and the same instrument. In executing any Series 2014A Bond authorized by this Ninth Supplemental Resolution each officer, agent or employee of the Board, BHSU, SDSMT or SDSU shall be entitled to all of the privileges and immunities afforded to them under the terms of the Original Resolution.

Section 4.4. Sale of Series 2014A Bonds. As soon as may be after this Ninth Supplemental Resolution becomes effective, the Series 2014A Bonds shall be sold with such terms and provisions as are not inconsistent herewith and within the limitations prescribed by the Board in its proceedings adopted on November 7, 2013, such officers’ approval and the Board’s approval of such terms and provisions to be evidenced by the execution and delivery of this Ninth Supplemental Resolution by the duly authorized officers of the Board executed as herein provided, shall be deposited with the Executive Director of the Board, and delivered by the Executive Director to the purchasers thereof, upon receipt of the purchase price therefor. The Executive Director is hereby authorized, empowered and directed to execute an Official Statement, a Bond Purchase Agreement and all other necessary closing documents and certificates in connection with the sale of the Series 2014A Bonds, in substantially the form approved by the Board or with such changes therein as the Executive Director shall approve, the
execution of any such document by the Executive Director to constitute conclusive evidence of
the approval by the Executive Director of such changes.

Section 4.5. **Completion of Exhibit C.** Promptly after the issuance of the Series 2014A
Bonds, the Executive Director shall file with the Board Secretary the completed *Exhibit C*
showing the terms of the Series 2014A Bonds.

Section 4.6. **Severability Provisions.** It is the intention hereof to confer upon the Board
the whole of the powers provided for in the Act, and if any one or more sections, clauses,
sentences and parts of this Ninth Supplemental Resolution shall for any reason be questioned in
any court of competent jurisdiction, and shall be adjudged unconstitutional or invalid, such
judgment shall not affect, impair or invalidate the remaining provisions hereof, but shall be
confined to the specific section, clause, sentence and part so determined, and that all resolutions
or parts thereof in conflict herewith are hereby repealed.
THIS NINTH SUPPLEMENTAL RESOLUTION shall take effect upon its adoption.

Adopted this 7th day of November, 2013.

______________________________
President

ATTEST:

______________________________
Executive Director

(Seal)
SCHEDULE I

EVIDENCE OF COMPLIANCE WITH PARITY TEST

(a) (i) Historic Test. Actual Net Revenues of the System for FY12 and FY13 are $25,263,480 and $26,896,613, respectively, each of which is at least 120% of Annual Debt Service on all Outstanding Bonds, there being no outstanding additional obligations issued on a parity with the Bonds; and

(ii) Projected Test. Projected Net Revenues of the System for each of the three full Fiscal Years immediately succeeding October 1, 2014, which is the later of the issuance of the Series 2014A Bonds (January, 2014) or the end of the capitalized interest period, are $30,306,396 (FY 16), $31,355,182 (FY 17) and $32,458,117 (FY 18), each of which is at least 120% of Annual Debt Service on all Outstanding Bonds, plus the Series 2014A Bonds, there being no additional obligations. The Annual Debt Service from the Refunded Series 2004 SDSU Bonds has been eliminated from this calculation. The projected Net Revenues of the Series 2014A Projects are included in this calculation.

(b) (i) The minimum amount to be accumulated in the Renewal and Replacement Reserve Account of BHSU with respect to the Series 2014A BHSU Project shall be an amount equal to the existing RRR Requirement for BHSU and at least an additional five percent of the cost of construction of the Series 2014A BHSU Project and the cost of any furnishings and moveable equipment for the Series 2014A BHSU Project which is financed with proceeds of the Series 2014A Bonds.

(ii) The minimum amount to be accumulated in the Renewal and Replacement Reserve Account of SDSMT with respect to the Series 2014A SDSMT Project shall be an amount equal to the existing RRR Requirement for SDSMT and at least an additional five percent of the cost of construction of the Series 2014A SDSMT Project and the cost of any furnishings and moveable equipment for the Series 2014A SDSMT Project which is financed with proceeds of the Series 2014A Bonds.

(iii) The minimum amount to be accumulated in the Renewal and Replacement Reserve Account of SDSU with respect to the Series 2014A SDSU Project shall be an amount equal to the existing RRR Requirement for SDSU and at least an additional five percent of the cost of construction of the Series 2014A SDSU Project and the cost of any furnishings and moveable equipment for the Series 2014A SDSU Project which is financed with proceeds of the Series 2014A Bonds.
EXHIBIT A-1

THE SERIES 2014A PROJECTS

SERIES 2014A BHSU PROJECT

The construction and equipping of new housing facilities.

SERIES 2014A SDSMT PROJECT

The remodeling, renovation and addition to the student wellness and fitness facilities and acquisition of related equipment.

SERIES 2014A SDSU PROJECT

The remodeling and renovation of Brown Hall, including an addition for community space, and the acquisition of related equipment.
EXHIBIT A-2

EXISTING FACILITIES

BHSU:
Housing Facilities:
  Humbert Hall
  Heidepriem Hall
  Pangburn Hall
  Wenona Cook Hall
  Thomas Hall
  University Apartments

  Student Union
  Parking Facilities
  Dining Services
  University Bookstore

DSU:
  Residence Halls:
    Zimmerman Hall
    Higbie Hall
    Richardson Hall
    Emry Hall

  Student Union

NSU:
  Resident Halls:
    Briscoe Hall
    Jerde Hall
    Lindberg Hall
    McArthur-Welsh Hall
    Steele Hall
    Kramer Hall

  Student Union

SDSMT:
  Connolly Hall
  Palmerton Hall
  Peterson Hall
  Surbeck Student Center
SDSU:

Housing Facilities:
  Binnewies Hall
  Brown Hall
  Caldwell Hall
  Hansen Hall
  Jackrabbit Grove (Ben Reifel, Theodore W. Schultz, Hallie Walker Hyde, and Honors Halls)
  Jackrabbit Village (Spencer, Abbott and Thorne Halls)
  Mathews Hall
  Meadows North
  Meadows South
  Pierson Hall
  State Court
  Waneta Hall
  Young Hall
  11th Street Apartments
  12th Avenue Apartments

Student Wellness Center

Dining Facilities:
  Larsen Commons
  Student Union Building

Parking Facilities

USD:

  Beede Hall
  Brookman Hall
  Burgess Hall
  McFadden Hall
  Mickelson Hall
  Norton Hall
  Olson Hall
  Richardson Hall
  The Commons
  Cherry Street Rentals
  Muenster University Center
  Student Wellness Center, including parking lot
  Coyote Village Housing, including parking lot
# EXHIBIT B

## FORM OF SERIES 2014A BOND

<table>
<thead>
<tr>
<th>REGISTERED</th>
<th>REGISTERED</th>
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<tbody>
<tr>
<td>No. ______</td>
<td>$________</td>
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</tbody>
</table>

**UNITED STATES OF AMERICA**  
**STATE OF SOUTH DAKOTA**  
**SOUTH DAKOTA BOARD OF REGENTS**  
**HOUSING AND AUXILIARY FACILITIES SYSTEM REVENUE BOND,**  
**SERIES 2014A**

**Interest**  
**Maturity**  
**Dated**  
**Rate:** ____%  
**Date:** April 1, ____  
**Date:** ________, 2014  
**CUSIP:** ____  

Registered Owner: C EDE & CO.

Principal Amount:

The Board of Regents of the State of South Dakota (the “**Board**”), created and existing under the laws of the State of South Dakota, hereby acknowledges itself to owe and for value received promises to pay, but only from the sources herein identified, to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, unless previously called for earlier redemption, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the date of this Series 2014A Bond or from the most recent interest payment date to which interest has been paid or duly provided for at the Interest Rate per annum set forth above on April 1 and October 1 of each year commencing ___ 1, 2014, until said Principal Amount is paid. The principal of this Series 2014A Bond is payable upon presentation and surrender hereof, in lawful money of the United States of America at the principal corporate trust office of First Bank & Trust, Brookings, South Dakota, as bond registrar and paying agent (the “**Bond Registrar**”). Payment of the installments of interest shall be made to the Registered Owner hereof as shown on the registration books of the Board maintained by the Bond Registrar at the close of business on the 15th day of the month next preceding each interest payment date and shall be paid by check or draft of the Bond Registrar, payable in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Bond Registrar; *provided, however*, that interest on the Series 2014A Bonds held by a Registered Owner of at least $100,000 in aggregate principal amount of the Series 2014A Bonds may also be paid by wire transfer of immediately available funds to any bank in the continental United States as such Registered Owner shall specify in a written request to the Bond Registrar.

This Bond is one of a duly authorized series of $______,000 principal amount of the Housing and Auxiliary Facilities System Revenue Bonds, Series 2014A (the “**Series 2014A Bonds**”) of the Board, issued or to be issued pursuant to a Resolution of the Board duly adopted October 21, 2004, as supplemented (said Resolution as so supplemented being herein referred to as the “**Bond Resolution**”) for the purpose of financing (i) the construction and equipping of new
housing facilities for the Institutional System for Black Hills State University ("BHSU"), the remodeling, renovation and addition to the student wellness and fitness facilities and the acquisition of related equipment for the Institutional System for the South Dakota School of Mines and Technology ("SDSMT") and the remodeling and renovation of Brown Hall, including an addition for community space and the acquisition of related equipment for the Institutional System for South Dakota State University ("SDSU"); (ii) capitalized interest on a portion of the Series 2014A Bonds; (iii) the costs of refunding certain of the Board’s South Dakota State University Housing and Auxiliary Facilities Revenue Bonds, Series 2004; and (iv) the costs of issuance of the Series 2014A Bonds, all under and pursuant to the Board of Regents Revenue Bond Act of 1971, as amended (the "Act"), and the Bond Resolution, to which Bond Resolution reference is hereby made for a statement of the funds and revenues from which this Series 2014A Bond and the issue of which it is a part is payable and the conditions and restrictions pursuant to which this Series 2014A Bond has been issued and pursuant to which additional bonds on a parity herewith may be issued. Capitalized terms not defined herein shall have the meanings assigned in the Bond Resolution.

The Series 2014A Bonds are of like tenor and date, except as to maturity, interest rate and redemption provisions.

This Series 2014A Bond and the series of which it is a part, together with such Bonds as have been and may hereafter be issued under the provisions of the authorizing Bond Resolution (collectively, the "Bonds"), are payable solely from and secured by a pledge of and lien on (i) the Net Revenues of the Black Hills State University Housing and Auxiliary Facilities System (the "BHSU Institutional System"), as to the Series 2014A BHSU Proportion, the Net Revenues of the South Dakota School of Mines and Technology Housing and Auxiliary Facilities System (the "SDSMT Institutional System"), as to the Series 2014A SDSMT Proportion, and the Net Revenues of the South Dakota State University Housing and Auxiliary Facilities System (the "SDSU Institutional System"), as to the Series 2014A SDSU Proportion, (ii) uncommitted funds held in the Repair and Replacement Reserve Accounts of BHSU, SDSMT and SDSU, as to the Series 2014A BHSU Proportion, the Series 2014A SDSMT Proportion and the Series 2014A SDSU Proportion, respectively, (iii) Net Revenues of the other Institutions but only after provision for payment of Annual Debt Service of the Bonds issued on behalf of such Institution in the current Fiscal Year, (iv) uncommitted funds in the Repair and Replacement Reserve Accounts of the other Institutional Systems, in the amount and from such Institutions as determined by the Board, and (v) such other funds which may be pledged or used as authorized by the Act. This Bond, and the series of which it forms a part, does not constitute an indebtedness of any Institution, the Board or the State of South Dakota, within any constitutional or statutory limitation, and neither the taxing power nor the general credit of the Institutions, of the Board or of the State of South Dakota is pledged to the payment of this Bond or the interest thereon in the Bond Resolution.

All of the Bonds are equally and ratably secured by said pledge and lien without priority or preference one over the other by reason of series designation, denomination, number, maturity, date or terms of redemption prior to maturity, date of sale or delivery or otherwise; provided, however, that certain Bonds are further secured by Debt Service Reserve Accounts relating only to such series of Bonds or to the related Institutional System, and that Bonds may
be issued which are not secured by a Debt Service Reserve Account. The Series 2014A Bonds are not secured by a Debt Service Reserve Account.

Subject to the limitations and upon payment of the charges provided in the Bond Resolution, Series 2014A Bonds may be exchanged for registered Series 2014A Bonds of other authorized denominations.

The Series 2014A Bonds maturing on or after April 1, 20__ are subject to redemption prior to maturity at the option of the Board in whole or in part (in integral multiples of $5,000), in any order of maturity and within a single maturity as determined by the Board, on any date occurring on or after April 1, 20__ at a price equal to the principal amount of Series 2014A Bonds to be redeemed plus accrued interest to the date of redemption.

The Series 2014A Bonds maturing April 1, 20__ and April 1, 20__ are subject to mandatory sinking fund redemption prior to maturity, in integral multiples of $5,000 selected by the Bond Registrar, through the operation of the related Bond and Interest Sinking Fund Account as provided in the Bond Resolution, on April 1 of each of the years and in the principal amounts shown below, at a price equal to the principal amount of Series 2014A Bonds to be redeemed plus accrued interest thereon to the redemption date but without premium.

<table>
<thead>
<tr>
<th>Series 2014A Bonds Maturing April 1, 20__</th>
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<tbody>
<tr>
<td>YEAR</td>
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<tr>
<td>$</td>
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</table>

* Final Maturity

<table>
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<tr>
<th>Series 2014A Bonds Maturing April 1, 20__</th>
</tr>
</thead>
<tbody>
<tr>
<td>YEAR</td>
</tr>
<tr>
<td>$</td>
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</tbody>
</table>

* Final Maturity

The Board shall receive a credit against its obligation to have amounts on deposit in the related Bond and Interest Sinking Fund Account in respect of the principal of the Series 2014A Bonds required to be redeemed or paid on any date listed above (i) to the extent that the Board delivers to the Bond Registrar for cancellation on or prior to any such date one or more Series 2014A Bonds or (ii) to the extent Series 2014A Bonds are called for optional redemption. In addition, the principal amount of any such Series 2014A Bonds which have been redeemed pursuant to any partial optional redemption shall be credited against the obligation of the Board.
to have the amounts listed above with respect to the principal of such Series 2014A Bonds on deposit in such Institution’s Bond and Interest Sinking Fund as determined by the Board.

In the event a Series 2014A Bond is in a denomination larger than $5,000, a portion of such Series 2014A Bond may be redeemed but only in a principal amount equal to $5,000 or any integral multiple thereof. Notice of each redemption shall be given as described in the Bond Resolution; provided, however, that failure to give such notice or any defect therein, as to any Series 2014A Bond shall not affect the validity of the proceedings for the redemption of any other Series 2014A Bonds. All Series 2014A Bonds, or portions thereof, so called for redemption will cease to bear interest on the specified redemption date, provided funds for such redemption are on deposit at the place of payment at that time, and shall no longer be protected by the Bond Resolution and shall not be deemed to be Outstanding under the provisions of the Bond Resolution.

The Board shall have the option of calling Bonds, when subject to redemption according to their terms, of any one or more series, at its discretion.

With respect to any optional redemption of the Series 2014A Bonds, unless moneys sufficient to pay the principal of and interest on, the Series 2014A Bonds to be redeemed shall have been received by the Bond Registrar prior to the giving of such notice of redemption, such notice shall state that said redemption shall be conditional upon the receipt of such moneys by the Bond Registrar on or prior to the date fixed for redemption.

The Board hereby covenants with the Owner of this Series 2014A Bond that it will keep and perform all the covenants and agreements in the Bond Resolution adopted by it authorizing the issuance of this Series 2014A Bond and the series of which it forms a part.

The Bond Resolution provides that the Board may prepay or provide for the payment of the entire indebtedness of all Outstanding Bonds, any series thereof or any portion thereof, by depositing with the Bond Registrar moneys and/or Government Securities in an amount, together with the income or increment to accrue thereon, sufficient to pay or redeem all such Bonds. In such case, the liability of the Board in respect of such Bonds shall continue but the Owners thereof shall thereafter be entitled to payment only from the moneys and/or Government Securities deposited with the Bond Registrar. Upon such deposit, such Bonds of such series or any such portion thereof shall cease to be entitled to payment (to the exclusion of all other owners of Bonds) solely out of such cash and funds received from such Government Securities.

Reference is hereby made to the Bond Resolution for a more complete description of the nature and extent of the security, the rights of the Owners of the Bonds and the terms and conditions upon which the Bonds are to be issued and secured, to all the provisions of which Bond Resolution, each holder by the acceptance hereof assents.

This Series 2014A Bond is transferable by the registered Owner hereof in person or by his attorney duly authorized in writing at the principal corporate trust office of the Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges
provided in the Bond Resolution and upon surrender and cancellation of this Series 2014A Bond. Upon such transfer a new registered Series 2014A Bond or Series 2014A Bonds of the same tenor, maturity and rate of interest, of an authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange therefor. The Board and the Bond Registrar may deem and treat the registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereon and interest due hereon and for all other purposes and neither the Board nor the Bond Registrar nor any paying agent shall be affected by any notice to the contrary. The Bond Registrar shall not be required to transfer or exchange any Series 2014A Bond (i) during the period after the fifteenth day of the month next preceding any interest payment date with respect to such Series 2014A Bond and ending on such interest payment date, (ii) after notice calling a Series 2014A Bond for redemption has been mailed, or (iii) during a period of fifteen days next preceding mailing of a notice of redemption of any Series 2014A Bond.

With the consent of the Board and to the extent permitted by and as provided in the Bond Resolution, the terms and provisions of the Bond Resolution, or of any instrument supplemental thereto, may be modified or altered.

This Series 2014A Bond does not constitute an obligation of the State of South Dakota within the meaning or application of any Constitutional or statutory limitation or provision, and the Owner thereof shall never have the right to demand payment of this Series 2014A Bond or interest hereon out of any funds other than the revenues and income pledged for payment thereof.

It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Series 2014A Bond did exist, have happened, been done and performed in regular and due form and time as required by law; and that the amount of this Series 2014A Bond, and the series of which it is one, and the total authorized issue of Series 2014A Bonds of which this series is a part, do not exceed any limit prescribed by the Constitution or statutes of the State of South Dakota.

This Series 2014A Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

IN WITNESS WHEREOF, the South Dakota Board of Regents has caused this Series 2014A Bond to be signed by the duly authorized facsimile signature of the President of the Board, a facsimile of its corporate seal to be imprinted hereon, and attested by the facsimile signature of the Executive Director of the Board, all as of the Dated Date identified above.
SOUTH DAKOTA BOARD OF REGENTS

(Facsimile Signature)

President

(Facsimile Signature)

Executive Director

Date of Authentication: ______________, ____

CERTIFICATE OF AUTHENTICATION

This Series 2014A Bond is one of the Series 2014A Bonds described in the within mentioned Resolution.

FIRST BANK & TRUST,
BROOKINGS, SOUTH DAKOTA,
as Bond Registrar

By ______________________________

Authorized Officer
(FORM OF ASSIGNMENT)

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns, and transfers unto

______________________________________

______________________________________

(Please Print or Typewrite Name and Address of Assignee)

the within Series 2014A Bond and does hereby irrevocably constitute and appoint,

______________________________________

attorney-in-fact, to transfer the said Series 2014A Bond on the Bond Register with full power of substitution in the premises.

Dated: ______________________________

Signature guaranteed: ____________________

NOTICE: The signature to this assignment must correspond with the name of the registered Owner as it appears upon the face of the within Series 2014A Bond in every particular, without alteration or enlargement or any change whatever.
EXHIBIT C

SERIES 2014A BOND TERMS

SERIES 2014A BONDS:

The Series 2014A Bonds shall be issued in the aggregate principal amount of $[Amount], shall be dated January __, 2014, shall be numbered 1 and upward, shall mature on April 1 of each of the years and shall bear interest (calculated on the basis of a 360-day year comprising 12 months of 30 days each) at the rates per annum as follows:

<table>
<thead>
<tr>
<th>YEAR</th>
<th>PRINCIPAL AMOUNT</th>
<th>INTEREST RATE</th>
</tr>
</thead>
</table>

The first interest payment date for the Series 2014A Bonds is ________ 1, 2014.

DEPOSIT OF SERIES 2014A BOND PROCEEDS:

1. $______________ to the Series 2014A SDSU Escrow Fund.

2. $______________ to the Series 2014A BHSU Project Construction Fund.


4. $______________ to the Series 2014A SDSU Project Construction Fund.

5. $______________ to the Series 2014A Expense Fund.
**Optional Redemption:**

The Series 2014A Bonds maturing on or after April 1, 20__ are subject to redemption prior to maturity at the option of the Board in whole or in part (in integral multiples of $5,000), in any order of maturity as determined by the Board, on any date occurring on or after April 1, 20__, at a price equal to the principal amount of the Series 2014A Bonds to be redeemed plus accrued interest to the date of redemption.

**Mandatory Redemption of Series 2014A Bonds:**

The Series 2014A Bonds maturing on April 1, 20__ are subject to mandatory sinking fund redemption prior to maturity, in integral multiples of $5,000 selected by the Bond Registrar, on April 1 of each the years and in the principal amounts shown below, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the redemption date, but without premium.

<table>
<thead>
<tr>
<th>YEAR</th>
<th>PRINCIPAL AMOUNT</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>* Final Maturity</td>
</tr>
</tbody>
</table>

The Board shall receive a credit against its obligation to have amounts on deposit in the related Bond and Interest Sinking Fund Account in respect of the principal of the Series 2014A Bonds required to be redeemed or paid on any date listed above (i) to the extent that the Board delivers to the Bond Registrar for cancellation on or prior to any such date one or more Series 2014A Bonds maturing on such date or (ii) to the extent Series 2014A Bonds maturing on such dates are called for optional redemption. In addition, the principal amount of any such Series 2014A Bonds which have been redeemed pursuant to any partial optional redemption shall be credited against future sinking fund requirements, as determined by the Board.

At least 45 days prior to the redemption date, the Board shall designate in writing to the Bond Registrar the principal amount of Series 2014A Bonds to be redeemed. If less than all of the Series 2014A Bonds shall be called for redemption, the particular Series 2014A Bonds to be redeemed shall be selected by the Bond Registrar, in such a manner as the Bond Registrar in its discretion may deem fair and appropriate, in the principal amount designated to the Bond Registrar by the Board; provided, however, that the portion of any Series 2014A Bonds to be redeemed shall be in integral multiples of $5,000.

The Bond Registrar shall give notice of redemption of the Series 2014A Bonds in accordance with the following provisions:

Notice of the redemption of Series 2014A Bonds will be given by mailing a copy of the redemption notice by first class mail at least 30 days prior to the date fixed for such redemption to The Depository Trust Company, as the securities depository or any successor securities
depository, as the registered owner of the Series 2014A Bonds, so long as the global book-entry system is used for recording ownership of the Series 2014A Bonds.

In the event that the global book-entry system is no longer used for recording ownership of the Series 2014A Bonds, notice of each redemption shall be given by mailing a copy of the redemption notice by first class mail (postage prepaid) not less than 30 days nor more than 60 days prior to the date fixed for such redemption to the registered owners of the Series 2014A Bonds, or portions thereof, to be redeemed at the address shown on the registration books; provided, however, that failure to give such notice or any defect therein, as to any Series 2014A Bond shall not affect the proceedings for the redemption of any other Series 2014A Bonds.

With respect to any optional redemption of the Series 2014A Bonds, unless moneys sufficient to pay the principal of and interest on the Series 2014A Bonds to be redeemed shall have been received by the Bond Registrar prior to the giving of such notice of redemption, such notice shall state that said redemption shall be conditional upon the receipt of such moneys by the Bond Registrar on or prior to the date fixed for redemption.

For purposes of any redemption of less than all of the Series 2014A Bonds of a single maturity, the particular Series 2014A Bonds or portions of Series 2014A Bonds to be redeemed shall be selected by lot by the Bond Registrar by such method as the Bond Registrar shall deem fair and appropriate (except when the Series 2014A Bonds are held in a book-entry system, in which case the selection of Series 2014A Bonds to be redeemed will be made in accordance with procedures established by The Depository Trust Company or any other securities depository); provided that such method shall provide for the selection of redemption of Series 2014A Bonds or portions thereof so that any $5,000 Series 2014A Bond or $5,000 portion of a Series 2014A Bond shall be as likely to be called for redemption as any other such $5,000 Series 2014A Bond or $5,000 portion of a Series 2014A Bond.

Notice of redemption having been given as described above and in the Bond Resolution, and notwithstanding failure to receive such notice, the Series 2014A Bonds or portions of Series 2014A Bonds so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Board shall default in the payment of the redemption price) such Series 2014A Bonds or portions of Series 2014A Bonds shall cease to bear interest. Upon surrender of such Series 2014A Bonds or redemption in accordance with said notice, such Series 2014A Bonds will be paid by the Bond Registrar at the redemption price.
SERIES 2014A BHSU PROPORTION:

Amount of Series 2014A Bond proceeds deposited in the Series 2014A BHSU Project Construction Fund for the Series 2014A BHSU Project (with the amount allocated to BHSU in the Series 2014A Expense Fund, the “Series 2014A BHSU Proportion”):

$ 

Amount of Series 2014A Bond proceeds allocated to the Series 2014A Expense Fund:

$ 

Series 2014A BHSU Debt Service:

See Schedule C-1 attached hereto

SERIES 2014A SDSMT PROPORTION:

Amount of Series 2014A Bond proceeds deposited in the Series 2014A SDSMT Project Construction Fund for the Series 2014A SDSMT Project (with the amount deposited in the Series 2014A SDSMT Capitalized Interest Subaccount and the amount allocated to SDSMT in the Series 2014A Expense Fund, the “Series 2014A SDSMT Proportion”):

$ 

Amount of Series 2014A Bond proceeds deposited in the Series 2014A SDSMT Capitalized Interest Subaccount:

$ 

Amount of Series 2014A Bond proceeds allocated to the Series 2014A Expense Fund:

$ 

Series 2014A SDSMT Debt Service:

See Schedule C-2 attached hereto

SERIES 2014A SDSU PROPORTION:

Amount of Series 2014A Bond proceeds deposited in the Series 2014A SDSU Project Construction Fund for the Series 2014A SDSU Project (with the amount deposited in the Series 2014A SDSU Escrow Fund and the amount allocated to SDSU in the Series 2014A Expense Fund, the “Series 2014A SDSU Proportion”):

$ 

Amount of Series 2014A Bond proceeds deposited in the Series 2014A SDSU Escrow Fund:

$ 

Amount of Series 2014A Bond proceeds allocated to the Series 2014A Expense Fund:

$ 

Series 2014A SDSU Debt Service:

See Schedule C-3 attached hereto
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Net Debt Service

South Dakota Board of Regents
Black Hills State University - Housing and Auxiliary Facilities System Revenue Bonds, Series 2014A
### Net Debt Service

South Dakota Board of Regents  
South Dakota School of Mines and Technology - Housing and Auxiliary Facilities System Revenue Bonds, Series 2014A

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**Net Debt Service**

South Dakota Board of Regents  
South Dakota State University - Housing and Auxiliary Facilities System Revenue Bonds, Series 2014A

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<th>Principal</th>
<th>Interest</th>
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The undersigned (the “Underwriter”) offers to enter into this Bond Purchase Agreement (this “Agreement”) with the South Dakota Board of Regents (the “Board”), which, upon execution by the Board as hereinafter provided, will become a binding agreement between the Board and the Underwriter. This offer is made subject to the Board’s acceptance of this Agreement on the date hereof and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice to the Board at any time prior to acceptance hereof by the Board.

1. Purchase and Sale of the Series 2014A Bonds. In reliance upon the representations, warranties and agreements herein contained, but subject to the terms and conditions herein set forth, the Underwriter agrees to purchase from the Board, and the Board agrees to sell to the Underwriter all (but not less than all) of the Board’s Housing and Auxiliary Facilities System Revenue Bonds, Series 2014A in the aggregate principal amount of $_________00 (the “Series 2014A Bonds”). The purchase price for the Series 2014A Bonds shall be $___________ reflecting a [net original issue premium/discount] of $_____________ and Underwriter’s discount of $___________.

The Series 2014A Bonds are to be issued and sold pursuant to an amended and restated bond resolution of the Board adopted October 21, 2004 (the “Original Resolution”), as supplemented by a First Supplemental Revenue Bond Resolution adopted by the Board on December 6, 2005, a Second Supplemental System Revenue Bond Resolution adopted by the Board on November 22, 2006 (as amended), a Third Supplemental System Revenue Bond Resolution adopted by the Board on December 13, 2007 (as amended), a Fourth Supplemental System Revenue Bond Resolution adopted by the Board on March 29, 2008 (as amended), a Fifth Supplemental System Revenue Bond Resolution adopted by the Board on October 22, 2008 (as amended), a Sixth Supplemental System Revenue Bond Resolution adopted by the Board on May 21, 2009, a Seventh Supplemental System Revenue Bond Resolution adopted by the Board on October 12, 2011, an Eighth Supplemental System Revenue Bond Resolution adopted by the Board on December 12, 2012, and a Ninth Supplemental System Revenue Bond Resolution adopted by the Board on November __, 2013, and as hereafter supplemented and amended (the Original Resolution as so amended the “Bond Resolution”). Proceeds from the sale of the Series 2014A Bonds will be used to (i) pay the costs of financing the acquisition of, improvements to, or remodeling or renovation of, student housing and/or recreational facilities for Black Hills State University, South Dakota School of Mines and Technology and South Dakota State University; (ii) provide funds for the current refunding of certain of the
South Dakota Board of Regents South Dakota State University Housing and Auxiliary Facilities Revenue Bonds, Series 2004; (iii) fund the interest costs on a portion of the Series 2014A Bonds through October 1, 2014; and (iv) pay certain expenses incident to the issuance of the Series 2014A Bonds. Terms that are defined in the Bond Resolution are used with the same meanings in this Agreement, unless the context indicates otherwise.

The Series 2014A Bonds will be payable solely from and will be secured by a pledge of and lien on (i) the Net Revenues of the BHSU Institutional System, as to the Series 2014A BHSU Proportion, the Net Revenues of the SDSMT Institutional System, as to the Series 2014A SDSMT Proportion, and the Net Revenues of the SDSU Institutional System, as to the Series 2014A SDSU Proportion; (ii) uncommitted funds held in the Repair and Replacement Reserve Accounts of BHSU, SDSMT and SDSU, as to the Series 2014A BHSU Proportion, the Series 2014A SDSMT Proportion and the Series 2014A SDSU Proportion, respectively; (iii) Net Revenues of the other Institutions, but only after provision for payment of interest due on the next interest payment date and one half of the principal due on the Bonds issued on behalf of such Institutions within the succeeding 12 months; (iv) uncommitted funds in the Repair and Replacement Reserve Accounts of the other Institutions, in an amount and from such Institutions as determined by the Executive Director; and (e) such other funds which may be pledged or used as authorized by the Act. The Series 2014A Bonds shall be dated as of the Closing Date (as defined in Section 4 of this Agreement), mature at the times and in the amounts, bear interest at the rates and shall be subject to optional and mandatory sinking fund redemption at the times as described in Exhibit A hereto.

The Board agrees to execute and deliver the Continuing Disclosure Agreement to be dated as of the Closing Date (the “Continuing Disclosure Agreement”).

2. **Official Statement.** The Board hereby agrees that, within seven business days from the Board’s acceptance hereof, the Board will deliver to the Underwriter copies of the Final Official Statement dated as of the date hereof (the “Official Statement”), relating to the Series 2014A Bonds in sufficient quantities to enable the Underwriter to comply with its obligations under paragraph (b)(4) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the “1934 Act”) and the rules of the Municipal Securities Rulemaking Board (“MSRB”). At least two copies of the Final Official Statement shall be manually executed by the Executive Director of the Board as indicated thereon. The Board hereby authorizes the Final Official Statement and the information contained therein to be used in connection with the offer and sale of the Series 2014A Bonds by the Underwriter and ratifies and confirms the use of the Preliminary Official Statement, dated November __, 2013 (including the cover page thereof and any and all appendices, exhibits, reports and summaries included therein or attached thereto, the “Preliminary Official Statement”) in connection with the offering of the Series 2014A Bonds and in connection with the state securities law qualifications described in Section 3(l) below. The Underwriter hereby agrees to make a bona fide public offering of the Series 2014A Bonds, as described in the Official Statement under the caption “Underwriting.”

The Board agrees to provide to the Underwriter the Preliminary Official Statement and the Official Statement in a “designated electronic format” in order that the Underwriter may comply with its obligations under MSRB Rule G-32. A designated electronic format is a portable document format, with files configured to permit documents to be saved, viewed, printed,
3. Representations and Warranties of the Board. In order to induce the Underwriter to enter into this Agreement and to purchase the Series 2014A Bonds as required hereunder, the Board represents, warrants and agrees as follows:

(a) The Board is a duly organized and validly existing body corporate and politic under the laws of the State of South Dakota.

(b) The Preliminary Official Statement, as of its date, did not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading. The Official Statement does not, as of the date hereof, and the Official Statement, including any amendments or supplements thereto, will not, as of the Closing Date, or as of the date of any such amendment or supplement, include any untrue statement of a material fact or omit to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they are or were made, not misleading; provided that no representation, warranty or agreement is made with respect to the information under the captions “BOOK ENTRY PROVISIONS,” “TAX MATTERS” and “UNDERWRITING,” in the Preliminary Official Statement or the Official Statement. The Preliminary Official Statement is an official statement “deemed final” by the Board as of its date, except for the omission of information permitted to be excluded, within the meaning of Rule 15c2-12 under the 1934 Act.

(c) The Bond Resolution has been duly adopted by the Board. The Board has duly authorized the execution, delivery and due performance of this Agreement, the Official Statement, the Continuing Disclosure Agreement, the Escrow Agreement and the Series 2014A Bonds and the taking of any action as may be required on the part of the Board to consummate the transactions contemplated herein or therein. Except as may be required under the securities laws of any state, there is no consent, approval, authorization or other order of, filing with, registration with, or certification by, any regulatory authority having jurisdiction over the Board and no election or referendum of or by any person, organization or public body whatsoever required in connection with any of the foregoing actions. There are no provisions of South Dakota law which would allow, as of the date hereof or any date subsequent hereto, any public vote or referendum, the results of which could invalidate the Bond Resolution or invalidate, limit or condition the obligations of the Board undertaken hereunder or in connection with the transactions contemplated hereby.

(d) The Board has complied with all provisions of the Constitution and laws of the State of South Dakota, and all procedural rules of the Board, and the Board has full legal right, power and authority pursuant to the Constitution and laws of the State of South Dakota, and particularly the Act to: (1) enter into this Agreement; (2) adopt the Bond Resolution; (3) prepare the Preliminary Official Statement and the Official Statement and authorize their distribution by the Underwriter; (4) execute the Official Statement; (5) execute the Continuing Disclosure Agreement and the Escrow Agreement; (6) issue, sell and deliver the Series 2014A Bonds as provided in this Agreement; (7) perform its
obligations under and as contemplated in this Agreement, the Continuing Disclosure Agreement, the Escrow Agreement and the Bond Resolution; and (8) carry out and consummate all the transactions contemplated in the foregoing documents.

(e) The Series 2014A Bonds will conform to the description thereof contained in the Official Statement and, when delivered to and paid for by the Underwriter, will have been duly authorized, executed, issued and delivered by, and will constitute valid and binding special, limited obligations of, the Board, enforceable in accordance with their terms and the terms of the Bond Resolution, except as limited by bankruptcy, insolvency, reorganization, moratorium or other laws affecting creditors’ rights and except to the extent that the enforceability thereof may be limited by the application of general principles of equity. No event has occurred and is continuing which, with the lapse of time or the giving of notice or both, would constitute such an event of default.

(f) The execution and delivery of the Official Statement, this Agreement, the Continuing Disclosure Agreement, the Escrow Agreement and the Series 2014A Bonds, the adoption of the Bond Resolution, and compliance with the provisions hereof and thereof, and the Board’s consummation of the transactions contemplated by the aforesaid documents, do not and will not conflict with or result in a violation of the Constitution of the State of South Dakota or any other laws of the State of South Dakota or the United States of America, including, without limitation, any debt limitations or other restrictions or conditions on the debt-issuing power of the Board, and will not conflict with or result in a violation of, or breach of, or constitute a default under, any law or administrative regulation or any of the terms, conditions or provisions of any judgment, decree, loan agreement, note, resolution, indenture, mortgage, deed of trust or other agreement or instrument to which the Board is a party or by which it is bound. The Board has not received any written notice, not subsequently withdrawn, given in accordance with the remedy provisions of any bond resolution, trust indenture or agreement or state law pertaining to bonds or notes, of any default or event of default on the part of the Board which has not been cured, remedied or waived.

(g) No action, suit, inquiry, investigation or proceeding, at law or in equity, to which the Board is a party is pending and, to the best of the knowledge of the Board, no action, suit, inquiry, investigation or proceeding is threatened, in or before any court, governmental agency, authority, body or arbitrator, in any way affecting the existence of the Board or the title of any official of the Board to such person’s office, or seeking to restrain or enjoin the issuance, sale or delivery of the Series 2014A Bonds or the execution and delivery of this Agreement or the pledge of and lien on the revenues, income and sources under the Bond Resolution, all of which secure the payment of the principal of or interest on the Series 2014A Bonds, or in any way contesting or affecting the validity or enforceability of this Agreement, the Continuing Disclosure Agreement, the Escrow Agreement, the Bond Resolution or the Series 2014A Bonds and related documents, or any agreement or instrument relating to the foregoing, or contesting in any way the completeness or accuracy of the Official Statement or the power or authority of the Board with respect to this Agreement, the Continuing Disclosure Agreement, the Escrow Agreement, the Bond Resolution or the Series 2014A Bonds, or with respect to establishing rents, fees, charges and admissions for the System or the exclusion of the
interest on the Series 2014A Bonds from the gross income of the owners thereof for federal income tax purposes.

(h) To the knowledge of the Board, there is no public vote or referendum pending, proposed or concluded, the results of which could in any way adversely affect the transactions contemplated by this Agreement, the Continuing Disclosure Agreement, the Escrow Agreement, the Bond Resolution or the Series 2014A Bonds, or the validity or enforceability of the Series 2014A Bonds.

(i) Any certificate signed by an authorized Board member, or by a duly appointed and acting deputy of any of said officials on his or her behalf, and delivered to the Underwriter shall be deemed a Board representation and warranty to the Underwriter as to the truth of the Board’s statements therein.

(j) The Board has not received any judicial or administrative notice which in any way questions the exclusion of the interest on the Series 2014A Bonds from the gross income of the owners thereof for federal income tax purposes.

(k) Prior to the Closing Date, the Board shall have taken all actions necessary to be taken by the Board for: (i) the issuance and sale of the Series 2014A Bonds upon the terms set forth herein, in the Official Statement and in the Bond Resolution, (ii) the use by the Underwriter of the Preliminary Official Statement and the Official Statement, and (iii) the execution and delivery by the Board of this Agreement, the Continuing Disclosure Agreement, the Escrow Agreement, the Series 2014A Bonds and all such other instruments and the taking of all such other actions on the part of the Board as may be necessary or appropriate for the effectuation and consummation of the transactions on the part of the Board contemplated by this Agreement, the Continuing Disclosure Agreement, the Escrow Agreement, the Bond Resolution and the Series 2014A Bonds. Between the date of this Agreement and the Closing Date, the Board will take such actions as are reasonably necessary to cause the warranties and representations contained in this Agreement to be true as of the Closing Date.

(l) The Board will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter as the Underwriter may deem necessary in order to qualify the Series 2014A Bonds for offer and sale under the securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate; provided that the Board shall not be required to consent to service of process or to qualify to do business in any other jurisdiction.

(m) The current operation of the System, the system of rents, fees, charges and admissions therefor and the accounting and keeping of records therefor are in material compliance with all applicable state and federal laws, all applicable Board resolutions and rules and all applicable rules and regulations of any governmental regulatory agency with jurisdiction over the System.

(n) The System is (i) in compliance with any and all applicable federal, state and local laws and regulations relating to the protection of human health and safety, the
environment or hazardous or toxic substances or wastes, pollutants or contaminants ("Environmental Laws"), (ii) has received all permits, licenses or other approvals required of it under applicable Environmental Laws to conduct its activities and (iii) is in compliance with all terms and conditions of any such permit, license or approval, except where such noncompliance with Environmental Laws, failure to receive required permits, licenses or other approvals or failure to comply with the terms and conditions of such permits, licenses or approvals would not, singly or in the aggregate, have a material adverse effect on the System.

(o) In the ordinary courses of its affairs, each Institution conducts a periodic review of the effect of Environmental Laws on the activities, operations and properties of the related Institutional System and on the basis of such review, none of the Institutions has identified any circumstances which, singly or in the aggregate, have a material adverse effect on the System.

(p) The historical financial information included in the Official Statement under the caption "HISTORICAL AND PROJECTED CASH FLOWS OF THE SYSTEM," in APPENDIX A – "SOUTH DAKOTA BOARD OF REGENTS HOUSING AND AUXILIARY FACILITIES SYSTEM—Financial Management" and in Appendix E – “FINANCIAL STATEMENTS OF THE HOUSING AND AUXILIARY FACILITIES SYSTEM REVENUE BOND FUNDS FOR THE FISCAL YEARS ENDED JUNE 30, 2013 and 2012 (Unaudited)” present fairly the financial condition and results of operations for the System at the dates and for the periods specified. For the period June 30, 2013, to the date hereof, there has been (i) no material adverse change in the financial position of the Board, any Institution or the System, (ii) no increase in the long-term debt of the Board or any Institution with respect to the System, (iii) no material loss or interference with the operation of the System from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, and (iv) no development involving a prospective material adverse change, in or affecting the general affairs, management, financial position or results of operations of any Institution and the System, except in all cases as the Official Statement discloses has occurred or may occur.

(q) The information supplied by the Board to Chapman and Cutler LLP, Chicago, Illinois ("Bond Counsel"), with respect to the use of the proceeds of the Series 2014A Bonds and any other information supplied by the Board to Bond Counsel is true, correct and complete in all material respects for the purposes for which it was supplied.

(r) The Board will not take or omit to take any action, which action or omission will in any way result in the proceeds from the sale of the Series 2014A Bonds being applied in a manner other than as provided in the Bond Resolution.

4. Delivery of the Series 2014A Bonds. Payment of the purchase price for the Series 2014A Bonds as set forth in Section 1 hereof shall be made in federal or similar immediately available funds payable to the order of the Board at 9:30 a.m., Chicago time, on January __, 2014, or at such time as the Underwriter and the Board determine, against delivery to The Depository Trust Company ("DTC") in New York, New York, of definitive Bonds (bearing proper CUSIP
numbers, for the accuracy of which CUSIP numbers the Board shall bear no responsibility), in the form of fully registered bonds, and the other instruments and documents required to be delivered hereunder to the Underwriter, such time of payment and delivery being herein referred to as the “Closing Date.”

5. **Covenants of the Board. The Board covenants that:**

   (a) The Board will not amend or supplement the Official Statement without the consent of the Underwriter. The parties hereto will advise each other promptly of the institution of any proceedings by any governmental agency or any other material occurrence affecting the use of the Official Statement in connection with the offer and sale of the Series 2014A Bonds.

   (b) The Board will notify the Underwriter if, prior to the Closing Date, any event occurs which makes any statement in the Official Statement untrue in any material respect or which requires the making of any change in the Official Statement, in order to make the statements therein not misleading, and the Board will thereupon diligently cooperate with the Underwriter and make any changes in the Official Statement which are reasonably requested by the Underwriter. After the Closing Date, and so long as the Underwriter or any participating dealer shall be offering the Series 2014A Bonds which constitute the whole or a part of their unsold participations until the earlier of (i) 90 days from the Closing Date or (ii) the time when the Official Statement is available to any person from the Electronic Municipal Market Access system or through any other electronic format or system prescribed by the Municipal Securities Rulemaking Board (but in no case less than 25 days from the Closing Date), the Board agrees to advise the Underwriter in writing of any development that impacts the accuracy and completeness of the key representations contained in the Official Statement, within the meaning of Rule 15c2-12 under the 1934 Act. During that period the Board will not adopt any amendment of, or supplement to, the Official Statement except with the written consent of the Underwriter; and if any event relating to or affecting the Board shall occur the result of which shall make it necessary, in the opinion of the Underwriter, to amend or supplement the Official Statement in order to make it not misleading in the light of the circumstances existing at that time, the Board shall forthwith prepare and furnish to the Underwriter, at the expense of the Board, a reasonable number of copies of an amendment of or supplement to the Official Statement in form and substance satisfactory to the Underwriter, so that the Official Statement then will not contain an untrue statement of a material fact necessary to make the statements therein, in the light of the circumstances existing at that time, not misleading.

   (c) The Board will furnish or cause to be furnished to the Underwriter the Preliminary Official Statement and the Official Statement, and any amendments and supplements thereto, in each case in the quantities and at the times that the Underwriter requires for the distribution thereof.

   (d) The Board will use its best efforts to make available such information, execute such instruments and take such other reasonable action in cooperation with the
Underwriter as the Underwriter may reasonably request to assist the Underwriter in attempting to qualify the Series 2014A Bonds with DTC.

6. **Conditions of the Obligations of the Underwriter and the Board.** The obligations of the Underwriter to purchase and pay for the Series 2014A Bonds will be subject to the completeness and correctness on the date hereof and on the Closing Date of the representations and warranties of the Board herein, to the accuracy of the statements of the officials of the Board made pursuant to the provisions hereof, to the Board’s performance of its obligations and agreements hereunder, and to the following additional conditions precedent:

   (a) The Series 2014A Bonds, this Agreement, the Continuing Disclosure Agreement, the Escrow Agreement and the Official Statement shall have been duly authorized, executed and delivered by the Board; the Bond Resolution shall have been duly adopted by the Board; all necessary actions of the Board relating to this Agreement, the Continuing Disclosure Agreement, the Escrow Agreement, the Series 2014A Bonds, the Bond Resolution and the Official Statement shall be in full force and effect without rescission or modification; this Agreement, the Bond Resolution, the Continuing Disclosure Agreement, the Escrow Agreement and the Official Statement shall be in full force and effect and shall not have been amended, modified or supplemented (except with the consent of the Underwriter); and there shall have been taken in connection with the issuance of the Series 2014A Bonds and with the transactions contemplated hereby and by the Bond Resolution all such actions as, in the opinion of the Bond Counsel, are necessary and appropriate.

   (b) The Underwriter may terminate this Agreement by notification in writing or by telegram or facsimile transmission to the Board if at any time subsequent to the date of this Agreement and on or prior to the Closing Date:

      (i) There shall have occurred any legislative, executive or regulatory action or any court decision which, in the judgment of the Underwriter, casts sufficient doubt on the legality of, or the exclusion from gross income for federal income tax purposes of interest on obligations such as, the Series 2014A Bonds, so as to materially impair the marketability or lower the market price of such obligations or otherwise make it impracticable or inadvisable to proceed with the offering or delivery of the Series 2014A Bonds on the terms and in the manner contemplated in this Agreement and the Official Statement.

      (ii) There shall have occurred any action by the Securities and Exchange Commission (the “Commission”) or a court which would require registration of the Series 2014A Bonds under the Securities Act of 1933, as amended (the “Securities Act”), in connection with the public offering thereof, or qualification of the Bond Resolution under the Trust Indenture Act of 1939, as amended.

      (iii) There shall have occurred any event or condition which, in the judgment of the Underwriter, renders untrue or incorrect in any material respect the information contained in the Official Statement or which requires that information
not reflected in such Official Statement should be reflected therein in order to make the statements and information contained therein not misleading in any material respect.

(iv) An order, decree or injunction of any court of competent jurisdiction, or any order, ruling, regulation or administrative proceeding by any governmental body or board, shall have been issued or commenced, or any legislation shall have been enacted, with the purpose or effect of prohibiting the issuance, offering or sale of the Series 2014A Bonds on the terms and in the manner contemplated hereby or by the Official Statement or the execution or performance of this Agreement, the Escrow Agreement or the Bond Resolution, in accordance with their respective terms.

(v) The market price of the Series 2014A Bonds shall be adversely affected in the Underwriter’s reasonable judgment by the occurrence of any or all of the following events: (A) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange; (B) the New York Stock Exchange, or any governmental authority, shall impose, as to the Series 2014A Bonds or similar obligations, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of the Underwriter; (C) a general banking moratorium shall have been established by federal, South Dakota or New York authorities; (D) any national emergency or the outbreak or escalation of any war or major military hostilities involving the United States of America or other national or international calamity or crisis, or material disruption of commercial banking or securities settlement or clearance services the effect of which, on the financial markets of the United States of America being such as to make it, in the opinion of the Underwriter, impracticable or inadvisable to proceed with the public offering and delivery of the Series 2014A Bonds in the terms and in the manner contemplated in this Agreement and the Official Statement; or (E) some other event of which the Underwriter is not aware on the date hereof shall have occurred.

(vi) The rating assigned to the Series 2014A Bonds by Moody’s Investors Service, Inc. (“Moody’s”) or any other national rating agency shall have been withdrawn or downgraded or such rating agency shall have publicly announced that it has under surveillance or review, with possible negative implications, its rating of the Series 2014A Bonds.

(vii) The Board shall fail to perform or have performed at the Closing Date all its obligations required under or specified in this Agreement, the Official Statement, the Escrow Agreement, the Bond Resolution and any other resolution of the Board, to be performed on or prior to the Closing Date.

(c) At the Closing Date, no litigation shall be threatened or pending in any court, nor shall any referendum or public vote be threatened or pending, nor shall any proceeding before or by any governmental authority, body or arbitrator be threatened or
pending: (i) seeking to restrain or enjoin the issuance, sale or delivery of any of the Series 2014A Bonds, or the payment, collection or application of the moneys pledged or to be pledged under the Bond Resolution; (ii) in any way questioning or affecting the validity of the Series 2014A Bonds or any provisions of this Agreement, the Continuing Disclosure Agreement, the Escrow Agreement, the Bond Resolution or any proceedings taken by the Board or the Underwriter with respect to any of the foregoing; or (iii) questioning the Board’s creation, organization or existence or the titles to office of any of its statutory officers or its power to engage in any of the transactions contemplated by this Agreement or the Bond Resolution or to establish rents, fees, charges and admissions for the System; or (iv) questioning the exclusion of the interest on the Series 2014A Bonds from the gross income of the owners thereof for federal income tax purposes.

(d) The Underwriter shall have received the following documents, dated (unless otherwise indicated) as of the Closing Date:

(i) approving opinion of Bond Counsel, in substantially the form attached to the Official Statement as Appendix C, in form and substance reasonably satisfactory to the Underwriter;

(ii) a supplemental opinion of Bond Counsel and a negative assurances letter of Bond Counsel, in substantially the forms attached hereto as Exhibit B, in form and substance reasonably satisfactory to the Underwriter;

(iii) an opinion of Dr. James F. Shekleton, counsel for the Board, in substantially the form attached hereto as Exhibit C, in form and substance reasonably satisfactory to the Underwriter;

(iv) an opinion of Duane Morris LLP, Underwriter’s Counsel, in form and substance reasonably satisfactory to the Underwriter;

(v) a certificate of the Executive Director or any authorized officer of the Board acceptable to the Underwriter, in form and substance reasonably satisfactory to the Underwriter to the effect that (A) the Board has duly performed all of its obligations under the Bond Resolution to be performed on or prior to the Closing Date; (B) the representations and warranties of the Board contained in this Agreement are true and correct on and as of the Closing Date as if made at the Closing Date, and the Board has complied with all of the agreements and satisfied all the conditions on its part to be performed or satisfied prior to the Closing Date; (C) there has been no material adverse change in the condition of the Board or the System, taken as a whole, financial or otherwise, or in the affairs, operations or prospective operations of the Board or the System, taken as a whole, whether or not arising in the ordinary course of business, from that set forth or contemplated in the Official Statement; and (D) that the Continuing Disclosure Agreement and the Escrow Agreement have been duly authorized, executed and delivered by the Board;
(vi) an executed counterpart of the Tax Exemption Certificate and Agreement of the Board;

(vii) the Bond Resolution certified by the Executive Director of the Board as having been duly adopted;

(viii) written confirmation that Moody’s has assigned a rating of “Aa3” for the Series 2014A Bonds, and that no downgrading shall have occurred in such rating and such rating agency shall not have publicly announced that it has under surveillance or review, with possible negative implications, its rating of the Series 2014A Bonds;

(ix) a counterpart original of a transcript of all proceedings relating to the authorization and issuance of the Series 2014A Bonds;

(x) an executed copy of a Letter of Representations regarding the Series 2014A Bonds with DTC or a Blanket Letter of Representations of the Board with DTC;

(xi) an executed counterpart of the Continuing Disclosure Agreement;

(xii) an executed counterpart of the Escrow Agreement; and

(xiii) such additional certificates, proceedings, opinions, instruments and other documents as the Bond Counsel or the Underwriter shall reasonably request in connection with the transactions contemplated by this Agreement, the Bond Resolution and the Official Statement.

If any of the conditions specified in this Section shall not have been fulfilled when and as required by this Agreement, or if any of the opinions, instruments, documents, proceedings or certificates mentioned above or elsewhere in this Agreement shall not be in all material respects reasonably satisfactory in form and substance to the Underwriter, this Agreement and all obligations of the Underwriter hereunder may be cancelled by the Underwriter at, or at any time prior to, the Closing Date. Notice of such cancellation shall be given to the Board in writing, by telegram or by telephone confirmed in writing.

If the obligations of the Underwriter are terminated for any reason permitted hereby, neither the Underwriter nor the Board shall be under further obligation hereunder, except that the Board shall remain responsible for the payment of the expenses described in paragraph (a) of Section 7 hereof.

7. Costs and Expenses.

(a) The Underwriter shall be under no obligation to pay, and the Board shall pay, all expenses incident to the performance of the Board’s obligations hereunder, including, but not limited to: (i) the cost of the preparation, printing and delivery of the Series 2014A Bonds; (ii) the cost of the preparation, printing and distribution of a reasonable number of copies of the Preliminary Official Statement and the Official
Statement (including any amendments or supplements thereto as provided herein); (iii) the fees and disbursements of Bond Counsel and Underwriter’s Counsel; (iv) the costs of preparation of the Blue Sky Memorandum and the costs of qualifying the Series 2014A Bonds under state securities laws; (v) the fees and disbursements of the Board’s financial advisor, accountants, advisers and counsel and any of other experts or consultants retained in connection with the issuance and sale of the Series 2014A Bonds; (vi) rating agency fees and related expenses, including travel; (vii) the fees of the bond registrar under the Bond Resolution, (viii) the fees of the escrow agent under the Escrow Agreement, and (ix) any other expenses not enumerated in paragraph (b) below incurred by or on behalf of the Board in connection with the issuance of the Series 2014A Bonds. The Board also shall pay out-of-pocket expenses of the Underwriter.

(b) The Underwriter shall pay all other expenses incurred by it and not described in paragraph (a) above in connection with its public offering and distribution of the Series 2014A Bonds, including any expenses incurred in connection with forming and managing a selling group or any advertising in connection with selling the Series 2014A Bonds.

8. **Governing Law; Nonassignability.** This Agreement shall be governed by and construed in accordance with the laws of the State of South Dakota, including, without limitation, those laws applicable to contracts made and to be performed in the State of South Dakota. This Agreement shall not be assigned by the Board.

9. **Survival of Certain Representations and Obligations; Limitations of Liability.** The respective agreements, representations, warranties and other statements of the Board and its officers and of the Underwriter set forth in or made pursuant to this Agreement will remain in full force and effect, regardless of any investigation or statement as to the results thereof made by or on behalf of the Underwriter, the Board or any of their officers or controlling persons, and will survive delivery of and payment for the Series 2014A Bonds. If for any reason the purchase of the Series 2014A Bonds by the Underwriter is not consummated, the Board shall remain responsible for the expenses to be paid or reimbursed by it pursuant to Section 7(a) hereof, except expenses of the Underwriter if failure to consummate is due to the Underwriter’s breach of this Agreement, and the respective obligations of the Board and the Underwriter pursuant to Section 8 shall remain in effect.

It is understood and agreed that no member of the Board and no officer, agent or employee thereof, shall be charged personally by the Underwriter with any liability, or held liable to the Underwriter under any term or provision of this Agreement, or because of its execution or attempted execution, or because of any breach, or attempted or alleged breach, thereof.
10. **Successors.** This Agreement is made for the benefit of and is binding upon the parties hereto and their respective successors and the members, officers, officials, partners, employees and controlling persons of the Underwriter within the meaning of the Securities Act, the 1934 Act or otherwise, and no other person will have any right hereunder or by virtue hereof.

11. **Counterparts.** This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute one and the same instrument.

12. **Notices.** All communications hereunder will be in writing and, if sent to the Underwriter, will be mailed, delivered or telegraphed and confirmed to the Underwriter:

   BMO Capital Markets GKST Inc.
   115 South LaSalle Street
   Chicago, Illinois 60603
   Attention: Neil Pritz, Managing Director

or, if sent to the Board, to the address set forth above, or to such other address of which any of the parties hereto gives written notice to all other parties hereto.

13. **Board Acknowledgement.** The Board acknowledges and agrees that (i) the purchase and sale of the Series 2014A Bonds pursuant to this Agreement is an arm’s-length commercial transaction between the Board and the Underwriter, (ii) in connection with the purchase and sale of the Series 2014A Bonds and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as an agent, advisor or fiduciary of the Board, (iii) the Underwriter has not assumed any advisory or fiduciary responsibility in favor of the Board with respect to the purchase and sale of the Series 2014A Bonds or the process leading thereto (irrespective of whether the Underwriter has advised or is currently advising the Board on other matters) or any other obligation to the Board except the obligations expressly set forth in this Agreement, (iv) the Board has consulted its own legal, financial and other advisors to the extent it has deemed appropriate, and (v) the Board will not claim that the Underwriter has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Board, in connection with the purchase and sale of the Series 2014A Bonds or the process leading thereto.

14. **Effective Date.** This Agreement shall become effective upon the execution of the acceptance hereof by the Board and shall be valid and enforceable as of the time of such acceptance.

[Signature Page Follows]
[Signature Page to Bond Purchase Agreement]

BMO Capital Markets GKST Inc., as the Underwriter

By: _________________________________
     Managing Director

Agreed and Accepted: December __, 2013

South Dakota Board of Regents

By: _________________________________
     Jack R. Warner, Ed.D, Executive Director of the South Dakota Board of Regents
Exhibit A

MATURITY, OPTIONAL REDEMPTION AND MANDATORY SINKING FUND REDEMPTION SCHEDULES

$____________ Serial Bonds

<table>
<thead>
<tr>
<th>Maturity (April 1)</th>
<th>Principal Amount</th>
<th>Interest Rate</th>
<th>Price</th>
</tr>
</thead>
</table>

The Series 2014A Bonds maturing on or after April 1, 20__, are subject to redemption prior to maturity at the option of the Board in accordance with terms, conditions and prices set forth in the Official Statement, on any date on or after April 1, 20__.

The Series 2014A Bonds due April 1, 20__ are subject to mandatory sinking fund redemption prior to maturity, in the amounts set forth below on April 1 of the indicated years and in the principal amounts shown below at a price equal to the principal amount of Series 2014A Bonds to be redeemed plus accrued interest thereon to the redemption date but without premium.

**Series 2014A Bonds Maturing on April 1, 20__**

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
</table>

$ % Term Bonds due April 1, 20__ Price: %
Exhibit B

FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL

____________, 2014

BMO Capital Markets GKST Inc.
115 South LaSalle Street
Chicago, Illinois 60603

Re: $____________
South Dakota Board of Regents
Housing and Auxiliary Facilities System Revenue Bonds
Series 2014A

Ladies and Gentlemen:

As Bond Counsel to the South Dakota Board of Regents (the “Board”) in connection with the issuance of the $____________ Housing and Auxiliary Facilities System Revenue Bonds, Series 2014A (the “Bonds”), we have examined the following:

(a) A copy of the Board’s Bond Resolution adopted on October 21, 2004, as supplemented and amended by the First Supplemental System Revenue Bond Resolution adopted by the Board on December 6, 2005, a Second Supplemental System Revenue Bond Resolution adopted by the Board on November 22, 2006 (as amended), a Third Supplemental System Revenue Bond Resolution adopted by the Board on December 13, 2007 (as amended), a Fourth Supplemental System Revenue Bond Resolution adopted by the Board on March 29, 2008 (as amended), a Fifth Supplemental System Revenue Bond Resolution adopted by the Board on October 22, 2008 (as amended), a Sixth Supplemental System Revenue Bond Resolution adopted by the Board on May 21, 2009, a Seventh Supplemental System Revenue Bond Resolution adopted by the Board on October 12, 2011, an Eighth Supplemental System Revenue Bond Resolution adopted by the Board on December 12, 2012, and a Ninth Supplemental System Revenue Bond Resolution adopted by the Board on November __, 2013, and as hereafter supplemented and amended (collectively, the “Bond Resolution”) authorizing the issuance of the Bonds;

(b) A copy of the Official Statement of the Board, dated December __, 2013 (the “Official Statement”);
(c) A copy of the Bond Purchase Agreement, dated December __, 2013 (the “Bond Purchase Agreement”) between the Board and BMO Capital Markets GKST Inc. (the “Underwriter”);

(d) A transcript of the proceedings of the Board relating to the authorization and issuance of the Bonds; and a copy of the Tax Exemption Certificate and Agreement executed by a duly authorized officer of the Board, and such other matters of law which we have considered necessary to enable us to render this opinion. Terms defined in the Bond Resolution are used with the same meaning herein, unless the context indicates otherwise.

We are of the opinion that:

1. The Bond Resolution has been duly and lawfully adopted by the Board, is in full force and effect, has not been further amended subsequent to its adoption by the Board, is a legal, valid and binding obligation of the Board enforceable in accordance with the terms thereof, subject to the qualification that enforcement thereof may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

2. The Board is authorized to issue and sell the Bonds in accordance with the terms and provisions of the Bond Resolution and the Bond Purchase Agreement.

3. The Bond Purchase Agreement has been duly authorized, executed and delivered by the Board, and, assuming the due authorization, execution and delivery of such document by the other party thereto, constitutes the legal, valid and binding obligation of the Board, enforceable in accordance with its terms, subject to the qualification that enforcement thereof may be limited by any bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

4. The Bonds are not required to be registered under the Securities Act of 1933, as amended, and the Bond Resolution is not required to be qualified under the Trust Indenture Act of 1939, as amended.

In addition to this opinion, we have rendered an opinion as to the validity of the Bonds and the exclusion of interest from the gross income of the owners thereof for federal income tax purposes dated the date hereof. You are hereby authorized to rely upon such approving opinion as if such opinion were addressed to you.

In rendering this opinion, we have relied upon certifications of the Board with respect to certain material facts solely within the knowledge of the Board. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion, and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.
This letter is furnished by us as Bond Counsel. No attorney-client relationship has existed or exists between our firm and the Underwriter in connection with the Bonds or by virtue of this letter. This letter is not intended to be relied upon by owners of the Bonds or by any other party to whom it is not specifically addressed.

Respectfully submitted,

AGBacon:
BMO Capital Markets GKST Inc.
115 South LaSalle Street
Chicago, Illinois  60603

Re:  $___________
South Dakota Board of Regents
Housing and Auxiliary Facilities System Revenue Bonds
Series 2014A

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance on the date hereof by the South Dakota Board of Regents (the “Board”) of its Housing and Auxiliary Facilities System Revenue Bonds, Series 2014A in the aggregate principal amount of $___________ (the “Bonds”). BMO Capital Markets GKST Inc. (the “Underwriter”) is purchasing the Bonds pursuant to the terms of the Bond Purchase Agreement dated December __, 2013 (the “Bond Purchase Agreement”) between the Board and the Underwriter. All terms used herein as defined terms and not otherwise defined herein shall have the same meanings ascribed to them in the Bond Purchase Agreement.

We have not been engaged nor have we undertaken to review or verify the accuracy, completeness or sufficiency of the Official Statement dated December __, 2013 relating to the Bonds (the “Official Statement”) or other offering material relating to the Bonds, except that in our capacity as Bond Counsel, at the request of the Underwriter, we have reviewed the information in the Official Statement under the captions “Summary Statement — Security and Source of Payment,” “— Rate Covenant” and “— Prior Parity Bonds,” “Introduction,” “The Series 2014A Bonds,” “Security for the Series 2014A Bonds,” “Future Parity Bonds of Other Institutions,” and “Appendix B—Summary of Certain Provisions of the Bond Resolution” solely to determine whether such information and summary descriptions conform to the Bonds and the Bond Resolution. The purpose of our professional engagement was not to establish or confirm factual matters in the Official Statement, and we have not undertaken any obligation to verify independently any of the factual matters set forth under the above-referenced captions and in Appendix B. The summary descriptions in the Official Statement under such captions and in Appendix B, as of the date of the Official Statement and as of the date hereof, insofar as such descriptions purport to summarize certain provisions of the Bonds (apart from the information relating to The Depository Trust Company and its book-entry only system, as to which we do not express any opinion or belief) and the Bond Resolution are accurate summaries of such provisions in all material respects. In addition, the information in the Official Statement under the heading “Tax Matters” purporting to describe or summarize our opinions concerning certain federal tax matters relating to the Bonds has been reviewed by us and is an accurate summary in
all material respects. Except as specifically described in this paragraph, we express no opinion
with respect to, and have not undertaken to determine independently, the accuracy, fairness,
completeness or sufficiency of any information contained in or incorporated by reference in the
Official Statement.

This letter is furnished by us as Bond Counsel to the Board. No attorney-client
relationship has existed or exists between our firm and the Underwriter in connection with the
Bonds or by virtue of this letter. This letter is not intended to be relied upon by owners of the
Bonds or by any other party to whom it is not specifically addressed.

Respectfully submitted,

AGBacon:
Ladies and Gentlemen:

I am counsel for the South Dakota Board of Regents (the “Board”). As such, I am familiar with the proceedings of the Board in connection with the issuance by the Board of its $__________ Housing and Auxiliary Facilities System Revenue Bonds, Series 2014A (the “Bonds”) and in connection with the issuance of such Bonds, I have examined (i) Bond Resolution adopted on October 21, 2004, as supplemented and amended by the First Supplemental Revenue Bond Resolution adopted by the Board on December 6, 2005, a Second Supplemental System Revenue Bond Resolution adopted by the Board on November 22, 2006 (as amended), a Third Supplemental System Revenue Bond Resolution adopted by the Board on December 13, 2007 (as amended), a Fourth Supplemental System Revenue Bond Resolution adopted by the Board on March 29, 2008 (as amended), a Fifth Supplemental System Revenue Bond Resolution adopted by the Board on October 22, 2008 (as amended), a Sixth Supplemental System Revenue Bond Resolution adopted by the Board on May 21, 2009, a Seventh Supplemental System Revenue Bond Resolution adopted by the Board on October 12, 2011, an Eighth Supplemental System Revenue Bond Resolution adopted by the Board on December 12, 2012, and a Ninth Supplemental System Revenue Bond Resolution adopted by the Board on November __, 2013, and as hereafter supplemented and amended (collectively, the “Bond Resolution”), (ii) the Bond Purchase Agreement dated December __, 2013 (the “Bond Purchase Agreement”), between the Board and the BMO Capital Markets GKST Inc. (the “Underwriter”), (iii) the Preliminary Official Statement of the Board relating to the Bonds dated November __, 2013 (the “Preliminary Official Statement”), (iv) the Final Official Statement of the Board relating to the Bonds dated December __, 2013 (the “Final Official Statement”), (v) the Continuing Disclosure Agreement dated January __, 2014 (the “Continuing Disclosure Agreement”), and (vi) the Escrow Agreement dated January __, 2014 (the “Escrow Agreement”).

Based on the foregoing and such other investigations as I have deemed necessary, it is my opinion that:

1. The Board is a duly organized and validly existing body corporate and politic under the laws of the State of South Dakota.

2. The Bond Resolution has been duly adopted by the Board, has not been amended, modified, supplemented or repealed, and remains in full force and effect. The Board has duly authorized the execution, delivery and due performance of the Bond Purchase Agreement, the
Continuing Disclosure Agreement, the Escrow Agreement and the Final Official Statement and the Bonds and the taking of any action as may be required on the part of the Board to consummate the transactions contemplated therein. Except as may be required under the securities laws of any state, there is no consent, approval, authorization or other order of, filing with, registration with, or certification by, any regulatory authority having jurisdiction over the Board and no election or referendum of or by any person, organization or public body whatsoever required in connection with any of the foregoing actions. There are no provisions of South Dakota law which would allow, as of the date hereof or any date subsequent hereto, any public vote or referendum, the results of which could invalidate the Bond Resolution, or invalidate, limit or condition the obligations of the Board undertaken in the Bond Purchase Agreement or in connection with the transactions contemplated thereby.

3. The Board has full legal right, power and authority pursuant to the Constitution and laws of the State of South Dakota, and particularly the Board of Regents Revenue Bond Act of 1971, as amended, (the “Act”), to: (1) enter into the Bond Purchase Agreement, (2) adopt the Bond Resolution; (3) prepare the Preliminary Official Statement and the Final Official Statement and authorize their distribution by the Underwriter; (4) execute the Final Official Statement, (5) execute the Continuing Disclosure Agreement and the Escrow Agreement; (6) issue, sell and deliver the Bonds as provided in the Bond Purchase Agreement; (7) perform its obligations under and as contemplated in the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Escrow Agreement, the Bond Resolution and the Bonds; and (8) carry out and consummate all the transactions contemplated by the foregoing documents.

4. The Bond Purchase Agreement has been duly authorized, executed and delivered by the Board, and constitutes the legal, valid and binding obligation of the Board, enforceable in accordance with its terms except that the enforcement of the provisions thereof may be limited by any applicable law relative to bankruptcy, reorganization, insolvency, or other similar laws now or hereafter in effect, affecting the enforcement of creditors’ rights generally.

5. Each of the Continuing Disclosure Agreement and the Escrow Agreement has been duly authorized, executed and delivered by the Board, and constitutes the legal, valid and binding obligation of the Board, enforceable in accordance with its terms except that the enforcement of the provisions thereof may be limited by any applicable law relative to bankruptcy, reorganization, insolvency, or other similar laws now or hereafter in effect, affecting the enforcement of creditors’ rights generally.

6. The execution and delivery of the Final Official Statement, the Continuing Disclosure Agreement, the Escrow Agreement, the Bond Purchase Agreement and the Bonds, the adoption of the Bond Resolution, and compliance with the provisions thereof, and the consummation by the Board of the transactions contemplated by the aforesaid documents, do not and will not conflict with or result in a violation of the Constitution of the State of South Dakota or the Act or any other laws of the State of South Dakota or the United States of America, including, without limitation, any debt limitations or other restrictions or conditions on debt-issuing power of the Board, and will not conflict with or result in any violation of, or breach of, or constitute a default under, any law or administrative regulation or any of the terms, conditions or provisions of any judgment, decree, loan agreement, note, resolution, indenture, mortgage, deed of trust or other agreement or instrument to which the Board is a party or by which it is bound.
7. No action, suit, inquiry, investigation or proceeding, at law or in equity, to which
the Board is a party is pending and, to the best of my knowledge no action, suit, inquiry,
investigation or proceeding is threatened, in or before any court, governmental agency, authority,
body or arbitrator, in any way affecting the existence of the Board or the title of any official of the
Board to such person’s office, or seeking to restrain or enjoin the issuance, sale or delivery of the
Bonds or the execution and delivery of the Bond Purchase Agreement, the Continuing Disclosure
Agreement or the Escrow Agreement or the pledge of and lien on: (i) the Net Revenues of the
BHSU Institutional System as to the Series 2014A BHSU Proportion, the SDSMT Institutional
System as to the Series 2014A SDSMT Proportion, or the SDSU Institutional System as to the
Series 2014A SDSU Proportion; (ii) uncommitted funds of the Repair and Replacement Reserve
Account of BHSU, SDSMT and SDSU, as to the Series 2014A BHSU Proportion, the Series 2014A
SDSMT Proportion and the Series 2014A SDSU Proportion, respectively; (iii) Net Revenues of the
other Institutions, but only after provision for payment of interest due on the next interest payment
date and one-half of the principal due on the Bonds issued on behalf of such Institutions within the
succeeding 12 months; (iii) uncommitted funds in the Repair and Replacement Reserve Accounts
of the other Institutions, in an amount and from such Institutions as determined by the Executive
Director; and (iv) such other funds which may be pledged or used as authorized by the Act, all of
which secure the payment of the principal of or interest on the Bonds, or in any way contesting or
affecting the validity or enforceability of the Bond Purchase Agreement, the Continuing
Disclosure Agreement, the Escrow Agreement, the Bond Resolution or the Bonds and related
documents, or any agreement or instrument relating to the foregoing, or contesting in any way the
completeness or accuracy of the Final Official Statement or power or authority of the Board with
respect to the Bond Purchase Agreement, the Continuing Disclosure Agreement, the Escrow
Agreement, the Bond Resolution or the Bonds, or with respect to the establishing of rents, fees,
charges and admissions for the System (as defined in the Bond Resolution) or the exclusion of
interest on the Bonds from the gross income of the owners thereof for federal income tax
purposes.

8. There is no litigation pending against the Board or relating to the System, or to my
knowledge threatened, which in any way questions or affects the validity of the Bonds or any
proceedings or transactions relating to their issuance, sale and delivery or affecting the validity of
the establishment of the System or any transaction incidental thereto.

9. Based upon my participation in the preparation of the Preliminary Official
Statement and the Final Official Statement, and without having undertaken to determine
independently the accuracy, completeness or fairness of the statements contained therein, nothing
has come to my attention which would lead me to believe that the material contained in the Final
Official Statement (except as to financial information and statistical data included therein and in
any appendices thereto, as to which no opinion is expressed) contains any untrue statement of
material fact or omits to state any material fact required to be stated therein or necessary to make
the statements therein, in the light of the circumstances under which they were made, not
misleading.

Very truly yours
ESCROW AGREEMENT

dated as of ____________, 2014

between

SOUTH DAKOTA BOARD OF REGENTS

and

FIRST BANK & TRUST, BROOKINGS, SOUTH DAKOTA, as Escrow Agent

$17,965,000

SOUTH DAKOTA BOARD OF REGENTS
SOUTH DAKOTA STATE UNIVERSITY HOUSING AND AUXILIARY FACILITIES REVENUE BONDS,
SERIES 2004
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<th>HEADING</th>
<th>PAGE</th>
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EXHIBIT A—Escrow Fund  
EXHIBIT B—Form of Notice of Redemption and Defeasance
ESCROW AGREEMENT

This Escrow Agreement, dated as of __________, 2014, but actually executed on the date witnessed hereinbelow, between the South Dakota Board of Regents (the “Board”), and First Bank & Trust, Brookings, South Dakota (the “Escrow Agent”), in consideration of the mutual promises and agreements herein set forth:

WITNESSETH:

ARTICLE I

DEFINITIONS

The following words and terms used in this Agreement shall have the following meanings unless the context or use clearly indicates another or different meaning:

“Agreement” means this Escrow Agreement between the Board and the Escrow Agent.

“Board” means the South Dakota Board of Regents for and on behalf of the South Dakota State University.

“Bond Registrar” means First Bank & Trust, Brookings, South Dakota, as paying agent and registrar for the Series 2004 SDSU Bonds.


“Bonds” means the Housing and Auxiliary Facilities System Revenue Bonds, Series 2014A, authorized to be issued by the Bond Resolution.


“EMMA” means the Electronic Municipal Market Access System for municipal securities disclosure or another electronic format or system prescribed by the MSRB for purposes of Rule 15c2-12 of the SEC.

“Escrow Agent” means First Bank & Trust, Brookings, South Dakota, not individually but in the capacity for the uses and purposes hereinafter mentioned, or any successor thereto.
“Escrow Fund” means the trust fund designated as the Series 2014A SDSU Escrow Fund under the Ninth Supplemental System Revenue Bond Resolution of the Board adopted on November 7, 2013, and established under this Agreement with the Escrow Agent, comprised of the cash and Government Securities as more fully described in Section 3.01 hereof.

“Government Securities” means the direct, non-callable obligations of the United States of America deposited hereunder.

“Insurer” means MBIA Insurance Corporation.

“MSRB” means the Municipal Securities Rulemaking Board.

“Redemption Date” means April 1, 2014.

“Refunded Series 2004 SDSU Bonds” means the $17,965,000 Series 2004 SDSU Bonds maturing on and after April 1, 2015.

“SEC” means the Securities and Exchange Commission.

“Series 2004 SDSU Bonds” means the Board’s South Dakota State University Housing and Auxiliary Facilities Revenue Bonds, Series 2004.

ARTICLE II

CREATION OF ESCROW

Section 2.01. The Refunded Series 2004 SDSU Bonds are described as follows:

<table>
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<tr>
<th>DUE APRIL 1</th>
<th>PRINCIPAL AMOUNT</th>
<th>INTEREST RATE</th>
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<tbody>
<tr>
<td>2015</td>
<td>$1,520,000</td>
<td>3.625%</td>
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<tr>
<td>2016</td>
<td>1,610,000</td>
<td>5.000</td>
</tr>
<tr>
<td>2017</td>
<td>1,765,000</td>
<td>5.000</td>
</tr>
<tr>
<td>2018</td>
<td>1,850,000</td>
<td>5.000</td>
</tr>
<tr>
<td>2019</td>
<td>1,935,000</td>
<td>5.000</td>
</tr>
<tr>
<td>2020</td>
<td>2,045,000</td>
<td>5.000</td>
</tr>
<tr>
<td>2021</td>
<td>2,145,000</td>
<td>5.000</td>
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<td>2022</td>
<td>2,255,000</td>
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<td>2023</td>
<td>1,390,000</td>
<td>4.250</td>
</tr>
<tr>
<td>2024</td>
<td>1,450,000</td>
<td>4.375</td>
</tr>
</tbody>
</table>
The Refunded Series 2004 SDSU Bonds shall be called for redemption on the Redemption Date at a redemption price of 100% of the principal amount thereof, plus accrued interest to the Redemption Date.

Section 2.02. Provision for the payment of the Refunded Series 2004 SDSU Bonds is hereby made in accordance with Section 26 of the Bond Resolution by the deposit with the Escrow Agent of moneys sufficient to purchase the Government Securities which Government Securities and cash balance, if any, without consideration of any income or increment to accrue thereon, will provide all moneys necessary to pay the principal of and interest on the Refunded Series 2004 SDSU Bonds upon the redemption thereof on the Redemption Date. Such cash and Government Securities shall be held solely and only for the redemption of the Series 2004 SDSU Bonds in accordance with the terms of this Agreement.

ARTICLE III

COVENANTS OF ESCROW AGENT

The Escrow Agent covenants and agrees with the Board as follows:

Section 3.01. The Escrow Agent shall establish a segregated and separate trust fund account for the Refunded Series 2004 SDSU Bonds to be designated the “Series 2014A Escrow Fund” (herein, the “Escrow Fund”). The Escrow Fund shall be funded initially by the deposit of the cash balance described in Exhibit A. The Escrow Agent shall purchase the Government Securities as described in Section 2.02 immediately upon receipt of the cash deposit, and shall hold such Government Securities and all interest income or profit derived therefrom, if any, and all uninvested cash in the Escrow Fund for the sole and exclusive benefit of the holders of the Refunded Series 2004 SDSU Bonds for the purposes for which escrowed.

Section 3.02. Investments shall be scheduled to mature no later than the Redemption Date. The Escrow Agent shall hold balances not so invested in the Escrow Fund on demand in trust for the purposes hereof.

Section 3.03. The Escrow Agent will take no action in the investment or securing of the proceeds of the Government Securities which would cause the Bonds to be classified as “arbitrage bonds” under the Code, provided, it shall be under no duty to affirmatively inquire whether the Government Securities as deposited are properly invested under the Code; and, provided, further, it may rely on all specific directions in this Agreement in the investment or reinvestment of balances held hereunder.

Section 3.04. The Escrow Agent will promptly collect the principal of, and any interest or profit from, the Government Securities and promptly apply the same as necessary to the payment of principal of and interest on the Refunded Series 2004 SDSU Bonds upon the Redemption Date. The Escrow Agent will remit to the Bond Registrar in good funds on or before the Redemption Date moneys from the Escrow Fund sufficient to meet the requirements for the timely payment of the Refunded Series 2004 SDSU Bonds, and such remittance and the transfer
under Section 7.01 hereof shall fully release and discharge the Escrow Agent from any further duty or obligation thereto under this Agreement.

Section 3.05. The Escrow Agent will make no payment of fees, due or to become due, of the Bond Registrar, and the Board covenants to pay the same as they become due.

Section 3.06. The Board has called the Refunded Series 2004 SDSU Bonds for redemption and payment prior to maturity on the Redemption Date. The Escrow Agent, in its capacity as Bond Registrar, will provide for and give timely notice of the call for redemption of the Refunded Series 2004 SDSU Bonds. The Board shall reimburse the Escrow Agent for its actual out-of-pocket expenses incurred in the giving of such notice, but the failure of the Board to make such payment shall not in any respect whatsoever relieve the Escrow Agent from carrying out any of the duties, terms or provisions of this Agreement.

Section 3.07. The time, manner and form of giving notice of the call for redemption of the Refunded Series 2004 SDSU Bonds shall be as follows:

(a) Written notice of the call for redemption of the Refunded Series 2004 SDSU Bonds shall be given by mailing a copy of the redemption notice by first-class mail (postage prepaid), at least 30 days prior to the Redemption Date, to The Depository Trust Company, as the registered owner of the Refunded Series 2004 SDSU Bonds.

(b) The redemption notice shall also be mailed to the Insurer.

(c) In accordance with the requirements of Rule 15c2-12 of the SEC, the Escrow Agent shall file the redemption notice with the MSRB via EMMA.

Section 3.08. The Escrow Agent has all the powers and duties herein set forth with no liability in connection with any act or omission to act hereunder, except for its own negligence or willful breach of trust, and shall be under no obligation to institute any suit or action or other proceeding under this Agreement or to enter any appearance in any suit, action or proceeding in which it may be defendant or to take any steps in the enforcement of its, or any, rights and powers hereunder, nor shall be deemed to have failed to take any such action, unless and until it shall have been indemnified by the Board to its satisfaction against any and all costs and expenses, outlays, counsel fees and other disbursements, including its own reasonable fees, and if any judgment, decree or recovery be obtained by the Escrow Agent, payment of all sums due it, as aforesaid, shall be a first charge against the amount of any such judgment, decree or recovery.

Section 3.09. The Escrow Agent may in good faith buy, sell or hold and deal in any of the Bonds or the Series 2004 SDSU Bonds.

Section 3.10. The Escrow Agent will submit to the Board a statement within 10 days after the Redemption Date, itemizing all moneys received by it and all payments made by it under the provisions of this Agreement from the date of delivery of the Bonds to the Redemption Date,
including all remaining moneys held by it received as interest on or profit from the collection of the Government Securities.

Section 3.11. Upon the execution and delivery of this Agreement, the Refunded Series 2004 SDSU Bonds shall cease to be entitled to any lien, benefit or security under the Bond Resolution. The liability of the Board in respect to the Refunded Series 2004 SDSU Bonds shall continue, but the owners thereof shall thereafter be entitled to payment only out of the moneys and Government Securities deposited with the Escrow Agent hereunder. Promptly upon the execution and delivery of this Escrow Agreement, the Escrow Agent shall furnish written notice of the defeasance of the Refunded Series 2004 SDSU Bonds, by first class mail to The Depository Trust Company, as the registered owner of the Refunded Series 2004 SDSU Bonds, and the Insurer and, in accordance with the requirements of Rule 15c2-12 of the SEC, the Escrow Agent shall file such notice of defeasance with the MSRB via EMMA.

Section 3.12. The notice of redemption required pursuant to Section 3.07 and the notice of defeasance required pursuant to Section 3.11 shall be satisfied with the Notice of Redemption and Defeasance in the form of Exhibit B attached hereto.

ARTICLE IV

COVENANTS OF BOARD

The Board covenants and agrees with the Escrow Agent as follows:

Section 4.01. The Escrow Agent shall have no responsibility or liability whatsoever for (a) any of the recitals of the Board herein, (b) the performance of or compliance with any covenant, condition, term or provision of the Bond Resolution, and (c) any undertaking or statement of the Board hereunder or under the Bond Resolution.

Section 4.02. All payments to be made by, and all acts and duties required to be done by, the Escrow Agent under the terms and provisions of this Agreement, shall be made and done by the Escrow Agent without any further direction or authority of the Board.

Section 4.03. The Board will take no action regarding the proceeds of the Bonds which would cause the Bonds to be classified as “arbitrage bonds” under the Code, and the Board will take any and all further action necessary to ensure that adequate provision is made for the payment of the Refunded Series 2004 SDSU Bonds and that neither the Refunded Series 2004 SDSU Bonds nor the Bonds are classified as “arbitrage bonds” under the applicable Code.

Section 4.04. The Board covenants to pay all charges, fees and expenses of the Escrow Agent for carrying out any of the duties, terms or provisions of this Agreement. Such charges, fees and expenses shall not be paid from the Escrow Fund and the Escrow Agent shall have no lien or right of set-off of any kind on the Escrow Fund for the payment of such charges, fees and expenses.
ARTICLE V

AMENDMENTS, REINVESTMENT OF FUNDS, IRREVOCABILITY OF AGREEMENT

Section 5.01. (a) This Agreement may be supplemented or amended by the Board and the Escrow Agent (i) to correct errors, clarify ambiguities or insert inadvertently omitted material but only in such manner as shall in no way impair the benefit created hereunder to the holders of the Refunded Series 2004 SDSU Bonds or (ii) as may be required by the Insurer.

(b) In addition, this Agreement may be amended or supplemented, and Government Securities or any portion thereof may be sold, redeemed, invested or reinvested, in any manner provided (any such direction to sell, redeem, invest or reinvest to be referred to as a “Subsequent Action”) and this Agreement may be amended or supplemented, but only to effectuate the Subsequent Action, upon submission to the Escrow Agent of each of the following:

(1) A copy of the document effecting the Subsequent Action signed by duly designated officers of the Board.

(2) An opinion of nationally recognized bond counsel or tax counsel, nationally recognized as having an expertise in the area of tax-exempt municipal bonds, that the Subsequent Action will not adversely affect the tax-exempt status of the interest on the Bonds or the Refunded Series 2004 SDSU Bonds nor violate the covenants of the Board not to cause the Bonds or the Refunded Series 2004 SDSU Bonds to become “arbitrage bonds” under the applicable Code, and that the Subsequent Action does not materially adversely affect the legal rights of the holders of the Bonds or the Refunded Series 2004 SDSU Bonds.

(3) Evidence satisfactory to the Escrow Agent that the maturing principal of the substituted securities, which shall consist solely of Government Securities and cash, together with the remaining Government Securities and cash and deposits on demand held in the Escrow Fund, will remain sufficient to pay when due, without reinvestment, all principal of and interest on the Refunded Series 2004 SDSU Bonds after the taking of the Subsequent Action.

(4) Evidence of written notice of the Subsequent Action, together with any supplements and amendments hereto, having been sent to Standard & Poor’s Ratings Service and to Moody’s Investors Service.

(5) The consent to such Subsequent Action by MBIA Insurance Corporation, as the bond insurer of the Refunded Series 2004 SDSU Bonds.

Section 5.02. Except as provided in Section 5.01 hereof, all of the rights, powers, duties and obligations of the Escrow Agent hereunder shall be irrevocable and shall not be subject to amendment by the Escrow Agent and shall be binding on any successor to the Escrow Agent during the term of this Agreement.
Section 5.03. Except as provided in Section 5.01 hereof, all of the rights, powers, duties and obligations of the Board hereunder shall be irrevocable and shall not be subject to amendment by the Board and shall be binding on any successor to the officials now comprising the Board during the term of this Agreement.

ARTICLE VI

SEVERABILITY; NOTICES TO THE BOARD, THE ESCROW AGENT AND THE INSURER

Section 6.01. If any section, paragraph or provision of this Agreement shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Agreement.

Section 6.02. All notices and communications to the Board shall be addressed in writing to: Board of Regents, 306 East Capitol Avenue, Pierre, South Dakota 57501-3159.

Section 6.03. All notices and communications to the Escrow Agent shall be addressed in writing to: First Bank & Trust, 520 Sixth Street, Brookings, South Dakota 57006, Attention: Corporate Trust.

Section 6.04. All notices and communications to the Insurer shall be addressed in writing to: MBIA Insurance Corporation, 113 King Street, Armonk, New York 10504, Attention: Surveillance.

ARTICLE VII

TERMINATION OF AGREEMENT

Section 7.01. Upon final disbursement of funds sufficient to pay the Refunded Series 2004 SDSU Bonds as hereinabove provided for, the Escrow Agent will transfer any balance remaining in the Escrow Fund to the Board for deposit in the Series 2014A SDSU Bond and Interest Sinking Fund Account under the Bond Resolution, and thereupon this Agreement shall terminate.
IN WITNESS WHEREOF, the South Dakota Board of Regents for and on behalf of the South Dakota State University, has caused this Agreement to be signed in its name by its President and to be attested by its Executive Director under its corporate seal hereunto affixed; and First Bank & Trust, Brookings, South Dakota, not individually, but in the capacity as hereinabove described, has caused this Agreement to be signed in its corporate name by one of its officers, all this ____ day of __________, 2014.

SOUTH DAKOTA BOARD OF REGENTS

By __________________________________________
President

ATTEST:

_______________________________________
Executive Director

[SEAL]

FIRST BANK & TRUST

By __________________________________________
Its ____________________________
EXHIBIT A

ESCROW FUND

Initial Cash Deposit: $18,393,931.25
EXHIBIT B

FORM OF NOTICE OF REDEMPTION AND DEFEASANCE

NOTICE OF REDEMPTION AND DEFEASANCE

South Dakota Board of Regents
South Dakota State University
Housing and Auxiliary Facilities Revenue Bonds, Series 2004

Dated: February 15, 2004

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* * *

Notice is hereby given to the owners and holders of the Bonds named and identified above that the South Dakota Board of Regents, acting for and on behalf of South Dakota State University (the “Board”), has exercised its option to call for redemption and payment the above-described Bonds prior to their maturity, on April 1, 2014, at a price of par and accrued interest to April 1, 2014.

The owners and holders of said Bonds are directed to present the same for payment at the office of the Bond Registrar, First Bank & Trust, 520 Sixth Street, Brookings, South Dakota 57006, Attention: Corporate Trust, where such Bonds and interest will be paid.

Notice is further given that said Bonds shall cease to bear interest from and after April 1, 2014, whether or not any such Bond is presented to the Bond Registrar on said date.

Each owner of any Bond so called for redemption prior to maturity must also submit a completed IRS Form W-9, certifying his or her tax identification number, to the Escrow Agent with such Bond. An IRS Form W-9 is available, and may be obtained from any local bank or broker. Failure to submit such an IRS Form W-9 with any Bond so called for prior redemption
and presented for payment will result in a withholding of ___% of the interest due to such owner pursuant to the Internal Revenue Code of 1986, as amended.

Notice is further hereby given to the owners and holders of the Bonds named and identified above, that the Board has deposited with the Bond Registrar, pursuant to the provisions of the Escrow Agreement dated as of __________, 2014 (the “Escrow Agreement”), between the Board and the Bond Registrar, as Escrow Agent, certain moneys and U.S. Government Securities in an amount which, without consideration of any income or increment to accrue thereon, is sufficient to provide for the payment of the interest on and principal of the Bonds described above; that such Bonds will be redeemed on April 1, 2014 (the “Redemption Date”) and that such Bonds are deemed to have been paid in accordance with the terms of the authorizing bond resolution of the Board (the “Bond Resolution”).

The Bonds are no longer entitled to any lien, benefit or security under the Bond Resolution. The owners of the Bonds are entitled to payment only out of the moneys deposited with the Escrow Agent under the Escrow Agreement.

SOUTH DAKOTA BOARD OF REGENTS

By: FIRST BANK & TRUST, BROOKINGS, SOUTH DAKOTA, as Bond Registrar
PRELIMINARY OFFICIAL STATEMENT DATED NOVEMBER __, 2013

New Issue—Book-Entry Only

RATING: Moody’s: “___”

See “BOND RATING” herein.

Subject to compliance by the Board with certain covenants, in the opinion of Chapman and Cutler LLP, Bond Counsel, under present law, interest on the Series 2014A Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. See “TAX MATTERS” for a more complete discussion.

SOUTH DAKOTA BOARD OF REGENTS

Housing and Auxiliary Facilities System

Revenue Bonds, Series 2014A

Dated: Date of Delivery

Due: April 1, as shown on the inside cover

The Housing and Auxiliary Facilities System Revenue Bonds, Series 2014A (the “Series 2014A Bonds”) will be issued as fully registered bonds and will be registered in the name of Cede & Co., the nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Series 2014A Bonds. Payments of principal of and interest on the Series 2014A Bonds will be made to purchasers by DTC through its participants. See “BOOK ENTRY PROVISIONS.” Purchases will be made in book-entry form through DTC participants only in $5,000 denominations or integral multiples thereof. No physical delivery of the Series 2014A Bonds will be made to purchasers.

The Series 2014A Bonds will mature on the dates and will bear interest at the rates shown on the inside front cover. Interest on the Series 2014A Bonds will be payable semi-annually on April 1 and October 1, commencing April 1, 2014. The Series 2014A Bonds are subject to redemption prior to maturity as provided herein. First Bank & Trust, Brookings, South Dakota, will serve as the bond registrar and paying agent (the “Bond Registrar”) for the Series 2014A Bonds.

The Series 2014A Bonds are being issued by the South Dakota Board of Regents (the “Board”) to (i) pay the costs of financing the acquisition of, improvements to, or remodeling or renovation of, student housing and/or recreational facilities for Black Hills State University (“BHSU”), South Dakota School of Mines & Technology (“SDSMT”) and South Dakota State University (“SDSU”); (ii) provides for the current refunding of certain of the South Dakota Board of Regents South Dakota State University Housing and Auxiliary Facilities Revenue Bonds, Series 2004 (the “Refunded Series 2004 SDSU Bonds”); (iii) fund the interest costs on a portion of the Series 2014A Bonds; (iv) fund certain expenses incident to the issuance of the Series 2014A Bonds. The Series 2014A Bonds are payable solely from and secured by a pledge of certain net revenues of the Housing and Auxiliary Facilities Systems of BHSU, SDSMT and SDSU and certain other net revenues and funds which have been authorized or pledged by the Board for payment of the Series 2014A Bonds under the Board of Regents Revenue Bond Act of 1971, as amended, and an Amended and Restated Bond Resolution dated October 21, 2004 (the “Original Resolution”), as amended and supplemented from time to time thereafter, including a Ninth Supplemental System Revenue Bond Resolution adopted by the Board on November __, 2013.

The Series 2014A Bonds are obligations of the Board payable only in accordance with the terms thereof and are not obligations general, special, or otherwise, of the State of South Dakota. The Series 2014A Bonds do not constitute a debt, legal or moral, of the State of South Dakota, and are not enforceable against the State, nor will payment thereof be enforceable out of any funds of the Board, or of any institution (as defined herein), other than the income and revenues pledged and assigned to, or in trust for the benefit of, the Bondholders.

Maturities, Principal Amounts, Interest Rates, Prices and CUSIPS

SEE INSIDE FRONT COVER

The Series 2014A Bonds are offered when, as and if issued by the Board and received by the Underwriter, subject to prior sale, to withdrawal or modification of the offer without notice, to the approval of legality by Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, and certain other conditions. Certain legal matters will be subject to the approval of Dr. James F. Shekleton, counsel to the Board, and certain matters will be passed upon for the Underwriter by its counsel, Duane Morris LLP, Chicago, Illinois. Delivery of the Series 2014A Bonds through the facilities of DTC in New York, New York, is expected to be made on or about January __, 2014.

BMO Capital Markets

The date of this Official Statement is __________ _, 2013

* Preliminary; subject to change.
MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, PRICES AND CUSIPs

SOUTH DAKOTA BOARD OF REGENTS
HOUSING AND AUXILIARY FACILITIES SYSTEM
REVENUE BONDS, SERIES 2014A

$__________ Serial Bonds

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<th>Interest Rate</th>
<th>Price</th>
<th>CUSIP</th>
<th>Maturity (April 1)</th>
<th>Principal Amount</th>
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<th>Price</th>
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$ % Term Bonds due April 1, 20__
Price: %
CUSIP:

$ % Term Bonds due April 1, 20__
Price: %
CUSIP:

* Preliminary; subject to change.
Members of the South Dakota Board of Regents

Harvey C. Jewett, IV, Aberdeen
Randall K. Morris, Spearfish
Dean M. Krogman, Brookings
Terry D. Baloun, Sioux Falls
Kathryn Johnson, Hill City
Randy Schaefer, Madison
Joseph Schartz, Humboldt
Kevin Schieffer, Sioux Falls
Bob Sutton, Pierre

Officers of the Board of Regents

Dean M. Krogman, President
Randy Schaefer, Vice-President
Randall K. Morris, Secretary
Jack R. Warner, Ed.D, Executive Director

Principal Administrative Officers of the System Component Institutions
Dr. Kay Schallenkamp, President, Black Hills State University
Dr. David B. Borofsky, President, Dakota State University
Dr. James Smith, President, Northern State University
Dr. Heather Wilson, President, South Dakota School of Mines & Technology
Dr. David Chicoine, President, South Dakota State University
Mr. James W. Abbott, President, University of South Dakota

Counsel to Board of Regents
Dr. James Shekleton
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Appendix E - Financial Statements of the Housing and Auxiliary Facilities System Revenue Bond Funds for the Fiscal Years Ended June 30, 2013 and 2012 (Unaudited)
REGARDING USE OF THIS OFFICIAL STATEMENT

This Official Statement does not constitute an offering of any security other than Series 2014A Bonds. No dealer, broker, salesman or other person has been authorized by Board or the Underwriter to give any information or to make any representations with respect to the Series 2014A Bonds, other than those contained in this Official Statement, and if given or made, such other information or representation may not be relied upon or deemed to have been authorized by any of the foregoing named parties. This Official Statement does not constitute an offer to sell or the solicitation of any offer to buy nor shall there be any sale of the Series 2014A Bonds by a person in any jurisdiction in which it is unlawful to make such offer, solicitation or sale.

The Underwriter has provided the following sentence for inclusion in this Official Statement: the Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The information and descriptions in this Official Statement and expressions of opinion are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances create any implication that there has been no change in the affairs of the Board or any of the Institutions (as defined herein) or the information contained herein since the date hereof. Statements regarding specified documents, including the Series 2014A Bonds, are summaries of, and are subject to, the detailed provisions of such documents and are qualified in their entirety by reference to each document, copies of which will be on file with the Board and will be furnished on request. Until the issuance and delivery of the Series 2014A Bonds offered hereby, copies of the Bond Resolution may be obtained from the Underwriter.

This Official Statement contains “forward-looking statements” within the meaning of the federal securities laws. These forward-looking statements include, among others, statements concerning projections, assumptions, expectations, beliefs, opinions, future plans and strategies, anticipated events or trends and similar expressions concerning matters that are not historical facts. The forward-looking statements in this Official Statement are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such statements.

Information contained herein has been provided by the Board, the Institutions and other sources believed to be reliable.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITER MAY OVER-ALLOCATE OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SERIES 2014A BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITER MAY OFFER AND SELL THE SERIES 2014A BONDS TO CERTAIN DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENTS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICES STATED ON THE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICES MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.
SUMMARY STATEMENT

This Summary Statement is subject in all respects to more complete information contained herein. The offering of the Series 2014A Bonds to potential investors is made only by means of this Official Statement (the “Official Statement”). No person is authorized to detach this Summary Statement from this Official Statement or to otherwise use it without this entire Official Statement.

Definitions. Definitions of certain capitalized terms used in this Official Statement are set forth in Appendix B hereto.

Appendices. The Appendices to this Official Statement are an integral part hereof and should be read in their entirety.

The Board of Regents. The South Dakota Board of Regents (the “Board”) is a body corporate and politic of the State of South Dakota responsible for the governance of six state-supported universities (each an “Institution” and, collectively, the “Institutions”), including Black Hills State University (“BHSU”), Dakota State University (“DSU”), Northern State University (“NSU”), South Dakota School of Mines & Technology (“SDSMT”), South Dakota State University (“SDSU”), and the University of South Dakota (“USD”). The Board controls the Institutions, but the Board may delegate provisionally to such Institutions so much of the authority conferred on it as in its judgment seems proper and in accordance with usual custom in such cases.

The System. The Housing and Auxiliary Facilities System of the Board (the “System”) consists of the aggregate of the housing and auxiliary facilities (each, an “Institutional System”) of BHSU, DSU, NSU, SDSMT, SDSU and USD.

Purpose of Issue. Proceeds from the sale of the Series 2014A Bonds will be used to (i) pay the costs of financing the acquisition of, improvements to, or remodeling or renovation of, student housing and/or recreational facilities of BHSU, SDSMT and SDSU; (ii) provide funds for the current refunding of certain of the South Dakota Board of Regents South Dakota State University Housing and Auxiliary Facilities Revenue Bonds, Series 2004 (the “Refunded Series 2004 SDSU Bonds”); (iii) fund the interest costs on a portion of the Series 2014A Bonds through October 1, 2014; and (iv) pay certain expenses incident to the issuance of the Series 2014A Bonds.

The Bond Resolution. The Series 2014A Bonds will be issued pursuant to the amended and restated bond resolution of the Board adopted on October 21, 2004 (the “Original Resolution”), as supplemented from time to time thereafter, including a Ninth Supplemental System Revenue Bond Resolution adopted by the Board on November __, 2013, and as hereafter supplemented and amended (the “Bond Resolution”).

Security and Source of Payment. The Series 2014A Bonds will be payable from and secured by a pledge of and lien on:

(a) the Net Revenues of the BHSU Institutional System, as to the proportion of the proceeds of the Series 2014A Bonds allocable to BHSU (the “Series 2014A BHSU Proportion”), the Net Revenues of the SDSMT Institutional System, as to the proportion of the proceeds of the Series 2014A Bonds allocable to SDSMT (the “Series 2014A SDSMT Proportion”), and the Net Revenues of the SDSU Institutional System, as to the proportion of the proceeds of the Series 2014A Bonds allocable to SDSU (the “Series 2014A SDSU Proportion”);
(b) uncommitted funds held in the Repair and Replacement Reserve Accounts of
    BHSU, SDSMT and SDSU, as to the Series 2014A BHSU Proportion, the Series 2014A SDSMT
    Proportion and the Series 2014A SDSU Proportion, respectively;

(c) Net Revenues of the other Institutions, but only after provision for payment of
    interest due on the next interest payment date and one-half of the principal due on the Bonds issued on
    behalf of such Institutions within the succeeding 12 months;

(d) uncommitted funds in the Repair and Replacement Reserve Accounts of the other
    Institutions, in an amount and from such Institutions as determined by the Executive Director; and

(e) such other funds which may be pledged or used as authorized by the Board of
    Regents Revenue Bond Act of 1971, as amended (the “Act”).

The Series 2014A Bonds will not be secured by a Debt Service Reserve Account.

Refunded Bonds. The Refunded Series 2004 SDSU Bonds are to be redeemed on April 1, 2014,
from a portion of the proceeds of the Series 2014A Bonds.

The Series 2014A Bonds are obligations of the South Dakota Board of Regents
payable only in accordance with the terms thereof and are not obligations general,
special, or otherwise, of the State of South Dakota. The Series 2014A Bonds do not
constitute a debt, legal or moral, of the State of South Dakota, and are not enforceable
against the State, nor will payment thereof be enforceable out of any funds of the South
Dakota Board of Regents, or of any institution, other than the income and revenues
pledged and assigned to, or in trust for the benefit of, the Bondholders.

Rate Covenant. The Board covenants in the Bond Resolution to adopt such rules and regulations
as are necessary to assure occupancy and use of the System and that the rates, rents, charges and fees
(including the General Activity Fee) chargeable to the occupants of, and students, faculty members and
others using or being served by, or having the right to use or having the right to be served by, the System
shall be so fixed and revised from time to time and collected, that the (i) ratio of Net Revenues to Annual
Debt Service on all Bonds in each Fiscal Year shall be at least equal to 120 percent (1.2 times) of the
Annual Debt Service for such Fiscal Year and (ii) ratio of Net Revenues of each Institutional System to
Annual Debt Service of the Bonds of that Institution in each Fiscal Year shall be at least equal to 120
percent (1.2 times) of such Annual Debt Service for such Fiscal Year, commencing with the end of the
first Fiscal Year in which capitalized interest has been fully applied to the payment of debt service on any
Outstanding Bonds of such Institution.

Failure to satisfy such rate covenant will not constitute an event of default under the Bond
Resolution if the Board timely engages (within 30 days of any such failure) an independent management
consultant, such consultant timely prepares (within 45 days of engagement) a report with
recommendations for meeting the required coverage ratio and the Board, to the extent legally permissible,
timely implements the consultant’s recommendations. Notwithstanding the preceding sentence, in no
event may coverage described in clause (i) of the preceding paragraph fall below 100 percent (1.00 times)
of the Annual Debt Service on all Bonds for each Fiscal Year.

Prior Parity Bonds. Bonds payable from and secured by a pledge of and lien on the same sources
as the Series 2014A Bonds have been issued by the Board for the purposes set forth in the Bond
Resolution (the “Prior Parity Bonds”). As of the date of this Official Statement, the Prior Parity Bonds
include (i) Series 2003 SDSMT Bonds, (ii) Series 2004 SDSU Bonds maturing on April 1, 2014, (iii)

Debt Service Reserve Accounts established for particular series of Bonds under the Bond Resolution secure only the annual debt service with respect to such Bonds or the related Institutional System and do not secure debt service deficiencies for the Series 2014A Bonds or Bonds of other Institutional Systems. The Series 2003 SDSMT Bonds, the Series 2004 BHSU Bonds and the Series 2004A Bonds are separately secured by funds or a Reserve Account Credit Instrument held in Debt Service Reserve Accounts established for those particular series of Bonds.

Future Parity Bonds. Additional bonds secured on a parity with the Series 2014A Bonds and the Prior Parity Bonds may be issued by the Board under the Bond Resolution subject to the conditions expressed in this Official Statement. See “THE FINANCING PLAN—Additional Parity Bonds” and “SECURITY FOR THE SERIES 2014A BONDS—Future Parity Bonds.”
OFFICIAL STATEMENT

$__________ *

SOUTH DAKOTA BOARD OF REGENTS
HOUSING AND AUXILIARY FACILITIES SYSTEM
REVENUE BONDS, SERIES 2014A

INTRODUCTION

This Official Statement, including the cover page, Summary Statement and Appendices, is furnished in connection with the offering of $__________* in aggregate principal amount of Housing and Auxiliary Facilities System Revenue Bonds, Series 2014A (the “Series 2014A Bonds”) of the South Dakota Board of Regents (the “Board”). The Series 2014A Bonds will be issued pursuant to the Act and the Bond Resolution. Proceeds from the sale of the Series 2014A Bonds will be used to (i) pay the costs of financing the acquisition of, improvements to, or remodeling or renovation of, student housing and/or recreational facilities of BHSU, SDSMT and SDSU; (ii) provide funds for the current refunding of certain of the South Dakota Board of Regents South Dakota State University Housing and Auxiliary Facilities Revenue Bonds, Series 2004 (the “Refunded Series 2004 SDSU Bonds”); (iii) fund the interest costs on a portion of the Series 2014A Bonds through October 1, 2014; and (iv) pay certain expenses incident to the issuance of the Series 2014A Bonds.

The Series 2014A Bonds will be authorized pursuant to the Act. The Act empowers the Board to borrow money and issue and sell bonds for any project and for any institution or any combination of institutions governed by the Board, which means and includes revenue-producing buildings, structures and facilities which, as determined by the Board, are required by, or necessary for the use or benefit of each institution, including, without limiting the generality of the foregoing, the following: student residence halls, apartments, staff housing facilities, dormitories, health, hospital or medical facilities, dining halls, student union buildings, field houses, stadiums, physical education installations and facilities, auditoriums, facilities for student or staff services, facilities or buildings leased to the United States of America, off-street parking facilities, with all equipment and appurtenant facilities, or any combination thereof, and to refund or refinance, from time to time as often as it shall be advantageous and in the public interest to do so, separately or in combination, any and all bonds issued and sold by the Board pursuant to the Act. Under the Act all revenues derived from the operation of any such buildings or facilities are continuously appropriated to the Board and the Board is authorized to pledge such revenues for the payment of operation and maintenance costs and for the retirement of such bonds.

The summaries of and references to all documents, statutes and other instruments referred to in this Official Statement do not purport to be complete and are qualified in their entirety by reference to the full text of each such document, statute or instrument. Copies of the Bond Resolution are available for inspection at the offices of the Board, 306 East Capitol Avenue, Pierre, South Dakota 57501-3159. Certain capitalized terms used in this Official Statement are defined in Appendix B hereto. Any terms not defined in this Official Statement shall have the meanings as set forth in the respective documents. The Appendices hereto are part of this Official Statement and should be read in their entirety.

* Preliminary; subject to change.
ESTIMATED SOURCES AND USES

The following represents the estimated sources and uses of the proceeds from the Series 2014A Bonds:

SOURCES:

- Principal Amount of Series 2014A Bonds
- Net Original Issue Premium/Discount on the Series 2014A Bonds

TOTAL SOURCES

USES:

- Series 2014A BHSU Project
- Series 2014A SDSMT Project
- Series 2014A SDSU Project
- Refunding of Refunded Series 2004 SDSU Bonds
- Capitalized Interest
- Cost of Issuance*

TOTAL USES

* Includes Underwriter’s discount.

THE FINANCING PLAN

The Series 2014A Bonds are being issued to provide funds, together with other available funds, to (i) finance the costs of the Series 2014A BHSU Project, the Series 2014A SDSMT Project and the 2014A SDSU Project, (ii) provide funds for the current refunding of the Refunded 2004 SDSU Bonds, (iii) fund the interest costs on a portion of the Series 2014A Bonds through October 1, 2014, and (iv) pay certain expenses incurred in connection with the issuance of the Series 2014A Bonds.

SERIES 2014A BHSU PROJECT

The 2014A BHSU Project encompasses the construction and equipping of new housing facilities. The Series 2014A BHSU Project is a new 50,433 square foot residence building. The facility will be four floors with rooms designed as four person suites containing a shared bathroom area. The facility will be air conditioned which will provide needed facilities in the summer months for conferences and potential student guests. Each floor will contain a commons area and a laundry facility. The design will accommodate approximately 196 beds and replaces current facilities with 163 beds built in the 1950s.

SERIES 2014A SDSMT PROJECT

The Series 2014A SDSMT Project consists of the remodeling, renovation and addition to the student wellness and fitness facilities and acquisition of related equipment. The Series 2014A SDSMT Project involves the construction of an estimated 19,500 square foot addition to the King Wellness and Recreation Center as well as the remodeling of approximately 18,200 square feet of the facility. The new construction includes a two-court gymnasium, bouldering wall and a cardio fitness center. The remodeled space will accommodate an expanded weight room, additional group exercise space, and upgraded locker rooms. The upgrade will include an elevator to connect all three levels of the facility.
SERIES 2014A SDSU PROJECT

The Series 2014A SDSU Project involves the remodeling and renovation of Brown Hall, including an addition for community space, and the acquisition of related equipment. Brown Hall is a two tower, four-story residential building with a one-floor central lobby. The remodeling involves a partial razing of the ground floor lobby and apartments and replacing the space with a structure connecting all floors and providing study lounges and community space. The residence facility will also be renovated with bathroom remodels, plumbing replacement, floor replacement, heating system replacement, installation of fire suppression system, fire alarm systems upgrades, asbestos abatement of heating pipe, replacement of hot water converters with hot water exchanges, and installation of air conditioning.

REFUNDED BONDS

A portion of the proceeds of the 2014A Bonds will be used to redeem on April 1, 2014 the Series 2004 SDSU Bonds maturing on and after April 1, 2015. An escrow for the refunding of the Refunded Series 2004 SDSU Bonds will be created pursuant to an Escrow Agreement between the Board and First Bank & Trust, Brookings, South Dakota, as the escrow agent (the “Escrow Agent”). The Refunded Series 2004 SDSU Bonds were originally issued to (i) finance the construction and equipping of an addition to the existing student union building, the construction of a suite-style residence hall and utility improvements to the SDSU Institutional System; and (ii) refund the South Dakota Board of Regents Housing and Auxiliary Facilities Revenue Bonds, Series E, and the South Dakota Board of Regents Housing and Auxiliary Facilities Revenue Bonds, Series 1994.

CAPITALIZED INTEREST

A portion of the proceeds of the Series 2014A Bonds will be used to fund interest costs on the Series 2014A SDSMT Proportion through October 1, 2014.

ADDITIONAL BONDS

The Board anticipates that it will issue additional Parity Bonds in the latter part of 2014 in order to finance projects for DSU and/or USD at an estimated cost of $____ million and/or to refund Prior Parity Bonds. See “Appendix A – THE SOUTH DAKOTA BOARD OF REGENTS HOUSING AND AUXILIARY FACILITIES SYSTEM – General Description – Capital Projects.” The timing and amount of any such issuances of additional Parity Bonds will be dependent upon a variety of factors, including the actual project and financing needs of the Institutional Systems at the time, general bond market conditions and such other factors as the Board, in its sole discretion, determines.
THE SERIES 2014A BONDS

GENERAL

In the event book-entry is discontinued, Series 2014A Bonds may be transferred or exchanged for registered Series 2014A Bonds at the principal corporate trust office of the Bond Registrar, but only in the manner, subject to the limitations and upon payment of the charges provided in the Bond Resolution and upon surrender and cancellation of such Series 2014A Bonds. The Bond Registrar shall not be required to transfer or exchange any Series 2014A Bond (i) during the period after the fifteenth day of the month next preceding any interest payment date with respect to such Series 2014A Bond and ending on such interest payment date, (ii) after notice calling a Bond for redemption has been mailed, or (iii) during a period of fifteen days next preceding mailing of a notice of redemption of any Series 2014A Bond.

The Series 2014A Bonds shall be issued as fully registered Bonds in the denomination of $5,000 and integral multiples thereof. The Series 2014A Bonds shall bear interest from their date or from the most recent interest payment date to which interest has been paid, or duly provided for, until the principal amount of the Series 2014A Bonds is paid. Interest shall be payable semiannually on the first day of April and October in each year until paid, commencing on April 1, 2014. Interest shall be computed upon the basis of a 360 day year of twelve 30-day months. The principal of the Series 2014A Bonds shall be payable when due upon presentation and surrender thereof in at the principal corporate trust office of the Bond Registrar.

Interest on each Series 2014A Bond shall be paid by check or draft of the Bond Registrar, in lawful money of the United States of America, to the person in whose name such Series 2014A Bond is registered at the close of business on the 15th day of the month next preceding each interest payment date; provided, however, that interest on the Series 2014A Bonds held by a registered owner of at least $100,000 in aggregate principal amount of the Series 2014A Bonds may also be paid by wire transfer of immediately available funds to any bank in the continental United States as such registered owner shall specify in a written request to the Bond Registrar.

The Board and the Bond Registrar may deem and treat the registered Owner of any Series 2014A Bond as the absolute owner thereof for the purpose of receiving payment of or on account of principal thereof and interest due thereon and for all other purposes and neither the Board nor the Bond Registrar nor any paying agent shall be affected by any notice to the contrary.

OPTIONAL REDEMPTION

The Series 2014A Bonds maturing on or after April 1, 20__ are subject to redemption prior to maturity at the option of the Board in whole or in part (in integral multiples of $5,000), in any order of maturity as determined by the Board, on any date occurring on or after April 1, 20__ at a price equal to the principal amount of Series 2014A Bonds to be redeemed plus accrued interest to the date of redemption.

MANDATORY REDEMPTION OF TERM SERIES 2014A BONDS

The Series 2014A Bonds maturing April 1, 20__ and April 1, 20__ are subject to mandatory sinking fund redemption prior to maturity, in integral multiples of $5,000 selected by the Bond Registrar, on April 1 of the year and in the principal amount shown below, at a price equal to the principal amount of Series 2014A Bonds to be redeemed plus accrued interest thereon to the redemption date but without premium.
Series 2014A Bonds Maturing on April 1, 20__

<table>
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<tr>
<th>Year</th>
<th>Amount</th>
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* Final maturity.

The Board shall receive a credit against its obligation to have amounts on deposit in the related Bond and Interest Sinking Fund Account in respect of the principal of the Series 2014A Bonds required to be redeemed or paid on any date listed above (i) to the extent that the Board delivers to the Bond Registrar for cancellation on or prior to any such date one or more Series 2014A Bonds maturing on such date, or (ii) to the extent Series 2014A Bonds maturing on such dates are called for optional redemption. In addition, the principal amount of any such Series 2014A Bonds which have been redeemed pursuant to any partial optional redemption shall be credited against future sinking fund requirements, as determined by the Board.

At least forty-five days prior to the redemption date, the Board shall designate in writing to the Bond Registrar the principal amount of Series 2014A Bonds to be redeemed. If less than all of the Series 2014A Bonds shall be called for redemption, the particular Series 2014A Bonds to be redeemed shall be selected by the Bond Registrar, in such a manner as the Bond Registrar in its discretion may deem fair and appropriate, in the principal amount designated to the Bond Registrar by the Board; provided, however, that the portion of any Series 2014A Bonds to be redeemed shall be in integral multiples of $5,000.

REDEMPTION PROCEDURES

The Board has the option of calling Bonds, when subject to redemption according to their terms, of any one or more series, at its discretion.

Notice of the redemption of Series 2014A Bonds will be given by mailing a copy of the redemption notice by first class mail at least 30 days prior to the date fixed for such redemption to The Depository Trust Company, as the securities depository or any successor securities depository, as the registered owner of the Series 2014A Bonds, so long as the global book-entry system is used for recording ownership of the Series 2014A Bonds. See “BOOK ENTRY PROVISIONS.”

With respect to any optional redemption of the Series 2014A Bonds, unless moneys sufficient to pay the principal of and interest on the Series 2014A Bonds to be redeemed shall have been received by the Bond Registrar prior to the giving of such notice of redemption, such notice shall state that said
redemption shall be conditional upon the receipt of such moneys by the Bond Registrar on or prior to the date fixed for redemption.

For purposes of any redemption of less than all of the Series 2014A Bonds of a single maturity and series, the particular Bonds or portions of Series 2014A Bonds to be redeemed shall be selected in accordance with procedures established by The Depository Trust Company or any other securities depository; provided that such method shall provide for the selection of redemption of Series 2014A Bonds or portions thereof so that any $5,000 Series 2014A Bond or $5,000 portion of a Series 2014A Bond shall be as likely to be called for redemption as any other such $5,000 Series 2014A Bond or $5,000 portion of a Series 2014A Bond.

Notice of redemption having been given as described in the Bond Resolution, and notwithstanding failure to receive such notice, the Series 2014A Bonds or portions of Series 2014A Bonds so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Board shall default in the payment of the redemption price) such Series 2014A Bonds or portions of Series 2014A Bonds shall cease to bear interest. Upon surrender of such Series 2014A Bonds or redemption in accordance with said notice, such Series 2014A Bonds will be paid by the Bond Registrar at the redemption price.

BOOK ENTRY PROVISIONS

The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that the Board and the Underwriter believe to be reliable, but neither the Board nor the Underwriter takes responsibility for the accuracy thereof.

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Series 2014A Bonds. The Series 2014A Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each maturity of the Series 2014A Bonds in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world’s largest depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a Standard &
Poor’s rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Series 2014A Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2014A Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2014A Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2014A Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2014A Bonds, except in the event that use of the book-entry system for the Series 2014A Bonds is discontinued.

To facilitate subsequent transfers, all Series 2014A Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2014A Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2014A Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Series 2014A Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2014A Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Series 2014A Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2014A Bond documents. For example, Beneficial Owners of Series 2014A Bonds may wish to ascertain that the nominee holding the Series 2014A Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Bond Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Series 2014A Bonds within a maturity are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2014A Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Board as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts the Series 2014A Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds and principal and interest payments on the Series 2014A Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detailed information from the Board or the Bond Registrar, on payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be

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governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in “street name,” and will be the responsibility of such Participant and not of DTC nor its nominee, the Bond Registrar or the Board, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds and principal and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Board or the Bond Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as securities depository with respect to the Series 2014A Bonds at any time by giving reasonable notice to the Board. Under such circumstances, in the event that a successor securities depository is not obtained, Series 2014A Bonds are required to be printed and delivered as described in the Bond Resolution.

The Board may decide to discontinue use of the system of book-entry transfers through DTC (or a successor Securities Depository). In that event, certificates representing the Series 2014A Bonds will be printed and delivered.

**SECURITY FOR THE SERIES 2014A BONDS**

The Series 2014A Bonds shall be obligations of the Board payable only in accordance with the terms thereof and shall not be obligations general, special, or otherwise, of the State of South Dakota. The Series 2014A Bonds shall not constitute a debt, legal or moral, of the State of South Dakota, and shall not be enforceable against the State, nor shall payment thereof be enforceable out of any funds of the Board, or of any Institution, other than the income and revenues pledged and assigned to, or in trust for the benefit of, the Bondholders, as described therein.

**NET REVENUES AND FUNDS**

The Series 2014A Bonds will be payable from and secured by a pledge of and lien on the following sources in the following order of priority:

(a) the Net Revenues of the BHSU Institutional System, as to the Series 2014A BHSU Proportion, the Net Revenues of the SDSMT Institutional System, as to the Series 2014A SDSMT Proportion, and the Net Revenues of the SDSU Institutional System, as to the Series 2014A SDSU Proportion;

(b) uncommitted funds held in the Repair and Replacement Reserve Accounts of BHSU, SDSMT and SDSU, as to the Series 2014A BHSU Proportion, the Series 2014A SDSMT Proportion and the Series 2014A SDSU Proportion, respectively;

(c) Net Revenues of the other Institutions, but only after provision for payment of interest due on the next interest payment date and one-half of the principal due on the Bonds issued on behalf of such Institutions within the succeeding 12 months;

(d) uncommitted funds in the Repair and Replacement Reserve Accounts of the other Institutions, in an amount and from such Institutions as determined by the Executive Director; and

(e) such other funds which may be pledged or used as authorized by the Act.
All Parity Bonds are payable from and secured by a pledge of and lien on the same sources as the Series 2014A Bonds; provided that certain Parity Bonds are separately secured by individual Debt Service Reserve Accounts as described below under “−NO DEBT SERVICE RESERVE ACCOUNT.”

The Gross Revenues with respect to each Institution shall be paid to the Depository, to the credit of a special account for each Institution created and designated as the Housing and Auxiliary Facilities Revenue Fund of the related Institution (each, a “Revenue Fund”), and all operation and maintenance expenses of an Institutional System shall be payable from the related Revenue Fund.

The Board covenants and agrees in the Bond Resolution that, on a date on or before each March 25 and September 25 (or such other date as is provided for a series of Bonds in the supplemental resolution authorizing such Bonds) before each interest payment date and each principal payment date with respect to the Bonds, and after retaining in the Revenue Fund the current Operating Reserve and paying current operating and maintenance expenses of each Institutional System then due, the Chief Financial Officer of the Institution will transfer from the Revenue Fund to the credit of the Bond and Interest Sinking Fund Account for each Institution (to be held by the Depository) such amounts which, when added to the balance therein, will be sufficient to equal the interest then due on the Bonds of such Institution on such interest payment date and one-half of the principal due on such Bonds within the next 12 months. Such funds as are necessary to pay the principal of and interest on the Bonds of such Institution due on the immediately following payment date shall be immediately transferred to a separate account, to be known as the Debt Service Account of the related Institution (each, a “Debt Service Account”) with the Bond Registrar. The Bond Registrar shall use moneys in the Debt Service Account to pay the interest due on the Bonds of such Institution then Outstanding on the next interest payment date and the principal of the Bonds of such Institution when due. All moneys credited to each Institution’s Debt Service Account shall be and are irrevocably pledged to and shall be used solely for the payment of the principal and interest on the Bonds of such Institution. Notwithstanding the foregoing, if any such Bonds bear, or are expected to bear, interest at a Variable Rate, the Chief Financial Officer of such Institution shall transfer amounts to the Institution’s Bond and Interest Sinking Fund Account and the Institution’s Debt Service Account to pay interest on such Bonds at such times and in such amounts as set forth in the supplemental resolution authorizing such Bonds.

Each Institution shall notify the Board at least 30 days prior to each interest or principal payment date either (i) that it has sufficient Net Revenues available from the Institutional System to make the interest and principal payment, if any, on such payment date or (ii) that it does not have sufficient Net Revenues available from the Institutional System (a “Notice of Deficiency”) to make such interest and principal payment, if any, and specifying the amount of such deficiency (a “Deficiency”).

If the Board receives a Notice of Deficiency with respect to an Institution, the Executive Director shall take the following steps as soon as possible prior to the payment date, in the order of priority listed:

(i) if a Debt Service Reserve Subaccount is maintained for such Bonds, notify the Bond Registrar or the Depository, as the case may be, of such Deficiency and direct the application of a specified amount of such funds to the payment due;

(ii) if the Institution has funds in the Repair and Replacement Reserve Account for its Institutional System for which there are no contractual commitments, such funds shall be transferred to the Bond and Interest Sinking Fund Account of the Institution to make up the Deficiency;

(iii) the Executive Director shall direct the withdrawal and use of the Net Revenues of other Institutional Systems not necessary for payment of interest due on the next interest payment.
date and one-half of the principal due within the next 12 months on the Bonds issued on behalf of
such Institution to make up all or a portion of the Deficiency; and

(iv) if other Institutions have funds in the Repair and Replacement Reserve Accounts
for their Institutional Systems for which there are no contractual commitments, funds shall be
withdrawn therefrom at the direction of the Executive Director and transferred to make up all or a
portion of the Deficiency.

The repayment provisions for the reimbursement of Institutions from which Net Revenues or
funds in the Repair and Replacement Reserve Accounts have been transferred to satisfy a Deficiency shall
be as determined by the Executive Director.

NO DEBT SERVICE RESERVE ACCOUNT

No Debt Service Reserve Account will be established to secure the Series 2014A Bonds.

The Bond Resolution authorizes Debt Service Reserve Accounts for certain Institutions as
additional security for certain Prior Parity Bonds issued under the Bond Resolution. As of the date of this
Official Statement, Debt Service Reserve Accounts have been established under the Bond Resolution for
the Series 2004A Bonds, the Series 2004 BHSU Bonds and the Series 2003 SDSMT Bonds. The Debt
Service Reserve Account established for the Series 2003 SDSMT Bonds contains a Reserve Account
Credit Instrument issued by ACA Financial Guaranty Corporation. Such Debt Service Reserve Accounts
secure only the annual debt service with respect to the related Bonds and are not security for debt service
deficiencies with respect to other issues of Parity Bonds. The Board may create additional Debt Service
Reserve Accounts to secure future series of Bonds. Such Debt Service Reserve Accounts, if any, with
respect to future series of Bonds, may be established as provided in the supplemental resolution
authorizing the issuance of such series of Bonds.

REPAIR AND REPLACEMENT RESERVE ACCOUNTS

Upon the delivery of the Series 2014A Bonds, the Repair and Replacement Reserve Accounts for
BHSU, DSU, NSU, SDSMT, SDSU and USD will each have a cash balance which is to be used as a
reserve for major projects in such Institutional Systems. As described above under “−NET REVENUES
AND FUNDS,” the Repair and Replacement Reserve Accounts of all the Institutions may be drawn down to
make debt service payments of any of the Institutions for an issue of Bonds that is deficient for that
purpose. See Appendix B for a further description of these Accounts.

AMENDMENT TO CENTRALIZE SYSTEM OPERATIONS

The Board may amend the Bond Resolution to centralize the operation of the System and
eliminate Institutional Systems.

FUTURE PARITY BONDS

Parity Bonds may be issued under the Bond Resolution, or other additional debt secured by Net
Revenues may be incurred, whether or not issued under the Bond Resolution, only if compliance with the
following conditions, among others, is demonstrated:

(1) Any facility to be constructed with the proceeds of the additional Bonds shall be
a part of the System and the revenues derived from the operation thereof are pledged as additional
security for the payment of all Bonds outstanding and the additional Bonds proposed to be issued.
(2) The Board is current in all transfers and deposits to be made under the terms of the Bond Resolution.

(3) The Board certifies that the Board is in full compliance with all of the covenants and undertakings in connection with all Bonds then outstanding and payable from the Net Revenues of the System or any part of it, and no event of default has occurred or is continuing under the Bond Resolution.

(4) (a) Historic Test. Actual Net Revenues of the System for each of the two most recent Fiscal Years must equal at least 120% of Annual Debt Service on all Outstanding Bonds and outstanding additional obligations issued on a parity with the Bonds; and

(b) Projected Test. Projected Net Revenues of the System for each of the three full Fiscal Years immediately succeeding the later of the issuance of the additional Bonds or additional obligations issued on a parity basis with the Bonds or the end of any capitalized interest period are equal to at least 120% of Annual Debt Service on all Outstanding Bonds and additional obligations, plus the additional Bonds or additional obligations. If the additional Bonds are being issued, all or in part, for refunding purposes, Annual Debt Service for the outstanding Bonds that are being refunded can be eliminated from this Projected Test. If the additional Bonds are being issued, all or in part, to finance additional System facilities, the projected Net Revenues from such facilities may be included in this calculation.

(5) The resolution authorizing the issuance of each such series of additional Bonds which are to pay interest on a semi-annual basis shall provide that the amount of each semiannual deposit into the related Bond and Interest Sinking Fund Account shall be increased by a sum equal to the interest which will be payable on such additional Bonds on the next succeeding interest payment date and one-half of the principal maturing on such additional Bonds, if any, within the next succeeding twelve-month period. If the additional Bonds are to pay interest on other than a semiannual basis, such resolution shall make appropriate provisions therefor.

(6) The resolution authorizing the issuance of each such series of additional Bonds shall state whether such series of Bonds is to be secured by a Debt Service Reserve Account and, if so, shall provide that the amount in the related Debt Service Reserve Account shall be adjusted to a sum equal to not less than the Debt Service Reserve Requirement on all Bonds then Outstanding which are secured by such Debt Service Reserve Account and the additional Bonds then proposed to be issued, and at the time of delivery of such Bonds, the related Debt Service Reserve Account shall be maintained at the Debt Service Reserve Requirement.

(7) The resolution authorizing the issuance of each such series of additional Bonds shall provide that the minimum amount to be accumulated in the Renewal and Replacement Reserve Account for the related Institutional System with respect to such project or projects, shall be an amount equal to the existing RRR Requirement for such Institutional System and at least an additional five percent of: (i) the cost of construction of any projects for which the additional Bonds are to be issued and which are to be added to such Institutional System; plus (ii) the cost of any furnishings and moveable equipment for each such project which are financed with proceeds of such Bonds.

(8) The resolution authorizing such additional Bonds may provide that such Bonds be Variable Rate Bonds.
(9) If, in the resolution authorizing any such additional Bonds, it is provided that excess revenues in the Revenue Fund are to be used to redeem Bonds in advance of scheduled maturity, or if the Board undertakes to redeem Bonds in advance of scheduled maturity, it is agreed and understood that such Bonds may be callable from any series as determined by the Board.
**ANNUAL DEBT SERVICE REQUIREMENTS**

The following table sets forth the debt service requirements on the Series 2014A Bonds and Prior Parity Bonds after giving effect to the refunding of the Refunded Series 2004 SDSU Bonds.

<table>
<thead>
<tr>
<th>FISCAL YEAR ENDING JUNE 30</th>
<th>THE SERIES 2014A BONDS*</th>
<th>OUTSTANDING BONDS†, ‡</th>
<th>TOTAL DEBT SERVICE</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>$</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>$</td>
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<td></td>
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<tr>
<td>2016</td>
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<td>2017</td>
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<tr>
<td>2018</td>
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<tr>
<td>2019</td>
<td>$</td>
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<td>2020</td>
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<td>2021</td>
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<td>2022</td>
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<td>2023</td>
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<td>2024</td>
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<td>2025</td>
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<td>2026</td>
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<td>2027</td>
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<td>2028</td>
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<td>2031</td>
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<td>2032</td>
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<td>2036</td>
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<td>2037</td>
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<td>2038</td>
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<tr>
<td>2039</td>
<td>$</td>
<td>$</td>
<td></td>
</tr>
<tr>
<td>TOTAL</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
</tbody>
</table>

* Net of capitalized interest on a portion of the Series 2014A Bonds through October 1, 2014.
† Not adjusted for Federal tax subsidy payments received by the Board with respect to the Series 2009 Bonds.
‡ See Appendix A—SOUTH DAKOTA BOARD OF REGENTS HOUSING AND AUXILIARY FACILITIES SYSTEM—Financial Management—Outstanding Bonds.
FUTURE PARITY BONDS FOR OTHER INSTITUTIONS

Provisions of the Bond Resolution may be amended without notice to, or the consent of, the owners of the Series 2014A Bonds or Parity Bonds, in order to include in the System the Net Revenues of the housing and auxiliary facilities systems and revenues of other institutions of higher education under the jurisdiction of the Board. Such amendments would authorize the issuance of future Parity Bonds to finance projects for such other systems, which Parity Bonds would be secured by a pledge of and lien on the revenues and funds described “SECURITY FOR THE SERIES 2014A BONDS—Net Revenues and Funds.”

HISTORICAL AND PROJECTED CASH FLOWS OF THE SYSTEM

The following table sets forth the historical and projected revenues and expenses of the System on a cash basis for the fiscal years 2009-2016. The historical and projected financial information presented is based upon unaudited information furnished to the Board from each of the Institutions in connection with the issuance of the Series 2014A Bonds.

The historical financial information presented for the fiscal years ending June 30, 2013 and 2012 is derived from the Financial Statements of the Housing and Auxiliary Facilities System Revenue Bond Funds for the Fiscal Year Ended June 30, 2013 and 2012 (unaudited) included in Appendix E to this Official Statement. See “FINANCIAL STATEMENTS.”

Projections for the fiscal years 2014-2016 are based upon the assumptions stated herein under “HISTORICAL CASH FLOWS OF THE SYSTEM—STATEMENT OF ASSUMPTIONS.” The assumptions are believed to be reasonable by the Board. No assurance can be given that the assumptions used in the projections will prove correct. If any of the assumptions prove to be materially incorrect, the projected estimates of excess revenues over expenditures are likely to be materially and adversely affected. Neither the Board nor the Underwriter has independently verified the projections of excess revenues over expenditures contained in the following table.
### Historical and Projected Cash Flows of the System

<table>
<thead>
<tr>
<th></th>
<th>Unaudited FY09</th>
<th>Unaudited FY10</th>
<th>Unaudited FY11</th>
<th>Unaudited FY12</th>
<th>Unaudited FY13</th>
<th>Projected FY14</th>
<th>Projected FY15</th>
<th>Projected FY16</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Total Operating Revenue</strong></td>
<td>$44,909,730</td>
<td>$49,359,819</td>
<td>$57,392,301</td>
<td>$62,925,287</td>
<td>$69,601,564</td>
<td>$72,049,589</td>
<td>$75,142,252</td>
<td></td>
</tr>
<tr>
<td><strong>Other Revenues</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>GAF Bond Support</td>
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<td></td>
<td></td>
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<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Facility Support Fee</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Aramark Investment</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BAB Subsidy</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capitalized Interest</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total Other Revenue</strong></td>
<td>$3,473,272</td>
<td>$8,912,336</td>
<td>$7,491,475</td>
<td>$8,557,269</td>
<td>$8,739,931</td>
<td>$8,809,372</td>
<td>$8,907,257</td>
<td></td>
</tr>
<tr>
<td><strong>Investment Income</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest Revenue</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Renewals</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Completed Construction Funds</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>1,013</td>
<td>1,043</td>
<td>1,074</td>
<td>1,106</td>
</tr>
<tr>
<td><strong>Total Investment Income</strong></td>
<td>$963,418</td>
<td>$1,014,175</td>
<td>$1,093,784</td>
<td>$967,074</td>
<td>$750,484</td>
<td>$560,288</td>
<td>$586,012</td>
<td>$555,441</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td>$49,346,420</td>
<td>$59,286,330</td>
<td>$65,977,560</td>
<td>$72,449,630</td>
<td>$74,026,520</td>
<td>$78,901,783</td>
<td>$84,444,973</td>
<td>$84,604,950</td>
</tr>
<tr>
<td><strong>Expenditures</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Residence Life</td>
<td>$13,124,082</td>
<td>$13,616,534</td>
<td>$14,122,905</td>
<td>$15,928,822</td>
<td>$15,873,934</td>
<td>$17,991,104</td>
<td>$18,336,669</td>
<td>$19,087,722</td>
</tr>
<tr>
<td>Food Service</td>
<td>$15,181,853</td>
<td>$15,690,563</td>
<td>$19,044,840</td>
<td>$20,379,422</td>
<td>$20,491,541</td>
<td>$21,433,748</td>
<td>$22,896,986</td>
<td>$23,720,742</td>
</tr>
<tr>
<td>Student Center</td>
<td>$405,982</td>
<td>$806,293</td>
<td>$652,090</td>
<td>$1,697,847</td>
<td>$1,145,687</td>
<td>$1,183,429</td>
<td>$1,297,004</td>
<td>$1,355,341</td>
</tr>
<tr>
<td>General Activity Fee</td>
<td>$1,555,789</td>
<td>$2,407,250</td>
<td>$1,689,254</td>
<td>$2,436,516</td>
<td>$2,543,232</td>
<td>$2,755,836</td>
<td>$2,818,049</td>
<td>$2,891,229</td>
</tr>
<tr>
<td>Bookstore</td>
<td>$4,638,642</td>
<td>$4,423,119</td>
<td>$4,926,106</td>
<td>$5,119,199</td>
<td>$5,342,319</td>
<td>$5,282,818</td>
<td>$5,316,546</td>
<td>$5,476,042</td>
</tr>
<tr>
<td>Parking</td>
<td>$327,366</td>
<td>$382,804</td>
<td>$454,519</td>
<td>$855,410</td>
<td>$619,914</td>
<td>$538,477</td>
<td>$549,139</td>
<td>$686,613</td>
</tr>
<tr>
<td>Other</td>
<td>$1,085,946</td>
<td>$1,318,975</td>
<td>$1,237,676</td>
<td>$1,387,519</td>
<td>$1,299,601</td>
<td>$1,459,069</td>
<td>$1,475,237</td>
<td>$1,519,495</td>
</tr>
<tr>
<td>Wellness Center</td>
<td>$344,044</td>
<td>$428,878</td>
<td>$788,320</td>
<td>$1,196,961</td>
<td>$921,313</td>
<td>$758,655</td>
<td>$772,144</td>
<td>$725,268</td>
</tr>
<tr>
<td><strong>Total Expenditures</strong></td>
<td>$35,593,853</td>
<td>$37,895,552</td>
<td>$42,261,646</td>
<td>$47,186,150</td>
<td>$47,129,907</td>
<td>$50,238,561</td>
<td>$52,283,873</td>
<td>$54,298,554</td>
</tr>
<tr>
<td><strong>Excess of Revenues over Expenditures</strong></td>
<td>$13,752,567</td>
<td>$21,390,778</td>
<td>$23,715,914</td>
<td>$25,263,480</td>
<td>$26,896,613</td>
<td>$28,663,222</td>
<td>$29,161,100</td>
<td>$30,306,396</td>
</tr>
<tr>
<td><strong>Annual Debt Service</strong></td>
<td>$8,105,570</td>
<td>$13,807,982</td>
<td>$15,181,922</td>
<td>$16,917,869</td>
<td>$19,018,282</td>
<td>$20,291,588</td>
<td>$21,218,808</td>
<td>$21,566,535</td>
</tr>
</tbody>
</table>

**Coverage Ratio**

1.70 1.55 1.56 1.49 1.41 1.41 1.37 1.41

* Not adjusted for Federal tax subsidy payments received by the Board with respect to the Series 2009 Bonds, capitalized interest on the Series 2011 Bonds through October 1, 2012, or capitalized interest on the Series 2014A Bonds through October 1, 2014.
HISTORICAL CASH FLOWS OF THE SYSTEM—STATEMENT OF ASSUMPTIONS

The projected cash flows for the System for the fiscal years ending June 30, 2014 through 2016 are based on the following material assumptions:

1. All FY14 revenue and expenditure estimates are based on current FY14 activity year to date.

2. FY15 and FY16 revenues are assumed to increase as follows:
   a. Residence Life is assumed to increase by 1.67% in fiscal year 2015 and 3.0% in fiscal year 2016. The occupancy rates for dormitory or residence halls at each Institution are based on the Institution’s historical operating levels. The occupancy rate for the new residence project at BHSU is estimated at 90%. SDSU has projected an increase in residence hall rates for Brown Hall after renovation in addition to the 3% rate. There is also an additional 1% increase on all SDSU housing rates for FY14-16 to fund maintenance and repair needs. BHSU has a 5% increase annually on residence hall rates thru 2016.
   b. Food Service is assumed to increase by 2.95% in fiscal year 2015 and 3.0% in fiscal year 2016.
   c. Student Center, Wellness Center and Parking are assumed to increase by 1.67% in fiscal year 2015 and 3% in 2016.
   d. Total Expenditures for Residence Life are assumed to increase by 1.67% in fiscal year 2015 and 3.0% in fiscal year 2016.

BOND RATING

The Series 2014A Bonds are rated “____” by Moody’s Investors Service, Inc. based upon the rating agency’s assessment of the creditworthiness of the System. No application was made to any other rating service for the purpose of obtaining additional ratings on the Series 2014A Bonds. A rating reflects only the view of the rating agency giving such rating. An explanation of the significance of such rating may be obtained from the rating agency furnishing the same.

There is no assurance that any rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely if, in the judgment of the rating agency, circumstances so warrant. Any downward revision or withdrawal of a rating may have an adverse effect on the market price of the Series 2014A Bonds. The Underwriter has undertaken no responsibility either to bring to the attention of the Bondholders any proposed revision or withdrawal of any rating of the Series 2014A Bonds, or to oppose any such proposed revision or withdrawal.

TAX MATTERS

Federal tax law contains a number of requirements and restrictions which apply to the Series 2014A Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The Board has covenanted to comply with all requirements that must be satisfied in order for the interest on the Series 2014A Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Series 2014A Bonds to

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Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2014A Bonds.

Subject to the Board’s compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Series 2014A Bonds is excludable from the gross income of the owners thereof for federal income tax purposes, and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but interest on the Series 2014A Bonds is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations.

In rendering its opinion, Bond Counsel will rely upon certifications of the Board with respect to certain material facts within the Board’s knowledge. Bond Counsel’s opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

The Internal Revenue Code of 1986, as amended (the “Code”), includes provisions for an alternative minimum tax (“AMT”) for corporations in addition to the corporate regular tax in certain cases. The AMT, if any, depends upon the corporation’s alternative minimum taxable income (“AMTI”), which is the corporation’s taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation’s “adjusted current earnings” over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). “Adjusted current earnings” would include certain tax-exempt interest, including interest on the Series 2014A Bonds.

Ownership of the Series 2014A Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Series 2014A Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price (the “Issue Price”) for each such maturity of the Series 2014A Bonds is the price at which a substantial amount of such maturity of the Series 2014A Bonds is first sold to the public. The Issue Price of a maturity of the Series 2014A Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page hereof.

If the Issue Price of a maturity of the Series 2014A Bonds is less than the principal amount payable at maturity, the difference between the Issue Price of such maturity, if any, of the Series 2014A Bonds (the “OID Bonds”) and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the Board complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations under the Code, as described above; and (d) the accretion of original issue discount in each year may result in an alternative minimum tax liability for corporations or certain other collateral federal income tax consequences in each year even though a corresponding cash...
payment may not be received until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Series 2014A Bonds who dispose of Series 2014A Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Series 2014A Bonds in the initial public offering, but at a price different from the Issue Price or purchase Series 2014A Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Series 2014A Bond is purchased at any time for a price that is less than the Series 2014A Bond’s stated redemption price at maturity, or in the case of an OID Bond, its Issue Price plus accreted original issue discount (the “Revised Issue Price”), the purchaser will be treated as having purchased a Series 2014A Bond with market discount subject to the market discount rules of the Code (unless a statutory de minimis rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Series 2014A Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser’s election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Series 2014A Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Series 2014A Bonds.

An investor may purchase a Series 2014A Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as “bond premium” and must be amortized by an investor on a constant yield basis over the remaining term of the Series 2014A Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor’s basis in the Series 2014A Bond. Investors who purchase a Series 2014A Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Series 2014A Bond’s basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Series 2014A Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or adversely affect the market value of the Series 2014A Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Series 2014A Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no view regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the “Service”) has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Series 2014A Bonds. If an audit is commenced, under current procedures the Service may treat the Board as the taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Series 2014A Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the Series 2014A Bonds, are in certain cases required to be reported to the Service.
Additionally, backup withholding may apply to any such payments to any Series 2014A Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Series 2014A Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

The form of approving opinion of Bond Counsel with respect to the Series 2014A Bonds is included as Appendix C hereto.

LITIGATION

At the time of delivery of the Series 2014A Bonds, the Board will certify that there is no litigation or other proceeding pending or, to the knowledge of the Board threatened, in any court, agency or other administrative body restraining or contesting the issuance of the Series 2014A Bonds or the pledging of Net Revenues, or in any way affecting the validity of any provision of the Bond Resolution or the Series 2014A Bonds.

LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Series 2014A Bonds are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, who has been retained by, and acts as Bond Counsel to, the Board. Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Series 2014A Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this Official Statement, except that in its capacity as Bond Counsel, Chapman and Cutler LLP has, at the request of the Underwriter, reviewed the statements under the captions “SUMMARY STATEMENT—Security and Source of Payment,” “—Rate Covenant” and “—Parity Bonds,” “INTRODUCTION,” “THE SERIES 2014A BONDS,” “SECURITY FOR THE SERIES 2014A BONDS,” “FUTURE PARITY BONDS FOR OTHER INSTITUTIONS,” “TAX MATTERS” and APPENDIX B – “SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION.” This review was undertaken solely at the request and for the benefit of the Underwriter and did not include any obligation to establish or confirm factual matters set forth herein.

Certain legal matters will be passed upon for the Board by its counsel, Dr. James F. Shekleton and certain matters will be passed upon for the Underwriter by Duane Morris LLP, Chicago, Illinois.

CONTINUING DISCLOSURE

In order to assist the Underwriter in complying with certain provisions of Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”), the Board has agreed in a Continuing Disclosure Agreement to provide certain annual financial information and operating data and notices of certain events. The proposed form of the Continuing Disclosure Agreement is included as Appendix D to this Official Statement. The Continuing Disclosure Agreement may be enforced by any beneficial or registered owner of the Series 2014A Bonds, but the Board’s failure to comply will not be a default under the Bond Resolution.

A failure by the Board to comply with the Continuing Disclosure Agreement must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Series 2014A Bonds in the secondary market.
Consequently, such a failure may adversely affect the transferability and liquidity of the Series 2014A Bonds and their market price.

For fiscal years ended June 30, 2006 through 2010, the Board had not delivered to each Nationally Recognized Municipal Securities Information Repository (the “NRMSIRs”) or the MSRB, as applicable, the annual financial information and audited financial statements in accordance with the time period for delivery thereof required under its related continuing disclosure agreements for the Series 2003 SDSMT Bonds, Series 2004 BHSU Bonds, Series 2004A Bonds, Series 2005 Bonds and Series 2009 Bonds.

On October 21, 2011, the Board filed with the MSRB a notice of its non-delivery to the NRMSIRs or the MSRB, as applicable, of the required annual financial information and audited financial statements for fiscal years ended June 30, 2006 through 2010 in accordance with the required time period for the delivery thereof, as required by the continuing disclosure agreements for the bond issues noted above. Such filing with the MSRB included the required annual financial information and audited financial statements for each of fiscal years ended June 30, 2006 through 2009; the annual financial information and audited financial statements for the fiscal year ended June 30, 2010 were filed on October 20, 2011. The Board has retained a financial compliance officer that has the responsibility for instituting compliance procedures and monitoring compliance with the continuing disclosure agreements. The Board believes that it is now in compliance, and will be in compliance in the future, with its filing requirements under all of its continuing disclosure agreements.


UNDERWRITING

The Series 2014A Bonds are being purchased, subject to certain conditions, by BMO Capital Markets (the “Underwriter”), pursuant to a Bond Purchase Agreement between the Board and the Underwriter. The Underwriter has agreed to purchase all, but not less than all, of the Series 2014A Bonds at a price of $____________, reflecting a net original issue premium/discount of $___________ and underwriter’s discount of $____________, and to make a bona fide public offering of the Series 2014A Bonds at not in excess of the public offering prices set forth on the inside front cover page hereof. The Underwriter will purchase all of the Series 2014A Bonds if any are purchased.

The Underwriter may offer and sell the Series 2014A Bonds to certain dealers (including dealers depositing the Series 2014A Bonds into unit investment trusts, certain of which may be sponsored or managed by the Underwriter), dealer banks and banks acting as agents at prices lower than the initial public offering prices stated on the inside front cover page. The initial public offering prices of the Series 2014A Bonds may be changed from time to time by the Underwriter.

BMO Capital Markets is the trade name for certain capital markets and investment banking services of Bank of Montreal and its subsidiaries, including BMO Capital Markets GKST Inc. which is a direct, wholly-owned subsidiary of BMO Financial Corp. which is itself a wholly-owned subsidiary of Bank of Montreal.

FINANCIAL STATEMENTS

The Board maintains funds and accounts for each Institutional System under the Bond Resolution. Set forth as Appendix E to this Official Statement are the Financial Statements of the Housing and Auxiliary Facilities System Revenue Bond Funds for the Fiscal Years Ended June 30, 2013.
and 2012 (unaudited), which present the financial position and results of financial activity of the such funds and accounts for the periods indicated. The financial statements report the combined activity of the funds and accounts established under the Bond Resolution for each Institutional System on a cash basis, and include supplementary statements for each Institutional System separately. The funds and accounts included in the financial statements are the Housing and Auxiliary Facilities Revenue Fund, the Bond and Interest Sinking Fund Account (including the Debt Service Account), the Debt Service Reserve Account and the Repair and Replacement Reserve Account. See “SECURITY FOR THE SERIES 2014A BONDS” and “APPENDIX B – SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION – FLOW OF FUNDS,” and APPENDIX E – FINANCIAL STATEMENTS OF THE HOUSING AND AUXILIARY FACILITIES SYSTEM REVENUE BOND FUNDS FOR THE FISCAL YEAR ENDED JUNE 30, 2013 AND 2012 (UNAUDITED).”

The financial statements included in Appendix E are not audited, but are accompanied by an independent accountant’s report on applying agreed upon procedures. The procedures performed by the independent accountant were agreed to by management of the Board solely to assist the Board in evaluating its compliance with its covenants under the Bond Resolution. No opinion has been expressed by the accountant with respect to internal controls or an audit of the financial statements. The Board did not prepare financial statements for the System prior to fiscal year 2010. See “HISTORICAL AND PROJECTED CASH FLOW OF THE SYSTEM.”

Each of the Institutions presents to the Board an annual report including financial statements prepared in accordance with Government Accounting Standards Board (GASB) Statement No. 35, Basic Financial Statements – Management’s Discussion and Analysis – For Public Colleges and Universities. The Institutions are considered a component unit of the State of South Dakota and are reported as such in the State’s Comprehensive Annual Financial Report. The financial activities of the Institutions are audited as part of the audit of the State. An audit opinion is not issued on the individual statements of the Institutions, but rather on the Comprehensive Annual Financial Report of the State. The State of South Dakota Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2012 can be found at http://www.bfm.sd.gov/cafr. The State of South Dakota Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2013 is not yet available.

GASB financial statements of the Institutions have not been included in this Official Statement. The GASB financial statements of the Institutions do not separately account for revenue and expense items or account balances for the Institutional Systems and are not meaningful to an understanding of the financial condition of the Institutional Systems or the System as a whole.


MISCELLANEOUS

The foregoing descriptions or summaries of the Series 2014A Bonds and the Bond Resolution and all references to other materials not purporting to be quoted in full are only brief outlines of some of the provisions therein and do not purport to summarize or describe all of the provisions thereof. Reference is hereby made to such instruments and other materials for the complete provisions thereof, which may be examined, or copies of which will be furnished, upon request to the Board, Office of the Executive Director, 306 East Capitol Avenue, Suite 200, Pierre, South Dakota 57501-2545.
Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, including statements of belief, and any estimates are intended as such and not as representations of fact.
AUTHORIZATION

The Board has authorized the distribution of this Official Statement.

At the time of the delivery of the Series 2014A Bonds, the Board will furnish a certificate executed by the Executive Director stating that, to the best knowledge of such person, this Official Statement did not (as of the date hereof) and does not (as of the date of the delivery of the Series 2014A Bonds) contain any untrue statements of a material fact or omit to state any material fact required to be stated herein, or necessary in order to make the statements made herein, in the light of the circumstances under which they were made, not misleading (except for information relating to DTC).

SOUTH DAKOTA BOARD OF REGENTS

By

Executive Director, Board of Regents
APPENDIX A

SOUTH DAKOTA BOARD OF REGENTS
HOUSING AND AUXILIARY FACILITIES SYSTEM

GENERAL DESCRIPTION

GOVERNANCE

The Board of Regents. Control of higher educational institutions in the State of South Dakota is vested in the Board of Regents (the “Board”).

The Board’s duties and responsibilities are described by statute (South Dakota Codified Law Ch. 13-49 through 13-56):

The Board shall have power to establish such departments and courses of study in the institutions under its control as it may think best, to determine what textbooks shall be used, and what requirements for the admission and graduation of students shall be maintained.

The Board shall have power to enact and enforce all rules and regulations, not in conflict with any law, and deemed necessary by it for the wise and successful management of the institutions under its control and for the government for students and employees therein.

The Board may delegate provisionally to the President, dean, superintendent, or faculty of any school under its control, so much of the authority conferred by Section 13-54-4 as in its judgment seems proper and in accordance with usual custom in such cases.

The Board is authorized to confer all scholastic honors and degrees usually granted by such boards; and all degrees, diplomas and certificates of graduation shall be issued and conferred in its name and by its expressed authority. In conferring degrees the Board shall conform as nearly as may be to the best and most reputable current practice in such matters. Students shall be graduated from each institution by the Board upon recommendation of the faculty of such institution.

ADMINISTRATION

The Board’s System is managed through administrative officers of the Board and the chief business officers of each component Institution. The chief administrative officers at all of the component Institutions report to the Board through Dr. Jack Warner, Executive Director and CEO, and meet six times per year.

At each component Institution, a president serves as the chief administrative officer. The president prepares annual budgets for submission to the State Legislature, capital expenditure budgets, reports and requests to the Board and conducts the ongoing affairs of his or her Institution.

The principal administrative officers of the Institutions are listed below.

Dr. Kay Schallenkamp, President, Black Hills State University
Dr. David B. Borofsky, President, Dakota State University
Dr. James Smith, President, Northern State University
Dr. Heather Wilson, President, South Dakota School of Mines & Technology
Dr. David L. Chicione, President, South Dakota State University
Mr. James Abbott, President, University of South Dakota
Following is summary biographical information relating to each of the administrative officers identified above and members of their administrative staffs:

ADMINISTRATIVE OFFICERS - BOARD OF REGENTS

**Executive Director and CEO**

**Dr. Jack Warner**

Jack R. Warner is executive director and chief executive officer of the South Dakota Board of Regents. The Board of Regents is the constitutional governing board for the six public universities, the school for the deaf, and the school for the blind and visually impaired in South Dakota. Dr. Warner previously was commissioner of the Rhode Island Board of Governors for Higher Education from 2002-2009, where he was responsible for governance and policy oversight of Rhode Island’s public system of higher education, consisting of the University of Rhode Island, Rhode Island College, and the Community College of Rhode Island. He has been an educator for more than 46 years, 32 of which were in the Massachusetts public higher education system. He was associate chancellor at the University of Massachusetts Dartmouth. Before that, he spent nearly five years as vice chancellor of the Massachusetts Board of Higher Education, the state coordinating board for 15 community colleges, nine state colleges, and five campuses of the University of Massachusetts. Dr. Warner spent 17 years as dean of student affairs at Bristol Community College in Fall River, Mass. He is a past president of the National Association of Student Personnel Administrators (NASPA) and a past chair of the State Higher Education Executive Officers (SHEEO) Executive Committee and is a current member of the National Association of System Heads (NASH) Executive Committee. He taught in the Boston College Graduate School of Education for 18 years.

Dr. Warner holds the following academic degrees: Doctor of Education in Educational Administration from Boston College; Master of Education in Student Affairs Administration in Higher Education from Springfield College; Bachelor of Arts in Psychology from the University of Vermont.

**Vice-President of Finance and Administration**

**Dr. Monte Kramer**

Mr. Kramer started with the Board of Regents in 1985 working in the finance area and left in 1994 to take on the role of Comptroller at the University of South Dakota. He returned to the Board office in November of 2000 as the System VP of Finance and Administration, having earned a Master’s in Business Administration from the University of South Dakota. In 2006 his role was expanded to include the oversight of system technology. He earned his doctorate in educational administration in the fall of 2011 from the University of South Dakota. His B.S. degree is in accounting, also from the University of South Dakota. He has been involved with the auxiliary system management and finance in various roles for over a quarter century.

**Director of Finance**

**Heather K. Forney**

Ms. Forney was appointed Financial Compliance Officer for the Board of Regents on October 1, 2009, and promoted to Director of Finance in 2013. Prior to beginning her employment with the Regents, Ms. Forney served as the Deputy Executive Director of the South Dakota Public Utilities Commission and worked in public accounting with McGladrey & Pullen, LLP. In addition to her administrative duties, Ms. Forney has taught various accounting and economics courses through the Capital University Center. Ms. Forney received a B.S. in Accounting and a Masters of Public Accountancy from the University of South Dakota. She became a certified public accountant in 1998.
President

Dr. Kay Schallenkamp

Dr. Schallenkamp was appointed the ninth President of Black Hills State University on July 1, 2006. Previously, Dr. Schallenkamp served as president of Emporia State University (KS) for nine years. Prior to that, she was provost and vice chancellor for academic affairs at the University of Wisconsin-Whitewater and provost at Chadron State College (NE). She started her higher education career at Northern State University in Aberdeen as an instructor of Communication Disorders and later served as dean of graduate studies and research. Throughout her career, Dr. Schallenkamp has been professionally active at the state and national levels. She has served as a member of the board of directors for the American Association of State Colleges and Universities (AASCU), the North Central Association, the American Association of Colleges for Teacher Education (AACTE) and The Renaissance Group. In addition, she has served as chair of AACTE, the Presidents Council for NCAA Division II and the National Teachers Hall of Fame. Dr. Schallenkamp holds three degrees in communication disorders: a B.S. from Northern State University, a master’s from the University of South Dakota, and a Ph.D. from the University of Colorado.

Provost & Vice President for Academic Affairs

Dr. Rodney Custer

Dr. Rodney Custer was appointed Provost and Vice President for Academic Affairs on July 22, 2011. He previously served as Associate Vice President for Research (AVP), Graduate Studies, and International Education at Illinois State University from 2006-2011 and as Department Chair for the Department of Technology from 1997-2006. He has been active professionally at the national level having served as a Program Officer at the National Science Foundation and on study committees at the National Research Council primarily focused on technological literacy in K-12 education. He has also provided leadership to the development of K-12 standards for technology and engineering education. Dr. Custer received a B.A. in Psychology from McPherson College, M. Div. from Bethany Theological Seminary, B.S. in Industrial Education from Fort Hays State University, M.S. in Industrial Education from Fort Hays State University and Ph.D. in Technology Education from the University of Missouri-Columbia.

Vice President for Finance and Administration

Ms. Kathy Johnson

Ms. Johnson was appointed Vice President for Finance and Administration on November 1, 2000. She has served in the Regental System since 1992 where she started in the Board of Regents office as Fiscal Analyst. In 1994, she was promoted to Budget Officer, and in 1996 to Director of Administrative Affairs. She has served on and chaired several system and regional committees related to her position at the University. Ms. Johnson holds a B.S. in Commercial Economics from South Dakota State University.

Vice President for Student Life

Dr. Lois Flagstad

Dr. Flagstad’s career in higher education began at the University of Minnesota-Morris in 1982. From 1988 - 1991 she worked at the University of Northern Colorado; 1991 - 2007 at the University of Nebraska at Kearney and in 2007 moved to Black Hills State University. Dr. Flagstad has served in a variety of student life positions, including director of Counseling, director of Residential and Greek Life, dean of students and currently as the Vice President for Student Life. She earned a master’s degree in Counseling from St. Cloud State University in 1986 and a Ph.D. in College Student Personnel Administration from the University of Northern Colorado in 1996. In addition to administrative duties, Dr. Flagstad has taught several graduate counseling and school psychology courses in Minnesota, Nebraska, and Lithuania.
Vice President for University Advancement  Mr. Steve Meeker

Mr. Meeker has been the Vice President for University Advancement since 1990 and has served at Black Hills State University since 1986. Prior to his service in the advancement office, he was an admissions counselor, enrollment management coordinator and director of admissions and records. Mr. Meeker has a B.S. in Speech and a minor in Journalism from Black Hills State University. He received the Marketer of the Year Award in 2001 from the National Association of Collegiate Marketing Administrators and the Fund Raiser of the Year Award in 2006 from the National Association of Athletic Development Directors. He is currently the President of the Spearfish Spartans Club. He has been involved in the community with groups like the BHSU Chamber Relations committee, Spearfish School-Improvement Council, Spearfish Leadership Awareness committee, Northern Hills Hospital Advisory Board and past president of Spearfish Parents Who Care.

Director of Facilities Services  Mr. Art Jones

Art Jones has been the Director of Facilities Services at Black Hills State University since 1976, with a brief 6-month hiatus in FY03. Prior to that he was an Assistant Professor in the Industrial Arts Division at Black Hills State University and taught in the Burke Public School System at Burke, South Dakota. Mr. Jones has an M.A. in Industrial Education from Northern State University. He has served on many local, state, and regional committees related to his professional career including past-president of CAPPA and APPA Awards & Recognition Committee. He currently serves on the CAPPA Executive Committee. Mr. Jones is also active in community and church organizations and is a past member of the Spearfish City Council.

ADMINISTRATIVE OFFICERS - DAKOTA STATE UNIVERSITY

President  Dr. David B. Borofsky

Dr. Borofsky served as Interim President of Dakota State University from February – October 2012 and was named the 22nd President of DSU as of November 1, 2012. He has previous service as President of Bates Technical College in Tacoma, WA, as well as holding administrative leadership positions at several other colleges in Colorado and Pennsylvania. He earned a B.S. degree in psychology and a M. Ed. in guidance and psychological services from Springfield College, and an Ed. D. from Rutgers University. Dr. Borofsky is a member of several professional organizations and has been active in a variety of community groups throughout his career, particularly in the area of workforce development.

Vice President for Academic Affairs  Dr. Judy Dittman

Dr. Dittman was named interim Vice President for Academic Affairs at DSU in June, 2013. From 2007-2013, she served as Dean of the College of Education. Prior to assuming administrative responsibilities, she served as an Associate Professor of Health, Physical Education and Exercise Science in the College of Education. Dr. Dittman earned her Ph.D. in Sports, Health, Leisure and Physical Studies from the University of Iowa, her master’s in Health, Physical Education and Recreation from South Dakota State University and her bachelor’s in Physical Education from Black Hills State University. She currently holds the rank of Professor of Health and Physical Education.

Vice President for Business & Administrative Services  Stacy Krusemark

Mr. Krusemark began his duties as Vice President for Business & Administrative Services on October 2, 2005. He previously served as Director of the Office of Finance and Management in the South Dakota Department of Education in Pierre. He earned his B.A. degree from the University of Minnesota-Morris with a major in economics and minor in mathematics and management and earned his MBA degree at the
University of South Dakota in May 2012. In addition to his work with the Department of Education, Mr. Krusemark also worked as a budget analyst for three years with the South Dakota Bureau of Finance and Management.

**Director of Physical Plant**

Mr. Keating has served as Director of the Physical Plant at Dakota State since 1992. Prior to his appointment as Director, he served as Associate Director from 1987 to February of 1992. Mr. Keating is trained as an industrial electrician and worked in a variety of capacities with private business prior to his duties with Dakota State. He has completed coursework at the University of South Dakota, Jamestown College (Jamestown, North Dakota), and Brazos Port College (Lake Jackson, Texas).

**ADMINISTRATIVE OFFICERS - NORTHERN STATE UNIVERSITY**

**President**

Dr. James M. Smith serves as the President of Northern State University in Aberdeen, South Dakota. Jim has held this post since June of 2009. Northern State University (NSU) is a premier residential, liberal arts institution characterized by outstanding instruction, extraordinary community relations, and unparalleled co-curricular opportunities. For the past five years (2008-2012), NSU has been named by *US News and World Report* as one of the best undergraduate public institutions in the Midwest. With approximately 3,500 undergraduate and graduate students (including more than 240 international students from around the globe), NSU offers the associate degree in eight areas of study and the bachelor degree in forty-eight areas of study. The Master of Science in Education is offered in five distinct areas of concentration. NSU also offers a Master of Science degree in E-Learning Technology and Administration and, in keeping with said degree, maintains the Statewide Center for E-Learning – an award-winning unit that provides electronic high school coursework and Advanced Placement instruction to nearly 1,200 students from more than 100 school districts throughout South Dakota.

Prior to accepting the Presidency at NSU, Smith was Vice President for Economic Development at Bowling Green State University in Bowling Green, Ohio. A veteran educational leader and author of more than fifty published works on education policy and school reform, Dr. Smith has also served as a branch campus CEO, education dean, doctoral program director, and university liaison to K-12 schools. Jim began his career as a public school teacher and principal at the K-8 level, working in both rural and suburban schools. Dr. Smith holds the BS from Miami University, the MS from Xavier University, and the Ph.D. in Educational Leadership from Miami as well. Jim’s two most cherished honors are the Living Legend Award, as granted by the National Council of Professors of Educational Administration (NCPEA) in 2012, and the West Texas A&M University Distinguished Teaching Award, as received in May of 1994. Still active as an educational policy scholar, Smith has recently become a leading voice in postsecondary education for the expansion of international student recruitment actions and study abroad opportunity expansion for domestic students.

**Provost/Vice President for Academic Affairs**

Dr. Hawley has served as Provost/Vice President for Academic Affairs at NSU since 2009. Prior to assuming these duties, he served as Dean, School of Education at Northern State University (2007-09) and Dean, College of Education at Dakota State University (1997-2007). Dr. Hawley served as Interim Secretary of Education for the state of South Dakota in 2003. He has additional teaching and administrative experience at the United States Air Force Academy in Colorado Springs, CO. Dr. Hawley earned his Ph.D. in Education from the University of Texas in Austin, his master’s in Public
Administration from University of Northern Colorado, and his bachelor’s in Political Science from South Dakota State University. He currently holds the rank of Professor of Education.

**Vice President for Finance and Administration**  
*Veronica Paulson*

Ms. Paulson was appointed Vice President for Finance and Administration at Northern State University in 2012. She had served as Controller of NSU since 1991. Prior to that time she had worked in public accounting in the areas of tax preparation and auditing. Ms. Paulson earned her Bachelor of Science degree in accounting from Northern State University and became a certified public accountant in 1989.

**Vice President for Student Affairs**  
*Dr. Calvin D. Phillips*

Dr. Calvin D. Phillips serves as the Vice President for Student Affairs of Northern State University in Aberdeen, South Dakota. He was appointed on October 22 of 2012. Prior to accepting his current position, Phillips served as Associate Vice-President/Dean of Students at The University of Texas - Pan American and also as Associate Vice-Chancellor for Student Affairs at Winston-Salem State University. Dr. Phillips has worked in the field of Student Affairs over 20 years as an administrator and as a teaching faculty in the Educational Leadership and Postsecondary Department at the University of Northern Iowa and stays involved with the National Association of Student Personnel Administrators at a state and a national level.

**ADMINISTRATIVE OFFICERS - SOUTH DAKOTA SCHOOL OF MINES & TECHNOLOGY**

**President**  
*Dr. Heather Wilson*

Dr. Wilson became the president of the South Dakota School of Mines & Technology in June 2013. Dr. Wilson served for ten years in the United State Congress. Before being elected to Congress, Dr. Wilson was the chief executive of New Mexico’s Children, Youth, and Families Department, a $216 million state agency with 2,000 employees. A graduate of the United States Air Force Academy, she completed her masters and doctoral degrees at Oxford University in England as a Rhodes Scholar.

**Provost/Vice President for Academic Affairs**  
*Dr. Duane Hrncir*

Dr. Hrncir was appointed to the position of Provost and Vice President for Academic Affairs, in 2009. Prior to assuming these duties, he served as Dean of the College of Science and Letters (2006-2009). He received his Ph.D. (Inorganic Chemistry) from Texas A&M University and his M.S. (Inorganic Chemistry) from the University of Massachusetts, and his B.S. (Chemistry) from the University of Alabama. Dr. Hrncir attended the Harvard Institute for Educational Management. Prior to coming to SDSMT, he was Associate Vice President for Academic Affairs at Mesa State College in Colorado and Department Head of Chemistry at the University of Texas at Dallas. He was a research scientist at Gulf Research and Development before beginning his academic career.

**Acting Vice President for Finance and Administration**  
*David B. Marshall*

Mr. Marshall has served as Acting Vice President for Business & Administration at SDSMT since June 2013. Prior to assuming these duties, he worked in Higher Education as the CFO for a small private graduate school; Controller/CFO for mid-sized Chicago and Los Angeles based companies, and the Director of Internal Audit for a large Tennessee state governmental agency. Mr. Marshall obtained his Bachelor’s Degree from Milligan College and his MBA from Keller Graduate School of Management.
Vice President for Student Affairs and Dean of Students  

Dr. Patricia G. Mahon

Dr. Mahon has served as the Vice President for Student Affairs and Dean of Students at SDSMT since August of 2000. Prior to assuming these duties, she worked in Kansas at Fort Hays State University (1988-2000) and Montana State University-Billings (1977-1988) in the areas of Student Affairs. Her experiences include Associate Vice President for Student Affairs/Registrar, Director of Admissions, Enrollment Management Specialist and Residence Hall Director. Dr. Mahon earned her Ph.D. (Counseling and Educational Psychology with Higher Education Administration emphasis) from Kansas State University, and her Master’s degree (Personnel and Guidance with School Counseling Endorsement) and Bachelor’s degree (Secondary Education, English major; Spanish and History minors) from Montana State University-Billings.

Vice President of University Relations  

Christy Horn

Ms. Horn became SDSMT’s Vice President of University Relations in July, 2011. Ms. Horn’s 30-year career vitae encompasses public relations, marketing, and sales training management, being self-employed for 18 years, non-profit fundraising and leadership and most recently, university advancement. Her two previous higher education positions were fundraising for the University of North Alabama and Ball State University where she set university records at both institutions. Ms. Horn was privileged to receive a two-year gubernatorial appointment as the Student Trustee for Ball State in Muncie, Indiana in 1979. She holds both bachelor’s and master’s degrees from Ball State, a Certificate in Fundraising Management from The Center on Philanthropy at Indiana University, and attended the Harvard Graduate School of Education. Ms. Horn currently serves on the Board of Directors, Destination Rapid City; Board of Directors and Allocation Committee, United Way of the Black Hills, Alumni Council, Ball State University; and is a member of the Governmental Affairs Committee of the Rapid City Chamber of Commerce, the SDSMT University Cabinet, the Council for the Advancement and Support of Education, American Advertising Federation, and the Public Relations Society of America.

Vice President for Research  

Dr. Ronald White

Dr. White became the Vice President for Research at the South Dakota School of Mines & Technology in 2009. Previously he was a Senior Fellow at Universities Space Research Association in Houston, Texas and served as the Senior Scientist for Policy and Processes for NASA’s Human Research Program. He received his Ph.D. in Physical Chemistry from the University of Wisconsin and spent a year as an NSF Fellow at the Mathematical Institute, University of Oxford, and two years as a Research Associate in Chemical Physics at Bell Telephone Laboratory. Dr. White was elected to the International Academy of Astronautics (IAA) in 1996 and has served as Chairman of Section 3 (Life Sciences) from 2001 to 2009 and is currently Vice Chair of the Space Life Sciences Commission. In addition, he is an Associate Fellow of the Aerospace Medical Association, and a member of the American Physical Society, the American Society for Gravitational and Space Biology, the International Society for Computational Biology, Sigma Xi and the Society for Industrial and Applied Mathematics. Dr. White has authored more than 65 scientific papers in theoretical chemistry and mathematical modeling of biological systems with special emphasis on the effects of space flight on the body.

Director of Facility Services  

Stephen “Clay” Noble

Mr. Noble assumed the position of Director of Facility Services at SDSMT in 2012. He previously held various management level positions for ARAMARK Facilities on the SDSMT campus. Prior to that time he served as Inventory controller and FOH Supervisor for the Lake Powell Resort and Marina in Lake Powell, AZ. Mr. Noble received his BS in Hospitality Restaurant Administration from Missouri State University.
President

Dr. David L. Chicoine

President Chicoine has served as President of South Dakota State University since 2007. Prior to assuming the presidency of SDSU, President Chicoine was Vice President for Technology and Economic Development and a professor of Agricultural Economics and a member of the Institute for Government and Public Affairs at the University of Illinois. He received his undergraduate degree from South Dakota State University. President Chicoine has a Ph.D. from the University of Illinois at Urbana-Champaign.

Vice President for Student Affairs

Dr. Marysz Rames

Dr. Rames is the Vice President for Student Affairs. The title was changed from Dean of Student Affairs in April, 2004. She has held this position since 2000. Prior to this, she served as Director of Student Union Activities (1987-2000) and Interim Associate Dean of Student Affairs (1997-1999). Dr. Rames has a Doctorate in Education from the University of South Dakota.

Vice President for Research

Kevin D. Kephart

Kevin Kephart has served as Vice President for Research since September 2005. His duties and responsibilities include research administration, research compliance, technology transfer, federal relations, and business development. Kephart began his career at SDSU in 1986 and is Professor in the Department of Plant and Science. From 2005 to 2010, he was Dean of the Graduate School in addition to serving as Vice President for Research. Between 1998 and 2005, he served as Associate Dean of the College of Agriculture and Biological Sciences and Director of the South Dakota Agricultural Experiment Station. Kephart received a Ph.D. in crop production and physiology from Iowa State University in 1987. He has led national efforts for the Sun Grant Initiative since 2001 and he advocates for research and education programs regarding ag-based renewable energy conducted at land grant colleges and universities. In 2011 he was appointed to the joint DOE/USDA Biomass Research and Development Technical Advisor Committee.

Vice President for Finance and Business / CFO

Wesley G. Tschetter

Mr. Tschetter is the Vice President for Finance and Business and in this capacity is the chief financial officer for SDSU. The title was changed from Director of Finance and Budget in May, 2000. He has held this position since 1982. He received a Master’s Degree in Business Administration from the University of South Dakota. He has served on state and community administrative and advisory boards.

Assistant Vice President of Facilities and Services

Dean Kattelmann

Prior to coming to the university in 2002, Mr. Kattelmann had served on active duty in the U.S. Army for 25 years in various facility management organizations worldwide, retiring with the rank of Colonel. He received his undergraduate degree from Missouri State University and his Masters of Science in Civil Engineering from the University of Missouri – Columbia.

Provost and Vice President for Academic Affairs

Laurie Stenberg Nichols

Provost Nichols has served as Provost and Vice President for Academic Affairs since 2009. Prior to this she served as Interim President at Northern State University (2008-2009) and Dean of the College of Family and Consumer Sciences at SDSU (1994-2009). Dr. Nichols completed an American Council on Education Fellowship in 2007-2008. From 1988-1994 she was on faculty at the University of Idaho. She
holds an undergraduate degree from South Dakota State University and Ph.D. from the Ohio State University.

**ADMINISTRATIVE OFFICERS - UNIVERSITY OF SOUTH DAKOTA**

**President**

James W. Abbott

Mr. James W. Abbott became the University of South Dakota’s 17th president in 1997. The first alumnus named president of the University; Mr. Abbott earned two degrees from the USD (BA ’70 and JD ’74). Prior to becoming president, he was president and chief executive officer of Zylstra Communications Corporation in Yankton, South Dakota. He is a former member of the South Dakota House of Representatives (1991-1992) and has served as a board member of a number of state and community organizations. Mr. Abbott is also a member of the South Dakota State Board of Education and he served the National Trust for Historic Preservation as an Advisor for the State of South Dakota.

**Provost and Vice President for Academic Affairs**

Dr. Charles A. Staben

Dr. Charles A. Staben is the Provost and Vice President for Academic Affairs at The University of South Dakota. Dr. Staben received his B.S. degree in Biochemistry from the University of Illinois and his Ph.D. degree in Biochemistry from the University of California at Berkeley. He performed postdoctoral work at Stanford University and Chiron Research Laboratories. Dr. Staben held a variety of positions at the University of Kentucky including Professor of Biology, Chair of the Biology Department (2000-2004), and Associate Vice President of Research (2005-2008), and Acting Vice President for Research (2007-2008). He held multiple grants from NSF, NIH, and other agencies. He also received multiple teaching awards at the University of Kentucky. Dr. Staben has been in his current position at The University of South Dakota since August 2008. Dr. Staben has been actively involved with the National Science Foundation Experimental Program to Stimulate Competitive Research (NSF EPSCoR) Program and the EPSCoR Foundation Board, the NIH IdEA program, and has spoken at numerous national and regional symposia.

**Vice President for Research**

Dr. Laura Jenski

Dr. Laura Jenski is Vice President for Research at The University of South Dakota. She received her Ph.D. in Oncology from the University of Wisconsin, and postdoctoral training in immunology. Dr. Jenski held faculty appointments at Children’s Hospital Research Foundation/University of Cincinnati, Indiana University - Purdue University Indianapolis, and Marshall University where she was Head of Biological Sciences and EPSCoR Campus Coordinator. Her research on structural and functional roles of omega-3 fatty acids in tumor immunity was funded by the National Institutes of Health, National Science Foundation, American Institute for Cancer Research, and various other organizations. Dr. Jenski is a member of the executive committee of the research council of the Association of Public and Land-grant Universities, and has served on various national review panels as well as organization and editorial boards.

**Vice President of Finance/CFO**

Sheila Gestring

Ms. Gestring has served as Vice President of Finance since 2010. Prior to her appointment she was Assistant Vice President for Finance and Administration and Director of Budget and Finance at the University. Ms. Gestring received her bachelor of arts in accounting from the University of Sioux Falls and is a CPA. Prior to her employment at the University, Ms. Gestring served as the Chief Financial Officer for Flathead Valley Community College, served on the senior staff for the South Dakota Board of Regents Office of the Executive Director as Internal Auditor, served as the Director of Budget and
Finance for the South Dakota Department of Human Services, and various other financial positions in South Dakota state government.

**Vice President for Marketing, Enrollment & Student Services**  
Jeff Baylor

Mr. Baylor has served as Vice President for Marketing, Enrollment & Student Services since summer 2010. Mr. Baylor had served as the Associate Vice President of Enrollment and Student Services at USD since summer of 2008. Before coming to USD, Mr. Baylor was Assistant Vice President of both Student Services and Enrollment at St. Leo University and Dean of Admissions, Dean of Enrollment and Associate Dean of Students at Thiel College. Mr. Baylor received a BA in Business Management and MA in Education and Guidance Counseling from Marietta College. He received an MBA from Tiffin University.

**Vice President of Administration and Technology**  
Roberta S. Ambur

Ms. Ambur has served as Vice President of Administration and Technology since 2010. Prior to this appointment she was Vice President for Information Technology and Chief Information Officer from 2001 to 2010 at USD. Ms. Ambur received her bachelor of science in math education and MBA with emphasis in management information systems from USD. She also has her CPA license. Prior to her employment at the University, Ms. Ambur served as Chief Business Officer at Mount Marty College as well as various administrative positions in the utility industry with Midwest Power Systems Inc. and South Dakota Network Telecommunications.

**COMPONENT INSTITUTIONS**

A summary description of the System’s component institutions follows:

**Black Hills State University** offers 13 certificates, 5 associate, 63 baccalaureate and 5 master’s degrees within 3 academic units including the College of Liberal Arts, the College of Business and Natural Sciences, and the College of Education and Behavioral Sciences.

**Dakota State University** offers 19 certificates, 5 associate, 29 baccalaureate and 6 master’s degrees, and one doctor of science degree within 3 academic units including the College of Business and Information Systems, the College of Arts and Sciences and the College of Education.

**Northern State University** offers 22 certificates, 7 associate, 42 baccalaureate and 9 master’s degrees within 5 academic units including the College of Arts and Sciences, the School of Business, the School of Education, the School of Fine Arts, and the Center for Statewide E-learning.

**South Dakota School of Mines & Technology**, offers 0 certificates, 1 associate, 16 baccalaureate, 13 master’s degrees and 7 Ph.D. programs.

**South Dakota State University**, offers 20 certificates, 2 associate, 73 baccalaureate, 29 master’s degrees, 2 post-baccalaureate first professional degree program and 12 doctor’s degrees within 8 academic units including the College of Agriculture and Biological Sciences, the College of Arts and Science, the College of Education and Human Sciences, the College of Engineering, the College of Nursing, the College of Pharmacy, the Graduate School, and the Honors College.

**The University of South Dakota** offers 13 certificates, 3 associate, 86 baccalaureate and 37 master’s, 3 specialist’s, 16 doctoral and 4 first professional degrees within 8 academic units including the College of Arts and Sciences, the Beacom School of Business, the School of Education, the College of
Fine Arts, the Graduate School, the School of Law, the Sanford School of Medicine, and the School of Health Sciences.

ENROLLMENT

The following are the historical headcount enrollment figures at the teaching institutions of the System during the past five Fall semesters:

### Fall Enrollment by Component Institutions

<table>
<thead>
<tr>
<th>Year</th>
<th>BHSU</th>
<th>DSU</th>
<th>NSU</th>
<th>SDSMT</th>
<th>SDSU</th>
<th>USD</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>4,076</td>
<td>2,861</td>
<td>2,672</td>
<td>2,177</td>
<td>12,376</td>
<td>9,617</td>
<td>33,779</td>
</tr>
<tr>
<td>2010</td>
<td>4,722</td>
<td>3,101</td>
<td>3,296</td>
<td>2,354</td>
<td>12,816</td>
<td>10,151</td>
<td>36,440</td>
</tr>
<tr>
<td>2011</td>
<td>4,415</td>
<td>3,102</td>
<td>3,580</td>
<td>2,311</td>
<td>12,725</td>
<td>9,970</td>
<td>36,103</td>
</tr>
<tr>
<td>2012</td>
<td>4,407</td>
<td>3,110</td>
<td>3,622</td>
<td>2,424</td>
<td>12,583</td>
<td>10,284</td>
<td>36,430</td>
</tr>
<tr>
<td>2013</td>
<td>4,464</td>
<td>3,129</td>
<td>3,343</td>
<td>3,343</td>
<td>12,554</td>
<td>10,235</td>
<td>36,365</td>
</tr>
</tbody>
</table>

The following are the combined historical headcount enrollment figures for undergraduate and graduate and professional students at all of the teaching institutions of the System during the previous five Fall semesters:

### Combined Enrollment

<table>
<thead>
<tr>
<th>Year</th>
<th>Undergraduate</th>
<th>Graduate and Professional</th>
<th>Total</th>
<th>Full-Time Equivalent</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>30,543</td>
<td>5,822</td>
<td>36,365</td>
<td>26,782</td>
</tr>
<tr>
<td>2012</td>
<td>30,734</td>
<td>5,696</td>
<td>36,430</td>
<td>26,468</td>
</tr>
<tr>
<td>2011</td>
<td>30,556</td>
<td>5,547</td>
<td>36,103</td>
<td>26,720</td>
</tr>
<tr>
<td>2010</td>
<td>29,910</td>
<td>6,530</td>
<td>36,440</td>
<td>26,625</td>
</tr>
<tr>
<td>2009</td>
<td>28,363</td>
<td>5,416</td>
<td>33,779</td>
<td>25,468</td>
</tr>
</tbody>
</table>
The following are the historical undergraduate admissions figures for the Institutions of the System for the previous five Fall semesters:

**Historical Undergraduate Admissions**  
**Fall Semesters**

<table>
<thead>
<tr>
<th>Year</th>
<th>BHSU</th>
<th>DSU</th>
<th>NSU</th>
<th>SDSMT</th>
<th>SDSU</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Freshman:</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Applications</td>
<td>1,356</td>
<td>676</td>
<td>1,023</td>
<td>933</td>
<td>4,191</td>
<td>3,202</td>
</tr>
<tr>
<td>Acceptances</td>
<td>1,244</td>
<td>629</td>
<td>841</td>
<td>780</td>
<td>3,917</td>
<td>2,489</td>
</tr>
<tr>
<td>Matriculants</td>
<td>48%</td>
<td>51%</td>
<td>49%</td>
<td>46%</td>
<td>55%</td>
<td>39%</td>
</tr>
<tr>
<td>Transfers</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Applications</td>
<td>693</td>
<td>430</td>
<td>263</td>
<td>165</td>
<td>1,594</td>
<td>854</td>
</tr>
<tr>
<td>Acceptances</td>
<td>602</td>
<td>351</td>
<td>207</td>
<td>114</td>
<td>1,302</td>
<td>491</td>
</tr>
<tr>
<td>Matriculants</td>
<td>53%</td>
<td>57%</td>
<td>73%</td>
<td>81%</td>
<td>60%</td>
<td>34%</td>
</tr>
<tr>
<td>2010</td>
<td></td>
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<tr>
<td>Freshman:</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Applications</td>
<td>1,552</td>
<td>706</td>
<td>1,051</td>
<td>992</td>
<td>4,604</td>
<td>3,784</td>
</tr>
<tr>
<td>Acceptances</td>
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<td>629</td>
<td>976</td>
<td>886</td>
<td>4,205</td>
<td>2,681</td>
</tr>
<tr>
<td>Matriculants</td>
<td>52%</td>
<td>55%</td>
<td>52%</td>
<td>49%</td>
<td>53%</td>
<td>38%</td>
</tr>
<tr>
<td>Transfers</td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Applications</td>
<td>728</td>
<td>451</td>
<td>336</td>
<td>204</td>
<td>1,621</td>
<td>972</td>
</tr>
<tr>
<td>Acceptances</td>
<td>575</td>
<td>366</td>
<td>274</td>
<td>148</td>
<td>1,335</td>
<td>579</td>
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<tr>
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<td>71%</td>
<td>54%</td>
<td>79%</td>
<td>63%</td>
<td>62%</td>
<td>38%</td>
</tr>
<tr>
<td>2011</td>
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<tr>
<td>Freshman:</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Applications</td>
<td>1,462</td>
<td>711</td>
<td>1,134</td>
<td>1,030</td>
<td>4,673</td>
<td>3,288</td>
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<tr>
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<td>1,063</td>
<td>905</td>
<td>4,313</td>
<td>2,923</td>
</tr>
<tr>
<td>Matriculants</td>
<td>46%</td>
<td>50%</td>
<td>38%</td>
<td>46%</td>
<td>52%</td>
<td>43%</td>
</tr>
<tr>
<td>Transfers</td>
<td></td>
<td></td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Applications</td>
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<td>457</td>
<td>303</td>
<td>242</td>
<td>1,491</td>
<td>1,857</td>
</tr>
<tr>
<td>Acceptances</td>
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<td>370</td>
<td>257</td>
<td>171</td>
<td>1,235</td>
<td>1,427</td>
</tr>
<tr>
<td>Matriculants</td>
<td>68%</td>
<td>66%</td>
<td>65%</td>
<td>54%</td>
<td>58%</td>
<td>59%</td>
</tr>
<tr>
<td>2012</td>
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<tr>
<td>Freshman:</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Applications</td>
<td>1,298</td>
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<td>1,142</td>
<td>1,120</td>
<td>4,725</td>
<td>3,441</td>
</tr>
<tr>
<td>Acceptances</td>
<td>1,182</td>
<td>618</td>
<td>1,026</td>
<td>990</td>
<td>4,331</td>
<td>3,041</td>
</tr>
<tr>
<td>Matriculants</td>
<td>45%</td>
<td>51%</td>
<td>40%</td>
<td>46%</td>
<td>51%</td>
<td>44%</td>
</tr>
<tr>
<td>Transfers</td>
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<tr>
<td>Applications</td>
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<td>1,569</td>
<td>1,849</td>
</tr>
<tr>
<td>Acceptances</td>
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<td>409</td>
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<td>1,372</td>
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<tr>
<td>Matriculants</td>
<td>65%</td>
<td>85%</td>
<td>69%</td>
<td>64%</td>
<td>58%</td>
<td>52%</td>
</tr>
<tr>
<td>2013</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Freshman:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Applications</td>
<td>1,279</td>
<td>725</td>
<td>1,157</td>
<td>1,338</td>
<td>4,851</td>
<td>3,605</td>
</tr>
<tr>
<td>Acceptances</td>
<td>873</td>
<td>592</td>
<td>1,080</td>
<td>1,156</td>
<td>4,458</td>
<td>1,827</td>
</tr>
<tr>
<td>Matriculants</td>
<td>60%</td>
<td>54%</td>
<td>38%</td>
<td>48%</td>
<td>52%</td>
<td>74%</td>
</tr>
</tbody>
</table>
Historical Undergraduate Admissions
Fall Semesters

<table>
<thead>
<tr>
<th>Transfers</th>
<th>BHSU</th>
<th>DSU</th>
<th>NSU</th>
<th>SDSMT</th>
<th>SDSU</th>
<th>USD</th>
</tr>
</thead>
<tbody>
<tr>
<td>Applications</td>
<td>555</td>
<td>517</td>
<td>258</td>
<td>313</td>
<td>1,534</td>
<td>1,522</td>
</tr>
<tr>
<td>Acceptances</td>
<td>428</td>
<td>431</td>
<td>226</td>
<td>215</td>
<td>1,261</td>
<td>1,146</td>
</tr>
<tr>
<td>Matriculants</td>
<td>75%</td>
<td>60%</td>
<td>62%</td>
<td>61%</td>
<td>56%</td>
<td>55%</td>
</tr>
</tbody>
</table>

The following table sets forth, by percentage, a breakdown of the System’s enrollment by residency classification for the previous five Fall semesters:

<table>
<thead>
<tr>
<th></th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>In-State Students</td>
<td>71.4%</td>
<td>70.2%</td>
<td>67.9%</td>
<td>66.7%</td>
<td>64.8%</td>
</tr>
<tr>
<td>Out-of-State Students</td>
<td>26.0</td>
<td>27.0</td>
<td>29.0</td>
<td>30.0</td>
<td>31.7</td>
</tr>
<tr>
<td>Foreign Students</td>
<td>2.6</td>
<td>2.8</td>
<td>3.1</td>
<td>3.3</td>
<td>3.5</td>
</tr>
<tr>
<td>Total</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
<td>100.0%</td>
</tr>
</tbody>
</table>

The Board has been able to grow enrollments for the last decade despite declining high school graduate numbers in South Dakota. The following table shows the South Dakota and Midwest region public high school graduate numbers.

<table>
<thead>
<tr>
<th>High School Graduates</th>
<th>Actual</th>
<th>Actual</th>
<th>Percent</th>
<th>Projected</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2002-03</td>
<td>2007-08</td>
<td>Change</td>
<td>2020-21</td>
<td>Change</td>
</tr>
<tr>
<td>South Dakota</td>
<td>8,999</td>
<td>8,582</td>
<td>-4.6%</td>
<td>9,560</td>
<td>11.3%</td>
</tr>
<tr>
<td>Midwest</td>
<td>673,248</td>
<td>721,220</td>
<td>7.1%</td>
<td>674,490</td>
<td>-6.4%</td>
</tr>
</tbody>
</table>

Source: National Center for Education Statistics

<table>
<thead>
<tr>
<th>Institution Enrollments</th>
<th>Actual</th>
<th>Actual</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2004-05</td>
<td>2013-14</td>
<td>Change</td>
</tr>
<tr>
<td>Headcount</td>
<td>29,844</td>
<td>36,365</td>
<td>21.9%</td>
</tr>
<tr>
<td>Full-Time Equivalents</td>
<td>23,534</td>
<td>26,782</td>
<td>13.8%</td>
</tr>
</tbody>
</table>

Enrollments for 2013 at South Dakota’s six Institutions remained strong with the number of full-time equivalent students being served increasing by 313 from 2012, while headcount enrollment was down only slightly. Total headcount for 2013 at the six Institutions was 36,365, down just 65 students from 2012. The number of full-time equivalent students for the Fall 2013 term – based on total credit hours generated by all students within the regents’ system – increased by 313.3 students to a total of 26,781.7, or an increase of 1.18 percent. The enrollment growth is attributable to strategies adopted by the Board and implemented by the Institutions. Increasing student retention, growing the non-traditional student population, improving graduation rates, and recruiting non-residents have been key components of the enrollment management strategy of the Board.
The retention rates for campuses have been improving since the Board began to track and reward institutions for improvements. The retention rate for new degree seeking students from Fall 2003 to Fall 2004 was 68% for the Institutions. That has increased to 72% for new degree seeking students retained from Fall 2010 to Fall 2011. Nationally, the student retention rate is 72% for the same period. (Source: NCES IPEDS Data Center)

The Institutions are serving about 2,100 more FTE students in Fall 2013 over Fall 2008 through distance education offerings and face-to-face offerings at three new education centers. The centers are located in population centers on the east and west sides of the State, as well as one in the capitol city in the center of the State. Distance education offerings based at the Institutions have also grown as part of the Electronic University Consortium program offerings.

The non-resident student population has grown from 7,633 students or 25.6% of the student population in Fall 2004, to 12,794 or 35.2% of the student population for Fall 2013. Recruiting and retaining non-resident students is one of the Board’s strategic goals in order to meet the State’s workforce needs and to offset the aging population. The Institutions recruit heavily throughout the Midwest as well as in states where demand exceeds capacity.

**FACULTY AND EMPLOYEES**

The number of faculty and employees budgeted by the component Institutions of the System as of July 1, 2013, the most recent date for which such information is available, is set forth in the following table:

<table>
<thead>
<tr>
<th>Faculty and Employees</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Faculty (FTE)</td>
<td>1,674</td>
</tr>
<tr>
<td>All Other Employees (FTE)</td>
<td>3,327</td>
</tr>
<tr>
<td>Subtotal</td>
<td>5,001</td>
</tr>
<tr>
<td>Board Administration (FTE)</td>
<td>72</td>
</tr>
<tr>
<td>Total</td>
<td>5,073</td>
</tr>
</tbody>
</table>

**CAPITAL PROJECTS**

System projects that are currently being discussed by the Board of Regents and that have had at least preliminary approval include the following:

*Dakota State University – Student Union Renovation and Addition* ($5.0 million). The DSU Trojan Center Student Union was constructed in 1965. In 1996 a renovation was completed which connected the union to Zimmermann Hall. This renovation provided approximately 5500 additional square feet of space. Since that time, various maintenance and repair projects have been done but significant enhancements to the Trojan Center have not been completed for 16 years. A renovation of the Student Union would address the community development needs of the students. Involvement in student activities is growing and additional student groups desire to use the Student Union. The DSU Trojan Center Student Union currently houses Student Affairs Office, Dining Services, Counseling Services, Diversity Services, Student Organizations, Student Senate, student mail boxes, University Bookstore, student game room, campus radio and conference room space. Preliminary review has identified potential need for additional space or improved space for dining, casual or lounge areas, study areas, social areas, and office space.
FINANCIAL MANAGEMENT

Financial management of the System is the responsibility of the Board and the chief business officers of each component Institution.

SYSTEM AGREED UPON PROCEDURES

Beginning with the period ended June 30, 2010, the Board contracted with the Department of Legislative Audit to perform a series of agreed upon procedures in order to assist the Board in evaluating its compliance with bond requirements in the Housing and Auxiliary Facilities System. An Independent Accountant’s Report enumerating the procedures and results of the procedures has been issued by the Auditor General for each fiscal year beginning in 2010.

FINANCIAL STATEMENTS

Each year, the Auditor General must certify the financial statements of the State as a whole, inclusive of the System.

As an agency of the State, the System’s financial records reflect compliance with applicable State statutes and regulations. The significant accounting policies followed by the System in maintaining accounts and in the preparation of the combined primary financial statements are in accordance with the State Auditor Generals Annual Financial Reporting Requirements.

The Institutions in the System have adopted GASB Statement No. 35, Basic Financial Statements - and Management’s Discussion and Analysis - for Public Colleges and Universities, as amended by GASB Statement No. 37, Basic Financial Statements - and Management’s Discussion and Analysis - for State and Local Governments Omnibus, and GASB Statement No. 38, Certain Financial Statement Note Disclosures (collectively, the “New Financial Reporting Model”). These statements establish standards for external financial reporting for public colleges and universities and require that financial statements be presented on a consolidated basis to focus on the System as a whole. Previously, financial statements focused on the accountability of individual fund groups rather than of an Institution’s system as a whole.
The following table reflects the condensed balance sheet of the System at June 30, 2010, June 30, 2011 and June 30, 2012. The condensed balance sheet of the System at June 30, 2013 was not available as of the date of this Official Statement.

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Assets</td>
<td>$ 237,444</td>
<td>$ 208,565</td>
<td>$ 270,219</td>
</tr>
<tr>
<td>Restricted Assets</td>
<td>65,490</td>
<td>61,321</td>
<td>65,937</td>
</tr>
<tr>
<td>Other Noncurrent Assets</td>
<td>342,130</td>
<td>399,121</td>
<td>388,372</td>
</tr>
<tr>
<td>Capital Assets, Net</td>
<td>716,594</td>
<td>794,312</td>
<td>826,934</td>
</tr>
<tr>
<td>Total Assets</td>
<td>$ 1,361,658</td>
<td>$ 1,463,319</td>
<td>$ 1,551,462</td>
</tr>
<tr>
<td><strong>Liabilities:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Current Liabilities</td>
<td>110,412</td>
<td>94,892</td>
<td>102,123</td>
</tr>
<tr>
<td>Noncurrent Liabilities</td>
<td>446,875</td>
<td>463,089</td>
<td>520,440</td>
</tr>
<tr>
<td>Total Liabilities</td>
<td>$ 557,287</td>
<td>$ 557,981</td>
<td>$ 622,563</td>
</tr>
<tr>
<td><strong>Net Assets:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Invested in Capital Assets, Net of Related Debt</td>
<td>440,683</td>
<td>437,423</td>
<td>448,098</td>
</tr>
<tr>
<td>Restricted</td>
<td>374,661</td>
<td>426,166</td>
<td>428,996</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>(10,973)</td>
<td>41,749</td>
<td>51,805</td>
</tr>
<tr>
<td>Net Assets</td>
<td>$ 804,371</td>
<td>$ 905,338</td>
<td>$ 928,899</td>
</tr>
</tbody>
</table>

The table below presents the Combined Statement of Revenues, Expenses and Changes in Net Assets of the System (Unaudited) for the fiscal years ended June 30, 2010, June 30, 2011 and June 30, 2012. The Combined Statement of Revenues, Expenses and Changes in Net Assets of the System (Unaudited) for the fiscal year ended June 30, 2013 was not available as of the date of this Official Statement.
### STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS

**In Thousands**

<table>
<thead>
<tr>
<th></th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Operating Revenue:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition and Fees (net of discounts and allowances for scholarships of $26,345)</td>
<td>$174,538</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tuition and Fees (net of discounts and allowances for scholarships of $33,337)</td>
<td></td>
<td>$184,566</td>
<td></td>
</tr>
<tr>
<td>Tuition and Fees (net of discounts and allowances for scholarships of $34,047)</td>
<td></td>
<td></td>
<td>$209,483</td>
</tr>
<tr>
<td>Use of Money and Property</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales and Services (net of discounts and allowances for scholarships of $8,346)</td>
<td>80,109</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sales and Services (net of discounts and allowances for scholarships of $9,841)</td>
<td></td>
<td>90,209</td>
<td></td>
</tr>
<tr>
<td>Sales and Services (net of discounts and allowances for scholarships of $9,518)</td>
<td></td>
<td></td>
<td>96,421</td>
</tr>
<tr>
<td>Administering Programs</td>
<td>164,280</td>
<td>160,512</td>
<td>148,508</td>
</tr>
<tr>
<td>Other Revenue</td>
<td>48,424</td>
<td>41,769</td>
<td>36,671</td>
</tr>
<tr>
<td><strong>Total Operating Revenue</strong></td>
<td>$467,351</td>
<td>$477,056</td>
<td>$491,083</td>
</tr>
<tr>
<td><strong>Operating Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Personal Services and Benefits</td>
<td>$347,491</td>
<td>$355,077</td>
<td>$366,228</td>
</tr>
<tr>
<td>Travel</td>
<td>14,464</td>
<td>14,712</td>
<td>16,714</td>
</tr>
<tr>
<td>Contractual Services</td>
<td>96,258</td>
<td>98,323</td>
<td>98,379</td>
</tr>
<tr>
<td>Supplies and Materials</td>
<td>65,832</td>
<td>58,948</td>
<td>64,922</td>
</tr>
<tr>
<td>Grants and Subsidies</td>
<td>55,605</td>
<td>52,097</td>
<td>54,387</td>
</tr>
<tr>
<td>Other</td>
<td>3,749</td>
<td>3,850</td>
<td>4,164</td>
</tr>
<tr>
<td>Interest</td>
<td>127</td>
<td>235</td>
<td>81</td>
</tr>
<tr>
<td>Depreciation/Amortization</td>
<td>28,376</td>
<td>35,479</td>
<td>38,947</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>$611,902</td>
<td>$618,721</td>
<td>$643,822</td>
</tr>
<tr>
<td><strong>Operating Income (Loss)</strong></td>
<td>($144,551)</td>
<td>($141,665)</td>
<td>($152,739)</td>
</tr>
<tr>
<td><strong>Nonoperating Revenue (Expenses):</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gain/(Loss) on Disposal of Assets</td>
<td>($342)</td>
<td>($460)</td>
<td>($2,316)</td>
</tr>
<tr>
<td>Interest Income</td>
<td>2,985</td>
<td>29,815</td>
<td>(13,806)</td>
</tr>
<tr>
<td>Interest Expense</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Other Expense</td>
<td>(1,903)</td>
<td>(8,286)</td>
<td>(12,212)</td>
</tr>
<tr>
<td>State Aid from Primary Government</td>
<td>184,347</td>
<td>185,757</td>
<td>171,701</td>
</tr>
<tr>
<td>Federal Appropriation</td>
<td>8,168</td>
<td>6,890</td>
<td>9,364</td>
</tr>
<tr>
<td>Grant and Other Income</td>
<td>2,153</td>
<td>4,112</td>
<td>3,687</td>
</tr>
<tr>
<td>Depreciation</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Nonoperating Revenue (Expenses)</strong></td>
<td>$195,408</td>
<td>$217,828</td>
<td>$156,418</td>
</tr>
<tr>
<td><strong>Income (Loss) Before Capital Grants</strong></td>
<td>$50,857</td>
<td>$76,163</td>
<td>$3,679</td>
</tr>
<tr>
<td>Capital Grants</td>
<td>10,427</td>
<td>12,521</td>
<td>9,126</td>
</tr>
<tr>
<td>Additions to Endowments</td>
<td>15,462</td>
<td>17,788</td>
<td>11,563</td>
</tr>
<tr>
<td><strong>Change in Net Assets</strong></td>
<td>$76,746</td>
<td>$106,472</td>
<td>$24,368</td>
</tr>
<tr>
<td>Net Assets At Beginning of Year, restated</td>
<td>$727,625</td>
<td>$798,866</td>
<td>$904,531</td>
</tr>
<tr>
<td><strong>Net Assets at End of Year</strong></td>
<td>$804,371</td>
<td>$905,338</td>
<td>$928,899</td>
</tr>
</tbody>
</table>
OUTSTANDING BONDS

The following table sets forth the series, original principal amounts, current outstanding principal amounts and the maturity date for the Outstanding Bonds after giving effect to the issuance of the Series 2014A Bonds and the refunding of the Refunded Series 2004 SDSU Bonds.

### Outstanding Debt

<table>
<thead>
<tr>
<th>Issue</th>
<th>Original Principal Amount</th>
<th>Current Amount Outstanding</th>
<th>Final Maturity Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Series 2003 SDSMT Bonds</td>
<td>$7,730,000</td>
<td>$6,410,000</td>
<td>4/1/2033</td>
</tr>
<tr>
<td>Series 2004 Bonds¹</td>
<td>36,490,000</td>
<td>4,460,000</td>
<td>10/1/2022</td>
</tr>
<tr>
<td>Series 2004A Bonds</td>
<td>12,965,000</td>
<td>9,535,000</td>
<td>4/1/2029</td>
</tr>
<tr>
<td>Series 2005A Bonds</td>
<td>14,810,000</td>
<td>13,005,000</td>
<td>4/1/2030</td>
</tr>
<tr>
<td>Series 2006 Bonds</td>
<td>9,015,000</td>
<td>6,845,000</td>
<td>4/1/2026</td>
</tr>
<tr>
<td>Series 2007 Bonds</td>
<td>8,540,000</td>
<td>6,975,000</td>
<td>10/1/2028</td>
</tr>
<tr>
<td>Series 2008A Bonds</td>
<td>4,770,000</td>
<td>3,890,000</td>
<td>4/1/2028</td>
</tr>
<tr>
<td>Series 2008B Bonds</td>
<td>5,230,000</td>
<td>4,465,000</td>
<td>4/1/2028</td>
</tr>
<tr>
<td>Series 2009 Bonds</td>
<td>90,325,000</td>
<td>83,190,000</td>
<td>4/1/2039</td>
</tr>
<tr>
<td>Series 2011 Bonds</td>
<td>63,480,000</td>
<td>63,335,000</td>
<td>4/1/2036</td>
</tr>
<tr>
<td>Series 2013A Bonds</td>
<td>11,990,000</td>
<td>11,990,000</td>
<td>4/1/2028</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$265,345,000</strong></td>
<td><strong>$214,100,000</strong></td>
<td></td>
</tr>
</tbody>
</table>

¹ Includes the Series 2004 SDSU Bonds due on April 1, 2014 and Series 2004 BHSU Bonds.

STATE APPROPRIATIONS

The operations of the Institutions are dependent upon the continued support of the State through appropriations of general revenues, and levels of continued State support of the Institutions are dependent on results of annual legislative sessions. The State Legislature adopted a budget for the State for the 2013-14 fiscal year beginning July 1, 2013, which appropriated approximately $180.4 million for the Institutions from the State general funds for fiscal year 2014.

The higher education budget in South Dakota tends to be a base plus budget with no current formulas or statutes governing the funding levels. The State Legislature tends to fund targeted appropriations by adding them to the base budgets of the Institutions. State funding support over the last decade has focused on the ability of higher education to grow the state’s economy through research, and providing an educated workforce to drive the state’s economy and meet the needs of the state’s citizens.

The State support of higher education grew at an average rate of 4.5% from fiscal year 2000 to fiscal year 2009. Similar to other states, starting in fiscal year 2010 the state began to experience a downturn in the economy and the public universities budget was cut by $12.2 million or 7.9%. All but $700,000 of this was replaced with federal American Recovery and Reinvestment Act (“ARRA”) funding. In fiscal year 2011, the budget was again cut by $2.4 million or 1.7%. The cuts for fiscal year 2010 and fiscal year 2011 were both backfilled with tuition funding. The fiscal year 2012 base State budget was cut by $14.1 million, or a 10.3% reduction of State funding. A similar reduction in funding was made across State government to balance the State’s budget. Tuition was used to backfill $9.1 million of the Board’s cut with a final cut of $5.6 million. While the Institutions experienced a reduction in State funding from fiscal year 2010 to fiscal year 2012, the System only suffered an actual loss in revenue of about $3.0 million or 1.9% when considering tuition revenue increases related to rate increases and enrollment...
growth. In fiscal year 2013, higher education received $1.4 million or .9% in new State funding. The “ARRA” funding was replaced with State dollars totaling $10.6 million and a $4.5 million dollar employee compensation package was appropriated giving us a total increase in State funding of $16.6 million or 11%. In FY14, the general fund increase totaled $12.6M or 7.5% over FY13. This increase included $6.1M for an employee compensation package.

The economic outlook for fiscal year 2014 looks promising. Additional State funding is anticipated for new programs as well as the possible implementation of a higher education funding model. It is also very likely State employees will see some form of an employee compensation package.

The Institutions have no assurance that the State legislature will continue to appropriate to them the general revenue funds of the State at the same levels as in previous years. Future levels of State support are dependent upon the ability and willingness of the State Legislature to make appropriations to the Institutions taking into consideration the availability of financial resources and other potential uses of such resources.

**TUITION AND FEES**

Each component Institution granting degrees charges tuition and fees as set by the Board.

The Board has implemented increases in tuition across the System for the fiscal year ending June 30, 2014. Increases for the 2014 fiscal year range from 3.5 to 9.8 percent for the Institutions. The Board may consider additional increases in tuition as necessary in future fiscal years for the continued effective operation of the Institutions.

Following is a table showing the total tuition and fees charged by each Institution in the System for a full-time resident student for the 2013-2014 academic years.

### Tuition and Fees for Full-time Resident Students 2013-2014 Academic Year

<table>
<thead>
<tr>
<th>Undergraduate Per Term (30 Hours)</th>
<th>Graduate Per Term (24 Hours)</th>
</tr>
</thead>
<tbody>
<tr>
<td>BHSU $7,617</td>
<td>$7,744</td>
</tr>
<tr>
<td>DSU $8,226</td>
<td>$8,375</td>
</tr>
<tr>
<td>NSU $7,563</td>
<td>$7,700</td>
</tr>
<tr>
<td>SDSMT $9,229</td>
<td>$9,849</td>
</tr>
<tr>
<td>SDSU $7,713</td>
<td>$7,889</td>
</tr>
<tr>
<td>USD $8,022</td>
<td>$8,136</td>
</tr>
</tbody>
</table>

Prior to fiscal year 2007, the Board offered students from 14 states that were part of an interstate compact a reduction in non-resident tuition rates. The non-resident rate for states in the compact was 150% of the resident rate. All other non-resident students paid 320% of the resident tuition rate. Starting in fiscal year 2007, the Board reduced the non-resident rate for all states to 150% with continuation of the program contingent upon a net increase in revenue resulting from increased students. The Institutions aggressively recruited in target states and grew their non-resident enrollments. The Board monitored the revenues through fiscal year 2010 and found that enrollments were offsetting the reduced rate, and in fact overall revenues were increasing. Non-resident enrollments increased from 20.9% of the total enrollments in fiscal year 2002, to 31.7% in fiscal year 2014, an increase of 5,856 students.
While many states have experienced double digit tuition and fee increases over the last decade, the Board has been very conscious of student affordability. The Board monitors the cost in the surrounding states and looks closely at resident and non-resident costs. Beginning in FY13 the Board changed the number of credit hours required for graduation from 128 credits to 120. The average tuition and fee increase over the last thirteen years for an undergraduate resident has been 6.3%.

### History of Tuition and Fee Rates

#### Undergraduate Resident

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Cost</th>
<th>$ Change</th>
<th>Percent Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY02</td>
<td>$3,869.12</td>
<td>$223.79</td>
<td>6.1%</td>
</tr>
<tr>
<td>FY03</td>
<td>$4,179.73</td>
<td>$310.61</td>
<td>8.0%</td>
</tr>
<tr>
<td>FY04</td>
<td>$4,551.47</td>
<td>$371.73</td>
<td>8.9%</td>
</tr>
<tr>
<td>FY05</td>
<td>$4,903.77</td>
<td>$352.31</td>
<td>7.7%</td>
</tr>
<tr>
<td>FY06</td>
<td>$5,178.22</td>
<td>$274.44</td>
<td>5.6%</td>
</tr>
<tr>
<td>FY07</td>
<td>$5,580.67</td>
<td>$402.45</td>
<td>7.8%</td>
</tr>
<tr>
<td>FY08</td>
<td>$5,951.55</td>
<td>$370.88</td>
<td>6.6%</td>
</tr>
<tr>
<td>FY09</td>
<td>$6,474.33</td>
<td>$522.78</td>
<td>8.8%</td>
</tr>
<tr>
<td>FY10</td>
<td>$6,904.08</td>
<td>$429.75</td>
<td>6.6%</td>
</tr>
<tr>
<td>FY11</td>
<td>$7,217.27</td>
<td>$313.18</td>
<td>4.5%</td>
</tr>
<tr>
<td>FY12</td>
<td>$7,721.05</td>
<td>$503.78</td>
<td>6.9%</td>
</tr>
<tr>
<td>FY13</td>
<td>$7,675.61</td>
<td>($45.44)</td>
<td>-.05%</td>
</tr>
<tr>
<td>FY14</td>
<td>$8,061.67</td>
<td>$386.06</td>
<td>4.8%</td>
</tr>
</tbody>
</table>

The State began to fund the South Dakota Opportunity Scholarship Program in fiscal year 2005. The scholarship program is the first state-funded merit based scholarship program. The scholarship covers up to 15% of the tuition and fees for an eligible undergraduate student over the course of 4 years of enrollment. As of Fall 2013, there were 3,753 recipients attending all South Dakota Institutions, with 3,045 at the Regental Institutions.

### Ten Year Capital Investment Plan

The Board funds the maintenance and repair and any capital investments to its academic facilities by dedicating 20% of tuition to the Higher Education Facilities Fund (“HEFF”). The creation of the fund and the uses of the dollars are in the South Dakota Codified Laws. Any investment in academic facilities requires approval by the South Dakota Legislature. Each year the South Dakota Legislature appropriates the funds for maintenance and repair and approves any major remodels, or new facilities through passage of legislation. In 2000, 2005 and 2012 the South Dakota Legislature approved the Board’s proposed Ten-Year Capital Investment Plan. The current 2012 ten-year plan represents a principal investment of $105,000,000 of HEFF and $113,845,513 of private and federal money into academic facilities. The Board and Institutions have been aggressive in investing in infrastructure and buildings to make the campuses attractive to today’s demanding students. The Board’s 2012 Ten-Year Capital Investment Plan follows:
STATE AND FEDERALLY-SPONSORED RESEARCH EXPENDITURES

Federal agencies continue to provide the largest portion of funding for the Institutions’ research and training projects. The following table sets forth the amounts of research expenditures sponsored by federal agencies during fiscal year 2013, the last year for which such numbers are available.

<table>
<thead>
<tr>
<th>Federally-sponsored Research Expenditures</th>
</tr>
</thead>
<tbody>
<tr>
<td>Federal Sources</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td>Department of Health and Human Services</td>
</tr>
<tr>
<td>Department of Defense</td>
</tr>
<tr>
<td>National Science Foundation</td>
</tr>
<tr>
<td>Department of Energy</td>
</tr>
<tr>
<td>National Aeronautics and Space Administration</td>
</tr>
<tr>
<td>Department of Education</td>
</tr>
<tr>
<td>Department of Interior</td>
</tr>
<tr>
<td>Department of Transportation</td>
</tr>
<tr>
<td>Other Federal Agencies</td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
<tr>
<td></td>
</tr>
<tr>
<td><strong>$72,366,670</strong></td>
</tr>
</tbody>
</table>

To further support the South Dakota research agenda, the State funded ten new Ph.D. programs over the past decade including a $1.9 million investment for a joint Ph.D. program in Physics during the 2013 Legislative session. Additionally, during this time frame they began re-commissioning the former Homestake Gold Mine in Lead, SD, into the Sanford Underground Research Laboratory (SURF). Initially, South Dakota Scientists worked with the National Science Foundation (“NSF”) on a long-term goal of converting SURF into a national Deep Underground Science and Engineering Laboratory. The
science laboratory would be the deepest underground science facility in the world, 8,000 feet below ground. Through continued operational funding support from the Department of Energy (“DoE”), the laboratory is currently engaged in a series of preliminary experiments, which if successful will hold great promise for education, technology and research in physics.

The State has made strategic investments in research in a large part through the Institutions. Research awards at the Institutions have grown steadily since fiscal year 2000, rising from $33.2 million to $77 million in fiscal year 2013. During this time frame, South Dakota was ranked first in the country for a number of consecutive years (2002-2005) based on its percentage growth in research awards and expenditures. From fiscal year 2006-2007, South Dakota experienced the second highest percentage of increase of research and development funding. Investments in research infrastructure through the Experimental Program to Stimulate Competitive Research (“EPSCoR”) and the Governor Research Center programs has helped to produce more than $100 million in grant/contract expenditures for the past three fiscal years. Technology Transfer and Commercialization activities have begun to expand over the past five years as institutions have begun to aggressively facilitate the transfer of intellectual property and innovation into the marketplace. Due to these successes, research growth continues to be a goal of the Board and the State and is emphasized in the State’s new Science and Innovation Strategy.

PRIVATE SECTOR CAMPAIGNS

Comprehensive fund raising efforts at various Institutions are directed toward support of annual programs to address facilities expansion and renovation and establishment of endowments for instruction, research and patient care activities.

NSU – Following the successful completion of a $29.2 million dollar campaign, the Northern State University Foundation just recently embarked on an $8 million campaign to refurbish the Johnson Fine Arts Center. The Millicent Atkins Estate has gifted the NSUF $15 million to provide support for primary and elementary education. Consultants have been interviewed this past summer for future campaign direction.

SDSMT – The SD School of Mines &Technology Foundation has recently completed a comprehensive campaign to raise $50 million to support scholarships and fellowships, faculty development and activities, capital improvements and to improve the student experience.

SDSU – The South Dakota State University Foundation has recently completed a campaign “It Starts with State” with a campaign goal of $200 million. Over $255 million has been raised through the campaign for endowed faculty positions, student scholarships and fellowships, new and revitalized facilities, athletics, and discretionary funds for research, student engagement, visiting scholars and artists, museums and performing arts.

BHSU – The Black Hills State University Foundation is currently in the quiet phase of a $35.7 million capital campaign. They are raising money for scholarships, a Performing Arts Center, an Alumni Center, professorships, AACSB (Business School Accreditation), and athletic facilities. As of October 2013, $20.4 million has been raised.

USD – In response to a campus-wide assessment of needs, the University of South Dakota and the USD Foundation are in the second year of a seven year $250 million comprehensive campaign. Over $75 million was raised in the first year of the campaign. Onward South Dakota will propel the University with the following fundraising initiatives: $97 million for student scholarships, support of faculty at $29 million, student and program enrichment programs totaling $12 million and capital projects of $112 million.
DSU – The Dakota State University Foundation is actively fundraising for a new Information Technology building. The renovation and new construction will have a total estimated cost of $10 million and will constitute the first new academic building to the campus since the mid 1980’s.
APPENDIX B

SUMMARY OF CERTAIN PROVISIONS OF THE BOND RESOLUTION

The Series 2014A Bonds will be issued under the Bond Resolution. Reference is made to the Bond Resolution for complete details of the terms of the Series 2014A Bonds and the security therefor. The following is a summary of certain provisions of the Bond Resolution and should not be considered as a full statement thereof.

DEFINITIONS

The following are definitions of certain terms used in this Official Statement and in the Bond Resolution. To the extent defined terms are used in the Official Statement but are not defined herein, such terms will have the meaning set forth in the Bond Resolution.

“Act” means the Board of Regents Revenue Bond Act of 1971, as amended, South Dakota Codified Laws (2004 Revision), Chapter 13-51A, as it may be amended and supplemented.

“Annual Debt Service” means, in any Fiscal Year, an amount in such Fiscal Year equal to the principal payable on the Bonds (or, if applicable, a particular series of the Bonds) at maturity, mandatory redemption, mandatory prepayment or otherwise, together with interest to be paid thereon in such Fiscal Year.

In determining Annual Debt Service in any future Fiscal Year for any purpose in the Bond Resolution when any Bonds bear, or are to bear, interest at a Variable Rate, “Annual Debt Service” shall be computed as follows: (a) if any Variable Rate Bonds are Outstanding, the greater of (i) 120% of the average rate of interest payable on such Variable Rate Bonds over the last 12 months that any such Variable Rate Bonds have been Outstanding or (ii) 120% of the most current actual interest rate on such Variable Rate Bonds, and (b) if no Variable Rate Bonds are then Outstanding, but are to be issued, 100% of the most recently published interest rate in The Bond Buyer as the 30 Year Index of 25 Revenue Bonds or a comparable index selected by the Executive Director of the Board, but in all cases not in excess of the rate authorized by law. If a swap agreement setting a fixed rate has been entered into and is in effect with respect to such Bonds, such fixed rate shall be used in determining such Annual Debt Service.

“BHSU” means Black Hills State University, and its successors and assigns.

“Board” or “Board of Regents” means the South Dakota Board of Regents, and its successors and assigns.

“Bond” or “Bonds” means each series of Housing and Auxiliary Facilities System Revenue Bonds or Housing and Auxiliary Facilities Revenue Bonds issued under the provisions of the Bond Resolution and any supplemental resolution authorizing such series of Bonds.

“Bond and Interest Sinking Fund Account” means the account of that name established for each Institutional System pursuant to the requirements of the Bond Resolution.

“Bond Counsel” means any firm of nationally recognized bond counsel reasonably acceptable to the Board.
“Bond Insurance Policy” means a bond insurance policy issued with respect to a series of Bonds as may be provided in the Bond Resolution or in the supplemental resolution authorizing such series of Bonds.

“Bond Insurer” means the entity, if any, identified as such with respect to a series of Bonds in the Bond Resolution or in the supplemental resolution authorizing such series of Bonds, including the Series 2003 SDSMT Bond Insurer, the Series 2004 SDSU Bond Insurer, the Series 2004 BHSU Bond Insurer, the Series 2004A Bond Insurer, the Series 2005 Bond Insurer and the Series 2009 Bond Insurer.

“Bond Registrar” means the bond registrar and paying agent appointed for a series of Bonds in accordance with the provisions of the Bond Resolution or in the supplemental resolution authorizing such series of Bonds. The Bond Registrar for the Series 2014A Bonds is First Bank & Trust, Brookings, South Dakota, and its successors and assigns.

“Bond Resolution” means the Bond Resolution of the Board adopted October 21, 2004, authorizing the Series 2004A Bonds and amending and restating resolutions of the Board authorizing the Series 2003 SDSMT Bonds, the Series 2004 BHSU Bonds and the Series 2004 SDSU Bonds, as supplemented and amended by the first supplemental system revenue bond resolution adopted by the Board on December 6, 2005, the second supplemental system revenue bond resolution adopted by the Board on November 22, 2006 (as amended), the third supplemental system revenue bond resolution adopted by the Board on December 13, 2007 (as amended), the fourth supplemental system revenue bond resolution adopted by the Board on March 28, 2008 (as amended), the fifth supplemental system revenue bond resolution adopted by the Board on October 22, 2008 (as amended), the sixth supplemental system revenue bond resolution adopted by the Board on May 21, 2009, the seventh supplemental system revenue bond resolution adopted by the Board on October 12, 2011, the eighth supplemental system revenue bond resolution adopted by the Board on December 12, 2012, the ninth supplemental system revenue bond resolution adopted by the Board on November __, 2013 and all resolutions supplemental thereto.

“Build America Program Funds” means moneys received by the Board from the Secretary of the United States Treasury pursuant to Section 6431 of the Code, in connection with the issuance of a series of Bonds qualifying for such payment.

“Business Day” shall mean a day of the year on which the corporate trust office of a Bond Registrar is not required or authorized to remain closed.

“Chief Financial Officer of the Institution” means the Chief Financial Officer of the Institution, or his or her designee.

“Code” means the Internal Revenue Code of 1986, as from time to time supplemented or amended. References to the Code and to sections of the Code shall include relevant final, temporary or proposed Regulations as in effect from time to time and as applicable to a series of Bonds.

“Debt Service Account” means the account of that name established for each Institutional System pursuant to the requirements of the Bond Resolution.

“Debt Service Reserve Account” means an account of that name established for each Institutional System pursuant to the requirements of the Bond Resolution.

“Debt Service Reserve Requirement,” if required upon issuance of a series of Bonds as provided in the Bond Resolution, means the lesser of (i) Maximum Annual Debt Service on the Bonds which are
secured by a subaccount of the related Debt Service Reserve Account, (ii) 125 per cent of average Annual Debt Service on the Bonds which are secured by such subaccount of the related Debt Service Reserve Account, or (iii) 10 per cent of the original principal amount of the Bonds which are secured by such subaccount of the related Debt Service Reserve Account; provided, however, that the amount of the Debt Service Reserve Requirement, if any, for future series of Bonds shall be determined by the Board and set forth in the supplemental resolution authorizing such series. Such Debt Service Reserve Requirement may be satisfied in whole or in part by a Reserve Account Credit Instrument or by such other securities or agreements as may be provided in the Bond Resolution or in the supplemental resolution authorizing the issuance of such series of Bonds. The Debt Service Reserve Requirement for the Series 2003 SDSMT Bonds is $527,200 (which is satisfied by a Reserve Account Credit Instrument issued by ACA Financial Guaranty Corporation); for the Series 2004 BHSU Bonds, $388,813.76; for the Series 2004A Bonds, $288,127.50 with respect to obligations of BHSU; $257,177.50 with respect to obligations of DSU; and $446,872.50 with respect to obligations of NSU. There is no Debt Service Reserve Requirement for the Series 2004 SDSU Bonds, the Series 2005 Bonds, the Series 2006 Bonds, the Series 2007 Bonds, the Series 2008A Bonds, the Series 2008B Bonds, the Series 2009 Bonds, the Series 2011 Bonds, the Series 2013A Bonds or the Series 2014A Bonds.

“Depository” means the State Treasurer of the State of South Dakota, or any bank or banks designated by the Board as custodians of accounts under the Revenue Fund (except the Debt Service Account, which is to be maintained by the related Bond Registrar, and a Debt Service Reserve Account, which, at the option of the Board, may be maintained by the related Bond Registrar) and for the related Project Construction Fund and the related Expense Fund. Any such bank or banks shall be a member of the Federal Deposit Insurance Corporation.

“DSU” means Dakota State University and its successors and assigns.

“Escrow Agent” means First Bank & Trust, Brookings, South Dakota.

“Escrow Agreement” means the Escrow Agreement between the Board and the Escrow Agent.

“Executive Director” means the Executive Director of the Board, or his or her designee.

“Existing Facilities” means, for each Institution, the facilities (including equipment) of the Institutions described in the Bond Resolution, together with all improvements, repairs, extensions or replacements, hereafter constructed or acquired that have not been converted to non-income use or abandoned for non-economic feasibility, as determined by resolution of the Board and filed with the Executive Director.

“Expense Fund” means each fund established under the Bond Resolution for a series of Bonds or in a supplemental resolution authorizing a series of Bonds into which a part of the proceeds of such Bonds will be deposited and which will be used for the purpose of paying costs of issuance of such Bonds.

“Favorable Opinion of Bond Counsel” means, with respect to any action the occurrence of which requires such an opinion, a written opinion of legal counsel acceptable to the Board, having a national reputation in the field of municipal law whose opinions are generally accepted by purchasers of municipal obligations, to the effect such actions will not adversely affect the exclusion of interest on the Series 2014A Bonds from federal gross income for purposes of the Code. Such opinion may be in such form and with such disclosures as may be required so that the opinion will not be treated as a “covered opinion” for purposes of the United States Treasury Department regulations governing practice before the Internal Revenue Service (Circular 230), 31 C.F.R. pt. 10.
“Fiscal Year” means the period commencing July 1 of each calendar year and ending June 30 of each succeeding calendar year.

“Government Securities” means direct, general obligations of the United States of America, or any obligations unconditionally guaranteed as to the payment of principal and interest by the full faith and credit of the United States of America or such other obligations of the United States of America that are permitted to be used for defeasance purposes under State law. Government Securities, if any, used to defease a series of Bonds must meet the requirements of the related Bond Insurer, if any, as set forth in the Bond Resolution or in the supplemental resolution authorizing the series of Bonds.

“Gross Revenues” means (i) all fees, rentals, and other charges from students, staff members and others using or being served by, or having the right to use or the right to be served by, or to operate any portion of the facilities comprising an Institutional System and (ii) Build America Program Funds.

“Institution” means each of the following: Black Hills State University, Dakota State University, Northern State University, South Dakota School of Mines & Technology, South Dakota State University, the University of South Dakota and any other institution which becomes part of the System.

“Institutional System” means, for each Institution, each and all of the following: (i) any facilities financed with the proceeds of Bonds issued for such Institution; (ii) the Existing Facilities of such Institution as described in the Bond Resolution; and (iii) all repairs, replacements, alterations, extensions, betterments, developments and improvements hereafter acquired, constructed or installed for such Institutional System, that have not been converted to non-economic use and occupancy or abandoned for non-economic feasibility, as determined by resolution of the Board.

“Maximum Annual Debt Service” means, with respect to a series of Bonds or, if applicable, all of the Bonds, the largest total Annual Debt Service payable in the then current or any future Fiscal Year after deducting the amount of the related Debt Service Reserve Requirement from the last maturity or mandatory redemption amount of any series of Bonds which are secured by such Debt Service Reserve Account of an Institutional System.

“Moody’s” means Moody’s Investors Service, Inc., a corporation organized and existing under the laws of the State of Delaware, and its successors and their assigns and, if such corporation shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating organization designated by the Board, by notice to the Bond Registrar.

“Net Revenues” means that portion of the Gross Revenues of an Institution remaining after providing sufficient funds for the reasonable and necessary cost of currently maintaining, repairing, insuring, and operating the Institutional System, including the related Operating Reserve.

“Ninth Supplemental Resolution” means the Ninth Supplemental Revenue Bond Resolution approved by the Board on November __, 2013.

“NSU” means Northern State University and its successors and assigns.

“Operating Reserve” means such amount as is from time to time certified by the Chief Financial Officer of an Institution as adequate and necessary for working capital for operation of the Institutional System; provided that such Operating Reserve shall not exceed one-fourth of the operating and maintenance expenses of the Institutional System for the preceding 12 months.
“Outstanding” when used in reference to the Bonds, means, as of a particular date, the aggregate of all Bonds authenticated and delivered under the Bond Resolution, except:

(a) those cancelled at or prior to such date by the Bond Registrar or delivered to the Bond Registrar at or prior to such date for cancellation;

(b) those deemed to be paid in accordance with the Bond Resolution, as described in this Appendix B under “Defeasance;”

(c) those in exchange for or in lieu of which other Bonds shall have been authenticated and delivered pursuant to the Bond Resolution; and

(d) for purposes of any consent or other action to be taken by the Owners of a specified percentage of a series of Bonds under the Bond Resolution, Bonds held by or for the account of the Board or an Institution, unless all such Bonds are so held.

“Owner” or “Bondholder” means, with respect to any Bond, the person in whose name such Bond shall be registered upon the registration books of the Bond Registrar.

“Paying Agent” means the entity acting as the Bond Registrar for such series of Bonds.

“Permitted Encumbrances” means with respect to the sites of the System (a) liens for taxes and special assessments which are not then delinquent or, if then delinquent, are being contested in good faith; (b) utility, access and other easements and rights-of-way, restrictions and exceptions that will not interfere in any substantial way with or impair the operation of the System; (c) any known mechanic’s, laborer’s, materialman’s, supplier’s or vendor’s lien or right in respect thereof, if payment is not due under the contract in question or if such lien is being contested in good faith; (d) such minor defects, irregularities, encumbrances, easements, rights-of-way and clouds on title as normally exist with respect to properties similar in character to the property included in the System and do not materially impair the property affected thereby for the purpose for which it was acquired or is held; (e) zoning laws and similar restrictions not violated and liens arising in connection with workmen’s compensation, unemployment insurance, taxes, assessments, statutory obligations or liens, social security legislation, undetermined liens and charges incidental to construction, or other similar charges arising in the ordinary course of operations and not overdue or, if overdue, being contested in good faith; (f) such other liens and charges at the time required by law as a condition precedent to the transaction of the activities of the Board or the related Institution or the exercise of any privileges or licenses necessary to the Board or the related Institution; (g) lease agreements or lease-purchase agreements the payments on which are paid from operating revenues; (h) the pledge of any revenue bonds or additional debt that is subordinate to the Bonds; and (i) the pledge to the Bonds.

“Permitted Investments” means any investment permitted by the law of the State for the investment of public funds.

“President” means the President of the Board.

“Project” means the facilities to be constructed with a series of Bonds.

“Project Construction Fund” means each fund established under the Bond Resolution for a series of Bonds or under a supplemental resolution authorizing a series of Bonds into which a part of the proceeds of such series of Bonds will be deposited and which will be used for the purpose of paying the cost of the related Project.
“Record Date” means, with respect to the Series 2014A Bonds, the fifteenth day of the calendar month preceding the calendar month in which an interest payment date occurs.


“Repair and Replacement Reserve Account” means the account of that name for each Institutional System established pursuant to the requirements of the Bond Resolution.

“Reserve Account Credit Instrument” means an insurance policy, surety bond or irrevocable letter of credit which may be delivered to the Bond Registrar in lieu of or in partial substitution for cash or securities required to be on deposit in a Debt Service Reserve Account. In the case of an insurance policy or surety bond, the company providing the same shall be an insurer which, at the time of issuance of the policy, has been assigned the highest rating accorded insurers by Moody’s and S&P, and the policy or bond shall be subject to the irrevocable right of the Bond Registrar to draw thereon in a timely fashion upon satisfaction of any conditions set forth in the Bond Resolution. In the case of a letter of credit, the letter of credit shall be irrevocable and shall be payable to the Bond Registrar and shall be issued by a banking institution having a credit rating on its long-term unsecured debt within one of the two highest rating categories from Moody’s and S&P.

“Revenue Fund” means the fund of that name established for each Institutional System pursuant to the requirements of the Bond Resolution.

“RRR Requirement” means 10% of the amount transferred to the Bond and Interest Sinking Fund Account for an Institutional System until an amount equal to 5% of the cost of construction, furnishing and equipping of all facilities in such Institutional System has been accumulated.

“S&P” means Standard & Poor’s Ratings Services, a Division of The McGraw-Hill Companies, Inc., a corporation duly organized and existing under the laws of the State of New York, its successors and assigns, and, if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, “S&P” shall be deemed to refer to any other nationally recognized securities rating organization designated by the Board, by notice to the Bond Registrar.

“SDSMT” means the South Dakota School of Mines &Technology, and its successors and assigns.

“SDSU” means South Dakota State University, and its successors and assigns.

“Securities Depository” means The Depository Trust Company or, in accordance with then-current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories, or no such depositories, as the Board may designate in accordance with the Bond Resolution in a certificate delivered to the Bond Registrar.

“Series 2014A BHSU Bond and Interest Subaccount” means the subaccount of that name established in the Ninth Supplemental Resolution.

“Series 2014A BHSU Project” means the construction and equipping of new housing facilities for the BHSU Institutional System.

“Series 2014A BHSU Project Construction Fund” means the fund of that name established in the Ninth Supplemental Resolution.

“Series 2014A Bonds” means the South Dakota Board of Regents Housing and Auxiliary Facilities System Revenue Bonds, Series 2014A, issued under the Bond Resolution.

“Series 2014A Expense Fund” means the fund of that name established in the Ninth Supplemental Resolution into which a part of the proceeds of the Series 2014A Bonds will be deposited and which will be used for the purpose of paying the costs of issuance of the Series 2014A Bonds.

“Series 2014A Projects” means, collectively, the Series 2014A BHSU Project, the Series 2014A SDSMT Project and the Series 2014A SDSU Project.

“Series 2014A SDSMT Bond and Interest Subaccount” means the subaccount of that name established in the Ninth Supplemental Resolution.

“Series 2014A SDSMT Capitalized Interest Subaccount” means the subaccount of that name of the Series 2014A SDSMT Project Construction Fund established in the Ninth Supplemental Resolution.

“Series 2014A SDSMT Project” means the remodeling, renovation and addition to the student wellness and fitness facilities and the acquisition of related equipment for the SDSMT Institutional System.

“Series 2014A SDSMT Project Construction Fund” means the fund of that name established in the Ninth Supplemental Resolution.

“Series 2014A SDSU Bond and Interest Subaccount” means the subaccount of that name established in the Ninth Supplemental Resolution.

“Series 2014A SDSU Escrow Fund” means the fund of that name established in the Ninth Supplemental Resolution.

“Series 2014A SDSU Project” means the remodeling and renovation of Brown Hall, including an addition for community space, and the acquisition of related equipment.

“Series 2014A SDSU Project Construction Fund” means the fund of that name established in the Ninth Supplemental Resolution.

“Series 2013A Bonds” means the South Dakota Board of Regents Housing and Auxiliary Facilities System Revenue Bonds, Series 2013A, issued under the Bond Resolution in the amount of $11,990,000.

“Series 2009 Bond Insurer” means Assured Guaranty Corp., a Maryland domiciled insurance company, and its successors and assigns.

“Series 2009 Bonds” means the South Dakota Board of Regents Housing and Auxiliary Facilities System Revenue Bonds, Series 2009 (Build America Program - Taxable), issued under the Bond Resolution in the amount of $90,325,000.

“Series 2008A Bonds” means the South Dakota Board of Regents Housing and Auxiliary Facilities System Revenue Bonds, Series 2008A, issued under the Bond Resolution in the amount of $4,770,000.

“Series 2008B Bonds” means the South Dakota Board of Regents Housing and Auxiliary Facilities System Revenue Bonds, Series 2008B, issued under the Bond Resolution in the amount of $5,230,000.

“Series 2007 Bonds” means the South Dakota Board of Regents Housing and Auxiliary Facilities System Revenue Bonds, Series 2007, issued under the Bond Resolution in the amount of $8,540,000.

“Series 2006 Bonds” means the South Dakota Board of Regents Housing and Auxiliary Facilities System Revenue Bonds, Series 2006, issued under the Bond Resolution in the amount of $9,015,000.


“Series 2004A Bond Insurer” means MBIA Insurance Corporation, and its successors and assigns.

“Series 2004A Bonds” means the South Dakota Board of Regents Housing and Auxiliary Facilities System Revenue Bonds, Series 2004A issued under the Bond Resolution in the amount of $12,965,000.

“Series 2004 BHSU Bond Insurer” means MBIA Insurance Corporation, and its successors and assigns.


“Series 2004 SDSU Bond Insurer” means MBIA Insurance Corporation, and its successors and assigns.
“Series 2004 SDSU Bonds” means the South Dakota Board of Regents South Dakota State University Housing and Auxiliary Facilities Revenue Bonds, Series 2004, originally issued in the amount of $31,300,000 under a Resolution of the Board adopted on January 26, 2004, as amended and restated by the Bond Resolution.

“Series 2003 SDSMT Bond Insurer” means ACA Financial Guaranty Corporation, and is successors and assigns.

“Series 2003 SDSMT Bonds” means the South Dakota Board of Regents South Dakota School of Mines & Technology Housing and Auxiliary Facilities Revenue Bonds, Series 2003, originally issued in the amount of $7,730,000 under a Resolution of the Board adopted on March 14, 2003, as amended and restated by the Bond Resolution.

“State” means the State of South Dakota.

“System” means, collectively, all of the Institutional Systems.

“Tax Exemption Certificate and Agreement” means the agreement of that name delivered by the Board in connection with the issuance of a series of Bonds.

“USD” means the University of South Dakota, and its successors and assigns.

“Variable Rate” means a variable, floating or fluctuating interest rate on any Bonds established in accordance with the terms of the supplemental resolution under which said Bonds are authorized.

PROCEEDS OF THE SERIES 2014A BONDS

Creation of Funds and Accounts. Separate funds and subaccounts have been created under the Ninth Supplemental Resolution with respect to the Series 2014A Bonds as follows:

(i) a separate subaccount of the Bond and Interest Sinking Fund Account of each of the following Institutional Systems: (A) for BHSU’s Institutional System, the “Series 2014A BHSU Bond and Interest Subaccount;” (B) for SDSMT’s Institutional System, the “Series 2014A SDSMT Bond and Interest Subaccount;” and (C) for SDSU’s Institutional System, the “Series 2014A SDSU Bond and Interest Subaccount;”

(ii) a separate Expense Fund under the Bond Resolution, designated the “Series 2014A Expense Fund;”

(iii) three separate Project Construction Funds under the Bond Resolution, designated the “Series 2014A SDSMT Project Construction Fund;” the “Series 2014A SDSMT Project Construction Fund;” and the “Series 2014A SDSU Project Construction Fund;”

(iv) within the Series 2014A SDSMT Project Construction Fund, a subaccount designated the “Series 2014A SDSMT Capitalized Interest Subaccount;” and

(v) a separate trust fund with the Escrow Agent designated the “Series 2014A SDSU Escrow Fund.”

All deposits to the funds and accounts described in clauses (i) – (iii) above shall be made with the Depository. All deposits to the 2014A SDSU Escrow Fund shall be made with the Escrow Agent.
Application of Proceeds of the Series 2014A Bonds. The proceeds of the Series 2014A Bonds shall be deposited in the amounts specified by the Executive Director pursuant to the Ninth Supplemental Resolution to the following funds:

(i) the Series 2014A SDSU Escrow Fund;

(ii) the Series 2014A BHSU Project Construction Fund, the Series 2014A SDSMT Project Construction Fund and the Series 2014A SDSU Project Construction Fund; and

(iii) the Series 2014A Expense Fund.

Series 2014A Expense Fund. Amounts in the Series 2014A Expense Fund shall be used to pay the expenses of the issuance of the Series 2014A Bonds not paid on the date of the delivery of the Series 2014A Bonds. Any excess after payment of such expenses shall be deposited by the Executive Director in the Series 2014A Project Construction Funds of each related Institution in accordance with the Series 2014A Proportion of each Institution, or as otherwise determined by the Executive Director.

Series 2014A SDSU Escrow Fund. The amount of the proceeds of the Series 2014A Bonds deposited to the Series 2014A SDSU Escrow Fund will be sufficient to provide for the payment of the principal of and interest on the outstanding Refunded Series 2004 SDSU Bonds to their redemption date, April 1, 2014. The Series 2014A SDSU Escrow Fund shall be applied as set forth in the Escrow Agreement.

Series 2014A Project Construction Funds. All moneys held in each of the Series 2014A Project Construction Funds shall be used or held for use solely for the payment of the cost of the related Series 2014A Project. The moneys in the Series 2014A Project Construction Funds that are not needed for expenditures therefrom may be invested and reinvested in any Permitted Investments, having a maturity date, or becoming due at the option of the holder, not more than three years subsequent to the date of investment or the completion of the related Series 2014A Project, whichever is sooner, having due regard to the estimates of the related Institutional System as to the times such moneys will be needed. Interest, or any profit or loss realized, from such investments prior to the completion of the Series 2014A Projects shall be deposited in or charged to the Series 2014A Project Construction Fund of the appropriate Institutional System.

The description of any of the Series 2014A Projects (the "Series 2014A Project Descriptions") may be supplemented or amended at any time by the Board, without the consent of any Series 2014A Bondholder, as long as the facilities to be added to such descriptions are authorized by the Act and upon receipt of a Favorable Opinion of Bond Counsel with respect to such supplement or amendment. Prior to the application of money in a Series 2014A Project Construction Fund for the cost of facilities to be included in the amended Series 2014A Project Description and if the facilities to be so included are not already a part of one of the related Institutional Systems, the Board shall adopt a resolution which describes such new facilities in sufficient detail to allow such facilities to be included in such Institutional System and which includes such facilities in such Institutional System. The Board shall also adopt a resolution which amends a Series 2014A Project Description; provided that, if the Board has previously delegated authority to make expenditures consistent with such changes to such Series 2014A Project Description, such delegation shall control.

If, upon the completion of a Series 2014A Project, such proceeds received from the sale of the Series 2014A Bonds deposited in the related Series 2014A Project Construction Fund or transferred therein from the Series 2014A Expense Fund, and the investment income on the related Series 2014A Capitalized Interest Subaccount, if any, shall exceed the cost of such Series 2014A Project, any surplus
shall be (i) paid into the Series 2014A Bond and Interest Subaccount of the Bond and Interest Sinking Fund Account of the related Institutional System and shall be used by the Depository for the payment of the next interest payment on the Series 2014A Bonds or (ii) used for any purpose approved by Bond Counsel.

**Series 2014A Capitalized Interest Subaccount.** The amount of proceeds deposited in the Series 2014A SDSMT Capitalized Interest Subaccount shall be used to pay interest on the Series 2014A SDSMT Proportion through October 1, 2014.

**FLOW OF FUNDS**

**FIRST: Revenue Fund.** The Board covenants in the Bond Resolution that all Gross Revenues of each Institution shall be paid to the Depository, to be credited to a special account for each Institution known as the Housing and Auxiliary Facilities Revenue Fund of the related Institution (each, a “Revenue Fund”), into which will be deposited all funds transferred pursuant to the Bond Resolution to the related Institutional System. Each Revenue Fund shall be maintained with the Depository as a special account, separate and apart from all other funds of the Institution and from all funds of other Institutions, and shall be maintained on behalf of the Institutions so long as any of the Bonds are Outstanding. The moneys in each Revenue Fund shall be used and expended first to maintain the Institution’s Operating Reserve. Funds on deposit in the Revenue Fund, including the Operating Reserve, shall be applied to pay when due all necessary operating expenses, which include current maintenance charges, expenses of reasonable upkeep and repairs, properly allocated share of charges for insurance, and all other expenses incident to the operation of the Institutional System but shall exclude depreciation, all general administrative expenses of the Institution not allocable to the Institutional System, and the payments required to be made into the Repair and Replacement Reserve Account for the Institutional System.

**SECOND: Bond and Interest Sinking Fund Account and Debt Service Account.** The Board has established in the Bond Resolution and has covenanted and agreed to maintain a separate account for each Institution, to be known as the Bond and Interest Sinking Fund Account of the related Institution (each a “Bond and Interest Sinking Fund Account”) with the Depository into which will be deposited all funds transferred pursuant to the Bond Resolution. On or before each March 25 and September 25 (or such other date as shall be provided for a series of Bonds in the supplemental resolution authorizing such Bonds), after retaining in the Revenue Fund the then current Operating Reserve and payment of operation and maintenance expenses of the Institutional System then due, the Chief Financial Officer of the Institution shall transfer and deposit to the credit of the Bond and Interest Sinking Fund Account of such Institution such amounts which, when added to the balance therein, will be sufficient to equal the interest then due on the Bonds of such Institution and one-half of the principal due on the Bonds of such Institution within the next 12 months. Such funds as are necessary to pay the principal of and interest on the Bonds of such Institution due on the immediately following payment date shall be immediately transferred to a separate account, to be known as the Debt Service Account of the related Institution (each, a “Debt Service Account”) with the Bond Registrar. The Bond Registrar shall use moneys in the Debt Service Account to pay the interest due on the Bonds of such Institution then Outstanding on the next interest payment date and the principal of the Bonds of such Institution when due. All moneys credited to the Debt Service Account shall be and are irrevocably pledged to and shall be used solely for the payment of the principal and interest on the Bonds of such Institution. Notwithstanding the foregoing, if any Bonds bear, or are expected to bear, interest as a Variable Rate, the Chief Financial Officer of such Institution shall transfer amounts to the Bond and Interest Sinking Fund Account and the Debt Service Account to pay interest on such Bonds at such times and in such amounts as set forth in the supplemental resolution authorizing; such Bonds.
Each Institution shall notify the Board at least 30 days prior to each interest or principal payment date either (i) that it has sufficient Net Revenues available from the Institutional System to make the interest and principal payment, if any, on such payment date or (ii) that it does not have sufficient Net Revenues available from the Institutional System (a "Notice of Deficiency") to make such interest and principal payment, if any and specifying the amount of such deficiency (a "Deficiency").

If the Board receives a Notice of Deficiency with respect to an Institution, the Executive Director shall take the following steps as soon as possible prior to the payment date, in the order of priority listed:

(i) if a Debt Service Reserve Subaccount is maintained for such Bonds, notify the Bond Registrar or the Depository, as the case may be, of such Deficiency and direct the application of a specified amount of such funds to the payment due;

(ii) if the Institution has funds in the Repair and Replacement Reserve Account for its Institutional System for which there are no contractual commitments, such funds shall be transferred to the Bond and Interest Sinking Fund Account of the Institution to make up the Deficiency;

(iii) the Executive Director shall direct the withdrawal and use of the Net Revenues of other Institutional Systems not necessary for payment of interest due on the next interest payment date and one-half of the principal due within the next 12 months on the Bonds issued on behalf of such Institution to make up all or a portion of the Deficiency;

(iv) if other Institutions have funds in the Repair and Replacement Reserve Accounts for their Institutional Systems for which there are no contractual commitments, funds shall be withdrawn therefrom at the direction of the Executive Director and transferred to make up all or a portion of the Deficiency.

The repayment provisions for the reimbursement of Institutions from which Net Revenues or funds in the Repair and Replacement Reserve Accounts have been transferred to satisfy a Deficiency shall be as determined by the Executive Director.

After transferring Net Revenues of an Institution to its Bond and Interest Sinking Fund Account in the required amount, the Chief Financial Officer of such Institution, upon the request of the Executive Director on behalf of the Board, shall transfer available Net Revenues to the Bond and Interest Sinking Fund Accounts of such other Institutions, and in such amounts as may be designated by the Executive Director, to remedy deficiencies in the Bond and Interest Sinking Fund Accounts of other Institutions as described above.

The moneys in the Bond and Interest Sinking Fund Account may be invested by the Depository, and moneys in the Debt Service Account may be invested by the Bond Registrar or the Depository, as the case may be, upon the request of the Board, in Permitted Investments. Investment income therefrom shall be credited to the related Bond and Interest Sinking Fund Account and the related Debt Service Account, as the case may be, and used for the next interest payment on the Bonds of such Institution.

THIRD: Debt Service Reserve Account. The Board may establish a Debt Service Reserve Account for an Institution, and subaccounts therein, to secure a particular series of Bonds of such Institution, or the Board may provide that a particular series of Bonds to be issued (i) shall not be secured by a Debt Service Reserve Account, (ii) shall be secured by a separate subaccount in the Debt Service Reserve Account in an amount equal to or less than the Maximum Annual Debt Service on such Bonds, (iii) shall be secured by a Reserve Account Credit Instrument, or (iv) shall be secured in such other manner as provided in the supplemental resolution authorizing the issuance of such series of Bonds. If
established, the Debt Service Reserve Account for an Institution shall be held by the Bond Registrar or, at
the option of the Board and with the consent of the related Bond Insurer, if any, by the Depository. All
moneys credited to a Debt Service Reserve Account shall be irrevocably pledged to and solely used as
described in the Bond Resolution.

The Board shall create a separate subaccount in the Institution’s Debt Service Reserve Account
for each series of Bonds which are to be secured by such Debt Service Reserve Account, and such Bonds
shall have no claim on any other cash or assets in the Debt Service Reserve Account or in the Debt
Service Reserve Account of any other Institution. Any subaccount securing any issue of Bonds which are
to be secured by a Debt Service Reserve Account shall be maintained in an amount equal to the related
Debt Service Reserve Requirement. Funds on deposit in such subaccount shall be transferred to the
related Institution’s Debt Service Account and used to pay debt service on the Bonds secured by such
subaccount in the event funds on deposit in the Debt Service Account are insufficient therefor. If at any
time the amount on deposit in the subaccount exceeds the Debt Service Reserve Requirement for the
Bonds secured thereby, the excess may be withdrawn and used to pay debt service on such Bonds or to
purchase or redeem such Bonds.

If on any April 1 or October 1 the amount on deposit in a subaccount of the Debt Service Reserve
Account is less than the Debt Service Reserve Requirement for the Bonds secured thereby because of a
withdrawal therefrom, the Board shall transfer funds from the related Institution’s Revenue Fund and
deposit into such subaccount not later than the next interest payment date on such Bonds an amount not
less than that necessary to restore the subaccount to the Debt Service Reserve Requirement for the Bonds
secured thereby.

The moneys in a Debt Service Reserve Account may be invested by the Bond Registrar or the
Depository, as the case may be, upon the request of the Board, in Permitted Investments. Investment
income therefrom shall be transferred to the Institution’s Bond and Interest Sinking Fund Account, unless
the amount in the Debt Service Reserve Account is less than the related Debt Service Reserve
Requirement, in which case such investment income shall be deposited into such Debt Service Reserve
Account.

The Series 2014A Bonds are not secured by a Debt Service Reserve Account.

FOURTH: Repair and Replacement Reserve Account. The Board has established in the Bond
Resolution and has covenanted and agreed to maintain a separate account for each Institution to be known
as the Repair and Replacement Reserve Account (each, a “Repair and Replacement Reserve Account”) with the Depository into which will be deposited all funds transferred therein pursuant to the Bond
Resolution. There shall be transferred from the funds remaining in each Institution’s Revenue Fund to
such Institution’s Repair and Replacement Reserve Account on or before the close of each Fiscal Year a
minimum of 10% of the amount transferred to such Institution’s Bond and Interest Sinking Fund Account until an amount equal to the RRR Requirement of such Institution has been accumulated and, if Bonds are
issued for additional improvements to the related Institutional System, such amount shall be increased by
5% of the cost of the additional improvements. However, such payments need not be made at any time
when the funds and investments in the Repair and Replacement Reserve Account aggregate the amount
provided in the preceding sentence, or such larger amount as may be hereinafter required in connection
with issuance of a series of Bonds. All moneys and investments so held in said Account for such
Institution shall be used and held for use to pay the cost of unusual or extraordinary maintenance or
repairs, renewals, renovations and replacements, and renovating or replacement of the furniture and
equipment not paid as part of the ordinary maintenance and operation of the facilities constituting the
related Institutional System.
In the event the funds in the Institution’s Bond and Interest Sinking Fund Account or Debt Service Account, as the case may be, should be reduced at any time below the amounts required to be on deposit therein, and after any transfers from the related Institution’s Debt Service Reserve Account, then the funds so credited to such Institution’s Repair and Replacement Reserve Account shall be transferred for deposit in the Institution’s Bond and Interest Sinking Fund Account, or Debt Service Account, as the case may be, to the extent required to eliminate the deficiency therein and to restore such sums as may be necessary for that purpose; provided that the deficiency did not result from the issuance of Bonds for such Institution. All moneys so transferred shall thereafter be replaced by a resumption of the specified deposits into such Repair and Replacement Reserve Account.

In the event that after the transfers required under the preceding paragraph have been made, the funds in the Institution’s Bond and Interest Sinking Fund Account or Debt Service Account, as the case may be, still are below the amounts required to be on deposit therein, then there shall be transferred, first from available funds on deposit in the Bond and Interest Sinking Fund Account of other Institutions as described under “SECOND” above and then from uncommitted funds on deposit in any other Institution’s Repair and Replacement Reserve Account in amounts and from the Bond and Interest Sinking Fund Accounts or the Repair and Replacement Reserve Accounts, as the case may be, of such Institution or Institutions as may be designated by the Executive Director for deposit in such Bond and Interest Sinking Fund Account or Debt Service Account, as the case may be, to the extent required to eliminate the deficiency therein and to restore such sums as may be necessary for that purpose. All moneys so transferred shall thereafter be replaced by deposits from the related Institution’s Repair and Replacement Account into such other Institutions’ Repair and Replacement Reserve Account or Accounts pursuant to a schedule determined by the Executive Director.

The moneys in the Repair and Replacement Reserve Account may be invested by the Depository, upon the request of the Board, in Permitted Investments.

FIFTH: Disposition of Residual Funds in the Revenue Fund. At the close of each Fiscal Year and after all transfers and maximum deposits hereinabove described shall have been made, and after any deficiencies in any such transfers and deposits which may exist from any previous Fiscal Year shall have been remedied, the balance of any excess funds in each Revenue Fund then remaining may be used by the Board (i) to redeem, on the next interest payment date, the Bonds of the related Institution then Outstanding which are subject to redemption prior to maturity (but such redemptions shall be in accordance with the provisions of the Bond Resolution governing repayment of such Bonds in advance of maturity and shall not be made in amounts of less than $5,000 at any one time); (ii) for any expenditures, including the payment of debt service, related to improving or restoring any existing facilities of the related Institutional System, or providing for such additional facilities; (iii) any other lawful purpose of the related Institutional System; (iv) for any expenditures related to or improving or restoring any existing facilities of the System or providing for such additional facilities; and (v) any other lawful purpose of the System.

All moneys in the other accounts in the Revenue Fund, other than the Bond and Interest Sinking Fund Account, the Debt Service Account and the Debt Service Reserve Account, may be invested or reinvested at the direction of the Board in any Permitted Investments and all income thereon or profit therefrom shall be credited to the Revenue Fund. All such securities so purchased shall mature or be redeemable on a date or dates prior to the time when such moneys so invested will be required for expenditure.
RULES AND COVENANTS

Rate Covenant. The Board has covenanted and agreed in the Bond Resolution that it will adopt such rules and regulations as are necessary to assure occupancy and use of the System, until all of the Bonds authorized have been paid fully as to both principal and interest; and that the rates, rents, charges and fees (including the General Activity Fee) chargeable to the occupants of, and students, faculty members and others using or being served by, or having the right to use or having the right to be served by, the System will be so fixed and revised from time to time and will be so collected that the (i) ratio of Net Revenues to Annual Debt Service in each Fiscal Year shall be at least equal to 120 percent (1.2 times) the Annual Debt Service for such Fiscal Year and (ii) ratio of Net Revenues of each Institutional System to Annual Debt Service of the Bonds of that Institution in each Fiscal Year shall be at least equal to 120 percent (1.2 times) of such Annual Debt Service for such Fiscal Year, commencing with the end of the first Fiscal Year in which capitalized interest, if any, has been fully applied to payment of debt service.

Failure to satisfy such covenant shall not constitute an event of default under the Bond Resolution if the Board timely engages (within 30 days of any such failure) an independent management consultant acceptable to the related Bond Insurer, such consultant timely prepares (within 45 days of engagement) a report with recommendations for meeting the required coverage ratio and the Board, to the extent legally permissible, timely implements the consultant’s recommendations. Notwithstanding the preceding sentence, in no event may coverage described in clause (i) fall below 100 percent (1.00 times) of Annual Debt Service on all Bonds in each Fiscal Year.

Title. At or prior to the issuance of any Bonds, the Board will have indefeasible title in fee simple to the sites of the System, subject only to Permitted Encumbrances and to the provisions of the next paragraph; provided that, any property, when determined by the Board not to be income producing because destroyed, worn out, obsolete or otherwise physically or structurally unfit for the use or occupancy thereof for which the same was initially acquired, may be abandoned or sold for economic non-feasibility; or, when otherwise determined by the Board not to be suitable for the use and occupancy thereof for which the same was initially acquired, may be converted to income use for administrative or academic purposes or may be leased to such parties at such rentals as shall be approved by the Board. A copy of the resolution or resolutions of the Board making such determination shall be filed with the Executive Director of the Board and the related Bond Registrar.

Disposition of Assets. No property, plant and equipment ("PP&E") that is used to generate Net Revenues may be sold or otherwise disposed of unless (i) the PP&E is obsolete or worn out, (ii) fair market value is received in return, or (iii) the market value of all PP&E disposed of in any Fiscal Year does not exceed five percent of the total market value of all such PP&E. No cash, investments and other current assets ("Liquid Assets") that are a source of Net Revenues may be sold or otherwise disposed of unless (i) fair market value is received in return or (ii) the total market value of Liquid Assets disposed of in any Fiscal Year does not exceed one percent of all such Liquid Assets. Notwithstanding the foregoing, no accounts receivable that are a source of Net Revenues may be sold, pledged, factored or otherwise disposed of under any circumstances.

Additional Obligations. The Board may not issue any Bonds or incur any additional debt secured by Net Revenues (including, but not limited to, guarantees or derivatives in the form of credit default swaps or total-rate-of-return swaps or similar instruments), without the prior written consent of each Bond Insurer, or upon satisfaction of the test relating to the issuance of additional series of Bonds as described under "SECURITY FOR THE SERIES 2014A BONDS—Parity Bonds;" provided, however, that the Board may issue revenue bonds or additional obligations secured by a lien that is subordinate to the lien on Net Revenues which secures the Bonds without the consent of any Bond Insurer and without satisfying the parity test described above.
**Mergers.** The Board may merge or consolidate with, sell all or substantially all of the assets constituting the System to, or acquire all or substantially all of the assets of, any other entity with respect to the System (a "Merger"), unless such Merger will have an adverse affect on the Bonds or the Net Revenues of the System, and so long as each Bond Insurer consents in writing to the Merger, which consent shall not be unreasonably withheld.

The Board is authorized to amend the Bond Resolution in order to make any changes necessary to (i) include in the System and the Net Revenues the housing and auxiliary facilities systems and revenues of other institutions of higher education under the jurisdiction of the Board or (ii) consolidate the Institutional System and the Net Revenues of each Institutional System more completely into the System, including but not limited to, centralizing the operation of the System and/or eliminating Institutional Systems.

**Negative Pledge.** The Board may not create or allow to exist any liens on any Net Revenues except Permitted Encumbrances and except as described under “Additional Obligations” above.

**Insurance.** The Board must maintain, with respect to the System, property and casualty (including business interruption) and liability (including professional liability) insurance as reviewed and recommended by an independent insurance consultant at least once every year, in amounts and covering risks as customarily maintained by similarly situated entities. All such insurers must be rated at least “A” by Best or S&P. The Board may self-insure with respect to the System (for liability only), subject to periodic review by an independent actuarial consultant and maintenance of funding at levels recommended by the actuarial consultant. Certificates of the insurers that such insurance is in full force and effect shall be deposited with each Bond Insurer (together with satisfactory evidence from the Board indicating that premiums are being paid on an annual or more frequent basis in accordance with the terms of each such policy) and, prior to the expiration of any such policy, the Board shall furnish to each Bond Insurer satisfactory evidence that such policy has been renewed or replaced or is no longer required by the Bond Resolution.

The Board will (i) credit the proceeds from any insurance to the related Repair and Replacement Reserve Account to be used to reconstruct, repair or rehabilitate the part of the related Institutional System damaged or destroyed, or to replace funds so used, or (ii) pay such proceeds into the related Bond and Interest Sinking Fund Account, which funds may be used to redeem Outstanding Bonds issued to construct the facilities to which the insurance proceeds relate, but will not offset or be counted as funds which are otherwise required to be deposited in such Account.

**Operation of the System.** The Board will at all times maintain, preserve and keep the System in good repair, working order and condition and will, when necessary and to the extent that funds are available therefor, make any and all needful and proper repairs, renewals, replacements, and additions thereto, and will continue to operate and maintain the System as income-producing facilities.

**Records and Audits.** The Board will keep accurate financial records and proper books relating to the each Institutional System and to the System and such records and books shall be open to inspection by the Bondholders and their agents and representatives. The Board will, not later than 180 days after the close of each Fiscal Year, furnish to any Bondholder who shall request same in writing, copies of audit reports prepared by the proper officer of the State reflecting in reasonable detail the financial condition and record of operation of the System.

**Pledge of Performance.** The Board has pledged in the Bond Resolution to faithfully and punctually perform or cause to be performed all of the acts and obligations relating to the System as are required by the provisions of the Bond Resolution and the statutes of the State under which the Bonds are
issued, including the operation and maintenance of the System as provided in the Bond Resolution, the making and collecting of sufficient rates, fees, and charges for the use thereof, the segregation of the income and the revenues therefrom to the respective Funds and Accounts created under the provisions of the Bond Resolution and the proper application of all moneys and investments thereof.

**Bondholders Remedies.** Twenty percent of the Owners of a series of the Bonds may, after 30 days notice in writing by any Owner of Bonds, by proper court action, compel the Board to perform all duties imposed upon it under the provisions of the Bond Resolution and under the provisions of the Act authorizing the issuance of the Bonds, and the performance of any and all covenants made by the Board in and by the Bond Resolution. No Bond Registrar, nor any other person acting on behalf of the Owners of the Bonds, is authorized under the Bond Resolution to enforce the covenants of the Board provided for therein or otherwise to enforce any of the rights of the Owners of the Bonds.

**Contractual Obligations.** The Bond Resolution shall constitute a contract between the Board and the Owners of the Bonds and shall remain in full force and effect so long as any of said Bonds remain Outstanding.

As long as any of the Bonds remain Outstanding and unpaid either as to principal or interest or both, the Board will at all times exercise all of its lawful powers to preserve and protect the security of the Bonds and the rights of the Bondholders under the Bond Resolution.

The Board will furnish heat to the System, and any additions thereto or any replacements thereof, at not in excess of reasonable cost.

The Board will not discriminate, nor permit discrimination by its agents, lessees or others operating the System, in the use or occupancy thereof because of race, color, creed or national origin.

**MODIFICATION OF BOND RESOLUTION**

Modification with the Consent of the Bondholders. The Owners of a majority in original principal amount of the Bonds then Outstanding or, if a change relates to less than all Bonds, the Owners of a majority in original principal amount of the series of Bonds at any time Outstanding affected by such change (not including any Bonds which may then be held or owned by the Board or any Institution unless 100% of such Bonds are so owned) shall have the right to consent to and approve the adoption by the Board of a resolution or resolutions modifying or amending any of the terms or provisions contained in the Bond Resolution, provided that, without the consent of the Owners of all outstanding Bonds affected thereby, the Bond Resolution may not be so modified or amended in such manner as to:

(a) make any change in the maturity of any Bonds;

(b) make any change in the rate of interest borne by any of the Bonds;

(c) reduce the amount of the principal of, or redemption premium payable on, any of the Bonds;

(d) create any lien on or pledge of the income and revenues described in the Bond Resolution ranking prior to the lien thereon and pledge thereof created by the Bond Resolution or create any lien on any Bond and Interest Sinking Fund Account, Debt Service Account or Debt Service Reserve Account ranking prior to the lien created thereon by the Bond Resolution;
create any preference or priority of any Bond or Bonds of the same or different series, over any other Bond or Bonds of the same or different series, authorized under the Bond Resolution;

reduce the percentage of Bonds, the Owners of which are required for the approval of any amendatory resolution; or

affect the rights of the Owners of less than all of the Bonds then Outstanding, unless such amendment or modification shall be applicable only to a particular series of Bonds and the Owners of a majority in original principal amount of the such series of Bonds shall have consented to such amendment or modification.

Owners of Bonds shall be deemed to have consented to such amendments if the official statement or other disclosure document pursuant to which such Bonds are offered and sold specifically describes such amendment and states that by purchasing such Bonds, such Owners and any subsequent Owners shall be deemed to have consented to such amendment for purposes of the Bond Resolution.

Modification without the Consent of the Bondholders. Notwithstanding the provisions stated above, the Board may, from time to time and at any time, without the consent of or notice to the Owners of the Bonds, amend the Bond Resolution to:

(a) cure any formal defect, omission, inconsistency or ambiguity in the Bond Resolution;

(b) add to the covenants and agreements of, and limitations and restrictions upon, the Board under the Bond Resolution other covenants, agreements, limitations and restrictions to be observed by the Board which are not contrary to or inconsistent with the Bond Resolution as theretofore in effect;

(c) confirm, as further assurance, any pledge under, and the subjection to any claim, lien or pledge created or to be created by, the Bond Resolution, or of any moneys, securities or funds held under the Bond Resolution;

(d) provide for the issue of additional Bonds;

(e) with the prior written consent of each Bond Insurer, make any changes necessary in order to (i) include in the System and the Net Revenues the housing and auxiliary facilities systems and revenues of other institutions of higher education under the jurisdiction of the Board or (ii) consolidate the Institutional Systems and the Net Revenues of each Institutional System more completely into the System, including, but not limited to, centralizing the operation of the System and/or eliminating Institutional Systems;

(f) modify, alter, amend or supplement the Bond Resolution to make appropriate provisions for the Board to enter into swap agreements, forward payment conversion agreements, agreements or contracts providing for payments based on levels or changes in interest rates, to exchange cash flows or a series of payments based on levels of or changes in similar exposure between the Board and the provider of such agreement;

(g) in connection with the issuance of Variable Rate Bonds, including provisions required for the delivery of credit enhancement or liquidity support for such Variable Rate Bonds; and
(h) modify, alter, amend or supplement the Bond Resolution in any other respect, including amendments which would otherwise be described under the caption “Modification With the Consent of the Bondholders” above, if the effective date of such amendment is a date on which all then Outstanding Bonds affected thereby (i) will no longer be Outstanding; (ii) are subject to mandatory purchase; or (iii) are subject to demand for purchase and whose Owners have received notice of such proposed amendment at least 30 days before such effective date.

DEFEASANCE

Payment of All Outstanding Bonds. If the Board shall pay or provide for the payment of the entire indebtedness on all Outstanding Bonds, in any one or more of the following ways by:

(a) paying or causing to be paid the principal of (including redemption premium, if any) and interest on all Outstanding Bonds, as and when the same become due and payable;

(b) depositing with the Bond Registrars, in trust, at or before maturity, moneys and/or Government Securities in an amount, without consideration of any income or increment to accrue thereon, sufficient to pay or redeem (when redeemable) all outstanding Bonds (including the payment of premium, if any, and interest payable on such Bonds to the maturity or redemption date thereof), provided that such moneys, if invested, shall be invested in Government Securities in an amount, without consideration of any income or increment to accrue thereon, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Outstanding Bonds at or before their respective maturity dates; it being understood that the investment income on such Government Securities may be used for any other purpose under the Act;

(c) delivering to the Bond Registrars, for cancellation, all Outstanding Bonds; or

(d) depositing with the Bond Registrars, in trust, moneys and/or Government Securities in such amount as the Bond Registrars shall determine will, together with other moneys deposited therein and together with the income or increment to accrue thereon, without consideration of any reinvestment thereof, be fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Bonds at or before their respective maturity dates;

and if the Board shall also pay or cause to be paid all other sums payable under the Bond Resolution by the Board, then in that case the Bond Resolution and the estate and rights granted under the Bond Resolution shall cease, determine and become null and void.

All moneys, funds, securities or other property remaining on deposit in all funds and accounts established under the Bond Resolution (other than said moneys or Government Securities deposited in trust as above provided) shall, upon the full satisfaction of the Bond Resolution, forthwith be transferred, paid over and distributed to the Board.

Upon the discharge of the Bond Resolution as described above, the liability of the Board in respect of any Bonds shall continue, provided that the Owners thereof shall thereafter be entitled to payment only out of the moneys or Government Securities deposited with the Bond Registrars as described above.

Provision for Payment of a Particular Series of Bonds or Any Portion Thereof. If the Board shall pay or provide for the payment of the entire indebtedness on the Bonds or on all Bonds of a particular series or any portion of a series, at any time in one of the following ways:
(a) by paying or causing to be paid the principal of (including redemption premium, if any) and interest on all Bonds or Bonds of such series Outstanding or any such portion thereof, as and when the same shall become due and payable;

(b) by depositing with the related Bond Registrar, in trust, at or before maturity, moneys and/or Government Securities in an amount sufficient, without consideration of any income or increment to accrue thereon, to pay or redeem (when redeemable) all Outstanding Bonds or Bonds of such series or any such portion thereof (including the payment of premium, if any, and interest payable on such Bonds or Bonds to the maturity or redemption date), provided that such moneys, if invested, shall be invested in Government Securities in an amount, without consideration of any income or increment to accrue thereon, sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Outstanding Bonds or Bonds of such series or any such portion thereof at or before their respective maturity dates; it being understood that the investment income on such Government Securities may be used for any other purpose under the Act;

(c) by delivering to the related Bond Registrar, for cancellation by it, such Bonds; or

(d) by delivering to the related Bond Registrar, in trust, moneys and/or Government Securities in such amount as the related Bond Registrar shall determine will, together with the income or increment to accrue thereon without consideration of any reinvestment thereof, be fully sufficient to pay or redeem (when redeemable) and discharge the indebtedness on all Bonds or Bonds of such series or any such portion thereof at or before their respective maturity dates;

and if the Board shall also pay or cause to be paid all other sums payable under the Bond Resolution by the Board with respect to such series of such Bonds or any such portion thereof, and, if such Bonds of such series or any such portion thereof are to be redeemed prior to the maturity thereof or if provision for the payment of only a portion of the Bonds of a particular series is being made, notice, as the case may be, of such redemption or of such provision (which notice shall specify which individual Bonds are entitled to the benefit of such security) shall have been given as in the Bond Resolution provided or provisions satisfactory to the related Bond Registrar shall have been made for the giving of such notice, such Bonds shall cease to be entitled to any lien, benefit or security under the Bond Resolution. The liability of the Board in respect to such Bonds shall continue but the Owners thereof shall thereafter be entitled to payment (to the exclusion of all other Owners of Bonds) only out of the moneys or Government Securities deposited with the applicable Bond Registrar as described above.
APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

Upon the issuance of the Series 2014A Bonds, Chapman and Cutler LLP, Bond Counsel, proposes to issue its approving opinion in substantially the following form:

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED THE CLOSING DATE]

South Dakota Board of Regents
306 East Capitol Avenue
Pierre, South Dakota 57501

We hereby certify that we have examined certified copy of the proceedings of the South Dakota Board of Regents (the “Board”) passed preliminary to the issue by the Board of its Housing and Auxiliary Facilities System Revenue Bonds, Series 2014A (the “Series 2014A Bonds”) dated _____, 2014, in the aggregate principal amount of $__________, maturing on April 1 of the years, in the amounts and bearing interest at the rates per annum as follows:

<table>
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<tr>
<th>YEAR</th>
<th>PRINCIPAL AMOUNT</th>
<th>INTEREST RATE</th>
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We are of the opinion that such proceedings show lawful authority for the issuance of the Series 2014A Bonds under the authorizing Amended and Restated Bond Resolution of the Board adopted October 21, 2004, as supplemented and amended on December 6, 2005, November 22, 2006 (as amended), December 13, 2007 (as amended), March 28, 2008 (as amended), October 22, 2008 (as amended), May 21, 2009, October 12, 2011, December 12, 2012 and November __, 2013, and as hereafter amended or supplemented (the “Bond Resolution”) and the laws of the State of South Dakota now in force. Capitalized terms used herein and not defined shall have the meanings set forth in the Bond Resolution.
We further certify that we have examined the form of Bond prescribed for said issue and find the same in due form of law.

In our opinion said issue of Series 2014A Bonds, to the amount named, is valid and the Series 2014A Bonds are legally binding special obligations of the Board, payable from and secured by the Net Revenues of the BHSU Institutional System (as to the Series 2014A BHSU Proportion), the Net Revenues of the SDSMT Institutional System (as to the Series 2014A SDSMT Proportion), and the Net Revenues of the SDSU Institutional System (as to the Series 2014A SDSU Proportion) and the uncommitted funds held in the Repair and Replacement Reserve Accounts of BHSU, SDSMT and SDSU as to the Series 2014A BHSU Proportion, the Series 2014A SDSMT Proportion, and the Series 2014A SDSU Proportion, respectively. The Series 2014A Bonds, together with the Series 2003 SDSMT Bonds, the Series 2004 BHSU Bonds, the Series 2004 SDSU Bonds maturing on April 1, 2014, the Series 2004A Bonds, the Series 2005A Bonds, the Series 2006 Bonds, the Series 2007 Bonds, the Series 2008A Bonds, the Series 2008B Bonds, the Series 2009 Bonds, the Series 2011 Bonds and the Series 2013A Bonds and such bonds as may be issued on a parity with the Series 2014A Bonds pursuant to the terms of the Bond Resolution, are also payable from and secured by Net Revenues of the other Institutions (limited as described in the Bond Resolution), uncommitted funds in the Repair and Replacement Reserve Accounts of the other Institutions (as described in the Bond Resolution) and by such other funds which may be pledged or used as authorized by the Board of Regents Revenue Bond Act of 1971, as amended.

It is our opinion that, subject to the Board’s compliance with certain covenants, under present law, interest on the Series 2014A Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended, but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such Board covenants could cause interest of the Series 2014A Bond to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Series 2014A Bonds. Ownership of the Series 2014A Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Series 2014A Bonds. Bondholders should consult their own tax advisors concerning the federal tax consequences of ownership of the Series 2014A Bonds.

Ownership of the Series 2014A Bonds may result in state and local tax consequences to certain taxpayers, and we express no opinion regarding any such state and local tax consequences arising with respect to the Series 2014A Bonds.

We express no opinion herein as to the accuracy, adequacy or completeness of the Official Statement relating to the Series 2014A Bonds.

In rendering this opinion, we have relied upon certifications of the Board with respect to certain material facts within the Board’s knowledge. Our opinion represents our legal judgment based on our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.
APPENDIX D

PROPOSED FORM OF CONTINUING DISCLOSURE AGREEMENT

THIS CONTINUING DISCLOSURE AGREEMENT (the “Agreement”) is executed and delivered by the South Dakota Board of Regents (the “Board”) in connection with the issuance of its $__________ Housing and Auxiliary Facilities System Revenue Bonds, Series 2014A (the “Series 2014A Bonds”). The Series 2014A Bonds are being issued pursuant to the Bond Resolution adopted and defined in the Final Official Statement (the “Bond Resolution”).

In consideration of the issuance of the Series 2014A Bonds by the Board and the purchase of such Series 2014A Bonds by the beneficial owners thereof, the Board covenants and agrees as follows:

(1) PURPOSE OF THIS AGREEMENT. This Agreement is executed and delivered by the Board as of the date set forth below, for the benefit of the beneficial owners of the Series 2014A Bonds and to assist the Participating Underwriter (as defined below) in complying with the requirements of the Rule (as defined below). The Board represents that it will be the only obligated person with respect to the Series 2014A Bonds at the time the Series 2014A Bonds are delivered to the Participating Underwriter and that no other person is expected to become so committed at any time after issuance of the Series 2014A Bonds.

(2) DEFINITIONS. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

“Annual Financial Information” means the financial information and operating data described in Exhibit I.

“Annual Financial Information Disclosure” means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements, if any, as set forth in Section 4.

“Audited Financial Statements” means audited financial statements of the Board, if and when prepared, as described in Exhibit I.

“Commission” means the Securities and Exchange Commission.

“Dissemination Agent” means any agent designated as such in writing by the Board and which has filed with the Board a written acceptance of such designation, and such agent’s successors and assigns.

“EMMA” means the MSRB through its Electronic Municipal Market Access system for municipal securities or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.


“MSRB” means the Municipal Securities Rulemaking Board.

“Participating Underwriter” means BMO Capital Markets GKST Inc.
“Reportable Event” means the occurrence of any of the Events with respect to the Series 2014A Bonds set forth in Exhibit II.

“Reportable Events Disclosure” means dissemination of a notice of an Event as set forth in Section 5.

“Rule” means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

“State” means the State of South Dakota.

“Undertaking” means the obligations of the Board pursuant to Sections 4 and 5.

(3) CUSIP NUMBER/FINAL OFFICIAL STATEMENT. The CUSIP Numbers of the Series 2014A Bonds are as set forth in Exhibit III. The Final Official Statement relating to the Series 2014A Bonds is dated December __, 2013 (the “Final Official Statement”). The Board will include the CUSIP Numbers in all disclosure described in Section 4 and 5 of this Agreement.

(4) ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 9 of this Agreement, the Board hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements, if any (in the form and by the dates set forth in Exhibit I), to EMMA. The Board is required to deliver such information in such manner and by such time so that the MSRB receives the information by the dates specified.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the Board will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

(5) REPORTABLE EVENTS DISCLOSURE. Subject to Section 9 of this Agreement, the Board hereby covenants that it will disseminate in a timely manner (not in excess of ten business days the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Series 2014A Bonds or defeasance of any Series 2014A Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Bond Resolution.

(6) EMMA. All documents submitted to the MSRB through EMMA pursuant to this Agreement shall be in electronic format and accompanied by identifying information as prescribed by the MSRB, in accordance with the Rule. All documents submitted to the MSRB through EMMA must be word-searchable PDFs, configured to permit documents to be saved, viewed, printed and electronically retransmitted.

(7) CONSEQUENCES OF FAILURE OF THE BOARD TO PROVIDE INFORMATION. The Board shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.
In the event of a failure of the Board to comply with any provision of this Agreement, the beneficial owner of any Series 2014A Bond may seek mandamus or specific performance by court order to cause the Board to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default under the Bond Resolution, and the sole remedy under this Agreement in the event of any failure of the Board to comply with this Agreement shall be an action to compel performance.

(8) AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement, the Board by a duly enacted order or supplement or amendment to the Bond Resolution, may amend this Agreement, and any provision of this Agreement may be waived, if:

   (a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Board, or type of business conducted; or

   (ii) This Agreement, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

   (b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Series 2014A Bonds, as determined by a party unaffiliated with the Board at the time of the amendment.

(9) TERMINATION OF OBLIGATIONS. The obligations of the Board pursuant to this Agreement shall be terminated hereunder if the Board shall no longer have any legal liability for any obligation on or relating to repayment of the Series 2014A Bonds under the Bond Resolution. If this Section is applicable, the Board shall give notice in a timely manner to the MSRB.

(10) DISSEMINATION AGENT. The Board may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

(11) ADDITIONAL INFORMATION. Nothing in this Agreement shall be deemed to prevent the Board from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of an Reportable Event, in addition to that which is required by this Agreement. If the Board chooses to include any information from any document or notice of occurrence of an Reportable Event in addition to that which is specifically required by this Agreement, the Board shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of an Reportable Event.

(12) BENEFICIARIES. This Agreement has been executed to assist the Participating Underwriter in complying with the Rule; however, this Agreement shall inure solely to the benefit of the Board, the Dissemination Agent, if any, and the beneficial owners of the Series 2014A Bonds, and shall create no rights in any other person or entity.
(13) RECORDKEEPING. The Board shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

(14) ASSIGNMENT. The Board shall not transfer its obligations under the Bond Resolution unless the transferee agrees to assume all obligations of the Board under this Agreement or to execute a similar agreement obligating such transference to comply with the provisions of the Rule.

[Signature Page Follows]
(15) GOVERNING LAW. This Agreement shall be governed by the laws of the State.

SOUTH DAKOTA BOARD OF REGENTS

By: ______________________________
    Executive Director, Board of Regents

Address: South Dakota Board of Regents
         306 East Capitol Avenue
         Suite 200
         Pierre, South Dakota 57501

Dated: ________ __, 2014
Exhibit I
Annual Financial Information and Timing and Audited
Financial Statements

Annual Financial Information means the financial information and operating data as set forth below. All or a portion of the Annual Financial Information and Audited Financial Statements, if any, as set forth below may be included by reference to other documents, including other official statements (subject to the following sentence), which have been submitted to EMMA. The Board shall clearly identify each such item of information included by reference.

I. Annual Financial Information:

a. Financial information and operating data (exclusive of Audited Financial Statements), including information of the type contained in the Final Official Statement in the table in the section captioned “Historical and Projected Cash Flows of the System” and in “Appendix E – Financial Statements of the Housing and Auxiliary Facilities System Revenue Bond Funds.” The financial statements of the type contained in Appendix E shall be unaudited and prepared in accordance with the accounting principles set forth in the accountants report included in Appendix E.

b. Annual Financial Information exclusive of Audited Financial Statements will be provided to EMMA not more than 210 days after the last day of the Board’s fiscal year, which is currently June 30.

c. Audited Financial Statements as described in Part II are not presently prepared by the Board. If the Board ever prepared Additional Financial Statements, they would be expected to be filed at the same time as the Annual Financial Information described in this Part I. If Audited Financial Statements, if prepared, are not-available when the Annual Financial Information is filed, Audited Financial Statements will be filed when available.

II. Audited Financial Statements:

a. The Board may, but is not under any obligation to, prepare Audited Financial Statements. No assurance is or can be provided that the Board will ever prepare Audited Financial Statements.

b. Audited Financial Statements, if and when prepared by the Board, will be provided within 30 days after availability to the Board.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the Board will disseminate a notice of such change as required by Section 4.
Exhibit II
Events with Respect to the Series 2014A Bonds for Which Reportable Events Disclosure Is Required

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax-exempt status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. De feasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the Board
13. The consummation of a merger, consolidation, or acquisition involving the Board, or the sale of all or substantially all the assets of the Board, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material
Exhibit III
CUSIP Numbers

Series 2014A Bonds

<table>
<thead>
<tr>
<th>Year of Maturity (April 1)</th>
<th>CUSIP Number</th>
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APPENDIX E
FINANCIAL STATEMENTS OF THE HOUSING AND AUXILIARY FACILITIES SYSTEM
REVENUE BOND FUNDS
FOR THE FISCAL YEARS ENDED JUNE 30, 2013 AND 2012
(UNAUDITED)
SCHEDULE I

(a) (i) Historic Test. Actual Net Revenues of the System for FY12 and FY13 are $25,263,480 and $26,896,613, respectively, each of which is at least 120% of Annual Debt Service on all Outstanding Bonds, there being no outstanding additional obligations issued on a parity with the Bonds; and

(ii) Projected Test. Projected Net Revenues of the System for each of the three full Fiscal Years immediately succeeding October 1, 2014, which is the later of the issuance of the Series 2014A Bonds (January, 2014) or the end of the capitalized interest period, are $30,306,396 (FY 16), $31,355,182 (FY 17) and $32,458,117 (FY 18), each of which is at least 120% of Annual Debt Service on all Outstanding Bonds, plus the Series 2014A Bonds, there being no additional obligations. The Annual Debt Service from the Refunded Series 2004 SDSU Bonds has been eliminated from this calculation. The projected Net Revenues from the Series 2014A Projects are included in this calculation.

(b) (i) The minimum amount to be accumulated in the Renewal and Replacement Reserve Account of BHSU with respect to the Series 2014A BHSU Project shall be an amount equal to the existing RRR Requirement for BHSU and at least an additional five percent of the cost of construction of the Series 2014A BHSU Project and the cost of any furnishings and moveable equipment for the Series 2014A BHSU Project which is financed with proceeds of the Series 2014A Bonds.

(ii) The minimum amount to be accumulated in the Renewal and Replacement Reserve Account of SDSMT with respect to the Series 2014A SDSMT Project shall be an amount equal to the existing RRR Requirement for SDSMT and at least an additional five percent of the cost of construction of the Series 2014A SDSMT Project and the cost of any furnishings and moveable equipment for the Series 2014A SDSMT Project which is financed with proceeds of the Series 2014A Bonds.

(iii) The minimum amount to be accumulated in the Renewal and Replacement Reserve Account of SDSU with respect to the Series 2014A SDSU Project shall be an amount equal to the existing RRR Requirement for SDSU and at least an additional five percent of the cost of construction of the Series 2014A SDSU Project and the cost of any furnishings and moveable equipment for the Series 2014A SDSU Project which is financed with proceeds of the Series 2014A Bonds.
SOUTH DAKOTA BOARD OF REGENTS

Full Board

AGENDA ITEM:  3
DATE:  November 7, 2013

*******************************************************************************

SUBJECT:  South Dakota Building Authority Revenue Bonds, Series 2013B and 2013C

Background
The proposed Series 2013B and 2013C bonds to be issued by South Dakota Building Authority will support thirteen projects from the 2012 Ten-Year Plan plus the USD Arena project. The 2013C bonds are the taxable bonds related to financing the $10.0M portion of the Arena deemed to involve private use, and the 2013B are the tax-exempt bonds related to the HEFF projects and the remaining portion of the Arena. The Arena project is to be financed over a 20-year period and the balance of the bonds are 25 years.

The proceeds of the bond funds are intended to complete $56,960,000 of HEFF supported projects, $24,700,000 of Other funds bond supported projects (Arena and Cow Calf Unit), supplemented with $13,434,000 of HEFF M&R funds and $43,651,800 of cash commitments from donors and the Foundations, and $4,806,000 of local campus funds. Total projects to be completed will be $143,551,800.

Preliminary financial estimates show the taxable bonds Total All In Financing Cost at 2.06%. The tax-exempt bonds reflect a 4.37% Total All In Financing Cost. The taxable bonds were scheduled to mature within five years to get a better overall yield on the issue.

(Continued)

*******************************************************************************

RECOMMENDED ACTION OF THE EXECUTIVE DIRECTOR

On roll call vote, adopt Special Resolution No. 35-2013, which will:

A. Request the Building Authority to proceed with the issuance of revenue bonds ("Revenue Bonds") to finance costs of the Projects defined below, together with such additional amount of bonds as shall be required to pay costs of issuance of such bonds

B. Authorize the President of the Board and the Executive Director to execute an instrument of transfer to effect the transfer of jurisdiction over the affected real property for the Projects.

C. Authorize the President of the Board and the Executive Director to execute a supplement to the existing lease between the Board and the Building Authority. This lease establishes the basis for the continued occupancy and use of the premises by the Board and outlines the conditions of payment to the Building Authority for such occupancy and use.

D. Authorize the officers of the Board and the Executive Director to take such other actions and to execute such other documents as may be required to carry out the actions approved pursuant to such special resolutions.

4014
At previous meetings, the Board reviewed and approved plans for the following projects that are to be funded with bond proceeds from these revenue bonds:

**Black Hills State University**

1. **Infrastructure Repair and Upgrade Project**  
   This project will consist of (i) upgrading the electrical systems in the Library, Woodburn Hall, Jonas Academic Building, and other areas of the campus, together with upgrading the primary electrical distribution loop and the conversion of some buried lines into utility tunnels for better access and protection and (ii) upgrading the storm water drainage system, incorporating green concepts and ensuring that inappropriate material is not passed in irrigation ditches.  
   Estimated Total Cost: $4,500,000  
   Bond Proceeds: $4,000,000  
   Other: $500,000 HEFF M&R

2. **Jonas Science Building Renovation Project**  
   This project will consist of a renovation of the existing Jonas Science Building, including a clean room, an enlarged ecology and evolution classroom with supporting preserved animal storage, an enlarged biology survey classroom to support computer and wet lab based activities, together with plumbing, ventilation, and electrical upgrades for scientific research and laboratories as well as offices, laboratories, an instructional resource area and related facilities.  
   Estimated Total Cost: $4,200,000  
   Bond Proceeds: $1,250,000  
   Other: $2,950,000 Donations

**Dakota State University**

3. **Energy Efficiency and ADA Compliance**  
   This project will consist of various energy efficiency and ADA compliance improvements to campus facilities, including the installation of a new energy management system in East Hall, the replacement of air handling units in East Hall, Heston Hall, and Mundt Library, the replacement of the cold water supply pipe in the Memorial Gym, the replacement of old electrical switchgear in Beadle Hall, East Hall, Heston Hall, and the Physical Plant, the installation of new windows in Heston Hall and East Hall, and the retro-fitting of ADA-compliant elevator controls in Heston Hall and Mundt Library.  
   Estimated Total Cost: $1,275,000  
   Bond Proceeds: $1,275,000

**Northern State University**

4. **Street Improvement Project**  
   This project will consist of the removal and replacement of concrete and related street improvements relating to the Barnett Center parking lot and adjoining streets.  
   Estimated Total Cost: $600,000  
   Bond Proceeds: $600,000
5. **Johnson Fine Arts Center Renovation and Addition Project**  
This project will consist of the renovation of the main theater stage, auditorium, and lobby areas of the Johnson Fine Arts Center and additions to the existing facility, which will include general purpose classrooms, student practice rooms, faculty teaching studios and offices, a black box theater and an art gallery.

- Estimated Total Cost: $12,000,000
- Bond Proceeds: $5,000,000
- Other: $7,000,000 Donations

**South Dakota School of Mines and Technology**

6. **Utility Infrastructure**  
This project will consist of various infrastructure upgrades and improvements to facilities on the campus of the South Dakota School of Mines and Technology, including gas line improvements, power plant upgrades (including the addition of another chiller), the expansion and repair of the campus tunnel system, campus drainage system, and water and sewer improvements, as well as additional sidewalks and ADA access improvements.

- Estimated Total Cost: $3,240,000
- Bond Proceeds: $2,740,000
- Other: $500,000 HEFF M&R

**South Dakota State University**

7. **Utility Tunnel Steam/Condensate Infrastructure Repairs and Modernization Project**  
This project will consist of various improvements to the steam and chilled water systems serving the northwest quadrant of the campus and will create a looped heating system on the campus. Components of the project will include repairs and improvements to the steam line serving buildings in the northwest quadrant of the campus, a new utility tunnel with redundancy features for continuous steam service (providing the campus with a looped heating system), a supplemental chilled water plant and distribution system for the northwest quadrant of the campus and improvements within the Central Heating Plant.

- Estimated Total Cost: $17,434,000
- Bond Proceeds: $7,000,000
- Other: $10,434,000 HEFF M&R

8. **Headhouse/Greenhouse Project**  
This project will consist of the design and construction of a headhouse facility of approximately 5,650 gross square feet. With adjoining greenhouse facilities of approximately 10,360 gross square feet, the facilities will support research and instructional laboratories for plant sciences.

- Estimated Total Cost: $4,414,000
- Bond Proceeds: $1,000,000
- Other: Cash: $600,000 Foundation Seed Stock, $250,000 Crop Improvement Assoc., $1,450,000 Foundation Cash, $1,114,000 Foundation Trust Income
9. Architecture, Mathematics and Engineering Building Project
   This project will consist of the construction of an approximately 61,750 square-foot, 3-
   story building, connected to existing Solberg Hall, to provide academic space for the
   Department of Architecture, the Mathematics and Statistics Department, and the
   Engineering Technology Management and Mechanical Engineering Departments,
   including classrooms, offices, engineering shops, laboratories, and related facilities.
   Estimated Total Cost: $17,082,800
   Bond Proceeds: $10,000,000
   Other: $7,082,800 Donations

10. Cow-Calf Research and Education Project
    This project will consist of the development of a new cow-calf research and education
    facility on an approximately 640-acre site approximately 1 mile north of the South
    Dakota State University campus, including the construction of a main building, with
    offices, classrooms, laboratories, and conference and demonstration facilities, a calving
    barn, a monoslope building with feeding pens and housing, and a feed storage and mixing
    facility.
    Estimated Total Cost: $3,706,000
    Bond Proceeds: $900,000 HEFF Supported, $2,000,000 Other Supported
    Other: Cash: $405,000 Fire Insurance Proceeds, $401,000 Foundation Cash.
    Other Funds Annual Debt Service: $46,800 Foundation Trust, $62,400 Livestock
    Revolving, $46,800 Service Fees to Research and Outreach Projects (estimates)

University of South Dakota

11. Mechanical Overhaul and Modernization Project
    This project will consist of infrastructure upgrades throughout the University of South
    Dakota campus, including (i) the replacement and upgrading of water mains, (ii) the
    replacement and upgrading of sanitary sewer lines, (iii) the installation of storm sewer
    mains and inlets, (iv) the installation of underground irrigation lines, (v) repairs to
    campus utility tunnels, (vi) the replacement and installation of primary electric power
    feed lines, (vii) the installation of fiber optic lines, and (viii) improvements to exterior
    lighting.
    Estimated Total Cost: $10,000,000
    Bond Proceeds: $8,000,000
    Other: $2,000,000 HEFF M&R

12. Science, Health and Research Lab Project
    This project will consist of the construction of a new, approximately 58,000 square-foot
    Science, Health and Research Lab Building connected to the DakotaDome and the USD
    Arena Project in order to provide laboratory, office, classroom and other facilities for the
    Occupational Therapy (OT), Physical Therapy (PT), and Kinesiology and Sports Sciences
    (KSS) programs.
    Estimated Total Cost: $12,100,000
    Bond Proceeds: $8,695,000
13. Patterson Hall Renovation Project
This project will consist of upgrading various infrastructure systems in Patterson Hall, including mechanical and electrical equipment, controls, and fire alarm systems, together with improvement to the HVAC systems.
Estimated Total Cost: $6,500,000
Bond Proceeds: $6,500,000

14. Arena Project
This project will consist of the construction of a new, 2-story, approximately 118,000 square-foot addition to the DakotaDome and will consist of a 6,000 seat arena, 2 basketball practice courts, locker rooms, offices, and other facilities.
Estimated Total Cost: $46,500,000
Bond Proceeds: $22,700,000
Other: Cash: 3,400,000 USD Athletic Funds, $9,200,000 Foundation Cash, $11,200,000 Donations
Other Funds Debt Service: $1,000,000 Sanford Gift, $121,052 Facility Rental Agreements, $638,534 Corporate Sponsorships (estimates)

Board Action
The Building Authority, at the request of the Board of Regents, has agreed to finance the Projects through the issuance of revenue bonds (“Revenue Bonds”), which Revenue Bonds will consist of both a tax-exempt series of bonds (to be designated “Series 2013B”) and a taxable series of bonds (to be designated “Series 2013C”).

The construction, completion, furnishing, equipping, and maintaining of, including heating, air conditioning, plumbing, water, sewer, electric facilities, sidewalks, parking, landscaping, architectural and engineering services, and such other services or actions as may be required to complete the Black Hills State Projects, the Dakota State Project, the NSU Projects, the SDSMT Project, the SDSU Projects, and the USD Projects for lease from the South Dakota Building Authority to the South Dakota Board of Regents (the “Board of Regents”) are collectively referred to herewith as the “Projects.”

The USD Arena Project was authorized by SB 8 (chapter 94 of the 2013 Session Laws), with up to $22,700,000 of the costs thereof to be financed through the issuance of revenue bonds by the South Dakota Building Authority (the “Building Authority”). The Projects other than the USD Arena Project were all authorized by HB 1051 (chapter 107 of the 2012 Session Laws), as modified by HB 1016 (chapter 87 of the 2103 Session Laws), with financing to be provided through revenue bonds to be issued for such purpose by the Building Authority in an aggregate amount not to exceed $58,960,000.

The Building Authority advised the Board staff that the Revenue Bonds are expected to be priced and sold within the following parameters:
(i) In the case of the Series 2013B tax-exempt Revenue Bonds, the principal amount of such Revenue Bonds shall not exceed an amount which will finance construction costs not to exceed $81,660,000 (decreased by the amount of construction costs being financed with proceeds of the Series 2013C taxable Revenue Bonds), the last stated maturity date of the Series 2013B Revenue Bonds will not be later than June 1, 2038, the yield on the Series 2013B Revenue Bonds for arbitrage purposes will not exceed 6.0%, the purchase price of the Series 2013B Revenue Bonds to be paid by the underwriter will be not less than 99.0% of the principal amount of the Series 2013B Revenue Bonds and the underwriter's discount (as measured as a percentage of total proceeds of the Series 2013B Revenue Bonds) shall not exceed 0.60%.

(ii) In the case of the Series 2013C taxable Revenue Bonds, the principal amount of such Revenue Bonds shall not exceed $12,000,000, the last stated maturity date of the Series 2013C Revenue Bonds will not be later than June 1, 2026, the yield on the Series 2013C Revenue Bonds for arbitrage purposes will not exceed 6.0%, the purchase price of the Series 2013C Revenue Bonds to be paid by the underwriter will be not less than 99.0% of the principal amount of the Series 2013C Revenue Bonds and the underwriter's discount (as measured as a percentage of total proceeds of the Series 2013C Revenue Bonds) shall not exceed 0.60%.

The Board is being asked to adopt a single resolution on roll call vote, that will (1) request the Building Authority to go forward with the Projects, (2) authorize the formal transfer of jurisdiction over the necessary property or structures to the Building Authority, and (3) amend the lease agreement between the Board and the Building Authority to reflect the new transactions.

Property transferred to the Building Authority as collateral for the Revenue Bonds will be reconveyed to the Board once the construction bonds, or refinancing instruments, have been discharged.

Attached are copies of the Special Resolution and a draft of the Twenty-First Supplement to the Lease between the Board and the Building Authority.
SPECIAL RESOLUTION NO. 35-2013

Special Resolution requesting the South Dakota Building Authority (the “Building Authority”) to proceed with the sale of tax-exempt Revenue Bonds, Series 2013B (the “Series 2013B Bonds”) and taxable Revenue Bonds, Series 2013C (the “Series 2013C Bonds”) and, together with the Series 2013B Bonds, the “Revenue Bonds”), to finance an aggregate amount of costs of not to exceed $81,660,000 for the construction, completion, furnishing, equipping, and maintaining of Projects for Black Hills State University, Dakota State University, Northern State University, the South Dakota School of Mines and Technology, South Dakota State University, and the University of South Dakota, as described below, for lease from the South Dakota Building Authority to the South Dakota Board of Regents (the “Board of Regents”) (the “Projects”), to transfer jurisdiction over the sites therefor and to authorize the execution of a Lease Supplement to the Lease dated February 1, 1984 with the South Dakota Building Authority to finance the projects described herein.

RECITALS

WHEREAS, the Board of Regents has previously considered and approved preliminary plans for the following projects and now wishes to authorize and request financing for such projects with the proceeds of Revenue Bonds to be issued by the Building Authority in the respective amounts set forth with respect to the following descriptions of such projects:

1. Black Hills State University (the “Black Hills State Projects”), consisting of the following:
   (a) Infrastructure Repair and Upgrade Project
       This project will consist of (i) upgrading the electrical systems in the Library, Woodburn Hall, Jonas Academic Building, and other areas of the campus, together with upgrading the primary electrical distribution loop and the conversion of some buried lines into utility tunnels for better access and protection and (ii) upgrading the storm water drainage system, incorporating green concepts and ensuring that inappropriate material is not passed in irrigation ditches.
       Estimated Total Cost: $4,500,000
       Proposed Revenue Bond Financing: $4,000,000
   (b) Jonas Science Building Renovation Project
       This project will consist of a renovation of the existing Jonas Science Building, including a clean room, an enlarged ecology and evolution classroom with supporting preserved animal storage, an enlarged biology survey classroom to support computer and wet lab based activities, together with plumbing, ventilation, and electrical upgrades for scientific research and laboratories as well as offices, laboratories, an instructional resource area and related facilities.
       Estimated Total Cost: $4,200,000
       Proposed Revenue Bond Financing: $1,250,000
2. Dakota State University (the “DSU Project”)
This project will consist of various energy efficiency and ADA compliance improvements to campus facilities, including the installation of a new energy management system in East Hall, the replacement of air handling units in East Hall, Heston Hall, and Mundt Library, the replacement of the cold water supply pipe in the Memorial Gym, the replacement of old electrical switchgear in Beadle Hall, East Hall, Heston Hall, and the Physical Plant, the installation of new windows in Heston Hall and East Hall, and the retro-fitting of ADA-compliant elevator controls in Heston Hall and Mundt Library.
Estimated Total Cost: $1,275,000
Proposed Revenue Bond Financing: $1,275,000

3. Northern State University (the “NSU Projects”)
(a) Street Improvement Project
This project will consist of the removal and replacement of concrete and related street improvements relating to the Barnett Center parking lot and adjoining streets.
Estimated Total Cost: $600,000
Proposed Revenue Bond Financing: $600,000

(b) Johnson Fine Arts Center Renovation and Addition Project
This project will consist of the renovation of the main theater stage, auditorium, and lobby areas of the Johnson Fine Arts Center and additions to the existing facility, which will include general purpose classrooms, student practice rooms, faculty teaching studios and offices, a black box theater and an art gallery.
Estimated Total Cost: $12,000,000
Proposed Revenue Bond Financing: $5,000,000

4. South Dakota School of Mines and Technology (the “SDSMT Project”)
This project will consist of various infrastructure upgrades and improvements to facilities on the campus of the South Dakota School of Mines and Technology, including gas line improvements, power plant upgrades (including the addition of another chiller), the expansion and repair of the campus tunnel system, campus drainage system, and water and sewer improvements, as well as additional sidewalks and ADA access improvements.
Estimated Total Cost: $3,240,000
Proposed Revenue Bond Financing: $2,740,000

5. South Dakota State University (the “SDSU Projects”), consisting of the following:
(a) Utility Tunnel Steam/Condensate Infrastructure Repairs and Modernization Project
This project will consist of various improvements to the steam and chilled water systems serving the northwest quadrant of the campus and will create a looped heating system on the campus. Components of the project will include repairs and improvements to the steam line serving buildings in the northwest quadrant of the campus, a new utility tunnel with redundancy features for continuous steam service (providing the campus with a looped heating system), a supplemental chilled water plant and distribution system for the northwest quadrant of the campus and improvements within the Central Heating Plant.
Estimated Total Cost: $17,434,000
Proposed Revenue Bond Financing: $7,000,000

(b) **Headhouse/Greenhouse Project**
This project will consist of the design and construction of a headhouse facility of approximately 5,650 gross square feet. With adjoining greenhouse facilities of approximately 10,360 gross square feet, the facilities will support research and instructional laboratories for plant sciences.
Estimated Total Cost: $4,414,000
Proposed Revenue Bond Financing: $1,000,000

(c) **Architecture, Mathematics and Engineering Building Project**
This project will consist of the construction of an approximately 61,750 square-foot, 3-story building, connected to existing Solberg Hall, to provide academic space for the Department of Architecture, the Mathematics and Statistics Department, and the Engineering Technology Management and Mechanical Engineering Departments, including classrooms, offices, engineering shops, laboratories, and related facilities.
Estimated Total Cost: $17,082,800
Proposed Revenue Bond Financing: $10,000,000

(d) **Cow-Calf Research and Education Project** (the “**Cow-Calf Facility Project**”)
This project will consist of the development of a new cow-calf research and education facility on an approximately 640-acre site approximately 1 mile north of the South Dakota State University campus, including the construction of a main building, with offices, classrooms, laboratories, and conference and demonstration facilities, a calving barn, a monoslope building with feeding pens and housing, and a feed storage and mixing facility.
Estimated Total Cost: $3,706,000
Proposed Revenue Bond Financing: $2,900,000

6. **University of South Dakota (the “**USD Projects”**), consisting of the following:**

(a) **Mechanical Overhaul and Modernization Project**
This project will consist of infrastructure upgrades throughout the University of South Dakota campus, including (i) the replacement and upgrading of water mains, (ii) the replacement and upgrading of sanitary sewer lines, (iii) the installation of storm sewer mains and inlets, (iv) the installation of underground irrigation lines, (v) repairs to campus utility tunnels, (vi) the replacement and installation of primary electric power feed lines, (vii) the installation of fiber optic lines, and (viii) improvements to exterior lighting.
Estimated Total Cost: $10,000,000
Proposed Revenue Bond Financing: $8,000,000

(b) **Science, Health and Research Lab Project**
This project will consist of the construction of a new, approximately 58,000 square-foot Science, Health and Research Lab Building connected to the DakotaDome and the USD Arena Project in order to provide laboratory, office, classroom and other facilities for the
Occupational Therapy (OT), Physical Therapy (PT), and Kinesiology and Sports Sciences (KSS) programs.

Estimated Total Cost: $12,100,000
Proposed Revenue Bond Financing: $8,695,000

(c) Patterson Hall Renovation Project

This project will consist of upgrading various infrastructure systems in Patterson Hall, including mechanical and electrical equipment, controls, and fire alarm systems, together with improvement to the HVAC systems.

Estimated Total Cost: $6,500,000
Proposed Revenue Bond Financing: $6,500,000

(d) Arena Project (the “USD Arena Project”)

This project will consist of the construction of a new, 2-story, approximately 118,000 square-foot addition to the DakotaDome and will consist of a 6,000 seat arena, 2 basketball practice courts, locker rooms, offices, and other facilities.

Estimated Total Cost: $46,500,000
Proposed Revenue Bond Financing: $22,700,000.

WHEREAS, the construction, completion, furnishing, equipping, and maintaining of, including heating, air conditioning, plumbing, water, sewer, electric facilities, sidewalks, parking, landscaping, architectural and engineering services, and such other services or actions as may be required to construct, the Black Hills State Projects, the DSU Project, the NSU Projects, the SDSMT Project, the SDSU Projects, and the USD Projects for lease from the South Dakota Building Authority to the South Dakota Board of Regents (the “Board of Regents”) are collectively referred to herewith as the “Projects.”

WHEREAS, the USD Arena Project was authorized by SB 8 (2013 Session Laws), with up to $22,700,000 of the costs thereof to be financed through the issuance of revenue bonds by the Building Authority; and the Projects other than the USD Arena Project were all authorized by HB 1051 (2012 Session Laws), as modified by HB 1016 (2103 Session Laws), with financing to be provided through revenue bonds to be issued for such purpose by the Building Authority in an aggregate amount not to exceed $58,960,000.

WHEREAS, pursuant to Section 10 of HR 1051, debt service on up to $56,960,000 of the Revenue Bonds (namely, all of the Revenue Bonds except (a) the portion thereof used to finance the USD Arena Project and (b) all but $900,000 of the costs of the Cow-Calf Facility Project) are expected to be paid from the education facilities fund established by SDCL §13-51-2.

WHEREAS, the South Dakota Building Authority will require the Board of Regents, State of South Dakota to execute a Twenty-First Lease Supplement to the Lease dated February 1, 1984, relating to the sites of the Projects (herein referred to collectively as the “Project Site”); and
WHEREAS, the requirement by the South Dakota Building Authority is based upon the expectation of issuing Revenue Bonds which will relate to the Twenty-First Lease Supplement for such project; and

WHEREAS, the South Dakota Building Authority has also submitted to the South Dakota Board of Regents, a form of a proposed Twenty-First Lease Supplement relating to the projects hereinabove referred to; and

WHEREAS, the form of the proposed Twenty-First Lease Supplement provides for the determination of rentals under the formula established by the Building Authority and accepted by the Board of Regents, taking into account appropriations to be made by the South Dakota Legislature from general funds and (to the extent described above) from the education facilities fund established by SDCL §13-51-2 for the payment of the Revenue Bonds or from other appropriations to be made by the Legislature for such purposes; and

WHEREAS, the Building Authority anticipates delivery of the Revenue Bonds as and when its advisers indicate the municipal bond market appears favorable and therefore requests the execution of the Twenty-First Lease Supplement.

THEREFORE, BE IT AND IT IS HEREBY RESOLVED by the South Dakota Board of Regents, as follows:

A. That the State Board of Regents does hereby request that the South Dakota Building Authority proceed with the sale of Revenue Bonds to (a) finance an aggregate amount of costs not to exceed $81,660,000 for the construction, completion, furnishing, equipping, and maintaining of, including heating, air conditioning, plumbing, water, sewer, electric facilities, sidewalks, parking, landscaping, architectural and engineering services, and such other services or actions as may be required to construct, the Projects for lease from the South Dakota Building Authority to the South Dakota Board of Regents (the “Board of Regents”) (the Projects) and (b) pay costs of issuing such Revenue Bonds.

B. That the Revenue Bonds shall consist of (a) tax-exempt Series 2013B Bonds (meaning bonds the interest on which is intended to be excluded from the gross income of holders thereof for federal income tax purposes) and (b) taxable Series 2013C Bonds (meaning bonds the interest on which is expected to be included in the gross income of holders thereof for federal income tax purposes), the respective principal amounts of which shall be determined by the Building Authority in consultation with bond counsel and its underwriters and financial advisors. Such Revenue Bonds shall have a final stated maturity of not later than June 1, 2038, and shall result in bond proceeds being made available to finance (a) the costs of the Projects being financed as described herein and (b) the costs of issuing the Revenue Bonds.

C. That the President and Executive Director of the South Dakota Board of Regents be and they are hereby authorized to execute, acknowledge and deliver in the name and on behalf of the South Dakota Board of Regents an Instrument of Transfer, in a form consistent with the form of the instruments of transfer used in connection with previous bond issues of the South Dakota Building Authority that financed projects of the Board of Regents, transferring jurisdiction of the sites, buildings and the portions of the campus real
property comprising the building site described in *Exhibit A* hereto attached and made a part hereof. It is the intent of the Board of Regents that the legal description in *Exhibit A* represents the correct legal description for the property thereon described. If it is determined that any legal description in *Exhibit A* is incomplete or incorrect, the Executive Director is directed to obtain the correct legal description and replace *Exhibit A* therewith.

D. That the President and Executive Director of the South Dakota Board of Regents be and they are hereby authorized to execute, acknowledge and deliver in the name and on behalf of the South Dakota Board of Regents, such documents as the South Dakota Building Authority may require in connection with the issuance of the Revenue Bonds to be issued to finance the improvements described herein.

E. That the President and Executive Director of the South Dakota Board of Regents be and they are hereby authorized to execute and acknowledge and deliver in the name of and on behalf of the Board of Regents the Twenty-First Lease Supplement between the South Dakota Board of Regents and the South Dakota Building Authority relating to the facilities described in the preambles hereto by executing the final form of the Twenty-First Lease Supplement presented to and on file in the office of the South Dakota Board of Regents.

F. All prior Resolutions and other acts or proceedings of this Board which are in any way inconsistent with the terms of this Resolution are hereby amended to the extent necessary to give full force and effect to this Resolution.
Adopted and approved this _____ day of November, 2013

SOUTH DAKOTA BOARD OF REGENTS

______________________________
Its: __________________________

ATTEST:

______________________________
Executive Director
South Dakota Board of Regents
Exhibit A

[Legal descriptions will be available at the Board meeting]
THIS TWENTY-FIRST LEASE SUPPLEMENT, dated as of November 1, 2013, between the South Dakota Building Authority (the “Lessor”) and the South Dakota Board of Regents (the “Lessee”).

WITNESSETH:

WHEREAS, Lessor and Lessee have heretofore executed and delivered that certain Lease, dated as of February 1, 1984, (the “Original Lease”) under which Lessor leased to Lessee certain parcels of real estate; and

WHEREAS, Lessor and Lessee have heretofore executed and delivered a certain First Lease Supplement (the “First Lease Supplement”), a Second Lease Supplement (the “Second Lease Supplement”), a Third Lease Supplement (the “Third Lease Supplemental”), a Fourth Lease Supplement (the “Fourth Lease Supplement”), a Fifth Lease Supplement (the “Fifth Lease Supplement”), a Sixth Lease Supplement (the “Sixth Lease Supplement”), a Seventh Lease Supplement (the “Seventh Lease Supplement”), an Eighth Lease Supplement (the “Eighth Lease Supplement”), a Ninth Lease Supplement (the “Ninth Lease Supplement”), a Tenth Lease Supplement (the “Tenth Lease Supplement”), an Eleventh Lease Supplement (the “Eleventh Lease Supplement”), a Twelfth Lease Supplement (the “Twelfth Lease Supplement”), a Thirteenth Lease Supplement (the “Thirteenth Lease Supplement”), a Fourteenth Lease Supplement (the “Fourteenth Lease Supplement”), a Fifteenth Lease Supplement (the “Fifteenth Lease Supplement”), a Sixteenth Lease Supplement (the “Sixteenth Lease Supplement”), a Seventeenth Lease Supplement (the “Seventeenth Lease Supplement”), an Eighteenth Lease Supplement (the “Eighteenth Lease Supplement”), a Nineteenth Lease Supplement (the “Nineteenth Lease Supplement”) a Twentieth Lease Supplement, (the “Twentieth Lease Supplements”) and all such Lease Supplements being collectively, the “Existing Lease Supplements”) to the Original Lease, under which Lessor leased to Lessee certain additional parcels of real estate; and

WHEREAS, Lessor and Lessee now desire to amend the Original Lease to include the parcels of real estate described in Exhibit A attached hereto and made a part hereof as part of the real estate leased under the Original Lease and to undertake the projects described on Exhibit A-1 hereto, and to provide for and confirm the term for which such parcel of real estate will be leased and the rental payable by Lessee for and in respect of such parcels of real estate; and

WHEREAS, the facilities to be constructed on Exhibit A are authorized pursuant to the provisions of chapter 107 of the 2012 Legislative Session and SB 8 of the 2013 Legislative Session of the Legislature of the State of South Dakota (as defined in Exhibit A-1, the "Board of Regents Projects");

NOW, THEREFORE, in consideration of the terms and covenants herein made and for other good and valuable consideration it is hereby covenanted and agreed by said parties as follows:
Section 1. Lessor, in consideration of the rentals reserved and of the covenants and promises contained in the Original Lease, as supplemented by the Existing Lease Supplements and this Twenty-First Lease Supplement (the “Twenty-First Lease Supplement”), to be kept and performed by the Lessee, does hereby lease to Lessee the parcels of real estate described in Exhibit A attached hereto, all improvements, equipment and other facilities located or constructed on such property by Lessor and the Board of Regents Projects. The parcels described in Exhibit A and the Board of Regents Projects are hereinafter referred to as the “Additional Property.” Exhibit A may be amended as provided in Section 10 hereof.

Section 2. The term for the Additional Property shall commence on the date hereof, and shall end on __________, 20__ unless sooner terminated as set forth in the Original Lease and with the privilege of renewal provided for in the Original Lease.

Section 3. The Lessee hereby covenants and agrees to pay Lessor rent for and in respect of such Additional Property in the amounts and on the dates for each of the years set forth in Schedule A attached hereto (as to the property described in Exhibit A), which Schedule A specifies the amount to be paid from appropriations out of the higher education facilities fund established by SDCL §13-51-2 to be made by the legislature of the State of South Dakota with respect to the facilities which constitute the Additional Property at the site identified on Exhibit A. In addition, the Lessor agrees to pay such rentals from any other funds appropriated for such purposes. In all cases, the Lessee's obligation to pay rent to Lessor hereunder also includes an obligation, in each case, to pay the costs of insurance and administrative fees pursuant to the Act.

Section 4. This Twenty-First Lease Supplement to the Original Lease shall be construed in connection with and as a part of the Original Lease and the Existing Lease Supplements and all terms, conditions and covenants contained in the Original Lease and the Existing Lease Supplements shall apply to the Additional Property and the rights and obligations of Lessor and Lessee with respect thereto. Wherever in the Original Lease the term “Facilities” is used or referred to said term shall be taken and held to refer to and include “Additional Property” unless the context otherwise requires. All terms used in this Twenty-First Lease Supplement which are defined in the Original Lease shall, unless the context otherwise requires, have the meanings set forth in the Original Lease.

Section 5. Whenever in any notice, certificate or other instrument reference is made or intended to be made to the Lease as amended by this Twenty-First Lease Supplement, it shall be sufficient to refer to the “Lease dated February 1, 1984,” and such reference shall include without more a reference to said Lease as supplemented hereby.

Section 6. The Lessor and Lessee expressly agree that the Lessee shall transfer jurisdiction rather than title to the Additional Property as authorized by SDCL Section 5-12-10.

Section 7. The Lessee hereby covenants and agrees to comply with all applicable terms and conditions of the Internal Revenue Code of 1986, as amended, with respect to obligations the interest on which is excluded from gross income under Section 103 thereof with respect to the Board of Regents Projects.
Section 8. The Lessee acknowledges that Lessor has provided Lessee with a copy of
Lessor's current version of its Post Issuance Compliance Manual (as now or hereafter amended
or revised, the "Manual"). Lessee hereby agrees to cooperate with Lessor and to comply with all
obligations and responsibilities set forth in the Manual with respect to a user of facilities
financed with bonds.

Section 9. The Lessee may cause the legal description of the Additional Property to
be amended on Exhibit A in order to include the footprint of the building(s) described herein or
otherwise intended to be included hereby together with any related parking and access rights
thereto, such amendment to be completed within 6 months of completion of construction and in
no event later than [September 1, 2016]. Lessor shall consent to such amendment so long as
Lessee represents, covenants and agrees that the improvements are located on the property
described thereon and shall be used for the purposes described in the Thirty-Second
Supplemental Bond Resolution adopted by Lessor on November __, 2013.
IN WITNESS WHEREOF, the South Dakota Board of Regents has caused this Twenty-First Lease Supplement to be executed on its behalf by its President pursuant to due authorization and the authorized seal to be hereunto affixed and attested by its Executive Director and the South Dakota Building Authority has caused this Twenty-First Lease Supplement to be executed on its behalf by its Chairman and its corporate seal to be hereunto affixed and attested by its Executive Secretary, pursuant to due authorization of said Authority, all as of the day and date above written. This Twenty-First Lease Supplement has been executed in several counterparts, each of which may be considered as an original.

SOUTH DAKOTA BOARD OF REGENTS

By ________________________________
Its: ________________________________

ATTEST:

______________________________
Its ______________________________

[SSEAL]

SOUTH DAKOTA BUILDING AUTHORITY

By __________________________________
Chairman

ATTEST:

______________________________
Its Executive Secretary

[SSEAL]
On this the _____ day of November, 2013, before me, the undersigned, a Notary Public within and for said County and State, personally appeared ____________________, __________________, of the South Dakota Board of Regents, known to me to be the person who is described in and who executed the foregoing instrument and acknowledged to me that he executed the same.

________________________________________
Notary Public

My commission expires:
STATE OF SOUTH DAKOTA

COUNTY OF MINNEHAHA

On this the _____ day of November, 2013, before me, the undersigned, a Notary Public within and for said County and State, personally appeared Thomas W. Graham, Chairman of South Dakota Building Authority, known to me to be the person who is described in and who executed the foregoing instrument and acknowledged to me that he executed the same.

________________________________________
Notary Public

My commission expires:

[SEAL]
EXHIBIT A

Metes and Bounds Description

[SEE ATTACHED]
EXHIBIT A-1

BOARD OF REGENTS PROJECTS

The following Projects are being financed with the South Dakota Building Authority $________ Revenue Bonds, Series 2013B (Tax-Exempt) and $________ Revenue Bonds, Series 2013C (Taxable) in amounts not in excess of the amounts specified below:

(1) The construction, completion, furnishing, equipping, and maintaining of, including heating, air conditioning, plumbing, water, sewer, electric facilities, sidewalks, parking, landscaping, architectural and engineering services, asbestos abatement, removal of existing roofing and structures, and such other services or actions as may be required to accomplish the following campus infrastructure projects authorized by the Building and Maintenance Project Legislation for the following institutions:

i. At Black Hills State University, various infrastructure repairs and upgrades in an amount not in excess of $4,000,000;

ii. At Dakota State University, energy efficiency and accessibility compliance repairs and upgrades in an amount not in excess of $1,275,000;

iii. At Northern State University, various street improvements in an amount not in excess of $600,000;

iv. At South Dakota School of Mines and Technology, utility infrastructure in an amount not in excess of $2,740,000;

v. At South Dakota State University, utility tunnel, steam/condensate infrastructure repairs and modernizations, including the construction of a supplemental plant building in an amount not in excess of $7,000,000; and

vi. At University of South Dakota, mechanical overhaul and modernization in an amount not in excess of $8,000,000, (collectively, the projects in subparagraphs (i) through (vi), inclusive, being referred to herein as the “2013 Infrastructure Projects”); and

(2) The construction, completion, furnishing, equipping, and maintaining of, including heating, air conditioning, plumbing, water, sewer, electric facilities, sidewalks, parking, landscaping, architectural and engineering services, asbestos abatement, removal of existing roofing and structures, and such other services or actions as may be required to accomplish the following building construction or renovation projects
authorized by the Building and Maintenance Project Legislation for the following universities:

i. At Black Hills State University, Jonas Hall Science renovation in an amount not in excess of $1,250,000;

ii. At Northern State University, Johnson Fine Arts Center renovation and addition in an amount not in excess of $5,000,000;

iii. At South Dakota State University, new headhouse and greenhouses in an amount not in excess of $1,000,000;

iv. At South Dakota State University, an architecture, mathematics, and engineering facility in an amount not in excess of $10,000,000;

v. At South Dakota State University, a new cow-calf research and education unit near Volga, South Dakota in an amount not in excess of $2,900,000;

vi. At University of South Dakota, a science, health and research laboratory building in an amount not in excess of $8,695,000; and

vii. At University of South Dakota, renovation of Patterson Hall in an amount not in excess of $6,500,000 (collectively, the projects in subparagraphs (i) through (vii), inclusive, being referred to herein as the “2013 Construction and Renovation Projects”); and

(3) The design, construction, completion, furnishing, equipping, and maintaining of, including heating, air conditioning, plumbing, water, sewer, electric facilities, sidewalks, parking, landscaping, architectural and engineering services, asbestos abatement, and such other services or actions as may be required to provide for, a sports performance enhancement facility arena, comprising approximately one hundred eighteen thousand five hundred square feet, and a new outdoor track and soccer complex, comprising approximately eleven and one tenth acres, at the University of South Dakota authorized by the USD Sports Performance and Enhancement Facility Arena Legislation in an amount not in excess of $22,700,000.
SCHEDULE A

SCHEDULE OF ADDITIONAL LEASE PAYMENTS TO BE MADE BY THE SOUTH DAKOTA BOARD OF REGENTS

INCLUDING A 1.5% ADMINISTRATION/INSURANCE FEE WITH RESPECT TO FACILITIES DESCRIBED ON EXHIBIT A AND FINANCED BY SOUTH DAKOTA BUILDING AUTHORITY REVENUE BONDS SERIES 2013B (Tax-Exempt) and SERIES 2013C (Taxable) (Board of Regents Projects)

See Attached
The South Dakota Board of Regents adjourned its special business meeting on November 7, 2013 and will meet again in regular session on December 4-5, 2013 in Rapid City, South Dakota.

I, Jack Warner, Executive Director and CEO of the South Dakota Board of Regents, declare that the above is a true, complete and correct copy of the minutes of the Board of Regents meetings held on November 7, 2013.

Jack Warner
Executive Director and CEO