

MINUTES OF AN EMERGENCY MEETING  
OF THE  
NEBRASKA EDUCATIONAL FINANCE AUTHORITY  
HELD  
JUNE 23, 2010

**The Emergency Meeting**

**1. Notice.** An Emergency Meeting (as permitted by R.R.S. 84-1411(5)) of the Nebraska Educational Finance Authority ("Authority") was held by telephone conference call originated at the office of Nebraska Educational Finance Authority, 2120 South 72<sup>nd</sup> Street Suite 1075, Omaha, Nebraska 68124, beginning at 2:30 p.m. on Wednesday, June 23, 2010.

**2. Call to Order/Attendance.** Bill Tinstman, Chairperson of the Authority and its presiding officer, called the Emergency Meeting to order at 2:30 p.m. and the NEFA Administrative Assistant recorded the minutes. Each Member had been notified in advance by email and/or telephone of this Emergency Meeting. On Roll Call, the following Members were in attendance by phone (Mr. Paul Powers was unable to participate):

Bill Tinstman, Chairperson (in NEFA office)  
Lowell Berg, Vice Chairperson  
Jane Erdenberger  
Bill Hartmann  
Glen Moss  
Greg Stine

Others in attendance by phone at this Meeting were:

Curtis Christensen	General Counsel of the Authority
Linda Beaver	Executive Director of the Authority
Stacia Dunham	Administrative Assistant of the Authority

**3. Purpose and Nature of Emergency.** The Chairperson stated that the purpose of this meeting was to consider a new indemnification proposal by Dorsey & Whitney, counsel to Wells Fargo Bank, the Trustee of the Authority's 2005 Dana College bond issue, made on behalf of the Trustee and the Bondholders with respect to NEFA's requested issuance of Taxable Exchange Bonds in conjunction with the Dana College bond restructuring and asset sale, which are critical to the survival of Dana College as an educational institution. The nature of the emergency was that there was insufficient time to call a special meeting of the Authority for this purpose before the deadline for the bond restructuring and asset sale and immediate NEFA action was required to prevent a failure of the restructuring and asset sale and consequent possible default on the Authority's 2005 Dana College bond issue and cessation of Dana College's operations.

Curtis Christensen, General Counsel, summarized the new indemnification proposal (which differed materially from that which the Board approved in concept at its June 23 Special Meeting): the entire 2005 Debt Service Reserve Fund, amounting to approximately \$450,000 (and to increase to about \$700,000 upon the sale of certain College property) will now be available to support Dana Foundation's indemnity under the Amended and Restated Loan Agreement to the Authority. However, Dana

Educational Corporation (the purchaser/lessee of Dana College's assets) will not supply a backstop indemnity for NEFA, contrary to DEC's proposal at the June 23 meeting. The Debt Service Reserve Fund would go to pay the Trustee's administrative costs and, in the event of a bond payment default, the Bondholders ahead of any NEFA indemnity claim.

Mr. Christensen read into the record an excerpt from a June 22 message from Mr. Robert McLaughlin, the Dorsey & Whitney attorney representing the Trustee, as follows: "In the event [the Authority] does not accept the indemnification now offered, refuses to issue the taxable bonds, and this deal craters, the notice that the Trustee will send to its bondholders will state that a deal that was substantially to their benefit did not come to pass because of indemnification demands made by NEFA, demands which the Trustee believes are excessive and unreasonable." Mr. Christensen also summarized conversations with Mr. McLaughlin to the above effect and with Mr. Ryan Craig of the DEC investor group to the effect that if NEFA does not do this deal, calls would be made to the Governor and to others among Dana College's political supporters.

The Board, the Executive Director and Mr. Christensen discussed the merits of the Authority proceeding with the taxable exchange bond transaction and the risks to the Authority of proceeding or not proceeding. The Board provided Mr. Christensen with guidance regarding his negotiation of the final indemnity terms with the Trustee and other parties.

**Action: It was moved by Bill Tinstman and seconded by Jane Erdenberger that NEFA accept the Trustee's indemnification proposal (as summarized above), and that General Counsel be authorized and directed to negotiate the final indemnification terms in accordance with the Board's separately provided guidance.**

The Roll Call vote on this motion was as follows:

Bill Tinstman	Aye
Lowell Berg	Aye
Jane Erdenberger	Aye
Bill Hartmann	Aye
Glen Moss	Aye
Greg Stine	Aye
Paul Powers	Absent

All Members present voted and no Member voted against the motion to approve the above proposal.

**4. Adjournment.** The Chairperson stated that, as this was an Emergency Meeting, the Open Meetings Act does not permit any other business than that identified as the purpose of the Emergency Meeting to be discussed. Mr. Berg then moved that the meeting adjourn. The motion was seconded by Mr. Stine.

The Roll Call vote on this motion was as follows:

Bill Tinstman	Aye
Lowell Berg	Aye
Jane Erdenberger	Aye
Bill Hartmann	Aye
Glen Moss	Aye
Greg Stine	Aye
Paul Powers	Absent

The Chairperson declared the meeting adjourned at 3:04 p.m.


  
Linda Beaver, Secretary


Dated: June 29, 2010

The above and foregoing is hereby certified as a true, correct and perfect copy of the Minutes of an Emergency Meeting of the Nebraska Educational Finance Authority held on the 23<sup>rd</sup> day of June 2010.

NEBRASKA EDUCATIONAL FINANCE  
AUTHORITY

Attest:

  
Linda Beaver, Executive Director

By:   
Bill Tinstman, Chairperson