

TECHNICAL EDUCATION

ANNUAL CERTIFICATE OF NO DEFAULT AND DEBT SERVICE COVERAGE

AS OF FEBRUARY 1, 2013

(All capitalized terms shall have the meaning assign in the Collection Agreement)

Pursuant to Section 8 of the Amended and Restated Facility Fee Tuition Collection and Deposit Agreement dated as of September 1, 2008 (the "Collection Agreement"), the undersigned has reviewed all relevant records of the Board of Education with respect to the Bonds and determined that:

- (1) Scheduled debt service payments on Bonds through series 2012A (including any Additional Bonds expected to be issued and requiring debt service payments out of Revenues) for the period from August 1, 2013 through July 31, 2014 is \$6,628,858 and other estimated program expenses for such period are estimated to be \$150,000 for a total of \$6,778,858 (herein, this number is referred to as "**A**").
- (2) Scheduled debt service payments on Bonds through series 2012A (including any Additional Bonds expected to be issued and requiring debt service payments out of Revenues) for the period from August 1, 2014 through July 31, 2015 is \$7,440,701 and other estimated program expenses for such period are estimated to be \$150,000, for a total of \$7,590,701 (herein, this number is referred to as "**B**").
- (3) For the period from the date hereof through January 31, 2015, the Facility Fees, together with the Appropriated Payments and any other Program Revenues are estimated to be as follows:

<u>Revenues</u>	<u>Amounts</u>
Estimated Appropriations (FY 2014)	\$1,650,000
Estimated Appropriations (FY 2015)	\$1,650,000
Indenture Funds (Excluding DSRF) as of the date hereof:	
Tuition Subaccount as of 2/1/2013	\$2,344,832
Other (Cap Interest as of 2/1/2013)	\$97,269

Total Facility Fees from present to January 31, 2015 is estimated to be as follows:

6,000 students @ 30 credits per FTE \$22(5 months)	\$1,944,006
---	-------------

6,000 students @ 30 credits per FTE \$25(12 months)	\$4,500,000
--	-------------

6,000 students @ 30 credits per FTE \$28(7 months)	\$2,940,000
---	-------------

Other Program Revenues through
January 31, 2015:

Estimated Interest Earnings(\$100,000 per year @ 24 months)	\$200,000
--	-----------

IRS Rebates for 8/1/2013, 2/1/2014, and 8/1/2014	\$1,018,452
---	-------------

Total Projected Available Program Revenues as of January 31, 2015 (herein referred to as "C")	\$16,344,559
---	--------------

(4) Section 8 of the Collection Agreement requires that:
(C) Minus (A) Divided by (B) \geq 103%.

REQUIRED \geq 103%

Using the amounts indicated above:

(C) \$16,344,559 Minus (A) \$6,778,858 Divided by (B) \$7,590,701 = 126%.

PROJECTED = 126%

Dated this ___ day of May, 2013

By: _____

President, South Dakota State Board of Education