

TECHNICAL EDUCATION

ANNUAL CERTIFICATE OF NO DEFAULT AND DEBT SERVICE COVERAGE

(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 (including any Additional Bonds expected to be issued and requiring debt service payments out of Revenues) for the period from August 1, 2011 through July 31, 2012 is \$5,605,808 and other program expenses for such period are estimated to be \$75,000, for a total of \$5,680,808 (herein, this number is referred to as "A").
- (2) Scheduled debt service payments on Bonds (including any Additional Bonds expected to be issued and requiring debt service payments out of Revenues) for the period from August 1, 2012 through July 31, 2013 is \$5,471,827 and other estimated program expenses for such period are estimated to be \$75,000, for a total of \$5,546,827 (herein, this number is referred to as "B").
- (3) For the period from the date hereof through January 31, 2013, 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 2012)	\$1,650,000
Estimated Appropriations (FY 2013)	\$1,650,000
Indenture Funds (Excluding DSRF) as of the date hereof:	
Tuition Subaccount as of 3/14/2011	\$3,639,355
Other (Cap Interest as of 3/14/2011)	\$540,286
Total Facility Fees from present to January 31, 2013 is estimated to be as follows:	
6,000 students @ 30 credits per FTE \$16(3 months)	\$720,000

6,000 students @ 30 credits per FTE
\$17(12 months) \$3,060,000

6,000 students @ 30 credits per FTE
\$18(7 months) \$1,890,000

Other Program Revenues through
January 31, 2013:

Estimated Interest Earnings(\$150,000
per year @ 22 months) \$275,000

IRS Rebates for 8/1/2011, 2/1/2012, and
8/1/2012 \$1,116,917

Total Available Program Revenues \$14,541,558
(herein referred to as "C")

(4) Section 8 of the Collection Agreement requires that:

(C) Minus (A) Divided by (B) \geq 103%.

Using the amounts indicated above:

(C) \$14,541,558 minus (A) \$5,680,808 Divided by (B) \$5,546,827 = 160%.

Dated this ___ day of March, 2011

By: _____

President, South Dakota State Board of Education