

**TECHNICAL EDUCATION  
ANNUAL CERTIFICATE OF NO DEFAULT AND  
ADEQUATE DEBT SERVICE COVERAGE**

Pursuant to Section 6.03 J(h) of the Trust Indenture dates as of September 1, 2008, as heretofore amended, we have made a review of our activities during our calendar year ended December 31, 2009 and have determined that we have complied with all of the terms, provisions and conditions of the Loan Agreement and the attached Amended and Restated Facility Fee Collection and Deposit Agreement and that we have kept, observed, performed and fulfilled each and every covenant, provision and condition of the Loan Agreement and the Mortgage that we were required to perform, and are not in default in the performance or observance of any of the terms, covenants, provisions or conditions hereof, or of the Mortgage, to the best of our knowledge.

Attached is the projected debt service computations required by Section 8 of the Amended and Restated Facility Fee Tuition Collection and Deposit Agreement. This shows that the Board of Education is projecting debt service coverage in excess of 103% as required by this section.

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2010.

By:

\_\_\_\_\_

*Name*

\_\_\_\_\_

*Title*

South Dakota Board of Education

**Computation of projected Debt Service Coverage per Section 8  
of the Collection Agreement based on current outstanding  
debt of \$37,735,000 as of 1/6/2010**

**Tech Ed Debt Service Coverage for 6/30/2010**

Estimated appropriation July 2010 (FY 2011)	1,650,000	
Estimated appropriation July 2011 (FY 2012)	1,650,000	
Estimated June 30, 2010 Tuition Sub Account balance	3,044,707	A
Estimated June 30, 2010 Debt Service Funds balance	300	*
Capitalized Interest	-	B
Projected facility fees FY-2011	2,587,500	C
<i>(DOE estimated FTE of 5,750 @ 30 credits per FTE @ \$15)</i>		
Projected facility fees for a portion of FY-2012 (7 months to 1/30/2012)	1,610,000	C
<i>(DOE estimated FTE for 2012 of 5,750 @ 30 credits per FTE @ \$16 prorated for 7 months)</i>		
Projected other earnings FY-2011 (interest)	164,302	C
Projected other earnings for a portion of FY-2012 (7 months to 1/30/2012)	95,843	C
Expenses estimated at \$50,000 for FY-2011	(50,000)	
Expenses estimated at \$50,000 for FY-2012	(50,000)	
Funds available	10,702,652	A
Debt Service FY-2011 (Aug 2010 and Feb 2011)	3,595,773	B
Available funds for FY-2012 Debt Service	7,106,879	A-B=C
Debt Service FY-2012 (Aug 2011 and Feb 2012)	3,593,615	D
Debt Service Coverage	198%	C/D

\*Basically 0 at year end as funds are transferred out to pay debt service in February.

**Tech Ed Debt Service Coverage for 6/30/2011**

Estimated appropriation July 2011 (FY 2012)	1,650,000	
Estimated appropriation July 2012 (FY 2013)	1,650,000	
Estimated June 30, 2011 Tuition Sub Account balance	3,800,736	D
Estimated June 30, 2011 Debt Service Funds balance	300	*
Capitalized Interest	-	B
Projected facility fees FY-2012	2,760,000	C
<i>(DOE estimated FTE of 5,750 @ 30 credits per FTE @ \$16)</i>		
Projected facility fees for a portion of FY-2013 (7 months to 1/30/2013)	1,610,000	C
<i>(DOE estimated FTE for 2013 of 5,750 @ 30 credits per FTE @ \$16 prorated for 7 months)</i>		
Projected other earnings FY-2012 (interest)	164,302	C
Projected other earnings for a portion of FY-2013 (7 months to 1/30/2013)	95,843	C
Expenses estimated at \$50,000 for FY-2012	(50,000)	
Expenses estimated at \$50,000 for FY-2013	(50,000)	
Funds available	11,631,181	A
Debt Service FY-2012 (Aug 2011 and Feb 2012)	3,593,615	B
Available funds for FY-2012 Debt Service	8,037,566	A-B=C
Debt Service FY-2013 (Aug 2012 and Feb 2013)	3,459,634	D
Debt Service Coverage	232%	C/D

\*Basically 0 at year end as funds are transferred out to pay debt service in February.