

EIGHTEENTH SUPPLEMENT TO
LEASE PURCHASE AGREEMENT
BETWEEN
SOUTH DAKOTA HEALTH AND EDUCATIONAL FACILITIES AUTHORITY
AND
SOUTH DAKOTA BOARD OF EDUCATION

Dated as of February 1, 2015

Supplementing a Lease Purchase Agreement Dated as of August 1, 1988 Between the South Dakota Health and Educational Facilities Authority and the South Dakota Board of Education, as previously supplemented by a First Supplement to Lease Purchase Agreement (Watertown) dated as of August 1, 1989, a First Supplement to Lease Purchase Agreement (Mitchell) dated as of March 1, 1990, a Second Supplement to Lease Purchase Agreement dated as of May 1, 1990, a Third Supplement to the Lease Purchase Agreement dated as of October 1, 1991, a Fourth Supplement to Lease Purchase Agreement dated as of December 15, 1992, a Fifth Supplement to the Lease Purchase Agreement dated as of August 1, 1993, a Sixth Supplement to Lease Purchase Agreement dated as of August 1, 1993, a Seventh Supplement to Lease Purchase Agreement dated as of December 1, 1997, an Eighth Supplement to Lease Purchase Agreement dated as of May 1, 1998, a Ninth Supplement to Lease Purchase Agreement dated as of June 1, 1999, a Tenth Supplement to Lease Purchase Agreement dated as of December 1, 2004, an Eleventh Supplement to Lease Purchase Agreement dated as of November 1, 2007, a Twelfth Supplement to Lease Purchase Agreement dated as of September 1, 2008, a Thirteenth Supplement to Lease Purchase Agreement dated as of July 1, 2010, a Fourteenth Supplement to Lease Purchase Agreement dated as of November 1, 2010, certain Omnibus Amendments dated as of May 1, 2011, a Fifteenth Supplement to Lease Purchase Agreement dated as of August 1, 2011, a Sixteenth Supplement to Lease Purchase Agreement dated as of February 1, 2012, and a Seventeenth Supplement to Lease Purchase Agreement dated as of June 1, 2014.

The interest of the South Dakota Health and Educational Facilities Authority in this Eighteenth Supplement to Lease Purchase Agreement has been assigned and pledged to The First National Bank in Sioux Falls, as Trustee under an Indenture of Trust dated August 1, 1988, as supplemented and amended by a First Supplemental Indenture of Trust dated as of May 1, 1990, a Second Supplemental Indenture of Trust dated as of December 15, 1992 and a Third Supplemental Indenture of Trust dated as of August 1, 1993, a Fourth Supplemental Indenture

of Trust dated as of August 1, 1993 a Fifth Supplemental Indenture of Trust dated as of December 1, 1997, a Sixth Supplemental Indenture of Trust dated as of May 1, 1998, a Seventh Supplemental Indenture of Trust dated as of June 1, 1999, an Eighth Supplemental Indenture of Trust dated as of December 1, 2004, a Ninth Supplemental Indenture of Trust dated as of November 1, 2007, a Tenth Supplemental Indenture of Trust dated as of September 1, 2008, an Eleventh Supplemental Indenture dated as of July 1, 2010, a Twelfth Supplemental Indenture of Trust dated as of November 1, 2010, certain Omnibus Amendments dated as of May 1, 2011, a Thirteenth Supplemental Indenture of Trust dated as of August 1, 2011, a Fourteenth Supplemental Indenture of Trust as of February 1, 2012, a Fifteenth Supplemental Indenture of Trust dated as of June 1, 2014, and a Sixteenth Supplemental Indenture of Trust dated as of February 1, 2015.

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THIS EIGHTEENTH SUPPLEMENT TO LEASE PURCHASE AGREEMENT is dated as of February 1, 2015, between the SOUTH DAKOTA HEALTH AND EDUCATIONAL FACILITIES AUTHORITY, constituted as an authority to act on behalf of the State of South Dakota and created by virtue of the laws of the State (together with any legal successor thereto, the “Issuer” and the SOUTH DAKOTA BOARD OF EDUCATION (herein, the “Board”).

PRELIMINARY STATEMENT

The Issuer and the Board have heretofore entered into a Lease Purchase Agreement dated as of August 1, 1988 as supplemented by a First Supplement to Lease Purchase Agreement (Watertown) dated as of August 1, 1989, a First Supplement to Lease Purchase Agreement (Mitchell) dated as of March 1, 1990, a Second Supplement to Lease Purchase Agreement dated as of May 1, 1990, a Third Supplement to the Lease Purchase Agreement dated as of October 1, 1991, a Fourth Supplement to Lease Purchase Agreement dated as of December 15, 1992 a Fifth Supplement to Lease Purchase Agreement dated as of August 1, 1993, a Sixth Supplement to Lease Purchase Agreement dated as of August 1, 1993, a Seventh Supplement to Lease Purchase Agreement dated as of December 1, 1997, an Eighth Supplement to Lease Purchase Agreement dated as of May 1, 1998, a Ninth Supplement to Lease Purchase Agreement dated as of June 1, 1999, a Tenth Supplement to Lease Purchase Agreement dated as of December 1, 2004, an Eleventh Supplement to Lease Purchase Agreement dated November 1, 2007, a Twelfth Supplement to Lease Agreement dated September 1, 2008, a Thirteenth Supplement to Lease Purchase Agreement dated as of July 1, 2010, a Fourteenth Supplement to Lease Purchase Agreement dated as of November 1, 2010, and certain Omnibus Amendments dated as of May 1, 2011, a Fifteenth Supplement to Lease Purchase Agreement dated as of August 1, 2011, a Sixteenth Supplement to Lease Purchase Agreement dated as of February 1, 2012, and a Seventeenth Supplement to Lease Agreement dated as of June 1, 2014 (collectively, all of the foregoing are referred to as the “Original Lease”) pursuant to which the Board is leasing with an option to purchase certain facilities the acquisition of which was financed or refinanced with the proceeds derived from the issuance and sale by the Issuer of its Vocational Education Program Revenue Bonds, Series 1988 in the original principal amount of \$11,120,000 (the “Series 1988 Bonds”), its Vocational Education Program Revenue Bonds, Series 1990 in the original principal amount of \$1,315,000 (the “Series 1990 Bonds”) and its Vocational Education Program Revenue Bonds, Series 1992 in the original principal amount of \$8,785,000 (the “Series 1992 Bonds”), its Vocational Education Program Revenue Bonds, Series 1993 in the original principal amount of \$9,780,000 (the “Series 1993 Bonds”), its Vocational Education Revenue Bonds, Series 1997 in the original principal amount of \$10,365,000 (the “Series 1997 Bonds”), its Vocational Education Revenue Bonds, Series 1998A in the original principal amount of \$4,705,000 (the “Series 1998A Bonds”), its Vocational Education Revenue Bonds, Series 1999 in the original principal amount of \$7,135,000 (the “Series 1999 Bonds”), its Vocational Education Revenue Bonds, Series 2004 in the original principal amount of \$6,265,000 (the “Series 2004 Bonds”), its Vocational Education Program Revenue Refunding Bonds, Series 2007 in the original principal amount of \$8,805,000 (the “Series 2007 Bonds”), its Vocational Education Program Revenue Bonds, Series 2008 in the original principal amount of \$19,465,000 (the "Series 2008 Bonds"), its Taxable Vocational Program Revenue Bonds, Series 2010A and Series 2010B in the original principal amount of \$23,590,000 (the "Series 2010AB Bonds"), its Taxable Vocational Program Revenue Bonds, Series 2010C in the original principal amount of \$12,605,000 (the "Series 2010C Bonds"), its Vocational Education Program Revenue Bonds, Series 2011A in the

original principal amount of \$20,140,000 (the "Series 2011A Bonds"), its Vocational Education Program Revenue Bonds, Series 2012A in the original principal amount of \$18,810,000 (the "Series 2012A Bonds"), and its Vocational Education Program Revenue Bonds, Series 2014A in the original principal amount of \$1,790,000 (the "Series 2014A Bonds").

The Issuer issued the Series 1988 Bonds pursuant to an Indenture of Trust dated as of August 1, 1988 (the "Original Indenture") between the Issuer and The First National Bank in Sioux Falls, as Trustee (the "Trustee"). The Issuer issued the Series 1990 Bonds pursuant to the Original Indenture as amended and supplemented by the First Supplemental Indenture of Trust dated as of May 1, 1990 between the Issuer and the Trustee (the "First Supplemental Indenture"). The Issuer issued the Series 1992 Bonds pursuant to the Original Indenture as amended and supplemented by the Second Supplemental Indenture of Trust dated as of December 15, 1992 between the Issuer and the Trustee (the "Second Supplemental Indenture"). The Issuer issued the Series 1993A Bonds pursuant to the Original Indenture as amended and supplemented by the Third Supplemental Indenture of Trust dated as of August 1, 1993 between the Issuer and the Trustee (the "Third Supplemental Indenture"). The Issuer issued the Series 1993B Bonds pursuant to the Original Indenture as amended and supplemented by the Fourth Supplemental Indenture of Trust dated as of August 1, 1993 between the Issuer and the Trustee (the "Fourth Supplemental Indenture"). The Issuer issued the Series 1997 Bonds pursuant to the Original Indenture as amended and supplemented by the Fifth Supplemental Indenture of Trust dated as of December 1, 1997 between the Issuer and the Trustee (the "Fifth Supplemental Indenture"). The Issuer issued the Series 1998A Bonds pursuant to the Original Indenture as amended and supplemented by the Sixth Supplemental Indenture of Trust dated as of May 1, 1998 between the Issuer and the Trustee (the "Sixth Supplemental Indenture"). The Issuer issued the Series 1999 Bonds pursuant to the Original Indenture as amended and supplemented by the Seventh Supplemental Indenture of Trust dated as of June 1, 1999 between the Issuer and the Trustee (the "Seventh Supplemental Indenture"). The Issuer issued the Series 2004 Bonds pursuant to the Original Indenture as amended and supplemented by the Eighth Supplemental Indenture of Trust dated as of December 1, 2004 (the "Eighth Supplemental Indenture"). The Issuer issued the Series 2007 Bonds pursuant to the Original Indenture as amended and supplemented by the Ninth Supplemental Indenture of Trust dated as of November 1, 2007 (the "Ninth Supplemental Indenture"). The Issuer issued the Series 2008 Bonds pursuant to the Original Indenture as amended and supplemented by the Tenth Supplemental Indenture of Trust dated as of September 1, 2008 (the "Tenth Supplemental Indenture"). The Issuer issued the Series 2010AB Bonds pursuant to the Original Indenture as amended and supplemented by the Eleventh Supplemental Indenture of Trust dated as of July 1, 2010 (the "Eleventh Supplemental Indenture"), as subsequently modified by certain Omnibus Amendments dated as of May 1, 2011. The Issuer issued the Series 2010C Bonds pursuant to the Original Indenture as amended and supplemented by the Twelfth Supplemental Indenture of Trust dated as of November 1, 2010 (the "Twelfth Supplemental Indenture"). The Issuer issued the Series 2011A Bonds pursuant to the Original Indenture as amended and supplemented by the Thirteenth Supplemental Indenture of Trust dated as of August 1, 2011 (the "Thirteenth Supplemental Indenture"). The Issuer issued the Series 2012A Bonds pursuant to the Original Indenture as amended and supplemented by the Fourteenth Supplemental Indenture of Trust dated as of February 1, 2012 (the "Fourteenth Supplemental Indenture"). The Issuer issued the Series 2014A Bonds pursuant to the Original Indenture as amended and supplemented by the Fifteenth Supplemental Indenture of Trust dated as of June 1, 2014 (the "Fifteenth Supplemental Indenture").

WHEREAS, Section 3.07 of the Original Indenture authorizes the issuance of Additional Bonds (as defined therein) by the Issuer from time to time in accordance with the provisions thereof for various purposes, including (i) refunding any series of Outstanding Bonds, any maturity of any series of Outstanding Bonds or any Related Amount of Series Bonds within a series of Bonds by depositing with the Trustee, in trust for the sole benefit of such Bonds, noncallable Eligible Investments which will, together with the income or increment to accrue thereon without consideration of any reinvestment thereof, be sufficient to pay or redeem (when redeemable) and discharge the indebtedness of all Bonds to be refunded at or before their respective maturity dates; (ii) obtaining funds to make the required deposit to the Debt Service Reserve Fund, and (iii) obtaining funds for any other purpose permitted under the Act, provided that any Facilities acquired within proceeds of such Additional Bonds shall become part of the Facilities and shall be subject to the Lease; and

WHEREAS, the Issuer has in connection herewith executed and delivered to the Trustee that certain Sixteenth Supplemental Indenture of Trust dated as of February 1, 2015 (the “Sixteenth Supplemental Indenture”) pursuant to which the Issuer has issued its \$XXXXXX Vocational Education Program Refunding Revenue Bonds, Series 2015A (the “Series 2015A Bonds”) for the purposes of refinancing and refunding the Issuer’s outstanding Series 2008 Bonds (the “Refunded Bonds”); and

WHEREAS, Sections 2.06 and 3.07 of the Original Indenture require, as a pre-condition to the issuance of any Additional Bonds, that the Issuer and the Board enter into an amendment or supplement to the Original Lease, including an amendment of Exhibit D to provide for Lease Rentals in amounts and at times sufficient to cover payments of principal and interest to be made on such Additional Bonds; and

WHEREAS, the execution and delivery of this Eighteenth Supplement has been duly authorized and approved by the Issuer and the Board; and

WHEREAS, the Board desires to confirm its obligations under the Original Lease, as supplemented hereby, to pay Lease Rentals in amounts and at times sufficient to cover payments of principal and interest on all Outstanding Bonds;

NOW, THEREFORE, the Issuer and the Board, each in consideration of the representations, covenants, and agreements of the other as set forth herein, mutually represent, covenant, and agree as follows:

ARTICLE 1 R

DEFINITION, EXHIBITS, AND RULES OF INTERPRETATION

Section 1.01 R Definitions. In addition to the terms defined in the Original Lease, the Indenture, the Pledge Agreement, the Collection Agreement and elsewhere in this Eighteenth Supplement, the following terms have the following respective meanings unless the context hereof clearly requires otherwise:

Bond Documents: the Lease, the Series 2015A Bond Purchase Agreement, the Indenture, the Pledge Agreement, the Collection Agreement and all related and ancillary documents thereto;

Collection Agreement: the Amended and Restated to Facility Fee Tuition Collection and Deposit Agreement dated as of September 1, 2008 among the Treasurer of the State of South Dakota, the Board, The First National Bank in Sioux Falls, as Escrow Holder, and the Qualified Participating Institutions therein specified;

Indenture: the Indenture of Trust between the Issuer and Trustee, dated as of August 1, 1988, as supplemented by the First Supplemental Indenture, the Second Supplemental Indenture, the Third Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Sixth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, the Ninth Supplemental Indenture, the Tenth Supplemental Indenture, the Eleventh Supplemental Indenture, the Twelfth Supplemental Indenture, the Omnibus Amendments, the Thirteenth Supplemental Indenture, the Fourteenth Supplemental Indenture, the Fifteenth Supplemental Indenture, and the Sixteenth Supplemental Indenture, as the same may be amended or supplemented in accordance with its terms;

Land: the real estate and any leasehold interest in real estate described in Exhibit B to the Lease;

Lease: the Original Lease, as supplemented by this Eighteenth Supplement as the same may be supplemented or amended in accordance with its terms;

Lease Rentals: the amounts payable by the Board in Section 4.02 of the Lease, including the amounts specified in Exhibit D hereto;

Letter of Instruction: the instructions given by the Issuer to the Trustee regarding the investment of the gross proceeds of the Bonds (as contemplated by Section 4.09 of the Indenture), as such instructions are from time to time amended or revised with the advice of the Bond Counsel;

Mitchell Sublease: that certain Sublease Agreement dated as of August 1, 1988, between the Board and Mitchell School District No. 17-2, as amended and restated from time to time;

Nonexempt Person: any person other than a “governmental unit” within the meaning of Section 141(b)(6) of the Code;

Omnibus Amendments: the Omnibus Amendments dated as of May 1, 2011 entered into by and among the Issuer, the Board, and certain other parties, effecting certain amendments to the Eleventh Supplemental Indenture, the Thirteenth Supplement to Lease Purchase Agreement, and other documents relating to the Series 2010AB Bonds;

Permitted Encumbrances: with regard to the Land, the Refunded Projects, the Improvements, the Lease, and the Indenture, as of any particular time,

(a) liens for charges which are not then delinquent, or if then delinquent are being contested in accordance with Section 5.04 of the Lease;

(b) common party walls, shared parking and utilities, utility, access and other easements and rights-of-way, restrictions and exceptions that the Board and the Authority

consents to in writing and which will not interfere with or impair the operation of any Project (or, if it is not being operated the operation for which it was designed or last modified);

(c) any mechanic's, laborer's, materialman's, supplier's or vendor's lien or right in respect thereof if payment is not yet due under the contract in question or if such lien is being contested in accordance with Section 3.01(9)(ii) of the Lease;

(d) such minor defects and irregularities of title as normally exist with respect to properties similar in character to the Land and which the Board certifies do not materially adversely affect the value of the Project or impair the property affected thereby for the purpose for which it was acquired or is held by the Board;

(e) zoning laws and similar restrictions which are not violated by the Project;

(f) as to each Project, such other liens, encumbrances, covenants, conditions and restrictions, if any, as are set forth in the related portion of Exhibit B of the Lease or any Sublease; and

(g) on and after the Series 2015A Closing Date, such other liens, encumbrances, conditions and restrictions, if any, certified by the Board to the Issuer as not having any material adverse effect upon the value of a Project for use as a vocational educational facility and with respect to which the Issuer does not object by resolution adopted by it within forty-five days of receipt of such certification;

Purchase Option Price: as of any date, the amount so designated by Section 4.10 and as calculated by the Issuer consistent with Exhibit D of the Lease;

Rapid City Sublease: that certain Sublease Agreement dated as of August 1, 1988, between the Board and Rapid City School District No. 51-4, as amended and restated from time to time;

Rebate Amount: any amount determined payable to the United States of America pursuant to Section 148(f)(2) of the Code;

Rebate Deposit: any amount determined to be payable to the United States of America pursuant to Section 148(f)(2) of the Code in connection with the annual computation described in Section 4.09 of the Indenture;

Rebate Fund: the fund created by Section 4.02 of the Indenture;

Refunded Projects: the Projects originally financed or refinanced by the Refunded Bonds and which are subleased by the Series Refunded Subleases;

Refunded Sublease: the Mitchell Sublease and the Watertown Sublease relating to the Refunded Projects;

Related Amount of Series 1988 Bonds: None are Outstanding;

Related Amount of Series 1990 Bonds: None are Outstanding;

Related Amount of Series 1997 Bonds: None are Outstanding;

Related Amount of Series 1998A Bonds: None are Outstanding;

Related Amount of Series 1999 Bonds: None are Outstanding;

Related Amount of Series 2004 Bonds: None are Outstanding;

Related Amount of Series 2007 Bonds: as of any date, those Series 2007 Bonds which are Outstanding as of such date and which have been designated by the Authority in Section 2.16 of the Indenture and in Exhibit D to the Lease as being allocated to such specific Projects which were financed or refinanced in whole or in part with the proceeds of the Series 2007 Bonds;

Related Amount of Series 2008 Bonds: will no longer be Outstanding upon issuance of the Series 2015A Bonds and the funding of an escrow with proceeds of the Series 2015A Bonds to defease the Series 2008 Bonds;

Related Amount of Series 2010AB Bonds: as of any date, those Series 2010AB Bonds which are Outstanding as of such date and which have been designated by the Authority in Section 2.16 of the Indenture and in Exhibit D to the Lease as being allocated to such specific Projects which were financed or refinanced in whole or in part with the proceeds of the Series 2010AB Bonds;

Related Amount of Series 2010C Bonds: as of any date, those Series 2010C Bonds which are Outstanding as of such date and which have been designated by the Authority in Section 2.16 of the Indenture and in Exhibit D to the Lease as being allocated to such specific Projects which were financed or refinanced in whole or in part with the proceeds of the Series 2010C Bonds;

Related Amount of Series 2011A Bonds: as of any date, those Series 2011A Bonds which are Outstanding as of such date and which have been designated by the Authority in Section 2.16 of the Indenture and in Exhibit D to the Lease as being allocated to such specific Project which were financed or refinanced in whole or in part with the proceeds of the Series 2011A Bonds;

Related Amount of Series 2012A Bonds: as of any date, those Series 2012A Bonds which are Outstanding as of such date and which have been designated by the Authority in Section 2.16 of the Indenture and in Exhibit D to the Lease as being allocated to such specific Projects which were financed or refinanced in whole or in part with the proceeds of the Series 2012A Bonds;

Related Amount of Series 2014A Bonds: as of any date, those Series 2014A Bonds which are Outstanding as of such date and which have been designated by the Authority in Section 2.16 of the Indenture and in Exhibit D to the Lease as being allocated to such specific Projects which were financed or refinanced in whole or in part with the proceeds of the Series 2014A Bonds

Related Amount of Series 2015A Bonds: as of any date, those Series 2015A Bonds which are Outstanding as of such date and which have been designated by the Authority in Section 2.16 of the Indenture and in Exhibit D to the Lease as being allocated to such specific Projects which were financed or refinanced in whole or in part with the proceeds of the Series 2015A Bonds;

Series 2015A Bond Purchase Agreement: the Bond Purchase Agreement for the sale and purchase of the Series 2015A Bonds among the Issuer, the Board and the Series 2015A Original Purchaser;

Series 2015A Closing Date: February ____, 2014, the date on which the Series 2015A Original Purchaser purchased the Series 2015A Bonds;

Series 2015A Original Purchaser: Dougherty & Company LLC ;

Series 2015A Resolution: the Resolution of the Issuer adopted on January 13, 2015, amending and restating a prior resolution adopted on November 14, 2014, authorizing the issuance and sale of the Series 2015A Bonds;

Eighteenth Supplement: this Eighteenth Supplement to Lease Purchase Agreement dated as of February 1, 2015, between the Issuer and the Board, supplementing and amending the Original Lease;

Sioux Falls Sublease: that certain Sublease Agreement dated as of August 1, 1988, between the Board and Sioux Falls School District No. 49-5, as amended and restated from time to time;

Sixteenth Supplemental Indenture: the Sixteenth Supplemental Indenture of Trust dated as of February 1, 2015;

Statutory Facilities Fund: the fund created under section 13-39-69 of the South Dakota Codified Laws and currently designated in such section as the Postsecondary Technical Institutes Facilities Fund;

Taxable Bonds: debt obligations (other than obligations designated by the Issuer as Build America Bonds or as Recovery Zone Economic Development Bonds under Section 54AA or Section 1400U-2 of the Code) which the Issuer has expressly designated as “taxable,” i.e., the interest on such obligations is not purported by the Issuer to be excluded from the gross income of the holders of such obligations for federal income tax purposes;

Tax-Exempt Bonds: debt obligations, the interest on which is purported by the Issuer to be excluded from the gross income of the holders of such obligations for federal income tax purposes. Any series of Bonds of the Issuer that is not expressly designated by the Issuer as either Taxable Bonds, Recovery Zone Bonds or Build America Bonds shall be treated as Tax-Exempt Bonds for the purposes of this Eighteenth Supplement;

Treasurer: means the Treasurer of the State of South Dakota;

Trustee: The First National Bank in Sioux Falls or any successor trustee at the time serving as such under the Indenture; and

Watertown Sublease: that certain Sublease Agreement dated as of August 1, 1988, between the Board and Watertown School District No. 14-4, as amended and restated from time to time; and

Section 1.02 R Exhibits. The following amended Exhibits are attached to and by reference made a part of this Eighteenth Supplement:

- (a) Exhibit A: Description of the Refunded Projects;
- (b) Exhibit B: the Real Property Schedules attached hereto, as supplemented or amended from time to time;
- (c) Exhibit C: [Intentionally Omitted]; and
- (d) Exhibit D: the Sublease Rental Schedules and Related Amount of Bonds Schedule attached hereto, as supplemented or amended from time to time. The Purchase Option Price shall be calculated by the Issuer based on Exhibit D.

ARTICLE 2 R

REPRESENTATIONS

Section 2.01 R Representations by the Issuer. The Issuer makes the following representations as the basis for its covenants herein:

(1) The Issuer is a body politic and corporate validly created and existing under the Issuer's Act, is authorized to enter into the transactions contemplated by this Eighteenth Supplement and to carry out its obligations hereunder, has been duly authorized to execute and deliver this Eighteenth Supplement and agrees that it will do or cause to be done all things necessary to preserve and keep in full force and effect its existence;

(2) The issuance and sale of the Series 2015A Bonds; the use of Series 2015A Bond proceeds for the purposes described in the Sixteenth Supplemental Indenture and the performance of all covenants and agreements of the Issuer contained in the Lease and of all other acts and things required under the Constitution and laws of the State of South Dakota to make the Lease a valid and binding obligation in accordance with its terms, are authorized by the Issuer's Act and have been duly authorized by proceedings of the Issuer adopted at meetings thereof duly called and held;

(3) The Issuer has authorized its Series 2015A Bonds in the principal amount of \$XXXXXX to be issued upon the terms set forth in the Indenture, under the provisions of which the Issuer's interest in this Eighteenth Supplement, and the payments of Lease Rentals hereunder are pledged and assigned and the rights of the

Issuer in the Facilities are assigned to the Trustee as security for the payment of the principal of, premium, if any, and interest on the Bonds;

(4) The refunding of the Refunded Bonds and related transactions provided for under the Sixteenth Supplemental Indenture are within the power and the authority of the Issuer and will promote the public welfare and aid in the provisions of postsecondary technical education within the State; and

(5) The proceeds of the Series 2015A Bonds, together with other funds available to the Board, are estimated to be sufficient to, and not in excess of, the amount necessary to refund and refinance the Refunded Bonds.

Section 2.02 R Representations by the Board. The Board makes the following representations as the basis for its covenants herein:

(1) The Board has authority to enter into this Eighteenth Supplement and has duly authorized the execution and delivery of this Eighteenth Supplement, has heretofore subleased the Refunded Projects to a “participating educational institution” within the meaning of Chapter 1-16A, Section 2, of the South Dakota Codified Laws and will concurrently herewith sublease the Refunded Projects to a “participating educational institution” within the meaning of Chapter 1-16A, Section 2, of the South Dakota Codified Laws;

(2) The execution and delivery of this Eighteenth Supplement and the consummation of the transactions contemplated thereby, and the fulfillment of the terms and conditions thereof, do not and will not conflict with or result in a breach of any restriction of any agreement or instrument to which the Board is now a party and do not and will not constitute a default under any of the foregoing, or result in the creation or imposition of any lien, charge or encumbrance of any nature upon any of the property or assets of the Board contrary to the terms of any instrument or agreement;

(3) The execution, delivery and performance of this Eighteenth Supplement, the Refunded Subleases and related transactions are within the power and authority of the Board and will promote the public welfare and aid in the provision of postsecondary technical education within the State;

(4) The proceeds of the Series 2015A Bonds, together with other funds available to the Board, are estimated to be sufficient to, and not in excess of, the amount necessary to refund and refinance the Refunded Bonds;

(5) The Board will take no action and will not permit the School Districts to take any action which will impair the tax-exempt status of any interest paid with respect to any Bonds designated as Tax-Exempt Bonds (or, in the case of Build America Bonds and Recovery Zone Bonds, which would impair the tax-exempt status of any interest paid with respect to such Bonds if the Issuer had not elected to designate such Bonds as Build America Bonds or Recovery Zone Bonds or which

would make such Bonds ineligible for the credit provided for under Section 6431 of the Code);

(6) There is no litigation pending nor threatened, questioning the right of the Board or the School Districts to construct, operate or maintain the Improvements or any other of the Facilities, or the pledging of security for the payment of any of the Bonds;

(7) Payment of ten percent (10%) or more of the proceeds of the principal of, and the interest on, each series of the Bonds (other than Taxable Bonds) and the related portion of the Lease Rentals (either under the terms thereof or any underlying arrangement) is not and shall not be directly or indirectly -

(A) secured by any interest in -

(i) property used or to be used for one or more private business uses, or

(ii) payments in respect of such property; or

(B) to be derived from payments (whether or not to the Issuer or Board) in respect of property, or borrowed money, used or to be used for one or more private business uses;

within the meaning of Section 141(b)(2) of the Code;

(8) The Board agrees not to lease, sell, assign, grant or convey all or any portion of the Facilities or any interest therein to the United States or any agency or instrumentality thereof or any other person or entity which is not a Governmental Unit if the result thereof would be to cause the interest on any of the Bonds to be subject to federal income taxation;

(9) The Board covenants to cooperate with the Issuer and the Trustee and to comply with the terms of the Issuer's Letter of Instruction so that interest to be paid to the owner of any of the Bonds will not become includible in gross income of the recipient thereof for federal income tax purposes except under certain conditions;

(10) None of the proceeds of any series of the Bonds have been or are to be used for any one or more private business use within the meaning of Section 141(b)(1) of the Code; and

(11) None of the proceeds of any series of the Bonds have been or are to be used for any private business use which is not related or disproportionate to any government use of such proceeds within the meaning of Section 141(b)(3) of the Code.

(12) The Board does not rely on any warranty of the Issuer or Trustee, either express or implied, that any of the Refunded Projects will be suitable to the Board's needs, and recognizes that under the Issuer's Act, the Issuer is not authorized, except

as lessor, to operate any of the Refunded Projects or to expend any funds thereon other than the revenues received by it therefrom or the proceeds of the Bonds, or other funds granted to it for purposes contemplated in the Issuer's Act;

(13) All of the proceeds of the Refunded Bonds were used for the acquisition of land or other capital expenditures for use in the provision of postsecondary vocational education, including costs associated with the cost of refinancing such Projects;

(14) The Board intends to sublet the Refunded Projects pursuant to the Series 2015A Subleases and to cause the Districts to operate the Refunded Projects at least until the date on which all of the Related Amount of Series 2015A Bonds are no longer Outstanding;

(15) The Board has heretofore caused good marketable fee title to the Land (including the sites of the Refunded Projects) to be conveyed to the Issuer subject only to Permitted Encumbrances; and

(16) The Refunded Projects shall comply with all applicable building and zoning laws and ordinances, and other applicable governmental regulations.

Section 2.03 R Trustee May Rely on Representations. The Issuer and the Board agree that the representations, warranties and covenants contained in this Article 2 R and elsewhere in this Eighteenth Supplement are for the use and benefit of any purchaser of the Bonds and the Trustee, and any such purchaser and the Trustee shall be entitled to rely thereon.

ARTICLE 3 R

DEPOSIT AND APPLICATION OF SERIES 2015A BOND PROCEEDS AND CERTAIN OTHER FUNDS

Section 3.01 R Payment of Costs by Board. The Board agrees that it will pay or cause to be paid any and all legally available sums of money required to finance the costs of the Series 2015A Projects to the extent that the proceeds of the Series 2015A Bonds made available hereunder are insufficient.

Section 3.02 R Issuance of Bonds. The Issuer has contracted for the sale of the Series 2015A Bonds and the Board has approved the terms of the sale of the Series 2015A Bonds.

Section 3.03 R Application of Series 2015A Bond Proceeds and Certain Other Funds. The Board hereby approves, authorizes and directs the Authority and the Trustee to apply the proceeds of the Series 2015A Bonds together with the other funds on deposit under the Indenture as set forth in Article III of the Sixteenth Supplemental Indenture, this Article and the corresponding Article of Series 2015A Subleases.

Application of Series 2015A Bond Proceeds and Certain Other Funds.

The Board hereby agrees to enter into the Series 2015A Subleases in order to amend the Sublease to provide for the refinancing of the Refunded Projects and related matters.

Section 3.06 R Issuance of Bonds. The Issuer has contracted for the sale of the Series 2015A Bonds and the Board has approved the terms of the sale of the Series 2015A Bonds.

Section 3.07 R Deposit of Bond Proceeds. The proceeds of the Series 2015A Bonds which are being made available hereunder total \$_____, reflecting a purchase price of \$_____, less an underwriter's discount of \$_____. On the Series 2015A Closing Date, such Bond proceeds shall be transferred, deposited and applied as provided herein, including the payment of the Refunding Savings Amount to the State General Fund, and as applied as otherwise provided in Article 4 of the Sixteenth Supplemental Indenture.

ARTICLE 4 R

USE AND RENTALS

Section 4.01 R Lease Rentals and Additional Payments. The Board hereby covenants and agrees that the Lease Rentals, Additional Payments and other amounts due under Article IV of the Lease shall include all amounts attributable to the Series 2015A Bonds, including the amounts described on the attached Exhibit D.

Any reference in the Lease or any Sublease to Lease Rentals, Related Amounts of Bonds or the Purchase Option Price shall be deemed for all purposes to refer to the Lease Rentals, Related Amount of Bonds and Purchase Option Prices set forth on Exhibit D attached hereto.

Section 4.02 R Amendment to Section 4.11 of the Original Lease. Section 4.11 of the Original Lease (as previously amended or supplemented) shall be amended to read as follows:

Section 4.11. Lease Term. This Lease, and each supplement to this Lease, shall be for a term which commences on the date of execution of such Lease or supplement, as applicable, and ending as of the date on which all Outstanding Related Amount of Bonds have been paid or otherwise are deemed paid pursuant to Article VIII of the Indenture, subject, however, to the rights of the Board under Section 4.09(b) of the Lease to pay the Purchase Option Price with respect to any Project and thereby terminate the Lease as to such Project and subject further to the provisions of Section 4.09(a) of the Lease pursuant to which the term of this Lease and all supplements thereto shall be terminated and this Lease and all supplements shall be canceled in any year for which Appropriated Payments are not sufficient, together with any available Program Revenues, to pay the Lease Rentals as provided in Section 4.07; provided that if for any reason it is hereafter determined that any agency or instrumentality of the State of South Dakota is not authorized to execute, as lessee, this Lease and any supplement thereto with the Issuer, as lessor, for the term of years herein or therein provided, and subject to termination and cancellation as hereinabove provided, then the foregoing provision in this Section 4.11 of this Lease shall be of no further force and effect and in lieu thereof this Lease and any supplement thereto shall be and become a lease for one (1) year ending June 30 of the

year following the most recent payment under the Lease, with options to renew the Lease for successive renewal terms commencing July 1 of each year and ending June 30 in the next ensuing year, beginning July 1 of the year in which the rental appropriation is made by the Legislature and the final renewal term for the last year ending August 1 listed on Exhibit D hereto, which is the agreed date by which the Board will have paid the amount required to retire at their final maturity date all of the Bonds issued by Issuer to pay the cost of providing for the Facilities referred to herein.

In such event, for each of any such renewal terms the Board shall become obligated to pay and hereby agrees to pay out of the Appropriated Payments and other amounts legally available to the Board for such purpose to the Issuer a cash Lease Rental for each year payable on the dates which are set forth for each year in Exhibit D hereto. Each of the successive options to renew herein granted may be exercised for the successive renewal term at any time after the adjournment of the Legislature of the State at which any necessary appropriations shall have been made for such successive renewal term; provided, however, such options shall in each instance be deemed automatically exercised and the Lease automatically renewed for the successive renewal term commencing on the first day thereof if any necessary appropriation has been made by the Legislature of the State of South Dakota for the payment of the Lease Rentals thereof and such appropriation has been approved by the Governor.

Section 4.03 R Lease Term. The term of the Eighteenth Supplement shall be determined by Section 4.02 R hereof.

Section 4.04 R Possession and Use. The Issuer delivers to the Board sole and exclusive possession of the Refunded Projects, as additional Facilities under the Original Lease, subject to the rights of the Issuer under Article 9 of the Lease, and covenants and agrees that it will not take any action other than pursuant to Article 9 thereof to prevent the Board from having quiet and peaceable possession and enjoyment of the Refunded Projects during the term of this Eighteenth Supplement, and will, at the request and expense of the Board, cooperate with the Board to secure such possession and enjoyment. The Board accepts possession of the Refunded Projects on the date of the execution and acknowledgment of this Eighteenth Supplement. Its right of possession shall continue until the term of the Lease expires or is terminated as provided herein. The Board shall have the right to use the Refunded Projects, throughout the term of the Lease, provided that all uses shall conform to the policies and purposes of the Acts. In addition, the Board and Issuer hereby reserve the right to amend the scope, nature and location of the Refunded Projects, to enter into a Sublease with any Qualified Participating Institution and to take any other action with respect to the use of the proceeds of the Series 2015A Bonds so long as no such amendment or other action is in contravention of any of the Board's or the Issuer's covenants and agreements with respect to the preservation of the exclusion of interest on the Bonds from gross income of the holders thereof.

ARTICLE 5 R

DAMAGE, DESTRUCTION, AND CONDEMNATION

Section 5.01 R Board to Repair, Replace, or Restore. If any Bonds are outstanding when all or any part of a Project is taken by eminent domain, or destroyed or damaged, unless the Board notifies the Trustee of its intent to purchase such Project under Section 8.03 of the Lease:

(1) If any of the Refunded Projects are partly destroyed or damaged, all Net Proceeds of any insurance award in connection with such damage or destruction shall be paid directly to the Trustee who will (i) apply such Net Proceeds to the payment of the costs of repair, replacement, or restoration upon such items as it may reasonably require and (ii) apply any balance of the Net Proceeds remaining after payment of all costs of any repair, replacement, or restoration to reduce the principal of the Related Amount of Series 2015A Bonds pursuant to Section 2.12(a)(ii) of the Original Indenture. If the Net Proceeds are not sufficient to pay the costs of repair, replacement or restoration in full, the Board will nonetheless complete or cause completion of the same and will pay that portion of the cost thereof in excess of the amount of the Net Proceeds.

(2) If any of the Refunded Projects are partly condemned or taken by eminent domain, all Net Proceeds of such condemnation award or taking shall be paid directly to the Trustee who will (i) apply the Net Proceeds to the payment of the costs of repair, replacement or restoration upon such terms as it may reasonably require; and (ii) apply any balance of the Net Proceeds remaining after payment of all costs of any repair, replacement or restoration to the reduction of the principal balance of the Related Amount of Series 2015A Bonds pursuant to Section 2.12(a)(ii) of the Original Indenture. If the Net Proceeds are not sufficient to pay the costs of repair, replacement or restoration in full, the Board will nonetheless complete or cause completion of the same and will pay that portion of the cost thereof in excess of the amount of the Net Proceeds.

(3) In the event any of the Refunded Projects are totally destroyed or any such Refunded Project is taken in its entirety by condemnation or eminent domain, the Lease Term shall be terminated and all Net Proceeds of any insurance claim or condemnation award shall be paid to the Trustee to be applied by the Trustee as a credit against the Purchase Option Price and the Board, subject to the provisions of Section 4.07 of the Lease, shall pay the balance of such Purchase Option Price.

(4) The Board shall not, by reason of any damage, destruction or condemnation or the payment of any costs of repair, replacement or restoration, be entitled to any reimbursement from the Issuer or any abatement or diminution of the Lease Rentals or additional payments payable under Articles 4, 4A, 4B, 4C, 4D, 4E, 4F, 4G, 4H, 4I, 4J, 4K, 4L, 4M, 4N, 4O, 4P and 4R of the Lease or the other sums payable by the Board hereunder except to the extent that Bonds are actually redeemed

by reason of any application of Net Proceeds or Purchase Option Price contemplated hereunder.

Any excess Net Proceeds remaining after compliance with the foregoing paragraphs, as applicable, shall be paid to the Board for use in its post-secondary vocational education programs.

Section 5.02 R Cooperation of the Issuer. The Issuer will cooperate fully with the Board in filing any proof of loss with respect to any insurance policy covering casualties referred to in Article 6 of the Lease, in the handling and conduct of any litigation arising with respect thereto, and in the handling and conduct of any prospective or pending condemnation proceeding affecting the Refunded Projects or any part thereof.

ARTICLE 6 R

BOARD'S COVENANTS

Section 6.01 R Covenants for Benefit of Trustee and Holder of Bonds. Each of the terms and provisions of this Eighteenth Supplement is a covenant for the use and benefit of the Issuer, the Trustee and the holders from time to time of the Bonds so long as any principal or interest due on the Bonds shall remain Outstanding.

Section 6.02 R Board Bound by Bond Documents. The Bond Documents have been submitted to the Board for examination and the Board, by execution of this Eighteenth Supplement, acknowledges that it has approved the Series 2015A Bond Documents and agrees that it is bound by the terms and conditions thereof, including the provisions governing the investment and application of funds (and earnings thereon) and covenants and agrees to perform all acts, pay all moneys and give all notices required to be performed, paid and given by it pursuant to the terms of the Bond Documents.

Section 6.03 R Status of Bonds Under the Code. Each of the parties hereto hereby covenants and agrees that it will not knowingly take any action, or omit to take any action, or permit any action which is in its control to be taken or omitted, where the result of such action or omission, to the knowledge of such party, (i) in the case of any series of Tax-Exempt Bonds, would impair the exemption of interest on such Bonds from federal income taxation or (ii) in the case of any series of Build America Bonds or Recovery Zone Bonds, would impair the exemption of interest on such Bonds from federal income taxation if the Issuer had not elected to designate such series as Build America Bonds or Recovery Zone Bonds under Section 54AA or Section 1400U-2 of the Code or would make such Bonds ineligible for the credit provided for under Section 6431 of the Code. The restrictions set forth in the preceding sentence shall not apply to any series of Bonds designated by the Issuer as Taxable Bonds.

Section 6.04 R Board's Compliance with Tax Covenants. In furtherance of, and subject to, the covenants set forth in Section 6.03 R hereof, the Board represents and covenants with the Issuer, the Trustee and all holders of Bonds that it will comply with the applicable provisions of Federal tax law as follows:

(1) The Board will operate all of the Improvements or cause all of the Improvements to be operated for the provision of vocational education to eligible students and shall not permit any use of any of the Improvements which would cause the Bonds or any Series thereof to become Private Activity Bonds within the meaning of Section 141 of the Code. The Board will not cause or permit a change in such use of any of the Improvements unless it shall first furnish, at its expense, to the Issuer and the Trustee a written opinion from Bond Counsel that such change in use will not affect the exclusion of interest paid on any series of Tax-Exempt Bonds from gross income for federal income tax purposes (or, in the case of each series of Build America Bonds and Recovery Zone Bonds, that such change would not affect the exclusion of interest paid on such Bonds from gross income for federal income tax purposes if the Issuer had not elected to designate such Bonds as Build America Bonds or Recovery Zone Bonds);

(2) The Board will not use (or permit to be used) any Project or use or invest (or permit to be used or invested) the proceeds of the Series 2015A Bonds or any other sums treated as “gross proceeds” under Section 148 of the Code including “investment proceeds,” “invested sinking funds” and “replacement proceeds,” in such a manner as to cause any series of the Bonds to be classified “arbitrage bonds” under Section 148(a) of the Code;

(3) The Board shall provide or cause to be provided to the Issuer at the closing of the sale of the Series 2015A Bonds all information required to satisfy the informational requirements set forth in Section 149(e) of the Code, including the information necessary to complete Internal Revenue Service Form 8038-G or 8038-B, as applicable;

(4) The Board shall not permit the filing of any other information reporting form similar to that described in (3) above with respect to this Eighteenth Supplement or the obligations of the Board hereunder without the consent of the Issuer.

(5) No moneys in the Debt Service Fund or Tuition Subaccount shall be invested in investments which would cause any series of the Bonds to be federally guaranteed within the meaning of section 149(b) of the Code. If at any time the moneys in the Debt Service Fund or Tuition Subaccount exceed, within the meaning of section 148, (i) amounts invested for an initial temporary period until the moneys are needed for the purpose for which the Bonds are issued, (ii) investments of a bona fide debt service fund, and (iii) investments of a reserve which meet the requirement of Section 148(d) of the Code, such excess moneys shall be invested in only those permitted investments or Government Obligations, as otherwise appropriate, which are (A) obligations issued by the United States Treasury, (B) other investments permitted under regulations, or (C) obligations which are (a) not issued by, or guaranteed by, or insured by, the United States or any agency or instrumentality thereof or (b) not federally insured deposits or accounts, all within the meaning of Section 149(b)(2) of the Code;

(6) The Board on behalf of the Issuer shall pay the United States any Rebate Amount and any penalty in lieu thereof by reason of Section 148(f) of the Code, all as determined by the Issuer to be due as to each series of Bonds.

(7) The Board will not otherwise use Series 2015A Bond proceeds, including earnings thereon, in a manner which would adversely affect the exemption from federal income taxation of the interest on any Series 2015A Bonds designated as Tax-Exempt Bonds (or, in the case of each series of Build America Bonds and Recovery Zone Bonds, in any manner which would adversely affect the exemption from federal income taxation of the interest on any such Bonds if the Issuer had not elected to designate such Bonds as Build America Bonds or Recovery Zone Bonds or which would make such Bonds ineligible for the credit provided for under Section 6431 of the Code); and, if it should take or permit, or omit to take or cause to be taken, as appropriate, any action which would adversely affect the exemption from federal income taxation of the interest on any Series 2015A Bonds designated as Tax-Exempt Bonds (or, in the case of each series of Build America Bonds or Recovery Zone Bonds, which would adversely affect the exemption from federal income taxation of the interest on any such Bonds if the Issuer had not elected to designate such Bonds as Build America Bonds or Recovery Zone Bonds, or which would make such Bonds ineligible for the credit provided for under Section 6431 of the Code), the Board shall take all lawful actions necessary to rescind or correct such actions or omissions promptly upon having knowledge thereof.

(8) The Board agrees that during the Lease Term it will not contract with or permit any School District to contract with or permit any entity other than a state or local governmental unit to manage any Project or any portion thereof except according to a written management contract which complies with the provisions of Revenue Procedure 97-13 or any successor thereto.

(9) The Board and a School District may depart from any of its agreements contained in this Section 6.04 R if it delivers to the Trustee, at the School District's expense, an Opinion of Bond Counsel that to do so would not adversely affect the exclusion of interest on any series of Tax-Exempt Bonds from gross income for purposes of federal income taxation (or, in the case of each series of Build America Bonds or Recovery Zone Bonds, which would adversely affect the exemption from federal income taxation of the interest on any such Bonds if the Issuer had not elected to designate such Bonds as Build America Bonds or Recovery Zone Bonds, or which would make such Bonds ineligible for the credit provided for under Section 6431 of the Code).

(10) The restrictions set forth in this Section 6.04 R shall not apply to any Taxable Bonds, the proceeds thereof, or any properties financed with proceeds of Taxable Bonds.

Section 6.05 R No Warranty of Condition or Suitability by the Issuer. The Board recognizes that since the Plans and Specifications for the Refunded Projects were prepared to its order and/or the order of the applicable School District, and since the Refunded Projects were

acquired and installed by contractors and suppliers selected by the Board and/or the order of the applicable School District, THE ISSUER HAS NOT MADE AN INSPECTION OF ANY OF THE REFUNDED PROJECTS OR OF ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, AND THE ISSUER MAKES NO WARRANTY OR REPRESENTATION, EXPRESS OR IMPLIED OR OTHERWISE, WITH RESPECT TO THE SAME OR THE LOCATION, USE, DESCRIPTION, DESIGN, MERCHANTABILITY, FITNESS FOR USE FOR ANY PARTICULAR PURPOSE, CONDITION, OR DURABILITY THEREOF, OR AS TO THE QUALITY OF THE MATERIAL OR WORKMANSHIP THEREIN, OR AS TO THE TITLE OF THE ISSUER THERETO OR OWNERSHIP THEREOF OR OTHERWISE, IT BEING AGREED THAT ALL RISKS INCIDENT THERETO ARE TO BE BORNE BY THE BOARD, IN THE EVENT OF ANY DEFECT OR ITEM CONSTITUTING A PORTION THEREOF, WHETHER PATENT OR LATENT, THE ISSUER SHALL NOT HAVE RESPONSIBILITY OR LIABILITY WITH RESPECT THERETO. THE PROVISIONS OF THIS SECTION 6.05R HAVE BEEN NEGOTIATED AND ARE INTENDED TO BE A COMPLETE EXCLUSION AND NEGATION OF ANY WARRANTIES OR REPRESENTATIONS BY THE ISSUER, EXPRESS OR IMPLIED, WITH RESPECT TO ALL OF THE FACILITIES OR ANY FIXTURE OR OTHER ITEM CONSTITUTING A PORTION THEREOF, WHETHER ARISING PURSUANT TO THE UNIFORM COMMERCIAL CODE OR ANOTHER LAW NOW OR HEREAFTER IN EFFECT OR OTHERWISE.

ARTICLE 7 R

ASSIGNMENT, SUBLEASING AND SELLING

Section 7.01 R Assignment by the Issuer. The Issuer may assign its rights and grant a security interest under its interest in, and pledge any monies receivable under or pursuant to, this Eighteenth Supplement to the Trustee pursuant to the Indenture as security for payment of the principal of and interest on the Bonds.

Section 7.02 R Binding Effect. This Eighteenth Supplement shall inure to the benefit of and shall be binding upon the Issuer and the Board and their respective successors and assigns.

Section 7.03 R Severability. In the event any provision of this agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision thereof.

Section 7.04 R Execution Counterparts. This Eighteenth Supplement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

IN WITNESS WHEREOF, the Issuer and the Board have caused this Eighteenth Supplement to Lease Purchase Agreement to be executed and attested by their duly authorized officers, all as of the date first above written.

SOUTH DAKOTA BOARD OF EDUCATION

By: _____
Its President

SOUTH DAKOTA HEALTH AND
EDUCATIONAL FACILITIES AUTHORITY

By: _____
Its Chairman

ATTEST: _____
Its Executive Director

(SEAL)

EXHIBIT A

REFUNDED PROJECTS

(1) At Mitchell Technical Institute,

(a) A metal one-story building of approximately 40,000 square feet intended for use as classroom and labs for (1) the powerline program and (2) the propane and natural gas program and

(b) A block brick one-story addition to the technology center of approximately 14,000 square feet intended for use as classroom and labs for satellite communications technology, communications systems engineering technology and computer systems technology, with a focus on forensics and electronic security systems, computer software systems, and supervisory control and data acquisition.

(2) At Lake Area Technical Institute,

(a) A block brick two-story building of approximately 59,000 square feet intended for use as (1) a lab expansion for welding, (2) classroom and labs for diesel technology, and (3) classroom and labs for energy technology and

(b) A block brick one-story building of approximately 23,800 square feet intended for use as classroom and labs for the automotive technology program.

EXHIBIT B
REAL PROPERTY

Mitchell Technical Institute

Main Campus Building and North Building (Series 1988 and 1992), Daycare (Series 1990)

Lot A in Irregular Tract No. 9 and Irregular Tract No. 8, both in the Southwest Quarter (SW1/4) of Section Fifteen (15), Township One Hundred Three (103) North, Range Sixty (60), West of the 5th P.M., Mitchell, Davison County, South Dakota; Lots One and Two (1 and 2) of Vocational Addition in the Southwest Quarter (SW1/4) of Section Fifteen (15), Township One Hundred Three (103) North, Range Sixty (60), West of the 5th P.M., Mitchell, Davison County, South Dakota; and the South Twenty-One Feet (S. 21') of the Southwest Quarter (SW1/4) of Section Fifteen (15), Township One Hundred Three (103) North, Range Sixty (60) extending from the westerly boundary of Burr Street to the westerly boundary of Capital Street, a distance of Four Hundred Sixteen Feet (416'), in the City of Mitchell, Davison County, South Dakota.

Refunded (Series 2008) Project:

Lot 1 of Tech Center Addition in the Southwest Quarter (SW1/4) of Section Twenty Six (26), Township One Hundred Three (103) North, Range Sixty (60) West of the 5th P.M., Mitchell, Davison County, South Dakota.

Lot 1 of Utility Addition in the Southwest Quarter (SW1/4) of Section Twenty Six (26), Township One Hundred Three (103) North, Range Sixty (60) West of the 5th P.M., Mitchell, Davison County, South Dakota.

Series 2010A Project:

Lot 1 of MTI Administration Addition in the Southwest Quarter (SW1/4) of Section Twenty Six (26), Township One Hundred Three (103) North, Range Sixty (60) West of the 5th P.M., Mitchell, Davison County, South Dakota.

Series 2011A Project:

Lot 1 & Lot 2 of the MTI Trade Center Addition and a portion of MTI Drive in the Southwest Quarter (SW1/4) of Section Twenty Six (26), Township One Hundred Three (103) North, Range Sixty (60) West of the 5th P.M., Mitchell, Davison County, South Dakota.

Lake Area Technical Institute

Aviation Classroom Addition (Series 1988)

Airport School Lot Addition in the Southwest Quarter (SW1/4) of Section 23 to the City of Watertown, located in the SW1/4 of Section 23, Township 117 North, Range 53 West, of the 5th P.M.

Daycare (Series 1990), Manufacturing Education Center (Series 2008)

Lot 1 less the South Sixty Feet (60') of the North One Hundred Thirteen Feet (113') and less the West Three Hundred and Five Feet (305') less the North Two Hundred Feet (200'), Watertown School Addition, W1/2, NE1/4 City Lands 32-117-52 to the City of Watertown, Codington County, South Dakota.

Technical Education Center (Series 1993B)

East 328 Feet of the South 197 Feet of the Vocation School Lot in the NW1/4, NE1/4 and less the Street Out Lots, City Lands 32-117-52 to the City of Watertown, Codington County, South Dakota.

Refunded (Series 2008) Project

Lots 2 and 4 of the Plat entitled: Lake Area Technical Institute First Addition to the Municipality of Watertown.

Series 2012A Project

Lots 1-8, inclusive, in Block 2, and Outlot "B", of Gilberts Addition to Watertown, Section 32, Township 117 North, Range 52 of Codington County, South Dakota.

EXHIBIT D
SCHEDULE OF LEASE RENTALS AND RELATED AMOUNT OF SERIES BONDS

(As of February 1, 2015)

See attached schedule prepared by the South Dakota Health and Educational Facilities Authority consisting of:

First Page: Summary of Projects and Principal amount of Related Amount of Series Bonds

Second Page: Allocation by Series.

Third Page: Exhibit D-1 Lake Area Sublease Rental Schedule (Amortization Schedule)

Fourth Page: Exhibit D-2 Mitchell Sublease Rental Schedule (Amortization Schedule)

Fifth Page: Exhibit D-3 Southeast Sublease Rental Schedule (Amortization Schedule)

Sixth Page: Exhibit D-4 Western Dakota Rental Schedule (Amortization Schedule)

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