

EDUCATIONAL ENHANCEMENT FUNDING CORPORATION

MINUTES OF THE SPECIAL MEETING

DECEMBER 20, 2012

Pursuant to due notice, the Educational Enhancement Funding Corporation met on Thursday, December 20, 2012. The special meeting began at 2:00 p.m., CDT via telephone. Mr. Tom Graham, Chairman, instructed the Executive Secretary to call the roll.

Present: Mr. Tom Graham
Mr. Dennis Haan
Mr. Doug Hajek
Mr. Ken Karels
Mr. Joe Lien
Mr. D. J. Mertens
Mr. Dennis Neugebauer
Mr. James Roby
Mr. James Spies

Other staff and representatives of the Corporation present were:

Mr. Donald Templeton, Executive Secretary
Mr. Todd Meierhenry, General Legal Counsel
Mr. Dustin Christopherson, South Dakota Health and Educational
Facilities Authority
Mr. Steve Corbin, South Dakota Health and Educational
Facilities Authority
Mr. Bruce Bonjour, Perkins and Coie
Mr. Jack Arnold, Dougherty & Company
Mr. Marc Oberdorff, Perkins and Coie
Mr. Bill Bloom, Barclays Capital

The Chairman declared a quorum and called the meeting to order.

Mr. Don Templeton advised the Corporation members that the notice of the meeting was posted at the entrance of the office of the Educational Enhancement Funding Corporation on December 18, 2012. A copy of that notice is attached hereto and is an integral part of the minutes (*see Attachment #1*).

The Chairman asked for consideration of the minutes for the October 10, 2012 annual meeting and the November 29, 2012 special meeting. Mr. Roby moved to approve the minutes as presented, seconded by Mr. Lien. All members present voted aye. Motion carried.

Series 2013A and B Refunding

Mr. Templeton explained that with the current low interest rates of tobacco related bonds that staff was working with the state, Jack Arnold of Dougherty and Company, and Kym Arnone and Bill Bloom of Barclays to analyze refunding the Series 2002 bonds.

Mr. Jack Arnold reviewed the Supplemental Refinancing Materials dated December 17, 2012 and explained the advantage of issuing new Series 2013A and B refunding bonds. After analyzing different mixes of taxable and tax-exempt bonds, it was determined, that a taxable portion of bonds around 72.2% and tax-exempt portion of 27.8% produced projected present value savings of \$39,145,410 to the State of South Dakota. The average projected debt service coverage is 1.756 of the refunding bonds.

Mr. Templeton reviewed the projected costs of issue list and Todd Meierhenry reviewed the Resolution NO. EEFC-12 (*see Attachment #2*) to allow the Executive Secretary to enter into contracts with Standard and Poor's Ratings Services and Moody's Investors Services along with other related costs of issuance. Mr. Hajek moved to approve the resolution and Mr. Karels seconded. Upon roll call, all ayes were Graham, Haan, Hajek, Karels, Lien, Mertens, Neugebauer, Roby and Spies. Nays: none and abstains: none.

Adjournment

The Chairman stated that there being no further business at this meeting, the meeting adjourned at 2:57 p.m. CDT.

Educational Enhancement Funding Corporation

330 South Poplar, Suite 102

P.O. Box 846

Pierre, SD 57501

Tel: 605-224-9200

Fax: 605-224-7177

Date: December 17, 2012

To: Members of the Educational Enhancement Funding Corporation

From: Don A. Templeton, Executive Secretary

Re: Notice of Special Meeting

You are hereby notified that the Chairman has set Thursday, December 20, 2012 as the date for the Special Meeting of the Educational Enhancement Funding Corporation to be held via telephone at 2:00 p.m. (CST) 1:00 p.m. (MST).

You may participate in the meeting by dialing 1-877-336-1828 and enter your Participant Access Code, which is 4677196 followed by the # key.

The following members have indicated they will be available for the meeting:

Tom Graham

Dennis Haan

Doug Hajek

Ken Karels

Joe Lien

DJ Mertens

Dennis Neugebauer

James Roby - uncertain

James Spies

Enclosed is the agenda and information on agenda items will be sent via Federal Express.

Cc: Todd Meierhenry

Bruce Bonjour

Jack Arnold

Bill Bloom

RESOLUTION OF THE EDUCATIONAL ENHANCEMENT FUNDING CORPORATION APPROVING STANDARD & POOR'S AGREEMENT AND OTHER AGREEMENTS MADE IN REGARD TO A POTENTIAL REFUNDING OF THE TOBACCO SETTLEMENT ASSET-BACKED BONDS, SERIES 2002 AND AUTHORIZING AND APPROVING OTHER MATTERS IN CONNECTION THEREWITH.

RESOLUTION NO. EEFC-12.

WHEREAS, under chapter 5-12 of the laws of the State of South Dakota (the "*State*") as amended (the "*Act*"), and pursuant to Resolution No. 03-SDBA-02 (the "*Resolution*") of the South Dakota Building Authority (the "*Authority*"), the State and the Authority have authorized the establishment of the Educational Enhancement Funding Corporation (the "*Corporation*"), a body corporate and politic and instrumentality of, but having a legal existence independent and separate from, the State and the Authority; and

WHEREAS, the State has sold to the Corporation certain of the State's right, title and interest in, to and under the Master Settlement Agreement dated as of November 23, 1998 by attorneys general and other parties from the several states and various tobacco companies, as now or hereafter amended, supplemented or restated (the "*Settlement Agreement*"); and

WHEREAS, pursuant to the Act and the Resolution, the Corporation has issued its Tobacco Settlement Asset-Backed Bonds, Series 2002 (the "*2002 Bonds*") pursuant to an Indenture dated as of August 1, 2002 (the "*Indenture*") between the Corporation and The First National Bank in Sioux Falls, as Trustee (the "*Trustee*"), which Bonds are payable out of any property or funds of the Corporation, including any rights it has in, to or under the Settlement Agreement, including its rights to receive or collect tobacco settlement revenues, moneys or other funds deposited with, payable to or held by or on behalf of the Corporation (the "*Revenues*"), and the net proceeds of the Bonds have been paid to the State for deposit into the Educational Enhancement Trust Fund (the "*Trust Fund*") established by Article XII, Section 6 of the South Dakota Constitution (the "*Constitutional Amendment*"); and

WHEREAS, the Corporation intends to issue Educational Enhancement Funding Corporation Tobacco Settlement Revenue Bonds – Series 2013A Taxable, Series 2013B Tax Exempt(the "*Bonds*"); and

WHEREAS, the Corporation will be required to enter into contracts prior to the issuance of the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS (THE "BOARD") OF THE EDUCATIONAL ENHANCEMENT FUNDING CORPORATION:

Section 1. Authorization of S&P Agreement and Other Agreements. It is hereby found and determined that it is necessary and desirable for the Corporation to enter into the following agreements:

- a. Standard & Poor's Rating Services, a Standard & Poor's Financial Services LLC Business ("S & P") and Moody's Investors Service in a form similar to the copies of which are attached as Exhibit 1 and 2;
- b. Such agreements as may be necessary which are made in connection with the Bonds as approved by the Executive Secretary.

Section 2. Authorization of Transaction Expenses. In addition, the Board hereby specifically authorizes the payment of all transaction and administrative expenses incurred in connection with the foregoing, including payment of fees and expenses of S & P and Moody's agreement and any other agreements authorized by Section 1.

Section 3. Prior Actions Ratified and Confirmed. The actions of the Chairman, the Vice Chairman, the Executive Secretary and the Secretary and all other directors, officers, employees and agents of the Corporation in doing any and all acts and deeds in connection with the foregoing are hereby approved, ratified and confirmed.

Section 4. Ratification and Continued Effectiveness of Actions of Any Officer or Director Who, For Any Reason, Ceases To Be an Officer or Director. In the event that any director or officer of the Corporation executes or delivers any document or other instrument approved hereunder and later ceases to be such officer or director before the delivery or performance of the document or instrument so executed, whether by reason of resignation, death or otherwise, any such document or instrument so executed or delivered and any such other action taken in connection therewith shall be and continue to be authorized by this Resolution and valid, binding and enforceable against the Corporation and this Board.

Section 5. Authorization and Ratification of Subsequent Acts. The directors, officers, agents and employees of the Corporation are hereby authorized and directed to do all such acts and showings and to execute, deliver or accept all such documents as may be necessary or appropriate to carry out and comply with the provisions of this Resolution, the documents approved hereby, and all of the acts and doings of the directors, officers, agents and employees of the Corporation which are in conformity with the intent and purpose of this Resolution, whether heretofore or hereafter taken or done, shall be and are hereby ratified, confirmed and approved. Without limiting the generality of the foregoing, the officers and directors of the Corporation are hereby also authorized and directed to execute, acknowledge and deliver such certificates, agreements and documents which are necessary or appropriate to implement this Resolution.

Section 6. Conflicting Resolutions Amended. All resolutions in conflict herewith are, to the extent of such conflict, hereby amended to conform to this Resolution.

Section 7. Severability. If any section, paragraph or provisions of this Resolution shall be held invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any remaining provisions.

Section 8. Effective Date. This Resolution shall take effect immediately upon passage and approval.

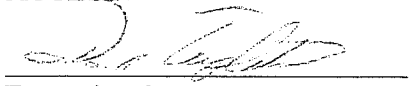
Approved:



Chairman

(Corporate Seal)

ATTEST:



Executive Secretary



Kieran McShane
Director
Client Business Management
Structured Finance

55 Water Street
New York, NY 10041
212-438-5872 Tel
212-438-6448 Fax
kieran_mcshane@sandp.com

December 14, 2012

Educational Enhancement Funding Corporation
330 South Poplar, Suite 102
Pierre, SD 57501

Attention: Don Templeton
Executive Director
(605) 224-9200
don.templeton@sdhefa.com

**Re: Educational Enhancement Funding Corporation Tobacco Settlement Revenue Bonds -
Series 2013A Taxable, Series 2013 B Tax Exempt**

Dear Mr. Templeton:

1. **General.** You have requested that we assign ratings to certain obligations (the "Obligations") to be issued by a special purpose entity to be formed in connection with the above-referenced transaction. This agreement (the "Agreement") includes this letter and the attached Terms and Conditions that are expressly incorporated herein and made a part of this Agreement. We hereby agree to provide ratings for the Obligations in accordance with the terms and conditions stated in this Agreement and in our rating letter. You understand that Standard & Poor's relies on the issuer and its agents and advisors for the accuracy and completeness of the information submitted in connection with the rating and the continued flow of material information as part of the surveillance processes.

2. **Fees and Expenses.** In consideration of our entering into this Agreement, our review of the information submitted to us by you, and our issuance of a rating, you agree to pay us the fees and expenses described below. Payment of such fees and expenses is not conditioned on our issuance of any particular rating. We may request that you pay us, for all fees and expenses, by wire transfer in accordance with instructions to be provided by Standard & Poor's.

Our fees and expenses are due and payable when services are rendered. Standard & Poor's may bill upon the completion of each Phase and under certain circumstances we reserve the right to be paid in advance. Should this engagement terminate for any reason whatsoever prior to our assignment of a rating, we will charge the percentage of the Total Initial Rating Fee for each Phase of work started prior to such termination, plus our reasonable fees and expenses for credit estimates and travel, if any.

In the event that a rating is assigned, you will pay the following fees and expenses on the closing date, unless notified of other payment arrangements:

- (i) Total Initial Rating Fee. Based upon the proposed transaction, the total initial rating fee will be eight (8) basis points of the total principal amount of the Obligations rated by Standard & Poor's, with a minimum fee of \$200,000 and a maximum fee of \$550,000. In the event the proposed transaction structure changes, Standard & Poor's reserves the right to adjust the Total Initial Rating Fee and the payment schedule.
- (ii) Credit Estimate Fee. An additional fee will be assessed for any credit estimate assigned for collateral securing the transaction, including any corporate or sovereign debt and loan collateral, any synthetic collateral, and any structured finance collateral. The Credit Estimate Fee will be specified in an invoice and may be set forth in a separate engagement letter.
- (iii) Travel and Miscellaneous Expenses. You will reimburse us for our travel and miscellaneous expenses, if any.
- (iv) External Counsel Fees and Expenses. Our external counsel, if any, will invoice you directly for its legal fees and expenses.
- (v) Rating Surveillance Fee. An annual Rating Surveillance fee of \$25,000 will be charged for so long as we maintain the rating on the Obligations. The Rating Surveillance Fee will be initially invoiced twelve months after the initial rating date. In the event the proposed transaction changes, Standard & Poor's reserves the right to adjust the Rating Surveillance Fee. The Surveillance fee does not include any additional fees which may apply for the review of any amendments which are proposed or executed after the initial rating is assigned.
- (vi) Credit Estimate Surveillance Fee. A credit estimate surveillance fee covering surveillance will be charged, if applicable, for so long as we maintain the credit estimate. In the event the proposed transaction changes, Standard & Poor's reserves the right to adjust the Credit Estimate Surveillance Fee.

The fees set forth in this Agreement will apply for 12 months. Standard & Poor's reserves the right to increase the fees if the transaction does not close within 12 months of the date of this Agreement. We also reserve the right to adjust the fees if the total amount of the Obligations is not issued on the same date.

3. Agreement. You accept the statements contained in this Agreement, agree to comply in all respects with the terms and conditions stated in this Agreement and the rating letter when issued, and acknowledge your full understanding of the scope and limitations of the rating(s) as stated in this Agreement and in the rating letter. You understand and agree that as part of the rating process, we may provide information about your transaction to other business units of Standard & Poor's in order to provide benchmarking and other analytical services on non-rated exposures in the transaction, if any. Please be assured that all such business units will treat your confidential information with the same policies and procedures as does Standard & Poor's Ratings Services.

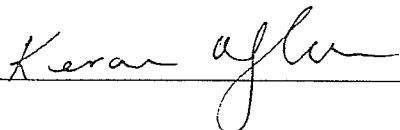
If you request a confidential rating under this Agreement, you agree that the rating will be exclusively for your internal use, and not to disclose it to any third party other than your professional advisors who are bound by appropriate confidentiality obligations or as otherwise required by law or regulation or for regulatory purposes.

If you request a private rating under this Agreement, Standard & Poor's will make such rating and related report available by email or through a password-protected website or third-party private document exchange to a limited number of third parties you identify, and you agree not to disclose such rating to any third party other than (A) to your professional advisors who are bound by appropriate confidentiality obligations, (B) as required by law or regulation or for regulatory purposes, or (C) for the purpose of preparing required periodic reports relating to the assets owned by a special purpose vehicle that has purchased the rated obligation, provided that the preparer(s) of the reports must agree to keep the information confidential and the private rating shall not be referred to or listed in the reports under the heading "credit rating," "rating" or "S&P rating", and shall be identified only as a "Standard & Poor's implied rating" or similar term. You also agree to maintain the list of third-parties authorized to access the private rating current and to notify Standard & Poor's in writing of any changes to that list. Standard & Poor's may make access to the private rating subject to certain terms and conditions, and disclose on its public website the fact that the rated entity or obligations (as applicable) has been assigned a private rating.

Please return your signed original of this letter to Kieran McShane, Director, Standard & Poor's Ratings Services, 55 Water Street, 41st Floor, New York, NY 10041.

Standard & Poor's is pleased to have the opportunity to be of service to you. For more information please visit our website at www.standardandpoors.com. Thank you for choosing Standard & Poor's, and we look forward to working with you.

STANDARD & POOR'S RATINGS SERVICES,
a Standard & Poor's Financial Services LLC business

By: 

Name: Kieran McShane

Title: Director

CONFIRMED, AGREED AND ACCEPTED
AS OF THE DATE FIRST ABOVE WRITTEN:

Educational Enhancement Funding Corporation

By: _____

Name: Don Templeton

Title: Executive Director

Enclosure: Terms and Conditions

STANDARD & POOR'S

Standard & Poor's Ratings Services Terms and Conditions Applicable To Public Finance Ratings

You understand and agree that:

General. The ratings and other views of Standard & Poor's Ratings Services ("Ratings Services") are statements of opinion and not statements of fact. A rating is not a recommendation to purchase, hold, or sell any securities nor does it comment on market price, marketability, investor preference or suitability of any security. While Ratings Services bases its ratings and other views on information provided by issuers and their agents and advisors, and other information from sources it believes to be reliable, Ratings Services does not perform an audit, and undertakes no duty of due diligence or independent verification, of any information it receives. Such information and Ratings Services' opinions should not be relied upon in making any investment decision. Ratings Services does not act as a "fiduciary" or an investment advisor. Ratings Services neither recommends nor will recommend how an issuer can or should achieve a particular rating outcome nor provides or will provide consulting, advisory, financial or structuring advice.

All Rating Actions in Ratings Services' Sole Discretion. Ratings Services may assign, raise, lower, suspend, place on CreditWatch, or withdraw a rating, and assign or revise an Outlook, at any time, in Ratings Services' sole discretion. Ratings Services may take any of the foregoing actions notwithstanding any request for a confidential or private rating or a withdrawal of a rating, or termination of this Agreement. Ratings Services will not convert a public rating to a confidential or private rating, or a private rating to a confidential rating.

Publication. Ratings Services reserves the right to use, publish, disseminate, or license others to use, publish or disseminate the rating provided hereunder and any analytical reports, including the rationale for the rating, unless you specifically request in connection with the initial rating that the rating be assigned and maintained on a confidential or private basis. If, however, a confidential or private rating or the existence of a confidential or private rating subsequently becomes public through disclosure other than by an act of Ratings Services or its affiliates, Ratings Services reserves the right to treat the rating as a public rating, including, without limitation, publishing the rating and any related analytical reports. Any analytical reports published by Ratings Services are not issued by or on behalf of you or at your request. Notwithstanding anything to the contrary herein, Ratings Services reserves the right to use, publish, disseminate or license others to use, publish or disseminate analytical reports with respect to public ratings that have been withdrawn, regardless of the reason for such withdrawal. Ratings Services may publish explanations of Ratings Services' ratings criteria from time to time and nothing in this Agreement shall be construed as limiting Ratings Services' ability to modify or refine its ratings criteria at any time as Ratings Services deems appropriate.

Information to be Provided by You. For so long as this agreement is in effect, in connection with the rating provided hereunder, you warrant that you will provide, or cause to be provided, as promptly as practicable, to Ratings Services all information requested by Ratings Services in accordance with its applicable published ratings criteria. The rating, and the maintenance of the rating, may be affected by Ratings Services' opinion of the information received from you or your agents or advisors. You further warrant that all information provided to Ratings Services by you or your agents or advisors regarding the rating or, if applicable, surveillance of the rating, as of the date such information is provided, (i) contains no untrue statement of material fact and does not omit a material fact necessary in order to make such information, in light of the circumstances in which it was provided, not misleading and (ii) does not infringe or violate the intellectual property rights of a third party. A material breach of the warranties in this paragraph shall constitute a material breach of this Agreement.

Confidential Information. For purposes of this Agreement, "Confidential Information" shall mean verbal or written information that you or your agents or advisors have provided to Ratings Services and, in a specific and particularized manner, have marked or otherwise indicated in writing (either prior to or promptly following such disclosure) that such information is "Proprietary and Confidential." Notwithstanding the foregoing, information disclosed by you or your agents or advisors to Ratings Services shall not be deemed to be Confidential Information, and Ratings Services shall have no obligation to treat such information as Confidential Information, if such information (i) was known by Ratings Services or its affiliates at the time of such disclosure and was not known by Ratings Services to be subject to a prohibition on disclosure, (ii) was known to the public at the time of such disclosure, (iii) becomes known to the public (other than by an act of Ratings Services or its affiliates) subsequent to such disclosure, (iv) is disclosed to Ratings Services or its affiliates by a third party subsequent to such disclosure and Ratings Services reasonably believes that such third party's disclosure to Ratings Services or its affiliates was not prohibited, (v) is developed independently by Ratings Services or its affiliates without reference to the Confidential Information, (vi) is approved in writing by you for public disclosure, or (vii) is required by law or regulation to be disclosed by Ratings Services or its affiliates. Ratings Services acknowledges that it is aware that U.S. and state securities laws impose restrictions on trading in securities when in possession of material, non-public information and has adopted securities trading policies to that effect.

Ratings Services' Use of Information. Except as otherwise provided herein, Ratings Services shall not disclose Confidential Information to third parties. Ratings Services may (i) use Confidential Information to assign, raise, lower, suspend, place on CreditWatch, or withdraw a rating, and assign or revise an Outlook, and (ii) share Confidential Information with its affiliates engaged in the ratings business who are bound by appropriate confidentiality obligations; in each case, subject to the restrictions contained herein, Ratings Services and such affiliates may publish information derived from Confidential Information. Ratings Services may also use, and share Confidential Information with any of its affiliates or agents engaged in the ratings or other financial services businesses who are bound by appropriate confidentiality obligations ("Relevant Affiliates and Agents"), for modelling, benchmarking and research purposes; in each case, subject to the restrictions herein, Ratings Services and such affiliates may publish information derived from Confidential Information. With respect to structured finance ratings not maintained on a confidential or private basis, Ratings Services may publish data aggregated from Confidential Information, excluding data that is specific to and identifies individual debtors ("Relevant Data"), and share such Confidential Information with any of its Relevant Affiliates and Agents for general market dissemination of Relevant Data; you confirm that, to the best of your knowledge, such publication would not breach any confidentiality obligations you may have toward third parties. Ratings Services will comply with all applicable U.S. and state laws, rules and regulations protecting personally-identifiable information and the privacy rights of individuals. Ratings Services acknowledges that you may be entitled to seek specific performance and injunctive or other equitable relief as a remedy for Ratings Services' disclosure of Confidential Information in violation of this Agreement. Ratings Services and its affiliates reserve the right to use, publish, disseminate, or license others to use, publish or disseminate any non-Confidential Information provided by you, your agents or advisors.

Ratings Services Not an Expert, Underwriter or Seller under Securities Laws. Ratings Services has not consented to and will not consent to being named an "expert" or any similar designation under any applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation, Section 7 of the U.S. Securities Act of 1933. Ratings Services is not an "underwriter" or "seller" as those terms are defined under applicable securities laws or other regulatory guidance, rules or recommendations, including without limitation Sections 11 and 12(a)(2) of the U.S. Securities Act of 1933. Rating Services has not performed the role or tasks associated with an "underwriter" or "seller" under the United States federal securities laws or other regulatory guidance, rules or recommendations in connection with this engagement.

Office of Foreign Assets Control. As of the date of this Agreement, (a) neither you nor the issuer (if you are not the issuer) or any of your or the issuer's subsidiaries, or any director or corporate officer of any of the foregoing entities, is the subject of any U.S. sanctions administered by the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC Sanctions"), (b) neither you nor the issuer (if you are not the issuer) is 50% or more owned or controlled, directly or indirectly, by any person or entity ("parent") that is the subject of OFAC Sanctions, and (c) to

the best of your knowledge, no entity 50% or more owned or controlled by a direct or indirect parent of you or the issuer (if you are not the issuer) is the subject of OFAC sanctions. For so long as this agreement is in effect, you will promptly notify Ratings Services if any of these circumstances change.

Ratings Services' Use of Confidential and Private Ratings. Ratings Services may use confidential and private ratings in its analysis of the debt issued by collateralized debt obligation (CDO) and other investment vehicles. Ratings Services may disclose a confidential or private rating as a confidential credit estimate or assessment to the managers of CDO and similar investment vehicles. Ratings Services may permit CDO managers to use and disseminate credit estimates or assessments on a limited basis and subject to various restrictions; however, Ratings Services cannot control any such use or dissemination.

Entire Agreement. Nothing in this Agreement shall prevent Ratings Services from acting in accordance with applicable laws, regulations and Ratings Services' policies as published from time to time. Subject to the prior sentence, this Agreement, including any amendment made in accordance with provisions hereof, constitutes the complete and entire agreement between the parties on all matters regarding the rating provided hereunder. The terms of this Agreement supersede any other terms and conditions relating to information provided to Ratings Services by you or your agents and advisors hereunder, including without limitation, terms and conditions found on, or applicable to, websites or other means through which you or your agents and advisors make such information available to Ratings Services, regardless if such terms and conditions are entered into before or after the date of this Agreement. Such terms and conditions shall be null and void as to Ratings Services.

Limitation on Damages. Ratings Services does not and cannot guarantee the accuracy, completeness, or timeliness of the information relied on in connection with a rating or the results obtained from the use of such information. RATINGS SERVICES GIVES NO EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE. Ratings Services, its affiliates or third party providers, or any of their officers, directors, shareholders, employees or agents shall not be liable to you, your affiliates or any person asserting claims on your behalf, directly or indirectly, for any inaccuracies, errors, or omissions, in each case regardless of cause, actions, damages (consequential, special, indirect, incidental, punitive, compensatory, exemplary or otherwise), claims, liabilities, costs, expenses, legal fees or losses (including, without limitation, lost income or lost profits and opportunity costs) in any way arising out of or relating to the rating provided hereunder or the related analytic services even if advised of the possibility of such damages or other amounts except to the extent such damages or other amounts are finally determined by a court of competent jurisdiction in a proceeding in which you and Ratings Services are parties to result from gross negligence or willful misconduct of Ratings Services. In furtherance and not in limitation of the foregoing, Ratings Services will not be liable to you, your affiliates or any person asserting claims on your behalf in respect of any decisions alleged to be made by any person based on anything that may be perceived as advice or recommendations. In the event that Ratings Services is nevertheless held liable to you, your affiliates, or any person asserting claims on your behalf for monetary damages under this Agreement, in no event shall Ratings Services be liable in an aggregate amount in excess of seven times the aggregate fees paid to Ratings Services for the rating giving rise to the cause of action, up to a maximum of US\$5,000,000 except to the extent such monetary damages directly result from Ratings Services' intentional wrongdoing or willful misconduct. The provisions of this paragraph shall apply regardless of the form of action, damage, claim, liability, cost, expense, or loss, whether in contract, statute, tort (including, without limitation, negligence), or otherwise. Neither party waives any protections, privileges, or defenses it may have under law, including but not limited to, the First Amendment of the Constitution of the United States of America.

Termination of Agreement. This Agreement may be terminated by either party at any time upon written notice to the other party. Except where expressly limited to the term of this Agreement, these Terms and Conditions shall survive the termination of this Agreement.

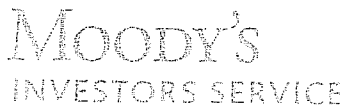
No Third-Party Beneficiaries. Nothing in this Agreement, or the rating when issued, is intended or should be construed as creating any rights on behalf of any third parties, including, without limitation, any recipient of the rating. No person is intended as a third party beneficiary of this Agreement or of the rating when issued.

Binding Effect. This Agreement shall be binding on, and inure to the benefit of, the parties hereto and their successors and assigns.

Severability. In the event that any term or provision of this Agreement shall be held to be invalid, void, or unenforceable, then the remainder of this Agreement shall not be affected, impaired, or invalidated, and each such term and provision shall be valid and enforceable to the fullest extent permitted by law.

Amendments. This Agreement may not be amended or superseded except by a writing that specifically refers to this Agreement and is executed manually or electronically by authorized representatives of both parties.

Governing law. You irrevocably agree that this Agreement and the rating letter, for purposes of any claim against Rating Services that may be asserted by you, your affiliates or any person asserting claims on your behalf, shall be governed by the internal laws of the State of New York. You irrevocably agree that, for purposes of any claim against Rating Services that may be asserted by you, your affiliates or any person asserting claims on your behalf in any dispute arising out of or relating to this Agreement, the state courts of New York located in the County of New York or the U.S. federal court for the Southern District of New York shall be the exclusive forums for such disputes and the parties hereby consent to the personal jurisdiction of such courts. For purposes of any claim against you that Rating Services may assert in any dispute arising out of or relating to the Agreement, neither party waives its right to contest the applicable governing law or the appropriate forum, including in connection with any assertion of sovereign immunity.



Moody's Investors Service
7 WTC at 250 Greenwich Street
New York, NY 10007

Contents:

TERMS AND CONDITIONS APPLICABLE TO STRUCTURED FINANCE RATINGS

RATING APPLICATION AUTHORIZATION

FEE SCHEDULE

APPENDIX A – WEB POSTING / LINKING TERMS AND CONDITIONS

Overview:

Moody's Code of Professional Conduct states that Moody's employees who approve or participate in determining or monitoring credit ratings, or who are involved in the development or approval of models or methodologies used in providing rating services, will not participate in discussions regarding fees or payments with any rated entity. Therefore, please do not return this Rating Application to any member of the analytic team involved in the rating process (including managers), or include the analytic team (including managers) in any fee-related correspondence. Moody's maintains a separate, dedicated group, not involved in the rating process, for handling Rating Applications and fee and payment discussions. If you have any questions regarding this Rating Application, please contact the Moody's Account Management Team at (212) 553-3852.

Instructions:

1. Please read the Rating Application carefully;
2. Complete page 8 of the Rating Application with the requisite information;
3. Authorize and execute page 8 of the Rating Application; and
4. Return executed Rating Application to your contact within the Moody's Account Management Team.

Moody's requires an executed Rating Application prior to the initiation of the rating process.

TERMS AND CONDITIONS APPLICABLE TO STRUCTURED FINANCE RATINGS

The following terms and conditions shall be deemed incorporated into and shall form a part of the Rating Application, and all references to the "Rating Application" herein shall include such terms and conditions as well as the Fee Schedule set forth below.

A. General

1. **Credit Rating Definition.** A credit rating is Moody's opinion regarding the creditworthiness of an entity, a debt or financial obligation, debt security, preferred share or other financial instrument, or of an issuer of such a debt or financial obligation, debt security, preferred share or other financial instrument, issued using an established and defined ranking system of rating categories. Moody's credit ratings do not address any other risk, including but not limited to: liquidity risk, market value risk, or price volatility. Any rating must be construed solely as a statement of opinion and not a statement of fact, an offer, invitation, inducement or recommendation to purchase, sell or hold any securities or otherwise act in relation to the Issuer or any other entity or otherwise in connection with any associated transaction or any other matter.
2. **Transparency.** Moody's believes that increased transparency promotes higher quality ratings, allows for more independent and diverse credit opinions, and enables investors to make better informed judgments about the strengths and weaknesses of structured transactions. Accordingly, Moody's encourages issuers and originators of structured finance products to publicly disclose all relevant information regarding these products.

B. Applicant Warranties and Covenants

1. **Agreement to Provide Information.** The undersigned agrees to furnish to Moody's and will procure that the Issuer furnishes Moody's with pertinent financial reports, final deal documents and other information and data required by Moody's, in its sole discretion, in order that Moody's may appraise the Issuer or the specific issue. The undersigned also agrees on an ongoing basis to provide or procure the provision of appropriate information which may be necessary for the purposes of monitoring the rating.
2. **Warranties with Respect to Information Provided to Moody's.** The undersigned hereby confirms that it has all legal rights and/or has obtained the relevant consents necessary to disclose the information to Moody's, and that such information is not subject to any restrictions imposed by the relevant underlying issuer or obligor or any legal or regulatory restrictions that would prevent use by Moody's for the purposes envisaged by the Rating Application and its ratings process. The undersigned agrees and acknowledges that it is solely responsible and liable for the quality of the information provided, Moody's will rely on such information in its analysis and Moody's will not be obliged to verify, audit or validate independently any such information. The undersigned warrants that it has undertaken all reasonable due diligence in respect of such information and all information supplied is in all respects true, accurate, complete and not misleading. It is understood that Moody's may aggregate and/or transform any information provided by or on behalf of the Issuer so that it is not capable of association with any individual issuer, and publish, distribute or use such aggregated or transformed data in connection with its products and services. For the avoidance of doubt and without limiting the foregoing, the undersigned understands and agrees that information provided to Moody's by or on behalf of the undersigned or the Issuer, including any prospectus, offering circular, indenture, purchase or sale agreement, swap or other document governing the structure, cash flows and priorities of the transaction, may be used by Moody's and its affiliates to develop models for analyzing the transaction, and that such models shall be the property of Moody's and its affiliates. The terms of the Rating Application supersede any other terms and conditions relating to the information, including terms and conditions of any website or electronic data room in which any of the information is posted, which terms and conditions will not apply to Moody's.

3. **Indemnification.** The undersigned will indemnify and hold harmless Moody's and all of its directors, officers, employees, agents and affiliates from any losses, claims, damages, costs or injury (including without limitation attorneys' fees) of whatever nature (whether foreseeable or not) and however caused arising from or in connection with any Indemnifiable Matter. The term "Indemnifiable Matter" shall mean the Rating Application, or the delivery to the undersigned or the Issuer of, or reliance by the undersigned or the Issuer or by any third party on, the rating or RAC or any breach of the Rating Application by the undersigned or the Issuer, including resulting from or relating to the use by Moody's of or reliance by Moody's on information provided to it by the undersigned. Notwithstanding the foregoing, the undersigned shall not be obligated to indemnify Moody's to the extent that any such claim arises by reason of any fraud or willful misconduct on the part of Moody's other than to the extent such claim derives from any unauthorized publication, unauthorized use or the misuse of the rating or RAC or from any reliance otherwise acknowledged as inappropriate.
4. **Payment of Fees.** The undersigned agrees to pay or will ensure that the Issuer will pay and, if the Issuer does not pay, will itself pay fees determined in accordance with the schedule outlined within the following pages of the Rating Application. Moody's reserves the right to revise the Rating Application.
5. **Use of Rating for Intended Purpose Only.** The undersigned agrees that any rating requested and assigned shall only be used for its intended purpose.
6. **Office of Foreign Assets Control Warranty.** The undersigned represents and warrants that, except to the extent prohibited or penalized under U.S. law:
 - (a) neither the undersigned nor the Issuer, or any officer, director, employee, affiliate or agent thereof, nor any person that owns (50 or more percent) or controls, directly or indirectly, the undersigned or the Issuer is a person, which is included on a list of prohibited persons published by the government of a country with jurisdiction over Moody's, the Issuer, or the undersigned, including but not limited to the List of Specially Designated Nationals and Blocked Persons maintained by the Office of Foreign Assets Control of the U.S. Department of the Treasury or the U.K. Consolidated Financial Sanctions List published by Her Majesty's Treasury and no such prohibited person currently has any interest in any asset that is relevant to the rating(s) requested through the Rating Application; and
 - (b) neither the undersigned nor the Issuer nor any person that owns (50 or more percent) or controls, directly or indirectly, the undersigned or the Issuer is organized, headquartered, or ordinarily resident in a country that is subject to economic and/or trade sanctions imposed by the United States Government, including but not limited to Burma, Cuba, North Korea, Iran, Syria, or Sudan or a governmental instrumentality of such country and no portion of any asset that is relevant to the rating(s) requested through the Rating Application originated from, or relates to commerce involving, such persons or countries.

The undersigned agrees to notify Moody's if these circumstances change and further agrees that in the event that Moody's determines that it is prohibited under applicable law from issuing any rating hereunder, Moody's may terminate its activity in connection with such rating and will not be obligated to produce to any person any work product or other information developed by Moody's in connection with such rating activity.

C. Moody's Reservation of Rights and Disclaimers

1. **Moody's Right to Issue, Revise or Withdraw Rating.** It is understood that Moody's rating or any corresponding outlook, if assigned, will be subject to revision, suspension or withdrawal, or may be placed on review, by Moody's at any time, without notice, in the sole discretion of Moody's. It is further understood that Moody's is an independent rating agency and is therefore free to determine, apply and amend from time to time its methodologies in its sole discretion in accordance with applicable law.

2. **Disclaimer of Advice.** Moody's is not providing and shall not provide any financial, legal, tax, advisory, consultative or business services to the Issuer, or advice on structuring transactions or drafting or negotiating transaction documentation. The Issuer and/or the undersigned should take their own legal, tax, financial and other advice when structuring, negotiating and documenting transactions. A rating opinion or discussions with Moody's analysts shall not be deemed as rendering advice on business operations.
3. **RACs.** Moody's is not party to any transaction documents and therefore is not bound by clauses in such transaction documents that require a party thereto to obtain an opinion from a rating agency that certain specified events or amendments to the structure or documentation of the transaction will not result in a change in, or withdrawal of, the existing rating maintained by that rating agency (such opinion, in whatever form, along with any information or feedback relating thereto, shall hereinafter be referred to as a "RAC"). Moody's is not obliged to give any such RAC and retains sole discretion whether to do so. The provisions of the Rating Application shall apply to the provision by Moody's of any RAC, and references to "rating" herein shall be deemed to include any such RACs. In the event that Moody's provides the undersigned a RAC, which has not been publicly disclosed by Moody's, the undersigned shall keep the RAC strictly confidential, and not disclose it to any person without Moody's prior written consent.
4. **Limitation of Liability.** Moody's does not guarantee or make any representation or warranty as to the correctness of any information, rating, RAC or communication relating to the Issuer or the undersigned. Notwithstanding anything to the contrary contained herein, Moody's shall not be liable in contract, tort, statutory duty or otherwise to the Issuer or the undersigned or any other third party for any loss, injury or cost caused to the Issuer or the undersigned or any other third party, in whole or in part, including by any negligence (but excluding fraud, dishonesty and/or willful misconduct or any other type of liability that by law cannot be excluded) on the part of, or any contingency within or beyond the control of, Moody's, or any of its directors, officers, employees, agents or affiliates, including any losses arising from or in connection with the procuring, compilation, analysis, interpretation, communication, dissemination, or delivery of any information, RAC or rating relating to the undersigned or the Issuer, the withdrawal of any such rating and any associated disclosure, the inability to issue or monitor a rating due to legislative, judicial or administrative decisions, any change in Moody's methodologies, any unauthorized publication, unauthorized use or any misuse, or any reliance otherwise acknowledged as inappropriate.

D. Moody's Policies

1. **Use of Ratings.** Moody's does not consent to or authorize the use of its rating(s) or any report or other disclosure published by Moody's pursuant to SEC Rule 17g-7 (a "17g-7 Report") in any registration statement, offering circular, or prospectus ("Offering Documents"), notwithstanding any past communications or dealings of the parties or anything herein to the contrary. The preceding sentence does not prohibit the disclosure of, or reference to, a Moody's rating in an Offering Document except in circumstances where such disclosure of, or reference to, a Moody's rating in an Offering Document would require a consent or authorization from Moody's to be given and/or filed under any applicable laws, regulations, directives or rules (including, if applicable, the U.S. securities laws or the rules of any securities market or securities exchange). For the avoidance of doubt, if as a result thereof Moody's consent would be required to be filed with the United States Securities and Exchange Commission, the following actions may not be taken by the undersigned or by any other offering participant without the prior written authorization of Moody's, which authorization may be withheld or withdrawn in the sole discretion of Moody's: quoting, summarizing, incorporating by reference, linking by hyperlink or otherwise disclosing or using in any Offering Document, or in any other way referencing, disclosing or disseminating in any other written communication (including a written communication as defined in Rule 405 promulgated under the Securities Act of 1933, as amended) any of the following: (i) the fact that the undersigned has applied to Moody's for a rating, (ii) the fact that Moody's has reviewed information provided by the undersigned in connection with the assignment of a rating, (iii) the fact that Moody's has assigned a rating, (iv) the rating, if any, assigned by Moody's, and/or (v) a 17g-7 Report.

2. **Web Posting.** To the extent Moody's publishes written research or press releases specifically regarding the Issuer, as a direct result of the Rating Application, and Issuer desires to link to or post same on its website, the undersigned agrees to the following terms and conditions in Appendix A.
3. **Moody's Privacy Policy.** For information on how we process and protect personal data, please see our Privacy Policy available at moodys.com.

E. Confidentiality Provisions

1. **Moody's Confidentiality.** For purposes of the Rating Application, "Confidential Information" shall be any information regarding the issuance and/or issuer that is the subject of the Rating Application received by Moody's from the undersigned or its subsidiaries or affiliates or their respective authorized agents or advisors in connection with Moody's Ratings Business, as such term is defined below, in respect of which Moody's has received written notice specifically indicating the proprietary and confidential nature of the information. However, the term "Confidential Information" shall not include: (i) information that is publicly known or information that has become publicly known other than by an act of Moody's or Moody's Representatives, as defined below; (ii) information available to Moody's on a non-confidential basis prior to disclosure by the issuer or its agents or advisors; (iii) information that becomes available to Moody's on a non-confidential basis from a third party not reasonably known to Moody's to be bound by a confidentiality agreement with the issuer or otherwise prohibited from making available such information; (iv) information developed independently by Moody's; (v) information that has been aggregated or transformed in such a way that it is no longer identifiable as relating to any individual issuer; or (vi) information that is approved in writing by the undersigned for public disclosure.

Moody's hereby confirms and agrees that it will not disclose Confidential Information to third parties and that it will use the Confidential Information solely in connection with the Ratings Business, which includes: (i) the publishing of a credit rating (which is an opinion regarding the creditworthiness of an entity, a debt or financial obligation, debt security, preferred share or other financial instrument, or of an issuer of such a debt or financial obligation, debt security, preferred share or other financial instrument, issued using an established and defined ranking system of rating categories) or other opinion regarding a particular security or transaction which incorporates Confidential Information, such publication including the raising, lowering, confirming, affirming, suspending, withdrawing, placing on watchlist, or changing the outlook of a credit rating, (ii) Moody's credit rating services (which includes those products and services that are offered by Moody's, that are derived from the credit rating process and that provide an opinion regarding the creditworthiness of an entity, a debt or financial obligation, debt security, preferred share or other financial instrument, or of an issuer of such debt or financial obligation, debt security, preferred share or other financial instrument, issued using an established and defined ranking system of ratings categories); (iii) modeling, benchmarking and research, (iv) products and services offered by Moody's that comprise market forecasts, estimates of economic trends, pricing analysis or other general data analysis as well as related distribution services, or (v) products and services offered by Moody's that are listed in Moody's Rating Symbols and Definitions (collectively, the "Ratings Business"). Moody's will not, without the undersigned's prior written consent, disclose the Confidential Information to any person or entity, other than to Moody's affiliates and Moody's and its affiliates respective directors, officers, employees, advisors, agents and service providers (collectively, the "Representatives") who, in the reasonable judgment of Moody's, need to know such information in connection with the Ratings Business (it being understood that such Representatives shall be informed by Moody's of the confidential and proprietary nature of the Confidential Information and shall be directed by Moody's to treat such Confidential Information confidentially and not use such Confidential Information other than for the Ratings Business, except as otherwise set forth herein). Moody's and its Representatives may retain any Confidential Information to the extent required by record retention policies for legal and regulatory considerations, provided that such retained Confidential Information shall remain subject to the confidentiality obligations contained herein.

Notwithstanding the foregoing, Moody's may: (i) disclose the Confidential Information to the extent required by law, regulation, judicial or governmental order, subpoena or other legal process or requested or required by any governmental or regulatory authority; (ii) publish or otherwise make broadly publicly available (including by press release) any ratings or any other opinion regarding a particular issuer, security or transaction that incorporates Confidential Information, and (iii) publish data aggregated from Confidential Information, excluding data that is identifiable as relating to any individual issuer, and share such information with any of its affiliates for general market dissemination. The undersigned confirms that, to the best of the undersigned's knowledge, there are no third parties whose rights would be adversely affected by any such publication. Moody's and its affiliates reserve the right to use, publish, disseminate, or license others to use, publish or disseminate any information provided by the undersigned, its agents or advisors not deemed Confidential Information.

Notwithstanding anything to the contrary contained herein, in Moody's Code of Professional Conduct or in any other agreement between Moody's and the undersigned, the undersigned consents and agrees that if Moody's determines that any rating to which this Rating Application relates is subject to SEC Rule 17g-7, then Moody's may publish or otherwise publicly disclose any and all information in connection with such rating that Moody's in its sole discretion determines is necessary in order to comply with SEC Rule 17g-7.

2. **Applicant Confidentiality.** The undersigned agrees to keep the provisions of the Rating Application and any other non-public information with respect to the rating disclosed by Moody's to the undersigned confidential and not to disclose such provisions or information to any person except (i) affiliates, officers, directors, employees, representatives, agents and advisors, and (ii) as required by applicable law, rule or regulation, or at the request of any governmental agency or authority having jurisdiction. The undersigned will cause its affiliates, officers, directors, employees, representatives, agents and advisors to comply with the foregoing.

F. **Miscellaneous**

1. **Entire Agreement.** The Rating Application represents the whole and only agreement in relation to the subject matter of the Rating Application and supersedes any previous agreement between Moody's and the undersigned in relation to that subject matter. Accordingly, all other terms, conditions, representations, warranties and other statements which would otherwise be implied (by law or otherwise) shall not form part of the Rating Application. The parties hereto agree that in connection with any amendment, modification, supplement, restatement or waiver of any provision of the Rating Application, at any time, no consent or agreement to any such amendment, modification, supplement, restatement or waiver shall be deemed effective and binding upon the other party if such consent or agreement is provided by means of an electronic clickthrough or any other electronic form of acceptance, and the undersigned agrees that neither Moody's nor any affiliate, employee or agent of Moody's shall be bound by or subject to any terms or conditions of use (hereinafter "Website Terms") for access to a web site containing information with respect to the issuer or securities to which this Rating Application relates, including, without limitation, any website established by a third party engaged by or acting on behalf of the undersigned or the Issuer, even if Moody's or any affiliate, employee or agent of Moody's clicks-through or has clicked-through such Website Terms by electronic means at any time before or after the date hereof. The parties agree that no amendment, modification, supplement, restatement or waiver of the preceding sentence shall in any event be effective without the written consent of both parties, provided that such consent shall be effective only if evidenced by a writing signed by hand by an authorized representative of the Global Commercial Group of Moody's or a corporate officer or the holder of a power of attorney of Moody's and an authorized representative of the undersigned.
2. **Instructions.** Where the undersigned is the Issuer it hereby consents to Moody's receiving instructions from the Portfolio Manager, Originator and/or Arranging Bank and/or any other relevant parties, where any such parties' contact details have been included in the Rating Application.

3. **Assignment.** In the Rating Application, Moody's refers to the Moody's entity specified above and all its relevant group companies. Moody's group companies are entitled to the benefit of the protective provisions in the Rating Application. Moody's may assign the Rating Application to any other Moody's group company.
4. **Third Party Contractors and Agents.** It is understood that Moody's may use third party contractors or agents bound by confidentiality obligations to assist in the ratings process or its related business and research activities.
5. **Governing Law and Jurisdiction.** The Rating Application and any contractual or non-contractual obligations arising from or connected to it shall be governed by and construed in accordance with the laws of the State of New York in the United States of America and subject to the exclusive jurisdiction of the courts of the State of New York in the United States of America.
6. **No Third Party Beneficiaries.** The Rating Application is intended to be solely for the benefit of the parties hereto and nothing expressed or referred to in the Rating Application shall be construed to give any person other than Moody's and the undersigned any legal or equitable right, remedy or claim under or with respect to the Rating Application or any provision of the Rating Application, except such rights as shall inure to a successor or permitted assignee pursuant to this Section F3 above.
7. **Severability.** If any provision of the Rating Application, or the application thereof, shall for any reason and to any extent be invalid or unenforceable, then the remainder of the Rating Application and the application of such provision to other persons or circumstances shall be interpreted so as reasonably to effect the intent hereof, and such void or unenforceable provision of the Rating Application shall be replaced with a valid and enforceable provision that shall achieve, to the extent possible, the economic, business and other purposes of the void or unenforceable provision.

RATING APPLICATION AUTHORIZATION (Please Print/Type)

Please do not return this Rating Application to any member of the analytic team involved in the rating process (including managers). Please return this Rating Application to your contact within the Moody's Account Management Team.

The undersigned, both in its own capacity and on behalf of the Issuer, (if the undersigned is not the Issuer), agrees to the terms of this Rating Application and hereby applies for Moody's rating(s) for an issue designated: Educational Enhancement Funding Corporation

Educational Enhancement Funding Corporation ISSUER
Tobacco Settlement Revenue Bonds - Series 2013A Taxable, Series 2013B Tax Exempt
TITLE OF ISSUE

February 2013 \$171,280,000
PROPOSED DATE OF SALE EXPECTED AMOUNT OF ISSUE (US\$)

APPLICANT: Educational Enhancement Funding Corporation

BY: Don Templeton TITLE: Executive Secretary

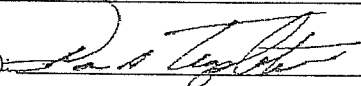
MAILING ADDRESS: PO BOX 846

CITY: Pierre STATE/PROVINCE: SD

POSTAL CODE: 57501-0846 COUNTRY: USA

TELEPHONE NUMBER: (605) 224-9200 FAX NUMBER: (605) 224-7177

E-MAIL: don.templeton@sdhefa.com

AUTHORIZED BY (signature):  DATE: 12-20-2012

PRINT NAME: Don Templeton TITLE: Executive Secretary

Billing recipient, (if different from above)

COMPANY NAME: _____

MAILING ADDRESS: _____

CITY: _____ STATE/PROVINCE: _____

POSTAL CODE: _____ COUNTRY: _____

TELEPHONE NUMBER: (____) _____ FAX NUMBER: (____) _____

E-MAIL: _____

Moody's Code of Professional Conduct states that Moody's employees who approve or participate in determining or monitoring credit ratings, or who are involved in the development or approval of models or methodologies used in providing rating services, will not participate in discussions regarding fees or payments with any rated entity. Therefore, please do not return this rating application or Fee Schedule to any member of the analytic team involved in the rating process (including managers), or include the analytic team (including managers) in any fee-related correspondence. Moody's maintains a separate, dedicated group not involved in the rating process for handling applications, fee schedules and fee and payment discussions. If you have any questions regarding this Application or Fee Schedule, please contact the Moody's Account Management Team.

1. **Initial Fee**

The base rate is 6.5 basis points of the principal amount of the new issue with minimum and maximum fees of US\$192,500 and US\$1,420,000, respectively.

2. **Annual Fee**

Moody's offers the following options for the annual monitoring fee on the rated transaction:

A) **Annual Monitoring Fee**

On each anniversary date of the issuance of the rating, a non-refundable annual monitoring fee of US\$25,000 per transaction will be charged for the period then ended. If the transaction is redeemed prior to the next anniversary date, a partial annual monitoring fee will be charged on a pro-rated basis.

B) **Upfront Annual Monitoring Fee**

An upfront lump sum fee may be paid at the closing of the rated transaction in lieu of the annual monitoring fee. The fee will be derived by using the net present value of the annual monitoring fees for the final rated maturity of the security, with a discount rate as provided by Moody's. This fee is non-refundable should a deal fail to reach its final legal maturity for any reason.

3. **Short-term Tranches**

Should the issuer sell a short-term tranche (i.e. a tranche with a maturity of less than or equal to 13 months) of asset backed securities, a US\$40,000 fee will be charged for each "Prime" rating.

4. **Termination of Rating Process & Breakup Fee**

All transactions are subject to breakup fees in the event the rating process is terminated prior to Moody's assigning any ratings (the "Breakup Fee"). A Breakup Fee of up to the amount of the Initial Rating Fee and any other applicable Additional Fees will be charged by Moody's based on the extent of the analysis conducted by Moody's, determined in its sole discretion, up to the date of termination. The minimum Breakup Fee is US\$15,000.

Breakup Fees are due and payable to Moody's at the termination of the rating process, upon receipt of the breakup fee invoice from Moody's. If the rating process is reactivated and a rating is assigned within 90 days of the issuance of the breakup fee invoice, this fee will be credited against the Initial Rating Fee and Additional Fees, as applicable.

5. **Provisional Ratings**

The terms hereof, including the application of all fees, shall apply to any provisional ratings assigned by Moody's. If the actual issuance amount at the time any ratings are confirmed differs from the proposed issuance amount at the time the related provisional ratings were assigned, the fee will be adjusted accordingly.

6. **Amendments to Existing Transactions**

A fee will be charged for changes or amendments to an existing transaction (the "Amendment Fee"). The amount of the Amendment Fee is dependent upon the complexity of the proposed change or amendment, any unusual timing requests and the extent of the review and analysis to be conducted by Moody's, as determined in Moody's sole discretion. The amount of the Amendment Fee will be determined on a case-by-case basis, and will be agreed upon prior to Moody's commencing its analyses.

In the event the review process conducted with respect to the Amendment is terminated prior to its completion, a cancellation fee of up to the amount of the Amendment Fee may be charged by Moody's based on the extent of the review performed by Moody's, determined in Moody's sole discretion, up to the date of the termination. The Amendment Fee is due and payable to Moody's upon receipt of an invoice from Moody's.

7. **Engagement Fee**

Moody's may also charge a non-refundable engagement fee applied to new issuances (the "Engagement Fee"). The amount of any Engagement Fee will be determined on a case-by-case basis, and will be agreed upon prior to Moody's commencing the ratings process. The Engagement Fee is typically US\$25,000 - US\$30,000. The Engagement Fee is fully creditable toward any subsequent Initial Rating Fee or Breakup Fee, and is due and payable upon receipt of an invoice from Moody's and prior to the commencement of the rating process.

8. **Out-of-Pocket Expenses**

From time to time, Moody's may invoice the applicant for reimbursement of Moody's reasonable travel and other out-of-pocket expenses, incurred in connection with the rating process.

9. **Additional Fees & Expenses**

At Moody's sole discretion, Moody's may charge certain additional fees in cases of first time issuers, rapid turn-around requests and/or complex or unique structures (the "Additional Fees"). Additional Fees will be determined on a case-by-case basis, and will be agreed upon prior to Moody's commencing the rating process. Additional Fees will be added to all other fees charged, and are due and payable to Moody's upon the completion of the rating process.

Appendix A

Web Posting / Linking Terms and Conditions

To the extent Moody's publishes written research or press releases specifically regarding the Issuer, as a direct result of this Application ("Issuer Research"), and Issuer desires to link to or post same on its website, the following terms will apply.

The undersigned is hereby granted a royalty-free, non-sublicensable (except as to the Issuer, if the undersigned is not the Issuer), revocable license to post Issuer Research on the Issuer's website (or to post a link to the page on Moody's website where such Issuer Research appears), subject in all cases to the following restrictions. Where the undersigned is not the Issuer, the undersigned agrees that it shall procure that the Issuer complies with all the conditions pertaining to posting or linking to Issuer Research as set forth herein. All Issuer Research and all trademarks and logos contained therein are the intellectual property of Moody's or its affiliates, and all rights not expressly granted herein are reserved.

In no event shall the Issuer Research include any pre-sale reports (prior to initial sale of the relevant security), non-public, or unmonitored ratings. Only the most recent Issuer Research may be posted, in the exact form and format provided by Moody's without any alterations or editing whatsoever (including all disclaimers, logos, and proprietary rights notices thereon). All outdated Issuer Research must be promptly deleted and updated Issuer Research posted promptly after it is published by Moody's. Any links to or posting of Issuer Research shall be indicated by Moody's corporate name only in plain text font, and may not display Moody's logo under any circumstances. Issuer Research or links to Issuer Research may only be displayed on the investor relations portion of the relevant website (or an analogous area where general corporate information is displayed) and not on any portion of the site (or in any hard copy form) for the purpose of marketing, promotion or advertising. Issuer Research may not be posted, linked to, displayed, or otherwise used in connection with a prospectus, "road show" deck, or any other document related to the offering of securities.

The undersigned, on behalf of itself and the Issuer, agrees and acknowledges that it is solely responsible for compliance with all laws, rules, and regulations including but not limited to applicable securities laws, in connection with the posting or linking to the Issuer Research. The undersigned (on behalf of itself and Issuer, if different entities) hereby agrees to indemnify and hold Moody's, its affiliates, and all of their respective employees, officers, directors, representatives, agents, successors, and assigns, harmless against any and all losses, claims, damages, costs or injury (including without limitation attorneys' fees) of whatever nature (whether foreseeable or not) and however caused, in whole or in part caused by, resulting from or relating to, posting or linking to the Issuer Research.

This license shall terminate as of the date that the undersigned and/or this Issuer are no longer active Moody's clients; or upon advance written notice from Moody's at any time. Upon termination, all posting and linking to Issuer Research permitted hereunder must cease immediately.