

SECOND AMENDMENT TO FIRST SUPPLEMENT TO
GENERAL PLEDGE AND ESCROW AGREEMENT

This Amendment (this "Amendment") is dated as of November 1, 2011 and amends that certain First Supplement to General Pledge and Escrow Agreement dated as of April 1, 1988 as previously amended as of September 16, 2008 (the "Original Pledge Agreement"), between the Treasurer of the State of South Dakota (the "Treasurer"), the South Dakota Board of Education (the "Board"), South Dakota Health and Educational Facilities Authority (the "Authority") and The First National Bank of Sioux Falls (the "Escrow Holder").

WHEREAS, Section 23 of the Original Pledge Agreement authorizes the amendment of the Original Pledge Agreement without the consent of the owners of Bonds in order to grant to or confer upon the Escrow Holder for the benefit of the owners of the Bonds any additional rights, remedies, powers, authority or security that may lawfully be granted to or conferred upon the owners of the Bonds or the Escrow Holder, and

WHEREAS, Section 23 of the Original Pledge Agreement further authorizes the amendment of the Original Pledge Agreement without the consent of the owners of the Bonds in order to vary the provisions with respect to the operation of the Tuition Subaccount to the extent determined by the Authority to be necessary or desirable to better achieve the purposes of the Program, provided, that any such variation shall not impair the exemption from Federal income taxation of any Bonds Outstanding and is accompanied by an opinion of Bond Counsel to such effect (such requirement not to impair Federal tax exemption, however, to apply only if such Bonds are, or are intended to be the subject of, an opinion of Bond Counsel to the effect that the interest on the Bonds of such Series is exempt from Federal income taxation), and

WHEREAS, the Treasurer, the Board, the Authority and the Escrow Holder have determined the aforementioned conditions exist and have agreed to modify certain provisions under the Original Pledge Agreement on the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the agreement of the parties contained herein, and intending to be legally bound, the parties hereto agree as follows:

1. Amendments to the Original Pledge Agreement.

The Original Pledge Agreement is hereby amended as follows:

(a) Section 9 is hereby amended to read as follows:

SECTION 9. Withdrawals from the Tuition Subaccount.

(a)(1) In accordance with and in furtherance of the provisions of Tit. 13 of South Dakota Codified Laws, it is hereby agreed that no money shall be disbursed from the Tuition Subaccount for any purpose other than as permitted by Section 8 hereof, unless and until the Authority files with the Treasurer and Escrow Holder a certification that it has on deposit or there has otherwise been appropriated sufficient moneys to pay

all amounts due or to become due within the next three months on the Lease. In making such certification to the Treasurer and the Escrow Holder, the Authority shall be entitled to take into account moneys on deposit in the Tuition Subaccount and the security and expected payments provided for and authorized by the Collection Agreement and this Pledge Agreement, including Trust Fund Earnings and Facility Fees. The certification of the Authority to the Treasurer and the Escrow Holder as provided in this Section 9(a)(1) shall be referred to herein as the Certification of Availability.

(2) Within thirty (30) days after each such August 1, but only after all required transfers and payments have been made pursuant to Section 8 hereof, the Board shall have the right to direct the Treasurer to withdraw any moneys remaining on deposit in the Tuition Subaccount if the Authority shall have filed a Certificate of Authority as of the most recent August 1. The sum to be so withdrawn is referred to herein as the "Withdrawal Amount". Upon compliance with the preconditions to withdrawal of amounts from the Tuition Subaccount as set forth above in this Section 9, the Withdrawal Amount shall be withdrawn by the Board free and clear of the pledge and allocation of this Pledge Agreements.

(3) At the election and discretion of the Board, any such sum so withdrawn not in excess of ten percent (10%) of the Facility Fees for the current Fiscal Year may be deposited in a Repair and Improvement Subaccount of the Vocational Education Facilities Fund as provided by Tit. 13 of South Dakota Codified Laws. All other amounts so withdrawn shall be paid to the Board for any lawful application.

(b) In addition to the withdrawals and disbursements authorized by Section 9(a) hereof, funds and/or investments in the Tuition Subaccount may be disbursed or transferred, as applicable, at the request of the Authority to the Trustee for deposit to any account or fund established under the Indenture at any time or from time to time upon by the filing of a Certificate of Availability signed by an authorized officer of the Authority which Certificate of Availability (1) certifies that the Board is presently in compliance with the rate covenant set forth in Section 8(c) of the Collection Agreement, (2) specifies the amount to be deposited and the fund or account to which the Trustee shall deposit such amount under the Indenture and (3) certifies that, following such disbursement there shall be no Event of Default existing under the Indenture or the Lease.

2. Except as specifically modified and amended herein, all other terms, conditions and covenants contained in the Original Pledge Agreement shall remain in full force and effect.

3. This Amendment may be executed by one or more of the parties on any number of separate counterparts, and all of said counterparts taken together shall be deemed to constitute one and the same instrument.

4. This Amendment shall be governed by the laws of the State of South Dakota, without regard to choice of law principles.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by their respective officers thereunto duly authorized, on the date first above written.

SOUTH DAKOTA HEALTH AND EDUCATION
FACILITIES AUTHORITY

By: _____
Chairman

ATTEST:

By: _____
Executive Director

THE FIRST NATIONAL BANK OF SIOUX FALLS,
Escrow Holder

By: _____
Title:

By: _____
State Treasurer of South Dakota

SOUTH DAKOTA BOARD OF EDUCATION

By: _____
President