
SOUTH DAKOTA CONSERVANCY DISTRICT

SOUTH DAKOTA STATE REVOLVING FUND PROGRAM

FIRST AMENDMENT

Dated as of February 17, 2015

TO:

FIFTH AMENDED AND RESTATED
MASTER TRUST INDENTURE

Dated as of September 1, 2010

SOUTH DAKOTA CONSERVANCY DISTRICT

by and between

THE FIRST NATIONAL BANK IN SIOUX FALLS,

as Trustee

Prepared by:
Bruce A. Bonjour
Perkins Coie LLP
131 S. Dearborn Street, Suite 1700
Chicago, IL 60603-5559

TABLE OF CONTENTS

MASTER TRUST INDENTURE

| | PAGE |
|--|------|
| PARTIES AND RECITALS | |
| Parties..... | 1 |
| Recitals..... | 1 |
| Granting Clauses..... | 2 |
| ARTICLE I Definitions and Interpretation..... | 2 |
| Section 1.01 Definitions..... | 2 |
| Section 1.02 Interpretation..... | 2 |
| ARTICLE II Amendment..... | 2 |
| Section 2.01 Amendment to Article I | 2 |
| ARTICLE III Authority | 4 |
| Section 3.01 Authority for Which This Supplemental Indenture May be Executed..... | 4 |
| ARTICLE IV Miscellaneous | 4 |
| Section 4.01 Execution of First Amendment in Counterparts | 4 |
| Section 4.02 Headings Not Controlling..... | 4 |
| Section 4.03 Effective Date | 4 |

FIRST AMENDMENT

TO:

FIFTH AMENDED AND RESTATED MASTER TRUST INDENTURE

THIS FIRST AMENDMENT, dated as of February 17, 2015 (the "First Amendment"), to that certain FIFTH AMENDED AND RESTATED MASTER TRUST INDENTURE, dated as of September 1, 2010, by and between the SOUTH DAKOTA CONSERVANCY DISTRICT, a governmental agency, body politic and corporate of the State of South Dakota (the "District") and THE FIRST NATIONAL BANK IN SIOUX FALLS, a national banking association having trust powers and having its main office and place of business in Sioux Falls, South Dakota, as trustee (the "Trustee"),

WITNESSETH:

WHEREAS, the District is duly constituted as an instrumentality of the State of South Dakota exercising public and governmental functions under the operation, management and control of the Board of Water and Natural Resources of South Dakota (the "Board of Water and Natural Resources"), pursuant to SDCL Chapters 46A-1 and 46A-2 (the "Act"); and

WHEREAS, pursuant to the Act and the Clean Water Act, as hereinafter defined, the District has established a state revolving fund program; (the "Clean Water Program"); and

WHEREAS, pursuant to the Act and the Drinking Water Act, as hereinafter defined, the District has established a state revolving fund program (the "Drinking Water Program"); and

WHEREAS, pursuant to the Act, the District is authorized to issue bonds and to make loans to Borrowers of the State of South Dakota through the purchase of municipal securities or loans in connection with the Clean Water Program and the Drinking Water Program (each a "Program" and collectively, the "Programs"); and

WHEREAS, to fund the Programs, the United States Environmental Protection Agency presently makes annual capitalization grants to the states, on the condition that each state provide an appropriate match for such state's related revolving fund; and

WHEREAS, the Board of Water and Natural Resources has heretofore determined it necessary and expedient to enter into a Fifth Amended and Restated Master Trust Indenture dated September 1, 2010 (as heretofore amended, the "Restated Master Trust Indenture" and, as amended and supplemented from time to time, the "Master Trust Indenture") with the Trustee for the purpose of authorizing the issuance of bonds and administering capitalization grants; and

WHEREAS, Section 11.01 of the Restated Master Trust Indenture authorizes certain amendments or supplements thereto without the necessity of obtaining the consent of any Bondholder under certain circumstances, including in order to enter into one or more supplemental indentures that, when effective, would amend or modify any provisions of the Master Trust Indenture if, in the judgment of an Authorized Representative, the rating then in

effect on any Outstanding Bonds and Notes from each Rating Agency immediately preceding the time such supplemental indenture becomes effective will be maintained or improved after such supplemental indenture becomes effective; and

WHEREAS, for the purposes of Section 11.01 described above, the Authorized Representative must certify its judgment to the Trustee, and such judgment will be based upon the written ratings report or other written evidence provided by each Rating Agency; and

WHEREAS, the Board of Water and Natural Resources has determined to implement the provisions of Section 11.01 of the Restated Master Trust Indenture by entering into this First Amendment to Fifth Amended and Restated Master Trust Indenture (the "First Amendment") and a written certification of the Chairman of the Board of Water and Natural Resources satisfying Section 11.01(h) of the Restated Master Trust Indenture has been filed with the Trustee, and

WHEREAS, the execution and delivery of this First Amendment have been duly authorized by the Board of Water and Natural Resources; and

WHEREAS, the Trustee has accepted the trust created by the Master Trust Indenture and agrees to be bound by this First Amendment thereto and in evidence thereof has joined in the execution hereof;

NOW, THEREFORE, THIS FIRST AMENDMENT TO AMENDED AND RESTATED MASTER TRUST INDENTURE WITNESSETH:

ARTICLE I

Definitions and Interpretation

Section 1.01 Definitions. All terms not defined herein shall have the meanings assigned thereto in the Restated Master Trust Indenture.

Section 1.02 Interpretation. This First Amendment is governed by and shall be construed in accordance with the laws of South Dakota.

ARTICLE II

Amendment

Section 2.01 Amendment to Article I. Article I of the Amended and Restated Indenture is hereby amended to revise the definition of "Investment Obligations" to read as follows:

"Investment Obligations" means and includes any of the following, if and to the extent the same are authorized as permitted investments for the District's moneys in the Funds and Accounts created and maintained under this Indenture:

(a) Direct obligations of, or obligations the prompt payment of principal and interest on which are fully guaranteed by, the United States of America; or

(b) Bonds, debentures, notes or other evidences of indebtedness issued or fully insured or guaranteed by any agency or instrumentality of the United States of America which is backed by the full faith and credit of the United States of America; or

(c) To the extent not included within the scope of clause (b) above, such other bonds, debentures, notes or other evidences of indebtedness issued by agencies and instrumentalities of the United States government, including without limitation those issued by government sponsored enterprises such as Government National Mortgage Association, Federal National Mortgage Association and Federal Home Loan Mortgage Corporation; or

(d) Interest-bearing time or demand deposits, certificates of deposit or other similar banking arrangements with any Depository (including the Trustee), provided that such deposits, certificates and other arrangements are fully insured by the Federal Deposit Insurance Corporation or secured by obligations described in clauses (a) or (b) of this definition, or a combination thereof; or

(e) Money market funds or similar funds which invest exclusively in obligations described in clauses (a), (b), (f) or (g) of this definition, or a combination thereof; or

(f) Bonds, debentures, notes or other evidences of indebtedness issued by any state of the United States of America or any political subdivision thereof or any public authority or body or instrumentality therein which constitute obligations described in Section 103(a) of the Code and which are assigned a long-term rating by the Rating Agency which is no lower than the long-term rating assigned by the Rating Agency to the Outstanding Bonds (without taking into account any higher rating assigned to the Bonds by virtue of Credit Enhancement); or

(g) Any repurchase agreement or similar financial transaction with a national banking association or a bank or trust company organized under the laws of any state (including the Trustee), or with a government bond dealer reporting to, trading with and recognized as a primary dealer by the Federal Reserve Bank of New York, which agreement satisfies the following requirements: (1) it is secured, in the opinion of counsel, by a perfected security interest in any one or more of the securities described in clause (a) or (b); (2) provides that the collateral must be valued at least weekly and must be maintained at a value of at least 103% of the amount invested plus accrued interest (with a no more than one-week cure period, if the value of collateral falls below this amount); (3) is entered into with a primary reporting dealer that reports to the Federal Reserve Bank of New York

or one of the 100 largest United States commercial banks, as measured by domestic deposits; and (4) the securities which are the subject of the repurchase agreement must be held by the Trustee or by an agent or custodian on its behalf, provided that the requirements of clauses (3) and (4) shall apply only if and to the extent that South Dakota law so requires; or

(h) Any investment agreement, guaranteed investment contract or similar debt obligation which in the opinion of counsel is permitted by South Dakota law and the issuer or guarantor of such obligation is assigned, or such agreement, contract or obligation is assigned, the highest short-term debt rating by the Rating Agency or which is assigned a long-term rating by the Rating Agency which is no lower than the two highest long-term rating categories (without regard to numeric or other modifiers) at the time such investment is acquired or which agreement is approved by each Rating Agency then rating Outstanding Bonds as of the date the agreement is entered into by the District; or

(i) the South Dakota Cash Flow Fund provided the District determines that such fund invests solely in investments authorized by SDCL 4-5-26 or other investments which the District is authorized to acquire and hold.

ARTICLE III

Authority

Section 3.01 Authority for Which This Supplemental Indenture May be Executed. The District and the Trustee hereby find, determine and agree that they are authorized to enter into this First Amendment as a supplemental indenture to the Restated Master Indenture without the consent of any Bondholder because in the judgment of an Authorized Representative, the rating now in effect on any Outstanding Bonds and Notes from each Rating Agency immediately preceding the time this amendment becomes effective will be maintained after this amendment becomes effective, and such judgment is based upon the written ratings report or other written evidence provided by each Rating Agency.

ARTICLE IV

Miscellaneous

Section 4.01 Execution of First Amendment in Counterparts. This First Amendment may be simultaneously executed in several counterparts, each of which, when so executed, shall be deemed to be an original, and such counterparts shall together constitute one and the same instrument.

Section 4.02 Headings Not Controlling. The headings of the several Articles and Sections hereof are inserted for the convenience of reference only and shall not control or affect the meaning or construction of any of the provisions hereof.

Section 4.03 Effective Date. This First Amendment shall become effective on the date hereof.

IN WITNESS WHEREOF, the District, by the Board of Water and Natural Resources, has caused this First Amendment to be signed in its name by the Chairman and the corporate seal of the District has been hereunto affixed, and The First National Bank in Sioux Falls, as Trustee, to evidence its acceptance of the trust hereby created, has caused this First Amendment to Amended and Restated Master Trust Indenture to be signed in the name of the Trustee by an authorized officer of the Trustee, as of the day and year first above written.

SOUTH DAKOTA CONSERVANCY DISTRICT

By: 
Chairman

(Seal)

THE FIRST NATIONAL BANK IN SIOUX
FALLS, as Trustee

By: _____
Its: _____

IN WITNESS WHEREOF, the District, by the Board of Water and Natural Resources, has caused this First Amendment to be signed in its name by the Chairman and the corporate seal of the District has been hereunto affixed, and The First National Bank in Sioux Falls, as Trustee, to evidence its acceptance of the trust hereby created, has caused this First Amendment to Amended and Restated Master Trust Indenture to be signed in the name of the Trustee by an authorized officer of the Trustee, as of the day and year first above written.

SOUTH DAKOTA CONSERVANCY DISTRICT

By: _____
Chairman

(Seal)

THE FIRST NATIONAL BANK IN SIOUX
FALLS, as Trustee

By: Krista Wiesderrich
Its: Vice President Trust Officer