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SOUTH DAKOTA CONSERVANCY DISTRICT

SOUTH DAKOTA STATE REVOLVING FUND PROGRAM

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FIRST AMENDMENT

Dated as of October 1, 2005

TO:

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AMENDED AND RESTATED  
MASTER TRUST INDENTURE

Dated as of July 1, 2004

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SOUTH DAKOTA CONSERVANCY DISTRICT

by and between

THE FIRST NATIONAL BANK IN SIOUX FALLS,

as Trustee

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## FIRST AMENDMENT

TO:

### AMENDED AND RESTATED MASTER TRUST INDENTURE

THIS FIRST AMENDMENT, dated as of October 1, 2005 (the "First Amendment"), to that certain AMENDED AND RESTATED MASTER TRUST INDENTURE, dated as of July 1, 2004, 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 (as herein defined) 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 an Amended and Restated Master Trust Indenture dated July 1, 2004 (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 (a) to 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 from each Rating Agency immediately preceding

the time such supplemental indenture becomes effective will be maintained or improved after such supplemental indenture becomes effective or (b) to make such other modifications or amendments which are determined by the Trustee not to be of material prejudice to the rights of the Trustee or the Holders of the Bonds; 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 a First Amendment to Master Trust Indenture dated as of October 1, 2005 (the "First Amendment"), and

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

WHEREAS, the Trustee has accepted the trust created by the Amended and Restated 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:**

THIS FIRST AMENDMENT TO THE RESTATED MASTER TRUST INDENTURE FURTHER WITNESSETH, and it is expressly declared that all Bonds issued and secured hereunder are to be issued, authenticated and delivered and all said property hereby assigned or pledged is to be dealt with and disposed of under, upon and subject to the terms, conditions, stipulations, covenants, agreements, trusts, uses and purposes as hereinafter expressed, and the District has agreed and covenanted and does hereby agree and covenant with the Trustee and with the respective Holders from time to time, of the said Bonds as follows, that is to say:

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.

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

ARTICLE II

Amendments

Section 2.01 Amendment to Section 5.18 of the Restated Master Trust Indenture. The Restated Master Trust Indenture is hereby amended and supplemented by adding thereto the following Section 5.18:

Section 5.18 Other Transfers Between Programs and Accounts. Notwithstanding any other provision of this Master Trust Indenture, the District may

direct the Trustee to transfer funds between Programs or within a Program and between Funds, Accounts or Subaccounts for any purpose, including, without limitation, for the purpose of establishing greater flexibility of use, freedom from or achieving compliance with federal or state tax, regulatory, contractual or other requirements, if, as a result of a series of such transfers, the net balance of funds in each affected Program, Fund, Account and/or Subaccount, as applicable, is not less than the balance in such Program, Fund, Account or Subaccount, as applicable, immediately prior to such series of transfers.

Section 2.02 Amendment to Section 4.01(b) of the Restated Master Trust Indenture. Section 4.01(b) of the Restated Master Trust Indenture is hereby amended by changing the reference in the first line of such Section 4.01(b) from “Section 2.11(d)” to “Section 2.11(c)”.

### 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:

(a) The amendment contained in Section 2.02 of this First Amendment is necessary in order to cure an ambiguity or to correct or supplement any provision contained in Section 2.11 of the Restated Master Trust Indenture which may be defective or inconsistent with other provisions contained therein;

(b) The entirety of this First Amendment will amend or modify provisions of the Restated Master Trust Indenture in a manner which, in the judgment of the District, the rating now in effect on any Outstanding Bonds from each Rating Agency immediately preceding the time this First Amendment becomes effective will be maintained or improved after the First Amendment becomes effective. For the purposes of this subsection, an Authorized Representative of the District will 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 as of the date of execution and delivery of this First Amendment;

(c) As to the entirety of this First Amendment, in order to make such other modifications or amendments which are determined by the District and the Trustee not to be of material prejudice to the rights of the Trustee or the Holders of the Bonds.

### 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.

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 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

By: \_\_\_\_\_  
Its: \_\_\_\_\_