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**\$94,600,000**  
**SOUTH DAKOTA CONSERVANCY DISTRICT**  
**STATE REVOLVING FUND PROGRAM BONDS,**  
**SERIES 2017**

**BOND PURCHASE AGREEMENT**

**August 4, 2017**

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**SOUTH DAKOTA CONSERVANCY DISTRICT  
STATE REVOLVING FUND PROGRAM BONDS,  
SERIES 2017**

**BOND PURCHASE AGREEMENT**

South Dakota Conservancy District  
Pierre, South Dakota

Wells Fargo Bank, National Association, for itself and as Representative of J.P. Morgan Securities LLC (the “Underwriters”), offers to enter into this Bond Purchase Agreement with respect to \$94,600,000 aggregate principal amount of State Revolving Fund Program Bonds, Series 2017 (the “Bonds”) to be issued by the South Dakota Conservancy District (the “District”). The Bonds are described in the Preliminary Official Statement dated July 25, 2017 (the “Preliminary Official Statement”), the Series Resolution described below and the term sheets attached as Appendix I hereto. A final Official Statement reflecting the terms described in Appendix I shall be prepared in substantially the same form as the Preliminary Official Statement and is hereinafter referred to as the “Official Statement”. If and when accepted by you not later than 10:00 a.m., Central Time, on August 4, 2017, this document shall constitute our Bond Purchase Agreement. The primary role of the Underwriters, as underwriters, is to purchase the Bonds in an arm’s-length commercial transaction. The Underwriters have financial and other interests that differ from those of the District.

1. Background. The Bonds are to be issued under Chapters 46A-1 and 46A-2, South Dakota Codified Laws, as amended (the “Act”) for the purpose of providing funds for the District’s Clean Water State Revolving Fund Program and Drinking Water State Revolving Fund Program. The Bonds are to be issued pursuant to a Fifth Amended and Restated Master Trust Indenture dated as of September 1, 2010, as amended (the “Master Trust Indenture”) between the District and U.S. Bank National Association, as successor Trustee (the “Trustee”) and a resolution adopted by the South Dakota Board of Water and Natural Resources (the “Board”), as governing body of the District, on July 21, 2017 (the “Series Resolution”). The Bonds consist of \$16,730,000 Taxable Revenue Bonds, Series 2017A (the “Series 2017A Bonds”) and \$77,870,000 Revenue Bonds, Series 2017B (the “Series 2017B Bonds”). The District will execute a Continuing Disclosure Agreement relating to information to be provided under Rule 15c2-12 of the Securities and Exchange Commission. A portion of the proceeds of the Bonds will be used to refund certain outstanding bonds under the Master Trust Indenture as provided by the Escrow Agreements (the “Escrow Agreements”) to be entered into between the District and the Trustee.

The Bonds will be sold by us pursuant to the Official Statement.

2. Representations and Warranties of the District. The District, by its acceptance hereof, represents, warrants and covenants to the Underwriters that:

(a) The Series Resolution was duly adopted by the Board and the District has, and at the date of the Closing will have, full legal right, power and authority (i) to enter

into this Bond Purchase Agreement, the Continuing Disclosure Agreement and the Master Trust Indenture, (ii) to sell and cause the Bonds to be issued and delivered to the Underwriters as provided herein, and (iii) to carry out and consummate the transactions contemplated by this Bond Purchase Agreement, the Escrow Agreements, the Continuing Disclosure Agreement and the Official Statement; and the District has complied, and will at the Closing be in compliance in all respects, with the terms of the Act and with the obligations on its part contained in this Bond Purchase Agreement.

(b) The District hereby ratifies and approves the Preliminary Official Statement, and hereby authorizes and approves the Official Statement substantially in the form of the Preliminary Official Statement; this Bond Purchase Agreement constitutes a legal, valid and binding obligation of the District; and the Bonds, when executed and delivered to the Underwriters, will constitute legal, valid and binding obligations of the District.

(c) The adoption of the Series Resolution and execution and delivery by the District of this Bond Purchase Agreement, the Escrow Agreements, the Continuing Disclosure Agreement and the Master Trust Indenture (or any other instrument to which the District is a party used or contemplated for use in the consummation of the transactions contemplated hereby or by the Official Statement, the Series Resolution or the Master Trust Indenture), and compliance with the provisions of each such instrument, has not constituted and will not conflict with or constitute a breach of, or default under, any other resolution, indenture, commitment, agreement or other instrument to which the District is a party or by which it is bound, or under any provision of the South Dakota Constitution or any existing law, rule, regulation, ordinance, judgment, order or decree to which the District or its properties is subject.

(d) As of the date thereof, the Preliminary Official Statement did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The representations and warranties contained in this paragraph (d) shall not apply to any statements or omissions made in reliance upon and in conformity with information furnished in writing by or on behalf of the Underwriters expressly for use in the Preliminary Official Statement.

(e) At the time of the District's acceptance hereof and (unless an event occurs of the nature described in subparagraph (f) of this paragraph 2) at all times subsequent thereto up to and including the Closing Date, the Official Statement does not and will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(f) If, after the date of this Bond Purchase Agreement and during the period up to a date twenty-five (25) days following the End of the Underwriting Period (hereinafter defined), any event shall occur to the knowledge of the District which might cause the Official Statement to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements

therein, in the light of the circumstances under which they were made, not misleading, the District shall notify the Underwriters, and if in the opinion of the District or the Underwriters such event requires the preparation and publication of a supplement or amendment to the Official Statement, the District shall at its expense supplement or amend the Official Statement in a form and manner approved by the Underwriters and its counsel and furnish to the Underwriters a reasonable number of copies of such supplement or amendment. For purposes of this Bond Purchase Agreement, "End of the Underwriting Period" shall mean the date on which the End of the Underwriting Period for the Bonds has occurred under SEC Rule 15c2-12.

(g) If the Official Statement is supplemented or amended, at the time of each such supplement or amendment, the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(h) The District shall furnish such information, execute such instruments and take such other action in cooperation with the Underwriters as the Underwriters may reasonably request to (i) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriters may designate, and (ii) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and the District shall use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds; provided, however, that the District shall not be required to execute a general or special consent to service of process or qualify to do business in connection with any such qualification or determination in any jurisdiction.

(i) Any certificate signed by an official of the District and delivered to the Underwriters shall be deemed to be a representation and warranty by the District to the Underwriters as to the statements made therein.

(j) The District acknowledges and agrees that (i) the transactions contemplated by this Bond Purchase Agreement are arm's-length, commercial transactions between the District and the Underwriters in which each Underwriter is acting solely as a principal and is not acting as a municipal advisor (within the meaning of Section 15B of the Securities Exchange Act), financial advisor or fiduciary to the District, (ii) the Underwriters have not assumed (individually or collectively) any advisory or fiduciary responsibility to the District with respect to the transactions contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether any Underwriter, or any affiliate of an Underwriter, has provided other services or is currently providing other services to the District on other matters), (iii) the only obligations the Underwriters have to the District with respect to the transactions contemplated hereby are set forth in this Bond Purchase Agreement, and (iv) the District has consulted with its own financial and municipal, legal, accounting, tax and other advisors, as applicable, to the extent it has deemed appropriate.

(k) The District has entered or will enter into the Continuing Disclosure Agreement and, unless otherwise described in the Official Statement or set forth below, the District has not failed during the previous five years to comply in all material respects with any previous undertakings in a written continuing disclosure contract or agreement under SEC Rule 15c2-12.

3. Purchase, Sale and Delivery of the Bonds. On the basis of the representations and warranties of the District and subject to the terms and conditions set forth herein, we agree to purchase, and the District agrees to sell to us, the total principal amount of the Series 2017A Bonds at a purchase price of \$16,687,595.01, which purchase price reflects an Underwriters' discount of \$42,404.99 and the total principal amount of the Series 2017B Bonds at a purchase price of \$94,510,443.79, which purchase price reflects a net original issue premium of \$16,941,729.05 and an Underwriters' discount of \$301,285.26. Payment of the purchase price for the Bonds shall be made to the District or its order by wire transfer to the office designated by the Trustee at 10:00 a.m., Central Time, on August 23, 2017, or on such later date as may be agreed upon by an appropriate officer of the District and us, against delivery of the Bonds to The Depository Trust Company, New York, New York ("DTC") for the account of the Underwriters and confirmation from DTC acceptable to the Underwriters that the Bonds have been received and are held for account of the Underwriters. Payment of the Underwriters' commission shall be by wire transfer to such account as we may designate. The date and time of such payment and delivery are herein called the "Closing Date".

4. Conditions of Underwriters' Obligations. The obligations of the Underwriters hereunder shall be subject to the performance by the District of its obligations to be performed hereunder at or prior to the Closing Date, to the accuracy of and compliance with the representations, warranties, and covenants of the District herein, as of the time of delivery of this Bond Purchase Agreement and as of the Closing Date, and are also subject, in the discretion of the Underwriters, to the following further conditions:

(a) The representations and warranties of the District contained herein shall be true, complete and correct on the date hereof and on and as of the Closing Date, as if made on the Closing Date.

(b) At the Closing Date, the Master Trust Indenture, the Series Resolution, the Escrow Agreements and the Continuing Disclosure Agreement shall be in full force and effect and shall not have been amended, modified or supplemented, except in connection with the transactions contemplated by the Official Statement, and the Official Statement shall not have been supplemented or amended, except as may have been agreed to by the Underwriters.

(c) The District shall have performed and complied with all agreements and conditions contained herein and in the instruments contemplated hereby that are required to be performed or complied with by the District prior to or at the Closing Date.

(d) At or prior to the Closing Date, the Underwriters shall have received the following documents:

(i) The Official Statement, and each supplement or amendment, if any, thereto, executed on behalf of the District by the Chairman;

(ii) Certified copies of the Master Trust Indenture, Series Resolution, Escrow Agreements and the Continuing Disclosure Agreement and all assignments, amendments, supplements and other instruments delivered pursuant thereto;

(iii) An opinion of Perkins Coie LLP, Chicago, Illinois, Bond Counsel, dated the date of the Closing, in substantially the form included in the Official Statement as Appendix E, and (if the foregoing opinion is not addressed to the Underwriters) a letter of such counsel, dated the Closing Date and addressed to the Underwriters, to the effect that the foregoing opinion may be relied upon by the Underwriters to the same extent as if such opinion were addressed to the Underwriters;

(iv) An opinion of the South Dakota Attorney General or Assistant or Deputy Attorney General, dated the Closing Date and addressed to the Underwriters, in form satisfactory to the Underwriters;

(v) A supplemental opinion of Perkins Coie LLP, Bond Counsel, dated the Closing Date and addressed to the Underwriters, in form satisfactory to the Underwriters;

(vi) An opinion of Kutak Rock LLP, Minneapolis, Minnesota, counsel to the Underwriters, dated the Closing Date and addressed to the Underwriters, addressing such matters as may be requested by the Underwriters;

(vii) A certificate, dated the Closing Date, signed by the Chairman of the District, confirming that the representations and warranties of the District set forth herein are true and correct as of the Closing Date;

(viii) A certificate of an authorized officer of the District, pursuant to Section 148 of the Internal Revenue Code of 1986, as amended, and the applicable regulations thereunder, setting forth the expectations of the District on the date of authentication and delivery of the Bonds as to future events, and such certification shall set forth the facts and estimates on which such expectations are based and shall state that to the best of the knowledge and belief of such officer of the District, the District's expectations are reasonable;

(ix) A report of Robert Thomas CPA, LLC verifying the sufficiency of the deposits and investments under the Escrow Agreements and the applicable yields;

(x) Such additional legal opinions, certificates, instruments and other documents as the Underwriters may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the District's representation and warranties contained herein, and of the statements and

information contained in the Official Statement and the due performance or satisfaction by the District on or prior to the Closing Date of all respective agreements then to be performed and conditions then to be satisfied by it; and

(xi) Evidence satisfactory to the Underwriters that the Bonds have received ratings of “Aaa” from Moody’s Investors Service, Inc. and “AAA” from Standard & Poor’s Public Finance Ratings and that such ratings are in effect on the Closing Date.

All such opinions, certificates, letters and documents will be in compliance with the provisions hereof only if they are in all material respects satisfactory to us, as to which we shall act reasonably.

If any condition of our obligation hereunder to be satisfied prior to the Closing Date is not so satisfied, this Agreement may be terminated by us by notice in writing or by telegram to the District.

We may waive in writing compliance by the District with any one or more of the foregoing conditions or extend the time for their performance.

5. Offering by Underwriters; Official Statement; Escrow Agreements. We shall offer the Bonds for sale to the public in such States as we may determine and in compliance under any applicable registration requirements in the states in which the Bonds will be reoffered. Concessions from the offering price may be allowed to selected dealers and special purchasers. The initial offering price and concessions set forth in the Official Statement may vary after the initial offering. The Bonds may be offered at prices other than the par value thereof. The District hereby consents to the circulation by the Underwriters of the Official Statement. The District deems the Preliminary Official Statement to have been final (for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934) as of the date thereof (except the information permitted to be omitted by such Rule). Promptly upon execution hereof, and in any event within seven business days (excluding Saturdays, Sundays and national holidays) of the date hereof, the District will deliver or cause to be delivered to the Underwriters such number of copies of the final Official Statement as the Underwriters may reasonably request in order for the Underwriters to comply with the rules of the Municipal Securities Rulemaking Board and Rule 15c2-12(b)(4). The Official Statement, including any amendments thereto, shall be in word-searchable PDF format as described in the MSRB’s Rule G-32 and the District shall provide the electronic copy of the word-searchable PDF format of the Official Statement to the Underwriters no later than one (1) business day prior to the Closing Date to enable the Underwriters to comply with MSRB Rule G-32. The District further agrees to provide the Underwriters with the Escrow Agreements in a word-searchable PDF format as described in the MSRB’s Rule G-32 and shall provide such electronic copies of the word-searchable PDF formats of the Escrow Agreements to the Underwriters no later than four (4) business days after the Closing Date to enable the Underwriters to comply with MSRB Rule G-32.

6. Representations, Warranties and Agreements to Survive Delivery. The representations, warranties, indemnities, agreements and other statements of the District and the

Underwriters set forth in or made pursuant to this Agreement will remain operative and in full force and effect and will survive delivery of and payment for the Bonds.

7. Payment of Costs and Expenses.

(a) Except as set forth in paragraph 7(b), all costs and expenses incident to the execution and performance of this Bond Purchase Agreement and to the sale and delivery of the Bonds to the Underwriters, including, but not limited to, the fees and expenses of Bond Counsel, District's counsel, all fees and expenses of the Trustee, all costs and expenses of preparing, printing and distributing the Official Statement, the Bonds, this Agreement, the Series Resolution, the Master Trust Indenture, the Escrow Agreements and related documents, rating agency fees and all governmental filing and recording fees and expenses, shall be payable by the District.

(b) The District has agreed to pay the Underwriters' discount set forth in paragraph 3 of this Bond Purchase Agreement, and inclusive in the expense component of the Underwriters' discount are actual expenses incurred or paid for by the Underwriters on behalf of the District in connection with the marketing, issuance and delivery of the Bonds, including, but not limited to, advertising expenses, fees and expenses of Underwriters' counsel, the costs of any Preliminary and Final Blue Sky Memoranda, CUSIP fees, and transportation, lodging, and meals for the District's employees and representatives.

8. Termination of Agreement. The Underwriters shall have the right to cancel their obligation to purchase the Bonds and to terminate this Agreement by written notice to the District if, between the date hereof and the Closing Date, in the Representative's sole and reasonable judgment any of the following events shall occur (each a "Termination Event"):

(a) the market price or marketability of the Bonds, or the ability of the Underwriters to enforce contracts for the sale of the Bonds, shall be materially adversely affected by any of the following events:

(i) legislation shall have been enacted by the Congress of the United States or the legislature of the State or shall have been favorably reported out of committee of either body or be pending in committee of either body, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision shall have been rendered by a court of the United States or the State or the Tax Court of the United States, or a ruling, resolution, regulation or temporary regulation, release or announcement shall have been made or shall have been proposed to be made by the Treasury Department of the United States or the Internal Revenue Service, or other federal or state authority with appropriate jurisdiction, with respect to federal or state taxation upon interest received on obligations of the general character of the Bonds; provided that, this paragraph (a)(i) shall not apply to the Series 2017A Bonds being issued as taxable Bonds; or



(ii) there shall have occurred (1) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war, (2) any other calamity or crisis in the financial markets of the United States or elsewhere, (3) the sovereign debt rating of the United States is downgraded by any major credit rating agency or a payment default occurs on United States Treasury obligations, or (4) a default with respect to the debt obligations of, or the institution of proceedings under any federal bankruptcy laws by or against, any state of the United States or any city, county or other political subdivision located in the United States having a population of over 500,000; or

(iii) a general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the SEC or any other governmental authority having jurisdiction; or

(iv) legislation shall have been enacted by the Congress of the United States or shall have been favorably reported out of committee or be pending in committee, or shall have been recommended to the Congress for passage by the President of the United States or a member of the President's Cabinet, or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the SEC or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that any obligations of the general character of the Bonds, the Master Indenture or the Series Resolution, or any comparable securities of the District, are not exempt from the registration, qualification or other requirements of the Securities Act or the Trust Indenture Act or otherwise, or would be in violation of any provision of the federal securities laws; or

(v) except as disclosed in or contemplated by the Official Statement, any material adverse change in the affairs of the District shall have occurred; or

(vi) any rating on obligations on a parity with the Bonds is reduced or withdrawn or placed on credit watch with negative outlook by any major credit rating agency; or

(b) any event or circumstance shall exist that either makes untrue or incorrect in any material respect any statement or information in the Official Statement (other than any statement provided by the Underwriters) or is not reflected in the Official Statement but should be reflected therein in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and, in either such event, the District refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as so supplemented is to materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds; or

(c) a general banking moratorium shall have been declared by federal or State authorities having jurisdiction and be in force; or

(d) a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred; or

(e) any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a charge to the net capital requirements of, underwriters shall have been established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order; or

(f) a decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as contemplated by this Agreement or by the Official Statement, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act, the Securities Exchange Act and the Trust Indenture Act.

If this Bond Purchase Agreement shall be terminated pursuant to paragraph 4 or this paragraph 8, or if the purchase provided for herein is not consummated because any condition to our obligation hereunder is not satisfied or because of any refusal, inability or failure on the part of the District to comply with any of the terms or to fulfill any of the conditions of this Bond Purchase Agreement, or if for any reason the District shall be unable to perform all of its obligations under this Bond Purchase Agreement, the District shall not be liable to us for damages on account of loss of anticipated profits or other damages arising out of the transactions covered by this Bond Purchase Agreement, but the District shall remain liable for all costs and expenses related to this Bond Purchase Agreement and the Bonds to the extent provided in paragraph 7 hereof, and the District shall pay all out-of-pocket expenses incurred by us in contemplation of the purchase and sale of the Bonds.

9. Establishment of Issue Price.

(a) The Representative, on behalf of the Underwriters, agrees to assist the District in establishing the issue price of the Series 2017B Bonds and shall execute and deliver to the District at Closing an “issue price” or similar certificate substantially in the form attached hereto as Appendix II, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the District and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Series 2017B Bonds. All actions to be taken by the District under this section to establish the issue price of the Series 2017B Bonds may be taken on behalf of the District by the District’s municipal advisor identified herein and any notice or report to be provided to the District may be provided to the District’s municipal advisor.

(b) The District will treat the first price at which 10% of each maturity of the Series 2017B Bonds (the “10% test”) is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). As of the time of execution of this Bond Purchase Agreement, the Representative confirms to the District that the price or prices at which the Underwriters have sold to the public at least 10% of each maturity of Series 2017B Bonds are set forth in Appendix II and that the 10% test has been satisfied as to each maturity of the Series 2017B Bonds.

(c) The Representative confirms that:

(i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the Representative is a party) relating to the initial sale of the Series 2017B Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Series 2017B Bonds of each maturity allotted to it until it is notified by the Representative that either the 10% test has been satisfied as to the Series 2017B Bonds of that maturity or all Series 2017B Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative and as set forth in the related pricing wires, and

(ii) any agreement among underwriters relating to the initial sale of the Series 2017B Bonds to the public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Series 2017B Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Series 2017B Bonds of each maturity allotted to it until it is notified by the Representative or the Underwriter that either the 10% test has been satisfied as to the Series 2017B Bonds of that maturity or all Series 2017B Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Representative or the Underwriter and as set forth in the related pricing wires.

(d) The Underwriters acknowledge that sales of any Series 2017B Bonds to any person that is a related party to an Underwriter shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

(i) “public” means any person other than an underwriter or a related party,

(ii) “underwriter” means (A) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Series 2017B Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Series 2017B Bonds to the public (including a member of a selling group or a

party to a retail distribution agreement participating in the initial sale of the Series 2017B Bonds to the public),

(iii) a purchaser of any of the Series 2017B Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “sale date” means the date of execution of this Bond Purchase Agreement by all parties.

10. Notices and Governing Law. All communications hereunder shall be in writing and, except as otherwise provided, shall be delivered at, or mailed or telegraphed to, the following addresses: if to the Underwriters, to Wells Fargo Bank, National Association, at 150 East 42<sup>nd</sup> Street, 25<sup>th</sup> Floor, MAC J061-250, New York, NY 10017, Attention: Craig A. Hrinkevich, Managing Director; if to the District, addressed to it at 523 East Capitol Avenue, Joe Foss Building-Lower Level, Pierre, South Dakota 57501-3182, Attention: James F. Feeney. This Bond Purchase Agreement shall be governed by and construed in accordance with the laws of the State of South Dakota.

11. Parties in Interest. This Agreement shall be binding upon and shall inure to the benefit of the Underwriters and the District, and, to the extent expressed, any person controlling the District, the Underwriters and their respective executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. The term “successors and assigns” shall not include any purchaser of the Bonds, as such purchaser, from the Underwriters.

12. Time. Time shall be of the essence of this Bond Purchase Agreement.

13. Counterparts. This Bond Purchase Agreement may be executed in any number of counterparts.

If the foregoing is in accordance with your understanding of the Agreement, kindly sign and return to us the enclosed duplicate copies hereof, whereupon it will become a binding agreement between the District and the Underwriters in accordance with its terms.

Very truly yours,

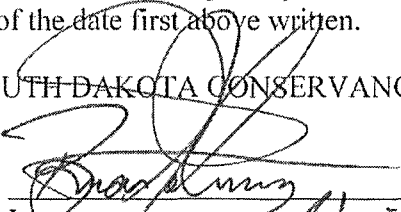
WELLS FARGO BANK, NATIONAL ASSOCIATION

By   
Its Managing Director

Executed August 4, 2017,  
at 9:23 o'clock A.M. CT

Confirmed and accepted by the District adopted  
as of the date first above written.

SOUTH DAKOTA CONSERVANCY DISTRICT

By   
Its Chairman

## **APPENDIX I**

### **SUMMARY OF TERMS OF THE SERIES 2017 BONDS**

**South Dakota Conservancy District  
State Revolving Fund Program Bonds, Series 2017  
Taxable Revenue Bonds, Series 2017A**

1. The Series 2017A Bonds are subject to redemption prior to maturity at any time at the price described at page 35 in the Preliminary Official Statement, except that “20 basis points” shall be substituted for “\_\_ basis points” in clause (ii) under “Optional Make-Whole Redemption Series 2017A Bonds.”

BOND PRICING  
 South Dakota Conservancy District  
 Taxable Revenue Bonds, Series 2017A

Bond Component	Maturity Date	Amount	Rate	Yield	Price
Serial Bonds:					
	08/01/2018	3,445,000	1.410%	1.410%	100.000
	08/01/2019	3,555,000	1.593%	1.593%	100.000
	08/01/2020	3,055,000	1.786%	1.786%	100.000
	08/01/2021	3,105,000	1.949%	1.949%	100.000
	08/01/2022	3,570,000	2.149%	2.149%	100.000
		16,730,000			

Dated Date	08/23/2017	
Delivery Date	08/23/2017	
First Coupon	02/01/2018	
Par Amount	16,730,000.00	
Original Issue Discount		
Production	16,730,000.00	100.000000%
Underwriter's Discount	-42,404.99	-0.253467%
Purchase Price	16,687,595.01	99.746533%
Accrued Interest		
Net Proceeds	16,687,595.01	



**South Dakota Conservancy District**  
**State Revolving Fund Program Bonds, Series 2017**  
**Revenue Bonds, Series 2017B**

1. The Series 2017B Bonds having a stated maturity on or after August 1, 2028, are subject to redemption prior to maturity on or after August 1, 2027, at a redemption price of 100% of the principal amount plus accrued interest.

2. The Series 2017B Bonds are subject to redemption and payment prior to maturity on November 1, 2018, and November 1, 2020, in such amounts on each such date as are necessary to maintain the exclusion from gross income for federal income tax purposes of the interest on the Series 2017B Bonds. The redemption price for any such redemption shall be 103% of the amortized issue price as follows, plus accrued interest on the principal amount redeemed to the date of redemption.

South Dakota Conservancy District  
 Series 2017B  
 Extraordinary Mandatory Redemption Prices

November 1, 2018			
<u>Maturity</u>	<u>Original</u>		<u>Amortized</u>
8/1/2018	5,102.15	1,362,274.05	-
8/1/2019	5,296.20	1,567,675.20	5,115.15
8/1/2020	5,141.45	1,578,425.15	5,084.70
8/1/2021	5,751.70	1,800,282.10	5,528.10
8/1/2022	5,911.05	1,944,735.45	5,696.50
8/1/2023	6,034.95	4,803,820.20	5,834.25
8/1/2024	6,138.00	5,143,644.00	5,951.35
8/1/2025	6,212.05	5,460,391.95	6,040.70
8/1/2026	6,287.35	8,255,290.55	6,128.00
8/1/2027	6,330.40	8,659,987.20	6,184.75
8/1/2027	5,000.00	5,000.00	5,000.00
8/1/2028	6,258.85	8,036,363.40	6,121.90
8/1/2029	6,208.30	7,487,209.80	6,077.40
8/1/2030	6,163.25	5,768,802.00	6,037.75
8/1/2031	6,128.45	6,968,047.65	6,007.05
8/1/2032	6,093.90	7,001,891.10	5,976.60
8/1/2032	5,000.00	230,000.00	5,000.00
8/1/2033	6,064.50	3,414,313.50	5,950.65
8/1/2034	6,040.10	3,563,659.00	5,929.10
8/1/2035	6,025.55	3,741,866.55	5,916.20
8/1/2036	6,025.55	3,922,633.05	5,903.35
8/1/2037	6,025.55	4,121,476.20	5,894.80

South Dakota Conservancy District  
 Series 2017B  
 Extraordinary Mandatory Redemption Prices

<b>November 1, 2020</b>			
<u>Maturity</u>	<u>Original</u>		<u>Amortized</u>
8/1/2018	5,102.15	1,362,274.05	-
8/1/2019	5,296.20	1,567,675.20	-
8/1/2020	5,141.45	1,578,425.15	-
8/1/2021	5,751.70	1,800,282.10	5,145.55
8/1/2022	5,911.05	1,944,735.45	5,328.85
8/1/2023	6,034.95	4,803,820.20	5,489.50
8/1/2024	6,138.00	5,143,644.00	5,629.80
8/1/2025	6,212.05	5,460,391.95	5,744.75
8/1/2026	6,287.35	8,255,290.55	5,852.20
8/1/2027	6,330.40	8,659,987.20	5,932.10
8/1/2027	5,000.00	5,000.00	5,000.00
8/1/2028	6,258.85	8,036,363.40	5,883.80
8/1/2029	6,208.30	7,487,209.80	5,849.55
8/1/2030	6,163.25	5,768,802.00	5,818.95
8/1/2031	6,128.45	6,968,047.65	5,795.25
8/1/2032	6,093.90	7,001,891.10	5,771.65
8/1/2032	5,000.00	230,000.00	5,000.00
8/1/2033	6,064.50	3,414,313.50	5,751.55
8/1/2034	6,040.10	3,563,659.00	5,734.85
8/1/2035	6,025.55	3,741,866.55	5,724.90
8/1/2036	6,025.55	3,922,633.05	5,714.90
8/1/2037	6,025.55	4,121,476.20	5,708.25

BOND PRICING

South Dakota Conservancy District  
Revenue Bonds, Series 2017B

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Premium (-Discount)
Serial Bonds:							
	08/01/2018	1,335,000	3.000%	0.810%	102.043		27,274.05
	08/01/2019	1,480,000	4.000%	0.910%	105.924		87,675.20
	08/01/2020	1,535,000	2.000%	1.020%	102.829		43,425.15
	08/01/2021	1,565,000	5.000%	1.090%	115.034		235,282.10
	08/01/2022	1,645,000	5.000%	1.190%	118.221		299,735.45
	08/01/2023	3,980,000	5.000%	1.360%	120.699		823,820.20
	08/01/2024	4,190,000	5.000%	1.530%	122.760		953,644.00
	08/01/2025	4,395,000	5.000%	1.720%	124.241		1,065,391.95
	08/01/2026	6,565,000	5.000%	1.860%	125.747		1,690,290.55
	08/01/2027	6,840,000	5.000%	2.030%	126.608		1,819,987.20
	08/01/2028	6,420,000	5.000%	2.170%	125.177 C	2.373%	1,616,363.40
	08/01/2029	6,030,000	5.000%	2.270%	124.166 C	2.628%	1,457,209.80
	08/01/2030	4,680,000	5.000%	2.360%	123.265 C	2.839%	1,088,802.00
	08/01/2031	5,685,000	5.000%	2.430%	122.569 C	3.006%	1,283,047.65
	08/01/2032	5,745,000	5.000%	2.500%	121.878 C	3.152%	1,256,891.10
	08/01/2033	2,815,000	5.000%	2.560%	121.290 C	3.275%	599,313.50
	08/01/2034	2,950,000	5.000%	2.610%	120.802 C	3.377%	613,659.00
	08/01/2035	3,105,000	5.000%	2.640%	120.511 C	3.456%	636,866.55
	08/01/2036	3,255,000	5.000%	2.670%	120.220 C	3.527%	658,161.00
	08/01/2037	3,420,000	5.000%	2.690%	120.026 C	3.585%	684,889.20
		77,635,000					16,941,729.05
Bifurcated Bond Component:							
	08/01/2027	5,000	2.125%	2.125%	100.000		
	08/01/2032	230,000	3.000%	3.000%	100.000		
		235,000					
		77,870,000					16,941,729.05

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BOND PRICING

South Dakota Conservancy District Revenue Bonds, Series 2017B

Dated Date	08/23/2017	
Delivery Date	08/23/2017	
First Coupon	02/01/2018	
Par Amount	77,870,000.00	
Premium	16,941,729.05	
Production	94,811,729.05	121.756426%
Underwriter's Discount	-301,285.26	-0.386908%
Purchase Price	94,510,443.79	121.369518%
Accrued Interest		
Net Proceeds	94,510,443.79	

## APPENDIX II

### STATE REVOLVING FUND PROGRAM BONDS, SERIES 2017B

#### ISSUE PRICE CERTIFICATE

The undersigned, on behalf of the WELLS FARGO BANK, NATIONAL ASSOCIATION, the “Representative”, on behalf of itself and J.P. MORGAN SECURITIES, LLC (together, the “Underwriting Group”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. ***Sale of the Series 2017B Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Defined Terms.***

(a) *District* means South Dakota Conservancy District.

(b) *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

(c) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(d) *Underwriter* means (i) any person that agrees pursuant to a written contract with the District (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Representative’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the District with respect to certain of the representations set forth in the [Tax Certificate] and with respect to compliance with the federal income tax rules affecting the Bonds, and by Perkins Coie LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the

Internal Revenue Service Form 8038-G and other federal income tax advice that it may give to the District from time to time relating to the Bonds.

WELLS FARGO BANK, NATIONAL  
ASSOCIATION

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

Name: \_\_\_\_\_

Dated: August \_\_, 2017

**SCHEDULE A**  
**SALE PRICES OF THE SERIES 2017B BONDS**  
*(Attached)*



BOND PRICING

South Dakota Conservancy District  
Revenue Bonds, Series 2017B

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Premium (-Discount)
Serial Bonds:							
	08/01/2018	1,335,000	3.000%	0.810%	102.043		27,274.05
	08/01/2019	1,480,000	4.000%	0.910%	105.924		87,675.20
	08/01/2020	1,535,000	2.000%	1.020%	102.829		43,425.15
	08/01/2021	1,565,000	5.000%	1.090%	115.034		235,282.10
	08/01/2022	1,645,000	5.000%	1.190%	118.221		299,735.45
	08/01/2023	3,980,000	5.000%	1.360%	120.699		823,820.20
	08/01/2024	4,190,000	5.000%	1.530%	122.760		953,644.00
	08/01/2025	4,395,000	5.000%	1.720%	124.241		1,065,391.95
	08/01/2026	6,565,000	5.000%	1.860%	125.747		1,690,290.55
	08/01/2027	6,840,000	5.000%	2.030%	126.608		1,819,987.20
	08/01/2028	6,420,000	5.000%	2.170%	125.177 C	2.373%	1,616,363.40
	08/01/2029	6,030,000	5.000%	2.270%	124.166 C	2.628%	1,457,209.80
	08/01/2030	4,680,000	5.000%	2.360%	123.265 C	2.839%	1,088,802.00
	08/01/2031	5,685,000	5.000%	2.430%	122.569 C	3.006%	1,283,047.65
	08/01/2032	5,745,000	5.000%	2.500%	121.878 C	3.152%	1,256,891.10
	08/01/2033	2,815,000	5.000%	2.560%	121.290 C	3.275%	599,313.50
	08/01/2034	2,950,000	5.000%	2.610%	120.802 C	3.377%	613,659.00
	08/01/2035	3,105,000	5.000%	2.640%	120.511 C	3.456%	636,866.55
	08/01/2036	3,255,000	5.000%	2.670%	120.220 C	3.527%	658,161.00
	08/01/2037	3,420,000	5.000%	2.690%	120.026 C	3.585%	684,889.20
		77,635,000					16,941,729.05
Bifurcated Bond Component:							
	08/01/2027	5,000	2.125%	2.125%	100.000		
	08/01/2032	230,000	3.000%	3.000%	100.000		
		235,000					
		77,870,000					16,941,729.05