(This Notice to be posted)

NOTICE AND CALL OF PUBLIC MEETING

Governmental Body:	The Board of Supervisors of Mitchell County, State of Iowa.
Date of Meeting:	February 16, 2010.
Time of Meeting:	9:30 o'clock A.M.
Place of Meeting:	Board Room, County Courthouse, 508 State Street, Osage, Iowa.

PUBLIC NOTICE IS HEREBY GIVEN that the above mentioned governmental body will meet at the date, time and place above set out. The tentative agenda for said meeting is as follows:

$390,000 Sewer Revenue Capital Loan Notes, Series 2010.

- Approval of Tax Exemption Certificate

#168-10 Resolution approving and authorizing a form of Loan Agreement and authorizing and providing for the issuance of Capital Loan Notes and providing for a method of payment of said Notes.

Such additional matters as are set forth on the additional 1 page(s) attached hereto.
(number)

This notice is given at the direction of the Chairperson pursuant to Chapter 21, Code of Iowa, and the local rules of said governmental body.

Lowell Thoen

County Auditor, Mitchell County, State of Iowa

February 16, 2010

The Board of Supervisors of Mitchell County, State of Iowa, met in regular session, in the Board Room, County Courthouse, 508 State State, Osage, Iowa, at 9:30 o'clock A .M., on the above date. There were present Chairperson Walk, in the chair, and the following named Board Members:

Mansell, Oaklander,

Walk

Absent: None

* * * * * * * * *

Board Member VoakVander moved that the form of Tax Exemption Certificate be placed on file and approved. Board Member Marreel seconded the motion and the roll being called thereon, the vote was as follows:

AYES: VoakVander
Marreel
Walk

NAYS: None

Board Member Marreel introduced the following Resolution entitled "A RESOLUTION APPROVING AND AUTHORIZING A FORM OF LOAN AGREEMENT AND AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SECURING THE PAYMENT OF $390,000 SEWER REVENUE CAPITAL LOAN NOTES, SERIES 2010, OF MITCHELL COUNTY, STATE OF IOWA, UNDER THE PROVISIONS OF THE CODE OF IOWA, AND PROVIDING FOR A METHOD OF PAYMENT OF SAID NOTES", and moved its adoption. Board Member VoakVander seconded the motion to adopt. The roll was called and the vote was:

AYES: Marreel
VoakVander
Walk

NAYS: None

Whereupon the Chairperson declared the following Resolution duly adopted:

A RESOLUTION APPROVING AND AUTHORIZING A FORM OF LOAN AGREEMENT AND AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SECURING THE PAYMENT OF $390,000 SEWER REVENUE CAPITAL LOAN NOTES, SERIES 2010,OF MITCHELL COUNTY, STATE OF IOWA, UNDER THE PROVISIONS OF THE CODE OF IOWA, AND PROVIDING FOR A METHOD OF PAYMENT OF SAID NOTES

WHEREAS, the Board of Supervisors of Mitchell County, State of Iowa, sometimes hereinafter referred to as the "Issuer", has heretofore established charges, rates and rentals for services which are and will continue to be collected as system revenues of the City of Carpenter Sewer Utility, sometimes hereinafter referred to as the "System", and said revenues have not been pledged and are available for the payment of Sewer Revenue Capital Loan Notes, Series 2010, subject to the following premises; and

WHEREAS, Issuer proposes to issue its Sewer Revenue Capital Loan Notes, Series 2010, to the extent of $390,000, for the purpose of defraying the costs of the project as set forth in Section 4 of this Resolution; and, it is deemed necessary and advisable and in the best interests of the Issuer that a form of Loan Agreement be approved and authorized; and

WHEREAS, the Issuer intends to obtain assistance from the United States Department of Agriculture (herein called the Government), acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) in the planning, financing and supervision of such undertaking and in the purchasing of such revenue notes lawfully issued in the event that no other acceptable purchaser for such notes is found by the Issuer and in connection therewith has adopted the Loan Resolution which resolution by its terms takes precedence in the event of conflict over this resolution; and

WHEREAS, the notice of intention of Issuer to take action for the issuance of $390,000 Sewer Revenue Capital Loan Notes, Series 2010, has heretofore been duly published and no objections to such proposed action have been filed:

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF SUPERVISORS OF MITCHELL COUNTY, STATE OF IOWA:

Section 1. Definitions. The following terms shall have the following meanings in this Resolution unless the text expressly or by necessary implication requires otherwise:

□ "Auditor" shall mean the County Auditor or such other officer of the successor governing body as shall be charged with substantially the same duties and responsibilities.

□ "Consulting Engineers" shall mean an independent firm of consulting engineers not in the regular employ of the Issuer.

□ "Corporate Seal" shall mean the official seal of Issuer adopted by the governing body.

□ "Fiscal Year" shall mean the twelve months' period beginning on July 1 of each year and ending on the last day of June of the following year, or any other consecutive twelve-month period adopted by the governing body or by law as the official accounting period of the System.

□ "Governing Body" shall mean the Board of the Issuer, or its successor in function with respect to the operation and control of the System.

□ "Government" shall mean the United States of America acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) (formerly administered by the Farmers Home Administration) and represented in this transaction by officers of Rural Development.

□ "Independent Auditor" shall mean an independent firm of Certified Public Accountants or the Auditor of State.

□ "Issuer" and "County" shall mean Mitchell County, State of Iowa.

□ "Loan Agreement" shall mean a Loan Agreement between the Issuer and a lender or lenders in substantially the form attached to and approved by this Resolution.

□ "Loan Resolutions" shall mean the Loan Resolutions (RUS Bulletin 1780-27) entered into between the Issuer and the Government, dated August 7, 2008 and April 6, 2009 (Exhibit A).

□ "Net Revenues" shall mean gross earnings of the System after deduction of current expenses; "Current Expenses" shall mean and include the reasonable and necessary cost of operating, maintaining, repairing and insuring the System, including purchases at wholesale, if any, salaries, wages, and costs of materials and supplies, but excluding depreciation and principal of and interest on the Notes and any Parity Obligations or payments to the various funds established herein; capital costs, depreciation and interest or principal payments are not system expenses.

□ "Notes" or "Note" shall mean two fully registered Sewer Revenue Capital Loan Note, Series 2010, in the aggregate amount of $390,000, authorized to be issued by this Resolution.

□ "Original Purchaser" shall mean the purchaser of the Notes from Issuer at the time of their original issuance.

□ "Parity Obligations" shall mean Sewer Revenue notes, bonds or other obligation payable solely from the Net Revenues of the System on an equal basis with the notes herein authorized to be issued and shall include "Additional Obligations" as authorized to be issued under the terms of this Resolution.

All of the above notes remain outstanding and unpaid and are held solely by the Government.

□ "Paying Agent" shall be the County Treasurer, or such successor as may be approved by Issuer as provided herein and who shall carry out the duties prescribed herein as Issuer's Agent to provide for the payment of principal of and interest on the Notes as the same shall become due.

□ "Permitted Investments" shall mean:

■ direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America;

■ cash (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized with obligations described in the above paragraph;

■ obligations of any of the following federal agencies which obligations represent full faith and credit of the United States of America, including:

- Export - Import Bank
- Farm Credit System Financial Assistance Corporation
- USDA Rural Development
- General Services Administration
- U.S. Maritime Administration
- Small Business Administration
- Government National Mortgage Association (GNMA)
- U.S. Department of Housing & Urban Development (PHA's)
- Federal Housing Administration

■ repurchase agreements whose underlying collateral consists of the investments set out above if the Issuer takes delivery of the collateral either directly or through an authorized custodian. Repurchase agreements do not include reverse repurchase agreements;

- senior debt obligations rated "AAA" by Standard & Poor's Corporation (S&P) or "Aaa" by Moody's Investors Service Inc. (Moody's) issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation;

- U.S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks which have a rating on their short-term certificates of deposit on the date of purchase of "A-1" or "A-1+" by S&P or "P-1" by Moody's and maturing no more than 360 days after the date of purchase (ratings on holding companies are not considered as the rating of the bank);

- commercial paper which is rated at the time of purchase in the single highest classification, "A-1+" by S&P or "P-1" by Moody's and which matures not more than 270 days after the date of purchase;

- investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P;

- pre-refunded Municipal Obligations are defined as follows:

  - any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and (a) which are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of S&P or Moody's or any successors thereto; or (b) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or direct obligations of the Department of the Treasury of the United States of America, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate; and (ii) which escrow is sufficient, as

verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

- tax exempt bonds as defined and permitted by section 148 of the Internal Revenue Code and applicable regulations and only if rated within the two highest classifications as established by at least one of the standard rating services approved by the superintendent of banking by rule adopted pursuant to chapter 17A Code of Iowa;

- an investment contract rated within the two highest classifications as established by at least one of the standard rating services approved by the superintendent of banking by rule adopted pursuant to chapter 17A Code of Iowa; and

- Iowa Public Agency Investment Trust.

□ "Project" shall mean the costs of construction of a central wastewater collection and treatment system for the City of Carpenter, Iowa, and refunding any outstanding interim financing with accrued interest thereon issued in payment for said project.

□ "Project Fund" or "Construction Account" shall mean the fund required to be established by this Resolution for the deposit of the proceeds of the Notes.

□ "Rebate Fund" shall mean the fund so defined in and established pursuant to the Tax Exemption Certificate.

□ "Registrar" shall be County Treasurer of Mitchell County, or such successor as may be approved by Issuer as provided herein and who shall carry out the duties prescribed herein with respect to maintaining a register of the owners of the Notes. Unless otherwise specified, the Registrar shall also act as Transfer Agent for the Notes.

□ "Reserve Fund Requirement" shall mean an amount equal to the lesser of (a) the maximum annual amount of the principal and interest coming due on the

Notes and Parity Obligations; (b) 10 percent of the stated principal amount of the Notes and Parity Obligations or (c) 125% of the average annual principal and interest coming due on the Notes and Parity Obligations. For purposes of this definition: (1) "issue price" shall be substituted for "stated principal amount" for issues with original issue discount or original issue premium of more than a de minimus amount and (2) stated principal amount shall not include any portion of an issue refunded or advance refunded by a subsequent issue.

□ "System" shall mean the City of Carpenter Sewer Utility of the Issuer and all properties of every nature hereinafter owned by the Issuer comprising part of or used as a part of the System, including all improvements and extensions made by Issuer while any of the Notes or Parity Obligations remain outstanding; all real and personal property; and all appurtenances, contracts, leases, franchises and other intangibles.

□ "Tax Exemption Certificate" shall mean the Tax Exemption Certificate executed by the Treasurer and delivered at the time of issuance and delivery of the Notes.

□ "Treasurer" shall mean the Treasurer of Mitchell County or such other officer as shall succeed to the same duties and responsibilities with respect to the recording and payment of the Notes issued hereunder.

□ "Yield Restricted" shall mean required to be invested at a yield that is not materially higher than the yield on the Notes under section 148 (a) of the Internal Revenue Code or regulations issued thereunder.

Section 2. Authority. The Loan Agreement and the Notes authorized by this Resolution shall be issued pursuant to Sections 331.402 and 331.464, of the Code of Iowa, and in compliance with all applicable provisions of the Constitution and laws of the State of Iowa. The Loan Agreement shall be substantially in the form attached to this Resolution and is authorized to be executed and issued on behalf of the Issuer by the Chairperson and attested by the County Auditor.

Section 3. Authorization and Purpose. There are hereby authorized to be issued, two negotiable, fully registered Revenue Notes of Mitchell County, State of Iowa, to be designated as "Sewer Revenue Capital Loan Notes, Series 2010", to be at the request of the Government, the original purchaser, in the amount and denomination of $340,000 and $50,000 respectively, for the purpose of paying costs of construction of a central wastewater collection and treatment system for the City of Carpenter, Iowa, and refunding any outstanding interim financing with accrued interest thereon issued in payment for said project. The Board of Supervisors, pursuant to Sections 331.402 and

331.464 of the Code of Iowa, hereby finds and determines that it is necessary and advisable to issue said Notes authorized by the Loan Agreement and this Resolution.

Section 4. Source of Payment. The Notes herein authorized and Parity Notes and Bonds and the interest thereon shall be payable solely and only out of the net earnings of the System and shall be a first lien on the future net revenues of the System. The Notes shall not be general obligations of the Issuer nor shall they be payable in any manner by taxation and the Issuer shall be in no manner liable by reason of the failure of the said net revenues to be sufficient for the payment of the Notes.

Section 5. Note Details. Sewer Revenue Capital Loan Notes, Series 2010, of the Issuer in the aggregate amount of $390,000, shall be issued to evidence the obligations of the Issuer under the Loan Agreement pursuant to the provisions of Sections 331.402 and 331.464 of the Code of Iowa for the aforesaid purpose. The Notes shall be designated "SEWER REVENUE CAPITAL LOAN NOTES, SERIES 2010", be dated the date of delivery, and described as follows: RCLN - 1 in the principal amount of $340,000 and RCLN - 2 in the principal amount of $50,000 each bearing interest at a rate of 2.375% per annum, from the date thereof, until payment thereof, at the office of the Paying Agent.

The Note shall be executed by the manual signature of the Chairperson and attested by the manual signature of the County Auditor, and impressed with the seal of the Issuer and shall be fully registered as to both principal and interest as provided in this Resolution; principal, interest and premium, if any, shall be payable at the office of the Paying Agent by mailing of a check to the registered owner of the Note. The Note shall mature as follows:

RCLN #1: $340,000 Sewer Revenue Capital Loan Note at 2.375% interest rate

Interest only shall be payable monthly, commencing on March 25, 2010 and thereafter principal of and interest on the note shall become due in installments of $1,135.60 on March 25, 2012 and monthly thereafter until the principal and interest are fully paid, except that the final installments of the entire balance of principal and interest, if not sooner paid, shall become due and payable on February 25, 2050.

RCLN #2: $50,000 Sewer Revenue Capital Loan Note at 2.375% interest rate

Interest only shall be payable monthly, commencing on March 25, 2010 and thereafter principal of and interest on the note shall become due in installments of $167.00 on March 25, 2012 and monthly thereafter until the principal and interest are

fully paid, except that the final installments of the entire balance of principal and interest, if not sooner paid, shall become due and payable on February 25, 2050.

Section 6. Redemption of Notes Prior to Maturity. Notes that are held or insured by the Government, including the respective installments of principal corresponding thereto in the case of a Note, the principal of and interest on which are payable in installments, shall be subject to redemption and prepayment prior to maturity, in whole or in part at the option of the Issuer, on any date upon payment of the par value of the principal amount of Notes to be redeemed and prepaid, plus accrued interest thereon to the date fixed for redemption and prepayment, without premium.

Notes that are not held or insured by the Government (and the respective installments of principal corresponding thereto) shall be subject to redemption and prepayment prior to maturity at the option of the Issuer, as follows:

a. Such Notes are not subject to redemption prior to February 25, 2020 except as hereinafter provided.

b. Each of such Notes, and the respective installments of principal corresponding thereto in the case of a single note, the principal of and interest on which are payable in installments, shall be subject to redemption and payment at the option of the Issuer, in whole or in part, on February 25, 2020 or on any date thereafter in the principal amount thereof, plus accrued interest thereon to the date fixed for redemption and payment, without premium as follows:

Redemption Period
(Dates Inclusive)

All of such Notes becoming due in years 2021 to 2050 inclusive.

Notes (and the respective installments of principal corresponding thereto) to be redeemed shall be selected by the Registrar by such method as the Registrar may deem equitable, or in the inverse order of the maturity dates of principal installments in the case of a Note, the principal and the interest on which are payable in annual installments.

Section 7. Registration of Notes; Appointment of Registrar; Transfer; Ownership; Delivery; and Cancellation.

a. Registration. The ownership of Notes may be transferred only by the making of an entry upon the books kept for the registration and transfer of ownership of the Notes, and in no other way. Such registration is to be noted on the reverse side of the Notes by the County Treasurer who is hereby appointed as Note Registrar under the terms of this Resolution. Registrar shall maintain the books of the Issuer for the registration of ownership of the Notes for the payment of principal of and interest on the Notes as provided in this Resolution. All Notes shall be negotiable as provided in Article 8 of the Uniform Commercial Code subject to the provisions for registration and transfer contained in the Notes and in this Resolution.

b. Transfer. The ownership of any Note may be transferred only upon the Registration Books kept for the registration and transfer of Notes and only upon surrender thereof at the office of the Registrar together with an assignment duly executed by the holder or his duly authorized attorney in fact in such form as shall be satisfactory to the Registrar, along with the address and social security number or federal employer identification number of such transferee (or, if registration is to be made in the name of multiple individuals, of all such transferees). In the event that the address of the registered owner of a Note (other than a registered owner which is the nominee of the broker or dealer in question) is that of a broker or dealer, there must be disclosed on the Registration Books the information pertaining to the registered owner required above. Upon the transfer of any such Note, the Registrar shall note the transfer on the back of such Note and deliver the same to the new owner or as otherwise directed by him. If necessary, the Registrar shall cause to be prepared a new Note which may be substituted for the old Note which shall be canceled.

c. Registration of Transferred Notes. In all cases of the transfer of the Notes, the Registrar shall register, at the earliest practicable time, on the Registration Books, the Notes, in accordance with the provisions of this Resolution.

d. Ownership. As to any Note, the person in whose name the ownership of the same shall be registered on the Registration Books of the Registrar shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of any such Notes and the premium, if any, and interest thereon shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note, including the interest thereon, to the extent of the sum or sums so paid.

e. Cancellation. All Notes which have been redeemed shall not be reissued but shall be canceled by the Registrar. All Notes which are canceled by the Registrar shall be destroyed and a Certificate of the destruction thereof shall be

furnished promptly to the Issuer; provided that if the Issuer shall so direct, the Registrar shall forward the canceled Notes to the Issuer.

f. Non-Presentment of Notes. In the event any payment check representing payment of principal of or interest on the Notes is returned to the Paying Agent or if any note is not presented for payment of principal at the maturity or redemption date, if funds sufficient to pay such principal of or interest on Notes shall have been made available to the Paying Agent for the benefit of the owner thereof, all liability of the Issuer to the owner thereof for such interest or payment of such Notes shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the owner of such Notes who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Resolution or on, or with respect to, such interest or Notes. The Paying Agent's obligation to hold such funds shall continue for a period equal to two years and six months following the date on which such interest or principal became due, whether at maturity, or at the date fixed for redemption thereof, or otherwise, at which time the Paying Agent, shall surrender any remaining funds so held to the Issuer, whereupon any claim under this Resolution by the Owners of such interest or Notes of whatever nature shall be made upon the Issuer.

g. Registration and Transfer Fees. The Registrar may furnish to each owner, at the Issuer's expense, one note for each annual maturity. The Registrar shall furnish additional Notes in lesser denominations (but not less than the minimum denomination) to an owner who so requests.

Section 8. Reissuance of Mutilated, Destroyed, Stolen or Lost Notes. In case any outstanding Note shall become mutilated or be destroyed, stolen or lost, the Issuer shall at the request of Registrar authenticate and deliver a new Note of like tenor and amount as the Note so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Note to Registrar, upon surrender of such mutilated Note, or in lieu of and substitution for the Note destroyed, stolen or lost, upon filing with the Registrar evidence satisfactory to the Registrar and Issuer that such Note has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Registrar and Issuer with satisfactory indemnity and complying with such other reasonable regulations as the Issuer or its agent may prescribe and paying such expenses as the Issuer may incur in connection therewith.

Section 9. Record Date. Payments of principal and interest, otherwise than upon full redemption, made in respect of any Note, shall be made to the registered holder thereof or to their designated Agent as the same appear on the books of the Registrar on the 15th day of the month preceding the payment date. All such payments shall fully discharge the obligations of the Issuer in respect of such Notes to the extent of the

payments so made. Payment of principal shall only be made upon surrender of the Note to the Paying Agent.

Section 10. Execution, Authentication and Delivery of the Notes. Upon the adoption of this Resolution, the Chairperson and Auditor shall execute and deliver the Notes to the Registrar, who shall authenticate the Notes and deliver the same to or upon order of the Purchaser. No Note shall be valid or obligatory for any purpose or shall be entitled to any right or benefit hereunder unless the Registrar shall duly endorse and execute on such Note a Certificate of Authentication substantially in the form of the Certificate herein set forth. Such Certificate upon any Note executed on behalf of the Issuer shall be conclusive evidence that the Note so authenticated has been duly issued under this Resolution and that the holder thereof is entitled to the benefits of this Resolution.

Section 11. Right to Name Substitute Paying Agent or Registrar. Issuer reserves the right to name a substitute, successor Registrar or Paying Agent upon giving prompt written notice to each registered noteholder.

Section 12. Form of Note. The Note shall be printed in substantial compliance with standards proposed by the American Standards Institute substantially in the form as follows:

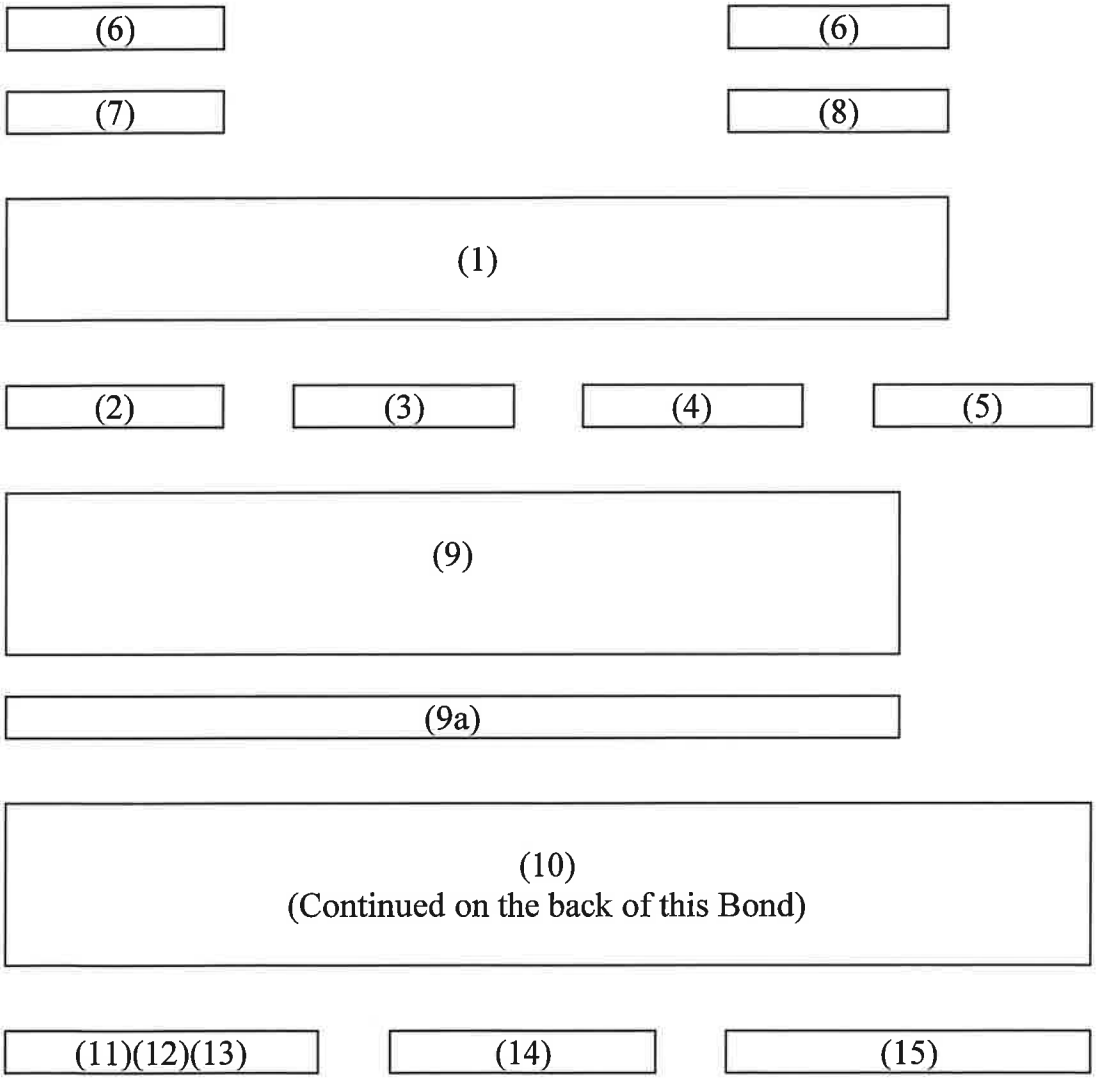


FIGURE 1
(Front)

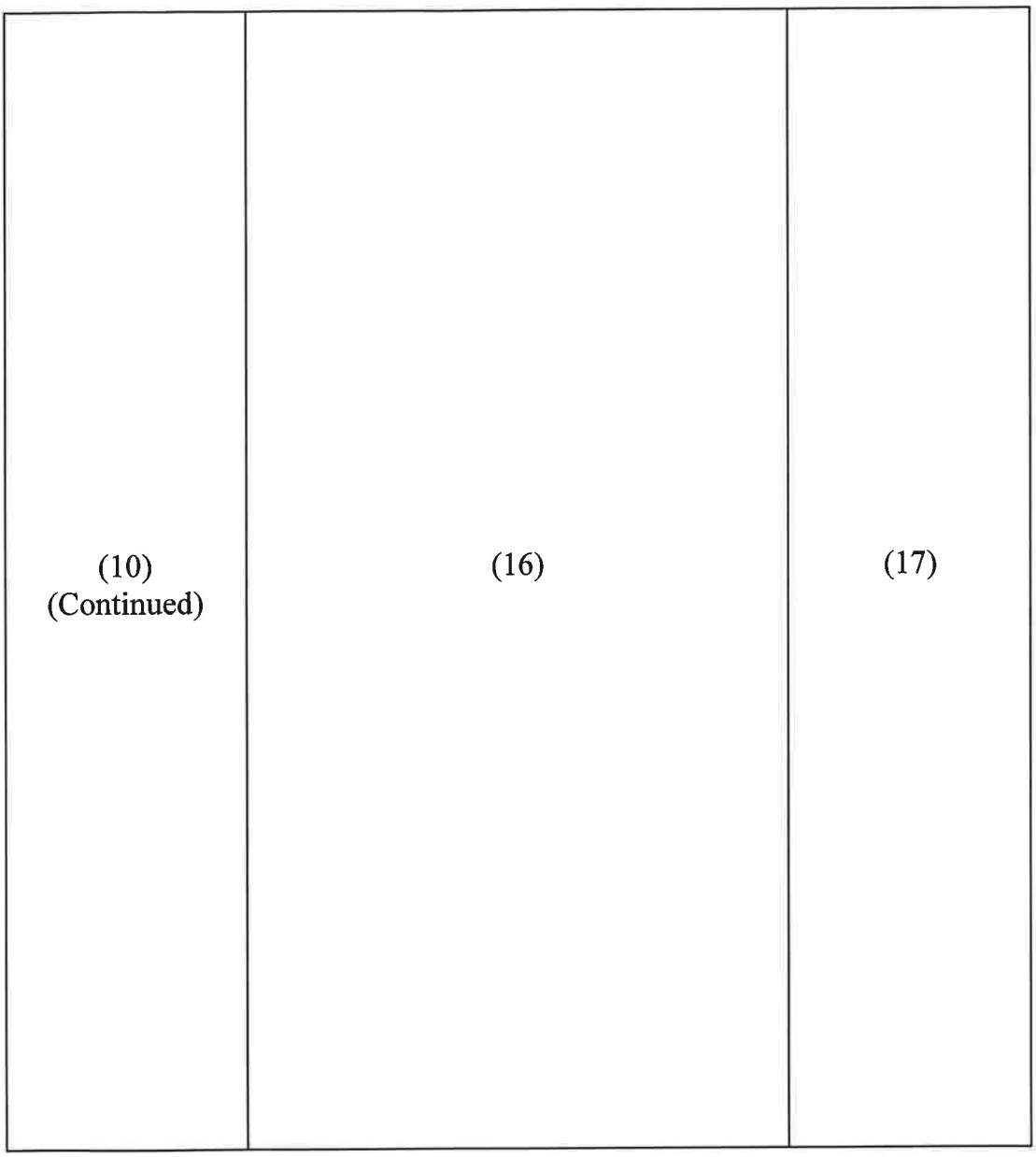


FIGURE 2
(Back)

The text of the Notes to be located thereon at the item numbers shown shall be as follows:

Item 1, figure 1 = "STATE OF IOWA"
"MITCHELL COUNTY"
"SEWER REVENUE CAPITAL LOAN NOTE"
"SERIES 2010"

Item 2, figure 1 = Rate: _____
Item 3, figure 1 = Maturity: _____
Item 4, figure 1 = Note Date: February 25, 2010
Item 6, figure 1 = "Registered"
Item 7, figure 1 = Certificate No. ___
Item 8, figure 1 = Principal Amount: $_____

Item 9, figure 1 = Mitchell County, State of Iowa, a political subdivision organized and existing under and by virtue of the Constitution and laws of the State of Iowa (the "Issuer"), for value received, promises to pay from the source and as hereinafter provided, on the maturity date indicated above, to

Item 9A, figure 1 = The owner of record of this Note (noted on the reverse hereof) or registered assigns,

Item 10, figure 1 = the principal sum of (principal amount written out) THOUSAND DOLLARS in lawful money of the United States of America, on the maturity date shown above, only upon presentation and surrender hereof at the office of the County Treasurer, Paying Agent of this issue, or its successor, with interest on said sum from the date hereof until paid at the rate per annum specified above, payable as follows:

Interest only shall be payable monthly, commencing March 25, 2010 and thereafter principal of and interest on the note shall become due in installments of _____ on March 25, 2012 and monthly thereafter until the principal and interest are fully paid, except that the final installments of the entire balance of principal and interest, if not sooner paid, shall become due and payable on February 25, 2050.

Interest and principal shall be paid to the registered holder of the Note as shown on the records of ownership maintained by the Registrar as of the 15th day of the month next preceding such interest payment date.

This Note is issued pursuant to the provisions of Sections 331.402 and 331.464 of the Code of Iowa, for the purpose of paying costs of construction of a central wastewater collection and treatment system for the City of Carpenter, Iowa, and refunding any

outstanding Capital Loan Note with accrued interest thereon issued in payment for said project, and in order to evidence the obligations of the Issuer under a certain Loan Agreement dated the date hereof, in conformity to a Resolution of the Board of Supervisors of said Issuer duly passed and approved. For a complete statement of the revenues and funds from which and the conditions under which this Note is payable, a statement of the conditions under which additional Notes or Bonds of equal standing may be issued, and the general covenants and provisions pursuant to which this Note is issued, reference is made to the above described Loan Agreement and Resolution.

Notes that are held or insured by the Government, including the respective installments of principal corresponding thereto in the case of a Note, the principal of and interest on which are payable in installments, shall be subject to redemption and prepayment prior to maturity, in whole or in part at the option of the Issuer, on any date upon payment of the par value of the principal amount of Notes to be redeemed and prepaid, plus accrued interest thereon to the date fixed for redemption and prepayment, without premium.

Notes not held or insured by the Government, are not subject to redemption prior to February 25, 2020. Such Notes, including installments of which are payable in installments maturing in the years 2021- 2050, inclusive, are subject to redemption and payment at the option of the Issuer in whole or in part on February 25, 2020, or on any date thereafter, in the principal amount thereof plus accrued interest thereof to date fixed for redemption and payment, without premium. Notice of prepayment of this Note or any installment of principal shall be given by registered mail deposited in the United States mail not less than thirty (30) days prior to prepayment date, postage prepaid, to the registered owner of this Note at the address of such owner as shown on the books of the Registrar.

This Note is registered as to ownership of principal and interest in the name of the holder on the books of the Issuer in the office of the Registrar, such registration to be endorsed by notation on the back hereof by the Registrar, after which no transfer shall be valid unless made on said books and similarly noted herein. The County Treasurer of Mitchell has been appointed to serve as Registrar of this Note. All Notes shall be negotiable as provided in Article 8 of the Uniform Commercial Code and Section 331.464(5) of the Code of Iowa, subject to the provisions for registration and transfer contained in the Notes and in the Note Resolution.

This Note, and any additional Obligations which may be hereafter issued and outstanding from time to time on a parity with said Notes, as provided in the Note Resolution and Loan Agreement of which notice is hereby given and which are hereby made a part hereof, are payable from and secured by a pledge of the net revenues of the City of Carpenter Sewer Utility (the "System"), as defined and provided in said Resolution. There has heretofore been established and the Issuer covenants and agrees

that it will maintain just and equitable rates or charges for the use of and service rendered by said System in each year for the payment of the proper and reasonable expenses of operation and maintenance of said System and for the establishment of a sufficient sinking fund to meet the principal of and interest on this Note, and other Obligations ranking on a parity therewith, as the same become due. This Note is not payable in any manner by taxation and under no circumstances shall the Issuer be in any manner liable by reason of the failure of said net earnings to be sufficient for the payment hereof.

This Note is a "qualified tax-exempt obligation" designated by the Issuer for purposes of Section 265(b)(3)(B) of the Internal Revenue Code of 1986.

And it is hereby represented and certified that all acts, conditions and things requisite, according to the laws and Constitution of the State of Iowa, to exist, to be had, to be done, or to be performed precedent to the lawful issue of this Note, have been existent, had, done and performed as required by law.

IN TESTIMONY WHEREOF, the Issuer by its Board of Supervisors has caused this Note to be signed by the manual signature of its Chairperson and attested by the manual signature of its County Auditor, with the seal of said Issuer impressed hereon, and authenticated by the manual signature of an authorized representative of the Registrar, County Treasurer.

Item 11, figure 1 = Date of Authentication:

Item 12, figure 1 = This is one of the Notes described in the within mentioned Resolution, as registered by County Treasurer

COUNTY TREASURER

By: _____
Registrar

Item 13, figure 1 = Registrar and Transfer Agent:

County Treasurer
Paying Agent: County Treasurer

Item 14, figure 1 = (Seal)

Item 15, figure 1 = [Signature Block]
MITCHELL COUNTY, STATE OF IOWA

By: _____(manual signature)
Chairperson

ATTEST:

By: _____(manual signature)
County Auditor

Item 16, figure 2 = Assignment of this Note may be made in writing substantially in the form below:

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto (name of Transferee) (Social Security or Tax Identification No. _____) the within Note and does hereby irrevocably constitute and appoint County Treasurer of Mitchell County, State of Iowa, Registrar, attorney in fact to transfer the said Note on the books kept for registration of the within Note, with full power of substitution in the premises.

Dated _____(Date)_____.

_____(Signature of registered owner(s))_____

(Person(s) executing this Assignment sign(s) here)

SIGNATURE)
GUARANTEED) (See note below)

IMPORTANT - READ CAREFULLY

The signature(s) to this Power must correspond with the name(s) as written upon the back of the Certificate(s) or Note(s) in every particular without alteration or enlargement or any change whatever. Signature guarantee must be provided in accordance with the prevailing standards and procedures of the Registrar and Transfer Agent. Such standards and procedures may require signature to be guaranteed by certain eligible guarantor institutions that participate in a recognized signature guarantee program.

Item 17, figure 2 = [Information Required for Registration--
Printer to Provide as Many Lines as Practicable]

REGISTRATION OF OWNERSHIP

Date of Registration	In Whose Name Registered	Signature of Registrar
	United States of America	
_____	_____	_____
_____	_____	_____
_____	_____	_____

INFORMATION REQUIRED FOR REGISTRATION OF TRANSFER

Name of Transferee(s) _____
Address of Transferee(s) _____
Social Security or Tax Identification Number of Transferee(s) _____
Transferee is a(n):

Individual*_____ Corporation _____
Partnership _____ Trust _____

*If the Note is to be registered in the names of multiple individual owners, the names of all such owners and one address and social security number must be provided.

The following abbreviations, when used in the inscription on the face of this Note, shall be construed as though written out in full according to applicable laws or regulations:

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with right of survivorship and not as tenants in common
IA UNIF TRANS MIN ACT - .....Custodian.....
(Cust) (Minor)
under Iowa Uniform Transfers
to Minors Act.....
(State)

Section 13. Equality of Lien. The timely payment of principal of and interest on the Notes and Parity Obligations shall be secured equally and ratably by the revenues of the System without priority by reason of number or time of sale or delivery; and the

revenues of the System are hereby irrevocably pledged to the timely payment of both principal and interest as the same become due.

Section 14. Application of Note Proceeds - Project Fund. Proceeds of the Notes shall be applied as follows:

□ The proceeds shall be deposited to the Project Fund and expended therefrom for the purposes of issuance.

Any amounts on hand in the Project Fund shall be available for the payment of the principal of or interest on the Notes at any time that other funds of the System shall be insufficient to the purpose, in which event such funds shall be repaid to the Project Fund at the earliest opportunity. Any balance on hand in the Project Fund and not immediately required for its purposes may be invested not inconsistent with limitations provided by law, the Internal Revenue Code and this Resolution. Any excess proceeds remaining on hand after completion of the purpose of issuance shall be paid into the Improvement Fund to the maximum required amounts and any remaining amounts shall be used to call or otherwise retire Notes.

Section 15. User Rates. There has heretofore been established and published as required by law, just and equitable rates or charges for the use of the service rendered by the System. Said rates or charges to be paid by the owner of each and every lot, parcel of real estate, or building that is connected with and uses the System, by or through any part of the System or that in any way uses or is served by the System.

Any revenues paid and collected for the use of the System and its services by the Issuer or any department, agency or instrumentality of the Issuer shall be used and accounted for in the same manner as any other revenues derived from the operations of the System.

Section 16. Application of Revenues. From and after the delivery of any Notes, and as long as any of the Notes or Parity Obligations shall be outstanding and unpaid either as to principal or as to interest, or until all of the Notes and Parity Obligations then outstanding shall have been discharged and satisfied in the manner provided in this Resolution, the entire income and revenues of the System shall be deposited as collected in a fund to be known as the Carpenter Sewer Revenue Fund (the "Revenue Fund"), and shall be disbursed only as follows:

a. Sinking Fund. Money in the Revenue Fund shall first be disbursed to make deposits into a separate and special fund to pay principal of and interest on the Notes and Parity Obligations. The fund shall be known as the Carpenter Sewer Revenue Note and Interest Sinking Fund (the "Sinking Fund"). The required amount to be deposited in the Sinking Fund in any month shall be an amount equal

to1/12th of the installment of principal and interest coming due on the next succeeding payment date on the then outstanding Note and Parity Obligation. Money in the Sinking Fund shall be used solely for the purpose of paying principal of and interest on the Notes and Parity Obligations as the same shall become due and payable.

b. Operation and Maintenance Fund. Money in the Revenue Fund shall next be disbursed to make deposits into a separate and special fund to pay current expenses. The fund shall be known as the Carpenter Sewer Revenue Operation and Maintenance Fund (the "Operation and Maintenance Fund"). There shall be deposited in the Operation and Maintenance Fund each month an amount sufficient to meet the current expenses of the month plus an amount equal to 1/12th of expenses payable on an annual basis such as insurance. After the first day of the month, further deposits may be made to this account from the Revenue Fund to the extent necessary to pay current expenses accrued and payable to the extent that funds are not available in the Surplus Fund.

c. Reserve Fund. Money in the Revenue Fund shall be disbursed to maintain a debt service reserve in an amount equal to the Reserve Fund Requirement. Such fund shall be known as the City of Carpenter Sewer Revenue Debt Service Reserve Fund (the "Reserve Fund"). In each month there shall be deposited in the Reserve Fund an amount equal to 10 percent of the monthly debt service payment required by this Resolution to be deposited in the Reserve Fund; provided, however, that when the amount on deposit in the Reserve Fund shall be not less than the Reserve Fund Requirement, no further deposits shall be made into the Reserve Fund except to maintain such level, and when the amount on deposit in the Reserve Fund is greater than the balance required above, such additional amounts shall be withdrawn and paid into the Revenue Fund. Money in the Reserve Fund shall be used solely for the purpose of paying principal at maturity of or interest on the Notes and Parity Obligations for the payment of which insufficient money shall be available in the Sinking Fund. Whenever it shall become necessary to so use money in the Reserve Fund, the payments required above shall be continued or resumed until it shall have been restored to the required minimum amount.

d. Improvement Fund. Money in the Revenue Fund shall next be disbursed to maintain a fund to be known as the City of Carpenter Sewer Revenue Improvement Fund (the "Improvement Fund"). The minimum amount to be deposited in the Improvement Fund each month and the total amount required to be in said fund shall be as agreed between the Government and the Issuer. Money in the Improvement Fund not otherwise specially limited by other provisions of this Resolution shall be used solely for the purpose of paying principal of or interest on the Notes or Parity Obligations when there shall be insufficient money

in the Sinking Fund and the Reserve Fund; and to the extent not required for the foregoing, to pay the cost of extraordinary maintenance expenses or repairs, renewals and replacements not included in the annual budget of revenues and current expenses, payment of rentals on any part of the System or payments due for any property purchased as a part of the System, and for capital improvements to the System. Whenever it shall become necessary to so use money in the Improvement Fund, the payments required above shall be continued or resumed until it shall have been restored to the required minimum amount.

e. Subordinate Obligations. Money in the Revenue Fund may next be used to pay principal of and interest on (including reasonable reserves therefor) any other obligations which by their terms shall be payable from the revenues of the System, but subordinate to the Notes and Parity Obligations, and which have been issued for the purposes of extensions and improvements to the System or to retire the Notes or Parity Obligations in advance of maturity, or to pay for extraordinary repairs or replacements to the System.

f. Surplus Revenue. All money thereafter remaining in the Revenue Fund at the close of each month may be deposited in any of the funds created by this Resolution, to pay for extraordinary repairs or replacements to the System, or may be used to pay or redeem the Notes or Parity Obligations, or any of them, but for no other purpose.

Money in the Surplus Account may next be used to pay principal and interest on (including reasonable reserves therefor) any other obligations which by their terms shall be payable from the revenues of the System, but subordinate to the Notes and Parity Obligations, and which have been issued for the purposes of extensions and improvements to the System.

Money in the Revenue Fund shall be allotted and paid into the various funds and accounts hereinbefore referred to in the order in which said funds are listed, on a cumulative basis on the l0th day of each month, or on the next succeeding business day when the l0th shall not be a business day; and if in any month the money in the Revenue Fund shall be insufficient to deposit or transfer the required amount in any of said funds or accounts, the deficiency shall be made up in the following month or months after payments into all funds and accounts enjoying a prior claim to the revenues shall have been met in full.

Section 16.1. Investments. Moneys on hand in the Project Fund and all of the funds provided by this Resolution may be invested only in Permitted Investments or deposited in financial institutions which are members of the Federal Deposit Insurance Corporation or its equivalent successor and the deposits in which are insured thereby and all such deposits exceeding the maximum amount insured from time to time by FDIC or

its equivalent successor in any one financial institution shall be continuously secured in compliance with the State Sinking Fund provided under Chapter 12C of the Code of Iowa (2009), as amended or otherwise by a valid pledge of direct obligations of the United States Government having an equivalent market value. All such interim investments shall mature before the date on which the moneys are required for the purposes for which said fund was created or otherwise as herein provided but in no event maturing in more than three years in the case of the Reserve Fund. The provisions of this Section shall not be construed to require the Issuer to maintain separate bank accounts for the funds created by this Section; except the Sinking Fund and the Reserve Fund shall be maintained in a separate account but may be invested in conjunction with other funds of the Issuer but designated as a trust fund on the books and records of the Issuer.

All income derived from such investments shall be deposited in the Revenue Fund and shall be regarded as revenues of the System. Except earnings on investments of the Project Fund shall be deposited in and expended from the Project Fund. Investments shall at any time necessary be liquidated and the proceeds thereof applied to the purpose for which the respective fund was created.

Section 17. Covenants Regarding the Operation of the System. The Issuer hereby covenants and agrees with each and every holder of the Notes and Parity Obligations:

a. Maintenance and Efficiency. That the Issuer will maintain the System in good condition and operate it in an efficient manner and at reasonable cost.

b. Sufficiency of Rates. On or before the beginning of each fiscal year the Governing Body will adopt or continue in effect rates for all services rendered by the System determined to be sufficient to produce Net Revenue for the next succeeding fiscal year adequate to pay principal and interest requirements and create reserves as provided in this Resolution but not less than 120 percent of the principal and interest requirements of the fiscal year. No free use of the system by the Issuer or any department, agency or instrumentality of the Issuer shall be permitted except upon the determination of the Governing Body that the rates and charges otherwise in effect are sufficient to provide Net Revenues at least equal to the requirements of this subsection. The Issuer will serve any applicant within the service area of the City of Carpenter Sewer Utility System who desires the services of the Sewer System and who can feasibly and legally be served. Issuer will obtain the concurrence of the Government prior to refusing services to such applicant. No services will be provided to any user without a reasonable charge being made therefore.

c. Insurance. The Issuer shall maintain insurance, including but not necessarily limited to all risk, public liability and workers compensation insurance, for the benefit of the Noteholders on the insurable portions of the System of a kind

and in an amount which normally would be carried by municipalities engaged in a similar kind of business and in a reasonable amount which may be specified by the Government and workers compensation. The proceeds of any insurance, except public liability insurance, and workers compensation, shall be used to repair or replace the part or parts of the System damaged or destroyed, or if not so used shall be placed in the Improvement Fund. All cost of insurance shall be treated as operating costs.

d. Accounting and Audits. The Issuer will cause to be kept proper books and accounts adapted to the System and in accordance with generally accepted accounting practices, USDA Rural Development shall be listed as a mortgagee on property insurance policies. and will cause the books and accounts to be audited annually after the end of each fiscal year by an independent auditor and will file copies of the audit report not later than 9 months after the end of each fiscal year with the Original Purchaser and will make generally available to the holders or insurers of any of the Notes and Parity Notes or Bonds, the balance sheet and the operating statement of the System as certified by such auditor. In addition, Issuer is required to submit its OMB Circular A-133 audit, audit letter and Data Collection Form to the Federal Clearing House designated by OMB: Federal Audit Clearinghouse, Bureau of Census, 1201 E. 10th Street, Jefferson, Indiana 47132. The Original Purchaser and holders or insurers of any of the Notes and Parity Notes or Bonds shall have at all reasonable times the right to inspect the System and the records, accounts and data of the Issuer relating thereto. It is further agreed that if the Issuer shall fail to provide the audits and reports required by this subsection, the Original Purchaser or the holders or insurers of 25% of the outstanding Notes and Parity Obligations may cause such audits and reports to be prepared at the expense of the Issuer. The audit reports required by this Section shall be in accordance with the OMB Circular A133 (RUS Bulletin 1780-31 provides guidance), and shall include, but not be limited to, the following information:

i. An evaluation of the manner in which the Issuer has complied with the covenants of this Resolution, including particularly the rate covenants included herein;

ii. A statement of net revenues and current expenses;

iii. Analyses of each fund and account created hereunder, including deposits, withdrawals and beginning and ending balances;

iv. A balance sheet;

v. The rates in effect at the end of the fiscal year, the number of customers of the System and analysis of the ratio of debt service to Net Revenues as defined in this Resolution;

vi. A schedule of insurance policies and fidelity bonds in force at the end of the fiscal year, showing with respect to each policy and bond the nature of the risks covered, the limits of liability, the name of the insurer, and the expiration date;

vii. An evaluation of the Issuer's system of internal financial controls and the sufficiency of fidelity bond and insurance coverage in force;

viii. The names and titles of the principal officers of the Issuer; and

ix. A general statement covering any events or circumstances which might affect the financial status of the System.

In the event the audit provided for in this Section is prepared by the State Auditor the governing body will cause to be prepared a certified supplemental report containing the information required by this Section.

e. State, Local and Federal Laws. That the Issuer will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the State of Iowa, all local and federal laws, regulations and ordinances including the making and collecting of reasonable and sufficient rates for services rendered by the System as above provided, and will segregate the revenues of the System and apply said revenues to the funds specified in this Resolution.

f. Property. That the Issuer will not, sell, lease, mortgage or in any manner dispose of the System, or any capital part thereof, including any and all extensions and additions that may be made thereto, until satisfaction and discharge of all of the Notes and Parity Obligations shall have been provided for in the manner provided in this Resolution. Provided, however, this covenant shall not be construed to prevent the disposal by the Issuer of property which in the judgment of its governing body has become inexpedient or unprofitable to use in connection with the System, or if it is to the advantage of the System that other property of equal or higher value be substituted therefor, and provided further that the proceeds of the disposition of such property shall be placed in a Revolving Fund to be used in preference to other sources for capital improvements to the System as therein provided, and provided further that no such disposition shall become effective without the prior written consent of the Government. Any such proceeds of the disposition of property acquired with the proceeds of the Notes or Parity

Obligations shall not be used to pay principal or interest on the Notes or Parity Obligations or for payments into the Sinking or Reserve Funds.

g. Fidelity Bond. That the Issuer shall maintain fidelity bond coverage on each officer or employee having custody of funds of the System in an amount not less than the maximum amount of principal and interest becoming due in any year on all obligations of the Issuer.

h. Additional Charges. That the Issuer will require proper connecting charges and/or other security for the payment of service charges.

i. Budget. That the governing body of the Issuer will adopt a system budget of revenues and current expenses on or before the end of each fiscal year and will file copies of such budgets and any amendments thereto with the Government so long as they are the holders of Notes or Parity Obligations. Such budget shall take into account revenues and current expenses during the current and last preceding fiscal years. The Issuer will incur no current expense not included in such budget, and will not permit total current expenses to exceed the budget, unless the governing body shall first have adopted a Resolution declaring the necessity of such expenses. Copies of such budget and approvals of expenditures in excess of the budget shall be mailed to the Original Purchaser and to the Noteholders upon request.

Section 18. Remedies of Noteholders. Except as herein expressly limited the holder or holders of the Notes and Parity Notes or Bonds shall have and possess all the rights of action and remedies afforded by the common law, the Constitution and statutes of the State of Iowa, and of the United States of America, for the enforcement of payment of their Notes and interest thereon, and of the pledge of the revenues made hereunder, and of all covenants of the Issuer hereunder.

Section 19. Prior Lien and Parity Obligations. The Issuer will issue no other Notes, Bonds or obligations of any kind or nature payable from or enjoying a lien or claim on the property or revenues of the System having priority over the Notes or Parity Obligations.

The Issuer further covenants and agrees that as long as any portion of the Notes or Parity Obligations that are held and insured by the Government remain outstanding and unpaid, the Issuer will not issue any additional notes or other obligations having a claim on the Net Revenues or any part thereof without the prior written consent of the Government.

The Issuer further covenants and agrees that so long as the Notes or Parity Obligations remain outstanding and unpaid, the Issuer will not issue any additional notes

or other obligations payable out of the Net Revenues which stand on a parity or equality with the Notes unless all of the following conditions are met or waived in writing by the Government:

a. The Issuer shall not at the time of the issuance of any additional notes or other obligations be in default in the payment of principal of or interest on the Notes or Parity Obligations, in making any payment at the time required to be made into the respective funds and accounts created by and referred to in this Resolution or in the performance of any covenant herein contained;

b. Either:

i. the Net Revenues for the fiscal year next preceding the issuance of additional notes shall have been not less than 120% of the average amount required to be paid out of Revenues in all succeeding fiscal years on account of both principal and interest becoming due with respect to all obligations payable from the Net Revenues, including the additional notes proposed to be issued; or

ii. The Issuer shall obtain an investigation and report from an independent firm of Consulting Engineers incorporating projections which indicate that the Net Revenues for the twelve months immediately following the month in which the improvements for which the additional notes are being issued are placed in commercial operation (as estimated by the engineers for such improvements) will be equal to at least 125 percent of the average amount required to be paid in all succeeding fiscal years on account of principal and interest becoming due with respect to all obligations payable from the Net Revenues of the System, including the additional notes proposed to be issued. If the Issuer shall have made any increase in the rates, fees and charges for the use and services of the System and such increase shall be in effect during the period covered by an investigation and report made pursuant to this subparagraph, then the report of the Consulting Engineers shall certify that such increased rates are economically feasible and reasonably necessary for the projected operation of the System.

If the Issuer shall have made changes in its rates, fees and charges for the use and services furnished by the System, which changes shall not have been in effect for all of the fiscal year next preceding the issuance of additional notes, the Issuer shall obtain an investigation and report from an independent firm of consulting engineers having a wide and favorable reputation for knowledge, skill and experience in the construction and operation of similar municipal utilities as to the amount of Net Revenues which the Issuer would have received from the

operation of the System during said preceding fiscal year if such increased rates had been in effect during all of said period, which investigation and report shall certify that, in the opinion of the Consulting Engineers, the requirements of subparagraphs (i) or (ii) above would have been met if the increased rates had been in effect during all of such period. This paragraph modifies (i) and (ii) of (b).

An investigation and report made pursuant hereto shall be considered final and conclusive and shall govern in determining the right of the Issuer to issue additional parity obligations under the provisions contained therein. Such report shall be filed in the office of the Secretary and a duplicate copy thereof shall be sent to the registered owner of the Notes and Parity Obligations.

Additional revenue notes of the Issuer issued under the conditions hereinbefore in this Section set forth shall stand on a parity with the Notes and shall enjoy complete equality of the lien on and claim against the Net Revenues with the Notes, and the Issuer may make equal provision for paying said notes and the interest thereon out of the Revenue Fund and may likewise provide for the creation of reasonable sinking funds and bond reserve funds for the payment of such additional notes and the interest thereon out of moneys in the Revenue Fund.

Subordinate Debt. Nothing in this Section contained shall prohibit or restrict the right of the Issuer to issue additional revenue notes or other revenue obligations for the purpose of extending, improving, enlarging, repairing or altering the System and to provide that the principal of and interest on said revenue notes or obligations shall be payable out of the Net Revenues, provided at the time of the issuance of such additional revenue notes or obligations the Issuer shall not be in default in the performance of any covenant or agreement contained in this Resolution, and provided further that such additional revenue notes or obligations shall be junior and subordinate to the Notes so that if at any time the Issuer shall be in default in paying either interest on or principal of the Notes, or if the Issuer shall be in default in making any payments required to be made by it under the provisions of Section 16 of this Resolution, the Issuer shall make no payments of either principal of or interest on said junior and subordinate revenue notes or obligations until said default or defaults be cured. In the event of the issuance of any such junior and subordinate revenue notes or obligations, the Issuer, subject to the provisions aforesaid, may make provision for paying the principal of and interest on said revenue notes or obligations out of moneys in the Revenue Fund.

Section 20. Disposition of Proceeds; Arbitrage Not Permitted. The Issuer reasonably expects and covenants that no use will be made of the proceeds from the issuance and sale of the Notes issued hereunder which will cause any of the Notes to be classified as arbitrage bonds within the meaning of Section 148(a) and (b) of the Internal Revenue Code of the United States, and that throughout the term of said Notes it will comply with the requirements of said statute and regulations issued thereunder.

To the best knowledge and belief of the Issuer, there are no facts or circumstances that would materially change the foregoing statements or the conclusion that it is not expected that the proceeds of the Notes will be used in a manner that would cause the Notes to be arbitrage Notes. Without limiting the generality of the foregoing, the Issuer hereby agrees to comply with the provisions of the Tax Exemption Certificate and the provisions of the Tax Exemption Certificate are hereby incorporated by reference as part of this Resolution. The County Treasurer is hereby directed to make and insert all calculations and determinations necessary to complete the Tax Exemption Certificate in all respects and to execute and deliver the Tax Exemption Certificate at issuance of the Notes to certify as to the reasonable expectations and covenants of the Issuer at that date.

The Issuer covenants that it will treat as Yield Restricted any proceeds of the Notes remaining unexpended after three years from the issuance and any other funds required by the Tax Exemption Certificate to be so treated. If any investments are held with respect to the Notes and Parity Obligations, the Issuer shall treat the same for the purpose of restricted yield as held in proportion to the original principal amounts of each issue.

The Issuer covenants that it will exceed any investment yield restriction provided in this Resolution only in the event that it shall first obtain an opinion of recognized bond counsel that the proposed investment action will not cause the Notes to be classified as arbitrage bonds under Section 148(a) and (b) the Internal Revenue Code or regulations issued thereunder.

The Issuer covenants that it will proceed with due diligence to spend the proceeds of the Notes for the purpose set forth in this Resolution. The Issuer further covenants that it will make no change in the use of the proceeds available for the construction of facilities or change in the use of any portion of the facilities constructed therefrom by persons other than the Issuer or the general public unless it has obtained an opinion of bond counsel or a revenue ruling that the proposed project or use will not be of such character as to cause interest on any of the Notes not to be exempt from federal income taxes in the hands of holders other than substantial users of the project, under the provisions of Section 142(a) of the Internal Revenue Code of the United States, related statutes and regulations.

Section 21. Additional Covenants, Representations and Warranties of the Issuer. The Issuer certifies and covenants with the purchasers and holders of the Notes from time to time outstanding that the Issuer through its officers, (a) will make such further specific covenants, representations and assurances as may be necessary or advisable; (b) comply with all representations, covenants and assurances contained in the Tax Exemption Certificate, which Tax Exemption Certificate shall constitute a part of the contract between the Issuer and the owners of the Notes; (c) consult with bond counsel (as defined

in the Tax Exemption Certificate); (d) pay to the United States, as necessary, such sums of money representing required rebates of excess arbitrage profits relating to the Notes; (e) file such forms, statements and supporting documents as may be required and in a timely manner; and (f) if deemed necessary or advisable by its officers, to employ and pay fiscal agents, financial advisors, attorneys and other persons to assist the Issuer in such compliance.

Section 22. Qualified Tax-Exempt Obligations. For the sole purpose of qualifying the Notes as "Qualified Tax Exempt Obligations" pursuant to Section 265 (b) of the Internal Revenue Code of the United States, the Issuer designates the Notes as qualified tax-exempt obligations and represents that the reasonably anticipated amount of tax exempt governmental and Internal Revenue Code Section 501(c)3 obligations which will be issued during the current calendar year will not exceed Thirty (30) Million Dollars.

Section 23. Defeasance; Government Consent. As long as any of the Notes are owned or insured by the Government, the Issuer will not issue any additional revenue notes or other obligations for the purpose of providing funds to refund all or part of the Notes unless either (i) all installments of principal of the note or notes owned or insured by the Government are paid, retired and canceled concurrently with the issuance of such refunding revenue notes or other obligations or at the first interest and principal payment date for the Notes occurring after the issuance of the refunding revenue notes or other obligations or (ii) consent to the issuance of such refunding revenue notes or other obligations is given by the Government.

When a Note shall have been paid and discharged, then the requirements contained in this Resolution and the pledge of Revenues made hereunder and all other rights granted hereby shall terminate. Unless owned or insured by the Government and subject to the preceding paragraph, a Note shall be deemed to have been paid and discharged within the meaning of this Resolution if there shall have been deposited with a bank located in the State of Iowa and having full trust powers, at or prior to the stated maturity or redemption date of said Notes, in trust for and irrevocably appropriated thereto, moneys and/or direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America which, together with the interest to be earned on any such obligations, will be sufficient for the payment of the principal of such Note and interest accrued to the stated maturity or redemption date, as the case may be, or if default in such payment shall have occurred on such date, then to the date of the tender of such payments, provided always that if the Notes shall be redeemed prior to the stated maturity thereof, the Issuer shall have elected to redeem the Note and notice of such redemption shall have been given. Any moneys and obligations which at any time shall be deposited with said bank by or on behalf of the Issuer, for the purpose of paying and discharging a Note, shall be and are hereby assigned, transferred and set over to such bank in trust for the holder of such Note, and such moneys shall be

and are hereby irrevocably appropriated to the payment and discharge thereof. All moneys deposited with said bank shall be deemed to be deposited in accordance with and subject to all of the provisions contained in this Resolution.

Section 24. Discharge and Satisfaction of Notes. The covenants, liens and pledges entered into, created or imposed pursuant to this Resolution may be fully discharged and satisfied with respect to the Notes and Parity Obligations, or any of them, in any one or more of the following ways:

a. By paying the Notes or Parity Obligations when the same shall become due and payable; and

b. Subject to the requirement of the Loan Resolution, by depositing in trust with the Treasurer, or with a corporate trustee designated by the governing body for the payment of said obligations and irrevocably appropriated exclusively to that purpose an amount in cash or direct obligations of the United States the maturities and income of which shall be sufficient to retire at maturity, or by redemption prior to maturity on a designated date upon which said obligations may be redeemed, all of such obligations outstanding at the time, together with the interest thereon to maturity or to the designated redemption date, premiums thereon, if any that may be payable on the redemption of the same; provided that proper notice of redemption of all such obligations to be redeemed shall have been previously published or provisions shall have been made for such publication; and

c. Subject to the requirements of the Loan Resolution, if prepayment is not agreeable with the holder or insurer, by depositing in trust with the Treasurer, or with a corporate trustee designated by the governing body for the payment of said obligations and irrevocably appropriated exclusively to that purpose an amount in cash or direct obligations of the United States the maturities and income of which shall be sufficient to retire at maturity, or by redemption prior to maturity on a designated date upon which said obligations may be redeemed, all of such obligations outstanding at the time, together with the interest thereon to maturity or to the designated redemption date, premiums thereon, if any that may be payable on the redemption of the same; provided that proper notice of redemption of all such obligations to be redeemed shall have been previously published or provisions shall have been made for such publication.

Upon such payment or deposit of money or securities, or both, in the amount and manner provided by this Section, all liability of the Issuer with respect to the Notes or Obligations shall cease, determine and be completely discharged, and the holders thereof shall be entitled only to payment out of the money or securities so deposited.

Section 25. Refinancing. Issuer covenants and agrees that it will refinance the unpaid balance, in whole or in part, of the outstanding principal amount of the Notes and Parity Obligations upon the request of the Government, if at any time it should appear to the Government that the Issuer is able and authorized by law, not inconsistent with Parity legislation, if any, to refinance the Notes and Parity Obligations by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes. [7 USC §1983 (3)].

Section 26. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the Issuer and the holder or holders of the Notes and Parity Obligations, and after the issuance of any of the Notes no change, variation or alteration of any kind in the provisions of this Resolution shall be made in any manner, except as provided in the next succeeding Section, until such time as all of the Notes and Parity Notes or Bonds, and interest due thereon, shall have been satisfied and discharged as provided in this Resolution together with the attached Loan Resolution (Exhibit A).

Section 27. Amendment of Resolution Without Consent. The Issuer may, without the consent of or notice to any of the holders of the Notes and Parity Obligations, amend or supplement this Resolution for any one or more of the following purposes:

a. to cure any ambiguity, defect, omission or inconsistent provision in this Resolution or in the Notes or Parity Obligations; or to comply with any application provision of law or regulation of federal or state agencies; provided, however, that such action shall not materially adversely affect the interests of the holders of the Notes or Parity Obligations;

b. to change the terms or provisions of this Resolution to the extent necessary to prevent the interest on the Notes or Parity Obligations from being includable within the gross income of the holders thereof for federal income tax purposes;

c. to grant to or confer upon the holders of the Notes or Parity Obligations any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the holders of the Notes;

d. to add to the covenants and agreements of the Issuer contained in this Resolution other covenants and agreements of, or conditions or restrictions upon, the Issuer or to surrender or eliminate any right or power reserved to or conferred upon the Issuer in this Resolution; or

e. to subject to the lien and pledge of this Resolution additional pledged revenues as may be permitted by law.

Section 28. Loan Resolution Controlling. So long as the United States of America, acting through the Government, is the holder of any of the Notes and to the fullest extent permitted by Iowa law, the Issuer shall be subject to the existing Loan Resolution between the Issuer and the Government. The provisions of the Loan Resolution and the provisions of this Resolution are to be construed wherever possible so that they will not be in conflict. In the event such construction is not possible, the provisions of the Loan Resolution shall prevail.

Section 29. Amendment of Resolution Requiring Consent. This Resolution may be amended from time to time if such amendment shall have been consented to by holders or insurers of not less than two-thirds in principal amount of the Notes and Parity Obligations at any time outstanding (not including in any case any Notes which may then be held or owned by or for the account of the Issuer, but including such Refunding Obligations as may have been issued for the purpose of refunding any of such Notes if such Refunding Obligations shall not then be owned by the Issuer); but this Resolution may not be so amended in such manner as to:

a. Make any change in the maturity or interest rate of the Notes, or modify the terms of payment of principal of or interest on the Notes or any of them or impose any conditions with respect to such payment;

b. Materially affect the rights of the holders or insurers of less than all of the Notes and Parity Obligations then outstanding; and

c. Reduce the percentage of the principal amount of Notes, the consent of the holders or insurers of which is required to effect a further amendment.

Whenever the Issuer shall propose to amend this Resolution under the provisions of this Section, it shall cause notice of the proposed amendment to be filed with the Original Purchaser and to be mailed by certified mail to each registered owner of any Note as shown by the records of the Registrar. Such notice shall set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory Resolution is on file in the office of the Treasurer.

Whenever at any time within one year from the date of the mailing of said notice there shall be filed with the Treasurer an instrument or instruments executed by the holders or insurers of at least two-thirds in aggregate principal amount of the Notes then outstanding as in this Section defined, which instrument or instruments shall refer to the proposed amendatory Resolution described in said notice and shall specifically consent to and approve the adoption thereof, thereupon, but not otherwise, the governing body of the Issuer may adopt such amendatory Resolution and such Resolution shall become effective and binding upon the holders or insurers of all of the Notes and Parity Obligations.

Any consent given by the holder or insurer of a Note pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the instrument evidencing such consent and shall be conclusive and binding upon all future holders of the same Note during such period. Such consent may be revoked at any time after six months from the date of such instrument by the holder who gave such consent or by a successor in title by filing notice of such revocation with the Treasurer.

The fact and date of the execution of any instrument under the provisions of this Section may be proved by the certificate of any officer in any jurisdiction who by the laws thereof is authorized to take acknowledgments of deeds within such jurisdiction that the person signing such instrument acknowledged before him the execution thereof, or may be proved by an affidavit of a witness to such execution sworn to before such officer.

The amount and numbers of the Notes held or insured by any person executing such instrument and the date of his holding the same may be proved by an affidavit by such person or by a certificate executed by an officer of a bank or trust company showing that on the date therein mentioned such person had on deposit with such bank or trust company the Notes described in such certificate.

Section 30. Severability. If any section, paragraph, or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions.

Section 31. Repeal of Conflicting Ordinances or Resolutions and Effective Date. All other Ordinances, Resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed; and this Resolution shall be in effect from and after its adoption.

Section 32. Consent of the Insurer Where Noteholder Consent Required. The United States of America acting as insurer of the Notes (the "Insurer") shall be deemed to be the holder and owner for the Notes: (i) at all times for the purpose of the execution and delivery of any amendment, change or modification of the Resolution or the initiation by the registered owner of any action to be undertaken at the registered owner's request, which under this Resolution requires the written approval or consent of or can be initiated by the registered owner and (ii) following an event of default under the provisions of this Resolution.

PASSED AND APPROVED this 16th day of February, 2010.

Chairperson

ATTEST:

Auditor

CO9.TXT
5/91

CERTIFICATE

STATE OF IOWA)
) SS
COUNTY OF MITCHELL)

I, the undersigned County Auditor and Secretary of the Board of Supervisors of Mitchell County, State of Iowa, do hereby certify that attached is a true and complete copy of the portion of the records of the County showing proceedings of the Board, and the same is a true and complete copy of the action taken by the Board with respect to the matter at the meeting held on the date indicated in the attachment, which proceedings remain in full force and effect, and have not been amended or rescinded in any way; that meeting and all action thereat was duly and publicly held in accordance with a notice of meeting and tentative agenda, a copy of which was timely served on each member of the Board and posted on a bulletin board or other prominent place easily accessible to the public and clearly designated for that purpose at the principal office of the Board (a copy of the face sheet of the agenda being attached hereto) pursuant to the local rules of the Board and the provisions of Chapter 21, Code of Iowa, upon reasonable advance notice to the public and media at least twenty-four hours prior to the commencement of the meeting as required by law and with members of the public present in attendance; I further certify that the individuals named therein were on the date thereof duly and lawfully possessed of their respective offices as indicated therein, that no vacancy existed except as may be stated in the proceedings, and that no controversy or litigation is pending, prayed or threatened involving the incorporation, organization, existence or boundaries of the County or the right of the individual named therein as officers to their respective positions.

WITNESS my hand and the seal of the Board hereto affixed this 16th day of February, 2010.

Lowell Thoen

County Auditor for the Board of Supervisors of
Mitchell County, State of Iowa

(COUNTY SEAL)

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