equal to the Debt Service Reserve Requirement with respect to the Bonds of this Issue of Bonds and (ii) any interest or other earnings resulting from the investment by the Bond Trustee of such cash and all such investments and the proceeds from the sale thereof from time to time on deposit with the Bond Trustee (all cash, interest, earnings, investments and proceeds referred to in the foregoing clauses (i) and (ii) and, to the extent delivered to and pledged with the Bond Trustee, any other amounts referred to in Section 6.1 hereof, being herein sometimes collectively referred to as the "*Pledged Moneys*"), until there shall have been paid (or provision for payment shall have been made in accordance with the provisions of Article VIII of the Bond Indenture) to or for the holders of the Bonds of this Issue of Bonds all principal thereof, and all premium, if any, and interest due or to become due thereon, at the times and in the manner stipulated therein.

SECTION 6.3. Investment of Pledged Moneys. All Pledged Moneys pledged by the Guarantor under this Article VI as security for the performance of its agreements contained herein and held as part of the Debt Service Reserve Fund shall be invested and reinvested by the Bond Trustee in accordance with the provisions of Section 3.5 of the Financing Agreement and Section 6.01 of the Bond Indenture and the interest accrued thereon and any profit realized therefrom shall be credited to the Debt Service Reserve Fund and any loss resulting from such investment shall be charged to the Debt Service Reserve Fund all as provided in Article VI of the Bond Indenture.

SECTION 6.4. Application of Pledged Moneys. Any Pledged Moneys in the Debt Service Reserve Fund shall be used, transferred or paid as provided in Sections 5.10 and 5.13 of the Bond Indenture.

SECTION 6.5. Remedies Upon Default. If the Guarantor shall default in the due performance of its obligations under Section 3.1 hereof, the Appropriate Trustee may exercise any rights, remedies and options of a secured party under the Uniform Commercial Code of the State of New York with respect to any Pledged Moneys then held by the Bond Trustee as part of the Debt Service Reserve Fund, and any Pledged Moneys shall be applied in the manner provided for in Section 9.07 of the Bond Indenture.

SECTION 6.6. Perfection of Pledge. The Guarantor agrees, upon request of the Appropriate Trustee to execute and deliver to the Appropriate Trustee such documents or instruments as shall be deemed necessary or appropriate by the Appropriate Trustee to perfect for the benefit of the Bond Trustee the pledge hereunder of the Pledged Moneys in the Debt Service Reserve Fund as security for the performance of the Guarantor's agreements herein.

SECTION 6.7. Series Supplemental Indenture; Expenses of Pool Trustee. The Guarantor also agrees that, as security for its guaranty hereunder, it will enter into the Series Supplemental Indenture with the Pool Trustee and the Bond Trustee pursuant to which the obligations of the Guarantor to the Trustees hereunder, and the rights assigned hereunder by the Guarantor to the Trustees in the Project Note and the Mortgage, will become subject to the Pool Indenture. The Guarantor agrees to compensate and indemnify the Pool Trustee to the extent contemplated by the Pool Indenture.

SECTION 6.8. Further Assurances; Prohibition on Assignments. The Guarantor agrees to do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered such further acts, instruments and transfers as either of the Trustees may reasonably require for the better assuring, granting, conveying, assigning, pledging, transferring and mortgaging to the Trustees the rights, titles, interests and properties of the Guarantor assigned hereunder or under the Pool Indenture. The Guarantor covenants and agrees that, except as herein, in the Mortgage in the Pool Indenture or in the Bond Indenture provided, it will not grant, convey, assign, pledge, transfer or mortgage any of the rights, titles, interests or properties of the Guarantor assigned hereunder or under the Bond Indenture or the Pool Indenture.

SECTION 6.9. Recordation and Other Instruments. The Guarantor shall cause at all times to be kept recorded and filed this Guaranty Agreement, the Pool Indenture, the Series Supplemental Indenture, the Bond Indenture and the Mortgage, any and all supplements and amendments thereto, any required financing and continuation statements and all other required papers in such manner and in such places, if any, as may be required by law in order fully to perfect, preserve and protect the security interests granted in such instruments, and the Guarantor shall pay or cause to be paid all taxes and fees incidental thereto.

The Guarantor will cause the Trustees to be furnished in January of each year commencing the year set forth in Schedule I hereto, with an Opinion of Counsel either (i) stating that in the opinion of such counsel such action has been taken with respect to the recording, filing, recording and refiling of this Guaranty Agreement, the Pool Indenture, the Series Supplemental Indenture, the Bond Indenture, the Mortgage, any and all supplements and amendments thereto, any required financing and continuation statements and all other required papers, and such other action has been taken, as is necessary to perfect, preserve and protect the respective liens or security interests granted in such instruments, and reciting the details of such action, or (ii) stating that in the opinion of such Counsel no such action is necessary to maintain such liens or security interests to perfect, preserve and protect such liens or security interests and setting forth any such action required to be taken during the ensuing twelve-month period.

SECTION 6.10. Prohibited Activities. The Guarantor covenants and agrees not to take any action, including entering into any other series supplemental indenture relating to another issue of bonds proposed to be made subject to the Pool Indenture, which might result in any interest on this Issue of Bonds becoming taxable to the recipient thereof under Federal income tax laws.

ARTICLE VII

MISCELLANEOUS

SECTION 7.1. Amenability to Service of Process. The Guarantor covenants that it will remain qualified to do business or, at the option of the Guarantor, will be subject to service of process in the Commonwealth of Virginia so long as any of the bonds of this Issue of Bonds

are outstanding. If for any reason the Guarantor should not be so qualified, the Guarantor hereby designates and appoints, without power of revocation, CT Corporation System and, if such agent shall cease to act, the Secretary of State of the Commonwealth of Virginia, as the respective agents of the Guarantor upon whom may be served all process, pleadings, notices or other papers which may be served upon the Guarantor as a result of any of its obligations under this Guaranty Agreement.

SECTION 7.2. Effectiveness of Undertakings. The obligations of the Guarantor hereunder shall arise when any Bonds of this Issue of Bonds shall have been issued and sold by the Issuer, authenticated by the Bond Trustee and delivered pursuant to the Bond Indenture.

SECTION 7.3. Notices; Computations. The Guarantor covenants and agrees that (a) it will notify the Bond Trustee and the Pool Trustee of any default existing under the Bond Indenture, including without limitation any default under Section 9.01(e) thereof, within five days after the Guarantor learns of the existence of such default and (b) it will as of each Valuation Date prior to the occurrence of a Pooling Event calculate the Debt Service Reserve Fund Amount (Cost) and the Debt Service Reserve Fund Amount (Value). The Guarantor agrees to furnish to the Bond Trustee, no later than 10 days after each Valuation Date, a certificate executed by an Officer of the Guarantor, setting forth as of such date the amounts calculated pursuant to clause (b) of the preceding sentence and the respective amounts, if any, of the Debt Service Reserve Fund Deficiency (Cost) and the Debt Service Reserve Fund Deficiency (Value).

SECTION 7.4. Remedies Cumulative; Etc. No remedy herein conferred upon or reserved to either of the Trustees is intended to be exclusive of any other available remedy or remedies, but each and every remedy shall be cumulative and shall be in addition to every other remedy given under this Guaranty Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right, power or remedy accruing upon any default, omission or failure of performance hereunder shall impair any such right, power or remedy or shall be construed to be a waiver hereof, but any such right, power or remedy may be exercised from time to time and as often as may be deemed expedient. In order to entitle either of the Trustees to exercise any remedy reserved to it in this Guaranty Agreement, it shall not be necessary to give any notice, other than such notice as may be herein expressly required. In the event any provision contained in this Guaranty Agreement should be breached by the Guarantor and the breach thereafter duly waived by the Trustees, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder. No waiver, amendment, release or modification of this Guaranty Agreement shall be established by conduct, custom or course of dealing, but solely by an instrument in writing duly executed by both Trustees.

SECTION 7.5. Execution in Counterparts. This Guaranty Agreement may be executed in several counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same instrument.

SECTION 7.6. Modifications. Subsequent to the initial issuance of the Bonds of this Issue of Bonds and prior to payment in full of all Bonds of this Issue of Bonds (or provision

for payment thereof having been made in accordance with the provisions of Article VIII of the Bond Indenture), (a) this Guaranty Agreement may not be effectively amended, changed, modified, altered or terminated without the prior written consent of the Guarantor, the Bond Trustee, the Pool Trustee and REA and (b) the Project Note in the form set forth in Exhibit B to the CFC-Company Agreement may not be effectively amended, changed, modified, altered or terminated without the prior written consent of the Bond Trustee and the Pool Trustee.

SECTION 7.7. Transmittal of Notices. Any notice, request, complaint, demand, communication or other paper hereunder shall be sufficiently given and shall be deemed given when delivered, or mailed by certified mail, postage prepaid, or sent by telegram or telex, addressed as set forth in Schedule I to this Guaranty Agreement. A duplicate copy of each notice required to be given hereunder by, either of the Trustees, shall be given to REA, the Issuer, the other of the Trustees, the Remarketing Agent and the Company; *provided, however*, that the effectiveness of any such notice shall not be affected by the failure to send any such copy. The Guarantor, the Bond Trustee, the Pool Trustee, REA, the Issuer, the Remarketing Agent and the Company may designate by notice in accordance herewith any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

SECTION 7.8. Severability of Provisions; Governing Law. The invalidity or unenforceability of any one or more phrases, sentences, clauses or sections in this Guaranty Agreement shall not affect the validity or enforceability of the remaining portions of this Guaranty Agreement, or any part thereof. This Guaranty Agreement shall be governed by and interpreted in accordance with the applicable laws of the State of New York, except as otherwise required by mandatory provisions of other law.

SECTION 7.9. Captions. The captions or headings in this Guaranty Agreement are for convenience only and in no way define, limit or describe the scope or intent of the provisions or sections of this Guaranty Agreement.

SECTION 7.10 Schedule I. Schedule I hereto forms an integral part hereof. Any amendment, change or modification of any of the provisions set forth therein shall be deemed an amendment of the provisions hereof as if set forth herein. To the extent any provision set forth herein conflicts with any provision set forth in Schedule I hereto, the provision set forth in Schedule I hereto shall govern.

IN WITNESS WHEREOF, the Guarantor and the Bond Trustee and the Pool Trustee have caused this Guaranty, Assignment and Agency Agreement to be duly executed in their respective names and their respective corporate seals to be affixed hereto and attested by their respective duly authorized officers as of the date first above written.

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION, as Guarantor

By _____
Charles B. Gill
Governor

[Corporate Seal]

ATTEST:

_____
Assistant Secretary-Treasurer
Sheldon C. Petersen

Executed by the Guarantor in the presence of:

_____
Witnesses

BANKERS TRUST COMPANY, as Bond Trustee

By _____
J. Adamis
Assistant Vice President

[Corporate Seal]

ATTEST: _____
K.W. Kumar
Assistant Treasurer

Executed by the Bond Trustee in the presence of:

_____

_____

Witnesses

BANKERS TRUST COMPANY, as Pool Trustee

By _____
~~Samir Pandiri~~ Robert T. Gorman
Vice President

[Corporate Seal]

ATTEST: _____
M. Lisa Morrone
Assistant Treasurer

Executed by the Pool Trustee in the presence of:

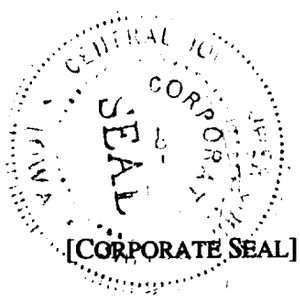
_____

_____

Witnesses

The undersigned, as mortgagor under the Consolidated Mortgage and Security Agreement dated as of December 21, 1992 (the "*Mortgage*"), by and among the Company, the United States of America acting through the Administrator of the Rural Electrification Administration and the Guarantor, as from time to time supplemented, amended and restated, hereby acknowledges and consents to the foregoing assignment, such assignment being authorized by and conforming to the requirements of Section 7.02 of the Mortgage.

CENTRAL IOWA POWER COOPERATIVE



[CORPORATE SEAL]

By Eldo H. Meyer
Its Secretary
Eldo H. Meyer

ATTEST:

By Dennis L. Murdock
Its Executive Vice President
Dennis L. Murdock

Executed by Central Iowa Power Cooperative in the presence of:

Dennis L. Puckett
Dennis L. Puckett

Louis R. Hockenberg
Witnesses

Louis R. Hockenberg

SCHEDULE I

A. Terms and Definitions

If used in the foregoing instrument, the following terms shall have the following meanings:

"Act" shall mean Chapter 419 of the Code of Iowa, 1991, as amended.

"Bond Indenture" shall mean the Indenture of Trust dated as of October 1, 1993 by and between the Issuer and the Bond Trustee.

"Bonds" shall mean Louisa County, Iowa National Rural Utilities Cooperative Finance Corporation Guaranteed Pollution Control Revenue Refunding Bonds (Central Iowa Power Cooperative Project) Pooled Series 1993L.

"Bond Trustee" shall mean Bankers Trust Company, a corporation organized under the laws of the State of New York, and its successors hereunder, as trustee under the Bond Indenture.

"CFC-Company Agreement" shall mean the Agreement dated as of October 1, 1993, between the Company and the Guarantor.

"Company" shall mean Central Iowa Power Cooperative, an Iowa cooperative, until a successor or assignee Company shall have become such pursuant to the applicable provisions of the Financing Agreement.

"Executive Officer" of its Issuer shall mean its Chairman of the Board of Supervisors and *"Recording Officer"* of the Issuer shall mean its County Auditor, or the officers performing such duties.

"Financing Agreement" shall mean the Financing Agreement dated as of October 1, 1993 by and between the Issuer and the Company.

"Governing Body" of the Issuer shall mean its Board of Supervisors.

"Issuer" shall mean Louisa County, Iowa, a political subdivision of the State of Iowa, or any successor who succeeds to its obligations hereunder.

"Mortgage" shall mean the Consolidated Mortgage and Security Agreement dated as of December 21, 1992 by and among the Company, the United States of America acting through the Administrator of the Rural Electrification Administration and the Guarantor, as from time to time supplemented, amended and restated.

"Plant" shall mean the Louisa Generating Station Unit No. 1, located in Louisa County, Iowa.

"Prior Series" shall mean the Louisa County, Iowa National Rural Utilities Cooperative Finance Corporation Guaranteed Pollution Control Revenue Bonds (Central Iowa Power Cooperative Project) Pooled Series 1983PD.

"Project" shall mean the Company's interest in certain pollution control, sewage and solid waste disposal facilities at the Plant, as more fully set forth in Exhibit A to the Financing Agreement.

"Project Note" shall mean a note of the Company dated as of October 1, 1993, payable to the order of the Guarantor.

"Semiannual Dates" shall mean June 15 and December 15.

"Series Supplemental Indenture" shall mean the Series 1993L Supplemental Indenture dated as of October 1, 1993 by and among the Guarantor, the Bond Trustee and the Pool Trustee.

B. General Matters

a. The purpose for which the Bonds are being issued is to refund the outstanding principal amount of the Prior Series, which Prior Series were issued by the Issuer to finance a portion of the costs of the Project.

b. The Article of the Mortgage referred to in Sections 5.2 and 5.3 (first and third usages) of this Guaranty Agreement shall mean Article V of the Mortgage and the Article of the Mortgage referred to in Section 5.3 (second usage) of this Guaranty Agreement shall mean Article IV of the Mortgage.

c. The Section of the Mortgage referred to in Section 5.3 of this Guaranty Agreement shall mean Section 4.12 of the Mortgage.

d. The year referred to in the last paragraph of Section 6.9 of this Guaranty Agreement is 1995.

e. The parties hereto hereby acknowledge and agree that there will be no Debt Service Reserve Fund in connection with the Bonds. Therefore, all covenants and references herein to related terms, including without limitation, the "Debt Service Reserve Fund", "Debt Service Reserve Certificate", "Debt Service Reserve Fund Amount (Value)", "Debt Service Reserve Fund Amount (Cost)", "Debt Service Reserve Fund Deficiency (Cost)", "Debt Service Reserve Fund Deficiency (Value)", "Debt Service Reserve Requirement" and "Valuation Date" shall not apply to this Guaranty Agreement.

C. Addresses

For the purpose of this Guaranty Agreement, the addresses of the Issuer, the Bond Trustee, the Pool Trustee, the Company, the Guarantor and REA are initially as follows:

Issuer:
Louisa County, Iowa
Louisa County Courthouse
Wapello, Iowa 52653
Attention: Board of Supervisors

Bond Trustee:
Bankers Trust Company
Four Albany Street, 4th Floor
New York, New York 10006
Attention: Corporate Trust and Agency Group
Telephone: 212-250-6512
FAX: 212-250-6727

Pool Trustee:
Bankers Trust Company
Four Albany Street, 4th Floor
New York, New York 10006
Attention: Corporate Trust and Agency Group
Telephone: 212-250-8327
FAX: 212-250-6727

Company:
Central Iowa Power Cooperative
Highway 13 and Bertram Road
P.O. Box 2517
Cedar Rapids, Iowa 52406
Attention: General Manager
Telephone: 319-366-8011
FAX: 319-366-8626

Guarantor:
National Rural Utilities Cooperative
Finance Corporation
2201 Cooperative Way
Herndon, Virginia 22071
Attention: Governor
Telephone: 703-709-6700
FAX: 703-709-6776

REA:
Rural Electrification Administration
U. S. Department of Agriculture
12th and Independence Avenue, S.W.
Washington, D.C. 20250
Attention: Administrator

COMMONWEALTH OF VIRGINIA)
) SS
COUNTY OF FAIRFAX)

I, Mary H. Schmidt, a Notary Public in and for the Commonwealth of Virginia, do hereby certify that Charles B. Gill and Sheldon C. Petersen, personally known to me to be the Governor and Assistant Secretary-Treasurer, respectively, of NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION, a cooperative association of the District of Columbia, and to me known to be the identical persons whose names are, as Governor and Assistant Secretary-Treasurer of said corporation, subscribed to the foregoing instrument, appeared before me this day in person and produced the foregoing instrument to me in the District aforesaid and acknowledged that as such Governor and Assistant Secretary-Treasurer they signed and delivered the foregoing instrument pursuant to authority given by the Board of Directors of said corporation as their free and voluntary act and deed and as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth and that the seal affixed to the foregoing instrument is the corporate seal of said corporation.

Given under my hand and official seal this 27th day of September, 1993.

Mary H Schmidt
Notary Public

[NOTARIAL SEAL]

Commission Expires: 3/31, 1994

STATE OF NEW YORK)
) SS
COUNTY OF NEW YORK)

Sharon V. Alston

I, ~~Maria A. Johnson~~, a Notary Public in and for the County and State aforesaid, do hereby certify that J. Adamis and K. W. Kumar, personally known to me to be an Assistant Vice President and Assistant Treasurer of BANKERS TRUST COMPANY, a corporation of the State of New York, and to me known to be the identical persons whose names are, as an Assistant Vice President and Assistant Treasurer of said corporation, subscribed to the foregoing instrument as Bond Trustee, appeared before me this day in person and produced the foregoing instrument to me in the County aforesaid and acknowledged that as such Assistant Vice President and Assistant Treasurer, they signed and delivered the foregoing instrument pursuant to authority given by the Board of Directors of said corporation as their free and voluntary act and deed and as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth and that the seal affixed to the foregoing instrument is the corporate seal of said corporation.

Given under my hand and official seal this 29 day of September, 1993.

Sharon V. Alston
Notary Public

[NOTARIAL SEAL]

SHARON V. ALSTON
NOTARY PUBLIC, State of New York
Commission Expires _____, 199_
Qualified in New York
5/7/94

STATE OF NEW YORK)
) SS
COUNTY OF NEW YORK)

Sharon V. Alston

I, ~~Maria A. Johnson~~, a Notary Public in and for the County and State aforesaid, do hereby certify that ~~Samir Pandiri~~ Robert T. Gorman and M. Lisa Morrone, personally known to me to be a Vice President and an Assistant Treasurer, respectively, of BANKERS TRUST COMPANY, a corporation of the State of New York, and to me known to be the identical persons whose names are, as Vice President and Assistant Treasurer, respectively, of said corporation, subscribed to the foregoing instrument, as Pool Trustee, appeared before me this day in person and produced the foregoing instrument to me in the County aforesaid and acknowledged that as such Vice President and Assistant Treasurer, they signed and delivered the foregoing instrument pursuant to authority given by the Board of Directors of said corporation as their free and voluntary act and deed and as the free and voluntary act and deed of said corporation for the uses and purposes therein set forth and that the seal affixed to the foregoing instrument is the corporate seal of said corporation.

Given under my hand and official seal this 29 day of September, 1993.

Sharon V. Alston

Notary Public

SHARON V. ALSTON NOTARY PUBLIC STATE OF NEW YORK

[NOTARIAL SEAL]

Commission Expires 199_

SHARON V. ALSTON
NOTARY PUBLIC, State of New York
No. 31-4966275
Qualified in New York County
Commission Expires 5/7/94

STATE OF IOWA)
) SS
COUNTY OF ~~LOUISA~~ POLK)

On this 6th day of October, / ~~day of September~~, 1993, personally appeared before me, a Notary Public, in and for the County and State aforesaid, Eldo H. Meyer and Dennis L. Murdock to me personally known, and acknowledged that as the Secretary and ~~Vice President~~ Executive of CENTRAL IOWA POWER COOPERATIVE, an Iowa cooperative, that they each signed and delivered the foregoing instrument pursuant to authority given by the Board of Directors of said corporation as their free and voluntary act and deed and as the free and voluntary act and deed of said corporation.

Witness my hand and official seal the day and year aforesaid.

PATRICIA L. HULL
MY COMMISSION EXPIRES
10-21-96

Patricia L. Hull
Notary Public
Patricia L. Hull

Commission Expires: June 21, 1996.

[NOTARIAL SEAL]

326-1195
DELAWARE COUNTY IOWA
FILED
'93 OCT 13 AM 11 23
BOOK 4 PAGE 110
RECORDER
$171.00

National Rural Utilities
Cooperative Finance Corporation

To

Bankers Trust Company

Dennis L Puckett, Esq
Sullivan & Ward, P C
801 Grand Ave. Suite 3500
Des Moines, IA 50319-2719