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MICHELLE UTSLER,
RECORDER
MADISON COUNTY, IOWA

AFFIDAVIT
CONCERNING CHAPTER 28E AGREEMENT

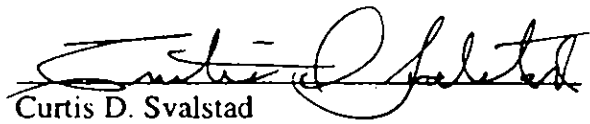
State of Iowa
SS
Polk County

I, Curtis D. Svalstad, being first duly sworn on oath do depose and state that I am the incorporator of the Iowa Public Employer Health Care Coverage Corporation, an Iowa Non-Profit Corporation established pursuant to the provisions of Chapter 504A, the Code, in accordance with the provisions of a Chapter 28E Agreement providing for the creation of such a corporation.

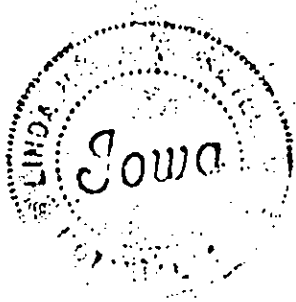
I do further depose and state that the Chapter 28E Agreement has been filed with the Secretary of State in accordance with the provisions of Section 28E.8, Code of Iowa and that pursuant to said section a copy of said Chapter 28E Agreement is required to be filed with the County Recorder in each county where the Chapter 28E Agreement will be in force.

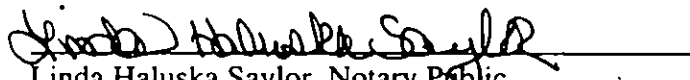
I do further depose and state that the Chapter 28E Agreement attached hereto is a true and correct copy of the document filed with the Secretary of State.

DATED at Des Moines, Polk County, Iowa on this 19th day of March, 1998.


Curtis D. Svalstad

Subscribed and sworn to before me by Curtis D. Svalstad on the 18th day of March, 1998.




Linda Haluska Saylor, Notary Public
My Commission Expires July 1, 1998

FILED
SECRETARY OF STATE
IOWA

MAR 13 2 20 PM '98

Preparer
Information: Curtis D. Svalstad 317 Sixth Ave., Suite 1400 DSM, IA 50309-4122 (515)244-7282
Name Street Address City/State/Zip Phone

Return to Preparer

**AN AGREEMENT
TO CREATE THE IOWA PUBLIC EMPLOYER HEALTH CARE COVERAGE CORPORATION**

Pursuant to the provisions of Chapter 28E, Code of Iowa, 1997, the signatories hereto agree to study the feasibility of offering health care coverage to their employees and to the dependents of their employees jointly with other parties on a self-insured basis, by pooling the risk of providing such coverage; to implement such a program if it is deemed to be feasible; and to create a separate entity to carry out such a feasibility study and to implement such a program if it is deemed to be feasible.

ARTICLE I

Section 1. The effective date of this Agreement shall be the date this Agreement is filed with the Iowa Secretary of State and recorded with the County Recorder of each county.

Section 2. The Agreement shall be submitted to the Insurance Commissioner for review and approval as to matters within the Insurance Commissioner's jurisdiction.

ARTICLE II

Section 1. The purpose of this Agreement is to study the feasibility of offering health care coverage to the employees, and to the dependents of the employees, of the parties hereto, jointly on a self-insured basis, by pooling the risk of providing such coverage; and to implement such a program if it is deemed to be feasible.

Section 2. In order to carry out these purposes, there shall be created a separate entity called the Iowa Public Employer Health Care Coverage Corporation, hereinafter Corporation, which shall be formed as an Iowa non-profit corporation established under the provisions of Chapter 504A, Code of Iowa, the Iowa Non-Profit Corporation Act. No original signatory to this Agreement is required to become a member of the Corporation, or to join the health care coverage program even if the program is found to be feasible.

Section 3. The Corporation shall have and may exercise jointly on behalf of its members all of the powers set out in Section 28E.3, Code of Iowa, 1997 in order to carry out the purposes for which it is created, including the power to review all aspects of such a program, including but not limited to the legality and regulatory requirements, the need, the financial feasibility, the competitiveness, the structure, and the attractiveness of such a program to other potential parties. If such a program is deemed feasible, the powers, privileges and authority of the corporation shall include, but shall not be limited to, the power to issue bonds, notes, or other obligations on behalf of participating governmental bodies, or to otherwise assist in the issuance by such governing bodies of such obligations; the power to charge the member premiums in order to provide programs of joint risk sharing, insurance and risk management services in connection with health care claims related thereto; and the power to take all action required of the Corporation in order to provide health care coverage to its members jointly on a self-insured basis by pooling the risk of providing such coverage.

Section 4. A copy of the proposed Articles of Incorporation of the Corporation to be formed is attached hereto and by this reference made a part hereof. At such time as this Agreement becomes effective, the undersigned shall cause the Corporation to be established in accordance with the laws of the State of Iowa.

Section 5. The Corporation may amend the Articles of Incorporation in accordance with the provisions of the Iowa Non-Profit Corporation Act in effect at the time of the Amendment provided that such Amendment has been approved by the Executive Board of the Iowa League of Cities.

Section 6. If the program of offering health care coverage to the employees and to the dependents of the employees of the members jointly on a self-insured basis by pooling the risk of providing such coverage is deemed feasible by the Corporation, the Corporation shall comply with applicable state and federal law in carrying out the program.

ARTICLE III

Section 1. All cities and counties of Iowa; any other political subdivision of the state, including a school corporation; Chapter 28E separate entities comprised solely of cities, of counties, of political subdivisions of the state, including a school corporation, or of a combination thereof; and such other public bodies as may be authorized by the Corporation from time to time may become a party to this Agreement and a member of the Corporation.

Section 2. The governing body of any entity which desires to become a party to this Agreement and a member of the Corporation created pursuant thereto after the effective date of this Agreement shall adopt a resolution authorizing the governing body to apply to become a party to the Agreement and a member of the Corporation. An applicant becomes a party to the Agreement and a member of the Corporation at such time as the application has been accepted by the Corporation. A copy of the resolution, showing approval, shall be filed with the Secretary of State and recorded with the County Recorder in the county where the applicant is located.

ARTICLE IV

Section 1. The Corporation may finance this joint undertaking of offering health care coverage on a self-insured basis by pooling the risk of such coverage through: a) the issuance on behalf of the members of bonds, notes or other obligation; b) the collection of premiums from its members. The Corporation shall establish the amount of premiums required to carry out the financing of the joint undertaking; c) the money earned from the lawful investment of the proceeds of such bonds, notes, obligations or premiums; and d) all other monies which shall be received by the Corporation in connection with the administration of this program.

Section 2. The Corporation shall approve a budget for the initial year, and for each year thereafter, based on anticipated receipts from all sources and on anticipated expenses, including reserves, required to be maintained during the coming year.

Section 3. The Corporation may use its funds to pay all lawful expenses of the Corporation, and shall make all payments which it considers reasonable in carrying out its purposes, including, but not limited to the payment of any bonds, notes, or other obligations of the Corporation, the payment of interest and premiums thereon, the payment of health care claims, the payment of premiums for insurance and re-insurance policies including stop loss coverage, the establishment of such reasonable reserves as it may be required to maintain, and the payment of any other expenses incurred in carrying out its purposes.

Section 4. Upon dissolution, the Corporation shall return to members of the Corporation, pursuant to the rules of the Corporation, any assets of the Corporation not necessary to pay the expenses of dissolution, and the debts and claims of the Corporation, and to establish such reserves as it may be required to maintain.

Section 5. The Corporation may appoint an Executive Secretary, with the power and authority to implement the policies of the Corporation, to supervise its activities and funds, and to perform such other duties as may be agreed to by the Corporation and the Executive Secretary. The Executive Secretary shall be entitled to such fees for its services as may be agreed to by the Corporation and the Executive Secretary.

Section 6. The Corporation may appoint one or more service agents to advise the Executive Secretary in all manners relating to the supervision of its activities and funds, which shall include, but not be limited to, determining the amount of annual premium contributions required to be made by the participating members; handling, investigating and disposing of claims for health care; advising the Executive Secretary on the proper establishment and maintenance of necessary reserves; recommending the proper amount of reinsurance including stop-loss coverage; providing reports and accounting necessary to be filed with an applicable agency; presenting such programs to the members as may be agreed upon; and performing such other duties as may be agreed to by the Corporation and the service agent. The service agent shall be entitled to such fees for its services as may be agreed to by the Corporation and the service agent.

Section 7. The Corporation shall obtain excess insurance coverage, including stop-loss coverage so that adequate funds are available to cover losses, in accordance with applicable laws and the rules of the Corporation.

Section 8. Each participating member of the Corporation agrees that, to the extent permitted by Iowa law, it will be responsible for its pro-rata share of any claims and expenses which exceed the Corporation's available resources. Any assessment made on a member pursuant to this section shall be remitted promptly.

Section 9. The Corporation will include in its self-insurance plan all coverages and provisions that are required by law in insurance policies for the type of risk that the self-insurance plan is intended to cover.

The undersigned execute the Agreement on the date hereafter stated.

CITY OF Evansdale _____ COUNTY Sac _____ COUNTY

By: John W. Mardis _____ By: Paul H. Grogan _____
 Mayor Chair, Board of Supervisors

Attest: Carol J. Wilson 3-6-98 Attest: James W. Diney 3/03/98
 Clerk Date County Auditor Date

CITY OF Hawatha _____ COUNTY Guthrie _____ COUNTY

By: Thomas A. Davis _____ By: James P. Peterson _____
 Mayor Chair, Board of Supervisors

Attest: Julie A. Hart 3-6-98 Attest: Helen Davis Deputy 3-10-98
 Clerk Date County Auditor Date

State of Iowa, County of Black Hawk, ss:

On this 6th day of March, 1998, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared John W. Mardis and Carol J. Wilson, to me personally known, who, being by me duly sworn, did say that they are the Mayor and City Clerk, respectively, of the City of Evansdale, Iowa, a municipal corporation; that the seal affixed to the foregoing instrument is the corporate seal of the corporation, and that the instrument was signed and sealed on behalf of the corporation, by authority of its City Council, as contained in Resolution No. 3985 of the City Council, passed on the 3rd day of March, 1998; and that John W. Mardis and Carol J. Wilson acknowledged the execution of the instrument to be their voluntary act and deed and the voluntary act and deed of the corporation, by it voluntarily executed.

Marlyne E. Benhoff
Notary Public in and for said State

State of Iowa, County of Wac, ss:

On this 3rd day of March, 1998, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Reverend Koenig and James Dowling, to me personally known, who, being by me duly sworn, did say that they are the Chairperson of the Board of Supervisors and the County Auditor, respectively, of the County of Wac, Iowa, a municipal corporation; that the seal affixed to the foregoing instrument is the corporate seal of the corporation, and that the instrument was signed and sealed on behalf of the corporation, by authority of its Board of Supervisors, as contained in Resolution No. _____ of the Board of Supervisors, passed on the 3rd day of March, 1998; and that Reverend Koenig and James Dowling acknowledged the execution of the instrument to be their voluntary act and deed and the voluntary act and deed of the corporation, by it voluntarily executed.

Marcia J. Kindred
Notary Public in and for said State

State of Iowa, County of Linn, ss:

On this 6th day of March, 1998, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared Thomas A. Theis and Julie A. Hartz, to me personally known, who, being by me duly sworn, did say that they are the Mayor and City Clerk, respectively, of the City of Hiawatha, Iowa, a municipal corporation; that the seal affixed to the foregoing instrument is the corporate seal of the corporation, and that the instrument was signed and sealed on behalf of the corporation, by authority of its City Council, as contained in Resolution No. 98-12 of the City Council, passed on the 18th day of February, 1998; and that Thomas A. Theis and Julie A. Hartz acknowledged the execution of the instrument to be their voluntary act and deed and the voluntary act and deed of the corporation, by it voluntarily executed.

Mikki Hansen
Notary Public in and for said State

State of Iowa, County of Cuthrie, ss:

On this 10 day of March, 1998, before me, the undersigned, a Notary Public in and for the State of Iowa, personally appeared James Petersen and Gwen Blass, to me personally known, who, being by me duly sworn, did say that they are the Chairperson of the Board of Supervisors and the County Auditor, respectively, of the County of Cuthrie, Iowa, a municipal corporation; that the seal affixed to the foregoing instrument is the corporate seal of the corporation, and that the instrument was signed and sealed on behalf of the corporation, by authority of its Board of Supervisors, as contained in Resolution No. _____ of the Board of Supervisors, passed on the 10 day of March, 1998; and that James Petersen and Gwen Blass acknowledged the execution of the instrument to be their voluntary act and deed and the voluntary act and deed of the corporation, by it voluntarily executed.

Marcia J. Kindred
Notary Public in and for said State



ARTICLES OF INCORPORATION OF THE IOWA PUBLIC EMPLOYER HEALTH CARE COVERAGE CORPORATION

TO THE SECRETARY OF THE STATE OF IOWA: The undersigned, acting as Incorporator of a Corporation under the Iowa Nonprofit Corporation Act, Chapter 388 of the laws of the 61st General Assembly (1965), now Chapter 504A of the Iowa Code, adopts the following Articles of Incorporation for such Corporation:

ARTICLE I. Name

The name of the corporation is THE IOWA PUBLIC EMPLOYER HEALTH CARE COVERAGE CORPORATION.

ARTICLE II. Period of Duration

The period of its duration is perpetual.

ARTICLE III. Purposes

The purpose of the Corporation is to study the feasibility of offering health care coverage to the employees and to the dependents of the employees of the members of the Corporation, jointly on a self-insured basis with other members, by pooling the risk of providing such coverage; and to implement such a program if the Corporation deems it to be feasible.

ARTICLE IV. Registered Agent and Address

The address of the Corporation's initial registered office in the State of Iowa is 317 Sixth Avenue, Suite 1400, in the City of Des Moines, County of Polk and the name of its initial registered agent at such address is: Curtis D. Svalstad.

ARTICLE V. Board of Directors

The number of directors constituting the initial Board of Directors of the Corporation is seven (7) and the names and addresses of the persons who are to serve as the initial directors are:

James W. Dowling
100 N. West State Street
Sac City, Iowa 50583

Ann Hutchinson
3359 Middle Road
Bettendorf, Iowa 52722

Glenda Edwards
200 North Fifth Street
Guthrie Center, Iowa 50115

Robert L. Layton
3315 - 70th Street
Urbandale, Iowa 50322

Mary A. Gaskill
101 W. Fourth Street
Ottumwa, Iowa 52501-2518

John W. Mardis
123 N. Evans Road
Evansdale, Iowa 50707-1199

Kelly J. Hayworth
1512 Seventh Street, Box 5127
Coralville, Iowa 52241-5127

ARTICLE VI. Effective Date

The date on which the corporate existence shall begin is the date on which Secretary of State issues the Certificate of Incorporation.

ARTICLE VII. Incorporator

The name and address of each Incorporator is:

Curtis D. Svalstad
317 Sixth Avenue, Suite 1400
Des Moines, Iowa 50309-4122

IN WITNESS WHEREOF, the undersigned has executed these Articles of Incorporation this _____ day of _____, 1998.

IOWA PUBLIC EMPLOYER HEALTH CARE COVERAGE CORPORATION

By: _____
Incorporator

STATE OF IOWA)
) ss:
POLK COUNTY)

On this _____ day of _____, 1998, before me, the undersigned, a Notary Public in and for said County and said State, personally appeared _____, to me known to be the person named in and who executed the foregoing Articles of Incorporation and acknowledged that they executed the same as their voluntary act and deed.

Notary Public in and for Said County