CIPCO

NATIONAL RURAL UTILITIES
COOPERATIVE FINANCE CORPORATION,
Guarantor

MORGAN GUARANTY TRUST COMPANY OF NEW YORK,
Bond Trustee

BANKERS TRUST COMPANY,
Pool Trustee

Guaranty, Assignment and Agency Agreement

Compared

1100

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MARY E. WELTY
RECORDER
MADISON COUNTY, IOWA

Fee #75.00
Paid

Dated as of December 1, 1983

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

This instrument was prepared by:

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GUARANTY, ASSIGNMENT AND AGENCY AGREEMENT made and entered into as of the date set forth on the cover hereof between NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION, a cooperative association organized under the laws of the District of Columbia, MORGAN GUARANTY TRUST COMPANY OF NEW YORK, a New York banking corporation, as Bond Trustee, and BANKERS TRUST COMPANY, a New York banking corporation, as Pool Trustee.

WITNESSETH:

WHEREAS the Issuer (such term, and the other capitalized terms used in these recitals without definition, having the respective meanings specified in Article I hereof) intends to issue its bonds designated as set forth on the cover hereof and may issue additional bonds;

WHEREAS this Issue of Bonds is to be issued under and pursuant to the Bond Indenture;

WHEREAS the proceeds derived from the sale of this Issue of Bonds are to be applied as described in Schedule I hereto for the benefit of the Company;

WHEREAS the Project is to be available for use by the Company, which is a member of the Guarantor, and the Guarantor's primary function is to provide its members with a source of financing supplementary to financing programs available to the Company and other rural electric utility cooperatives from REA;

WHEREAS the Issuer and the Company will enter into the Financing Agreement under the terms of which the Issuer will authorize the use of the proceeds from the sale of this Issue of Bonds as described in Schedule I hereto, and the Company will agree to pay amounts equal to the principal of and premium, if any, and interest on this Issue of Bonds, as and when the same shall become due (except in the case of an acceleration of the principal of and accrued interest on this Issue of Bonds under the provisions of Section 9.2 of the Bond Indenture unless the accelerated amounts are required to be paid in full pursuant to Section 4.2(a) of the Financing Agreement) and make certain payments into the Debt Service Reserve Fund, and the Company will secure its debt service obligations under the Financing Agreement by delivering to the Guarantor its Project Note;

WHEREAS from the proceeds of this Issue of Bonds an amount equal to the Debt Service Reserve Requirement on this Issue of Bonds is required to be paid to the Company, the Company will pay such amount to the Guarantor and will receive from the Guarantor a Debt Service Reserve Certificate and as security for its guaranty herein the Guarantor will deposit a like amount in the Debt Service Reserve Fund;

WHEREAS, pursuant to Section 4.2(a) of the Financing Agreement, if at any time prior to the occurrence of a Pooling Event there exists a Debt Service Reserve Fund Deficiency (Cost), the Company and the Guarantor will be obligated to pay to the Bond Trustee for deposit in the Debt Service Reserve Fund an amount equal to such Debt Service Reserve Fund Deficiency (Cost), and if on any Valuation Date prior to the occurrence of a Pooling Event there exists a Debt Service Reserve Fund Deficiency (Value), the Company will be obligated not later than six months following such Valuation Date to pay to the Bond Trustee for deposit in the Debt Service Reserve Fund an amount equal to such Debt Service Reserve Fund Deficiency (Value);

WHEREAS the Guarantor has entered into the Pool Indenture with the Pool Trustee and proposes to enter into the Series Supplemental Indenture with the Pool Trustee and the Bond Trustee pursuant to which the Bond Trustee will assign to the Pool Trustee its rights under the Financing Agreement and this Guaranty Agreement to secure the payment of all Issues of Bonds, all upon the terms and subject to the conditions of the Pool Indenture;

WHEREAS the Issuer will assign its interests under the Financing Agreement (except for the obligations of the Company to pay the Issuer's expenses, to indemnify the Issuer and the Issuer's rights of access to the Project) to the Bond Trustee and the Issuer will authorize and instruct the Bond Trustee to assign such interests to the Pool Trustee to secure payment of all Issues of Bonds, including this Issue of Bonds;

WHEREAS the Issuer desires the Company to issue the Project Note to the Guarantor and the Guarantor to assign the Project Note to the Trustees to secure the debt service obligations of the Company under the Financing Agreement and of the Guarantor hereunder;

WHEREAS the Guarantor desires to assign to the Trustees the Project Note and the Mortgage (to the extent it secures the Project Note) and to act as Agent;

WHEREAS the Project Note will provide that, except during the continuance of a Pooling Event, the Bond Trustee shall be vested with the sole right to enforce the Project Note and the Mortgage (to the extent it secures the Project Note) and apply any moneys and properties received therefrom in accordance with the provisions of the Bond Indenture and, during the continuance of a Pooling Event, the Pool Trustee shall be vested with the sole right to enforce the Project Note and the Mortgage (to the extent it secures the Project Note) and apply any moneys and properties received therefrom in accordance with the provisions of the Pool Indenture;

WHEREAS under the CFC-Company Agreement the Company will agree in connection with the Guarantor's execution and delivery of this Guaranty Agreement to purchase from the Guarantor an agreed principal amount of the Guarantor's noninterest bearing Debt Service Reserve Certificates;

WHEREAS under the CFC-Company Agreement the Company will agree in connection with the Guarantor's execution and delivery of this Guaranty Agreement to purchase an agreed principal amount of the Guarantor's interest bearing Subordinated Term Certificates; and

WHEREAS the Guarantor is desirous that the Issuer issue this Issue of Bonds and apply the proceeds as aforesaid and is willing to enter into this Guaranty Agreement in order to enhance the marketability of this Issue of Bonds and thereby achieve cost savings and other savings to the Company and as an inducement to the purchase of this Issue of Bonds by all who shall at any time become holders of Bonds of this Issue of Bonds;

NOW, THEREFORE, in consideration of the premises, in order to induce the Issuer to issue and sell this Issue of Bonds, and as an inducement to the purchase of this Issue of Bonds by all who shall at any time become holders of Bonds of this Issue of Bonds, the Guarantor does hereby, subject to the terms hereof, covenant and agree with the Trustees as follows:

ARTICLE I

DEFINITIONS

For all purposes of this Guaranty Agreement except as otherwise expressly provided or unless the context requires otherwise:

"*Agent*" means the Guarantor acting as the Trustees' agent under the Mortgage, as appointed in Article V hereof.

"*Appropriate Trustee*" means the Bond Trustee (except during the continuance of a Pooling Event) and the Pool Trustee (during the continuance of a Pooling Event).

"*Average Annual Debt Service*" shall have the meaning specified in the Financing Agreement.

"*Bond Fund*" shall have the meaning specified in the Bond Indenture.

"*Bond Indenture*" means the Bond Indenture identified in Schedule I hereto between the Issuer and the Bond Trustee, as from time to time supplemented and amended.

"*Bond Redemption Fund*" shall have the meaning specified in the Bond Indenture.

"*Bonds*" means any and all bonds included in this Issue of Bonds or in all Issues of Bonds, as the case may be.

"*Bond Trustee*" means Morgan Guaranty Trust Company of New York, a New York banking corporation, until a successor Bond Trustee shall have become such pursuant to the applicable provisions of the Bond Indenture, and thereafter "*Bond Trustee*" means such successor Bond Trustee.

"*CFC-Company Agreement*" shall have the meaning specified in the Financing Agreement.

"*Company*" means the Company identified in Schedule I hereto, until a successor or assignee Company shall have become such pursuant to the applicable provisions of the Financing Agreement, and thereafter "*Company*" means such successor or assignee Company.

"*Construction Fund*" shall have the meaning specified in the Bond Indenture.

"*Debt Service Reserve Certificate*" shall have the meaning specified in the Financing Agreement.

"*Debt Service Reserve Fund*" shall have the meaning specified in the Financing Agreement.

"*Debt Service Reserve Fund Amount (Cost)*" shall have the meaning specified in the Financing Agreement.

"*Debt Service Reserve Fund Amount (Value)*" shall have the meaning specified in the Financing Agreement.

"*Debt Service Reserve Fund Deficiency (Cost)*" means, as of any date of determination thereof, the amount, if any, by which the aggregate Debt Service Reserve Requirement on all outstanding series of this Issue of Bonds exceeds the Debt Service Reserve Fund Amount (Cost).

"*Debt Service Reserve Fund Deficiency (Value)*" means, as of any Valuation Date, the amount, if any, by which one-half of the Average Annual Debt Service exceeds the Debt Service Reserve Fund Amount (Value).

"*Debt Service Reserve Requirement*" shall have the meaning specified in the Financing Agreement.

"*Financing Agreement*" means the Financing Agreement identified in Schedule I hereto between the Issuer and the Company, as from time to time supplemented and amended.

"*Guarantor*" means National Rural Utilities Cooperative Finance Corporation, a cooperative association organized under the laws of the District of Columbia, until a successor or assignee Guarantor shall have become such pursuant to the applicable provisions of this Guaranty Agreement, and thereafter "*Guarantor*" means such successor or assignee Guarantor.

"*this Guaranty Agreement*" means the Guaranty, Assignment and Agency Agreement made and entered into as of the date set forth on the cover hereof among the Guarantor, the Bond Trustee and the Pool Trustee, as it may from time to time be supplemented and amended.

"*holder of Bonds*" means the person or person in whose name or names a Bond shall be registered on the books of the Issuer kept for that purpose by the Bond Trustee or other bond registrar in accordance with the terms of the Bond Indenture.

"*all Issues of Bonds*" means this Issue of Bonds and all other issues of bonds guaranteed by the Guarantor and now or at any time in the future entitled to the benefits of the Pool Indenture.

"*this Issue of Bonds*" means this Series of Bonds and additional Bonds, if any, issued under the Bond Indenture.

"*Issuer*" means the Issuer identified in Schedule I hereto, until a successor or assignee Issuer shall have become such, and thereafter "*Issuer*" means such successor or assignee Issuer.

"*Mortgage*" means the Mortgage and Security Agreement or the Supplemental Mortgage and Security Agreement, as specified in Schedule I to the Financing Agreement, made by and among the parties identified in Schedule I hereto, as from time to time supplemented, amended and restated.

"*Obligations*" shall have the meaning specified in Section 3.1 of this Guaranty Agreement.

"*Officer of the Guarantor*" shall have the meaning specified in the Financing Agreement.

"*Opinion of Counsel*" shall have the meaning specified in the Pool Indenture.

"*Pledged Moneys*" shall have the meaning specified in Section 6.2 of this Guaranty Agreement.

"*Pool Default*" shall have the meaning specified in the Bond Indenture.

"*Pool Fund*" shall have the meaning specified in the Pool Indenture.

"*Pool Indenture*" means the Pool Indenture dated as of December 15, 1983, among the Guarantor, each trustee (including the Bond Trustee) with respect to an issue of bonds subject to the Pool Indenture and the Pool Trustee, and the supplements and amendments thereto, including, without limitation, the Series Supplemental Indenture.

"*Pool Trustee*" means Bankers Trust Company, a New York banking corporation, until a successor Pool Trustee shall have become such pursuant to the applicable provisions of the Pool Indenture, and thereafter "*Pool Trustee*" means such successor Pool Trustee.

"*Pooling Event*" shall have the meaning specified in the Bond Indenture.

"*Project*" means the Project as described in Schedule I hereto.

"*Project Note*" means the Project Note or Notes of the Company in the form attached as Exhibit B to the CFC-Company Agreement and representing the Company's obligations to pay all amounts under Section 4.2(a) of the Financing Agreement. The Project Note shall be issued under and pursuant to the Mortgage, be secured as therein provided and shall be payable to the order of and delivered to the Guarantor.

"*REA*" means the United States of America acting through the Administrator of the Rural Electrification Administration.

"*this Series of Bonds*" means the Issuer's Bonds designated as set forth on the cover hereof.

"*Series Supplemental Indenture*" means the Series Supplemental Indenture identified in Schedule I hereto supplemental to the Pool Indenture, among the Guarantor, the Pool Trustee and the Bond Trustee, as from time to time supplemented and amended.

"*Subordinated Term Certificates*" shall have the meaning specified in the Financing Agreement.

"*Trustees*" means the Pool Trustee and the Bond Trustee.

"*Valuation Date*" shall have the meaning specified in the Financing Agreement.

ARTICLE II

REPRESENTATIONS AND WARRANTIES OF GUARANTOR

The Guarantor does hereby represent and warrant that: (i) it has been duly incorporated, is a validly existing cooperative association in good standing under the laws of the District of Columbia and is duly qualified to do business and is in good standing as a foreign corporation in each state or other jurisdiction wherein the character of the property owned in fee or held under lease by it makes such qualification necessary except where the failure to be so qualified and in good standing would not have a material adverse effect upon the business or financial condition of the Guarantor; (ii) it has full corporate power to own its properties and assets, to carry on its business as conducted on the date hereof, to make the assignment and to act as Agent as appointed hereunder, and to execute, deliver and perform this Guaranty Agreement, the CFC-Company Agreement, the Mortgage, the Pool Indenture and the Series Supplemental Indenture; (iii) this Guaranty Agreement, the CFC-Company Agreement, the Mortgage, the Pool Indenture and the Series Supplemental Indenture have been duly and validly authorized, executed and delivered by the Guarantor and constitute legal, valid and binding obligations of the Guarantor, enforceable against the Guarantor in accordance with their respective terms; (iv) the execution and delivery by the Guarantor of this Guaranty Agreement, the CFC-Company Agreement, the Mortgage, the Pool Indenture and the Series Supplemental Indenture, the performance by the Guarantor of its obligations hereunder and thereunder and the transactions contemplated hereby and thereby do not and will not violate any provisions of, or constitute (with due notice or lapse of time or both) a default under, any indenture, deed of trust, note, note agreement or other agreement or instrument to which the Guarantor is a party or by which the Guarantor or any of its property is bound or affected; (v) no authorization, consent, order or approval of, or filing or registration with or exemption by, or giving of notice to, or any other action with respect to, any court or governmental or public agency, authority or body or any department or subdivision thereof is required for the execution, delivery and performance by the Guarantor of this Guaranty Agreement, the CFC-Company Agreement, the Mortgage, the Pool Indenture or the Series Supplemental Indenture, except such as have been obtained, given or accomplished; (vi) there is no action, suit, proceeding, inquiry or investigation (whether or not purportedly on the Guarantor's behalf), at law or in equity, before or by any judicial or administrative court or agency, department, board, instrumentality or before any arbitrator, pending or threatened against or affecting the Guarantor, wherein an unfavorable decision, ruling or finding would materially adversely affect the transactions contemplated by or the validity or enforceability of this Guaranty Agreement, the CFC-Company Agreement, the Mortgage, the Pool Indenture or the Series Supplemental Indenture or would result in any material adverse change in the condition of the Guarantor; and (vii) this Guaranty Agreement is made in furtherance of the purposes for which the Guarantor was incorporated.

ARTICLE III

COVENANTS AND AGREEMENTS

SECTION 3.1. *Guaranty of Obligations.* The Guarantor hereby unconditionally guarantees to the Trustees for the benefit of the Issuer and the holders from time to time of the outstanding Bonds of this Issue of Bonds and all Issues of Bonds (a) the full and prompt payment of the principal of and premium, if any, on this Issue of Bonds when and as the same shall become due, whether at the stated maturity thereof, by acceleration, by call for redemption, or otherwise, (b) the full and prompt payment of the interest on this Issue of Bonds when and as the same shall become due, (c) the full and prompt payment of the amount of any Debt Service Reserve Fund Deficiency (Cost), provided, however, that the Guarantor shall not be required to make any such payment during the 720-day period following the first occurrence of a Debt Service Reserve Fund Deficiency (Cost) and (d) the full and prompt payment when due of the amount of any Debt Service Reserve Fund Deficiency (Value) (such payments under (a), (b), (c) and (d) hereof being herein collectively called the "Obligations"). All payments by the Guarantor shall be paid in lawful money of the United States of America. Each and every default in any payment required hereunder shall give rise to a separate cause of action hereunder, and separate suits may be brought hereunder as each cause of action arises.

SECTION 3.2. *Absolute and Unconditional Nature of Guaranty.* The obligations of the Guarantor under this Guaranty Agreement shall be absolute and unconditional under any and all circumstances (including, without limitation, any event, occurrence or circumstance, whether or not within the contemplation of the parties hereto and whether or not affecting the purpose of or any consideration to the Guarantor in entering into this Guaranty Agreement) and shall remain in full force and effect until the entire principal of and premium, if any, and interest on this Issue of Bonds shall have been paid (or provided for as set forth in Article VIII of the Bond Indenture). Such obligations shall not be affected, modified or impaired upon the happening from time to time of any event, including without limitation any of the following, whether or not with notice to, or the consent of, the Guarantor:

(a) the failure to give notice to the Company or the Guarantor (in its capacity as Agent or otherwise) of the occurrence of a default or an event of default under the terms and provisions of this Guaranty Agreement, the Bond Indenture, the Pool Indenture, the Bonds, the Financing Agreement, the Mortgage, the Project Note or the CFC-Company Agreement; or

(b) the transfer, assignment or mortgaging or the purported transfer, assignment or mortgaging of all or any part of the interest of the Issuer in the Financing Agreement or the Project Note or of the interest of the Company in the Project or any of its other properties; or

(c) the waiver, surrender, compromise, release, termination, alteration, settlement, discharge, performance or observance by the Bond Trustee, the Pool Trustee, the Issuer, the Company, REA or the Guarantor (in its capacity as Agent or otherwise) of any of the obligations, covenants or agreements of any of them contained in this Guaranty Agreement, the Bond Indenture, the Pool Indenture, the Bonds, the Financing Agreement, the Mortgage, the Project Note or the CFC-Company Agreement; or

(d) the extension of the time for payment of any Obligation or any amount due under this Guaranty Agreement or of the time for performance of any other obligation, covenant or agreement under or arising out of this Guaranty Agreement, the Bond Indenture, the Pool Indenture, the Bonds, the Financing Agreement, the Mortgage, the Project Note or the CFC-Company Agreement or the extension or the renewal of any thereof; or

(e) the rescission, waiver, modification or amendment (whether material or otherwise) of any obligation, covenant or agreement set forth in this Guaranty Agreement, the Bond Indenture, the Pool Indenture, the Bonds, the Financing Agreement, the Mortgage, the Project Note or the CFC-Company Agreement or any other act or thing or omission or delay to do any other act or thing which may or might in any manner or to any extent vary the risk of the Guarantor or may or might otherwise operate as a discharge of the Guarantor as a matter of law; or

(f) the taking, suffering or omitting to take any of the actions referred to in this Guaranty Agreement, the Bond Indenture, the Pool Indenture, the Bonds, the Financing Agreement, the Mortgage, the Project Note or the CFC-Company Agreement; or

(g) any failure, omission, delay or lack of diligence on the part of the Guarantor (in its capacity as Agent or otherwise), the Bond Trustee, the Pool Trustee, the Company, REA or the Issuer to enforce, assert or exercise any right, power or remedy conferred on the Guarantor (in its capacity as Agent or otherwise), the Bond Trustee, the Pool Trustee, the Company, REA or the Issuer in this Guaranty Agreement, the Bond Indenture, the Pool Indenture, the Bonds, the Financing Agreement, the Mortgage, the Project Note or the CFC-Company Agreement, or any other act or acts on the part of the Issuer, the Bond Trustee, the Pool Trustee, the Company, REA or any of the holders from time to time of the Bonds; or

(h) the failure or omission on the part of the Bond Trustee or the Pool Trustee or the Issuer to exercise any right or remedy against any other guarantor of the Obligations; or

(i) the voluntary or involuntary liquidation, dissolution, sale or other disposition of all or substantially all the assets, marshalling of assets and liabilities, receivership, insolvency, bankruptcy, assignment for the benefit of creditors, reorganization, arrangement, composition with creditors or readjustment of, or other similar proceedings affecting, the Company, the Guarantor, the Issuer, the Bond Trustee or the Pool Trustee or any of the assets of any of them, or any allegation or contest of the validity of this Guaranty Agreement, the Bond Indenture, the Pool Indenture, the Bonds, the Financing Agreement, the Mortgage, the Project Note or the CFC-Company Agreement in any such proceeding; or

(j) the release or discharge of the Company, the Issuer, REA, the Bond Trustee or the Pool Trustee from the performance or observance of any obligation, covenant or agreement contained in the Bond Indenture, the Pool Indenture, the Bonds, the Financing Agreement, the Mortgage, the Project Note or the CFC-Company Agreement by operation of law or as a result of any judicial proceeding; or

(k) to the extent permitted by law, any event or action that would, in the absence of this Section 3.2(k), result in the release or discharge of the Guarantor from the performance or observance of any obligation, covenant or agreement contained in this Guaranty Agreement by operation of law or as a result of any judicial proceeding; or

(l) the default or failure of the Guarantor fully to perform any of its obligations set forth in this Guaranty Agreement, the CFC-Company Agreement or the Pool Indenture; or

(m) the invalidity, illegality or unenforceability of the Bond Indenture, the Pool Indenture, the Bonds, the Financing Agreement, the Mortgage, the Project Note or the CFC-Company Agreement or any part thereof; or

(n) the release of any security held by the Bond Trustee, the Guarantor (in its capacity as Agent or otherwise), the Pool Trustee or otherwise to secure payment of the principal of and premium, if any, and interest on the Bonds or any other Bonds of all Issues of Bonds; or

(o) any payment by the Company under the Financing Agreement, the Project Note, the Mortgage or otherwise except to the extent that such payment is applied by the Appropriate Trustee to the payment of principal of or premium, if any, or interest on this Issue of Bonds or to any Debt Service Reserve Fund Deficiency (Cost) or any Debt Service Reserve Fund Deficiency (Value); or

(p) to the extent permitted by law, any other cause, whether similar or dissimilar to any of the foregoing.

SECTION 3.3. *No Set-off, etc.* No set-off, recoupment, counterclaim, reduction or diminution of any obligation, or any defense of any kind or nature which the Guarantor has or may have against either of the Trustees shall be available to the Guarantor against either of the Trustees in any action, suit or proceeding arising under this Guaranty Agreement or the Pool Indenture.

SECTION 3.4. *Effectiveness of Guaranty; Subordination.* The Guarantor agrees that this Guaranty Agreement shall continue to be effective or be reinstated, as the case may be, if at any time payment of principal of or premium, if any, or interest or any part thereof on any Obligation is rescinded or must otherwise be restored by the Bond Trustee, the Guarantor (in its capacity as Agent or otherwise), the Pool Trustee or any holder of Bonds of this Issue of Bonds upon the bankruptcy, reorganization or similar proceeding of the Company, the Guarantor or the Issuer or otherwise.

Upon payment by the Guarantor of any sums to either of the Trustees hereunder and during the continuance of a default hereunder, all rights of the Guarantor against the Company arising as a result thereof by way of right of subrogation, agreement (including the CFC-Company Agreement and the note in the form set forth as Exhibit A thereto) or otherwise shall in all respects be subordinate and junior in right of payment to the prior indefeasible payment in full of all the Obligations and, if a Pooling Event shall have occurred and is continuing, to the prior indefeasible payment in full of the principal of and premium, if any, and interest on all Issues of Bonds.

SECTION 3.5. *Waiver of Notice and Undertaking as to Costs.* The Guarantor hereby expressly waives notice from either of the Trustees and the holders from time to time of any of the Bonds of this Issue of Bonds of their acceptance of and reliance on this Guaranty Agreement. The Guarantor agrees to pay all costs, expenses and fees, including all reasonable attorneys' fees, which may be incurred by the Bond Trustee or the Pool Trustee in enforcing or attempting to enforce this Guaranty Agreement following any default hereunder, whether the same shall be enforced by suit or otherwise.

SECTION 3.6. *Maintenance of Existence; Successor Guarantors.* The Guarantor agrees that it will maintain its corporate existence, will not dispose of all or substantially all its assets except to another corporation incorporated and existing under the laws of the United States of America, the District of Columbia or one of the States of the United States of America, and will not consolidate with or merge into another corporation unless such corporation is incorporated and existing under the laws of the United States of America, the District of Columbia or of one of the States of the United States of America; provided in all cases that such other corporation assumes in writing all the obligations of the Guarantor under this Guaranty Agreement, the Pool Indenture and the CFC-Company Agreement; and further provided that such other corporation has a consolidated net worth (after giving effect to said consolidation, merger or disposition) equal to or greater than that of the Guarantor immediately prior to said consolidation, merger or disposition; and further provided that immediately following said consolidation, merger or disposition there shall be no default hereunder. The term "net worth," as used in this Section 3.6 shall mean the difference obtained by subtracting total liabilities (not including as a liability any capital or surplus item) from total assets of the Guarantor or such other corporation, as the case may be, and all of their respective subsidiaries, determined in accordance with generally accepted accounting principles.

SECTION 3.7. *Prohibited Activities.* The Guarantor certifies and covenants for the benefit of the purchasers and holders of the Bonds of all Issues of Bonds and for the benefit of the Issuers in respect thereof that it will not, and it will not permit any Officer of the Guarantor to, direct the investment of any moneys on deposit in the Construction Fund, the Bond Fund, the Debt Service Reserve Fund, the Bond Redemption Fund or any other fund or account held by the Bond Trustee under the Bond Indenture, in a manner that will cause any of the Bonds to be "arbitrage bonds" within the meaning of Section 103(c) of the Internal Revenue Code of 1954, as amended, and any regulations promulgated or proposed thereunder.

SECTION 3.8. *Benefit of this Guaranty Agreement.* This Guaranty Agreement is entered into by the Guarantor with the Trustees for the benefit of the Trustees, the Issuer and the holders from time to time of the Bonds of all Issues of Bonds. The Trustees and the holders from time to time of the Bonds of all Issues of Bonds shall be entitled to enforce the performance and observance of this Guaranty Agreement to the same extent provided for the enforcement of remedies under the Bond Indenture and the Pool Indenture.

ARTICLE IV

DEFAULT

SECTION 4.1. *Default.* One or more of the following shall be a "default" under this Guaranty Agreement:

(a) default in the due and punctual payment of interest on any Bond of this Issue of Bonds;

(b) default in the due and punctual payment of the principal of or premium, if any, on any Bond of this Issue of Bonds, whether at the stated maturity thereof, by acceleration, by call for redemption, or otherwise;

(c) a Pool Default shall have occurred and be continuing;

(d) a court having jurisdiction in the premises shall enter a decree or order for relief in respect of the Guarantor in an involuntary case under any applicable bankruptcy, insolvency, or other similar law now or hereafter in effect, or appointing a receiver, liquidator, assignee, custodian, trustee, sequestrator

(or similar official) of the Guarantor or for any substantial part of its property or ordering the winding up or liquidation of its affairs, and such decree or order shall remain unstayed and in effect for a period of 90 consecutive days or the Guarantor shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or consent to the entry of an order for relief in an involuntary case under any such law, or consent to the appointment or taking possession by a receiver, liquidator, assignee, custodian, trustee, sequestrator (or similar official) of the Guarantor or for any substantial part of its property, or make any general assignment for the benefit of creditors;

(e) other than as provided in subsection (d) above, the dissolution or liquidation of the Guarantor, or failure by the Guarantor promptly to forestall or remove any execution, garnishment or attachment of such consequence as will impair its ability to continue its business or fulfill its obligations hereunder; the term "dissolution or liquidation of the Guarantor", as used in this subsection, shall not be construed to include the cessation of the corporate existence of the Guarantor resulting either from a merger or consolidation of the Guarantor into or with another corporation or a dissolution or liquidation of the Guarantor following a disposition of all or substantially all its assets, under the conditions permitting such actions contained in Section 3.6 hereof;

(f) failure by the Guarantor, at the time of the issuance and delivery of each series of Bonds of this Issue of Bonds, to pay to the Bond Trustee for deposit in the Debt Service Reserve Fund an amount equal to the Debt Service Reserve Requirement with respect to such series of Bonds;

(g) failure by the Guarantor to make a Debt Service Reserve Fund Deficiency (Cost) or a Debt Service Reserve Fund Deficiency (Value) payment when required hereunder;

(h) failure by the Guarantor to observe and perform any covenant, condition or agreement contained herein on its part to be observed or performed, other than as referred to in the preceding subsections of this Section 4.1, for a period of 30 days after written notice specifying such failure and requesting that it be remedied, given to the Guarantor by either of the Trustees, unless each of the Trustees shall agree in writing to an extension of such time prior to its expiration; provided that, if such failure be such that it cannot be corrected within the applicable period, it shall not constitute a default if corrective action is instituted by the Guarantor within the applicable period and diligently pursued until the failure is corrected; or

(i) any representation or warranty made by the Guarantor herein shall prove to be incorrect or untrue in any material respect when made.

SECTION 4.2. *Remedies.* In the event a default shall have occurred and be continuing under any subsection of Section 4.1 hereof, the Appropriate Trustee may pursue any remedies available against the Guarantor (without proceeding against or exhausting any other remedies which it may have against the Company or otherwise and without resorting to any other security held by the Issuer, the Guarantor (in its capacity as Agent or otherwise), the Bond Trustee or the Pool Trustee and regardless of whether a default or event of default shall have occurred under the Financing Agreement or the Project Note) at law or in equity, including, but not limited to, a suit for specific performance, injunctive relief or damages.

SECTION 4.3. *Guaranty of Payment Not of Collection.* The Guarantor agrees that this Guaranty Agreement constitutes a guaranty of payment when due and not of collection.

ARTICLE V

ASSIGNMENT; GUARANTOR APPOINTED TRUSTEES' AGENT UNDER THE MORTGAGE

SECTION 5.1. *Assignment.* To secure the obligations of the Guarantor hereunder, the Guarantor hereby assigns and transfers to the Trustees for the benefit of the holders of all Issues of Bonds, and the Trustees hereby accept in accordance with the respective provisions of the Pool Indenture and the Bond Indenture, all the Guarantor's right, title and interest in, to and under the Project Note and the Mortgage (to the extent it

secures the Project Note). The Guarantor agrees to endorse the Project Note in blank and deliver it to the Bond Trustee at the time of the initial delivery of Bonds of this Issue of Bonds to be held by the Bond Trustee on behalf of both itself and the Pool Trustee and the Bond Trustee agrees to so hold the Project Note. The Bond Trustee agrees to deliver the Project Note, endorsed in blank by the Guarantor, to the Pool Trustee within 15 days after the occurrence of a Pooling Event. Subject to the provisions of Section 5.2 hereof, if a default under this Guaranty Agreement shall have occurred and be continuing (and in the case of a default under Section 4.1(a) or 4.1(b) hereof such default shall have continued for at least 30 days), the Guarantor's right, title and interest in, to and under the Project Note and the Mortgage (to the extent it secures the Project Note) shall be enforceable by the Appropriate Trustee in accordance with the Bond Indenture or the Pool Indenture, as the case may be.

SECTION 5.2. *Appointment of Guarantor as Agent; Consent to Amendments, etc.* Subject to the terms and conditions hereinafter set forth in this Article V, the Trustees hereby (a) appoint the Guarantor, and the Guarantor agrees, to act as their agent and nominee for the purpose of serving as a mortgagee under the Mortgage with respect to the Project Note (the Guarantor, in such capacity, being herein called the "Agent", it being understood that the Guarantor may also act as a mortgagee under the Mortgage in its own right and not as Agent), and (b) authorize the Agent in its sole discretion to consent to and execute any amendment to, or to waive any provision of, the Mortgage and to give any consent, approval, notice, request or direction which may be given by the Guarantor (whether referred to as CFC or as a mortgagee) under the Mortgage. In the event the Pool Trustee or the Bond Trustee is requested by the Guarantor to join in or ratify any such consent, each hereby agrees to do so.

The Guarantor hereby agrees that it will not, in its capacity as Agent, consent to, execute any amendment or grant any waiver effecting, or give any approval, notice, request or direction having as its object or effect:

(1) any release of property (other than property having a fair market value of less than $50,000) from the lien of the Mortgage unless, as evidenced by a certificate of an Authorized Company Representative (as defined in the Financing Agreement) previously furnished to the Agent, the consideration received by the Company for the property being released is at least equal to the fair market value of said property being released;

(2) a satisfaction of the Mortgage while the Bond Trustee or the Pool Trustee holds the Project Note;

(3) (i) the subordination of the lien of the Mortgage to any other lien, or (ii) the extension of the lien of any other mortgage to any property on a parity with the lien of the Mortgage; or

(4) (i) a reduction or diminution of the rights and remedies available to the Agent, the Bond Trustee or the Pool Trustee under Article III of the Mortgage, or (ii) the holder of the Project Note obtaining a lesser percentage of the unpaid principal of and accrued interest on the Project Note than the percentage of the unpaid principal of and accrued interest on its note received by the holder of any other note secured by the Mortgage in the event of a default under the Mortgage and the exercise of any remedies thereunder by a holder of any note secured by the Mortgage or (iii) any change in the events of default under the Mortgage other than the provision for additional events of defaults.

Subject to the foregoing restrictions in this Section 5.2, nothing herein contained shall prevent the Agent from consenting to and executing any amendment to, or waiving any provision of, the Mortgage, where such amendment or waiver has the effect of (i) granting to one or more of the holders of the notes secured by the Mortgage greater rights and remedies than are permitted to any other holder or holders of notes secured by the Mortgage, (ii) increasing or adding to the covenants, representations or obligations of the Company, (iii) increasing or adding to the rights and remedies of any mortgagee or the holder of any note secured by the Mortgage (including any subsequent mortgagee or noteholder) or (iv) permitting the issuance of additional notes, to be secured by the Mortgage, to evidence loans by the Guarantor or others to the Company.

SECTION 5.3. *Status Upon Default; Revocation of Agency.* If, while the Guarantor is acting as Agent, a default shall have occurred and be continuing under Section 4.1 hereof and, in the case of a default under Section 4.1(a) or 4.1(b) hereof, such default shall have continued for at least 30 days, then:

(a) the Guarantor shall forthwith take any action under the Mortgage which the Appropriate Trustee directs it to take, including exercise of any of the rights and remedies set forth in Article III of the Mortgage, and shall not give or execute any consent, amendment, waiver, approval, notice, request or direction referred to in Section 5.2 hereof unless specifically directed to do so in writing by the Appropriate Trustee in an instrument separate from this Guaranty Agreement; and

(b) the Appropriate Trustee thereafter may, by written notice to the Guarantor and the Company, revoke and rescind the appointment of the Guarantor as Agent in this Article V and, thereafter, the Appropriate Trustee may exercise all rights, privileges and powers and take all action which the Guarantor as Agent was theretofore entitled to exercise or take under the Mortgage and the Project Note and the Guarantor as Agent shall have no such rights, privileges or powers thereunder. Upon such revocation and rescission, the Guarantor shall forthwith execute, deliver and record all instruments and other documents that either of the Trustees shall reasonably request to establish and confirm the power of each of the Trustees to exercise such rights, privileges and powers.

The Guarantor further agrees, that, upon such revocation of its appointment as Agent, it will deliver to the Appropriate Trustee copies of (a) all consents, approvals or waivers previously and thereafter received or given by the Agent pursuant to any provision in Article II of the Mortgage, (b) all notices given or received under Article III of the Mortgage, and (c) the most recent and all future reports furnished to the Guarantor pursuant to the provisions of Section 12 of Article II of the Mortgage. The term "Agent" as used in this paragraph includes the Guarantor whether it is acting as Agent or as a mortgagee under the Mortgage.

SECTION 5.4. *Moneys Received by Agent.* In the event that the Guarantor, acting as Agent, obtains moneys in prepayment of the Project Note or as a consequence of a default by the Company under the Mortgage and a resulting sale of all or a portion of the property of the Company which is then subject to the lien of the Mortgage, the Guarantor shall pay such moneys, except during the continuance of a Pooling Event, to the Bond Trustee for deposit in the Bond Redemption Fund pursuant to the Bond Indenture and, during the continuance of a Pooling Event, to the Pool Trustee for deposit in the Pool Fund.

SECTION 5.5. *Payments Under Project Note and Financing Agreement.* The Guarantor shall collect and pay to the Bond Trustee for deposit in the Bond Fund payments received from the Company under the Project Note and the Financing Agreement, except that, during the continuance of a default under Section 4.1 hereof, such payments may be made by the Company directly to the Appropriate Trustee. As provided in the Financing Agreement, any such payment by the Company to the Guarantor shall not constitute payment to either of the Trustees until actual receipt thereof.

SECTION 5.6. *Limitation of Agent's Liability.* The Agent shall not have any liability (other than for negligence or wilful misconduct) to the Bond Trustee, the Pool Trustee or to any holder of a bond of any Issue of Bonds for the consequences of any action taken by the Agent under the provisions of this Article V.

ARTICLE VI

SECURITY FOR GUARANTY

SECTION 6.1. *Undertaking to Pledge.* The Guarantor agrees that, as security for its guaranty hereunder, it will deliver to and pledge with the Bond Trustee for deposit in the Debt Service Reserve Fund (i) at the time of the issuance of each series of Bonds of this Issue of Bonds an amount in cash equal to the Debt Service Reserve Requirement of such series of Bonds, (ii) from time to time pursuant to Section 3.1(c) and (d) hereof cash in the amount of any Debt Service Reserve Fund Deficiency (Cost) and Debt Service Reserve Fund Deficiency (Value), and (iii) 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.

SECTION 6.2. *Pledged Moneys.* The Guarantor hereby pledges with and agrees to deliver to the Bond Trustee for deposit in the Debt Service Reserve Fund (i) an amount in cash equal to the Debt Service Reserve Requirement with respect to 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 6.1 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 in 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 9.7 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, or either of them, 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 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, re-recording and re-filing 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 hereof and of the Bond Indenture and the Pool Indenture in the rights, titles, interests and properties assigned hereunder and under the Bond Indenture and the Pool Indenture, 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 or to perfect, protect and preserve 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 District of Columbia so long as any Bonds of all Issues 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 Superintendent of Corporations, Corporations Division of Office of Recorder of Deeds of the District of Columbia, 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 a default under Section 9.1(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 or power accruing upon any default, omission or failure of performance hereunder shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power 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 shall be established 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 any 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 note in the form set forth in Exhibit A 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 registered or 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 to the Guarantor or by the Guarantor to either of the Trustees shall also be given to REA, the Issuer, the other of the Trustees 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 and the Company may designate by notice in accordance herewith any further or different addresses to which subsequent notices, certificates or other communications hereunder 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 exclusively 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.

IN WITNESS WHEREOF, the Guarantor, 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.

Executed by the Guarantor
in the presence of:

Verona Canty

Laurence Zawalick
Witnesses

NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION, as Guarantor

By Charles B Fell
Governor

[CORPORATE SEAL]

ATTEST:

Sue Shen
Assistant Secretary

Executed by the Bond Trustee
in the presence of:

Antoinetta Carrano

Marlene J. Fahey
Witnesses

MORGAN GUARANTY TRUST COMPANY OF NEW YORK, as Bond Trustee

By
Trust Officer

[CORPORATE SEAL]

ATTEST:

Assistant
Assistant Trust Officer

Executed by the Pool Trustee
in the presence of:

Nancy J. Mancuso

Mildred Arnaiz
Witnesses

BANKERS TRUST COMPANY, as Pool Trustee

By
Vice President

[CORPORATE SEAL]

ATTEST:

Assistant Secretary

The undersigned, as mortgagor under the Supplemental Mortgage and Security Agreement (the "Mortgage") dated as of December 21, 1971 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 Article V, Section 2 of the Mortgage.

CENTRAL IOWA POWER COOPERATIVE

By _____
President

[CORPORATE SEAL]

ATTEST:

_____
Secretary

Executed by Central Iowa Power Cooperative in the presence of:

_____

_____
Witnesses

SCHEDULE I

To Guaranty, Assignment and Agency Agreement

A. The Bond Indenture referred to in this Guaranty Agreement is the Bond Indenture dated as of December 15, 1983 by and between the Issuer and the Bond Trustee.

B. The Issuer referred to in this Guaranty Agreement is Louisa County, Iowa, a political subdivision of the State of Iowa.

C. The Financing Agreement referred to in this Guaranty Agreement is the Financing Agreement dated as of December 15, 1983 by and between the Issuer and the Company.

D. The Series Supplemental Indenture referred to in this Guaranty Agreement is the 1983PD Series Supplemental Indenture dated as of December 15, 1983 by and among the Guarantor, the Bond Trustee and the Pool Trustee.

E. The Company referred to in this Guaranty Agreement is Central Iowa Power Cooperative, a cooperative organized under the laws of the State of Iowa.

F. The proceeds of this Series of Bonds are being used to finance additional costs of the Project (as defined below) and to refund obligations, the proceeds of which were used to pay a portion of the costs of the Project.

G. The Project referred to in this Guaranty Agreement consists of the Company's interest in certain pollution control facilities and sewage and solid waste disposal facilities, as set forth in Exhibit A to the Financing Agreement, acquired and constructed in connection with the Louisa County, Iowa, plant known as Louisa Generating Station.

H. The parties to the Mortgage are the Company, REA and the Guarantor.

I. The addresses for notices pursuant to Section 7.7 of this Guaranty Agreement are:

If to the Guarantor at:	National Rural Utilities Cooperative Finance Corporation 1115-30th Street, N.W. Washington, D.C. 20007 Attention: Governor
If to the Bond Trustee at:	Morgan Guaranty Trust Company of New York 30 West Broadway New York, New York 10015 Attention: Corporate Trust Department
If to the Pool Trustee at:	Bankers Trust Company 4 Albany Street New York, New York 10006 Attention: Corporate Trust and Agency Group
If to REA at:	Rural Electrification Administration U.S. Department of Agriculture 12th and Independence Avenue, S.W. Washington, D.C. 20250 Attention: Administrator

If to the Company at:

Central Iowa Power Cooperative
Highway 13 and Bertram Road
Cedar Rapids, Iowa 52401

Attention: General Manager

If to the Issuer at:

The Board of Supervisors
Louisa County, Iowa
Louisa County Court House
Wapello, Iowa 52653

Attention: County Clerk

UNITED STATES OF AMERICA
DISTRICT OF COLUMBIA } ss:

I, Jennifer Taylor, a Notary Public in and for the District of Columbia, do hereby certify that Charles B. Gill and Ira Shesser, personally known to me to be the Governor and Assistant Secretary, respectively, of NATIONAL RURAL UTILITIES COOPERATIVE FINANCE CORPORATION, a corporation of the District of Columbia, and to me known to be the identical persons whose names are, as Governor and Assistant Secretary 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 they signed 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 15 th day of December, 1983.

Jennifer Taylor
Notary Public

[NOTARIAL SEAL]

My commission expires:

My Commission Expires November 14, 1988.

STATE OF NEW YORK }
COUNTY OF NEW YORK } ss:

I, Elizabeth A. Buckley, a Notary Public in and for the County and State aforesaid, do hereby certify that Jeremiah N. Crean and G. J. Castellano, personally known to me to be a Trust Officer and an Assistant Trust Officer, respectively, of MORGAN GUARANTY TRUST COMPANY OF NEW YORK, a banking corporation of the State of New York, and to me known to be the identical persons whose names are, as Trust Officer and Assistant Trust Officer, respectively, of said corporation, subscribed to the foregoing instrument, appeared before me this day in person and produced the foregoing instrument to me in the County aforesaid and acknowledged that as such Trust Officer and Assistant Trust Officer they signed 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 14 th day of December, 1983.

[NOTARIAL SEAL]

Elizabeth A. Buckley
Notary Public, State of New York
Qualified in Suffolk County
Certificate Filed in New York County
No. 52-4620859
Commission Expires March 30, 1985

STATE OF NEW YORK
COUNTY OF NEW YORK } ss:

I, Helmut F. Leuffen, a Notary Public in and for the County and State aforesaid, do hereby certify that D. M. Iaccheri and R. Hunter, personally known to me to be a Vice President and an Assistant Secretary, respectively, of BANKERS TRUST COMPANY, a banking corporation of the State of New York, and to me known to be the identical persons whose names are, as Vice President and Assistant Secretary, respectively, of said corporation, subscribed to the foregoing instrument, 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 Secretary they signed 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 14th th day of December, 1983.

[NOTARIAL SEAL]

Helmut F. Leuffen

Helmut F. Leuffen
Notary Public, State of New York
Qualified in New York County
No. 31-4657770
Commission Expires March 30, 1985

STATE OF IOWA
COUNTY OF Linn } ss:

On this 16 th day of December, 1983, personally appeared before me, a Notary Public, in and for the County and State aforesaid, Edwin Bishop, to me personally known, and acknowledged that he is the President of Central Iowa Power Cooperative, a cooperative organized under the laws of the State of Iowa; that he, as such President, executed the foregoing instrument pursuant to authority given by the Board of Directors of said corporation as his free and voluntary act and deed and as the free and voluntary act and deed of said corporation; and that the seal affixed to the foregoing instrument is the corporate seal of said corporation.

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

A. E. Ryan
Notary Public

[NOTARIAL SEAL]

My commission expires: Aug 19, 1985

STATE OF IOWA
COUNTY OF Linn } ss:

On this 16 th day of December, 1983, personally appeared before me, a Notary Public, in and for the County and State aforesaid, James Wenstrand, to me personally known, and acknowledged that he is the Secretary of Central Iowa Power Cooperative, a cooperative organized under the laws of the State of Iowa; that he, as such Secretary, executed the foregoing instrument pursuant to authority given by the Board of Directors of said corporation as his free and voluntary act and deed and as the free and voluntary act and deed of said corporation; and that the seal affixed to the foregoing instrument is the corporate seal of said corporation.

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

A. E. Ryan
Notary Public

[NOTARIAL SEAL]

My commission expires: Aug 19, 1985