

## STANDARD BOND COUNSEL SERVICES ARRANGEMENT

### MINNESOTA RURAL WATER ASSOCIATION FINANCING PROGRAMS

Fryberger, Buchanan, Smith & Frederick, P.A., a Minnesota professional association (“Bond Counsel”) has been selected to serve as the bond counsel for Issuers participating in the Micro, Midi and Mega Loan program (the “Program”). By submitting a signed Minnesota Rural Water Association Loan Application Form (the “Application”) for a Program Loan and by approving a Resolution providing for the sale of Bonds through the Program, you are designating Bond Counsel to serve as the bond counsel for the loan.

Section 1. Purpose of Arrangement. This document is our written Arrangement on the role Bond Counsel will serve and responsibilities Bond Counsel will assume in connection with the issuance of general obligation bonds by the Issuer (the “Bonds”) as described in the Application completed by the Issuer and also the fees Bond Counsel will charge.

#### Section 2. Role of Bond Counsel.

(a) Bond Counsel is engaged as a recognized independent expert whose primary responsibility is to give an objective legal opinion on the authorization and issuance of the Bonds under state and federal law. Bond Counsel will: examine applicable law; prepare authorizing resolutions; consult with the parties to the transaction (including you, the purchaser of the Bonds and David Drown Associates, Inc.) prior to the issuance of the Bonds; review certified proceedings; prepare the Bonds for execution; prepare federal tax informational returns and file them with the Internal Revenue Service; prepare documents necessary to close on the Bonds; prepare books of proceedings relating to the Bonds and deliver the books to the purchaser of the Bonds and the Issuer and perform additional duties, as necessary, to give the opinion.

(b) Bond Counsel represents the Issuer and its interests. Bond Counsel assumes that other parties to the transaction will retain attorneys as necessary. Representation of the Issuer does not alter Bond Counsel’s responsibility to render an objective opinion.

(c) Bond Counsel does not assume or take any responsibility for the preparation of any document disclosing the Issuer’s financial status, or for performing an independent investigation to determine the accuracy, completeness or sufficiency of any such documents.

Section 3. Scope of Bond Counsel’s Opinion. In giving the opinion, Bond Counsel relies on your certified proceedings and other certifications received from you and other persons. Bond Counsel does not independently verify the facts contained in the certified proceedings and certifications we receive from you. Once all the requirements of state and federal law applicable to the Bonds have been met, Bond Counsel will give an opinion, based on facts and law existing as of its date:

(a) that the Bonds are valid and binding general obligations of the Issuer;

(b) that all taxable property in the territory of the Issuer is subject to ad valorem taxation without limitation as to rate or amount to pay the Bonds; and

(c) if interest on the Bonds is tax exempt, that interest paid on the Bonds will be (i) excluded from gross income for federal income tax purposes, and (ii) exempt from State of Minnesota income taxes (subject to certain limitations which may be expressed in the opinion).

Section 4. Delivery of Bond Counsel's Opinion. Our opinion will be addressed to you and the purchaser of the Bonds and executed and delivered by us in written form on the date the Bonds are exchanged for their purchase price (the "Closing").

Section 5. Term of Arrangement. Upon delivery of the opinion, our responsibilities as Bond Counsel will be concluded with respect to this financing and we do not undertake (unless separately engaged) to provide continuing advice to you or any other party concerning any actions necessary to assure that interest paid on the Bonds will continue to be tax exempt.

Section 6. Bond Counsel Fees and Expenses. Bond Counsel's fee will be incorporated into and paid from the Program Fee shown on the Application Form. The fee is based upon (a) Bond Counsel's current understanding of the Program, (b) Bond Counsel's duties undertaken pursuant to this Arrangement, (c) the anticipated time Bond Counsel will devote to the financing, and (d) the responsibilities Bond Counsel assumes. Our fee may vary if: (i) material changes in the structure of the financing occur, or (ii) unusual or unforeseen circumstances arise which require a significant increase in our time or responsibility. If, at any time, Bond Counsel believes that circumstances require an adjustment of the fee, Bond Counsel will consult with you. Bond Counsel's fee is usually paid at the Closing out of Bond proceeds. Upon receipt of payment of its fees under the Program, Bond Counsel will provide you with a "paid in full" invoice.