

STANDARD AGREEMENT RELATING TO PAYING AGENT,
REGISTRAR AND TRANSFER AGENT SERVICES

MINNESOTA RURAL WATER ASSOCIATION
MIDI LOAN PROGRAM

Northland Trust Services, Inc., Minneapolis, Minnesota, (the “Agent”) has been selected to serve as the Paying Agent, Registrar and Transfer agent for Minnesota governmental entities (the “Issuers”) utilizing the Minnesota Rural Water Association’s MIDI and MEGA Loan program (the “Program”).

By submitting a signed application for a MIDI or MEGA loan and by passing a Resolution providing for the sale of Notes through the Program, Issuers designate the Agent as the paying agent, registrar and transfer agent for the Notes.

NOW THEREFORE, the Issuer and the Agent each in consideration of the representations and agreements of the other as set forth herein mutually represent and agree to the following:

Section 1. Agent’s Duties:

1.1 Registrar Function. The Agent shall maintain records of the identity of the owners of the Notes in order to carry out its function as Registrar. In such capacity the Agent is authorized at any time to register for original issuance certificates representing the Notes and not exceeding the total principal amount of the Notes (“certificates”) and upon surrender for cancellation of certificates to register new certificates for the principal amount of Notes represented by the certificates so cancelled and to redeliver such new certificates.

1.2 Transfer Agent Function. For the purpose of the original issuance of certificates the Agent is hereby directed to record and authenticate certificates signed by or bearing the facsimile signatures of the officers of the Issuer authorized to sign certificates in such names and in such amounts as the Issuer may direct.

The Agent shall make transfers from time to time upon the records of the Issuer of any outstanding certificates and of certificates issued in exchange therefore signed by the officers of the Issuer upon surrender thereof for transfer properly endorsed and upon reasonable assurance that such endorsements are genuine and effective. Signature guarantee must be provided in accordance with the prevailing standards and procedures of the Registrar and Transfer Agent. Such standards and procedures may require to be guaranteed by certain eligible guarantor institutions that participate in the recognized signature guarantee program.

Upon request for cancellation of such certificate, the Agent shall record and authenticate new certificates duly signed and deliver such certificates to or upon the order of the person entitled thereto.

1.3 Record Date. For purposes of determining the registered owners of the Notes the record date shall be deemed to be the fifteenth day of the month preceding the date on which payment of principal, premium, if any, or interest is payable to the registered owners of the Notes (“Payment Date”) whether such payment is due to optional redemption, operation of a sinking fund, or any other reason.

1.4 Improper or Unauthorized Transfer. When any Note is presented to the Agent for transfer, the Agent may refuse to transfer the same until it is satisfied that the endorsement on such Certificate or written instrument of transfer is valid and genuine and the requested transfer is legally authorized. The Agent shall incur no liability for the refusal, in good faith, to make transfers, which it, in its judgment, deems improper or unauthorized.

1.5 Reliance Upon Certain Certifications and Representations. The Agent may rely conclusively and act, without further investigation, upon any list, instruction, certification, authorization, certificate, or other instrument or paper suitably guaranteed and believed by it in good faith and due diligence in performing its functions to be genuine and to have been signed, countersigned, or executed by a duly authorized person or persons or upon the instruction of any authorized officer of the Issuer or upon the advise of the Issuer’s counsel; and may register any certificate representing the Notes or may refuse to register any such certificate if in good faith the Agent deems such refusal necessary in order to avoid any liability on the part of either the Issuer or the Agent, and the Issuer agrees to indemnify and hold harmless the Agent from and against any and all losses, costs, claims, and liability for so relying or acting or refusing to act.

1.6 Three Day Turnaround. The Agent agrees that it will turnaround within three business days of receipt all items received in proper form for transfer, process or other action pursuant to the terms of this Agreement.

1.7 Destruction of Cancelled Notes. The Agent will promptly cancel and destroy certificates representing the Notes which have been matured and fully paid, surrendered to it for transfer, or spoiled.

1.8 Mutilated, Lost, Stolen, or Destroyed Notes. In case any Note shall become mutilated or be destroyed, stolen or lost, the Agent shall deliver a new Note of like amount, number, maturity date and tenor in exchange and substitution for and upon cancellation of any such mutilated Note or in lieu of and in substitution for any such Note destroyed, stolen or lost, upon the payment of the reasonable expenses and charges of the Agent in connection therewith; and in the case of a Note destroyed, stolen or lost, upon filing by the owner with the Agent of evidence satisfactory to it that such Note was destroyed, stolen or lost, and of the ownership thereof, and upon

furnishing to the Agent of an appropriate Note of indemnity in form, substance and amount as may be required by law and as is satisfactory to the Agent, in which Note the Issuer and the Agent shall be named as obligees. All Notes so surrendered to the Agent shall be cancelled by it and evidence of such cancellation shall be given to the Issuer. If the mutilated, destroyed, stolen or lost Note has already matured or been called for redemption in accordance with its terms it shall not be necessary to issue a new Note prior to payment, provided that the owner shall first provide the Agent with a Note of indemnity as set forth above.

1.9 Paying Agent Function. The Agent shall

- (a) keep true and accurate accounts of the outstanding principal balance of the Notes;
- (b) send a statement to the Issuer of the amount which will be required to pay the principal, premium, if any, or interest on the Notes on such date;
- (c) pay such interest on the Notes as is due on each stated payment date, with the funds received from the Issuer, by check, ACH, or wire issued no later than the interest payment date, to the registered owners of the Notes.
- (d) pay such principal and premium, if any, of the Notes as is due on the stated payment dates upon presentation of the Notes, cancel and dispose of all Notes in the same manner set forth in Section 1.7 hereof;
- (e) In any case where the date of maturity of interest or principal of the Note or the date fixed for redemption of any Notes shall be a Sunday or a legal holiday or a day on which banking and trust institutions are authorized by law to close, then payment of interest or principal may be made on the succeeding business day with the same force and effect as if made on the date of maturity or the day fixed for redemption, provided that funds have been received from the Issuer in accordance with Section 2 hereof;

1.10 No Interest to be Paid on Funds. The Agent shall not be required to pay interest on any funds of the Issuer for any period during which funds are held by the Agent awaiting the presentation of Notes for payment or the disbursement of interest on payment date. The Agent will have no obligation to invest any funds in its possession on behalf of the Issuer.

1.11 Payment of Unclaimed Amounts. In the event any payment representing payment of interest or principal on the Notes is returned to the Agent or if any Note is not presented for payment of principal or premium at the maturity or redemption date, if funds sufficient to pay such interest or principal shall have been made available to the Agent for the benefit of the owner thereof, all liability of the Issuer to the owner thereof for such interest or principal payment of such Notes shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Agent to hold

such funds, without liability for interest thereon, for the benefit of the owner of such Notes who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on this part under the Resolution or on, or with respect to, such interest or principal. The Agent's obligation to hold such funds shall continue for a period equal to three years following the date on which date such interest or principal became due, whether at maturity or at the date fixed for redemption thereof, at which time the Agent shall surrender any remaining funds so held to the Issuer, whereupon any claim under the Resolution by the owners of Notes of whatever nature shall be made upon the Issuer.

1.12 Fiscal Agent Function. The Agent shall receive Note Proceeds at closing for distribution as directed by the closing letter from the Financial Advisor.

Section 2. Issuer's Function.

2.1 Provision of Funds to pay Principal and Interest. The Issuer may pay the Agent for the interest and principal due by check; however, the check must be received by the Agent for deposit no later than three business days before the debt service payment date in order for the Noteholder payments to be released on the payment date. Check payments received from the Issuer after the deadline will result in Noteholder payments being released after a three-business day clearance.

If the Issuer pays by wire, the wire must be received at least one (1) business day prior to the debt service payment date.

If the Notes were issued under the Minnesota Credit Enhancement Program, funds must be received three (3) business days prior to payment date in compliance with the program provisions.

2.2 Failure to Provide Funds. If available funds needed for payment do not reach the Agent by any interest payment date, payment of items may be refused and the Issuer may be charged for reasonable expenses incurred and extra service performed in accordance with the Agent's schedule in effect at the time of the payment date.

If the Note is issued under the Minnesota Credit Enhancement Program, the Agent will notify the State of non-payment pursuant to Minnesota State Statute 446A.086, and disburse funds when they are made available.

2.3 Compensation of the Agent. The Issuer will pay the Agent reasonable compensation for its services performed hereunder in accordance with the Registrar's fee schedule in effect at the time of the service. (see Exhibit "A" for current fee schedule.) The Agent's compensation is subject to change and may include the amount of any attorney fees incurred by it under Section 3.3 hereof. All fees are non-refundable. The fees and charges of said Agent shall in no event become a charge against the funds remitted by the Issuer for payment of principal and interest on the

Notes. Any and all additional services will bear a fee corresponding to the type of service, time involved and assumed responsibility.

Section 3. General Provisions.

3.1 Delivery of Records to Issuer; Retention. The Agent may, from time to time at its discretion, deliver to the Issuer such records accumulated in the performance of its duties as it may deem expedient, and the Issuer assumes all responsibility for any failure thereafter to produce any paper, record or document so returned, if and when required.

3.2 Call Processing. When the Agent shall receive notice from the Issuer of its option to redeem Notes prior to maturity, the Agent shall select the Notes to be redeemed and give notice of the redemption thereof, all in accordance with the terms of the Notes and the Resolution. The Agent shall be compensated for these services at the fee schedule in effect at the time of service.

3.3 Bond Counsel. When the Agent deems it necessary or reasonable it may apply to Bond Counsel for the Issuer or such other law firm or attorney approved by the Issuer for instructions or advice

3.4 Termination. Either party may terminate this agreement by written notice mailed to the other party at least ninety (90) days prior to termination date, upon which event the Agent shall return all cash and Notes in its possession to the Issuer or its order and shall deliver the Note Register to the Issuer or its order, and the Issuer shall pay \$350.00 for this service along with any accrued or unpaid service charges to the Agent.

3.5 Obligations, Rights and Privileges of the Agent. The Agent shall have, with regard to the particular functions it performs, the same obligation to the owner or owners of the Notes and shall have the same rights and privileges the Issuer has in regard to those functions.

3.6 Indemnification. The Issuer shall indemnify and save the Agent harmless from and against any loss, cost, charge, expense, judgment or liability, which it may incur in the exercise of its powers and duties hereunder, and which are not due to its negligence or default.

3.7 Confidentiality. All records in connection with the Notes shall be deemed confidential records. Use of the records will be limited to the purposes of this agreement and Agent will make no private use of or permit any private access thereto.

Exhibit A

Fee Schedule for Acting as Registrar, Paying Agent and Transfer Agent on Minnesota Rural Water Association “Midi and Mega-Loan” Transactions

- I. Initial Fee: \$0 (paid by MN Rural Water Fee)
This fee covers:
 - a. Review of enabling Resolution and supporting documents
 - b. Communication with Financial Advisor and Bond Counsel
 - c. Coordination of Note delivery for Closing
 - d. Establishment of separate rates and maturities for the issue.

- II. Annual Administration Fee: \$375 (1st year paid by MN Rural Water Fee)
 - a. Semi-annual billing and collection of debt service
 - b. Preparation and mailing of semi-annual registered Note payments
 - c. Corresponding with Noteholder
 - d. Maintaining Noteholder account.

First year Cost: Paid by MN Rural Water Fee
Subsequent Year Cost: \$375

Other Services

- III. Note Call Fee per Call Date: \$250
This fee covers:
 - a. Review of governing Resolution for compliance
 - b. Acceptance of the written order to Call specified Notes
 - c. Timely communication to Noteholders and Industry Agencies
 - d. Establishment on our records of called maturities for the issue and affected Noteholders.

- IV. Additional Services:
Services other than those covered above will bear a fee corresponding to the type of service, time involved and assumed responsibility.

Above fees may be subject to periodic adjustments.
Please call Lori 612-851-4932 for quotes and questions.