



Advances, Pledge and Security Agreement

Housing Associate

This Advances, Pledge and Security Agreement ("Agreement"), effective _____, 20_____, is entered between _____ ("Member"), with principal offices at _____, and the Federal Home Loan Bank of Des Moines ("Bank"), with principal offices in Des Moines, Iowa.

WHEREAS, the Bank may from time to time make available extensions of credit to the Borrower ("Advances"), in accordance with the Federal Home Loan Bank Act, the regulations and directives of the Federal Housing Finance Board, the Confirmations issued hereunder, and the policies and procedures currently set forth in the Bank's Member Products and Services Policy, as amended, superseded or replaced by the Bank's Board of Directors from time to time, and the Bank's Credit and Collateral Procedures, as amended, superseded or replaced by the Bank's management from time to time (collectively referred to herein as the "Member Policies and Procedures");

WHEREAS, the Borrower desires, from time to time, to obtain Advances from the Bank in accordance with the terms and conditions of this Agreement, the Confirmations issued hereunder and the Member Policies and Procedures; and

WHEREAS, the Bank requires that all Advances, and all other indebtedness, arising from any and all obligations or liabilities of the Borrower to the Bank be secured pursuant to this Agreement, and the Borrower agrees to provide such security;

NOW THEREFORE, for valuable consideration, intending to be legally bound, and with respect to each and every such Advance, the Bank and Borrower agree as follows:

Section 1. Applications. The Borrower shall request an Advance in such form as shall be specified by the Bank. Nothing contained in this Agreement or the Member Policies and Procedures shall be construed as an agreement or commitment by the Bank to grant any Advance hereunder. The Bank expressly reserves its right and power to either grant or deny in its sole discretion any Advance.

Section 2. Confirmation of Advance. Each Advance, and, except as otherwise provided, all other indebtedness, shall be evidenced by a writing or electronic record, in such form or forms as may be determined by the Bank from time to time ("Confirmation"), issued by the Bank to the Borrower. The Borrower and the Bank shall be bound by the terms and conditions set forth herein, in the Confirmation and in the Member Policies and Procedures.

Any inconsistencies between the terms and conditions of a Confirmation, this Agreement, or the Member Policies and Procedures, shall be resolved in favor of this Agreement.

Section 3. Payment to the Bank. The Borrower shall repay each Advance and make payments of interest thereon and any and all costs, expenses, fees and penalties relating thereto as specified herein and in the Member Policies and Procedures and the related Confirmation. All payments shall be made at the office of the Bank in Des Moines, Iowa, or at such other place as the Bank, or its successors or assigns, may from time to time appoint in writing.

The Borrower shall maintain in its demand deposit account(s) with the Bank (collectively, the "Demand Deposit Account") an amount at least equal to the amounts then currently due and payable to the Bank on outstanding Advances. The Borrower hereby authorizes the Bank to debit the Demand Deposit Account for all amounts due and payable to the Bank on any Advance or other indebtedness. If the amount in the Demand Deposit Account is, at any time, insufficient to pay such due and payable amounts, the Bank may, without notice to the Borrower, apply any other funds or assets then in the possession of the Bank to the payment of such amounts.

Past due payments of principal, interest, or other amounts payable in connection with any Advance may, at the option of the Bank, bear interest until paid at a default rate that is 3% per annum higher than the then current rate being charged by the Bank for Advances.

Section 4. Creation of Security Interest in Collateral.

A. As collateral security for any and all Advances and other indebtedness, the Borrower hereby assigns, transfers, and pledges to the Bank, its successors or assigns, all of the following (collectively, the "Collateral"):

- (i) all deposit accounts now or hereafter maintained by the Borrower with the Bank; and
- (ii) such property of the Borrower as is described on a Collateral Listing substantially in the form of Exhibit A or in such other form as may be determined by the Bank from time to time, transmitted from time to time by the Borrower to the Bank and delivered by the Borrower to the Bank as collateral hereunder and identified as such.

The Borrower shall promptly deliver the Collateral to the Bank or its authorized agents, in the manner specified by the Member Policies and Procedures or as otherwise specified in writing by the Bank.

B. The Borrower undertakes and agrees to keep and maintain at all times Collateral (exclusive of Borrower's deposit accounts) free and clear of pledges, liens and encumbrances to others at the required collateral maintenance level. The "required collateral maintenance level" means the amount of Collateral the Borrower is required to maintain free and clear of pledges, liens and encumbrances to others as set forth in the Member Policies and Procedures.

C. The Bank agrees to allow the Borrower to withdraw any Collateral specified in written request to the Bank, provided that the Bank reasonably determines that the remaining Collateral (exclusive of the Borrower's deposit accounts), after giving effect to such withdrawal, is not less than the required collateral maintenance level.

D. The Borrower agrees to make, execute and deliver to the Bank such assignments, endorsements, listings, powers, or other documents or instruments, or to take any such other measures as the Bank may reasonably request in order to protect its security interest in the Collateral. The Borrower authorizes the Bank to file any and all financing statements and amendments thereto as the Bank reasonably deems desirable to perfect and protect its security interest in the Collateral.

E. The Borrower agrees to provide any information regarding the Collateral reasonably requested by the Bank and to make its books and records available to the Bank for audits or verification pursuant to Section 11 hereof.

F. The Borrower agrees to provide any information requested by the Bank in connection with an Advance or Collateral and any information contained in any status report, schedule, or other documents requested or required hereunder and any other information given from time to time by the Borrower as to each item of Collateral.

G. Unless otherwise directed by the Borrower, the Bank undertakes and agrees to transfer all income received by the Bank on any Collateral to the Borrower's Demand Deposit Account. Notwithstanding the foregoing, however, in the event that a default as described in Section 8 has occurred and is continuing, the Bank shall directly apply any such income received in satisfaction of the amount in default.

H. The sole duty of the Bank with respect to any Collateral delivered by the Borrower shall be to use reasonable care in the custody and preservation of the Collateral.

I. Notwithstanding anything to the contrary herein, the Borrower agrees to promptly deliver additional Collateral to the Bank in an amount the Bank specifies if the Bank, in good faith, makes a reasonable determination that a material adverse change has occurred in the financial condition of the Borrower from that disclosed at the time of the making of any Advance, or from the condition of the Borrower as theretofore most recently disclosed to the Bank in any manner, or the Bank, in good faith, makes a reasonable determination that it deems itself insecure even though the Borrower is not otherwise in default.

Section 5. Covenants. The Borrower represents, warrants, and covenants to the Bank, which representations, warranties, and covenants shall be deemed to be repeated at all times until the termination of this Agreement:

A. No Event of Default, as defined in Section 8, with respect to the Borrower has occurred and is continuing or would occur as a result of the Borrower entering into or performing its obligations under this Agreement or any Advance.

B. The Borrower owns and has marketable title to the Collateral free and clear of any and all liens, claims, or encumbrances of any kind, and has the right and authority to grant a security interest in the Collateral and to subject all of the Collateral to this Agreement.

C. All of the Collateral meets the standards and requirements with respect thereto established by the Member Policies and Procedures.

D. The Borrower shall at all times maintain and accurately reflect the terms of this Agreement, including the Bank's interest in Collateral, and all Advances and other indebtedness on its books and records.

E. The Borrower has the full power and authority and has received all corporate and governmental authorizations and approvals as may be required to enter into and perform its obligations under this Agreement and any Advance.

Section 6. Duty to Use Reasonable Care. In the event Borrower delivers Collateral to Bank or its agent pursuant to Section 4 above, the duty of the Bank with respect to said Collateral shall be solely to use reasonable care in the custody and preservation of the Collateral in its possession.

Section 7. Additional Security. Borrower shall assign additional or substituted Collateral for Advances at any time the Bank shall deem it necessary for the Bank's protection.

Section 8. Events of Default. The Bank may consider the Borrower in default hereunder upon the occurrence of any of the following events or conditions:

A. Failure of the Borrower to pay any interest, or repay any principal, or pay any other amount due in connection with any Advance; or

B. Breach or failure to perform by the Borrower of any covenant, promise, condition, obligation or liability contained or referred to herein, or any other agreement to which the Borrower and the Bank are parties; or

C. Proof being made that any representation, statement or warranty made or furnished in any manner to the Bank by or on behalf of the Borrower in connection with all or part of any Advance was false in any material respect when made or furnished; or

D. Any tax levy, attachment, garnishment, levy of execution or other process issued against the Borrower or the Collateral; or

E. Any suspension of payment by the Borrower to any creditor or any events which result in acceleration of the maturity of any indebtedness of the Borrower to others under any indenture, agreement or other undertaking; or

F. Application for, or appointment of, a receiver of any part of the property of the Borrower, or in case of adjudication of insolvency, or assignment for benefit of creditors, or general transfer of assets by the Borrower, or if management of the Borrower is taken over by any supervisory authority, or in case of any other form of liquidation, merger, sale of a substantial portion of the Borrower's assets outside of the ordinary course of the Borrower's business or voluntary dissolution, or upon termination of the Housing Associate status of the Borrower in the Federal Home Loan Bank of Des Moines; or

G. Determination by the Bank that a material adverse change has occurred in the financial condition of the Borrower from that disclosed at the time of the making of any Advance, or from the condition of the Borrower as theretofore most recently disclosed to the Bank in any manner; or

H. If the Bank reasonably and in good faith deems itself insecure even though the

Borrower is not otherwise in default.

Section 9. Bank Remedies in the Event of Default. Upon the occurrence of any default hereunder, the Bank may, at its option, declare the entire amount of any and all Advances or other indebtedness to be immediately due and payable. Without limitation of any of its rights and remedies hereunder or under other law, the Bank shall have all of the remedies of a secured party under the Uniform Commercial Code of the State of Iowa. The Borrower agrees to pay all the costs and expenses of the Bank in the collection of the secured indebtedness and enforcement of the Bank's rights hereunder including, without limitation, reasonable attorney's fees. The Bank may sell the Collateral or any part thereof in such manner and for such price as the Bank deems appropriate without any liability for any loss due to decrease in the market value of the Collateral during the period held. The Bank shall have the right to purchase all or part of the Collateral at public or private sale. If any notification of intended disposition of any of the Collateral is required by law, such notification shall be deemed reasonable and properly given if mailed, postage prepaid, at least five days before any such disposition to the address of the Borrower appearing on the records of the Bank.

The proceeds of any sale shall be applied in the following order: first, to pay all costs and expenses of every kind for the enforcement of this Agreement or the care, collection, safekeeping, sale, foreclosure, delivery or otherwise respecting the Collateral (including expenses for legal services); then to interest and fees on all indebtedness of the Borrower to the Bank; then to the principal amount of any such indebtedness whether or not such indebtedness is due or accrued. The Bank, at its discretion or as assigned by law, may apply any surplus to indebtedness of Borrower to third parties claiming a secondary security interest in the Collateral. Any remaining surplus shall be paid to the Borrower.

Section 10. Appointment of Bank as Attorney-in-Fact. Borrower does hereby make, constitute and appoint Bank its true and lawful attorney-in-fact to deal with the Collateral in the event of default and, in its name and stead to release, collect, compromise, settle, and release or record any note, mortgage or deed of trust which is a part of such Collateral as fully as the Borrower could do if acting for itself. The powers herein granted are coupled with an interest, and are irrevocable, and full power of substitution is granted to the Bank in the premises.

Section 11. Audit and Verification of Collateral. In extension and not in limitation of all requirements of law respecting examination of the Borrower by or on behalf of the Bank, the Borrower agrees that all Collateral pledged hereunder shall always be subject to audit and verification by or on behalf of the Bank in its corporate capacity.

Section 12. Resolution to be Furnished by Borrower. The Borrower agrees to furnish to the Bank at the execution of this Agreement, and from time to time hereafter, a certified copy of a resolution of its Board of Directors or other governing body authorizing such of the Borrower's officers, agents, and employees as the Borrower shall select, to apply for Advances from the Bank. In lieu of requiring an additional resolution upon execution of this Agreement, the Bank may rely on a previously furnished resolution of the Borrower's Board of Directors or other governing body with respect to Advances made pursuant to this Agreement.

Section 13. Applicable Law. This Agreement and all Advances and other indebtedness obtained hereunder shall be governed by the statutory and common law of the United States and, to the extent federal law incorporates or defers to state law, the laws (exclusive of choice of law provisions) of the State of Iowa. Notwithstanding the foregoing, the

Uniform Commercial Code as in effect in the State of Iowa shall apply to the parties' rights and obligations with respect to the Collateral. If any portion of this Agreement conflicts with applicable law, such conflict shall not affect any other provision of this Agreement that can be given effect without the conflicting provision, and to this end the provisions of this Agreement are severable.

Section 14. Jurisdiction. In any action or proceeding brought by the Bank or the Borrower in order to enforce any right or remedy under this Agreement, Borrower hereby submits to the jurisdiction of the United States District Court for the Southern District of Iowa, or if such action or proceeding may not be brought in Federal Court, the jurisdiction of the Iowa District Court in Polk County. If any action or proceeding is brought by the Borrower seeking to obtain relief against the Bank arising out of this Agreement and such relief is not granted by a court of competent jurisdiction, the Borrower will pay all attorney's fees and court costs incurred by the Bank in connection therewith.

Section 15. Effective Date; Agreement Constitutes Entire Agreement. This Agreement shall be effective on the later of May 1, 2006 or the date of execution of this Agreement by the parties hereto. Except as set forth in this paragraph, this Agreement, together with the Member Policies and Procedures and any applicable Confirmations, shall embody the entire agreement and understanding between the parties hereto relating to the subject matter hereof and thereof. This Agreement may not be amended except by written amendment executed by the Bank and the Borrower. Each such Confirmation and the Member Policies and Procedures shall be incorporated herein. Advances made by the Bank to the Borrower prior to the effective date of this Agreement shall be governed exclusively by the terms of the prior agreements pursuant to which such Advances were made, except that (i) any default thereunder shall constitute default hereunder, (ii) Collateral furnished as security hereunder shall also secure such prior Advances and (iii) the rights and obligations with respect to such Collateral shall be governed by the terms of this Agreement.

Section 16. Section Headings. Section headings are not to be considered part of this Agreement. Section headings are solely for convenience of reference, and shall not affect the meaning or interpretation of this Agreement or any of its provisions.

Section 17. Successors and Assigns. This Agreement shall be binding upon each of the parties, successors and permitted assigns. The Borrower may not assign any obligation hereunder without the prior written consent of the Bank. The Bank may assign any or all of its rights and obligations hereunder or with respect to any Advance or other indebtedness to any other party.

Section 18. No Waiver of Rights. A failure or delay in exercising any right, power or privilege in respect of this Agreement will not be presumed to operate as a waiver, and a single or partial exercise of any right, power or privilege will not be presumed to preclude any subsequent or further exercise of any right, power, or privilege or the exercise of any other right, power or privilege.

Section 19. Remedies Cumulative. The rights, powers, remedies and privileges provided in this Agreement are cumulative and not exclusive of any rights, powers, remedies and privileges provided by law.

IN WITNESS WHEREOF, each of the parties has caused this Agreement to be signed in its name by its duly authorized representatives as of the dates below.

(Full Corporate Name of Customer)

By: _____

Title: _____

Date: _____

FEDERAL HOME LOAN BANK OF DES MOINES

By: _____

Title: _____

Date: _____