



Collateral Custodial Agreement

THIS COLLATERAL CUSTODIAN AGREEMENT ("Agreement") is dated as of _____, 20__ among _____ ("Pledgor"), Federal Home Loan Bank of Des Moines ("Secured Party) and _____ ("Custodian").

WHEREAS, Secured Party and Pledgor have entered into a Agreement for Advances, Pledge and Security Agreement ("Pledge Agreement") pursuant to which Pledgor has agreed to pledge Securities (as defined below) to Secured Party to secure Pledgor's obligations pursuant to the Pledge Agreement; and

WHEREAS, Secured Party and Pledgor have requested Custodian to hold Securities and to perform certain other functions as more fully described herein; and

WHEREAS, Custodian has agreed to act on behalf of Secured Party and Pledgor as custodian of Securities delivered to Custodian by Pledgor for the benefit of the Secured Party;

NOW THEREFORE, in consideration of the mutual promises set forth hereafter, the parties hereto agree as follows:

Article 1 Definitions

Whenever used in this Agreement, the following words shall have the meanings set forth below:

1.1 "Account" shall mean a segregated and individual custodial account established and maintained pursuant to this Agreement in which Securities shall be deposited by Pledgor and pledged to Secured Party and any demand deposit account established and maintained in connection therewith. For the avoidance of doubt, such accounts shall hold only securities, cash, and any other assets and property pledged by the Pledgor and shall not be commingled with any other assets of the Pledgor or of any other party. Such Accounts shall include, but not be limited to Accounts listed in Exhibit A attached hereto. The Pledgor agrees to update Exhibit A and provide the updated exhibit to the Bank upon additions to or deletions of the Accounts.

1.2 "Authorized Person" shall be any person, whether or not an officer or employee of Secured Party or Pledgor, duly authorized by Secured Party or Pledgor, respectively, to give Written Instructions on behalf of Secured Party or Pledgor, respectively, such persons to be designated in a Certificate of Authorized Persons which contains a specimen signature of such person.

1.3 "Book-Entry System" shall mean the Treasury/Reserve Automated Debt Entry System maintained at The Federal Reserve Bank of New York ("FRBNY") for receiving and delivering securities, its successors and nominees.

1.4 **"Affiliate"** shall mean any office, branch or subsidiary of the Custodian.

1.5 **"Certificate"** shall mean any notice, instruction, schedule or other instrument in writing, authorized or required by this Agreement to be given to Custodian, which is actually received by Custodian and signed by an Authorized Person.

1.6 **"Clearing Corporation"** shall mean the Depository Trust Company and any other clearing corporation within the meaning of Section 8-102 of the UCC.

1.7 **"Securities"** shall include, without limitation, securities held in the Book-Entry System or at a Clearing Corporation, common stock and other equity securities, bonds, debentures and other debt securities, notes, mortgages or other obligations, and any instruments representing rights to receive, purchase, or subscribe for the same, or representing any other rights or interests therein.

1.8 **"UCC"** shall mean the Uniform Commercial Code of the State of Iowa.

1.9 **"Written Instructions"** shall mean written communications actually received by Custodian by S.W.I.F.T., tested telex, letter, facsimile transmission, or other method or system specified by Custodian as available for use in connection with the services hereunder.

Article 2 Appointment of Custodian; Security Interest

2.1 Secured Party and Pledgor hereby appoint Custodian as Custodian of all Securities and cash at any time delivered to Custodian during the term of this Agreement, and authorize Custodian to hold Securities in registered form in its name or the name of its nominees. Custodian hereby accepts such appointment and agrees to establish and maintain the Account and appropriate records identifying the Securities in the Account as pledged by Pledgor to Secured Party.

2.2 Secured Party and Pledgor agree that it is intended that Custodian act as a "securities intermediary" as such term is defined in the UCC with respect to Securities pledged hereunder. In addition, the parties intend that all Securities in the Account shall be treated as "financial assets" and that the Secured Party is an "entitlement holder" as such terms are defined in the UCC.

2.3 Pledgor represents and warrants that it owns the Securities in the Account free and clear of all liens, claims, security interests and encumbrances (except those granted herein and in the Pledge Agreement) and, subject to the terms hereof, hereby grants to Secured Party a pledge and security interest in the Account (and in any demand deposit account established and maintained in connection therewith), all of Pledgor's right, title and interest in and to such Securities, all proceeds from the disposition or sale of such securities, and to any other property, held in the Account, as security for Pledgor's obligations to Secured Party pursuant to the Pledge Agreement.

Article 3 Custody of Securities

3.1 Secured Party and Pledgor hereby authorize Custodian to utilize the Book-Entry System and Clearing Corporations to the extent possible in connection with its performance hereunder. Where Securities eligible for deposit in the Book-Entry System or Clearing Corporations are transferred to the Account, Custodian shall identify on its records as belonging to Pledgor and pledged to Secured Party a quantity of Securities in a fungible bulk of securities shown on Custodian's Account at the Book-Entry System or the appropriate Clearing Corporation. Securities and cash deposited in the Book-Entry System or a Clearing Corporation will be represented in Accounts which include only assets held by Custodian for its customers.

3.2 Secured Party hereby grants Pledgor authority to substitute other Securities for any Securities which is held in the Account in accordance with the terms of this provision. Custodian may transfer any income earned on such Securities (but not proceeds from the sale or transfer of such Securities) to the Pledgor. With Secured Party's prior written consent, Pledgor may exercise its right of substitution by giving Custodian Written Instructions to transfer certain Securities out of the Account against the delivery into the Account of substitute Securities ("Substitute Securities") in an amount such that the market value of Substitute Securities equals or exceeds the market value of the Securities. Such Written Instruction by Pledgor to substitute Securities shall be deemed to be Pledgor's representation that the market value of Substitute Securities equals the market value of Securities and Custodian shall effect such substitution pursuant to Pledgor's Written Instruction with Secured Party's prior written consent.

3.3 Pledgor hereby authorizes Custodian to comply with all entitlement orders originated by Secured Party with respect to the Securities in the Account without further consent or direction from Pledgor or any other party. Except to the extent permitted by Paragraph 3.2 above, Custodian will not comply with any entitlement order of Pledgor concerning the Securities without Secured Party's prior written consent.

3.4 Custodian shall furnish Secured Party and Pledgor with an advice of daily transactions, a monthly statement specifying the total of all Securities in the Account, monthly summary of all transactions with respect to the Account. Secured Party and Pledgor may each elect to receive advices, confirmations or statements electronically through the Internet to an email address specified by it for such purpose. By electing to use the Internet for this purpose, Secured Party and Pledgor each acknowledges that such transmissions are not encrypted and therefore are insecure. Secured Party and Pledgor each further acknowledges that there are other risks inherent in communicating through the Internet such as the possibility of virus contamination and disruptions in service, and agrees that Custodian shall not be responsible for any loss, damage or expense suffered or incurred by Secured Party or Pledgor, respectively, or any person claiming by or through Secured Party or Pledgor, respectively, as a result of the use of such methods.

3.5 With respect to all Securities held in the Account, Custodian shall, unless otherwise instructed to the contrary:

- A.** Receive all income and other payments and advise Pledgor as promptly as practicable of any such amounts due but not paid;
- B.** Present for payment and receive the amount paid upon all Securities which may mature and advise Pledgor as promptly as practicable of any such amounts due but not paid;
- C.** Forward to Pledgor copies of all information or documents that it may receive from an issuer of Securities which, in the opinion of Custodian, are intended for the beneficial owner of Securities;
- D.** Execute, as agent, any certificates of ownership, affidavits, declarations or other certificates under any tax laws now or hereafter in effect in connection with the collection of bond and note coupons;
- E.** Hold directly, or through the Book-Entry System or a Clearing Corporation, all rights and similar Securities issued with respect to any Securities held by Custodian hereunder; and
- F.** Endorse for collection checks, drafts or other negotiable instruments.

3.6 Upon receipt of Written Instructions, Custodian will exchange Securities held hereunder for other Securities and/or cash in connection with any conversion privilege, reorganization, recapitalization, redemption in kind, consolidation, tender offer or exchange offer, or any exercise or subscription, purchase or other similar rights represented by Securities.

3.7 Custodian is not at any time under any duty to supervise the investment of, or to advise or make any recommendation for the purchase, sale, retention or disposition of Securities.

3.8 Custodian shall credit to the Account all proceeds received by it with respect to sale, disposition, or transfer of the Securities, and such proceeds shall be subject to the security interest granted by Pledgor to Secured Party. Pledgor may reinvest in, or purchase, Securities with such proceeds provided that such Securities are held in the Account.

3.9 In the event that Custodian receives a Certificate of Exclusive Control from Secured Party, substantially in the form of Exhibit B, Custodian shall not follow the instructions of the Pledgor but shall only act upon Written Instructions from Secured Party with respect to the disposition of all or any part of the Securities, the Account, and any other property in the Account.

3.10 The Custodian hereby acknowledges the security interest granted to the Secured Party by the Pledgor. With respect to the Secured Party's interest in the Account, the Custodian hereby subordinates any liens, encumbrances, claims and rights of setoff it may have against the Account or any securities, cash or other property carried in the Account. Custodian represents that there are no existing control agreements or entitlement orders with respect to the Account. The Custodian will not agree with any third party to comply with entitlement orders concerning the Account

originated by such third party without the prior written consent of the Secured Party and the Pledgor.

Article 4 Concerning Custodian

4.1 Protection of Custodian

A. Except as otherwise expressly provided herein, Custodian shall not be liable for any costs, expenses, damages, liabilities or claims, including attorneys' and accountants' fees (collectively, "Losses") incurred by or asserted against Pledgor or Secured Party, except those Losses arising out of the negligence or willful misconduct of Custodian. Custodian shall have no liability whatsoever for the action or inaction of the Book-Entry System or any Clearing Corporation. In no event shall Custodian be liable for special, indirect or consequential damages, or lost profits or loss of business, arising in connection with this Agreement.

B. Custodian may enter into subcontracts, agreements and understandings with any Affiliate, whenever and on such terms and conditions as it deems necessary or appropriate to perform its services hereunder. No such subcontract, agreement or understanding shall discharge Custodian from its obligations hereunder.

C. Secured Party and Pledgor agree, jointly and severally, to indemnify Custodian and hold Custodian harmless from and against any and all Losses sustained or incurred by or asserted against Custodian by reason of or as a result of any action or inaction, or arising out of Custodian's performance hereunder, including reasonable fees and expenses of counsel incurred by Custodian in a successful defense of claims by Pledgor or Secured Party; provided, that Pledgor and Secured Party shall not indemnify Custodian for those Losses arising out of Custodian's negligence or willful misconduct. This indemnity shall be a continuing obligation of Pledgor and Secured Party, their respective successors and assigns, notwithstanding the termination of this Agreement.

4.2 Without limiting the generality of the foregoing, Custodian shall be under no obligation to inquire into, and shall not be liable for, any Losses incurred by Pledgor, Secured Party or any other person as a result of the receipt or acceptance of fraudulent, forged or invalid Securities, or Securities which are otherwise not freely transferable or deliverable without encumbrance in any relevant market.

4.3 Custodian may, with respect to questions of law, obtain the advice of counsel, at the expense of Pledgor, and shall be fully protected with respect to anything done or omitted by it in good faith in conformity with such advice.

4.4 Custodian shall be under no obligation to take action to collect any amount payable on Securities in default, or if payment is refused after due demand and presentment.

4.5 Pledgor agrees to pay to Custodian the fees set forth in Schedule I attached hereto or as may be agreed upon from time to time. Pledgor shall reimburse Custodian for all costs associated with the conversion of Securities hereunder and the transfer of Securities and records kept in connection with this Agreement. Pledgor shall also reimburse Custodian for out-of-pocket

expenses which are a normal incident of the services provided hereunder.

4.6 Custodian shall be entitled to rely upon any Certificate or Written Instruction actually received by Custodian and reasonably believed by Custodian to be duly authorized and delivered.

4.7 Upon reasonable request and provided Custodian shall suffer no significant disruption of its normal activities, Secured Party or Pledgor shall have access to Custodian's books and records relating to the Account during Custodian's normal business hours. Upon reasonable request, copies of any such books and records shall be provided to Secured Party or Pledgor at its expense.

4.8 It is understood that Custodian is authorized to supply any information regarding the Account which is required by any law or governmental regulation now or hereafter in effect.

4.9 Custodian shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including without limitation, acts of God; earthquakes; fires; floods; wars; civil or military disturbances; sabotage; epidemics; riots; interruptions, loss or malfunctions of utilities, computer (hardware or software) or communications service; accidents; labor disputes; acts of civil or military authority; governmental actions; inability to obtain labor, material, equipment or transportation.

4.10 Custodian shall have no duties or responsibilities whatsoever, except such duties and responsibilities as are specifically set forth in this Agreement, and no covenant or obligation shall be implied against Custodian in connection with this Agreement.

Article 5 Distribution; Termination

5.1 Except as otherwise provided herein, Custodian shall transfer from the Account and distribute the Securities and cash held in the Account only upon receipt of Written Instructions to that effect from each of Secured Party and Pledgor. Such Written Instructions shall specify the Securities and cash to be distributed and the delivery instructions in connection therewith.

5.2 Any of the parties hereto may terminate this Agreement by giving to the other parties a notice in writing specifying the date of such termination, which shall be not less than ninety (90) days after the date of giving of such notice. Such notice shall not affect or terminate Secured Party's security interest in the Securities. Upon termination hereof, Pledgor shall pay to Custodian such compensation as may be due to Custodian as of the date of such termination and Custodian shall follow such reasonable Written Instructions of Pledgor and Secured Party concerning the transfer of custody of Securities, cash, records and other items. Upon the date set forth in a termination notice this Agreement shall terminate and except as otherwise provided herein all obligations of the parties to each other hereunder shall cease.

Article 6 Miscellaneous

6.1 Secured Party and Pledgor agree to furnish to Custodian a new Certificate of Authorized Persons in the event of any change in the then present Authorized Persons. Until such new Certificate is received, Custodian shall be fully protected in acting upon Written Instructions of such present Authorized Persons.

6.2 Any notice or other instrument in writing, authorized or required by this Agreement to be given to Custodian, shall be sufficiently given if addressed to Custodian and received by it at its offices at _____, or at such other place as Custodian may from time to time designate in writing.

6.3 Any notice or other instrument in writing, authorized or required by this Agreement to be given to Secured Party shall be sufficiently given if addressed to Secured Party and received by it at its offices at Federal Home Loan Bank of Des Moines, 909 Locust Street, Des Moines, Iowa 50309, Attn: Collateral Operations, or at such other place as Secured Party may from time to time designate in writing.

6.4 Any notice or other instrument in writing, authorized or required by this Agreement to be given to Pledgor shall be sufficiently given if addressed to Pledgor and received by it at its offices at _____, or at such other place as Pledgor may from time to time designate in writing.

6.5 Each and every right granted to Custodian hereunder or under any other document delivered hereunder or in connection herewith, or allowed it by law or equity, shall be cumulative and may be exercised from time to time. No failure on the part of Custodian to exercise, and no delay in exercising any right will operate as a waiver thereof, nor will any single or partial exercise by Custodian of any right preclude any other or future exercise thereof or the exercise of any other right.

6.6 In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability of the remaining provisions shall not in any way be affected thereby. This Agreement may not be amended or modified in any manner except by a written agreement executed by the parties hereto. This Agreement shall extend to and shall be binding upon the parties hereto, and their respective successors and assigns; provided, however, that this Agreement shall not be assignable by any party without the written consent of the other parties.

6.7 This Agreement shall be construed in accordance with the substantive laws of the State of Iowa, without regard to conflicts of laws principles thereof. Customer and Custodian hereby consent to the jurisdiction of a state or federal court situated in Des Moines, Iowa in connection with any dispute arising hereunder. To the extent that in any jurisdiction Secured Party or Pledgor may now or hereafter be entitled to claim, for itself or its assets, immunity from suit, execution, attachment (before or after judgment) or other legal process, Secured Party and Pledgor each irrevocably agrees not to claim, and hereby waives, such immunity. Secured Party, Pledgor and Custodian each hereby irrevocably waives any and all rights to trial by jury in any legal proceeding arising out of or relating to this Agreement.

6.8 In performing hereunder, Custodian is acting solely on behalf of Secured Party and Pledgor and no contractual or service relationship shall be deemed to be established hereby between Custodian and any other person.

6.9 This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but such counterparts shall, together, constitute only one instrument.

IN WITNESS WHEREOF, Secured Party, Pledgor and Custodian have caused this Agreement to be executed by their respective officers, thereunto duly authorized, as of the day and year first above written.

SECURED PARTY

FEDERAL HOME LOAN BANK OF DES MOINES

By: _____

Print Name: _____

Title: _____

PLEDGOR

Institution Name: _____

By: _____

Print Name: _____

Title: _____

CUSTODIAN

Institution Name: _____

By: _____

Print Name: _____

Title: _____

EXHIBIT A

List of Accounts

Exhibit B



NOTICE OF EXCLUSIVE CONTROL

_____ 20__

[name of Custodian].

[Address]_____

Attention:_____

Re: Collateral Custodian Agreement dated as of _____(the "Agreement")
among Federal Home Loan Bank of Des Moines, as Secured Party,
_____, as Pledgor, and _____, as
Custodian, relating to Account No. _____

Ladies and Gentlemen:

This constitutes the Notice of Exclusive Control referred to in the above referenced Agreement. Custodian shall not follow the instructions of the Pledgor but shall only act upon Written Instructions from Secured Party with respect to the disposition of all or any part of the Securities, the Account, and any other property in the Account.

Federal Home Loan Bank of Des Moines

By:_____

Name:

Title: