



Roby Smith  
Treasurer of State

Capitol Building  
1007 E Grand Avenue  
Des Moines, IA 50319

# Pledge and Security Agreement (Securities)

THIS PLEDGE AND SECURITY AGREEMENT, dated as of the \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, is from \_\_\_\_\_ of \_\_\_\_\_ (city/state), the depository institution identified in the signature to this Agreement (the "Pledging Bank") to the Treasurer of the State of Iowa, on behalf of the State of Iowa and as agent for the depositors of all public funds from time to time deposited in the Pledging Bank (in all such capacities, the "Treasurer").

## RECITALS

A. Iowa Code chapter 12C and the administrative rules and regulations adopted by the Treasurer in furtherance thereof (collectively, the "Public Funds Law") require under certain circumstances the securing of deposits of public funds in depositories through the depositories' pledge of certain collateral, and establish rules and procedures for designating "approved custodians" to hold such collateral pledged by depositories.

B. To secure the public funds on deposit with the Pledging Bank, the Pledging Bank has agreed to execute and deliver this Agreement, granting the Treasurer a security interest in and to the Collateral (as defined below) pledged by the Pledging Bank and all rights relating thereto, pursuant to the terms and conditions of this Agreement.

NOW, THEREFORE, in consideration of the premises and in order to induce the Treasurer or one or more of the public units of the State of Iowa to deposit public funds with the Pledging Bank, the Pledging Bank hereby agrees with the Treasurer for the benefit of the Treasurer and one or more public units of the State of Iowa as follows:

### Section 1. Defined Terms.

1(a) As used in this Agreement, the following terms will have the following meanings unless the context requires otherwise:

"Affiliate" shall mean, when used with reference to any Person, (a) each Person that, directly or indirectly, controls, is controlled by or is under common control with, the Person referred to, (b) each Person which beneficially owns or holds, directly or indirectly, ten (10%) percent or more of any class of voting securities of the Person referred to, (c) each Person, ten (10%) percent or more of the voting securities of which is beneficially owned or held, directly or indirectly, by the Person referred to, and (d) each of such Person's officers, directors, joint venturers and partners. The term control for purposes of this definition (including the terms "controlled by" and "under common control with") means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of the Person in question.

"Business Day" shall mean every day other than Saturday, Sunday and any day which is a legal holiday under the laws of the State of Iowa or is a day on which the Treasurer's office or banking institutions in Iowa are closed.

“Collateral” shall mean Eligible Collateral that is delivered to the Custodian pursuant to this Agreement during such time as it is required by this Agreement to be subject to the Security Interest.

“Custodial Agreement” shall mean the Master Custodial Agreement by and between the Treasurer, the Custodian and those depositories, including the Pledging Bank, which are deemed parties to such Master Custodial Agreement.

“Custodian” shall mean a custodian that is (a) approved by the Treasurer, (b) party to a Master Custodial Agreement and (c) selected by the Pledging Bank to act as custodian with respect to the Collateral.

“Eligible Collateral” shall mean any one or any combination of the securities or other forms of collateral as described in Exhibit D to the Custodial Agreement, and which collateral the Treasurer deems acceptable, provided that the Treasurer’s acceptance of Eligible Collateral shall not prevent the Treasurer from requiring substitution of any such Eligible Collateral at a later time as a result of statutory amendment or other changes or circumstances which, in the Treasurer’s sole discretion, affect the valuation, marketability, liquidity, ownership or perfectibility of such Eligible Collateral, or for any other reason the Treasurer deems appropriate. The Treasurer may amend Exhibit D of the Custodial Agreement from time to time upon written notice to the Custodian and the Pledging Bank.

“Event of Default” shall have the meaning given to such term in Section 12.

“Excess Public Funds” shall, with respect to any Person and for any date of determination, have the meaning given to such term in 781 Iowa Admin. Code 13.2, as amended.

“Insurance Policy” shall have the meaning given to such term in Iowa Code § 12C.22(6)(e), as amended.

“Letter of Credit” shall have the meaning given to such term in 781 Iowa Admin. Code 13.2, as amended.

“Letter of Credit Pledge Agreement” is defined in Section 4.

“Lien” shall mean any security interest, mortgage, pledge, lien, charge, encumbrance, title retention agreement or analogous instrument or device, in, of or on any assets or properties of the Person referred to.

“Market Value” shall, for any date of determination, have the meaning given to such term in 781 Iowa Admin. Code 13.2, as amended.

“Obligations” shall mean (a) the obligation of the Pledging Bank to repay all Uninsured Public Funds deposited with the Pledging Bank; (b) the obligation of the Pledging Bank to pay any assessment ordered by the Treasurer as required by the Public Funds Law; (c) any liability incurred by the Treasurer on account of the Pledging Bank’s failure to pay a check, draft or warrant drawn by a public officer; and (d) all duties, obligations and liabilities of the Pledging Bank under this Agreement and the Custodial Agreement and under the Public Funds Law, in all

of the foregoing cases whether due or to become due, and whether now existing or hereafter arising or incurred.

"Person" shall mean any individual, corporation, partnership, limited partnership, limited liability company, joint venture, firm, association, trust, unincorporated organization, government or governmental agency or political subdivision or any other entity, whether acting in an individual, fiduciary or other capacity.

"Public Deposits" shall have the meaning given to such term in Iowa Code § 12C.1(2)(e), as amended.

"Public Unit" shall have the meaning given to such term in the 781 Iowa Admin. Code 13.2, as amended.

"Securities Account" shall have the meaning given to such term in the Custodial Agreement.

"Security Interest" shall have the meaning given to such term in Section 2.

"UCC" shall mean the Uniform Commercial Code in effect from time to time in the State of Iowa, currently Chapter 554 of the Iowa Code.

"Uninsured Public Funds" shall have the meaning given to such term in Iowa Code § 12C.1(2)(h), as amended.

1(b) Terms Defined in UCC. All other terms used in this Agreement that are not specifically defined herein or the definitions of which are not incorporated herein by reference shall have the meaning assigned to such terms in the UCC.

1(c) Terms Defined in Custodial Agreement. All other terms used in this Agreement that are not specifically defined herein and that are defined in the Custodial Agreement shall have the meaning assigned to such terms in the Custodial Agreement.

1(d) Singular/Plural, Etc. Unless the context of this Agreement otherwise clearly requires, references to the plural include the singular, the singular, the plural and "or" has the inclusive meaning represented by the phrase "and/or." The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The words "hereof," "herein," "hereunder," and similar terms in this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. References to Sections are references to Sections in this Pledge Agreement unless otherwise provided.

Section 2. Pledge. As security for the payment and performance of all of the Obligations, the Pledging Bank hereby pledges to the Treasurer and grants to the Treasurer a security interest (the "Security Interest") in the following, including any securities account containing a securities entitlement with respect to the following:

2(a) The Collateral, including all instruments evidencing, or certificates representing any Collateral, and all interest, dividends, cash, instruments and other property from time to time received, receivable or otherwise distributed in respect of or in exchange for any or all of the Collateral.

2(b) All proceeds of any and all of the foregoing.

Section 3. Required Market Value of Collateral. The Pledging Bank agrees to deposit and maintain with the Custodian Collateral, the aggregate Market Value of which shall at all times equal or exceed the Excess Public Funds. Upon written notice from the Treasurer or the Custodian to the Pledging Bank that it is not in compliance with the requirements of this Section, the Pledging Bank shall immediately cause Collateral to be delivered to the Custodian with a Market Value sufficient to comply with this Section pursuant to the terms required for additions of Collateral under the Custodial Agreement. The Pledging Bank agrees to deliver only Eligible Collateral to the Custodian as Collateral for purposes of this Agreement.

Section 4. Delivery of Collateral to an Approved Custodian. Contemporaneously with the execution of this Agreement, the Pledging Bank shall deliver to the Treasurer the executed original of this Agreement and to the Custodian a copy of such executed Agreement, and shall deliver to the Custodian an executed original of Schedule 2 to the Custodial Agreement and to the Treasurer a copy of such executed Schedule 2. Not later than the date on which the Pledging Bank accepts Excess Public Funds, the Pledging Bank shall (a) deliver to the Custodian Collateral (which shall include designating as subject to the Security Interest Collateral already held by the Custodian) sufficient to comply with Section 3, in accordance with the terms and conditions of the Custodial Agreement, except that any Letter of Credit or Insurance Policy shall be delivered to the Treasurer (and not to the Custodian), and (b) deliver to the Custodian a completed certificate in the form of Exhibit A to the Custodial Agreement evidencing such compliance. If any portion of the Collateral consists of a Letter of Credit or Insurance Policy, the Pledging Bank shall also execute and deliver to the Treasurer a Pledge and Security Agreement (Letter of Credit or Insurance Policy) (the "Letter of Credit Pledge Agreement") in a form approved by the Treasurer.

Section 5. Certain Representations, Warranties and Covenants. The Pledging Bank makes the following representations, warranties and covenants:

5(a) The Pledging Bank has title to all Collateral, free of all Liens except the Security Interest. No financing statement covering all or any part of the Collateral is on file in any public office. This Agreement creates a valid security interest in the Collateral. Upon delivery of the Collateral to the Custodian, the Security Interest shall be a perfected first security interest in and lien on the Collateral under the UCC or other applicable law.

5(b) The Pledging Bank is validly existing and in good standing, has the corporate power and authority and the legal right to execute and deliver, and to perform its obligations under, this Agreement, and has taken all necessary corporate action to authorize such execution, delivery and performance; this Agreement constitutes a legal, valid and binding obligation of the Pledging Bank enforceable in accordance with its terms; the execution, delivery and performance of this Agreement will not violate any provision of any law, statute, rule or regulation or any order, writ, judgment, injunction, decree, determination or award of any court, governmental agency or arbitrator presently in effect having applicability to the Pledging Bank.

5(c) The Pledging Bank shall deliver to the Treasurer contemporaneously herewith a copy of the resolutions passed by the Pledging Bank's board of directors or authorized committee approving the execution of this Agreement and any other agreements or documents executed in connection therewith. All such resolutions and agreements shall at all times be maintained by the Pledging Bank as official records of the Pledging Bank.

5(d) All certificates and instruments representing the Collateral are genuine. No item of Collateral is subject to any offset or similar right or claim of the issuer thereof.

5(e) The Pledging Bank shall not forgive, cancel, subordinate, compromise, modify, amend or extend the time for payment of, or waive any default under any Collateral, or consent to or acquiesce in any of the foregoing, without in each case the prior written consent of the Treasurer.

5(f) The Pledging Bank shall at all times be eligible to accept Public Deposits as required by Iowa Code §§ 12C.6A and 12C.23A(1).

5(g) All Public Deposits at the Pledging Bank shall at all times be insured by the Federal Deposit Insurance Corporation ("FDIC") up to the dollar limit provided by the FDIC to other depositors at other banks or savings institutions.

5(h) The Pledging Bank is not, and shall not be at any time, an Affiliate of the Custodian; provided, however, that in the event the Pledging Bank becomes an Affiliate of the Custodian subsequent to the date hereof, the Pledging Bank shall immediately (i) notify the Treasurer and (ii) secure the services of a successor custodian as required under Section 7.3 of the Custodial Agreement.

5(i) The Pledging Bank shall not use the services of more than one custodian (in addition to the Treasurer for any Letter of Credit or Insurance Policy) for the purposes of meeting the requirements of the Public Funds Law.

5(j) The Pledging Bank will not change its name, its type of charter or its charter location unless the Treasurer has been given at least 30 days prior written notice thereof and the Pledging Bank has executed and delivered to the Treasurer such financing statements and other instruments required or appropriate, in the sole discretion of the Treasurer, to continue the perfection of the Security Interest.

5(k) The Pledging Bank shall immediately notify the Treasurer in the event of any merger, takeover or acquisition that results in a change of control of the Pledging Bank, provided that any such event shall not alter or amend the duties of the Pledging Bank or its successors hereunder.

5(l) The Pledging Bank waives any defenses it may have with respect to any failure of this Agreement, or other actions of the Treasurer or the Custodian, to create or perfect an enforceable security interest that is not subject to prior liens, claims or encumbrances of other parties.

Section 6. Deemed Party to Custodial Agreement. Upon the execution of this Agreement, the Pledging Bank shall be a Pledging Bank party to the Custodial Agreement for all purposes thereof. The terms of the Custodial Agreement are incorporated herein by reference. The Pledging Bank agrees that it will perform in accordance with their terms all of the obligations which by the terms of the Custodial Agreement are required to be performed by a Pledging Bank. The Pledging Bank agrees that it will deliver all Collateral to the Custodian as required under the terms and conditions of the Custodial Agreement and the Pledge Agreement. In the event a successor custodian is appointed pursuant to the terms of the Custodial Agreement, the Pledging Bank agrees that (a) it shall be a Pledging Bank party to the succeeding custodial agreement with such successor custodian for all purposes thereof, the terms of which are incorporated herein by reference, and (b) it will perform in accordance with their terms all of the obligations which by the terms of such succeeding custodial agreement are required to be performed by a Pledging Bank.

Section 7. Further Assurances. The Pledging Bank agrees that at any time and from time to time, at the expense of the Pledging Bank, the Pledging Bank will promptly execute and deliver all further instruments and documents, and take all further action that may be necessary or that the Treasurer or the Custodian may reasonably request, in order to perfect and protect the Security Interest or to enable the Treasurer to exercise and enforce its rights and remedies hereunder with respect to any Collateral (but any failure to request or assure that the Pledging Bank execute and deliver such instruments or documents or to take such action shall not affect or impair the validity, sufficiency or enforceability of this Agreement and the Security Interest, regardless of whether any such item was or was not executed and delivered or action taken in a similar context or on a prior occasion).

Section 8. Voting Rights; Dividends; Interest.

8(a) Subject to paragraph (b) of this Section 8, the Pledging Bank shall be entitled to exercise or refrain from exercising any and all voting and other consensual rights pertaining to any Collateral or any part thereof for any purpose not inconsistent with the terms of this Agreement; provided, however, that the Pledging Bank shall not exercise or refrain from exercising any such right if such action could reasonably be expected to have a material adverse effect on the value of the Collateral or any material part thereof.

8(b) Upon delivery of written notice to the Custodian that an Event of Default has occurred and is continuing, the Treasurer shall have the right in its sole discretion, and the Pledging Bank shall execute and deliver all such proxies and other instruments as may be necessary or appropriate to give effect to such right, to terminate all rights of the Pledging Bank to exercise or refrain from exercising the voting and other consensual rights it would otherwise be entitled to exercise pursuant to Section 8(a) hereof, and all such rights shall thereupon become vested in the Treasurer who shall thereupon have the sole right to exercise or refrain from exercising such voting and other consensual rights; provided, however, that the Treasurer shall not be deemed to possess or have control over any voting rights with respect to any Collateral unless and until the Treasurer has given written notice to the Pledging Bank that any further exercise of such voting rights by the Pledging Bank is prohibited and that the Treasurer and/or its assigns will henceforth exercise such voting rights.

8(c) At no time shall a Pledging Bank be entitled to withdraw or substitute Collateral other than in accordance with Section 5 of the Custodial Agreement.

Section 9. Transfers and Other Liens. The Pledging Bank agrees that it will not (i) sell, assign (by operation of law or otherwise) or otherwise dispose of, or grant any option with respect to, any of the Collateral, or (ii) create or permit to exist any Lien upon or with respect to any of the Collateral.

Section 10. Attorney-in-Fact. As additional security for the Obligations, the Pledging Bank hereby irrevocably appoints the Treasurer and the Custodian each as the Pledging Bank's attorney-in-fact, with full authority in the place and stead of such Pledging Bank and in the name of such Pledging Bank or otherwise, from time to time in the Treasurer's or the Custodian's good-faith discretion, to take any action and to execute any instrument that the Treasurer or the Custodian may reasonably believe necessary or advisable to accomplish the purposes of this Agreement, in a manner consistent with the terms hereof, including, without limitation, to receive, indorse and collect all instruments made payable to the Pledging Bank representing any payment, dividend or other distribution in respect of the Collateral or any part thereof and to give full discharge for the same.

Section 11. Treasurer May Perform. The Pledging Bank hereby authorizes the Treasurer to file financing statements with respect to the Collateral. If the Pledging Bank fails to perform any agreement contained herein, the Treasurer or the Custodian may itself perform, or cause performance of, such agreement, and the reasonable expenses of the Treasurer or the Custodian incurred in connection therewith shall be payable by the Pledging Bank under Section 14 hereof.

Section 12. Default. Each of the following occurrences shall constitute an Event of Default under this Agreement:

12(a) The Pledging Bank shall fail to observe or perform any covenant or agreement applicable to the Pledging Bank under the Custodial Agreement or this Agreement other than Section 3 hereof.

12(b) The Pledging Bank shall, within two (2) Business Days of receipt of written notice from the Treasurer, fail to comply with the requirements of Section 3 hereof.

12(c) Any representation or warranty made by the Pledging Bank in this Agreement, the Custodial Agreement or any certificate or other document delivered by the Pledging Bank to the Treasurer or the Custodian shall prove to have been false or materially misleading when made.

12(d) The Treasurer receives notice from a Public Unit, or the Treasurer otherwise determines, that the Pledging Bank has failed to pay a check, draft or warrant drawn by a public officer.

12(e) The Treasurer determines that the Pledging Bank has acted contrary to, or otherwise breached a term or condition of, any agreement which it has entered into with a Public Unit, the Treasurer or the Custodian.

12(f) The Pledging Bank fails to pay an assessment ordered by the Treasurer as required by the Public Funds Law, or has otherwise violated the Public Funds Law, as determined by the Treasurer.

12(g) Any Public Deposits held at the Pledging Bank shall fail to be insured by the Federal Deposit Insurance Corporation up to the dollar limit provided by such depositary insurer to depositors at other banks or savings institutions.

12(h) The Pledging Bank is closed, placed in receivership or subject to similar action by any state or federal regulatory agency.

12(i) The Treasurer receives at any time any information indicating that the Treasurer's Security Interest is not enforceable, is not perfected or is not prior to all other security interests or other interests in the Collateral, except as otherwise agreed by the Treasurer.

Section 13. Remedies upon Default. If any Event of Default shall have occurred and be continuing:

13(a) The Treasurer may exercise in respect of the Collateral, in addition to other rights and remedies provided for herein or otherwise available to it under applicable law (including, but not limited to, the Public Funds Law), all the rights and remedies of a secured party under the UCC. The Pledging Bank agrees that, to the extent notice of sale shall be required by law, at least ten days' prior notice to the Pledging Bank of the time and place of any public sale or the time after which any private sale is to

be made shall constitute reasonable notification. The Pledging Bank hereby waives all requirements of law, if any, relating to the marshalling of assets which would be applicable in connection with the enforcement by the Treasurer of its remedies hereunder, absent this waiver. The Treasurer may disclaim warranties of title and possession and the like.

13(b) The Treasurer may notify any Person obligated on any of the Collateral that the same has been assigned or transferred to the Treasurer and that the same should be performed as requested by, or paid directly to, the Treasurer or its agents, as the case may be. The Pledging Bank shall join in giving such notice, if the Treasurer so requests. The Treasurer may, in the Treasurer's name or in the Pledging Bank's name, demand, sue for, collect or receive any money or property at any time payable or receivable on account of, or securing, any such Collateral or grant any extension to, make any compromise or settlement with or otherwise agree to waive, modify, amend or change the obligation of any such Person, without affecting any Obligation of the Pledging Bank.

13(c) Any cash held by or on behalf of the Treasurer as Collateral and all cash proceeds received by or on behalf of the Treasurer in respect of any sale of, collection from, or other realization upon all or any part of the Collateral may, in the discretion of the Treasurer, be held by or on behalf of the Treasurer as collateral for, or then or at any time thereafter be applied in whole or in part by the Treasurer against, all or any part of the Obligations (including any expenses of the Treasurer payable pursuant to Section 14 hereof).

#### Section 14. Liability; Costs and Expenses; Indemnity.

14(a) The Treasurer shall not be liable for any error of judgment, or for any act done or step taken or omitted by it in good faith or for any mistakes of fact or law, or for anything which it may do or refrain from doing in connection herewith, except its own gross negligence or willful misconduct.

14(b) Subject to the exceptions stated in Section 12(a), the Treasurer shall be fully protected by each Pledging Bank in acting or relying upon any written notice, direction, request, waiver, consent, receipt or other paper or document which the Treasurer in good faith believes to be genuine and to have been signed or presented by the proper party or parties.

14(c) The Pledging Bank will pay or reimburse the Treasurer on demand for all out-of-pocket expenses (including in each case all filing and recording fees and taxes and all reasonable fees and expenses of counsel, including the reasonable value of the time of the Iowa Attorney General's Office, and of any experts and agents) incurred by the Treasurer in connection with the foreclosure or enforcement of the Security Interest and the administration, continuance, amendment or enforcement of this Agreement, and all such costs and expenses shall be part of the Obligations secured by the Security Interest. The Pledging Bank shall indemnify and hold the Treasurer harmless from and against any and all claims, losses and liabilities (including reasonable attorneys' fees, including the reasonable value of the time of the Iowa Attorney General's Office) arising out of or resulting from this Agreement (including enforcement of this Agreement) or the Treasurer's actions pursuant hereto, except claims, losses or liabilities resulting solely from the Treasurer's gross negligence or willful misconduct as determined by a final judgment of a court of competent jurisdiction. Any liability of the Pledging Bank to indemnify and hold the Treasurer harmless pursuant to the preceding sentence shall be part of the Obligations secured by the Security Interest. The obligations of the Pledging Bank under this Section shall survive any termination of this Agreement.



Section 15. Waivers and Amendments; Remedies. This Agreement may be waived, modified, amended, terminated or discharged, and the Security Interest can be released, only explicitly in a writing signed by the Treasurer. A waiver so signed shall be effective only in the specific instance and for the specific purpose given. Mere delay or failure to act shall not preclude the exercise or enforcement of any rights and remedies available to the Treasurer. All rights and remedies of the Treasurer shall be cumulative and may be exercised singly in any order or sequence, or concurrently, at the Treasurer's option, and the exercise or enforcement of any such right or remedy shall neither be a condition to nor bar the exercise or enforcement of any other.

Section 16. Notices. Any notice, request or demand to or upon the parties hereto must be given in writing. Notices may be sent by receipted hand delivery, by registered or certified mail, return receipt requested, postage prepaid, by Federal Express, courier or other similar and reliable carrier or by facsimile transmission (signed on behalf of the sender) and shall be addressed to the party to receive the same as follows or to such other addressee as may be hereafter designated in writing by the respective parties hereto:

To Treasurer:            Treasurer, State of Iowa  
                                 Attn: Pledging Desk  
                                 Lucas State Office Building  
                                 321 E 12<sup>th</sup> Street, 1<sup>st</sup> Floor  
                                 Des Moines, Iowa 50319  
                                 Fax No.: (515) 281-6962  
                                 PledgingDesk@tos.iowa.gov

To Pledging Bank:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
Attention: \_\_\_\_\_  
Fax No.: \_\_\_\_\_

Except as otherwise expressly provided herein, all notices, requests and demands to or upon a party hereto shall be in writing, shall be executed by an authorized representative of the party sending such notice, and shall be deemed to have been validly served, given or delivered (a) if sent by certified or registered mail against receipt, when delivered against receipt, (b) when received if sent by facsimile as provided herein to the address or telephone number provided herein or in the latest direction from any party, provided that they are confirmed by a written notice, deposited in the first-class mail on the date the transmission was sent, (c) within one day in the case of overnight hand delivery, courier or services such as Federal Express with guaranteed next day of delivery, or (d) if sent by any other method authorized under this Section, upon actual delivery.

Section 17. Pledging Bank Acknowledgments. The Pledging Bank hereby acknowledges that (a) the Pledging Bank has been advised by counsel in the negotiation, execution and delivery of this Agreement and the Custodial Agreement, (b) the Treasurer has no fiduciary relationship to the Pledging Bank, the relationship being solely that of debtor and creditor, and (c) no joint venture exists between the Pledging Bank and the Treasurer.

Section 18. Continuing Security Interest. This Agreement shall create a continuing security interest in the Collateral and shall (a) remain in full force and effect until the Security Interest shall terminate pursuant to Section 19 hereof, (b) be binding upon the Pledging Bank, its successors and assigns, and (c) inure, together with the rights and remedies of the Treasurer hereunder, to the benefit of, and be enforceable by, the Treasurer and its successors, transferees and assigns. Without limiting the generality of the foregoing clause (c), the Treasurer may assign or otherwise transfer all or any portion of its rights and obligations under this Agreement to any other Person to the extent and in the manner permitted by applicable law or regulations.

Section 19. Termination of Security Interest. Upon the termination of the Pledging Bank's status as a party to Custodial Agreement pursuant to the requirements of Section 7.5 of the Custodial Agreement, the Security Interest will terminate and the Custodian will return to the Pledging Bank such of the Collateral as shall not have been sold or otherwise applied pursuant to the terms hereof in accordance with the terms and conditions set forth in the Custodial Agreement. This Agreement and the Security Interest may also be terminated upon the mutual written agreement of the Pledging Bank and the Treasurer. Any reversion or return of the remaining Collateral upon termination of this Agreement and any instruments of transfer or termination shall be at the expense of the Pledging Bank and shall be without warranty by, or recourse against, the Treasurer or the Custodian. As used in this Section, "Pledging Bank" includes any assigns of Pledging Bank, any Person holding a subordinate security interest in any part of the Collateral or whoever else may be lawfully entitled to any part of the Collateral.

Section 20. Governing Law and Construction. THE VALIDITY, CONSTRUCTION AND ENFORCEABILITY OF THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF IOWA; PROVIDED, HOWEVER, THAT NO EFFECT SHALL BE GIVEN TO CONFLICT OF LAWS PRINCIPLES OF THE STATE OF IOWA. Whenever possible, each provision of this Agreement and any other statement, instrument or transaction contemplated hereby or relating hereto shall be interpreted in such manner as to be effective and valid under such applicable law, but, if any provision of this Agreement or any other statement, instrument or transaction contemplated hereby or relating hereto shall be held to be prohibited or invalid under such applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement or any other statement, instrument or transaction contemplated hereby or relating hereto.

Section 21. Consent to Jurisdiction; Sovereign Immunity. IN THE EVENT ANY PROCEEDING OF A QUASI-JUDICIAL OR JUDICIAL NATURE IS COMMENCED IN CONNECTION WITH THIS AGREEMENT, THE EXCLUSIVE JURISDICTION FOR THE PROCEEDING SHALL BE THE POLK COUNTY DISTRICT COURT FOR THE STATE OF IOWA, DES MOINES, IOWA, OR THE UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF IOWA, CENTRAL DIVISION, DES MOINES, IOWA, AS APPROPRIATE, AND THE PLEDGING BANK CONSENTS TO THE JURISDICTION AND VENUE OF ANY SUCH COURT AND WAIVES ANY ARGUMENT THAT VENUE IN SUCH A FORUM IS NOT CONVENIENT AND ANY RIGHTS THE PLEDGING BANK MAY HAVE UNDER ANY FEDERAL OR STATE LAW ESTABLISHING JURISDICTION OR VENUE IN ANOTHER FORUM. IN THE EVENT THE PLEDGING BANK COMMENCES ANY ACTION IN ANOTHER JURISDICTION OR VENUE ON ANY BASIS ARISING DIRECTLY OR INDIRECTLY FROM THE RELATIONSHIP CREATED BY THIS AGREEMENT, THE TREASURER AT ITS OPTION SHALL BE ENTITLED TO HAVE THE CASE TRANSFERRED TO ONE OF THE JURISDICTIONS AND VENUES ABOVE-DESCRIBED, OR IF SUCH TRANSFER CANNOT BE ACCOMPLISHED UNDER APPLICABLE LAW, TO HAVE SUCH CASE DISMISSED WITHOUT PREJUDICE. THE PLEDGING BANK WAIVES ANY AND ALL RIGHTS TO A JURY TRIAL IN ANY LEGAL PROCEEDING ARISING OUT OF OR

RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY. THIS PROVISION SHALL NOT BE CONSTRUED AS WAIVING ANY IMMUNITY TO SUIT OR LIABILITY, INCLUDING, BUT NOT LIMITED TO, SOVEREIGN IMMUNITY IN STATE OR FEDERAL COURT, WHICH MAY BE AVAILABLE TO THE TREASURER.

Section 22. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, but all such counterparts together shall constitute but one and the same instrument.

Section 23. General. All representations and warranties contained in this Agreement or in any other agreement between the Pledging Bank and the Treasurer shall survive the execution, delivery and performance of this Agreement and the creation and payment of the Obligations. The Pledging Bank waives notice of the acceptance of this Agreement by the Treasurer. Captions in this Agreement are for reference and convenience only and shall not affect the interpretation or meaning of any provision of this Agreement.

Section 24. Compliance with Applicable Laws. The Pledging Bank and its employees, agents, officers, directors, approved contractors and subcontractors shall comply with all applicable federal, state, foreign, and local laws, rules, ordinances, codes, regulations and orders, including without limitation the Public Funds Law, when performing within the scope of this Agreement. The Pledging Bank represents and warrants that it has complied with all federal, state, foreign and local laws, including without limitation the Public Funds Law, applicable to the performance of its obligations under this Agreement.

Section 25. Use of Other Collateral. In the event that the Pledging Bank deposits Collateral with a Custodian under this Agreement and the Custodial Agreement and also deposits with the Treasurer one or more Letters of Credit or Insurance Policies as permitted by the Public Funds Law, this Agreement shall govern the Collateral held by the Custodian, and the Letters of Credit and Insurance Policies shall be governed by the Letter of Credit Pledge Agreement.

Section 26. Subrogation of Pledging Bank; Appointment of Treasurer as Agent. In the event an assessment is paid by the Pledging Bank to the Treasurer pursuant to Section 12C.23A of the Iowa Code, or in the event that Collateral pledged by the Pledging Bank is liquidated pursuant to Section 12C.23A, subsection 3, paragraph "e" of the Iowa Code and the proceeds are used to pay the assessment, the Pledging Bank is subrogated to the claim of a public funds depositor to the extent the claim is paid from funds paid by the Pledging Bank or proceeds of Collateral pledged by the Pledging Bank are used to pay the assessment. The Pledging Bank hereby appoints the Treasurer as agent of the Pledging Bank to assert the claim on behalf of the Pledging Bank as subrogee. The Pledging Bank agrees that any amount recovered by the Treasurer by reason of such claim shall be deposited in the state sinking fund for public deposits in banks.

[Signature page follows]

IN WITNESS WHEREOF, the Pledging Bank has caused this Pledge Agreement to be duly executed and delivered by its officer thereunto duly authorized as of the date first above written.

PLEDGING BANK:

\_\_\_\_\_  
Name of Pledging Bank

\_\_\_\_\_  
City/State

By \_\_\_\_\_

Title \_\_\_\_\_



Roby Smith  
Treasurer of State

Capitol Building  
1007 E Grand Avenue  
Des Moines, IA 50319

## Exhibit A to Master Custodial Agreement

Certificate and Approval for Withdrawal, Substitution or Addition of Collateral

Date: \_\_\_\_\_ Pledging Bank ABA #: \_\_\_\_\_

Pledging Bank's Name: \_\_\_\_\_ Telephone Number: (\_\_\_\_) \_\_\_\_\_

Address: \_\_\_\_\_ City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_

To: \_\_\_\_\_ Attn: \_\_\_\_\_  
(Custodian)

**Type of Transaction** (check one):

\_\_\_\_ Withdrawal of Collateral      \_\_\_\_ Substitution of Collateral      \_\_\_\_ Additional Collateral

**Complete Sections 1 and/or 2 (as applicable) and Sections 3 and 4 (in all cases)**

Capitalized terms have the meaning given in the Pledge and Security Agreement (the "Pledge Agreement") from the Pledging Bank to the State Treasurer.

### 1. Withdrawal of Collateral

In accordance with the terms of the Pledge Agreement, we request the following be released from Eligible Collateral:

Issue and Coupon	CUSIP#	Maturity Date	Original Par Value	Current Price (& factor if pool)

Delivery instructions:

\_\_\_\_\_  
\_\_\_\_\_

### 2. Addition or Substitution of Collateral

In accordance with the terms of the Pledge and Security Agreement, we hereby deliver the following to the State Treasurer as Eligible Collateral:

Issue and Coupon	CUSIP #	Maturity Date	Original Par Value	Current Price (& factor if pool)

### 3. Required Collateral Market Value

Type	Amount
A. Total Public Funds Deposits as defined in Iowa Code Chapter 12C	
B. Capital of the Bank as defined in Iowa Code Chapter 12C	
C. Excess Public Funds (A minus B)	
D. Market Value of Eligible Collateral <b>Before</b> Addition, Withdrawal or Substitution	
E. Net Total Market Value of Eligible Collateral Added, Withdrawn or Substituted	
F. Market Value of Eligible Collateral <b>After Addition</b> , Withdrawal or Substitution (D minus E)	

### 4. Certification by Pledging Bank

The Pledging Bank and the undersigned hereby swears under oath or affirms, under penalty of perjury, that the information shown above is true and correct, and that the Market Value of Eligible Collateral After Addition, Withdrawal or Substitution (line F above) exceeds the Excess Public Funds (line C above).

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_ Title \_\_\_\_\_

**Mail or fax this form to the Custodian. If a copy is faxed, an original must follow in the mail.**

### 5. Certification by the Custodian

The Custodian has reviewed the information set forth in this Certificate and hereby states that the Certificate contains all of the information required pursuant to Section 5.2 of the Custodial Agreement.

**The Custodian shall email this form to the Treasurer of State at [PledgingDesk@tos.iowa.gov](mailto:PledgingDesk@tos.iowa.gov).**

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_ Title \_\_\_\_\_