

These Terms and Conditions govern the Settlement/Transaction Account ("STA") maintained by the Federal Home Loan Bank of San Francisco ("Bank") for the account holder ("Account Holder") according to the Settlement/Transaction Account Agreement ("Agreement") between the Bank and the Account Holder.

I. Deposits and Withdrawals

A. Deposits

1. Deposits by the Account Holder or a Third Party

Funds from outside the Bank may be transferred to the Bank for deposit to the Account Holder's STA only by a funds transfer initiated by the Account Holder or a third party for the benefit of the Account Holder through the Fedwire funds transfer system of the Federal Reserve System. In the event that Fedwire is not operational or the Bank determines that other exigent circumstances exist, the Bank may elect to accept offline funds transfer instructions from the Account Holder through a Federal Reserve Bank under conditions determined by the Bank.

The Bank may reject or return (i) any Fedwire funds transfer to the Bank directed to the Account Holder if the payment order does not conform to the Bank's standards or if the Fedwire instructions indicate that the Account Holder is not the beneficiary; or (ii) any funds transmitted from outside the Bank for deposit to the STA by means other than those described above.

2. Deposits by the Bank

The Bank will pay any amount due to the Account Holder from the Bank by processing a book entry credit to the Account Holder's STA.

B. Withdrawals

1. Withdrawals by the Account Holder

The Account Holder may withdraw funds from the STA only in the form of (i) a Fedwire funds transfer from the Bank to the Account Holder's account at a Federal Reserve Bank (or the Account Holder's account at another correspondent financial institution through its account at a Federal Reserve Bank), initiated as described in Section V.C; or (ii) a book entry debit for a payment to the Bank, initiated by instruction from the Account Holder to the Bank. The Bank may reject any request by the Account Holder for a withdrawal of funds from the STA in any other form and may refuse to follow any withdrawal instruction or request that does not conform to the Bank's standards.

2. Withdrawals by the Bank

The Account Holder authorizes the Bank to process a book entry debit to the Account Holder's STA (i) for payment of any amount due to the Bank under the Agreement or these Terms and Conditions or under any other agreement or transaction between the Bank and the Account Holder; or (ii) as required by legal process.

II. Interest

The Account Holder's balance in the STA at the end of each day, taking into account funds debited or credited as of that day according to these Terms and Conditions, will accrue interest on a daily basis at the STA rate. The Bank intends to adjust the STA rate as market conditions change, without notice to the Account Holder. Information about the current STA rate is available upon request. The Bank will process a book entry credit to the Account Holder's STA as of the first business day¹ of each calendar month for the interest accrued on STA balances during the previous calendar month.

¹ In these Terms and Conditions, the term "business day" means a day on which the Bank is open to conduct STA transactions with its account holders.

III. Overdrafts

A. Prohibition Against Overdrafts

The Account Holder does not have the right to an overdraft of the STA, whether on an intraday basis or at the end of the day, and will maintain sufficient funds on deposit in the STA for expected withdrawals from the STA, whether initiated by the Account Holder or the Bank. The Account Holder may not initiate or cause to be initiated a withdrawal from the STA if the amount of funds on deposit properly credited to the STA at the time does not at least equal the amount of the expected withdrawal. The Bank may refuse to execute any transaction for the Account Holder if the STA is overdrawn or if the transaction would result in an overdraft of the STA, taking into account debits and credits expected to be processed by the Bank as of the same date, except that the Bank may debit the STA for any amount due to the Bank even if the STA is overdrawn or the debit will result in an overdraft of the STA.

B. Charges for Overdrafts

If the STA is overdrawn, the Account Holder will pay the Bank (i) the amount of the overdraft, which will be due and payable immediately and without demand; and (ii) any fee or overdraft charge then in effect on the amount overdrawn, charged on a daily basis until the overdraft is corrected by the deposit of funds into the STA in an amount at least equal to the amount of the overdraft plus accrued charges. If the Account Holder attempts to correct an overdraft by initiating a Credit Entry, but the Credit Entry is not received by the Bank in a timely manner in accordance with Section V.B. below, the Account Holder will be charged the applicable fee or overdraft charge until the Credit Entry is actually processed by the Bank; furthermore, any Credit Entry received after 3:00 p.m. California time on a business day, which is not processed by the Bank on the day of receipt and not otherwise rejected or returned to the Account Holder or other originator, will not accrue interest for the day of receipt.

The Bank may elect, without prior notice to the Account Holder, (i) to apply any deposits, credits, or other property of the Account Holder then in the possession of the Bank to the payment of the overdraft amount plus accrued charges; or (ii) to extend an advance to fund payment of the overdraft under the terms of the Advances and Security Agreement or other applicable agreement then in effect between the Bank and the Account Holder.

C. No Amendment by Course of Dealing or Oral Waiver

The prohibition against overdrafts in the STA may not be amended by course of dealing or oral waiver, even if the Account Holder has previously overdrawn the STA or any other account with the Bank. The prohibition against overdrafts may be amended only by (i) revised Terms and Conditions issued by the Bank that expressly permit overdrafts; or (ii) a written amendment signed by an authorized officer of the Bank that expressly permits overdrafts and references this section of the Terms and Conditions.

IV. Account Statements and Reconciliation

The Bank will provide the Account Holder monthly statements reflecting deposits to, withdrawals from, and other debits and credits to the STA during the statement cycle. The Bank will send the monthly statements via facsimile unless the Account Holder opts to access its monthly statements only via the Bank's secure website. The Account Holder may also access its daily STA activity, as well as its current and recent monthly statements, on the Bank's secure website. The Account Holder must give the Bank written notice of any discrepancy between the STA monthly statement and the Account Holder's records within 10 business days after the effective date of the monthly statement. If the Account Holder does not deliver the required notice within 10 business days, the Bank will not be liable for any losses resulting from the Account Holder's failure to give the required notice, or for the loss of interest or any other loss or cost relating to (i) an unauthorized or erroneous withdrawal from the STA or (ii) any other discrepancy in the statement.

V. Wire Transfer Procedures

A. Entries

An "Entry" is a payment order, as defined in Federal Reserve System Regulation J, that is initiated by the Account Holder (or in the case of a deposit to the STA, any other originator) instructing the Bank to execute a deposit to or a withdrawal from the STA. An Entry must be unambiguous and complete, with all information necessary for processing. Ambiguous or incomplete instructions are not Entries and may be accepted or rejected by the Bank at its discretion. The Account Holder will indemnify the Bank against any loss, interest or expense relating to the Bank's

execution of any transaction relating to incomplete or ambiguous instructions. The Bank's execution of one or more late or nonconforming Entries will not obligate the Bank to execute any other late or nonconforming Entries, and the Bank may discontinue executing late or nonconforming Entries without prior notice to the Account Holder. The Bank will not notify the Account Holder when an Entry is received or processed other than by reflecting the STA deposit or withdrawal on the next STA monthly statement and posting the STA deposit and withdrawal on the Bank's secure website on the following business day after the related Entry was processed by the Bank.

B. Credit Entries

A "Credit Entry" is an Entry initiated by the Account Holder or another party with instructions for a deposit to the Account Holder's STA by means of a Fedwire funds transfer.

The Bank may reject or return any payment order for a deposit to the STA that is not a Credit Entry conforming to these Terms and Conditions. If the Bank rejects a Credit Entry or any other payment order directed to the Account Holder's STA, the Bank will attempt to notify the Account Holder within a reasonable time by telephone or other reasonable means.

The Account Holder authorizes the Bank to receive for deposit to the STA any Credit Entry directed to the Account Holder, unless the Bank receives written notice from the Account Holder adequately describing the expected Credit Entry and requesting the Bank to reject it. The Bank must receive the notice in reasonably sufficient time to enable the Bank to act on the request.

Credit Entries will be processed by the Bank as follows:

1. Received By 3:00 p.m.

Credit Entries received by the Bank by 3:00 p.m. California time on a business day will be processed that same day.

2. Received Between 3:00 p.m. and 3:15 p.m.

Credit Entries received by the Bank after 3:00 p.m. California time but before 3:15 p.m. California time on a business day will be processed that same day only if the Bank has received proper notice from the Account Holder before 2:00 p.m. California time on that same day. Such notice must include the name of the sender of the Credit Entry, the amount of the Credit Entry and the projected time that the Credit Entry will be sent. If the Bank has not received notice as required, the Bank will reject and return the Credit Entry to the Account Holder or other originator, or at the Bank's discretion, may attempt to process the Credit Entry on the day the Credit Entry is received.

3. Received After 3:15 p.m.

Credit Entries received after 3:15 p.m. California time on a business day will be rejected and returned to the Account Holder or other originator. If there is insufficient time to return the Credit Entry to the Account Holder or other originator, the Bank will hold the Credit Entry in a suspense account and process the Credit Entry on the following business day. Notwithstanding the preceding sentence, at the Bank's discretion, the Bank may attempt to process the Credit Entry on the day the Credit Entry is received.

4. Certain Products and Programs

The Bank reserves the right to require earlier deadlines for the receipt and processing of Credit Entries related to certain products and programs established by the Bank from time to time.

C. Debit Entries

A "Debit Entry" is an Entry initiated by request from the Account Holder with instructions for a withdrawal from the Account Holder's STA by means of a Fedwire funds transfer from the Bank to the Account Holder's account at a Federal Reserve Bank or the account of a correspondent financial institution (holding such funds on behalf of or for the account of the Account Holder) at a Federal Reserve Bank.

The Account Holder will initiate any Fedwire funds transfer from the STA by making a Debit Entry Request to the Bank. A "Debit Entry Request" is a request for a Debit Entry initiated by the Account Holder by one of the following methods:

- Drawdown Request: A Debit Entry Request that is transmitted electronically by the Account Holder or a correspondent financial institution on behalf of the Account Holder through Fedwire.
- Telephone Request: A verbal Debit Entry Request that is communicated by a telephone call from an authorized person on behalf of the Account Holder.

The Bank may reject or return any request for a withdrawal from the STA that is not a Debit Entry Request conforming to these Terms and Conditions. If the Bank rejects a Debit Entry Request or any other request for a withdrawal from the Account Holder's STA, the Bank will attempt to notify the Account Holder within a reasonable time by telephone or other reasonable means.

Before initiating a Telephone Request, the Account Holder will provide the Bank with a valid Certificate of Designated Persons-Wire Transfer Services ("Certificate"). The Bank is entitled to rely on the last Certificate received by the Bank from the Account Holder until the Bank receives a new Certificate or until the Account Holder rescinds the Certificate in writing. By maintaining a Certificate with the Bank, the Account Holder agrees that the Bank's security procedures relating to Telephone Requests are commercially reasonable.

1. Drawdown Requests

The Account Holder authorizes the Bank to execute any Debit Entry initiated by Drawdown Request. The Account Holder is solely responsible for ensuring that Drawdown Requests on its behalf are authorized and that the Account Holder has exercised due care with respect to its Fedwire security procedures. The Bank is not responsible for determining whether a Drawdown Request is authorized or authentic.

Drawdown Requests received by the Bank by 2:30 p.m. California time on a business day will be processed that same day. Drawdown Requests received by the Bank after 2:30 p.m. California time but before 3:00 p.m. California time on a business day will be processed that same day only if the Bank has received proper notice from the Account Holder before 2:00 p.m. California time on that same day. Such notice must include the amount of the Debit Entry and the projected time that the Drawdown Request will be made. If the Bank has not received notice as required, the Bank will reject the Drawdown Request, and the Account Holder must initiate a new Drawdown Request on the following business day. Notwithstanding the preceding sentence, at the Bank's discretion, the Bank may attempt to process the Drawdown Request on the day the Drawdown Request is received. Drawdown Requests received by the Bank after 3:00 p.m. California time on a business day will be rejected, and the Account Holder must initiate a new Drawdown Request on the following business day.

2. Telephone Requests

To facilitate Telephone Requests by the Account Holder, the Bank may assign Personal Identification Numbers ("PINs") to the Account Holder to enable authorized persons designated by the Account Holder on its Certificate to initiate Telephone Requests. The Bank may change the PINs at any time by giving written notice to the Account Holder.

The Account Holder authorizes the Bank to execute any Debit Entry purportedly initiated on behalf of the Account Holder by an apparently authorized Telephone Request if the caller is able to provide a valid PIN for the Account Holder. For additional security, the Bank will telephone a second authorized individual designated on the Certificate to verify the Telephone Request. If the Bank is unable to contact a second authorized person designated on the Certificate, the Bank will refuse to act on the Telephone Request in its sole discretion.

The Account Holder is solely responsible for ensuring that Telephone Requests on its behalf are authorized and that the Account Holder has exercised due care with respect to its Telephone Request security procedures. By initiating a Telephone Request, the Account Holder agrees that the Bank's security procedures relating to Telephone Requests are commercially reasonable.

Telephone Requests received by the Bank by 2:30 p.m. California time on a business day will be processed that same day. Telephone Requests received by the Bank after 2:30 p.m. California time but before 3:00 p.m. California time on a business day will be processed that same day only if the Bank has received proper notice from the Account Holder before 2:00 p.m. California time on that same day. Such notice must include the amount of the Debit Entry and the projected time that the Telephone Request will be made. If the Bank has not received

notice as required, the Bank will reject the Telephone Request, and the Account Holder must initiate a new Telephone Request on the following business day. Notwithstanding the preceding sentence, at the Bank's discretion, the Bank may attempt to process the Telephone Request on the day the Telephone Request is received. Telephone Requests received by the Bank after 3:00 p.m. California time on a business day will be rejected, and the Account Holder must initiate a new Telephone Request on the following business day.

3. Correspondent Relationships

If the Account Holder wants to initiate a Debit Entry by means of a Fedwire funds transfer from the Bank to the account of a correspondent financial institution (holding such funds on behalf of or for the account of the Account Holder) at a Federal Reserve Bank, the Account Holder must complete the correspondent fields on its Certificate. The Bank is entitled to rely on the correspondent information specified on the last Certificate received by the Bank until the Bank receives a new Certificate from the Account Holder or until the Account Holder rescinds the Certificate in writing.

4. Amending or Canceling a Debit Entry

The Account Holder may request the Bank to amend or cancel a Debit Entry by using the same procedures as are required for making a Drawdown Request or a Telephone Request. The Account Holder's request to amend or cancel a Debit Entry must be unambiguous and complete in order to be valid.

If the Bank receives a valid request to amend or cancel a Debit Entry in sufficient time to provide the Bank a reasonable opportunity to act on the request prior to execution of the Debit Entry, the Bank will attempt to act on the amendment or cancellation request; however, the Bank will have no liability for failing to act on an amendment or cancellation request, whether or not the Bank receives the request in sufficient time. If a request to amend or cancel a Debit Entry is valid but the Bank does not receive the request in sufficient time to provide the Bank a reasonable opportunity to act on the request prior to execution of the Debit Entry, or if the Bank fails to act on the request prior to execution of the Debit Entry, the Bank may, at its discretion, request the receiving financial institution to amend or cancel the Debit Entry as requested by the Account Holder, in accordance with the applicable rules and regulations of the Federal Reserve System. The Bank will not be deemed to have accepted the Account Holder's amendment or cancellation request unless and to the extent that the request is accepted and executed by the receiving financial institution, and the Bank will have no liability for amendment or cancellation requests acted upon by the Bank after execution of a Debit Entry. The Account Holder will reimburse the Bank for any costs, losses or damages to the Bank relating to the Account Holder's request to amend or cancel a Debit Entry, whether or not successful.

The Account Holder authorizes the Bank to process (i) any amendment or cancellation request relating to a Debit Entry initiated in the same manner as a Drawdown Request by a Fedwire instruction that correctly identifies the Debit Entry and the Account Holder's STA; and (ii) any amendment or cancellation request initiated in the same manner as a Telephone Request in which the caller is able to provide a valid PIN for the Account Holder. For additional security, the Bank will telephone a second authorized person designated on the Certificate to verify the amendment or cancellation request. If the Bank is unable to contact a second authorized person designated on the Certificate, the Bank will refuse to act on the request in its sole discretion.

5. Return or Rejection of a Debit Entry

If the Bank receives notice of the rejection or return of a Debit Entry, the Bank will attempt to notify the Account Holder within a reasonable time by telephone or other reasonable means.

6. Responsibility for Debit Entry

If a Debit Entry results from a Debit Entry Request transmitted or authorized by the Account Holder, the Account Holder will be obligated to pay the Bank the amount of the Debit Entry, whether or not the Bank complies with the security procedures in these Terms and Conditions with respect to the Debit Entry and whether or not the Debit Entry was erroneous in any respect or the error would have been detected if the Bank had complied with the security procedures.

In addition, the Account Holder will pay the Bank the amount of any Debit Entry not authorized by the Account Holder, provided that the Bank acted in accordance with the instructions in the apparent Debit Entry Request and in compliance with the security procedures in these Terms and Conditions with respect to the Debit Entry.

If a Debit Entry Request lists the Account Holder by name as beneficiary but uses an account number other than the Account Holder's account at a Federal Reserve Bank or the account of a correspondent financial institution (acting on behalf of or for the account of the Account Holder) through its account at a Federal Reserve Bank, the institution receiving the related Fedwire instruction may credit or otherwise settle for the Debit Entry on the basis of the account number, and the Account Holder is obligated to pay the Bank the amount of the Debit Entry.

If the Account Holder has received notice of a Debit Entry or other communication purportedly made on behalf of the Account Holder that has been executed and charged to the STA erroneously or without the Account Holder's authorization, but the Account Holder has not notified the Bank promptly (and in any case, within 10 business days) of the error or lack of authorization, the Bank will have no liability to the Account Holder for any subsequent similar occurrence even if the Bank would otherwise be liable to the Account Holder in connection with the subsequent occurrence.

7. Wire Transfer Fees

The Account Holder will pay the Bank the amount of (i) any wire transfer fee then in effect for each Entry processed by the Bank, and (ii) any other fee then in effect for additional STA services provided by the Bank at the request of the Account Holder.

D. General Security Procedures

1. Account Holder's Obligations

The Account Holder will comply with all security procedures adopted by the Bank from time to time with respect to the STA and will establish and maintain procedures to ensure the confidentiality and security of all security codes, procedures and information relating to the STA ("Security Information"). The Account Holder will ensure that the Security Information is known only to persons authorized by the Account Holder and will not disclose any Security Information to any other person without the Bank's prior written consent. The Account Holder will not permit any person to issue a Debit Entry Request on its behalf or take any other action relating to the STA without proper training, supervision and adherence to security procedures. The Account Holder will notify the Bank immediately if (i) the Account Holder has reason to believe the confidentiality of any Security Information has been breached; (ii) any of the Account Holder's employees or agents with access to the Security Information terminates an employment or agency relationship with the Account Holder; or (iii) the Account Holder has reason to believe an unauthorized Entry or Fedwire instruction may be or has been transmitted to the Bank.

2. Funds Transfer Risks

The authenticity of an instruction to the Bank to process Entries for the Account Holder cannot be determined by the Bank with certainty, nor can the Bank determine with certainty whether an authentic instruction received by the Bank from the Account Holder or a third party for the benefit of the Account Holder was correctly understood by the Bank. These inherent funds transfer risks cannot be fully avoided, and these Terms and Conditions contain provisions allocating the risks between the Bank and the Account Holder. The Account Holder's initiation of any Entry constitutes the Account Holder's (i) acceptance of the procedures described in these Terms and Conditions as appropriate for the Account Holder's needs; and (ii) agreement that the security procedures described in these Terms and Conditions will provide the Account Holder with commercially reasonable protection appropriate to the Account Holder's ability to accept the inherent risk of the execution by the Bank of unauthorized or erroneous Entries processed for the account of the Account Holder.

3. Recording

The Bank may record by audio recording device any telephone call relating to an Entry.

4. Information Retention

The Account Holder will retain information on file adequate to permit the remaking of each Entry for 60 days following the date of execution of the Entry and will provide the information to the Bank upon request.

VI. Bank Duties and Liability

The Bank will be responsible only for performing the duties expressly described in these Terms and Conditions.

The Bank will not be responsible for the acts or omissions (including without limitation, acts or omissions relating to the amount, accuracy, timeliness of transmittal, or authorization of any instruction or information relating to an Entry) of the Account Holder or its directors, officers, or employees or of any other person (including without limitation, other financial institutions, operators of funds transfer facilities, Federal Reserve Banks, or transmission or communications facilities), and none of these persons will be deemed to be the Bank's agent. The Account Holder will indemnify the Bank against any loss, liability or expense (including attorneys' fees and expenses) relating to the claim of any person that the Bank is responsible for any act or omission of the Account Holder or any other person relating to the STA.

The Bank will not be liable for any damages relating to the STA other than damages of the Account Holder resulting directly from the Bank's failure to exercise due care in performing its express obligations under these Terms and Conditions. The measure of damages with respect to an Entry giving rise to liability on the part of the Bank will be the actual proven damages of the Account Holder, not to exceed the amount of the Entry, plus interest, if any, at the applicable STA rate. Notwithstanding any other provision of these Terms and Conditions, the Bank's liability, if any, will be reduced by the amount of any loss that could have been prevented or recovered had the Account Holder discovered and reported the loss or error to the Bank within a reasonable time, not to exceed 10 business days, on the basis of information available to the Account Holder. The Bank will not be liable for any consequential, special, punitive or indirect losses or damages of the Account Holder or any other party relating to the STA or the Agreement or these Terms and Conditions. Without limiting the generality of any other provision of these Terms and Conditions, the Bank will have no liability for any failure to act or from any delay in acting if the failure or delay is caused by legal constraint, interruption of transmission or communication facilities, equipment failure, labor dispute, war, natural disaster, emergency condition or other circumstances beyond the Bank's control. In addition, the Bank will have no liability for any failure to process an Entry or any delay in processing an Entry if the Bank reasonably believed the processing would violate any applicable law, rule or regulation.

VII. Other Provisions

A. Existing Demand Deposit Accounts and Shareholder Transaction Accounts

1. Demand Deposit Accounts

As of January 2, 1997, with respect to any demand deposit account maintained by the Bank for the Account Holder on that date, these Terms and Conditions will constitute the "Rules and Regulations" issued pursuant to the Demand Deposit Agreement ("DDA Agreement") and will supersede any prior Rules and Regulations issued under the DDA Agreement. Other than the superseded prior Rules and Regulations, the terms of the DDA Agreement will continue to be effective until the Account Holder and the Bank execute a Settlement/Transaction Account Agreement; provided, however, that (i) the terms "Demand Deposit Account" and "DDA" will be replaced in all future statements and communications between the Bank and the Account Holder with the terms "Settlement/Transaction Account" and "STA", respectively; (ii) all references in these Terms and Conditions to the STA will be effective as to accounts governed by a DDA Agreement; and (iii) all references in any other Bank agreements, policies, procedures or other documents to a "Demand Deposit Account" or "demand deposit account" or "DDA" will mean the STA (as defined in these Terms and Conditions).

2. Shareholder Transaction Accounts

With respect to any shareholder transaction account maintained by the Bank for the Account Holder pursuant to a Shareholder Transaction Account Agreement ("Old Agreement"), (i) these Terms and Conditions will constitute the "Terms and Conditions" referenced in the Old Agreement and will supersede any prior Terms and Conditions governing the Old Agreement; (ii) the terms "Shareholder Transaction Account" and "STA" will be replaced in all future statements and communications between the Bank and the Account Holder with the terms "Settlement/Transaction Account" and "STA" (as defined in these Terms and Conditions), respectively; (iii) all references in these Terms and Conditions to the STA will be effective as to any STA governed by an Old Agreement; and (iv) all references in any other Bank agreements, policies, procedures or other documents to a "Shareholder Transaction Account", "shareholder transaction account" or "STA" will mean the STA (as defined in these Terms and Conditions).

B. Entire Agreement

The Agreement and these Terms and Conditions, along with related forms provided to the Account Holder by the Bank, are the complete and exclusive statement of the agreement between the Bank and the Account Holder with respect to the STA, superseding any prior account agreement or understanding between the Bank and the Account Holder. If the performance of services in accordance with the Agreement and these Terms and Conditions would result in a violation of any present or future statute, regulation or government policy, the Terms and Conditions will be deemed amended to the extent necessary to comply with the statute, regulation or policy, and the Bank will have no liability to the Account Holder or any other party as a result of the violation or amendment. If any provision of these Terms and Conditions is held to be invalid or unenforceable to any extent, all of the other provisions will remain valid and fully enforceable.

C. Binding Agreement and Benefit

The Agreement and these Terms and Conditions will be binding upon and benefit the Bank and the Account Holder and their respective legal representatives, successors and assigns. No other person will have any benefit or any right against the Bank or the Account Holder arising from the Agreement or these Terms and Conditions.

D. Waivers

No waiver by either the Bank or the Account Holder of any right in these Terms and Conditions will be deemed a continuing waiver or a waiver of any other right. In order to be valid, a waiver must be in writing and must be executed by the party granting the waiver.

E. Changes in Terms and Conditions

From time to time, the Bank may revise these Terms and Conditions, and the revisions will become effective 10 days after the effective date of delivery of the revisions to the Account Holder.

F. Non-Assignment

The Account Holder may not transfer or assign the STA, the Agreement or any of its related rights or obligations without the prior written consent of the Bank, and any attempted transfer or assignment without the consent of the Bank is void.

G. Setoff

The Bank may charge the STA to reduce or satisfy any indebtedness of the Account Holder to the Bank, whether arising in connection with the STA or otherwise. This authorization includes, without limitation, the Bank's right to charge the STA for the repayment of advances made pursuant to the Advances and Security Agreement between the Bank and the Account Holder.

H. Disputes

In case of a dispute relating to the STA, the Bank may elect, in its sole discretion, to (i) seek clarification or additional instructions from the Account Holder; (ii) close the STA and return the STA balance to the Account Holder; (iii) close the STA and deposit the STA balance with a court in connection with an interpleader action or other action; or (iv) take any other action the Bank deems reasonable under the circumstances. The Account Holder will not hold the Bank responsible for, and will indemnify and defend the Bank against, damages that may result from any action or inaction taken by the Bank in good faith in the case of a dispute relating to the STA. If the Account Holder brings an action or proceeding seeking to obtain any legal or equitable relief against the Bank for any transaction in the STA, and the relief is not granted by the final decision, after all appeals, of a court of competent jurisdiction, the Account Holder will pay all attorneys' fees and other expenses and costs incurred by the Bank.

I. Right to Close the STA

The Account Holder may not close the STA. The Bank may close the STA for any reason, without cause and without prior notice to the Account Holder. If the STA is closed by the Bank for a reason other than pursuant to Section VII.H. above, the Bank will transfer the STA balance to the Account Holder or to the Account Holder's account at another

financial institution, as directed by the Account Holder, subject to any right the Bank may have under any security agreement affecting the STA or any other agreement with the Account Holder or the Bank's right of setoff.

J. Confidentiality

The Account Holder will not disclose any information regarding the Bank's security procedures or other procedures relating to the STA to any third party and will use information relating to the STA only in connection with the transactions contemplated by the Agreement and these Terms and Conditions.

K. Governing Law and Venue

The Agreement and these Terms and Conditions will be governed by and construed according to (i) federal law, including without limitation, the Federal Home Loan Bank Act and related regulations and any applicable regulations of the Office of Foreign Assets Control of the U.S. Department of the Treasury, each as amended from time to time; (ii) to the extent not inconsistent with the Agreement, these Terms and Conditions, and Federal Reserve System Regulation J, as amended from time to time; and (iii) to the extent federal law incorporates or defers to state law, the laws (excluding the conflicts of law rules) of the State of California.

Any action to enforce or interpret the Agreement or these Terms and Conditions or otherwise relating to the STA will be brought in San Francisco in the United States District Court for the Northern District of California, or if such action or proceeding may not be brought in federal court, in the Superior Court of the City and County of San Francisco to the exclusion of all other courts.

L. Notices

Any notice from the Account Holder to the Bank relating to the STA will be effective as of the day and at the time received by the Portfolio Operations Department, Federal Home Loan Bank of San Francisco, 600 California Street, San Francisco, California 94108, or at any other address specified by the Bank in a written notice to the Account Holder.

Any notice from the Bank to the Account Holder relating to the STA (except for revisions to these Terms and Conditions pursuant to Section VII.E. above) will be effective as of the earlier of (i) the day the notice is received by the Account Holder; or (ii) three business days after the Bank mails the notice by first class mail to the Account Holder's address according to the Bank's records.