

ADDENDUM TO ADVANCES AND SECURITY AGREEMENT
(ENOTES)

This Addendum to Advances and Security Agreement (“Addendum”) is made as of _____, 20____, between the Federal Home Loan Bank of Dallas (“Bank”), with its principal office located at 8500 Freeport Parkway South, Suite 600, Irving, Texas 75063, and _____, a _____ (“Borrower”), with _____
Type of Organization
its chief executive office located at _____

_____ and _____ amends the Advances and Security Agreement (“Agreement”) dated as of _____, _____ between the Borrower and Bank. Unless otherwise defined herein, capitalized terms have the meaning assigned to such terms in the Agreement.

WHEREAS, Borrower and the Bank have entered into that certain Agreement dated as of [_____] in order for the Bank to make available extensions of credit to Borrower;

WHEREAS, Borrower desires to pledge eNotes (as defined below) as Collateral to the Bank to support its obligations under the Agreement; and

WHEREAS, the parties desire to supplement, amend and modify the Agreement to facilitate the pledging of eNotes Collateral by incorporating certain additional terms with respect to Borrower’s grant of a security interest in eNotes Collateral and management of the same on an eRegistry (as defined below).

NOW THEREFORE, for good and valuable consideration, intending to be legally bound, and with respect to each and every Advance, the Bank and Borrower agree that the Agreement shall be supplemented to include the following additional terms:

1. **Definitions.** Whenever used herein, the following words and phrases, unless context requires otherwise, shall have the following meanings:

“Authoritative Copy” means the unique, identifiable and unalterable (except for revisions permitted by applicable law) definitive copy of an eNote.

“Controller” means the party in control of an eNote as identified on the eRegistry.

“eNote” means an electronic promissory note that is a “transferrable record” under the Electronic Signatures in Global and National Commerce Act of 2000 (codified at 15 U.S.C. §§7001 et seq.) (“ESIGN”) and is secured by real property.

“eRegistry” means the MERS® eRegistry, or an alternate electronic mortgage loan registration system selected by the Bank in its sole discretion.

“eVault” means a secure electronic document management system for the storage and management of eNotes.

“Location Field” means the field on the eRegistry that identifies the location of the Authoritative Copy of the relevant eNote.

“Secured Party Field” means the field on the eRegistry that identifies that the Controller of the relevant eNote has sold, pledged, assigned, or granted a security interest in the eNote to another party and provides the entity identified in such field with certain rights including, without limitation, the right to approve, reject or initiate changes to the entity identified as the Controller.

2. **Acknowledgement and Creation of Security Interest in eNotes.** Borrower and Bank agree that the security interest in Collateral assigned, transferred, pledged and granted by Borrower to the Bank under Section 3.1 of the Agreement includes Borrower’s right, title and interest in, to and under all Collateral whose obligations are evidenced by an eNote (or other electronic document intended to represent such obligations) and to all mortgage loan documents, instruments and agreements and all “general intangibles” and “payment intangibles” associated therewith (as such terms are defined in the Uniform Commercial Code as adopted and in effect under the laws of the State of Texas.

3. **eNote Eligibility.** In order for an eNote to be Qualifying Collateral used in the determination of Borrower’s compliance with the Collateral Maintenance Level under the Agreement, (a) the eNote must be registered on the eRegistry, (b) the eRegistry must name the Bank in the Secured Party Field and Location Field with respect to such eNote, and (c) the Borrower must satisfy all other requirements contained in the Bank’s Member Products and Credit Policy (the “Policy”) and related documentation.

4. **eRegistry Terms.**

a. Borrower hereby acknowledges that it has read and understands the MERS® membership rules and MERS® eRegistry Procedures Manual and understands that, in naming the Bank in the Secured Party Field, the Bank may reject or initiate a transfer of control, transfer of location, transfer of servicing agent, or transfer of all of the foregoing with respect to such eNote to the Bank or to any other person on the eRegistry (or, if necessary, on a separate system serving a purpose substantially similar to the eRegistry). The Bank acknowledges that it will exercise such rights in accordance with terms of the Agreement and the Policy.

b. Upon a transfer of control initiated by the Bank under paragraph 4(a) above, Borrower acknowledges and agrees that:

i. Borrower will not take any action to prevent a transfer of control or transfer of location of the eNote on the eRegistry from Borrower to the Bank or to a purchaser of the eNote (a “Buyer”) in connection with the sale of such eNote;

ii. Upon completion of a transfer of control to a Buyer, such person shall be the Controller and the Borrower will no longer receive collateral value for such eNote;

iii. Upon completion of a transfer of control to the Bank, the Bank shall be the Controller and, at the Bank's sole discretion, the Borrower may no longer receive collateral value for such eNote;

iv. Borrower will provide access to any data with respect to the creation, storage or delivery of such eNote necessary to facilitate the sale of such eNote to a Buyer, including, without limitation, data evidencing its borrower's timely consent to electronically sign such eNote;

v. Upon completion of a transfer of controller describe in either (iii) or (iv) above, Borrower will have no property interest in the Authoritative Copy, or any other copy, of such eNote or the obligations evidenced by such eNote. Borrower will not enter into any understanding, agreement, or relationship with any party by which any such party would obtain, retain or claim any interest (including an ownership or security interest) in such eNote; and

vi. Upon completion of a transfer of controller describe in either (iii) or (iv) above, the party to whom control of the eNote has been so transferred shall be entitled to all the rights and remedies available to it under the law with respect to such eNote.

5. **Release in Ordinary Course.** Upon Borrower's request to release eNote Collateral, the Bank shall release its identification in the Secured Party Field for such eNote, provided the transfer is consistent with the requirements for the release and/or substitution of Collateral under the Agreement and the Policy.

6. **Collateral Verifications.** Borrower and the Bank agree that the Bank's right to conduct audits and verifications as described in the Agreement and Policy includes the right to review Borrower's information technology systems with respect to the creation, storage and delivery of eNotes.

7. **Ratifications.** The terms and provisions set forth in this Addendum shall modify and supersede all inconsistent terms and provisions set forth in the Agreement and except as expressly modified and superseded by this Addendum, the terms and provisions of the Agreement are ratified and confirmed and shall continue in full force and effect. Borrower and the Bank agree that the Agreement as amended hereby shall continue to be legal, valid, binding, and enforceable in accordance with its terms. All references to the "Agreement" herein shall mean the Agreement as amended, supplemented, or modified by this Addendum.

5. **Applicable Law; Severability.** THIS ADDENDUM SHALL BE GOVERNED BY THE LAWS OF THE STATE OF TEXAS, WITHOUT GIVING EFFECT TO THE CHOICE OF LAW PRINCIPLES INCLUDED THEREIN. IN THE EVENT THAT ANY PORTION OF THIS

ADDENDUM CONFLICTS WITH APPLICABLE LAW, SUCH CONFLICT SHALL NOT AFFECT ANY OTHER PROVISION OF THIS ADDENDUM THAT CAN BE GIVEN EFFECT WITHOUT THE CONFLICTING PROVISION, AND TO THIS END THE PROVISIONS OF THIS ADDENDUM ARE DECLARED TO BE SEVERABLE.

6. **Successors and Assigns.** This Addendum shall be binding upon and inure to the benefit of the authorized and permitted successors and assigns of Borrower and the Bank.

7. **Entire Agreement.** THIS ADDENDUM REPRESENTS THE FINAL AGREEMENT BETWEEN THE PARTIES HERETO RELATING TO THIS ADDENDUM AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES HERETO. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES HERETO.

8. **Captions and Headings.** The captions and headings in this Addendum are for convenience only and shall not be considered a part of or affect the construction or interpretation of any provision of this Addendum.

9. **Execution.** This Addendum may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument. Delivery of a signature page to, or an executed counterpart of, this Addendum by facsimile, email transmission of a scanned image, or other electronic means, shall be effective as delivery of an originally executed counterpart. The words “execution,” “signed,” “signature,” and words of like import in this Addendum shall be deemed to include electronic signatures or the keeping of records in electronic form, each of which shall be of the same legal effect, validity or enforceability as a manually executed signature or the use of a paper-based record keeping system, as the case may be, to the extent and as provided for in any applicable law, including, without limitation, ESIGN or any other similar state laws based on the Uniform Electronic Transactions Act, and the parties hereto hereby waive any objection to the contrary.

IN WITNESS WHEREOF, Borrower and the Bank have caused this Addendum to be signed in their respective names by their respective duly authorized officers as of the date first above written.

BORROWER

BANK

(Full Corporate Name of Borrower)

FEDERAL HOME LOAN BANK OF DALLAS

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

FHFA ID#