

Irrevocable Standby Letter of Credit

Letter of Credit No: _____

Effective Date: _____

Beneficiary:

Initial Expiration Date: _____

Account Party ("Member"):

Name

Attention

Street Address

City, State, Zip Code

Member

Street Address

City, State, Zip Code

Federal Home Loan Bank of Dallas (the "Bank") hereby offers its IRREVOCABLE STANDBY LETTER OF CREDIT ("Letter of Credit") in favor of the above-named Beneficiary for any sum or sums not exceeding in total U.S. \$ _____ (the "Credit Amount"), on the account of Member.

Subject to the terms and conditions herein, this Letter of Credit shall be honored by the presentment by Beneficiary of a payment request to the Bank at 8500 Freeport Parkway South, Suite 600, Irving, TX 75063-2547, Attention: Credit Operations Department, on or before the Scheduled Expiration Date (defined below), in the form of Exhibit A (the "Draft") drawn under this Letter of Credit. If such payment request is received by the Bank at or prior to 11:00 a.m. (Central Time) on a business day, and provided that the documents so presented conform to the terms and conditions hereof, payment shall be made to Beneficiary, or to its designee, of the amount specified, in immediately available funds, not later than 3:00 p.m. (Central Time) on the next succeeding business day. If such payment request is received by the Bank after 11:00 a.m. (Central Time) on a business day, and provided that the documents so presented conform to the terms and conditions hereof, payment shall be made to Beneficiary, or to its designee, of the amount specified, in immediately available funds, not later than 3:00 p.m. (Central Time) on the second business day following receipt by the Bank. As used herein "business day" shall mean any Monday, Tuesday, Wednesday, Thursday, or Friday on which the Bank is open for business.

The Draft presented for payment must be fully completed and be accompanied by this Letter of Credit.

Multiple drawings under this Letter of Credit are prohibited. If more than one Draft is presented, only the first properly presented Draft will be honored. A payment made by the Bank pursuant to the Draft will be made from the Bank's own immediately available funds, and not with any funds that belong to Member. Payments made under this Letter of Credit shall be made by wire transfer in accordance with the instructions specified by Beneficiary in the Draft.

This Letter of Credit is deemed to be automatically extended without amendment for [one] year from the Initial Expiration Date stated above or any future expiration date hereof, as the case may be (each, a "Scheduled Expiration Date"), unless at least [30] [60] [90] days prior to the Initial Expiration Date or the then-current Scheduled Expiration Date, the Bank notifies the Beneficiary by registered mail or courier service that this Letter of Credit will not be renewed for any such additional period; provided, however, that in no event shall this Letter of Credit be extended beyond [INSERT DATE NO MORE THAN 15 YEARS FROM THE INITIAL EFFECTIVE DATE] except in accordance with the terms of an amendment issued by the Bank to which the Beneficiary consents. Any notice of non-renewal hereunder shall be sent to the Beneficiary at the address shown above or at such other address as the Beneficiary may provide to the Bank in writing, provided that the Bank receives such change of address not later than ten business days before the deadline for the non-renewal notice.



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Community focused.

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This Letter of Credit is irrevocable and may not be transferred or assigned by Beneficiary, except with the express prior written consent of the Bank. Further, this Letter of Credit is not issued and enforceable until the Effective Date, as set forth above. The Bank's obligation under this Letter of Credit is its individual obligation and is in no way contingent upon reimbursement with respect thereto, or upon the Bank's ability to perfect any lien, security interest or any other reimbursement.

Except as otherwise expressly stated herein, this Letter of Credit and all matters incidental hereto shall be governed by and construed in accordance with the International Standby Practices ("ISP98"), International Chamber of Commerce, Publication No. 590 and any revisions thereof, and as to matters not governed by the ISP98, shall be governed by and construed in accordance with the laws of the State of Texas without giving effect to choice of law principles included therein, the Uniform Commercial Code as adopted by the State of Texas and applicable laws of the United States of America.

FEDERAL HOME LOAN BANK OF DALLAS

Authorized Officer

Title

SAMPLE

Exhibit A

DRAFT

The undersigned officer or agent of _____ (the "Beneficiary") hereby certifies on behalf of the Beneficiary to the Federal Home Loan Bank of Dallas (the "Bank") with reference to Irrevocable Standby Letter of Credit No. _____ (the "Letter of Credit"), that:

1. By presenting this Draft, the Beneficiary is requesting that payment in the amount of \$_____ be made under the Letter of Credit by wire transfer into the account specified in the Payment Instructions below.
2. The undersigned officer or agent is duly authorized to execute this Draft on behalf of the Beneficiary, which has the legal right to draw under the Letter of Credit.
3. The amount of this Draft represents a sum due by _____ to the Beneficiary and does not exceed the amount available under the Letter of Credit.
4. Demand has been made by Beneficiary to Member (as defined in the Letter of Credit) for performance of an obligation of Member owed to Beneficiary and such demand has not been satisfied by Member.

Payment Instructions

| | |
|---------------------------------|--|
| | |
| Remit to: | |
| ABA Number: | |
| Account Number: | |
| For Credit to: | |
| For Further Credit to: | |
| Account Number: | |
| Reference: [Ex: Invoice Number] | |
| Amount: | |

[Beneficiary]

By its undersigned authorized officer or agent:

By: _____

Name: _____

Title: _____

Date: _____