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**CONFIRMATION OF LETTER OF CREDIT**

Confirmation No.: \_\_\_\_\_

Effective Date of Confirmation: \_\_\_\_\_

Expiration Date of Confirmation: \_\_\_\_\_

Issuer:

Beneficiary:

\_\_\_\_\_  
*(Name)*

\_\_\_\_\_  
*(Name)*

\_\_\_\_\_  
*(Attention)*

\_\_\_\_\_  
*(Attention)*

\_\_\_\_\_  
*(Street Address)*

\_\_\_\_\_  
*(Street Address)*

\_\_\_\_\_  
*(City, State, Zip)*

\_\_\_\_\_  
*(City, State, Zip)*

Issuer's Letter of Credit No.: \_\_\_\_\_

Account Party / Customer:

Amount: \_\_\_\_\_

\_\_\_\_\_

Effective Date of Letter of Credit: \_\_\_\_\_

\_\_\_\_\_

Expiration Date of Letter of Credit: \_\_\_\_\_

\_\_\_\_\_

*(A copy of Issuer's Letter of Credit is attached.)*

Federal Home Loan Bank of Dallas (the "Bank") hereby confirms at the request of Issuer the above-described Letter of Credit issued by Issuer in favor of Beneficiary for a sum not exceeding a total of U.S. \$ \_\_\_\_\_ ("Confirmation Amount"). Subject to the terms and conditions herein, this Confirmation of Letter of Credit (this "Confirmation") shall be honored upon the presentment by Beneficiary of a payment request to the Bank at 8500 Freeport Parkway South, Suite 600, Irving, Texas 75063-2547, Attention: Credit Operations Department, on or before the Expiration Date noted above, in the form of Exhibit A (the "Draft") drawn under this Confirmation. 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 Confirmation and the Letter of Credit. Partial and multiple drawings are permitted hereunder, provided that drawings honored by the Bank hereunder shall not, in the aggregate, exceed the Confirmation Amount. The Confirmation Amount shall be reduced by any partial draws made under this Letter of Credit, and no portion of the Confirmation Amount is subject to reinstatement. 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 Issuer. Payments made under this Confirmation shall be made by wire transfer in accordance with the instructions specified by Beneficiary in the Draft.

This Confirmation is irrevocable and may not be transferred or assigned by Beneficiary, except with the express prior written consent of the Bank. Further, this Confirmation is not issued and enforceable until the Effective Date of Confirmation, as set forth above. The Bank's obligation under this Confirmation 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 Confirmation 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)*



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**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 Confirmation of Letter of Credit No. \_\_\_\_\_ (the "Confirmation"), which confirms that certain letter of credit No. \_\_\_\_\_ (the "Letter of Credit"), issued by \_\_\_\_\_ (the "Issuer"), that:

1. By presenting this Draft, the Beneficiary is requesting that payment in the amount of \$\_\_\_\_\_ be made under the Confirmation 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 Confirmation.
3. A draft under the Letter of Credit and such other documents, if any, required to be presented in connection with such draft have been presented to the Issuer in accordance with the terms of the Letter of Credit.
4. The draft has not been honored in accordance with the terms of the Letter of Credit or the Letter of Credit has been repudiated.

**CHOOSE FROM BELOW:**

**ISP AND MOODY'S LANGUAGE:**

5. The amount of the Draft does not exceed the lesser of the (A) Confirmation Amount and (B) maximum amount available to be drawn under the Letter of Credit.

**S&P LANGUAGE:**

5. The amount of the Draft does not exceed the lesser of the (A) Confirmation Amount and (B) maximum amount that the Issuer could have been obligated to pay under the Letter of Credit at the time of presentment of the draft to the Issuer assuming the draft under the Letter of Credit was dishonored and the Letter of Credit had not been repudiated.

<u>PAYMENT INSTRUCTIONS</u>	
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: \_\_\_\_\_