

FEDERAL HOME LOAN BANK OF ATLANTA**AGREEMENT FOR LETTER OF CREDIT AND SECURITY AGREEMENT**

Effective as of _____, the undersigned (“Institution”) does, from time to time, make application to the Federal Home Loan Bank of Atlanta (the “Bank”) for standby letters of credit of the Bank pursuant to the Federal Home Loan Bank Act, as amended (the “Act”) and applicable regulations. In consideration of any such letters of credit (the “letters”), the Institution agrees with the Bank as follows:

1. **AGREEMENTS.** The Institution will maintain with the Bank an advances, pledge and security agreement in such form as the Bank shall require, as such form may be amended, supplemented, modified, restated or otherwise changed from time to time. The terms and conditions of said agreements are incorporated herein and shall apply to this Agreement except as expressly modified hereby. All letters issued hereunder shall be subject to the “Uniform Customs and Practice for Documentary Credits” (1993 Revision), International Chamber of Commerce Publication No. 500 or Publication No. 600 (in either case, the “UCP”) or the “International Standby Practices 1998” (effective January 1, 1999) (the “ISP98”).

2. **APPLICATION AND ISSUE.** The Institution shall submit an Application for Standby Letter of Credit to the Bank for each letter of credit to be made hereunder in such form as the Bank shall specify. Upon approval of the application, the Bank shall issue an irrevocable standby letter of credit in such form as may be requested by the Institution and agreed to by the Bank.

3. **REIMBURSEMENT.** The Institution shall maintain with the Bank a cash account, as defined in applicable regulations (“Account”). The Institution agrees that any amounts paid by the Bank upon presentment of drafts under or purporting to be under any letter shall be reimbursed by the Institution by depositing immediately available funds into the Institution’s Account not later than the date of the Bank’s payment to the beneficiary. Any oral demand by the Bank for reimbursement shall be confirmed in writing within two Bank business days. Any reimbursement not made by the Institution by the date of the Bank’s payment to the beneficiary shall constitute a default under this Agreement. The Institution agrees to pay the Bank interest on such amounts in default at a rate per annum one percent (1%) higher than the rate of interest being charged by the Bank on adjustable rate advances from the time of default until paid. Nothing herein shall prevent the Institution from applying for an advance under any advance plan of the Bank for the funding of such reimbursement. The Institution agrees to pay any costs of collection, including reasonable attorney’s fees, if such reimbursements are collected by or through an attorney at law.

4. **TERMS AND CONDITIONS.** The letters issued hereunder shall be subject to such terms and conditions as the Bank may specify from time to time, including the terms and provisions of the Bank’s Credit and Collateral Policy, as amended, supplemented, modified, restated or otherwise changed from time to time. The Institution shall be solely responsible for any terms and conditions which it requests to be incorporated into any letter; provided the Bank may refuse to issue any letter hereunder on grounds that (i) the Institution fails to meet the Bank’s Credit and Collateral Policy or other guidelines for issuance of a letter; (ii) the purpose of the underlying obligation for which the letter is requested is contrary to the Act or regulations or policies applicable to letters of credit established by the Federal Housing Finance Board or the Board of Directors of the Bank, including the Credit and Collateral Policy; (iii) the Bank determines that the letter would expose the Bank to an unreasonable risk; or (iv) such other reason as the Bank may reasonably establish. The Bank, with the consent of the Institution, may modify any terms of the letter requested by the Institution and issue the letter as so modified. The Bank shall be under no obligation to dishonor any draft presented under a letter issued hereunder which on its face complies with any conditions for payment unless the Institution shall have first obtained an injunction in a court of competent jurisdiction against payment of such draft. The Institution acknowledges that should it apply for a letter hereunder which does not require any documents other than a draft to be presented for payment, i.e., a “clean” letter of credit, it may have waived any right which it might otherwise have to enjoin payment hereunder.

5. **SECURITY.** The terms and conditions in the advances, pledge and security agreement shall be applicable to letters to the same extent and in the same manner as though funds in the amount of the letter had been advanced to the Institution. The types of collateral and the valuation of collateral shall be specified in the Credit and Collateral Policy adopted by the Bank from time to time. Such collateral shall secure the Institution’s obligations under this Agreement without further consideration than the Bank’s promise to pay drafts as presented hereunder. The Bank is hereby authorized to charge any amounts due under this Agreement to the Institution’s Account, unless the Bank shall have acknowledged in writing the pledge or assignment of the Account to another person.

6. **CHARGES.** The Bank shall charge and the Institution agrees to pay such fees as the Bank may from time to time establish.

7. **INDEMNIFICATION.** The Institution agrees to indemnify the Bank and hold it harmless from any losses, costs, and liability arising from this Agreement, from any letters issued hereunder, and from any honor or dishonor of drafts presented for payment hereunder to the extent provided in the advances, pledge and security agreement except such as many arise from the failure

of the Bank or its employees or agents to exercise good faith in honoring or dishonoring such drafts as may be presented pursuant to the letters.

8. **RULES OF CONSTRUCTION.** Any ambiguity of terms or conditions included in a letter at the request of the Institution shall be construed against the Institution and in favor of the Bank in determining whether the Bank or its employees acted in good faith. The Bank shall have no responsibility to investigate as to the accuracy or truth of any facts stated in any documents required to be attached to drafts drawn under any letter. The Bank's obligation shall be to honor drafts presented when accompanied by the documents identified in the letter without regard to the accuracy of such documents or the existence of any facts adverted to therein. Delivery of any letter to the beneficiary or any other party shall be the sole responsibility of the Institution once the Bank has delivered the letter to the mail or other carrier or agent appointed by the Institution. The issuance of a letter hereunder shall in no way create an obligation or liability of the Bank on any underlying agreement between the Institution and any other party. The Bank shall not be liable or responsible for any knowledge or lack of knowledge of any usage or custom of a particular trade or for the acts or omissions of any persons other than its own employees hereunder.

9. **OTHER AGREEMENTS.** The Institution agrees to execute and deliver such other documents in such form as the Bank may reasonably require in connection with any letters issued hereunder, including but not limited to waivers, modifications, indemnities, assignments, and notices.

10. **EFFECTIVE DATE AND TERMINATION.** This Agreement shall be effective upon the acceptance by the Bank at its offices in Atlanta, Georgia. It shall remain in effect until terminated by either the Bank or the Institution upon written notice to the other party. This Agreement shall also terminate upon the voluntary or involuntary withdrawal from membership in the Bank by the Institution by merger or otherwise. No such termination shall affect the liability of any parties on any letters which have been issued and delivered to a beneficiary prior to such termination; however, any termination shall render null and void any unexpired letters which have been issued but which have not been delivered to a beneficiary. The Institution agrees that upon such termination, if any letters are then outstanding hereunder, it shall maintain with the Bank deposits or other collateral in such amount and form as the Bank shall require securing the outstanding letters.

No letter which has been delivered to a beneficiary shall be terminated prior to its stated expiration date unless all parties at interest, including any permitted transferees named in the letter, shall have consented in writing thereto in a form acceptable to the Bank and the letter has been surrendered to the Bank with any appropriate cancellations.

11. **APPLICABLE LAW.** This Agreement shall be governed by Federal law. In the absence of Federal law, the laws of the state of Georgia shall apply to this Agreement and any letters issued hereunder. As to any letters issued hereunder, in the event of conflict between Federal law or the laws of Georgia and the UCP or ISP98, the UCP or ISP98, as specified in any pertinent letter, shall control to the extent permitted by law.

12. **ENTIRE AGREEMENT.** This Agreement, together with the advances, pledge and security agreement, embodies the entire agreement and understanding between the parties hereto relating to the subject matter hereof and supersedes all prior agreements between such parties which relate to such subject matter.

In Witness Whereof, the Institution, by authority of its Board of Directors or governing body, has caused this Agreement to be executed and sealed by its duly authorized officers on this _____ day of _____, _____.

(Seal)

(Institution)

(Location)

By: _____
(Signature)

Attest:
By: _____
(Signature)