



SERVING COLORADO | KANSAS | NEBRASKA | OKLAHOMA

Letter of Credit Agreement

This Letter of Credit Agreement (Agreement) is made by and between _____,
_____, _____, (Institution) and the Federal Home Loan
Bank of Topeka (FHLBank).

WITNESSETH:

WHEREAS, the Institution may, from time to time, make application to the FHLBank to issue one or more of its irrevocable standby letters of credit (hereinafter referred to as a Letter of Credit or Letters of Credit); and

WHEREAS, the Institution may, from time to time, make application to the FHLBank to confirm one or more letters of credit issued by the Institution (hereinafter Confirmation or Confirmations);

NOW, THEREFORE, in consideration of the premises and in order to induce the FHLBank to issue Letters of Credit or Confirmations, the Institution and the FHLBank agree as follows:

1. Advance Agreements

The Institution and the FHLBank have entered into an Advance, Pledge and Security Agreement (Advance Agreement) dated _____, 20__, governing extensions of credit made by the FHLBank to the Institution. The Institution hereby represents and warrants to the FHLBank that the Advance Agreement is in effect and fully enforceable according to its terms. The Advance Agreement is hereby incorporated herein, and this Agreement and each Letter of Credit and Confirmation issued by the FHLBank pursuant to this Agreement are hereby made subject to the Advance Agreement.

2. Application and Issue

The Institution shall submit an Application to the FHLBank for each Letter of Credit or Confirmation to be issued in such form as the FHLBank shall specify from time to time. Upon approval of the application, the FHLBank shall issue a Letter of Credit or Confirmation in such form as may be requested by the Institution and agreed to by the FHLBank. This Agreement does not constitute a commitment by the FHLBank to issue Letters of Credit or Confirmations for the Institution. The FHLBank, in its sole discretion, may deny any application made by the Institution for the issuance of a Letter of Credit or Confirmation.

3. Reimbursement

Any amounts paid by the FHLBank upon presentment of drafts under or purporting to be under any Letter of Credit or Confirmation shall be reimbursed by the Institution unconditionally and immediately upon demand by the FHLBank. Demands for reimbursement may be made in person or by telephone, facsimile, overnight courier or other means reasonably chosen by the FHLBank to provide notice to the Institution. Any reimbursement not made immediately by the Institution upon receipt of demand shall constitute a default under the Advance Agreement with the amount of such reimbursement due being considered an advance in default from and after the time such amount was paid by the FHLBank. Nothing herein shall prevent the Institution from applying for an advance from the FHLBank for the funding of such reimbursement.

4. Charges

In addition to the reimbursements required by Section 3 above, the FHLBank shall charge and the Institution agrees to pay: (i) such fees as the FHLBank may from time to time establish for the issuance of Letters of Credit or Confirmations hereunder, (ii) such fees, costs and expenses as the FHLBank may incur in connection with each transfer of a Letter of Credit or Confirmation; and (iii) any and all other charges and expenses that the FHLBank may pay or incur relative to any Letter of Credit or Confirmation and any and all reasonable expenses incurred by the FHLBank in enforcing any rights under this Agreement. The FHLBank is hereby authorized to charge any amounts due under the Agreement to the Institution's demand deposit account or accounts with the FHLBank.

5. Terms and Conditions

The Letters of Credit or Confirmation issued hereunder shall be subject to such terms and conditions as the FHLBank may specify from time to time. The FHLBank, with the consent of the Institution, may modify any terms of a Letter of Credit or Confirmation requested by the Institution and issue the Letter of Credit or Confirmation as so modified. The FHLBank shall be under no obligation to dishonor any request for payment presented under a Letter of Credit or Confirmation hereunder that 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 such payment.

6. Security

Letters of Credit or Confirmations issued shall be fully collateralized to the same extent and in the same manner as an advance made pursuant to the Advance Agreement and the Member Products Policy of the FHLBank, as may be amended from time to time. Such collateral shall secure the Institution's obligations under this Agreement without further consideration other than the FHLBank's issuance of a Letter of Credit or Confirmation.

7. Indemnification

The Institution agrees to indemnify the FHLBank and hold it harmless from any and all losses, costs, damages and liability, including litigation costs and expenses, arising from this Agreement or from any Letters of Credit or Confirmations issued hereunder, except such as may be directly caused by the willful misconduct or gross negligence of the FHLBank or its employees or agents.

8. FHLBank's Obligations

The FHLBank's obligations and liability under this Agreement and any Letter of Credit or Confirmation issued hereunder shall be governed by and limited as provided in Section 5.3 of the Advance Agreement and as otherwise provided herein. The FHLBank shall have no responsibility to investigate as to the accuracy or truth of any facts stated in any documents presented under any Letter of Credit or Confirmation. Delivery of any Letter of Credit or Confirmation to the beneficiary or any other party shall be the sole responsibility of the Institution once the FHLBank has delivered the Letter of Credit or Confirmation to the mail or other carrier or agent appointed by the Institution. The issuance of a Letter of Credit or Confirmation hereunder shall in no way create an obligation or liability of the FHLBank on any underlying agreement between the Institution and any other party. The FHLBank shall not be liable or responsible for any knowledge or lack of knowledge of any usage or customer 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 FHLBank may reasonably require in connection with any Letter of Credit or Confirmation issued hereunder, including but not limited to waivers, modifications, indemnities, assignments and notices.

10. Termination of Membership

This Agreement shall terminate upon the voluntary or involuntary withdrawal from membership in the FHLBank by the Institution by merger or otherwise. No such termination shall affect the liability of any parties on any Letters of Credit or Confirmations which have been issued and delivered to a beneficiary prior to such termination; however, at the option of the FHLBank, any termination shall render null and void any unexpired Letters of Credit or Confirmations which have been issued but which have not been delivered to a beneficiary. The Institution agrees that upon such termination, if any Letters of Credit or Confirmations are then outstanding hereunder, it shall maintain with the FHLBank deposits or other collateral in such amount and form as the FHLBank shall require securing the outstanding Letters of Credit or Confirmations.

11. Applicable Law; Severability

This Agreement and all advances granted under this Agreement shall be governed by the statutory and common law of the United States and, to the extent federal law incorporates or defers to state law, the laws (exclusive of choice of law provisions) of the State of Kansas. Notwithstanding the foregoing, the Uniform Commercial Code as in effect in the State of Kansas shall be deemed applicable to this Agreement. In the event that any portion of this Agreement conflicts with applicable law, such conflict shall not affect other provisions of this Agreement that can be given effect without the conflicting provision, and to this end the provisions of the Agreement are declared to be severable.

12. Headings

Section headings in this Agreement are included herein for convenience of reference only and are not to affect the Agreement's construction or be taken into consideration in interpreting it.

13. Entire Agreement; Amendments

This Agreement embodies the entire agreement and understanding between the parties relating to its subject matter and supersedes all prior agreements between the parties, and all oral and written statements by either party, that relate to its subject matter. No modification or amendment of any provision of this Agreement shall be effective unless it is in writing and executed by both parties.

IN WITNESS WHEREOF, the parties hereto have caused this Letter of Credit Agreement to be duly executed and delivered by their respective representatives as of the date first above-written.

Institution

By: _____

Authorized Signature

Typed Name and Title

Attest: _____

Secretary

**Federal Home Loan Bank of Topeka
500 SW Wanamaker Road
Topeka, KS 66606**

By: _____

Authorized Signature

Typed Name and Title

Date