

# Funds Transfer Services Agreement

This Funds Transfer Services Agreement dated as of \_\_\_\_\_ is between the Federal Home Loan Bank of Boston (the “Bank”) and \_\_\_\_\_ (the “Customer”) and each of the Bank and Customer a “Party” and collectively the “Parties”). The Bank and the Customer agree that the provision by the Bank and the use by the Customer of the funds transfer services described below shall be subject to the terms and conditions contained in this Agreement.

## 1. DEFINITIONS

1.1 Statutory Definitions. Unless otherwise defined in this Agreement, words or phrases shall have the meaning ascribed thereto in Article 4A: Uniform Commercial Code Funds Transfers of the Commonwealth of Massachusetts (the “UCC 4A”).

1.2. Agreed Definitions. The following words or terms have the designated meanings:

1.2.1. “*Addendum*” or “*Addenda*” means any writing executed and delivered simultaneously with or subsequent to the execution of this Agreement and intended by the parties to supplement the provisions of this Agreement as of the effective date of such Addendum or Addenda.

1.2.2. “*Advice*” means a written notice by means of the Balance Reporting Service (as Hereinafter defined) from the Bank to the Customer notifying the Customer of the Bank’s (i) acceptance of a payment order or debiting of a payment order to the Account or (ii) acceptance of a payment order for which the Customer is the beneficiary or the crediting of such a payment order to the Account.

1.2.3. “*Agreement*” means this Funds Transfer Services Agreement as it may be amended from time to time after giving effect to all Exhibits attached hereto and all Addenda (and exhibits thereto) attached hereto from time to time.

1.2.4. “*Account*” means the IDEAL Way Account of the Customer maintained at the Bank which the Bank may debit for any Customer payment order executed pursuant to this Agreement.

1.2.5 “*Authorized Person*” means a person authorized to give or confirm payment orders as incidental on the Bank’s then-current authorized signature card.

1.2.6 “*Available Funds*” means funds on deposit in the Account and available for withdrawal pursuant to the Bank’s applicable funds availability schedule, or funds of the Customer otherwise available for withdrawal, as determined in the sole discretion of the Bank.

1.2.7. “*Balance Reporting Service*” means the electronic system by which the Bank makes available to the Customer, through the Customer’s use of a computer or other terminal or electronic device, information regarding the status of or transactions in accounts of the Customer maintained at the Bank.

1.2.8. “*Controlled Information*” means individually each of and collectively all of: a PIN, Fixed Number, Test Code Calculation, Test Key Algorithm, Value Table, and Security Procedure.

1.2.9. “*Execute*” has the meaning assigned in UCC 4A. When the Bank is also the beneficiary’s bank, the term “execute” includes the Bank’s acceptance of the Customer’s payment order for purposes both of this Agreement and of the application of UCC 4A to the transactions covered by this Agreement.

1.2.10. “*IDEAL Way Account*” means a deposit account maintained by the Customer at the Bank and designated (with the concurrence of the Bank) as the Customer’s IDEAL Way Account.

1.2.11. *IDEAL Way Account Statement*” means the monthly statement routinely prepared by the Bank and mailed to the Customer that lists all transactions occurring in the IDEAL Way Account and includes all supplements or corrections to such statement.

1.2.12. “*IDEAL Way Fee Schedule*” means the fee schedule of the Bank as revised from time to time with respect to services available to the Customer and the

prices and terms and conditions on which the services listed thereon are available to the Customer.

1.2.13. “*Security Procedure*” means those procedures designated by the Bank, from time to time, for the purpose of verifying the authenticity of funds transfer communications sent to the Bank in the name of the Customer or for the detection of errors contained in any such communication.

## **2. FUNDS TRANSFER SERVICES**

2.1 Execution of Payment Orders. The Bank may execute each payment order received by it in the name of the Customer as sender, provided that the Customer has sufficient Available Funds on deposit in the Account and provided that the payment order:

2.1.1. is received by the Bank in the medium and at the place(s) specified by the Bank;

2.1.2. complies with any written instructions and restrictions of the Customer set forth on the Bank’s then-current authorized signature card; and

2.1.3. is authorized by the Customer or is verified by the Bank in compliance with a Security Procedure for verifying the authenticity of funds transfer instructions sent to the Bank in the name of the Customer.

The Bank shall mail to the Customer at the address provided for in this Agreement an Advice with respect to each payment order which the Bank executes.

2.2. Rejection of Payment Orders. If the Bank rejects or fails to execute a payment order of the Customer, then no later than 5:00 p.m. (all times specified in this Agreement are local Boston times) on the execution date of the payment order, the Bank shall notify the Customer of the Bank’s rejection of the payment order, provided such payment order adequately identifies the Customer. If the Customer has paid for a payment order that the Bank has rejected or failed to execute, the Bank shall reimburse the Customer for those funds and pay compensation for the use of those funds as set forth in and subject to the provisions of Section 4.

2.3. Customer as Beneficiary of Funds Transfer.

2.3.1. Acceptance. If the Bank accepts a funds transfer for which the Customer is the beneficiary, the Bank shall, within one (1) business day of the date of such acceptance, mail an Advice with respect to such payment order to the Customer’s address provided for in this Agreement. The Advice will be deemed to

have been received by the Customer on the date the Bank mails the Advice or, in the case where the Customer subscribes to the Bank’s Balance Reporting Service, at such earlier time as information with respect to such accepted payment order becomes available on the Balance Reporting Service.

2.3.2 Rejection. If the Bank rejects a funds transfer for which the Customer is the beneficiary, the Bank shall promptly notify the Customer telephonically of such rejection at the Customer’s telephone number provided for in this Agreement. In the event the Bank is unable to so notify the Customer, the Bank shall notify the Customer within a reasonable time by the best means available under the circumstances.

2.4. Identifying Number; Notification. The Customer is notified that:

2.4.1. If the Customer’s payment order in a funds transfer completed by acceptance by the beneficiary’s bank identifies the beneficiary by both a name and an identifying or bank account number and the name and number identify different persons, execution of the payment order, payment to the beneficiary, or cancellation of the payment order may be made solely on the basis of the number.

2.4.2 If a payment order of the Customer identifies any bank by both a name and an identifying number and the number identifies a person different from the bank identified by name, any bank may rely solely on the identifying number.

2.5. Time of Receipt of Payment Orders. The Bank, in its sole discretion, may treat any payment order received after 3:30 p.m. on a funds-transfer business day as if it were received by that hour or may treat it as if it were received at the opening of the next funds-transfer business day.

2.6. Cancellation of Payment Orders. A payment order may be canceled by the Customer, provided the cancellation instruction is received by the Bank at a time and in a manner affording the Bank a reasonable opportunity to act prior to the Bank’s acceptance of the payment order.

2.7. Debits and Overdrafts. The Bank may debit the Account of the Customer for any payment order executed by the Bank pursuant to this Agreement, even if the debit creates or increases an overdraft. In the event that an overdraft is created or increased, the Customer shall cause sufficient Available Funds to pay the amount of the overdraft to be deposited into or credited to the Account by the close of that banking day. Any overdraft existing at the close of a

banking day is immediately due and payable without notice or demand and to the extent not paid or covered by the end of such banking day is subject to a charge to the Customer for interest in accordance with the terms of the Bank's IDEAL Way Line of Credit, including any applicable overdraft charges.

#### 2.8. Fedwire and Applicable Rules.

2.8.1. Each payment order or cancellation thereof may be carried out by any bank by use of the funds transfer system of the Federal Reserve Banks ("Fedwire"). The rights and obligations of the Bank and the Customer with respect to any payment order, any part of which is carried out through the use of Fedwire, will be governed by any applicable laws, the regulations of the Board of Governors of the Federal Reserve System, and the operating circulars of the Federal Reserve Banks.

2.8.2. Each payment order, or cancellation thereof, carried out through a funds transfer system will be governed by all applicable funds transfer system rules whether or not the Bank is a customer of the system.

2.8.3. The Customer acknowledges that the Bank's right to reverse, adjust, stop payment, or delay posting of an executed payment order is subject to the laws, regulations, circulars, and rules described in Sections 2.8.1 and 2.8.2 above.

### 3. CONFIDENTIAL INFORMATION

3.1. The Bank shall from time to time, in the Bank's sole discretion, provide in writing Controlled Information to the Authorized Persons.

3.2. The Customer shall ensure that the confidentiality of the Controlled Information is maintained and that the Controlled Information is not disclosed except to employees and agents of the Customer in connection with the performance of their duties. Subject to applicable law, if any person shall seek, pursuant to applicable law, regulations, subpoena or court order, to obtain Controlled Information from or to compel the Customer or any employee or agent of the Customer to disclose Controlled Information to any persons not authorized to receive such Controlled Information under this Agreement, the Customer will promptly notify the Bank of such attempt to obtain or compel the production of Controlled Information.

### 4. FEES, COMPENSATION, AND COSTS

4.1. Fees. The Customer agrees to pay, and authorizes the Bank to debit the Account for, the charges to which the Bank is entitled for providing the services hereunder as are specified in the Bank's fee schedules, as published from time to time in the Bank's IDEAL Way Fee Schedule. The Bank may change its IDEAL Way Fee Schedule at any time with any changes to become effective on the date specified in a written notice mailed to the Customer at least thirty (30) days prior to the effective date of such changes together with the fee schedules specified in such written notice.

4.2. Rate of Compensation to Customer. Whenever compensation in the form of interest is payable by the Bank to the Customer pursuant to this Agreement, such compensation will be payable at a per annum rate at least equal to the rate payable on, and calculated in accordance with the terms of, the Customer's Account.

4.3. Rejected Orders. In the event the Bank rejects or fails to execute a payment order, in either case, without complying with the requisite notice requirements, as provided in Section 2.2, the Bank shall compensate the Customer for the use of funds at the rate specified in subsection 4.2 if, on the execution date of the payment order, there was a sufficient withdrawable credit balance in the Account to pay for the payment order. Compensation shall be computed based on the number of days elapsing after the execution date to the day the Customer receives notice that the payment order was not executed, counting the final day of the period as an elapsed day. If the withdrawable credit balance during that period falls below the amount of the order, the amount of interest will be reduced accordingly. No compensation will be due hereunder for, and to the extent of, any funds withdrawn from the Account on or after the execution date.

4.4. Costs. Each Party shall bear its own costs and expenses in connection with the use or provision of the funds transfer services contemplated by this Agreement. The foregoing shall not, in any way, limit the ability of the Bank to charge fees pursuant to Section 4.1.

## 5. RECORDING AND USE OF COMMUNICATIONS

5.1. Recording of Communications. The Customer and the Bank agree that all telephone conversations or data transmissions between them or their agents made in connection with this Agreement may be recorded and retained by either Party by use of any reasonable means.

5.2. Limitations on Bank's or Customer's Use of Data. The Customer and the Bank agree that any record created by either Party pursuant to Section 4.1 shall be communicated by the other Party to a third person only for the purpose of resolving discrepancies or disputes between the Parties or as otherwise provided by applicable law of the United States or the Commonwealth of Massachusetts.

## 6. CUSTOMER INDEMNITY

The Customer shall indemnify the Bank and hold the Bank harmless from any cost, liability, or expense (including reasonable attorneys' fees of the Bank) arising out of any claim by a third party alleging that a Customer payment order contravenes or compromises the right, title, or interest of any third party, or contravenes any law, rule, regulation, ordinance, court order, or other mandate or prohibition with the force or effect of law (a "Claim"), unless the Claim arises out of the Bank's failure to exercise ordinary care, failure to act in good faith, or failure to act in accordance with the Customer's instructions given pursuant to this Agreement.

## 7. LIMITATION OF LIABILITY

7.1. Responsibility for the Detection of Errors. Except as may be provided on any Addendum, the Bank is not responsible for detecting any Customer error contained in any payment order sent by the Customer to the Bank or any payment order instructions given by the Customer to the Bank.

7.2. Unauthorized Payment Orders. If a payment order in the name of the Customer accepted by the Bank was not authorized by the Customer, the liability of the Parties will be governed by the applicable provisions of UCC 4A.

7.3. Compensable Damages. The Bank will be liable only for the Customer's actual damages and only to the extent that such damages are recoverable under UCC 4A. The Bank shall not be liable under any circumstances for consequential or special damages under this Agreement. In the event of any litigation arising out of or in connection with this Agreement,

the prevailing Party therein shall be entitled to such reasonable attorneys' fees and costs of suit as the court may award.

7.4. Standard of Care. With respect to the performance of services under this Agreement that are not covered by UCC 4A, the Parties will be governed by a standard of ordinary care. The Bank will be deemed to have exercised ordinary care if its action or failure to act has been in conformity with the Bank's prescribed procedures and such procedures do not vary unreasonably from general banking uses and practices not disapproved by any provision of the Uniform Commercial Code.

### 7.5. Required Notice.

7.5.1. The Customer will notify the Bank of the amount and nature of any discrepancy between the Customer's records and the Bank's records within a reasonable time not to exceed three (3) business days of the receipt of any Advice and within fifteen (15) day of the receipt of any IDEAL Way Account Statement if the discrepancy is reflected only in the IDEAL Way Account Statement.

7.5.2. The Bank shall not be liable for any interest on the amount of a payment order that was not authorized or was erroneously executed unless the Customer notifies the Bank in writing that the payment order was not authorized or properly executed within a reasonable time not to exceed thirty (30) calendar days following the date on which the Customer is required to notify the Bank of a discrepancy pursuant to Section 7.5.1.

7.5.3. In no event shall the Bank be liable to the Customer for the execution of any payment order not authorized by the Customer or erroneously executed by the Bank unless the Customer shall have given written notice to the Bank that such payment order was not authorized by the Customer or was erroneously executed by the Bank within one (1) year of the date on which the Customer received notice of the execution of the payment order either (i) by Advice or (ii) by the IDEAL Account Statement if no Advice with respect to such payment order was mailed to the Customer.

7.6. Force Majeure. Except as otherwise provided by UCC 4A, the Bank shall not be liable for its inability to perform its obligations under this Agreement when such inability arises out of causes beyond its control, including, without limitation, any act of God, accident, equipment failure, system failure, labor dispute, or the failure of any third party to provide any electronic or

telecommunication service used in connection with the execution or cancellation of payment orders.

## 8. CHOICE OF LAW

8.1. Electronic Funds Transfer Act and State Laws. The Customer agrees: (i) to prepare and submit each payment order in a form that satisfies and complies with the requirements set forth in this Agreement, as it may be amended from time to time; and (ii) to comply fully with all applicable Federal and state laws and regulations including, without limitation, the Electronic Funds Transfer Act, 15 U.S.C. 1693 *et seq.* (the "EFT Act") and Regulation E, 12 C.F.R. Section 205 *et seq.*

8.2. Consumer Transactions. The Customer and the Bank agree that if a payment order is a portion of a funds transfer in which other portions are subject to the EFT Act, all actions and disputes between the Customer and the Bank concerning that payment order shall be determined pursuant to UCC 4A, as varied by this Agreement.

8.3. Governing Law. This Agreement shall be governed by the laws (excluding conflicts of law or choice of law provisions) of the Commonwealth of Massachusetts, including UCC 4A, and applicable federal law. This Agreement shall be deemed to be performed by the Parties in the Commonwealth of Massachusetts, and any suit arising under or related to this agreement or any services hereunder shall be instituted in the Commonwealth of Massachusetts and the Parties hereby consent to personal jurisdiction therein.

## 9. NO EXTENSION OF CREDIT

Nothing in this Agreement nor any course of dealing between the Customer and the Bank constitutes a commitment or obligation of the Bank to lend money to the Customer or obligates the Bank to extend any credit to the Customer, to make a loan to the Customer, or otherwise to advance funds to the Customer to pay for any payment order contrary to the Bank's published availability schedules.

## 10. AUTHORITY AND OTHER AGREEMENTS

10.1. Evidence of Authorization. The Customer hereby represents and warrants that it has full corporate power and authority, and has received all necessary corporate and governmental authorizations and approvals, to enter into and perform its obligations under this Agreement. The Secretary or Assistant Secretary of Customer shall, from time to time, after

the execution of this agreement, certify to the Bank, on forms specified by the Bank, the name(s) and specimen signature(s) of Authorized Person(s) as defined in Section 1.2.5 of this Agreement.

10.2. Other Agreements. The terms and conditions of this Agreement are in addition to, and do not modify or otherwise affect, the terms and conditions of any other agreement or arrangement between the Parties hereto.

## 11. GENERAL TERMS

11.1. Taxes. The Customer is responsible for all tariffs, duties, or taxes (excluding U.S. federal, state and local taxation of the income of the Bank) imposed by any government or governmental agency in connection with any payment order executed pursuant to this Agreement.

11.2. Amendments. The provisions of this Agreement may be amended only by a written agreement.

11.3. Assignment. Neither Party may assign or transfer any of its rights and obligations under this Agreement except with the express written consent of the other Party.

11.4. Termination. This Agreement shall commence as of the date first written above and shall continue until this Agreement is terminated by either Party pursuant to the terms of this Agreement. Either Party may terminate this Agreement by written notice to the other Party, sent by certified or registered U.S. mail, postage prepaid, at least 10 calendar days prior to the termination date specified in such notice. No such termination shall affect any claim or cause of action of either Party which existed prior to or at the time of the termination.

11.5. Counterparts. This Agreement may be executed by the Customer and the Bank in separate counterparts, each of which shall be an original and both of which taken together shall constitute one and the same agreement.

11.6. Notices. Except as otherwise provided herein, all notices required or permitted to be given under this Agreement may be given by any commercially reasonable means (i) in writing to the Customer at the mail address or facsimile number or (ii) telephonically at the telephone number, in each case as provided in this Section 11.6. Notice of rejection of any payment order shall be made, in the Bank's sole discretion, by telephone or facsimile, with or without a confirming Advice. Notice provided under the preceding

sentence shall be deemed commercially reasonable in the circumstances. All notices shall be effective when received, except as may be otherwise provided in this Agreement or by applicable law. Each notice given pursuant to this Agreement shall be addressed to the mail or facsimile address listed in this Section 11.6 or be given telephonically at the telephone number specified for that purpose below. Either Party may change the address for service of written or other notice upon it by a notice in writing to the other.

*Customer*

Mail Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Facsimile Number:

\_\_\_\_\_

Telephone Number:

\_\_\_\_\_

*Bank*

Mail Address:

Federal Home Loan Bank of Boston  
111 Huntington Avenue  
Boston, MA 02199-7614  
Attn: Funds Transfer Department

Facsimile Number: 617-375-2236

Telephone Number: 617-292-9636

11.7. Entire Agreement. This Agreement constitutes the entire agreement and understanding between the Customer and the Bank relating to the subject matter of this Agreement as of the date hereof and supersedes all prior agreements and understandings, written or oral, between the Customer and the Bank relating to funds transfers or any other subject matter of this Agreement.

11.8. Headings. Headings to sections of this Agreement or any Addendum are included for ease of reference and shall not be deemed to be a part of this Agreement, or any Addendum thereto, or create rights, remedies, claims, or defenses arising under the Agreement.

11.9. Severability. In the event that any court or tribunal of competent jurisdiction determines that any provision of the Agreement is illegal, invalid, or unenforceable, the remainder of this Agreement shall not be effected thereby.

11.10. Beneficiaries. This Agreement is for the benefit only of the undersigned Parties hereto and is not intended to and shall not be construed as granting any rights to or otherwise benefiting any other person.

IN WITNESS WHEREOF, the Parties hereto, each acting through its respective authorized representative(s), have caused this Agreement to be signed in their name(s) and delivered as of the date first above written.

CUSTOMER

FEDERAL HOME LOAN BANK OF BOSTON

By: \_\_\_\_\_  
(Authorized Signature)

By: \_\_\_\_\_  
(Authorized Signature)

Name: \_\_\_\_\_  
(Print or Type)

Name:

Title: \_\_\_\_\_  
(Print or Type)

Title: