

CONFIRMATION OF TERMS

Member Option Advance

ACCOUNT: _____

(Date of Request)

DOCKET NUMBER: _____

(Disbursement Date)

[MEMBER]
[ADDRESS]
[ATTENTION]

The purpose of this Confirmation of Terms (this “Confirmation”) is to memorialize certain of the terms and conditions applicable to the borrowing by you (“Member”) of an advance (the “Advance”) from the Federal Home Loan Bank of Boston (the “Bank”), as further described below. This Confirmation supplements, is incorporated into, and is subject to the terms and conditions of the Agreement for Advances, Collateral Pledge and Security Agreement between the Bank and Member (as amended from time to time, the “Advances Agreement”). This Confirmation shall be binding on Member in accordance with the terms of the Advances Agreement.

1. General Terms

On the Disbursement Date, the Bank will disburse to Member the Advance in the amount of \$.00. Such Advance will have the terms specified herein, and will mature, unless otherwise stipulated in this Confirmation, and all principal will be paid in full, on «MAT DATE» (the “Maturity Date”), or on the next Boston Banking Day if the Maturity Date is not a Boston Banking Day.¹

2. Interest

The Advance will bear interest at a fixed rate of .00 %, per annum (the “Interest Rate”). Interest on the Advance is calculated on an actual/360-day basis, payable monthly on the second Boston Banking Day of the month, in arrears (except that, on the Maturity Date, all interest accrued and previously unpaid shall be paid).

3. Call Options

(a) First Call Date: _____

(b) Call Option Style:

- ☐ **One Time Call Option.** The one time call date shall occur on the First Call Date.
- ☐ **Monthly Call Option.** Monthly call dates shall begin on the First Call Date, and thereafter shall occur in accordance with the Call Date Schedule attached hereto (each a “Monthly Call Date”).
- ☐ **Quarterly Call Option.** Quarterly call dates shall begin on the First Call Date, and thereafter shall occur in accordance with the Call Date Schedule attached hereto (each a “Quarterly Call Date”).
- ☐ **Semi-Annual Call Option.** Semi-Annual call dates shall begin on the First Call Date, and thereafter shall occur in accordance with the Call Date Schedule attached hereto (each a “Semi-Annual Call Date”).
- ☐ **Annual Call Option.** Annual call dates shall begin on the First Call Date, and thereafter shall occur in accordance with the Call Date Schedule attached hereto (each an “Annual Call Date”).

¹ A “Boston Banking Day” is defined as any day on which the Bank is open for business.

(c) Call Option Exercise Terms:

- ☐ **One Time Call Option.** Notwithstanding anything to the contrary in this Confirmation, on the First Call Date (or on the next Boston Banking Day if such day is not a Boston Banking Day), the Member may, at its option, repay the Advance without fee, in whole or in part (provided, however, that any partial prepayment shall be in a minimum amount of \$100,000 and integral multiples of \$100,000 in excess thereof), provided that Member has given the Bank at least four (4) Boston Banking Days' written notice of its intention to exercise its option.
- ☐ **Monthly Call Option.** Notwithstanding anything to the contrary in this Confirmation, on each Monthly Call Date (or on the next Boston Banking Day if any such day is not a Boston Banking Day), the Member may, at its option, repay the Advance without fee, in whole or in part (provided, however, that any partial prepayment shall be in a minimum amount of \$100,000 and integral multiples of \$100,000 in excess thereof), provided that Member has given the Bank at least four (4) Boston Banking Days' written notice of its intention to exercise its option.
- ☐ **Quarterly Call Option.** Notwithstanding anything to the contrary in this Confirmation, on each Quarterly Call Date (or on the next Boston Banking Day if any such day is not a Boston Banking Day), the Member may, at its option, repay the Advance without fee, in whole or in part (provided, however, that any partial prepayment shall be in a minimum amount of \$100,000 and integral multiples of \$100,000 in excess thereof), provided that Member has given the Bank at least four (4) Boston Banking Days' written notice of its intention to exercise its option.
- ☐ **Semi-Annual Call Option.** Notwithstanding anything to the contrary in this Confirmation, on each Semi-Annual Call Date (or on the next Boston Banking Day if any such day is not a Boston Banking Day), the Member may, at its option, repay the Advance without fee, in whole or in part (provided, however, that any partial prepayment shall be in a minimum amount of \$100,000 and integral multiples of \$100,000 in excess thereof), provided that Member has given the Bank at least four (4) Boston Banking Days' written notice of its intention to exercise its option.
- ☐ **Annual Call Option.** Notwithstanding anything to the contrary in this Confirmation, on each Annual Call Date (or on the next Boston Banking Day if any such day is not a Boston Banking Day), the Member may, at its option, repay the Advance without fee, in whole or in part (provided, however, that any partial prepayment shall be in a minimum amount of \$100,000 and integral multiples of \$100,000 in excess thereof), provided that Member has given the Bank at least four (4) Boston Banking Days' written notice of its intention to exercise its option.

4. Prepayment Provisions

Member may, at its option and subject to a fee, prepay the Advance, whole or in part, prior to maturity on any Boston Banking Day that is not a call date, provided the Bank receives irrevocable notice of prepayment by 12:00 p.m. (EST) two (2) Boston Banking Day prior to the date of prepayment and provided further that any partial prepayment shall be in a minimum amount of \$100,000 and integral multiples of \$100,000 in excess thereof. In the case of any such prepayment, a prepayment fee will be assessed equal to 100% of the present value of lost cash flow based upon the contract rate of the Advance and the "current yield on Federal Home Loan Bank securities"² for a new advance with a maturity equaling the earlier of the next scheduled call date or the Maturity Date, discounted at the "current yield on Federal Home Loan Bank securities" of the remaining period which shall be deemed to be the earlier of the next scheduled call date or the Maturity Date. The prepayment fee will be charged against Member's IDEAL Way Deposit Account on the day of prepayment. The prepayment fee shall be no less than zero. The formula for determining the prepayment fee is:

$$\left[\left(1 - \frac{1}{(1 + A/2)^{(T/6)}} \right) / A \right] \times (\text{contract rate} - R) \times \text{principal}$$

$$\text{Where: } R = [(((A/2) * 360/365) + 1)^{1/6} - 1] * 12$$

A = "Current yield on Federal Home Loan Bank securities" with a maturity equaling the earlier of the next scheduled call date or the Maturity Date, provided, however, that in no event will "A" be less than zero

T = The lesser of the remaining period to the Maturity Date or the remaining period to the next scheduled

² "Current yield on Federal Home Loan Bank securities" is defined as the yield on Federal Home Loan Bank consolidated obligations (without concessions), as estimated for the prepayment date by the Bank System's Office of Finance (fiscal agent).

call date (in months) (as an exponent)

contract rate = The Interest Rate of the Advance

R = The current yield on Federal Home Loan Bank securities ("A"), stated on a monthly pay actual/360 daycount basis

The term "principal" for purposes of the prepayment formula shall mean the principal amount of the Advance that is prepaid.

Termination cost may apply to any prepayment and will include any additional costs the Bank may incur (including, but not limited to, the cost of terminating interest rate swaps, futures, and options contracts, extraordinary operational or legal costs, and unusual debt retirement costs) as necessary to render the Bank financially indifferent to Member's decision to prepay, as determined solely by the Bank.

5. Representations and Warranties

As a reminder, Member shall be deemed to have repeated each of the representations and warranties set forth in the Advances Agreement each time the Bank funds an advance.

If you have any questions or identify any discrepancies with regard to this transaction, please contact the Bank immediately.