

**FEDERAL HOME LOAN BANK OF BOSTON
APPLICATION FOR LETTER OF CREDIT
TO SECURE PUBLIC UNIT DEPOSIT ACCOUNTS
(REFUNDABLE BALANCE)**

Pursuant to that certain Irrevocable Letter of Credit Reimbursement Agreement (the "Reimbursement Agreement") by and between the Federal Home Loan Bank of Boston (the "Bank") and _____ (the "Member"), Member hereby makes application to the Bank for the issuance of a Refundable Balance Public Unit Deposit Letter of Credit (a "Refundable Balance LOC") having the terms and issued to the Beneficiary specified below. All capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Reimbursement Agreement.

A. Member Information

Name of Member Institution: _____

Mailing address: _____

City: _____

State: _____

ZIP code: _____

Contact Person at Member Institution

Name and Title: _____

Telephone number: _____

Fax number: _____

E-mail: _____

B. GENERAL INFORMATION

1. Beneficiary: _____

Contact Name and Title: _____

Phone and Fax Number: P: _____ F: _____

Address: _____

2. Maximum Deposit Amount: \$ _____

3. Effective Date: _____

4. Expiration Date: _____

C. TERMS AND CONDITIONS

1. In applying for a Refundable Balance LOC in a maximum amount equal to the Maximum Deposit Amount set forth above, the Member agrees to all terms, conditions, or provisions in this Application, in the Bank's Reimbursement Agreement and any addendums thereto.

2. Member agrees to pay to the Bank a fee (the "Commitment Fee") in accordance with the Bank's LOC Pricing Schedule to issue the Refundable Balance LOC, which shall be debited from the Member's IDEAL Way Account on the first business day immediately following the Effective Date of the Refundable Balance LOC and on each anniversary of such date until the Expiration Date. Member further agrees to pay any other applicable fees, including but not limited to draw fees, cancellation fees, and refund fees, as set forth in the Bank's LOC Pricing Schedule.

3. On (a) the Refundable Balance LOC's Expiration Date, and (b) if the Refundable Balance LOC has a term greater than one (1) year, each anniversary of the Effective Date of the Refundable Balance LOC (each a "Refund Date"), based upon the execution and delivery to the Bank of a certification in the form of Exhibit 1 attached hereto (a "Certification") by an authorized officer of Member as to the aggregate average daily balance in all the accounts held by Beneficiary at Member (the "Average Daily Balance") during the applicable Refund Period (hereinafter defined), the Commitment Fee will be re-calculated based upon such Average Daily Balance. If the Average Daily Balance during the applicable Refund Period is lower than the Maximum Deposit Amount, the difference in Commitment Fee shall be refunded to the Member. If a Certification executed by an authorized officer of the Member is not received by the Bank within 5 business days of a Refund Date, the Commitment Fee reimbursement for the applicable Refund Period may be forfeited in the Bank's discretion. As used in this Application, the "Refund Period" shall be as follows:

- (i) The first Refund Period shall begin on the Effective Date of the Refundable Balance LOC, and end on the first Refund Date to occur.
- (ii) Subsequent Refund Periods (if applicable) will begin on the date immediately following the preceding Refund Period and end on the next Refund Date to occur.

4. In the event of a cancellation of the Refundable Balance LOC during any Refund Period, the Bank shall calculate the fee reimbursement from the date immediately following the preceding Refund Period to the date of cancellation based upon the execution and delivery to the Bank of a Certification by an authorized officer of Member as to the Average Daily Balance for that period; provided, however, that if a Refund Date has not yet occurred as of the date of cancellation, the Bank shall calculate the fee reimbursement from the Effective Date to the date of cancellation. If the Average Daily Balance is lower than the Maximum Deposit Amount for that period, the difference in the Commitment Fee shall be refunded to the Member. If a Certification executed by an authorized officer of the Member is not received by the Bank within 5 business days of the date of cancellation of the Refundable Balance LOC, the Commitment Fee reimbursement for the period from (a) (i) the date immediately following the preceding Refund Period, or (ii) the Effective Date, as applicable, to (b) the date of cancellation may be forfeited in the Bank's discretion. The Commitment Fee for the remaining term to the Expiration Date shall be calculated upon the Maximum Deposit Amount and shall not be refundable. Upon any reimbursement of the Commitment Fee, a cancellation of the Refundable Balance LOC prior to its stated Expiration Date, or a draw under the Refundable Balance LOC, as the case may be, the Bank shall charge the Member a fee in accordance with the Bank's LOC Pricing Schedule.

5. Upon the occurrence of an Event of Default under the Reimbursement Agreement, the Member agrees to forfeit any refundable Commitment Fee arising in connection with the Refundable Balance LOC.

6. Member agrees to supply the Bank with copies of supporting documentation sufficient to demonstrate all the accounts held by Beneficiary at Member and the accuracy of the Average Daily Balance amount stated in any Certification, such as the customer's monthly account statement(s), as requested by Bank from time to time. The Bank may condition the refund of any Commitment Fees upon the receipt of supporting documentation acceptable to the Bank in its discretion. Member shall retain any supporting documentation as an official record of the Member for a period of 2 years from the date of the relevant Certification.

7. Member hereby represents and warrants that (i) the beneficiary is a public instrumentality, (ii) under the laws of the state in which the beneficiary is located, a letter of credit issued by the Federal Home Loan Bank of Boston may serve as collateral to secure a public unit deposit with the Member in the size contemplated by this Application and (iii) under all applicable law, the Member is authorized to pledge its assets to secure a public unit deposit.

8. Applications may be sent via electronic transmission to LOCnotify@fhlbboston.com or faxed to both the Legal Department at (617) 261-3309 and Bank Operations at (617) 261-3327. Member acknowledges that this Application must be received by the Bank by noon on a Boston Business Day for the Refundable Balance LOC to be issued on the next business day.

_____ Date of Application: _____
[Name of Member]

By: _____
(Must be an authorized signatory)

Print Name: _____

Title: _____

EXHIBIT 1

**Federal Home Loan Bank of Boston (the “Bank”)
Refundable Balance Public Unit Deposit Letter of Credit Certification Form**

Please complete this Certification Form within 5 business days of each Refund Date¹ with respect to the below referenced Refundable Balance Public Unit Deposit Letter of Credit (the “Refundable Balance LOC”), or the cancellation date of the Refundable Balance LOC, as applicable, and send via electronic transmission to LOCnotify@fhlbboston.com or fax to the Legal Department at (617) 261-3309 and Bank Operations at (617) 261-3327. If this form is not received within 5 business days of any Refund Date with respect to the Refundable Balance LOC, or the cancellation of the Refundable Balance LOC, as applicable, the Commitment Fee reimbursement may be forfeited in the Bank’s discretion. The Bank will process your request within 3 business days of receipt of this returned form. The refund will be credited to the Member’s IDEAL Way Account. Only those authorized to enter into extensions of credit with the Bank may be permitted to sign this form as an Authorized Signatory. All capitalized terms not otherwise defined herein shall have the meanings assigned to them in the Irrevocable Letter of Credit Reimbursement Agreement (the “Reimbursement Agreement”) by and between the Bank and the Member, and the Application (hereinafter defined).

I. Defined Terms

Member: _____ (Name of your institution)

Beneficiary: _____ (Entity to which the Refundable Balance LOC was issued)

Refundable Balance LOC Number: _____ (Number printed on the Refundable Balance LOC)

Effective Date: _____ (Date the Bank issued the Refundable Balance LOC)

Refund Period: from _____, 20__ to _____, 20__ (The first Refund Period shall begin on the Effective Date of the Refundable Balance LOC, and end on the first Refund Date to occur. Subsequent Refund Periods (if applicable) will begin on the date immediately following the preceding Refund Period and end on the next Refund Date to occur.)

(If applicable) Cancellation Period:
from _____, 20__ to _____, 20__ (The Cancellation Period shall begin on the date immediately following the preceding Refund Period and end on the

¹ “Refund Date” shall mean (a) the Refundable Balance LOC’s Expiration Date, and (b) if the Refundable Balance LOC has a term greater than one (1) year, each anniversary of the Effective Date of the Refundable Balance LOC.

date of cancellation; provided, however, that if a Refund Date has not yet occurred as of the date of cancellation, the Cancellation Period shall begin on the Effective Date of the Refundable Balance LOC and end on the date of cancellation.)

II. Certifications

In reference to the Refundable Balance LOC issued to the Beneficiary on the Effective Date, the Member hereby certifies to the Bank that:

- A. The aggregate average daily balance in all the accounts held by Beneficiary at Member **[during the Refund Period] [during the Cancellation Period] [CHOOSE ONLY ONE]** was \$ _____ (the "Average Daily Balance").
- B. The Average Daily Balance was calculated in accordance with the terms of the Application for the Refundable Balance LOC executed by the Member and delivered to the Bank (the "Application").
- C. In accordance with the terms of the Application, the Member shall retain, for two years, documentation to evidence and support the Average Daily Balance certified hereby.

By signing this Certification, the undersigned officer certifies that the officer is authorized to make this certification on behalf of the Member and, in accordance with a resolution adopted by the Board of Directors of the undersigned Member, a certified copy of which resolution has previously been submitted to the Bank or is hereto attached, the officer is duly authorized to apply to the Bank for letters of credit to be issued on the Member's behalf.

_____ Date: _____
[Name of Member]

By: _____
(Must be an authorized signatory)

Print Name: _____

Title: _____