



CORRESPONDENT SERVICES AGREEMENT

CORRESPONDENT SERVICES AGREEMENT, dated as of _____, 20____ ("Agreement") between _____, having its principal place of business at _____ ("Member") and Federal Home Loan Bank of New York, having its principal place of business at 101 Park Avenue, 5th Floor, New York, New York 10178-0599 ("Bank").

WHEREAS, Member desires to maintain one or more demand deposit accounts at Bank; and

WHEREAS, from time to time, Member may wish to utilize various Correspondent Services (as defined herein) offered from time to time by Bank in order to transfer money to and from Member's demand deposit accounts at Bank; and

WHEREAS, Member desires to authorize Bank to make certain arrangements as to the safekeeping of Member securities; and

WHEREAS, Bank and Member desire to enter into a comprehensive agreement governing their Correspondent Services relationship;

NOW, THEREFORE, Bank and Member agree as follows:

ARTICLE I: DEFINITIONS

As used herein, the following terms will have the following meanings.

SECTION 1.01 **Correspondent Services**. Correspondent Services means the services offered from time to time by Bank to Member that may include, but are not limited to, Settlement Services, Item Processing Services and 1Link System Services.

SECTION 1.02 **Demand Transaction**. Demand Transaction means a communication, other than an Item (as defined herein), directing the disbursement of funds from or the acceptance of deposits to Member's demand deposit account at Bank and may include writings, voice, electronic media or other forms, as may be approved by Bank.

SECTION 1.03 **Deposit Item**. Deposit Item means an Item (as defined herein), the amount of which is to be credited to Institution's demand deposit account at Bank.

SECTION 1.04 **Inclearing Item**. Inclearing Item means an Item (as defined herein) drawn on Institution, the amount of which is to be debited to Member's demand deposit account at Bank.

SECTION 1.05 **Item**. Item means a NOW account item, a check, a teller's check, a money order or other instrument for the payment of money whether or not it is negotiable.

SECTION 1.06 **Item Processing Services**. Item Processing Services means various services that facilitate the payment of Items and Demand Transactions and the collection of Deposit Items and Demand Transactions, as well as related services, such as disaster recovery services, and supplemental services, such as photographic and adjustment services.

SECTION 1.07 **Settlement Services**. Settlement Services means the services provided by Bank to Member to post debits or credits to Member's demand deposit account at Bank.

SECTION 1.08 **1Link System**. 1Link System means the current version of a remote site account access system offered by Bank to its qualifying customers from time to time, as determined by Bank in Bank's sole and absolute discretion.

SECTION 1.09 1Link System Procedures. 1Link System Procedures means the procedures included in the Bank's Correspondent Services Manual, as the same may be amended from time to time by Bank, which collectively shall: (i) govern all aspects of Member's use of the 1Link System; (ii) establish Member's and Bank's respective obligations and undertakings in connection with the 1Link System; and (iii) limit Bank's liability in connection with Member's use of the 1Link System.

SECTION 1.10 1Link System Services. 1Link System Services means the services offered by Bank, from time to time, to qualifying customers relating to the 1Link System, as more fully set forth in the 1Link System Procedures. These include, but are not limited to, book transfers, wire transfers, advances and safekeeping.

SECTION 1.11 Security Access Tools. Security Access Tools means the security, authorization and/or access devices, codes and/or tools required for authorized Employees (as defined in the Correspondent Services Manual) of Member to access the 1Link System; such devices or tools may include, but are not necessarily limited to, Member identification codes, Member passwords, employee identification codes, employee passwords, digital certificates, and security tokens, all as more fully set forth in the Correspondent Services Manual.

ARTICLE II: PROVISION OF CORRESPONDENT SERVICES AND ESTABLISHMENT OF DEMAND DEPOSIT ACCOUNTS

SECTION 2.01 Provision of Correspondent Services. Upon approval by Bank, Member may obtain such Correspondent Services as are set forth from time to time in Bank's Correspondent Services Manual (as may be amended from time to time, "Manual"). Provision of such services by Bank will be in the manner described in the Manual. Member agrees to use such services in accordance with and to comply with the procedures and requirements set forth in the Manual.

SECTION 2.02 Establishment of Account. Member hereby requests Bank to establish a primary demand deposit account for Member at Bank. Member may establish additional demand deposit accounts at Bank upon approval by Bank. The terms and conditions of each demand deposit account established for Member will be in accordance with the Manual.

ARTICLE III: DEBITS AND SETOFFS

SECTION 3.01 Authorization to Debit Accounts. Bank is authorized to debit Member's demand deposit accounts from time to time in an aggregate amount equal to all amounts then due and payable to Bank by Member hereunder or under any other agreement between Bank and Member. Amounts due and payable to Bank include, but are not limited to, amounts for Demand Transactions honored by Bank; amounts charged to Bank by Federal Reserve Banks, clearinghouses or financial institutions for Inclearing Items; amounts for Demand Transactions; and fees and charges for the provision of various Correspondent Services by Bank. In addition, Bank may, upon prior notification from Bank to Member regarding billing arrangements with a third party, debit Member's demand deposit accounts for amounts due and payable by Member to such third party. In debiting Member's demand deposit accounts, Bank may give priority to amounts owed by Member to Bank on outstanding advances or for fees and charges due to Bank under this or any agreement between Bank and Member or for debits for Items and Demand Transactions in such priorities as Bank, in its sole discretion, may determine and then to amounts due and payable to any third party. Except to the extent that Member has designated a specific demand deposit account as being the appropriate account for Bank to debit for an amount owing hereunder, all amounts to be debited hereunder will be debited first to Member's primary demand deposit account. Notwithstanding the foregoing, however, if the amount to be debited to any of Member's demand deposit accounts exceeds the amount available in that account, Bank may debit any of Member's other demand deposit accounts, in any order, at Bank's sole discretion.

SECTION 3.02 Dishonor, Return and Non-Payment. Bank may dishonor any Demand Transaction if honoring the Demand Transaction would result in charges to Member's demand deposit accounts that exceed the aggregate amount available in Member's demand deposit accounts. Bank, in its sole discretion, may also refuse to settle on any and all Inclearing Items and Member irrevocably grants Bank authority to direct any party holding Inclearing Items for Member to return such Inclearing Items to the appropriate bank of first deposit prior to the expiration of applicable return item deadlines in any instance where Bank determines that payment of an Inclearing Item would result in charges to Member's demand deposit accounts that exceed the aggregate amount available in Member's demand deposit accounts.

SECTION 3.03 Overdraft Loans. In the event that honoring Demand Transactions or settling for Inclearing Items would result in charges to Member's demand deposit accounts that exceed the aggregate amount available in Member's demand deposit accounts, Bank may, in its sole discretion, honor the Demand Transactions and/or provide settlement for Inclearing Items in which event Bank will be deemed to have made a loan to Member in the amount that Member is overdrawn. Any such loan will be payable to Bank upon demand. The loan will bear interest at the variable rate, established from time to time by Bank, for overdrafts on Member's demand deposit accounts.

SECTION 3.04 Setoff and Security Interest. Each demand deposit account of Member at Bank is subject to Bank's right of setoff against such account with respect to any indebtedness, now or hereafter outstanding, of Member to Bank, including, without limitation, all advances, loans or other extensions of credit heretofore, now or hereafter granted by Bank to Member, and all other obligations to pay and liabilities of Member to Bank (collectively, "Indebtedness"). Member hereby irrevocably grants to Bank a security interest in each demand deposit account, and in the funds therein, to secure any and all Indebtedness, and Member authorizes Bank to exercise all rights and remedies available to secured creditors in the event of any default with respect thereto. Additionally, Bank may require Member to maintain minimum balances in Member's demand deposit accounts in such amounts as Bank considers adequate.

ARTICLE IV: DEPOSITS

Subject to the terms hereof, and to final approval by Bank, Bank will post deposits, including Demand Transactions and Deposit Items, to the appropriate demand deposit accounts of Member, provided that, as to any such deposit, Bank reserves the right to charge back the amount of the deposit or any part thereof if the deposit or any part thereof is not finally paid. Additionally, Bank may adjust the amount of a deposit if a deposit is credited to Member's demand deposit account for an incorrect amount, regardless of the reason for the incorrect posting or the time that has elapsed since the original posting. Bank, in its sole discretion, may delay crediting Member's demand deposit accounts in an amount sufficient to cover the amount of any deposits which have not yet finally been paid.

ARTICLE V: STANDARD OF CARE AND DAMAGES

SECTION 5.01 Standard of Care. Bank will exercise ordinary care in providing Correspondent Services. If Bank acts with ordinary care, Bank will have no liability to Member and Member will indemnify, defend and hold Bank harmless against any loss or cost, including, but not limited to, attorneys' fees, arising from Bank's provision of Correspondent Services hereunder. Bank will be deemed to have acted with ordinary care in the following circumstances:

Where an act or omission, whether or not authorized, of an employee, agent contractor of Member contributed to the occurrence of the loss or cost;

Where Member's failure to examine daily and other Correspondent Service reports provided to Member, whether electronically or otherwise, by Bank and to notify Bank of discrepancies, within time periods specified by Bank from time to time in the Manual, contributed to the loss or cost and notify Bank within applicable time periods;

Where unauthorized, negligent or fraudulent use of the 1Link System contributed to the loss or cost, provided that access to the 1Link System was achieved using Security Access Tools;

Where the loss arises from a Member's failure to have established Bank Secrecy Act (BSA) & Office of Foreign Asset Control (OFAC) procedures in place to identify prohibited transactions which involve Specially Designated Nationals (SDNs), Specially Designated Terrorists (SDTs), Specially Designated Global Terrorists (SDGTs), or Specially Designated Narcotics Traffickers (SDNTs), Member may be liable and subject to penalties for failure to block or reject prohibited transactions. For example, Member's outgoing wire transfers must be reviewed by Member prior to originating the request to the Bank and Member's incoming wire transfers must be reviewed prior to releasing the funds to the beneficiary (Member's customer) as per the wire payment instructions. Member is responsible for 'Knowing Its Customer' by having a Customer Identification Program (CIP) for the identification and verification of all new accounts and a periodic review of existing accounts.

SECTION 5.02 Damages. Bank's liability to Member for any claim by Member involving Bank's provision of Correspondent Services will be limited to actual losses or costs incurred by Member, provided, however, that such liability will not include consequential or other damages, and provided further that the amount of damages will be limited to the face amount of the Items or Demand Transactions at issue.

SECTION 5.03 **Force Majeure**. Bank will not be liable to Member for any failure to perform properly Bank's duties hereunder if such failure is the result of war, insurrection, weather or other circumstances beyond Bank's control.

SECTION 5.04 **Security Procedures**. All security procedures utilized by Bank in connection with the provision of Correspondent Services shall be deemed commercially reasonable within the meaning of Section 4A of the New York Uniform Commercial Code.

ARTICLE VI: FEES AND SERVICES

Member will pay Bank the fees and other charges, as set forth in fee schedules published by Bank from time to time for Correspondent Services. Bank may change the fee schedules and may change the nature or scope of the Bank's Correspondent Services upon publication of the changes in the Manual or by otherwise providing written notice to Member.

ARTICLE VII: SECURITIES SAFEKEEPING

SECTION 7.01 **Authorization for Securities Safekeeping**. Member hereby authorizes Bank to effect, or to arrange for, the holding, receipt, delivery, or other disposition of securities in accordance with instructions Bank receives or has received from Member, whether before or after the date of this Agreement. In order to provide such services, Bank may designate one or more commercial banks, trust companies, or other financial institutions to provide such services or to retain physical custody of such securities on behalf of Member. Except as otherwise specified in writing by Member, Bank, or such designated institution, may deposit or maintain any such securities in book entry form in a centralized securities depository system or other system approved by Bank ("Securities System").

SECTION 7.02 **Registration of Securities**. Unless otherwise instructed by Member, all securities received by Bank pursuant to this Agreement in bearer form will be maintained by Bank in such form, and all securities received by Bank in registered form will be maintained by Bank registered in the same manner, until transfer or delivery thereof by Bank at the direction of Member. Upon such transfer or delivery Bank is authorized, except as otherwise specified in writing by Member, to indorse or to arrange for the endorsement of such securities in blank on behalf of Member and to guarantee or to arrange for the guarantee of the absence of endorsement of such security. If so directed by Member, Bank is authorized to cause any securities received by Bank to be registered or reregistered in the name of Bank or its nominees. In the event of termination of this Agreement, or otherwise at the direction of Member, Bank will transfer all securities then held by Bank hereunder to Member or as Member may direct, and will cause any securities then registered in the name of Bank or nominees to be registered in the name of Member or as Member may direct; provided that, if such termination or transfer is at the request of Member, Member will, upon demand, pay Bank for Bank's reasonable expenses incident to such transfer and re-registration.

SECTION 7.03 **Payments on Securities**. If Member's securities are registered in name of Bank or a nominee or are bearer securities, Bank will arrange for the collection on a timely basis of all interest, dividend, principal and other payments of such securities, and Bank will advise Member of any call or offer for payment or exchange of such securities. However, with respect to securities issued outside of the United States and other securities as to which information regarding interest, dividend, principal or other payments or exchanges is not readily, broadly available to Bank or the public in New York, whether by reason of the limited distribution of such securities or otherwise, Bank will be responsible only for safekeeping, and not for collecting such payments, effecting such exchanges or similar matters. In the event any security held hereunder in a Securities System is called for partial redemption by the issuer thereof, the called portion will be allotted among the respective accounts having interests in such security pursuant to such impartial method as may be prescribed by such Securities System or, if no such method is prescribed, otherwise on an impartial basis.

SECTION 7.04 **Debiting and Crediting of Accounts of Member**. Any cost, expense or other charge payable in connection with any transaction or service relating to securities held or to be held hereunder will be paid by Member and may be debited by Bank against Member's demand deposit accounts. Proceeds or payments received by Bank with respect to, or arising out of, transactions concerning such securities will be credited by Bank to Member's demand deposit accounts.

SECTION 7.05 Confirmations and Reports. Bank will from time to time provide Member with such confirmations and periodic reports of transactions effected and securities held hereunder as Bank, in its discretion, deems appropriate. Member will provide Bank with confirmations of any instructions given by Member to Bank relating to securities held or to be held hereunder, at such times and in such form as Bank may request.

SECTION 7.06 Bank's Standard of Care. Bank will not be responsible for failure to execute or for a mistake in the execution of instructions of Member, nor for failure to provide or for a mistake in providing securities safekeeping services hereunder, unless such failure or mistake arises out of negligence or willful misconduct by Bank. Bank's liability for any loss or damage suffered by Member or third persons arising from any acts or omissions of any financial institution which serves as an agent of Bank for the provision of services under this Article, including the negligence of such financial institution, will not exceed the aggregate amount, if any, that Bank actually recovers from such financial institution or its successors in interest for such loss or damage. Bank will not be liable for any error in any instructions furnished to Bank by Member and executed by Bank in accordance with their terms, nor for failure to execute instructions which are not in compliance with the procedures and requirements in the Manual. Bank will not be responsible for the genuineness of any securities deposited with Bank by Member and maintained in the form deposited. Bank will not be liable to Member as a result of Bank's failure to provide any confirmation or periodic report in a timely manner or as a result of the inadequacy of, or errors in, any confirmation or report. Bank will have no duty of inquiry or otherwise with respect to the nature or ownership of any securities held, received, delivered, or otherwise disposed of hereunder, or with respect to Member's authority under federal or state laws or regulations to undertake any securities transaction, nor will Bank be deemed to have made any determination as to the propriety or suitability of any securities transaction effected pursuant to Member's instructions. In the event Member conducts Safekeeping services for its customers, Bank will not be responsible for Member's failure to screen third party settlement instructions against the OFAC list before transmitting said instructions to the Bank.

SECTION 7.07 Damages. In the event of any loss or damage to Member securities held hereunder for which Bank is liable, Bank will: (a) upon demand by Member, promptly replace such security with a security of like kind and quality, including all rights or privileges pertaining to the lost or damaged security; or (b) if consented to in writing by Member, retain such security and pay to Member an amount equal to the greater of the fair market value of such security immediately prior to such damage or loss or the fair market value of such security at the time Member is notified of such damage or loss. In no event will Bank be liable for consequential damages or other losses or damages.

SECTION 7.08 Force Majeure. Notwithstanding any other provision of this Article, Bank will not be liable to Member for losses or damages suffered by Member which are caused by: war, insurrection; terrorist activity, military, naval or usurped power; hurricane, cyclone, tornado, earthquake, volcanic eruption or similar disturbance of nature; or nuclear fission, fusion or radioactivity.

SECTION 7.09 Application of this Article. The provisions of this Article VII will exclusively govern the standard of care and damages applicable to the Bank's securities safekeeping services.

ARTICLE VIII: AUTHORIZED PERSONS

The Secretary or an Assistant Secretary of Member shall from time to time after execution of this Agreement certify to Bank on forms provided by Bank the names and specimen signatures, including facsimile signatures, of the persons who are authorized to initiate Demand Transactions, and/or to execute securities transactions and the Secretary or Assistant Secretary will further certify that all such persons are also authorized to perform any other acts incident to carrying out the power conferred on such persons, and Bank may rely upon such certification without inquiry or further authorization and notwithstanding that the directed action may appear to benefit the person directing the action. Such persons need not be employees of Member. Such certifications will continue in effect until expressly revoked by Member, notwithstanding that subsequent certifications may authorize other persons to act for and on behalf of Member.

ARTICLE IX: DURATION OF TIME PERIOD FOR PERFORMANCE OF SERVICES

The provision of services under this Agreement will continue until terminated by either Bank or Member upon receipt of written notice by Bank or Member.

ARTICLE X: ENTIRE AGREEMENT

This 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, whether written or oral, which relate to such subject matter.

ARTICLE XI: WAIVER

The waiver by either party of any right hereunder or of any failure to perform or breach by the other party shall not be deemed as a waiver of any other right hereunder or of any other breach or failure by such other party whether of a similar nature or otherwise.

ARTICLE XII: ENFORCEABILITY

The provisions of this Agreement shall be severable and should any provision be held to be illegal, unenforceable or void, the remaining provisions shall continue in full force and effect without impairment in any way.

ARTICLE XIII: GOVERNING LAW

All matters relating to this Agreement shall be governed by the statutory and common law of the United States, and to the extent that Federal law incorporates or defers to state law, the laws of the State of New York, without reference to its conflicts of law provisions, and including the Uniform Commercial Code as in effect in New York.

IN WITNESS WHEREOF, Member and Bank have caused this Agreement to be signed in their names by their duly authorized officers as of the date first above mentioned.

(Name of Institution)

FEDERAL HOME LOAN BANK OF NEW YORK

By: _____

By: _____

Title: _____

Title: _____

By: _____

Title: _____

CORPORATE ACKNOWLEDGMENT

STATE OF _____, _____ County ss:

On this _____ day of _____ 20____, before me personally came _____, to me known, who, being by me duly sworn, did depose and state that [s]he resides at _____; that [s]he is the _____ of _____, the corporation described in and which executed the above instrument; and that [s]he signed his (her) name thereto by order of the Board of Directors of said corporation.

Notary Public

FEDERAL HOME LOAN BANK OF NEW YORK CORPORATE ACKNOWLEDGMENT

STATE OF NEW YORK, New York County ss:

On this _____ day of _____ 20____, before me personally came _____, and _____, to me known, who, being by me duly sworn, did depose and state that they reside _____; that they are the Vice Presidents of the Federal Home Loan Bank of New York, the corporation described in and which executed the above instrument; and that they signed their names thereto by order of the Board of Directors of said corporation.

Notary Public