

## PUBLIC DEPOSIT SECURITY AGREEMENT

**THIS PUBLIC DEPOSIT SECURITY AGREEMENT** (as amended, supplemented or restated from time to time, this “Agreement”) is dated as of \_\_\_\_\_ between \_\_\_\_\_, a

(the “Depository”), and the **TREASURY BOARD OF THE COMMONWEALTH OF VIRGINIA**, a public body created by Va. Code §2.2-2415, on its own behalf and on behalf of the State Treasurer of the Commonwealth of Virginia and any and all Public Depositors (as hereinafter defined) who deposit public funds with the Depository from time to time during the term of this Agreement (the “Board”).

### RECITALS

A. The Virginia Security for Public Deposits Act, Va. Code §§2.2-4400 *et seq.* (as amended from time to time, the “Act”), provides the procedure for securing public deposits in qualified public depositories. The Board has adopted regulations to implement the procedures set forth in the Act, 1VAC 75-20 §§10 through 160 (as amended from time to time, the “Regulations”) and has promulgated guidelines pursuant to the Act (as promulgated from time to time, the “Guidelines”).

B. The Depository is a “qualified public depository” who currently holds or will hold “public deposits,” as such terms are defined in the Act.

C. This Agreement provides the terms and conditions under which the Depository will secure such public deposits in accordance with the Act, the Regulations, the Guidelines and the Uniform Commercial Code as in effect in Virginia (the “UCC”).

**NOW, THEREFORE**, in consideration of the foregoing and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

**Section 1. Definitions.** Terms used herein but not otherwise defined herein shall have the meanings ascribed to such terms in the UCC. In addition, as used herein, the following terms shall have the respective meanings set forth below:

“Act” has the meaning set forth in the recitals hereof.

“Applicable Law” means, collectively, the Act, the Regulations and the Guidelines.

“Business Day” means any day other than a Saturday, a Sunday, a legal holiday or a day in which banking institutions are authorized or required by law or other governmental action to be closed in the Commonwealth of Virginia.

“Collateral Account” has the meaning set forth in Section 2(a) hereof.

“Custodial Agreement” means the Master Custodial Agreement between the Board and the Custodian, as the same may be amended, restated or supplemented from time to time and as joined in by the Depository and any other Qualified Public

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Depository party thereto, pursuant to which the Custodian has established and maintains the Collateral Account for the Depository, subject to the security interest of the Board granted hereby, and any new or replacement master custodial agreement upon transfer of the Pledged Collateral to a Successor Custodian in accordance with the Custodial Agreement.

“Custodian” means the bank or trust company identified in Exhibit A hereto and any “Successor Custodian” under the Custodial Agreement. For purposes of the Applicable Law, the “Custodian” is intended to be the “qualified escrow agent” or “escrow agent” as such terms are used therein.

“Default or Insolvency” has the meaning set forth in Section 8 hereof.

“Eligible Collateral” has the meaning set forth in the Applicable Law, except that, for purposes of this Agreement, “Eligible Collateral” shall not mean Federal Home Loan Bank letters of credit posted by the Depository with the Board.

“FDIC” means the Federal Deposit Insurance Corporation and any successor agency.

“Person” means any natural person, corporation, partnership, limited liability company, governmental body or agency or any other entity.

“Pledged Collateral” has the meaning set forth in Section 3(a) hereof.

“Public Deposit” has the meaning set forth in the Act.

“Public Depositor” has the meaning set forth in the Act.

“Regulations” has the meaning set forth in the recitals hereof.

“Secured Obligations” has the meaning set forth in Section 3(a) hereof.

“UCC” has the meaning set forth in the recitals hereof.

“Unmatured Default” means the occurrence of any event or circumstances which, with the giving of notice, the lapse of time or both, would constitute a Default or Insolvency.

### **Section 2. Collateral Account.**

(a) Establishment of Collateral Account. On or before the execution and delivery of this Agreement and pursuant to the terms and conditions of the Custodial Agreement, the Depository (i) shall establish at the Custodian the custodial account described in Exhibit A hereto, which custodial account shall be a securities account with the Depository as the account holder and the Custodian as the securities intermediary (the “Collateral Account”), and (ii) shall execute and deliver to the Custodian and the Board a joinder to the Custodial Agreement, pursuant to which the Depository shall become a

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party to and shall agree to be bound by the terms and conditions of the Custodial Agreement with respect to the Collateral Account. The Depository shall maintain the Collateral Account at all times during the term of this Agreement.

(b) Transfer of Eligible Collateral to Collateral Account. With respect to each Public Deposit accepted by the Depository, the Depository shall transfer to the Custodian (or to the Custodian's designated agent that customarily holds securities for the Custodian) for deposit into the Collateral Account not later than the same Business Day on which the Depository accepts such Public Deposit, or shall otherwise maintain in the Collateral Account with respect to all Public Deposits held by the Depository, Eligible Collateral of a type set forth in, and otherwise meeting the requirements of, §60 and §70 of the Regulations. None of the Eligible Collateral transferred to the Collateral Account shall consist of certificated securities held directly by the Depository. In the case of any Eligible Collateral held by a securities depository such as The Depository Trust Company or its nominee for the Depository or consisting of security entitlements or other property held by a securities intermediary in a securities account for the Depository, the Depository shall cause such securities depository or securities intermediary, as the case may be, to transfer on its records the ownership of such Eligible Collateral to the Custodian in accordance with the rules of such depository or intermediary and applicable law. In the case of any Eligible Collateral held directly by the Depository, the Depository shall cause the issuer of such Eligible Collateral to register the Custodian as the owner thereof. With respect to Eligible Collateral consisting of obligations of the United States or any agency thereof or held by a federal reserve bank, transfer to the Custodian shall be effected in compliance with the requirements of the applicable federal law and regulations and the applicable book-entry system of such federal reserve bank. Eligible Collateral shall not be considered credited to a Collateral Account until the securities depository, securities intermediary or issuer, as the case may be, confirms such transfer to the Custodian in accordance with the foregoing and the Custodian credits such Eligible Collateral to such Collateral Account.

### **Section 3. Security Interest.**

(a) Grant of Security Interest. To secure the prompt payment by the Depository to each Public Depositor of all of its Public Deposits held from time to time by the Depository and the prompt payment and performance by the Depository of all of its other obligations under this Agreement and the Custodial Agreement (collectively, the "Secured Obligations"), the Depository hereby pledges and assigns to the Board, and grants to the Board a continuing first priority lien and security interest in, the following property of the Depository or in which the Depository has or may have or acquire an interest or the power to transfer rights therein, whether now owned or existing or hereafter created, acquired or arising (collectively, the "Pledged Collateral"):

(i) the Collateral Account;

(ii) all Eligible Collateral and other property now or hereafter from time to time held in the Collateral Account, including (without limitation) all investment property, security entitlements, financial assets, documents,

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instruments, general intangibles, certificated and uncertificated securities, securities in book-entry form, commodity contracts, mutual funds, U.S. government and state obligations, deposit accounts and cash; and

(iii) all additions, substitutions and replacements for and proceeds of the foregoing, including all income and benefits resulting from any securities held in the Collateral Account, such as dividends payable or distributable in cash, property or stock, interest, premium and principal payments, redemption proceeds and subscription rights, and shares or other proceeds of conversions or splits of any such securities. Any investment property, securities and/or cash received by the Depository, which shall comprise such additions, substitutes and replacements for, or proceeds of, the Pledged Collateral, shall be held in trust for the Board and shall be delivered immediately to the Custodian for deposit into the Collateral Account.

(b) Additional Public Deposits. The foregoing security interest shall secure, and the term “Secured Obligations” shall include, not only the Public Deposits, if any, held by the Depository as of the date of this Agreement, but also any and all Public Deposits made by any Public Depositor with the Depository from time to time hereafter.

### **Section 4. Maintenance of Pledged Collateral.**

(a) Value of Pledged Collateral. At all times during the term of this Agreement, the Depository agrees to maintain, as security for the Secured Obligations, the Pledged Collateral (including any additional Eligible Collateral from time to time transferred to the Collateral Account) and any Federal Home Loan Bank letters of credit posted with the Board, with a value for collateralization purposes as required by the Applicable Law. The Depository shall value the Pledged Collateral in accordance with the requirements of §70 of the Regulations. Any additional Eligible Collateral transferred to the Collateral Account in order to meet the requirements of the Applicable Law or otherwise shall be subject to the Board’s lien and security interest granted hereunder.

(b) Substitution of Eligible Collateral. If neither an Unmatured Default nor a Default or Insolvency has occurred and is continuing or would result from such action, the Depository may substitute Eligible Collateral for any of the Pledged Collateral held in the Collateral Account, but only to the extent permitted by, and in accordance with the terms and conditions of, §90 of the Regulations. All such Eligible Collateral that is substituted for existing Pledged Collateral shall be transferred to the Collateral Account in accordance with Section 2(b) hereof. If required by the Board or the Custodian, the Depository shall execute, deliver and/or file an amendment to this Agreement and such other instruments, and take such other action, as the Board or the Custodian may reasonably require in order to confirm that the Board has a valid and perfected first lien security interest in any such substituted Eligible Collateral pursuant to this Agreement.

(c) Withdrawal of Pledged Collateral. If neither an Unmatured Default nor a Default or Insolvency has occurred and is continuing or would result from such action,

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the Depository may withdraw any of the Pledged Collateral, but only with the prior written approval of the State Treasurer and in accordance with the terms and conditions of §100 of the Regulations.

(d) Reports by Depository. The Depository shall submit to the State Treasurer such periodic and other reports, statements and other information as and when required by Section 2.2-4411 of the Act and by the other Applicable Law.

**Section 5. Representations and Warranties of Depository.** The Depository hereby represents and warrants to the Board as follows:

(a) Status of Depository; Power and Authority. The Depository is a “qualified public depository” under the Act, duly organized and validly existing as a bank, savings institution or trust company under the laws of the Commonwealth of Virginia, a national bank or federal savings and loan association or federal savings bank under the laws of the United States, or a bank or savings and loan association under the laws of another state, in each case having a main office or branch office in the Commonwealth of Virginia where deposits are accepted, checks are paid and money is lent. The Depository has the power and authority under its organizational documents and applicable law to execute and deliver this Agreement, consummate the transactions contemplated hereby and to perform its obligations hereunder.

(b) Authorization; Noncontravention. The Depository’s execution and delivery of this Agreement, consummation of the transactions contemplated hereby and performance of its obligations hereunder have been duly authorized by the board of directors of the Depository or by its loan committee, and attached hereto as Exhibit B is a true, correct and complete copy of an excerpt of minutes of the board of directors of the Depository or its loan committee reflecting resolutions that were duly adopted by such board or loan committee approving this Agreement. The Depository’s execution and delivery of this Agreement, consummation of the transactions contemplated hereby and performance of its obligations hereunder will not violate the Depository’s organizational documents, any agreement to which the Depository is a party or by which it is bound or any law, regulation, rule, order, judgment or decree applicable to the Depository or by which it is bound.

(c) Governmental Approvals. No authorization, consent, approval or other action by, and no notice to or filing with, any governmental authority or any other Person which has not been given or obtained, as the case may be, is required (i) for the grant by the Depository of the security interests granted hereby or for the execution, delivery or performance of this Agreement by the Depository or (ii) for the exercise by the Board or the Custodian, on behalf of the Board, of its rights and remedies hereunder.

(d) Title to Pledged Collateral. The Depository has good and indefeasible title to the Pledged Collateral and will at all times be the owner of the Pledged Collateral with the right to grant a security interest therein to the Board. The Pledged Collateral has not been pledged or assigned to any other Person and is free and clear of any lien, security interest or other encumbrance, except for the security interest created by this Agreement.

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There exists no “adverse claim” within the meaning of Section 8-102(a)(1) of the UCC with respect to the Pledged Collateral.

(e) Perfection and Priority. This Agreement and the Custodial Agreement create a valid and perfected, first lien security interest in favor of the Board in the Pledged Collateral. No other action is necessary to perfect, establish the priority of or otherwise protect such security interest.

(f) Eligible Collateral. All of the property transferred or to be transferred by the Depository to the Collateral Account is and shall be Eligible Collateral complying with the requirements of the Applicable Law.

(g) Applicable Law. The Depository has familiarized itself with the Act, the Regulations and the Guidelines in effect on the date hereof and understands its duties and the Board’s rights thereunder.

**Section 6. Covenants of Depository.** The Depository hereby covenants as follows:

(a) Official Record. In accordance with 12 USC §1823(e)(1)(D), the Depository continuously shall maintain this Agreement and the Custodial Agreement as an official record of the Depository.

(b) Perfection and Priority. The Depository shall take any and all action to perfect, and to maintain the perfection and first lien priority of, the lien and security interest granted hereunder in the Pledged Collateral as required from time to time by the Board in its sole discretion.

(c) Defense of Title. The Depository shall warrant and defend title to and ownership of the Pledged Collateral at its own expense against the claims and demands of all other Persons claiming an interest therein.

(d) No Other Liens; Disposition of Pledged Collateral. The Depository shall keep the Pledged Collateral free from all liens, security interests or other encumbrances, except for those created hereunder, and shall not sell, exchange, transfer, assign, lease or otherwise dispose of Pledged Collateral or any interest therein, except as expressly permitted under this Agreement.

(e) Form of Pledged Collateral. Except with the express prior written consent of the Board in each instance, all Pledged Collateral held in the Collateral Account shall be maintained at all times in the form of book entry, uncertificated securities or security entitlements, in each case credited to the Collateral Account.

(f) Change of Name, etc. If the Depository changes its name or merges or consolidates with another Person, the Depository shall promptly so notify the Board and the Custodian and, if requested by the Board, shall execute such amendments hereto as the Board may require to evidence the foregoing and to confirm the creation, perfection and priority of the security interest granted hereby.

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(g) Further Assurances. The Depository shall promptly execute and deliver at its expense all further instruments and documents and take all further action that may be necessary and desirable or that the Board may reasonably request in order to (i) perfect and protect the security interest created hereby in the Pledged Collateral and the first lien priority thereof, (ii) enable the Board or the Custodian to exercise and enforce its rights and remedies hereunder in respect of the Pledged Collateral and (iii) otherwise effect the purposes of this Agreement.

### **Section 7. Dividends and Voting Rights.**

(a) Dividends. All dividends, interest and other distributions with respect to any of the Pledged Collateral shall be subject to the security interest conferred hereunder, provided, however, that cash dividends, interest and other distributions may be disbursed to and retained by the Depository so long as no Default or Insolvency shall have occurred and be continuing, free from any lien, security interest or other encumbrance hereunder. Upon the occurrence and during the continuance of any Default or Insolvency, all rights of the Depository to receive and retain cash dividends, interest and other distributions upon or in respect to the Pledged Collateral pursuant to the immediately preceding sentence shall cease and shall thereupon be vested in the Board, and the Depository shall deliver, or shall cause to be delivered, promptly to the Board all such cash dividends, interest and other distributions with respect to the Pledged Collateral (together, if the Board shall request, with any documents related thereto) to be held, released or disposed of by it hereunder or, at the option of the Board, to be applied to the Secured Obligations

(b) Voting and Other Rights. So long as no Default or Insolvency shall have occurred and be continuing, the Depository shall be entitled to exercise all voting and other rights and powers pertaining to the Pledged Collateral for all purposes not inconsistent with the terms hereof. Upon the occurrence and during the continuance of any Default or Insolvency, at the option of the Board, all rights of the Depository to exercise the voting or consensual rights and powers which it is authorized to exercise pursuant to the sentence immediately above shall cease and the Board may thereupon (but shall not be obligated to) cause such Pledged Collateral to be registered in the name of the Board or its nominee or agent for the benefit of the Board and/or exercise such voting or consensual rights and powers as appertain to ownership of such Pledged Collateral, and to that end the Depository hereby appoints the Board as its proxy, with full power of substitution, to vote and exercise all other rights with respect to such Pledged Collateral upon the occurrence and during the continuance of any Default or Insolvency, which proxy is coupled with an interest and is irrevocable.

**Section 8. Default or Insolvency**. The occurrence of any of the following shall constitute a “Default or Insolvency” under this Agreement:

(i) the failure or refusal of the Depository to return any Public Deposits held by it upon demand or at maturity or the issuance of an order of a supervisory authority restraining the Depository from making payments of Public Deposits;

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(ii) the FDIC or any other federal or state authority shall require that the Depository close or otherwise cease doing business, or shall assume control of its assets, or a receiver, conservator or liquidator shall be appointed for the Depository or its assets;

(iii) the failure of the Depository to maintain at all times the Pledged Collateral with the value required by the Applicable Law and the continuation of such failure beyond the period of time specified in any notice from the Board to the Depository;

(iv) the failure of the Depository to pay and satisfy when due any check, draft, voucher or electronic disbursement request lawfully drawn against any deposit of a Public Depositor for which adequate funds are available and the continuation of such failure beyond the period of time specified in any notice from the Board to the Depository;

(v) any representation, warranty, certification or statement made by the Depository in this Agreement or in any certificate, financial statement or other document delivered pursuant hereto shall prove to have been incorrect in any material respect when made or shall become incorrect in any material, adverse respect at any time during the term of this Agreement and the failure of the Depository to cause or to take any action necessary to make, within the period of time specified in any notice from the Board to the Depository, such representation, warranty, certification or statement true and correct in all material respects;

(vi) (A) this Agreement shall cease for any reason to be in full force and effect or shall cease to be effective to grant a perfected security interest in the Pledged Collateral with the priority stated to be created hereby or such security interest shall cease to be in full force and effect or shall be declared null and void, or the validity or enforceability of such security interest or this Agreement shall be contested by the Depository, or the Depository shall deny that it has any further liability or obligation under this Agreement or (B) any creditor of the Depository shall obtain possession of any of the Pledged Collateral by any means, including, without limitation, levy, distraint, replevin or self-help, or any such creditor shall establish or obtain any right in the Pledged Collateral which is equal to or senior to the security interests of the Board in Pledged Collateral, and, in the case of either event specified in clause (A) and (B) above, the failure of the Depository to cure the foregoing within the period of time specified in any notice from the Board to the Depository; or

(vii) the failure of the Depository to observe or perform any covenant or agreement contained in this Agreement or the Custodial Agreement (other than those covered by clauses (i) through (vi) above) and the continuation of such failure beyond the period of time specified in any notice from the Board to the Depository.



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**Section 9. Remedies Upon Default or Insolvency.** If any Default or Insolvency under this Agreement shall have occurred and be continuing, the Board, at its option, may exercise any one or more of the following rights and remedies:

(a) Notice of Exclusive Control. The Board may notify the Custodian that the Board is thereby exercising exclusive control over the Collateral Account, and thereupon the Custodian shall be required to comply with all entitlement orders originated by the Board without further consent by the Depository, unless and until the Board thereafter notifies the Custodian that such Default or Insolvency no longer exists or that the Board no longer desires to exercise exclusive control.

(b) Termination of Agreement. The Board may (i) prohibit the Depository from accepting any further Public Deposits, (ii) withdraw its Public Deposits, or direct any or all other Public Depositors to withdraw their Public Deposits, from the Depository and (iii) upon repayment in full of all Public Deposits held by the Depository, terminate this Agreement.

(c) Realization on Pledged Collateral. In the case of any Default or Insolvency described in Section 8(i) or Section 8(ii) hereof and without notice to the Depository except as otherwise expressly provided herein:

(i) The Board may direct the Custodian to immediately transfer and deliver the Pledged Collateral to the Board or its nominee, and the Board or its nominee thereupon may liquidate the Pledged Collateral to satisfy the Secured Obligations; or

(ii) The Board may sell or otherwise dispose of or realize upon (or contract with the Custodian or other Person to sell, dispose of or realize upon) the Pledged Collateral, or any part thereof, in one or more parcels, at public or private sale, at any exchange or broker's board or elsewhere, at such price or prices and on such other terms as the Board may deem commercially reasonable, for cash, credit or for future delivery or otherwise in accordance with applicable law, to satisfy the Secured Obligations. To the extent permitted by law, the Board may in such event bid for the purchase of such securities. The Depository agrees that any requirement of reasonable notice shall be met if notice, specifying the place of any public sale or the time after which any private sale is to be made, shall be personally served on or mailed, postage prepaid, to the Depository in accordance with the notice provisions of this Agreement at least three (3) days before time of such sale; provided, however, that no such notice shall be required hereunder unless otherwise required by the UCC or other applicable law. The Board shall not be obligated to make any sale of Pledged Collateral regardless of notice of sale having been given. The Board may adjourn any public or private sale from time to time by announcement at the time and place fixed therefor, and such sale may, without further notice, be made at the time and place to which it was so adjourned.

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(d) Other Rights and Remedies. In addition to the rights and remedies set forth elsewhere in this Agreement, the Board may exercise any or all of its rights and remedies available to it in respect of the Depository and the Pledged Collateral under the UCC or any other applicable law.

(e) Application of Proceeds. The Board may apply any payments in respect of the Secured Obligations and any proceeds of any Pledged Collateral, when received by the Board in cash or its equivalent, in reduction of the Secured Obligations in such order as the Board may determine. The Depository irrevocably waives the right to direct the application of such payments and proceeds and acknowledges and agrees that the Board shall have the continuing and exclusive right to apply and reapply any and all such payments and proceeds notwithstanding any entry to the contrary upon any of its books and records.

(f) Remedies Cumulative; Delay, etc. Not Constituting Waiver. No right, power or remedy conferred upon or reserved to the Board by this Agreement is intended to be exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law or in equity. The delay by the Board in exercising, or the failure of the Board to exercise, any right, power or remedy granted to them upon the occurrence of a Default or Insolvency shall not be deemed a waiver of the right to exercise such right, power or remedy upon the occurrence of a subsequent Default or Insolvency.

(g) Authorization to Custodian. The Depository authorizes the Custodian to rely without verification on the written statement of the Board as to the existence of a Default or Insolvency and to comply with entitlement orders originated by the Board without further consent of the Depository.

**Section 10. Deposit Insurance.** Nothing contained in this Agreement shall limit or eliminate any insurance coverage to which the Board or any Public Depositor may be entitled under the rules and regulations of the FDIC or any private insurance carried by the Depository for the purpose of protecting the claims and right of its depositors.

**Section 11. Costs of Board.** If at any time hereafter, regardless of whether a Default or Insolvency shall have occurred or be continuing, the Board prepares or considers amendments, waivers or consents requested by the Depository with respect to this Agreement or the Custodial Agreement, takes any action or makes any response in or with respect to any legal or arbitral proceeding relating to this Agreement, the Custodial Agreement or the Pledged Collateral, undertakes to protect or maintain the Pledged Collateral, its interest therein or the perfection or priority of the security interest granted hereby or to enforce its rights hereunder, or exercises any rights or remedies under this Agreement or the Custodial Agreement with respect to any Pledged Collateral, then the Depository agrees to promptly pay upon demand any and all reasonable costs and expenses of the Board, including attorneys' fees, all of which costs and expenses shall constitute Secured Obligations hereunder.

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### **Section 12. Term of Agreement.**

(a) Termination of Prior Security Agreement. If the Depository and the Board are parties to a prior Public Deposit Security Agreement that is in effect as of the date of execution of this Agreement, such prior agreement shall be deemed to have terminated upon the last to occur of (i) execution and delivery of this Agreement by the parties hereto, (ii) execution and delivery of the Custodial Agreement by the parties thereto and execution and delivery by the Depository of a joinder to the Custodial Agreement, (iii) establishment of the Collateral Account at the Custodian and (iv) transfer of Eligible Collateral to the Collateral Account in accordance with the requirements of this Agreement and subject to the lien and security interest of the Board.

(b) Continuing Agreement. This Agreement shall be a continuing agreement in every respect and shall remain in full force and until terminated as expressly provided herein. If the Depository ceases to hold any public funds for any period of time and thereafter resumes holding public funds without this Agreement having been terminated in the interim, then this Agreement shall continue in effect and shall secure the obligations of the Depository with respect to such public funds that the Depository resumes holding and with respect to all other public funds that the Depository holds from time to time thereafter.

(c) Termination of this Agreement. If (i) neither an Unmatured Default nor a Default or Insolvency has occurred and is continuing, (ii) the Depository has returned in full all Public Deposits to the applicable Public Depositors and (iii) the Depository holds no other Public Deposits and has satisfied all other Secured Obligations, the Depository may terminate this Agreement by so notifying the Custodian and the Board not less than thirty (30) days prior to the intended date of termination. In addition, the Board may terminate this Agreement at any time by so notifying the Depository and the Custodian not less than thirty (30) days prior to the intended date of termination. Except as expressly set forth above or elsewhere in this Agreement, this Agreement may not be terminated except pursuant to a written instrument executed and delivered by all of the parties hereto. Upon termination of this Agreement, if all Public Deposits held by the Depository have been returned to the applicable Public Depositors and all other Secured Obligations paid in full, the Board shall forthwith release all of its liens and security interests hereunder.

### **Section 13. No Obligation to Maintain Public Deposits with Depository.**

Neither the Board nor any Public Depositor is obligated to maintain any Public Deposits with the Depository.

**Section 14. Applicable Law Controls.** This Agreement is subject in all respects to, and the Custodian and the Depositories in exercising their rights and performing their obligations hereunder agree to comply in all respects with, the Applicable Law. In the event of any conflict or inconsistency between any term of this Agreement, on the one hand, and the provisions of the Applicable Law, on the other hand, the provisions of the Applicable Law shall control.

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**Section 15. Miscellaneous.**

(a) Public Deposit Security Agreement. This Agreement, together with the Custodial Agreement, is intended to constitute a “Public Deposit Security Agreement” as such term is used in the Applicable Law.

(b) Amendments; Waivers. This Agreement and the provisions hereof may not be amended, waived, modified, changed or discharged except by written instrument signed by all of the parties hereto.

(c) Assignment. The Depository may not assign, transfer or pledge its interest, rights or obligations under this Agreement without the prior written consent of the Board.

(d) Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

(e) Release of the Board. To the fullest extent permitted by law, the Depository hereby releases the Board, and its successors and assigns, from any liability for any act or omission relating to this Agreement or the Pledged Collateral, except for any liability arising from the gross negligence or willful misconduct of the Board, or its officers, employees or agents.

(f) Notices. Any notice, request, demand or other communication required or permitted by this Agreement shall be in writing and shall be delivered by U. S. mail, postage prepaid, by nationally recognized overnight courier service, or by hand delivery. All such notices, requests, demands or reports shall be deemed to have been given when received by the party to whom addressed at the applicable address set forth below or to such other address of which such party has notified the other party hereto in accordance with this subsection. Rejection or other refusal to accept or the inability to deliver because of a changed address of which no notice was given shall not invalidate the effectiveness of any notice, request, demand or other communication. Notices, requests, demands and other communications hereunder may also be delivered by electronic communications pursuant to written procedures approved in writing by the Board and the Depository.

Depository: Such office or mailing address as stated on the Notification of Address Form attached hereto.

Board:

Office address:

Department of the Treasury  
Attn: Treasury Board  
Monroe Building, 3<sup>rd</sup> Floor  
101 North 14<sup>th</sup> Street  
Richmond, VA 23219

Mailing address:

Department of the Treasury  
Attn: Treasury Board  
Post Office Box 1879  
Richmond, VA 23218-1879

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(g) Entire Agreement. This Agreement and the Custodial Agreement represent the entire agreement of the parties hereto and, subject to Section 12(a), supersedes all prior agreements and understandings, oral or written, if any, with respect to the subject matter hereof.

(h) Governing Law. This Agreement shall be governed by the laws of the Commonwealth of Virginia, without regard to its choice of law principles, except that, to the extent the UCC requires that the manner or effect of perfection or nonperfection of the security interest granted hereby is to be governed by the laws of another jurisdiction, the laws of such other jurisdiction shall govern such matters.

(i) Jurisdiction. Any action, suit or proceeding arising out of or relating to this Agreement may be instituted in any state or federal court sitting in the Commonwealth of Virginia (assuming such court has jurisdiction), at the option of the Board, and the Depository waives any objection it may have to such venue and irrevocably submits to the jurisdiction of such courts in any such action, suit or proceeding. Nothing herein shall affect the right of the Board to proceed in any other court having jurisdiction over the Depository.

(j) Waiver of Jury Trial. To the extent permitted by law, the Depository waives any right it may have to a trial by jury in any action or proceeding to enforce or collect any of the Secured Obligations or to exercise any of the Board's rights and remedies hereunder or at law, whether such action or proceeding is instituted by the Board, the Depository, the Custodian or any other Person.

(k) Headings. The headings of the sections and subsections hereof are provided for convenience only and shall not in any way affect the meaning or construction of any provision of this Agreement.

(l) Severability. If any provision of this Agreement is determined to be illegal, invalid or unenforceable, such provision shall be fully severable and the remaining provisions shall remain in full force and effect and shall be construed without giving effect to the illegal, invalid or unenforceable provisions.

(m) Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be an original, but all of which shall constitute one and the same instrument.

**PUBLIC DEPOSIT SECURITY AGREEMENT**

IN WITNESS WHEREOF, the parties hereto have by their duly authorized representatives executed this Agreement under seal as of the date first above written.

**TREASURY BOARD OF THE COMMONWEALTH OF VIRGINIA**

BY: \_\_\_\_\_  
Authorized Officer Date

Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**DEPOSITORY**

\_\_\_\_\_ (SEAL) \_\_\_\_\_  
(Name of Institution) Date

BY: \_\_\_\_\_  
Authorized Officer Attest: \_\_\_\_\_

Name: \_\_\_\_\_ Name: \_\_\_\_\_  
Title: \_\_\_\_\_ Title: \_\_\_\_\_

The undersigned Custodian joins in this Agreement under seal to acknowledge that the Depository named herein has established the Collateral Account identified herein, which shall be maintained in accordance with this Agreement and the Custodial Agreement.

**CUSTODIAN**

\_\_\_\_\_ (SEAL) \_\_\_\_\_  
(Name of Institution) Date

BY: \_\_\_\_\_  
Authorized Officer Attest: \_\_\_\_\_

Name: \_\_\_\_\_ Name: \_\_\_\_\_  
Title: \_\_\_\_\_ Title: \_\_\_\_\_

PUBLIC DEPOSIT SECURITY AGREEMENT

**EXHIBIT A**

**Collateral Account**

Custodian:\_\_\_\_\_

Collateral Account:\_\_\_\_\_

PUBLIC DEPOSIT SECURITY AGREEMENT

**EXHIBIT B**

**Minutes of Board of Directors or Loan Committee**



PUBLIC DEPOSIT SECURITY AGREEMENT  
NOTIFICATION OF ADDRESS  
(DEPOSITORY)

Office address:

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Mailing address:

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Telephone number:

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Email address:        Provided on security access form