

**STATE OF ALABAMA
SAFE PROGRAM**

CONTINGENT LIABILITY AGREEMENT

Purpose. The purpose of this agreement is to secure public deposits pursuant to the Security for Alabama Funds Enhancement Act, Sections 41-14A-1, et seq., Code of Alabama 1975, as amended (hereinafter the “SAFE Act”) and any and all rules and regulations promulgated by the Board to implement the SAFE Act (the “SAFE Rules”), the SAFE Act and the SAFE Rules being referred to hereinafter as the “SAFE Program.”

Definitions. Terms used herein shall have the definitions given them in Section 41-14A-2, Code of Alabama 1975, as amended, and any applicable SAFE Rules.

Parties. The parties (hereinafter “Parties”) to this agreement (hereinafter “Agreement”) are the State Treasurer (hereinafter “Treasurer”), and _____ of _____, Alabama (hereinafter “Depository”).

Depository represents that it is a bank or savings institution organized and existing under the laws of the state of Alabama, any other state of the United States, or the United States. Depository represents that it is authorized pursuant to the laws of this state or the United States to conduct, and is conducting, the business of making loans and taking deposits in this state. Depository represents that it has deposit insurance under the provisions of the Federal Deposit Insurance Act, 12 U.S.C. §§ 1811 et seq.

NOW, THEREFORE, THIS AGREEMENT WITNESSETH:

(1) Depository guarantees all Public Depositors against loss caused by the default or insolvency of any and all other Qualified Public Depositories of the SAFE Program.

(2) Depository, in case of a Default or Insolvency, agrees to be bound by the procedures for payment of losses on behalf of the Loss Payment Fund and procedures promulgated by the SAFE Board of Directors. Depository also agrees to be bound by and to perform in strict accordance with the terms and provisions of all Collateral Agreements executed by Depository and its designated Custodian (hereinafter the “Collateral Agreement,” whether one or more) and, if applicable, the Federal Home Loan Bank Letters of Credit Application For Approval and Agreement Governing Use (the “LC Application and Agreement”) executed by Depository in conjunction with the use of Federal Home Loan Bank letters of credit (“FHLB L/Cs”) in connection with the satisfaction of Depository’s Collateral-Pledging Requirement.

(3) Depository acknowledges that it is responsible for determining what accounts are Public Deposits, for correctly identifying Public Deposits on its records, and for properly reporting and collateralizing such accounts in compliance with the SAFE Program.

(4) Depository acknowledges that it is responsible at all times for having pledged to the Treasurer (or, in the case of FHLB L/Cs, issued to the Treasurer) the Depository’s Required Collateral to secure Public Deposits held and hereby agrees to enter the Collateral Agreement to provide the Treasurer with a perfected security interest in all securities used as collateral and to recognize the Treasurer’s rights in and to all funds received by the Treasurer or the Treasurer’s designated custodian from drawings on FHLB L/Cs issued for the account of the Depository.

(5) Depository certifies that all collateral used to meet the Depository’s Required Collateral (other than FHLB L/Cs, if applicable, which will be issued to the Treasurer as sole beneficiary and therefore will be owned by the Treasurer) will be the property of the Depository free of any and all encumbrances and that the Treasurer shall possess a perfected security interest in such collateral for as long as it may be required.

(6) Depository agrees to comply with all the reporting requirements promulgated by the SAFE Board of Directors.

(7) Depository agrees that under conditions resulting from mergers, consolidations, sales of assets, and similar transactions involving the Depository, this Agreement will succeed and be assumed by the resulting Depository for sixty (60) days until new agreements can be executed, as provided in the SAFE Rules.

(8) The Depository agrees that this Agreement will remain in effect for a period of twelve (12) months following voluntary or involuntary withdrawal from the SAFE Program and then be considered expired.

(9) The Depository agrees that any information or forms submitted by electronic data pursuant to the SAFE Program shall have the same enforceability as a signed writing.

(10) The Treasurer agrees that any information submitted by a Depository under the SAFE Program, if made confidential by any law of the United States or of this state and if the SAFE Board of Directors is notified by the Depository of such confidentiality, shall be considered confidential and exempt from the provisions of Section 36-12-40, as amended, and not subject to dissemination to anyone other than the SAFE Board of Directors and the Treasurer.

(11) This signed Agreement shall remain in effect until replaced with an updated agreement or until the Depository's contingent liability in the SAFE Program expires.

(12) This Agreement shall be accompanied by a certified resolution of the Depository's Board of Directors (on the appropriate form of Certification of Adoption of Directors' Resolution specified in the SAFE Rules) verifying the Board's authorization, approval and adoption of the terms and conditions of this Agreement, the Collateral Agreement(s) and the LC Application and Agreement, if applicable. This Agreement, the Collateral Agreement and the LC Application and Agreement, if applicable, shall become a part of the official record of the Depository.

(13) This Agreement shall be accompanied by (1) an Authorized Representative(s) and Signature Certification, and (2) Collateral Agreement(s). The Certification and Collateral Agreement(s) shall remain in effect until replaced with updated documents.

(14) The Depository shall provide the Treasurer with certified notice of any changes in organizational structure affecting this agreement.

(15) All notices and communications provided hereunder shall be in writing addressed as follows:

(1) If to the Treasurer:
SAFE Division
Office of State Treasurer
P.O. Box 302510
Montgomery, AL 36130-2510
Phone: (334) 242-7508
E-mail: safe.treasury@treasury.alabama.gov

(2) If to the Depository:

IN WITNESS WHEREOF, the parties hereto have executed this Agreement under seal as of the date written below. This Agreement becomes effective when approved and signed by the Treasurer.

Acknowledged and Agreed to:

Signature Guarantee or Attest by an Authorized Officer:

(Seal) _____
Name of Depository

By: _____
Signature of Authorized Officer

Printed Name: _____

Title: _____

Date: _____

Depository Tax ID: _____

Depository Charter Date: _____

Depository FDIC Certificate Number: _____

Acknowledged and Agreed to:

(Seal) State Treasurer
State of Alabama

By: _____
Signature of State Treasurer

Printed Name: _____

Date: _____