



**STATE OF CONNECTICUT
OFFICE OF THE STATE TREASURER**

**Community Bank and Credit Union Initiative
Bank Investment Agreement**

This Agreement (this "Agreement") is effective as of the day of _____, 20__ (the "Commencement Date") between (the "Bank") and the State of Connecticut, acting through the Treasurer of the State of Connecticut (the "Depositor").

WHEREAS, the Depositor may purchase, from time to time, Certificates of Deposit from the Bank and make, from time to time, "public deposits" (as such term is defined in Conn. Gen. Stat. 1-36(a)-330(4)) in the Bank (collectively, the "Investments"), in each case from the Bank pursuant to terms specified in trade confirmation documents; and whereas, this Agreement sets forth certain terms and conditions that shall exist between the Bank and the Depositor in connection with the Investments; and whereas, the terms and conditions of this Agreement shall remain in effect during the terms of the Investments; and

NOW THEREFORE, in consideration for the purchase and making of the Investments, and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Bank and the Depositor agree as follows:

1. In addition to the terms and conditions set forth in that certain Security Agreement – Eligible Collateral between the Bank and the Depositor dated [_____, 20__] (the "Security Agreement") as may be amended, replaced or superseded from time to time and the Confirmation of Trade delivered by the Bank in connection with the Investment, the Bank hereby agrees that if the Bank shall fail to satisfy any of the criteria for classification as a "well capitalized" bank pursuant to applicable federal and state regulatory law, at any time during the term of the Investment, then the Bank shall, at its option, either (i) segregate sufficient Eligible Collateral (as hereinafter defined) to cover one hundred percent (100%) of the principal amount of the Investment plus interest in an account for the benefit of the Depositor until such time as the Investment has matured or otherwise been redeemed by the Bank or (ii) redeem the principal amount of the Investment plus all interest accrued thereon. Such Eligible Collateral shall be pledged by the Bank to the Depositor pursuant to a security agreement and other collateral documents in form and substance satisfactory to the Depositor and shall be in addition to any and all collateral delivered pursuant to the Security Agreement. For purposes of this Agreement, the term "Eligible Collateral" shall have the same meaning ascribed to such term under the Protection of Public Deposits Act, Conn. Gen. Stat. 36a-330, et seq. (the "Act").

2. All Eligible Collateral required under Section 1 of this Agreement shall be transferred to and maintained with the Federal Reserve Bank, the federal home loan bank or the trust department of any financial institution permitted by and in accordance with Conn. Gen. Stat. § 36a-333(b) and the provisions of the Security Agreement.

3. The Bank hereby agrees to execute any and all documents reasonably required by the Depositor to effectuate and/or further the terms, conditions and intent of this Agreement, including, without limitation, the execution of any security agreement that may be required by the Depositor under Section 1 hereof.

4. The Bank represents and warrants that the Bank has full power and authority to enter into and perform fully the terms of this Agreement and that the execution of this Agreement by the Signatory of the Bank on behalf of the Bank is duly authorized and, upon execution and delivery, this Agreement shall be binding upon the Bank in accordance with its terms.

5. In lieu of furnishing Eligible Collateral required by Section 1 of this Agreement, all or any portion of the principal amount of the Investments plus accrued interest may be secured by (i) a private insurance policy issued by a AAA-rated insurance company to the extent permitted by Conn. Gen. Stat. § 36a-337(b) and/or (ii) an irrevocable letter of credit issued by a federal home loan bank meeting the requirements of § 36a-337(c), in each case subject to the approval of the Depositor.

6. This Agreement shall be governed by and construed in accordance with the laws of the State of Connecticut and the laws of the United States of America, including but not limited to the Act, and it supersedes any and all prior agreements, arrangements or understandings with respect to the subject matter hereof. In the event that any conflict of law issue(s) should arise in the interpretation of this Agreement, the parties agree that when Connecticut law is not pre-empted by laws of the United States, Connecticut law shall govern.

7. The obligations of the Bank under this Agreement, including its obligation to furnish Eligible Collateral hereunder, shall be in addition to its obligations under the Security Agreement.

8. No provision of this Agreement may be waived except by a writing signed by the party to be bound thereby and any waiver of any nature shall not be construed to act as a waiver of subsequent acts.

9. In the event that any provision or clause of this Agreement conflicts with applicable law, such conflict shall not affect other provisions of this Agreement, which shall be given effect without the conflicting provision. To this end the provisions of this Agreement are declared to be severable.

10. Unless applicable law requires a different method, any notice that must be given under this Agreement shall be given in writing and sent by certified mail, return receipt requested or third party overnight priority mail carrier to the address set forth herein or such other place as may be designated by written notice in the same manner from one party to the other.

11. The Depositor certifies that its correct taxpayer identification number is 06-6000798, and that the State of Connecticut is not subject to backup withholding.

12. Exhibit A specifies the representatives of the Depositor who are authorized to approve transactions and provide directions to the Bank with respect to the investment, purchase, sale, maturity, redemption or other disposition of the Investments. All proceeds must be wired to the State of Connecticut. Wire instructions are listed in Exhibit B.

13. This Agreement may be executed in any number of counterparts, each of which shall be an original, but which, shall constitute one and the same instrument.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have hereunto executed this Agreement, which shall become effective as of the Commencement Date shown above.

BANK: _____

By Bank's Signatory: _____

Name: _____

Title: _____

Date: _____

DEPOSITOR: State of Connecticut, Acting Through Its

Treasurer

By: _____

Name: _____

Title: _____

Date: _____

EXHIBIT A

[DEPOSITOR REPRESENTATIVES]

EXHIBIT B

[WIRE INFORMATION]