

**SECURITY AGREEMENT WITH RESOLUTION
(Clerk of Superior Court Accounts)**

INSTRUCTIONS: Form AOC-FS-911M consists of two documents: "Depository Resolution" found on Side One, and "Security Agreement" found on Side Two. The Clerk of Superior Court is to execute the Security Agreement, (Side Two) and forward the entire form to the Depository for execution. The Depository should execute both documents on the form after the resolutions have been acted upon by either the Board of Directors or the established Loan Committee. The Depository Resolution (Side One) should be signed by the Secretary or Assistant Secretary. The Security Agreement (Side Two) should be signed by either the Chairman, President, Treasurer, or any Vice-President. The Security Agreement should be dated concurrently with the Depository Resolution, or some later date, but not prior to. The documents are to be executed in duplicate, with each party being provided a copy after final execution. Also, for each commercial escrow agent used, an "Escrow Agent Agreement" (Form AOC-FS-912M) is required to be executed in triplicate. (Securities deposited with a Federal Reserve Bank or branch thereof should be deposited under Circular 16 of the Federal Reserve Banks in the name of the Clerk. Securities pledged with the Federal Home Loan Bank or a branch thereof should be deposited pursuant to the standard form "Pledge Agreement" between the Federal Home Loan Bank and the depository institution, and the Clerk should receive the Federal Home Loan Bank's standard advice of the pledge, as evidence of the deposit.)

DEPOSITORY RESOLUTION

I, the undersigned, hereby certify to the Clerk of Superior Court of _____ County, (the "Clerk"), whose uninsured deposited are required to be collateralized by the N.C.G.S. 7A-112 and 7A-112.1, that i am the Secretary (Assistant Secretary) of _____, (the "Depository"), a banking or other type of financial institution in North Carolina, that the following is a true copy of resolutions duly adopted by either the Board of Directors of the Depository, or the duly established Loan Committee of the Depository, at meeting duly held on the _____ day of _____, _____, at which a quorum was present, and that such resolutions have not been rescinded or modified.

WHEREAS, the Policy Statement of the Federal Deposit Insurance Corporation dated March 23, 1993, specifies that all security agreements pertaining to public deposits be approved by either the financial institution's board of directors or loan committee; now, therefore, be it:

RESOLVED, that the Chairman, President, Treasurer, or any Vice-President of the Depository is hereby authorized and directed to execute and deliver to the Clerk the Security Agreement contained herewith; and be it:

FURTHER RESOLVED, that the Chairman, President, Treasurer, or any Vice-President is hereby authorized to act as agent of the Depository under said Agreement, including but not limited to the execution of any required agreements with escrow agents; and be it

FURTHER RESOLVED, that the foregoing resolutions shall remain in full force and effect until written notice of their amendment or rescission shall have been received by the Clerk, and that receipt of such notice shall not affect any action taken by the Clerk; or affect the security of any deposits which may be or may have been or deposit with the Depository; and be it

FURTHER RESOLVED, that the Secretary or Assistant Secretary is authorized and directed to certify to the Clerk that the foregoing resolutions were duly adopted, and that the provisions ;thereof are in conformity with the Charter, Articles of Incorporation, and By-Laws of the Depository, and that there is no provision in either, or any other authorizing document, limiting the power of the Board of Directors or established Loan committee to pass the foregoing resolutions.

IN WITNESS WHEREOF, I have hereunto subscribed my name and affixed the seal of the Depository.

This the _____ day of _____, _____
Secretary (Assistant Secretary)

SEAL

Duplicate Originals-Clerk, Depository Financial Services
(Over)

SECURITY AGREEMENT

This Agreement made and executed this the _____ day of _____, _____ by and between _____ (the "Depository"), a duly organized banking or other type of financial institution in the State of North Carolina, and _____ in his her capacity as Clerk of Superior Court of _____ County ("the Clerk"), whose funds are required to be collateralized in accordance with N.C.G.S. 7A-112.1.

WHEREAS, the Depository desires to be and remain an official depository of public funds deposited by the Clerk; and

WHEREAS, the Depository is required by N.C.G.S. 7A-112 and 7A-112.1 to collateralize the uninsured public deposits of the Clerk; and

WHEREAS, each party desires to be in compliance with the Federal Deposit Insurance Corporation's Policy Statement dated March 23, 1993, regarding the _____ of public deposits:

NOW THEREFORE: it is mutually agreed between the parties as follows:

1. Subject to N.C.G.S. 7A-112.

All uninsured deposits shall be collateralized in accordance with N.C.G.S. 7A-112.

2. Security Interest.

The Depository hereby pledges and grants in favor of the Clerk a lien and continuing security interest in any securities pledged to the Clerk from time of time, all interest, dividends, distributions and sums distributed or payable therefrom, all other rights and privileges incident to such securities, and all proceeds and profits of any of the foregoing ("Collateral") as collateral security for all deposits maintained from time to time by the Clerk with Depository. The Depository shall take all necessary steps to perfect this security interest pursuant to the North Carolina Uniform Commercial Code.

3. Pledging Eligible Securities.

The Depository agrees to deposit the required Collateral at all times with the Clerk or with an eligible third-party escrow agent (a Federal Reserve Bank or Federal Home Loan Bank or a branch thereof, or a national state-chartered bank that is not owned or controlled by, or under the direction of, the depository and that has authority to conduct a trust business).

4. Release or Substitution of Securities.

The Depository shall have the right at any time to seek approval of the Clerk to substitute Collateral of equal or greater value and of eligible types. The Depository shall provide the Clerk with a statement of the respective values of the Collateral to be replaced and the Collateral to be substituted. No Collateral, except for normal income and principal distributions (not including proceedings of maturities), may be released and/or substituted without the prior written approval of the Clerk.

5. Depository Representations.

The Depository represents and warrants to the Clerk that it is the owner of the Collateral and that such Collateral is and will remain free and clear of any and all security interest, liens and claims of any other person, except for the security interest granted hereunder to the Clerk. The Depository shall be deemed to repeat such representation with respect to Collateral delivered in addition to or in substitution of then-existing Collateral. The Clerk's sole obligation to the Depository with respect to Collateral is to return or cause the return of the collateral to the Depository at the termination, and full performance by the Depository of, its obligations with the respect to all deposits of the Clerk secured hereunder.

6. Approval by Board or Loan Committee of the Depository.

The Depository represents that it is duly authorized, by resolution of the Board of Directors or the Loan Committee of the Depository, and has full right, power and authority, to execute this Agreement, and to pledge and grant a security interest with respect to the Collateral. The Depository has furnished a certified copy of the authorizing resolution, contained herewith.

7. Continuously Maintain Agreement as Official Record.

The Depository further agrees that it will immediately upon execution keep and continuously maintain, as part of its official records, an executed copy of this Agreement, and such other customary writings and records sufficient to identify those securities which have been pledged to the Clerk.

8. Rights Upon Default

In the event of any failure of the depository to fulfill its statutory duties to honor timely requests for withdrawals (an "event of default"), the Clerk shall have all the rights and remedies of a secured party under the North Carolina Uniform Commercial Code with respect to the Collateral, including without limitation the right upon default to collect, liquidate, sell or dispose of the same and apply the proceeds thereof (after deducting therefrom all costs and expenses relating to such collection, liquidation, sale or disposition), to the payment of any deposit arising out of or as a result of the default of the Depository, with the Depository to remain liable for any deficiency, and with the Depository being entitled to any surplus which may result.

9. Successors and Assigns.

This Agreement is continuing and binding upon the Depository, its successors and assigns, and shall inure to the benefit of the Clerk, and his her successors and assigns.

ACCEPTED:

(Depository)

(Clerk of Superior Court)

By: _____
(Signature)

(Signature)

Title: _____

Title: _____

Duplicate Originals-Clerk, Depository Copy-AOC Controller