

CITY OF SARARTOGS SPRINGS
GENERAL CUSTODY AGREEMENT

THIS AGREEMENT, made and executed this _____ day of _____, 201~~32~~ between The City of Saratoga Springs, located in the County of Saratoga, State of New York ("City") and "SAMPLE BANK" having offices at "ADDRESS" ("Custodian").

WITNESSETH

WHEREAS, The City desires to establish one or more custodial accounts for the safekeeping of securities and cash balances.

WHEREAS, the City has appointed the Custodian to act as its custodian in accordance with the terms and conditions of this Agreement;

WHEREAS, the Custodian is desirous of performing such custodial functions and agrees to provide safekeeping services and to hold such securities and cash balances in one or more custodial accounts and time or demand deposit accounts, respectively, established for the benefit of The City;

NOW, THEREFORE, in consideration of the mutual promises set forth hereafter, the parties hereto agree as follows:

1) Appointment of Custodian

- a) The City hereby appoints the Custodian as custodian of all securities, cash, instruments, and other intangible assets at any time delivered to, or collected by, the Custodian for safekeeping and for credit to the Account as hereinafter defined. The Custodian hereby accepts appointment as such Custodian and agrees to establish and maintain the Account. The Custodian agrees that all non-cash property in the Account will be kept separate and apart from the Custodian's general assets and will not in any circumstances be commingled with or become part of the backing for deposit liabilities.
- b) The Custodian shall only effect the transfer of securities to or from the Account upon proper Written Instructions or Oral Instructions received from the City. In the event that the City instructs any securities in the Account be sold or presented for redemption or payment, the Custodian shall transfer or deliver such securities only against the simultaneous credit to the Account of immediately available funds on the same Business Day in an amount equal to the sale, redemption or payment price. In the event the City instructs the Custodian to purchase securities, the Custodian will charge the Account upon the simultaneous delivery of the purchased securities on the same Business Day.

2) The Account

- a) Securities delivered to the Custodian for deposit in the Account may be in the form of credits to the accounts of the Custodian at the Book Entry System or a Depository or by

delivery to the Custodian of physical certificates. The City hereby authorizes the Custodian on a continuous and ongoing basis to deposit in the Book Entry System and/or the Depositories all securities that may be deposited therein and to utilize the Book Entry System and/or Depositories and the receipt and delivery of physical securities or any combination thereof in connection with its performance hereunder. Securities credited to the Account and deposited in the Book Entry System or Depositories will be represented in accounts of the Custodian that include only assets held by the Custodian for customers, including but not limited to accounts in which the Custodian acts in a fiduciary, agency or representative capacity. With regard to all securities in the Account held in the Book Entry System or Depositories, the Custodian shall mark its book and records to show that such securities belong to the City. Securities that are not held in the Book Entry System or Depositories and other non-cash property will be held in the Custodian's vault and physically segregated from securities and other non-cash property belonging to the Custodian.

- b) The Custodian shall provide the City with a written confirmation on each Business Day on which securities are transferred to and from the Account. Such confirmation shall identify the specific securities subject to the confirmation. The Custodian shall also provide the City with a monthly statement identifying all securities in the Account as of the date of such statement and all transactions in the Account for the month.
- c) The Account shall not be subject to any security interest, lien or any right of set-off by or against the Custodian.
- d) With respect to all securities held in the Account, the Custodian by itself, or through the use of the Book Entry System or the appropriate Depository, shall, unless otherwise instructed to the contrary by the City: (i) collect all income and other payments reflecting interest and principal on securities in the Account and credit such amounts to the Account of the City; (ii) credit all proceeds received from sales and redemption's of securities to the Account; and (iii) present securities (including coupons) for payment upon maturity, when called for redemption and when income payments are due.

3) Representation and Warranties

- a) Representations of the Custodian. The Custodian represents and warrants that:
 - i) It is a bank or trust company located and authorized to do business in the State of New York; and
 - ii) All acts, conditions and things required to exist, happen or to be performed on its part precedent to and in the execution and delivery of this Agreement exist or have happened or have been performed.
- b) Representations of the City. The City hereby represents and warrants that:
 - i) this Agreement has been legally and validly entered into, does not and will not violate any statute or regulation applicable to it and is enforceable against the City in accordance with its terms;
 - ii) the appointment of the Custodian has been duly authorized and no other corporate action is required; and

iii) All acts, conditions and things required to exist, happen or to be performed on its part precedent to and in the execution and delivery of this Agreement exist or have happened or have been performed.

4) Concerning the Custodian

- a) The Custodian shall not be liable for any loss or damage, including counsel fees, resulting from its action or omission to act or otherwise, except for any loss, damage, claim or expense arising out of its own negligence or willful misconduct, and shall have no obligation hereunder for any loss or damage, including counsel fees, which are sustained or incurred by reason of any action or inaction by the Book Entry System or Depository; provided, however, the Custodian shall be absolutely liable for any loss occasioned by the acts of its nominee with respect to securities held in the Account. The Custodian may, with respect to questions of law, apply for and obtain the advice and opinion of competent counsel and shall be fully protected with respect to anything done or omitted by the Custodian in good faith and conformity with such advice or opinion. The City agrees, jointly and severally, to indemnify the Custodian and to hold it harmless against any and all costs, expenses, damages, liabilities or claims, including reasonable fees and expenses of counsel, which the Custodian may sustain or incur or which may be asserted against the Custodian by reason of or as a result of any action taken or omitted by the Custodian in connection with operating under this Agreement, except those costs, expenses, damages, liabilities or claims arising out of the negligence or willful misconduct of the Custodian or any of its employees or duly appointed agencies. This indemnity shall be a continuing obligation of the City notwithstanding the termination of this Agreement.
- b) The Custodian shall not be responsible for, or considered to be the Custodian of, any security received by it for deposit in the Account until the Custodian actually receives and collects such security directly or by the final crediting of the Custodian's account on the books of the Book Entry System or the appropriate Depository. The Custodian will be entitled to reverse any credits made on the City's behalf where such credits have been previously made and the securities are not finally collected.
- c) The City shall pay to the Custodian such fees as may be agreed upon from time to time.
- d) The Custodian shall have no duties or responsibilities whatsoever except such duties and responsibilities as are specifically set forth in this Agreement and no covenant or obligation shall be implied against the Custodian in connection with this Agreement.
- e) The City's authorized representative, upon reasonable notice, shall have access to the Custodian's books and records maintained with respect to the City's interest in the Account during the Custodian's normal business hours. Upon the reasonable request of the City, the Custodian shall provide copies of any such books and records to the City or the City's authorized representative at the City's expense.

5. Termination

This Agreement may be terminated by either party by giving to the other party a notice in writing specifying the date of such termination, which shall be not less than 30 days after the date of giving such notice. Upon termination hereof, the City shall pay to the

Custodian such compensation as may be due to the Custodian as of the date of such termination and the Custodian shall follow such reasonable written instructions of the City concerning the transfer of custody of securities, and other property in the Account. Upon the date set forth in the termination notice, this Agreement shall terminate except as otherwise provided herein and all obligations of the parties to each other hereunder shall cease.

6. Miscellaneous

- a) The City agrees to furnish to the Custodian a new Certificate in the event that any present Authorized Person ceases to be an Authorized Person or in the event that any other Authorized Persons are appointed and authorized. Until such new Certificate is received, the Custodian shall be fully protected in acting upon Oral Instructions or Written Instructions or signatures of the present Authorized Persons.
- b) Any Written Instructions or other instrument in writing authorized or required by this Agreement shall be given to the Custodian and shall be sufficiently given if sent to the Custodian by regular mail to its Offices at or at such other place as the Custodian may from time to time designate in writing.
- c) Any notice or other instrument in writing, authorized or required by this Agreement to be given to the City shall be sufficiently given if sent to the City by regular mail to its Offices at or at such other Offices as the City may from time to time designate in writing.
- d) In case any provision in or obligation, under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and unenforceability of the remaining provisions or obligations shall not in any way be affected or impaired thereby and if any provision is inapplicable to any person or circumstances, it shall nevertheless remain applicable to all other persons and circumstances.
- e) This Agreement may not be amended or modified in any manner except by written agreement executed by all of the parties hereto.
- f) This Agreement shall extend to and be binding upon the parties hereto, and their respective successors and assigns; provided, however, that this Agreement shall not be assignable by any party without the written consent of the other parties.
- g) This Agreement shall be construed in accordance with the laws of the State of New York without regard to conflict of law principles thereof.

7. Definitions

Whenever used in this Agreement the following terms shall have the following meanings:

- a) "Account" shall mean one or more custodial accounts or demand or time deposit accounts maintained by the Custodian in the name of and for the benefit of the City in accordance with this Agreement.
- b) "Authorized Person" shall be any officer of the City or Bank, as the case may be, duly authorized to give oral or written instructions on behalf of the City or Bank, such persons to be designated in a Certificate substantially in the form of Exhibit "A" attached hereto, as such Exhibit may be amended from time to time.

- c) "Book Entry System" shall mean the Federal Reserve/Treasury Book Entry System for receiving and delivering government securities.
- d) "Business Day" shall mean any day on which the Custodian and the Bank are open for business and on which the Book Entry System and/or the Depositories are open for business.
- e) "Certificate" shall mean the Certificate attached hereto as Exhibit "A".
- f) "Depository" shall include the Depository Trust Company, the Participants Trust Company and other securities depositories and clearing agencies (and their successors and nominees) registered with the Securities and Exchange Commission or otherwise regulated by appropriate federal or state agencies as a securities depository or clearing agency.
- g) "Oral instructions" shall mean verbal instructions actually received by the Custodian from an Authorized Person or from a person reasonably believed by the Custodian to be an Authorized Person.
- h) "Written instructions" shall mean written communications actually received by the Bank or the Custodian from an Authorized Person or from a person reasonably believed by the Bank or the Custodian to be an Authorized Person by a computer, telex, telecopier or any other system whereby the receiver of such communications is able to verify by codes or otherwise with a reasonable degree of certainty the identity of the sender of such communication.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their respective officers thereunto duly authorized and their respective seals to be hereunto affixed, as of the day and year first above written.

By City of Saratoga Springs:

Commissioner of Finance

Date

By The Sample Bank:

Name First and Last,

Title

Date

| Updated ~~August 7, 2012~~June 18, 2013

EXHIBIT A
CERTIFICATE OF AUTHORIZED PERSONS
CITY OF SARATOGA SPRINGS CUSTODY AGREEMENT

CITY

Commissioner of Finance

Deputy Commissioner of Finance

Director of Finance

BANK

Title

Name