

MINUTES of the Regular Meeting of the City
Council of the City of Rye held in City Hall on April
17, 1996 at 8:00 P.M.

PRESENT:

EDWARD B. DUNN, Mayor
JAMES K. BURKE
EDWARD J. COLLINS
CAROLYN C. CUNNINGHAM
ROBERT H. HUTCHINGS
JOSEPH L. LATWIN
KATHLEEN E. WALSH
Councilmen

ABSENT: NONE

1. Roll Call

Mayor Dunn called the meeting to order; a quorum was present to conduct official City business.

2. Old Business

There was no old business to be discussed.

3. Residents may be heard who have matters to discuss that do not appear on the agenda

There were no residents who wished to be heard at this time.

4. Approval of the election of the Fire Chief, 1st Assistant Fire Chief, and 2nd Assistant Fire Chief

Councilman Latwin made a motion, seconded by Councilwoman Walsh, to approve the election of the following to offices in the Rye Fire Department:

Chief:	Vincent Ballantoni, Poningoe Engine & Hose Co.
1st Assistant:	Ronald Angiello, Poningoe Hook & Ladder Co.
2nd Assistant:	Walter Roode, Milton Point Engine & Hose Co.

ROLL CALL:

AYES: Mayor Dunn, Councilmen Burke, Collins, Cunningham,
Latwin, Hutchings, and Walsh

NAYS: None

ABSENT: None

The motion carried.

Mayor Dunn congratulated the new fire chiefs and wished them well. The Mayor also recognized and congratulated the new Company officers.

At this point in the meeting, Mayor Dunn acknowledged former Councilwoman Rosamond Larr who was in attendance.

5. Presentation of Distinguished Service Awards to the outgoing Fire Chief and Wardens

Mayor Dunn presented Distinguished Service Awards to former Fire Chief Peter Cotter and Mr. William McColl. The Mayor thanked them for their dedication and service to the community.

6. Resolution proclaiming April 26, 1996, as Arbor Day in the City of Rye

Councilwoman Cunningham made a motion, seconded by Councilman Hutchings and unanimously carried, to approve the following resolution:

WHEREAS, Arbor Day is now observed throughout the nation and the world, and

WHEREAS, trees can reduce the soil erosion, moderate the temperature, clean the air, produce oxygen and provide habitat for wildlife, and

WHEREAS, trees in our city increase property values, enhance the economic vitality of business areas, and beautify our community, and

WHEREAS, trees are a source of joy and spiritual renewal, and

WHEREAS, the City of Rye has been recognized as a Tree City USA by the National Arbor Day Foundation and desires to continue its tree-planting ways,

NOW, THEREFORE, I, Edward B. Dunn, Mayor of the City of Rye, do hereby proclaim
April 26, 1996 as

ARBOR DAY

in the City of Rye, and I urge all citizens to support efforts to care for our trees and woodlands and to support our city's community forestry program, and

FURTHER, I urge all citizens to plant trees to gladden the hearts and promote the well-being of present and future generations.

DATED this twenty-sixth day of April.

Edward B. Dunn
Mayor

7. Discussion of RCTV channel lineup with regard to *Eye on Rye*

Mayor Dunn acknowledged the April 3, 1996 memo from Mr. Jim Kenny on *Eye on Rye* playback.

Councilman Hutchings explained that there is a great deal of interest in putting *Eye on Rye*, and perhaps a weekly newscast, on cable Channel 14. Councilman Hutchings said that Mr. John Gregg, chairman of RCTV, informed him that the commission's survey and the community's reaction indicate that the bulletin board on Channel 14 is very popular. Therefore, the commission is reluctant to having live or taped activity on that channel. However, after the Initiative on Excellence Committee assesses what Larchmont, Mamaorneck, and White Plains do for government communication and new activity, a report will be submitted to the Council. Mr. Gregg expressed the opinion that it would be beneficial to wait for this report to determine if using Channel 14 for *Eye on Rye* is appropriate.

Mayor Dunn expressed frustration over the lack of progress on this issue. He supported proceeding with communication to the public on Channel 14.

Councilwoman Cunningham suggested that the Council delay action on this matter until the committee provides its findings on the excellence initiative. She strongly supported having representatives from RCTV come to the Council meeting to report their position before acting in contradiction to their suggestion.

Since Channel 15 is used primarily by the school district, both Councilmen Collins and Burke preferred using Channel 14 for community broadcasting.

Councilman Latwin said that Channel 14 is a "scroll" channel that could be used on an interim basis for public communication. A decision can be made when Channel 16 comes on-line.

Councilman Hutchings told the Council that there is an acceleration of information for the community. There are approximately 20 subjects lined up for *Eye on Rye* which would hopefully generate a 15 minute show each week. However, the issue under discussion at this meeting is whether channel 14 or 15 will be utilized as the public communication channel.

Councilman Collins made a motion, seconded by Councilman Latwin, to approve the following resolution:

RESOLVED, that the City Council of the City of Rye hereby designates Channel 14 as the channel to air *Eye on Rye*.

ROLL CALL:

AYES: Mayor Dunn, Councilmen Burke, Collins,
Latwin, Hutchings, and Walsh

NAYS: Councilwoman Cunningham,

ABSENT: None

The resolution passed.

The Council agreed with Mayor Dunn's recommendation that the scheduling and frequency of the *Eye on Rye* program be the responsibility of RCTV.

8. Discussion of senior activities available to Rye residents

Ms. Sheila Dean, 64 Cedar Place, discussed establishing a community service department in Rye for the purpose of assisting senior citizens. As a home health care aide, she explained that it would be beneficial if there were a central agency which could dispense information to both home health care aides and citizens in need of such services.

Councilwoman Walsh expressed appreciation to Christopher Bradbury, assistant to the City Manager, for all the research he did on senior programs. Councilwoman Walsh summarized services offered by the Caregiver Resource Center available through the Westchester County Office for the Aging long-term Care Services Unit. This center is staffed by professional case managers who provide many services including referrals and resources for home care. Councilwoman Walsh expressed concern in Rye's duplicating services which are already available.

Additionally, Councilwoman Cunningham questioned whether Rye is equipped to establish a community service department. Councilwoman Cunningham also explained that Harrison does keep an informal list of home health care providers; no fees or formal references are provided.

Mr. Christopher Bradbury, assistant to the City Manager, told the Council that he spoke to Mrs. Patricia Patterson, Senior Citizen Coordinator, who suggested that Ms. Dean contact her and the Caregiver Resource Center.

In closing, Councilwoman Walsh thanked Ms. Dean for making the City Council aware of this issue.

9. Consideration of proposed local law amending Article III of Chapter 177 of the Rye City Code Senior Citizens' Exemption by amending Section 177-25 and Section 177-26

In response to an inquiry from Councilman Latwin regarding tax exemption application made by residents of cooperatives, Corporation Counsel Gardella explained that new state law provides for such applications and sets the terms of eligibility. Additionally, local entities are required by law to put a notice in all taxpayers' bills regarding the availability of this exemption. City Manager Culross explained that this exemption applies to all three taxes.

Councilman Latwin made a motion, seconded by Councilwoman Walsh and unanimously carried, to adopt the following resolution:

WHEREAS, a proposed local law entitled "A local law amending Article III of Chapter 177 of the Rye City Code Senior Citizens' Exemption by amending Section 177-25 and Section 177-26", of the Code of the City of Rye" has heretofore been introduced at this meeting and placed before the Mayor and each Council Member, and

WHEREAS, it is now desired to call a public hearing on such proposed local law, now, therefore, be it

RESOLVED, by the Council of the City of Rye as follows:

Section 1. Pursuant to Section 20 of the Municipal Home Rule Law and the Charter of the City of Rye, New York, a public hearing will be held by the Council of said City on May 1, 1996, at 8:00 P.M. at City Hall, Boston Post Road, in said city, for the purpose of affording interested persons an opportunity to be heard concerning such proposed law.

Section 2. Such notice of public hearing shall be in substantially the following form:

Notice of Public Hearing on Proposed Local Law
Amending Article III of Chapter 177 of the Rye City Code
Senior Citizens' Exemption
by amending Section 177-25
and Section 177-26

Notice is hereby given that a public hearing will be held by the Council of the City of Rye on the 1st day of May, 1996, at 8:00 P.M. at City Hall, Boston Post Road, in said City, at which time interested persons will be afforded an opportunity to be heard concerning the proposed local law entitled "A local law amending Article III of Chapter 177 of the Rye City Code Senior Citizens' Exemption by amending Section 177-25 and Section 177-26", of the Code of the City of Rye".

Copies of said proposed local law may be obtained from the office of the City Clerk.

City Clerk

Dated:

10. Review of the City's Investment Policy

City Manager Culross told the Council that he and the City Comptroller Michael Genito would be available to answer any questions regarding the Investment Policy. He explained that the proposed changes are purely cosmetic in nature.

Councilman Collins made a motion, seconded by Councilman Burke, to approve the adoption of the following Investment Policy for the City of Rye:

**CITY OF RYE
INVESTMENT POLICY**

I. SCOPE

This investment policy applies to all monies and other financial resources available to the City of Rye (City) for investment on its own behalf or on behalf of any other entity or individual.

II. OBJECTIVES

The primary objectives of the City's investment activities are, in priority order;

- to conform with all applicable federal, state and other legal requirements (legal);
- to adequately safeguard principal (safety);
- to provide sufficient liquidity to meet all operating requirements (liquidity); and
- to obtain a reasonable rate of return (yield).

III. DELEGATION OF AUTHORITY

In accordance with the City Charter, responsibility for administration of the investment program is delegated to the City Comptroller who shall establish written procedures for the operation of the investment program consistent with these investment guidelines. Such procedures shall include an adequate internal control structure to provide a satisfactory level of accountability based on a data base or records incorporating description and amounts of investments, transaction dates, and other relevant information, as well as, regulate the activities of subordinate employees.

IV. PRUDENCE

All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in the City of Rye to govern effectively.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal, as well as, the probable income to be derived.

All participants involved in the investment process shall refrain from personal business activity that could conflict with the proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

V. DIVERSIFICATION

It is the policy of the City of Rye to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling.

The following diversification limitations shall be imposed on the City's portfolio of deposits and investments:

Institution:

- No more than 25% of the overall portfolio may be deposited with or invested in the securities of a single issuer, except for the U.S. Treasury.

Instrument:

- No more than 50% of the portfolio may be invested in any one cooperative investment program.

Maturity:

- No more than 10% of the portfolio may have a maturity beyond twelve months, and the average maturity of the portfolio shall never exceed one year.
- At least 10% of the portfolio shall be invested in overnight instruments or marketable securities which can be sold to raise cash in one day's notice.

VI. INTERNAL CONTROLS

It is the policy of the City of Rye for all moneys collected by any officer or employee of the City to transfer those funds to the City Comptroller as soon as is practicable, but in any event within one business day of receipt, or within the time period specified in law, whichever is shorter.

The City Comptroller is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's authorization and recorded properly, and are managed in compliance with applicable laws and regulations.

VII. DESIGNATION OF DEPOSITORIES

The banks and trust companies authorized for the deposit of moneys are listed in Appendix A. The City Council shall review and approve this list at least annually.

VIII. COLLATERALIZING OF DEPOSITS

In accordance with the provisions of General Municipal Law (GML), § 10, all deposits of the City of Rye, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured by any one or combination of the following:

1. By a pledge of "eligible securities" with an aggregate "market value" as provided by GML § 10, equal to the aggregate amount of deposits from the categories designated in Appendix B to the policy; "eligible securities" must also meet the rating requirements of at least one nationally recognized statistical rating organization as listed in Appendix C.
2. By an eligible "irrevocable letter of credit" issued by a qualified bank, other than the bank with the deposits in favor of the City for a term not to exceed 90 days with an aggregate value equal to 105% of the aggregate amount of deposits and the agreed upon interest, if any. A qualified bank is one whose commercial paper and other unsecured short-term debt obligations meets the rating requirements of at least one nationally recognized statistical rating organization as listed in Appendix C.
3. By an eligible surety bond payable to the City for an amount at least equal to 100% of the aggregate amount of deposits and the agreed upon interest, if any, executed by an insurance company authorized to do business in New York State, whose claims - paying ability meets the rating requirements of at least two nationally recognized statistical rating organizations as listed in Appendix C.

IX. SAFEKEEPING AND COLLATERIALIZATION

Eligible securities used for collateralizing deposits shall be held by a bank or trust company other than the bank with the deposits in favor of the City, subject to security and custodial agreements satisfactory to the Corporate Counsel.

The security agreement shall provide that eligible securities are being pledged to secure City of Rye deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events which will enable the local government to exercise its rights against the pledged securities. In the event that the securities are not registered or inscribed in the name of the City of Rye, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the City of Rye or its custodial bank.

The custodial agreement shall provide that securities held by the bank or trust company, or agent of and custodian for, the City of Rye, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The agreement should also describe that the custodian shall confirm the receipt, substitution or release of the securities. The agreement shall provide for the frequency of revaluation of eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the local government with a perfected interest in the securities.

X. PERMITTED INVESTMENTS

As authorized by General Municipal Law, (GML) §11, the City of Rye authorizes the City Comptroller, to invest monies not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- Special time deposit accounts;
- Certificates of deposit;
- Obligations of the United States of America;
- Obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America;
- Obligations of the State of New York;
- Obligations issued pursuant to LFL §24.00 or 25.00 (with approval of the State Comptroller) by any municipality, school district or district corporation other than the City of Rye;
- Obligations of public authorities, public housing authorities, urban renewal agencies and industrial development agencies where the general State statutes governing such entities or whose specific enabling legislation authorizes such investments;
- Obligations of this local government, but only with any moneys in a reserve fund established pursuant to GML §6-c, 6-d, 6-e, 6-g, 6-h, 6-j, 6-k, 6-l, 6-m, or 6-n;

All investment obligations shall be payable, saleable or redeemable at the option of the City of Rye within such times as the proceeds will be needed to meet expenditures for purposes for which the monies were provided and, in the case of obligations purchased with the proceeds of bonds or notes, shall be payable, saleable or redeemable at the option of the City of Rye within the sooner of two years of the date of purchase or such times as the proceeds will be needed to

meet expenditures for the purposes for which the monies were provided, and all investments shall meet the rating requirements of one of the nationally recognized rating organizations as listed in Appendix C.

XI. AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The City of Rye shall maintain a list of financial institutions and dealers approved for the purchase and sale of investments (See Appendix D) and establish appropriate limits to the amount of investments which can be made with each financial institution or dealer. All financial institutions with which the local government conducts business must be creditworthy. Banks shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the City of Rye. Security dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers. The Comptroller is responsible for evaluating the financial position and maintaining a listing of proposed depositories, trading partners and custodians. Such listing shall be evaluated by the City Council, at least, annually.

XII. PURCHASE OF INVESTMENTS

The City Comptroller is authorized to contract for the purchase of investments:

1. Directly, including through a repurchase agreement, from an authorized trading partner.
2. By participation in a cooperative investment program where such program meets all the requirements of the General Municipal Law.
3. By utilizing an ongoing investment program with an authorized trading partner, pursuant to a contract, authorized by the City Council.

All purchased investments, obligations, or participations unless registered or inscribed in the name of the City of Rye, shall be purchased through, delivered to and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be confirmed in writing to the City of Rye by the bank or trust company. Any obligation held in the custody of a bank or trust company shall be held pursuant to a written custodial agreement as described in General Municipal Law, §10.

The custodial agreement shall provide that securities held by the bank or trust company, as agent of and custodian for the City of Rye, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. The agreement shall describe how the custodian shall confirm the receipt and release of the securities. Such

agreement shall include all provisions necessary to provide the City of Rye a perfected interest in the securities.

XIII. REPURCHASE AGREEMENTS

Repurchase agreements are authorized subject to the following restrictions:

- All repurchase agreements must be entered into subject to a Master Repurchase Agreement providing for the terms outlined below and satisfactory to the Corporation Counsel;
- The City of Rye may only be the purchaser in such agreements;
- Trading partners are limited to banks or trust companies meeting the rating requirements of one of the nationally recognized rating organizations as listed in Appendix C or primary reporting dealers;
- Obligations shall be limited to obligations of the United States of America and obligations guaranteed by agencies of the United States of America;
- No substitution of securities will be allowed;
- The custodian of the purchased securities shall be a party other than the trading partner.
- Tenor of the repurchase agreement should be no longer than 3 months.
- Tenor of the securities to be purchased should be no longer than 10 years.
- The market value of the securities purchased shall exceed the purchase funds by the following margins, which should be maintained during the life of the transaction.
 - For bills or bonds less than 3 years tenor, 3%;
 - For bills or bonds of 3 years to 10 years, 4 1/2%.
- and, the City retains the right to sell the securities outside the repurchase agreement if any of the above items are not met.

XIV. PERIODIC REVIEW

This investment policy shall be reviewed by the City Council within three months of the organizational meeting of each new Council or more frequently as desired.

Appendix A

**CITY OF RYE
INVESTMENT POLICY**

DEPOSITORIES

The banks and trust companies authorized for the deposit of City moneys are:

The Bank of New York
The Chase Manhattan Bank, N.A.
Chemical Bank
Citibank, N.A.
National Westminster Bank USA

Appendix B

**CITY OF RYE
INVESTMENT POLICY**

SCHEDULE OF ELIGIBLE SECURITIES

The type of securities that are considered "eligible securities" for collateralization are: (See also Section VIII and Appendix C)

_____ (i) Obligations issued, or fully insured or guaranteed as to the payment of principal and interest, by the United States of America, an agency thereof or a United States government sponsored corporation.

_____ (ii) Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation of such State or obligations of any public benefit corporation which under a specific State statute may be accepted as security for deposit of public moneys.

Appendix C

CITY OF RYE INVESTMENT POLICY

Nationally Recognized Statistical Rating Organizations (NRSRO)

The following are the organizations generally considered to be Nationally Recognized Statistical Rating Organizations, and their respective investment rating categories which are considered acceptable for investments by the City of Rye, or for securities eligible as collateral for deposits by the City of Rye:

<u>List</u>	<u>Long Term Debt*</u>	<u>Short Term Debt**</u>
Moody's	A1 or better	P-2 or better
Standard and Poors	A+ "	A-1 "
Fitch	A+ "	F-1 "
Duff and Phelps	AA- "	D-1 "
IBCA	AA- "	A1 "
BankWatch (Banks)	B "	TBW2 "

* for securities with an original term of longer than one year.

** for obligations usually defined as less than one year.

Appendix D

CITY OF RYE INVESTMENT POLICY

AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The financial institutions and dealer authorized for the purchase and sale of investments are:

The Bank of New York

The Chase Manhattan Bank, N.A.
Chemical Bank
Citibank, N.A.
National Westminster Bank USA
MBIA - Cooperative Liquid Asset Securities System

Appendix E

THIRD PARTY CUSTODIAN

THIS AGREEMENT, made and executed this _____ day of _____, 199____, between City of Rye, located in the County of Westchester, State of New York, City of Rye, _____ having offices at _____, New York and _____ having offices at _____, New York.

WITNESSETH

WHEREAS, the City of Rye desires to maintain or continue to maintain public deposits with the _____;

WHEREAS, the _____ desires to obtain such deposits and to provide security therefor as required by the General Municipal Law, Banking Law and other applicable statutes;

WHEREAS, the Custodian agrees to provide safekeeping services and to hold any securities pledged by the Bank in a custodial account established for the benefit of the City of Rye as secured party pursuant to this Agreement;

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

1. **Schedule of Deposits and Required Security**

Attached as Exhibit A hereto is a schedule of the maximum amount of the Deposits anticipated by the City of Rye and _____ during each _____ through _____ and the Collateral Requirement to be provided by _____ during each such _____. The obligation of the Bank to provide Eligible Collateral pursuant to this Agreement shall not be less than the Collateral Requirement shown in Exhibit "A" unless the City of Rye and _____, at any time during the term of this agreement, agree to amend Exhibit "A". Any such amendments to either increase or decrease the Collateral Requirement shown in Exhibit "A" shall be confirmed in writing by either party at least ____ Business Days before the new Collateral Requirement becomes effective. A copy of any amendments made pursuant to this section shall be furnished to the Custodian.

2. Security Requirements

- a. The Bank, to secure the timely payment of Uninsured Deposits heretofore or hereafter made by the City of Rye, including any interest due thereon, shall provide the City of Rye with Eligible Collateral having an Adjusted Market Value equal to the Collateral Requirement. Whenever Eligible Securities are provided pursuant to this paragraph, the Bank hereby grants to the City of Rye a pledge and security interest in and to such Eligible Securities and shall deliver such Eligible Securities to the Custodian in the manner prescribed in section 3 of this Agreement. The security interest of the City of Rye in Eligible Securities shall terminate upon the transfer of such Eligible Securities from the Account. Eligible Letters of Credit and Eligible Surety Bonds provided to this paragraph shall be subject to the prior approval of the City of Rye unless the City of Rye has approved in writing the form of an Eligible Letter of Credit or Eligible Surety Bond to be issued by a specific entity or the form of such Eligible Letter of Credit or Eligible Surety Bond is attached hereto as an Exhibit.
- b. The Custodian will _____ determine the Adjusted Market Value of the Eligible Collateral provided pursuant to this Agreement. If the Adjusted Market Value of such Eligible Collateral is less than the Collateral Requirement, the Custodian will so notify the Bank and the Bank shall, upon such notice, be required to provide additional Eligible Collateral having a Adjusted Market Value equal to or greater than such deficiency no later than one Business Day after receipt of such notice. If the Adjusted Market Value of the Eligible Collateral provided pursuant to this Agreement exceeds the Collateral Requirement, the Custodian, at the direction of the Bank, shall transfer securities from the Account, or in the case of other Eligible Collateral, cause or consent to a reduction in the amount thereof, to the extent of such excess.
- c. The Bank may substitute Eligible Collateral ("Substitute Collateral") for any Eligible Collateral previously provided pursuant to this Agreement Market Value equal to or greater than the Eligible Collateral which it will replace. The Bank shall give Written or Oral Notice thereof to the Custodian of any proposed substitution. In the event that the Custodian determines that the Substitute Collateral described in such notice consists exclusively of Eligible Securities having sufficient Adjusted Market Value, the Custodian, at the direction of the Bank, shall transfer the Eligible Securities out of the Account against delivery to the Account on the same Business Day of the Substitute Collateral. In the event the Substitute Collateral described in such notice consists of an Eligible Letter of Credit or Eligible Surety Bond, the prior consent of the City of Rye shall be required before the Bank or Custodian may complete the substitution described in such notice unless the City of Rye has, in writing, previously approved and consented to the form and issuer of the Eligible Letter of Credit and/or Eligible Surety Bond to be provided as Substitute Collateral.
- d. The Custodian, to the extent not contained in the confirmation required by paragraph c of section 3 of this Agreement, shall provide the City of Rye with a written confirmation setting forth: (1) a complete description of Eligible Collateral provided, reduced or

transferred to or from the Account pursuant to this section; and, (2) the Market Value and Adjusted Market Value of such Eligible Collateral as of the date of such transaction.

3. Custodian of Eligible Securities

- a. The Bank and City of Rye hereby appoint the Custodian as custodian of all Eligible Securities at any time delivered to the Custodian pursuant to this Agreement; The Custodian hereby accepts appointment as such Custodian and agrees to establish and maintain the Account and appropriate records identifying the Eligible Securities as pledged by the Bank to the City of Rye. The Account shall be kept separate and apart from the general assets of the Custodian and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or liability of the Custodian. The Custodian, in performing its duties and responsibilities pursuant to this Agreement, shall act as Custodian for, and agent of, the City of Rye;
- b. The Bank and City of Rye agree that Eligible 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 in a form suitable for transfer or with an assignment in blank to the City of Rye or Custodian. The Bank and City of Rye hereby authorize the Custodian on a continuous and ongoing basis to deposit in the Book Entry System and/or the Depositories all Eligible 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. Eligible Securities credited to the Account and deposited in the Book Entry System or Depositories or other financial intermediaries 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. Eligible Securities that are not held in the Book Entry System, Depositories or through another financial intermediary will be held in the Custodian's vault and physically segregated from securities and other non-cash property belonging to the Custodian;
- c. The Custodian shall provide the City of Rye and Bank with a written confirmation on each Business Day on which Eligible Securities are transferred to and from the Account. Such confirmation shall identify the specific securities which are the subject to the confirmation and state both the Market Value and Adjusted Market Value thereof. The Custodian shall also provide the City of Rye and the Bank each _____ with a statement identifying all Eligible Securities in the Account, the Market Value and Adjusted Market Value thereof as of the date of such statement;
- d. The Account shall not be subject to any security interest, lien or any right of set-off by or against the Custodian;

- e. With respect to all Eligible 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 Bank: (i) collect all income and other payments reflecting interest and principal on the Eligible Securities in the Account and credit such amounts to the account of the Bank; (ii) forward to the Bank copies of all information or documents that it may receive from an issuer of Eligible Securities which, in the opinion of the Custodian, are intended for the beneficial owner of the Eligible Securities including, without limitation all proxies and other authorizations properly executed and all proxy statements, notices and reports; (iii) execute, as Custodian, any certificates of ownership, affidavits, declarations or other certificates under any tax laws now or hereafter in effect in connection with the collection of bond and note coupons; (iv) hold directly, or through the Book Entry System or Depository, all rights issued with respect to any Eligible Securities held by the Custodian hereunder; and (v) upon receipt of written instruction from the Bank, the Custodian will exchange Eligible Securities held hereunder for other securities and/or cash in connection with (a) any conversion privilege, reorganization, recapitalization, redemption in kind, consolidation, tender offer or exchange offer, or (b) any exercise, subscription, purchase or to other similar rights.

4. Events of Default

In the event the Bank shall fail to pay the City of Rye any amount of the Deposits by the City of Rye covered by this Agreement in accordance with the terms of such Deposit, or should the Bank fail or suspend active operations, the Deposits in such Bank shall become due and payable immediately and the City of Rye shall have the right to unilaterally demand delivery of all Eligible Securities in the Account by notice to the Custodian and to sell such securities at public or private sale. In the event of such sale, the City of Rye, after deducting all legal expenses and other costs, including reasonable attorneys fees, from the proceeds of such sale, shall apply the remainder towards any one or more of the liabilities of the Bank to the City of Rye and shall return the surplus, if any, to the Bank.

5. Representation and Warranties

- a. Representations of the Bank. The Bank represents and warrants that:
 1. it is the legal and actual owner, free and clear of all liens and claims, of all Eligible Securities pledged pursuant to this Agreement;
 2. the form of this Agreement was approved by its board of directors;
 3. this Agreement was executed by an officer of the Bank who was authorized by the Bank's board of directors to do so and will at all times be maintained as an official record of the Bank;

4. all securities pledged pursuant to this Agreement are Eligible Securities and that all letters of credit and surety bonds obtained by the Bank in satisfaction of its obligations hereunder and of which the City of Rye is the beneficiary are Eligible Collateral;
 5. the Bank is a bank or trust company located and authorized to do business in the State of New York;
 6. 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 of Rye. The City of Rye hereby represents and warrants that:
1. 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 of Rye in accordance with its terms;
 2. the appointment of the Custodian has been duly authorized and no other action by the City of Rye is required and this Agreement was executed by an officer of the City of Rye authorized to do so;
 3. it will not transfer, assign its interests in or the rights with respect thereto any Eligible Securities pledged pursuant to this Agreement except as authorized pursuant section 4 of the Agreement;
 4. 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.
6. 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. 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 it in good faith and conformity with such advice or opinion. The City of Rye and Bank agree, 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 of Rye and Bank 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 reserve any credits made on the Local Government's behalf where such credits have been previously made and the Eligible Securities are not finally collected;
- c. The (Bank) (City of Rye) 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 of Rye's authorized officer, upon reasonable notice, shall have access to the Custodian's books and records maintained with respect to the City of Rye's interest in the Account during the Custodian's normal business hours. Upon the reasonable request of the City of Rye, copies of any such books and records shall be provided by the Custodian to the City of Rye or the City of Rye's authorized officer at the City of Rye's expense.

7. Termination

Any of the parties hereto may terminate this Agreement by giving to the other party a notice in writing specifying the date of such termination, which shall be the earlier of (i) not less than 90 days after the date of giving such notice or (ii) the date on which the Deposits are repaid in full. Such notice shall not affect or terminate the City of Rye's security interest in the Eligible Securities in the Account. Upon termination hereof, the (Bank) (City of Rye) 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 Bank and the City of Rye concerning the transfer of custody of Eligible Securities, collateral records and other items. In the event of a discrepancy between Written Instructions of the Bank and the City of Rye, the Custodian shall act pursuant to the City of Rye's Written Instructions. 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.

8. Miscellaneous

- a. The City of Rye and Bank each agrees to furnish to the Custodian a new Certificate (Exhibit C) 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 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 1051 Boston Post Road, Rye, New York 10580 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 Bank shall be sufficiently given if sent to the Bank by regular mail to its Offices at _____ or at such other place as the Bank may from time to time designate in writing;
- d. Any notice or other instrument in writing, authorized or required by this Agreement to be given to the City of Rye shall be sufficiently given if sent to the City of Rye by regular mail to its Offices 1051 Boston Post Road, Rye, New York 10580 or at such other Offices as the City of Rye may from time to time designate in writing;
- e. 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;
- f. This Agreement may not be amended or modified in any manner except by written agreement executed by all of the parties hereto;
- g. 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;
- h. This Agreement shall be construed in accordance with the laws of the State of New York without regard to conflict of law principles thereof.

9. Definitions

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

- a. "Account" shall mean the custodial account established with the Custodian for the benefit of the City of Rye as secured party in accordance with this Agreement.

- b. "Adjusted Market Value" shall be one hundred percent of Market Value except that in the case of Eligible Letters of Credit, the Adjusted Market Value shall be one hundred and five percent of Market Value.
- c. "Authorized Person" shall be any officer of the City of Rye or Bank as the case may be, duly authorized to give Oral Instructions or Written Instructions on behalf of City of Rye or Bank, such persons to be designated in a Certificate substantially in the form of Exhibit "C" attached hereto, as such Exhibit may be amended from time to time.
- d. "Bank" shall mean any bank as defined by the banking law of the State of New York or a national banking association located and authorized to do business in New York.
- e. "Book Entry System" shall mean the Federal Reserve/Treasury Book Entry System for receiving and delivering government securities.
- f. "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.
- g. "Certificate" shall mean the Certificate attached hereto as Exhibit "C".
- h. "Collateral Requirement" shall mean the amounts required in Exhibit "A" unless the Bank and City of Rye agree to a different amount in accordance with this Agreement.
- i. "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.
- j. "Deposits" shall mean all deposits by the City of Rye in the Bank that are available for all uses generally permitted by the Bank to the City of Rye for actually and finally collected funds under the Bank's account agreement or policies.
- k. "Eligible Collateral" shall mean Eligible Securities, Eligible Letters of Credit and Eligible Surety Bonds.
- l. "Eligible Letter of Credit" shall mean an irrevocable letter of credit issued in favor of the City of Rye for a term not to exceed ninety days by either: (1) a bank (other than the Bank) whose commercial paper and other unsecured short-term debt obligations (or, in the case of a bank which is the principal subsidiary of a holding company, whose holding company's commercial paper and other unsecured short-term debt obligations) are rated in one of three highest rating categories based on the credit of such bank or holding company by at least one nationally recognized statistical rating organization; or,

(2) by a bank (other than the Bank) which is in compliance with applicable Federal minimum risk-based capital requirements.

- m. "Eligible Securities" shall mean any securities of the types enumerated in the Schedule of Eligible Securities attached hereto as Exhibit "B", as such Schedule may be amended by the parties in writing from time to time. Such Schedule may establish limitations pertaining to the types or amounts of Eligible Securities which may be provided pursuant to this Agreement.
- n. "Eligible Surety Bond" shall mean a bond executed by an insurance company authorized to do business in the State of New York, the claims paying ability of which is rated in the highest rating category by at least two nationally recognized statistical rating organizations.
- o. "Market Value" shall mean, with respect to any Eligible Security held in the Account, the market value of such Eligible Security as made available to the Custodian by a generally recognized source selected by the Custodian or by the Bank or the most recently available closing bid quotation from such source plus, if not reflected in the market value, any accrued interest thereon, or, if such source does not make available a market value or a closing bid price for a particular security, the market value shall be as determined by the Custodian in its sole discretion based on information furnished to the Custodian by one or more brokers or dealers or based on information otherwise reasonably acceptable to the City of Rye; provided however that, if agreed in writing by the parties hereto, the Bank may provide the Custodian with such Market Values. The Market Value of Eligible Letters of Credit and Eligible Surety Bonds shall be the face amount thereof.
- p. "Margin Percentage" shall equal ____percent.
- q. "Nationally Recognized Statistical Rating Organization" shall mean Moody's, Standard and Poors, Fitch, Duff and Phelps, Bank Watch and IBCA.
- r. "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.
- s. "Substitute Collateral" shall have meaning set forth in paragraph c of Section 2 of this Agreement.
- t. "Uninsured Deposits" shall mean that portion of the City of Rye's Deposits with the Bank which exceeds the insurance coverage available from the Federal Deposit Insurance Corporation.
- u. "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.

EXHIBIT A

OPTION A

Schedule of Anticipated Deposit and Collateral Requirements

	Maximum Amount of Anticipated <u>Uninsured Deposits</u>	Amount of Collateral <u>Required</u>
January	_____	_____
February	_____	_____
March	_____	_____
April	_____	_____
May	_____	_____
June	_____	_____
July	_____	_____
August	_____	_____
September	_____	_____
October	_____	_____
November	_____	_____

December

OPTION B

Collateral Requirement. On any Business Day that the City of Rye has Uninsured Deposits in the Bank, the Bank, in accordance with paragraph b of section 2 of this Agreement, agrees to deliver or cause to be delivered to the Custodian for deposit in the Account Eligible Collateral having an Adjusted Market Value equal to the Collateral Requirement. For purposes of this Agreement, Collateral Requirement shall mean the amount of such Uninsured Deposits times the Margin Percentage, if any.

EXHIBIT B

Schedule of Eligible Securities

_____ (i) Obligations issued, or fully insured or guaranteed as to the payment of principal and interest, by the United States of America, an agency thereof or a United States government sponsored corporation.

_____ (ii) Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation of such State or obligations of any public benefit corporation which under a specific State statute may be accepted as security for deposit of public moneys.

EXHIBIT C

Certificate of Authorized Persons

Appendix F

MASTER REPURCHASE AGREEMENT

AGREEMENT, dated _____, by and between _____ City of Rye located in the County of Westchester, State of New York (the "Purchaser") and _____ having offices at _____, New York (the "Seller").

WHEREAS, the parties hereto intend to engage in Repurchase Transactions (as hereinafter defined) from time to time.

WHEREAS, Seller and Purchaser intend to enter into an agreement with a custodian bank (the "Bank") willing to act as custodian on behalf of Seller and Purchaser in respect of such Repurchase Transactions; and

WHEREAS, the parties hereto wish to set forth the rights and obligations of Seller and Purchaser in connection with such Repurchase Transactions, all in accordance with the terms and conditions of this Agreement and such further terms as may be contained in written confirmations from Seller to Purchaser evidencing Specific Repurchase Agreements (as hereinafter defined).

NOW, THEREFORE, in consideration of the premises and of the mutual promises and covenants contained herein, the parties hereto agree as follows:

1. Definitions

For purposes of this Agreement, the terms used herein are defined as follows:

- a. Act of Insolvency Act of Insolvency shall mean that either Seller or Purchaser shall (1) fail or be unable to pay its debts as they become due, (2) commence a voluntary case in bankruptcy or any other action or proceeding for any other relief under any law affecting creditors' rights generally or seek the appointment of a trustee, receiver, liquidator, custodian or other similar official for it or any substantial part of its properties, (3) consent by answer or otherwise to an order for relief against it in an involuntary case in bankruptcy or to the commencement of any other such action or proceeding or to any such appointment, (4) have entered against it in an order for relief in an involuntary case in bankruptcy, (5) have commenced against it in an involuntary case in bankruptcy or any other such action or proceeding, if such case or other action or proceeding shall not be dismissed or stayed within fifteen days following the commencement thereof or if any such dismissal or stay shall fail to remain in effect, or (6) have a trustee, receiver, liquidator, custodian or other similar official appointed for it or any substantial portion of its properties.
- b. Business Day Any day, from Monday through Friday, when a bank organized under the laws of the State of New York is open to transact business.
- c. Coupon Interest Interest payable by issuers in respect of Securities whether or not represented by a coupon.
- d. Interest Rate The per annum percentage rate which Seller and Purchaser agree shall be applied to determine Repurchase Interest.

- e. Margin Requirement 105% of the Market Value of the Purchased Securities or such other higher percentage as may be agreed to between Seller and Purchaser.
- f. Margin Securities Securities provided by Seller and held by the Bank for the benefit of Purchaser to satisfy the Margin Requirement.
- g. Market Value The "bid" price for any Securities as quoted by a recognized pricing service as of the close of business on the immediately preceding Business Day, plus the Coupon Interest on such Securities accruing from the commencement date of the relevant accrual period to but not including the Repurchase Date.
- h. Purchase Date The date on which Purchased Securities are sold to Purchaser by Seller.
- i. Purchase Price The price at which Purchased Securities are sold to Purchaser by Seller, such Purchase Price to be equivalent to 100% or less of the then Market Value of the Purchased Securities.
- j. Purchased Securities The Securities sold by Seller to Purchaser as set forth in the Specific Repurchase Agreement, or, if for any reason a transaction pursuant to any Specific Repurchase Agreement shall not be deemed to be a sale, the Purchased Securities which Seller, shall have pledged as security for the performance of its obligations hereunder. The term Purchased Securities does not include the term Margin Securities.
- k. Purchaser's Account With respect to Securities, a custodian account maintained by the Bank exclusively for the benefit of Purchaser for the custody of Securities, and, with respect to cash, a demand deposit account maintained by the Bank for the benefit of Purchaser.
- l. Repurchase Date The date provided in a Specific Repurchase Agreement on which Seller is to repurchase the Purchased Securities from Purchaser, which in no event shall be more than ___ days after the Purchase Date.
- m. Repurchase Interest The interest component of the Repurchase Price (not including coupon interest or any carrying costs of carrying Purchased Securities) calculated at the Interest Rate on the basis of a 360-day year for the actual days elapsed commencing on (and including) the Purchase Date and ending on (but excluding) the Repurchase Date.
- n. Repurchase Price The price at which Purchased Securities are to be repurchased on the Repurchase Date. The Repurchase Price shall equal the Purchase Price plus the amount of Repurchase Interest.
- o. Repurchase Transaction An agreement by Seller to sell to Purchaser, against the transfer of funds, specific Securities at the Purchase Price and a simultaneous agreement

by the Purchaser to resell to Seller such Securities, against the transfer of funds, at the Repurchase Price on a future date certain or on demand.

- p. Securities Obligations issued or guaranteed by the United States Government or agencies thereof.
 - q. Seller's Account With respect to Securities, a custodian account maintained by the Bank for the benefit of Seller for the custody of Securities, and, with respect to cash, a demand deposit account maintained by the Bank for the benefit of Seller.
 - r. Specific Repurchase Agreement The written confirmation which sets forth the terms for a specific repurchase transaction in which Seller sells Securities to Purchaser and agrees to repurchase them from Purchaser, and in which Purchaser buys such Securities from Seller and agrees to resell them to Seller, including such terms as the Purchase Price, the Purchase Date, the Interest Rate, the Repurchase Price and the Repurchase date.
2. Establishment of Purchaser's and Seller's Accounts

Seller and Purchaser agree to establish Seller's Account and Purchaser's Account, respectfully, with the Bank wherein all Securities and cash of the parties shall be maintained in connection with transactions governed by this Agreement.

3. Specific Repurchase Transactions

- a. Either Seller or Purchaser may propose that the parties enter into a Specific repurchase Agreement by giving the other party notice, not later than 11:00 a.m. New York time on any Business Day, of the proposed Purchase Price, Purchase Date, Interest Rate, Repurchase Price, Repurchase Date and other terms of the proposed Repurchase Transaction and the time within which such other party may elect to enter into such Repurchase Transaction. If such other party so elects or wishes to enter into a Repurchase Transaction upon different terms, it shall in either case give notice within the prescribed time, and, if agreement is reached, Seller shall confirm in writing to Purchaser all of the terms thereof in a Specific Repurchase Agreement, with a copy to the Bank. The confirmation shall describe the Purchased securities (including CUSIP number, if any) and identify Purchaser and Seller. The written confirmation shall also set forth (i) the Purchase Date, (ii) the Purchase Price, (iii) the Repurchase Date, unless the Specific Repurchase Agreement is to be terminable on demand, (iv) the Interest Rate and Repurchase Price applicable to the Specific Repurchase Agreement and (v) any additional terms or conditions not inconsistent with this Agreement. Such confirmation shall, in the absence of prompt objection by Purchaser or manifest error, be conclusive evidence of the terms of such Specific Repurchase Agreement and shall constitute written instruction of Purchaser to sell the Purchased Securities and any Margin Securities on the Repurchase Date.
- b. Purchaser shall cause Purchaser's Account to be credited on the Purchase Date in an amount at least equal to the Purchase Price agreed upon. Seller shall cause Seller's Account to be

credited on the Purchase Date with the Purchased Securities sold pursuant to the Specific repurchase Agreement, together with any Margin Securities and/or cash required to satisfy the Margin Requirement.

- c. Purchaser shall instruct the Bank to debit Purchaser's Account in an amount equal to said Purchase Price and to credit Seller's Account in a corresponding amount, against simultaneous delivery to the Bank on behalf of Purchaser of the Purchased Securities in respect of such Specific Repurchase Agreement, together with any Margin Securities and/or cash required to satisfy the Margin Requirement. Against such credit to Seller's Account, Seller shall instruct the Bank to credit the Purchased Securities to Purchaser's Account, together with any Margin Securities and/or cash required to satisfy the Margin Requirement.
 - d. The Bank is authorized and required, without any liability resulting to it, not to effectuate any Specific Repurchase Agreement at the close of business on any Business Day, in the event that either (i) Purchaser fails to cause Purchaser's Account to be credited with an amount at least equal to the Purchase Price or (ii) Seller fails to deliver securities and/or to cause Seller's Account to be credited with the Purchased Securities together with any Margin Securities and/or cash required to satisfy the Margin Requirement, in accordance with Subsection (b) above. In any such event, Seller and Purchaser shall remain obligated to each other hereunder as provided in sections 12 and 13 of this Agreement.
 - e. All Specific Repurchase Agreements shall be subject to the terms of this Agreement. The Purchaser and the Seller intend that each Specific Repurchase Agreement be regarded as consisting of a purchase of the Purchased Securities for such Specific Repurchase Agreement by the Purchaser and the subsequent sale thereof by the Purchaser to the Seller. To secure the prompt performance of all its obligations hereunder, including without limitation all obligations in connection with all Specific Repurchase Agreements hereunder, Seller hereby grants to the Purchaser a security interest in all Purchased Securities, Margin Securities, interest and other amounts payable thereon or with respect thereto, and all proceeds of any of the foregoing.
4. Purchaser's Obligation to Hold Purchased Securities: No Substitution
- a. Whenever a Specific Repurchase Agreement is effectuated in accordance with this Agreement, the Purchased Securities shall be for all purposes the property of the Purchaser and the Purchaser shall be entitled to all the incidents of ownership with respect thereto except as provided in section 6 of this Agreement; provided however, that until the relevant Repurchase Date, the Bank shall hold the Purchased Securities sold pursuant to any Specific Repurchase Agreement, together with any Margin Securities and/or cash delivered to satisfy the Margin Requirement, on behalf of Purchaser, and Purchaser shall not sell, transfer, assign, pledge (except as otherwise permitted by section 12 of this Agreement or as agreed to between Seller and Purchaser) or otherwise utilize such Securities or cash.
 - b. No securities may be substituted by Seller for the Purchased Securities.

5. Termination of Specific Repurchase Agreement

On the Repurchase Date, termination of the Specific Repurchase Agreement shall be effected by the Bank crediting the Repurchase Price to Purchaser's Account, against simultaneous delivery to Seller's Account of the Purchased Securities, together with any Margin Securities and/or cash delivered to Purchaser in respect of such Specific Repurchase Agreement.

6. Interest

Seller shall be entitled to all Coupon Interest and other sums paid by issuers in respect of Purchased Securities and Margin Securities, and, in the event that any such amounts are received by the Bank, the Bank shall be authorized to credit such amount to Seller's Account as soon as received, except in the event of a Seller Default, as defined in Section 12 below, which remains uncured.

7. Margin Requirements

- a. In the event that the Market Value of the Purchased Securities and Margin Securities for any Specific Repurchase Agreement is greater than the Margin Requirement for such Specific Repurchase Agreement, the Seller may, by written notice to the Purchaser and Bank, demand that the Bank transfer to Seller's Account such Margin Securities as are specified by the Seller so that upon such transfer, the Market Value of the Purchased Securities and Margin Securities held in Purchaser's Account is equal to the Margin Requirement.
- b. In the event that the Market Value of the Purchased Securities and Margin Securities for any Specific Repurchase Agreement is less than the Margin Requirement for such Specific Repurchase Agreement, the Bank shall, by notice to the Seller, demand that the Seller, transfer, or cause Seller's Account to be credited with, additional Margin Securities which the Bank, without further notice to Seller, shall transfer to Purchaser's Account so that upon such transfer, the Market Value of the Purchased Securities and Margin Securities held in Purchaser's Account is not less than the Margin Requirement.

8. Seller's Representation and Warranties

Seller represents and warrants that:

- a. This Agreement is legally entered into, does not violate any ordinance, charter, rule or statute applicable to it.
- b. The person executing this Agreement on behalf of Seller has been duly and properly authorized to do so.
- c. The establishment of Seller's Account and its operation by the parties designated in Section 16 hereof have been duly authorized and no other corporate action is required prior to commencing operation of such account.
- d. It has the unqualified right to sell, transfer, assign or pledge the Purchased Securities and Margin Securities, and all of such Securities, upon delivery to Purchaser, will be free and clear of any lien, claim or encumbrance.
- e. It is entering into this Agreement and the Specific Repurchase Agreement for itself as principal and not as agent for another person.
- f. It will not transfer or assign its interest in, or rights with respect to any Specific Repurchase Agreement and is acquiring the same for its own account.
- g. On the Purchase Date, Seller shall be deemed to repeat all the foregoing representations.

9. Purchaser's Representations and Warranties

Purchaser represents and warrants that:

- a. This Agreement is legally entered into, does not violate any ordinance, charter, rule or statute applicable to it.
- b. The person executing this Agreement on behalf of Purchaser has been duly and properly authorized to do so.
- c. The establishment of Purchaser's Account and its operation by the parties designated in Section 16 hereof have been duly authorize and no other action is required prior to commencing operation of such account.
- d. It will not transfer or assign its interest in, or rights with respect to, any Specific Repurchase Agreement and is acquiring the same for its own account;
- e. No funds paid to Seller hereunder to purchase any Securities have been or shall be obtained, directly or indirectly, from or using the assets of any Plan (which term means (1) any "employee benefit plan" as defined in Section 3 of the Employee Retirement Income Security Act of 1974, as amended, or (2) any "plan" as defined in Section 4975 (e) (1) of the Internal Revenue Code of 1986, as amended), if Seller or any of its affiliates has discretionary authority or control with respect to the assets of such Plan or renders investment advice (within the meaning of 29 C.F.R. Section 2510.3-21 (c) with respect to the investment of the assets of such Plan; and
- f. On the Purchase Date, Purchaser shall be deemed to repeat all of the foregoing representations.

10. Covenants

Seller shall, promptly upon (and in any event within five Business Days after) demand by the Purchaser, furnish its most recent annual and quarterly financial statements then available and such other financial information concerning it as such Purchaser may reasonably request.

11. Bank's Functions

The parties hereto shall enter into an agreement with the Bank, in the form attached hereto as Exhibit A, pursuant to which the Bank shall undertake the custodial functions specified therein.

12. Seller Default

In the event that (i) Seller fails to perform any of its obligations hereunder; (ii) any representation or warranty made by Seller in this Agreement shall prove to have been incorrect in any material

respect when made or repeated; or (iii) an Act of Insolvency occurs with respect to Seller, (each of (i), (ii) or (iii) hereinafter referred to as a "Seller Default"):

- a. At the option of the Purchaser, Seller's obligations under each Specific Repurchase Agreement to repurchase the Purchased Securities shall thereupon become immediately due and payable. In such event, the Repurchase Price under each Specific Repurchase Agreement shall be adjusted to equal the sum of:
 - (i) The Repurchase Price, plus
 - (ii) interest thereon from the Purchase Date until payment thereof at the Interest Rate, plus
 - (iii) Purchaser's costs of collection, including reasonably legal fees. Such adjusted Repurchase Price is hereafter referred to as "Seller Liability".
- b. If Purchaser exercises the option referred to in subparagraph (a) of this Paragraph 12, all income from payment of principal of and interest on the Purchased Securities payable thereafter shall be applied, as and when actually received, by Purchaser to the Seller Liability.
- c. The Bank shall remit to Purchaser all Purchaser Securities, Margin Securities and cash delivered to satisfy the Margin Requirement, and Purchaser may sell any or all Purchased Securities and/or Margin Securities to any purchaser at private or public sale and apply the proceeds thereof to the Seller Liability. All sales shall be at such price or prices as Purchaser may reasonably deem satisfactory. Purchaser may be a purchaser of the Securities sold at public auction or sale and shall hold the same thereafter in its own right absolutely free from any claim of Seller whatsoever. In the event of any such sale, Seller shall be liable to Purchaser for the amount, if any, by which the proceeds of such sale are less than the Seller Liability. To the extent that the proceeds of any such sale exceed the Seller Liability, Purchaser shall promptly remit the excess to Seller.
- d. In addition to the sale contemplated by Subsection (c) above, Purchaser may register in its or its nominee's name, any Purchased Securities or additional Purchased Securities delivered to Purchaser's Account by Seller in the event of a Seller Default.

13. Purchaser Default

In the event that (i) Purchaser fails to perform any of its obligations hereunder; (ii) any representation or warranty made by Purchaser in this Agreement shall prove to have been incorrect in any material respect when made or repeated; or (iii) an Act of Insolvency occurs with respect to Purchaser, (each of (i), (ii) or (iii) hereinafter referred to as a "Purchaser Default"):

- a. Purchaser's interest in Purchased Securities and any Margin Securities and/or cash delivered to satisfy the Margin Requirement shall be deemed released, and Seller is irrevocably authorized to instruct the Bank to deliver all such Securities and cash to Seller.
- b. Seller may purchase Securities of the same class and amount as any Purchased Securities or Margin Securities that are not delivered by Purchaser to Seller as required hereunder ("Replacement Securities"). Such purchases may be made in any recognized market at such prices as Seller may reasonably deem satisfactory. Purchaser shall be liable to Seller for any excess of the price paid by Seller for Replacement Securities over the Repurchase Price and for reasonable counsel's fees and all borrowing or other carrying costs incurred by Seller in connection with such purchase (the "Purchaser Liability"). In addition, Purchaser shall be liable to Seller for interest at the Interest Rate on Purchaser Liability with respect to each such purchase of Replacement Securities from the date thereof until paid in full by Purchaser. Seller shall promptly remit to Purchaser the amount, if any, by which the aggregate Repurchase Prices (reduced as provided above) exceed the Purchaser Liability.

14. Payment and Delivery

Unless otherwise agreed by the parties and consented to by the Bank, all payments hereunder shall be in immediately available funds. All deliveries of funds to the Bank in connection with this Agreement shall be made in accordance with the Bank's instructions. All deliveries of Securities to or from the Bank shall be transferred on the book entry system of the Federal Reserve Bank of New York, or shall be in suitable form for delivery or shall be accompanied by duly executed instruments of transfer or assignment in blank and such other documentation as the party receiving possession may reasonably request.

15. Termination of Agreement

Subject to the provisions of Sections 12 and 13 hereof, this Agreement may be terminated by either party on ten Business Days' written notice to the other party and the Bank; provided, however, that such termination shall not affect any Specific Repurchase Agreement then outstanding.

16. Assignment

Neither party hereto shall sell, pledge, assign or otherwise transfer this Agreement without the prior written consent of the other party hereto and of the Bank.

17. Authorized Persons

- a. Seller's Behalf Until written notice to Purchaser and the Bank by Seller to the contrary, the following persons shall be authorized to act on behalf of Seller, any one of whom shall have authority to sell, repurchase, give notices and otherwise act under this Agreement on behalf of Seller:

Name and Title

Specimen Signature

Name and Title

Specimen Signature

- b. Purchaser's Behalf Until written notice to Seller and the Bank by Purchaser to the contrary, the following persons shall be authorized to act on behalf of Purchaser, any one of whom shall have authority to purchase, sell, give notices and otherwise act under this Agreement on behalf of Purchaser:

Name and Title

Specimen Signature

Name and Title

Specimen Signature

Notwithstanding any other provision hereof, each party shall be deemed to have duly authorized any Specific Repurchase Agreement, upon the delivery or transfer to the Purchaser's Account or Seller's Account of the Purchased Securities or the Purchase Price for such Specific Repurchase Agreement, as the case may be.

18. Notices

All notices under this Agreement shall be in writing or by telephone and confirmed in writing. All written notices to be given hereunder shall be effective upon actual receipt by the party to

which such notice is given. All notices shall be given to the party entitled to receive such notices at the following address and telephone numbers:

- a. To Seller Unless and until Seller shall give written notice to Purchaser and the Bank to the contrary, all written notices to Seller from Purchaser or the Bank shall be sent to it at _____, attention of _____, and all notices by telephone to Seller from purchaser or the Bank shall be made to _____.
- b. To Purchaser Unless and until Purchaser shall give written notice to Seller and the Bank to the contrary, all written notices to Purchaser from Seller or the Bank shall be sent to it at _____, attention of _____, and all notices by telephone to Purchaser from Seller or the Bank shall be made to _____.
- c. To the Bank Unless and until Purchaser shall give written notice to Seller and the Bank to the contrary, all written notices to Purchaser from seller or the Bank shall be sent to it at _____, attention of _____, and all notices by telephone to Purchaser from Seller or the Bank shall be made to _____.

19. Entire Agreement, Modification or Amendment

This Agreement constitutes the entire agreement of the parties with respect to its subject matter and supersedes all prior oral or written agreements. No modification or amendment of this Agreement shall be binding unless in writing and executed by the parties, and consented to in writing by the Bank.

20. Severability

If any provision of this Agreement is held to be unenforceable as a matter of law, the other terms and provisions hereof shall not be affected thereby and shall remain in full force and effect.

21. Rights and Remedies

The rights and remedies conferred upon the parties hereto shall be cumulative, and the exercise or waiver of any thereof shall not preclude or inhibit the exercise of any additional rights and remedies.

22. Headings

Section headings are for reference purposes only and shall not be construed as a part of this Agreement.

23. No Registration of Transfer

No transfer of Securities pursuant to this Agreement shall be required to be registered, except as provided in Subsection 11 (d) hereof.

24. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to any conflict of law principles thereof.

25. Intent

- a. The parties recognize that each Specific Repurchase Agreement is a "repurchase agreement" as that term is defined in section 101 of Title 11 of the United States Code, as amended, and a "securities contract" as that term is defined in Section 741 of Title 11 of the United States Code, as amended.
- b. It is understood that either party's right to liquidate Securities delivered to it in connection with Specific Repurchase Agreement hereunder or to exercise any other remedies pursuant to sections 11 or 12 hereof, is a contractual right to liquidate such Transaction as described in Sections 555 and 559 of Title 11 of the United States Code, as amended.

26. Disclosure Relating to Certain Federal Protections

The parties acknowledge that they have been advised that:

- a. in the case of Specific Repurchase Agreement in which one of the parties is a broker or dealer registered with the Securities and Exchange Commission ("SEC") under Section 15 of the Securities Exchange Act of 1934 ("1934 Act"), the Securities Investor Protection Corporation has taken the position that the provisions of the Securities Investor Protection Act of 1970 ("SIPA") do not protect the other party with respect to any Specific Repurchase Agreement hereunder;
- b. in the case of Specific Repurchase Agreement in which one of the parties is a government securities broker or a government securities dealer registered with SEC under Section 15C of the 1934 Act, SIPA will not provide protection to the other party with respect to any Specific Repurchase Agreement hereunder; and

- c. in the case of Specific Repurchase Agreement in which one of the parties is a financial institution, funds held by the financial institution pursuant to a Specific Repurchase Agreement hereunder are not a deposit and therefore are not insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or the National Credit Union Share Insurance Fund, as applicable.

IN WITNESS WHEREOF, The parties hereto, each intending to be bound hereby, have caused this instrument to be executed by their duly authorized representatives as of the date first written above.

By: _____

Title: _____

By: _____

Title: _____

EXHIBIT A

CUSTODIAL AGREEMENT IN CONNECTION WITH MASTER REPURCHASE AGREEMENT

Gentlemen:

Reference is made to the Master Repurchase Agreement (the "Repurchase Agreement"), dated _____, by and between _____ ("Seller") and _____ ("Purchaser")

Unless otherwise provided herein, terms used herein are used as defined in the Repurchase Agreement.

Seller and Purchaser have requested that we undertake certain custodial functions in connection with the Repurchase Agreement. Accordingly, we hereby agree with Seller and Purchaser as follows:

1. Maintenance of Accounts Seller and Purchaser shall instruct us to establish and maintain Seller's Account and Purchaser's Account, respectively, as contemplated in the Repurchase Agreement.
2. Specific Repurchase Transactions

- a. We shall make all credits and debits to Seller's Account and Purchaser's Account and effect the transfer of Securities to or from Seller's Account and Purchaser's Account, upon proper instructions received from Seller or Purchaser. In the event that we received conflicting instructions from Seller and purchaser, we shall follow Purchaser's instructions.
- b. Upon receipt of proper instructions to do so, we shall: (i) credit the Purchase Price for a Specific Repurchase Agreement to Seller's Account, only upon the simultaneous delivery to Purchaser's Account of Purchased Securities subject to such Specific Repurchase Agreement and any Margin Securities and/or cash required to satisfy the margin Requirement, and (ii) withdraw Purchased Securities and any Margin Securities and/or cash subject to a Specific Repurchase Agreement from purchaser's Account, only against the simultaneous credit to Purchaser's Account of immediately available funds in an amount equal to the Repurchase Price of such Specific Repurchase Agreement.
- c. At the close of business on any Business Day, without any liability resulting to us, we shall not effectuate any Specific Repurchase Agreement in the event that either (i) the Purchaser fails to cause the Purchaser's Account to be credited with an amount at least equal to the Purchase Price or (ii) the Seller fails to cause the Seller's Account to be credited with the Purchased Securities together with any Margin Securities and/or cash in the cash collateral account required to satisfy the Margin Requirement, in accordance with Subsection 3(b) of the Repurchase Agreement. In any such event, the Seller and Purchase shall remain obligated to each other pursuant to the terms of the Repurchase Agreement in sections 12 and 13 of this Agreement.
- d. In the event that the Securities in Seller's Account are insufficient to satisfy the Margin Requirement, we may, without further notice to Seller, charge Seller's Account for cash or securities in the amount necessary to satisfy the Margin Requirement. We shall hold any such cash on behalf of Purchaser in a cash collateral account, rather than in the Purchaser's demand deposit account.
- e. We agree that all property in the Purchaser's Account will be held by us as agent of an custodian for the Purchaser, will be kept separate and apart from our general assets and will not in any circumstances be commingled with or become part of the backing for our deposit liabilities. Securities credited to the Account and deposited in the Book-Entry System will be represented in accounts of the Bank that include only assets held by the Bank for customers, including, but not limited to, accounts in which the Bank acts in a fiduciary, agency or representative capacity. Securities that are not held in the Book-Entry System shall be held in the Custodian's vault. We hereby subordinate to the Purchaser's security interest or rights of ownership arising out of the Repurchase Agreement and this Agreement, any and all rights (including, without limitation, the right of offset), claims or security interests that we may now or hereafter have in and to any property in the Purchaser's Account.

3. Coupon Interest

We shall credit to Seller's Account all Coupon Interest and other sums paid by issuers in respect of Purchased Securities and Margin Securities in the event that any such amounts are received by us, except in the event of a Seller Default which remains uncured, in which event such amounts shall be credited to Purchaser's Account.

4. Daily Statement to Seller and Purchaser

Each Business Day, we shall deliver to Seller and Purchaser a written confirmation of each Specific Repurchase Transaction and statement describing the Purchased Securities and Margin Securities held in Purchaser's Account, including a statement of the then current Market Value of such Securities and the amounts, if any, credited to such account as of the close of trading on the previous Business Day.

5. Care of Property: Reliance on Instructions: and Pricing of Securities

- a. We shall exercise the same care with respect to property in Seller's Account and Purchaser's Account as we exercise with respect to our own property. We assume responsibility only for loss to any such property of Seller or Purchaser occasioned by the negligence of, or conversion, misappropriation or theft by our employees, or unexplained disappearance, to the extent of the Market Value thereof at the date of the discovery of such loss. We, at our option, may insure ourselves against loss from any cause but shall be under no obligation to obtain insurance directly for the benefit of either Seller or Purchaser.
- b. We, at any time, without any resulting liability, may act hereunder in reliance upon any signatures, notices or instructions we believe to be genuine; provided, however, that all instructions to us from Purchaser shall be in writing or by telephone (and confirmed in writing) including the code which may be assigned by us to Purchaser from time to time and that all instructions to us from Seller shall be in accordance with the dealer clearance account letter agreement between Seller and us, as amended from time to time. In the event that payment or delivery of funds or Securities is not made in accordance with Section 14 of the Repurchase Agreement, we shall have no obligation to perform the functions specified in Section 2 of this Agreement.
- c. We may rely upon a recognized pricing service in determining the Market Value of the Purchased Securities and Margin Securities, and shall in no circumstances be liable for any errors made by such service.
- d. All credits, debits or transfers shall be deemed to have been completed at such time as recorded on our books.
- e. We undertake to perform only such duties as are expressly set forth in this Agreement.

f. The Purchaser, or the Purchaser's authorized representatives, upon reasonable notice, shall have access to the Custodian Bank's books and records maintained with respect to the Purchaser's interest in the Account during the Bank's normal business hours. Upon the reasonable request of the Purchaser, copies of any such books and records shall be provided by the Bank to the Purchaser or the Purchaser's authorized representative at the Purchaser's expense.

6. Compensation

Seller hereby agrees to pay us compensation for the services to be rendered hereunder, based upon rates which shall be determined from time to time.

7. Entire Agreement, Modification or Amendment

This agreement constitutes the entire agreement of the parties with respect to its subject matter and supersedes all prior oral or written agreements in regard thereto. No modification or amendment of this Agreement shall be binding unless in writing and executed by the parties. No modification or amendment shall be made to the Repurchase Agreement without our prior written consent. In the event of conflict between this Agreement and the Repurchase Agreement, this Agreement shall control.

8. Termination

This Agreement shall terminate forthwith upon termination of the Repurchase Agreement or may be terminated by any party hereto on ten Business Days' written notice to the other parties; provided, however, that any such termination shall not affect any Specific Repurchase Agreement then outstanding. It is further provided that we may terminate this Agreement immediately in the event that the Repurchase Agreement is modified or amended without our prior written consent.

9. Severability

If any provision of this Agreement is held to be unenforceable as a matter of law, the other terms and provisions hereof shall not be affected thereby and shall remain in full force and effect.

10. Rights and Remedies

The rights and remedies conferred upon the parties hereto shall be cumulative, and the exercise or waiver of any thereof shall not preclude or inhibit the exercise of any additional rights and remedies.

11. Headings

Section headings are for reference purposes only and shall not be construed as a part of this Agreement.

12. Counterparts

This Agreement may be executed in one or more counterparts, all of which taken together shall constitute one instrument.

13. Governing Law

This Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to any conflict of law principles thereof.

Please acknowledge your agreement with the foregoing by signing and dating the enclosed copy of this letter and returning it to us. When signed counterparts of this letter have been received from both Seller and Purchaser, this Agreement shall be deemed to take effect.

Very truly yours,

By, _____

AGREED TO AND ACCEPTED:

By: _____

Title: _____

Dated: _____

By: _____

Title: _____

Dated: _____

**SELLER CONFIRMATION
SPECIFIC REPURCHASE AGREEMENT**

To Local Government

Bank Agreement #: _____

Date: _____

Transaction #: _____

Federal I.D.: _____

Sale and Repurchase

This confirms our sale to you on _____ of the U.S. Treasury Securities described below for \$ _____ and our agreement to repurchase and your agreement to resell these securities on _____ for \$ _____. This amount includes interest for _____ days @ _____%.

Description of Security

U.S. Treasury note dated _____ @ _____% due _____.
The par value of the security is \$ _____ and the market value is \$ _____ which includes accrued interest.

Special Delivery Instructions

These securities were delivered to your account at the custodial bank, "The Bank" at New York City per your instruction on _____.

Payment

Your custodial bank has transmitted the sale price including coupon interest to our account. On the repurchase date the repurchase price will be credited to your account with your custodial bank.

Master Repurchase Agreement

This repurchase agreement is subject to the terms of our Master Repurchase Agreement dated _____.

Please sign and return to us a copy of this confirming agreement.

Very truly yours

SINGLE BANK

THIS AGREEMENT, made and executed this _____ day of _____, 199____, between City of Rye, located in the County of Westchester, State of New York, City of Rye, _____ having offices at _____, New York and _____ having offices at _____, New York.

WITNESSETH

WHEREAS, the City of Rye desires to maintain or continue to maintain public deposits with the;

WHEREAS, the _____ desires to obtain such deposits and to provide security therefor as required by the General Municipal Law, Banking Law and other applicable statutes;

WHEREAS, the Custodian agrees to provide safekeeping services and to hold any securities pledged by the Bank in a custodial account established for the benefit of the City of Rye as secured party pursuant to this Agreement;

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

1. Schedule of Deposits and Required Security

Attached as Exhibit A hereto is a schedule of the maximum amount of the Deposits anticipated by the City of Rye and _____ during each _____ through _____ and the Collateral Requirement to be provided by _____ during each such _____. The obligation of the Bank to provide Eligible Collateral pursuant to this Agreement shall not be less than the Collateral Requirement shown in Exhibit "A" unless the City of Rye and _____, at any time during the term of this agreement, agree to amend Exhibit "A". Any such amendments to either increase or decrease the Collateral Requirement shown in Exhibit "A" shall be confirmed in writing by either party at least ____ Business Days before the new Collateral Requirement becomes effective.

2. Security Requirements

- a. The Bank, to secure the timely payment of Uninsured Deposits heretofore or hereafter made by the City of Rye, including any interest due thereon, shall provide the City of Rye with Eligible Collateral having an Adjusted Market Value equal to the Collateral Requirement. Whenever Eligible Securities are provided pursuant to this paragraph, the Bank hereby grants to the City of Rye a pledge and security interest in and to such Eligible Securities and shall identify the City of Rye's interest in such Eligible Securities in the manner prescribed in section 3 of this Agreement. The security interest of the City of Rye in Eligible Securities shall terminate upon the transfer of such Eligible Securities from the Account. Eligible Letters of Credit and Eligible Surety Bonds provided to this paragraph shall be subject to the prior approval of the City of Rye unless the City of Rye has approved in writing the form of an Eligible Letter of Credit or Eligible Surety Bond to be issued by a specific entity or the form of such Eligible Letter of Credit or Eligible Surety Bond is attached hereto as an Exhibit.
- b. The Bank will _____ determine the Adjusted Market Value of the Eligible Collateral provided pursuant to this Agreement. If the Adjusted Market Value of such Eligible Collateral is less than the Collateral Requirement, the Bank shall be required to provide additional Eligible Collateral having an Adjusted Market Value equal to or greater than such deficiency no later than one Business Day after such determination. If the Adjusted Market Value of the Eligible Collateral provided pursuant to this Agreement exceeds the Collateral Requirement, the Bank may transfer securities from the Account, or in the case of other Eligible Collateral, cause a reduction in the amount thereof, to the extent of such excess.
- c. The Bank may substitute Eligible Collateral ("Substitute Collateral") for any Eligible Collateral previously provided pursuant to this Agreement so long as the Substitute Collateral has an Adjusted Market Value equal to or greater than the Eligible Collateral which it will replace. In the event that the Substitute Collateral consists exclusively of Eligible Securities and the Bank determines that the Substitute Collateral has sufficient Adjusted Market Value, the Bank may transfer the Eligible Securities out of the

Account against delivery to the Account on the same Business Day of the Substitute Collateral. In the event the Substitute Collateral consists of an Eligible Letter of Credit or Eligible Surety Bond, the prior consent of the City of Rye shall be required before the Bank may complete the substitution unless the City of Rye has, in writing, previously approved and consented to the form and issuer of the Eligible Letter of Credit and/or Eligible Surety Bond to be provided as Substitute Collateral.

- d. The Bank, to the extent not contained in the confirmation required by paragraph c of Section 3 of this Agreement, shall provide the City of Rye with written confirmation setting forth (1) a complete description of Eligible Collateral provided, reduced or transferred to or from the Account pursuant to this section; and (2) the Market Value and Adjusted Market Value of such Eligible Collateral as of the date of such transaction.
- e. The Bank shall have the right to collect and retain for its own account any and all interest, principal, dividend or other payments made in respect of the Eligible Securities held in the Account.

3. The Account

- a. The Bank shall assign a unique pledge code or name to the City of Rye and will cause Eligible Securities to be credited to the Account and pledged to the Local Government. The Bank agrees to establish and maintain the Account and appropriate records identifying the Eligible Securities as pledged by the Bank to the City of Rye.
- b. The Bank and City of Rye agree that a pledge of Eligible Securities to the Account may be in the form of credits to the accounts of the Bank at the Book Entry System or a Depository. The Account shall be kept separate and apart from the general assets of the Bank and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liability of the Bank. Eligible Securities credited to the Account and deposited in the Book Entry System or Depositories will be represented in accounts of the Bank at the Book Entry System or Depositories or other financial intermediary that include only assets held by the Bank for customers, including but not limited to accounts in which the Bank acts in a fiduciary, agency or representative capacity. Eligible Securities that are not held in the Book Entry System, a Depository or through another financial intermediary, will be held in the Bank's vault and physically segregated from securities and other non-cash property belonging to the Bank.
- c. The Bank shall provide the City of Rye with a written confirmation on each Business Day on which any Eligible Securities are transferred to or from the Account. Such confirmation shall identify the specific securities which are the subject of the confirmation and state both the Market Value and Adjusted Market Value thereof. The Bank shall also provide the City of Rye each _____ with a statement identifying all Eligible

Securities in the Account, the Market Value and Adjusted Market Value thereof as of the date of such statement.

- d. The Account shall not be subject to any security interest, lien or any right of set-off by or against the Bank.
- e. The Bank, in performing its duties and responsibilities pursuant to this section and in making the determinations or giving the notices required by paragraphs b, c and d of section 2 of this Agreement, shall act as custodian for, and agent of, the City of Rye.

4. Events of Default

In the event the Bank shall fail to pay the City of Rye any amount of the Deposits by the City of Rye covered by this Agreement in accordance with the terms of such Deposit, or should the Bank fail or suspend active operations, the Deposits in such Bank shall become due and payable immediately and the Local Government shall have the right to unilaterally demand delivery of all Eligible Securities in the Account and to sell such securities at public or private sale. In the event of such sale, the City of Rye, after deducting all legal expenses and other costs, including reasonable attorneys fees, from the proceeds of such sale, shall apply the remainder towards any one or more of the liabilities of the Bank to the City of Rye and shall return the surplus, if any, to the Bank.

5. Representation and Warranties

- a. Representation of the Bank. The Bank represents and warrants that:
 - 1. it is the legal and actual owner, free and clear of all liens and claims, of all Eligible Securities pledged pursuant to this Agreement
 - 2. the form of this Agreement was approved by its board of directors;
 - 3. this Agreement was executed by an officer of the Bank who was authorized by the Bank's board of directors to do so and will at all times be maintained as an official record of the Bank
 - 4. all securities pledged pursuant to this Agreement are Eligible Securities and that all letters of credit and surety bonds obtained by the Bank in satisfaction of its obligations hereunder and of which the City of Rye is the beneficiary are Eligible Collateral;
 - 5. the Bank is a bank or trust company located and authorized to do business in the State of New York; and,

6. all acts, conditions and things required to exist, happen or 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 of Rye. The City of Rye hereby represents and warrants that:

1. 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 of Rye in accordance with its terms;
2. the establishment of the Account with the Bank has been duly authorized and no other action by the City of Rye is required and this Agreement was executed by an officer of the City of Rye authorized to do so;
3. it will not transfer, assign its interests in or the rights with respect thereto any Eligible Securities pledged pursuant to this Agreement except as authorized pursuant section 4 of the Agreement; and,
4. all acts, conditions and things required to exist, happen or be performed on its part precedent to and in the execution and delivery of this Agreement exist or have happened or have been performed

6. Indemnity, fees and records

- a. The Bank shall be responsible for (and nothing contained in this Agreement shall limit or in any way impair any contractual, common law or statutory right of the City of Rye to recover damages or obtain compensation from the Bank on account of) any and all claims, losses, liabilities or expenses (including reasonable fees and expenses of attorneys) suffered or incurred by the City of Rye and arising from negligence or willful misconduct on the part of the Bank in the performance of its duties hereunder. The Bank, however, shall not be liable 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.
- b. The City of Rye shall pay to the Bank such fees as may be agreed upon from time to time.
- c. The City of Rye's authorized officer, upon reasonable notice, shall have access to the Bank's books and records maintained with respect to the City of Rye's interest in the Account during the Bank's normal business hours. Upon the reasonable request of the City of Rye, copies of any such books and records shall be provided by the Bank to the City of Rye or the City of Rye's authorized officer at the City of Rye's expense.

7. Termination

Either of the parties hereto may terminate this Agreement by giving to the other party a notice in writing specifying the date of such termination, which shall be the earlier of (i) not less than 90 days after the date of giving such notice or (ii) the date on which the Deposits are paid in full. Such notice shall not affect or terminate the City of Rye's security interest in the Eligible Securities in the Account. Upon termination hereof, the City of Rye shall pay to the Bank such compensation as may be due to the Bank as of the date of such termination. 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.

8. Miscellaneous

- a. The City of Rye agrees to furnish to the Bank a new Certificate (Exhibit C) 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 Bank shall be fully protected in acting upon Oral 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 to be given to the City of Rye shall be sufficiently given if sent to the City of Rye by regular mail to its Offices at 1051 Boston Post Road, Rye, New York 10580 or at such other Offices as the City of Rye may from time to time designate in writing.
- c. Any Written Instructions or other instrument in writing, authorized or required by this Agreement to be given to the Bank shall be sufficiently given if sent to the Bank by regular mail to its Offices at 1051 Boston Post Road, Rye, New York 10580 or at such other Offices as the Bank 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.

9. Definitions

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

- a. "Account" shall mean the account established with the Bank for the benefit of the City of Rye as secured party in accordance with this Agreement.
- b. "Adjusted Market Value" shall be one hundred percent of Market Value except that: (1) in the case of Eligible Securities enumerated in subparagraphs (v), (vi) and (vii) of Exhibit B, the Adjusted market Value shall be an amount equal to its Market Value divided by 0.9 if such Eligible Security is not rated in the highest rating category by at least one nationally recognized statistical rating agency, but is so rated in the second highest rating category, and an amount equal to its Market Value divided by 0.8 if such Eligible Security is not so rated in one of the two highest categories, but is so rated in the third highest rated category; (2) in the case of Eligible Securities enumerated in subparagraphs (viii), (x) and (xi) of Exhibit B, the Adjusted Market Value shall be an amount equal to its Market Value divided by 0.8; and, (3) in the case of Eligible Letters of Credit, the Adjusted Market Value shall be one hundred and forty percent of Market Value.
- c. "Authorized Person" shall be any officer of the City of Rye duly authorized to give Oral Instructions or Written Instructions on behalf of City of Rye, such persons to be designated in a Certificate substantially in the form of Exhibit "C" attached hereto, such Exhibit may be amended from time to time.
- d. "Bank" shall mean any bank as defined by the banking law of the State of New York or a national banking association located and authorized to do business in New York.
- e. "Book Entry System" shall mean the Federal Reserve/Treasury Book Entry System for receiving and delivering government securities.
- f. "Business Day" shall mean any day on which the Bank is open for business and on which the Book Entry System and/or the Depositories are open for business.
- g. "Certificate" shall mean the Certificate attached hereto as Exhibit C.
- h. "Collateral Requirement" shall mean the amounts required in Exhibit "A" unless the Bank and City of Rye agree to a different amount in accordance with this Agreement.
- i. "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.

- j. "Deposits" shall mean all deposits by the City of Rye in the Bank that are available for all uses generally permitted by the Bank to the City of Rye for actually and finally collected funds under the Bank's account agreement or policies.
- k. "Eligible Collateral" shall mean Eligible Securities, Eligible Letters of Credit and Eligible Surety Bonds.
- l. "Eligible Letter of Credit" shall mean an irrevocable letter of credit issued in favor of the City of Rye for a term not to exceed ninety days by either: (1) a bank (other than the Bank) whose commercial paper and other unsecured short-term debt obligations (or, in the case of a bank which is the principal subsidiary of a holding company, whose holding company's commercial paper and other unsecured short-term debt obligations) are rated in one of three highest rating categories based on the credit of such bank or holding company by at least one nationally recognized statistical rating organization; or, (2) by a bank (other than the Bank) which is in compliance with applicable Federal minimum risk-based capital requirements.
- m. "Eligible Securities" shall mean any securities of the types enumerated in the Schedule of Eligible Securities attached hereto as Exhibit "B" as such Schedule may be amended by the parties in writing from time to time. Such Schedule may establish limitations pertaining to the types or amounts of Eligible Securities which may be provided pursuant to this Agreement.
- n. "Eligible Surety Bond" shall mean a bond executed by an insurance company authorized to do business in the State of New York, the claims paying ability of which is rated in the highest rating category by at least two nationally recognized statistical rating organizations.
- o. "Margin Percentage" shall equal _____percent.
- p. "Market Value" shall mean, with respect to any Eligible Security held in the Account, the market value of such Eligible Security as made available to the Bank by a generally recognized source selected by the Bank or the most recently available closing bid quotation from such source plus, if not reflected in the market value, any accrued interest thereon, or, if such source does not make available a market value or a closing bid price for a particular security, the market value shall be as determined by the Banking its sole discretion based on information furnished to the Bank by one or more brokers or dealers or based on information otherwise reasonably acceptable to the City of Rye. The Market Value of Eligible Letters of Credit and Eligible Surety Bonds shall be the face amount thereof.
- q. "Nationally Recognized Statistical Rating Organization" shall mean Moody's, Standard and Poors, Fitch, Duff and Phelps, Bank Watch and IBCA.

- r. "Oral Instructions" shall mean verbal instructions actually received by the Bank from an Authorized Person or from a person reasonably believed by the Bank to be an Authorized Person.
- s. "Substitute Collateral" shall have meaning set forth in paragraph c of Section 3 of this Agreement.
- t. "Uninsured Deposits" shall mean that portion of the City of Rye's Deposits with the Bank which exceeds the insurance coverage available from the Federal Deposit Insurance Corporation.
- u. "Written Instructions" shall mean written communications actually received by the Bank from an Authorized Person or from a person reasonably believed by the Bank 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.

EXHIBIT A

OPTION A

Schedule of Anticipated Deposit and Collateral Requirements

	<u>Maximum Amount of Anticipated Uninsured Deposits</u>	<u>Amount of Collateral Required</u>
January	_____	_____
February	_____	_____
March	_____	_____
April	_____	_____
May	_____	_____
June	_____	_____

July	_____	_____
August	_____	_____
September	_____	_____
October	_____	_____
November	_____	_____
December	_____	_____

OPTION B

Collateral Requirement. On any Business Day that the City of Rye has Uninsured Deposits in the Bank, the Bank, in accordance with paragraph b of section 2 of this Agreement, agrees to deliver or cause to be delivered to the Custodian for deposit in the Account Eligible Collateral having an Adjusted Market Value equal to the Collateral Requirement. For purposes of this Agreement, Collateral Requirement shall mean the amount of such Uninsured Deposits times the Margin Percentage, if any.

EXHIBIT B

Schedule of Eligible Securities

_____ (i) Obligations issued, or fully insured or guaranteed as to the payment of principal and interest, by the United States of America, an agency thereof or a United States government sponsored corporation.

_____ (ii) Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation of such State or obligations of any public benefit corporation which under a specific State statute may be accepted as security for deposit of public moneys.

EXHIBIT C

Certificate of Authorized Persons

GENERAL CUSTODY AGREEMENT

THIS AGREEMENT, made and executed this ____ day of _____, 199____, between City of Rye, located in the County of Westchester, State of New York, City of Rye, _____ having offices at _____, New York and _____ having offices at _____, New York.

WITNESSETH

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

WHEREAS, the City of Rye 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 of Rye;

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

1. Appointment of Custodian

- a. The City of Rye 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 of Rye. In the event that the City of Rye instructs that 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 of Rye 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 of Rye 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 of Rye. 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 of Rye 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 which are the subject to the confirmation. The Custodian shall also provide the City of Rye _____ with a statement identifying all securities in the Account as of the date of such statement. Such statement shall also show all transactions in the Account for the prior 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 of Rye: (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 of Rye; (ii) credit all proceeds received from sales and redemptions 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:
 1. that it is a bank or trust company located and authorized to do business in the State of New York; and
 2. 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 of Rye. The City of Rye hereby represents and warrants that:
 1. 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 of Rye in accordance with its terms;
 2. the appointment of the Custodian has been duly authorized and no other corporate action is required; and
 3. 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 it in good faith and conformity with such advice or opinion. The City of Rye agree, 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 of Rye 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 of Rye's behalf where such credits have been previously made and the securities are not finally collected.
- c. The City of Rye 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 of Rye's authorized representative, upon reasonable notice, shall have access to the Custodian's books and records maintained with respect to the City of Rye's interest in the Account during the Custodian's normal business hours. Upon the reasonable request of the City of Rye, copies of any such books and records shall be provided by the Custodian to the City of Rye or the City of Rye's authorized representative at the City of Rye'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 of Rye 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 of Rye 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 of Rye 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 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 1051 Boston Post Road, Rye, New York 10580 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 of Rye shall be sufficiently given if sent to the City of Rye by regular mail to its Offices at 1051 Boston Post Road, Rye, New York 10580 or at such other Offices as the City of Rye 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 of Rye in accordance with this Agreement.
- b. "Authorized Person" shall be any officer of the City of Rye or Bank, as the case may be, duly authorized to give Oral Instructions or Written Instructions on behalf of City of Rye 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 an 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.

ROLL CALL:

AYES: Mayor Dunn, Councilmen Burke, Collins, Cunningham,
Latwin, Hutchings, and Walsh

NAYS:None

ABSENT: None

The motion carried.

11. Adoption of County tax rate for 1996

Councilman Collins made a motion, seconded by Councilwoman Walsh, to adopt the County tax rate for 1996, as follows:

RESOLVED, that the tax rates for the amounts of County, Blind Brook Sewer District, Mamaroneck Valley Sewer District, Refuse Disposal District and Water District No. 4 charges for the fiscal year beginning January 1, 1996, shall be as follows:

<u>County</u>	
Levy	\$9,930,020
Taxable Assessed Value	128,149,311

Taxable Rate per \$1,000 Assessed Value 77.488

Blind Brook Sewer District

Levy \$1,653,757
Taxable Assessed Value 135,094,739
Taxable Rate per \$1,000 Assessed Value 12.241

Mamaroneck Valley Sewer District

Levy \$290,338
Taxable Assessed Value 18,095,292
Taxable Rate per \$1,000 Assessed Value 16.045

Refuse Disposal District No. 1

Levy \$1,252,408
Taxable Assessed Value 130,725,181
Taxable Rate per \$1,000 Assessed Value 9.582

Water District No. 4

Levy \$44,630
Taxable Assessed Value 139,728,281
Taxable Rate per \$1,000 Assessed Value 0.319

and it is further

RESOLVED, that the Council does hereby certify to the City Comptroller the above stated levies and tax rates for the County, Blind Brook Sewer District, Mamaroneck Valley Sewer District, Refuse Disposal District and Water District No. 4 charges, and the City Comptroller is hereby directed to apportion and extend against each taxable property listed upon the assessment roll of the City of Rye for 1996 at the rates specified, the amount of taxes required to produce the total sums certified and to render tax notices for, and receive and collect, the several sums computed and determined, and, it is further

RESOLVED, that the tax warrant of the County be signed by the Mayor and directed to the City Comptroller to collect the amount of said taxes with interest as provided by law and any special assessment heretofore authorized and approved.

ROLL CALL:

AYES: Mayor Dunn, Councilmen Burke, Collins, Cunningham,
Hutchings, Latwin, and Walsh

NAYS:None

ABSENT None

The resolution passed.

12. Schedule regular meeting of the City Council held annually at the Square House for May 1, 1996

Councilwoman Cunningham made a motion, seconded by Councilman Burke and unanimously carried, to schedule the regular meeting of the City Council held annually at the Square House for May 1, 1996.

Councilman Burke initiated a brief Council discussion about having an annual photograph of the City Council. Mayor Dunn recommended that Councilman Burke and Councilwoman Cunningham research the feasibility of an annual photograph.

13. Bids for Street Materials

The following bids were received:

BID TABULATION ON SEPARATE SHEETS

Councilman Collins made a motion, seconded by Councilwoman Cunningham, to adopt the following resolution:

RESOLVED, to award Bid 2-96,
Street Materials, as follows:

Peckham Materials, Inc. as follows:

	<u>F.O.B.</u>	<u>Delivered</u>
3/4" Crushed Stone	\$ 16.00	
1 1/2" Crushed Stone	\$ 16.00	
Graded Processed Stone NYS 304.02	\$ 13.85	
Binder Course Type 3	\$ 32.75	
Binder Course Type 4	\$ 32.75	
Shim Course Type 5	\$ 33.75	
Top Course Type 6F	\$ 32.75	
Top Course Type 7F	\$ 33.75	
Asphaltic Concrete Curb	\$ 35.75	
Kraftco Asphalt Rubber Plus		\$.75 per bag
Water-Based Tack Coat	\$125.00	

John Gozo Construction, Inc. as follows:

	<u>Delivered</u>
3/4" Crushed Stone	\$ 15.22
1 1/2" Crushed Stone	\$ 15.42
Graded Processed Stone NYS 304.02	\$ 13.92

ROLL CALL:

AYES: Mayor Dunn, Councilmen Burke, Collins, Cunningham,
Latwin, Hutchings, and Walsh

NAYS: None

ABSENT: None

The resolution passed.

14. Draft unapproved minutes of the special meeting of the City Council held April 1, 1996, and the regular meeting of the City Council held April 3, 1996

Councilwoman Walsh made a motion, seconded by Councilwoman Cunningham and unanimously carried, to approve the minutes of the special meeting held April 1, 1996 and the regular meeting of the City Council held April 3, 1996 as submitted.

15. Miscellaneous communications and reports

A. Councilman Latwin acknowledged the April 13, 1996 letter from Mr. James D. Hakanjin, chairman of the Commission on Human Rights, informing the Council that the Commission on Human Rights has unanimously chosen to co-sponsor the Rye Community Unity Day. On behalf of the Commission of Human Rights, Mr. Hakanjin respectfully requested the use of the Village Green on May 19, 1996 for this event. Councilman Latwin added that in the event of inclement weather, permission to use the Council Chambers should be considered.

Councilwoman Cunningham made a motion, seconded by Councilman Latwin and unanimously carried, to approve the use of the Village Green or in the event of inclement weather the use of the Council Chambers on May 19, 1996 by the Commission on Human Rights as co-sponsor of Rye Community Unity Day.

B. Councilman Hutchings reported that he attended the annual meeting of Friends of RCTV. He informed the Council that Mrs. Lila Bumstead, outgoing president of the Friends of RCTV, presented a check for \$3,500 toward the purchase of a new character generator.

Councilman Hutchings made a motion, seconded by Councilman Latwin and unanimously carried, to accept the amount of \$3,500 from Friends of RCTV to be used toward the purchase of a new character generator.

Councilman Hutchings also informed the Council that Mr. Mark Jamison and Mr. Stephen Thompson were elected president and vice president respectively of the Friends of RCTV.

C. In response to Councilwoman Walsh, City Manager Culross apprised the Council that the April 3, 1996 communication from the National Heritage Trust is the formal award letter for the Rye Nature Center grant.

D. Mayor Dunn provided an update on the Rye Town Park Commission:

- Both Mayor Dunn and Mr. Ilse's votes were defeated on the issuance of free passes for the Rye Town Park. The practice of distributing free passes will continue. The commission split 3 to 3 on a second option under which free passes would be marked with bar codes and a log would be kept of the recipients' names.
- Emergency bid procedures will be taken in order to repair the roof of the concession building and to build a sanitary sewer system. This will be

accomplished through some form of long-term financing.

- Mayor Dunn acknowledged the receipt of a letter from the State Comptroller's Office stating that the City should resolve the issue of unauthorized deficits of Rye Town Park. The Mayor said that the City will appeal to the State Comptroller's Office for a reconsideration of this issue.
- There is concern about the continuing vandalism at Rye Town Park.

E. Mayor Dunn expressed appreciation to the City Clerk for her efforts in locating the burial site of the late Mr. Richard Hellman, a former Rye resident. The Mayor encouraged the Council to bring any staff member's random acts of courtesy to his attention.

16. New Business

There was no new business to be discussed.

17. Adjournment

Councilman Collins made a motion, seconded by Councilman Burke and unanimously carried, to adjourn the meeting.

There being no further business to discuss, the meeting was adjourned at 9:25 P.M.

Respectfully submitted,

Alice K. Conrad
City Clerk