TREASURER OF THE STATE OF ARKANSAS

CUSTODIAL SERVICES AGREEMENT

This CUSTODIAL SERVICES AGREEMENT ("Agreement") is entered into as of this 13th day of January, 2015, by and between Dennis Milligan, Treasurer of State ("Depositor"), with its principal office at 220 State Capitol Building, Little Rock, AR 72201, and ___________________ ("Institution"), with its principal office at ___________________, (BANK) and ___________________ ("Custodian"), with its principal office at ___________________.

WITNESSETH

WHEREAS, the Depositor has agreed to deposit funds with the Institution pursuant to the terms and provisions of that certain Security Agreement for Funds Held in Deposit ("Security Agreement") by and between the Depositor and the Institution dated as of January 13, 2015; and

WHEREAS, pursuant to the terms and provisions of the Security Agreement, the Institution has agreed to assign, transfer, pledge and convey to the Depositor a perfected security interest in certain eligible securities owned by the Institution (the "Collateral"); and

WHEREAS, in order to perfect the Depositor's security interest in the Collateral, the Custodian, as agent for the Depositor, will accept from the Institution, take possession of and hold such Collateral solely for the benefit of the Depositor.

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

1. The Custodian hereby accepts employment as the Depositor's custodian and depositary pursuant to the terms of this Agreement.

2. The Custodian shall accept and retain as Custodian solely for the benefit of the Depositor all securities tendered by the Institution as Collateral for its obligations under the Security Agreement. For the purposes of this Agreement, the term "securities" shall have the same meaning as set forth in the Security Agreement. Upon receipt of Collateral from the Institution for the benefit of the Depositor, the Custodian shall (i) immediately notify the Depositor, by telephone or otherwise, of the Collateral pledged, (ii) issue a written receipt to the Institution evidencing Custodian's receipt of the Collateral, and (iii) within three business days issue and provide delivery to Depositor written confirmation evidencing Institution has pledged and Custodian has received Collateral.

3. The Custodian shall identify on its books and records as being pledged to the Depositor specific securities or a quantity of specific securities received by it for, or for the account of, the Depositor. The Custodian shall have no power or authority to transfer, assign, hypothecate, pledge or otherwise dispose of any such securities, except pursuant to instructions from the Depositor and pursuant to the terms of this Agreement.

4. If at any time the ratio of the market value of the Collateral to the amount of funds on deposit is less than the Maintenance Percentage, then the Institution shall assign, pledge and convey a security interest and transfer to the Depositor securities of the type eligible to be pledged pursuant to Arkansas Code Annotated §23-47-203, as amended, and in such amount so that the ratio of the market value of such pledged securities to the amount of funds on deposit shall be at least equal to the Maintenance Percentage. Failure by Institution to provide securities of the type eligible to be pledged pursuant to Arkansas Code Annotated §23-47-203, as amended, in such amount so that the ratio of the market value of such pledged securities to the amount of funds on deposit is at least equal to the Maintenance Percentage, shall at the discretion of the Treasurer of State make all funds of the Depositor held by the Institution subject to immediate withdrawal without penalty and with interest being due and payable to the date of withdrawal.

5. The Custodian shall, on the first business day following receipt by the Custodian of prior written notice, allow the Institution to withdraw any of the securities constituting the Collateral, if the Institution shall simultaneously deliver to the Custodian as additional Collateral securities of the same type and having at least the same market value as the securities withdrawn.
6. The **Custodian** is hereby authorized and directed to promptly distribute to the **Institution** any cash received by the **Custodian** as payment of accrued interest on any of the securities constituting the **Collateral**.

7. Except as specifically provided in the foregoing paragraphs 5 and 6, the **Custodian** will not release or transfer to the **Institution** any securities constituting the **Collateral** without prior written instructions from the **Depositor**, except that the **Custodian** may elect to release or transfer to the **Institution** securities constituting the **Collateral** upon receipt of verbal instructions from the **Depositor**, if (i) the verbal instructions are electronically recorded and the **Custodian** has obtained independent and separate confirmation of the verbal instructions from an authorized officer of the **Depositor**, (ii) the **Custodian** provides immediate written confirmation of the verbal instructions to the **Depositor** and (iii) the **Depositor** provides immediate written confirmation of the verbal instructions to the **Custodian**. The **Depositor** and the **Custodian** agree that in the case of any conflict between written and verbal instructions, the written instructions will be binding.

8. The **Custodian** agrees to provide to the **Depositor** a monthly statement of holdings reflecting the securities pledged by the **Institution**. In addition, the **Institution** agrees to provide to the **Custodian** current market price valuations of the securities constituting the **Collateral**, as may be required or requested by the **Depositor**.

9. In the absence of bad faith on the part of the **Custodian**, the **Custodian** shall be permitted to rely upon the authenticity of, and the truth of the statements and the accuracy of the opinions expressed in, and will be protected in acting upon, any document believed by the **Custodian** to be genuine and to have been signed, affixed or presented by the proper party or parties. The **Custodian** shall not be liable with respect to any action taken or omitted to be taken by it in accordance with any instruction or request of the **Depositor**. In addition, the **Custodian** shall not be liable for any error of judgment made in good faith by an officer of this **Custodian**, unless it shall be proved that the **Custodian** was grossly negligent in ascertaining the pertinent facts. In the event the **Custodian** receives substantially contemporaneously contrary written instructions from the **Depositor** and the **Institution**, then the **Custodian** may, at its election and without liability to either the **Depositor** or the **Institution**, interplead the securities constituting the **Collateral** in a court of competent jurisdiction, and the **Depositor's** and the **Institution's** sole recourse shall be against each other and the securities constituting the **Collateral** so interpled.

10. This **Agreement** may be amended at any time by written agreement between the **Depositor** and the **Custodian**, with prior written notice to the **Institution**.

11. This **Agreement** shall be subject to and construed in accordance with the laws of the State of Arkansas.

12. This **Agreement** may be simultaneously executed in two or more counterparts, each of which shall be deemed to be an original.

13. Notices and other writings shall be delivered or mailed postage prepaid to the parties at the addresses set forth on the signature page hereof.

**IN WITNESS WHEREOF**, the parties hereto, each acting through its respective duly authorized representative, have caused this **Agreement** to be signed in their name and delivered as of the date first above written.

**DEPOSITOR:**

Dennis Milligan  
TREASURER OF THE STATE OF ARKANSAS  
Address for Notices:  
1401 W. Capitol, Suite 275  
Little Rock, AR 72201  

Signature
CUSTODIAN:

Address for Notices:

By: ____________________________

Title: _________________________

INSTITUTION:

Address for Notices:

By: ____________________________

Title: _________________________