

**VILLAGE OF DOWNERS GROVE**  
**Report for the Village Council Meeting**  
**2/16/2016**

<b>SUBJECT:</b>	<b>SUBMITTED BY:</b>
An ordinance providing for the authorization to appoint a new bond registrar and paying agent for the Village's outstanding bonds	Judy Buttny Finance Director

**SYNOPSIS**

An ordinance has been prepared for the authorization to appoint a new bond registrar and paying agent for the Village's outstanding bonds and approving an agreement in connection therewith.

**STRATEGIC PLAN ALIGNMENT**

The goals for 2011-2018 identified *Steward of Financial and Environmental Sustainability*.

**FISCAL IMPACT**

The cost of this service is \$6,000 for 2016. Of this fee, \$2,000 pertains to the Stormwater Bond Refunding also on the February 9, 2016 agenda. The remaining \$4,000 is for the annual service related to transmission of payments for the Village's bonds. Sufficient budget authority exists in the General Fund for this service.

**UPDATE & RECOMMENDATION**

This item was discussed at the February 9, 2016 Village Council meeting. Staff recommends approval on the February 16, 2016 Active Agenda.

**BACKGROUND**

The Village's Financial Advisor (FA) Robert W. Baird & Co. has recommended that the Village use a bond registrar and paying agent for its outstanding municipal bonds. The bond registrar and paying agent transmits payments of interest and principal for the Village's municipal bonds and maintains records in order to insure accurate, timely payments. Currently staff completes this function. The FA has selected Zions Bank through an RFP process to serve in this capacity. Their fee is \$400 per issue, or \$4,000 per year, plus a one-time set up fee of \$500, and an escrow agent fee of \$1,500. The attached ordinance removes the Village Treasurer as the bond registrar and paying agent and appoints Zion Bank as such, and authorizes an agreement in connection therewith.

**ATTACHMENTS**

Bond Registrar and Paying Agent Ordinance.

VILLAGE OF DOWNERS GROVE  
COUNCIL ACTION SUMMARY

INITIATED: Finance DATE: February 16, 2016  
(Name)

RECOMMENDATION FROM: \_\_\_\_\_ FILE REF: \_\_\_\_\_  
(Board or Department)

**NATURE OF ACTION:**

- Ordinance
- Resolution
- Motion
- Other

**STEPS NEEDED TO IMPLEMENT ACTION:**

Motion to Adopt "AN ORDINANCE PROVIDING FOR THE AUTHORIZATION TO APPOINT A NEW BOND REGISTRAR AND PAYING AGENT FOR THE VILLAGE'S OUTSTANDING BONDS", as presented.



**SUMMARY OF ITEM:**

Adoption of this ordinance shall authorize the appointment of a new bond registrar and paying agent for the Village's outstanding bonds.

**RECORD OF ACTION TAKEN:**

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

EXTRACT OF MINUTES of a regular public meeting of the Council of the Village of Downers Grove, DuPage County, Illinois, held at the Village Hall, 801 Burlington Avenue, in said Village, at 7:00 p.m., on the 16th day of February, 2016.

The Mayor called the meeting to order and directed the Village Clerk to call the roll.

Upon the roll being called, the Mayor and the following Commissioners answered physically present at said location: \_\_\_\_\_

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The following Commissioners were allowed by a majority of the Council in accordance with and to the extent allowed by rules adopted by the Council to attend the meeting by video or audio conference: \_\_\_\_\_

No Commissioner was not permitted to attend the meeting by video or audio conference. The following Commissioners were absent and did not participate in the meeting in any manner or to any extent whatsoever: \_\_\_\_\_

The Council then considered an ordinance providing for the authorization to appoint a new bond registrar and paying agent for the Village's outstanding bonds.

Thereupon, Commissioner \_\_\_\_\_ presented and the following ordinance was explained in full:

ORDINANCE NO. \_\_\_\_\_

AN ORDINANCE providing for the authorization to appoint a new bond registrar and paying agent for the Village's outstanding bonds.

(the "Ordinance") which was before the Council and made available to any person requesting one in words and figures as follows.

The ordinance having been first read at a public meeting of the Council at least five days before the present meeting, Commissioner \_\_\_\_\_ moved and Commissioner \_\_\_\_\_ seconded the motion that the Ordinance as presented be adopted.

The Mayor directed that the roll be called for a vote upon the motion to adopt the ordinance.

Upon the roll being called, the following Commissioners voted AYE: \_\_\_\_\_

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and the following Commissioners voted NAY: \_\_\_\_\_.

WHEREUPON, the Mayor declared the motion carried and the ordinance adopted, and henceforth did approve and sign the same, and did direct the Village Clerk to record the same in full in the records of the Council of the Village of Downers Grove, DuPage County, Illinois.

Other business was duly transacted at said meeting.

Upon motion duly made and carried, the meeting adjourned.

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Village Clerk

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ORDINANCE NUMBER \_\_\_\_\_

AN ORDINANCE providing for the authorization to appoint a new bond registrar and paying agent for certain of the Village's outstanding bonds.

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Adopted by the Council on the 16th day of February, 2016.

**ORDINANCE NO. \_\_\_\_\_**

AN ORDINANCE providing for the authorization to appoint a new bond registrar and paying agent for certain of the Village's outstanding bonds.

WHEREAS, the Village of Downers Grove, DuPage County, Illinois (the "Village"), is a home rule municipality and body politic of the State of Illinois, duly created, organized and existing under the Illinois Municipal Code (the "Municipal Code"), and having the powers, objects and purposes provided by said Code; and

WHEREAS, pursuant to the provisions of Sections 6(d) and 6(k) of Article VII of the Constitution of the State of Illinois (the "Constitution"), a home rule unit may incur debt payable from ad valorem property tax receipts maturing not more than 40 years from the time it is incurred and without referendum approval thereof; and

WHEREAS, the Village has outstanding obligations designated as its General Obligation Bonds, Series 2008A, dated August 13, 2008, General Obligation Refunding Bonds, Series 2008B, dated August 13, 2008, General Obligation Refunding Bonds, Series 2009, dated April 9, 2009, General Obligation Refunding Bonds, Series 2010, dated March 4, 2010, General Obligation Refunding Bonds, Series 2010B, dated November 10, 2010, General Obligation Bonds, Series 2012, dated May 3, 2012, General Obligation Refunding Bonds, Series 2013A, dated October 31, 2013, General Obligation Refunding Bonds, Series 2014, dated August 19, 2014 and General Obligation Refunding Bonds, Series 2015, dated April 15, 2015 (collectively, the "Bonds") issued pursuant to the Municipal Code, the Local Government Debt Reform Act of the State of Illinois, as amended (as defined hereinafter), and bond ordinances adopted by the Village Council for each respective bond issue (collectively, the "Prior Bond Ordinances"); and

WHEREAS, pursuant to the Prior Bond Ordinances, the Village appointed the Village Treasurer, Village of Downers Grove, DuPage County, Illinois (“Village Treasurer”), to act as bond registrar and paying agent for the Bonds; and

WHEREAS, the Village Treasurer will no longer be able to perform the duties of bond registrar and paying agent;

WHEREAS, the Village hereby appoints Zions Bank, a division of ZB, National Association, Chicago, Illinois (“Zions Bank”), as bond registrar and paying agent for the Bonds;

NOW THEREFORE, BE IT ORDAINED BY THE MAYOR AND COUNCIL OF THE VILLAGE OF DOWNERS GROVE, DUPAGE COUNTY, ILLINOIS, AS FOLLOWS:

Section 1. Incorporation of Preambles. The Village Council hereby finds that all of the recitals contained in the preambles to this Ordinance are full, true and correct and does incorporate them into this ordinance by this reference.

Section 2. Authorization. It is hereby found and determined that the Village Council has been authorized by this Ordinance, and in accordance with the Prior Bond Ordinances, to accept the resignation of the Village Treasurer as bond registrar and paying agent for the Bonds and appoint Zions Bank as bond registrar and paying agent for the Bonds and to serve in such capacities in accordance with and pursuant to the Prior Bond Ordinances and authorize the Agreement between the Village and Zions Bank, dated, February \_\_, 2016, attached hereto and incorporated herein by reference as Exhibit A.

Section 3. Further Actions. The Village Manager and Village Clerk are authorized to execute the Zions Bank’s standard forms of agreement between the Village and Zions Bank with respect to the obligations and duties of Zions Bank as bond registrar and paying in accordance with the Prior Bond Ordinances.

Section 4. Severability. If any section, paragraph or provision of this Ordinance shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Ordinance.

Section 5. Repeal. All ordinances, resolutions or parts thereof in conflict herewith be and the same are hereby repealed and this Ordinance shall be in full force and effect forthwith upon its adoption.

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ADOPTED February 16, 2016:

AYES: \_\_\_\_\_

\_\_\_\_\_

NAYS: \_\_\_\_\_

\_\_\_\_\_

ABSENT: \_\_\_\_\_

\_\_\_\_\_

APPROVED February 16, 2016.

\_\_\_\_\_  
Mayor, Village of Downers Grove,  
DuPage County, Illinois

Published in pamphlet form by authority of the Council on February 16, 2016.

ATTEST:

\_\_\_\_\_  
Village Clerk, Village of Downers Grove  
DuPage County, Illinois

Exhibit A

[Paying Agent/Bond Registrar Agreement]

## EXHIBIT A

### PAYING AGENT/REGISTRAR AGREEMENT

THIS AGREEMENT (the "Agreement") entered into as of February 16, 2016, by and between the Village of Downers Grove, Illinois (the "Issuer") and Zions Bank, a division of ZB, National Association (the "Bank").

#### RECITALS

WHEREAS, the Issuer has duly authorized and provided for the issuance of its General Obligation Refunding Bonds, Series 2016 (the "2016 Bonds") in the aggregate principal amount of approximately \$8,100,000, such Bonds to be issued in fully registered form only as to the payment of principal and interest thereon; and

WHEREAS, the 2016 Bonds are scheduled to be delivered to the initial purchasers on or about March 28, 2016; and

WHEREAS, the Issuer has previously authorized and provided for the issuance of its General Obligation Bonds, Series 2008A in the aggregate principal amount of approximately \$25,000,000, its General Obligation Refunding Bonds, Series 2008B in the aggregate principal amount of approximately \$3,900,000, its General Obligation Refunding Bonds, Series 2009 in the aggregate principal amount of approximately \$9,030,000, its General Obligation Refunding Bonds, Series 2010 in the aggregate principal amount of approximately \$5,805,000, its General Obligation Refunding Bonds, Series 2010B in the aggregate principal amount of approximately \$5,150,000, its General Obligation Bonds, Series 2012 in the aggregate principal amount of approximately \$35,000,000, its General Obligation Refunding Bonds, Series 2013A in the aggregate principal amount of approximately \$8,360,000, its General Obligation Refunding Bonds, Series 2014 in the aggregate principal amount of approximately \$9,660,000, and its General Obligation Refunding Bonds, Series 2015 in the aggregate principal amount of approximately \$9,535,000, ("The Prior Bonds", and together with the 2016 Bonds, "The Bonds") such Prior Bonds were previously issued in fully registered form only as to the payment of principal and interest thereon; and

WHEREAS, the Issuer has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of, premium, if any, and interest on said Bonds and with respect to the registration, transfer and exchange thereof by the registered owners thereof; and

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Paying Agent/Registrar for the Bonds;

NOW, THEREFORE, it is mutually agreed as follows:

#### ARTICLE ONE

##### APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

###### **Section 1.01. Appointment.**

The Issuer hereby appoints the Bank to serve as Paying Agent with respect to the Bonds. As Paying Agent for the Bonds, the Bank shall be responsible for paying on behalf of the Issuer the principal, premium (if any), and interest on the Bonds as the same become due and payable to the registered owners thereof, all in accordance with this Agreement and the Bond Resolution.

The Issuer hereby appoints the Bank as Registrar with respect to the Bonds. As Registrar for the Bonds, the Bank shall keep and maintain for and on behalf of the Issuer books and records as to the

ownership of said Bonds and with respect to the transfer and exchange thereof as provided herein and in the Bond Resolution.

The Bank hereby accepts its appointment, and agrees to serve as the Paying Agent and Registrar for the Bonds.

### **Section 1.02. Compensation**

As compensation for the Bank's services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in Exhibit 1 attached hereto.

In addition, the Issuer agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements and advances incurred or made by the Bank in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

## **ARTICLE TWO** **DEFINITIONS**

### **Section 2.01. Definitions.**

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

"Bank Office" means the designated corporate trust office of the Bank as indicated on the signature page hereof. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

"Bond Resolutions" means the official actions of the Issuer taken to issue the Bonds.

"Bond Register" means a register maintained by the Bank on behalf of the Issuer providing for the registration and transfer of the Bonds.

"Holder" and "Bond Holder" each means the Person in whose name a Bond is registered in the Bond Register.

"Legal Holiday" means a day on which the Bank is required or authorized to be closed.

"Paying Agent/Registrar" means the Bank in the performance of the duties and functions of this Agreement.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government.

"Record Date" means the date as defined in the Bonds

"Redemption Date" when used with respect to any Bond to be redeemed means the date fixed for such redemption pursuant to the terms of the Bond Resolution.

"Responsible Officer" when used with respect to the Bank means the Chairman or Vice Chairman of the Board of Directors, the Chairman or Vice-Chairman of the Executive Committee of the Board of

Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject

"Stated Maturity" means the date specified in the Bond Resolution when the principal of a Bond is scheduled to be due and payable.

### **Section 2.02. Other Definitions.**

The terms "Bank," "Issuer" and "Bonds" have the meanings assigned to them in the recital paragraphs of this Agreement.

## **ARTICLE THREE** **PAYING AGENT**

### **Section 3.01. Duties of Paying Agent**

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the principal of each Bond at its Stated Maturity or Redemption Date, to the Holder upon surrender of the Bond to the Bank at the Bank Office.

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Bond when due.

### **Section 3.02. Payment Dates**

The Issuer hereby instructs the Bank to pay the principal of and interest on the Bonds on the dates specified in the Bond Resolution.

## **ARTICLE FOUR** **REGISTRAR**

### **Section 4.01. Bond Register - Transfers and Exchanges.**

The Bank agrees to keep and maintain for and on behalf of the Issuer at the Bank Office books and records (herein sometimes referred to as the "Bond Register"), for recording the names and addresses of the Holders of the Bonds, the transfer, exchange and replacement of the Bonds and the payment of the principal of and interest on the Bonds to the Holders and containing such other information as may be reasonably required by the Issuer and subject to such reasonable regulations as the Issuer and the Bank may prescribe. All transfers, exchanges and replacement of Bonds shall be noted in the Bond Register.

Every Bond surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been medallion guaranteed in form satisfactory to the Bank, duly executed by the Holder thereof or his agent duly authorized in writing.

The Bank may request any supporting documentation it feels necessary to affect a re-registration, transfer or exchange of the Bonds.

To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Bonds, the exchange or transfer by the Holders thereof will be completed and new Bonds delivered to the Holder or the assignee of the Holder in not more than three (3) business days after the receipt of the Bonds to be cancelled in an exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

#### **Section 4.02. Bonds.**

Upon request of the Bank if the agreement of the Issuer with the Depository Trust Company of New York to act as holder of the Bonds through its Book-Entry System is terminated, the Issuer shall provide an adequate inventory of printed Bonds to facilitate transfers or exchanges thereof. The Bank covenants that the inventory of printed Bonds will be kept in safekeeping pending their use, and reasonable care will be exercised by the Bank in maintaining such Bonds in safekeeping, which shall be not less than the care maintained by the Bank for debt securities of other political subdivisions or corporations for which it serves as registrar, or that is maintained for its own securities.

#### **Section 4.03. Form of Bond Register.**

The Bank, as Registrar, will maintain the Bond Register relating to the registration, payment, transfer and exchange of the Bonds in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Bond Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Bond Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

#### **Section 4.04. List of Bond Holders.**

The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the required fee, a copy of the information contained in the Bond Register. The Issuer may also inspect the information contained in the Bond Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

The Bank will not release or disclose the contents of the Bond Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a court order or as otherwise required by law. Upon receipt of a court order and prior to the release or disclosure of the contents of the Bond Register, the Bank will notify the Issuer so that the Issuer may contest the court order or such release or disclosure of the contents of the Bond Register unless such court order prevents Bank from providing such notice.

#### **Section 4.05. Cancellation of Bonds.**

All Bonds surrendered to the Bank for payment, redemption, transfer or replacement shall be promptly cancelled by the Bank. The Bank will provide to the Issuer, upon request, a certificate evidencing the destruction of cancelled Bonds.

#### **Section 4.06. Mutilated, Destroyed, Lost or Stolen Bonds.**

The Issuer hereby instructs the Bank, subject to the applicable provisions of the Bond Resolution to deliver and issue Bonds in exchange for or in lieu of mutilated, destroyed, lost or stolen Bonds.

**Section 4.07. Transaction Information to Issuer.**

The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Bonds it has paid pursuant to Section 3.01, Bonds it has delivered upon the transfer or exchange of any Bonds pursuant to Section 4.01, and Bonds it has delivered in exchange for or in lieu of mutilated, destroyed, lost or stolen Bonds pursuant to Section 4.06.

**ARTICLE FIVE**  
**THE BANK****Section 5.01. Duties of Bank.**

The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof.

**Section 5.02. Reliance on Documents, Etc.**

(a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

(b) The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(d) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Bonds, but is protected in acting upon receipt of Bonds containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document supplied by Issuer.

(e) The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

**Section 5.03. Recitals of Issuer.**

The recitals contained herein with respect to the Issuer and in the Bonds shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to the Issuer, any Holder or Holders of any Bond, or any other Person for any amount due on any Bond from its own funds

#### **Section 5.04. May Hold Bonds.**

The Bank, in its individual or any other capacity, may become the owner or pledgee of Bonds and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

#### **Section 5.05. Moneys Held by Bank.**

(a) The Bank shall deposit any moneys received from the Issuer into a trust account to be held in a fiduciary capacity for the payment of the Securities, with such moneys in the account that exceed the deposit insurance available to the Issuer by the Federal Deposit Insurance Corporation, to be fully collateralized with securities or obligations that are eligible under regulations adopted by the Office of the Comptroller of the Currency to secure and be pledged as collateral for trust accounts. Payments made from such trust account shall be made by check drawn on such trust account unless the owner of such Securities shall, at its own expense and risk, request such other medium of payment.

Subject to any applicable unclaimed property laws, any money deposited with the Bank for the payment of the principal, premium (if any), or interest on any Bond and remaining unclaimed beyond the statutory escheat period will be paid by the Bank to the Issuer if the Issuer so elects, and the Holder of such Bond shall hereafter look only to the Issuer for payment thereof, and all liability of the Bank with respect to such monies shall thereupon cease. If the Issuer does not elect, the Bank is directed to report and dispose of the funds in compliance with the applicable unclaimed property laws.

(b) The Bank shall deposit proceeds of the Bonds provided by the Issuer into a Cost of Issuance Account to pay costs of issuance of the Bonds as outlined on the Closing Memo and the respective invoices without further direction from the Issuer. Any proceeds remaining in the Cost of Issuance Account after 30 days, shall be transferred to the account as directed by the Issuer. Without directions, the balance shall be transferred to the Issuer's Bond Fund and used to pay interest on the Bonds.

#### **Section 5.06. Indemnification.**

To the extent permitted by law, the Issuer agrees to indemnify the Bank, its directors, officers and employees, and hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on its part, arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

#### **Section 5.07. Interpleader.**

The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand or controversy over its person as well as funds on deposit, in either a Federal or State District Court located in the State and County where either the Bank Office or the administrative offices of the Issuer are located, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 6.03 of this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction to determine the rights of any Person claiming any interest herein.



**ARTICLE SIX**  
**MISCELLANEOUS PROVISIONS**

**Section 6.01. Amendment**

This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

**Section 6.02. Assignment.**

This Agreement may not be assigned by either party without the prior written consent of the other.

**Section 6.03. Notices.**

Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown on the signature page of this Agreement.

**Section 6.04. Effect of Headings.**

The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

**Section 6.05. Successors and Assigns.**

All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not.

**Section 6.06. Severability.**

In case any provision herein shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

**Section 6.07. Benefits of Agreement.**

Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

**Section 6.08. Entire Agreement.**

This Agreement constitutes the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Bond Resolution, the Bond Resolution shall govern.

**Section 6.09. Counterparts.**

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

**Section 6.10. Termination.**

This Agreement will terminate (i) on the date of final payment of the principal of and interest on the Bonds to the Holders thereof or (ii) may be earlier terminated by either party upon sixty (60) days' written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the Issuer and such appointment accepted and (b) notice has been given to the Holders of the Bonds of the appointment of a successor Paying Agent/Registrar. Furthermore, the Bank and Issuer mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay or otherwise adversely affect the payment of the Bonds.

The resigning Paying Agent/Registrar may petition any court of competent jurisdiction for the appointment of a successor Paying Agent/Registrar if an instrument of acceptance by a successor Paying Agent/Registrar has not been delivered to the resigning Paying Agent/Registrar within sixty (60) days after the giving of such notice of resignation.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Bond Register (or a copy thereof), together with other pertinent books and records relating to the Bonds, to the successor Paying Agent/Registrar designated and appointed by the Issuer.

The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement.

#### **Section 6.11. Governing Law.**

This Agreement shall be construed in accordance with and governed by the laws of the State of Illinois.

#### **Section 6.12. Electronic Communications Provision.**

The Paying Agent/Registrar agrees to accept and act upon instructions or directions pursuant to the Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that the Paying Agent/Registrar has received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which incumbency certificate will be amended and replaced whenever a person is added or deleted from the listing. If the Issuer elects to give the Paying Agent/Registrar e-mail or facsimile instructions (or instructions by similar electronic method) and the Paying Agent/Registrar in its discretion elects to act upon such instructions, the Paying Agent/Registrar's understanding of such instructions will be deemed controlling. The Paying Agent/Registrar will not be liable for any losses, costs or expenses arising directly or indirectly from the Paying Agent/Registrar's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Issuer agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Paying Agent/Registrar, including without limitation, the risk of the Paying Agent/Registrar acting on unauthorized instructions, and the risk of interception and misuse by third parties.

#### **Section 6.13. Campaign Disclosure.**

The Bank shall execute the Campaign Disclosure Certificate, attached hereto as Exhibit 2. The Campaign Disclosure Certificate is required pursuant to the Village of Downers Grove Council Policy on Ethical Standards and is applicable to those campaign contributions made to any member of the Village Council.

Said Campaign Disclosure Certificate requires any individual or entity bidding to disclose campaign contributions, as defined in Section 9-1.4 of the Election Code (10 ILCS 5/9-1.4), made to current members of the Village Council within the five (5) year period preceding the date of the bid or proposal release.

By signing the agreement, the Bank agrees to refrain from making any campaign contributions as defined in Section 9-1.4 of the Election Code (10 ILCS 5/9-1.4) to any Village Council member and any challengers seeking to serve as a member of the Downers Grove Village Council.

#### **Section 6.14. Patriot Act Compliance.**

The Bank represents and warrants to the Village that neither it nor any of its principals, shareholders, members, partners, or affiliates, as applicable, is a person or entity named as a Specially Designated National and Blocked Person (as defined in Presidential Executive Order 13224) and that it is not acting, directly or indirectly, for or on behalf of a Specially Designated National and Blocked Person. The Bank further warrants to the Village that the Bank and its principals, shareholders, members, partners, or affiliates, as applicable are not, directly or indirectly, engaged in, and are not facilitating, the transactions contemplated by this Agreement on behalf of any person or entity named as a Specially Designated National and Blocked Person

#### **Section 6.15. Nondiscrimination.**

The Bank shall, as a party to a public contract:

- (a) Refrain from unlawful discrimination in employment and undertake affirmative action to assure equality of employment opportunity and eliminate the effects of past discrimination;
- (b) Certify that it is an "equal opportunity employer" as defined by Section 2000(e) of Chapter 21, Title 42, U.S. Code Annotated and Executive Orders #11246 and #11375, which are incorporated herein by reference. The Equal Opportunity clause, Section 6.1 of the Rules and Regulations of the Department of Human Rights of the State of Illinois, is a material part of this Agreement.

It is unlawful to discriminate on the basis of race, color, sex, national origin, ancestry, age, marital status, physical or mental handicap or unfavorable discharge for military service. The Bank shall comply with standards set forth in Title VII of the Civil Rights Act of 1964, 42 U.S.C. Sec. 2000 et seq., The Human Rights Act of the State of Illinois, 775 ILCS 5/1-101et. seq., and The Americans With Disabilities Act, 42 U.S.C. Sec. 12101 et. seq.

#### **Section 6.16. Sexual Harassment Policy**

The Bank, as a party to a public contract, shall have a written sexual harassment policy that:

1. Notes the illegality of sexual harassment;
2. Sets forth the State law definition of sexual harassment;
3. Describes sexual harassment utilizing examples;
4. Describes the Bank's internal complaint process including penalties;
5. Describes the legal recourse, investigative and complaint process available through the Illinois Department of Human Rights and the Human Rights Commission and how to contact these entities; and
6. Describes the protection against retaliation afforded under the Illinois Human Rights Act.

#### **Section 6.17. Equal Employment Opportunity.**

In the event of the Bank's non-compliance with the provisions of this Equal Employment Opportunity Clause, the Illinois Human Rights Act or the Rules and Regulations of the Illinois Department of Human Rights ("Department"), the Bank may be declared ineligible for future contracts or subcontracts with the State of Illinois or any of its political subdivisions or municipal corporations, and the contract may be canceled or voided in whole or in part, and such other sanctions or penalties may be imposed or remedies invoked as provided by statute or regulation. During the performance of this Agreement, the Bank agrees as follows:

That it will not discriminate against any employee or applicant for employment because of race, color, religion, sex, marital status, national origin or ancestry, age, physical or mental handicap unrelated to ability, sexual orientation, sexual identity or an unfavorable discharge from military service; and further that it will examine all job classifications to determine if minority persons or women are underutilized and will take appropriate affirmative action to rectify any such underutilization.

That, in all solicitations or advertisements for employees placed by it or on its behalf, it will state that all applicants will be afforded equal opportunity without discrimination because of race, color, religion, sex, marital status, national origin or ancestry, age, physical or mental handicap unrelated to ability, or an unfavorable discharge from military services.

#### **Section 6.18. Drug Free Work Place.**

The Bank, as a party to a public contract, certifies and agrees that it will provide a drug free workplace by:

Publishing a statement: (1) Notifying employees that the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance, including cannabis, is prohibited in the Village's or the Bank's workplace. (2) Specifying the actions that will be taken against employees for violations of such prohibition. (3) Notifying the employee that, as a condition of employment on such contract or grant, the employee will: (A) abide by the terms of the statement; and (B) notify the employer of any criminal drug statute conviction for a violation occurring in the workplace no later than five (5) days after such conviction.

Establishing a drug free awareness program to inform employees about: (1) the dangers of drug abuse in the workplace; (2) the Village's or the Bank's policy of maintaining a drug free workplace; (3) any available drug counseling, rehabilitation and employee assistance programs; (4) the penalties that may be imposed upon employees for drug violations.

Providing a copy of the statement required above to each employee engaged in the performance of the contract or grant and to post the statement in a prominent place in the workplace.

Notifying the contracting or granting agency within ten (10) days after receiving notice of any criminal drug statute conviction for a violation occurring in the workplace from an employee or otherwise receiving actual notice of such conviction.

Imposing a sanction on, or requiring the satisfactory participation in a drug abuse assistance or rehabilitation program by any employee who is so convicted as required by section 5 of the Drug Free Workplace Act.

Assisting employees in selecting a course of action in the event drug counseling, treatment and rehabilitation is required and indicating that a trained referral team is in place.

Making a good faith effort to continue to maintain a drug free workplace through implementation of the Drug Free Workplace Act.

**Section 6.19. Standard of Care.**

Services performed by the Bank under this Agreement will be conducted in a manner consistent with that level of care and skill ordinarily exercised by members of the profession currently practicing in the same locality under similar conditions. No other representations express or implied, and no warranty or guarantee is included or intended in this Agreement, or in any report, opinions, and documents or otherwise.

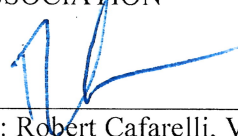
**Section 6.20. Cooperation with FOIA Compliance.**

The Bank acknowledges that the Freedom of Information Act may apply to public records in possession of the Bank. The Bank shall cooperate with the Village in its efforts to comply with the Freedom of Information Act (5 ILCS 140/1 et. seq.).

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

*(Remainder of this page intentionally left blank)*

ZIONS BANK, A DIVISION OF ZB, NATIONAL  
ASSOCIATION

A handwritten signature in blue ink, appearing to be 'R. Cafarelli', written over a horizontal line.

By: Robert Cafarelli, Vice President

VILLAGE OF DOWNERS GROVE, ILLINOIS

By: \_\_\_\_\_

**EXHIBIT 1****PAYING AGENT/REGISTRAR FEE SCHEDULE**

## 2016 Bonds:

Set-up/Acceptance: \$500 (one-time, include COI payments)

Paying Agent Fee: \$400 (annual)

Escrow Agent: \$1,500 (one-time)

## Prior Bonds:

Set-up/Acceptance: Waived

Paying Agent Fee: \$400 per issue (annual)

## EXHIBIT 2

## CAMPAIGN DISCLOSURE CERTIFICATE


The Campaign Disclosure Certificate is required pursuant to the Village of Downers Grove Council Policy on Ethical Standards and is applicable to those campaign contributions made to any member of the Village Council.

Said Campaign Disclosure Certificate requires any individual or entity bidding to disclose campaign contributions, as defined in Section 9-1.4 of the Election Code (10 ILCS 5/9-1.4), made to current members of the Village Council within the five (5) year period preceding the date of the bid or proposal release.

By signing the Contract, The Bank agrees to refrain from making any campaign contributions as defined in Section 9-1.4 of the Election Code (10 ILCS 5/9-1.4) to any Village Council member and any challengers seeking to serve as a member of the Downers Grove Village Council.

Under penalty of perjury, I declare:

- The Bank has not contributed to any elected Village position within the last five (5) years,

  
Signature

Robert Cofarelli  
Print Name

- The Bank has contributed a campaign contribution to a current member of the Village Council within the last five (5) years.

Print the following information:

Name of Contributor: \_\_\_\_\_  
(company or individual)

To whom contribution was made: \_\_\_\_\_

Year contribution made: \_\_\_\_\_ Amount: \$ \_\_\_\_\_

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Print Name



STATE OF ILLINOIS        )  
   ) SS  
 COUNTY OF DUPAGE        )

**CERTIFICATION OF MINUTES AND ORDINANCE**

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Downers Grove, DuPage County, Illinois (the "Village"), and as such official I am the keeper of the official journal of proceedings, books, records, minutes and files of the Village and of the Council (the "Corporate Authorities") thereof.

I do further certify that the foregoing is a full, true and complete transcript of that portion of the minutes of the meeting of the Corporate Authorities held on the 16th day of February, 2016, insofar as the same relates to the adoption of an ordinance entitled:

AN ORDINANCE providing for the authorization to appoint a new bond registrar and paying agent for certain of the Village's outstanding bonds.

a true, correct and complete copy of which said ordinance as adopted at said meeting appears in the foregoing transcript of the minutes of said meeting.

I do further certify that the deliberations of the Corporate Authorities on the adoption of said ordinance were taken openly; that the vote on the adoption of said ordinance was taken openly; that said meeting was held at a specified time and place convenient to the public; that notice of said meeting was duly given to all newspapers, radio or television stations and other news media requesting such notice; that an agenda for said meeting was posted at the principal office of the Corporate Authorities and at the location where said meeting was to be held on a day which was not a Saturday, Sunday or legal holiday for Illinois municipalities and at least 48 hours in advance of holding said meeting; that said agenda described or made specific reference to said ordinance; that a true, correct and complete copy of said agenda as so posted is attached hereto; and that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and the Illinois Municipal Code, as amended, and that the Corporate Authorities has complied with all of the provisions of said Act and said Code, except as said Act and said Code are validly superseded by the home rule powers of the Village, and with all of the procedural rules of the Corporate Authorities in the adoption of said ordinance.

IN WITNESS WHEREOF I hereunto affix my official signature and the seal of the Village this 16th day of February, 2016.

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Village Clerk

**[SEAL] VILLAGE CLERK TO ATTACH AGENDA**

STATE OF ILLINOIS        )  
   ) SS  
 COUNTY OF DUPAGE        )

**CERTIFICATE OF PUBLICATION IN PAMPHLET FORM**

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Downers Grove, DuPage County, Illinois (the “Village”), and as such official I am the keeper of the official journal of proceedings, books, records, minutes, and files of the Village and of the Council (the “Corporate Authorities”) thereof.

I do further certify that on the 16th day of February, 2016, there was published in pamphlet form, by authority of the Council, a true, correct and complete copy of an ordinance of the Village providing for the providing for the authorization to appoint a new bond registrar and paying agent for certain of the Village’s outstanding bonds and that said ordinance as so published was on said date readily available for public inspection and distribution, in sufficient number to meet the needs of the general public, at my office as Village Clerk located in the Village.

IN WITNESS WHEREOF I have affixed hereto my official signature and the seal of the Village this 16th day of February, 2016.

[SEAL]

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Village Clerk

STATE OF ILLINOIS                    )  
   ) SS  
 COUNTY OF DUPAGE                    )

**VIDEO/AUDIO ATTENDANCE CERTIFICATE**

I, the undersigned, do hereby certify that I am the duly qualified and acting Village Clerk of the Village of Downers Grove, DuPage County, Illinois, and that as such official I am the keeper of the official journal of proceedings, books, records, minutes, and files of the Village and of the Council (the “Corporate Authorities”) of the Village, and as such official I do further certify as follows:

1. That at the regular meeting of the Corporate Authorities on the 16th day of February, 2016 (the “Meeting”), the following Commissioner(s) attended the Meeting by video or audio conference, and that said Commissioner(s) was/were prevented from physically attending the Meeting because of the reason(s) as follows:

COMMISSIONER	REASON <sup>1</sup>
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2. That said Commissioner(s) notified me before the Meeting that he/she/they wished to attend the Meeting by video or audio conference.

3. That attached hereto as *Exhibit 1* is a true, correct and complete copy of the rules adopted by the Corporate Authorities for allowing a Commissioner to attend a meeting of the Corporate Authorities by video or audio conference.

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<sup>1</sup> Section 7 of the Open Meetings Act of the State of Illinois, as amended, provides the following three reasons a person may be prevented from physically attending a meeting: (i) personal illness or disability; (ii) employment purposes or the business of the public body; or (iii) a family or other emergency.

4. That the Meeting was duly called, noticed and held in strict compliance with all of the provisions of the Open Meetings Act of the State of Illinois, as amended, the Municipal Code of the State of Illinois, as amended, the Code of Ordinances of the Village, and the ordinances, resolutions, rules, regulations and proceedings of the Corporate Authorities.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 16th day of February, 2016.

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Village Clerk

**[Clerk to attach electronic attendance rules of Council]**

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