

RESOLUTION NO. 2018-02

**RESOLUTION TO AUTHORIZE AN EXECUTION OF A THIRD PARTY
CUSTODIAN AGREEMENT**

WHEREAS, DuPage Township, Will County, Illinois (Township) is a unit of local government and operates pursuant to the Township Code 60 ILCS 1/1-1, *et seq.*; and

WHEREAS, pursuant to the Township Code, any and all public funds shall be invested consistent with the Illinois Public Funds Investment Act 30 ILCS 235/0.01 *et seq.*; and

WHEREAS, the Township currently has funds on deposit with First Midwest Bank (Bank) who desires to collateralize these monies pursuant to a Third Party Custodian Agreement with the Bank of New York Mellon (Custodian); and

WHEREAS, the Township, Bank and Custodian desire to enter into a Third Party Custodian Agreement to allow for the collateralization of those public funds held by the Bank with Custodian consistent with the Illinois Public Funds Investment Act.

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of DuPage Township, Will County, Illinois as follows:

SECTION 1. The recitals set forth above shall be and are hereby incorporated as if said recitals were fully restated herein.

SECTION 2. The Board of Trustees directs the Supervisor, Clerk, attorney and any other necessary individuals to execute any and all documents necessary to enter into a Third Party Custodian Agreement consistent with the terms detailed in a copy of the Agreement, which is attached hereto as Exhibit A.

Passed this 13th day of February, 2018



William M. Mayer, Supervisor
DuPage Township

ATTEST



Patricia M. Stach, Clerk

AYES: 5
NAYS: 0
ABSENT: 0
ABSTAIN: 0

THIRD PARTY CUSTODIAN AGREEMENT
(Collateralized Municipal Deposits)

THIS AGREEMENT, made and executed as of 02/13/2018 between
DuPage Township ("Local Government"),
First Midwest Bank ("Bank") and The Bank of New York Mellon ("Custodian").

WITNESSETH

WHEREAS, Local Government desires to maintain or continue to maintain public deposits with Bank;

WHEREAS, Bank desires to obtain such deposits and to provide security therefor as required by applicable law, regulation or statute;

WHEREAS, Custodian agrees to provide safekeeping services and to hold any securities pledged by Bank in a custodial account established for the benefit of Local Government 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. Security Requirements

(a) Bank, to secure the timely payment of Uninsured Deposits heretofore or hereafter made by Local Government, including any interest due thereon and any costs or expenses incurred by Local Government and arising out of the collection of any deposits made with Bank, has deposited with Custodian certain securities more fully described in the initial confirmation or safekeeping receipt of such deposit delivered by Custodian to Bank and Local Government respectively (which securities together with any additions thereto, substitutions therefor and the proceeds thereof, are hereinafter collectively called "Securities"), to be held by Custodian pursuant to the provisions hereof. Bank hereby grants to Local Government a pledge and security interest in and to such Securities and shall deliver Securities to Custodian in the manner prescribed in Section 2 of this Agreement. The security interest of Local Government in Securities shall terminate upon the transfer of such Securities from the Account.

(b) Bank may substitute Securities and/or cash for any Securities and/or cash previously provided pursuant to this Agreement so long as the Substitute Securities and/or cash have a Market Value equal to or greater than the Securities and/or cash which they will replace. Custodian has no obligation to determine whether the Market Value of Substitute Securities and/or cash in the Account is equal to or greater than the Securities and/or cash which they will replace. Bank is responsible at all times for ensuring that the Market Value of Substitute Securities and/or cash in the Account is equal to or greater than the Securities and/or cash they will replace. Except as set forth in Section 2(c)(i), Custodian shall have no obligations with respect to the determination of Market Value. Bank shall give Written or Oral Instructions to Custodian with respect to any proposed substitution. Custodian shall act in accordance with Bank's Oral and Written Instructions with respect to the transfer the Securities out of the Account and delivery of Substitute Securities to the Account.

(c) Custodian assumes no responsibility to determine or monitor whether or not any such Securities or cash originally deposited hereunder or substitute or additional Securities or cash hereafter deposited are eligible for deposit under applicable law, rule or regulation or whether the Market Value of the Securities and/or cash thereof meets the requirements of any law, rule or regulation applicable to the deposit hereunder. The determination of eligibility and whether the Market Value of the Securities and/or cash satisfies statutory or regulatory requirements will be the responsibility of Bank. Custodian shall be fully protected in relying on Written or Oral Instructions of either Bank or Local Government directing Custodian to release any of the Securities and/or cash to Bank. To the extent of any conflict in the instructions of Local Government and Bank, the instructions of Local Government shall control and Bank shall hold Custodian harmless for acting in accordance with Local Government's instructions.

2. Custody of Securities and Cash

(a) Bank and Local Government hereby appoint Custodian as custodian of all Securities and/or cash at any time delivered to Custodian pursuant to this Agreement. Custodian hereby accepts appointment as such Custodian and agrees to establish and maintain the Account and appropriate records identifying the Securities as pledged by Bank to Local Government. Securities in the Account shall be kept separate and apart from the general assets of Custodian on Custodian's books and records and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or liability of Custodian or any other person or entity. Subject to the terms hereof, Custodian, in performing its duties and responsibilities pursuant to this Agreement, shall act as custodian for, and agent of, Local Government.

(b) Bank and Local Government agree that Securities delivered to Custodian for deposit in the Account may be in the form of credits to the accounts of Custodian at the Book Entry System or a Depository or by delivery to Custodian of physical certificates in a form suitable for transfer or with an assignment in blank to Local Government or Custodian. Bank and Local Government hereby authorize 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 or other financial intermediaries will be represented in accounts of Custodian that include only assets held by Custodian for its customers, including but not limited to accounts in which Custodian acts in a fiduciary, agency or representative capacity. Securities that are not held in the Book Entry System, Depositories or through another financial intermediary will be held in Custodian's vault and physically segregated from securities and other non-cash property belonging to Custodian.

(c)(i) Custodian shall provide Local Government each month with a statement identifying all Securities and/or cash in the Account and the Market Value thereof as of the date of such statement. Custodian shall also provide to Local Government and Bank upon request a written confirmation on any Business Day on which Securities and/or cash are transferred to and from the Account. Such confirmation shall identify the specific Securities which are the subject of the confirmation and the Market Value thereof.

(ii) Local Government agrees that it shall promptly review all confirmation statements and shall promptly advise Custodian by Oral or Written Instruction of any error, omission or inaccuracy in such statements. In the event that Custodian receives such a Written or Oral Instruction identifying a specific concern with respect to the Market Value or any other matter connected with the Account, Custodian shall undertake to correct any errors, failures or omissions, provided that Custodian determines in its sole discretion that such error, failure or omission actually occurred. Any such corrections shall be reflected on subsequent confirmation statements.

(d) The Account shall not be subject to any security interest, lien or any right of set-off by Custodian.

(e) With respect to all Securities held in the Account, Custodian by itself, or through the use of the Book Entry System or the appropriate Depository, shall, unless otherwise instructed to the contrary by Bank: (i) collect all income and other payments reflecting interest and principal on the Securities in the Account and credit such amounts to the account of Bank; (ii) forward to Bank copies of all information or documents that it may receive from an issuer of Securities which, in the opinion of Custodian, is intended for the beneficial owner of the 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 Securities held by Custodian hereunder; and (v) upon receipt of Written Instructions from Bank, Custodian will exchange 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 other similar rights.

3. Events of Default

In the event Bank shall fail to pay Local Government any amount of the Uninsured Deposits by Local Government covered by this Agreement in accordance with the terms of such Deposit, or should Bank fail or suspend active operations, the Uninsured Deposits in such Bank shall become due and payable immediately and Local Government shall have the right to unilaterally demand delivery of all Securities and/or cash in the Account by Written Instructions to Custodian and to sell such securities at public or private sale. In the event of such sale, Local Government, 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 Bank to Local Government and shall return the surplus, if any, to Bank.

4. Representation and Warranties

(a) Representations of Bank. Bank represents and warrants, which representations and warranties shall be deemed to be continuing, that:

- (i) this Agreement has been legally and validly entered into, does not and will not violate any statute or regulation applicable to it and is enforceable against Bank in accordance with its terms;
- (ii) it is the legal and actual owner, free and clear of all liens and claims, of all Securities pledged pursuant to this Agreement;
- (iii) this Agreement was executed by an officer of Bank who was authorized by Bank's board of directors to do so and will at all times be maintained as an official record of Bank;
- (iv) all Securities and cash held by Custodian hereunder are eligible to secure Local Government's deposits at Bank under applicable statutes or regulations and the Market Value of the Securities held by Custodian hereunder at all times meet the requirements of such statutes or regulations;
- (v) Bank is a bank or trust company duly authorized to do business in the state where it is located;
- (vi) 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;
- (vii) collateralization is in compliance with the Illinois Public Funds Investment Act 30 ILCS 235/0.01 et seq.

(b) Representations of Local Government. Local Government hereby represents and warrants, which representations and warranties shall be deemed to be continuing, that:

- (i) this Agreement has been legally and validly entered into, does not and will not violate any statute or regulation applicable to it and is enforceable against Local Government in accordance with its terms;
- (ii) the appointment of Custodian has been duly authorized by Local Government and this Agreement was executed by an officer of Local Government duly authorized to do so;
- (iii) it will not transfer, assign its interests in or the rights with respect to any Securities pledged pursuant to this Agreement, except as authorized pursuant to Section 3 of the Agreement;
- (iv) 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.

5. Concerning Custodian

(a) 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 or damage 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 any Depository. In no event shall Custodian be liable to Local Government, Bank or any third party for special, indirect or consequential damages, or lost profits or loss of business, arising in connection with this Agreement. Custodian may, with respect to questions of law, apply for and obtain the advice and opinion of 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. Local Government and Bank agree, jointly and severally, to indemnify Custodian and to hold it harmless against any and all costs, expenses, damages, liabilities or claims, including reasonable fees and expenses of counsel, which Custodian may sustain or incur or which may be asserted against Custodian by reason of or as a result of any action taken or omitted by 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 Custodian or any of its employees or duly appointed agents. This indemnity shall be a continuing obligation of Local Government and Bank notwithstanding the termination of this Agreement.

(b) Custodian shall not be responsible for, or considered to be custodian of, any Securities received by it for deposit in the Account until Custodian actually receives and collects such Securities directly or by the final crediting of Custodian's account on the books of the Book Entry System or the appropriate Depository. Custodian will be entitled to reverse any credits made on Local Government's behalf where such credits have been previously made and the Securities are not finally collected.

(c) 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 Custodian in connection with this Agreement.

(d) Local Government's authorized officer, upon reasonable notice, shall have access to Custodian's books and records maintained with respect to Local Government's interest in the Account during Custodian's normal business hours. Upon the reasonable request of Local Government, copies of any such books and records shall be provided by Custodian to Local Government or Local Government's authorized officer at Local Government's expense.

(e) In performing hereunder, Custodian may enter into subcontracts, agreements and understandings with third parties (including subsidiaries of The Bank of New York Mellon Corporation), whenever and on such terms and conditions as it deems necessary or appropriate. No such subcontract, agreement or understanding shall discharge Custodian from its obligations hereunder.

(f) Reliance on Pricing Services. Custodian is authorized to utilize any generally recognized pricing information service (including brokers and dealers of securities) in order to provide Market Values hereunder, and Bank and Local Government agree that Custodian shall not be liable for any loss, damage, expense, liability or claim (including attorneys' fees) incurred as a result of errors or omissions of any such pricing information service, broker or dealer.

(g) Force Majeure. Custodian shall not be responsible or liable for any failure or delay in the performance of its obligations under this Agreement arising out of or caused, directly or indirectly, by circumstances beyond its reasonable control, including without limitation, acts of God, earthquakes, fires, floods, wars, civil or military disturbances, sabotage, epidemics, riots, loss or malfunctions of utilities, computer (hardware or software) or communications service, labor disputes, acts of civil or military authority, or governmental, judicial or regulatory action; provided however, that Custodian shall use its best efforts to resume normal performance as soon as practicable under the circumstances.

6. Termination

Any of the parties hereto may terminate this Agreement by giving to the other parties 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 Local

Government's security interest in the Securities in the Account. Upon termination hereof, Custodian shall follow such reasonable Written Instructions of Bank and Local Government concerning the transfer of custody of Securities and/or cash, collateral records and other items. 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.

7. Miscellaneous

(a) Local Government and Bank each agrees to furnish to 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, Custodian shall be fully protected in acting upon Oral or Written Instructions or signatures of the present Authorized Persons.

(b) Custodian shall be entitled to rely upon any Certificate, Written or Oral Instruction actually received by Custodian and reasonably believed by Custodian to be duly authorized and delivered. Bank and Local Government each agrees to forward to Custodian Written Instructions confirming Oral Instructions in such manner so that such Written Instructions are received by Custodian by the close of business of the same day that such Oral Instructions are given to Custodian. Bank and Local Government each agrees that the fact that such confirming Written Instructions are not received or that contrary instructions are received by Custodian shall in no way affect the validity or enforceability of the transactions previously authorized and effected by Custodian.

(c) Any Written Instructions or other instrument in writing authorized or required by this Agreement shall be given to Custodian and shall be sufficiently given if sent to Custodian by regular mail to its offices at One Wall Street, 4th Floor, New York, New York 10286, Attn: BDS – Collateral Manager, or at such other place as Custodian 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 Bank shall be sufficiently given if sent to Bank by regular mail to its offices at One Pierce Place Suite 1500, Itasca Illinois 60143, Attn: Treasury Operations, or at such other place as Bank may from time to time designate in writing.

(e) Any notice or other instrument in writing, authorized or required by this Agreement to be given to Local Government shall be sufficiently given if sent to Local Government by regular mail to its offices at 241 Canterbury Lane, Bolingbrook, IL 60440, or at such other offices as Local Government may from time to time designate in writing.

(f) In case any provision in or obligation under this Agreement shall be invalid, illegal or unenforceable in any jurisdiction, the validity, legality and enforceability 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.

(g) This Agreement may not be amended or modified in any manner except by written agreement executed by all of the parties hereto.

(h) 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.

(i) This Agreement shall be construed in accordance with the substantive laws of the State of New York, without regard to conflicts of laws principles thereof. Bank, Local Government and Custodian hereby consent to the jurisdiction of a state or federal court situated in New York City, New York in connection with any dispute arising hereunder. Bank, Local Government and Custodian hereby irrevocably waive, to the fullest extent permitted by applicable law, any objection which it may now or hereafter have to the laying of venue of any such proceeding brought in such a court and any claim that such proceeding brought in such a court has been brought in an inconvenient forum. Bank, Local Government and Custodian each hereby irrevocably waives any and all rights to trial by jury in any legal proceeding arising out of or relating to this Agreement.

(j) Waiver of Immunity. To the extent that in any jurisdiction any party may now or hereafter be entitled to claim, for itself or its assets, immunity from suit, execution, attachment (before or after judgment) or other legal process, each party irrevocably agrees not to claim, and it hereby waives, such immunity in connection with this Agreement.

8. Definitions

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

(a) "Account" shall mean the custodial account established with Custodian for the benefit of Local Government as secured party in accordance with this Agreement.

(b) "Authorized Person" shall be any officer of Local Government or Bank, as the case may be, duly authorized to give Oral Instructions or Written Instructions on behalf of Local Government 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 U.S. Government Securities.

(d) "Business Day" shall mean any day on which Custodian and 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 and any other securities depository and clearing agency (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) "Deposits" shall mean all deposits by Local Government in Bank that are available for all uses generally permitted by Bank to Local Government for actually and finally collected funds under Bank's account agreement or policies.

(h) "Market Value" shall mean, with respect to any Security held in the Account, the market value of such Security as made available to Custodian by a generally recognized source selected by Custodian plus, if not reflected in the market value, any accrued interest thereon, or, if such source does not make available a market value, the market value shall be as determined by Custodian in its sole discretion based on information furnished to Custodian by one or more brokers or dealers; provided however that, if agreed in writing by the parties hereto, Bank may provide Custodian with such Market Values.

(i) "Nationally Recognized Statistical Rating Organization" shall mean Moody's, Standard and Poor's, Fitch, Duff and Phelps, BankWatch and IBCA.

(j) "Oral Instructions" shall mean verbal instructions actually received by Custodian from an Authorized Person or from a person reasonably believed by Custodian to be an Authorized Person.

(k) "Substitute Securities" shall have the meaning set forth in paragraph b of Section 1 of this Agreement.

(l) "Uninsured Deposits" shall mean that portion of Local Government's Deposits with Bank which exceeds the insurance coverage available from the Federal Deposit Insurance Corporation.

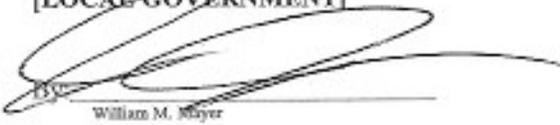
(m) "Written Instructions" shall mean written communications actually received by Custodian from an Authorized Person or from a person reasonably believed by Custodian to be an Authorized Person by a computer,

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.

DuPage Township

~~[LOCAL GOVERNMENT]~~



William M. Meyer

Title: Supervisor

First Midwest Bank

By: Laura Schultz

Title: SVP, Bank Funding/Treasury Ops Mgr

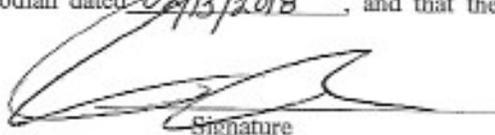
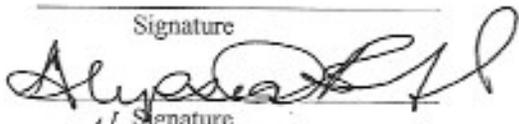
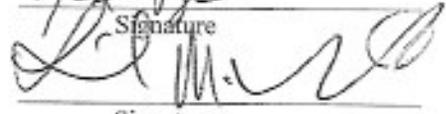
THE BANK OF NEW YORK MELLON

By: _____

Title:

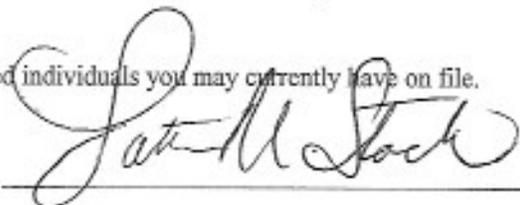
**EXHIBIT A
 CERTIFICATE OF AUTHORIZED PERSONS
 (Local Government - Oral and Written Instructions)**

The undersigned hereby certifies that he/she is the duly elected and acting member of DuPage Township (the "Local Government"), and further certifies that the following officers or employees of Local Government have been duly authorized in conformity with Local Government's resolution to deliver Oral and Written Instructions to The Bank of New York Mellon ("Custodian") pursuant to the Third Party Custodian Agreement between Local Government, First Midwest Bank ("Bank") and Custodian dated 02/13/2018, and that the signatures appearing opposite their names are true and correct:

_____ Name William M. Mayer	_____ Title Supervisor	_____  Signature
_____ Name Alyssia M. Benford	_____ Title Trustee	_____  Signature
_____ Name Kenneth D. Burgess	_____ Title Trustee	_____  Signature
_____ Name Linda M. Youngs	_____ Title Supervisor's Assistant	_____  Signature
_____ Name	_____ Title	_____ Signature

This certificate supersedes any certificate of authorized individuals you may currently have on file.

[seal]



Title: Clerk

Date: 02/13/2018

Collateral Request Form

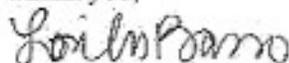
Date: 02/28/2018

Clients Name: DuPage Township

The purpose of this Request Form will be to provide the Third Party Custodian any special instructions with regards to what type of collateral your organization will accept to collateralize your deposits. Please complete the section below and return along with the executed Third Party Custodian Agreements and NEXEN client set up request form if applicable.

If you have any questions please contact Lori Basso at 630-875-7290.

Thank you,



Lori M. Basso
Treasury Investment Ops Specialist

Haircut Percentage 100%

(i.e. 100%)

The following Collateral will be used for pledging to Deposits held at First Midwest Bank unless otherwise noted below:

- Municipal Bonds
- U.S. Gov't and Gov't Agency Securities
- Federal Home Loan Bank Letter of Credit

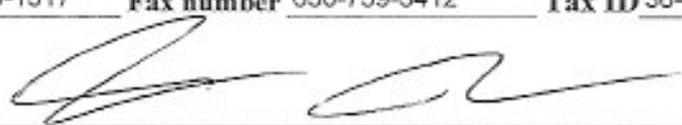
Exceptions to the collateral listed above:

Only those approved by Illinois Public Funds Act (30 ILCS 235/0.01) et seq

Authorized Contact Person William M. Mayer
(Please Print)

E-Mail Address WMayer@dupagetownship.com

Phone number 630-759-1317 Fax number 630-759-3412 Tax ID 36-9006255

Signature/Title 
(Local Government)

Signature/Title _____
(Bank)

Signature/Title _____
(Third Party Custodian)