

VILLAGE OF DOWNERS GROVE
REPORT FOR THE VILLAGE COUNCIL WORKSHOP
MARCH 27, 2007 AGENDA

SUBJECT:	TYPE:	SUBMITTED BY:
PMA Resolutions	<div style="text-align: center;">✓</div> Resolution Ordinance Motion Discussion Only	Judy Buttny Acting Finance Director

SYNOPSIS

The following resolutions have been prepared for PMA Financial Network, Inc. (PMA) to change Village's municipal custody account from LaSalle Bank to Harris National Bank:

- Resolution designating PMA as Village broker of record and designating signatories
- Resolution authorizing an Institutional Brokerage Account Agreement
- Resolution authorizing an Account Agreement with PMA

STRATEGIC PLAN ALIGNMENT

The Five Year plan and Goals for 2006-2011 identified *Fiscally Responsible*. A supporting objective of this goal is *Planning for a Financially Sustainable Village Government*.

FISCAL IMPACT

N/A

RECOMMENDATION

Approve resolutions on the April 3, 2007 consent agenda.

BACKGROUND

PMA has served as the Village's investment advisor since 1990. On January 16, 2007, the Village passed a resolution notifying the institution that our designated signatories for investment purposes have changed. PMA accepted those name and signature changes. However, PMA is now in the process of moving all of their municipal custody accounts from LaSalle Bank to Harris National Bank. In order for the Village to make this change with them, we are required to adopt their exact resolution, and sign the Institutional Brokerage Account Agreement and Institutional Account Application. These specific documents allow PMA to invest our monies for us.

Initially, when the Village was asked to re-sign these agreements for banking institution purposes, the legal department staff did not feel that their arbitration-only clause was appropriate for the Village. In order to allow the Village to feel comfortable with these documents, PMA has created an addendum for us. This addendum indicates that in the event the Village feels they have been wronged by PMA and their services, the Village may institute proceedings in the circuit court instead of having to go to arbitration. In the same sense, PMA will have ability to go to arbitration, if they so desired in the event of a dispute.

ATTACHMENTS

Resolution designating PMA as Village broker of record and designating signatories
 Resolution authorizing an Institutional Brokerage Account Agreement
 Resolution authorizing an Account Agreement with PMA
 Addendum-Letter from PMA President

Resolution

VILLAGE OF DOWNERS GROVE

Whereas, this Board deems it to be in the best interest of this unit of local government for its Treasurer to make use, from time to time, of investments which are legal under the applicable State statutes;

AND

Whereas, a list of such investments (Investment List) has been presented to this Board;

AND

Whereas, this Board deems it to be in the best economic and administrative interest of this unit of local government for its Treasurer to make use of, from time to time, **PMA Financial Network, Inc.** and **PMA Securities, Inc.** in securing such investments;

NOW, THEREFORE, BE IT RESOLVED by this Board:

- That the Treasurer shall make use of investments legal under the applicable State statutes (Investment List) and such Investment List be placed in the minutes of the meeting at which this Resolution was adopted; and that when needed, notice of the modifications made to the Investment List from time to time be provided by the Treasurer; and
- That monies of this unit of local government may be invested at the discretion of its Treasurer or those acting on behalf of the Treasurer through the intermediary (PMA Securities, Inc. and PMA Financial Network, Inc.), and
- That the Treasurer may acquire guarantees for prompt return of invested and deposited monies; and
- That attached to this resolution and placed in the minutes of this meeting are the “Institutional Brokerage Account Agreement(s)” and the “Institutional Account Application(s)” as issued by PMA Securities, Inc. and PMA Financial Network, Inc., and
- That the unit of government may open a depository account and enter into wire transfer agreements, third party surety agreements, safekeeping agreements, collateral agreements and lockbox agreements with Harris N.A. and other institutions participating in PMA Programs for the purpose of transaction clearing and safekeeping or the purchase of insured certificates of deposit through PMA's Insured CD Program, and PMA Financial Network, Inc. and/or PMA Securities, Inc. are authorized to act on behalf of this entity as its agent with respect to such accounts and agreements, and
- That the Treasurer or those acting on behalf of the Treasurer may execute documents, financial planning contracts, financial advisory contracts and other applicable agreements, as necessary, with PMA Financial Network, Inc., PMA Securities, Inc. The following individuals, or their successors, currently holding the office or position are designated as “Authorized Officials” with full power and authority to effectuate the investment and withdrawal of monies, contracts and agreements on behalf of this unit of local government entity:

•	
Name <u>Judy Buttny</u>	Signature _____
Name <u>Rita Kruse</u>	Signature _____
Name <u>Cara Pavlicek</u>	Signature _____
Name _____	Signature _____
Name _____	Signature _____
Name _____	Signature _____

It is hereby certified that Village of Downers Grove, the Treasurer of which is _____ adopted this Resolution at a duly convened meeting of the Board of the Unit of Local Government held on the ____ day of _____, 20__, and that such Resolution is in full force and effect on this date, and that such Resolution has not been modified, amended, or rescinded since its adoption.

Secretary to the Board

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING EXECUTION OF AN
INSTITUTIONAL BROKERAGE ACCOUNT AGREEMENT BETWEEN
THE VILLAGE OF DOWNERS GROVE
AND PMA FINANCIAL NETWORK, INC.**

BE IT RESOLVED by the Village Council of the Village of Downers Grove, DuPage County, Illinois, as follows:

1. That the form and substance of a certain Agreement (the “Agreement”), between the Village of Downers Grove (“Customer”) and PMA Financial Network, Inc. (“PMA”), for a certain Brokerage Account, as set forth in the form of the agreement submitted to this meeting with the recommendation of the Village Manager, is hereby approved.

2. That the Mayor and Village Clerk are hereby respectively authorized and directed for and on behalf of the Village to execute, attest, seal and deliver the Agreement, substantially in the form approved in the foregoing paragraph of this Resolution, together with such changes as the Manager shall deem necessary.

3. That the proper officials, agents and employees of the Village are hereby authorized and directed to take such further action as they may deem necessary or appropriate to perform all obligations and commitments of the Village in accordance with the provisions of the Agreement.

4. That all resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed.

5. That this Resolution shall be in full force and effect from and after its passage as provided by law.

Mayor

Passed:

Attest: _____
Village Clerk



- *Provision of services:* To open a Brokerage Account (Cash Account), you must complete an Institutional Brokerage Account Application. When we approve your Application, we will open a Brokerage Account for you and act as your broker to purchase and sell securities for your account and on your instructions. It is our policy not to give legal or tax advice on any particular security, transaction, or investment strategy.
- *Commissions and fees:* You agree to pay our brokerage commissions and fees, as they exist from time to time and apply to your transactions and services you receive. You also agree to pay all applicable state and local excise taxes.
- *Rules and Regulations:* Your Brokerage Account and any transactions you make are subject to our house trading rules and policies and the following rules, regulations, and policies, all as modified or amended from time to time:
 - Applicable rules, regulations, customs and usages of any exchange, market, clearinghouse, or self-regulatory organization.
 - Applicable federal and state laws, rules, and regulations.
- *Payment, Equity Deposit, Settlement, and Liquidation:* When you purchase securities on a cash basis, you agree to pay for the securities by settlement day. We may use available funds in your Brokerage Account to settle a transaction.

We may require an equity deposit or full payment before we accept your order. When you sell long securities, you must own the securities when you place the order. You also agree to make good delivery of the securities you're selling by settlement day.

For our protection or to satisfy your obligations to us, we may, at our discretion and without prior demand or notice, sell or otherwise liquidate all or any part of the Securities and Other Property securing your obligations or close any or all transactions in your Brokerage Account.

For instance, if you don't make good a delivery of your securities when making a sale, or if you don't tender the total purchase price when making a purchase, we may take appropriate steps to complete, cancel, or liquidate the transaction. This may include purchasing or borrowing the securities necessary to make the delivery, or borrowing funds from Harris National Bank on your behalf to complete the purchase. Harris National Bank will determine the rate on a loan of this type. You are responsible for costs, commissions, and losses arising from any actions we must take to liquidate or close transactions in your Brokerage Account or from your failure to make timely good delivery of securities.

We may transfer Securities and Other Property that are, now or in the future, held, carried, or maintained for any purpose in or through the Brokerage Account and, to the extent of such account holder's interest, any present or future brokerage account with us in which such an account holder has an interest.

- *Accuracy of Accounting Information:* You represent and warrant that:
 - You have supplied accurate information in your Application.
 - No one except the account holder listed on the Application has an interest in the Brokerage Account.

In addition, you agree to notify us in writing of any important change in the information you supply us on the Application. In particular, you agree to notify us if you are or become:

- A director, 10% beneficial shareholder, policy-making officer, or otherwise an 'affiliate' (as defined in Rule 144 under the Securities Act of 1933) of a publicly-traded company; or
- Affiliated with or employed by a securities exchange or corporation controlled by a securities exchange or a member of a securities exchange, securities firm, bank, trust company, or insurance company.
- *Termination:* You may close your Brokerage Account at any time by giving us notice. We may terminate any or all services rendered under the Account Agreement at any time and for any reason. Closing an account or terminating services won't affect rights and obligations incurred prior to closure or termination.
- *Governing Law:* The Account Agreement is governed by Illinois law and applicable federal law, as applied to contracts entered into and completely performed within Illinois.
- *Assignment:* We may assign our rights and obligations under the Account Agreement to any subsidiary affiliate, or successor by merger or consolidation without notice to you, or to any other entity after 30 days written notice to you. The Account Agreement is binding on your and our heirs, executors, administrators, successors, and assigns, and it will benefit your and your successors and assigns, if any.
- ***The agreement contains a predispute arbitration clause. By signing an arbitration agreement the parties agree as follows:***
 - **Arbitration is final and binding on the parties. All parties to this agreement are giving up the right to sue each other in court, including the right to a trial by jury, except as provided by the rules of the arbitration forum in which a claim is filed.**
 - **The parties are waiving their right to seek remedies in court, including the right to jury trial. Arbitration awards are generally final and binding; a party's ability to have a court reverse or modify an arbitration award is very limited.**
 - **Pre-arbitration discovery is generally more limited than and different from the court proceedings. The ability of the parties to obtain documents, witness statements and other discovery is generally more limited in arbitration than in court proceedings.**
 - **The arbitrator's award is not required to include factual findings or legal reasoning and any party's right to appeal or to seek modification of rulings by the arbitrators is strictly limited. The arbitrators do not have to explain the reason(s) for their award.**
 - **The rules of some arbitration forums may impose time limits for bringing a claim in arbitration. In some cases, a claim that is ineligible for arbitration may be brought in court.**
 - **The rules of the arbitration forum in which the claim is filed, and any amendments thereto, shall be incorporated into this agreement.**
 - **The panel of arbitrators will typically include a minority of arbitrators who were/are affiliated with the securities industry.**
- ***No person shall bring a putative or certified class action to arbitration, nor seek to enforce any pre-dispute arbitration agreement against any person who has initiated in court a putative class action; or who is a member of a putative class who has not opted out of the class with respect to any claims encompassed by the putative class action until:***

- **the class certification is denied; or**
- **the class is decertified; or**
- **the customer is excluded from the class by the court. Such forbearance to enforce an agreement except to the extent stated herein.**

You agree to settle by arbitration any controversy that results in a potential loss of less than \$1,000,000 between you and us and/or any of our officers, directors, employees, or agents relating to the Account Agreement, your Brokerage Account or account transactions, or in any way arising from your relationship with us. Any controversy resulting in a potential loss of greater than \$1,000,000 shall, at your election, be taken either to arbitration or be litigated. Such arbitration, if any, will be conducted to the securities arbitration rules then in effect of the American Arbitration Association, the National Association of Securities Dealers, or any registered national securities exchange. Either of us may initiate arbitration by serving or mailing a written notice. The notice must specify which rules will apply to the arbitration. This specification will be binding on both of us. Any award the arbitrator makes will be final, and judgment on it may be entered in any court having jurisdiction.

This specification will be binding on both of us. Any award the arbitrator makes will be final, and judgment on it may be entered in any court having jurisdiction.

This arbitration provision shall be enforced and interpreted exclusively in accordance with applicable federal law, including the Federal Arbitration Act.

- **Losses Due to Extraordinary Events:** We aren't responsible for losses caused directly or indirectly by conditions beyond our control, including, but not limited to war, natural disasters, government restrictions, exchange or market rulings, strikers, interruptions of communications or data processing services, or disruptions in orderly trading on any exchange market.
- **Provision of Market Data:** We may convey to you through telephone, electronic, or other means last sale transaction data, bid and asked quotations, and other information relating to securities and the securities markets (collectively referred to in this section as 'market data').

We obtain market data from securities exchanges and markets and from parties that transmit market data (collectively referred to in this section as 'the market data providers'). All market data is protected by copyright laws. We provide market data for your personal non-commercial use; you may not sell, market, or redistribute it in any way, unless you've entered into written agreements with appropriate market data providers.

We receive the market data from industry sources that are believed to be reliable. However, the accuracy, completeness, timeliness, or correct sequencing of the market data can't be guaranteed either by us or the market data providers. Neither we nor the market data providers will be liable for interruptions in the availability of market data or your access to market data. The market data is provided 'as is' and on an 'as available' basis. There is no warranty of any kind, express or implied regarding the market data.

You are fully capable of evaluating securities, reading markets, and recognizing portfolio diversification. However, the market data and other analysis provided by PMA may assist in your investment decisions.

Any quotations generated from market data will also be considered subject to availability.

- **Notification:** We'll send communications to you at the mailing address shown on your Client Information Form, or to another address you specify. Any communication we send to such an address, whether by mail, telegraph, messenger, or otherwise, is considered delivered to you personally, whether or not you actually receive it.
- **Separability:** If any term of this agreement is found to be invalid or unenforceable, all other provisions will remain in full force.
- **Entire agreement, Amendment, and Waiver:** The Account Agreement, as amended from time to time, is the complete statement of your agreement with us.

The Account Agreement may be amended only in the following manner: On prior notice to you, we may modify or rescind existing provisions or add new provisions. Amendments won't affect right or obligations either of us incur before the effective date of the amendment.

Waivers of rights under the Account agreement must be expressed in writing and signed by the party waiving the rights. A waiver will apply only to the particular circumstance giving rise to the waiver, and won't be considered a continuing waiver in other similar circumstances, unless the intention to grant a continuing waiver is expressed in writing.

Our failure to insist on strict compliance with the Account Agreement or any other course of conduct on our part is not considered a waiver of our rights under the Account Agreement.

- **Release of Name:** According to the provisions of Rule 14b-1 under the Securities and Exchange Act of 1934, unless we receive your written objection we may release your name, address, and security positions on request to companies whose securities you hold.
- **Anti-Money Laundering Requirements:** The USA PATRIOT Act is designed to detect, deter, and punish terrorists and others who engage in money laundering or disguising illegally obtained funds so that the funds appear to come from legitimate sources or activities. All brokerage firms are required to have anti-money laundering programs. As part of our required program, we may require you to provide various identification documents or other information to verify your identity and/or your institution's. Until you provide the information or documents we need, we may not be able to open an account or effect any transaction for you.
- **Privacy Policy:** PMA may collect personal non-public information. PMA does not sell this information, but may share it as allowed by law. On an annual basis, we will provide you with a copy of our privacy policy.
- **Brokerage Account:** **Your account is a brokerage account and not an advisory account. Our interests may not always be the same as yours. Please ask us questions to make sure you understand your rights and our obligations to you, including the extent of our obligations to disclose conflicts of interest and to act in your best interest. We are paid both by you and, sometimes, by people who compensate us based on what you buy. Therefore, our profits may vary by product and over time.**

I hereby certify that the information provided on this form is true, correct, and complete. I have read, agree, and am bound by the Terms and Conditions that govern my Cash Account which are currently in effect and which may be amended in writing by an officer of PMA Securities, Inc.

Note: This document contains a pre-dispute arbitration clause, which appears highlighted in bold text above. By Signing you acknowledge receipt of the pre-dispute arbitration clause and have a copy of such clause for your records.

Date: _____ Signature of Customer: _____

Name of Organization: _____

RESOLUTION NO. _____

**A RESOLUTION AUTHORIZING EXECUTION OF AN
ACCOUNT AGREEMENT BETWEEN THE VILLAGE OF DOWNERS GROVE
AND PMA FINANCIAL NETWORK, INC.**

BE IT RESOLVED by the Village Council of the Village of Downers Grove, DuPage County, Illinois, as follows:

1. That the form and substance of a certain Agreement (the “Agreement”), between the Village of Downers Grove (“Customer”) and PMA Financial Network, Inc. (“PMA”), for a certain Certificate of Deposit/Commercial Paper Transaction Account, as set forth in the form of the agreement submitted to this meeting with the recommendation of the Village Manager, is hereby approved.

2. That the Mayor and Village Clerk are hereby respectively authorized and directed for and on behalf of the Village to execute, attest, seal and deliver the Agreement, substantially in the form approved in the foregoing paragraph of this Resolution, together with such changes as the Manager shall deem necessary.

3. That the proper officials, agents and employees of the Village are hereby authorized and directed to take such further action as they may deem necessary or appropriate to perform all obligations and commitments of the Village in accordance with the provisions of the Agreement.

4. That all resolutions or parts of resolutions in conflict with the provisions of this Resolution are hereby repealed.

5. That this Resolution shall be in full force and effect from and after its passage as provided by law.

Mayor

Passed:

Attest: _____

Village Clerk



- **Provision of Services:** To open a Certificate of Deposit / Commercial Paper Transaction Account (Account), you must complete a Master Account Agreement. When we approve your Institutional Account Application, we will open an Account for you and act as your agent to purchase and sell Certificates of Deposit and Commercial Paper for your Account and on your instructions. It is our policy not to give legal or tax advice on any particular type of investment, transaction or investment strategy.
- **Rules and Regulations:** Your Account and any transactions you make are subject to our house rules which may be modified or amended from time to time. Additionally your Account will be governed by the following:
 - Applicable rules, regulations, customs and usages of any exchange, market, clearing house, or self-regulatory organization.
 - Applicable federal and state laws, rules, and regulations.
- **Transfer of Investment Funds Agreement:** You agree to transfer all funds through one or more of the following:
 - An individual account set up in your name at a financial institution participating in PMA programs,
 - PMA Financial Network Commercial Paper Clearing Account,
 - PMA Financial Network Certificate of Deposit Clearing Account.
- **Requests for Transfers of Funds to Secondary Depositories:** PMA Financial will assist in the transfer of to the institution of your choice under the following conditions:
 - The institution is listed in the Institutional Account Application,
 - If not listed on the Institutional Account Application, a Fax, dated and signed by an Authorized Personnel, is sent to the PMA offices giving complete Wiring and account information. This will be considered a "one-time-only" wiring request.
 - PMA is not responsible for delays caused directly or indirectly by conditions beyond our control including, but not limited to interruptions of communications or data processing services, Federal Wiring Services, or service disruptions at sending or receiving institutions.
- **Payment, Equity Deposit, Settlement:** When you purchase Certificates of Deposit or Commercial Paper, you agree to pay the investment principal in a timely fashion on the day of settlement. We may use available funds in your Account to settle a transaction. If you don't tender the total purchase price when making a purchase, we may take appropriate steps to complete, cancel, or liquidate the transaction. This may include purchasing or borrowing the funds necessary to make the delivery, or borrowing funds from financial intermediaries participating in PMA programs on your behalf to complete the purchase. The financial intermediary will determine the rate on a loan of this type. We may require an equity deposit or full payment before we accept your order.
 - You are responsible for costs, commissions, and losses arising from any actions we must take to liquidate or close transactions in your Account or from your failure to make timely good delivery of principal.
 - When interest checks are mailed directly to the client or when the transaction is placed with Yield at Maturity, fees due PMA will be paid in full, by the Client, at the time of deposit. Or, at the option of the client, PMA will invoice the client for such fees.
 - When the Client has chosen up front a Program in which interest checks are deposited in the Client's account at institutions participating in the PMA programs, fees due PMA will be paid by drawing from the Client's account, beginning with the first interest received. In the event your account balance is not sufficient to satisfy the full amount due PMA, payments to PMA will continue to be withdrawn from each subsequent interest payment deposited, until the balance due is paid in full. Your signature below indicates your permission for institutions participating in the PMA programs to allow PMA to debit your Account. Institutions participating in PMA programs shall have no responsibility to monitor the use or application of funds.
 - Purchases of certificates of deposits at a bank by multiple PMA customers may be batched and bulk transferred to the bank for payment of the respective certificate of deposit purchased; unless specified otherwise.
 - Commercial Paper fees are taken on the day of settlement.
 - Subsequent placements (e.g., reinvestments, rollovers) of Program money upon maturity of a Program Deposit will be subject to the terms of this agreement.
- **Accuracy of Account Information:** You represent and warrant that:
 - You have supplied accurate information in your Client Information Form.
 - No one, except the account holders listed on the Client Information Form has an interest in the Account.
 - In addition, you agree to notify us in writing by mail or FAX of any important change in the information you supply us on the Client Information Form. In particular, you agree to notify us if:
 - The List of Authorized Personnel is amended.
 - Bank Wire Transfer Information is amended.

- **Termination:** You may close your Account at any time by giving us notice. We may terminate any or all services rendered under the Account Agreement at any time and for any reason. Closing an account or terminating services won't affect rights and obligations incurred prior to closure or termination.
- **Governing Law:** The Account Agreement is governed by state law and applicable federal law, as applied to contracts entered into and completely performed within the state.
- **Assignment:** We may assign our rights and obligations under the Account Agreement to any subsidiary affiliate, or successor by merger or consolidation without notice to you, or to any other entity after 30 days written notice to you.
- **Losses Due to Extraordinary Events:** We aren't responsible for losses caused directly or indirectly by conditions beyond our control, including, but not limited to war, natural disasters, government restrictions, market rulings, strikers, interruptions of communications or data processing services, or disruptions in orderly trading on any market.
- **Provision of Market Data:** We obtain market data from markets and from parties that transmit market data (collectively referred to in this section as 'the market data providers'). All market data is protected by copyright laws. We provide market data for your personal non-commercial use; you may not sell, market, or redistribute it in any way, unless you've entered into written agreements with appropriate market data providers.

We receive the market data from industry sources that are believed to be reliable. However, the accuracy, completeness, timeliness, or correct sequencing of the market data can't be guaranteed either by us or the market data providers. Neither we nor the market data providers will be liable for interruptions in the availability of market data or your access to market data.

The market data is provided 'as is' and on an 'as available' basis. There is no warranty of any kind, express or implied regarding the market data.

Any quotations generated from market data will also be considered subject to availability.

- **Commissions and Fees:** You agree to pay our fees as they apply to the transactions and services you receive. You agree to pay all insurance premiums as they may relate to transaction executed on your behalf. From time to time, the firm executes investments with the assistance of third party consultants. You agree to pay fees charged by third party consultants at their cost. You also agree to pay all applicable state and local excise taxes.
- **Certificates of Deposit and Commercial Paper:** Investments are competitively priced. The firm has assigned general names to investment programs available to customers. The following program names may appear in various communications or confirmations delivered by the firm.
 - **Network Program:** This program provides access to our network of investments that do not carry third party insurance. PMA does not guarantee these investments. Certificates of deposit may have Federal Deposit Insurance Corporation coverage on deposit amounts of \$100,000 or less. Commercial paper is unsecured debt issued by a corporation. Commercial paper does not carry any federal insurance coverage but may have credit enhancement facilities or features to support its credit rating. The fact that PMA offers a particular security should not be construed as a recommendation to purchase such security nor does it imply any warranty of the credit or liquidity features of such security.
 - **Collateral Program:** Banks may offer to collateralize your certificate of deposit by pledging eligible securities. Banks will maintain collateral in amounts equal to the deposits in the certificate of deposit account or specified by your entities investment policy, whichever is greater. The collateral will be segregated into collateral account. Statements on the collateral will be provided. The firm will use all reasonable efforts to ensure that collateral agreements are properly executed. However, the firm recommends that legal counsel review each collateral agreement.
 - **Insured Program:** Third party insurance or surety coverage may be available for certificates of deposit and commercial paper investments. Information regarding insurance providers participating in PMA programs is available upon written request. All disclaimers that apply to the Network program also apply to the Insured program.
- **Notification:** We'll send communications to you at the mailing address shown on your Client Information Form, or to another address you specify. Any communication we send to such an address, whether by mail, telegraph, messenger, or otherwise, is considered delivered to you personally, whether or not you actually receive it.
- **Separability:** If any term of this agreement is found to be invalid or unenforceable, all other provisions will remain in full force.
- **Entire agreement, Amendment, and Waiver:** The Account Agreement, as amended from time to time, is the complete statement of your agreement with us.

The Account Agreement may be amended in the following manner: On notice to you, we may modify or rescind existing provisions or add new provisions. These modifications will be delivered to you by mail or other electronic means of communication. Amendments won't affect rights or obligations either of us incurs before the effective date of the amendment.

Waivers of rights under the Account Agreement must be expressed in writing and signed by the party waiving the rights. A waiver will apply only to the particular circumstance giving rise to the waiver, and won't be considered a continuing waiver in other similar circumstances, unless the intention to grant a continuing waiver is expressed in writing.

Our failure to insist on strict compliance with the Account Agreement or any other course of conduct on our part is not considered a waiver of our rights under the Account Agreement.

I hereby certify that the information provided in this application is true, correct, and complete. I have read, agree, and am bound by the Terms and Conditions that govern my Account which are currently in effect and which may be amended in writing by an officer of PMA Financial Network, Inc.

Date: _____ Signature of Customer: _____

Name of Organization: _____



February 20, 2007

Ann Marie Perez
Village of Downers Grove
801 Burlington Ave.
Downers Grove, IL 60515

Re: PMA Securities, Inc. Institutional Brokerage Account Agreement

Dear Ms. Perez:

This letter confirms the agreement of PMA Securities Inc. ("PMA Securities") to clarify certain provisions of the standard forms of the PMA Securities Institutional Brokerage Account Agreement ("PMA Securities Agreement") presented to the Village of Downers Grove ("Village") for signature:

The clarifications to which the PMA Securities have agreed are as follows:

1. The predispute arbitration clause is clarified to provide that arbitration shall be conducted for any claims, actions or inactions that result in a potential loss to the Village of less than \$1,000,000. Any claim, action or inaction resulting in a potential loss to the Village of greater than \$1,000,000 shall at the election of the Village be taken either to arbitration or to be litigated.

This letter of Agreement confirmation is signed by the authorized officers of PMA Securities.

PMA Securities, Inc.

By: 
Michael R. English

As Its: President/CEO