

CUSTODIAL AGREEMENT

This Custodial Agreement (this “Agreement”) is dated as of September 1, 2020 (this “Agreement”) and is entered into by and between the Cook County School District (the “School District”) and Regions Bank (the “Bank”).

WITNESSETH:

WHEREAS, the Cook County Board of Education adopted a resolution on September 14, 2020 (the “Bond Resolution”) authorizing the issuance of the Cook County School District General Obligation Sales Tax Bonds, Series 2020 (the “Bonds”) and creating a Construction Fund; and

WHEREAS, pursuant to the Bond Resolution, the School District appointed the Bank as the Construction Fund Custodian (the “Custodian”); and

WHEREAS, the School District and the Bank desire to enter into this Agreement in order to more clearly define the duties of the Bank as Custodian.

NOW THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

Section 1. Appointment and Acceptance. The School District hereby appoints the Bank as the Custodian, and the Bank accepts such appointment.

Section 2. Documents to be Filed with the Bank. The School District shall provide to the Bank in connection with its appointment hereunder (a) a copy of the Bond Resolution, (b) a certificate listing the officers of the School District authorized to act on behalf of the School District under this Agreement and (c) such other instruments, opinions and certificates as the Bank may reasonably request.

Section 3. Duties of the Bank. The Bank shall perform the duties of the Custodian specified in this Agreement and in the Bond Resolution.

Section 4. Establishment of Construction Fund. The School District hereby directs the Bank to establish and maintain a separate account known as the “Cook County School District Construction Fund – Series 2020” (the “Construction Fund”). The Construction Fund established hereby shall remain the property of the School District. Subaccounts may be established within the Construction Fund when deemed necessary or convenient by the School District or the Bank. The Bank shall have custody of the Construction Fund, which shall be held on behalf of the School District and kept separate from the other assets of the Bank, and the money on deposit in the Construction Fund shall be held, invested and disbursed as directed by the School District pursuant to this Agreement and the Bond Resolution.

Section 5. Investments. The moneys on deposit in the Construction Fund shall be invested at the direction of the School District in investments authorized by the laws of the State of Georgia pursuant to the Bond Resolution.

Section 6. Disbursement of Money. The Bank shall disburse moneys on deposit in the Construction Fund in accordance with this Agreement and the Bond Resolution. Prior to the disbursement of funds from the Construction Fund for costs of the Projects or costs of issuance, the Bank shall receive a written requisition in the form attached to the Bond Resolution executed by a duly authorized representative of the School District in accordance with the Bond Resolution. No requisition shall be required for the payment of capitalized interest.

Section 7. Compensation; Indemnification. The School District agrees to pay the Bank \$1,000 annually in advance, and, if applicable, to reimburse the Bank for its reasonable out-of-pocket expenses (including, without limitation, legal and accounting fees, costs and expenses) directly attributable to the performance of its obligations hereunder and under the Bond Resolution. Notwithstanding the foregoing, the Bank shall not be entitled to be reimbursed for any general operating expenses allocated to this Agreement.

To the fullest extent permitted by applicable law, the School District hereby agrees to indemnify, defend and hold the Bank harmless from and against any loss, liability, cost or expense (including reasonable attorneys' fees, costs and disbursements) arising hereunder or in connection herewith, except to the extent any such loss, liability, cost or expense is the result of the gross negligence or willful misconduct of the Bank. Such indemnification shall survive the termination of this Agreement or the sooner resignation or removal of the Bank and shall inure to the benefit of the Bank's successors and assigns.

Section 8. Concerning the Custodian.

(a) The Bank may conclusively rely and be fully protected in acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order or other paper or document reasonably believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) The Bank may consult with counsel (who may, but not need be, counsel to the School District) and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Bank hereunder in good faith in accordance with the opinion of such counsel.

(c) The Bank may act through its agents and attorneys and shall not be responsible for any misconduct or negligence on the part of any such person so appointed with due care.

(d) Any payment obligation of the Bank hereunder shall be paid from, and is limited to funds available, established and maintained under this Agreement and the Bank shall not be required to expend its own funds for the performance of its duties hereunder.

(e) The Bank shall not be liable for any action taken or neglected to be taken in performing or attempting to perform its obligations hereunder other than for its gross negligence

or willful misconduct. Notwithstanding any provision herein to the contrary, in no event shall the Bank be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Bank has been advised of the likelihood of such loss or damage and regardless of the form of action.

(f) The Bank undertakes to perform such duties and only such duties as are specifically set forth in this Agreement and the Bond Resolution, and no implied covenants or obligations should be read into this Agreement against the Bank.

(g) The Bank 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; fire; flood; hurricanes or other storms; wars; terrorism; similar military disturbances; sabotage; epidemics; pandemics; riots; interruptions; loss or malfunctions of utilities, computer (hardware or software) or communications services; accidents; labor disputes; acts of civil or military authority or governmental action; it being understood that the Bank shall use commercially reasonable efforts which are consistent with accepted practices in the banking industry to resume performance as soon as reasonably practicable under the circumstances.

(h) The Bank may accept and act upon instructions or directions pursuant to this Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods. If the School District elects to give the Bank e-mail or facsimile instructions (or instructions by a similar electronic method) and the Bank in its discretion elects to act upon such instructions, the Bank's understanding of such instructions shall be deemed controlling. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The School District agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Bank, including without limitation the risk of the Bank acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 9. Successors. Any banking association or corporation into which the Bank may be merged, converted or with which the Bank may be consolidated, or any banking association or corporation resulting from any merger, conversion or consolidation to which the Bank shall be a party, or any banking association or corporation to which all or substantially all of the corporate trust business of the Bank shall be transferred, shall succeed to all the Bank's rights, obligations and immunities hereunder without the execution or filing of any paper or any further act on the part of the parties hereto, anything herein to the contrary notwithstanding.

Section 10. Notices. Until changed by notice in writing, communications between the parties shall be delivered to:

If to School District:

Cook County School District
Attn: Jackie Sparks
1109 N. Parish Ave.
Adel, Georgia 31620
Email: jsparks@cook.k12.ga.us

If to the Bank:

Regions Bank
Attn: Rick Jaegle
1180 West Peachtree Street
Suite 1200
Atlanta, Georgia 30309
Email: rick.jaegle@regions.com

Section 11. Destruction of Records, Instruments and Papers. The Bank may retain in its files records, instruments, and papers maintained by it in relation to its agency as long as the Bank shall consider that such retention is necessary; provided, however, the Bank shall in all cases maintain such records until the fifth anniversary of the issuance of the Bonds.

Section 12. Resignation or Removal of Bank. The Bank may resign or may be removed at any time by giving at least thirty (30) days' prior written notice. No such resignation or removal shall become effective unless and until a successor has been appointed and has accepted its duties hereunder.

Section 13. Effectiveness and Term. This Agreement shall be effective upon its execution and delivery and shall remain in effect and the agency established by this Agreement shall continue until (a) terminated by mutual agreement of the School District and Bank, (b) the resignation or removal of the Bank pursuant to Section 12 hereof or (c) after all moneys in the Construction Fund have been spent.

Section 14. Conflict with Bond Resolution. In the event of a conflict between the provisions of this Agreement and those of the Bond Resolution, the terms of the Bond Resolution shall govern.

Section 15. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Georgia without regard to conflict of law principles.

Section 16. Severability. If any term, covenant, condition or provision of this Agreement shall ever be held to be invalid or unenforceable, then in each such event the

remainder of this Agreement shall not be thereby affected, and each term, covenant, condition and provision hereof shall remain valid and enforceable to the fullest extent permitted by law.

Section 17. Counterparts. This Agreement may be executed in several counterparts, each of which shall be deemed an original, and all such counterparts together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their duly authorized officers, all as of the date first above written.

COOK COUNTY SCHOOL DISTRICT

Chairman, Cook County Board of Education

REGIONS BANK, as Construction Fund Custodian

By: _____
Vice President

(Custodial Agreement)