

July 26, 2017

**RESOLUTION AUTHORIZING THE DIRECT DEPOSIT OF STATE AID PAYMENTS AS SECURITY FOR THE PAYMENT OF ALTERNATE BONDS OF THE BOARD OF EDUCATION OF THE CITY OF CHICAGO**

WHEREAS, pursuant to the provisions of Article 34 of the School Code of the State of Illinois, as amended (the "**School Code**"), the City of Chicago, having a population exceeding 500,000, constitutes one school district (the "**School District**"), which is a body politic and corporate by the name of the "*Board of Education of the City of Chicago*" (the "**Board**"); and

WHEREAS, the Board is governed by the seven-member Chicago Board of Education, as successor to the Chicago School Reform Board of Trustees (the "**School Board**"); and

WHEREAS, the School Board has heretofore determined that it is advisable, necessary and in the best interests of the Board and the residents of the School District to issue its bonds for the financing of capital improvements and for other lawful public purposes; and

WHEREAS, the Board is a "**qualified governmental unit**" under Section 13 of the Local Government Debt Reform Act (the "**Debt Reform Act**"); and

WHEREAS, pursuant to Section 13 of the Debt Reform Act, the Board may authorize the State Treasurer, the State Comptroller, the State Superintendent of Education and the Department of Revenue to deposit or cause to be deposited any amount of grants, or other revenues or taxes expected to be received by the Board from that official or entity directly into an escrow account established by the Board at a trust company or bank having trust powers; and

WHEREAS, the Board hereby determines to enhance the security for the payment of one or more of the general obligation alternate bonds of the Board issued or to be issued pursuant to Section 15 of the Debt Reform Act, including bonds issued before or after the adoption of this Resolution, as determined by the Designated Officials, by authorizing the direct deposit in accordance with Section 13 of the Debt Reform Act of certain State aid payments to be made to the Board in any year pursuant to Article 18 of the School Code, or successor or replacement act as may be enacted in the future (the "**Pledged State Aid Funds**").

WHEREAS, in order to accomplish the direct deposit of the Pledged State Aid Funds, the Board shall enter into one or more escrow deposit agreements with one or more trust companies or banks having trust powers; and

WHEREAS, it is necessary for the Board to authorize the direct deposit of the Pledged State Aid Funds and to authorize certain agreements and to authorize the performance of acts necessary or convenient in connection with the implementation of this Resolution:

NOW, THEREFORE, Be It Hereby Resolved by the Chicago Board of Education of the Board of Education of the City of Chicago, as follows:

1. *Incorporation of Preambles.* The preambles of this Resolution are hereby incorporated into this text as if set out herein in full.

2. *Designated Officials.* The President of the Board, the Senior Vice President of Finance, the Chief Financial Officer and the Treasurer (each a “**Designated Official**”) are hereby appointed as the designated officials of the Board authorized to carry out the purposes of this Resolution.

3. *Direct Deposit.* The Designated Officials are authorized to enhance the security for the payment of such general obligation alternate bonds of the Board authorized to be secured by a pledge of Pledged State Aid Funds as are selected by the Designated Officials by providing for the direct deposit into an escrow account or accounts of all or a portion of the Pledged State Aid Funds in the manner provided in Section 13 of the Debt Reform Act.

4. *Escrow Accounts.* Each Designated Official is authorized to establish one or more escrow accounts in the manner authorized by Section 13 of the Debt Reform Act to be held by one or more trust companies or banks having trust powers as shall be appointed by a Designated Official to act as escrow agents for the escrow accounts pursuant to one or more escrow agreements.

5. *Filing.* This Resolution, within 10 days after its adoption, shall be filed with the State Comptroller and, if necessary, the State Superintendent of Education. Whenever deemed necessary by a Designated Official, the Board shall file with the State Treasurer, the State Comptroller, the State Superintendent of Education and the Director of the Department of Revenue (as applicable) additional instructions regarding the direct deposit of the Pledged State Aid Funds.

6. *Further Acts.* Each of the Designated Officials, officials or officers of the Board are hereby authorized to execute and deliver such other documents and agreements and perform such other acts as may be necessary or desirable in connection with carrying out this Resolution, including the payment of escrow agent fees. All actions of the officials or officers of the Board, heretofore or hereafter taken, that are in conformity with the purposes and intent of this Resolution are hereby in all respects ratified, approved, and confirmed.

7. *Severability.* The provisions of this Resolution are hereby declared to be severable; and if any section, phrase, or provision shall for any reason be declared to be invalid, such declaration shall not affect the validity of the remainder of the sections, phrases, or provisions.

8. *Repealer and Effective Date.* All resolutions or parts of resolutions in conflict herewith are, to the extent of such conflict, hereby repealed. This Resolution is effective immediately upon its adoption.