

RESOLUTION OF THE BOARD OF EDUCATION TO ENTER INTO A LOAN EVIDENCED BY A LIMITED-TAX PROMISSORY NOTE TO PROVIDE FUNDS FOR THE PROJECT DESCRIBED HEREIN

WHEREAS, the Board of Education (the "Board") of the Jackson County School District (the "District"), acting for and on behalf of the District, hereby finds and determines as follows:

1. On January 12, 2026, the Board adopted a resolution (the "Intent Resolution") stating its intention to borrow a maximum amount of Twenty-Five Million Dollars (\$25,000,000) and to issue a note or notes as evidence of the same to pay the costs of the Project (as defined below).

2. On February 9, 2026, the Board adopted a resolution (the "No Protest Resolution") finding that the Intent Resolution had been duly published as required by law; that no petition or other objection of any kind or character against the issuance of the note or notes or calling for a referendum thereon was filed; that the Board was authorized to issue a note or notes in the aggregate maximum principal amount of \$25,000,000; and directing the issuance of the note or notes by subsequent Board action.

3. The Board is now authorized and empowered by the provisions of Section 37-59-101, et seq. of the Mississippi Code of 1972, as amended, to enter into a loan arrangement to be evidenced by a note or notes, registered as to principal and interest in the form and manner hereinafter provided for by Sections 31-21-1 through 31-21-7, Mississippi Code of 1972, as amended.

4. The District distributed, or caused to be distributed on its behalf, a Request for Bids ("RFB") in the form attached hereto as **Exhibit A** to various banks for a loan evidenced by a note or notes described in the RFB in the principal amount of \$22,000,000 to \$25,000,000. Prior to 11:00 a.m. on March 9, 2026, the District received _____ bids, which were thereafter presented, examined and considered by the Board. All bids received by the Board are attached hereto as **Exhibit B**. On the basis of the offered principal amount, payment and prepayment terms, interest rate, any costs proposed to be charged by the bidder, any additional conditions required by a bid, and all other relevant factors, the Board finds and determines that it is in the District's best interests to accept the bid submitted by _____ (the "Lender") offering to provide the Loan at an interest rate of _____%, with a term of _____ years and the right to prepay after _____ years, as set forth in the Lender's bid attached hereto as **Exhibit B**. The Board has determined to obtain the Loan and issue the Note in the final principal amount of \$_____, based on the aforesaid terms in the Lender's bid. The Board reserves the right to issue the remaining \$_____ of the amount authorized by the No Protest Resolution at a later date as determined by subsequent resolutions of the Board.

5. (a) In addition to any words and terms elsewhere defined herein, the following words and terms shall have the following meanings, unless some other meaning is plainly intended:

"Act" means Sections 37-59-101, et seq., Mississippi Code of 1972, as amended.

"Board" means the Board of Education of the Jackson County School District.

"Certificate of Lender" means the certificate, in substantially the form described in the RFB, to be executed by the Lender as a condition to the District's issuance of the Note.

"Clerk" means the Secretary of the Board.

"Code" means the Internal Revenue Code of 1986, as amended, supplemented or superseded and regulations promulgated thereunder.

"District" means the Jackson County School District, Jackson County, Mississippi.

"Lender" means _____, the bank providing the Loan to the District.

"Loan" means the loan arrangement with the Lender evidenced by the Note as authorized by this Loan Resolution.

"Loan Counsel" means Young Law Group, PLLC, Jackson, Mississippi.

"Loan Resolution" means this resolution.

"Note" means the \$_____ limited-tax promissory note authorized by this Loan Resolution to be issued to the Lender as evidence of the Loan.

"Note Fund" means the fund held by the District for the payment of the principal of and interest on the Note as provided for in Section 6 hereof.

"President" means the President of the Board.

"Project" means paying or reimbursing the District for the costs of making repairs, alterations and additions to school buildings of the District, erecting school buildings and other buildings used for school purposes, purchasing heating plants, air conditioning, fixtures and equipment for such buildings, purchasing land for school purposes, improving and equipping such school lands for school recreational and athletic purposes, refinancing outstanding notes and paying the costs of such borrowing.

"Project Fund" means the Project Fund held by the District to pay Project costs as provided for in Section 7 hereof.

"Registered Owner" means the Lender or other person owning some or all of the Note, whose name shall appear in the registration records of the District.

"State" means the State of Mississippi.

"Superintendent" means the Superintendent of Schools of the District.

(b) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words and terms herein defined shall be equally applicable to the plural as well as the singular form of any of such words and terms.

6. As authorized by the Act, the Board has determined that it is in the best interest of the District to obtain the Loan from the Lender.

7. The Code provides that noncompliance with the provisions thereof may cause interest on obligations to become taxable retroactive to the initial date of issuance and provides that the tax-exempt status of interest on obligations such as the Note is contingent on a number of future actions

by the District. It is necessary and in the best interest of the District to make certain of compliance with covenants pertaining to the exemption of the interest on the Note from federal income taxes since such exemption may depend, in part, upon continuing compliance by the District with certain requirements of the Code.

8. It has now become necessary to make provision for the preparation, execution, and issuance of the Note, in compliance with the following terms.

NOW, THEREFORE, BE IT RESOLVED by the Board, as follows:

Section 1. RESOLUTION A CONTRACT. In consideration of the Lender making the Loan and the Lender's acceptance of the Note, this Loan Resolution shall constitute a contract between the District and the Lender and any subsequent Registered Owner. The pledge made herein and the District's covenants and agreements set forth herein shall be for the benefit, protection and security of the Lender and any subsequent Registered Owner.

The issuance of the Note and the District's obligation to enter into the Loan are expressly contingent upon the Lender providing the District certifications described in the RFB in form and content satisfactory to the District and all other matters prerequisite to the issuance of the Note being resolved to the District's satisfaction.

Section 2. LOAN AND NOTE AUTHORIZED. The Note is authorized to be issued to the Lender under the terms of this Loan Resolution and is authorized and ordered to be prepared and issued in the principal amount of ____ Dollars (\$____) to provide funds for the Project, as authorized by the Act.

Section 3. DETAILS OF NOTE. The terms of the Loan set forth herein are incorporated into the provisions of the Note. The Note shall be registered in the name of the Lender as the initial Registered Owner and issued in substantially the form as attached hereto as **Exhibit C**, which is incorporated herein by reference, with such completions, changes, insertions, and modifications as shall be approved by the officers of the District executing and delivering the same, the execution thereof by such officers to be conclusive evidence of such approval. The District may treat the Lender and any subsequent Registered Owner as the absolute owner of the Note for all purposes. Payments of principal of and interest on the Note shall be made to the Lender or any subsequent Registered Owner in lawful money of the United States of America. The Note shall be issued as a single certificate in the denomination of \$____, shall be dated as of its date of delivery, as agreed upon by the District and the Lender, shall bear interest from the date thereof at the per annum rate set forth therein and shall be due and payable as to principal and interest annually on each anniversary date of its initial delivery, commencing one year from its date of delivery, in the principal and interest amounts set forth in the Note. The District officers executing the Note are authorized to adjust the payment schedule on the Note as necessary or desirable based on the actual closing date. The Loan and the Note shall be subject to prepayment only as set forth in the form of the Note attached hereto.

Section 4. EXECUTION, DELIVERY AND TRANSFER OF NOTE.

(a) The Note shall be executed by the manual or facsimile signature of the President and countersigned by the manual or facsimile signature of the Superintendent. Any such facsimile signature on the Note shall have the same force and effect as if manually signed. In case any officer of the Board or the Superintendent whose signature or a facsimile of whose signature shall appear on

the Note shall cease to be such official or Superintendent before the delivery thereof, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes, the same as if such official or Superintendent had remained in office until delivery. If after the initial delivery of the Note the District is required to issue a replacement or amended Note, the Board President, Board Secretary and Superintendent holding office at the time of the replacement or amendment are authorized to execute the replacement or amended Note, as appropriate.

(b) The Note shall be delivered to the Lender in accordance with the terms and conditions of the Loan, the Note and this Loan Resolution, together with a complete certified transcript of the proceedings had and done in the matter of the authorization of the Loan and issuance of the Note, and the final, unqualified approving opinion of Loan Counsel.

(c) When the Note shall have been executed as herein provided, it shall be registered in the name of the Lender as an obligation of the District in the administrative office of the District in a book maintained for that purpose, and the Clerk shall cause to be imprinted upon the Note, over his/her manual or facsimile signature and manual or facsimile seal, his/her certificate in substantially the form as set out in **Exhibit C**.

(d) Subject to the restrictions contained in this Loan Resolution and in the Certificate of Lender executed by the Lender in connection with the issuance of the Note, the ownership of the Note may be transferred only upon the presentation and surrender of the Note at the Central Office of the District with such endorsement or other evidence of transfer as is acceptable to the District. No transfer of the Note shall be effective until registered by the District. The Note may not be transferred in violation of any State or federal securities law or any provision in the Certificate of Lender.

Section 5. SECURITY FOR THE LOAN. For the purpose of providing for the payment of the principal of and interest on the Note as the same shall respectively mature and accrue, there shall be levied by the Board of Supervisors of Jackson County, Mississippi, pursuant to the requirements of Mississippi Code Ann. §37-59-107, a direct, continuing, special tax upon all of the taxable property within the geographical limits of the District, adequate and sufficient, after allowance shall have been made for the expenses of collection and delinquencies in the payment of taxes and subject to the limitation stated below, to produce sums required for the payment of the principal of and the interest on the Note. Said tax shall be extended upon the tax rolls and collected in the same manner and at the same time as other taxes of the District are collected, and the rate of the tax which shall be so extended shall be sufficient, together with other funds of the District that may be lawfully applied to the payment of the Note, in each year fully to produce the sums required as aforesaid, without limitation as to time, rate or amount except that such tax to pay debt service on the Note and any other notes issued and outstanding under the Act shall not exceed three (3) mills on the dollar of the assessed valuation of taxable property within the District.

The avails of said tax are hereby irrevocably pledged for the payment of the principal of and interest on the Note as the same shall respectively mature and accrue on a parity basis with any other notes that may be issued under the Act. Should there be a failure in any year to comply with the requirements of this section, such failure shall not impair the right of the Lender in any subsequent year to have adequate taxes levied and collected to meet the obligations of the Note, both as to principal and interest.

The Board also irrevocably pledges the District's Education Enhancement Funds in the approximate amount of \$282,856 (the "EEF Funds") to be received annually from the State of Mississippi pursuant to Section 37-61-33 of the Mississippi Code of 1972, as amended, to the repayment of the Note through the District's fiscal year ending June 30, _____. Provided, however, that any EEF Funds not required to pay the principal of and the interest on the Note in any year may be used by the District for any other authorized purpose. The Superintendent is authorized and directed to file evidence of the District's pledge of its EEF Funds with the Mississippi State Department of Education.

Based on an estimated value of one mill being not less than \$629,000, the Board reasonably expects that the annual avails of the aforesaid special ad valorem tax, along with any other pledged funds, will be sufficient to pay annual debt service on the Note and all other notes currently outstanding under the Act.

The District covenants not to obtain additional loans evidenced by notes on a parity basis pursuant to the Act as long as the Note is outstanding, unless the Board makes a finding that annual revenues projected to be available from the special ad valorem tax, plus any other pledged funds, are reasonably expected to be sufficient to pay annual debt service on all notes outstanding under the Act, including the additional notes.

The District further covenants that should it be necessary due to insufficient collections from the special ad valorem tax securing the Note, and to the extent allowed by law, it will use other legally available revenues of the District to pay debt service on the Note, after first making allowances for the payment of general operating expenses that are contractually obligated or federally and/or state mandated expenditures.

Section 6. NOTE FUND. The District shall maintain the Note Fund with a qualified depository. Amounts in the Note Fund are to be used for the payment of the principal of and interest on the Note. The Superintendent and Business Manager are authorized to take all actions necessary to open a new bank account, if necessary or desired, for the Note Fund. There shall be deposited into the Note Fund as and when received:

- (a) the avails of any of the ad valorem taxes levied and collected pursuant to Section 5 hereof;
- (b) any income received from investment of monies in the Note Fund; and
- (c) any other funds available to the District which may be lawfully used for payment of the principal of and interest on the Note, and which may be directed to be deposited into the Note Fund, including any balance of Note proceeds remaining in the Project Fund after the purpose for which such Note was issued shall have been accomplished.

Section 7. APPLICATION OF PROCEEDS OF LOAN. The principal proceeds received pursuant to the Loan shall be deposited with a qualified depository in a special fund, hereby created, in the name of the District designated the "Project Fund," and shall be held and disbursed for the costs, fees and expenses incurred by the District in connection with the authorization of the Loan and issuance of the Note, and for the payment of all the fees, expenses and costs of the Project, as authorized by the Act. The Superintendent and Business Manager are authorized to take all actions necessary to open a new bank account, if necessary or desired, for the Project Fund.

Section 8. VALIDATION. The Note shall be submitted for validation as provided by Chapter 13, Title 31, Mississippi Code of 1972. The Superintendent is hereby directed to make up a transcript of all legal papers and proceedings relating to the Note and to certify and forward the same to the State's Bond Attorney for the institution of validation proceedings.

Section 9. TAX-EXEMPTION. The District and the Board covenant to comply with each requirement of the Code necessary to maintain the exclusion of interest on the Note from gross income for federal income tax purposes, and in furtherance thereof, to comply with a tax certificate of the District to be executed and delivered concurrently with the issuance of the Note, or such other covenants as may, from time to time, be required to be complied with in order to maintain the exclusion of interest on the Note from gross income for federal income tax purposes. The District and the Board shall not use or permit the use of any of the proceeds of the Note, or any other funds of the District, directly or indirectly, to acquire any securities, obligations or other investment property, and shall not take or permit to be taken any other action or actions, which would cause the Note to be an "arbitrage bond" as defined in Section 148 of the Code. Notwithstanding any other provisions to the contrary, so long as necessary in order to maintain the exclusion of interest on the Note from gross income for federal income tax purposes under the Code, the covenants contained in this Section shall survive the payment of the Note and the interest thereon, including any payment or defeasance thereof.

Section 10. NOTE NOT ARBITRAGE BOND. The Board covenants and certifies to and for the benefit of the Lender that it will neither take any action nor omit to take any action nor make any investment or use of the proceeds from the Loan, including amounts treated as proceeds, if any, which will cause the Note to be classified as an arbitrage bond within the meaning of Section 148 of the Code, and any regulations thereunder as such may be applicable to the Note, at the time of such action, investment or use.

Section 11. REBATE. If an exemption to the Code's arbitrage rebate requirement is not available, the District shall make or cause to be made any calculations with respect to any rebates payable to the United States required by the Code or any successor thereto and shall support such calculations with a letter from independent certified public accountants verifying the accuracy of such calculations. If, pursuant to such calculations, any amount is to be set aside for potential rebate to the United States, the District will establish a Rebate Fund and within said fund a Rebate Income Account and Rebate Principal Account in accordance with the Code or any successor thereto and any income earned on investments of amounts in the Rebate Fund will be deposited immediately upon receipt thereof in the Rebate Income Account.

Section 12. CALCULATION OF REBATE. Subject to Section 11, on or before the first day of each Note Year, the District shall make or cause to be made the computation of the Rebate Deposit. The Rebate Deposit is hereby defined as the excess of -- (A) the aggregate amount earned for the period from the date of issue of the Note to the computation date on all obligations in which any moneys in the funds and accounts are invested (the "Nonpurpose Obligations"), over -- (B) the amount that would have been earned for such period if the yield on the Nonpurpose Obligations had been equal to the yield on the Note. If a deposit to the Rebate Principal Account is required as a result of such computation, the District shall make such deposit. If a withdrawal from the Rebate Principal Account is permitted as a result of such computation, the District shall withdraw such amount and deposit the same in the Note Fund for the benefit of the District. Records of the determinations required by this Section must be retained until six (6) years after the Note is no longer outstanding.

As used herein the term Note Year shall mean the one (1) year period beginning after the expiration of the preceding Note year of such issue. The first Note Year of an issue begins on the date of the issue and ends on the first principal payment date.

Section 13. REMITTAL OF REBATE. Subject to Section 11, not later than thirty (30) days after the end of the fifth year after the date of issuance of the Note and every five (5) years thereafter, the District shall pay to the United States ninety percent (90%) of the amount required to be on deposit in the Rebate Principal Account as of such payment date and ninety percent (90%) of the amount on deposit in the Rebate Income Account as of such payment date. Not later than thirty (30) days after the final retirement of the Note, the District shall pay to the United States one hundred percent (100%) of the balance remaining in the Rebate Fund. Each payment required to be paid to the United States pursuant to this Section shall be filed with the Department of the Treasury at the appropriate address. The District shall provide with such payment a copy of the information reporting form originally filed with respect to the Note and a statement summarizing the determination of the amount to be paid to the United States.

Section 14. APPROVAL OF REQUEST FOR BIDS. The form and substance of the RFB in the form attached hereto as **Exhibit A**, and its distribution to banks, are hereby ratified and approved. The receipt and evaluation of bids in the manner set forth in the RFB are hereby ratified and confirmed by the Board as complying with previous Board actions.

Section 15. APPROVAL OF DOCUMENTS. The Board hereby approves the Note in the form attached hereto as **Exhibit C** and the Closing Certificate in the form attached hereto as **Exhibit D**, subject to any changes that may be approved by the District officials executing same, said approval being evidenced by the District official's execution of the Note and Closing Certificate.

Section 16. TAX COMPLIANCE PROCEDURES. The Tax Compliance Procedures hereto as **Exhibit E** are hereby adopted as the District's written procedures for post-issuance tax compliance applicable to the tax-advantaged loans, bonds, notes, leases, certificates of participation or similar obligations heretofore or hereafter issued by or on behalf of the District. These procedures are intended to supplement any previous post-issuance tax compliance procedures or policies that may have been adopted by the District.

Section 17. EXECUTION OF DOCUMENTS; REIMBURSEMENT. The Board President and Secretary and the Superintendent, or their designee, acting individually or collectively, are authorized to execute the Note and all other closing documents and to take all actions necessary to consummate the closing of the Loan and issuance of the Note. Furthermore, the District's Business Manager is authorized and directed to promptly use the necessary portion of the Loan proceeds, if any, to reimburse the District's District Maintenance Fund or other appropriate fund for costs of the Project previously paid by the District.

Section 18. PREPAYMENT OF 2019 LIMITED-TAX NOTE. The Board directs the prepayment of the outstanding principal balance of and accrued interest on the District's outstanding 2019 Limited-Tax Note on or before August 1, 2026. The Superintendent and Business Manager are authorized and directed to take all actions necessary to make the aforesaid prepayment from funds in the District's debt service fund and any other available District funds before the aforesaid date.

Section 19. ONFLICTING PROCEEDINGS REPEALED. All orders, resolutions or proceedings of the Board in conflict with any provision hereof shall be, and the same are hereby repealed, rescinded and set aside, but only to the extent of such conflict. For good cause shown, this resolution shall become effective upon the adoption hereof.

The motion to adopt the foregoing resolution was made by Board Member _____ and duly seconded by Board Member _____. The motion then being put to a vote, the results were as follows:

Board Member Amy Peterson	Voted:_____
Board Member Lea Bailey	Voted:_____
Board Member Deanna Smith	Voted:_____
Board Member William Collier	Voted:_____

Having received the affirmative vote of the majority of the Board members, the resolution was adopted on March 9, 2026.

BOARD OF EDUCATION OF THE
JACKSON COUNTY SCHOOL DISTRICT

By:_____

President

ATTEST:

Secretary

EXHIBIT A
FORM OF REQUEST FOR BIDS

**Jackson County School District
Jackson County, Mississippi**

Not-To-Exceed \$25,000,000 Loan Secured by a Limited-Tax Note

- Financing: The Jackson County School District (the "District") is soliciting bids for a loan (the "Loan") in a principal amount between \$22,000,000 to \$25,000,000. The Loan will be evidenced by a Limited-Tax Promissory Note in the principal amount of the Loan (the "Note"). The Loan is being obtained in order to finance part of the costs of the Project (defined below). The lender selected by the District's Board of Education (the "Board") to make the Loan to the District is referred to herein as the "Lender."
- Bid Deadline: 11:00 a.m. (Central) on March 9, 2026.
- Bid Award: Board meeting on March 9, 2026.
- Closing Date: The District anticipates the Loan being funded on or about April 14, 2026 (the "Closing"). The Note will be dated its date of delivery.
- Project Cost: The Project will generally consist of renovations, new construction and site improvements at the District's elementary schools and paying the costs of borrowing. The estimated Project cost, including all alternates, is approximately \$27,600,000. The District will use other available funds to pay remaining Project costs, to the extent the Note proceeds are insufficient.
- Authority: The Note will be issued under the authority of Miss. Code Ann. §§37-59-101 et seq. (the "Act") and pursuant to a resolution to be adopted by the Board on March 9, 2026 (the "Resolution").
- Security: A special annual ad valorem tax, not to exceed three mills, is required to be levied by the Board of Supervisors of Jackson County, Mississippi, on taxable property within the District to provide funds to pay debt service on the Note and on any other notes issued under the Act.

The District's 2019 Limited-Tax Note (the "2019 Note") is its only note outstanding under the Act. The Resolution will authorize and direct the early prepayment of the 2019 Note from existing amounts in the note debt service fund and other District funds. The District will pay the outstanding principal balance and accrued interest of the 2019 Note on or before August 1, 2026.

In addition to the aforesaid special ad valorem tax, the Note will be further secured by the District's pledge of the approximately \$282,856 Educational Enhancement Funds it expects to receive each year from the State of Mississippi pursuant to Miss. Code Ann. §37-61-33 (1972) ("the EEF Funds") through the term of the Note. Provided, however, any EEF Funds not required to pay the principal of and the interest on the Note in any year may be used by the District for any other authorized purpose.

The District will covenant not to issue additional notes on a parity basis pursuant to the Act as long as the Note is outstanding, unless the Board makes a finding that annual revenues projected to be available from the special ad valorem tax, plus any

other pledged funds, are reasonably expected to be sufficient to pay annual debt service on all notes outstanding under the Act, including the additional notes.

The District will further covenant that should it be necessary due to insufficient collections from the special ad valorem tax securing the Note, and to the extent allowed by law, it will use other legally available revenues of the District to pay debt service on the Note, after first making allowances for the payment of general operating expenses that are contractually obligated or federally and/or state mandated expenditures.

Amount/Term: The District seeks a Loan in a principal amount between \$22,000,000 to \$25,000,000, with annual debt service not to exceed \$2,065,000 (“Maximum Annual Debt Service”). The District’s objective is to balance the repayment term (and borrowing costs) with maximizing the principal amount of the Loan. To achieve this objective, the District is asking bidders for the maximum principal amount they will offer to loan the District for each of the alternate repayment terms stated below, assuming equal annual installments of principal and interest that do not exceed the Maximum Annual Debt Service.

The attached Bid Form requests alternate bids for terms of 13 years, 14 years and 15 years. Bidders are requested but not obligated to submit a bid for each of the alternate Note repayment terms. For each alternate term on which a bid is offered, the bid must state: (i) a fixed interest rate and (ii) the maximum principal amount for that term, based on equal annual installments of principal and interest that do not exceed the Maximum Annual Debt Service. Bidders are requested to attach an amortization schedule for each repayment alternative on which they bid. Any such amortization schedule is to be submitted for informational purposes, however, and will not be considered as part of the bid. The District will select the principal amount and term it determines will best meet its aforesaid objective. The District may reduce the principal amount below the maximum amount offered for any term in a bid prior to accepting the bid, provided that the principal and interest payments will be made in equal annual installments.

Payments: The Note will be payable to the Lender as the registered owner of the Note on each anniversary date of its delivery, commencing one year from its delivery, until the principal amount of the Note has been paid in full, as further set out in the Note. Interest on the Note will accrue on the basis of a 360-day year of twelve 30-day months at the rate specified in the winning bid.

Prepayment: The District prefers the option to prepay the outstanding principal amount of the Note in whole or in part on any date at par plus accrued interest, after 30 days’ prior written notice. However, a bidder may propose an alternate interest rate based on optional prepayment being allowed only after the number of years stated in its bid.

In any event, the Note will be subject to optional prepayment at par, plus accrued interest if the interest payments are deemed not to be excludable from income for federal income tax purposes.

Tax Matters: Young Law Group, PLLC ("Young Law Group") will provide its unqualified opinion that the Note is the legal obligation of the District and that interest on the Note is excludable from gross income for federal income tax purposes and is not a specific item of tax preference for purposes of federal alternative minimum tax on individuals; however, such interest may be taken into account for the purpose of computing the alternative minimum tax imposed on certain corporations. The opinion set forth in the preceding sentence is subject to the condition that the District comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code") that must be satisfied subsequent to the issuance of the Note in order that interest thereon be, and continue to be, excludable from gross income for federal income tax purposes. The District has made or will make certain representations and covenants to comply with each such requirement. If such representations are determined to be inaccurate or incomplete or the District fails to comply with such covenants, interest on the Note could become includable in gross income from the date of issuance of the Note, regardless of the date on which the events causing such inclusion occur. Young Law Group has not undertaken to determine (or to inform any person) whether any actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Note have resulted in a failure of the District to comply with its covenants. Furthermore, Young Law Group has not undertaken after the issuance of the Note to advise or monitor the District's continuing compliance with the provisions of the Code or to make any arbitrage rebate calculation.

The District will NOT designate the Note as a "qualified tax-exempt obligation" (i.e., bank-qualified) for purposes of Section 265(b)(3) of the Internal Revenue Code of 1986. Interest paid on the Note is exempt from Mississippi income taxes under existing laws, regulations, rulings and judicial decisions with such exceptions as shall be required by the Internal Revenue Code of 1986.

Documents: The District will not be preparing any form of offering document or other disclosure with respect to the Loan evidenced by the Note. Financial information of the District is available upon request; however, each party submitting a bid must perform its own independent review and evaluation of the financial condition of the District. Audited financial statements of the District for certain years may be downloaded from www.osa.ms.gov/reports/ and the following is the link to the District's audit for fiscal year ending June 30, 2024:

<https://www.osa.ms.gov/sites/default/files/osa/files/reports/24s2024%20Jackson%20County%20School%20District-cpa.pdf>

Bank Loan: The District is seeking bids for a financing that would constitute a "loan" for purposes of federal securities laws. There will be no CUSIP numbers, and the Note will be issued only in a single denomination representing the principal amount of the Loan unless otherwise directed by the Lender. In that regard, the Lender will be required to deliver the following representations at or before Closing Date: (1) The Lender is (i) a bank as defined in Section 3(a)(6) of the Exchange Act of 1934, (ii) a wholly-owned subsidiary of a bank engaged in commercial lending and financing activities, such as an equipment lease financing corporation, or (iii) a federally-or state-chartered credit union (each a "Qualified Provider"); (2) The Lender is a "qualified institutional buyer" as defined in Rule 144A under the Securities Act of

1933, as amended (the "1933 Act") or an "accredited investor" as that term is defined in paragraph (a) of Rule 501 under the 1933 Act other than a broker, dealer or municipal securities dealer registered under the Securities Exchange Act of 1934; (3) The Lender has such knowledge and experience in financial and business matters that the Lender is capable of independently evaluating the financial risks of the transaction and has had an opportunity to obtain from the District all of the information, documents and materials which it regards as necessary to evaluate the merits and risks of making the Loan evidenced by the Note; (4) The Lender is not purchasing the Note with a view to distributing the Note or any portion thereof, and the Note will be treated as a loan subject to regulation by banking authorities and maintained as a loan for accounting purposes of the Lender; (5) The Lender will not transfer the Note or any portion thereof within one year of Closing Date, except to another Qualified Provider; (6) The Lender will not offer, transfer or sell the Note or any portion thereof in a denomination of less than One Hundred Thousand Dollars (\$100,000); and (7) The Lender will require and deliver to the District a certificate from any transferee with the foregoing representations as a pre-condition of any subsequent sale or transfer of any portion of the Note.

- Regarding Bids: Each bidder is responsible for all costs of preparing and submitting its bid. Each bid shall provide the bidder's name and be signed by an authorized representative with his or her name, legal title, telephone number and email address typed below the signature line. Once submitted to the District, no bid may be modified or withdrawn. All bids shall remain firm until acted on at the aforesaid Board meeting.
- Award: The award, if any, of the Note evidencing the Loan will be made to the party complying with the terms of this Request for Bids and offering to make the Loan under the terms the Board determines to be in the District's best interests and best meet the District's objective of borrowing the maximum principal amount at an acceptable repayment term, while also taking into account other factors, including but not limited to: (i) the interest cost to the District, (ii) any other costs the bidder expects the District to pay, (iii) the offered prepayment terms and (iv) any other conditions stated in a bid. The District reserves the right to reject any or all bids, to waive any irregularity or defect in any bid, and to negotiate further with any party.
- Validation: The Note will be submitted for validation as provided by Chapter 13, Title 31, Mississippi Code of 1972.
- Issuer's Counsel: Law Office of Jack C. Pickett.
- Validity/Tax Opinion: Young Law Group, PLLC, Jackson, Mississippi.
- Financial Advisor: MuniGroup LLC, Jackson, Mississippi ("MuniGroup") is serving as financial advisor to the District in connection with the loan evidenced by the Note. MuniGroup is a registered municipal advisor with the SEC and the MSRB. MuniGroup is not registered as a broker-dealer and is not acting as an underwriter, placement agent, broker or dealer. MuniGroup represents solely the interests of the District with respect to the above-referenced transaction and does not represent any potential bidder's interests. MuniGroup has not conducted any due diligence on behalf of any

bidder. Principals of MuniGroup are principals and employees of Young Law Group, which is rendering the validity and tax opinions.

Transaction Costs: Young Law Group will prepare all closing documents at the expense of the District. The Lender will be responsible for any costs incurred by it in connection with submitting its bid and acquiring the Note evidencing the Loan, unless stated otherwise in its bid.

Open Records: All bids become public records and the property of the District. State law requires all information contained in the bids to be open for public review.

Third Parties: This Request for Bids and any response thereto shall not be construed as providing an enforceable obligation to any third party.

No Liability: The District shall have no liability or obligation or be compelled to enter into any financing agreement or arrangement as a result of issuing this Request for Bids.

Questions: Questions regarding this Request for Bids should be submitted via email to the District's Business Manager, Amber Geiser at agj4031@jcsd.ms or by telephone at (228)283-3000.

Bid Submission: Each bidder must submit its bid to the District's Business Manager, Amber Geiser, on or before the time and date outlined above.

Bids may be emailed to Ms. Geiser at agj4031@jcsd.ms with a subject line referencing: Jackson County School District Note. As a convenience, please copy any emailed bid to clare@younglawms.com

Bids may be hand-delivered to Amber Geiser, Business Manager, Jackson County School District, 4700 Colonel Vickrey Road, Vancleave, MS 39565

Any bidder wanting to hand-deliver a bid must first contact Ms. Geiser at the phone number or email address stated above to arrange the bid delivery.

Each bidder is solely responsible for the delivery of its bid to Ms. Geiser. A good-faith check is not required.

Dated: February 23, 2026

Jackson County School District
Jackson County, Mississippi
Not-To-Exceed \$25,000,000 Limited-Tax Promissory Note

Bid Form

March 9, 2026

Board of Education
Jackson County School District
Attn: Amber Geiser

We hereby offer to loan the District up to the maximum principal amount for each term stated below in exchange for the District's Limited-Tax Note (the "Note") in the corresponding principal amount. The maximum principal amount offered for each stated term is calculated to be repaid in equal annual installments of principal and interest that will not exceed the Maximum Annual Debt Service amount described in the Request for Bids dated February 23, 2026 (the "RFB"). The District may reduce the principal amount of the Loan to less than the offered maximum principal amount for any stated term prior to accepting this bid, provided that the Note will be repaid in equal annual installments of principal and interest. The Note will be dated its date of initial delivery and will be payable as to principal and interest on each anniversary of its date of delivery, commencing one year from its date of delivery. Interest on the outstanding principal amount of the Note shall accrue on the basis of a 360-day year of twelve 30-day months at the interest rate for each alternate term shown below. *A proposed amortization schedule for each term for which a bid is submitted is attached to this bid for informational purposes but does not constitute a part of this bid.*

13-Year Term:

Alternate 1: Optional Prepayment at any time

Maximum Principal Amount \$ _____

Interest Rate: _____%

Alternate 2: Optional Prepayment on or after _____ years from the Note's initial delivery date (*state "13" in the blank if not prepayable*).

Maximum Principal Amount \$ _____

Interest Rate: _____%

14-Year Term:

Alternate 1: Optional Prepayment at any time

Maximum Principal Amount \$ _____

Interest Rate: _____%

Alternate 2: Optional Prepayment on or after _____ years from the Note's initial delivery date (*state "14" in the blank if not prepayable*).

Maximum Principal Amount \$ _____

Interest Rate: _____%

15-Year Term:

Alternate 1: Optional Prepayment at any time

Maximum Principal Amount \$ _____

Interest Rate: _____%

Alternate 2: Optional Prepayment on or after _____ years from the Note's initial delivery date (*state "15" in the blank if not prepayable*).

Maximum Principal Amount \$ _____

Interest Rate: _____%

Additional costs expected to be paid by the District under any option: \$ _____

This Bid is submitted subject to the terms and conditions of the RFB, which by reference is hereby made a part of this Bid.

Bank: _____

By: _____

Title: _____

Email: _____

Telephone: _____

EXHIBIT B
BIDS RECEIVED

EXHIBIT C
FORM OF THE NOTE

LIMITED-TAX PROMISSORY NOTE
JACKSON COUNTY SCHOOL DISTRICT
JACKSON COUNTY, MISSISSIPPI

Principal Amount: \$ _____

April __, 2026

The Jackson County School District, Jackson County, Mississippi (the "District"), a body politic existing under the Constitution and laws of the State of Mississippi, by this promissory note (the "Note") acknowledges itself to owe, and for value received, promises to pay in lawful money of the United States of America to the order of _____ or its lawful assignee (the "Lender") the principal amount of this Note shown above, with such principal to be paid on the payment dates and in the amounts identified below in connection with a loan from the Lender to the District (the "Loan"). The District further promises to pay the Lender interest on the outstanding principal amount from the date of this Note or from the most recent interest payment date to which interest has been paid at the per annum interest rate of _____% on the payment dates and in the amounts shown below until said principal sum is paid. Interest on this Note shall accrue on the basis of a 360-day year of twelve, 30-day months. Presentment and surrender of this Note are not required for optional or mandatory redemption payments, if any, or for final payment of the Note.

The principal of and interest on this Note shall be payable on April __ in the years and in the amounts set forth below:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Amount</u>
2027	\$ __	\$ __
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		
2040		
2041		

USE LANGUAGE IF REGIONS IS LENDER AND DEFAULT RATE IN BID: Upon the occurrence of an event of default in the timely payment of principal or interest on this Note, the rate of interest per annum shall increase to _____% (the interest rate shown above, plus 5% per annum) during the period that such event of default is continuing.

REVISE PREPAYMENT PARAGRAPHS BASED ON WINNING BID

The Loan and this Note are not subject to optional prepayment prior to April __, 20__, other than as stated in the following paragraph. The Loan and this Note are subject to prepayment at the District's option, in whole or in part, on or after April __ __, 20__ without penalty at par plus accrued interest upon 30 days' prior written notice to the Lender.

Or if prepayable at any time - The Loan and this Note are subject to prepayment at the District's option, in whole or in part, at any time without penalty at par plus accrued interest upon 30 days' prior written notice to the Lender.

This Note is subject to prepayment at the District's option at any time, in whole or in part, at par plus accrued interest upon the rendering of a final determination letter issued by the Internal Revenue Service or other final governmental action determining that the interest paid by the District with respect to this Note is includable in the income of recipients thereof for federal income tax purposes.

The Loan is being obtained to raise money for the purpose of paying the costs of making improvements within the District, purchasing equipment for school buildings and paying the costs of such borrowing. This Note is issued under the authority of the Constitution and statutes of the State of Mississippi, including Section 37-59-101, et seq. of the Code (the "Act"), and by the further authority of proceedings duly had by the Board of Education of the District, including a resolution adopted March 9, 2026 (the "Loan Resolution").

This Note is and will continue to be payable as to principal and interest out of the avails of a special, annual ad valorem tax, not to exceed three mills, levied on all taxable property of the District, to the extent other funds of the District are not used for such purpose. The pledge and use of said tax to pay the principal of and interest on this Note shall be on parity with the pledge and use of said tax for the payment of any other notes currently outstanding or subsequently issued under the Act. The Note is further secured by a subordinate pledge of the Education Enhancement Funds the District is to receive from the State of Mississippi each year for buildings and buses.

USE LANGUAGE IF CAPITAL ONE IS LENDER: The Lender retains the right at any time to dispose of this Note, in whole or in part, but agrees that any such sale, transfer or distribution by the Lender shall be made in accordance with applicable laws and the provisions of the Lender's Certificate dated the date of this Note and executed by the Lender to (a) an affiliate of the Lender; or (b) one or more banks, trusts, custodians, insurance companies or other financial institutions. The Lender shall have the right to grant participations in all or any portion of its interest in this Note at any time without the consent of the District.

This Note shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Loan Resolution until the Registration Certificate hereon shall have been executed by the Secretary of the Board of Education. This Note is subject to additional restrictions set forth in the Loan Resolution and in a Lender's Certificate executed by the original owner of this Note, including limitations on the transfer of the Note.

IT IS HEREBY CERTIFIED, RECITED AND REPRESENTED that all conditions, acts and things required by law to exist, to have happened and to have been performed precedent to

and in the issuance of this Note, in order to make the same a legal and binding limited-tax obligation of the District, according to the terms thereof, do exist, have happened and have been performed in regular and due time, form and manner as required by law.

IN WITNESS WHEREOF, the District has caused this Note to be executed in its name by the President of the Board of Education, countersigned by the Superintendent of the District under the seal of the District, all as of April ____, 2026.

JACKSON COUNTY SCHOOL DISTRICT

By: specimen - not for signature
President of the Board of Education

COUNTERSIGNED:

specimen - not for signature
Superintendent

[SEAL]

REGISTRATION AND VALIDATION CERTIFICATE

STATE OF MISSISSIPPI
COUNTY OF JACKSON

I, the undersigned Secretary of the Board of Education of the Jackson County School District, Jackson County, Mississippi, do hereby certify that the within Note has been duly registered by me as an obligation of the Jackson County School District pursuant to law in a book kept in my office for that purpose and has been validated and confirmed by Decree of the Chancery Court of Jackson County, Mississippi rendered on April ____, 2026.

specimen - not for signature
Secretary of the Board of Education

[SEAL]

EXHIBIT D
FORM OF THE CLOSING CERTIFICATE

§ _____ LIMITED-TAX PROMISSORY NOTE 2026

**JACKSON COUNTY SCHOOL DISTRICT
JACKSON COUNTY, MISSISSIPPI**

**CLOSING CERTIFICATE OF PRESIDENT AND
SECRETARY OF THE BOARD OF EDUCATION**

We, the undersigned, duly appointed or elected, qualified and acting President and Secretary of the Board of Education (the "Board") of the Jackson County School District, Jackson County, Mississippi (the "District"), hereby certify in connection with the authorization, issuance, and delivery of the District's Limited-Tax Promissory Note dated April ____, 2026, in the principal amount of \$ _____ (the "Note"), that:

1. The persons below are the current duly elected or appointed and qualified incumbents in the designated offices of the District; and each person has served as a member of the Board or as the Superintendent of Schools at all times during which actions were taken with respect to the Note:

<u>Name</u>	<u>Office</u>
Amy Peterson	President of the Board
Lea Bailey	Secretary of the Board
Deanna Smith	Member of the Board
William Collier	Member of the Board
David Baggett	Superintendent of Schools

2. The persons named below were on the dates of the execution of the Note, and are on the date hereof (the "Closing Date"), the duly authorized incumbents of the offices of the District set opposite their respective names, and the signatures appearing at the right of their respective names are their genuine signatures:

<u>Name</u>	<u>Specimen Signatures</u>	<u>Official Title</u>
David Baggett	_____	Superintendent
Amy Peterson	_____	Board President
Lea Bailey	_____	Board Secretary

3. The Note has, in accordance with the applicable laws, including but not limited to Miss. Code Ann. §§37-59-101, *et seq.* (the "Act"), been executed and delivered to _____ (and its successors and assigns, the "Lender") on the Closing Date and in accordance with the terms of a resolution adopted on March 9, 2026 (the "Loan Resolution") by the Board. The Loan Resolution is or will be included in the appropriate official District minutes of the actions of the Board. There are no outstanding agreements or undertakings of any kind or character, whether for commissions, rebate or otherwise, whereby the proceeds to be received by the District in exchange for the Note will be reduced below the principal amount of the Note.

4. None of the proceedings or resolutions of the Board in the matter of the issuance of the Note, including but not limited to the Loan Resolution, have been amended, modified, vacated or rescinded in any manner, except as may be indicated, and no appeal has been taken from any of the actions of the Board in connection with said matter. The Loan Resolution remains in full force and effect as originally adopted. All actions taken by the Board regarding the Note, including but not limited to the Loan Resolution and all exhibits attached thereto, were duly adopted by the Board in open, public meetings and are included in the official minutes of the Board meeting at which such actions were taken.

5. The District's tax levying authority is the Board of Supervisors of Jackson County, Mississippi. The District will request its levying authority to levy the special, annual ad valorem tax necessary to pay the debt service on the Note, and any other outstanding parity notes under the Act, each year. The District reasonably believes that the annual levy of the aforesaid tax in an amount not to exceed three mills per year, along with any other funds pledged by the District, will produce sufficient revenues to pay the annual debt service on the Note and on any other notes of the District issued and outstanding under the Act. The District is not aware of any circumstances which could reasonably be expected to: (a) reduce the District's taxable property base below a level sufficient for the aforesaid limited tax to provide the necessary revenues to pay debt service on all notes issued and outstanding under the Act, or (b) adversely and materially affect the District, its finances, its boundaries, its State accreditation, or the authority or power of the Board.

6. The Board covenanted in the Loan Resolution that: (a) it will not issue additional notes under the Act secured on a parity basis with the Note unless the Board makes a finding that it reasonably expects that annual revenues projected to be available from the special ad valorem tax and any other pledged funds will be sufficient to pay annual debt service on all notes outstanding under the Act, and (b) that if it becomes necessary, due to insufficient ad valorem tax collections, to the extent allowed by law, the District will use any other legally available revenues to pay debt service on the Note.

7. Upon due inquiry, no Board member has an ownership or economic interest in the Lender that would prohibit the District from issuing the Note to the Lender or which would cause the Note not to be valid under Mississippi law.

8. There is no action, suit, proceeding, investigation or litigation now of record in any court or before any public body, or, to our knowledge, threatened against the District, whereby an unfavorable decision, ruling or finding could reasonably be expected to adversely affect: (a) the issuance, sale, delivery, execution, validity, or enforceability of the Note or any other agreement or instrument to which the District is a party or by which the District is bound and which is used or contemplated for use in connection with the issuance, sale, delivery, execution, validity and enforceability of the Note; (b) the existence or powers of the District; (c) the titles of the officers of the District or their right to their respective offices at the time of the issuance, sale, execution or delivery of the Note; or (d) any other matters directly related to the Note.

9. The Lender is acquiring the Note as evidence of a privately negotiated loan and in that connection the Note shall not be: (a) assigned a separate rating by any municipal securities rating agency, (b) registered with The Depository Trust Company or any other securities

depository, (c) issued pursuant to any type of offering document or official statement or (d) assigned a CUSIP number by CUSIP Global Services.

10. The District understands and consents that its attorneys may rely on this Certificate in rendering their opinions regarding the validity of the Note.

11. ADD LANGUAGE IF REGIONS IS LENDER: To the best of our knowledge and belief, neither the District, any of its Board members nor the Superintendent, as applicable, is a Person named as a Specially Designated National and Blocked Person (as defined in Presidential Executive Order 13224), and the District is not acting, directly or indirectly, for or on behalf of any such Person. We further represent and warrant that to the best of our knowledge and belief, neither the District, any of its Board members nor the Superintendent, as applicable, is directly or indirectly, engaged in or facilitating the transactions contemplated by the issuance of the Notes on behalf of any Person named as a Specially Designated National and Blocked Person.

12. ADD LANGUAGE IF REGIONS IS LENDER: The District acknowledges and understands that the Lender and its representatives are not registered municipal advisors and do not provide advice to municipal entities or obligated persons with respect to municipal financial products or the issuance of municipal securities (including regarding the structure, timing, terms and similar matters concerning municipal financial products or municipal securities issuances) or engage in the solicitation of municipal entities or obligated persons for the provision by non-affiliated persons of municipal advisory services and/or investment advisory services. With respect to the Notes and any other information, materials or communications provided by the Lender: (a) the Lender and its representatives are not recommending an action to any municipal entity or obligated person; (b) the Lender and its representatives are not acting as an advisor to any municipal entity or obligated person and do not owe a fiduciary duty pursuant to Section 15B of the Securities Exchange Act of 1934 to any municipal entity or obligated person with respect to the Notes, information, materials or communications; (c) the Lender and its representatives are acting for their own interests; and (d) the District has been informed that the District should discuss this certificate and any such other information, materials or communications with any and all internal and external advisors and experts that the District, respectively, deem appropriate before acting on this certificate or any such other information, materials or communications.

13. [OPTIONAL LANGUAGE BASED ON LENDER] At the request of the Lender/No later than _____ of each year, the District will provide its audited financial statements to the Lender, as soon as available, only in the event that such information is not otherwise available on the Municipal Securities Rulemaking Board's (the "MSRB") Electronic Municipal Market Access System ("EMMA") or the Mississippi Office of the State Auditor's website (www.osa.ms.gov/reports/). At the request of the Lender, the District will provide unaudited financial statements to the Lender, as soon as available if the audited financial statements of the District are not available within 12 months of the close of the District's fiscal year.

In the event the District files with the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system, or its successor ("EMMA"), the Loan Resolution or any description of the material terms thereof or notice of any agreement to covenants, events of default, remedies, priority rights or other similar terms regarding the Note, or any other document or certificate signed or delivered by the Lender regarding the Note, either voluntarily or as required

pursuant to a continuing disclosure agreement or Rule 15c2-12 promulgated pursuant to the Securities and Exchange Act of 1934, as amended (the "Rule") (each such posting, an "EMMA Posting"), the District shall endeavor to (i) provide the Lender with a copy of each EMMA Posting prior to submitting or posting on EMMA and (ii) not file or permit the filing of any EMMA Posting that includes Confidential Information. Provided, however, the District's failure to satisfy its obligations in the preceding sentence shall not constitute a default under the Note. The District acknowledges and agrees that the Lender is not responsible for the District's or any other entity's (including, but not limited to, any broker-dealer's) compliance or noncompliance (or any claims, losses or liabilities arising therefrom) with any continuing disclosure agreement or any applicable securities or other laws, including, but not limited to, those relating to the Rule. "Confidential Information" means any sensitive or confidential information regarding the District or the Lender including, without limitation, address, account and wiring information, e-mail addresses, telephone numbers, facsimile numbers, logos, names and signatures of officers, employees or representatives of the District and the Lender.

IN WITNESS WHEREOF, we have hereunto affixed our signatures as of April __, 2026.

JACKSON COUNTY SCHOOL DISTRICT

President, Board of Education

Secretary, Board of Education

EXHIBIT E
TAX COMPLIANCE PROCEDURES

TAX COMPLIANCE PROCEDURES

Adopted March 9, 2026

Jackson County School District, Jackson County, Mississippi (the "District") hereby adopts these procedures (these "Procedures") as its written procedures for post-issuance tax compliance applicable to tax advantaged loans, bonds, notes, leases, certificates of participation or similar obligations (collectively, "Obligations") heretofore and hereafter issued or executed and delivered by it or on its behalf. These Procedures are intended to supplement any previous post-issuance tax compliance procedures or policies that may have been adopted by the District and any procedures evidenced in writing by any tax document for any Obligations heretofore or hereafter issued, entered into or executed and delivered by it or on its behalf, the related information returns filed in connection with any Obligations and the instructions to such information returns.

1. **Responsible Person.** The District has assigned to the Business Manager (or equivalent position) of the District (the "Responsible Person") the responsibility for ensuring post-issuance tax and remedial action compliance with the requirements of any tax and financing documents for Obligations. This responsibility is included in the job description for the Responsible Person, and such person has or will review any prior post-issuance tax compliance procedures, these Procedures, any tax documents for any Obligations heretofore or hereafter issued, entered into or executed and delivered by it or on its behalf, the related information returns, if any, filed in connection with any Obligations (such as IRS Forms 8038-G) and the instructions to such information returns, and consult with bond or tax counsel and other professionals as needed.

2. **Succession Planning.** The District will ensure that, when the current Responsible Person leaves such person's current position at the District, the responsibility for financing and tax covenant compliance will be explained in detail to such person's successor, such successor will be provided compliance training (as further described in the following section).

3. **Training.** Compliance training for the Responsible Person should include, among other things, annual meetings with bond counsel to discuss monitoring compliance with applicable tax laws and attendance at post-issuance tax compliance trainings organized by bond counsel or applicable industry associations.

4. **Procedures for Timely Expenditure of Proceeds.** The District understands that at least 85 percent of the net sale proceeds of new money Obligations must be spent to carry out the projects financed with the proceeds of the Obligations within three years of the date such Obligations are originally issued, entered into or executed and delivered. The District will treat as "sale proceeds" any amounts actually or constructively received by the District from issuance or execution and delivery of the Obligations, including amounts used to pay accrued interest other than pre-issuance accrued interest. "Net sale proceeds" means the sale proceeds less any amounts deposited into reasonably required reserve or replacement or rental payment reserve funds. The District has established or will establish reasonable accounting procedures for tracking and reporting to the Responsible Person the expenditure of net sale proceeds.

5. **Compliance with Arbitrage Yield Restriction and Rebate Requirements.** The Responsible Person will create a system to ensure that for all applicable Obligations, not less than six months prior to each five-year anniversary of the closing date for Obligations, the District will retain

an arbitrage rebate consultant to prepare a report determining the yield of the Obligations under the Internal Revenue Code of 1986 (the "Code") and whether there is any amount owed to the Internal Revenue Service under Section 148 of the Code.

6. **Ongoing Procedure.** The Responsible Person will review any prior procedures or policies, these Procedures, tax and financing documents relating to Obligations, information returns for obligations and related instructions to such information returns, and the status and use of the property financed or refinanced by the Obligations (the "Financed Property") *on at least an annual basis and at the following intervals:* (a) six months prior to each five-year anniversary of the issue or execution and delivery date of the Obligations; (b) within 30 days of the date the Obligations are finally retired, defeased, refunded or terminated; (c) when any rebate payment is made; (d) when the Financed Property is Placed in Service; (e) if the District determines that the Financed Property will not be completed; and (f) if any of the representations, statements, circumstances or expectations of the District that are set forth in the tax or financing documents for Obligations are no longer true, have changed or have not come to pass as described in such documents. This review will be made for the purposes of identifying any possible violation of federal tax requirements related to Obligations and to ensure the timely correction of those violations pursuant to the remedial action provisions outlined below or through the Voluntary Closing Agreement Program. If any possible violation is identified, the Responsible Person will notify the District and the District's counsel or the District's bond counsel so that any existing or expected violation can be corrected.

7. **Final Allocation.** With respect to any new money Obligations, once the Financed Property relating to the new money Obligations has been Placed in Service, the Responsible Person will identify all investment earnings from any investment of proceeds of the Obligations (such proceeds together with such investment earnings are hereinafter referred to as "Proceeds"), compile and reconcile all expenditures of such Proceeds to identify the specific costs paid from such Proceeds and the dates such costs were paid, identify the economic useful lives of each asset financed by the Proceeds and identify the payee or payees who received the Proceeds. The Responsible Person will retain such information with its books and records for the Obligations in the manner and for the duration required by Section 9 below.

8. **Additional Policies and Procedures.** The District acknowledges that certain types of Obligations, such as tax credit obligations, may have special rules regarding the timely expenditure of proceeds, arbitrage yield restriction and rebate requirements and remediation requirements, all of which will be described in the tax certificates for the Obligations. Such rules are incorporated herein (except to the extent that these Procedures have been revised to incorporate any of such rules), and the District agrees to follow such rules with respect to Obligations, if applicable.

9. **Recordkeeping.** The Responsible Person will develop and implement a system for maintaining records relating to these Procedures. Such records must be kept and maintained for the life of the related Obligations, and any Obligations that refund or refinance such obligations, plus at least four years (or such longer period as may be required in related tax documents for such obligations). These records may be maintained on paper, by electronic media or by any combination thereof.

10. **Procedures to Comply with Remediation Requirements.** The Responsible Person will establish and maintain a system for tracking and monitoring the use of the Financed property to

ensure that the use of all such property will not violate the private business tests or the private loan financing test under Section 141 of the Code. If, after the issuance or execution and delivery of Obligations, the use of the Financed Property changes so that the private business tests or the private loan financing test would be met, or if another violation of these Procedures occurs which requires correction, the District will, in connection with consulting bond counsel, undertake a closing agreement through the Voluntary Closing Agreement Program of the Internal Revenue Service or take one of the remedial actions described in the next section, if available.

11. **Remedial Action Procedures.** If a deliberate action is taken with respect to the Obligations and the Financed Property subsequent to the issuance or execution and delivery of the Obligations which action is not in compliance with the tax requirements of the Code or Regulations (a "Deliberate Action"), then the Responsible Person should consult with bond counsel regarding permissible remedial actions that may be taken to remediate the effect of any such Deliberate Action upon the federal tax status of the Obligations. Possible remedial actions, and the conditions to taking any such remedial actions, include (but are not necessarily limited to) the actions described below.

a. Conditions to Remedial Actions. None of the remedial actions described in (b) below are available to remediate the effect of any Deliberate Action with respect to the Obligations and the Financed Property unless the following conditions have been satisfied and unless bond counsel advises otherwise:

i. the District reasonably expected on the date the Obligations were originally issued or executed and delivered that the Obligations would meet neither the private business tests nor the private loan financing test of Section 141 of the Code and the Regulations thereunder for the entire term of the Obligations (such expectations may be based on the representations and expectations of the applicable conduit borrower, if there is one);

ii. the average weighted maturity of the Obligations did not, as of such date, exceed 120 percent of the average economic life of the Financed Property;

iii. unless otherwise excepted under the Regulations, the District delivers a certificate, instrument or other written records satisfactory to bond counsel demonstrating that the terms of the arrangement pursuant to which the Deliberate Action is taken is bona fide and arm's-length, and that the non-exempt person using either the Financed Property or the proceeds of the Obligations as a result of the relevant Deliberate Action will pay fair market value for the use thereof;

iv. any disposition must be made at fair market value and any Disposition Proceeds (defined below) actually or constructively received by the District as a result of the Deliberate Action must be treated as gross proceeds of the Obligations and may not be invested in obligations bearing a yield in excess of the yield of the Obligations subsequent to the date of the Deliberate Action; and

v. Proceeds of the Obligations affected by the remedial action must have been allocated to expenditures for the Financed Property or other allowable governmental purposes before the date on which the Deliberate Action occurs (except to the extent that redemption or defeasance, if permitted, is undertaken, as further described in (b)(i) below).

"Disposition Proceeds," as such term is used in this Section 11, means any amounts (including property, such as an agreement to provide services) derived from the sale, exchange or other disposition of property (other than investments) financed with the proceeds of the Obligations.

b. Types of Remedial Action. Subject to the conditions described in (a) above, and only if the District obtains an opinion of bond counsel prior to taking any of the actions below to the effect that such actions will not adversely affect the excludability of interest on the Obligations from gross income for federal income tax purposes, remedial actions including but not limited to those listed below may be available to remediate a Deliberate Action subsequent to the issuance of the Obligations:

i. *Redemption or Defeasance of Obligations.*

- (A) If the Deliberate Action causing either the private business use test or the private loan financing test of Section 141 of the Code and the Regulations thereunder to be satisfied consists of a fair market value disposition of any portion of the Financed Property exclusively for cash, then the District may allocate the Disposition Proceeds to the redemption of Nonqualified Obligations (defined below) pro rata across all the then-outstanding maturities of the Obligations at the earliest call date of such maturities of the Obligations after the taking of the Deliberate Action. If any of the maturities of the Obligations outstanding at the time of the taking of the Deliberate Action are not callable within 90 days of the date of the Deliberate Action, the District may (subject generally to the limitations described in (C) below) allocate the Disposition Proceeds to the establishment of a Defeasance Escrow (defined below) for any such maturities of the Obligations within 90 days of the taking of such Deliberate Action.
- (B) If the Deliberate Action consists of a fair market value disposition of any portion of the Financed Property for other than exclusively cash, then the District may use any funds (other than proceeds of the Obligations or proceeds of any obligation the interest on which is excludable from gross income for federal income tax purposes) for the redemption of all Nonqualified Obligations within 90 days of the date that such Deliberate Action was taken. In the event that insufficient maturities of the Obligations are callable by the date which is within 90 days after the date of the Deliberate Action, then such funds may be used for the establishment of a Defeasance Escrow within 90 days of the date of the Deliberate Action for all the maturities of the Nonqualified Obligations not callable within 90 days of the date of the Deliberate Action.
- (C) If a Defeasance Escrow is established for any maturities of Nonqualified Obligations that are not callable within 90 days of the date of the Deliberate Action, written notice must be provided to the Commissioner of Internal Revenue Service at the times and places as may be specified by applicable regulations, rulings or other guidance issued by the Department of the Treasury or the Internal Revenue Service. Note that the ability to create a Defeasance

Escrow applies only if the Obligations to be defeased and redeemed all mature or are callable within ten and one-half (10.5) years of the date the Obligations are originally issued or executed and delivered. If the Obligations are not callable within ten and one-half years, and none of the other remedial actions described below are applicable, the remainder of this Section 11 is for general information only, and bond counsel must be contacted to discuss other available options.

"Nonqualified Obligations," as such term is used in this Section 11, means that portion of the Obligations outstanding at the time of a Deliberate Action in an amount that, if the outstanding Obligations were issued or executed and delivered on the date on which the Deliberate Action occurs, the outstanding Obligations would not satisfy the private business use test or the private loan financing test, as applicable. For this purpose, the amount of private business use is the greatest percentage of private business use in any one-year period commencing with the Deliberate Action.

"Defeasance Escrow," as such term is used in this Section 11, means an irrevocable escrow established to redeem Obligations on their earliest call date in an amount that, together with investment earnings thereon, is sufficient to pay all the principal of, and interest and call premium on, obligations from the date the escrow is established to the earliest call date. A Defeasance Escrow may not be invested in higher yielding investments or in any investment under which the obligor is a user of the proceeds of the obligations.

- ii. *Alternative Use of Disposition Proceeds.* Use of any Disposition Proceeds in accordance with the following requirements may be treated as a Remedial Action with respect to the Obligations:
 - (A) the Deliberate Action consists of a disposition of all or any portion of the Financed Property for not less than the fair market value thereof for cash;
 - (B) the District reasonably expects to expend the Disposition Proceeds resulting from the Deliberate Action within two years of the date of the Deliberate Action;
 - (C) the Disposition Proceeds are treated as Proceeds of the Obligations for purposes of Section 141 of the Code and the Regulations thereunder, and the use of the Disposition Proceeds in the manner in which such Disposition Proceeds are in fact so used would not cause the Disposition Proceeds to satisfy the private activity bond tests;
 - (D) no action is taken after the date of the Deliberate Action to cause the private activity bond tests to be satisfied with respect to the Obligations, the Financed Property or the Disposition Proceeds (other than any such use that may be permitted in accordance with the Regulations); and
 - (E) Disposition Proceeds used in a manner that satisfies the private activity bond tests or which are not expended within two years of the date of the Deliberate Action must be used to redeem or defease Nonqualified Obligations in accordance with the requirements set forth in (i) above.

- iii. *Alternative Use of Facilities.* The District may be considered to have taken sufficient remedial actions to cause the Obligations to continue their applicable treatment under federal tax law if, subsequent to taking any Deliberate Action with respect to all or any portion of the Financed Property:
- (A) the portion of the Financed Property subject to the Deliberate Action is used for a purpose that would be permitted for qualified tax-exempt obligations;
 - (B) the disposition of the portion of the Financed Property subject to the Deliberate Action is not financed by a person acquiring the Financed Property with proceeds of any obligation the interest on which is exempt from gross income under Section 103 of the Code for purposes of federal income taxation; and
 - (C) any Disposition Proceeds other than those arising from an agreement to provide services (including Disposition Proceeds arising from an installment sale) resulting from the Deliberate Action are used to pay the debt service on the Obligations on the next available payment date or, within 90 days of receipt thereof, are deposited into an escrow that is restricted as to the investment thereof to the yield of the Obligations to pay debt service on the Obligations on the next available payment date.

Absent an opinion of bond counsel, no remedial actions are available to remediate the satisfaction of the private security or payment test regarding the same with respect to the Obligations. Nothing herein is intended to prohibit remedial actions not described herein that may become available subsequent to the date the Obligations are originally issued or executed and delivered to remediate the effect of a Deliberate Action taken with respect to the Obligations, the proceeds thereof or the Financed Property.

**BOARD OF EDUCATION OF THE
JACKSON COUNTY SCHOOL DISTRICT**

By: _____
Superintendent