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### Summary of Jackson County School District Loan Resolution

This memo highlights key Sections of the Loan Resolution to be adopted by the Board on March 9, 2026, but does not address all Loan Resolution provisions. Please call us if you have any questions or want to discuss the Loan Resolution further.

The District distributed a Request for Bids (the “RFB”) to banks soliciting bids for alternate Note repayment terms of 13, 14 and 15 years. The bids are due to the District by 11:00 a.m. on March 9. The Board will select the alternative that is most beneficial to the District, taking into account the offered principal amount, interest rate, payment and prepayment terms and additional costs included in each bid.

The Loan Resolution authorizes the sale and issuance of the Note. The draft Loan Resolution has blanks for the name of the low bidder and the low interest rate. The final Loan Resolution will include all bids the District receives on March 9, name the winning bidder and incorporate the specific terms from the winning bid, such as the interest rate, payment amounts and prepayment provisions.

The Loan Resolution also makes various findings and covenants including the following:

1. Section 1 states that the resolution constitutes a contract with the winning bidder. The District should not amend, rescind or modify the Note or the Loan Resolution without the Lender's consent.
2. Section 3 states that the Note will be repaid in approximately equal annual installments on its anniversary dates. The repayment term will be selected by the Board based on the alternate bids received. The District's ability to prepay the Note will be as stated in the winning bid and in the Note attached as Exhibit C to the Loan Resolution.
3. Section 5 states the Note will be paid from a special ad valorem tax, not to exceed three mills, along with the District's Education Enhancement Funds and any other legally available funds used by the District to pay debt service on the new Note.
4. Section 5 also covenants that the District will not issue additional limited-tax notes unless the Board makes a finding that the three-mill ad valorem tax levy, plus other funds pledged by the District, will be sufficient to pay debt service on the proposed and existing notes. This Section also covenants that the District will use any legally available funds to make the Note payments if the special ad valorem tax and other pledged funds are insufficient.

5. Sections 6 and 7 authorize the separate funds (which may be separate bank accounts) to hold the Note proceeds until spent on the project and to pay Note debt service. These Sections authorize the Superintendent and the Business Manager to take all actions necessary to create funds and to open bank accounts (if separate bank accounts are necessary or desired) for these purposes.
6. Section 8 authorizes the Note to be submitted for validation in the Chancery Court. This process requires approximately 30 days.
7. Sections 9 through 13 make certain findings required by the federal tax law. The District is issuing the Note as "tax-exempt," meaning the lending bank is generally not required to pay income tax on the interest paid by the District on the Note. Therefore, the lending bank usually charges a lower interest rate for the Note than it would charge on a taxable loan. The Note must comply with federal tax law to be tax-exempt. The Board covenants in Section 9 to comply with applicable federal tax law. Failure to comply with the federal tax law could cause the IRS to declare the interest on the Note to be taxable or to impose other penalties on the District. Our firm will render an opinion to the lending bank and the District that interest on the Note is excludable from federal and State income taxes based in part on the District's representations that it will comply with applicable law.

Sections 11 through 13 state that the District will determine whether any rebate of arbitrage interest earnings will be required and covenant that the District will make any required arbitrage interest rebate payments.

8. Section 15 approves the form of the Note (Exhibit C) and the Closing Certificate (Exhibit D).
9. Section 16 approves the Tax Compliance Procedures (Exhibit E) which the District agrees to follow to maintain the tax-advantaged status of the Note.
10. Section 17 authorizes the Superintendent and Board President and Secretary to execute all documents and to take all actions necessary to close on the Note.
11. Section 18 directs the Superintendent and Business Manager to take all actions necessary to prepay the District's 2019 Note on or before August 1, 2026.
12. Exhibit A is the Request for Bids the District distributed to banks.
13. Exhibit B attaches the bids the District received.
14. Exhibit C is the form of the Note the District will issue.
15. Exhibit D is the Closing Certificate the District officers will sign as part of closing on the Note.
16. Exhibit E is the Tax Compliance Procedures. This document outlines certain procedures the District will follow to comply with the federal tax law governing tax-exempt debt, such as the Note. The matters addressed in the Procedure will be further addressed in a Tax Compliance Certificate to be executed by the District when closing on the Note.