

**Tennessee Municipal Bond Fund
Information Regarding Alternative Loan Program for the
City of Jackson, Tennessee**

February 5, 2021

The Tennessee Municipal Bond Fund ("TMBF"), can assist the City of Jackson (the "City"), with the issuance of a capital outlay note, in an amount of \$2,000,000, to finance equipment for the Police Department of the City.

Below is a summary of the alternative loan program:

ALTERNATIVE LOAN PROGRAM

The City can issue a fixed rate capital outlay note, in the amount of \$2,000,000, for a term of either 5 or 7 years, which are the terms we understand the City is considering

The fixed rate on the capital outlay note issue will be locked in for the entire term of the note issue

The note cannot be prepaid in whole prior to its maturity, except with the bank's approval and a 1% prepayment premium – however, the City can make additional principal payments during the term of the note at any time with no prepayment premium

The note will be a general obligation debt of the City payable from funds of the City legally available therefor, including ad valorem taxes

The total cost of issuance for the note issue is \$1,000 – this is for bond and tax counsel - this cost may be paid from the note proceeds

At the time of the closing of the note issue the City will receive the entire proceeds - the City will pay interest on the entire amount from the time of closing

Principal will be payable annually with interest being payable semiannually – the payment dates can be determined at the time of the closing of the note issue

LOAN PROCESS FOR NOTE ISSUE:

The note issue would require the adoption of a note resolution at either a regular or special meeting of the City Council, after publication of a notice of such meeting. We provide the resolution and assist in obtaining all necessary approvals – consisting of bank and state approvals. We request bids from at least three banks, prepare the letter to the State requesting note issuance approval, prepare all necessary closing documents, including the CT-0253 and the IRS Form 8038-G, and take care of filing them after the closing.

We should be able to get the note issue funded within two to three weeks from the date the resolution is adopted.

AMORTIZATION SCHEDULES:

The first schedule is based on an amount of **\$2,000,000** at the indicative rate of **1.49%** which would be locked in for a **5** year term

The second schedule is based on an amount of **\$2,000,000** at the indicative rate of **1.58%** which would be locked in for a **7** year term

The above rates are good for bank-qualified or non bank-qualified tax-exempt debt.

The above rates are indicative rates only which are good for sixty days – the note issue would need to be funded within the sixty day period. The above rates include an annual administration fee equal to 15 basis points payable to TMBF by the bank, to be paid from each periodic payment of interest on the note, based on the outstanding principal amount of the note issue

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BOND DEBT SERVICE

City of Jackson 2021
\$2,000,000 PD CON - 5 YEARS

TENNESSEE MUNICIPAL BOND FUND
ALTERNATIVE LOAN PROGRAM

BASED ON INDICATIVE RATE FOR 5 YEAR TERM

Dated date: March 15, 2021

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/15/2021					
09/01/2021			13,741.11	13,741.11	
03/01/2022	388,000	1.490%	14,900.00	402,900.00	416,641.11
09/01/2022			12,009.40	12,009.40	
03/01/2023	394,000	1.490%	12,009.40	406,009.40	418,018.80
09/01/2023			9,074.10	9,074.10	
03/01/2024	400,000	1.490%	9,074.10	409,074.10	418,148.20
09/01/2024			6,094.10	6,094.10	
03/01/2025	406,000	1.490%	6,094.10	412,094.10	418,188.20
09/01/2025			3,069.40	3,069.40	
03/01/2026	412,000	1.490%	3,069.40	415,069.40	418,138.80
	2,000,000		89,135.11	2,089,135.11	2,089,135.11

BOND DEBT SERVICE

City of Jackson 2021
\$2,000,000 PD CON - 7 YEARS

TENNESSEE MUNICIPAL BOND FUND
ALTERNATIVE LOAN PROGRAM

BASED ON INDICATIVE RATE FOR 7 YEAR TERM

Dated date: March 15, 2021

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/15/2021					
09/01/2021			14,571.11	14,571.11	
03/01/2022	272,000	1.580%	15,800.00	287,800.00	302,371.11
09/01/2022			13,651.20	13,651.20	
03/01/2023	277,000	1.580%	13,651.20	290,651.20	304,302.40
09/01/2023			11,462.90	11,462.90	
03/01/2024	281,000	1.580%	11,462.90	292,462.90	303,925.80
09/01/2024			9,243.00	9,243.00	
03/01/2025	286,000	1.580%	9,243.00	295,243.00	304,486.00
09/01/2025			6,983.60	6,983.60	
03/01/2026	290,000	1.580%	6,983.60	296,983.60	303,967.20
09/01/2026			4,692.60	4,692.60	
03/01/2027	295,000	1.580%	4,692.60	299,692.60	304,385.20
09/01/2027			2,362.10	2,362.10	
03/01/2028	299,000	1.580%	2,362.10	301,362.10	303,724.20
	2,000,000		127,161.91	2,127,161.91	2,127,161.91