

There came on for consideration by the Board of Trustees of the Tupelo Public School District, Tupelo, Mississippi, the matter of the issuance of a Note of the District in the principal amount of Two Million Two Hundred Seventy-Five Thousand and NO/100 Dollars (\$2,275,000). After a discussion of the subject, Board Member \_\_\_\_\_ offered and moved the adoption of the following resolution:

A RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE OF A NOTE OF THE TUPELO PUBLIC SCHOOL DISTRICT IN THE PRINCIPAL AMOUNT OF TWO MILLION TWO HUNDRED SEVENTY-FIVE THOUSAND AND NO/100 DOLLARS (\$2,275,000) TO RAISE MONEY TO PAY FOR THE COSTS OF ACQUIRING, IMPROVING, CONSTRUCTING, RENOVATING, REPAIRING, HEATING, COOLING AND EQUIPPING SCHOOL BUILDINGS AND RELATED FACILITIES, PERFORMING SITE WORK, PURCHASING SCHOOL BUSES AND TRANSPORTATION EQUIPMENT AND TO PAY THE COSTS OF SUCH BORROWING.

WHEREAS, the Board of Trustees of the Tupelo Public School District of Tupelo, Mississippi, (the "Board") acting for and on behalf of the Tupelo Public School District (the "District"), hereby finds, determines, adjudicates and declares as follows:

1. Heretofore, on June 23, 2009, the Board did adopt a resolution wherein the Board found, determined and adjudicated that it is necessary to borrow an amount not exceeding \$8,750,000 and to issue notes as evidence of such borrowing in the amount and for the purpose aforesaid, declared its intention to authorize such borrowing and to issue said notes.

2. On July 28, 2009, the Board adopted a resolution finding and determining that its resolution of June 23, 2009, had been duly published as required by law; that no petition or other objection of any kind or character against the issuance of the notes described in said resolution or calling for a referendum was filed; that the Board was authorized to issue said notes, and directing the issuance of the notes in one or more series at a later date.

3. The District has previously issued \$3,475,000 of the notes authorized by the aforesaid July 28, 2009 resolution. The District is currently completing the issuance of an additional \$3,000,000 of the authorized notes in the form of Qualified School Construction Bonds.

4. 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 issue a note in the principal amount of \$2,275,000 (the "Note"), 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. The Note constitutes the remaining balance of the \$8,750,000 of notes authorized by the Board's July 28, 2009 resolution.

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

"Board" shall mean the Board of Trustees of the Tupelo Public School District.

"Bond Counsel" shall mean Watkins & Young PLLC, Jackson, Mississippi.

"Clerk" shall mean the Secretary of the Board.

"Code" shall mean the Internal Revenue Code of 1986, as amended, supplemented or superseded.

"Construction Fund" shall mean the School Construction Fund of the District provided for in Section 13 hereof.

"District" shall mean the Tupelo Public School District, Tupelo, Mississippi.

"Note" or "Notes" shall mean the note authorized and directed to be issued in this resolution.

"Note Resolution" shall mean this resolution.

"Paying Agent" shall mean the District, serving as paying and transfer agent/registrar for the Note, or, at the option of the Board, the Board may subsequently designate any bank, trust company or other institution to make payments of the principal of and interest on the Note, and to serve as registrar and transfer agent for the registration of owners of the Note, and for the performance of other duties as may be herein or hereafter specified by the Board.

"Person" shall mean an individual, partnership, corporation, trust or unincorporated organization and a government or agency or political subdivision thereof.

"President" shall mean the President of the Board.

"Project" shall mean paying or reimbursing the District for the costs of acquiring, improving, renovating, constructing, repairing, heating, cooling and equipping school buildings and related facilities, performing site work therefor, purchasing school buses and transportation equipment, and paying the costs of such borrowing.

"Purchaser" shall mean the initial purchaser of the Note to be designated by the Board at a later date.

"Record Date" shall mean, as to interest and principal payments on the Note, the 15th day of the calendar month preceding a calendar month in which there is an interest or principal payment due on the Note.

"Record Date Registered Owner" shall mean the Registered Owner as of the Record Date.

"Registered Owner" shall mean the Person whose name shall appear in the registration records of the District maintained by the Paying Agent.

"Superintendent" shall mean the Superintendent of Education 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. The Note is not a private activity bond as such term is defined in Section 141 of the Code and the Board does not reasonably anticipate that the District, or any other subordinate entities thereto, will issue more than \$10,000,000.00 of qualified tax-exempt obligations (other than private activity bonds) in calendar year 2011. It is necessary and in the best interest of the District to designate the Note as a qualified tax-exempt obligation within the meaning of Section 265(b)(3) of the Code.

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 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, issuance and sale of the Note, in compliance with the following terms.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD, ACTING FOR AND ON BEHALF OF THE DISTRICT, AS FOLLOWS:

SECTION 1. RESOLUTION A CONTRACT. In consideration of the purchase and acceptance of the Note by the Purchaser, this Note Resolution shall constitute a contract between the District and the Registered Owners from time to time of the Note. The pledge made herein and the covenants and agreements herein set forth to be performed on behalf of the District shall be for the equal benefit, protection and security of the Registered Owners of the Note, or any portion thereof, all of which, regardless of the time or times of their authentication and delivery or maturity, shall be of equal rank without preference, priority or distinction.

SECTION 2. DETAILS OF NOTE. (a) Payments of principal of and interest on the Note shall be made to the Record Date Registered Owner or Owners in lawful money of the United States of America, provided that payment of the final principal maturity shall be made upon presentation and surrender of the Note at the principal office of the Paying Agent.

(b) The Note shall be registered as to both principal and interest; shall be dated May 1, 2011, or the date of delivery, as agreed upon by the District and the Purchaser, shall bear interest from the date thereof at the per annum rate to be specified by further action of the Board, payable annually on June 1, commencing June 1, 2011; and shall mature and become due and payable on June 1 in the years and in the principal amounts, as follows:

MATURITY SCHEDULE

<u>June 1</u>	<u>Principal Amount</u>
2011	\$205,000
2012	85,000
2013	85,000
2014	90,000
2015	95,000
2016	100,000
2017	275,000
2018	525,000
2019	475,000
2020	340,000

The District has the option to pay all or part of the outstanding principal amount of the Note at any time, at par, plus accrued interest.

The Note is subject to repayment 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 the Note is includable in the income of recipients thereof for federal income tax purposes.

In the event that any Note is to be called for redemption as aforesaid, notice of such redemption, setting forth the place or places of payment, shall be given by the Paying Agent by mailing a copy of the redemption notice by first class mail not less than 10 days nor more than 60 days prior to the date fixed for redemption to the Registered Owner of each Note to be redeemed at the address shown on the registration books.

On the specified redemption date, all Notes so called for redemption shall cease to bear interest and shall no longer be secured by the pledge and covenants of the Note Resolution, provided monies for their redemption are on deposit at the place of payment at that time.

(c) The Superintendent is authorized to approve any modification of the principal amount or maturity dates of the Note before soliciting proposals for the purchase of the Note, as long as the principal amount of the Note does not exceed \$2,275,000.

**SECTION 3. REGISTRATION, EXECUTION, AUTHENTICATION AND DELIVERY OF NOTE.** (a) When the Note shall have been executed as herein provided, it shall be registered as an obligation of the District in the office of the Clerk in a book maintained for that purpose, and the Clerk shall cause to be imprinted upon the Note, over his manual or facsimile signature and manual or facsimile seal, his certificate in substantially the form set out in Section 5.

(b) 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, provided, however, all signatures appearing on the Note, other than the signature of an authorized officer of the Paying Agent hereinafter provided for, may be facsimile and shall have the same force and effect as if manually signed. In case any official 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 or reissuance 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 or reissuance.

(c) The Note shall be delivered to the Purchaser upon payment of the purchase price therefor in accordance with the terms and conditions of its sale and award, together with a complete certified transcript of the proceedings had and done in the matter of the authorization, issuance, and sale of the Note, and the final, unqualified approving opinion of Bond Counsel.

**SECTION 4. PAYING AGENT.** (a) The District shall initially serve as the Paying and Transfer Agent/Registrar of the Note. The Board reserves the option to appoint a qualified bank, trust company or other institution at a later date to serve as the Paying and Transfer Agent/Registrar pursuant to the terms of a subsequent Board resolution.

(b) So long as any portion of the Note shall remain outstanding, the District shall maintain records for the registration and transfer of the Note.

**SECTION 5. FORM OF NOTE.** The Note shall be in substantially the following form, with such appropriate variations, omissions and insertions as are permitted or required by this Note Resolution:

[ NOTE FORM]  
UNITED STATES OF AMERICA  
STATE OF MISSISSIPPI

TUPELO PUBLIC SCHOOL DISTRICT  
TUPELO, MISSISSIPPI  
LIMITED-TAX NOTE  
SERIES 2011

NO. TPSD 2011 - 1

\$2,275,000.00

Rate of Interest  
\_\_\_\_\_ %

Date of Original Issue  
May 1, 2011

**REGISTERED OWNER:** \_\_\_\_\_,  
\_\_\_\_\_

**PRINCIPAL**

**AMOUNT: TWO MILLION TWO HUNDRED SEVENTY-FIVE THOUSAND AND NO/100 DOLLARS (\$2,275,000.00)**

The Tupelo Public School District of Tupelo, Mississippi (the "District"), a body politic existing under the Constitution and laws of the State of Mississippi, acknowledges itself to owe and for value received, promises to pay in lawful money of the United States of America to the Registered Owner identified above for the Note of the District (the "Note"), on the maturity dates identified below, the principal amounts identified below. Payment of the principal amount of this Note shall be made to the Registered Owner hereof who shall appear in the registration records of the District or its appointee, acting as paying agent (the "Paying Agent"), which will also serve as registrar and transfer agent for the Note, as of the 15th day of the calendar month preceding a calendar month in which there is a principal payment due on the Note. The District further promises to pay interest on such 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 rate of interest set forth below on June 1, 2011, and annually thereafter on June 1 of each year, until said principal sum is paid, to the Registered Owner hereof who shall appear in the registration records of the District maintained by the Paying Agent as of the 15th day of the calendar month preceding a calendar month in which there is an interest payment due on the Note.

The principal of this Note shall mature and be payable on June 1 in the years and in the amounts and at the interest rates set forth below:

### **Maturity Schedule**

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2011	205,000	
2012	85,000	
2013	85,000	
2014	90,000	
2015	95,000	
2016	100,000	
2017	275,000	
2018	525,000	
2019	475,000	
2020	340,000	

The District has the option to pay the outstanding balance of this Note, at any time, in whole at any time and in part on any interest payment date, at par, plus accrued interest. In the event of a partial prepayment, the unpaid principal balance of this Note will be amortized over the remaining term of the Note at the interest rate shown above.

The Note is subject to repayment at the District's option at any time, in whole or in part, at par plus accrued interest, in inverse order of maturity, 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 the Note is includable in the income of recipients thereof for federal income tax purposes.

Payments of principal of and interest on this Note shall be made by check or draft mailed to such Registered Owner at his address as it appears on such registration records or delivered as otherwise agreed by the Paying Agent and the Registered Owner. The Registered Owner hereof may change such address by written notice to the Paying Agent by certified mail, return receipt requested, or such other method as may be subsequently prescribed by the Paying Agent, such notice to be received by the Paying Agent not later than the 15th day of the calendar month preceding a calendar month in which there is an interest or principal payment due on the Note.

This Note is being issued to raise money for the purpose of paying the costs of acquiring, improving, constructing, renovating, repairing, heating, cooling and equipping school buildings and related facilities, perform site work therefor, purchasing school buses and transportation equipment, 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 of the Code (the "Act"), and by the further authority of proceedings duly had by the Board of Trustees of the District, including a resolution adopted March 29, 2011 (the "Note Resolution"). This Note is registered as to both principal and interest.

The transfer of this Note is restricted by the provisions of an investment letter executed and delivered by the provisions of an investment letter executed and delivered by the initial Purchaser

of the Note. Subject to the provisions of the investment letter, this Note may be transferred or exchanged by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal office of the Paying Agent, but only in the manner described in the Note Resolution, subject to the limitations stated therein and in the aforesaid investment letter, and upon surrender and cancellation of this Note. Upon such transfer or exchange, a new Note or Notes of like aggregate principal amount in authorized denominations of the same maturity will be issued.

The District and the Paying Agent may deem and treat the Registered Owner hereof as the absolute owner for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes and neither the District nor the Paying Agent shall be affected by any notice to the contrary.

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.

The District has designated this Note as a "bank qualified" obligation for purposes of Section 265(b) of the Internal Revenue Code of 1986 and the regulations promulgated thereunder.

This Note shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Note Resolution until the certificate of registration and authentication hereon shall have been signed by the Paying Agent.

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 Trustees, countersigned by the Superintendent of the District under the seal of the District, all as of May 1, 2011.

**TUPELO PUBLIC SCHOOL DISTRICT**

By: \_\_\_\_\_  
President of the Board of Trustees

COUNTERSIGNED:

\_\_\_\_\_  
Superintendent

(seal)



**CERTIFICATE OF REGISTRATION AND AUTHENTICATION**

This Note is the Note described in the within mentioned Note Resolution and is the Series 2011 Note of the Tupelo Public School District, Tupelo, Mississippi.

TUPELO PUBLIC SCHOOL DISTRICT  
as Paying Agent

By: \_\_\_\_\_  
Secretary of the Board of Trustees

Date of Registration and Authentication: \_\_\_\_\_

**REGISTRATION AND VALIDATION CERTIFICATE**

STATE OF MISSISSIPPI

COUNTY OF LEE

I, the undersigned Secretary of the Board of Trustees of the Tupelo Public School District, Tupelo, Mississippi, do hereby certify that the within Note has been duly registered by me as an obligation of the Tupelo Public School District, Tupelo, Mississippi, 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 Lee County, Mississippi, rendered on \_\_\_\_\_.

(seal)

\_\_\_\_\_  
Secretary of the Board of Trustees

SECTION 6. MUTILATED, LOST OR STOLEN NOTE. In case any Note shall become mutilated or be stolen, destroyed or lost, the District shall, if not then prohibited by law, cause to be authenticated and delivered a new Note of like date, number, maturity and tenor in exchange and substitution for and upon cancellation of such mutilated Note, or in lieu of and in substitution for such Note stolen, destroyed or lost, upon the Registered Owner's paying the reasonable expenses and charges of the District in connection therewith, and in case of a Note stolen, destroyed or lost, his filing with the District or Paying Agent evidence satisfactory to it or them that such Note was stolen, destroyed or lost, and of his ownership thereof, and furnishing the District or Paying Agent with such security or indemnity as may be required by law and by them to save each of them harmless from all risks, however remote.

SECTION 7. SECURITY FOR NOTE. 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 City Council of Tupelo, 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, 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 all other debt issued 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. 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 Registered Owners of the Note in any subsequent year to have adequate taxes levied and collected to meet the obligations of the Note, both as to principal and interest.

SECTION 8. CERTIFICATE OF REGISTRATION AND AUTHENTICATION. Only a Note having endorsed thereon a certificate of registration and authentication in substantially the form hereinabove set forth, duly executed by the Paying Agent, shall be entitled to the rights, benefits and security of this Note Resolution. No Note shall be valid or obligatory for any purpose unless and until such certificate of registration and authentication shall have been duly executed by the Paying Agent, which executed certificate shall be conclusive evidence of registration, authentication and delivery under this Note Resolution. The Paying Agent's certificate of registration and authentication on any Note shall be deemed to have been duly executed if manually signed by an authorized officer of the Paying Agent, but it shall not be necessary that the same officer sign said certificate on all of the Note that may be issued hereunder at any one time.

SECTION 9. REGISTERED OWNER. Except as hereinabove provided, the Person in whose name any Note shall be registered in the records of the District maintained by the Paying Agent may be deemed the absolute owner thereof for all purposes, and payment of or on account of the principal of or interest on any Note shall be made only to or upon the order of the Registered Owner thereof, or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note to the extent of the sum or sums so paid.

SECTION 10. TRANSFER OF NOTE. The Registered Owner's right to transfer or assign the Note is limited by an investment letter signed by the initial purchaser stating that the Note was purchased for investment purposes, and not for resale. Subject to the provisions of the investment letter, this Note may be transferred or exchanged by the Registered Owner hereof in person or by his attorney duly authorized in writing at the principal office of the Paying Agent, but only in the manner described in this Note Resolution, subject to the limitations stated herein and in the aforesaid investment letter, and upon surrender and cancellation of this Note. Upon such transfer or exchange,

a new Note or Notes of like aggregate principal amount in authorized denominations of the same maturity will be issued.

SECTION 11. NOTE FUND. (a) The District shall maintain with a qualified depository of the District a fund in the name of the District for the payment of the principal of and interest on the Note and the payment of Paying Agents' fees in connection therewith (the "Note Fund"). There shall be deposited into the Note Fund as and when received:

- (i) the accrued interest and premium, if any, received upon delivery of the Note;
- (ii) the avails of any of the ad valorem taxes levied and collected pursuant to Section 7 hereof;
- (iii) any income received from investment of monies in the Note Fund; and
- (iv) 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 School Construction Fund after the purpose for which such Note was issued shall have been accomplished.

SECTION 12. APPLICATION OF PROCEEDS OF NOTE. The principal proceeds received upon the sale of the Note shall be deposited with a qualified depository of the District in a special fund, hereby created, in the name of the District designated the "School Construction Fund," and shall be held and disbursed for the costs, fees and expenses incurred by the District in connection with the authorization, issuance, sale, and delivery of the Note, and for the payment of all the fees, expenses and costs of the Project, as authorized by the Act.

SECTION 13. PAYMENT OF PRINCIPAL AND INTEREST. (a) Payment of each installment of principal and interest on the Note, except the final installment of principal and interest, shall be made to the Record Date Registered Owner thereof. Principal and interest shall be payable in the aforesaid manner irrespective of any transfer or exchange of such Note subsequent to the Record Date and prior to the due date of the interest.

(b) Payment of the final installment of principal and interest on the Note shall be made, upon presentation and surrender of the Note at the principal office of the Paying Agent, to the Record Date Registered Owner thereof whose name shall appear in the registration records of the District maintained by the Paying Agent as of the Record Date.

(c) Principal of and interest on the Note shall be paid by check or draft mailed to Registered Owners at the addresses appearing in the registration records of the Paying Agent. Any such address may be changed by written notice from the Registered Owner to the Paying Agent by certified mail, return receipt requested, or such other method as may be subsequently prescribed by the Paying Agent, such notice to be received by the Paying Agent not later than the 1st day of the calendar month 15th day of the calendar month preceding the calendar month in which the applicable principal or interest payment is due.

SECTION 14. VALIDATION. The Note may, at the Superintendent's discretion, be submitted for validation as provided by Chapter 13, Title 31, Mississippi Code of 1972, and to that end the Clerk 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 15. CONTEST. It is specifically provided, notwithstanding the dates set out in this Note Resolution for the date of the Note and the payment dates for principal and interest, that if the delivery of the Note is delayed and the Purchaser shall decline to take delivery of the Note, then the Note may be re-offered for sale. In such event, all principal maturities may be adjusted so that such maturities will fall due in the same amounts and intervals as herein provided, but beginning one (1) year from the actual date of the Note as provided by the subsequent resolution directing the offer for sale thereof, and continuing through the ninth (9th) year from such actual date of the Note. The interest payments may also be adjusted accordingly, with the first payment thereof commencing twelve (12) months from such actual date of the Note.

SECTION 16. SALE OF THE NOTE. The Board hereby authorizes and directs the superintendent, with the assistance of legal counsel, to take such actions as are necessary to prepare for the sale of the Note, including requesting proposals from prospective bidders for the sale of the Note.

SECTION 17. NOTE NOT AN ARBITRAGE BOND. The Board covenants and certifies to and for the benefit of the owners of the Note that it will neither take any action nor omit to take any action nor make any investment or use of the proceeds from the issue and sale of the Note, including amounts treated as proceeds, if any, which will cause the Note to be classified as arbitrage bonds 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 18. TAX-EXEMPT STATUS. The Board covenants that it will take such action as is necessary and within its power to maintain the tax-exempt status of interest on the Note under the provisions of the Code and any regulations as such may be applicable to the Note.

SECTION 19. REBATE. The District expects to issue less than \$15,000,000 in tax exempt debt in calendar year 2011, and therefore, to be exempt from arbitrage rebate as a small issuer. However, if an exemption 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 20. CALCULATION OF REBATE. Subject to Section 19, 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 one (1) year later.

SECTION 21. REMITTAL OF REBATE. Subject to Section 19, 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 Internal Revenue Service Center, Philadelphia, Pennsylvania 19255. 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 22. DESIGNATION OF NOTE. The Note is hereby designated as a portion of the maximum of \$10,000,000 of qualified tax-exempt obligations to be issued by the District during calendar year 2011, within the meaning and for the purposes of Section 265(b)(3) of the Code.

SECTION 23. EXECUTION OF DOCUMENTS; REIMBURSEMENT. The Board President and Secretary and the Superintendent, or their designee, are authorized to execute all closing documents and to take all actions necessary to consummate the closing of the Note. Furthermore, the District's Business Manager is authorized and directed to promptly use the necessary portion of the Note 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 24. CONFLICTING PROCEEDINGS REPEALED. All orders, resolutions or proceedings of this 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 cause, this Note Resolution shall become effective upon the adoption hereof.

Board Member \_\_\_\_\_ seconded the motion to adopt the foregoing resolution and, the question being put to a roll call vote, the result was as follows:

Board Member Mike Clayborne	Voted: _____
Board Member Amy Heyer	Voted: _____
Board Member Lee Tucker	Voted: _____
Board Member John Nail	Voted: _____
Board Member Eddie Prather	Voted: _____

Having received a majority of the affirmative votes of the Board, the Resolution passed on March 29, 2011.

**BOARD OF TRUSTEES OF THE  
TUPELO PUBLIC SCHOOL DISTRICT**

By: \_\_\_\_\_  
President

Attest:

\_\_\_\_\_  
Secretary