

A RESOLUTION DECLARING THAT THE ANTICIPATED AMOUNT OF LOCAL REVENUE TO BE COLLECTED WITHIN THE TUPELO SCHOOL DISTRICT IS LESS THAN THE AMOUNT ESTIMATED AT THE TIME OF FORMULATION OR AMENDMENT OF THE SCHOOL DISTRICT'S BUDGET; DECLARING THE INTENTION OF THE BOARD OF TRUSTEES OF THE TUPELO SCHOOL DISTRICT TO ISSUE A PROMISSORY NOTE IN AN AMOUNT EQUAL TO THE ESTIMATED SHORTFALL OF LOCAL REVENUES; PRESCRIBING THE FORM AND INCIDENTS OF SAID NOTE; MAKING PROVISION FOR THE SECURITY THEREOF; AND PROVIDING FOR THE SALE OF SAID NOTE.

WHEREAS, the Board of Trustees (the "Board") of the Tupelo School District of Tupelo, Mississippi (the "District") does hereby find and declare:

1. The District requested from its levying authority, the City Council of Tupelo, Mississippi (the "City"), \$23,740,245 for district maintenance and Mississippi Adequate Education funds and \$4,899,371 for debt service funds during the District's 2007-2008 fiscal year;

2. The District estimates collections from the ad valorem tax levied by the City on behalf of the District for FY 2007-2008 will amount to approximately \$22,318,148 for the district maintenance and Mississippi Adequate Education Program Funds and \$4,899,370 for the debt service funds, thereby creating a shortfall of approximately \$279,790 for district maintenance and Mississippi Adequate Education Program Funds and \$0.00 for debt service funds for a total shortfall of \$279,790 in anticipated ad valorem tax collections on behalf of the District for the District's 2007-2008 fiscal year;

3. The shortfall in local ad valorem tax collections will prevent the District from meeting its financial obligations;

4. Pursuant to Section 37-57-108 of the Mississippi Code of 1972, as amended (the "Code"), the Board, on behalf of the District, has authority to issue a note in the amount of such shortfall, said note to be issued in the approximate amount of \$279,790 (the "Promissory Note") and issued and secured in the manner set forth in Section 27-39-333 of the Code;

5. The Superintendent is authorized to establish the final principal amount of the Promissory Note based on the District's tax collections for FY 2007-2008, said amount to be less than twenty-five percent (25%) of the District's budget anticipated to be funded from the local tax revenues for the 2007-2008 fiscal year;

6. The proceeds of said Promissory Note shall be used in the budget in which the shortfall occurred and shall be used solely to offset the shortfall in the budget for the fiscal year 2007-2008; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Trustees of the Tupelo School District of Tupelo, Mississippi, as follows:

SECTION 1: That all recitations hereinabove made are found and adjudicated to be true and correct.

SECTION 2: That the Board does hereby declare that it is necessary to issue the Promissory Note in the approximate amount of \$279,790 to defray the estimated shortfall of local tax revenues caused by circumstances unanticipated at the time of the formulation of the District's budget which will prevent the District from meeting its financial obligations.

SECTION 3: The Superintendent is authorized, with the assistance of legal counsel, to obtain proposals for the purchase of the Note as deemed appropriate by the Superintendent.

SECTION 4: The Superintendent is authorized to establish the final principal amount of the Promissory Note based on the District's actual or estimated FY 2007-2008 tax collections, said final principal amount to be equal to the District's anticipated revenue shortfall and to not exceed twenty-five percent (25%) of the District's budget anticipated to be funded from the local tax revenues for the fiscal year 2007-2008. The issuance of the Promissory Note, when added to the District's other outstanding indebtedness, shall not exceed any statutory or constitutional limitation on the indebtedness of the District.

SECTION 5: The proceeds of the Promissory Note shall be used in the budget in which the shortfall occurred and shall be used solely to offset the shortfall in said budget.

SECTION 6. The Promissory Note shall be in registered form; shall be dated August 15, 2008, or such other date agreed to by the Superintendent, shall be numbered from one (1) upward in the order of issuance; shall be payable from ad valorem tax revenues, to the extent other funds are not used for such purpose, both as to principal and interest, in lawful money of the United States of America at the principal office of the Purchaser; and shall bear interest, payable annually on the anniversary date of the Promissory Note, commencing one year from the date of the Promissory Note; and shall mature and become due and payable in three approximately equal annual installments, with the first installment due one year from the date of the Promissory Note, and annually thereafter. Provided, however, that the outstanding principal and accrued interest may be

paid in full or in part at any time, at the Board's option, without penalty, prior to the maturity date.

SECTION 7: The form of the Promissory Note shall be substantially the same as the Promissory Note attached hereto as Exhibit "A", with such appropriate variations, omissions and insertions as are permitted or required by this Resolution.

SECTION 8: The proceeds of the Promissory Note shall be included as proceeds of ad valorem taxes for the purposes of the limitation on increases in revenue for fiscal year 2007-2008 as set out in Section 27-39-333 of the Code.

SECTION 9: (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 the 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 10: The Registered Owner's right to transfer or assign the Note is limited by an investment letter to be signed by the initial purchaser stating that the Note was purchased for investment purposes, not for resale. Subject to the provisions of the investment letter, the Note may be transferred or exchanged by the Registered owner thereof 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 the 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: That the Superintendent of the District is hereby authorized and directed to take all actions necessary to effectuate the intent of this resolution, including soliciting proposals for the purchase of the Note to be submitted to the Board for consideration at a later date.

SECTION 12: All orders, resolutions, or proceedings of this Board in conflict with any provisions hereof shall by and the same are hereby repealed, rescinded and set aside, but only to the extent of such conflict.

PASSED AND ADOPTED, at the regular meeting of the Board of Trustees of the Tupelo School District, held on the June 24, 2008, by the following vote:

Board Member Shawn Brevard	Voted:
Board Member Michael Clayborne	Voted:
Board Member Arlissa Heyer	Voted:
Board Member John Nail	Voted:
Board Member Lee Tucker	Voted:

BOARD OF TRUSTEES OF THE
TUPELO SCHOOL DISTRICT

By: _____
President

ATTEST:

Secretary

Exhibit A
Form of the Note

**TUPELO SCHOOL DISTRICT
TUPELO, MISSISSIPPI
REVENUE SHORTFALL NOTE
SERIES 2008**

<u>Registered:</u>	<u>Principal Amount</u>	<u>Date of Original Issue</u>
R-001	\$ _____	_____

REGISTERED OWNER: _____

THE TUPELO SCHOOL DISTRICT OF TUPELO, MISSISSIPPI (The "District") promises to pay to _____, _____, MISSISSIPPI (the "Registered Owner") the sum of _____ and No/100 Dollars (\$ _____) together with interest as hereafter provided from date of issue until paid, with principal and interest to become due and payable in three equal installments, due on _____ of each year, beginning on _____, _____ in the following principal amounts:

<u>PAYABLE</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST AMOUNT</u>
2009	\$ _____	\$ _____
2010	_____	_____
2011	_____	_____

Interest on the unpaid principal balance of the debt shall be due and payable concurrently with each installment of principal at the rate of _____ percent (____ %) per annum.

This Note is registered as to both principal and interest. The transfer of this Note is restricted by an Investment Letter dated _____, 200__, executed by the Registered Owner. The principal and interest on the Note are payable at the principal office of the District, acting as Paying Agent on the Note.

The District 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.

This Note is issued under and by virtue of Sections 37-57-108 and 27-39-333 of the Mississippi Code of 1972, as amended, and a resolution of the Board of Trustees of the District adopted on June 24, 2008, (the "Note Resolution"). The Note proceeds are to be used by the District for the purpose of alleviating a shortfall in anticipated revenue for the District's fiscal year 2006-2007 caused by circumstances which were unanticipated at the time of the formulation or amendment of the District's budget which will prevent the District from meeting its financial obligations. To the extent not paid from other sources, this Note shall be repaid out of the proceeds of a tax levied annually on all of the taxable property within the District by the City Council of Tupelo, Mississippi, until the principal of and interest on this Note is paid in full.

This Note is subject to payment in full or in part, at the District's option, at any time prior to the maturity date. Any partial payment shall be in inverse order of maturity.

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 Secretary of the District's Board of Trustees.

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 the 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 manual signature of the President of the Board of Trustees, counter-signed by the manual signature of the Superintendent of Schools, all as of the ____ day of _____, 2008.

TUPELO SCHOOL DISTRICT

BY: _____
President of the Board of Trustees

COUNTER-SIGNED:

BY: _____
Superintendent of Schools

[Seal]

CERTIFICATE OF AUTHENTICATION AND REGISTRATION

This Note is the Note described in that certain resolution of the Board of Trustees of the Tupelo School District dated June 24, 2008, and is the Revenue Shortfall Note, Series 2008, of the Tupelo School District, Tupelo, Mississippi, provided for and authorized therein. The within Note has been duly registered by me as an obligation of the Tupelo School District pursuant to law in a book kept in my office for that purpose.

TUPELO SCHOOL DISTRICT

BY: _____
Secretary of the Board of Trustees

Date of Registration and Authentication: _____