

There came on for consideration by the Board of Trustees of the Tupelo School District of Tupelo, Mississippi, the matter of the issuance of a Shortfall Note of the District in the principal amount of Two Hundred Fifty-Eight Thousand, Five Hundred Sixty-Eight and No/100 Dollars (\$258,568.00). After a discussion of the subject, Board Member \_\_\_\_\_ offered and moved the adoption of the following resolution:

RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE OF TWO HUNDRED FIFTY-EIGHT THOUSAND, FIVE HUNDRED SIXTY-EIGHT AND NO/100 DOLLARS (\$258,568.00) PRINCIPAL AMOUNT SHORTFALL NOTE OF THE TUPELO SCHOOL DISTRICT.

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

1. On September 14, 2010, the Board adopted a resolution (the "Note Resolution") authorizing the issuance of Two Hundred Fifty-Eight Thousand, Five Hundred Sixty-Eight and No/100 Dollars (\$258,568.00) Shortfall Note of the District (the "Note"). The Note Resolution also authorized the Superintendent of the District to obtain proposals from parties interested in purchasing the Note and to present such proposals at a subsequent meeting of the Board.

2. The Superintendent has received four (4) proposals for the purchase of the Note, all of which proposals were presented to the Board and are attached hereto as Exhibit A. The Board has determined that the highest and best proposal, offering the lowest net interest cost to the District, was submitted by Institutional Services Group, LLC, Jackson, Mississippi (the "Purchaser").

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

SECTION 1. The Note in the principal amount of Two Hundred Fifty-Eight Thousand, Five Hundred Sixty-Eight and No/100 Dollars (\$258,568.00) of the District is hereby awarded and sold to the Purchaser in accordance with the offer submitted to the Board, the Note Resolution and this resolution.

SECTION 2. The form and substance of the Request for Proposals for the purchase of the Note in the form attached hereto as Exhibit B, and its distribution to potential bidders, are hereby ratified and approved. The receipt and evaluation of bids in the manner set forth in the notice are hereby ratified and confirmed by the Board as complying with previous Board actions.

SECTION 3. The Note shall be registered as to both principal and interest; shall be dated October 5, 2010, or such later date as agreed to by the Board and the Purchaser, shall be issued in the full principal amount of the Note; shall be payable in approximately equal annual installments in the three years next succeeding the year in which the Note is issued; and shall be numbered from one upward in the order of issuance. The Note shall bear interest from the date thereof at the rate or rates specified below, payable on October 5, 2011, and annually thereafter on October 5 of each

year; and shall mature and become due and payable on October 5 in the years and principal amounts and at the interest rates set forth below. The District has the option of prior payment in full at any time, or in part on any principal payment date, without penalty, prior to the maturity date.

MATURITY SCHEDULE

<u>YEAR OF MATURITY</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>
2011	\$84,000	2.46%
2012	86,000	2.46
2013	88,568	2.46

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. The Paying Agent will serve in accordance with the provisions of the Note 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. EXECUTION OF DOCUMENTS. 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.

SECTION 6. 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 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 Lee Tucker	Voted: _____
Board Member Eddie Prather	Voted: _____
Board Member Amy Heyer	Voted: _____
Board Member Mike Claiborne	Voted: _____
Board Member John Nail	Voted: _____

The motion having received the affirmative vote of a majority of the members present, the President of the Board of Trustees of the Tupelo School District, Tupelo, Mississippi, declared the motion carried and the resolution adopted, on September 28, 2010.

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

\_\_\_\_\_  
President, Board of Trustees

ATTEST:

\_\_\_\_\_  
Secretary, Board of Trustees

**EXHIBIT A**

**PROPOSALS FOR PURCHASE OF NOTE**

**PROPOSAL FORM**

September 24, 2010

Board of Trustees  
Tupelo School District  
P. O. Box 557  
Tupelo, MS 38802-0557

Ladies and Gentlemen:

We hereby offer to pay \$258,568.00\* plus accrued interest to the date of delivery for the Tupelo School District Shortfall Note, Series 2010, to be dated the date of its issuance (the "Note"), of the Tupelo School District, Tupelo, Mississippi (the "District") as described in the District's Request for Proposal dated September 20, 2010, (the "RFP") maturing and bearing interest as follows:

**MATURITY SCHEDULE**

[Provide for equal total payments of principal and interest]

<u>YEAR OF MATURITY</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>	<u>INTEREST AMOUNT</u>	<u>TOTAL PAYMENT</u>
2011	\$ <u>84 000</u>	<u>2.46</u>	\$ <u>6360.77</u>	\$ <u>90 360.77</u>
2012	<u>86 000</u>	<u>2.46</u>	<u>4294.37</u>	<u>90 294.37</u>
2013	<u>88568</u>	<u>2.46</u>	<u>2178.77</u>	<u>90 746.77</u>
<b>TOTAL:</b>	<b>\$258,568.00</b>		<b>\$ <u>12 833.91</u></b>	<b>\$ <u>271 401.91</u></b>

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

Bidder: ISG, LLC AS AGENT  
By: VJ Blaylock  
Title: Portfolio MANAGER  
E-mail: VIC.blaylock@isgrid.com  
Telephone: 601-540-0943

\* Preliminary, subject to change as set forth in the RFP.

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September 24, 2010

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**MATURITY SCHEDULE**

[Provide for equal total payments of principal and interest]

<u>YEAR OF MATURITY</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>	<u>INTEREST AMOUNT</u>	<u>TOTAL PAYMENT</u>
2011	\$ <u>83,828.76</u>	<u>2.79</u>	\$ <u>7,214.05</u>	\$ <u>91,042.81</u>
2012	<u>86,167.59</u>	<u>2.79</u>	<u>4,875.22</u>	<u>91,042.81</u>
2013	<u>88,571.65</u>	<u>2.79</u>	<u>2,471.16</u>	<u>91,042.81</u>
<b>TOTAL:</b>	<b>\$258,568.00</b>		<b>\$ <u>14,560.43</u></b>	<b>\$ <u>273,128.43</u></b>

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

Bidder: Bancorp South Bank  
By: Fred J. Keen  
Title: First Vice President  
E-mail: fred.keen@bxs.com  
Telephone: (662) 680-2136

\* Preliminary, subject to change as set forth in the RFP.

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September 24, 2010

Board of Trustees  
Tupelo School District  
P. O. Box 557  
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**MATURITY SCHEDULE**

**[Provide for equal total payments of principal and interest]**

<u>YEAR OF MATURITY</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>	<u>INTEREST AMOUNT</u>	<u>TOTAL PAYMENT</u>
2011	\$ 83,447.90	3.25	\$ 8,403.46	\$ 91,851.36
2012	86,159.95	3.25	5,691.40	91,851.36
2013	88,960.15	3.25	2,891.20	91,851.36
<b>TOTAL:</b>	<b>\$258,568.00</b>		<b>\$ 16,986.07</b>	<b>\$ 275,554.07</b>

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

Bidder: FIRST STATE BANK  
HOLLY SPRINGS, MS

By: Sam McClatchy

Title: PRESIDENT + CEO

E-mail: SMCClatchy@FirstStateBankMS.com

Telephone: 662-252-4211

\* Preliminary, subject to change as set forth in the RFP.

**PROPOSAL FORM**

September 24, 2010

Board of Trustees  
Tupelo School District  
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Tupelo, MS 38802-0557

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**MATURITY SCHEDULE**

[Provide for equal total payments of principal and interest]

<u>YEAR OF MATURITY</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>	<u>INTEREST AMOUNT</u>	<u>TOTAL PAYMENT</u>
2011	\$ <u>83,211.88</u>	<u>3.50%</u>	\$ <u>9,049.88</u>	\$ <u>92,291.76</u>
2012	\$ <u>86,151.35</u>	<u>3.50%</u>	\$ <u>6,136.41</u>	\$ <u>92,291.76</u>
2013	\$ <u>89,170.77</u>	<u>3.50%</u>	\$ <u>3,120.99</u>	\$ <u>92,291.76</u>
<b>TOTAL:</b>	<b>\$258,568.00</b>		\$ <u>18,307.28</u>	\$ <u>276,875.28</u>

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

Bidder:

Hancock Bank

By:

Steven E. Cole

Title:

Senior Vice President

E-mail:

Steven.Cole@hancockbank.com

Telephone:

1-888-516-7373

\* Preliminary, subject to change as set forth in the RFP.



**EXHIBIT B**

**FORM OF REQUEST FOR PROPOSALS**



**Watkins & Young** PLLC  
Attorneys at Law

**REQUEST FOR PROPOSAL**

**PROPOSAL DUE: SEPTEMBER 24, 2010 1:00 P.M., LOCAL TIME**

**SALE TO BE AWARDED: SEPTEMBER 28, 2010, 5:00 P.M., LOCAL TIME**

**RE: \$258,568.00\* TUPELO SCHOOL DISTRICT SHORTFALL NOTE, SERIES 2010 (TAXABLE)**

The Tupelo School District, Tupelo, Mississippi, is soliciting informal proposals for the purchase of a Two Hundred Fifty-Eight Thousand, Five Hundred Sixty-Eight Dollars\* (\$258,568.00\*) Shortfall Note, Series 2010 (the "Note").

**Principal Amount of the Note**

The anticipated principal amount of the Note to be sold is \$258,568\*. The District reserves the right to reduce or increase the total principal amount of the Note by up to \$60,000. If the District elects to adjust the principal amount of the Note, the Superintendent or Bond Counsel will notify the low bidder of such adjustment not later than 24 hours after acceptance of the Bid by the District's Board of Trustees (the "Board") and will obtain from the successful bidder a new maturity schedule for the Note resulting from such increase or decrease in the principal amount. The Board will meet on September 28, 2010, to officially award the sale of the Note to the successful bidder.

**Details of Note**

The Note will be issued in registered form and will be dated and bear interest from the date of its delivery. The Note will be payable as to principal and interest in **three equal annual installments of principal and interest**, due on the anniversary date of the Note, commencing one year from the date the Note is issued. Interest on the unpaid principal balance of the debt shall be due and payable concurrently with each installment of principal at the rate offered by the purchaser in its proposal. Bidders are requested to provide a proposed amortization schedule by filling in the blanks on the attached proposal form. The amortization schedule should provide for equal, annual total payments of principal and interest.

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\*Preliminary, subject to change as set forth herein

The Note will be issued under the authority of Miss. Code Ann. § 37-57-108 (the "Act") and a resolution of the Board of Trustees of the District adopted August 14, 2010, for the purpose of offsetting an estimated shortfall in the District's budget for the fiscal year 2009-2010.

The principal of and interest on the Note shall be payable from and secured by the avails of a special ad valorem tax to be levied annually by the City Council of Tupelo, Mississippi, for such purpose.

The purchaser will be required to execute at closing a standard investment letter indicating that the purchaser is purchasing the Note for investment purposes and not for resale, and that all information necessary to make an informed decision to purchase the Note has been furnished to the purchaser.

The Note will be printed on bank safety paper. The District will serve as paying agent/registrar on the Note. The Note will **NOT** be submitted for validation.

Interest on the Note **WILL** be includable in gross income for federal income tax purposes, but will be exempt from Mississippi state income tax.

#### **Award of Note**

The District anticipates awarding the sale of the Note at a meeting of the District's Board of Trustees (the "Board") to be held on September 28, 2010. The award, if any, will be made to the party complying with the terms of sale and offering to purchase the Note at the lowest net interest cost to the District, which shall be determined by computing the aggregate interest on the Note over the life of the issue at the rate or rates of interest specified in the proposal. All proposals shall remain firm until acted upon at the meeting of the Board on September 28, 2010. The District reserves the right to reject any and all proposals and to waive any minor proposal defect. The District anticipates closing on the Note on or about October 5, 2010.

#### **Form of Proposal**

Proposals for the purchase of the Note should be in substantially the form attached hereto.

Please deliver your proposal to Clare Hanlon at Watkins & Young PLLC, **prior to 1:00 p.m. on September 24, 2010.** Proposals may be sent to Clare Hanlon **via facsimile at (601) 354-3656.** A good faith check is not required.

Dated: September 20, 2010.