

**MINUTES OF THE BOARD OF SUPERVISORS
OF MADISON COUNTY, MISSISSIPPI**

REGULAR MEETING OF MAY 1, 2006
Being the first day of the May Term of the Board of Supervisors

BE IT REMEMBERED that the regular meeting of the Board of Supervisors of Madison County, Mississippi was duly convened, held and conducted on May 1, 2006, in the County Law Library located on the second floor of the Madison County Circuit Courthouse in Canton, Mississippi, as follows, to-wit:

The President of the Board, Tim Johnson, presided and called the meeting to order. The following members were present that day:

Present:	Absent:
Supervisor Douglas L. Jones	None
Supervisor Tim Johnson	
Supervisor Andy Taggart	
Supervisor Karl M. Banks	
Supervisor Paul Griffin	
Sheriff Toby Trowbridge	
Chancery Clerk Arthur Johnston	

Also in attendance:

County Administrator Donnie Caughman
County Comptroller Mark Houston
County Zoning Administrator Brad Sellers
County Purchase Clerk Hardy Crunk
Emergency Management, E-911 and Homeland Security Director Butch Hammack
Election Commissioner Kakey Chaney
County Road Manager Prentiss Guyton
Deputy Chancery Clerk Stacey Toten
Board Attorney Edmund L. Brunini, Jr.

The President announced that the members of the Board present constituted a quorum and declared the meeting duly convened. Supervisor Paul Griffin opened the meeting with a prayer and Board Secretary and Mr. Will Sligh led the members and the audience in the Pledge of Allegiance to the Flag of the United States of America.

In re: Approval of Minutes From April 2006 Term

WHEREAS, Chancery Clerk Arthur Johnston did present the Board with the minutes of the previous meetings of the Board of Supervisors during the April 2006 term, said meetings having been conducted on April 3, 17, and 24, 2006,

Following discussion, Mr. Douglas L. Jones did offer and Mr. Paul Griffin did second a motion to approve the minutes as presented with certain editorial amendments and to authorize the President to sign said minutes after said corrections have been made. The vote on the matter being as follows:

Supervisor Douglas L. Jones	Aye
Supervisor Tim Johnson	Aye
Supervisor Andy Taggart	Aye
Supervisor Karl M. Banks	Not Present and Not Voting

President's Initials: _____

Date Signed: _____

Supervisor Paul Griffin

Aye

the matter carried by the unanimous vote of those present and the minutes for the April 2006 term of the Board of Supervisors of Madison County were and are hereby approved as amended.

SO ORDERED this the 1st day of May, 2006.

In re: Approval of Consent Agenda Items

WHEREAS, President Johnson did announce that he and County Administrator Donnie Caughman had conferred in advance of the meeting and did recommend that Items (2) through (18) on the Agenda appeared to be routine, non-controversial matters on which all Supervisors were likely to agree, and could be taken up as Consent Items, and

WHEREAS, the Board President did explain that any Supervisor could, in advance of the call of the question, request that any of the aforesaid Items be removed from the Consent Agenda, and

WHEREAS, the following items were taken up as "Consent Items," to-wit:

2. Approval of Zoning Matter - Craig Endris, Variance to Side Setback in R-1 District/Accessory Building/Clarkdell Road

Mr. Craig Endris was and is hereby granted a Variance of 7.5 feet into the side setback on his property located at 383 Clarkdell Road in section 27, township 8 north, range 2 east.

3. Approval of Zoning Matter - Blackhawk LLC, Petition to Rezone A-1 District to C-2 Commercial District/Old Jackson Road

The action of the Madison County Planning and Zoning Commission taken on April 13, 2006 rezoning a parcel of land situated in section 15, T8N, R2E from A-1 to C-2 at the request of Blackhawk LLC was and is hereby acknowledged and approved.

4. Approval of Zoning Matter - Bucky Gideon, Petition to Rezone R-1 Residential to C-1 Commercial and C-2 Commercial/Gluckstadt Road

The action of the Madison County Planning and Zoning Commission taken on April 13, 2006 rezoning a parcel of land situated in section 29, T8N, R2E from C-1 to C-2 at the request of Bucky Gideon was and is hereby acknowledged and approved.

5. Approval of Ordinance/Regulations Concerning Junkyard No. 1 Speedway

That certain Ordinance pertaining to the Junkyard No. 1 Speedway, a true and correct copy of which is attached hereto as Exhibit A, spread hereupon and incorporated herein by reference, was and is hereby approved and adopted.

6. Acknowledge Excess Funds Returned to County - Chancery Clerk

That certain memorandum dated April 17, 2006 from Chancery Clerk Arthur Johnston reflecting that he remitted the sum of \$32,112 in fees in excess of salaries and expenses to the county general fund on April 17, 2006 was and is hereby acknowledged. A true and correct copy thereof is attached hereto as Exhibit B, spread hereupon and incorporated herein by reference.

7. Approval of Budget Amendments

Upon the recommendation of County Comptroller Mark Houston, those certain budget

President's Initials: _____

Date Signed: _____

amendments as set forth on Exhibit C, spread hereupon and incorporated herein by reference were and are hereby approved.

8. Approval of Recalculation of Property Assessment - Parcel # 081H-27-138

As recommended by Mr. Norman Cannady, Chief Deputy Appraiser with the Tax Assessor's Office, the Board hereby grants a reduction of assessment on parcel no. 081H-27-138 due to the failure of Gateway Homes to file a builder's affidavit in advance of the 2005 land roll. A true and correct copy of Mr. Cannady's memorandum dated April 25, 2006, may be found in the Miscellaneous Appendix to these Minutes.

9. Approval of *En Masse* Petition for Reduction of Assessments - Real Property 2005 and Set Date for Public Hearing on Notices to Increase Assessment – Real Property 2005

(a) *En Masse* Petition for Reduction of Assessments

The *en masse* petition for the reduction of assessment of real property taxes in the amount of \$325,846.00, which petition, together with its spreadsheet attachment is attached hereto as Exhibit D, spread hereupon, and incorporated herein by reference, was and is hereby approved.

(b) Notices to Increase Assessments

The request of Tax Assessor Gerald Barber to set a public hearing for May 22, 2006 at 9:00 am in the Law Library of the Circuit Courthouse on the matter of increasing real property assessments on certain individuals and businesses in the county as set forth in those certain Notices to Increase Assessment, true and correct copies of which are attached hereto as Collective Exhibit E, spread hereupon, and incorporated herein by reference was and is hereby approved.

10. Approval of *En Masse* Petition for Reduction of Assessments - Personal Property 2005

The *en masse* petition for the reduction of assessment of personal property taxes in the amount of \$11,420.00, which petition, together with its spreadsheet attachment is attached hereto as Exhibit F, spread hereupon, and incorporated herein by reference, was and is hereby approved.

11. Approval of Petitions to Adjust Homestead Exemption Supplemental Roll 2005

The corrections and/or amendments of homestead exemptions on property in Madison County, Mississippi listed on those certain materials submitted by Homestead Director Emily Anderson dated April 25, 2006 which may be found in the Miscellaneous Appendix to these minutes were and are hereby approved and the Chancery Clerk was and is directed to forward the same to the State Tax Commission in accordance with law.

12. Request to Advertise for Term Bids for Delivered Fill Dirt

County Purchase Clerk Hardy Crunk was and is hereby authorized to advertise for term bids for the period July 1, 2006 through June 30, 2007 for Delivered Fill Dirt as set forth in that certain memorandum dated April 26, 2006, a true and correct copy of which may be found in the Miscellaneous Appendix to these Minutes.

13. Request to Advertise for Term Bids for Regular Gasoline, Diesel Fuel and Off-Road Diesel Fuel

County Purchase Clerk Hardy Crunk was and is hereby authorized to advertise for term bids for the period July 1, 2006 through June 30, 2007 for Delivered Regular Gasoline, Diesel Fuel and

President's Initials: _____

Date Signed: _____

Off-Road Diesel Fuel as set forth in that certain memorandum dated April 26, 2006, a true and correct copy of which may be found in the Miscellaneous Appendix to these Minutes.

14. Acknowledge April Monthly Report - Road Department

The April, 2006 Monthly Road and Bridge Report submitted by the Madison County Road Department was and is hereby acknowledged received.

15. Acknowledge May Service Call Schedule Report - Road Department

The May, 2006 Service Call Schedule Road and Bridge Report submitted by the Madison County Road Department was and is hereby acknowledged received.

16. Acknowledge April Closed Call Analysis - Road Department

The April, 2006 Closed Call Analysis submitted by the Madison County Road Department was and is hereby acknowledged received.

17. Acknowledge April Fuel Cost Report - Road Department

The April, 2006 Fuel Cost Report submitted by the Madison County Road Department was and is hereby acknowledged received.

18. Authorize Advertisement for Bids - Playground Equipment/Bannerman Park

County Purchase Clerk Hardy Crunk was and is hereby authorized to advertise for bids for certain playground equipment for Bannerman Park as requested in that certain memorandum dated April 26, 2006, a true and correct copy of which may be found in the Miscellaneous Appendix to these Minutes.

Thereafter, Mr. Andy Taggart did offer and Mr. Douglas L. Jones did second a motion to approve, adopt and authorize each of the above and foregoing matters, the same being numbered Items (2) through (18) on the agenda hereof. The vote on the matter being as follows:

Supervisor Douglas L. Jones	Aye
Supervisor Tim Johnson	Aye
Supervisor Andy Taggart	Aye
Supervisor Karl M. Banks	Not Present and Not Voting
Supervisor Paul Griffin	Aye

the matter carried unanimously, and each item was and is approved, adopted and authorized.

SO ORDERED this the 1st day of May, 2006.

***In re:* Request of Mr. Marcus George to Replace Mobile Home with Single Family Residence - Non-conforming Lot in A-1 Agricultural District/Smith-McElroy Road**

Following discussion, Mr. Karl M. Banks¹ did offer and Mr. Andy Taggart did second a motion to deny the request of Mr. Marcus George to replace a mobile home with a single family residence on a certain non-conforming lot in an A-1 Agricultural District on Smith-McElroy Road, said property more particularly described in that certain Warranty Deed found at Book 2026, Page 0071 of the records the Chancery Clerk of Madison County, Mississippi. The vote on the matter being as follows:

¹Mr. Banks arrived prior to offering his motion on this matter.

President's Initials: _____

Date Signed: _____

Supervisor Douglas L. Jones	Aye
Supervisor Tim Johnson	Aye
Supervisor Andy Taggart	Aye
Supervisor Karl M. Banks	Aye
Supervisor Paul Griffin	Aye

the matter carried unanimously and said request was and is hereby denied.

SO ORDERED this the 1st day of May, 2006.

In re: Consideration of Certain Claims for Repair of Vehicles

WHEREAS, Emergency Management, E-911 and Homeland Security Director Butch Hammack did appear before the Board and presented certain claims for payment, a true and correct copy of which may be found in the Miscellaneous Appendix to these minutes, and

WHEREAS, Mr. Hammack did recommend that each such claim be rejected in that the county had no advance notice of the defects which were alleged to be the cause of the damage in question,

Following discussion, Mr. Andy Taggart did offer and Mr. Douglas L. Jones did second a motion to deny each such claim. The vote on the matter being as follows:

Supervisor Douglas L. Jones	Aye
Supervisor Tim Johnson	Aye
Supervisor Andy Taggart	Aye
Supervisor Karl M. Banks	No
Supervisor Paul Griffin	Aye

the matter carried unanimously and said claims were and are hereby denied.

SO ORDERED this the 1st day of May, 2006.

In re: Request to Advertise for Closure of Catlett Road for Reconstruction

Following discussion, and at the request and suggestion of County Engineer Rudy Warnock, Mr. Karl M. Banks did offer and Mr. Paul Griffin did second a motion to authorize and direct the closure of Catlett Road to truck traffic in order to allow for the reconstruction thereof and to authorize and direct County Administrator Donnie Caughman to issue an advertisement to close the same with the *Madison County Herald*. The vote on the matter being as follows:

Supervisor Douglas L. Jones	Aye
Supervisor Tim Johnson	Aye
Supervisor Andy Taggart	Aye
Supervisor Karl M. Banks	Aye
Supervisor Paul Griffin	Aye

the matter carried unanimously and said road was and is hereby ordered closed and the County Administrator was and is authorized accordingly.

SO ORDERED this the 1st day of May, 2006.

President's Initials: _____

Date Signed: _____

In re: Road Fund Budget Amendment

Following discussion, and upon the recommendation of County Comptroller Mark Houston who advised that a total of \$39,000 had been received from Denbury Resources for damages caused to Catlett Road, Mr. Karl M. Banks did offer and Mr. Douglas L. Jones did second a motion to amend the budget of the Road Department so as to increase Fund 150-300-632 (asphalt) by said amount. The vote on the matter being as follows:

Supervisor Douglas L. Jones	Aye
Supervisor Tim Johnson	Aye
Supervisor Andy Taggart	Aye
Supervisor Karl M. Banks	Aye
Supervisor Paul Griffin	Aye

the matter carried unanimously and said amendment was and is hereby approved, and Fund 150-300-632 was and is hereby increased by \$39,000.

SO ORDERED this the 1st day of May, 2006.

In re: Approval of Culvert Installations on Public Rights of Way

WHEREAS, County Road Manager Prentiss Guyton appeared before the Board and requested approval of certain work orders pertaining to the installation of culverts along public rights of way and not on private property on the following dates and at the following locations:

<u>Date</u>	<u>Work Order</u>	<u>Address</u>	<u>REASON</u>
4/20/06	2523	855 John Day Road	Protection of ROW
4/21/06	2526	355 Way Road	Protection of ROW

WHEREAS, the Board hereby finds that the installation of each such culvert is needed on the road listed to protect, preserve, and maintain the road and the county right of way thereon.

WHEREAS, the Board does desire to and does hereby approve the same on the dates and at the locations listed above,

Following discussion, Mr. Paul Griffin did offer and Mr. Karl M. Banks did second a motion to approve the installations of culverts on the dates and at the locations set forth above. The vote on the matter being as follows:

Supervisor Douglas L. Jones	No
Supervisor Tim Johnson	Aye
Supervisor Andy Taggart	No
Supervisor Karl M. Banks	Aye
Supervisor Paul Griffin	Aye

the matter carried by a majority vote (3-2) of the Board and said culvert installation requests were and are hereby approved.

SO ORDERED this the 1st day of May, 2006.

**In re: Consideration of Turn Around
Treadwell Drive/Ingleside Subdivision**

Following discussion, Mr. Andy Taggart did offer and Mr. Karl M. Banks did second a motion to authorize and direct County Engineer Rudy Warnock, pursuant to his firm's general services

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agreement with Madison County, to identify the right of way necessary to construct a turn around on Treadwell Drive in Ingleside Subdivision and to authorize and direct Mr. Woody Sample to assist the county in the acquisition of said right of way, pursuant to his firm's general services contract with the county. The vote on the matter being as follows:

Supervisor Douglas L. Jones	Aye
Supervisor Tim Johnson	Aye
Supervisor Andy Taggart	Aye
Supervisor Karl M. Banks	Aye
Supervisor Paul Griffin	Aye

the matter carried unanimously and Mr. Warnock and Mr. Sample were and are hereby so authorized and directed.

SO ORDERED this the 1st day of May, 2006.

In re: Approval of Claims Docket for May 1, 2006

WHEREAS, the Board reviewed the claims docket for May 1, 2006, and

WHEREAS, the Chancery Clerk did assure the Board of Supervisors that all claims had been properly documented and where necessary, purchase orders were obtained in advance as required by law; and

WHEREAS, County Comptroller Mark Houston presented the Board with a Supplemental Claims Docket containing invoices from Canton Municipal Utilities in the total amount of \$28,469.28, a true and correct copy of which may be found in the Miscellaneous Appendix to these Minutes, and requested that the Board consider and approve the claims reflected thereon in conjunction with the Claims Docket as presented, and

WHEREAS, the following is a summary of all claims and funds from which said claims are to be paid, including those claims listed on the aforesaid Supplemental Claims Docket:

Fund	Claim Nos.	No. of Claims	Amount
001	1833 to 1981	150	393,565.62
012	140 to 156	17	26,243.18
095	13 to 14	2	33,932.86
096	7 to 8	2	2,740.00
097	204 to 215	12	24,663.96
105	38 to 41	4	26,600.30
113	47 to 51	5	9,875.25
114	10 to 11	2	2,244.32
115	30 to 30	1	977.50
116	20 to 22	3	60,198.77
120	66 to 69	4	301.49
121	25 to 25	1	115.76
137	11 to 11	1	76.88
150	611 to 645, 647	36	161,035.64
160	117 to 140	24	52,141.97
190	93 to 100	8	4,988.52
226	5 to 5	1	548,217.50
291	5 to 5	1	1,125,210.00
302	30 to 30	1	13,458.89
401	25 to 27	3	17,358.64
690	13 to 14	2	20,898.58
691	13 to 14	2	10,619.60
TOTAL ALL FUNDS		282	2,535,465.23

President's Initials: _____

Date Signed: _____

Following discussion, Mr. Andy Taggart did offer and Mr. Karl M. Banks did second a motion to approve the claims docket as presented as well as the Supplemental Claims Docket as presented by the Comptroller. Said motion directed that invoice numbers should be attached to each claim on the claims docket and further directed the Chancery Clerk to publish the Summary of Claims as required by law and to authorize the Board President to sign and approve the Claims Docket and the Supplemental Claims Docket, a copy of which may be found in the Miscellaneous Appendix to these Minutes together with a separate Resolution approving payment of said claims, which Resolution is attached hereto as Exhibit G, spread hereupon, and incorporated herein by reference. The vote on the matter being as follows:

Supervisor Douglas L. Jones	Aye
Supervisor Tim Johnson	Aye
Supervisor Andy Taggart	Aye
Supervisor Karl M. Banks	Aye
Supervisor Paul Griffin	Aye

the matter carried unanimously and said Claims Docket and Supplemental Claims Docket were and are hereby approved, and the Chancery Clerk was and is instructed to issue pay warrants accordingly.

SO ORDERED this the 1st day of May, 2006.

In re: Consideration of Docket of Previously Held Claims

WHEREAS, County Comptroller Mark Houston did appear before the Board and presented a Docket of Previously Held Claims, a true and correct copy of which may be found in the Miscellaneous Appendix to these Minutes, and requested that the Board reject all claims listed thereon with the exception of Claim No. 1291 which bears Transaction No. 193217 in the amount of \$1,448.30 payable to Warnock & Associates,

Following discussion, Mr. Douglas L. Jones did offer and Mr. Karl M. Banks did second a motion to reject all claims listed on the aforesaid Docket of Previously Held Claims with the exception of Claim No. 1291 which bears Transaction No. 193217 in the amount of \$1,448.30 payable to Warnock & Associates and authorize and direct the payment of the aforesaid Claim No. 1291 as recommended by the Comptroller. The vote on the matter being as follows:

Supervisor Douglas L. Jones	Aye
Supervisor Tim Johnson	Aye
Supervisor Andy Taggart	Aye
Supervisor Karl M. Banks	Aye
Supervisor Paul Griffin	Aye

the matter carried unanimously and Claim No. 1291 which bears Transaction No. 193217 in the amount of \$1,448.30 payable to Warnock & Associates was and is hereby authorized and approved for payment and the Chancery Clerk was and is hereby directed to issue a pay warrant accordingly. The remainder of the claims on said Docket of Previously Held Claims were and are hereby rejected.

SO ORDERED this the 1st day of May, 2006.

***In re: Authorization for the Purchase of 18 Tags
for New Road Department Trucks***

Following discussion, and at the request of County Administrator Donnie Caughman, Mr. Andy

President's Initials: _____

Date Signed: _____

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Taggart did offer and Mr. Douglas L. Jones did second a motion to authorize and direct the Chancery Clerk to issue a pay warrant in the amount of \$216.00 unto the Mississippi State Tax Commission for the purchase of motor vehicle tags for 18 new trucks for the road department. The vote on the matter being as follows:

Supervisor Douglas L. Jones	Aye
Supervisor Tim Johnson	Aye
Supervisor Andy Taggart	Aye
Supervisor Karl M. Banks	Aye
Supervisor Paul Griffin	Aye

the matter carried unanimously and the Chancery Clerk was and is authorized accordingly.

SO ORDERED this the 1st day of May, 2006.

In re: Presentation of Fiscal Year 2006 Bridge Inspection Report and Priority Bridge List

WHEREAS, State Aid and LSBP Engineer Keith O'Keefe did appear before the board and presented the board with a list of bridge priorities per funding source, a true and correct copy of which may be found in the Miscellaneous Appendix to these Minutes,

Following discussion, Mr. Andy Taggart did offer and Mr. Paul Griffin did second a motion to take said list under advisement. The vote on the matter being as follows:

Supervisor Douglas L. Jones	Aye
Supervisor Tim Johnson	Aye
Supervisor Andy Taggart	Aye
Supervisor Karl M. Banks	Aye
Supervisor Paul Griffin	Aye

the matter carried unanimously and said list was and is hereby taken under advisement.

SO ORDERED this the 1st day of May, 2006.

In re: Entering into "Closed Session" to Determine Whether or not the Board Should Declare an Executive Session

WHEREAS, the Board of Supervisors after beginning the meeting in open session, determined that it was necessary to enter into closed session for a brief discussion to ascertain whether an Executive Session was needed as to certain personnel matters and,

Following discussion and pursuant to the terms of Miss. Code Ann. § 25-41-7, as amended, Mr. Douglas L. Jones did offer and Mr. Andy Taggart did second a motion to make a closed determination upon the issue of whether or not to declare an Executive Session for the purpose of discussing economic development issues, with the following persons deemed necessary for Board discussions, deliberations, and recording of such Executive Session, to wit: members of the Board, Chancery Clerk Arthur Johnston, Board Attorney Edmund L. Brunini, Jr., County Administrator Donnie Caughman, County Comptroller Mark Houston, and Deputy Sheriff Billy Myers, members of the Board of Directors of the Madison County Economic Development Authority, Flora Mayor Scott Greaves, Mr. Dudley Bozeman, Ms. Joy Foy, and Mr. Tim Coursey. The vote on the matter being as follows:

Supervisor Douglas L. Jones	Aye
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President's Initials: _____

Date Signed: _____

Supervisor Tim Johnson	Aye
Supervisor Andy Taggart	Aye
Supervisor Karl M. Banks	Aye
Supervisor Paul Griffin	Aye

the matter carried unanimously and the Board took up the matter of entering into Executive Session.

SO ORDERED this the 1st day of May, 2006.

In re: Entering into Executive Session

WHEREAS, a discussion of the nature of the matters requiring Executive Session was had and the Board Attorney informed the Board that matters concerning economic development opportunities were properly the subject of executive session,

Following a discussion, Mr. Karl M. Banks did offer and Mr. Douglas L. Jones did second a motion to enter into Executive Session to discuss economic development matters as provided by law. The vote on the matter being as follows:

Supervisor Douglas L. Jones	Aye
Supervisor Tim Johnson	Aye
Supervisor Andy Taggart	Aye
Supervisor Karl M. Banks	Aye
Supervisor Paul Griffin	Aye

the matter carried unanimously and President Johnson declared the Board of Supervisors to be in Executive Session for the consideration of such matters and the Chancery Clerk announced to the public the purpose for the Executive Session.

SO ORDERED this the 1st day of May, 2006.

In re: Coming Out of Executive Session

Following discussion, Mr. Andy Taggart did offer and Mr. Karl M. Banks did second a motion to come out of Executive Session and direct the Chancery Clerk to announce to the public that no action was taken therein. The vote on the matter being as follows:

Supervisor Douglas L. Jones	Aye
Supervisor Tim Johnson	Aye
Supervisor Andy Taggart	Aye
Supervisor Karl M. Banks	Aye
Supervisor Paul Griffin	Aye

the matter carried by the unanimous vote of those present and the Chancery Clerk did announce to the public that no action was taken therein.

SO ORDERED this the 1st day of May, 2006.

In re: Approval of Maintenance Contract with IBM

Following discussion, and upon the recommendation of County Administrator Donnie Caughman, Mr. Karl M. Banks did offer and Mr. Paul Griffin did second a motion to approve that certain IBM Services Agreement as detailed in the certain document entitled "IBM Services

President's Initials: _____

Date Signed: _____

Assistant Solution Summary," a true and correct copy of which may be found in the Miscellaneous Appendix to these Minutes, and authorize and direct the board President to execute the same. The vote on the matter being as follows:

Supervisor Douglas L. Jones	Aye
Supervisor Tim Johnson	Aye
Supervisor Andy Taggart	Aye
Supervisor Karl M. Banks	Aye
Supervisor Paul Griffin	Aye

the matter carried unanimously and said contract was and is hereby approved and the Board President was and is authorized accordingly.

SO ORDERED this the 1st day of May, 2006.

In re: Issuance of General Obligation Road and Bridge and Refunding Bonds, Series 2006 in the Principal Amount of \$17.5 Million

RESOLUTION (I) DIRECTING THE SALE AND AWARD OF GENERAL OBLIGATION ROAD AND BRIDGE AND REFUNDING BONDS, SERIES 2006, OF MADISON COUNTY, MISSISSIPPI, DATED MAY 1, 2006, IN THE PRINCIPAL AMOUNT OF SEVENTEEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$17,500,000) (THE "BONDS"); (II) APPROVING AND RATIFYING THE SIGNING AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT ("POS") AND SUPPLEMENT RELATING TO THE POS FOR THE SALE OF THE BONDS; AND (III) APPROVING AND AUTHORIZING THE FORM OF, EXECUTION AND DISTRIBUTION OF AN OFFICIAL STATEMENT PERTAINING TO THE BONDS.

WHEREAS, the Board of Supervisors of Madison County, Mississippi (the "Board"), acting for and on behalf of Madison County, Mississippi (the "County"), hereby finds, determines, adjudicates and declares as follows:

1. This Board on March 27, 2006, did adopt a resolution directing that General Obligation Road and Bridge and Refunding Bonds, Series 2006 (the "Bonds"), of the County in the principal amount of Seventeen Million Five Hundred Thousand Dollars (\$17,500,000) be offered for sale on sealed bids to be received up to and until the hour of 2:00 o'clock P.M. on May 1, 2006, for the purpose of providing funds to finance (1) certain capital projects including, but not limited to, constructing, reconstructing, and repairing roads, highways and bridges, and acquiring the necessary land, including land for road-building materials, acquiring rights-of-way therefor; and the purchase of heavy construction equipment and accessories thereto reasonably required to construct, repair and renovate roads, highways and bridges and approaches thereto, and (2) the prepayment and current refunding of (a) all of the outstanding amount of the County's \$4,650,000 Participant Note (Capital Projects and Equipment Acquisition Program, Series 1999), dated July 27, 2004, and (b) a certain portion of the outstanding amount of the County's \$10,350,000 Participant Note (Capital Projects and Equipment Acquisition Program, Series 2001), dated July 27, 2004.
2. As directed by the aforesaid resolution, notice of sale of the Bonds was duly published in the *Madison County Herald*, a newspaper published in and having general circulation in the County, and qualified under the provisions of Section 13-3-31, Mississippi Code of 1972, as amended, said notice having been published on April 20 and 27, 2006, in said newspaper, the first publication having been made at least ten (10) days preceding May 1, 2006, all as shown by the proof of publication of said notice attached to this Resolution as **EXHIBIT A**. (Exhibit H to these Minutes).
3. The Board did meet at its meeting place in the Circuit Courthouse in the City of Canton,

President's Initials: _____

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Mississippi, at 2:00 o'clock P.M. on May 1, 2006.

4. At said time and place seven (7) sealed proposals for the purchase of the Bonds were received, examined and considered by the Board, said bids having heretofore been presented by and being on file with the Clerk and which are attached hereto as **EXHIBIT B**. (Exhibit I to these Minutes).

5. The Board does now find, determine and adjudicate that the highest and best bid made and offered for the Bonds on the basis of the lowest net interest cost over the life of the issue was made by Morgan Keegan & Company, Inc., Memphis, Tennessee, and said bid was accompanied by a cashier's check, certified check or exchange payable to Madison County, Mississippi, in the amount of Three Hundred Fifty Thousand Dollars (\$350,000), issued or certified by a bank located in the State of Mississippi, as a guarantee that said bidder would carry out its contract and purchase the Bonds if its bid be accepted.

6. The Board finds it necessary to approve and ratify the form of and execution of the final Preliminary Official Statement, dated March 27, 2006 (the "Preliminary Official Statement") and the Supplement Relating to the Preliminary Official Statement, dated April 17, 2006 (the "Supplement to the POS") for the Bonds and the distribution thereof to prospective purchasers of the Bonds.

7. The Board finds it necessary to approve the form of, execution and distribution of an Official Statement for the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD AS FOLLOWS:

SECTION 1. The Bonds are hereby awarded and sold to Morgan Keegan & Company, Inc., Memphis, Tennessee, in accordance with the offer submitted to the Board in words and figures as follows:

President's Initials: _____

Date Signed: _____

OFFICIAL FORM OF PROPOSAL
\$17,500,000
MADISON COUNTY, MISSISSIPPI
GENERAL OBLIGATION ROAD AND BRIDGE AND REFUNDING BONDS,
SERIES 2006

May 1, 2006

Board of Supervisors
of Madison County, Mississippi
Circuit Courthouse
128 W. North Street
Canton, Mississippi 39046

Ladies and Gentlemen:

We hereby offer to pay \$ 17,500,000 plus accrued interest to the date of delivery for the Seventeen Million Five Hundred Thousand Dollars (\$17,500,000) principal amount of General Obligation Road and Bridge and Refunding Bonds, Series 2006 (the "Bonds") of Madison County, Mississippi (the "County"), as described in the Notice of Bond Sale, dated March 27, 2006, maturing and bearing interest as follows:

<u>YEAR OF MATURITY</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>	<u>YEAR OF MATURITY</u>	<u>PRINCIPAL AMOUNT</u>	<u>INTEREST RATE</u>
2007	\$ 835,000	4.50%	2017	\$ 725,000	4.25%
2008	865,000	4.50	2018	755,000	4.375
2009	900,000	4.25	2019	785,000	4.375
2010	930,000	4.25	2020	820,000	4.50
2011	965,000	5.00	2021	860,000	4.50
2012	1,000,000	5.00	2022	895,000	4.50
2013	1,035,000	5.00	2023	940,000	4.50
2014	700,000	5.00	2024	980,000	4.625
2015	700,000	4.125	2025	1,025,000	4.625
2016	710,000	4.25	2026	1,075,000	4.625

Based upon the interest rate or rates specified above, we compute the gross interest cost to the County to be \$ 8,486,725.00, the net interest cost (deducting premium of \$ 0, if any) to be \$ 8,486,725.00 and the average annual net interest rate from the date of the Bonds to their respective maturities to be 4.548328 %.

If there is any discrepancy as between the actual interest cost computed upon the rate or rates of interest above specified and the interest cost or average rate hereinabove set forth, the interest rate or rates above specified and the actual interest cost or average interest rate computed upon said rate or rates shall prevail.

President's Initials: _____

Date Signed: _____

A (cashier's check) (certified check) (bank exchange), issued or certified by a bank located in the State of Mississippi and payable to the order of Madison County, Mississippi, in the amount of Three Hundred Fifty Thousand Dollars (\$350,000) accompanies this proposal as a guarantee that we will carry out this contract and accept delivery of the Bonds if this proposal is accepted, which shall be returned to the undersigned (1) if this bid be not accepted or (2) if the County should fail to deliver the Bonds to the undersigned in accordance with the terms of this proposal, or applied as and for liquidated damages in the event that the undersigned fails to take up and pay for the Bonds.

This proposal is submitted subject to all of the terms and conditions of the Notice of Bond Sale, dated March 27, 2006, which by reference is hereby made a part of this bid.

BIDDER: Morgan Keegan & Co
BY: [Signature]
TITLE: 1st VP
901-579-4518

Associates (if any):

Return of good faith deposit is hereby acknowledged.

DATE: _____

BY: _____

ACCEPTANCE

The above proposal accepted by resolution of the Board of Supervisors of the County and receipt of the within-mentioned check is hereby acknowledged.



Jackson 1307738v.4

MADISON COUNTY, MISSISSIPPI

BY: [Signature]
Chancery Clerk

President's Initials: _____

Date Signed: _____

SECTION 2. The President of the Board and Clerk are hereby authorized and directed to endorse upon a copy or duplicate of the aforesaid offer a suitable notation as evidence of the acceptance thereof, for and on behalf of the County.

SECTION 3. The good faith checks filed by all unsuccessful bidders shall forthwith be returned to them upon their respective receipts therefor, and the good faith check filed by the successful bidder shall be retained by the Board as a guarantee that said bidder shall carry out its contract and purchase the Bonds. If said successful bidder fails to purchase the Bonds pursuant to its bid and contract, the amount of such good faith check shall be retained by the County as liquidated damages for such failure.

SECTION 4. The Bonds shall be in fully registered form; shall be dated May 1, 2006; shall be of the denomination of \$5,000 each or integral multiples thereof up to the amount of a single maturity; shall be numbered from one (1) upward in order of issuance; shall be payable, both as to principal and interest, in lawful money of the United States of America at Trustmark National Bank, Jackson, Mississippi, said bank to act as paying agent, registrar and transfer agent for said Bonds; shall bear interest from the date thereof at the rates hereinafter set forth, payable semiannually on May 1 and November 1 in each year (each an "Interest Payment Date"), commencing May 1, 2007; and shall mature and become due and payable serially, on May 1 in the years and principal amounts as follows:

<u>YEAR</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>	<u>YEAR</u>	<u>AMOUNT</u>	<u>INTEREST RATE</u>
2007	\$ 835,000	4.50 %	2017	\$ 725,000	4.25 %
2008	865,000	4.50	2018	755,000	4.375
2009	900,000	4.25	2019	785,000	4.375
2010	930,000	4.25	2020	820,000	4.50
2011	965,000	5.00	2021	860,000	4.50
2012	1,000,000	5.00	2022	895,000	4.50
2013	1,035,000	5.00	2023	940,000	4.50
2014	700,000	5.00	2024	980,000	4.625
2015	700,000	4.125	2025	1,025,000	4.625
2016	710,000	4.25	2026	1,075,000	4.625

Bonds maturing on May 1, 2017 and thereafter, are subject to redemption prior to their stated dates of maturity, at par, plus accrued interest to the date of redemption, either in whole at any time on or after May 1, 2016, or in part, in inverse order of maturity and by lot within a maturity on May 1, 2016, or on any Interest Payment Date thereafter.

SECTION 5. The Board hereby approves, adopts and ratifies the form of and the execution of, as applicable, the Preliminary Official Statement and the Supplement to the POS for the sale of the Bonds in the form attached hereto as **EXHIBIT C** (as found in the Miscellaneous Appendix to these Minutes). That the distribution of copies of said Preliminary Official Statement and Supplement to the POS to prospective purchasers of the Bonds is hereby approved and ratified.

SECTION 6. The Board hereby approves and adopts the Official Statement in the form attached hereto as **EXHIBIT D** (as found in the Miscellaneous Appendix to these Minutes), and hereby authorizes the President and Clerk to execute and distribute an Official Statement, in substantially the same form, for and on behalf of said Board.

SECTION 7. All orders, resolutions or proceedings of this Board in conflict with the provisions of this resolution shall be and are hereby repealed, rescinded and set aside, but only to the extent of such conflict.

SECTION 8. For cause, this resolution shall become effective immediately upon the adoption thereof.

President's Initials: _____

Date Signed: _____

Supervisor Karl M. Banks moved and Supervisor Paul Griffin seconded the motion to adopt the foregoing resolution, and the question being put to a roll call vote, the result was as follows:

Supervisor Douglas Jones	voted: AYE
Supervisor Tim Johnson	voted: AYE
Supervisor Andrew Taggart	voted: AYE
Supervisor Karl M. Banks	voted: AYE
Supervisor Paul Griffin	voted: AYE

The motion having received the affirmative vote of a majority of the members present, the President of the Board declared the motion carried and the resolution adopted, on this the 1st day of May, 2006.

PRESIDENT, BOARD OF SUPERVISORS

ATTEST:

CLERK, BOARD OF SUPERVISORS

(SEAL)

**EXHIBIT A TO THIS RESOLUTION
ORIGINAL PUBLISHER'S AFFIDAVIT FOR NOTICE OF BOND SALE
(Exhibit J to these Minutes)**

**EXHIBIT B TO THIS RESOLUTION
ORIGINAL BIDS
(Exhibit K to these Minutes)**

**EXHIBIT C TO THIS RESOLUTION
FORM OF SUPPLEMENT TO POS AND PRELIMINARY OFFICIAL STATEMENT
(as found in the Miscellaneous Appendix to these Minutes)**

**EXHIBIT D TO THIS RESOLUTION
FORM OF OFFICIAL STATEMENT
(as found in the Miscellaneous Appendix to these Minutes)**

***In re: Issuance of General Obligation Road and
Bridge and Refunding Bonds, Series 2006 in the
Principal Amount of \$17.5 Million***

The Board of Supervisors of Madison County, Mississippi (the "County"), took up for further consideration the matter of the issuance of General Obligation Road and Bridge and Refunding Bonds, Series 2006, of said County, in the principal amount of Seventeen Million Five Hundred Thousand Dollars (\$17,500,000). After a discussion of the subject, Supervisor Karl M. Banks offered and moved the adoption of the following resolution:

RESOLUTION AUTHORIZING AND DIRECTING THE ISSUANCE OF GENERAL OBLIGATION ROAD AND BRIDGE AND REFUNDING BONDS, SERIES 2006, OF MADISON COUNTY, MISSISSIPPI (THE "COUNTY") IN THE PRINCIPAL AMOUNT OF SEVENTEEN MILLION FIVE HUNDRED THOUSAND DOLLARS (\$17,500,000) TO RAISE MONEY FOR THE PURPOSE OF PROVIDING FUNDS FOR (I)

President's Initials: _____

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FINANCING CERTAIN CAPITAL PROJECTS INCLUDING, BUT NOT LIMITED TO, CONSTRUCTING, RECONSTRUCTING, AND REPAIRING ROADS, HIGHWAYS AND BRIDGES, AND ACQUIRING THE NECESSARY LAND, INCLUDING LAND FOR ROAD-BUILDING MATERIALS, ACQUIRING RIGHTS-OF-WAY THEREFOR; AND THE PURCHASE OF HEAVY CONSTRUCTION EQUIPMENT AND ACCESSORIES THERETO REASONABLY REQUIRED TO CONSTRUCT, REPAIR AND RENOVATE ROADS, HIGHWAYS AND BRIDGES AND APPROACHES THERETO, AND (2) THE PREPAYMENT AND CURRENT REFUNDING OF (A) ALL OF THE OUTSTANDING AMOUNT OF THE COUNTY'S \$4,650,000 PARTICIPANT NOTE (CAPITAL PROJECTS AND EQUIPMENT ACQUISITION PROGRAM, SERIES 1999), DATED JULY 27, 2004, AND (B) A CERTAIN PORTION OF THE OUTSTANDING AMOUNT OF THE COUNTY'S \$10,350,000 PARTICIPANT NOTE (CAPITAL PROJECTS AND EQUIPMENT ACQUISITION PROGRAM, SERIES 2001), DATED JULY 27, 2004.

WHEREAS, the Board of Supervisors of Madison County, Mississippi, acting for and on behalf of said Madison County, Mississippi, hereby finds, determines, adjudicates and declares as follows:

1. (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 together the County Act and the Refinancing Act.

"Act of Bankruptcy" shall mean the filing of a petition in bankruptcy by or against the County under any applicable bankruptcy, insolvency, reorganization or similar law, now or hereafter in effect.

"Agent" shall mean any Paying Agent or Transfer Agent, whether serving in either or both capacities, and herein designated by the Governing Body.

"Authorized Officer" means the President of the Governing Body, the Clerk of the County, and any other officer designated from time to time as an Authorized Officer by resolution of the County, and when used with reference to any act or document also means any other Person authorized by resolution of the County to perform such act or sign such document.

"Beneficial Owner" shall mean, whenever used with respect to a Bond, the person in whose name such Bond is recorded as the Beneficial Owner of such Bond by a DTC participant on the records of such DTC participant, or such person's subrogee.

"Bond" or "Bonds" shall mean the \$17,500,000 General Obligation Road and Bridge and Refunding Bonds, Series 2006, of the County authorized and directed to be issued in this resolution.

"Bond Resolution" shall mean this resolution.

"Book-Entry System" means a book-entry system established and operated for the recordation of Beneficial Owners of the Bonds as described in Section 4 herein.

"Clerk" shall mean the Chancery Clerk of the County.

"Closing Date" shall mean the date of issuance and delivery of the Bonds.

"Co-Bond Counsel" shall mean, together, Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Jackson, Mississippi, and Miller & Hamer, Ridgeland, Mississippi.

"County" shall mean Madison County, Mississippi.

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"County Act" shall mean Sections 19-9-1 et seq., Mississippi Code of 1972, as amended.

"Direct Participant" means a broker-dealer, bank or other financial institution for which the Securities Depository holds Bonds as a securities depository.

"DTC" means The Depository Trust Company.

"DTC participants" shall mean any participant for whom DTC is a Security Depository Nominee.

"Governing Body" shall mean the Board of Supervisors of the County.

"Letter of Representations" shall mean the letter of representation from the County to DTC under the Book-Entry System.

"Paying Agent" shall mean any bank, trust company or other institution hereafter designated by the Governing Body for the payment of the principal of and interest on the Bonds.

"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 of Supervisors of Madison County, Mississippi.

"Project" shall mean providing funds on behalf of the County from the proceeds of the Bonds to finance (a) the Refunding Project, (b) the Road and Bridge Project, and (c) the costs of sale, issuance and delivery of the Bonds.

"Purchaser" shall mean the successful bidder for the Bonds, to be hereafter designated by the Governing Body.

"Record Date" shall mean, as to interest payments, the 15th day of the month preceding the dates set for payment of interest on the Bonds and, as to payments of principal, the 15th day of the month preceding the maturity date or the date set for redemption.

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

"Refinancing Act" shall mean Sections 31-15-1 through and including 31-15-19 of the Mississippi Code of 1972, as amended.

"Refunded Bonds" means, as applicable, (1) all of the outstanding amount of the County's \$4,650,000 Participant Note (Capital Projects and Equipment Acquisition Program, Series 1999), dated July 27, 2004, and (2) a portion of the outstanding amount of the County's \$10,350,000 Participant Note (Capital Projects and Equipment Acquisition Program, Series 2001), dated July 27, 2004.

"Refunding Project" shall mean providing funds on behalf of the County from a portion of the proceeds of the Bonds to finance the current refunding, refinancing and/or prepayment of the Refunded Bonds.

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

"Road and Bridge Project" shall mean providing funds from a portion of the proceeds of the Bonds to finance certain capital projects including, but not limited to, constructing, reconstructing, and repairing roads, highways and bridges, and acquiring the necessary land, including land for road-building materials, acquiring rights-of-way therefor; and the purchase of heavy construction equipment and accessories thereto reasonably required to construct, repair

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and renovate roads, highways and bridges and approaches thereto.

"Securities Depository" means The Depository Trust Company and any substitute for or successor to such securities depository that shall maintain a Book-Entry System with respect to the Bonds.

"Securities Depository Nominee" means the Securities Depository or the nominee of such Securities Depository in whose name there shall be registered on the registration records the Bond to be delivered to such Securities Depository during the continuation with such Securities Depository of participation in its Book-Entry System.

"Transfer Agent" shall mean any bank, trust company or other institution hereafter designated by the Governing Body for the registration of owners of the Bonds and for the performance of such other duties as may be herein or hereafter specified by the Governing Body.

"2006 Bond Fund" shall mean the Madison County, Mississippi General Obligation Road and Bridge and Refunding Bonds, Series 2006, 2006 Bond Fund provided for in Section 13 hereof.

"2006 Construction Fund" shall mean the Madison County, Mississippi General Obligation Road and Bridge and Refunding Bonds, Series 2006, 2006 Construction Fund provided for in Section 14 hereof.

(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.

2. Heretofore, on the 6th day of February, 2006, the Governing Body adopted a Resolution entitled "**RESOLUTION DECLARING THE INTENTION OF THE BOARD OF SUPERVISORS OF MADISON COUNTY, MISSISSIPPI, TO ISSUE GENERAL OBLIGATION BONDS, SERIES 2006, IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED FIFTY MILLION DOLLARS (\$50,000,000) FOR THE PURPOSE OF PROVIDING FUNDS FOR CONSTRUCTING, RECONSTRUCTING, AND REPAIRING ROADS, HIGHWAYS AND BRIDGES, AND ACQUIRING THE NECESSARY LAND, INCLUDING LAND FOR ROAD-BUILDING MATERIALS, ACQUIRING RIGHTS-OF-WAY THEREFOR; AND THE PURCHASE OF HEAVY CONSTRUCTION EQUIPMENT AND ACCESSORIES THERETO REASONABLY REQUIRED TO CONSTRUCT, REPAIR AND RENOVATE ROADS, HIGHWAYS AND BRIDGES AND APPROACHES THERETO; AND DIRECTING PUBLICATION OF NOTICE OF SUCH INTENTION**" wherein the Governing Body found, determined and adjudicated that it is necessary that bonds of the County be issued in the amount, for the Road and Bridge Project and secured as aforesaid, declared its intention to issue said bonds, and fixed 9:00 o'clock a.m. on March 9, 2006, as the date and hour on which it proposed to direct the issuance of said bonds, on or prior to which date and hour any protests to be made against the issuance of such bonds were required to be filed.

3. As required by law and as directed by the aforesaid resolution, said resolution was published once a week for at least three (3) consecutive weeks in the Madison County Herald, a newspaper published in and of general circulation in the County, and qualified under the provisions of Section 13 3 31, Mississippi Code of 1972, as amended, the first publication having been made not less than twenty one (21) days prior to March 9, 2006, and the last publication having been made not more than seven (7) days prior to such date, said notice having been published in said newspaper on February 9, 16 and 23 and March 2, 2006, as evidenced by the publisher's affidavit heretofore presented and filed.

4. On or prior to 9:00 o'clock a.m. on March 9, 2006, no written protest against the issuance of the bonds described in the aforesaid resolution had been filed or presented by

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qualified electors of the County.

5. The Governing Body recognizes that the current low interest rate environment provides an opportunity for the issuance of bonds to provide funds for the Refunding Project and the Governing Body further realizes that the Governing Body must move expeditiously to accomplish the lowest interest cost possible by the issuance of the bonds for the Refunding Project.

6. The Governing Body is now authorized and empowered by the provisions of the County Act and the Refinancing Act to issue the Bonds for the Project without an election on the question of the issuance thereof and is authorized to issue Bonds registered as to principal and interest in the form and manner hereinafter provided for by said County Act and the Refinancing Act.

7. On the 27th day of March, 2006, the Governing Body adopted a resolution entitled:

RESOLUTION OF THE BOARD OF SUPERVISORS OF MADISON COUNTY, MISSISSIPPI (THE "COUNTY") AUTHORIZING AND APPROVING THE EXECUTION AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT FOR THE SALE OF GENERAL OBLIGATION ROAD AND BRIDGE AND REFUNDING BONDS, SERIES 2006 (THE "BONDS"), OF THE COUNTY; AUTHORIZING AND APPROVING THE ISSUANCE OF THE BONDS; APPROVING THE FORM OF AND PUBLICATION OF A NOTICE OF BOND SALE FOR THE SALE OF THE BONDS; AUTHORIZING THE PRESIDENT OF BOARD OF SUPERVISORS OR CHANCERY CLERK OF THE COUNTY TO PROVIDE A WRITTEN NOTIFICATION TO HANCOCK BANK, GULFPORT, MISSISSIPPI, GOVERNMENT CONSULTANTS, INC. AND AMBAC ASSURANCE CORPORATION IN CONNECTION WITH THE PREPAYMENT AND REFUNDING OF (1) ALL OF THE OUTSTANDING AMOUNT OF THE \$4,650,000 PARTICIPANT NOTE (CAPITAL PROJECTS AND EQUIPMENT ACQUISITION PROGRAM, SERIES 1999), DATED JULY 27, 2004, AND (2) A CERTAIN PORTION OF THE OUTSTANDING AMOUNT OF THE \$10,350,000 PARTICIPANT NOTE (CAPITAL PROJECTS AND EQUIPMENT ACQUISITION PROGRAM, SERIES 2001), DATED JULY 27, 2004, WITH THE FUNDS TO BE PROVIDED BY THE ISSUANCE OF THE BONDS; AND FOR RELATED PURPOSES,

wherein the Governing Body (i) approved the form of the preliminary official statement and the execution and distribution of the preliminary official statement for the sale of the Bonds; (ii) authorized and approved the issuance of the Bonds; (iii) approved the form of and publication of a notice of bond sale; and (iv) authorized a notification to certain parties regarding the Refunding Project.

8. The assessed value of all taxable property within the County, according to the last completed assessment for taxation, is One Billion One Hundred Eleven Million Eight Hundred Twenty Nine Thousand and One Hundred Eighty Five Dollars (\$1,111,829,185); the County has outstanding bonded indebtedness subject to the fifteen percent (15%) debt limit prescribed by Section 19-9-5, Mississippi Code of 1972, as amended, in the amount of Forty Six Million Six Hundred Fifty Five Thousand Dollars (\$46,655,000), and outstanding bonded and floating indebtedness subject to the twenty percent (20%) debt limit prescribed by Section 19-9-5, Mississippi Code of 1972, as amended (which amount includes the sum set forth above subject to the 15% debt limit), in the amount of Forty Six Million Six Hundred Fifty Five Thousand Dollars (\$46,655,000); the issuance of the Bonds hereinafter proposed to be issued pursuant to the Act, when added to the outstanding bonded indebtedness of the County, will not result in bonded indebtedness, exclusive of indebtedness not subject to the aforesaid fifteen percent (15%) debt limit, of more than fifteen percent (15%) of the assessed value of taxable property within the

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County, and will not result in indebtedness, both bonded and floating, exclusive of indebtedness not subject to the aforesaid twenty percent (20%) debt limit, in excess of twenty percent (20%) of the assessed value of taxable property within the County, and will not exceed any constitutional or statutory limitation upon indebtedness which may be incurred by the County.

9. It has now become necessary to make provision for the preparation, execution and issuance of said Bonds.

**NOW, THEREFORE, BE IT RESOLVED BY THE GOVERNING BODY,
ACTING FOR AND ON BEHALF OF THE COUNTY, AS FOLLOWS:**

SECTION 1. In consideration of the purchase and acceptance of any and all of the Bonds by those who shall hold the same from time to time, this Bond Resolution shall constitute a contract between the County and the Registered Owners from time to time of the Bonds. The pledge made herein and the covenants and agreements herein set forth to be performed on behalf of the County for the benefit of the Registered Owners shall be for the equal benefit, protection and security of the Registered Owners of any and all of the Bonds, 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. The Bonds are hereby authorized and ordered to be prepared and issued in the principal amount of Seventeen Million Five Hundred Thousand Dollars (\$17,500,000) to raise money for the Project as authorized by the Act.

SECTION 3. The Bonds shall initially be issued pursuant to a Book-Entry System administered by the Securities Depository with no physical distribution of Bond certificates to be made except as provided in this Section 3. Any provision of this Bond Resolution or the Bonds requiring physical delivery of the Bonds shall, with respect to any Bonds held under the Book-Entry System, be deemed to be satisfied by a notation on the Registration Records maintained by the Paying Agent that such Bonds are subject to the Book-Entry System.

(a) So long as a Book-Entry System is being used, one Bond in the aggregate principal amount of the Bonds and registered in the name of the Securities Depository and the Participants and Indirect Participants and will evidence beneficial ownership of the Bonds in authorized denominations, with transfers of ownership effected on the records of the Securities Depository, the Participants and the Indirect Participants pursuant to rules and procedures established by the Securities Depository, the Participants and the Indirect Participants. The principal of and any premium on each Bond shall be payable to the Securities Depository Nominee or any other person appearing on the Registration Records as the Registered Holder of such Bond or his registered assigns or legal representative at the principal office of the Paying Agent. So long as the Book-Entry System is in effect, the Securities Depository will be recognized as the Holder of the Bonds for all purposes. Transfer of principal, interest and any premium payments or notices to Participants and Indirect Participants will be the responsibility of the Securities Depository and transfer of principal, interest and any premium payments or notices to Beneficial Owners will be the responsibility of the Participants and Indirect Participants. No other party will be responsible or liable for such transfers of payments or notices or for maintaining, supervising or reviewing such records maintained by the Securities Depository, the Participants or the Indirect Participants. While the Securities Depository Nominee or the Securities Depository, as the case may be, is the registered owner of the Bonds, notwithstanding any other provisions set forth herein, payments of principal of, redemption premium, if any, and interest on the Bonds shall be made to the Securities Depository Nominee or the Securities Depository, as the case may be, by wire transfer in immediately funds to the account of such Holder, without notice to or the consent of the Beneficial Owners, the Paying Agent, with the consent of the Authority, and the Securities Depository may agree in writing to make payments of principal and interest in a manner different from that set out herein. In such event, the Paying Agent shall make payments with respect to the Bonds in such manner as if set forth herein.

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(b) The Authority may at any time elect (I) to provide for the replacement of any Securities Depository as the depository for the Bonds with another qualified Securities Depository, or (ii) to discontinue the maintenance of the Bonds under a Book-Entry System. In such event, and upon being notified by the Authority of such election, the Paying Agent shall give 30 days' prior notice of such election to the Securities Depository (or such fewer number of days as shall be acceptable to such Securities Depository).

(c) Upon the discontinuance of the maintenance of the Bonds under a Book-Entry System, the Authority will cause Bonds to be issued directly to the Beneficial Owners of Bonds, or their designees, as further described below. In such event, the Paying Agent shall make provisions to notify Participants and the Beneficial Owners of the Bonds, by mailing an appropriate notice to the Securities Depository, or by other means deemed appropriate by the Paying Agent in its discretion, that Bonds will be directly issued to the Beneficial Owners of Bonds as of a date set forth in such notice, which shall be a date at least 10 days after the date of mailing of such notice (or such fewer number of days as shall be acceptable to the Securities Depository).

(d) In the event that Bonds are to be issued to the Beneficial Owners of the Bonds, or their designees, the Authority shall promptly have prepared Bonds in certificated form registered in the names of the Beneficial Owners of Bonds shown on the records of the Participants provided to the Paying Agent, as of the date set forth in the notice described above. Bonds issued to the Beneficial Owners, or their designees, shall be in fully registered form substantially in the form set forth in Section 7 hereof.

(e) If any Securities Depository is replaced as the depository for the Bonds with another qualified Securities Depository, the Authority will issue to the replacement Securities Depository Bonds substantially in the form set forth herein, registered in the name of such replacement Securities Depository.

(f) Each Securities Depository and the Participants, the Indirect Participants and the Beneficial Owners of the Bonds, by their acceptance of the Bonds, agree that the Authority and the Paying Agent shall have no liability for the failure of any Securities Depository to perform its obligation to any Participant, Indirect Participant or other nominee of any Beneficial Owner of any Bonds to perform any obligation that such Participant, Indirect Participant or other nominee may incur to any Beneficial Owner of the Bonds.

(g) Notwithstanding any other provision of this Bond Resolution, on or prior to the date of issuance of the Bonds, the Paying Agent shall have executed and delivered to the initial Securities Depository a Letter of Representations governing various matters relating to the Securities Depository and its activities pertaining to the Bonds. The terms and provisions of such Letter of Representations are incorporated herein by reference and in the event that shall exist any inconsistency between the substantive provisions of the said Letter of Representations and any provisions of this Bond Resolution, then, for as long as the initial Securities Depository shall serve with respect to the Bonds, the terms of the Letter of Representations shall govern.

(h) Notwithstanding any provision in this Bond Resolution to the contrary, at all times in which the Book-Entry System is in effect, any references to physical delivery of a Bond shall not be required.

SECTION 4. (a) Payments of interest on the Bonds shall be made to the Record Date Registered Owner, and payments of principal shall be made upon presentation and surrender thereof at the principal office of the Paying Agent to the Record Date Registered Owner in lawful money of the United States of America.

(b) The Bonds shall be registered as to both principal and interest; shall be dated May 1, 2006; shall be issued in the principal denomination of \$5,000 each, or integral multiples thereof up to the amount of a single maturity; shall be numbered from one upward in the order of

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issuance; shall bear interest from the date thereof at the rate or rates specified by further order of the Governing Body, payable on May 1 and November 1 of each year (each an "Interest Payment Date"), commencing May 1, 2007; and shall mature and become due and payable on May 1 in the years and in the principal amounts as follows:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
2007	\$ 835,000	2017	\$ 725,000
2008	865,000	2018	755,000
2009	900,000	2019	785,000
2010	930,000	2020	820,000
2011	965,000	2021	860,000
2012	1,000,000	2022	895,000
2013	1,035,000	2023	940,000
2014	700,000	2024	980,000
2015	700,000	2025	1,025,000
2016	710,000	2026	1,075,000

(c) Bonds maturing on May 1, 2017 and thereafter, are subject to redemption prior to their stated dates of maturity, at par, plus accrued interest to the date of redemption, either in whole at any time on or after May 1, 2016, or in part, in inverse order of maturity and by lot within a maturity on May 1, 2016, or on any Interest Payment Date thereafter.

(d) Notice of redemption identifying the numbers of Bonds or portions thereof to be redeemed shall be given to the Registered Owners thereof by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption. Failure to mail or receive any such notice, or any defect therein or in the mailing thereof, shall not affect the validity of any proceedings for the redemption of Bonds. Any notice mailed as provided herein shall be conclusively presumed to have been given, irrespective of whether received. If such written notice of redemption is made and if due provision for payment of the redemption price is made, all as provided above, the Bonds which are to be redeemed thereby automatically shall be deemed to have been redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the owner to receive the redemption price out of the funds provided for such payment. If at the time of mailing of any notice of redemption, there shall not be on deposit with the Paying Agent sufficient moneys to redeem all of the Bonds called for redemption, such notice shall state that it is subject to the deposit of moneys with the Paying Agent not later than on the redemption date and shall be of no effect unless such moneys are deposited.

(e) The Bonds, for which the payment of sufficient moneys or, to the extent permitted by the laws of the State of Mississippi, (a) direct obligations of, or obligations for the payment of the principal of and interest on which are unconditionally guaranteed by, the United States of America ("Government Obligations"), (b) certificates of deposit or municipal obligations fully secured by Government Obligations, © evidences of ownership of proportionate interests in future interest or principal payments on Government Obligations held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor on the Government Obligations and which Government Obligations are not available to satisfy any claim of the custodian or any person claiming through the custodian or to whom the custodian may be obligated, (d) State and Local Government Series ("SLGS") Securities, or (e) municipal obligations, the payment of the principal of, interest and redemption premium, if any, on which are irrevocably secured by Government Obligations and which Government Obligations are not subject to redemption prior to the date on which the proceeds attributable to the principal of such obligations are to be used and have been deposited in an escrow account which is irrevocably pledged to the payment of the principal of and interest and redemption premium, if any, on such municipal obligations (all of which collectively, with Government Obligations, "Defeasance Securities"), shall have been deposited with an escrow agent appointed for such purpose, which may be the Paying and

President's Initials: _____

Date Signed: _____

Transfer Agent, shall be deemed to have been paid, shall cease to be entitled to any lien, benefit or security under the this Bond and shall no longer be deemed to be outstanding hereunder, and the Registered Owners shall have no rights in respect thereof except to receive payment of the principal of and interest on such Bonds from the funds held for that purpose. Defeasance Securities shall be considered sufficient under the Bond Resolution if said investments, with interest, mature and bear interest in such amounts and at such times as will assure sufficient cash to pay currently maturing interest and to pay principal when due on such Bonds.

SECTION 5. (a) When the Bonds shall have been validated and executed as herein provided, they shall be registered as an obligation of the County in the office of the Clerk in a record maintained for that purpose, and the Clerk shall cause to be imprinted upon the reverse side of each of the Bonds, over his manual or facsimile signature and manual or facsimile seal, his certificate in substantially the form set out in Section 7.

(b) The Bonds shall be executed by the manual or facsimile signature of the President and countersigned by the manual or facsimile signature of the Clerk, with the seal of the County imprinted or affixed thereto; provided, however all signatures and seals appearing on the Bonds, other than the signature of an authorized officer of the Transfer Agent hereafter provided for, may be facsimile and shall have the same force and effect as if manually signed or impressed. In case any official of the County whose signature or a facsimile of whose signature shall appear on the Bonds shall cease to be such official 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 had remained in office until delivery or reissuance.

(c) The Bonds shall be delivered to the Purchaser upon payment of the purchase price therefor in accordance with the terms and conditions of their sale and award, together with a complete certified transcript of the proceedings had and done in the matter of the authorization, issuance, sale and validation of the Bonds, and the final, unqualified approving opinion of Co-Bond Counsel, which opinion shall be imprinted on the reverse of each of the Bonds.

(d) Prior to or simultaneously with the delivery by the Transfer Agent of any of the Bonds, the County shall file with the Transfer Agent:

(i) a copy, certified by the Clerk, of the transcript of proceedings of the Governing Body in connection with the authorization, issuance, sale and validation of the Bonds; and

(ii) an authorization to the Transfer Agent, signed by the President, to authenticate and deliver the Bonds to the Purchaser.

(e) At delivery, the Transfer Agent shall authenticate the Bonds and deliver them to the Purchaser thereof upon payment of the purchase price of the Bonds to the County.

(f) Bonds, blank as to denomination, rate of interest, date of maturity and CUSIP number and sufficient in quantity in the judgment of the County to meet the reasonable transfer and reissuance needs on the Bonds, shall be printed and delivered to the Transfer Agent in generally accepted format, and held by the Transfer Agent until needed for transfer or reissuance, whereupon the Transfer Agent shall imprint the appropriate information as to denomination, rate of interest, date of maturity and CUSIP number prior to the registration, authentication and delivery thereof to the transferee holder. The Transfer Agent is hereby authorized upon the approval of the Governing Body to have printed from time to time as necessary additional Bonds bearing the manual or facsimile seal of the County and manual or facsimile signatures of the persons who were the officials of the Governing Body as of the date of original issue of the Bonds.

SECTION 6. (a) The County hereby appoints Trustmark National Bank, Jackson, Mississippi, as the Paying and Transfer Agent for the Bonds. The Paying and Transfer Agent

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shall be a bank or trust company located within the State of Mississippi or may be the Chancery Clerk of the County. The County specifically reserves the right to hereafter designate a separate Transfer Agent and/or Paying Agent in its discretion in the manner hereinafter provided.

(b) So long as any of the Bonds shall remain outstanding, the County shall maintain with the Transfer Agent records for the registration and transfer of the Bonds. The Transfer Agent is hereby appointed registrar for the Bonds, in which capacity the Transfer Agent shall register in such records and permit to be transferred thereon, under such reasonable regulations as may be prescribed, any Bond entitled to registration or transfer.

(c) The County shall pay or reimburse the Agent for reasonable fees for the performance of the services normally rendered and the incurring of normal expenses reasonably and necessarily paid as are customarily paid to paying agents, transfer agents and bond registrars, subject to agreement between the County and the Agent. Fees and reimbursements for extraordinary services and expenses, so long as not occasioned by the negligence, misconduct or willful default of the Agent, shall be made by the County on a case by case basis, subject, where not prevented by emergency or other exigent circumstances, to the prior written approval of the Governing Body.

(d) (I) An Agent may at any time resign and be discharged of the duties and obligations of either the function of the Paying Agent or Transfer Agent, or both, by giving at least sixty (60) days' written notice to the County, and may be removed from either or both of said functions at any time by resolution of the Governing Body delivered to the Agent. The resolution shall specify the date on which such removal shall take effect and the name and address of the successor Agent, and shall be transmitted to the Agent being removed within a reasonable time prior to the effective date thereof. Provided, however, that no resignation or removal of an Agent shall become effective until a successor Agent has been appointed pursuant to the Bond Resolution.

(ii) Upon receiving notice of the resignation of an Agent, the County shall promptly appoint a successor Agent by resolution of the Governing Body. Any appointment of a successor Agent shall become effective upon acceptance of appointment by the successor Agent. If no successor Agent shall have been so appointed and have accepted appointment within thirty (30) days after the notice of resignation, the resigning Agent may petition any court of competent jurisdiction for the appointment of a successor Agent, which court may thereupon, after such notice as it may deem appropriate, appoint a successor Agent.

(iii) In the event of a change of Agents, the predecessor Agent shall cease to be custodian of any funds held pursuant to this Bond Resolution in connection with its role as such Agent, and the successor Agent shall become such custodian; provided, however, that before any such delivery is required to be made, all fees, advances and expenses of the retiring or removed Agent shall be fully paid. Every predecessor Agent shall deliver to its successor Agent all records of account, registration records, lists of Registered Owners and all other records, documents and instruments relating to its duties as such Agent.

(iv) Any successor Agent appointed under the provisions hereof shall be a bank, trust company or national banking association having Federal Deposit Insurance Corporation insurance of its accounts, duly authorized to exercise corporate trust powers and subject to examination by and in good standing with the federal and/or state regulatory authorities under the jurisdiction of which it falls.

(v) Every successor Agent appointed hereunder shall execute, acknowledge and deliver to its predecessor Agent and to the County an instrument in writing accepting such appointment hereunder, and thereupon such successor Agent, without any further act, shall become fully vested with all the rights, immunities and powers, and subject to all the duties and obligations, of its predecessor.

President's Initials: _____

Date Signed: _____

(vi) Should any transfer, assignment or instrument in writing be required by any successor Agent from the County to more fully and certainly vest in such successor Agent the estates, rights, powers and duties hereby vested or intended to be vested in the predecessor Agent, any such transfer, assignment and written instruments shall, on request, be executed, acknowledged and delivered by the County.

(vii) The County will provide any successor Agent with certified copies of all resolutions, orders and other proceedings adopted by the Governing Body relating to the Bonds.

(viii) All duties and obligations imposed hereby on an Agent or successor Agent shall terminate upon the accomplishment of all duties, obligations and responsibilities imposed by law or required to be performed by this Bond Resolution.

(e) Any corporation or association into which an Agent may be converted or merged, or with which it may be consolidated or to which it may sell or transfer its assets as a whole or substantially as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall be and become successor Agent hereunder and vested with all the powers, discretion, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed or conveyance on the part of either the County or the successor Agent, anything herein to the contrary notwithstanding, provided only that such successor Agent shall be satisfactory to the County and eligible under the provisions of Section 6(d)(iv) hereof.

SECTION 7. The Bonds shall be in substantially the following form, with such appropriate variations, omissions and insertions as are permitted or required by this Bond Resolution:

[BOND FORM]

UNITED STATES OF AMERICA

STATE OF MISSISSIPPI

MADISON COUNTY

GENERAL OBLIGATION ROAD AND BRIDGE AND REFUNDING BOND

SERIES 2006

No. _____ \$ _____

Rate of Interest **Maturity** **Date of Original Issuance** **CUSIP**

_____, 2006

Registered Owner:

Principal Amount: _____ **DOLLARS**

Madison County, State of Mississippi (the "County"), 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, upon the presentation and surrender of this Bond, at the principal office of Trustmark National Bank, Jackson, Mississippi, or its successor, as paying agent (the "Paying Agent") for the General Obligation Road and Bridge and Refunding Bonds, Series 2006, of the County (the "Bonds"), on the maturity date identified above, the principal amount identified above. Payment of the principal amount of this Bond shall be made to the Registered Owner

President's Initials: _____

Date Signed: _____

hereof who shall appear in the registration records of the County maintained by Trustmark National Bank, Jackson, Mississippi, or its successor, as transfer agent for the Bonds (the "Transfer Agent"), as of the 15th day of the calendar month preceding the maturity date hereof.

The County further promises to pay interest on such principal amount from the date of this Bond or from the most recent Interest Payment Date to which interest has been paid at the rate of interest per annum set forth above, on May 1 and November 1 of each year (each an "Interest Payment Date"), commencing May 1, 2007, until said principal sum is paid, to the Registered Owner hereof who shall appear in the registration records of the County maintained by the Transfer Agent as of the 15th day of the calendar month preceding the applicable Interest Payment Date.

Payments of principal of and interest on this Bond shall be made by check or draft mailed on the Interest Payment Date to such Registered Owner at his address as it appears on such registration records. The Registered Owner hereof may change such address by written notice to the Transfer Agent by certified mail, return receipt requested, or such other method as may be subsequently prescribed by the Transfer Agent, such notice to be received by the Transfer Agent not later than the 15th day of the calendar month preceding the applicable principal or Interest Payment Date.

This Bond is one of a series of Bonds of like date of original issue, tenor and effect, except as to denomination, number, rate of interest and date of maturity, issued in the aggregate authorized principal amount of Seventeen Million Five Hundred Thousand Dollars (\$17,500,000) to raise money for the purpose of providing funds to finance (1) certain capital projects including, but not limited to, constructing, reconstructing, and repairing roads, highways and bridges, and acquiring the necessary land, including land for road-building materials, acquiring rights-of-way therefor; and the purchase of heavy construction equipment and accessories thereto reasonably required to construct, repair and renovate roads, highways and bridges and approaches thereto, and (2) the prepayment and current refunding of (a) all of the outstanding amount of the County's \$4,650,000 Participant Note (Capital Projects and Equipment Acquisition Program, Series 1999), dated July 27, 2004, and (b) a certain portion of the outstanding amount of the County's \$10,350,000 Participant Note (Capital Projects and Equipment Acquisition Program, Series 2001), dated July 27, 2004.

This Bond is issued under the authority of the Constitution and statutes of the State of Mississippi, including Sections 19-9-1 et seq., and Sections 31-15-1 to 31-15-19 of the Mississippi Code of 1972, as amended, and by the further authority of proceedings duly had by the Board of Supervisors of the County, including a resolution adopted May 1, 2006 (the "Bond Resolution").

Bonds maturing on May 1, 2017 and thereafter, are subject to redemption prior to their stated dates of maturity, at par, plus accrued interest to the date of redemption, either in whole at any time on or after May 1, 2016, or in part, in inverse order of maturity and by lot within a maturity on May 1, 2016, or on any Interest Payment Date thereafter.

Notice of redemption identifying the numbers of Bonds or portions thereof to be redeemed shall be given to the Registered Owners thereof by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption. Failure to mail or receive any such notice, or any defect therein or in the mailing thereof, shall not affect the validity of any proceedings for the redemption of Bonds. Any notice mailed as provided herein shall be conclusively presumed to have been given, irrespective of whether received. If such written notice of redemption is made and if due provision for payment of the redemption price is made, all as provided above, the Bonds which are to be redeemed thereby automatically shall be deemed to have been redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the owner to receive the redemption price out of the funds provided for such payment. If at the time of mailing of any notice of redemption, there shall not be on deposit with

President's Initials: _____

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the Paying Agent sufficient moneys to redeem all of the Bonds called for redemption, such notice shall state that it is subject to the deposit of moneys with the Paying Agent not later than on the redemption date and shall be of no effect unless such moneys are deposited.

The Bonds are registered as to both principal and interest. The Bonds are to be issued or reissued in the denomination of \$5,000 each, or integral multiples thereof up to the amount of a single maturity.

This Bond 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 Transfer Agent, but only in the manner, subject to the limitations in the Bond Resolution, and upon surrender and cancellation of this Bond. Upon such transfer or exchange, a new Bond or Bonds of like aggregate principal amount in authorized denominations of the same maturity will be issued.

The County 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 County nor the Paying Agent shall be affected by any notice to the contrary.

The Bonds are and will continue to be payable as to principal and interest out of and secured by an irrevocable pledge of the avails of a direct and continuing tax to be levied annually without limitation as to time, rate or amount upon all the taxable property within the geographical limits of the County. The County will levy annually a special tax upon all taxable property within the geographical limits of the County adequate and sufficient to provide for the payment of the principal of and the interest on the Bonds as the same falls due.

This Bond shall not be valid or become obligatory for any purpose or be entitled to any benefit or security under the Bond Resolution until the certificate of registration and authentication hereon shall have been signed by the Transfer 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 the Bonds, in order to make the same legal and binding general obligations of the County, 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. For the performance in apt time and manner of every official act herein required, and for the prompt payment of this Bond, both principal and interest, the full faith and credit of the County are hereby irrevocably pledged.

IN WITNESS WHEREOF, the County has caused this Bond to be executed in its name by the manual or facsimile signature of the President of the Board of Supervisors of the County, countersigned by the manual or facsimile signature of the Clerk of the County, under the manual or facsimile seal of the County, which said manual or facsimile signatures and seal said officials adopt as and for their own proper signatures and seal, as of the 1st day of May, 2006.

MADISON COUNTY, MISSISSIPPI

BY: _____
President, Board of Supervisors

COUNTERSIGNED:

Chancery Clerk

There shall be printed in the lower left portion of the face of the Bonds a registration and authentication certificate in substantially the following form:

President's Initials: _____

Date Signed: _____

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CERTIFICATE OF REGISTRATION AND AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned Bond Resolution and is one of the General Obligation Road and Bridge and Refunding Bonds, Series 2006, of Madison County, Mississippi.

TRUSTMARK NATIONAL BANK
as Transfer Agent

BY: _____
Authorized Officer

Date of Registration and Authentication: _____

There shall be printed on the reverse of the Bonds a registration and validation certificate and an assignment form in substantially the following form:

REGISTRATION AND VALIDATION CERTIFICATE

STATE OF MISSISSIPPI

COUNTY OF MADISON

I, the undersigned Chancery Clerk of Madison County, Mississippi, do hereby certify that the within Bond has been duly registered by me as an obligation of said County pursuant to law in a record kept in my office for that purpose, and has been validated and confirmed by Decree of the Chancery Court of Madison County, Mississippi, rendered on the ____ day of May, 2006.

Chancery Clerk

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto

(Name and address of assignee)
the within Bond and does hereby irrevocably constitute and appoint _____,
_____, Mississippi, as Transfer Agent to transfer the said Bond on the records kept for
registration thereof with full power of substitution in the premises.

NOTICE: The signature to this Assignment must correspond with the name of the Registered Owner as it appears upon the face of the within Bond in every particular, without any alteration whatever.

Signatures guaranteed:

NOTICE: Signature(s) must be guaranteed by an approved eligible guarantor institution, an institution that is a participant in a Securities Transfer Association recognized signature guarantee program.

President's Initials: _____

Date Signed: _____

(Authorized Officer)

Date of Assignment: _____

Insert Social Security Number or Other
Tax Identification Number of Assignee: _____

SECTION 8. In case any Bond shall become mutilated or be stolen, destroyed or lost, the County shall, if not then prohibited by law, cause to be authenticated and delivered a new Bond of like date, number, maturity and tenor in exchange and substitution for and upon cancellation of such mutilated Bond, or in lieu of and in substitution for such Bond stolen, destroyed or lost, upon the Registered Owner's paying the reasonable expenses and charges of the County in connection therewith, and in case of a Bond stolen, destroyed or lost, his filing with the County or Transfer Agent evidence satisfactory to them that such Bond was stolen, destroyed or lost, and of his ownership thereof, and furnishing the County or Transfer Agent with such security or indemnity as may be required by law or by them to save each of them harmless from all risks, however remote.

SECTION 9. For the purpose of effectuating and providing for the payment of the principal of and interest on the Bonds as the same shall respectively mature and accrue, there shall be and is hereby levied a direct, continuing special tax upon all of the taxable property within the geographical limits of the County, 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 Bonds. 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 County are collected, and the rate of tax which shall be so extended shall be sufficient in each year fully to produce the sums required as aforesaid, without limitation as to time, rate or amount. The avails of said tax are hereby irrevocably pledged for the payment of the principal of and interest on the Bonds 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 any of the Bonds in any subsequent year to have adequate taxes levied and collected to meet the obligations of the Bonds, both as to principal and interest.

SECTION 10. Only such of the Bonds as shall have endorsed thereon a certificate of registration and authentication in substantially the form hereinabove set forth, duly executed by the Transfer Agent, shall be entitled to the rights, benefits and security of this Bond Resolution. No Bond shall be valid or obligatory for any purpose unless and until such certificate of registration and authentication shall have been duly executed by the Transfer Agent, which executed certificate shall be conclusive evidence of registration, authentication and delivery under this Bond Resolution. The Transfer Agent's certificate of registration and authentication on any Bond shall be deemed to have been duly executed if signed by an authorized officer of the Transfer Agent, but it shall not be necessary that the same officer sign said certificate on all of the Bonds that may be issued hereunder at any one time.

SECTION 11. (a) In the event the Purchaser shall fail to designate the names, addresses and social security or tax identification numbers of the Registered Owners of the Bonds within thirty (30) days of the date of sale, or at such other later date as may be designated by the County, one Bond registered in the name of the Purchaser may be issued in the full amount for each maturity. Ownership of the Bonds shall be in the Purchaser until the initial Registered Owner has made timely payment and, upon request of the Purchaser within a reasonable time of the initial delivery of the Bonds, the Transfer Agent shall re register any such Bond upon its records in the name of the Registered Owner to be designated by the Purchaser in the event timely

President's Initials: _____

Date Signed: _____

payment has not been made by the initial Registered Owner.

(b) Except as hereinabove provided, the Person in whose name any Bond shall be registered in the records of the County maintained by the Transfer 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 Bond shall be made only to or upon the order of the Registered Owner thereof, or his legal representative, but such registration may be changed as hereinafter provided. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

SECTION 12. (a) Each Bond shall be transferable only in the records of the County, upon surrender thereof at the office of the Transfer Agent, together with a written instrument of transfer satisfactory to the Transfer Agent duly executed by the Registered Owner or his attorney duly authorized in writing. Upon the transfer of any Bond, the County, acting through its Transfer Agent, shall issue in the name of the transferee a new Bond or Bonds of the same aggregate principal amount and maturity and rate of interest as the surrendered Bond or Bonds.

(b) In all cases in which the privilege of transferring Bonds is exercised, the Transfer Agent shall authenticate and deliver Bonds in accordance with the provisions of this Bond Resolution.

SECTION 13. (a) The County hereby establishes the 2006 Bond Fund which shall be maintained with a qualified depository in its name for the payment of the principal of and interest on the Bonds, and the payment of Agents' fees in connection therewith. There shall be deposited into the 2006 Bond Fund as and when received:

- (i) The accrued interest and premium, if any, received upon delivery of the Bonds;
- (ii) The avails of any of the ad valorem taxes levied and collected pursuant to Section 9 hereof;
- (iii) Any income received from investment of monies in the 2006 Bond Fund; and
- (iv) Any other funds available to the County which may be lawfully used for payment of the principal of and interest on the Bonds, and which the Governing Body, in its discretion, may direct to be deposited into the 2006 Bond Fund.

(b) As long as any principal of and interest on the Bonds remains outstanding, the Clerk is hereby irrevocably authorized and directed to withdraw from the 2006 Bond Fund sufficient monies to make the payments herein provided for and to transfer same to the account of the Paying Agent in time to reach said Paying Agent at least five (5) days prior to the date on which said interest or principal and interest shall become due.

SECTION 14. (a) The County hereby establishes the 2006 Construction Fund which shall be maintained with a qualified depository. Five Million Dollars (\$5,000,000) of the principal proceeds received upon the sale of the Bonds shall be deposited in the 2006 Construction Fund. Any income received from investment of monies in the 2006 Construction Fund shall be deposited in the 2006 Construction Fund or the 2006 Bond Fund for the payment of debt service on the Bonds during the construction period for the Project. The amount on deposit in the 2006 Construction Fund shall be held and disbursed for the Road and Bridge Project as authorized by the Act. Any amounts which remain in the 2006 Construction Fund after the completion of the Road and Bridge Project shall be transferred to the 2006 Bond Fund and used as permitted under State law.

(b) The County hereby establishes the 2006 Cost of Issuance Fund which shall be

President's Initials: _____

Date Signed: _____

maintained at a qualified depository. Three Hundred Twenty-five Thousand Dollars (\$325,000) of the proceeds received upon the sale of the Bonds shall be deposited in the 2006 Cost of Issuance Fund. Any income received from investment of monies in the 2006 Cost of Issuance Fund shall be deposited in the 2006 Cost of Issuance Fund. Funds in the 2006 Cost of Issuance Fund shall be used to pay the costs, fees and expenses incurred by the County in connection with the authorization, issuance, sale, validation and delivery of the Bonds. Any amounts which remain in the 2006 Cost of Issuance Fund after the payment of the costs of issuance for the Bonds shall be deposited in the 2006 Bond Fund and used as permitted under State law.

(c) The balance of the proceeds of the sale of the Bonds shall be paid on the Closing Date to Hancock Bank as the paying agent for the Refunded Bonds in order to effect the Refunding Project. The current refunding of the Refunded Bonds shall occur on Closing Date or on another date as directed by the County.

SECTION 15. (a) Payment of principal on the Bonds shall be made, upon presentation and surrender of the Bonds at the principal office of the Paying Agent, to the Record Date Registered Owner thereof who shall appear in the registration records of the County maintained by the Transfer Agent as of the Record Date.

(b) Payment of each installment of interest on the Bonds shall be made to the Record Date Registered Owner thereof whose name shall appear in the registration records of the County maintained by the Transfer Agent as of the Record Date. Interest shall be payable in the aforesaid manner irrespective of any transfer or exchange of such Bond subsequent to the Record Date and prior to the due date of the interest.

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

SECTION 16. The Bonds shall be submitted to 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 Bonds and to certify and forward the same to the State's Bond Attorney for the institution of validation proceedings.

SECTION 17. The County hereby covenants that it will not make any use of the proceeds of the Bonds or do or suffer any other action that would cause: (I) the Bonds to be "arbitrage bonds" as such term is defined in Section 148(a) of the Internal Revenue Code of 1986, as amended ("Code"), and the Regulations promulgated thereunder; (ii) the interest on the Bonds to be included in the gross income of the Registered Owners thereof for federal income taxation purposes; or (iii) the interest on the Bonds to be treated as an item of tax preference under Section 57(a)(5) of the Code.

SECTION 18. The County represents as follows:

(a) it has not abandoned, sold or otherwise disposed of any facility, equipment or improvement financed or refinanced directly or indirectly with the proceeds of the Refunded Bonds;

(b) it does not intend to, during the term that any of the Bonds allocable to the Refunding Project are outstanding, abandon, sell or otherwise dispose of any facility, equipment or improvement financed or refinanced directly or indirectly with the proceeds of the Refunded Bonds;

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Date Signed: _____

(c) it shall timely file with the Ogden, Utah Service Center of the Internal Revenue Service, such information report or reports as may be required by Section 148(f) and 149(e) of the Code;

(d) it shall take no action that would cause the Bonds to be "federally guaranteed" within the meaning of Section 149(b) of the Code;

(e) it will not employ an abusive arbitrage device in connection with the issuance by it of the Bonds which will enable it to obtain a material financial advantage (based on arbitrage) apart from the savings that may be realized as a result of the lower interest rates on the Bonds than on the Refunded Bonds and overburden the tax-exempt bond market; and

(f) the amount of "excess gross proceeds", as such term is defined in Income Tax Regulation 1.148-10(c)(2), of the Bonds allocable to the Refunding Project will not exceed one percent (1%) of the proceeds received from the sale thereof.

SECTION 19. The County hereby covenants that it shall make, or cause to be made, the rebate required by Section 148(f) of the Code ("Rebate") in the manner described in Regulation §§1.148-1 through 1.148-11, as such regulations and statutory provisions may be modified insofar as they apply to the Bonds. In accordance therewith, the County shall:

(a) Within sixty (60) days of the last day of the fifth and each succeeding fifth "bond year" (which shall be the five-year period ending on the date five years subsequent to the date of the closing, unless another date is selected by the Board of Supervisors of the County, and each succeeding fifth "bond year"), and within sixty (60) days of the date the last bond that is part of the Bonds is discharged the County shall (I) calculate, or cause to be calculated, the "rebate amount" as of each "computation date" or the "final computation date" attributable to any investment in "investment-type property" made by the County, of "gross proceeds" of the Bonds, and (ii) remit the following to the United States Treasury within sixty (60) days of the last day of the fifth and each succeeding fifth "bond year": (A) an amount of money equal to such "rebate amount" (treating for purposes of such calculation any previous payments made to the United States Treasury on account of such "rebate amount" as if the payment on any such date was an "expenditure" constituting a "rebate payment"), (B) the calculations supporting the amount of "rebate amount" attributable to any investments in "investment-type property" made by the County of gross proceeds of the Bonds and (C) any other information required to comply with Section 148 of the Code.

(b) The County shall keep accurate records of each investment-type property (as that term is defined in Section 148(b) of the Code), if any, acquired, directly or indirectly, with "gross proceeds" of the Bonds and each expenditure it makes with "gross proceeds". Such records shall include the purchase price, nominal interest rate, dated date, maturity date, type of property, frequency of periodic payments, period of compounding, yield to maturity, amount actually or constructively realized on disposition, disposition date, and evidence of the "fair market value" of such property on the purchase date and disposition date (or deemed purchase or disposition date), for each item of such "investment-type property".

(c) The County will not designate the Bonds as "qualified tax-exempt obligations" as defined in and for the purposes of Section 265(b)(3) of the Code.

SECTION 20. The County hereby agrees for the benefit of the holders and beneficial owners of the Bonds for so long as it remains obligated to advance funds to pay the Bonds to provide certain updated financial information and operating data annually, and timely notice of specified material events, to certain information vendors as set forth in this Section. This information will be available to securities brokers and others who subscribe to receive the information from the vendors.

The County will provide certain updated financial information and operating data to

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certain information vendors annually. The information to be updated includes all quantitative financial information and operating data with respect to the County of the general type included in the Official Statement in APPENDIX A under the headings "ECONOMIC AND DEMOGRAPHIC INFORMATION," "TAX INFORMATION" and "DEBT INFORMATION" and other financial information set forth in APPENDICES C and D of the Official Statement. The County will update and provide this information within six months after the end of each fiscal year of the County ending in or after 2006. The County will provide the updated information to each nationally recognized municipal securities information repository ("NRMSIR") and to any state information depository ("SID") that is designated by the State of Mississippi and approved by the staff of the United States Securities and Exchange Commission (the "SEC").

The County may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by Securities Exchange Act 15c2-12 ("the SEC Rule 15c2-12"). The updated information will include audited financial statements, if the County's audit is completed by the required time. If audited financial statements are not available by the required time, the County will provide unaudited financial statements by such time and audited financial statements when the audit report becomes available. Any such financial statements will be prepared in accordance with the accounting principles promulgated by the State of Mississippi or such other accounting principles as the County may be required to employ from time to time pursuant to law or regulation.

The County's current fiscal year end is September 30. Accordingly, it must provide updated information by March 31 in each year, unless the County changes its fiscal year. If the County changes its fiscal year, it will notify each NRMSIR and any SID of the change. Anyone requesting information under the continuing disclosure requirements of SEC Rule 15c2-12 should contact the Chancery Clerk, Chancery Courthouse, 146 West Center Street, Canton, Mississippi 39046; Telephone Number: (601) 859-5526.

The County will also provide timely notices of certain events to certain information vendors. The County will provide notice of any of the following events with respect to the Bonds, if such event is material to a decision to purchase or sell Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions or events affecting the tax-exempt status of the Bonds; (7) modifications to rights of holders of the Bonds; (8) Bond calls; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds; and (11) rating changes. Neither the Bonds nor this Bond Resolution makes any provisions for debt service reserves. In addition, the County will provide timely notice of any failure by the County to provide information, data, or financial statements in accordance with its agreement described above under paragraph 2, 3 and 4 of this Section. The County will provide each notice described in this paragraph to any SID and to either each NRMSIR or the Municipal Securities Rulemaking Board ("MSRB").

The County has agreed to provide the foregoing information to NRMSIRs or the MSRB and any SID. The information will be available to holders of Bonds only if the holders comply with the procedures and pay the charges established by such information vendors or obtain the information through securities brokers who do so.

The County has agreed to update information and to provide notices of material events only as described in this Section. The County has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described herein. The County makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The County disclaims any contractual or tort liability for damages resulting in whole or in part from any

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breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders or beneficial owners of Bonds may seek a writ of mandamus to compel the County to comply with its agreement.

The County may amend its continuing disclosure agreement only if (1) the amendment is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in identity, nature, or status of the County, (2) the agreement, as amended, would have complied with SEC Rule 15c2-12 at the date of sale of the Bonds, taking into account any amendments or interpretations of the SEC Rule 15c2-12 as well as any change in circumstance, and (3) the County receives an opinion of nationally recognized Co-Bond Counsel to the effect that the amendment does not materially impair the interests of the holders and beneficial owners of the Bonds. If any such amendment is made, the County will include in its next annual update an explanation in narrative form of the reasons for the change and its impact on the type of operating data or financial information being provided.

SECTION 21. Each of the following constitutes an event of default under this Bond Resolution:

- (a) failure by the County to pay any installment of principal of or interest on any Bond at the time required;
- (b) failure by the County to perform or observe any other covenant, agreement or condition on its part contained in this Bond Resolution or in the Bonds, and the continuance thereof for a period of thirty (30) days after written notice thereof to the County by the Registered Owners of not less than ten percent (10%) in principal amount of the then outstanding Bonds; or
- (c) an Act of Bankruptcy occurs.

SECTION 22. The Clerk is hereby authorized to pay costs of issuance expenses on the closing date for the Bonds from the proceeds of the Bonds deposited in the 2006 Cost of Issuance Fund for the costs of issuance of said Bonds; provided, however, total costs of issuance for said Bonds shall not exceed \$325,000.00. The President or Clerk or any other Authorized Officer are authorized to sign requisitions for the payment of costs of issuance for the Bonds.

SECTION 23. The President, the Clerk and the other Authorized Officers of the County are, and each of them acting alone is, hereby authorized and directed to take such actions and to execute such documents as may be necessary to effectuate the purposes of this Bond Resolution.

SECTION 24. All orders, resolutions or proceedings of the Governing Body 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 Bond Resolution shall become effective upon the adoption hereof.

Following the reading of the foregoing Bond Resolution, Supervisor Andy Taggart seconded the motion to adopt the foregoing resolution, and the question being put to a roll call vote, the result was as follows:

Supervisor Doug Jones	voted: AYE
Supervisor Tim Johnson	voted: AYE
Supervisor Andy Taggart	voted: AYE
Supervisor Karl Banks	voted: AYE
Supervisor Paul Griffin	voted: AYE

The motion having received the affirmative vote of a majority of the members present, the President of the Board declared the motion carried and the resolution adopted, on this the 1st day

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of May, 2006.

SO ORDERED this the 1st day of May, 2006.

THERE BEING NO FURTHER BUSINESS to come before the Board of Supervisors of Madison County, Mississippi, upon motion duly made by Supervisor Karl M. Banks and seconded by Supervisor Paul Griffin and approved by the unanimous vote of those present, the meeting of the Board of Supervisors was recessed until Monday, May 15, 2006 at 9:00 a. m. to consider a docket of claims and any other business which may properly come before the Board.

Tim Johnson, President
Madison County Board of Supervisors

Date signed: _____

ATTEST:

Arthur Johnston, Chancery Clerk

President's Initials: _____

Date Signed: _____

President's Initials: _____

Date Signed: _____

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