

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

REGULAR MEETING OF MAY 14, 2004
Recessed from regular meeting conducted on May 3, 2004

BE IT REMEMBERED that the regular meeting of the Board of Supervisors of Madison County, Mississippi was duly convened, held and conducted on May 14, 2004, at the Madison County Chancery/Administrative Building in Canton, Mississippi, as follows, to-wit:

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

Present:

Supervisor Douglas L. Jones
Supervisor Tim Johnson
Supervisor Andy Taggart
Supervisor Karl M. Banks
Supervisor Paul Griffin
Chancery Clerk Arthur Johnston
Sheriff Toby Trowbridge

Absent:

None

Also in attendance:

County Administrator Donnie Caughman
County Comptroller Mark Houston
Assistant County Comptroller Quandice Green
County Engineer Mike McKenzie
State Aid and LSBP Engineer Rudy Warnock
County Road Manager Prentiss Guyton
Board Attorney Edmund L. Brunini, Jr.
Board Secretary Cynthia Parker

The President announced that the members of the Board present constituted a quorum and declared the meeting duly convened. County Administrator Donnie Caughman opened the meeting with a prayer and County Comptroller Mark Houston led the members and the audience in the Pledge of Allegiance to the Flag of the United States of America.

In re: Approval of Consent Agenda Items

WHEREAS, President Jones did report that he and County Administrator Donnie Caughman had conferred in advance of the meeting as to certain matters denominated "Consent Items" on the Agenda and that the same appeared to be routine, non-controversial matters on which all Supervisors were likely to agree, and

WHEREAS, Mr. Caughman did explain that any Supervisor could, in advance of the call of the question, request that any item be removed from the Consent Agenda, and

WHEREAS, the Board President did request that Item D, "Authorize New Agreement with Infoware Inc." be removed from the Consent Agenda and be addressed separately, and

WHEREAS, Supervisor Paul Griffin did request that Item B, "Appointment of Butch

President's Initials: _____

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Hammack, Deputy Director of Emergency Management Agency, E-911 Department, Homeland Security” be removed from the Consent Agenda and be addressed separately, and

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

(A) Acknowledgment of Receipt of Compliance with Limitations and Restrictions for Surface Mining Project, APAC

WHEREAS, by correspondence dated April 21, 2004 addressed to County Zoning Administrator Brad Sellers, APAC – Mississippi, Inc. provided the county with a copy of its Safety Policy, and

WHEREAS, the Board does desire to and does hereby acknowledge receipt thereof in accordance with the provisions of that certain Ordinance adopted by the Board on February 20, 2004 and that certain document approved therein captioned “Guidelines, Limitations and Restrictions for Surface Mining Project,”

(C) Authorization of Newly Elected Constables to Attend Law Enforcement Training

WHEREAS, Miss. Code Ann. § 19-19-5 requires constables to attend certain training established by the State Board on Law Enforcement Officer Standards and requires that the county be responsible for paying the tuition, living and travel expenses associated with such training for first time constables, and

WHEREAS, the Mississippi Constables Association has scheduled such training for August 2 through 13, 2004 at a cost of \$700.00 per constable, which sum includes tuition, meals, room and board, and

WHEREAS, the Board does desire to and does hereby authorize the payment of said fee for each newly, first time elected constable in Madison County, and

(E) Approval to Apply for and Enroll in Beaver Control Assistance Program

WHEREAS, the County does desire to participate in the Beaver Control Assistance Program administered through the Department of Wildlife Services of the U. S. Department of Agriculture, and

WHEREAS, the Board has been advised that completion of an application form by May 28, 2004, is necessary in order to participate therein, and

WHEREAS, the Board does desire that County Administrator Donnie Caughman prepare and complete the aforesaid application and does hereby so instruct Mr. Caughman, and

(F) Acceptance of Certain Bids to Purchase Motor Vehicles

WHEREAS, Chancery Clerk Arthur Johnston did appear before the Board and reported on behalf of the standing committee appointed to open and tabulate bids for the purchase of certain motor vehicles for use by Supervisors Karl Banks and Paul Griffin, and

WHEREAS, Mr. Johnston did report that said bids were opened at 10:00 am on Tuesday, May 11, 2004, and that Harreld Chevrolet Company was the only bidder submitting qualified bids in response to the notice duly published in the *Madison County Herald* on April 22 and 29, 2004, a true and correct copy of which may be found in the Miscellaneous Appendix to these Minutes, and

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Date Signed: _____

WHEREAS, the Board does desire to accept the bids submitted by Harreld Chevrolet Company and to authorize – and does hereby authorize – the purchase of a 2004 Chevrolet Tahoe and a Chevrolet Silverado 1550 Crew Cab Pickup Truck as set forth in those certain Quote Worksheets, a true and correct copy of which may be found in the Miscellaneous Appendix to these Minutes, and

(G) Approval and Appointment of Greg Johnston as Attorney for the Madison County Election Commission

WHEREAS, the Madison County Election Commission did advise the Board that it had recommended Greg Johnston, an attorney in Ridgeland, Mississippi, to serve as its attorney and counsel, and

WHEREAS, a true and correct copy of the *vita* of Mr. Johnston may be found in the Miscellaneous Appendix to these Minutes, and

WHEREAS, the Board does find that Greg Johnston is well qualified to serve in such capacity and does desire to approve the Commission’s selection, and

WHEREAS, the Board does desire to and does hereby appoint the aforesaid Greg Johnston as attorney for the Madison County Election Commission,

Mr. Karl Banks did move and Mr. Tim Johnson did second a motion to approve, adopt and authorize each of the above and foregoing matters, the same being numbered items (A), (C), (E), (F), and (G) herein above. The vote on the matter being as follows:

Supervisor Douglas L. Jones	Aye
Supervisor Tim Johnson	Aye
Supervisor Andy Taggart	Not Present and Not Voting
Supervisor Karl M. Banks	Aye
Supervisor Paul Griffin	No

the matter carried by a majority vote of those present, and each item was and is hereby approved, adopted and authorized.

SO ORDERED this the 14th day of May, 2004.

***In re:* Approval of Butch Hammack as Deputy Director, Madison County Emergency Management Agency, E-911 Department of Homeland Security**

WHEREAS, County Administrator Donnie Caughman did advise the Board that he and Emergency Management Director Luke Gordon had received applications for and interviewed a number of people for the position of Deputy Director of the Madison County Emergency Management Agency and that Butch Hammack scored the highest in the interview process, and

WHEREAS, Mr. Hammack has previously served the county as Chief Deputy Chancery Clerk, reserve Deputy Sheriff and has extensive experience in management and communications and has previously served as radio broadcaster for Madison-Ridgeland Academy Athletics and as plant and personnel manager for various companies in Mississippi, and

WHEREAS, Mr. Hammack possesses a bachelor of business management from Delta State University and is very well qualified for the position of Deputy Director of the Madison County Emergency Management Agency, and

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WHEREAS, Mr. Caughman did announce that he had designated Mr. Hammack to serve as Safety Coordinator for the county at no additional compensation, and

Following discussion, Mr. Tim Johnson did move and Mr. Karl M. Banks did second a motion to approve the appointment of Butch Hammack as (1) Deputy Director, Madison County Emergency Management Agency, E-911, Department of Homeland Security and (2) Safety Coordinator for Madison County. The vote on the matter being as follows:

Supervisor Douglas L. Jones	Aye
Supervisor Tim Johnson	Aye
Supervisor Andy Taggart	Not Present and Not Voting
Supervisor Karl M. Banks	Aye
Supervisor Paul Griffin	No

the matter carried by a majority vote of those present and said appointment was and is hereby approved.

SO ORDERED this the 14th day of May, 2004.

In re: Approval of Continuation of Adolescent Offender Program

WHEREAS, the Board received correspondence from County Judge William S. Agin requesting continuation of the Madison County Adolescent Offender Program, funded through the Mississippi Department of Human Services TANF Initiative, and

WHEREAS, Dr. Sarah Beard did submit a proposal cover sheet describing the project, a document entitled “Standard Assurances,” together with certain certifications, a Budget Narrative and other documents, true and correct copies of which may be found in the Miscellaneous Appendix to these Minutes, and

WHEREAS, Judge Agin and Dr. Beard did request authority from the Board to allow the Board President to execute the same and submit the same to MDHS,

Following discussion, Mr. Karl M. Banks did move and Mr. Paul Griffin did second a motion to approve and authorize the continuation of the Madison County Adolescent Offender Program and authorize the Board President to execute all of the above-mentioned documents necessary to apply for and receive continued funding thereof. The vote on the matter being as follows:

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

the matter carried by the unanimous vote of those present and said program was and is hereby authorized to be continued and the Board President was and is hereby authorized to execute all such documents necessary to apply for and receive continued funding thereof.

SO ORDERED this the 14th day of May, 2004.

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Date Signed: _____

In re: Authorization of Payment of Claim of Montgomery McGraw Collins & Rand, PLLC

WHEREAS, Chancery Clerk Arthur Johnston did appear before the Board and submitted correspondence dated May 11, 2004 from Patrick M. Rand, Esq. of the Montgomery McGraw firm together with a final statement for services rendered pertaining to the Jackson Annexation litigation and other matters, a true and correct copy of which may be found in the Miscellaneous Appendix to these Minutes, and

WHEREAS, Mr. Johnston did report that he had reviewed said statement and did find all said charges to be reasonable, necessary, and related to the matters being handled and now concluded by said firm, and

WHEREAS, Board Attorney Edmund L. Brunini, Jr. did concur that such charges appeared reasonable and necessary and were in accord with his prior understanding with Mr. Rand as to the amount of work necessary to complete the matters in question, and

WHEREAS, both Mr. Johnston and Mr. Brunini did recommend the immediate payment of such charges,

Following discussion, Mr. Karl M. Banks did move and Mr. Paul Griffin did second a motion to authorize the payment of said final statement in the total amount of \$4,123.49. The vote on the matter being as follows:

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

the matter carried by the unanimous vote of those present, and the Chancery Clerk was and is hereby directed to issue payment forthwith.

SO ORDERED this the 14th day of May, 2004.

In re: Authorization of Draw Down of Certain CDBG Funds Pertaining to the Church Street Project

WHEREAS, County Comptroller Mark Houston did report to the Board that a draw down of certain CDBG funds was necessary to satisfy certain bills and expenses associated with the Church Street Project previously authorized by the county, said expenses totaling \$18,749.25 and broken down as reflected in that certain invoice from CenterPoint Energy bearing invoice number 3000090711, a true and correct copy of which may be found in the Miscellaneous Appendix to these Minutes, and

WHEREAS, the Board does find that said draw down was and is reasonable and necessary and that such expenses were and are reasonable and necessary and related to said project,

Following discussion during which Board Attorney Edmund L. Brunini, Jr. stated that his firm has represented Centerpoint Energy, the payee to receive funds as a result of this action, and stated for the record that neither he nor his law firm made any recommendations or offered any opinions on this matter whatsoever and recused himself entirely from the discussion and debate

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hereof, Mr. Karl M. Banks did move and Mr. Paul Griffin did second a motion to authorize and approve said draw down in the total amount of \$18,749.25 and authorize and approve the payment of the expenses contained in the aforesaid invoice. The vote on the matter being as follows:

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

the matter carried by the unanimous vote of those present and the aforesaid draw down was and is hereby authorized and the payment of the aforesaid claim and invoice was and is hereby authorized and the Chancery Clerk was and is hereby directed to issue pay warrants accordingly upon receipt of draw down funds.

SO ORDERED this the 14th day of May, 2004.

In re: Approval of Certain Amendments to FY 2004 Budget of Madison County and Approval of Certain Inter-fund Transfers

WHEREAS, County Comptroller Mark Houston and Chancery Clerk Arthur Johnston did appear before the Board recommending certain budgetary amendments and adjustments as to both revenue and expenditures, to reflect and address the needs of the county and county offices and agencies as contained in Exhibit A (General Fund Estimated Revenues), Exhibit B (General Fund Estimated Expenditures), Exhibit C (Reappraisal Trust Estimated Revenues), Exhibit D (Reappraisal Trust Estimated Expenditures), Exhibit E (Planning and Zoning Estimated Revenues), Exhibit F (Planning and Zoning Estimated Expenditures), Exhibit G (Solid Waste Fund Estimated Revenues), and Exhibit H (Solid Waste Fund Estimated Expenditures), all of which are attached hereto, spread hereupon, and incorporated herein by reference, and

WHEREAS, Mr. Houston and Mr. Johnston did recommend an immediate transfer of funds from Fund 012 (Planning and Zoning) to Fund 001 (General County) in the amount of \$100,000, and

Following discussion, Mr. Karl M. Banks did move and Mr. Tim Johnson did second a motion to approve the budget amendments contained in said exhibits and the inter-fund transfers referenced above. The vote on the matter being as follows:

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

the matter carried by the unanimous vote of those present and said budget amendments and inter-fund transfers were and are hereby approved.

SO ORDERED this the 14th day of May, 2004.

In re: Approval of Various 16th Section Leases

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WHEREAS, the Madison County School Board has approved the following 16th Section leases and forwarded them to the Board for review and approval, true and correct copies of which may be found in the Miscellaneous Appendix to these Minutes:

Lessees: Robert J. Chatham and wife Marcy H. Chatham
 Description: Lot 14, Woodbury Park Subdivision
 Lease Term: 40 years

<u>Year</u>	<u>Annual Rent</u>
01-05	\$ 556.00
06-10	\$ 611.60
11-15	\$ 667.20
16-20	\$ 722.80
21-25	\$ 778.40
26-30	\$ 834.00
31-35	\$ 889.60
36-40	\$ 945.20

Lessees: Gary L. Smith and wife Laura L. Smith
 Description: Lot 33, Livingston Subdivision, Part I
 Lease Term: 40 years

<u>Year</u>	<u>Annual Rent</u>
01-05	\$ 674.00
06-10	\$ 741.40
11-15	\$ 808.80
16-20	\$ 876.20
21-25	\$ 943.60
26-30	\$1,011.00
31-35	\$1,078.40
36-40	\$1,145.80

AND WHEREAS, the Madison County School Board has approved the following 16th Section commercial lease and forwarded it to the Board for review and approval, a true and correct copy of which may be found in the Miscellaneous Appendix to these Minutes:

Lessee: Main Street Properties of Flora, LLC
 Description: Lot 20, Block 23, Jones Addition, Town of Flora
 Parcel # 051E-16B-136 on current tax roll

<u>Year</u>	<u>Annual Rent</u>
01-10	\$ 300.00
11-20	as adjusted pursuant to ¶ (3) of lease
21-30	as adjusted pursuant to ¶ (3) of lease
31-40	as adjusted pursuant to ¶ (3) of lease

AND WHEREAS, the Madison County School Board has approved the following Corrected Second Renewal and Extension of Development Lease Contract and forwarded it to the Board for review and approval, a true and correct copy of which may be found in the Miscellaneous Appendix to these Minutes:

Lessees: CECO Development Corporation
 Description: Madison Oaks Subdivision, Part Three, consisting of 6.562 acres

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more or less, together with certain other acreage as described on pages 2 through 5 of said lease, total acreage consisting of 17.39 acres more or less

Term: Five (5) years from December 16, 2003, terminating on December 15, 2008, with right to renew for an additional five (5) year term
 Rent: \$100.00 per acre per year, which may be reduced by \$100 per acre for the portion of the property placed in long term leases during the lease term,

AND WHEREAS, true and correct copies of said leases may be found in the Miscellaneous Appendix to these Minutes,

Mr. Tim Johnson did move and Mr. Paul Griffin did second a motion to approve the 16th section leases as set forth above, as submitted by the Madison County School Board. The vote on the matter being as follows,

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

the matter carried by a unanimous vote of those present and said leases were and are hereby approved.

SO ORDERED this the 14th day of May, 2004.

In re: Acknowledgment of Receipt of Correspondence from County Superintendent of Schools Pertaining to 16th Section Leases

WHEREAS, Board President Doug Jones did report to the Board that he was in receipt of correspondence dated April 27, 2004 from County Superintendent of Schools Mike Kent concerning 16th section leasing practices, a true and correct copy of which may be found in the Miscellaneous Appendix to these Minutes, and

WHEREAS, Supervisor Karl M. Banks did request that supervisors review the same and acknowledge same for the record,

Mr. Karl M. Banks did move and Mr. Paul Griffin did second a motion to acknowledge receipt of said correspondence. The vote on the matter being as follows:

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

the matter carried by the unanimous vote of those present and receipt of said correspondence was and is hereby acknowledged.

SO ORDERED this the 14th day of May, 2004.

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 Date Signed: _____

In re: Authorizing of Board Attorney to Correspond with Mid State Construction Company Seeking Remedial Measures with Respect to the Circuit Court Building

WHEREAS, County Administrator Donnie Caughman did report that the Circuit Court Building was experiencing tremendous leaking and foundation problems and that the construction firm hired by the county to erect said building may be responsible for correcting such problems, and

WHEREAS, the Board does desire that the Board Attorney advise the construction firm, Mid State Construction Company, of the problems and difficulties associated with said building and demand immediate corrective measures, and

Provided the Board Attorney and his firm have no conflict of interest with respect to said firm, Mr. Karl M. Banks did move and Mr. Paul Griffin did second a motion to instruct the Board Attorney to correspond with Mid State Construction Company and to advise said company of the leaking and foundation and any other problems experienced in said building and request that remedial measures be taken. The vote on the matter being as follows:

Supervisor Douglas L. Jones	Aye
Supervisor Tim Johnson	Not Present and Not Voting ¹
Supervisor Andy Taggart	Not Present and Not Voting
Supervisor Karl M. Banks	Aye
Supervisor Paul Griffin	Aye

the matter carried by the unanimous vote of those present and the Board Attorney was and is hereby so instructed.

SO ORDERED this the 14th day of May, 2004.

In re: Opening of Bids for the Construction of Reunion Parkway Phase I, Contract 2

WHEREAS, on February 20, 2004, the Board authorized the advertisement for bids for the construction of Reunion Parkway Phase 1, Contract 2, which advertisement did set forth May 14, 2004 as the date for the opening thereof and did set forth May 6, 2004 as the date for a mandatory pre-bid conference, and

WHEREAS, a true and correct copy of said notice is attached hereto as Exhibit H, spread hereupon, and incorporated herein by reference, and

WHEREAS, County Engineer Mike McKenzie did report that due to questions raised by bidders during the pre-bid conference, additional time was needed to review the project and that he had, in accordance with statute, provided written notice to all those entities submitting bids and appearing at the aforesaid pre-bid conference that the date for the opening of said bid would be postponed until Friday, May 21, 2004 at 10:00 am,

Following discussion, Mr. Paul Griffin did move and Mr. Tim Johnson did second a motion to postpone the opening of bids for the construction of Reunion Parkway Phase I, Contract 2 until

¹Prior to the call of the question, Mr. Johnson briefly excused himself from the meeting and returned immediately thereafter.

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Friday, May 21, 2004 at 10:00 am in the Board Room of the Chancery Building, 146 West Center Street, Canton, Mississippi 39046. The vote on the matter being as follows:

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

the matter carried by the unanimous vote of those present and the bid opening pertaining to the aforesaid project was and is hereby postponed.

SO ORDERED this the 14th day of May, 2004.

In re: Improvements to (Paving of) Beach Bluff Road

WHEREAS, Mr. Eswin Dean, a resident of Madison County along Beach Bluff Road did appear before the Board and called the Board's attention to the fact that years ago the Board approved the upgrading and paving of Beach Bluff Road and that all easements necessary to grant the county sufficient right of way had been secured, and

WHEREAS, other citizens have complained to supervisors as to promises made relative to said road,

Following discussion, Mr. Paul Griffin did move and Mr. Karl M. Banks did second a motion to authorize the paving of Beach Bluff Road using Road Department funds and resources and update the County Road Plan accordingly. The vote on the matter being as follows:

Supervisor Douglas L. Jones	Aye
Supervisor Tim Johnson	Not Present and Not Voting ²
Supervisor Andy Taggart	Not Present and Not Voting
Supervisor Karl M. Banks	Aye
Supervisor Paul Griffin	Aye

the matter carried by the unanimous vote of those present and the County Road Manager was and is hereby instructed to pave Beach Bluff Road as soon as a practical and the County Road Plan was and is hereby updated accordingly.

SO ORDERED this the 14th day of May, 2004.

In re: Issuance of a General Obligation Refunding Bond, Series 2004 through the MSBond Program in an Amount not to Exceed \$12,000,000

The Board of Supervisors of Madison County, Mississippi (the "County"), took up for consideration the matter of the issuance of a General Obligation Refunding Bond, Series 2004 (MSBond Program) (the "Bond"), of said County, in the principal amount of not to exceed Twelve Million Dollars (\$12,000,000) to raise money for the purpose of providing funds for the refunding of the County's \$13,000,000 Promissory Note (Mississippi Development Bank 2001 Capital Projects and Equipment Acquisition

²Prior to the call of the question, Mr. Johnson briefly excused himself from the meeting and returned immediately thereafter.

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Program) and paying the costs of such borrowing.

The Board of Supervisors proceeded to consider certain documents necessary for the sale of the Bond to the Mississippi Development Bank as herein provided. Whereupon, the following resolution was presented, read and its adoption and passage moved by Supervisor Paul Griffin:

RESOLUTION DIRECTING THE SALE AND AWARD OF A GENERAL OBLIGATION REFUNDING BOND, SERIES 2004 (MSBOND PROGRAM), OF MADISON COUNTY, MISSISSIPPI TO BE DATED THE DATE OF DELIVERY THEREOF, IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED TWELVE MILLION DOLLARS (\$12,000,000) (THE "BOND"); APPROVING THE FORM AND EXECUTION OF A COUNTY BOND PURCHASE AGREEMENT FOR THE SALE OF THE BOND AND A BANK BONDS PURCHASE AGREEMENT FOR THE SALE OF THE NOT TO EXCEED \$12,000,000 MISSISSIPPI DEVELOPMENT BANK SPECIAL OBLIGATION BONDS, SERIES 2004 (MSBOND PROGRAM – MADISON COUNTY, MISSISSIPPI GENERAL OBLIGATION BOND PROJECT) (THE "BANK BONDS"); APPROVING AND AUTHORIZING THE FORM OF, EXECUTION AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND OFFICIAL STATEMENT PERTAINING TO THE BANK BONDS; APPROVING THE FORM OF THE TRUST INDENTURE; AND AUTHORIZING AND DIRECTING THE ISSUANCE OF THE BOND TO PROVIDE FUNDS FOR THE REFUNDING OF THE \$13,000,000 PROMISSORY NOTE (MISSISSIPPI DEVELOPMENT BANK 2001 CAPITAL PROJECTS AND EQUIPMENT ACQUISITION PROGRAM) AND PAYING THE COST OF ISSUANCE OF THE BOND AND THE BANK BONDS.

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

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1. The Governing Body did meet at its meeting place in the Madison County Courthouse in the City of Canton, Mississippi, at 9:00 o'clock A.M. on May 14, 2004.

2. At said time and place the following documents concerning the sale and purchase of the Bond were received, examined and considered by the Governing Body: (i) a County Bond Purchase Agreement, to be dated the date of delivery of the Bond, by and between the County and the Mississippi Development Bank (the "Bank"), as purchaser of the Bond; (ii) a Bank Bonds Purchase Agreement, to be dated the date of sale of the not to exceed \$12,000,000 Mississippi Development Bank Special Obligation Bonds, Series 2004 (MSBond Program -Madison County, Mississippi General Obligation Refunding Bond Project) (the "Bank Bonds"), by and among the County, the Bank and the initial purchaser of the Bank Bonds (the "Underwriter"); (iii) the Preliminary Official Statement prepared in connection with the sale of the Bank Bonds; and (iv) the Trust Indenture, to be dated the date of delivery of the Bank Bonds, by and between the Bank and Hancock Bank, as Trustee (the "Trustee") for the Bank Bonds (the "Indenture").

3. The Governing Body desires to approve providing funds for the refunding of the \$13,000,000 Promissory Note (Mississippi Development Bank 2001 Capital Projects and Equipment Acquisition Program) and paying the cost of issuance of the Bond and the Bank Bonds.

4. The Governing Body does now find, determine and adjudicate that each of the above documents regarding sale of the Bond and the Bank Bonds are in the best interest of the County and finds it necessary to approve the form of and the execution of each document, including the distribution of a Preliminary Official Statement and an Official Statement for the Bank Bonds.

5. (a) In addition to any words and terms elsewhere defined herein, the following words and terms shall have the following meanings, unless some other meaning is plainly intended:

"Act" shall mean together the County Act and the Bank Act.

"Additional Bonds" shall mean bonds, if any, issued in one or more series on a parity with the Bonds pursuant to Section 28 hereof.

"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 Governing Body, 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.

"Bank" shall mean the Mississippi Development Bank.

"Bank Act" shall mean Sections 31-25-1 *et seq.* of the Mississippi Code of 1972, as amended.

"Bank Bonds" shall mean the not to exceed \$12,000,000 Mississippi Development Bank Special Obligation Bonds, Series 2004 (MSBond Program - Madison County, Mississippi General Obligation Refunding Bond Project), authorized to be issued by the Bank pursuant to the Bank Act and the terms and conditions of the Indenture.

"Bond" shall mean the not to exceed \$12,000,000 General Obligation Refunding Bond, Series 2004 (MSBond Program), of the County authorized and directed to be issued in this Bond Resolution.

"Bond Counsel" shall mean Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Jackson, Mississippi.

"Bond Resolution" shall mean this resolution.

"County" shall mean Madison County, Mississippi.

"County Act" shall mean Sections 31-15-1 *et seq.*, Mississippi Code of 1972, as amended.

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

"Indenture" shall mean that certain Trust Indenture to be dated as of the delivery

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date of the Bank Bonds, by and between the Bank and Hancock Bank, Gulfport, Mississippi, as trustee, pursuant to which the Bank Bonds are issued. A copy of the substantial form of the Indenture is attached as **EXHIBIT E** hereto.

"Interest Payment Date" shall be the date or dates, as applicable, described in Section 3.2(g) of the Indenture as the interest payment dates of the Bank Bonds.

"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 Bond and shall initially be Hancock Bank, Gulfport, Mississippi.

"Payments" shall have the meaning given it in Section 19(b) hereof.

"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 the County.

"Project" shall mean the refunding of the \$13,000,000 Promissory Note (Mississippi Development Bank 2001 Capital Projects and Equipment Acquisition Program) and paying the cost of issuance of the Bond and the Bank Bonds.

"Record Date" shall have the meaning given to it in Section 1.01 of the Indenture.

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

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

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

"Regular Record Date" shall have the meaning given to it in Section 3.2(h) of the Indenture.

"Swap Agreement" shall mean a written agreement approved as to form and substance by the Bond Insurer, if any, between the Bank and a Swap Counterparty whereby the Bank is entitled to receive an interest rate payment on a notional amount equal to the principal amount of the Bonds outstanding at the time the Swap Agreement is executed (as such notional amount shall be reduced from time to time in accordance with the terms of the Swap Agreement), on each Swap Payment Date at an interest rate calculated in accordance with the Confirmation of the Swap Agreement, and the Bank is obligated to pay to the Swap Counterparty the Swap Payments.

"Swap Counterparty" shall mean a financial institution with debt rated, or its obligations under the Swap Agreement are guaranteed or insured by a financial institution with debt or claims paying ability which is rated "AA" category or better by S&P and "Aa" category or better by Moody's on the date the Swap Agreement is executed by the Bank and the Swap Counterparty and that is acceptable to any Bond Insurer.

"Swap Payment" shall mean, with respect to notional principal amount as established pursuant to any Swap Agreement (as reduced from time to time in accordance therewith), an amount payable to the Swap Counterparty equal to the amount of interest accruing on such notional amount at a fixed interest rate computed in accordance with the Swap Agreement, but excluding any Termination Payments.

"Swap Payment Date" shall mean the date upon which each Swap Payment is due to the Swap Counterparty or each Swap Receipt is due to the Bank, which shall be the date set forth in the Confirmation of the Swap Agreement.

"Swap Receipts" shall mean the amounts payable by the Swap Counterparty in respect of the notional principal amount pursuant to the terms of the Swap Agreement, including any Termination Payments.

"Termination Payment" shall mean an amount payable by the Bank or the Swap Counterparty upon termination or partial termination of a Swap Agreement.

"Transfer Agent" shall mean any bank, trust company or other institution hereafter designated by the Governing Body for the registration of the owner of the

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Bond and for the performance of such other duties as may be herein or hereafter specified by the Governing Body, and shall initially be Hancock Bank, Gulfport, Mississippi.

"Trustee" shall mean Hancock Bank, Gulfport, Mississippi, as trustee under the Indenture.

"2004 Bond Fund" shall mean the Madison County, Mississippi General Obligation Refunding Bond, Series 2004 (MSBond Program), 2004 Bond Fund provided for in Section 19 hereof.

(a) Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders. Unless the context shall otherwise indicate, words and terms herein defined shall be equally applicable to the plural as well as the singular form of any of such words and terms.

6. The Governing Body is authorized and empowered by the provisions of the Act to issue the Bond without an election on the question of the issuance thereof and is authorized to issue a Bond registered as to principal and interest in the form and manner hereinafter provided for by Sections 31-21-1 *et seq.* of the Mississippi Code of 1972, as amended.

7. The assessed value of taxable property within the County, according to the last completed assessment for taxation, is Seven Hundred Nineteen Million, Nine Hundred Twenty-Seven Thousand Four Hundred Forty-One Dollars (\$719,927,441); 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 Thirty Nine Million Seventy-Five Thousand Dollars (\$39,075,000), 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 Thirty-Nine Million Seventy-Five Thousand Dollars (\$39,075,000); the issuance of the Bond, 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 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.

8. The Governing Body is now fully authorized pursuant to the Act to issue the Bond of the County in the amount and for the purposes hereinafter set forth registered as to principal and interest in the form and manner hereinafter provided for.

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

SECTION 1. The Bond is hereby awarded and sold to the Bank, in accordance with the terms hereof and the County Bond Purchase Agreement submitted to the Governing Body in words and figures as provided in **EXHIBIT A** hereto. The Bank shall select an Underwriter to purchase the Bank Bonds pursuant to the terms provided in the Bank Bonds Purchase Agreement, and the County hereby approves the sale of the Bank Bonds by the Bank subject to the approval by the President of the Governing Body of the following: (i) the net interest cost on the Bank Bonds shall not exceed 13% at its initial offering; (ii) approval of the County of the final terms and conditions of the County Bond Purchase Agreement evidenced by the County's execution of such agreement, (iii) approval by the County of the proposal for the sale of the Bank Bonds evidenced by the County's execution of the Bank Bonds Purchase Agreement.

SECTION 2. The Governing Body hereby approves the form of and execution of the County Bond Purchase Agreement and hereby authorizes the

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President and the Secretary of the Governing Body to execute the County Bond Purchase Agreement on behalf of said Governing Body. All provisions of the County Bond Purchase Agreement, when executed as authorized herein, shall be incorporated herein, and shall be deemed to be part of this Bond Resolution fully and to the same extent as if separately set out verbatim herein, which said County Bond Purchase Agreement shall be in substantially the form as provided in **EXHIBIT A** hereto, with such completions, changes, insertions and modifications as shall be approved by the officers executing and delivering the same.

SECTION 3. The Governing Body hereby approves the form of and the execution of the Bank Bonds Purchase Agreement and hereby authorizes the President and the Clerk of the Governing Body to execute the Bank Bonds Purchase Agreement on behalf of said Governing Body. All provisions of the Bank Bonds Purchase Agreement, when executed as authorized herein, shall be incorporated herein, and shall be deemed to be part of this Bond Resolution fully and to the same extent as if separately set out verbatim herein, which said Bank Bonds Purchase Agreement shall be in substantially the form as provided in **EXHIBIT B** hereto, with such completions, changes, insertions and modifications as shall be approved by the officers executing and delivering the same.

SECTION 4. The form of the Preliminary Official Statement attached hereto as **EXHIBIT C** for the Bank Bonds is hereby approved and ratified in substantially the attached form with such completions, changes, insertions and modifications as shall be approved by the officers executing same. The President of the Governing Body is hereby authorized and directed to approve the final Official Statement on behalf of the Governing Body with such changes from the Preliminary Official Statement as he may approve, and, the Governing Body hereby authorizes the distribution of said Preliminary Official Statement and said final Official Statement and the use thereof by the Underwriter in connection with the public offering of the Bank Bonds.

SECTION 5. The County hereby deems the Preliminary Official Statement to be "final" as described in Rule 15c2-12(b)(1) of the Securities and Exchange Commission.

SECTION 6. If the Bank executes a commitment for the provision of municipal bond insurance for the Bank Bonds and any additional documents and certificates that are required by any provider of such municipal bond insurance selected to provide credit enhancement in connection with the issuance of the Bank Bonds, the President is hereby authorized to approve any changes, insertions and omissions as may be required by the provider of the municipal bond insurance in this Bond Resolution, the Bond or the Preliminary Official Statement as are approved by the Executive Director of the Bank evidenced by his execution of the commitment for said municipal bond insurance and other additional documents and certificates for the Bank Bonds; provided, however, that any changes required for this Bond Resolution or the Bond will be subject to the subsequent approval and ratification of the Governing Body.

SECTION 7. The County deems it most advantageous to authorize Holley, Grubbs, Mitcham & Phillips, Jackson, Mississippi, as Financial Advisor, Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Jackson, Mississippi, as Bond Counsel, and Brunini Grantham Grower & Hewes, Jackson, Mississippi as County Counsel, to provide for the competitive bid for the sale of the Bank Bonds and to approve the submission of the Bank Bonds Purchase Agreement for the sale of the Bank Bonds to the County and hereby gives authority to the President of the Governing Body to approve the sale of the Bank Bonds including the execution of the Bank Bonds Purchase Agreement (the form of which is attached hereto) as evidence thereof, for and on behalf of the County, subject to the conditions in Section 1 hereof.

SECTION 8. In consideration of the purchase and acceptance of the Bond by those who shall hold the same from time to time, this Bond Resolution shall

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constitute a contract between the County and the Registered Owner from time to time of the Bond. 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 Owner shall be for the benefit, protection and security of the Registered Owner of the Bond.

SECTION 9. The Bond is hereby authorized and ordered to be prepared and issued in the principal amount of not to exceed Twelve Million Dollars (\$12,000,000) to raise money for the Project as authorized by the Act.

SECTION 10. (a) Payments of interest and principal on the Bond shall be made to the Regular Record Date Registered Owner in lawful money of the United States of America.

(b) The Bond shall be registered as to both principal and interest; shall be dated the date of delivery thereof; shall be issued in a single denomination equal to the principal amount thereof; shall be numbered one; shall bear interest from the date thereof at the rate or rates borne by the Bank Bonds (as provided in the Indenture), payable on an Interest Payment Date; and shall mature and become due and payable in the same manner and at the same dates and times as provided for the Bank Bonds in the Indenture.

(a) The Bond is subject to redemption at the option of the County and scheduled mandatory redemption prior to maturity thereof only at the times, to the extent, in the manner and in the amounts that the Bank Bonds are subject to optional and mandatory redemption as provided in Article IV of the Indenture. The County shall provide proper notices to the Bank and the Trustee as provided in Section 4.05 of the Indenture in the event the County elects to redeem the Bond or any portion thereof, and redemption of the Bond or portion thereof shall be as provided in said Article IV. It is intended that redemption of the Bond may only occur through the processes provided in the Indenture, and the County hereby accepts such redemption provisions by this reference.

(b) Notice of redemption identifying the portion of the Bond to be redeemed shall be given to the Registered Owner thereof by first class mail at least thirty (30) days and not more than forty-five (45) days prior to the date fixed for redemption. From and after such redemption date, interest with respect to such portion the Bond to be redeemed will cease to accrue.

(c) So long as any Swap Agreement is in effect, no optional redemption of Bonds pursuant to Article IV of the Indenture shall be effected unless any Termination Payment due in respect of such termination of the Swap Agreement has been paid by the County as a payment under this Bond Resolution pursuant to the Indenture in accordance with the provisions of Article IV of the Indenture and in accordance with the provisions of the Swap Agreement.

SECTION 11. (a) When the Bond shall have been validated and executed as herein provided, it shall be registered as an obligation of the County by the Clerk in a record maintained for that purpose, and the Clerk shall cause to be imprinted upon the Bond, over his manual or facsimile signature and manual or facsimile seal, his certificate in substantially the form attached hereto as **EXHIBIT D**.

(b) The Bond 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 Bond, 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 Bond 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 Bond shall be delivered to the Bank upon payment of the purchase price therefor in accordance with the terms and conditions of the

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Indenture, together with a complete certified transcript of the proceedings had and done in the matter of the authorization, issuance, sale and validation of the Bond, and the final, unqualified approving opinion of Bond Counsel, which opinion shall be imprinted on or attached to the Bond.

(d) Prior to or simultaneously with the delivery of the Bond by the Transfer Agent, 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 Bond; and

(ii) An authorization to the Transfer Agent, signed by the President, to authenticate and deliver the Bond to the Bank.

(e) At delivery, the Transfer Agent shall authenticate the Bond and deliver it to the Bank thereof upon payment of the purchase price of the Bond to the County.

SECTION 12. (a) The County hereby appoints Hancock Bank, Gulfport, Mississippi, as the Paying Agent, Trustee and Transfer Agent for the Bond. The County specifically reserves the right to hereafter designate a separate Paying Agent, Transfer Agent and/or Trustee in its discretion, subject, however to the terms and conditions of the Indenture, as hereinafter provided.

(b) So long as the Bond shall remain outstanding, the County shall maintain with the Transfer Agent records for the registration and transfer of the Bond. The Transfer Agent is hereby appointed registrar for the Bond, 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, the Bond if entitled to registration or transfer.

(a) 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.

(b) (i) An Agent may at any time resign and be discharged of the duties and obligations of the function of the Trustee, Paying Agent and Transfer Agent pursuant to the terms and conditions stated in the Indenture.

(ii) In the event of the resignation or removal of the Agent, a successor Agent shall be selected as provided in the Indenture.

(iii) In the event of a change of Agent, 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, list of Registered Owner and all other records, documents and instruments relating to its duties as such Agent.

(iv) The provisions of the Indenture shall govern the acceptance of any appointment of a successor Agent.

(v) 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.

(vi) The County will provide any successor Agent with certified

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copies of all resolutions, orders and other proceedings adopted by the Governing Body relating to the Bond.

(vii) 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.

SECTION 13. The Bond shall be in substantially the form attached hereto and made a part hereof as **EXHIBIT D**, with such appropriate variations, omissions and insertions as are permitted or required by this Bond Resolution.

SECTION 14. In case the 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 the Bond was stolen, destroyed or lost, and of its 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 15. For the purpose of effectuating and providing for the payment of the principal of and interest on the Bond 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, premium, if any, and the interest on the Bond and any additional obligations of the County under the Indenture. 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, premium, if any, and interest on the Bond and any additional obligations of the County as aforesaid 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 Owner of the Bond in any subsequent year to have adequate taxes levied and collected to meet all of the aforesaid obligations of the Bond.

SECTION 16. Only if the Bond shall have endorsed thereon a certificate of registration and authentication in substantially the form hereinabove set forth, duly executed by the Transfer Agent, shall the Bond be entitled to the rights, benefits and security of this Bond Resolution. The Bond shall not 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 the 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 the Bond that may be issued hereunder.

SECTION 17. Ownership of the Bond shall be in the Bank or its assignee. The Person in whose name the 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 the 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 the Bond to the extent of the sum or sums so paid.

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SECTION 18. The Bond shall be transferable only as provided in the Indenture. Upon the transfer of the Bond, the County, acting through its Transfer Agent, shall issue in the name of the transferee a new Bond of the same aggregate principal amount and maturity and rate of interest as the surrendered Bond.

SECTION 19. (a) The County hereby establishes the 2004 Bond Fund that shall be maintained with a qualified depository in its name for the payment of the principal of and interest on the Bond, and the payment of Agents' fees in connection therewith. There shall be deposited into the 2004 Bond Fund as and when received:

(i) The avails of any of the ad valorem taxes levied and collected pursuant to Section 15 hereof;

(ii) Any income received from investment of monies in the 2004 Bond Fund; and

(iii) Any other funds available to the County that may be lawfully used for payment of the principal of, premium, if any, and interest on the Bond or for other obligations of the County that may be due under the Indenture, and which the Governing Body, in its discretion, may direct to be deposited into the 2004 Bond Fund.

(b) As long as any principal of, premium, if any, and interest on the Bond or the Bank Bonds remain outstanding and/or other obligations of the County remain outstanding under the Indenture, the Secretary is hereby irrevocably authorized and directed to withdraw from the 2004 Bond Fund sufficient monies to make the payments necessary (the "Payments") to pay (i) the principal of, premium, if any, and interest coming due on the Bank Bonds, and (ii) any additional Payments necessary and required as obligations of the County under the Indenture, and to transfer same to the account of the Trustee in time to reach the Trustee at least five (5) days prior to the date on which said interest or principal and interest or premium, if any, on the Bank Bonds shall become due. The Trustee shall deposit all Payments received in the General Account of the General Fund of the Indenture, or such other fund or account in the Indenture as so directed in the Indenture.

(c) The County further agrees to pay to the Trustee for the account of the Purchaser an amount equal to Swap Payments, Termination Payments and any other obligations of the Purchaser under the Swap Agreement, in the amounts and in the manner provided in the Swap Agreement and the Indenture, all in order that the Purchaser can cause amounts to be deposited in the Swap Account of the Debt Service Fund under the Indenture for the payment of Swap Payments, any Termination Payment under the Swap Agreement and to pay any other amounts due under the Swap Agreement. Any payment to be made by the County under this paragraph shall be an additional obligation of the County to be paid in accordance with provisions of the first paragraph of this Section 8.

SECTION 20. A portion of the principal proceeds received upon the sale of the Bond shall be remitted for the current refunding of the \$13,000,000 Promissory Note (Mississippi Development Bank 2001 Capital Projects and Equipment Acquisition Program) and paying the cost of issuance of the Bond and the Bank Bonds on the Closing Date of the Bonds or on another date as directed by the County. The balance of the proceeds of the sale of the Bond shall be retained by the Bank and deposited with the Trustee under the Indenture for the payment of costs of issuance for the Bank Bonds and the Bond.

SECTION 21. (a) Payment of principal on the Bond shall be made to the Regular Record Date Registered Owner thereof who shall appear in the registration records of the County maintained by the Transfer Agent as of the Regular Record Date.

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

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(c) Principal of and interest on the Bond shall be paid by check or draft mailed on an Interest Payment Date to the Registered Owner 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 and at the times as may be subsequently prescribed by the Transfer Agent.

SECTION 22. The Bond shall be submitted to validation as provided by Chapter 13, Title 31, Mississippi Code of 1972, and to that end the Secretary is hereby directed to make up a transcript of all legal papers and proceedings relating to the Bond and to certify and forward the same to the State's Bond Attorney for the institution of validation proceedings.

SECTION 23. The County hereby covenants that it will not make any use of the proceeds of the Bond or do or suffer any other action that would cause: (I) the Bank 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 Bank Bonds to be included in the gross income of the registered owners thereof for federal income taxation purposes; or (iii) the interest on the Bank Bonds to be treated as an item of tax preference under Section 57(a)(5) of the Code.

SECTION 24. The County represents as follows:

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

(b) The County shall take all necessary action to have the Bank Bonds registered within the meaning of Section 149(a) of the Code; and

(c) The County will not employ any device or abusive transaction with respect to the investment of the proceeds of the Bank Bonds and, to the extent necessary, the Bond.

SECTION 25. 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 Bond and the Bank 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 Governing Body of the County, and each succeeding fifth "bond year"), and within sixty (60) days of the date the Bond 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 Bank Bonds and the Bond, 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 Bank Bonds and the Bond, 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 Bond and/or the Bank 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

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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".

SECTION 26. The Bond shall be sold to the Bank based on the terms and conditions of the sale of the Bank Bonds by the Bank to the Underwriter. The Bank Bonds are being sold by competitive bid, the result of which shall be approved by the President of the Governing Body.

SECTION 27. The County hereby agrees for the benefit of the holder and beneficial owner of the Bond for so long as it remains obligated to advance Payments to pay the Bond 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 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 A and B 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 2004. 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 June 30. Accordingly, it must provide updated information by December 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 Secretary of the Governing Body, at P.O. Box 369, Goodman, Mississippi 39079 and at Telephone Number: (662) 472-9013.

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 Bond, if such event is material to a decision to purchase or sell the Bond: (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 Bank Bonds; (7) modifications to rights of holder of the Bond; (8) Bond calls; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bond; and (11) rating changes. This Bond Resolution makes no 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

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above under paragraphs 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 the holder of the Bond only if the holder complies 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 the Bond at any future date. The County disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although the holder or beneficial owner of the Bond 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 Bond, 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 Bond Counsel to the effect that the amendment does not materially impair the interests of the holder and beneficial owner of the Bond. 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 28. The County may issue Additional Bonds in one or more series with the consent of the Bank pursuant to a supplement to this Bond Resolution to provide funds for approved projects of the County so long as: (a) no default has occurred and is continuing under this Bond Resolution or the Indenture; and (b) there shall have been filed with the Trustee an opinion of Bond Counsel that the exclusion from gross income for federal income tax purposes of interest on the Bank Bonds then outstanding under the Indenture shall not be adversely affected.

Such series of Additional Bonds shall be appropriately designated, shall be dated, shall bear interest at a rate or rates not exceeding the maximum rate then permitted by law, shall be numbered, shall have such paying agents and shall have such maturities and redemption provisions, all as may be provided in the supplement to this Bond Resolution or separate resolution authorizing the issuance of such series of Additional Bonds.

Refunding Bonds may be issued under and secured by a supplement to this Bond Resolution for the purpose of providing funds for the refunding of the Bond and Additional Bonds, upon compliance with the provisions above.

It is intended that this Section 28 allow for the provision of Additional Bonds and Refunding Bonds commensurate with the ability of the Bank to issue additional Bank Bonds and refunding Bank Bonds as provided in Article II of the Indenture.

SECTION 29. (a) The Bank and the County, with the consent of the Trustee with respect to Sections 29(a), (iv) and (v) hereof, but without the consent of the owners of any of the Bank Bonds outstanding under the Indenture, may enter into supplements to this Bond Resolution that shall not be inconsistent with the terms and provisions hereof for any of the purposes heretofore specifically authorized in this Bond Resolution or the Indenture, and in addition thereto for the following purposes:

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(i) To cure any ambiguity or formal defect, inconsistency or provide omitted language in this Bond Resolution or to clarify matters or questions arising hereunder;

(ii) To add covenants and agreements for the purpose of further securing the obligations of the County hereunder;

(iii) To confirm as further assurance any mortgage or pledge of additional property, revenues, securities or funds;

(iv) To conform the provisions of this Bond Resolution in connection with the provisions of any supplements or amendments to the Indenture entered into pursuant to the provisions of Section 12.1 thereof,

(v) To provide any other modifications which, in the sole judgment of the Trustee, are not prejudicial to the interests of the holders of the Bank Bonds; or

(vi) To conform the covenants and provisions of the County contained herein to any different financial statement presentation required by the Financial Accounting Standard Board that is different than the presentation required as of the date of issuance of the Bond, so long as the effect of such conformed covenants and provisions is substantially identical to the effect of the covenants and provisions as in effect on the date of issuance of the Bond.

(b) The provisions of this Bond Resolution may be amended in any particular with the written consent of the Bank and the owners of not less than a majority of the aggregate principal amount of Bank Bonds then outstanding; provided, however, that no such amendment may be adopted that decreases the percentage of owners of Bank Bonds required to approve any amendment, or which permits a change in the date of payment of the principal of or interest on any Bank Bonds or of any redemption price thereof or the rate of interest thereon.

(c) If at any time the Bank and the County shall request the Trustee to consent to a proposed amendment for any of the purposes of this Section 29, the Trustee shall, upon being satisfactorily indemnified with respect to expenses, cause notice of the proposed execution of such proposed amendment to be given in the manner required by the Indenture to redeem Bank Bonds. Such notice shall briefly set forth the nature of the proposed amendment and shall state that copies thereof are on file at the principal corporate trust office of the Trustee for inspection by all holders of Bank Bonds. If, within ninety (90) days or such longer period as shall be prescribed by the Bank following such notice, the owners of not less than a majority in aggregate principal amount of the Bank Bonds outstanding at the time of the execution of any such proposed amendment shall have consented to and approved the execution thereof as herein provided, no owner of any Bank Bond shall have any right to object to any of the terms and provisions contained therein, or the operation thereof, or in any manner to question the propriety of the execution thereof, or to enjoin or restrain the Trustee, the County or the Bank from executing or approving the same or from taking any action pursuant to the provisions thereof. Upon the execution of any such proposed amendment as in this Section permitted and provided, this Bond Resolution shall be and be deemed to be modified and amended in accordance therewith.

(d) Copies of any such supplement or amendment shall be filed with the Trustee and delivered to the Bank and the County before such supplement or amendment may become effective.

(e) No supplemental agreement or amendment shall be executed and delivered pursuant hereto without prior written notice having been given by the County to any rating agency carrying a rating on the Bond of the County's intention to execute such supplemental agreement or amendment not less than 15 days in advance of the execution of said supplemental agreement or amendment.

President's Initials: _____

Date Signed: _____

SECTION 30. The President and Clerk and any other Authorized Officers of the Governing Body are authorized to execute and deliver such resolutions, agreements, certificates and other documents as our required for the sale, issuance and delivery of the Bond.

SECTION 31. The County hereby approves and acknowledges the Indenture and the terms and provisions thereof in the form attached as **EXHIBIT E** to this Bond Resolution and recognize that many items governing the terms and conditions of the Bond are based upon terms, limitations and conditions provided in the attached Indenture.

SECTION 32. The form of the Continuing Disclosure Agreement in the form submitted to this meeting as **EXHIBIT F** and made a part of this Bond Resolution as though set forth in full herein shall be, and the same hereby is, approved in substantially said form. The President and the Secretary are hereby authorized and directed to execute and deliver the Continuing Disclosure Agreement with such changes, insertions and omissions as may be approved by such officers, said agreement and execution being conclusive of such approval, including the final approval.

SECTION 33. 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.

Supervisor Karl M. Banks 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 Timothy Johnson	voted: AYE
Supervisor Andrew Taggart	voted: Not Present and Not Voting
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 declared the motion carried and the resolution adopted on this the 14th day of May, 2004.

**EXHIBIT A TO THIS RESOLUTION ENTITLED
"COUNTY BOND PURCHASE AGREEMENT"
MAY BE FOUND IN THE MISCELLANEOUS APPENDIX TO THESE MINUTES**

**EXHIBIT B TO THIS RESOLUTION ENTITLED
"BANK BONDS PURCHASE AGREEMENT"
MAY BE FOUND IN THE MISCELLANEOUS APPENDIX TO THESE MINUTES**

**EXHIBIT C TO THIS RESOLUTION, ENTITLED
"PRELIMINARY OFFICIAL STATEMENT"
MAY BE FOUND IN THE MISCELLANEOUS APPENDIX TO THESE MINUTES**

**EXHIBIT D TO THS RESOLUTION, ENTITLED
"FORM OF THE BOND"
MAY BE FOUND IN THE MISCELLANEOUS APPENDIX TO THESE MINUTES**

President's Initials: _____

Date Signed: _____

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**EXHIBIT E TO THIS RESOLUTION, ENTITLED
“FORM OF THE INDENTURE”
MAY BE FOUND IN THE MISCELLANEOUS APPENDIX TO THESE MINUTES**

**EXHIBIT F TO THIS RESOLUTION, ENTITLED
“FORM OF THE CONTINUING DISCLOSURE AGREEMENT”
MAY BE FOUND IN THE MISCELLANEOUS APPENDIX TO THESE MINUTES**

***In re: Authorization of Board President to Execute Invoice
to Mississippi Department of Correction***

WHEREAS, Sheriff Toby Trowbridge did appear before the Board requesting that the Board President be authorized to issue and execute an invoice in the amount of \$24,500 to the Mississippi Department of Corrections seeking compensation for housing state prisoners, a true and correct copy of which invoice may be found in the Miscellaneous Appendix to these Minutes,

Following discussion, Mr. Paul Griffin did move and Mr. Karl M. Banks did second a motion to authorize the Board President to issue and execute an invoice in the amount of \$24,500 to the Mississippi Department of Corrections seeking compensation for housing state prisoners. The vote on the matter being as follows:

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

the matter carried by the unanimous vote of those present and the Board President was and is hereby so authorized.

SO ORDERED this the 14th day of May, 2004.

In re: Proclamation Concerning Memorial Day

**A PROCLAMATION
MEMORIAL DAY
May 31, 2004**

WHEREAS, in 1971 Congress designated the last Monday in May as “Memorial Day” to recognize every military person who died in service to our nation; and

WHEREAS, Memorial Day is our most solemn day; and

WHEREAS, today we honor the men and women who made the supreme sacrifice to protect the ideals they died for so their sacrifice will not be in vain; and

NOW THEREFORE, we, the Board of Supervisors of Madison County, by virtue of the authority vested in us, do hereby proclaim May 31, 2004 as “Memorial Day in Madison

**President’s Initials: _____
Date Signed: _____**

County.”

FURTHERMORE, we urge all citizens of this county to celebrate this day with prayer and ceremonies showing respect for American veterans. We also urge that all American flags be flown at half-staff on Memorial Day and that the hour beginning at 11:00 am be a time to unite in prayer for permanent peace. In light of the war on terrorism, let us also hold high in our prayers, those who are defending and protecting our Country, our freedom and our way of life.

Mr. Tim Johnson did move and Mr. Paul Griffin did second a motion to adopt the above and foregoing Proclamation. The vote on the matter being as follows:

Supervisor Douglas L. Jones	Aye
Supervisor Tim Johnson	Aye
Supervisor Andy Taggart	Not Present and Not Voting
Supervisor Karl M. Banks	Not Present and Not Voting ³
Supervisor Paul Griffin	Aye

the matter carried by the unanimous vote of those present and said Proclamation was and is hereby adopted.

SO ORDERED this the 14th day of May, 2004.

In re: Re-Appointment of Robert Martin and Reuben Myers to the Board of Directors of the Madison County Human Resource Agency

WHEREAS, Supervisor Karl M. Banks did announce his desire to re-appoint Reuben Myers as the District 4 representative to the Board of Directors of the Madison County Human Resource Agency, and

WHEREAS, Supervisor Paul Griffin did announce his desire to re-appoint Robert Martin as the District 5 representative to the Board of Directors of the Madison County Human Resource Agency,

Mr. Paul Griffin did move and Mr. Karl M. Banks did second a motion to re-appoint Reuben Myers and Robert Martin to serve new terms as representatives of District 4 and 5 respectively to the Board of Directors of the Madison County Human Resource Agency. The vote on the matter being as follows:

Supervisor Douglas L. Jones	Aye
Supervisor Tim Johnson	Not Present and Not Voting ⁴
Supervisor Andy Taggart	Aye ⁵
Supervisor Karl M. Banks	Aye
Supervisor Paul Griffin	Aye

the matter carried by the unanimous vote of those present and Reuben Myers and Robert Martin

³Prior to the call of the question, Mr. Banks briefly excused himself from the meeting and returned immediately thereafter.

⁴Prior to the call of the question, Mr. Johnson briefly excused himself from the meeting and returned immediately thereafter.

⁵Mr. Taggart arrived prior to the call of the question.

President's Initials: _____

Date Signed: _____

were and are hereby re-appointed to serve new terms as representatives of District 4 and 5 respectively to the Board of Directors of the Madison County Human Resource Agency.

SO ORDERED this the 14th day of May, 2004.

In re: Appointment of Connie Thomas to the Madison County Library Commission

WHEREAS, Supervisor Andy Taggart did announce his desire to appoint Connie Thomas as the representative from District 3 to the Madison County Library Commission to fill the unexpired term of Sandra Vance,

Mr. Andy Taggart did move and Mr. Karl M. Banks did second a motion to appoint Ms. Connie Thomas as the representative from District 3 to the Madison County Library Commission to fill the unexpired term of Sandra Vance. The vote on the matter being as follows:

Supervisor Douglas L. Jones	Aye
Supervisor Tim Johnson	Not Present and Not Voting
Supervisor Andy Taggart	Aye
Supervisor Karl M. Banks	Aye
Supervisor Paul Griffin	Not Present and Not Voting ⁶

the matter carried by the unanimous vote of those present and Ms. Thomas was and is hereby appointed to fill an unexpired term on the Madison County Library Commission, said term expiring in July, 2006.

SO ORDERED this the 14th day of May, 2004.

THERE BEING NO FURTHER BUSINESS to come before the Board of Supervisors of Madison County, Mississippi, upon motion duly made by Supervisor Andy Taggart and seconded by Supervisor Karl M. Banks and approved by the unanimous vote of those present, the meeting of the Board of Supervisors was recessed until Friday, May 21, 2004, at 9:00 am for purposes of conducting certain public hearings as noticed by publication and any other business which may properly come before the Board.

Douglas L. Jones, President
Madison County Board of Supervisors

Date signed: _____

ATTEST:

Arthur Johnston, Chancery Clerk

⁶Prior to the call of the question, Mr. Griffin excused himself from the meeting.

President's Initials: _____
Date Signed: _____

President's Initials: _____

Date Signed: _____