

**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 THE COUNTY'S TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013 (THE "BONDS"), TO RAISE MONEY TO PROVIDE FUNDS FOR THE ADVANCED REFUNDING OF ALL OR CERTAIN OUTSTANDING MATURITIES OF THE COUNTY'S GENERAL OBLIGATION REFUNDING BONDS, SERIES 2006, DATED OCTOBER 18, 2006, ISSUED IN THE ORIGINAL AGGREGATE PRINCIPAL AMOUNT OF \$17,990,000; AUTHORIZING AND APPROVING THE ISSUANCE OF THE BONDS; APPROVING THE FORM OF AND EXECUTION OF A BOND PURCHASE AGREEMENT FOR THE SALE OF THE BONDS; APPROVING AND AUTHORIZING THE FORM OF, EXECUTION OF AND DISTRIBUTION OF AN OFFICIAL STATEMENT PERTAINING TO THE BONDS; APPROVING THE FORM OF AND EXECUTION OF AN ESCROW AGREEMENT IN CONNECTION WITH THE REFUNDING PROJECT; AND FOR RELATED PURPOSES.**

**WHEREAS**, the Board of Supervisors of Madison County, Mississippi (the "Board of Supervisors"), acting for and on behalf of Madison County, Mississippi (the "County"), desires to authorize, pursuant to authority under Sections 31-27-1 et seq., Mississippi Code of 1972, as amended (the "Refunding Act"), the sale of Taxable General Obligation Refunding Bonds, Series 2013 (the "Bonds"), of the County for the purpose of providing funds for (i) the advanced refunding of all or certain outstanding maturities of the County's General Obligation Refunding Bonds, Series 2006, dated October 18, 2006 (the "2006 Bonds"), issued in the original aggregate principal amount of \$17,990,000, including but not limited to the 2006 Bonds maturing June 1 in the years 2013 through 2026, both inclusive (together, as the case may be, the "Refunded Bonds"), and (ii) paying the costs of such borrowing; and

**WHEREAS**, the Board of Supervisors recognizes that the current low interest rate environment provides an opportunity to realize savings from the issuance of the Bonds; and the Board of Supervisors further realizes that the Board of Supervisors must move expeditiously to accomplish the greatest savings possible by the issuance of the Bonds. In that the municipal bond market is volatile, the Board of Supervisors desires to authorize negotiation of the terms of the sale of the Bonds to Stephens Inc. (the "Underwriter"), subject to the satisfaction of the conditions as hereinafter set forth, and authorize the President and Clerk of the Board of Supervisors of the County to execute a Bond Purchase Agreement, the form of which is attached hereto (the "Bond Purchase Agreement"), prior to a scheduled meeting of the Board of Supervisors in order to maximize the savings to the County regarding the issuance of the Bonds; and

**WHEREAS**, it is necessary to approve the execution of the Preliminary Official Statement to be dated the date of distribution thereof (the "Preliminary Official Statement") for the sale of the Bonds and the distribution thereof to prospective purchasers of the Bonds; and

**WHEREAS**, it is necessary to approve the form of and execution of a Bond Purchase Agreement with regard to the sale of the Bonds; and

**WHEREAS**, it is necessary to approve the form of, execution of and distribution of an Official Statement, to be dated the date of execution of the Bond Purchase Agreement (the “Official Statement”) for the Bonds; and

**WHEREAS**, in order to prepare the necessary offering documents for said Bonds it is in the best interest of the County to authorize the law firm of Butler, Snow, O’Mara, Stevens & Cannada, PLLC, Ridgeland, Mississippi, as Bond Counsel, Government Consultants, Inc., Jackson, Mississippi, as Financial Advisor, Mike Espy, PLLC, Jackson, Mississippi, as the County’s Counsel, and Stephens Inc., as Underwriter, to prepare and distribute all necessary documents and to do all things required in order to negotiate the sale of the Bonds and effectuate the issuance of such Bonds; and

**WHEREAS**, it is necessary to approve the form of and execution of an escrow agreement (the “Escrow Agreement”) with regard to the Refunded Bonds; and

**WHEREAS**, it is necessary to approve the appointment of Trustmark National Bank, Jackson, Mississippi, as escrow agent (the “Escrow Agent”), under the terms and provisions of the Escrow Agreement; and

**WHEREAS**, the Board of Supervisors of the County desires to authorize the Chancery Clerk of the County, the Escrow Agent and/or Butler, Snow, O’Mara, Stevens & Cannada, PLLC, Ridgeland, Mississippi (“Bond Counsel”), in making the initial application to the Department of the Treasury, Bureau of Public Debt, Division of Special Investments, Parkersburg, West Virginia for United States Treasury Securities - State and Local Government Series (the “SLGS”), if necessary, or other required investments, to make provisions for the investment of funds as required under the Escrow Agreement; and

**WHEREAS**, the Board of Supervisors of the County desires to authorize the Escrow Agent to prepare and submit the final application for the SLGS or other investments, as necessary, prior to the issuance of the Bonds; and

**WHEREAS**, if SLGS are not purchased to provide for the investment required under the Escrow Agreement, the Board of Supervisors of the County desires to authorize the purchase of securities as authorized in Section 4(e) of the bond resolution of the County dated September 25, 2006 and adopted in connection with the issuance of the 2006 Bonds, and to authorize any procedures necessary in connection therewith, to make provisions for the investment of funds as required under the Escrow Agreement.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Supervisors of Madison County, Mississippi, acting for and on behalf of the County, as follows:

**SECTION 1.** That the Board of Supervisors of the County hereby authorizes the President and the Clerk of the Board of Supervisors and Government Consultants, Inc., Jackson, Mississippi, as Financial Advisor, to negotiate the terms for the sale of the Bonds to the Underwriter and approves the form of the Bond Purchase Agreement attached hereto as

**EXHIBIT A** and authorizes the execution by the President and/or Clerk of the Board of Supervisors of the Bond Purchase Agreement in substantially the same form, for and on behalf of the County, with such completions, changes, insertions and modifications as shall be approved by the officers or officer executing and delivering the same (the execution thereof shall constitute conclusive evidence approval of any such completions, changes, insertions and modifications), under the following conditions: (1) the par amount of the Bonds will not exceed \$18,000,000; (2) the net interest cost of the Bonds will not exceed 5.00%; (3) the Bonds will mature no later than June 1, 2026; (4) the issuance of the Bonds will not result in an overall net present value savings to maturity of less than two percent (2%) on the Refunded Bonds which overall net present value savings to maturity on the Refunded Bonds of not less than two percent (2%) meets or exceeds the requirements of Section 31-27-13 of the Refunding Act; and (5) terms and provisions of the Bonds in compliance with the Refunding Act.

**SECTION 2.** That the Board of Supervisors of the County hereby approves, adopts and ratifies the Preliminary Official Statement for the sale of the Bonds in substantially the form attached hereto as **EXHIBIT B**, with such changes and amendments as approved by the President of the Governing Body and/or the Chancery Clerk of the County executing the same (the execution thereof shall constitute approval of any completions, changes, insertions or modifications). The County hereby deems the Preliminary Official Statement to be “final” as required by Rule 15c2-12(b)(1) of the Securities and Exchange Commission (the “Rule”).

**SECTION 3.** That the distribution of copies of said Preliminary Official Statement by the Underwriter to prospective purchasers of the Bonds is hereby authorized and approved.

**SECTION 4.** That the Board of Supervisors hereby approves the refunding of the Refunded Bonds and the optional redemption of the 2006 Bonds maturing after June 1, 2016, at par, provided that the exact maturities of the 206 Bonds to be refunded and called will be determined at the time of the sale of the Bonds and provided in the Bond Purchase Agreement as required in Section 1 hereof.

**SECTION 5.** That the County hereby certifies that it is in compliance with the continuing disclosure requirements of the Rule in connection with all applicable bond issues sold, issued and delivered by the County since July 1, 1995 and authorizes the President and Clerk of the Board of Supervisors to execute the Certificate of the Board of Supervisors of Madison County, Mississippi, attached hereto as **EXHIBIT C**, in connection with the disclosure requirements regarding the distribution of the above referenced Preliminary Official Statement to prospective purchasers of the Bonds.

**SECTION 6.** Upon the execution of the Bond Purchase Agreement, the President and/or Clerk of the Board of Supervisors are hereby authorized and directed to cause to be prepared and to execute a final Official Statement in connection with the Bonds in substantially the form of the Preliminary Official Statement, subject to minor amendments and supplement as approved by the President and/or Clerk of the Board of Supervisors executing same (the execution thereof shall constitute approval of any such completions, changes, insertions and modifications).

**SECTION 7.** The Board of Supervisors, acting for and on behalf of the County, hereby authorizes the President and Clerk of the Board of Supervisors to execute and deliver the

Municipal Securities Rulemaking Board G-17 Disclosure with the Underwriter, in the form submitted to this meeting and attached hereto as **Exhibit D**.

**SECTION 8.** That the Board of Supervisors hereby approves the form of the Escrow Agreement attached hereto as **EXHIBIT E** for and on behalf of the County and authorizes the execution by the President and/or Clerk of the Board of Supervisors of an Escrow Agreement in substantially the same form for and on behalf of the County and the Board of Supervisors.

**SECTION 9.** The Board of Supervisors herein employs the law firm of Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Ridgeland, Mississippi, as Bond Counsel, Government Consultants, Inc., Jackson, Mississippi, as Financial Advisor, Mike Espy, PLLC, Jackson, Mississippi, as the County's Counsel, and Stephens Inc., as Underwriter, and authorizes them to prepare and distribute all necessary documents and to do all things required in order to negotiate the sale of the Bonds and effectuate the issuance of such Bonds. No fee will be due to Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Government Consultants, Inc., or Stephens Inc. unless the Governing Body approves the sale and issuance of said Bonds.

**SECTION 10.** That the Board of Supervisors hereby approves the appointment of Trustmark National Bank as Escrow Agent under the terms and provisions of the Escrow Agreement.

**SECTION 11.** The Board of Supervisors hereby authorizes the Chancery Clerk, the Escrow Agent and/or Bond Counsel in making the initial application with the Department of the Treasury, Bureau of Public Debt, Division of Special Investments, Parkersburg, West Virginia for United States Treasury Securities - State and Local Government Series (the "SLGS").

**SECTION 12.** The Board of Supervisors authorizes the preparation and submission of the final application for SLGS by the Escrow Agent.

**SECTION 13.** If the County determines, following consultation with the County's financial advisor, that it may be more prudent not to purchase SLGS to provide for the investment required under the Escrow Agreement, the Board of Supervisors of the County hereby further authorizes the purchase of securities as authorized in Section 4(e) of the bond resolution of the County dated September 25, 2006 and adopted in connection with the issuance of the 2006 Bonds, and authorizes any procedures necessary in connection therewith, to make provisions for the investment of funds as required under the Escrow Agreement

**SECTION 14.** The President and/or Clerk of the Board of Supervisors or any other authorized officer of the Board of Supervisors, be, and they are hereby authorized and directed for and on behalf of the County, to take any and all such actions as may be required by the County to carry out and to give effect to the aforesaid documents authorized pursuant to this resolution and to execute all papers, documents, certificates and other instruments that may be required for the carrying out of the authority conferred by this resolution in order to evidence said authority.

**SECTION 15.** All orders, resolutions or proceedings of the Board of Supervisors in conflict with any provision hereof shall be, and the same are hereby repealed, rescinded and set

aside, but only to the extent of such conflict. For cause, this resolution shall become effective upon the adoption hereof.

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

Supervisor John Bell Crosby	voted: _____
Supervisor Ronny Lott	voted: _____
Supervisor Gerald Steen	voted: _____
Supervisor Paul Griffin	voted: _____
Supervisor Karl Banks	voted: _____

The motion having received the affirmative vote of a majority of the members present, the President declared the motion carried and this resolution adopted this the 19<sup>th</sup> day of February, 2013.

---

**PRESIDENT, BOARD OF SUPERVISORS**

**ATTEST:**

---

**CLERK, BOARD OF SUPERVISORS**

**(SEAL)**

**EXHIBIT A**  
**FORM OF BOND PURCHASE AGREEMENT**

**EXHIBIT B**

**FORM OF PRELIMINARY OFFICIAL STATEMENT**

**EXHIBIT C**

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

This certificate is executed in order to evidence compliance with the continuing disclosure requirements of Securities and Exchange Commission Rule 15c2-12, as amended (the "Rule"). All terms used herein and not defined herein shall have the meaning set forth in the Rule. Madison County, Mississippi (the "County"), hereby certifies as follows:

- (1) The County is required to provide certain financial information and operating data to several nationally recognized municipal securities information repositories under any Continuing Disclosure Agreement(s) executed in connection with any applicable bond issues sold, issued and delivered since July 1, 1995.
- (2) The County has fulfilled its obligations under all Continuing Disclosure Agreement(s) executed in connection with any applicable bond issues sold, issued and delivered since July 1, 1995.
- (3) A copy of the submission by the County required under the Rule for any applicable bond issues sold, issued and delivered by the County since July 1, 1995 is on file at the offices of the Clerk of the Board of Supervisors.

**IN WITNESS WHEREOF**, we have hereunto subscribed our respective official signatures and impressed hereon the seal of Madison County, Mississippi, this the 19<sup>th</sup> day of February, 2013.

**MADISON COUNTY, MISSISSIPPI**

\_\_\_\_\_  
President, Board of Supervisors

**ATTEST:**

\_\_\_\_\_  
Clerk, Board of Supervisors

(SEAL)



**EXHIBIT D**

**MSRB G-17 DISCLOSURE**

**EXHIBIT E**

**FORM OF ESCROW AGREEMENT**

ButlerSnow 15386292v1

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. This Preliminary Official Statement is deemed final by the issuer of these securities within the meaning of Rule 15(c)(2)-12 of the Securities Exchange Act of 1934 for the purposes of such rule.

## PRELIMINARY OFFICIAL STATEMENT

Dated \_\_\_\_\_, 2013

ONE NEW ISSUE/BOOK-ENTRY-ONLY

RATING: Moody's: "Aa2"  
(See "RATING" herein)

*In the opinion of Butler, Snow, O'Mara, Stevens and Cannada, PLLC, Ridgeland, Mississippi ("Bond Counsel"), under existing laws, regulations, rulings and judicial decisions, interest on the Series 2013 Bonds (as defined herein) is includable in gross income for federal income tax purposes. In the opinion of Bond Counsel under existing laws, regulations, rulings and judicial decisions, interest on the Series 2013 Bonds is exempt from all income taxation in the State of Mississippi. See "TAX MATTERS" and "APPENDIX B- FORM OF OPINION OF BOND COUNSEL" attached hereto.*

\$ \_\_\_\_\_,000\*

### MADISON COUNTY, MISSISSIPPI TAXABLE GENERAL OBLIGATION REFUNDING BONDS, SERIES 2013

Dated: Date of Delivery

Due: June 1 as shown on inside front cover

Interest on the \$ \_\_\_\_\_,000\* Madison County, Mississippi Taxable General Obligation Refunding Bonds, Series 2013 (the "Series 2013 Bonds") will be payable on June 1 and December 1 of each year, commencing December 1, 2013. The Board of Supervisors of Madison County, Mississippi (the "County") has designated Trustmark National Bank, Jackson, Mississippi, to serve as paying agent, transfer agent and registrar of the Series 2013 Bonds (the "Paying Agent"). The Series 2013 Bonds are being issued to raise money for the purpose of (a) advance refunding a portion of the County's outstanding \$17,990,000 (original aggregate principal amount) General Obligation Refunding Bonds, Series 2006, dated October 18, 2006, and (b) paying the costs of the sale and issuance of the Series 2013 Bonds. The Series 2013 Bonds will be issued as fully registered bonds in denominations of \$5,000 or any integral multiple thereof and registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York, which will act as securities depository for the Series 2013 Bonds under a book-entry-only system, as described herein. So long as the Series 2013 Bonds are held in book-entry form, beneficial owners of Series 2013 Bonds will not receive physical delivery of bond certificates.

The principal of, and interest on, the Series 2013 Bonds will be payable by the Paying Agent to DTC, which will in turn remit such principal and interest to its Direct Participants (as defined herein) and Indirect Participants (as defined herein), which will in turn remit such principal, and interest to the beneficial owners of the Series 2013 Bonds. If the date for payment is not a Business Day (as defined herein), then the payment shall be made on the next succeeding Business Day with the same force and effect as if made on the payment date. See "DESCRIPTION OF THE SERIES 2013 BONDS – Book-Entry-Only System" herein.

The Series 2013 Bonds are secured by the full faith, credit and resources of the County and are payable from the proceeds of an unlimited, continuing, direct, annual ad valorem tax levied on taxable property within the County; provided, however, that such tax levy for any year shall be abated pro tanto to the extent the County on or prior to September 1 of that year has transferred money to the 2013 Bond Fund of the Series 2013 Bonds established in the Resolution (as defined herein), or has made other provisions for funds, to be applied toward the payment of the principal of and interest on the Series 2013 Bonds due during the ensuing fiscal year of the County, in accordance with the provisions of the Resolution.

The Series 2013 Bonds will be subject to optional redemption as provided herein.

The Series 2013 Bonds are offered subject to the final approval of the legality thereof by Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Ridgeland, Mississippi, Bond Counsel. Certain legal matters will be passed upon for the County by its counsel, Mike Espy, PLLC, Jackson, Mississippi, and for the Underwriter by its counsel, \_\_\_\_\_, Jackson, Mississippi. Government Consultants, Inc., Jackson, Mississippi, serves as the Financial Advisor to the County in connection with the sale and issuance of the Series 2013 Bonds. The Series 2013 Bonds are expected to be available in definitive form for delivery through the facilities of DTC on or about \_\_\_\_\_, 2013.

## STEPHENS INC.

Dated: \_\_\_\_\_, 2013

\_\_\_\_\_  
\* Preliminary, subject to change.

## SERIES 2013 BONDS

### MATURITY SCHEDULE\*

Year*	Principal Amount*	Interest Rate	Yield	CUSIPS <sup>1</sup>
2013				
2014				
2015				
2016				
2017				
2018				
2019				
2020				
2021				
2022				
2023				
2024				
2025				
2026				

---

\* Preliminary, subject to change.

<sup>1</sup> The CUSIP numbers listed above are being provided solely for the convenience of the holders of the Series 2013 Bonds only, and the County and the Underwriter (as defined herein) do not make any representation with respect to such CUSIP numbers or undertake any responsibility for their accuracy. The CUSIP numbers are subject to being changed after the issuance of the Series 2013 Bonds as a result of various subsequent actions, including but not limited to a refunding in whole or in part of the Series 2013 Bonds.

# MADISON COUNTY, MISSISSIPPI

## BOARD OF SUPERVISORS

John Bell Crosby, *District 1*  
Ronny Lott, *District 2*  
Gerald Steen, *District 3*  
Karl Banks, *District 4*  
Paul Griffin, *District 5*

## CLERK OF THE BOARD OF SUPERVISORS

Arthur Johnston

## COUNSEL TO COUNTY

Mike Espy, PLLC  
*Jackson, Mississippi*

## FINANCIAL ADVISOR

Government Consultants, Inc.  
*Jackson, Mississippi*

## BOND COUNSEL

Butler, Snow, O'Mara, Stevens & Cannada, PLLC  
*Ridgeland, Mississippi*

## UNDERWRITER'S COUNSEL

---

*Jackson, Mississippi*

**OFFICIAL STATEMENT**

**THE OFFERING**

**\$ \_\_\_\_\_,000\***  
**MADISON COUNTY, MISSISSIPPI**  
**TAXABLE GENERAL OBLIGATION REFUNDING BONDS,**  
**SERIES 2013**

<b>The Issuer</b>	Madison County, Mississippi (the "County").
<b>Issue and Date</b>	\$ _____,000* Madison County, Mississippi Taxable General Obligation Refunding Bonds, Series 2013, dated the date of their delivery (the "Series 2013 Bonds").
<b>Authority</b>	Sections 31-27-1 <i>et seq.</i> , Mississippi Code of 1972, as amended (the "Act").
<b>Use of Proceeds</b>	The Series 2013 Bonds are being issued under the Act for the purpose of advance refunding a portion of the County's outstanding \$17,990,000 (original aggregate principal amount) General Obligation Refunding Bonds, Series 2006, dated October 18, 2006, and paying the costs incident to the sale and issuance of the Series 2013 Bonds, as authorized by the Act.
<b>Amounts and Maturities</b>	The Series 2013 Bonds will mature on June 1 in the years and amounts as set forth on the inside cover page hereof.
<b>Interest Payment Dates</b>	June 1 and December 1 of each year, commencing December 1, 2013.
<b>Redemption Provisions</b>	The Series 2013 Bonds will be subject to redemption prior to their stated maturities as described herein (see "DESCRIPTION OF THE SERIES 2013 BONDS - Redemption Provisions", herein).
<b>Security for Payment</b>	Pursuant to the Act, the Series 2013 Bonds shall be general obligations of the County and shall be secured by a pledge of the full faith, credit and resources of the County, payable 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 rate or amount upon the taxable property within the geographical limits of the County; provided, however, that such tax levy for any year shall be abated pro tanto to the extent the County on or prior to September 1 of that year has transferred money to the 2013 Bond Fund of the Series 2013 Bonds, or has made other provisions for funds, to be applied toward the payment of the principal of and interest on the Series 2013 Bonds due during the ensuing fiscal year of the County, in accordance with the provisions of the Resolution (see "DESCRIPTION OF THE SERIES 2013 BONDS - Security", herein).
<b>Tax Matters</b>	In the opinion of Bond Counsel, under existing laws, regulations, rulings and judicial decisions, interest on the Series 2013 Bonds is includable in gross income for federal income tax purposes, and interest on the Series 2013 Bonds is exempt from all income taxation in the State of Mississippi. (See "TAX MATTERS" herein).

The above information is qualified in its entirety by the detailed information concerning the County and the financial information appearing elsewhere in this Official Statement, including the Appendices.

---

\* Preliminary, subject to change.

**NO DEALER, BROKER, SALES REPRESENTATIVE OR OTHER PERSON HAS BEEN AUTHORIZED BY MADISON COUNTY, MISSISSIPPI (THE "COUNTY") TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED HEREIN AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATION MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY THE COUNTY. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THE BONDS BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH AN OFFER, SOLICITATION OR SALE. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE, AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE MADE HEREUNDER SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE COUNTY SINCE THE DATE HEREOF.**

**THE INFORMATION SET FORTH HEREIN HAS BEEN OBTAINED FROM THE COUNTY AND FROM OTHER SOURCES WHICH ARE BELIEVED RELIABLE, BUT SUCH INFORMATION IS NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS BY THE UNDERWRITER SHOWN ON THE COVER HEREOF OR THE COUNTY. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE OF THE BONDS SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE SINCE THE DATE HEREOF IN THE MATTERS WHICH ARE MATERIAL TO THE FULL AND PUNCTUAL PAYMENT OF DEBT SERVICE ON THE BONDS.**

**UPON ISSUANCE, THE BONDS WILL NOT BE REGISTERED BY THE COUNTY UNDER THE SECURITIES ACT OF 1933, AS AMENDED, OR ANY STATE SECURITIES LAWS. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY OTHER FEDERAL, STATE OR OTHER GOVERNMENTAL ENTITY OR AGENCY, OTHER THAN THE COUNTY (TO THE EXTENT DESCRIBED HEREIN), WILL HAVE PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT OR APPROVED THE BONDS FOR SALE.**

**IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS THAT MAY STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.**

**THE UNDERWRITER HAS PROVIDED THE FOLLOWING SENTENCE FOR INCLUSION IN THIS OFFICIAL STATEMENT. THE UNDERWRITER HAS REVIEWED THE INFORMATION IN THIS OFFICIAL STATEMENT IN ACCORDANCE WITH, AND AS PART OF, THEIR RESPONSIBILITIES TO INVESTORS UNDER THE FEDERAL SECURITIES LAWS AS APPLIED TO THE FACTS AND CIRCUMSTANCES OF THIS TRANSACTION, BUT THE UNDERWRITER DOES NOT GUARANTEE THE ACCURACY OR COMPLETENESS OF SUCH INFORMATION.**

## TABLE OF CONTENTS

	Page
INTRODUCTION.....	1
DESCRIPTION OF THE SERIES 2013 BONDS .....	1
Redemption Provisions .....	2
Ownership .....	2
Registration .....	2
Book-Entry-Only System.....	2
Security .....	5
PLAN OF REFUNDING .....	6
EXPECTED APPLICATION OF THE PROCEEDS OF THE SERIES 2013 BONDS.....	6
ANNUAL DEBT SERVICE REQUIREMENTS ON THE SERIES 2013 BONDS .....	7
THE COUNTY .....	7
General Description .....	7
Population .....	7
Government .....	7
Transportation .....	8
Educational Facilities .....	8
Industry .....	8
Per Capita Income .....	8
Retail Sales and Sales Tax Collected.....	9
Major Employers .....	10
County Unemployment Statistics .....	10
County Employment Statistics .....	11
TAX INFORMATION .....	11
Description of County Taxes.....	11
Assessed Valuation <sup>1</sup> .....	12
Reappraisal of Property and Limitations on Ad Valorem Levies .....	13
Homestead Exemption.....	13
Tax Levy Per \$1,000 Valuation <sup>1</sup> .....	14
Ad Valorem Tax Collections.....	14
Ten Largest Taxpayers .....	15
DEBT INFORMATION .....	15
County Debt Limitations .....	15
Legal Debt Limit Statement .....	16
Debt Ratios .....	17
Annual Debt Service Requirements.....	18
Other Debt.....	19
Current Underlying General Obligation Indebtedness .....	19
LITIGATION .....	19
FINANCIAL ADVISOR .....	20
RATING.....	20
CONTINUING DISCLOSURE .....	20
RECORD OF NO DEFAULT .....	21
NO BOND PROCEEDS FOR CURRENT OPERATING EXPENSES .....	21
PENSION PLANS .....	21
UNDERWRITING .....	21
VALIDATION.....	21
APPROVAL OF LEGAL PROCEEDINGS .....	21
VERIFICATION OF ARITHMETICAL AND MATHEMATICAL COMPUTATIONS .....	21
TAX MATTERS .....	22
General .....	22
Original Issue Premium.....	22
Original Issue Discount .....	22
MISCELLANEOUS.....	22



APPENDIX A - Fiscal Year 2011 Audited Financial Statement and  
2011-12 and 2012-13 Budgets  
APPENDIX B - Form of Bond Counsel Opinion  
APPENDIX C - Form of Continuing Disclosure Agreement

**THIS PAGE INTENTIONALLY LEFT BLANK**

## OFFICIAL STATEMENT

\$ \_\_\_\_\_,000\*  
**MADISON COUNTY, MISSISSIPPI**  
**TAXABLE GENERAL OBLIGATION REFUNDING BONDS,**  
**SERIES 2013**

### INTRODUCTION

The purpose of this Official Statement, which includes the cover page and the Appendices hereto, is to set forth certain information concerning Madison County, Mississippi (the "County") and the County's \$ \_\_\_\_\_,000\* Taxable General Obligation Refunding Bonds, Series 2013 (the "Series 2013 Bonds").

Reference is made to the Act (as hereinafter defined), the Resolution (as hereinafter defined) and any and all modifications and amendments thereof for a description of the nature and extent of the security of the Series 2013 Bonds, the pledge of tax revenues for the payment of the principal of and interest on the Series 2013 Bonds, the nature and extent of said pledge and the terms and conditions under which the Series 2013 Bonds are issued.

### DESCRIPTION OF THE SERIES 2013 BONDS

The Series 2013 Bonds are being issued pursuant to the provisions of Sections 31-27-1 *et seq.*, Mississippi Code of 1972, as amended (the "Act"), and certain resolutions adopted by the Board of Supervisors (the "Board of Supervisors") of the County on February 19, 2013 (collectively, the "Resolution"). The Series 2013 Bonds are being issued to provide funds to (a) advance refund a portion of the County's outstanding \$17,990,000 (original aggregate principal amount) General Obligation Refunding Bonds, Series 2006, dated October 18, 2006 (the "2006 Bonds"), and (b) pay certain costs incident to the sale and issuance of the Series 2013 Bonds (see "PLAN OF REFUNDING," herein).

The Series 2013 Bonds will be general obligations of the County and the full faith, credit and resources of the County are pledged to secure the payment of the principal of and interest on the Series 2013 Bonds payable 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 rate or amount upon the taxable property within the geographical limits of the County; provided, however, that such tax levy for any year shall be abated pro tanto to the extent the County on or prior to September 1 of that year has transferred money to the 2013 Bond Fund of the Series 2013 Bonds, or has made other provisions for funds, to be applied toward the payment of the principal of and interest on the Series 2013 Bonds due during the ensuing fiscal year of the County, in accordance with the provisions of the Resolution.

The Series 2013 Bonds will be dated the date of their delivery, and will be issued as fully registered bonds in denominations of Five Thousand Dollars (\$5,000) or any integral multiple thereof, bearing interest at the rates per annum set forth on the inside cover page hereof, payable on June 1 and December 1 of each year, commencing on December 1, 2013. The County has designated Trustmark National Bank, Jackson, Mississippi, to serve as paying agent, transfer agent and registrar of the Series 2013 Bonds (the "Paying Agent"). Interest will be payable by check or draft of the Paying Agent made payable to the registered owners of the Series 2013 Bonds named in, and mailed to the addresses appearing on, the registration books of the County kept and maintained by the Paying Agent as of the close of business on the date which shall be the fifteenth (15th) day (whether or not a business day) of the calendar month next preceding each interest payment date.

The Series 2013 Bonds will mature on June 1 in the years and in the amounts set forth on the inside cover page hereof.

---

\* Preliminary, subject to change.

The Series 2013 Bonds will initially be held in a book-entry-only system administered by The Depository Trust Company, New York, New York (“DTC”). Principal of and interest on the Series 2013 Bonds held in book-entry form shall be payable as described herein under the heading “DESCRIPTION OF THE SERIES 2013 BONDS - Book-Entry-Only System.”

As long as the Series 2013 Bonds are held in a book-entry-only system, the principal of and interest on, the Series 2013 Bonds will be payable by the Paying Agent to DTC, which will in turn remit such principal and interest to its Direct Participants (as hereinafter defined) and Indirect Participants (as hereinafter defined), which will in turn remit such principal and interest to the beneficial owners of the Series 2013 Bonds. If the date for payment is not a business day, then the payment shall be made on the next succeeding business day with the same force and effect as if made on the payment date.

### **Redemption Provisions**

The Series 2013 Bonds maturing on June 1, 20\_\_\_\_ and thereafter, will be subject to redemption prior to their respective maturities, at the option of the County, on and after June 1, 20\_\_\_\_, either in whole on any date, or in part on any interest payment date, as selected by the County among maturities, and by lot within each maturity, at the principal amount thereof, together with accrued interest to the date fixed for redemption and without premium.

Notice of redemption identifying the numbers of Series 2013 Bonds or portions thereof to be redeemed shall be given to the registered owners thereof by first class mail at least 30 days and not more than 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 Series 2013 Bonds. Any notice mailed as provided in the Resolution 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 Series 2013 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 Series 2013 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.

### **Ownership**

The County, the Paying Agent, and any other person may treat the person in whose name any Series 2013 Bond is registered as the absolute owner of such Series 2013 Bond for the purpose of making payment of the principal thereof and premium, if any, thereon, and for the further purpose of making payment of the interest thereon, and for all other purposes, whether or not such Series 2013 Bond is overdue. Neither the County nor the Paying Agent shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the owner of any Series 2013 Bond in accordance with the Resolution shall be valid and effective and shall discharge the liability of the County and the Paying Agent for such Series 2013 Bond to the extent of the sums paid.

### **Registration**

For so long as DTC acts as securities depository for the Series 2013 Bonds, the registration and transfer of ownership interests in Series 2013 Bonds shall be accomplished by book entries made by DTC and the Direct Participants and, where appropriate, the Indirect Participants (as such terms are hereinafter defined), as described herein under the heading “DESCRIPTION OF THE SERIES 2013 BONDS - Book-Entry-Only System.”

### **Book-Entry-Only System**

The County has determined that it will be beneficial to have the Series 2013 Bonds held by a central depository system and to have transfers of the Series 2013 Bonds affected by book-entry on the books of DTC as such central depository system. Unless and until the book-entry-only system has been

discontinued, the Series 2013 Bonds will be available only in book-entry form in principal amounts of \$5,000 or any integral multiple thereof. DTC will initially act as securities depository for the Series 2013 Bonds. The Series 2013 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's nominee). One fully-registered Series 2013 Bond will be issued for each maturity of the Series 2013 Bonds, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York banking law, a "banking organization" within the meaning of the New York banking law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions, in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Series 2013 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for such Series 2013 Bonds on DTC's records. The ownership interest of each actual purchaser of each Series 2013 Bond (a "Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transactions, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Series 2013 Bonds are to be accomplished by entries made on the books of Direct or Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Series 2013 Bonds, except in the event that use of the book-entry system for the Series 2013 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2013 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co. or such other name as may be requested by an authorized representative of DTC. The deposit of Series 2013 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2013 Bonds. DTC's records reflect only the identity of the Direct Participants to whose accounts the Series 2013 Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Series 2013 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2013 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2013 Bond documents. For example, Beneficial Owners of Series 2013 Bonds may wish to ascertain that the nominee holding the Series 2013 Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices are to be sent to DTC. If less than all of the Series 2013 Bonds within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2013 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Paying Agent as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Series 2013 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and debt service payments on the Series 2013 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detailed information from the County or the Paying Agent, on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and debt service payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Series 2013 Bonds at any time by giving reasonable notice to the County or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Series 2013 Bond certificates are required to be printed and delivered.

The County may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2013 Bonds in definitive form will be printed and delivered.

THE COUNTY CANNOT AND DOES NOT GIVE ANY ASSURANCE THAT THE DIRECT PARTICIPANTS OR THE INDIRECT PARTICIPANTS WILL DISTRIBUTE TO THE BENEFICIAL OWNERS OF THE SERIES 2013 BONDS (a) PAYMENTS OF PRINCIPAL OR INTEREST ON THE SERIES 2013 BONDS; (b) CERTIFICATES REPRESENTING AN OWNERSHIP INTEREST OR OTHER CONFIRMATION OF BENEFICIAL OWNERSHIP INTERESTS IN THE SERIES 2013 BONDS; OR (c) REDEMPTION OR OTHER NOTICES SENT TO DTC OR CEDE & CO., ITS NOMINEE, AS THE REGISTERED OWNER OF THE SERIES 2013 BONDS, OR THAT THEY WILL DO SO ON A TIMELY BASIS, OR THAT DTC OR DIRECT OR INDIRECT PARTICIPANTS WILL SERVE AND ACT IN THE MANNER DESCRIBED IN THIS OFFICIAL STATEMENT. THE CURRENT "RULES" APPLICABLE TO DTC ARE ON FILE WITH THE SEC AND THE CURRENT "PROCEDURES" OF DTC TO BE FOLLOWED IN DEALING WITH DTC PARTICIPANTS ARE ON FILE WITH DTC.

THE COUNTY WILL NOT HAVE ANY RESPONSIBILITY OR OBLIGATIONS TO SUCH DTC PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO (a) THE SERIES 2013 BONDS; (b) THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC OR ANY DTC PARTICIPANT; (c) THE PAYMENT BY ANY DTC PARTICIPANT OF ANY AMOUNT DUE TO ANY BENEFICIAL OWNER IN RESPECT OF THE PRINCIPAL AMOUNT OF AND INTEREST ON THE SERIES 2013 BONDS; (d) THE DELIVERY BY ANY DTC PARTICIPANT OF ANY NOTICE TO ANY BENEFICIAL OWNER WHICH IS REQUIRED OR PERMITTED UNDER THE TERMS OF THE RESOLUTIONS TO BE GIVEN TO HOLDERS OF THE SERIES 2013 BONDS; OR (e) ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC AS HOLDER OF THE SERIES 2013 BONDS.

## Security

The Series 2013 Bonds will be general obligations of the County 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 rate or amount upon the taxable property within the geographical limits of the County, in accordance with the provisions of the Resolution; provided, however, that such tax levy for any year shall be abated pro tanto to the extent the County on or prior to September 1 of that year has transferred money to the 2013 Bond Fund of the Series 2013 Bonds, or has made other provisions for funds, to be applied toward the payment of the principal of and interest on the Series 2013 Bonds due during the ensuing fiscal year of the County, in accordance with the provisions of the Resolution. The County, when necessary, 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 Series 2013 Bonds as the same falls due.

The qualified electors of the State of Mississippi (the "State") voted in a general election held on November 7, 1995, to amend the Mississippi Constitution of 1890 (the "Constitution") to add the following new Section 172A (the "Amendment").

SECTION 172A. Neither the Supreme Court nor any inferior court of this state shall have the power to instruct or order the state or any political subdivision thereof, or an official of the state or any political subdivision, to levy or increase taxes.

The Amendment does not affect the underlying obligation of the County to pay the principal of and interest on the Series 2013 Bonds as they mature and become due nor does the Amendment affect the County's obligation to levy a tax sufficient to accomplish that purpose. However, even though it appears that the Amendment was not intended to affect a holder's remedies in the event of a payment default, the Amendment potentially prevents a holder from obtaining a writ of mandamus to compel the levying of taxes by the County to pay the principal of and interest on the Series 2013 Bonds in a Court of the State. It is not certain whether the Amendment would affect the right of a federal court to direct the levy of a tax to satisfy a contractual obligation. Other effective remedies are available to bondholders in the event of a payment default with respect to the Series 2013 Bonds.

**PLAN OF REFUNDING**The Series 2013 Bonds are being issued under and pursuant to the Act and the Resolution for the purpose of (a) advance refunding the 2006 Bonds maturing in the years 20\_\_\_\_ through 2026, both inclusive, as described below (the “Refunded Bonds”), and (b) paying certain costs incident to the sale and issuance of the Series 2013 Bonds.

**\$17,990,000 (original aggregate principal amount) Madison County, Mississippi  
General Obligation Refunding Bonds, Series 2006, dated October 18, 2006,  
Paying Agent: Trustmark National Bank**

Maturity Date (June 1)	Interest Rate	Principal Amount	Redemption Date	Redemption Price
2013			June 1, 2016	100%
2014			June 1, 2016	100
2015			June 1, 2016	100
2016			June 1, 2016	100
2017			June 1, 2016	100
2018			June 1, 2016	100
2019			June 1, 2016	100
2020			June 1, 2016	100
2021			June 1, 2016	100
2022			June 1, 2016	100
2023			June 1, 2016	100
2024			June 1, 2016	100
2025			June 1, 2016	100
2026			June 1, 2016	100

In order to effect the advance refunding of the Refunded Bonds in accordance with the Resolution, a portion of the proceeds of the Series 2013 Bonds will be deposited in an irrevocable trust fund (the “Escrow Fund”) to be created pursuant to an escrow agreement to be dated as of the date of delivery thereof (the “Escrow Agreement”) by and between the County and Trustmark National Bank, Jackson Mississippi, as escrow agent thereunder (the “Escrow Agent”). The Escrow Agent shall invest moneys on deposit in the Escrow Fund in direct obligations of or obligations unconditionally guaranteed by the United States of America (the “Investment Securities”). The calculation of the adequacy of the maturing principal and interest payments from the Investment Securities to pay the principal of and interest on the Refunded Bonds when due and upon redemption thereof will be verified by The Arbitrage Group, Inc. (see “VERIFICATION OF ARITHMETICAL AND MATHEMATICAL COMPUTATIONS,” herein). Neither the principal of nor the interest on the Investment Securities will be available for payment of the Series 2013 Bonds. A portion of the proceeds of the Series 2013 Bonds will be deposited in an irrevocable trust fund (the “2013 Costs of Issuance Fund”) to be created pursuant to the Escrow Agreement and will be used to pay the costs incident to the sale and issuance of the Series 2013 Bonds.

**EXPECTED APPLICATION OF THE PROCEEDS OF THE SERIES 2013 BONDS\***

The following is a summary of the expected sources and uses of the Series 2013 Bonds:

**SOURCES OF FUNDS**

Par Amount of Series 2013 Bonds	\$ _____,000.00*
Plus/Minus Net Original Issue Premium/Discount	
<b>Total Sources of Funds</b>	

**USES OF FUNDS**

For deposit to the Escrow Fund
For deposit to the 2013 Costs of Issuance Fund <sup>1</sup>
<b>Total Uses of Funds</b>

\* Preliminary, subject to change.



<sup>1</sup> Costs of issuance include, but are not limited to, legal fees and expenses, rating agency fees and the Underwriter's discount. Except for the Underwriter's discount, the Series 2013 Bond proceeds used for costs of issuance will be deposited in the 2013 Costs of Issuance Fund.

**ANNUAL DEBT SERVICE REQUIREMENTS  
ON THE SERIES 2013 BONDS**

<b>Date</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2013			
2014			
2015			
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			

**THE COUNTY**

**General Description**

The County, named for President James Madison at its founding in 1828, is situated in the west central portion of the State immediately to the north of the City of Jackson, the capital of the State, and has a land area of 751 square miles. The County seat, the City of Canton, is located 187 miles south of Memphis, Tennessee, 210 miles north of New Orleans, Louisiana and 242 miles southwest of Birmingham, Alabama.

**Population**

County and State population figures have been recorded as follows:

	<b>1980</b>	<b>1990</b>	<b>2000</b>	<b>2010</b>
<b>County</b>	41,673	53,794	74,674	95,203
<b>State</b>	2,520,770	2,573,216	2,844,658	2,967,297

Sources: United States Department of Commerce, Bureau of the Census, April 2013.

**Government**

The County is governed by a five member Board of Supervisors, each of whom is elected from a separate district or "beat", to concurrent four-year terms. Current members of the Board of Supervisors are:

<b>Name and Title</b>	<b>Beginning of Current Term</b>	<b>End of Current Term</b>
John Bell Crosby	2013	2015
Ronny Lott	2013	2015
Gerald Steen	2013	2015
Paul Griffin	2013	2015
Karl Banks	2013	2015

The Board of Supervisors prepares the budget, levies such taxes on County property as may be needed to meet the budget, authorizes bond issues and regulates construction and maintenance of County roads, bridges and buildings.

## Transportation

Interstate Highway 55, U.S. Highway 51 and State Highways 16, 17, 22 and 43 provide access to most communities within the County. A number of County highways provide access to many outlying areas in the County.

Other major forms of transportation are available in the County. The Illinois Central Railroad provides rail service to the County. AmTrak provides intercity rail passenger transportation to the area. Intercity bus service is provided by Greyhound Trailways Bus Lines. At least 18 motor freight carriers are authorized to serve the County. Commercial air transportation is available at Jackson International Airport in Jackson, Mississippi, served by five airlines with 25 non-commuter flights daily, and which is designated as a foreign trade zone. Non-commercial air transportation is available within the County at Bruce Campbell Airport in the City of Madison. The County is served by the Port of Vicksburg, which has a channel depth of nine feet and is located fifty miles to the west on the Mississippi River in Warren County.

## Educational Facilities

The Madison County School District (the "County District") serves the entire are of the County, with the exception of the area encompassed by the City of Canton, Mississippi. The Canton Public School District (the "Canton District") serves the City of Canton.

The County District operates 18 schools, including one Career and Technical Center and one Alternative School, and employs approximately 1,165 people. The Canton District operates seven schools, including one career center and one educational services center, and employs approximately 560 people. Enrollment for the two districts for the current year and the four prior years are as follows:

<b>Scholastic Year</b>	<b>Canton Public School District Enrollment</b>	<b>Madison County School District Enrollment</b>
2011-12	3,369	12,500
2010-11	3,352	11,811
2009-10	3,408	11,575
2008-09	3,355	11,487
2007-08	3,364	11,250

SOURCE: Madison County School District, Canton Public School District and Office of Research and Statistics, Mississippi Department of Education, April 2013.

## Industry

In November 2000, Nissan North America, Inc. ("Nissan") announced the location of a \$930 million automobile manufacturing facility in the County near Canton, Mississippi. In June 2002, while the original facility was still under construction, Nissan announced that it would expand the facility to 2.5 million square feet with an additional investment of \$500 million. When the plant began production, 2,040 people were employed and has grown to present employment of 4,100. The 3.5 million-square-foot plant has a capacity to produce 400,000 vehicles per year.

## Per Capita Income

The following represents per capita income annually from 2006 to 2010 for the County and for non-metropolitan portions of Mississippi and the United States of America:

<b>Year</b>	<b>County</b>	<b>Mississippi</b>	<b>United States</b>	<b>County as Percentage of United States</b>
2010	\$46,427	\$31,071	\$39,937	116%
2009	44,454	30,401	39,635	112
2008	45,690	30,728	40,674	112
2007	44,612	29,635	39,461	113

---

2006	43,522	27,992	37,698	115
------	--------	--------	--------	-----

SOURCE: Bureau of Economic Analysis, *Regional Economic Accounts – Per Capita Personal Income*, April 2013.

**Retail Sales and Sales Tax Collected**

<b>State Fiscal Year Ended June 30</b>	<b>Amount of Sales</b>
2011	\$1,848,481,135
2010	1,693,639,829
2009	1,808,120,423
2008	1,853,098,581
2007	1,828,743,785

---

SOURCE: Mississippi Department of Revenue, April 2013.

## Major Employers

The following is a partial listing of the County's major employers, their products or services and their approximate number of employees as of September 1, 2011:

Employers	Product or Service	Employees
Nissan North America Inc.	Automobile – Manufacturers	6,300
Southern Farm Bureau Casualty Insurance	Insurance	1,900
Jackie's International, Inc.	Hospitality Company	1,200
Johnson's Controls, Inc.	Automatic Controls for Regulating Residential & Commercial Environments and Appliances	600
L-3 Vertex Aerospace LLC	Aircraft Servicing and Maintenance	500
Mississippi Department of Vocational Rehabilitation	Administration of Social, Human Resources & Income Maintenance Programs	500
Independent Living Center	Social Services	500
Levi Strauss & Company	Clothing – Distribution Center	400
AT&T Store	Cellular Telephones	400
Intechra Inc.	Computer Programming Services	400
Wal-Mart	Department Stores	300

SOURCE: Madison County Economic Development Foundation, Inc., April 2013.

## County Unemployment Statistics

	2007	2008	2009	2010	2011
January	5.0%	4.8%	6.3%	8.6%	7.7%
February	5.1	4.4	6.4	7.9	7.5
March	5.1	4.7	6.4	7.4	7.2
April	4.7	4.4	6.0	7.0	6.9
May	4.5	5.1	6.8	7.2	7.1
June	5.4	6.1	7.2	7.9	8.5
July	5.5	6.4	7.5	8.3	8.5
August	4.5	5.6	6.6	6.9	7.4
September	4.7	5.7	6.8	7.3	7.7
October	4.6	5.3	7.1	7.2	7.5
November	4.2	5.0	6.8	7.3	6.8
December	4.7	5.4	7.6	7.1	6.7
Annual Average	<u>4.8%</u>	<u>5.3%</u>	<u>6.8%</u>	<u>7.5%</u>	<u>7.4%</u>

SOURCE: *Annual Labor Force Report*, Labor Market Information Department, Mississippi Employment Security Commission, April 2013.

## County Employment Statistics

	2007	2008	2009	2010	2011
<i>Residence Based Employment</i>					
Civilian Labor Force	44,320	46,040	46,300	48,370	49,580
Unemployed	2,190	2,420	3,150	3,620	3,690
Employed	43,130	43,620	43,150	44,750	45,890
<i>Establishment Based Employment</i>					
Manufacturing	8,180	7,210	6,370	6,250	6,420
Nonmanufacturing	37,380	38,140	37,280	39,160	41,630
Natural Resources and Mining	160	140	140	160	150
Construction	2,470	2,530	2,180	2,020	2,230
Trade, Transportation & Utilities	9,430	9,650	9,280	9,240	9,200
Information	930	1,010	1,010	1,360	1,750
Financial Activities	3,840	3,780	3,750	3,790	3,890
Professional & Business Services	5,580	5,830	5,460	6,620	7,710
Education & Health Services	4,230	3,990	4,070	4,260	4,450
Leisure and Hospitality	4,970	5,280	5,330	5,370	5,610
Other Services	1,410	1,510	1,490	1,670	1,950
Government	4,360	4,420	4,570	4,670	4,690
Education	<u>2,240</u>	<u>2,240</u>	<u>2,320</u>	<u>2,350</u>	<u>2,490</u>
Total Nonagricultural Employment	<u>45,550</u>	<u>45,360</u>	<u>43,640</u>	<u>45,410</u>	<u>48,050</u>

SOURCE: *Annual Labor Force*, Labor Market Information Department, Mississippi Employment Security Commission, April 2013.

## TAX INFORMATION

### Description of County Taxes

**Procedure for Property Assessments.** Real and personal property valuations other than motor vehicles and property owned by public utilities are determined by the County Tax Assessor. All taxable real property situated in the County is assessed each year and taxes thereon paid for the ensuing year. Assessment rolls of such property subject to taxation are prepared by the County Tax Assessor and are delivered to the Board of Supervisors on the first Monday in July. Thereafter, the assessments are equalized by the Board of Supervisors and notice is given to the taxpayers that the Board of Supervisors will meet to hear objections to the assessments. After objections are heard, the Board of Supervisors adjusts the rolls and submits them to the Mississippi Department of Revenue. The Mississippi Department of Revenue may then accept the rolls, or, if it finds the rolls incorrect in any valuation, it may return the rolls to the Board of Supervisors for correction. The Board of Supervisors then revises the tax rolls in accordance with the recommendations of the Mississippi Department of Revenue. If the Board of Supervisors has any objections to the direction of the Mississippi Department of Revenue to revise the rolls, it may arrange a hearing before the Mississippi Department of Revenue. Otherwise, the assessment rolls are finalized and are submitted to the County Tax Collector for collection. The assessed value of motor vehicles is determined by an assessment schedule prepared each year by the Mississippi Department of Revenue. With minor exceptions, the property of public utilities is assessed each year by the Mississippi Department of Revenue.

**Procedure for Tax Collections.** The Board of Supervisors is required each year to levy taxes upon all of the taxable property within the County to provide sufficient revenue to cover the operating expenses of the County, including the payment of the principal of and interest on its outstanding bonds. If any taxpayer neglects or refuses to pay his taxes on the due date thereof, the unpaid taxes will bear interest at the rate of one percent per month or fractional part thereof from the delinquent date to the date of payment of such taxes. When enforcement officers take action to collect delinquent taxes, other fees, penalties and costs may accrue. Both real and personal property is subject to being sold at public sale for nonpayment of taxes.

Ad valorem taxes on personal property are payable at the same time and in the same manner as on real property. Section 27-41-15, Mississippi Code of 1972, as amended, provides that upon failure of a taxpayer to make timely payment, the tax collector of each county is authorized to sell any personal

property liable for unpaid taxes at the courthouse door of such county unless the property is too cumbersome to be removed. Five days' notice of the sale in an advertisement posted in three public places in such county, one of which must be the courthouse, is required. Interest, fees, costs and expenses of sale are recoverable in addition to the delinquent taxes. If sufficient personal property cannot be found, the tax collector may make a list of debts due such taxpayer by other persons and sell such debts and is further directed to distrain and sell sufficient other properties of such taxpayer to pay the delinquent taxes. Debts sold may be redeemed within six months from the sale in the same manner as redemption of land from tax sales.

Section 27-41-55, Mississippi Code of 1972, as amended, provides that after the fifth day of August in each year, the tax collector for each county shall advertise and sell all land in such county on which all taxes due and in arrears have not been paid, as well as all land liable for other matured taxes. The sale is held at the door of the courthouse of such county on the last Monday of August. The owner, or any person interested in the land sold for taxes, may redeem the land at any time within two years after the date of sale by paying all taxes, costs, interest and damages due to the county's chancery clerk. A valid tax sale will mature two years after the date of sale unless the land is redeemed and title will vest in the purchaser on such date.

At the option of the tax collector, advertisement for the sale of such county lands may be made after the fifteenth day of February in each year with the sale of such lands to be held on the first Monday of April following. All provisions which relate to the tax sale held in August of each year shall apply to the tax sale if held in April.

County and municipal taxes, assessed upon land or personal property, are entitled to preference over all judgments, executions, encumbrances or liens however created.

**Assessed Valuation<sup>1</sup>**

Assessment Year	Real Property	Personal Property	Public Utility Property	Automobiles/ Mobile Homes	Total
2011	\$965,704,525	\$175,535,750	\$35,023,591	\$182,986,329	\$1,359,250,195
2010	939,998,730	206,848,540	34,309,556	184,765,503	1,365,922,329
2009	893,812,360	245,420,520	34,954,177	192,459,961	1,366,647,018
2008	843,246,324	222,231,398	31,986,311	200,992,453	1,298,456,486
2007	774,117,414	211,063,030	31,572,412	202,170,448	1,218,923,304

<sup>1</sup> The total assessed valuation is approved in September preceding the fiscal year of the County represents the value of real property, personal property and public utility property for the year indicated on which taxes are assessed for the following fiscal year's budget. For example, the taxes for the assessed valuation figures for 2011 are collected starting in January, 2013 for the 2011-2013 fiscal year budget of the County.

SOURCE: Office of the Madison County Tax Assessor, April 2013.

The above assessed valuations for assessment years 2007 through 2011 are based upon the following assessment ratios:

- (a) real and personal property (excluding single-family, owner-occupied residential real property and motor vehicles, respectively), 15% of true value;
- (b) single-family, owner-occupied residential real property, 10% of true value; and
- (c) motor vehicles and public utility property, 30% of true value.

The 1986 Session of the Mississippi Legislature adopted House Concurrent Resolution No. 41 pursuant to which there was proposed an amendment to Section 112 of the Mississippi Constitution of 1890 (the "Amendment"). The Amendment provided, inter alia, that the assessment ratio of any one class of property shall not be more than three times the assessment ratio on any other class of property.

The Amendment set forth five classes of property and the assessment ratios which would be applicable thereto upon the adoption of the Amendment. The assessment ratios set forth in the Amendment are identical to those established by Section 27-35-4, Mississippi Code of 1972, as

amended, as it existed prior to the Amendment, except that the assessment ratio for single-family, owner-occupied, residential real property under the Amendment is set at 10% of true value as opposed to 15% of true value under previously existing law. The Amendment was ratified by the electorate on June 3, 1986.

The assessed valuation figures above do not include property exempt from all County ad valorem taxes for a period of up to 10 years, primarily for new or expanded manufacturing facilities. This real and personal property will become subject to County ad valorem taxation at different points in time during the next 10 years. In addition, certain other industrial and manufacturing facilities are exempt from ad valorem taxation pursuant to Section 57-3-33, Mississippi Code of 1972, as amended, and other applicable laws.

### **Reappraisal of Property and Limitations on Ad Valorem Levies**

Senate Bill No. 2672, General Laws of Mississippi, Regular Session 1980, codified in part as Sections 27-35-49 and 27-35-50, Mississippi Code of 1972, as amended (the "Reappraisal Act"), provides that all real and personal property in the State shall be appraised at true value and assessed in proportion to true value. To insure that property taxes did not increase dramatically as counties completed reappraisal, the Reappraisal Act provided for the limit on increase in tax revenues discussed below.

The Reappraisal Act limits ad valorem tax levies by the County to a rate which will result in an increase in total receipts of not greater than 10% over the previous year's receipts, excluding revenue from ad valorem taxes on any newly constructed properties, any existing properties added to the tax rolls or any properties previously exempt which were not assessed in the next preceding year. This limitation does not apply to levies for the payment of the principal of and the interest on general obligation bonds issued by the County or to certain other specified levies. The limitation may be increased only if the proposed increase is approved by a majority of those voting in an election held on such question.

On August 20, 1980, the Mississippi Supreme Court rendered its decision in *State Tax Commission v. Fondren*, 387 So.2d 712, affirming the decree of the Chancery Court of the First Judicial District of Hinds County, Mississippi, wherein the Mississippi Department of Revenue was enjoined from accepting and approving assessment rolls from any county in the State for the tax year 1983 unless the Mississippi Department of Revenue equalized the assessment rolls of all of the counties. Due to the intervening passage of the Reappraisal Act, the Supreme Court reversed that part of the lower court's decree ordering the assessment of property at true value (although it must still be appraised at true value), holding instead that assessed value may be expressed as a percentage of true value. Pursuant to the Supreme Court modification of the lower court's decree, on December 15, 1980, the Mississippi Department of Revenue filed a master plan to assist counties in determining true value. The County has completed its reappraisal.

### **Homestead Exemption**

The Mississippi Homestead Exemption Law of 1946 reduces the local tax burden on homes qualifying by law and substitutes revenues from other sources of taxation on the State level as a reimbursement to the local taxing units for such tax loss. Provisions of the homestead exemption law determine qualification, define ownership and limit the amount of property that may come within the exemption.

Those homeowners who qualify for homestead exemption and (a) have reached the age of 65 years on or before January 1 of the year for which the exemption is claimed, or (b) are service-connected and totally disabled veterans who (i) were honorably discharged from military service, (ii) are classified as disabled under the Federal Social Security Act, Railroad Retirement Act, or any other federal act approved by the State Department of Revenue, (iii) are totally disabled under the provisions of a retirement plan that is considered to be qualified under the United States Internal Revenue Code, which qualification is determined by the State Department of Revenue, or (iv) are totally disabled as determined by the State Department of Revenue pursuant to its rules and regulations, are exempt from any and all ad valorem taxes on qualifying homesteads not in excess of \$7,500 of assessed value thereof.

Subject to the limitations hereinafter described, the tax loss resulting to local taxing units from properly qualified homestead exemptions is reimbursed by the State Department of Revenue. Reimbursements are limited to, in the case of exempted county taxes, to \$50.00 for county taxes exempted and \$100.00 for school taxes exempted per qualified homestead exemption applicant. In the case of tax losses suffered by a municipality as a result of those qualified applicants who have reached 65 years of age or meet the disability requirements found in subsection (2) of Section 27-33-67, Mississippi Code of 1972, as amended, the reimbursement shall equal the full amount of the actual exemption allowed, not to exceed \$200.00 per qualified homestead applicant. Provided, however, no taxing unit may be reimbursed an amount in excess of 106% of the total net reimbursement made to such taxing unit in the next preceding year, nor may any taxing unit be reimbursed less than the total net reimbursement made to such taxing unit in the next preceding year.

**Tax Levy Per \$1,000 Valuation<sup>1</sup>**

	(Fiscal Year in which Taxes Levied)				
	2007-08	2008-09	2009-10	2010-11	2011-12
<b>General County</b>					
Economic Development	0.50	0.48	0.46	0.45	0.45
Reappraisal Trust Fund	0.70	0.25	0.16	0.20	0.20
General Fund	14.79	15.52	16.65	17.99	17.99
Road & Bridge Maintenance Fund	3.33	3.76	2.98	3.16	3.16
County Wide Int. & Sinking Fund	4.79	7.39	6.58	6.55	6.55
Library Fund	1.11	1.11	1.07	1.07	1.07
Holmes Jr. College Maintenance Fund	1.00	1.00	1.00	1.00	1.00
Holmes Jr. College Special Fund	0.52	1.00	1.00	1.00	1.00
Mapping and Reappraisal	0.05	0.07	0.06	0.06	0.06
Fire Protection Fund	0.25	0.25	0.30	0.30	0.30
Bridge & Culvert Fund	2.17	1.80	1.87	1.20	1.20
Solid Waste	<u>3.09</u>	<u>3.00</u>	<u>3.50</u>	<u>2.65</u>	<u>2.65</u>
<b>TOTAL GENERAL COUNTY</b>	<b><u>32.30</u></b>	<b><u>35.63</u></b>	<b><u>35.63</u></b>	<b><u>35.63</u></b>	<b><u>35.63</u></b>
<b>Madison County School District</b>					
Maintenance Fund	39.77	39.77	39.77	39.77	39.77
Maintenance	2.28	2.28	1.88	1.22	1.80
Bond Int. & Sinking Fund	11.46	11.46	12.07	12.98	12.98
Emer. Lease Purchase Acct.	0.36	0.36	0.22	0.00	0.00
Short Fall Note	<u>0.68</u>	<u>1.68</u>	<u>0.61</u>	<u>0.58</u>	<u>0.00</u>
<b>TOTAL MADISON CO. SCHOOLS</b>	<b><u>54.55</u></b>	<b><u>54.55</u></b>	<b><u>54.55</u></b>	<b><u>54.55</u></b>	<b><u>54.55</u></b>
<b>Canton Municipal Separate School District</b>					
District Maintenance Fund	25.60	28.07	35.89	35.89	36.47
District Debt Service	<u>5.29</u>	<u>10.52</u>	<u>12.05</u>	<u>12.05</u>	<u>13.20</u>
<b>TOTAL CANTON SCHOOLS</b>	<b><u>30.89</u></b>	<b><u>38.59</u></b>	<b><u>47.94</u></b>	<b><u>47.94</u></b>	<b><u>49.67</u></b>
<b>Fire Districts</b>					
South Madison County Fire District	4.00	4.00	4.00	4.00	4.00
West Madison Utility District	1.77	1.77	1.77	1.77	1.77
Southwest Madison Fire District	1.63	1.63	1.63	1.63	1.63
Farmhaven Fire District	8.21	8.21	8.21	8.21	8.21
Camden Fire District	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>	<u>2.00</u>
<b>TOTAL FIRE DISTRICTS</b>	<b><u>17.61</u></b>	<b><u>17.61</u></b>	<b><u>17.61</u></b>	<b><u>17.61</u></b>	<b><u>17.61</u></b>

<sup>1</sup> Tax levy figures are given in mills.

SOURCE: Office of the Madison County Chancery Clerk, April 2013.

**Ad Valorem Tax Collections**

Fiscal Year Ended September 30	Taxes Due	Taxes Collected	Difference Over (Under)
2011	\$34,218,482	\$33,940,370	\$ (278,112)
2010	32,962,574	33,640,524	677,950



2009	31,558,432	32,646,388	1,087,956
2008	26,638,883	28,132,467	1,493,584
2007	24,226,478	26,032,137	1,805,659

SOURCE: Office of the Madison County Administrator, April 2013.

### Ten Largest Taxpayers

Taxpayer	Assessed Valuation	Taxes Paid <sup>1</sup>
Renaissance at Colony Park, LLC	\$8,526,998	\$1,121,116.75
Northpark Mall LP	7,765,049	832,879.16
200 Renaissance LLC	7,522,001	1,018,731.03
Links of Madison County	5,441,633	755,461.91
300 Renaissance LLC	4,770,670	642,843.40
AT&T Mobility LLC	3,348,830	359,195.51
Trace Apartments LP	2,976,000	320,382.92
Wal-Mart Real Estate Business Trust	2,691,594	351,550.10
Madison Ground LLC	2,603,840	320,176.01
Legacy Park Apartments LLC	2,790,000	299,255.40
<b>Public Service</b>		
Entergy Mississippi Inc.	\$5,558,085	\$ 596,160.20
Entergy Mississippi Inc.	2,720,513	315,661.12
BellSouth Telecommunications Inc.	3,353,984	286,094.84

<sup>1</sup> As of Fiscal Year ended September 30, 2011.

SOURCE: Office of the Madison County Tax Collector, April 2013.

## DEBT INFORMATION

### County Debt Limitations

**Statutory Debt Limitations.** The County is subject to a general statutory debt limitation under which no county in the State may incur general obligation bonded indebtedness in an amount which will exceed 15% of the assessed value of all taxable property within such county according to the last completed assessment for taxation.

In computing general obligation bonded indebtedness for purposes of this 15% limitation, there may be deducted all bonds or other evidences of indebtedness heretofore or hereafter issued for the construction of hospitals, ports or other capital improvements payable primarily from the net revenues to be generated from such hospitals, ports or other capital improvements in cases where such revenue is pledged to the retirement of the indebtedness, together with the full faith and credit of such county. However, in no case may a county incur indebtedness which, when added to all of its outstanding indebtedness, both bonded and floating, exceeds 20% of the assessed value of the taxable property within such county.

The total general obligation indebtedness of a county, both bonded and floating (including bonds excepted from the 15% debt limit above), may not exceed 20% of the assessed value of all taxable property within such county. However, bonds issued for school purposes and industrial development bonds issued under the State's Balance Agriculture with Industry Program are specifically excluded from both the 15% debt limitation and the 20% debt limitation (but are subject to statutory limits applicable to bonds of each type, respectively). Bonds issued for washed-out or collapsed bridges apply only against the 20% debt limitation.

In addition to the general statutory debt limitation, counties able to issue bonds pursuant to Sections 59-9-1 et seq., Mississippi Code of 1972, as amended (the "Port Act"), including the County, are subject to a separate debt limitation for bonds or other obligations issued under and pursuant to Section 19-9-1 et seq., Mississippi Code of 1972, as amended. Section 59-9-37 of the Port Act provides that the County may not issue bonds or other obligations pursuant to the Port Act in an amount which will exceed

20% of its assessed valuation. This 20% debt limitation for port bonds is separate and apart from the general statutory debt limitation, and bonds or other obligations issued pursuant to the Port Act are not included in the general statutory debt limitations.

**Legal Debt Limit Statement <sup>1</sup>**

**(as of June 1, 2013)**

	<b>15% Limit</b>	<b>20% Limit</b>
Authorized Debt Limit (Last Completed Assessment for Taxation - \$1,359,250,195)	\$ 203,887,529	\$ 271,850,039
Present Debt Subject to Debt Limits <sup>2</sup>	<u>82,325,000</u>	<u>82,325,000</u>
Margin for Further Debt Under Debt Limits	\$ <u>121,562,529</u>	\$ <u>189,525,039</u>

---

<sup>1</sup> No bonds subject to the 15% debt limit or the 20% debt limit have been issued by the County since June 1, 2013.

<sup>2</sup> Includes the Refunded Bonds. Does not include the Series 2013 Bonds.

SOURCE: Office of the Madison County Chancery Clerk, May 2013.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**Outstanding General Obligation Bonded Debt<sup>1</sup>**  
**(as of June 1, 2013)**

<b>Name of Issue</b>	<b>Date of Issue</b>	<b>Outstanding Principal Amount</b>
General Obligation Bond, Series 2001 <sup>2</sup>	01/01/01	\$ 1,610,000
General Obligation Refunding Bond, Series 2004	05/01/04	2,140,000
General Obligation Refunding (MS Bond) <sup>3</sup>	06/24/04	1,050,000
General Obligation Refunding Bonds, Series 2006 <sup>4</sup>	05/25/06	12,005,000
General Obligation Refunding Bonds, Series 2006	10/18/06	17,375,000
General Obligation Bonds, Series 2007	05/16/07	9,915,000
General Obligation Bonds, Series 2008	03/04/08	28,600,000
General Obligation Refunding Bonds, Series 2008	04/01/08	1,405,000
General Obligation Refunding Bonds, Series 2011	10/06/11	<u>8,225,000</u>
<b>TOTAL</b>		<b><u>\$82,325,000</u></b>

<sup>1</sup> Does not include the Series 2013 Bonds.

<sup>2</sup> This bond was purchased by the Mississippi Development Bank from the proceeds of its \$23,500,000 Special Obligation Bonds, Series 2001 (Madison County, Mississippi General Obligation Bond Project), dated January 1, 2001.

<sup>3</sup> This bond was purchased by the Mississippi Development Bank from the proceeds of its \$12,000,000 Special Obligation Bonds, Series 2004 (MSBond Program – Madison County, Mississippi General Obligation Refunding Bond Project).

<sup>4</sup> A portion of the outstanding principal amount of these bonds are being advance refunded with a portion of the proceeds of the Series 2013 Bonds.

SOURCE: Office of the Madison County Chancery Clerk, May 2013.

**Debt Ratios**

<b>Fiscal Year Ended September 30</b>	<b>General Obligation Debt</b>	<b>General Obligation Debt to Assessed Value</b>
2011	\$84,955,000	6.00%
2010	89,430,000	6.54
2009	94,120,000	7.11
2008	98,560,000	7.68
2007	72,325,000	5.93

SOURCE: Office of the Madison County Chancery Clerk, May 2013.

**Annual Debt Service Requirements<sup>1</sup>**

Fiscal Year Ending September 30	General Obligation Bonds		
	Existing Debt		Total
	Principal	Interest	
2013	\$ 5,108,000.00	\$ 3,851,253.03	\$ 9,031,253.03
2013	5,475,000.00	3,694,245.04	9,169,245.04
2014	5,395,000.00	3,077,381.28	8,472,381.28
2015	4,220,000.00	2,859,998.78	7,079,998.78
2016	4,395,000.00	2,672,998.78	7,067,998.78
2017	4,580,000.00	2,476,773.78	7,056,773.78
2018	4,035,000.00	1,905,461.28	5,940,461.28
2019	4,210,000.00	1,730,798.78	5,940,798.78
2020	4,485,000.00	1,546,748.78	6,031,748.78
2021	4,605,000.00	1,367,652.52	5,972,652.52
2022	4,825,000.00	1,175,384.39	6,000,384.39
2023	5,040,000.00	976,718.78	6,016,718.78
2024	5,260,000.00	767,731.26	6,027,731.26
2025	4,630,000.00	546,275.00	5,176,275.00
2026	4,855,000.00	354,050.00	5,209,050.00
2027	3,235,000.00	163,843.76	3,398,843.76
2028	<u>2,470,000.00</u>	<u>43,225.00</u>	<u>2,513,225.00</u>
<b>TOTAL</b>	<b><u>\$76,823,000.00</u></b>	<b><u>\$29,210,540.24</u></b>	<b><u>\$106,105,540.24</u></b>

<sup>1</sup> Does not include the Series 2013 Bonds or the Refunded Bonds.

SOURCE: Office of the Madison County Chancery Clerk, May 2013.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

**Other Debt**

(as of June 1, 2013)

Name of Issue	Date of Issue	Outstanding Principal Amount
MS Dept. of Economic Development Loan	06/30/99	\$ 23,906
Capital Improvement Loan	10/01/07	613,063
Capital Improvement Loan	10/01/09	651,510
Promissory Note (Capital Projects and Equipment Acquisition Program Loan Refunding Project) <sup>1</sup>	05/28/09	2,060,000
Promissory Note (Madison County, Mississippi Limited Tax Pledge Revenue Bond), Series 2009 <sup>2</sup>	06/24/09	7,410,000
Tax Increment Limited Obligation Bonds	12/19/11	<u>1,275,000</u>
<b>TOTAL</b>		<b>\$12,033,479</b>

<sup>1</sup> Loan from the Mississippi Development Bank secured by a Promissory Note under a Loan Agreement between the Mississippi Development Bank and the County. The Promissory Note and Loan Agreement secure the Mississippi Development Bank \$2,490,000 Special Obligation Bonds, Series 2009 (Madison County, Mississippi Capital Projects Equipment Acquisition Program Loan Refunding Project), dated as of May 28, 2009.

<sup>2</sup> Loan from the Mississippi Development Bank secured by a Promissory Note under a Loan Agreement between the Mississippi Development Bank and the County. The Promissory Note and Loan Agreement secure the Mississippi Development Bank \$8,000,000 Special Obligation Bonds, Series 2009 (Madison County, Mississippi Limited Tax Pledge Revenue Refunding Project), dated as of June 24, 2009. The principal and interest are to be paid from lawfully available revenues of the County, including, without limitation, the avails of the levy and pledge of up to 5 mills on all taxable property within the boundaries of the County pursuant to Section 41-13-25 of the Mississippi Code of 1972, as amended. The Note will never constitute a general obligation of the County within the meaning of any constitutional or statutory limitation.

SOURCE: Office of the Madison County Chancery Clerk, May 2013.

**Current Underlying General Obligation Indebtedness**

Name	2010 Population	General Obligation Bonded Debt	General Obligation Bonded Debt Per Capita
<b>Municipalities</b>			
City of Canton	13,189	\$ 6,144,963	\$ 465.91
City of Madison	24,149	28,295,000	1,171.68
City of Ridgeland	24,047	35,085,000	1,459.02
<b>School Districts</b>			
Madison County School District		\$115,910,000	
Canton Public School District		5,040,000	

SOURCE: Office of the Madison County Chancery Clerk, March 2013.

**LITIGATION**

The County's Counsel, Mike Espy, PLLC, Jackson, Mississippi, has reviewed the status of all pending litigation. While the County is involved in numerous legal proceedings, there are no pending legal proceedings which might be expected to affect the County's ability to perform its obligations to the registered owner of the Series 2013 Bonds.

It is anticipated, regardless of the ultimate outcome of this litigation, that neither the courts nor the Board of Supervisors will act inconsistently with the County's financial ability to pay all outstanding bonded indebtedness and the interest thereon, including the Series 2013 Bonds. It is not anticipated that the ultimate outcome of any or all of the pending litigation will result in obligations exceeding the financial resources of the County, so that in all events it is reasonable to expect that the County will remain in a sufficiently viable financial position to meet all of these obligations, including, but not limited to, the Series 2013 Bonds, provided the same are issued, validated, sold and delivered. To predict with any degree of accuracy the ultimate outcome of such litigation would be conjectural.

#### **FINANCIAL ADVISOR**

The County has retained the firm of Government Consultants, Inc. as independent financial advisor (the "Financial Advisor") to the County in connection with the issuance of the Series 2013 Bonds. In such capacity the Financial Advisor has provided recommendations and other financial guidance to the County with respect to the preparation of documents, the preparation for the sale of the Series 2013 Bonds and the time of the sale, market conditions and other factors related to the sale of the Series 2013 Bonds.

Although the Financial Advisor performed an active role in the drafting of this Official Statement, it has not independently verified any of the information set forth herein. The information contained in this Official Statement has been obtained primarily from the County's records and from other sources which are believed to be reliable, including financial records of the County and other entities, which records may be subject to interpretation. No guarantee is made as to the accuracy or completeness of any information obtained from sources other than the County. Any summaries or excerpts of statutes, ordinances, resolutions or other documents do not purport to be complete statements of the same and reference is made to such original sources in all respects.

#### **RATING**

Moody's Investors Service, Inc. ("Moody's") has assigned a rating of "Aa2" to the Series 2013 Bonds. Such rating reflects only the view of such organization, and an explanation of the significance of the rating may be obtained only from said rating agency.

There is no assurance that present or future ratings will continue for any given period of time or that the rating may not be lowered or withdrawn if in the judgment of Moody's circumstances so warrant. Any such downward change in or withdrawal of a rating may have an adverse effect on the secondary market price of the Series 2013 Bonds. Such rating reflects the views of Moody's and is not a recommendation to buy, sell or hold the Series 2013 Bonds.

#### **CONTINUING DISCLOSURE**

In the Resolution, the County has covenanted for the benefit of the owners of the Series 2013 Bonds to provide certain financial information and operating data relating to the County at least annually, commencing not later than March 31, 2014 (the "Annual Report"), and to provide notices of the occurrence of certain enumerated events, in certain cases if deemed material under federal laws. The Annual Report and notices of material events will be filed by the County with (a) the Municipal Securities Rulemaking Board (the "MSRB") through MSRB's Electronic Municipal Market Assess system at <http://emma.msrb.org> ("EMMA") in the electronic format then prescribed by the Securities and Exchange Commission (the "SEC") pursuant to SEC Rule 15c2-12(b)(5) (the "Rule"), and with (b) any public or private repository or entity designated by the State as a State repository, if any, for the purposes of the Rule. This information will be made available free to securities brokers and the general public through EMMA. For the procedures for all filings and notices due to the MSRB, instructions will be provided on the following website for MSRB: <http://emma.msrb.org>. The specific nature of the information to be contained in the Annual Report or the notices of material events is summarized in APPENDIX C to this Official Statement. These covenants have been made in order to assist the Underwriter in complying with the Rule. The County is in compliance in all material respects with its previous undertakings with regard to the Rule to provide Annual Reports or notices of material events.

## **RECORD OF NO DEFAULT**

There is no record of any default on general obligations of the County as to payment of either principal or interest or in any other material respect at any time in at least the past 25 years. No principal or interest on any obligation of the County is currently past due.

## **NO BOND PROCEEDS FOR CURRENT OPERATING EXPENSES**

No proceeds from the sale of securities (except tax anticipation notes issued against revenues of a current fiscal year) have been used by the County for current operating expenses at any time in at least the past ten years.

## **PENSION PLANS**

The County has no pension plan or retirement plan for employees. All full time employees of the County are members of and contribute to the Mississippi Public Employees' Retirement System.

## **UNDERWRITING**

The Underwriter shown on the cover page hereof (the "Underwriter") has agreed to purchase the Series 2013 Bonds, subject to certain conditions, at a price of \$\_\_\_\_\_, representing the aggregate principal amount of the Series 2013 Bonds in the amount of \$\_\_\_\_\_, plus/less a net original issue premium/discount of \$\_\_\_\_\_ and less an underwriting discount of \$\_\_\_\_\_. The obligation of the Underwriter to purchase the Series 2013 Bonds is subject to certain terms and conditions set forth in a Bond Purchase Agreement entered into between the Underwriter and the County. The Series 2013 Bonds may be offered and sold to certain dealers, banks and others at prices lower than the initial offering prices shown on the inside cover page of this Official Statement, and such initial offering prices may be changed from time to time by the Underwriter.

## **VALIDATION**

Prior to issuance, the Series 2013 Bonds will be validated before the Chancery Court of Madison County, Mississippi, as provided by Section 31-13-1 *et seq.*, Mississippi Code of 1972, as amended.

## **APPROVAL OF LEGAL PROCEEDINGS**

Certain legal matters incident to the authorization and issuance of the Series 2013 Bonds are subject to the approval of Butler, Snow, O'Mara, Stevens & Cannada, PLLC, Ridgeland, Mississippi ("Bond Counsel"), whose approving legal opinion will be available at the time of delivery of the Series 2013 Bonds. Certain legal matters will be passed upon for the Underwriter by \_\_\_\_\_, \_\_\_\_\_, Mississippi, and for the County by Mike Espy, PLLC, Jackson, Mississippi.

No representation is made to the registered owners of the Series 2013 Bonds that Bond Counsel has verified the accuracy, completeness or fairness of the statements in this Official Statement and Bond Counsel assumes no responsibility to the registered owners of the Series 2013 Bonds except for the matters set forth in such legal opinion.

## **VERIFICATION OF ARITHMETICAL AND MATHEMATICAL COMPUTATIONS**

The accuracy of the mathematical computations supporting the conclusions that the principal amounts and the interest thereon of the Investment Securities to be deposited in trust with the Escrow Agent (see "PLAN OF REFUNDING" herein) are adequate to provide for the payment when due and upon redemption, of the principal of and interest on the Refunded Bonds will be verified by The Arbitrage Group, Inc., independent certified public accountants. Such verification will be based, in part, upon information supplied to the certified public accountants by the Underwriter.

## TAX MATTERS

### General

In the opinion of Bond Counsel, under existing law, interest on the Series 2013 Bonds is includable in gross income of the owners thereof for federal income tax purposes.

Bond Counsel is of the further opinion that interest on the Series 2013 Bonds is exempt from State of Mississippi income taxation under existing laws.

### Original Issue Premium

The Series 2013 Bonds maturing on June 1 in the years \_\_\_\_\_ through and including \_\_\_\_\_ (the "Premium Bonds") have an issue price that is greater than the amount payable at maturity of such Premium Bonds. Any Premium Bonds purchased in the initial public offering at the issue price will have an "amortizable bond premium" within the meaning of Section 171 of the Internal Revenue Code of 1986, as amended. A holder of a Premium Bond that has amortizable bond premium is not allowed any deductions for the amortizable bond premium. During each taxable year, a holder of a Premium Bond must reduce such holder's tax basis in such Premium Bond by the amount of the amortizable bond premium that is allocable to the portion of such taxable year during which the holder held such Premium Bond. The adjusted tax basis in a Premium Bond will be used to determine taxable gain or loss upon a disposition (e.g., upon a sale, exchange, redemption or payment at maturity) of such Premium Bond.

Holders of Premium Bonds who did not purchase such Premium Bonds in the initial offering at the issue price should consult their own tax advisors with respect to tax consequences of owning such Premium Bonds. Any holders of Premium Bonds should consult their own tax advisors with respect to the state and local tax consequences of owning the Premium Bonds.

### Original Issue Discount

The Series 2013 Bonds maturing on June 1 in the years \_\_\_\_\_ through and including \_\_\_\_\_ (the "Discount Bonds") are being offered and sold to the public at an original issue discount ("OID") from the amounts payable at maturity thereon. OID is the excess of the stated redemption price of a bond at maturity (the face amount) over the "issue price" of such bond. The issue price is the initial offering price to the public (other than to bond houses, brokers or similar persons acting in the capacity of underwriters or wholesalers) at which a substantial amount of bonds of the same maturity are sold pursuant to that initial offering. For federal income tax purposes, OID on bond will accrue over the term of the bond, and for the Discount Bonds, the amount of accretion will be based on a single rate of interest, compounded semiannually (the "yield to maturity"). The amount of OID that accrues during each semi-annual period will do so ratably over that period on a daily basis. With respect to an initial purchaser of a Discount Bond at its issue price, the portion of OID that accrues during the period that such purchaser owns the Discount Bond is added to such purchaser's tax basis for purposes of determining gain or loss at the maturity, redemption, sale or other disposition of that Discount Bond and thus, in practical effect, is treated as stated interest, which is excludable from gross income for federal income tax purposes.

Holders of Discount Bonds should consult their own tax advisors as to the treatment of OID and the tax consequences of the purchase of such Discount Bonds other than at the issue price during the initial public offering and as to the treatment of OID for state tax purposes.

## MISCELLANEOUS

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact. No representation is made that any of the statements will be realized.

The references, excerpts and summaries of all documents referred to herein do not purport to be complete statements of the provisions of such documents, and reference is directed to all such documents for full and complete statements of all matters of fact relating to the Series 2013 Bonds, the security for the payment of the Series 2013 Bonds and the rights and obligations of the registered owners thereof.



The information contained in this Official Statement has been taken from sources considered reliable, but is not guaranteed. To the best of the County's knowledge, information in this Official Statement does not include any untrue statement of any material fact nor does the information omit the statement of any material fact required to be stated herein or necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading.

References herein to the Act, and all other legislative acts referred to herein are only summaries, excerpts or brief outlines of certain provisions thereof and do not purport to summarize or describe all provisions thereof. Additional information may be obtained upon request from the office of the Board of Supervisors, Madison County Courthouse, Chancery Court Building, 146 West Center Street, Canton, Mississippi 39046, attention: Arthur Johnston, telephone: (601) 859-1177 or from the Financial Advisor, Government Consultants, Inc., 1830 Crane Ridge Drive, Jackson, Mississippi 39216, telephone: (601) 982-0005.

The execution of this Official Statement has been duly authorized by the Board of Supervisors of the County.

**MADISON COUNTY, MISSISSIPPI**

By \_\_\_\_\_  
President of the Board of Supervisors

**THIS PAGE INTENTIONALLY LEFT BLANK**

**APPENDIX A**

**FISCAL YEAR 2011 AUDITED FINANCIAL STATEMENT  
AND 2011-12 AND 2012-13 BUDGETS**

**THIS PAGE INTENTIONALLY LEFT BLANK**

**FISCAL YEAR 2011 AUDITED FINANCIAL STATEMENT**

**THIS PAGE INTENTIONALLY LEFT BLANK**

**2011-12 AND 2012-13 BUDGETS**

**THIS PAGE INTENTIONALLY LEFT BLANK**



**APPENDIX B**  
**FORM OF BOND COUNSEL OPINION**

**THIS PAGE INTENTIONALLY LEFT BLANK**

[FORM OF BOND COUNSEL OPINION]

\_\_\_\_\_, 2013

Board of Supervisors  
Madison County, Mississippi

Dear Sirs:

We have acted as Bond Counsel for Madison County, Mississippi (the "County"), in connection with the issuance of the Madison County, Mississippi Taxable General Obligation Refunding Bonds, Series 2013, dated \_\_\_\_\_, 2013, in the total authorized aggregate amount of \$\_\_\_\_\_ (the "Bonds").

The Bonds bear interest, are subject to redemption prior to maturity and may be transferred and exchanged as set out in the Bonds and in resolutions adopted by the Board of Supervisors of the County on February 19, 2013, which resolutions authorized the issuance of the Bonds (the "Bond Resolution"). Capitalized terms not defined herein are defined as set forth in the Bond Resolution.

We have acted as Bond Counsel for the sole purpose of rendering an opinion with respect to the legality and validity of the Bonds under the laws of the State of Mississippi, and with respect to the exemption of interest on the Bonds from Mississippi income taxation. We have not investigated or verified original proceedings, records, data or other material, but have relied solely upon the certified transcript of proceedings described in the following paragraph. We have relied on the authenticity, truthfulness and completeness set forth in such documents, instruments and certificates. We have not assumed any responsibility with respect to the financial condition or capabilities of the County or the disclosure thereof in connection with the sale of the Bonds.

In our capacity as Bond Counsel, we have participated in the preparation of and have examined a certified transcript of proceedings pertaining to the Bonds which contains copies of certain proceedings of the County, customary certificates of officers, agents and representatives of the County and other public officials and other matters relating to the authorization and issuance of the Bonds. We have also examined executed Bond No. 1 of this issue.

Based on such examination, it is our opinion that:

1. The transcript of proceedings evidences complete legal authority for the issuance of the Bonds in full compliance with the laws of the State of Mississippi presently in effect, that the Bonds constitute valid and legally binding obligations of the County, that the Bonds are payable from 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; provided, however, that such tax levy for any year shall be abated pro tanto to the extent the County on or prior to September 1 of that year has transferred money to the 2013 Bond Fund of the Bonds, or has made other provisions for funds, to be applied toward the payment of the principal of and interest on the Bonds due during the ensuing fiscal year of the County, in accordance with the provisions of the Resolution.

2. Under existing law, regulations and court decisions, as presently interpreted and construed, Bond Counsel is of the opinion that interest on the Bonds is exempt from all present income taxes imposed by the State of Mississippi and any county, municipality or other political subdivision of the State of Mississippi.

3. Under existing law, regulations and court decisions, as presently interpreted and construed, Bond Counsel is of the opinion that interest on the Bonds is included in gross income of the owners thereof for federal income tax purposes.

It is understood that the rights of the owners of the Bonds and the enforceability of the Bonds and the Bond Resolution may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar law affecting creditors' rights heretofore or hereafter enacted and that the enforcement thereof may be subject to the exercise of judicial discretion in accordance with general principles of equity.

In rendering the foregoing opinions, we have assumed the accuracy and truthfulness of all public records and of all certificates, resolutions, documents and other proceedings examined by us that have been executed or certified by public officials acting within the scope of their official capacities and have not verified the accuracy or truthfulness thereof. We also have assumed the genuineness of the signatures appearing upon such public records, certifications, resolutions, documents and proceedings.

Very truly yours,

BUTLER, SNOW, O'MARA, STEVENS &  
CANNADA, PLLC

**APPENDIX C**  
**FORM OF CONTINUING DISCLOSURE AGREEMENT**

**THIS PAGE INTENTIONALLY LEFT BLANK**

## CONTINUING DISCLOSURE AGREEMENT

This Continuing Disclosure Agreement (this "Disclosure Agreement") is executed and delivered by the Board of Supervisors (the "Governing Body") of Madison County, Mississippi (the "County"), acting for and on behalf of the County, in connection with the execution and delivery of \$\_\_\_\_\_ Madison County, Mississippi Taxable General Obligation Refunding Bonds, Series 2013 (the "Bonds"). The Bonds are being executed and delivered pursuant to resolutions adopted by the Governing Body on February 19, 2013 (collectively, the "Resolution"). The County covenants and agrees as follows:

**SECTION 1. Purpose of this Disclosure Agreement.** This Disclosure Agreement is being executed and delivered by the County for the benefit of the owners of the Bonds and the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with SEC Rule 15c2-12.

**SECTION 2. Definitions.** In addition to the definitions set forth in the Resolution, which apply to any capitalized term used in this Disclosure Agreement unless otherwise defined herein, the following terms shall have the following meanings:

"Annual Report" shall mean any Annual Report provided by the County pursuant to, and as described in, Sections 3 and 4 of this Disclosure Agreement.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bond (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bond for federal income tax purposes.

"Dissemination Agent" shall mean the Chancery Clerk or such officer's designee, or such other person as the Governing Body shall designate in writing from time to time.

"EMMA" shall mean the Electronic Municipal Market Access System found at <http://emma.msrb.org>, which is the electronic format prescribed by the MSRB pursuant to the Rule.

"Fiscal Year" shall mean a period beginning on October 1 in any year and ending on September 30 of the following year or such other twelve-month period as may be adopted by the County in accordance with law.

"Listed Events" shall mean any of the events listed in Section 4(a) of this Disclosure Agreement.

"MSRB" shall mean the Municipal Securities Rulemaking Board. The electronic filings with the MSRB shall be through EMMA.

"National Repository" shall mean (a) MSRB's EMMA, and (b) in the future, any successor repository or repositories prescribed by the SEC for the purpose of serving as repository under the Rule.

"Official Statement" shall mean the final Official Statement of the County dated \_\_\_\_\_, 2013, in connection with the Bonds.

"Participating Underwriters" shall mean the original purchaser of the Bonds required to comply with the Rule in connection with the offering of the Bonds.

"Repository" shall mean each National Repository and each State Repository, if any.

"Rule" shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

"State Repository" shall mean any public or private repository or entity designated by the State of Mississippi as a state repository for the purpose of the Rule. As of the date of this Disclosure Agreement, there is no State Repository.

### **SECTION 3. Provision of Annual Reports.**

(a) The County shall, or shall cause the Dissemination Agent to, at least annually, commencing not later than March 31, 2014, provide to each Repository an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Agreement. Not later than fifteen (15) business days prior to said date, the County shall provide the Annual Report to the Dissemination Agent. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Agreement; provided that the audited financial statements of the County may be submitted separately from the balance of the Annual Report. If the audited financial statements of the County are unavailable on the date provided herein in any given year, the County agrees to provide unaudited financial statements and will provide audited financial statements if and when available.

(b) If the County is unable to provide to the Repositories an Annual Report by the date required in subsection (a) above, the County shall send a notice to each Repository.

(c) The Dissemination Agent shall determine each year prior to the date for providing the Annual Report the name and address of each National Repository and each State Repository, if any.

**SECTION 4. Content of Annual Reports.** The County's Annual Report shall contain or incorporate by reference the following:

(a) audited financial statements, if available, and, if unavailable, unaudited financial statements and audited financial statements if and when they become available; and

(b) a brief narrative discussion of the results of operations and financial condition of the County for such Fiscal Year, including updated financial and operating information relating to the County set forth in the tables and text in the following sections of the Official Statement: "THE COUNTY," "TAX INFORMATION" and "DEBT INFORMATION."

Any or all of the items listed above may be incorporated by reference from other documents, including official statements of debt issues with respect to which the County is an "obligated person" (as defined by the Rule), which have been filed with each of the Repositories or the Securities and Exchange Commission. If the document incorporated by reference is a final official statement, it must be available from the MSRB. The County shall clearly identify each such other document so incorporated by reference.

**SECTION 5. Reporting of Listed Events.** (a) In addition to the provisions of Sections 3 and 4 above, the County shall give or cause to be given notice of the occurrence of any of the following Listed Events with respect to the Bonds, in a timely manner not in excess of ten (10) business days after the occurrence thereof (subject to Section 5(b) hereof), if material. All fifteen (15) events mandated by the Rule are listed below; however, some may not apply to the 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 the credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.



- (7) Modification to rights of security holders.
- (8) Bond calls.
- (9) Tender offers.
- (10) Defeasances.
- (11) Release, substitution or sale of property securing repayment of the securities.
- (12) Rating changes.
- (13) Bankruptcy, insolvency, receivership or similar event of the County.
- (14) Consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.
- (15) The appointment of a successor or additional trustee or the change of name of a trustee.

(b) Any Listed Event under subsection (a)(1), (3), (4), (5), (6), (9), (10), (12), or (13) of this Section will always be deemed to be material.

**SECTION 6. Termination of Reporting Obligation.** The County's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of the Bonds.

**SECTION 7. Dissemination Agent.** The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. If the County elects not to appoint a successor Dissemination Agent, it shall perform the duties thereof under this Disclosure Agreement.

**SECTION 8. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the County may amend this Disclosure Agreement, and any provision of this Disclosure Agreement may be waived, if such amendment or waiver is supported by an opinion of counsel expert in federal securities laws, to the effect that such amendment or waiver would not, in and of itself, cause the undertakings herein to violate the Rule if such amendment or waiver had been effective on the date hereof but taking into account any subsequent change in or official interpretation of the Rule.

**SECTION 9. Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any financial information or operating data provided or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Agreement. If the County chooses to include any information in any financial information or operating data provided or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Agreement, the County shall have no obligation under this Disclosure Agreement to update such information or include it in any future financial information or operating data provided or notice of occurrence of a Listed Event.

**SECTION 10. Default.** In the event of a failure of the County to comply with any provision of this Disclosure Agreement any owner of a Bond may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Resolution, and the sole remedy under this Disclosure Agreement

in the event of any failure of the County to comply with this Disclosure Agreement shall be an action to compel performance.

**SECTION 11. Duties, Immunities and Liabilities of Dissemination Agent.** The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement, and the County agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's gross negligence or willful misconduct. The obligations of the County under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

**SECTION 12. Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the County, the Dissemination Agent, the Participating Underwriters, owners from time to time of the Bonds and beneficial owners of the Bonds and shall create no rights in any other person or entity.

Date: \_\_\_\_\_, 2013

**MADISON COUNTY, MISSISSIPPI**

By \_\_\_\_\_  
President of the Board of Supervisors

ButlerSnow 15387769v1