



GOVERNMENT
CONSULTANTS

GOVERNMENT CONSULTANTS, INC.

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February 21, 2017

President and Board of Supervisors
Madison County, Mississippi
146 W. Center Street
Canton, Mississippi 39046

Re: Madison County, Mississippi
Not to Exceed \$10,000,000 Madison County, Mississippi General Obligation Bonds, Series 2017; OR
Not to Exceed \$10,000,000 Mississippi Development Bank Special Obligation Bonds, Series 2017
(Madison County, Mississippi General Obligation Bond Project) (the "Bonds")
Disclosure and Engagement Letter (the "Letter")

Dear President and Board of Supervisors,

We are writing you to provide certain disclosures to you as representative of Madison County, Mississippi (the "Issuer" or "Obligor") as required by the Securities and Exchange Commission ("SEC") and Municipal Securities Rulemaking Board ("MSRB" or the "Board"). Government Consultants, Inc. ("GCI" or the "Municipal Advisor") is an Independent Registered Municipal Advisor and welcomes the opportunity to provide municipal advisory services to the Issuer or Obligor or Obligor for the issuance of the above referenced Bonds.

Disclosures Concerning our Role as Municipal Advisor

- (i) The Municipal Advisor has a fiduciary duty to the Issuer or Obligor. This is different than an underwriter, if any, who only has an obligation to deal fairly with you, as Issuer or Obligor. The underwriter, if any, has financial and other interests that differ from the Issuer or Obligor, unlike the Municipal Advisor who has no financial or other interests that differ from the Issuer or Obligor.
- (ii) We shall provide advice concerning the structure, timing, terms, sizing and other similar matters related to any potential bond or debt issuance by the Issuer or Obligor.
- (iii) We shall make a reasonable inquiry to the relevant facts that help determine what course of action to take that best suits the Issuer or Obligor. A reasonable analysis will be conducted to determine that all advice and/or recommendation(s), are not based on materially inaccurate or incomplete information.
- (iv) We shall evaluate possible material risks, benefits and alternatives with the Issuer or Obligor.
- (v) Our duties are limited to this transaction and the above-mentioned disclosures.

Disclosure Concerning Conflicts of Interest and Other Information

MSRB Rule G-42 requires that GCI provide in writing any disclosures relating to actual or potential material conflicts of interest, including certain categories of potential conflicts of interest identified in MSRB Rule G-42, if applicable. After reasonable due diligence by GCI, there are no known material conflicts of interest that may affect GCI's ability to serve as a municipal advisor to the Issuer or Obligor. If new material conflict(s) of interest occurs after the delivery and execution of this Letter, GCI will disclose all new material conflict(s) of interest to the Issuer or Obligor.

In addition to providing disclosures concerning material conflict(s) of interest, MSRB Rule G-42 further requires GCI to have a fiduciary duty that includes a duty of loyalty and duty of care to the Issuer or Obligor and to disclose our role and duties as a Municipal Advisor. Our primary obligation is to always act in the best interest of the Issuer or Obligor.

Disclosure Concerning the Compensation

Our compensation for serving as municipal advisor will be contingent on the closing of the transaction(s) for the issuance of bonds and is based, in part, on the size of the bonds. We will negotiate with the Issuer or Obligor as to compensation and will be paid upon closing of the transaction(s). The Municipal Advisor will abide by its fiduciary duty to the Issuer or Obligor and provide unbiased and independent advice as required by MSRB.

Disclosure of Information Regarding Legal Events and Disciplinary History

MSRB Rule G-42 requires that all municipal advisors, including GCI, provide in writing to their clients certain legal or disciplinary events that are material to the Issuer or Obligor's evaluation of GCI or the integrity of GCI management or personal. GCI believes there are no known legal or disciplinary events reported on any Form MA or Form MA-I that are material to your evaluation of GCI and there are no recent changes made on any Form MA or Form MA-I that are material to your evaluation. Any such information, whether material or not must be reported on Form MA and/or MA-I filed with the SEC, which forms are available and which can be viewed on the SEC's EDGAR system website at <http://www.sec.gov/edgar/searchedgar/companysearch.html>.

Disclosure Relating to Issuing Bonds

As with any issuance of debt, your obligation to pay principal and interest when due, will be a contractual obligation that will require you to make these payments no matter what budget restraints you encounter. The failure to pay principal and interest when due, could cause you to be in default. A default may negatively impact your credit ratings and may effectively limit your ability to publicly offer bonds or other securities at market rate levels. Please be aware of the following basic aspects of the Bonds.

Fixed rate bonds are interest bearing debt securities issued by an issuer or obligor. The interest rates for these bonds are specified at closing and will not change while the bonds are outstanding. Maturity dates for fixed rate bonds are fixed at the time of the issuance and may include serial maturities (specified principal amounts are payable on the same date each year until final maturity) or a term maturity (specified principal amounts are payable on each term maturity date) or a combination of serial and term maturities. Interest on fixed rate bonds is typically paid semiannually at a stated fixed rate or rates for each maturity.

There came on for consideration the matter of providing financing for various capital improvements for Madison County, Mississippi, and after a discussion of the subject matter, Supervisor _____ offered and moved the adoption of the following resolution:

RESOLUTION DECLARING THE INTENTION OF THE BOARD OF SUPERVISORS OF MADISON COUNTY, MISSISSIPPI, TO EITHER ISSUE GENERAL OBLIGATION BONDS OF SAID COUNTY, ISSUE A GENERAL OBLIGATION BOND OF SAID COUNTY FOR SALE TO THE MISSISSIPPI DEVELOPMENT BANK OR ENTER INTO A LOAN WITH THE MISSISSIPPI DEVELOPMENT BANK, ALL IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED TEN MILLION DOLLARS (\$10,000,000) TO RAISE MONEY FOR THE PURPOSE OF PROVIDING FUNDS FOR CONSTRUCTING, RECONSTRUCTING, AND REPAIRING ROADS, HIGHWAYS AND BRIDGES, AS DESCRIBED HEREIN, AND ACQUIRING THE NECESSARY LAND, INCLUDING LAND FOR ROAD-BUILDING MATERIALS, ACQUIRING RIGHTS-OF-WAY THEREFOR, AND FOR PURPOSES RELATED THERETO, INCLUDING ANY OTHER PURPOSE AS PROVIDED IN THE COUNTY BOND ACT (AS DEFINED HEREIN); DIRECTING PUBLICATION OF NOTICE OF SUCH INTENTION; AND FOR RELATED PURPOSES.

WHEREAS, the Board of Supervisors of Madison County, Mississippi (the "Governing Body"), acting for and on behalf of Madison County, Mississippi (the "County"), is authorized by Sections 19-9-1 *et seq.*, Mississippi Code of 1972, as amended and supplemented from time to time (the "County Bond Act"), to issue general obligation bonds for the purposes set forth therein, including, but not limited to, constructing, reconstructing, and repairing roads, highways and bridges in the County, and acquiring the necessary land, including land for road-building materials, acquiring rights-of-way therefor; and for purposes related thereto, including any other purpose authorized by the County Bond Act, and providing the costs of issuance thereof (collectively, the "Project"); and

WHEREAS, the Governing Body, acting for and on behalf of the County, is also authorized under the County Bond Act and Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended (the "Bank Act"), and other applicable laws of the State, to (a) issue a general obligation bond of the County to be sold to the Mississippi Development Bank (the "Bank") to finance the costs of the Project, or (b) enter into a loan with the Bank to borrow money to finance the costs of the Project; and

WHEREAS, the Project is in accordance with and in furtherance of the provisions of the County Bond Act and the Bank Act; and

WHEREAS, the Governing Body is authorized pursuant to the County Bond Act and/or the Bank Act to provide funding for the costs of the Project either through the issuance of (a) general obligation bonds of the County in one or more taxable or tax-exempt series pursuant to the County Bond Act in a total aggregate principal amount not to exceed Ten Million Dollars (\$10,000,000) (the "Bonds"), (b) a general obligation bond or bonds of the County in one or more taxable or tax-exempt series to be sold to the Bank in a total aggregate principal amount not to

exceed Ten Million Dollars (\$10,000,000) (the "County Bond"), (c) by entering into in one or more taxable or tax-exempt loans with the Bank to borrow money from the Bank in a total aggregate principal amount not to exceed Ten Million Dollars (\$10,000,000) (the "Loan"), or (d) a combination of any of the foregoing as long as the aggregate principal amount of Bonds, County Bond and/or Loan issued does not exceed Ten Million Dollars (\$10,000,000); and

WHEREAS, as of February 1, 2017, the assessed value of all taxable property within the County, according to the last completed assessment for taxation, was _____ Hundred _____ Million _____ Hundred _____ Thousand _____ Hundred _____ Dollars (\$ _____), and the County had outstanding bonded and floating indebtedness as subject to the fifteen percent (15%) debt limit prescribed by Section 19-9-5 of the County Bond Act, in the amount of _____ Dollars (\$ _____,000.00), and outstanding bonded and floating indebtedness as subject to the twenty percent (20%) debt limit prescribed by Section 19-9-5 of the County Bond Act, in the amount of _____ Thousand Dollars (\$ _____,000.00); and

WHEREAS, the Bonds, the County Bond or the Loan, when added to the outstanding bonded indebtedness of the County, will not result in bonded indebtedness, exclusive of indebtedness not subject to the aforesaid fifteen percent (15%) debt limit, of more than fifteen percent (15%) of the assessed value of all taxable property within the County, will not result in indebtedness, both bonded and floating, exclusive of indebtedness not subject to the aforesaid twenty percent (20%) debt limit, of more than twenty percent (20%) of the assessed value of all taxable property within the County, and will not exceed any constitutional or statutory limitation upon indebtedness which may be incurred by the County; and

WHEREAS, there has been no increase in said bonded and floating general obligation indebtedness of the County since February 1, 2017; and

WHEREAS, it would be in the best interest of the County for the Governing Body to provide funding for the costs of the Project by borrowing money through the issuance of the Bonds or the County Bond or by entering into the Loan; and

WHEREAS, the County reasonably expects that it will incur expenditures in connection with the Project for which the County intends to reimburse itself with the proceeds of the Bonds, the County Bond or the Loan; and

WHEREAS, the Governing Body is authorized and empowered by the County Bond Act and/or the Bank Act to issue the Bonds or the County Bond or to enter into the Loan for the purposes herein set forth and there are no other available funds on hand or available from regular sources of income for such purposes.

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

SECTION 1. The Governing Body, acting for and on behalf of the County, hereby declares its intention to either (a) issue general obligation bonds of the County in one or more

taxable or tax-exempt series pursuant to the County Bond Act in a total aggregate principal amount not to exceed Ten Million Dollars (\$10,000,000) (the "Bonds"), (b) issue a general obligation bond or bonds of the County in one or more taxable or tax-exempt series to be sold to the Bank in a total aggregate principal amount not to exceed Ten Million Dollars (\$10,000,000) (the "County Bond"), (c) enter into in one or more taxable or tax-exempt loans with the Bank to borrow money from the Bank in a total aggregate principal amount not to exceed Ten Million Dollars (\$10,000,000) (the "Loan"), or (d) a combination of any of the foregoing as long as the aggregate principal amount of Bonds, County Bond and/or Loan issued does not exceed Ten Million Dollars (\$10,000,000).

SECTION 2. The Bonds, the County Bond or the Loan will be issued for the purpose of financing the Project, as authorized by the County Bond Act and the Bank Act.

SECTION 3. The Bonds or the County Bond may be issued in one or more taxable or tax-exempt series and, if issued, 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 time, rate or amount upon all the taxable property within the geographical limits of the County. The Loan will be payable from available revenues of the County and will not constitute an indebtedness of the County within the meaning of any constitutional or statutory restrictions, limitations, or provisions, and the taxing power of the County will not be pledged to the payment of the Loan.

SECTION 4. The Governing Body proposes to direct the issuance of all or any portion of the Bonds or the County Bond or to authorize the Loan in the amount and for the purposes and secured as aforesaid at a meeting of the Governing Body to be held at its usual meeting place in the Madison county Courthouse, located at 125 West North Street, Canton, Mississippi, at the hour of 9:00 o'clock a.m. on April 3, 2017, or at some meeting or meetings subsequent thereto; provided, however, that if twenty percent (20%) or fifteen hundred (1500), whichever is less, of the qualified electors of the County shall file a written protest with the Chancery Clerk of the County (the "Chancery Clerk") against the issuance of the Bonds or the County Bond or the authorization of the Loan on or before the aforesaid date and hour, then the Bonds or the County Bond shall not be issued or the Loan shall not be entered into unless approved at an election on the question thereof called and held as is provided by law; provided, further that if no sufficient protest is filed, then the Bonds or the County Bond may be issued and sold in one or more series or the County may enter into the Loan without an election on the question of the issuance thereof at any time within a period of two (2) years after April 3, 2017.

SECTION 5. In full compliance with the County Bond Act, the Chancery Clerk is hereby directed to publish a copy of this resolution once a week for at least three (3) consecutive weeks in *The Madison County Herald*, a newspaper published in and having a general circulation in the County and qualified under the provisions of Section 13-3-31, Mississippi Code of 1972, as amended, with the first publication being not less than twenty-one (21) days prior to the date set forth in Section 4 of this resolution, and the last publication being made not more than seven (7) days prior to such date.

SECTION 6. The Chancery Clerk is hereby directed to procure from the publisher of the aforesaid newspaper the customary proof of the publication of this resolution and the required notice and have the same before the Governing Body on the date and hour specified in Section 4 hereof.

SECTION 7. The County hereby declares its official intent to reimburse itself from the proceeds of the Bonds, the County Bond or the Loan for expenses incurred with respect to the Project subsequent to the date of this resolution or as otherwise allowed by the Internal Revenue Code of 1986, as amended and supplemented from time to time. This resolution is intended as a declaration of official intent under Treasury Regulation 1.150-2. The Bonds, the County Bond or the Loan will not exceed the aggregate principal amount of Ten Million Dollars (\$10,000,000).

SECTION 8. If any one or more of the provisions of this resolution shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any of the other provisions of this resolution, but this resolution shall be construed and enforced as if such illegal or invalid provision or provisions had not been contained herein.

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 Sheila Jones voted: _____
- Supervisor Trey Baxter voted: _____
- Supervisor Gerald Steen voted: _____
- Supervisor David Bishop voted: _____
- Supervisor Paul Griffin voted: _____

The motion having received the affirmative vote of a majority of the members of the Governing Body present, being a quorum of said Governing Body, the President declared the motion carried and the resolution adopted this 21st day of February, 2017.

President of the Board of Supervisors of Madison
County, Mississippi

ATTEST:

Clerk of the Board of Supervisors of
Madison County, Mississippi

PUBLISH: March 9, 16, 23 and 30, 2017

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There came on for consideration the matter of providing financing for various capital improvements for Madison County, Mississippi, and after a discussion of the subject matter, Supervisor _____ offered and moved the adoption of the following resolution:

RESOLUTION HIRING REQUIRED LEGAL COUNSEL AND AN INDEPENDENT REGISTERED MUNICIPAL ADVISOR IN CONNECTION WITH THE SALE AND ISSUANCE BY MADISON COUNTY, MISSISSIPPI OF EITHER GENERAL OBLIGATION BONDS OF SAID COUNTY OR A GENERAL OBLIGATION BOND OF SAID COUNTY FOR SALE TO THE MISSISSIPPI DEVELOPMENT BANK OR THE EXECUTION AND DELIVERY OF THE DOCUMENTS NECESSARY TO SECURE A LOAN WITH THE MISSISSIPPI DEVELOPMENT BANK, ALL IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED TEN MILLION DOLLARS (\$10,000,000); AND FOR RELATED PURPOSES.

WHEREAS, the Board of Supervisors of Madison County, Mississippi (the "Governing Body"), acting for and on behalf of Madison County, Mississippi (the "County"), is authorized by Sections 19-9-1 *et seq.*, Mississippi Code of 1972, as amended and supplemented (the "County Bond Act"), to issue general obligation bonds for the purposes set forth therein, including, but not limited to, constructing, reconstructing, and repairing roads, highways and bridges in the County, and acquiring the necessary land, including land for road-building materials, acquiring rights-of-way therefor, and for purposes related thereto including any other purposes authorized by the County Bond Act, and providing the costs of issuance thereof (together, the "Project"); and

WHEREAS, the Governing Body, acting for and on behalf of the County, is also authorized under the County Bond Act and Sections 31-25-1 *et seq.*, Mississippi Code of 1972, as amended (the "Bank Act"), and other applicable laws of the State, to (a) issue a general obligation bond of the County to be sold to the Mississippi Development Bank (the "Bank") to finance the costs of the Project, or (b) enter into a loan with the Bank to borrow money to finance the costs of the Project; and

WHEREAS, the Project is in accordance with and in furtherance of the provisions of the County Bond Act and the Bank Act; and

WHEREAS, on February 21, 2017, the Governing Body adopted a resolution declaring its intention to either (a) issue and sell general obligation bonds of the County in one or more taxable or tax-exempt series pursuant to the County Bond Act in a total aggregate principal amount not to exceed Ten Million Dollars (\$10,000,000) (the "Bonds"), (b) issue and sell a general obligation bond of the County in one or more taxable or tax-exempt series to the Bank in a total aggregate principal amount not to exceed Ten Million Dollars (\$10,000,000) (the "County Bond"), or (c) enter into a loan with the Bank to borrow money from the Bank in one or more taxable or tax-exempt loans in an aggregate principal amount not to exceed Ten Million Dollars (\$10,000,000) (the "Loan") to finance the costs of the Project; and

WHEREAS, the County Bond or the Loan will be funded with the proceeds of limited obligation bonds in one or more taxable or tax-exempt series to be issued by the Bank (the “Bank Bonds”); and

WHEREAS, in connection with the execution and delivery of the documentation necessary to secure the Loan and/or the sale and issuance of the Bonds, the County Bond and/or the Bank Bonds, the Governing Body now desires to hire the required legal counsel and an independent registered municipal advisor.

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

SECTION 1. The Governing Body, acting for and on behalf of the County, does hereby find and determine that it is necessary and advisable for the County to hire the required legal counsel and an independent registered municipal advisor in connection with (a) the issuance and sale of the Bonds pursuant to the County Bond Act, (b) the issuance and sale of the County Bond to the Bank pursuant to the County Bond Act and the Bank Act, or (c) entering into the Loan with the Bank pursuant to the County Bond Act and the Bank Act to borrow money from the Bank.

SECTION 2. Butler Snow LLP, Ridgeland, Mississippi, is hereby selected to serve as bond counsel to the County in connection with the sale and issuance of the Bonds, the County Bond, the Bank Bonds and/or the Loan, in accordance with the engagement letter attached as Exhibit A hereto.

SECTION 3. Katie Bryant Snell PLLC, Ridgeland, Mississippi, is hereby selected to serve as counsel to the County in connection with the sale and issuance of the Bonds, the County Bond, the Bank Bonds and/or the Loan.

SECTION 4. Government Consultants, Inc., Madison, Mississippi, is hereby selected to serve as Independent Registered Municipal Advisor to the County in connection with the sale and issuance of the Bonds, the County Bond, the Bank Bonds and/or the Loan, in accordance with the Independent Registered Municipal Advisor letter attached as Exhibit B hereto.

SECTION 5. If any one or more of the provisions of this resolution shall for any reason be held to be illegal or invalid, such illegality or invalidity shall not affect any of the other provisions of this resolution, but this resolution shall be construed and enforced as if such illegal or invalid provision or provisions had not been contained herein.

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 Sheila Jones voted: _____
Supervisor Trey Baxter voted: _____
Supervisor Gerald Steen voted: _____
Supervisor David Bishop voted: _____
Supervisor Paul Griffin voted: _____

The motion having received the affirmative vote of a majority of the members of the Governing Body present, being a quorum of said Governing Body, the President declared the motion carried and the resolution adopted this 21st day of February, 2017.

President of the Board of Supervisors of Madison
County, Mississippi

ATTEST:

Clerk of the Board of Supervisors of
Madison County, Mississippi

EXHIBIT A
BOND COUNSEL ENGAGEMENT LETTER

EXHIBIT B

INDEPENDENT REGISTERED MUNICIPAL ADVISOR LETTER