

Sheila Johnson
Corporate Trust Department
Trustmark National Bank
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February 1, 2019

Shelton Vance, CPA
County Administrator
Madison County
P.O. Box 608
Canton, MS 39046

Re: Trustmark National Bank as Trustee (the "Trustee") under the Trust Indenture dated March 1, 2007 (the "Trust Indenture"), Parkway South Public Improvement District (the "District"), \$10,000,000 Parkway South Public Improvement District Special Assessment Bond, Series 2007 (the "Bonds")

Dear Shelton:

This letter is in response to your letter dated December 14, 2018, concerning the above referenced matter.

First, let me express Trustmark's appreciation for your detailed letter and attachments. The amount of time you took to explain the overall situation and provide backup information was extremely helpful.

Second, I want to state what is probably obvious to the involved parties. Trustmark, as Trustee, and Trustmark, as Bondholder, and Madison County have enjoyed an excellent working relationship in connection with the Bonds. Although the issues have been complex, the parties have communicated and worked together well. Thank you.

Third, let me respond to the various issues outlined in your letter.

A. Collection Fees

We have discussed the collection fee issue with the Bondholder. The Bondholder agrees that, in the event that Madison County failed to withhold collection fees, then Madison County should be paid collection fees. We are not able to easily verify whether collection fees were withheld. Based on the representation in your December 14, 2018 letter that collection fees were not withheld on the indicated payments and that the sum of \$24,973.46 is due Madison County, the Bondholder has authorized us to make the requested payment.

We attach our trust account check for **\$24,973.46** in full payment of the collection fee amount requested.

We assume that going forward Madison County will withhold the collection fee prior to remitting payments to us. Please confirm our assumption.

B. Interest

Your letter indicates that Madison County failed to withhold or separately bill for accrued interest. We have discussed this issue with the Bondholder. The issues are complicated and the complications worsened by the by the convoluted facts, which include taxes paid on time, taxes paid with penalties prior to a tax sale, and taxes paid after a tax sale, all over multiple years. Without conceding any factual, accounting or legal issues, the Bondholder wants to resolve the pending issue and has authorized us to make the requested payment.

So, although reserving any rights to question future methodology and calculations, we attach our trust account check for **\$157,413.43** in full payment of the accrued interest requested.

We assume that going forward Madison County will send statements for any unpaid accrued interest on an annual basis. Please confirm our assumption.

Fourth, we would like to confirm that the process (submittals of tax receipts, payments, Contribution Agreement advances and repayments, etc.) will continue as consistent with past practices except for (a) the withholding of collection fees, and (b) payment of accrued interest as noted above. If you plan or anticipate any changes other than noted above, please advise us immediately.

We would be pleased to discuss this matter at your convenience.

Trustmark National Bank, as Trustee of the Bonds


Sheila Johnson, Trust Officer

cc:

Ben Aldridge, Trustmark
John Howie, Trustmark
Trent Marchman, Trustmark

Attachments:

1. Check no. 16006615 in the amount of \$24,973.46
2. check no. 16006619 in the amount of \$157,413.43



MADISON COUNTY BOARD OF SUPERVISORS

125 West North Street • Post Office Box 608
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February 19, 2019

Sheila Johnson
Trustmark Bank
As Trustee for Parkway South PID
248 East Capitol St, Suite 820
Jackson, MS 39201

Dear Ms. Johnson:

Thanks for your prompt response to my letter regarding Parkway South Public Improvement District. With this letter, I will attempt to respond to your inquiries.

You indicate an assumption that Madison County (County) will withhold the collection fee prior to remitting payments to the PID Trustee. Further, you indicate an assumption that the County will submit statements for unpaid accrued interest on an annual basis.

Please remember that the payments creating a liability under the Contribution Agreement are the proceeds of land tax redemptions. The redemption process is controlled by the Chancery Clerk, independent of his role in other county functions. Therefore, the County is not able to withhold the collection fee from the redemption distributions.

The accrued interest calculation will continue to require manual preparation. Following preparation, we confirm that we will send statements for any unpaid accrued interest following each redemption activity.

In summary, the billing of collection fees and interest should occur after each redemption.

I am not aware of any necessary or expected changes to other components of the tax redemption relationship between the County and the PID.

Sincerely,

Shelton Vance,
County Administrator