



MADISON COUNTY BOARD OF SUPERVISORS

125 West North Street • Post Office Box 608
Canton, Mississippi 39046
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www.madison-co.com
September 30, 2020

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

Sheila,

Attached to this letter is:

1. Details of 2020 financial transactions related to annual tax sale processes, and
2. A spreadsheet of shortfall, repayment, and redemption distributions.

Additional foundation documents were provided in a prior letter, dated December 14, 2018.

Please allow me to direct your attention to page 3 of the previously provided Contribution Agreement (CA), section 3, labeled County Contribution. Midway through the paragraph, the document reads:

“The parties also agree that, in the event of a sale of a parcel of land for taxes (pursuant to Section 19-31-33 of the Act) upon which a Special Assessment was levied but not collected, the County shall be immediately reimbursed for the County’s advance to such deficiency with the proceeds of such tax sale. The amount of such reimbursement shall be equal to the amount the County advanced to the paying agent, and/or the Bond trustee, pursuant to this Section 3, including any interest accrued thereon at the statutory rate.”

This section of the CA refers to the annual tax sale. As a result of tax sale processes, there have been 3 instances of land redeemed to prevent escheatment to the state during the calendar year of 2020.

The methodology used to construct a settlement to the county of these 2020 redemption funds follows the method developed for settlement of the prior redemption funds.

In addition to any special assessments or interest calculations that may be due, the PID has a general collection agreement with MC. This agreement calls for a 3% commission of gross collections to be paid to MC.

Please consider the following transactions:

For the 2020 redemption (2018 tax collection year), the trustee/PID repaid the special assessment due on or about November 2019 and April 2020. However, a commission of 3%, interest to the date of the tax sale, and interest to the date of repayment remains due to MC.

Commission:

Total Collections ($\$272,730.41 + \$122,728.68$) * .03	\$11,863.77
\$	

Purchaser's Interest:

From Tax Sale (August 2018) until repayment (November 2019) ($\$129,400 * .225$)	\$29,115.00
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From Tax Sale (August 2018) until repayment (April 2020) ($\$143,330.01 * .3$)	\$42,999.12
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Total Due From 2020 Redemption:	<u>\$83,977.89</u>
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If you have questions concerning these calculations. Please advise of a time that we can discuss these items.

Regards,



Shelton Vance, CPA
County Administrator

Detail of 2020 Transactions

On or about November 2017 and May 2018, a shortfall existed in collection of SA in the amount of \$129,400 and \$729,400, respectively. This amount was advanced to the bond trustee by MC based on a request from the trustee.

An estimated \$321,201.92 in SAs were not paid by landowners in the 2018 collection year for 2017 taxes. Of this amount, \$272,730.41 was associated with parcels owned by S.L. Sethi, representing 85% of the unpaid SAs. All properties associated with these unpaid SAs were presented for sale in the annual tax sale.

The Bond Trustee repaid the amount of the shortfall payments to MC (\$129,400 on 10/30/2019 and \$729,400 on 4/27/2020). This satisfied the obligation to pay the SA associated with the purchase at the tax sale. The interest remained due.

In August 2020, S.L. Sethi's property was redeemed from the escheatment process. All collections on behalf of the PID were remitted to the Bond Trustee by the MC Chancery Clerk.

The collection agreement with MC, calls for a commission of 3% of gross collections to be paid to MC. The 3% commission fee is \$11,863.77.

Upon redemption, under terms of the CA, the SA associated with the shortfall payment and related interest was due to MC. Because the trustee had already repaid the shortfall payment, only the interest remained due to MC.

The amount of SA in S.L. Sethi's redemption is \$272,730.41 ($\$321,201.92 * 85\%$, limited to his actual unpaid SA and limited by the SA available from redemption funds). Interest through the date of the annual tax sale was not calculated on the tax receipt. Additional interest through the date of the trustee's shortfall re-payment (Apr 2020 - $(\$129,400 * .225) + ((\$272,730.41 - \$129,400) * .3)$) is \$72,114.12. The total interest due is \$72,114.12.

The total due to MC from this redemption is \$83,977.90 (commission, delinquent interest, and purchaser's interest).

Shelton Vance

From: Na'Son White
Sent: Thursday, October 29, 2020 9:17 AM
To: Shelton Vance
Subject: RE: Parkway South

Good Morning,

Today, we received \$83,977.89 in our bank out.

Cordially,

Na'Son S. White

Madison County Board of Supervisors
Comptroller
P O Box 608
146 West Center Street
Canton, MS 39046
(601) 855-5580

From: Shelton Vance <Shelton.Vance@madison-co.com>
Sent: Wednesday, October 28, 2020 11:55 AM
To: Na'Son White <Nason.White@madison-co.com>
Subject: RE: Parkway South

The amount and details are included in this letter.

SV

From: Na'Son White <Nason.White@madison-co.com>
Sent: Wednesday, October 28, 2020 11:40 AM
To: Shelton Vance <Shelton.Vance@madison-co.com>
Subject: RE: Parkway South

Shelton,

I'll be happy to let you know once the money is received but I need more information. Can you provide the history of this and the details for the calculated amount so I'll know the amount I'm expecting?

Cordially,

Na'Son S. White

Madison County Board of Supervisors
Comptroller
P O Box 608

146 West Center Street
Canton, MS 39046
(601) 855-5580

From: Shelton Vance <Shelton.Vance@madison-co.com>
Sent: Wednesday, October 28, 2020 11:24 AM
To: Na'Son White <Nason.White@madison-co.com>
Subject: FW: Parkway South

I need to know when the money is received so that the Board can acknowledge the payment.

SV

From: Shelton Vance
Sent: Wednesday, October 28, 2020 11:23 AM
To: 'Sheila Johnson' <SJohnson@trustmark.com>
Cc: Na'Son White <Nason.White@madison-co.com>
Subject: RE: Parkway South

That will be fine.

Thanks,
SV

From: Sheila Johnson <SJohnson@trustmark.com>
Sent: Wednesday, October 28, 2020 11:20 AM
To: Shelton Vance <Shelton.Vance@madison-co.com>
Subject: Parkway South

CAUTION! External Content. Please use caution when opening attachments and links. Do not provide your username and password if requested.

Shelton,

I am remitting the interest and fees per your 9/30/2020 letter.
Do you want me to ACH the funds to your Renasant Bank account ending 214?

Thanks,
Sheila

Sheila Johnson [Corporate Trust Department] Trustmark Tailored Wealth

Trustmark National Bank | 248 East Capitol Street Suite 1006 | Jackson, MS 39201

📞 Office (601) 208-5841 | ✉️ sjohnson@trustmark.com



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