



MADISON COUNTY BOARD OF SUPERVISORS

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September 22, 2021

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 2021 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 4 instances of land redeemed to prevent escheatment to the state during the calendar year of 2021.

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 Madison County (MC). This agreement calls for a 3% commission of gross collections to be paid to MC.

Please consider the following transactions:

For the 2021 redemption (2019 tax collection year), the trustee/PID repaid the special assessment due on or about October 2020 and April 2021. However, a commission of 3%, interest to the date of the tax sale, and interest to the date of repayment remains due to Madison County.

Commission:

Total Collections $(\$295,844.53 + \$552.88 + \$131,238.32) * .03$ \$ 12,829.07

Delinquent Interest:

From February 1 until Tax Sale (August) @ 1% per month
(\$190,210.23 * .07; limited to actual collections) \$ 552.88

Purchaser's Interest:

From Tax Sale (August 2019) until repayment (October 2020)
(\$116,200.00 * .225) \$ 26,145.00

From Tax Sale (August 2019) until repayment (April 2020)
(295,844.53 - \$116,200.00) * .315 \$ 56,588.03

Total Due From 2021 Redemption: \$ 96,114.98

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 2021 Transactions

On or about November 2018 and May 2019, a shortfall existed in collection of Special Assessment (SA) in the amount of \$116,200.00 and \$635,159.51, respectively. This amount was advanced to the bond trustee by MC based on a request from the trustee.

An estimated \$515,962.71 in SAs were not paid by landowners in the 2019 collection year for 2018 taxes. Of this amount, \$295,844.53 was associated with parcels owned by S.L. Sethi, representing 57% 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 (\$116,200.00 on 10/22/2020 and \$635,159.51 on 4/27/2021). This satisfied the obligation to pay the SA associated with the purchase at the tax sale. The interest remained due.

In August 2021, 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 \$12,829.07.

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 \$295,844.73 ($\$515,962.71 * 57\%$), limited to his actual unpaid SA and limited by the SA available from redemption funds). Delinquent interest through the date of the annual tax sale is \$552.88 which was limited to actual collections. Additional interest through the date of the trustee's shortfall re-payment Apr 2020 - $(\$116,200 * .225) + (\$295,844.53 - \$116,200.00) * .315$ is \$82,733.03. The total interest due is \$83,285.91.

The total due to MC from this redemption is \$96,114.98 (commission, delinquent interest, and purchaser's interest).

Date	Description	Amount
OCT 18 2021	ACH DEPOSIT: StateofMS PMD PAYMENT CCD 301867593	\$28,838.12 \$51,733,387.93
OCT 18 2021	ACH DEPOSIT: TRUSTMARK TRANSFERS PPD Madison County	\$96,114.98 \$51,704,549.81

Details

Statement Description:

ACH DEPOSIT: TRUSTMARK TRANSFERS PPD Madison County

Date:

10/18/2021

Type:

Credit