



July 14, 2022

VIA E-MAIL AT GREG.HINGGINBOTHAM@MADISON-CO.COM

Madison County, Mississippi
Attn: Mr. Greg Higginbotham, County Administrator
P.O. Box 404
Canton, MS 39046-0404

Re: Madison County, Mississippi Fiscal Year 2021 Continuing Disclosure

Dear Mr. Higginbotham:

We are pleased to confirm our engagement as dissemination agent (the "Dissemination Agent") to Madison County, Mississippi (the "County") in connection with its annual continuing disclosure undertaking. We appreciate your confidence in us and will do our best to continue to merit it. This letter sets forth the role we propose to serve and the responsibilities we propose to assume as Dissemination Agent in connection with the Annual Filing for fiscal year ended September 30, 2021.

We understand that pursuant to Securities and Exchange Commission Rule 15c2-12, as amended from time to time (the "Rule"), the County is required to provide on an annual basis certain financial information and operating data to the Municipal Securities Rulemaking Board (the "MSRB") through the MSRB's Electronic Municipal Market Access system at www.emma.msrb.org ("EMMA"), in the electronic format then prescribed by the Securities and Exchange Commission (the "SEC") (the "Required Electronic Format") pursuant to the Rule.

We also understand that pursuant to the County's Policies and Procedures for Continuing Disclosure/SEC Rule 15c2-12 Compliance (the "Policy"), a staff designee of the County is required to appoint or engage a dissemination agent to assist in carrying out its obligations under the Policy and the Rule, and the County is hereby appointing us to serve as Dissemination Agent in connection with the Annual Filing for fiscal year 2021 to be filed on or before September 30, 2022.

SCOPE OF ENGAGEMENT

As Dissemination Agent we will examine the County's continuing disclosure responsibility, consult with parties to the County; compile the Annual Filing (with the assistance of the County) and file an Annual Filing for and on behalf of the County. We will rely upon information provided to us without undertaking to verify the same by independent investigation. During the course of this engagement, we will rely on you to provide us with complete and timely information on all developments pertaining to any aspect of the Annual Filing. We understand that you will direct members of your staff and other employees of the County to cooperate with us in this regard.

Our duties in this engagement are limited to those expressly set forth above.

ATTORNEY-CLIENT RELATIONSHIP

Upon execution of this engagement letter, the County will be our client and an attorney-client relationship will exist between us. We further assume that all other parties understand that in this transaction we represent only the County, we are not counsel to any other party, and we are not acting as an intermediary among the parties. Our services as Dissemination Agent are limited to those contracted for in this letter, and the County's execution of this engagement letter will constitute an acknowledgment of those limitations.

Our representation of the County and the attorney-client relationship created by this engagement letter will be concluded upon the filing of the Annual Filing.

PROSPECTIVE CONSENT

As you are aware, Butler Snow represents many political subdivisions, companies and individuals. It is possible that during the time that we are representing the County, one or more of our present or future clients will have transactions, litigation, or other matters with the County. We do not believe that such representation, if it occurs, will adversely affect our ability to represent you as provided in this engagement letter, either because such matters will be sufficiently different from the filing of the Annual Filing so as to make such representations not adverse to our representation of you, or because the potential for such adversity is remote or minor and outweighed by the consideration that it is unlikely that advice given to the other client will be relevant to any aspect of the issuance filing of the Annual Filing. The County's local counsel is hereby authorized to discuss and/or review with Butler Snow any such matters described in this paragraph (including any form of potential conflict waiver, if applicable). Execution of this engagement letter will signify the County's consent to our representation of others consistent with the circumstances described in this paragraph.

FEE STRUCTURE

Based upon: (i) our current understanding of the terms, structure, size and schedule of the Annual Filing, (ii) the duties we will undertake pursuant to this letter, (iii) the time we anticipate devoting to the Annual Filing, and (iv) the responsibilities we assume, our fee for this engagement will be \$3,000.00. Such fee may vary: (i) if material changes in the structure of the financing occur or (ii) if unusual or unforeseen circumstances arise which require a significant increase in our time or our responsibilities. If, at any time, we believe that circumstances require an adjustment of our original fee estimate, we will consult with you.

In addition, this letter authorizes us to incur expenses and make disbursements on behalf of the County, which we will include in our invoice. Disbursement expenses will include such items as travel costs, photocopying, deliveries and other out-of-pocket costs.

PUBLICITY CONCERNING THIS MATTER

Often projects and matters such as this are of interest to the public. Also, many clients desire favorable publicity. Therefore, you agree that we may respond to inquiries from the news media and we may initiate and publish information to the public on this matter (including but not limited to our firm website) unless you instruct us not to do so. In any event, we will not divulge any non-public information regarding this matter.

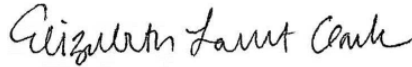
RECORDS

At your request, papers and property furnished by you will be returned promptly upon receipt of payment for outstanding fees and client charges. Our own files, including lawyer work product, pertaining to the transaction will be retained by us. For various reasons, including the minimization of unnecessary storage expenses, we reserve the right to dispose of any documents or other material retain by us after the termination of this engagement.

If the foregoing terms are acceptable to you, please so indicate by (1) returning the enclosed copy of this engagement letter dated and signed by an authorized officer; and (2) returning the material event notice certification dated and signed by an authorized officer, attached hereto as **Exhibit A**. Please retain a copy of the original engagement letter and material event notice certification for your files.

We look forward to working with you again on your Annual Filing.

BUTLER SNOW LLP



By: _____
Elizabeth Lambert Clark

Accepted and Approved:

MADISON COUNTY, MISSISSIPPI

BY: _____
President, Board of Supervisors

Dated: _____

cc: Mr. Ronny Lott, Chancery Clerk (via email: ronny.lott@madison-co.com)
Mr. Mike Espy, Esq., Board Attorney (via email: mike.espy@madison-co.com)

EXHIBIT A

Event Notice

The County certifies that none of the events have occurred with respect to the Bonds during fiscal year 2021:

1. Principal and interest payment delinquencies
2. Non-Payment related defaults, if material
3. Unscheduled draws on debt service reserves, if any, reflecting financial difficulties
4. Unscheduled draws on 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 (ITS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the bonds, or other material events affecting the tax status of the Bonds
7. Modifications to rights of Bondholders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution, or sale of property, if any, securing repayment of the securities
11. Rating changes
12. Bankruptcy, insolvency, receivership or other similar event¹
13. The consummation of a merger, consolidation or acquisition involving the State or the sale of all or substantially all of the assets of the State, 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, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material
15. Incurrence of a financial obligation² of the obligated person, *if material*, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Issuer, any of which affect security holders, *if material*.
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation² of the obligated person, any of which reflect financial difficulties.

MADISON COUNTY, MISSISSIPPI

BY: _____
President, Board of Supervisors

Dated: _____

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¹ For the purposes of the event identified in subparagraph (b)(5)(i)(C)(12) of the Rule, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and official or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

² For purposes of the events identified in subparagraphs (b)(5)(i)(C)(15) and (16) of the Rule, the term "financial obligation" is defined to mean a (A) debt obligation; (B) derivative instrument entered into in connection with or pledged as security or a source of payment for, an existing or planned debt obligation; or (C) a guarantee of (A) or (B). The term "financial obligation" does not include municipal securities as to which a final official statement has been otherwise provided to the MSRB consistent with the Rule. Numerous other terms contained in these subsections and/or in the definition of "financial obligation" are not defined in the Rule; SEC Release No. 34-83885 contains a discussion of the current SEC interpretation of those terms. For example, in the Release, the SEC provides guidance that the term "debt obligation" generally should be considered to include only lease arrangements that operate as vehicles to borrow money.

Information Checklist for Continuing Disclosure for FY 2021
Madison County, MS

Please update Tax Information for Fiscal Year 2021 and 2021-22 Assessment Year:

Assessed Valuation¹

| Assessment Year | Real Property | Personal Property | Public Utility Property | Automobiles/ Mobile Homes | Total |
|-----------------|-----------------|-------------------|-------------------------|------------------------------|-----------------|
| 2021 | | | | | |
| 2020 | \$1,251,302,402 | \$230,249,600 | \$50,537,467 | \$279,574,868 | \$1,811,664,337 |

Tax Levy Per \$1,000 Valuation¹

| | 2021-22 | 2020-21 |
|-------------------------------------|---------|----------------------|
| General Purposes: | | |
| Economic Development | | 0.45 |
| Reappraisal Trust Fund | | 1.00 |
| General Fund | | 14.64 |
| Road & Bridge Maintenance Fund | | 3.56 |
| County Wide Int. & Skg. Fund | | 8.55 |
| Library Fund | | 1.07 |
| Holmes Jr. College Maintenance Fund | | 1.00 |
| Holmes Jr. College Special Fund | | 1.25 |
| Mapping and Reappraisal | | 0.06 |
| Fire Protection Fund | | 1.10 |
| Bridge & Culvert Fund | | 1.60 |
| Solid Waste | | <u>3.85</u> |
| Total | | 38.13 |
| County School District: | | |
| Maintenance Fund | | 47.55 |
| Bond Int. & Skg. Fund | | 7.00 |
| Emer. Lease Purchase Acct. | | 0.00 |
| Short Fall Note | | <u>0.00</u> |
| Total: | | 54.55 |
| Canton School District: | | |
| District Maintenance Fund | | 45.81 |
| District Debt Service | | <u>12.44</u> |
| Total: | | 58.25 |
| Fire Districts: | | |
| Valley View Fire District | | 9.00 |
| South Madison County Fire District | | 8.00 |
| West Madison Utility District | | 0.00 |
| Southwest Madison Fire District | | 5.62 |
| Farmhaven Fire District | | 10.00 |
| Camden Fire District | | <u>2.00</u> |
| Total: | | 34.62 |
| Total County Tax Levy: | | <u>185.55</u> |

¹ Tax levy figures are given in mills.

Information Checklist for Continuing Disclosure for FY 2021
Madison County, MS

Ad Valorem Tax Collections

| Fiscal Year September 30 | Amount Budgeted | Amount Collected | Difference Over/Under |
|-----------------------------|-----------------|------------------|-----------------------|
| 2021 | | | |
| 2020 | 55,068,453.27 | 55,607,197.33 | 538,744.06 |

Ten Largest Taxpayers

The ten largest taxpayers in the County for fiscal year 2021 are as follows:

| Taxpayer | Assessed Value | Taxes Collected |
|---|----------------------|--------------------|
| Nissan Non-Pilot Taxable | 44,633,590 | 1,701,879 |
| Mississippi Major Economic Impact Authority -PILOT (Nissan North America) | 35,773,656 | 1,400,379 |
| Northpark Mall LP | 7,945,706 | 263,638 |
| 200 Renaissance LLC | 7,522,151 | 249,585 |
| Renaissance at Colony Park LLC | 6,394,580 | 212,172 |
| Hendon FGV Center, LLC | 5,186,642 | 172,093 |
| Lowe's Home Centers, Inc. | 3,540,700 | 117,480 |
| Levi Strauss & Co. (Personal Tax) | 3,035,430 | 115,741 |
| Levi Strauss & Co. | 2,490,202 | 109,924 |
| Southern Farm Bureau | 3,206,273 | 106,384 |
| TOTALS: | \$119,728,930 | \$4,449,275 |

Outstanding General Obligation Bonded Debt

(Please update principal balances as of September 1, 2022)

| Issue | Date of Issue | Outstanding Principal |
|--|---------------|-----------------------|
| General Obligation Refunding Bonds, Series 2011 (Jail) | 10/06/11 | \$2,450,000.00 |
| General Obligation Refunding Bonds, Series 2012 (Road & Bridge) | 06/07/12 | 5,025,000.00 |
| General Obligation Refunding Bonds, Series 2014 | 09/25/14 | 9,110,000.00 |
| General Obligation Road and Bridge Bonds, Series 2014 ¹ | 11/18/14 | 3,075,000.00 |
| Taxable General Obligation Refunding Bonds, Series 2014 | 02/03/15 | 8,090,000.00 |
| General Obligation Refunding Bonds, Series 2015 (Road & Bridge) | 03/31/15 | 5,580,000.00 |
| General Obligation Refunding Bonds, Series 2016 (Road & Bridge) | 04/19/16 | 6,895,000.00 |
| General Obligation Road and Bridge Bonds, Series 2017 | 09/28/17 | 6,755,000.00 |
| General Obligation Note, Series 2018 | 02/16/18 | 1,320,000.00 |

¹ The 2026 through 2029 maturities were refunded with the proceeds of the Series 2021A Bonds.

Information Checklist for Continuing Disclosure for FY 2021
Madison County, MS

| | | |
|--|----------|--------------|
| General Obligation Note, Series 2019 | 07/30/19 | -0- |
| General Obligation Note, Series 2019B | 12/19/19 | 4,560,000.00 |
| General Obligation Public Improvement Bonds, Series 2020 | 01/02/20 | 8,080,000.00 |
| Taxable General Obligation Short Term Note, Series 2020B | 10/19/20 | 4,000,000.00 |
| Taxable General Obligation Industrial Development Bonds, Series 2020C ² | 11/03/20 | 9,500,000.00 |
| Taxable General Obligation Refunding Bonds, Series 2021A | 01/21/21 | 5,749,000.00 |
| General Obligation Note, Series 2021 | 10/26/21 | 6,000,000.00 |
| TOTAL | | |

Other Outstanding Long-Term Debt

(Please update principal balances as of September 1, 2022)

| Issue | Date of Issue | Outstanding Principal |
|--|---------------|-----------------------|
| Promissory Note (Capital Projects and Equipment Acquisition Program Loan Refunding Project) ¹ | 05/19/09 | \$ 780,000 |
| Capital Improvement Loan | 05/11/11 | 18,560 |
| Capital Improvement Loan | 02/22/12 | 72,813 |
| Capital Improvement Loan | 02/18/14 | 502,120 |
| Urban Renewal Revenue Bonds (Sulphur Springs Lake Project), Series 2013 ² | 03/21/13 | 330,000 |
| Promissory Note, Series 2013C (Madison County, Mississippi Highway Refunding Project) ³ | 05/08/13 | 88,865,000 |
| Promissory Note (Madison County, Mississippi Lease Purchase – South Madison County Annex Project) | 09/18/13 | -0- |
| Tax Increment Limited Obligation Bonds | 2/25/15 | 947,800 |
| Capital Improvement Loan | 8/20/18 | 671,803 |
| Trustmark Equipment Lease (Motor grader) | 4/26/19 | 167,032 |
| Trustmark Equipment Lease (Road Equipment) | 7/24/20 | 929,779 |
| Total | | |

² Excluded from the statutory debt limitations.

Information Checklist for Continuing Disclosure for FY 2021
Madison County, MS

Annual Debt Service Requirements for General Obligation Indebtedness of the County¹

Please update debt service for all County GO Debt as of September 30, 2021:

| Fiscal Year Ending 9/30 | Principal | Interest | Total |
|------------------------------------|------------------------|------------------------|------------------------|
| 2021 | 12,717,500.00 | 2,269,779.34 | 14,987,279.34 |
| 2022 | 9,270,000.00 | 1,967,425.37 | 11,237,425.37 |
| 2023 | 9,535,000.00 | 1,686,696.66 | 11,221,696.66 |
| 2024 | 9,175,000.00 | 1,442,476.65 | 10,617,476.65 |
| 2025 | 8,585,000.00 | 1,161,339.64 | 9,746,339.64 |
| 2026 | 7,670,000.00 | 853,169.63 | 8,523,169.63 |
| 2027 | 5,045,000.00 | 607,087.50 | 5,652,087.50 |
| 2028 | 4,350,000.00 | 431,106.25 | 4,781,106.25 |
| 2029 | 2,010,000.00 | 313,137.50 | 2,323,137.50 |
| 2030 | 2,080,000.00 | 240,793.75 | 2,320,793.75 |
| 2031 | 845,000.00 | 195,271.88 | 1,040,271.88 |
| 2032 | 875,000.00 | 177,256.26 | 1,052,256.26 |
| 2033 | 895,000.00 | 157,881.26 | 1,052,881.26 |
| 2034 | 925,000.00 | 136,812.51 | 1,061,812.51 |
| 2035 | 955,000.00 | 114,231.26 | 1,069,231.26 |
| 2036 | 975,000.00 | 90,140.63 | 1,065,140.63 |
| 2037 | 1,005,000.00 | 64,562.50 | 1,069,562.50 |
| 2038 | 1,035,000.00 | 37,893.75 | 1,072,893.75 |
| 2039 | 530,000.00 | 18,337.50 | 548,337.50 |
| 2040 | 550,000.00 | 6,187.50 | 556,187.50 |
| TOTALS | \$79,027,500.00 | \$11,971,587.34 | \$90,999,087.34 |

¹Information as of September 30, 2020. Does not include the County's \$5,000,000 Series 2020B Short Term Taxable Note issued October 19, 2020, the Series 2020C Bonds or the Series 2021A Bonds.
SOURCE: Office of the County Comptroller; December 2020.

Information Checklist for Continuing Disclosure for FY 2021
Madison County, MS

Debt Ratios

| FY Ended September 30 | General Obligation Debt | General Obligation Debt to Assessed Value |
|----------------------------------|--------------------------------|--|
| 2021 | | |
| 2020 | 79,027,500 | 4.36 |