



Post Office Box 291  
Jackson, MS 39201  
www.trustmark.com

February 4, 2015

Madison County Board of Supervisors  
ATTN: The Honorable Karl Banks, President  
125 West North Street  
Canton, Mississippi 39046

Re: Galleria Tax Increment Financing Restructure

Dear Mr. Banks:

In December 2011, Trustmark National Bank purchased \$1.275 Million Tax Increment Financing (TIF) Bonds that were issued by Madison County, Mississippi in conjunction with infrastructure improvement associated with the Galleria Parkway. In early 2013, the County discovered a shortfall in ad valorem collections and it was determined that the captured assessed value certificate prepared by the Tax Assessor's Office in conjunction with the sizing and closing of the bond issuance contained errors that have materially affected the County's ability to service the note debt and interest.

We have worked extensively with Mark Houston, Shelton Vance, and Mike Espy to find a mutually beneficial resolution to the current situation. The County has reputational risks and potential bond rating impacts (explicit or implicit), and the Bank does not want to have to reduce the value of debt issued by the County and carry a troubled asset for the remainder of the note term. As the only viable solution, we recommend that the County restructure the note by extending the term in order to appropriately match the actual ad valorem cash flows with the required debt service. We also hope there will be development along the Parkway that will accelerate the repayment of the Notes.

The restructure that we propose will include no prepayment penalty, will require that all captured assessed revenues be deposited into a separate debt service reserve fund, and will name the Madison County Chancery Clerk as the paying agent for the restructured bonds. The County will be responsible for paying accrued interest on the existing bonds in the amount of \$18,756.53 as of 2/25/2015. We have enclosed the proposed amortization schedule.

We appreciate your consideration on this matter. Please contact me at 601-208-5802 if you have any questions.

Sincerely,

A handwritten signature in blue ink, appearing to read "Ben Aldridge".

Ben Aldridge  
Trustmark National Bank  
First Vice President

*People you trust.*  
*Advice that works.*

Date: 2/25/2015  
 Delivered: 2/25/2015

T.I.C. Verification Report (Regular)  
 Madison County  
 TIF

1  
 SIA 30/360 YRLY 4/3

Period	Coupon Date	Principal Payment	Coupon Rate	Interest Payment	Credit Enhancements	Periodic Debt Service	Present Value Factor	Discounted Debt Service
2	4/1/2016	20,700.00	5.370	67,044.44	-	87,744.44	0.9445829	82,881.90
3	4/1/2017	29,900.00	5.370	59,837.91	-	89,737.91	0.8968733	80,483.54
4	4/1/2018	31,500.00	5.370	58,232.28	-	89,732.28	0.8515734	76,413.62
5	4/1/2019	33,200.00	5.370	56,540.73	-	89,740.73	0.8085616	72,560.91
6	4/1/2020	35,000.00	5.370	54,757.89	-	89,757.89	0.7677222	68,909.12
7	4/1/2021	36,900.00	5.370	52,878.39	-	89,778.39	0.7289456	65,443.56
8	4/1/2022	38,900.00	5.370	50,896.86	-	89,796.86	0.6921275	62,150.87
9	4/1/2023	41,000.00	5.370	48,807.93	-	89,807.93	0.6571690	59,018.99
10	4/1/2024	43,200.00	5.370	46,606.23	-	89,806.23	0.6239763	56,036.96
11	4/1/2025	45,500.00	5.370	44,286.39	-	89,786.39	0.5924601	53,194.85
12	4/1/2026	47,900.00	5.370	41,843.04	-	89,743.04	0.5625357	50,483.66
13	4/1/2027	50,500.00	5.370	39,270.81	-	89,770.81	0.5341228	47,948.63
14	4/1/2028	53,200.00	5.370	36,558.96	-	89,758.96	0.5071449	45,520.80
15	4/1/2029	56,100.00	5.370	33,702.12	-	89,802.12	0.4815297	43,242.39
16	4/1/2030	59,100.00	5.370	30,689.55	-	89,789.55	0.4572083	41,052.53
17	4/1/2031	62,200.00	5.370	27,515.88	-	89,715.88	0.4341153	38,947.04
18	4/1/2032	65,600.00	5.370	24,175.74	-	89,775.74	0.4121887	37,004.55
19	4/1/2033	69,100.00	5.370	20,653.02	-	89,753.02	0.3913696	35,126.60
20	4/1/2034	72,800.00	5.370	16,942.35	-	89,742.35	0.3716020	33,348.44
21	4/1/2035	242,700.00	5.370	13,032.99	-	255,732.99	0.3528329	90,231.01
		<b>1,135,000.00</b>		<b>824,273.51</b>	<b>0.00</b>	<b>1,959,273.51</b>		<b>1,139,999.98</b>

True Interest Cost (TIC) .....	<b>5.3195515</b>
Net Interest Cost (NIC) .....	<b>5.3374258</b>
Arbitrage Yield Limit (AYL) .....	<b>0.0000000</b>
Arbitrage Net Interest Cost (ANIC) .....	<b>0.0000000</b>

Face value of bond Issue .....	<b>\$1,135,000.00</b>
Accrued interest (+) .....	
Original issue premium/discount (+) .....	<b>\$5,000.00</b>
Underwriter discount (+) .....	<b>\$0.00</b>
Lump-sum credit enhancements (-) .....	<b>\$0.00</b>
Other TIC costs (-) .....	
Bond surety fee (-) .....	<b>N/A</b>
= TIC Target .....	<b>\$1,140,000.00</b>