



COUNTY COMMISSION

BALDWIN COUNTY

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COMMISSIONERS
JIMMYE BURT, JR.
ROBERT E. JAMES
TUCKER DORSEY
CHARLES F. GRUBER

January 8, 2013

Mr. Robert Young
The Frazer Lanier Company
Post Office Box 5190
Montgomery, Alabama 36103

RE: Authorization for Chairman to Execute Municipal Securities Rulemaking Board (MSRB) Rule G-17 Acknowledgment Letter Related to General Obligation Advance Refunding Warrant, Series 2006-A

Dear Mr. Young:

Related to the General Obligation Advance Refunding Warrant, Series 2006-A, the Baldwin County Commission, during its regularly scheduled meeting held on January 8, 2013, authorized me, as Chairman, to execute the *Acknowledgment Section* of the **enclosed** *Municipal Securities Rulemaking Board (MSRB) Rule G-17* letter [as set forth in MSRB Notice 2012-25] which provides certain required disclosures by The Frazer Lanier Company to the Baldwin County Commission regarding said General Obligation Advance Refunding Warrant, Series 2006-A.

If you have any questions or need further assistance, please do not hesitate to contact me at (251) 972-8502 or Kim Creech, Clerk/Treasurer, at (251) 937-0303.

Sincerely,

TUCKER DORSEY, Chairman
Baldwin County Commission

TD/met Item LA1

cc: Kim Creech
David Brewer
Commissioner J. Tucker Dorsey, Chairman
Commissioner Charles F. Gruber, Vice Chairman
Commissioner Frank Burt, Jr.
Commissioner Robert E. James

ENCLOSURE

THE FRAZER LANIER COMPANY

INCORPORATED

INVESTMENT BANKERS

January 3, 2013

Baldwin County
312 Courthouse Square
Bay Minette, AL 36507

Attn: Mr. Tucker Dorsey, Chairman

Re: Disclosures by Underwriter Pursuant to MSRB Rule G-17
\$18,500,000 Baldwin County General Obligation Warrants

Dear Commissioner Dorsey:

We are writing to provide you, as Chairman of Baldwin County Commission (Issuer), with certain disclosures relating to the captioned warrant issue (Warrants), as required by the Municipal Securities Rulemaking Board (MSRB) Rule G-17 as set forth in MSRB Notice 2012-25 (May 7, 2012)¹.

The Issuer has engaged The Frazer Lanier Company (FLCO) to serve as an underwriter, and not as a financial advisor or municipal advisor, in connection with the issuance of the Warrants.

As part of our services as underwriter, FLCO may provide advice concerning the structure, timing, terms and other similar matters concerning the issuance of the Warrants.

I. Disclosures Concerning the Underwriters' Role:

(i) MSRB Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors.

(ii) The underwriters' primary role is to purchase the Warrants with a view to distribution in an arm's-length commercial transaction with the Issuer. The underwriters have financial and other interests that differ from those of the Issuer.

(iii) Unlike a municipal advisor, the underwriters do not have a fiduciary duty to the Issuer under the federal securities laws and are, therefore, not required by federal law to act in the best interests of the Issuer without regard to their own financial or other interests.

¹ Interpretive Notice Concerning the Application of MSRB Rule G-17 to Underwriters of Municipal Securities (effective August 2, 2012).

(iv) The underwriters have a duty to purchase the Warrants from the Issuer at a fair and reasonable price, but must balance that duty with their duty to sell the Warrants to investors at prices that are fair and reasonable.

(v) The underwriters will review the official statement for the Warrants in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction².

II. Disclosures Concerning the Underwriters' Compensation:

The underwriters will be compensated by a fee and/or an underwriting discount that will be set forth in the warrant purchase agreement to be negotiated and entered into in connection with the issuance of the Warrants. Payment or receipt of the underwriting fee or discount will be contingent on the closing of the transaction and the amount of the fee or discount may be based, in whole or in part, on a percentage of the principal amount of the Warrants. While this form of compensation is customary in the municipal securities market, it may present a conflict of interest since the underwriters may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

III. Additional Conflicts Disclosures:

FLCO has not identified any additional potential or actual material conflicts that require disclosure.

IV. Disclosures Concerning Complex Municipal Securities Financing:

Since FLCO has not recommended a "complex municipal securities financing" to the Issuer, additional disclosures regarding the financing structure for the Warrants are not required under MSRB Rule G-17.

If you or any other Issuer officials have any questions or concerns about these disclosures, please make those questions or concerns known immediately to the undersigned. In addition, you should consult with the Issuer's own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent you deem appropriate.

It is our understanding that you have the authority to bind the Issuer by contract with us, and that you are not a party to any conflict of interest relating to the subject transaction. If our

² Under federal securities law, an issuer of securities has the primary responsibility for disclosure to investors. The review of the official statement by the underwriters is solely for purposes of satisfying the underwriters' obligations under the federal securities laws and such review should not be construed by an issuer as a guarantee of the accuracy or completeness of the information in the official statements.

understanding is incorrect, please notify the undersigned immediately.

We are required to seek your acknowledgment that you have received this letter. Accordingly, please send me an email to that effect, or sign and return the enclosed copy of this letter to me at the address set forth below. We look forward to working with you and the Issuer in connection with the issuance of the Warrants. Thank you.

Sincerely,

THE FRAZER LANIER COMPANY
300 Water Street
Montgomery, AL 36104

By: _____



Acknowledgment:

Mr. Tucker Dorsey, Chairman
Baldwin County Commission

Date: 1/8/13

CC: Mr. Jim Birchall
Jones, Walker, Waechter, Poitevent, Carrère & Denègre LLP
One Federal Place
1819 5th Avenue North, Suite 1100
Birmingham AL 35203