

**RICELAND MANAGEMENT DISTRICT**

**Order Calling Confirmation and Director Election,  
Bond and Maintenance Tax Election**

The Board of Directors of Riceland Management District (the "District") met at 11608 Eagle Drive, Mont Belvieu, Texas 77523, on August 19, 2022, with a quorum of directors present, as follows:

Jim Ferris, President  
John Jennings, Vice President  
Jared Fulleylove, Secretary  
Edward Heap, Assistant Secretary  
Jacob Grossman, Director

and the following were absent:

none

when the following business was transacted:

The order set out below was introduced for consideration of the board. It was duly moved and seconded that said order be adopted; and, after due discussion, said motion was carried by the following vote:

Ayes: All directors shown present.

Noes: None.

The order thus adopted is as follows:

WHEREAS, by order dated August 10, 2022, the Texas Commission on Environmental Quality (the "Commission") created Riceland Management District and appointed five (5) initial directors of the District, and such initial directors have met and organized and have qualified to serve as directors of the District by taking the oath and making the bond required by law; and

WHEREAS, Section 49.102, Texas Water Code, as amended provides that the initial directors of the District shall hold an election to confirm the creation of the District and to elect five (5) permanent directors, being:

Jared Fulleylove  
John Jennings

Jim Ferris  
Ed Heap  
Jacob Grossman

WHEREAS, the Board of Directors of the District (the "Board") has determined to call an election to be held and at which there shall be submitted to the duly qualified voters of the District the question of the confirmation of the creation and establishment of the District, and the matter of the election of five (5) permanent directors for the District; and

WHEREAS, there has been filed in the office of the District, open to inspection by the public, a park plan and an engineer's report covering the works, land, improvements, facilities, plants, equipment and appliances to be purchased, constructed, acquired, owned, operated, repaired, or extended by the District, and the property, administrative facilities, contract rights, rights of use and interests in property, and regional, regulatory or joint use participation rights to be purchased or acquired, as well as the estimated probable costs of all of the foregoing, together with maps, plats, profiles and/or data showing and explaining the park plan and the report; and

WHEREAS, said land, improvements, facilities, plants, equipment and appliances to be purchased, constructed, acquired, owned, operated, repaired, or extended by the District, and the property, contract rights, rights of use and interests in property, and regional, regulatory or joint use participation rights to be purchased or acquired, are intended to provide a waterworks system, a sanitary sewer system and a drainage and storm sewer system, recreational facilities, road facilities, public transit facilities, parking facilities, and pedestrian facilities (collectively, the "Improvements") for the District; and

WHEREAS, such park plan and engineer's report include estimates of the probable costs of the design, construction, purchase, and acquisition of the Improvements and additions thereto, and incidental expenses connected with the Improvements and the issuance of bonds by the District, as follows:

#### ESTIMATE OF PROBABLE COSTS

(Recreational Facilities)

I.	Estimated Design, Construction, Purchase, and Acquisition Costs	
	Recreation Centers	\$10,000,000
	Entries and Park Amenities	\$26,205,000
	Landscaping	\$12,151,000
	Walks and Trails	\$5,534,000
	Contingencies	\$8,084,000
	Escalation	\$9,296,000
	Architectural Services	<u>\$10,691,000</u>
	Total Estimated Design, Construction, Purchase and Acquisition Costs	\$114,745,000
II.	Estimated Incidental Expenses	
	Legal Fees	\$4,666,500
	Fiscal Agent Fees	\$3,111,000
	Developer Interest	\$11,474,500
	Capitalized Interest	\$15,555,000
	Bond Discount	\$4,666,500
	Initial Organization and Operation	\$150,000
	Issuance Costs	\$224,575
	Creation Engineering Costs	\$25,000
	Bond Application Report Costs	\$375,000
	Creation Legal Costs	\$12,500
	TCEQ Bond Issue Fee	\$388,875
	Attorney General Review Fees	<u>\$155,550</u>
	Total Estimated Incidental Expenses	<u>\$40,805,000</u>
	Total Estimated Bond Issue Requirement	\$155,550,000

ESTIMATE OF PROBABLE COSTS

(Road Facilities)

I. Estimated Design, Construction, Purchase and Acquisition Costs	
Paving – Riceland MUD 1	\$17,225,000
Paving – Riceland MUD 2	\$17,227,000
Paving – Riceland MUD 3	\$16,376,000
Clearing and Grubbing	\$5,815,000
Contingencies	\$8,496,000
Engineering	\$11,237,000
Escalation	\$9,771,000
Total Estimated Design, Construction, Purchase and Acquisition Costs	\$120,606,000
II. Estimated Incidental Expenses	
Legal Fees	\$4,903,500
Fiscal Agent Fees	\$3,269,000
Developer Interest	\$12,060,600
Capitalized Interest	\$16,345,000
Bond Discount	\$4,903,500
Initial Organization and Operation	\$150,000
Issuance Costs	\$227,825
Bond Application Report Engineering Fees	\$375,000
Creation Engineering Costs	\$25,000
Creation Legal Costs	\$12,500
TCEQ Bond Issue Fee	\$408,625
Attorney General Fees	\$163,450
Total Estimated Incidental Expenses	\$42,844,000
Total Estimated Bond Issue Requirement	\$163,450,000

WHEREAS, the above costs are estimates only and the Improvements and the costs thereof may change based upon actual requirements as development occurs within the District; and

WHEREAS, the Board hereby finds that said total estimates of \$155,550,000 for recreational facilities and \$163,450,000 for road facilities will be sufficient for the aggregate costs to provide such Improvements and additions thereto, and incidental expenses connected with the Improvements and the issuance of bonds by the District; and

WHEREAS, the District is authorized to purchase, construct, acquire, own, operate, maintain, repair, improve or extend inside and outside its boundaries any and all land, improvements, facilities, plants, equipment and appliances necessary to accomplish the purposes

of its creation and to issue its bonds (including refunding bonds) to accomplish such purposes, except as limited by applicable general, special or local laws, or the rules, regulations or ordinances of any applicable city, county or agency with jurisdiction; and

WHEREAS, pursuant to applicable law, such bonds may be issued singly or in various series or issues, with or without interest coupons, in any denomination, maturing serially or otherwise payable at such time or times not exceeding forty (40) years from their date or dates, in such amount or amounts or installments, at such place or places, in such form, under such terms, conditions, and details, in such manner, redeemable prior to maturity at any time or times, bearing no interest, or bearing interest at any rate or rates (either fixed, variable, floating, adjustable, or otherwise), all as determined by the Board; and

WHEREAS, to ensure the continuing and orderly development of the District on terms and conditions which are feasible and practical, the District anticipates that said bonds will be issued in multiple series or issues over an extended period of time, all as determined by the Board to be feasible and practical and in the best interests of the District; and

WHEREAS, the Board wishes to secure authorization to sell said bonds at the maximum legal interest rate as may be authorized by law and in effect at the time of issuance of each issue or series of said bonds; and

WHEREAS, the Board wishes to secure authorization to sell refunding bonds at the maximum legal interest rate as may be authorized by law and in effect at the time of issuance of each issue or series of said refunding bonds, for the purpose of refunding by any means now or hereafter authorized by law, all or any portion of any bonds or refunding bonds of the District payable in whole or in part from taxes; and

WHEREAS, the Board has determined that at said election there shall also be submitted to the duly qualified voters of the District a proposition on the issuance of the District's bonds in the maximum aggregate original principal amount of \$155,500,000, and the payment of the principal of and interest on such bonds by the levy and collection of taxes, without limit as to rate or amount, upon all taxable property within the District, in order to provide for the costs of purchasing,

constructing, acquiring, owning, operating, repairing, improving or extending recreational facilities for the District and additions to such facilities, and the incidental expenses connected with such facilities and the issuance of such bonds, all as now or hereafter authorized by the constitution and the laws of the State of Texas; and

WHEREAS, the Board has determined that at said election there shall also be submitted to the duly qualified voters of the District a proposition on the issuance of the District's bonds in the maximum aggregate original principal amount of \$163,450,000, and the payment of the principal of and interest on such bonds by the levy and collection of taxes, without limit as to rate or amount, upon all taxable property within the District, in order to provide for the costs of designing, acquiring, constructing, financing, improving, operating, and maintaining macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads, and additions to such facilities, and the incidental expenses connected with such facilities and the issuance of such bonds, all as now or hereafter authorized by the constitution and the laws of the State of Texas, including; and

WHEREAS, the Board has determined that it would be of benefit to the District to be authorized to levy and collect a tax for operation and maintenance purposes and other purposes now or hereafter authorized by the constitution and the laws of the State of Texas, including funds for planning, constructing, acquiring, maintaining, repairing, and operating all necessary land, plants, works, facilities, improvements, appliances, and equipment of the District and for paying costs of proper services, engineering and legal fees, and organization and administrative expenses; and

WHEREAS, the Board has determined that an election should be held and at which there shall be submitted to the duly qualified voters of the District a proposition on the levy and collection of an annual operation and maintenance tax not to exceed one-dollar and fifty-cents (\$1.50) per one hundred dollars (\$100) valuation of taxable property within the District; and

Whereas, the board of directors made no change or modification in the work proposed by or the plans and report of the engineer all requirements have been met prerequisite to the ordering

of a bond election; and the board is of the opinion that the election should be held for the purpose of submitting the propositions set out hereinafter.

Whereas, the board of directors of the District has determined that it is in the public interest to conduct the election on a uniform election date.

Therefore, be it ordered by the board of directors of the District, as follows:

NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF RICELAND MANAGEMENT DISTRICT, THAT:

Section 1. The matters and facts set out in the preamble of this order are hereby found and declared to be true, correct and complete.

Section 2. The Board ratifies its prior approval of and adopts in all respects said engineer's report, including the estimates therein and the data and items submitted and filed therewith, and reference is here made to same for the full contents thereof.

Section 3. The election shall be held within the legal hours on November 8, 2022. The District shall enter into an agreement ("Agreement") with Chambers County (the "County") for the purpose of the County's provision to the District of certain election services and equipment needed by the District to conduct the District's November 8, 2022 election. The County shall be responsible for furnishing services and equipment and performing duties as described in the Agreement. For purposes of said election the District hereby adopts the Chambers County voting precincts. The District hereby adopts as its early voting and election day polling places and hours of election those polling places and hours designated by Chambers County, as set out in the Agreement. Voting shall be held at the applicable Chambers County early voting and election day polling places, whether such early voting or election day polling locations are within or outside of the District's boundaries.

Section 4. At the election, the following propositions shall be submitted to the duly qualified resident electors of the District for their action thereon

(a) on the following propositions:

#### CONFIRMATION

Shall the creation of Riceland Management District be confirmed?

## PROPOSITION A

Shall the Board of Directors of Riceland Management District, be authorized to issue the bonds of said District in one or more issues or series in the maximum aggregate original principal amount of One Hundred Fifty Five Million Five Hundred Thousand (\$155,500,000) dollars maturing serially or otherwise in such installments as are fixed by said board over a period or periods not exceeding forty (40) years from their date or dates, bearing interest at any rate or rates, and to sell said bonds at any price or prices, provided that the net effective interest rate on any issue or issues of said bonds shall not exceed the maximum legal limit in effect at the time of issuance of each issue of said bonds, all as may be determined by the Board of Directors of said District, for the purpose or purposes of purchasing, constructing, acquiring, owning, operating, repairing, improving, or extending recreational facilities, including, but not limited to, all additions to such facilities and all land, improvements, facilities, equipment, appliances, interests in property and contract rights needed therefor, and administrative facilities needed in connection therewith, and to provide for the payment of the principal of and interest on such bonds by the levy and collection annually of taxes, without limit as to rate or amount, upon all taxable property within said district, all as now or hereafter authorized by the constitution and laws of the State of Texas?

## PROPOSITION B

Shall the board of directors of Riceland Management District be authorized to issue the bonds of said district in one or more issues or series in the maximum aggregate original principal amount of Three Hundred Nineteen Million (\$319,000,000) Dollars maturing serially or otherwise in such installments as are fixed by said board over a period or periods not exceeding forty (40) years from their date or dates, bearing interest at any rate or rails, and to sell said bonds at any price or prices, provided that the net effective interest rate on any issue or series of said bonds shall not exceed the maximum legal limit in effect at the time of issuance of each issue or series of said bonds, all as may be determined by the board of directors of said district, for the purpose of refunding by any means now or hereafter authorized by law, all or any portion of any bonds of the district issued for the purpose or purposes of purchasing, constructing, acquiring, owning, operating, repairing, improving, or extending recreational facilities, and any refunding bonds related thereto, payable in whole or in part from taxes, whether hereunder, on even date herewith, or hereafter authorized or issued by the district, and to provide for the payment of the principal of and the interest on such refunding bonds by the levy and collection of taxes, without limit as to rate or amount, upon all taxable property within said district, all as now or hereafter authorized by the constitution and laws of the State of Texas?

## PROPOSITION C

Shall the Board of Directors of Riceland Management District, be authorized to issue the bonds of said District in one or more issues or series in the maximum aggregate original principal amount of One Hundred Sixty Three Million Four Hundred Fifty Thousand (\$163,450,000) Dollars maturing serially or otherwise in such installments as are fixed by said board over a period or periods not exceeding forty (40) years from their date or dates, bearing interest at any rate or rates, and to sell said bonds at any price or prices, provided that the net effective interest rate on any issue or series



of said bonds shall not exceed the maximum legal limit in effect at the time of issuance of each issue or series of said bonds, all as may be determined by the Board of Directors of said District, for the purpose or purposes of designing, acquiring, constructing, financing, improving, operating, and maintaining macadamized, graveled, or paved roads, or improvements, including storm drainage, in aid of those roads, including, but not limited to, all additions to such facilities, and all land, improvements, facilities, equipment, appliances, interests in property and contract rights needed therefor, and administrative facilities needed in connection therewith, and to provide for the payment of the principal of and interest on said bonds by the levy and collection annually of taxes, without limit as to rate or amount, upon all taxable property within said district, all as now or hereafter authorized by the constitution and laws of the State of Texas?

#### PROPOSITION D

Shall the Board of Directors of Riceland Management District be authorized to assess, levy and collect an annual operation and maintenance tax not to exceed One Dollar and Fifty Cents (\$1.50) Per One Hundred Dollars (\$100) valuation of taxable property within said District to secure funds for operation and maintenance and other authorized purposes, including, but not limited to, funds for planning, constructing, acquiring, maintaining, repairing, and operating all necessary land, plants, facilities, improvements, appliances, and equipment of such district, and for the payment of proper services, engineering and legal fees, and organization and administrative expenses, all as heretofore or hereafter authorized by the constitution and laws of the State of Texas?

(b) for the election of five permanent directors of the District.

Section 5: The election will be conducted in compliance with the provisions of the federal Help America Vote Act (HAVA) and the Texas Election Code and each polling place will have at least one voting system accessible to individuals with disabilities.

Section 6. As provided by law for the issuance of bonds payable wholly or in part by ad valorem taxes, an election shall be held and notice shall be given as provided by law.

Section 7. Paper and/or electronic ballots shall be used in the election. Ballots, voting instructions and the proposition shall be made available in English, and in the Spanish languages for those requesting same. The ballots for said election shall conform to the requirements of the Texas Water Code and the Texas Election Code, as amended, so far as applicable, and shall have printed thereon, in the English and Spanish languages, the following:

OFFICIAL BALLOT

Instruction Note: Place an "X" in the square beside the statement indicating the way you wish to vote

CONFIRMATION

FOR –

DISTRICT

AGAINST -

INSTRUCTION NOTE: Vote for the candidates of your choice by placing an "X" in the square beside the candidates' names.

DIRECTORS

(Vote for none, one, two, three, four or five)

- Jared Fulleylove
- John Jennings
- Jim Ferris
- Ed Heap
- Jacob Grossman

PROPOSITION A

FOR

AGAINST

THE ISSUANCE OF BONDS IN THE MAXIMUM PRINCIPAL AMOUNT OF ONE HUNDRED FIFTY FIVE MILLION FIVE HUNDRED THOUSAND (\$155,500,000) DOLLARS FOR RECREATIONAL FACILITIES AND THE LEVY OF AD VALOREM TAXES, WITHOUT LIMIT AS TO RATE OR AMOUNT, SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON SAID BONDS

PROPOSITION B

FOR

AGAINST

THE ISSUANCE OF BONDS IN THE MAXIMUM PRINCIPAL AMOUNT OF THREE HUNDRED NINETEEN MILLION (\$319,000,000) DOLLARS FOR REFUNDING ANY BONDS OR REFUNDING BONDS AND THE LEVY OF AD VALOREM TAXES, WITHOUT LIMIT AS TO RATE OR AMOUNT, SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON SAID BONDS

PROPOSITION C

FOR

AGAINST

THE ISSUANCE OF BONDS IN THE MAXIMUM AMOUNT OF ONE HUNDRED SIXTY THREE MILLION FOUR HUNDRED FIFTY THOUSAND (\$163,450,000) DOLLARS FOR ROADS AND THE LEVY OF AD VALOREM TAXES, WITHOUT LIMIT AS TO RATE OR AMOUNT, SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON SAID BONDS

PROPOSITION D

FOR

AGAINST

AN OPERATION AND MAINTENANCE TAX NOT TO EXCEED ONE-DOLLAR AND FIFTY-CENTS (\$1.50) PER ONE HUNDRED DOLLARS (\$100) VALUATION OF TAXABLE PROPERTY

Section 8. Only duly qualified residents of the District shall be entitled to vote at the election.

Section 9. The District's attorneys shall be and they are hereby authorized and directed to assist the secretary of the Board in preparing the official ballot, translation of the ballot in the English and Spanish languages, and providing to the County such other information and documents as may be required in the Agreement pertaining to the conduct of the election and post-election day procedures.

Section 10. Early voting and ballots shall conform to the requirements of the said Texas Water Code and Texas Election Code, as amended, so far as applicable.

Section 11. Early voting shall be conducted at locations designated by Chambers County, which, for purposes of this election, are each hereby declared by the District to be a public place for the District. Early voting by personal appearance shall be conducted each day at the early voting polling places during the hours of early voting designated by Chambers County. The location of the main early voting polling place is: American Legion Hall, 1704 South Main Street, Anahuac, Texas 77514. Applications for ballots by mail shall be sent to the Early Voting Clerk by regular mail to: Heather H. Hawthorne, Early Voting Clerk, PO Box 728, Anahuac, TX 77514; by common or contract carrier to: Early Voting Clerk, Isabel Longoria, Heather H. Hawthorne, Early Voting Clerk, 404 Washington Avenue, Anahuac, TX 77514; by FAX to (409) 267-8405; or by email to [hhawthorne@chamberstx.gov](mailto:hhawthorne@chamberstx.gov). For further information, contact the Early Voting Clerk by telephone at (713) 755-6965 or visit the internet website <https://www.co.chambers.tx.us/page/elections>. Applications for ballots by mail must be received no later than the close of business at 5:00 p.m. on Tuesday, April 26, 2022. To be effective, an original application for ballot by mail submitted by FAX or EMAIL **must also be submitted by mail** and be received by the Early Voting Clerk not later than the fourth business day after the transmission by fax or email is received.

The District's attorneys are authorized and directed to assist the secretary of the Board in preparing the official ballot and procuring and distributing the election supplies.

Section 12. In accordance with the provisions of Section 3.009(b) of the Texas Election Code, it is hereby found and determined that:

- (a) The proposition language that will appear on the ballot is set forth in Section

7 hereof.

(b) The purposes for which the bonds are to be authorized are set forth in Section 4 hereof.

(c) The principal amounts of the bonds to be authorized is set forth in Sections 4 and 7 hereof.

(d) As set forth in Sections 4 and 7 hereof, if the bonds are approved by the voters, the Board of Directors will be authorized to levy annual ad valorem taxes on all taxable property in the District, within the limits prescribed by law, sufficient to pay the annual principal of and interest on the bonds.

(e) Based on the bond market conditions at the date of adoption of this Order, the bonds are to be sold at any price or prices and to bear interest at a rate currently estimated to be 4.75%. This estimate is for informational purposes only and should in no way be perceived as forming an agreement or binding contract between the District and the voters and/or any other entity, group, individual and/or party. Furthermore, the good faith interest rate estimate provided herein in no way limits the District's authority to issue bonds authorized pursuant to the authority granted by the voters at the election held pursuant to this Order.

(f) As set forth in Section 4 hereof, if the bonds are approved, they may be issued in one or more series, to mature serially or otherwise, over a period not to exceed 40 years.

(g) As of the date of this Order, the aggregate principal amount of the outstanding principal of the District's debt obligations which are secured by ad valorem taxes is \$0.00.

(h) As of the date of this Order, the aggregate amount of the outstanding interest of the District's debt obligations which are secured by ad valorem taxes is \$0.00.

(i) The District's ad valorem debt service tax rate for 2021 as of the date of this Order is \$0.00 per \$100 of taxable assessed valuation. The 2022 debt service tax rate has not been established as of the date of this Order.

Section 13. Pursuant to Section 1251.052 of the Texas Government Code, the District is not a political subdivision with at least 250 voters, therefore a voter information document is not required.

The President or Vice President is authorized to execute and the Secretary or Secretary Pro Tempore to attest this order on behalf of the board; and any of said officers is authorized to do all things necessary and legal in connection with the holding and consummation of said bond election.

Passed, ordered and adopted, this August 19, 2022.

JIM FERRIS

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President

ATTEST:

JARED FULLEYLOVE

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Secretary

I, the undersigned secretary of the board of directors of Riceland Management District , hereby certify that the foregoing is a true and correct copy of the order made by said board at its regular meeting on August 19, 2022, together with minute entry of that date showing its adoption, calling a confirmation, director election, bond and maintenance tax election to be held for and within the District on November 8, 2022. The originals of said order and minutes appear in the official minute book of the board, on file in the District's office.

I further certify that said meeting was open to the public, and that notice thereof was posted in compliance with the provisions of Tex. Gov't. Code Ann. § 551.001 et seq.

Witness my hand and the official seal of said District, this August 19, 2022.

  
Secretary