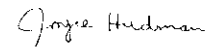


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Joyce Hudman
County Clerk
Brazoria County, Texas

BRACEWELL

February 27, 2018

Via Federal Express Overnight Delivery, E-Mail or Fax

Ms. Joyce Hudman
Brazoria County Clerk
111 E. Locust Street, Suite 200
Angleton, Texas 77515

Ms. Ro'Vin Garrett
Brazoria County Voter Registrar
451 N. Velasco Street
Angleton, Texas 77515

Re: Notice of Bond Election – Port Freeport

Dear Ms. Hudman and Ms. Garrett:

As required by Section 4.008 of the Texas Election Code, notice is hereby given that Port Freeport (the "Port") will hold a bond election on May 5, 2018. Attached is a copy of the Resolution Calling Bond Election adopted by the Port Commission of the Port on February 15, 2018.

Please do not hesitate to call if you have any questions. My direct number is 713.221.3349.

Very truly yours,



Priscilla Kwan
Paralegal

Enclosure

cc: Missy Bevers
John Mannion
Lauren McCormick
Jonathan Frels

#5549890.1

Priscilla Kwan

713.221.3349 F: 800.694.8576
711 Louisiana Street, Suite 2500, Houston, Texas 77002-2370
priscilla.kwan@bracewell.com

Joyce Hudman

Joyce Hudman
County Clerk
Brazoria County, Texas

RESOLUTION CALLING A BOND ELECTION

THE STATE OF TEXAS §
COUNTY OF BRAZORIA §
PORT FREEPORT §

WHEREAS, Port Freeport (formerly known as the Brazos River Harbor Navigation District of Brazoria County, Texas), located in Brazoria County, Texas, was heretofore duly created pursuant to the Constitution and general laws of the State of Texas, particularly Section 59 of Article XVI of the Constitution of Texas, and Chapter 5, Acts of the 39th Legislature of Texas, Regular Session, 1925 (codified in Vernon's Annotated Texas Civil Statutes as Article 8263h prior to the adoption of the Texas Water Code, and presently codified as Chapter 62, Texas Water Code, Vernon's Texas Codes Annotated); the election for the creation of Port Freeport was held on December 4, 1925; the order of the Brazoria County Commissioners Court declaring the establishment of the Issuer was adopted on December 14, 1925, and is recorded in Volume O, Pages 318, *et seq.*, Brazoria County Commissioners Court minutes; the creation of the Issuer was validated and confirmed by Chapter 55, Acts of the 40th Legislature of Texas, First Called Session, 1927; and

WHEREAS, Section 60.332(b), Texas Water Code, provides that bonds payable wholly or partially from ad valorem taxes shall not be issued until authorized by a majority vote of the resident electors of Port Freeport voters in an election held for that purpose; and

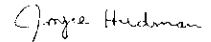
WHEREAS, the United States Congress authorized the federal cost-shared deepening and partial widening of the Freeport Harbor Channel in the Water Resources Reform and Development Act of 2014; and

WHEREAS, the Port Commission of Port Freeport (the "Port Commission") has determined that it is necessary and desirable for Port Freeport to undertake the federal cost-shared deepening and partial widening of the Freeport Harbor Channel, to construct related improvements to waterways and adjacent berthing areas and aids to navigation used for navigation related commerce in Port Freeport, and to conduct dredge material placement related to such activities (collectively, the "Freeport Harbor Channel Improvement Project");

WHEREAS, the Port Commission hereby finds and determines that the Freeport Harbor Channel Improvement Project consists of improvements necessary or useful in the development and utilization of a waterway project for navigation purposes or in aid of navigation purposes and is useful in the operation or development of or in aid of navigation and navigation-related commerce in Port Freeport and on waterways used by Port Freeport; and

WHEREAS, the Port Commission has determined that the current estimate of Port Freeport's share of the costs of improving, constructing, or developing the Freeport Harbor Channel Improvement Project, together with all expenses incident thereto, is approximately \$130,000,000, which estimate is hereby in all things approved by the Port Commission; and

WHEREAS, the Port Commission deems it necessary and desirable to submit to the electors within the boundaries of Port Freeport at an election to be held on May 5, 2018, the



Joyce Hudman
County Clerk
Brazoria County, Texas

proposition of the issuance of ad valorem tax bonds of Port Freeport in a maximum aggregate original principal amount not to exceed \$130,000,000, and the levy of an ad valorem tax for the payment of such bonds; and

WHEREAS, the Port Commission finds that holding the election on May 5, 2018, a uniform election date established by Section 41.001(a), Texas Election Code, is in the public interest; and

WHEREAS, the Port Commission intends to contract with the County Clerk (the "County Clerk") of Brazoria County (the "County") for election services pursuant to an agreement for election services (the "Election Services Agreement") and agree to conduct a joint election with other political subdivisions in the County; and

WHEREAS, the said election is to be conducted according to the Texas Election Code, and other applicable election laws.

Now, therefore,

BE IT RESOLVED AND ORDERED, BY THE PORT COMMISSION OF PORT FREEPORT, THAT:

Section 1. Findings. The statements, findings and determinations contained in the preamble to this Resolution are true and correct and are hereby adopted as findings of fact and as a part of the operative provisions hereof. Capitalized terms not otherwise defined in this Resolution shall have the meaning assigned in the preamble to this Resolution.

Section 2. Election Ordered; Date; Proposition. A bond election (the "Election") shall be held within the boundaries of Port Freeport on May 5, 2018 ("Election Day"), a uniform election date as established by Section 41.001(a) of the Texas Election Code (the "Code"). At the Election, the following proposition (the "Proposition") shall be submitted to the qualified voters of Port Freeport in accordance with law:

Port Freeport – Proposition A

Shall the Port Commission (the "Port Commission") of Port Freeport be authorized to issue the bonds of Port Freeport in one or more issues or series in the maximum principal amount of \$130,000,000 maturing serially or otherwise in such installments as are fixed by said Port Commission over a period or periods not exceeding 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 bonds, all as may be determined by the Port Commission of Port Freeport at the time of issuance, for the purpose or purposes of improving, constructing, or developing the Freeport Harbor Channel Improvement Project, which project

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 Brazoria County, Texas

consists of the deepening and partial widening of the Freeport Harbor Channel, the construction of related improvements to waterways and adjacent berthing areas and aids to navigation used for navigation related commerce in Port Freeport, and dredge material placement associated with such activities, and the levy and collection of taxes, without limit as to rate or amount, upon all taxable property within taxing jurisdiction of Port Freeport annually sufficient to provide for the payment of the principal of and interest on such bonds and the costs of any credit agreements executed or authorized in anticipation of, in relation to or in connection with the bonds, as may be provided in the orders or resolutions authorizing the issuance of such bonds and credit agreements, all as authorized by the Constitution and laws of the State of Texas?

Section 3. Official Ballot.

(a) Voting at the Election, and early voting therefor, shall be by the use of the lawfully approved voting systems and ballots utilized by the County.

(b) The official ballots for the Election shall be prepared in accordance with the Code so as to permit the electors to vote "FOR" or "AGAINST" the Proposition which shall be set forth on the ballots substantially in the following form:

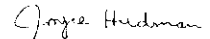
PORT FREEPORT – PROPOSITION A

- FOR) "THE ISSUANCE OF \$130,000,000 OF BONDS FOR THE PURPOSE OF IMPROVING, CONSTRUCTING, OR
- AGAINST) DEVELOPING THE FREEPORT HARBOR CHANNEL IMPROVEMENT PROJECT, AND THE LEVYING OF THE TAX IN PAYMENT THEREOF"

Section 4. Bilingual Election Materials. All notices, instructions, and ballots pertaining to the Election shall be furnished to voters in both English and Spanish.

Section 5. Persons Qualified to Vote. All resident, qualified electors of Port Freeport shall be eligible to vote at the Election.

Section 6. Election Precincts, Voting Locations and Voting Hours on Election Day. The election precincts for the Election shall consist of the territory within the boundaries of Port Freeport situated within one or more County election precincts located wholly or partially within the boundaries of Port Freeport. The precinct numbers for Port Freeport's election precincts shall be the corresponding number for each County election precinct. The voting locations for voting on Election Day shall be the county-wide vote center polling locations as set forth in Exhibit A, or at such other locations as hereafter may be designated in accordance with the Election Services Agreement. The Chairman of the Port Commission (the "Chairman") or his designee is hereby



Joyce Hudman
County Clerk
Brazoria County, Texas

authorized to update Exhibit A to reflect such updated polling locations, which locations are hereby approved. Each polling place shall be open from 7:00 a.m. to 7:00 p.m. on Election Day.

Section 7. Early Voting Locations Dates and Times.

(a) The Brazoria County Clerk is appointed as the Early Voting Clerk for the Election. Applications for early voting by mail shall be sent to: Brazoria County Courthouse; Attention: County Clerk's Office; 111 E. Locust, Ste 200, Angleton, Texas 77515.

(b) The main early voting polling place is designated on Exhibit B, attached hereto. Early voting by personal appearance for all election precincts shall be held at the locations, at the times and on the days set forth in Exhibit B, attached hereto and incorporated herein, or at such other locations as hereafter may be designated as provided in the Election Services Agreement. The Chairman or his designee is hereby authorized to update Exhibit B to reflect any such updated locations and times, and such locations are hereby approved.

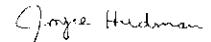
(c) The Port Commission, by a separate written resolution adopted at a later date, shall (i) appoint election officers to conduct the election at each polling place, (ii) appoint election officers to serve as the early voting ballot board to process early voting results, and (iii) specify the maximum number of election clerks for each precinct voting place.

Section 8. Notice of Election. Notice of the Election shall be given by: (i) publishing a substantial copy of this Resolution, in English and Spanish, once a week for two consecutive weeks with the first publication taking place not earlier than the thirtieth (30th) day nor later than the fourteenth (14th) day prior to the date set for the Election, in a newspaper of general circulation or published in Port Freeport, (ii) by posting a copy of this Resolution, in English and Spanish, on the bulletin board used for posting notices of meetings of the Port Commission, not later than the twenty-first (21st) day prior to the date set for the Election and in at least three (3) other public places in the boundaries of Port Freeport, not later than the twenty-first (21st) day prior to the date set for the Election and (iii) by posting a copy of this Resolution, in English and Spanish, on Port Freeport's website, not later than the twenty-first (21st) day prior to the date set for the Election through Election Day. Additionally, on Election Day and during early voting by personal appearance, this Resolution shall be posted in a prominent location at each polling place. Notice of the Election shall also be provided to the County Clerk not later than the 60th day before the Election Day.

Section 9. Conduct of Election. The Election shall be held in accordance with the Code, except as modified by the Federal Voting Rights Act of 1965, as amended.

Section 10. Information Required by Section 3.009 of the Code.

(a) **Port Freeport's Outstanding Debt.** As of October 1, 2017, the first day of Port Freeport's current fiscal year, Port Freeport's aggregate principal amount of outstanding of tax-supported debt was \$2,250,000 and the aggregate amount of outstanding interest on such tax-supported debt was \$135,800. As of the date of this Resolution, the Port Freeport's total ad valorem tax rate is currently \$0.0401 per \$100 of assessed valuation, which is made up of a maintenance and operations tax rate of \$0.030927 per \$100 of assessed valuation and a debt service



Joyce Hudman
County Clerk
Brazoria County, Texas

tax rate of \$0.009173 per \$100 of assessed valuation of taxable property within the boundaries of Port Freeport.

(b) Issuance of New Debt. Port Freeport intends to issue the bonds authorized by the Proposition over a period of years in a manner and in accordance with a schedule to be determined by the Port Commission based upon a number of factors, including, but not limited to, the then current needs associated with the Freeport Harbor Channel Improvement Project, demographic changes, prevailing market conditions, assessed valuations of property within the boundaries of Port Freeport, the use of variable rate debt and management of Port Freeport's short-term and long-term interest rate exposure. Market conditions, demographics and assessed valuations of property vary based upon a number of factors beyond Port Freeport's control, and the use of variable rate debt involves periodic adjustments in interest rates that vary based on market conditions and contractual obligations. Therefore, Port Freeport cannot and does not guarantee a particular interest rate or tax rate associated with the bonds authorized by the Proposition. As such, the information contained in this paragraph is provided solely for illustrative purposes and does not establish any limitations or restrictions or create a contract with the voters. Port Freeport estimates that, based on Port Freeport's current taxable assessed valuation, projected revenues from operations, current market conditions and projected future growth in Port Freeport's taxable assessed valuation, if all of the bonds authorized by the Proposition were issued in accordance with Port Freeport's current plan of finance and projected adjustments to the allocation of maintenance and operations expenditures were made, Port Freeport's total ad valorem tax rate would be approximately \$0.0401 per \$100 of taxable assessed valuation.

(c) Additional Information Required by Section 3.009 of the Code. The additional information required by Section 3.009 of the Code is located in Sections 2 and 3 of this Resolution.

Section 11. Necessary Actions. The Chairman, the Secretary of the Port Commission, or the designee of the Chairman, acting on behalf of the Port Commission, in consultation with Port Freeport's attorney and bond counsel, is hereby authorized and directed to take any and all actions necessary to comply with the provisions of the Code and the Federal Voting Rights Act in carrying out and conducting the Election, whether or not expressly authorized herein, including making changes or additions to polling places or procedures to the extent required or desirable or as may become necessary due to circumstances arising after the date of this Resolution.

Section 12. Severability. If any provision, section, subsection, sentence, clause or phrase of this Resolution, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void, invalid, or unenforceable, neither the remaining portions of this Resolution nor their application to other persons or sets of circumstances shall be affected thereby, it being the intent of the Port Commission in adopting this Resolution that no portion hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness, invalidity or unenforceability of any other portion hereof, and all provisions of this Resolution are declared to be severable for that purpose.

Section 13. Effective Date. This Resolution shall take effect immediately upon its approval.

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Joyce Hudman

Joyce Hudman
County Clerk
Brazoria County, Texas

PASSED AND APPROVED the 15th day of February, 2018.

Paul Kresta
Paul Kresta, Chairman

ATTEST:

Bill Terry
Bill Terry, Assistant Secretary

(SEAL)



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*Joyce Hudman*Joyce Hudman
County Clerk
Brazoria County, Texas**EXHIBIT A****PORT FREEPORT
ELECTION DAY POLLING LOCATIONS AND SCHEDULE****Election Day Schedule****Saturday, May 5, 2018**

Polls are open from 7 a.m. to 7 p.m.

Election Day Polling Places

Brazoria County utilizes countywide voting centers. Port Freeport voters may vote at any of the following locations on Election Day:

Home Precinct #	City	Location
3	Alvin	Nolan Ryan Center, 2925 South Bypass 35
25	Alvin	Hillcrest Village Municipal Building, 200 W Timberline
39	Alvin	Alvin Library, 105 S Gordon
1	Angleton	East Annex (Old Walmart), 1524 E Mulberry
4	Brazoria	Brazoria Library, 620 S Brooks
33	Brazoria	Mims Community Center, 4283 FM 521
19	Clute	Clute City Hall, 108 E Main
15	Danbury	Danbury Community Center, 6115 5th St
7	Freeport	Freeport Library, 410 Brazosport Blvd
23	Lake Jackson	Lake Jackson Civic Center, 333 Hwy 332 East
40	Manvel	North Annex, 7313 Corporate Dr
8	Oyster Creek	Oyster Creek City Hall, 3210 FM 523
12	Pearland	Drainage District No. 4 Building, 4805 W Broadway
29	Pearland	Westside Event Center, 2150 Country Place Pkwy
36	Pearland	Pearland Recreation Center, 4141 Bailey Rd
44	Pearland	Silverlake Recreation Center, 2715 Southwyck Pkwy
46	Pearland	Tom Reid Library, 3522 Liberty Dr
61	Pearland	Shadycrest Baptist Church, 3017 Yost Blvd
67	Pearland	Pearland Westside Library, 2803 Business Center Dr #101
24	Richwood	Richwood City Hall, 1800 N Brazosport Blvd
38	Surfside Beach	Surfside Beach City Hall, 1304 Monument Dr
14	Sweeny	Sweeny Community Center, 205 W Ashley Wilson Rd
2	West Columbia	County Annex, Building 2, 121 N 10th St

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*Joyce Hudman*Joyce Hudman
County Clerk
Brazoria County, Texas**EXHIBIT B****PORT FREEPORT
EARLY VOTING POLLING LOCATIONS AND SCHEDULE****Early Voting Schedule****Monday, April 23, 2018 through Friday, April 27, 2018**

Polls are open from 8 a.m. – 5 p.m.

Saturday, April 28, 2018, and Monday, April 30, 2018 through Tuesday, May 1, 2018

Polls are open from 7 a.m. – 7 p.m.

Main Early Voting Polling Place

Angleton	East Annex (Old Walmart)	1524 E Mulberry
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Early Voting Locations

Angleton	East Annex (Old Walmart)	1524 E Mulberry
Alvin	Alvin Library	105 S Gordon
Brazoria	Brazoria Library	620 S Brooks
Freeport	Freeport Library	410 Brazosport Blvd
Lake Jackson	Lake Jackson Library	250 Circle Way
Manvel	North Annex	7313 Corporate Dr
Pearland East	Tom Reid Library	3522 Liberty Dr
Pearland West	Westside Event Center	2150 Country Place Pkwy
Shadow Creek	Pearland Westside Library	2803 Business Center Dr #101
Sweeny	Sweeny Community Center	205 W Ashley Wilson Rd
West Columbia	County Annex, Building 2	121 N 10th St