

**ORDER OF GRANDFALLS-ROYALTY INDEPENDENT SCHOOL DISTRICT
CALLING A SPECIAL BOND ELECTION AND
PROVIDING FOR THE CONDUCT OF THE ELECTION
AND OTHER MATTERS INCIDENT THERETO**

STATE OF TEXAS §
COUNTY OF WARD §
GRANDFALLS-ROYALTY INDEPENDENT SCHOOL DISTRICT §

WHEREAS, the Board of Trustees of Grandfalls-Royalty Independent School District (the "District") held a regular meeting on August 11, 2014, and that said meeting was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by the Texas Government Code, Chapter 551; and,

WHEREAS, the District deems it advisable to call the Special Bond Election (the "Election") hereinafter ordered; and,

WHEREAS, it is hereby officially found and determined at said meeting that (1) it is in the public interest that the Election hereinafter ordered should be conducted jointly with Ward and County (the "County"); (2) the Election meets the requirements for a joint election under Chapter 271 of the Texas Election Code; and, (3) it is in the public's interest for the District to hold the hereinafter called Election on November 4, 2014, a uniform election date established by section 41.001(a) of the Texas Election Code; and,

WHEREAS, the District, contemporaneously with this Order, has by Resolution dated August 11, 2014, approved an agreement for joint election services with Ward County (the "Joint Election Agreement").

NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF TRUSTEES OF THE DISTRICT:

1. The statements contained in the preamble of this Order are true and correct and adopted as findings of fact and operative provisions hereof. The Election shall be held in the District between the hours of 7:00 a.m. and 7:00 p.m. on November 4, 2014. Such Election is to be conducted with the County, as provided by Chapter 271 of the Texas Election Code and the Joint Election Agreement. The Election shall occur at the following designated polling place(s), and be conducted by the following election officers, who are hereby appointed to hold said Election:

Grandfalls Community Center
331 1st Street
Grandfalls, Texas 79742

Which consists of those portions of Ward County Voting Precinct 3 South
within Grandfalls-Royalty ISD

Presiding Judge: Darla McAllister
Alternate Judge: Tina Acosta

2. Each Presiding Judge shall appoint not less than two (2) but no more than five (5)

qualified election clerks to serve and assist in conducting the Election; provided that if the Presiding Judge actually serves as expected, the Alternate Presiding Judge shall be one of such clerks.

3. Early voting shall be conducted by personal appearance at the District's Early Voting Place:

Grandfalls-Royalty ISD Administration Office
108 Avenue C
Grandfalls, TX 79742

Early voting shall be conducted during the period of early voting as required or permitted by law, being October 20, 2014 through October 31, 2014, from 8:00 a.m. to 4:00 p.m. Early voting at the Main Early Voting Place shall be conducted on each day, excluding Saturdays, Sundays or legal state holidays, when there shall be no early voting by personal appearance, and shall at all times remain open during the above noted hours for early voting by personal appearance.

4. The Early Voting Clerk for the Election shall be Loraine Natividad and the Deputy Early Voting Clerk shall be Frankie Santiago.

5. Applications for early voting by mail shall be sent to Loraine Natividad, Grandfalls-Royalty ISD, 108 Avenue C, Grandfalls, TX 79742. Application for ballot by mail must be received no later than the close of business on October 24, 2014.

6. An Early Voting Ballot Board shall be created to process early voting results of the Election. Loraine Natividad shall be the Presiding Judge of the Early Voting Ballot Board, and the Presiding Judge, in turn, shall appoint at least two (2) other members to serve on the Early Voting Ballot Board.

7. All qualified electors of and residing in the District shall be entitled to vote at the Election, and voting during the Election shall be by the use of a lawfully approved voting system and ballots.

8. At the Election, the following PROPOSITION, setting forth the purpose for which the bonds will be authorized, shall be submitted in accordance with law:

PROPOSITION

Shall the Board of Trustees be authorized to issue bonds of Grandfalls-Royalty Independent School District, in one or more series, in the aggregate principal amount of \$12,250,000 for the purpose of paying for and financing the construction, acquisition, renovation, improvement and equipment of school buildings, with said funds being allocated and spent in such order and priority as determined by the Board, with priority given to: construction and equipment of a new k-12 school; renovation of the existing auditorium and gymnasium; and, the purchase of school buses, with any surplus funds to be used for the additional construction, acquisition, renovation, improvement and equipment of school buildings of the District, as determined in the discretion of the Board of Trustees, with the bonds to mature serially or otherwise not more than 40 years from their date, and bear interest, be issued and sold in accordance with the law at the time

of issuance; to levy and pledge, and cause to be assessed and collected, annual ad valorem taxes on all taxable property in the District, sufficient without limit as to rate or amount, to pay the principal of and interest on the bonds and the cost of any credit agreements executed in connection with the bonds?

9. The official ballots for the Election shall be prepared in accordance with the Texas Election Code so as to permit the electors to vote "FOR" or "AGAINST" the aforesaid PROPOSITION with the ballots to contain such provisions, markings and language as required by law, and with such PROPOSITION to be expressed substantially as follows:

PROPOSITION

| | | | |
|-------|---------|---|--|
| _____ | FOR |) | THE ISSUANCE OF \$12,250,000 OF BONDS OF |
| | |) | GRANDFALLS-ROYALTY INDEPENDENT SCHOOL |
| | |) | DISTRICT FOR THE CONSTRUCTION, ACQUISITION, |
| | |) | RENOVATION, IMPROVEMENT AND EQUIPMENT OF |
| | |) | SCHOOL BUILDINGS, WITH PRIORITY GIVEN TO: |
| | |) | CONSTRUCTION AND EQUIPMENT OF A K-12 |
| | |) | SCHOOL; RENOVATION OF THE EXISTING |
| _____ | AGAINST |) | AUDITORIUM AND GYMNASIUM; THE PURCHASE |
| | |) | OF SCHOOL BUSES; AND, THE LEVYING OF THE TAX |
| | |) | FOR PAYMENT THEREOF |

10. The proposition language that will appear on the ballot is set forth in Section 9 above.

11. The purpose for which the bonds are to be authorized is set forth in Section 8 above.

12. The principal amount of the debt obligations to be authorized is \$12,250,000, as set forth in Sections 8 and 9 above.

13. As set forth in Sections 8 and 9 above, if the bonds are approved by the voters, the Board of Trustees will be authorized to levy annual ad valorem taxes, on all taxable property in the District, sufficient without limit as to rate or amount, to pay the principal of and interest on the bonds, and the cost of any credit agreements executed in connection with the bonds.

14. Based upon current market conditions at the date of adoption of this Order, the ESTIMATED total tax rate of the District if the bonds are approved by the voters is \$1.54 per \$100 of taxable assessed value. Such estimated rate is based on current state law, which requires the District to set a tax rate for debt service on voter approved bonds (the "Debt Rate"), and set a tax rate for the District's maintenance and operations (the "M&O Rate"). The estimated tax rate is further based on the fact that the current Debt Rate is \$0.00 per \$100 of taxable assessed valuation and the current M&O Rate is \$1.04 per \$100 of taxable assessed valuation. Given current taxable values of the District, the projected timing of the issuances of the bonds and projected interest rates, among other factors, the Debt Rate is expected to increase to \$0.50 per \$100 of taxable assessed valuation if the bonds are approved.

15. As set forth in Section 8 above, if the bonds are approved, they may be issued in one or more series, to mature over a specified period not to exceed 40 years.

16. The aggregate amount of the outstanding principal of the District's debt obligations as of the beginning of the fiscal year in which the Election is ordered is \$0.00.

17. The aggregate amount of the outstanding interest of the District's debt obligations as of the beginning of the fiscal year in which the Election is ordered is \$0.00.

18. The ad valorem debt service tax rate for the District at the time the Election is ordered is \$0.00 per \$100 of taxable assessed valuation.

19. A substantial copy of this Order, in both English and Spanish, shall serve as proper Notice of the Election (the "Notice"), and the Notice shall be given by: (1) publishing the Notice at least one time, not earlier than the 30th day nor later than the 10th day prior to the date set for the Election, in a newspaper published in the District or, if none is published in the District, in a newspaper of general circulation in the District; (ii) posting the Notice on the bulletin board used for posting notices of meetings of the Board of Trustees not later than the 21st day prior to the date set for the Election; and, (iii) posting the Notice at any other location(s) and by any other method as the District deems fit or may be required by law.

20. A copy of this Order, in both English and Spanish, shall be posted: (i) on election day and during early voting by personal appearance in a prominent location at each polling place; and, (ii) not later than the 21st day before the Election, in 3 public places within the boundaries of the District.

21. During the 21 days before the Election, the Notice of Election and a copy of this Order which includes the contents of the proposition, shall be prominently posted on the District's internet web site, if the District maintains an internet web site.

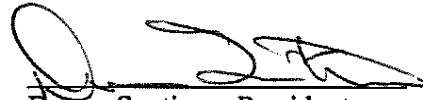
22. In all respects the Election shall be conducted in accordance with the Texas Election Code and any other applicable state or federal law, except as modified by the Texas Education Code.

23. The Superintendent is hereby authorized to make changes to the Joint Election Agreement, polling places, election judges and officers, and election procedures in the event changes are required or which may become necessary due to circumstances arising after the date of this Order, and is further directed to take any and all action as necessary to ensure that the Election is properly conducted and returns counted and tabulated for canvass by the Board, whether or not such actions are expressly authorized herein.

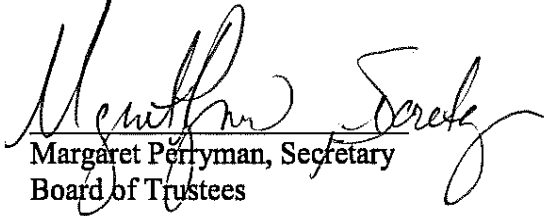
24. If any portion of this Order, or the application of the same to any person or set of circumstances is held to be void, invalid, or unenforceable, the remaining portions of this Order shall not be affected thereby, it being the intent of the District that no portion hereof or provision or regulation contained herein shall become inoperative or fail by reason of any voidness, invalidity or unenforceability of any other portion hereof, and all provisions of this Order are declared to be severable for that purpose.

25. This Order is effective immediately upon its passage and approval.

PASSED AND APPROVED this 11th day of August, 2014.



Danny Santiago, President
Board of Trustees



Margaret Perryman, Secretary
Board of Trustees

(DISTRICT SEAL)