

**GALVESTON COUNTY
MUNICIPAL UTILITY DISTRICT NO. 73
(Galveston County, Texas)**

**OFFICIAL NOTICE OF SALE AND
PRELIMINARY OFFICIAL STATEMENT
DATED: July 8, 2025**

**\$6,000,000
UNLIMITED TAX BONDS
SERIES 2025**

**BIDS TO BE SUBMITTED:
9:00 A.M., Central Time
Tuesday, September 9, 2025**

**BIDS TO BE PRESENTED:
3:00 P.M., Central Time
Tuesday, September 9, 2025**



**Capital
Markets**

FINANCIAL ADVISOR

This Official Notice of Sale does not alone constitute an offer to sell, but is merely notice of sale of the bonds described herein. The offer to sell such bonds is being made by means of this Official Notice of Sale, the Official Bid Form and the Preliminary Official Statement.

OFFICIAL NOTICE OF SALE

\$6,000,000

GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 73

(A political subdivision of the State of Texas located within Galveston County, Texas)

**UNLIMITED TAX BONDS
SERIES 2025**

Bids Due by: September 9, 2025 at 9:00 A.M., Central Time

The Bonds are obligations solely of Galveston County Municipal Utility District No. 73 (the “District”), and are not obligations of the State of Texas (the “State”), Galveston County, Texas, the City of League City, Texas or any entity other than the District.

THE BONDS ARE NOT “QUALIFIED TAX-EXEMPT OBLIGATIONS” FOR FINANCIAL INSTITUTIONS

THE SALE

Bonds Offered for Sale at Competitive Bid: The Board of Directors (the “Board”) of Galveston County Municipal Utility District No. 73 (the “District”) is offering for sale at competitive bid its Unlimited Tax Bonds, Series 2025 in the original principal amount of \$6,000,000 (the “Bonds”).

Place and Time of Sale: The Board of Directors of Galveston County Municipal Utility District No. 73 (the “District”) will publicly receive bids on up to \$6,000,000 Unlimited Tax Bonds, Series 2025 (the “Bonds”), on Tuesday, September 9, 2025, at 9:00 A.M., Central Time, at the offices of the District’s Financial Advisor, RBC Capital Markets, LLC, Attn: Leslie Cook, 609 Main St., Suite 3600, Houston, Texas 77002. Any bid received after 9:00 A.M., Central Time, September 9, 2025, will not be accepted and will be returned unopened. At a Board of Directors meeting on Tuesday, September 9, 2025, at 3:00 P.M., Central Time, the Board will immediately take action to reject any and all bids or accept the bid resulting in the lowest net interest cost to the District. It is anticipated that said meeting will be held at Johnnie Arolfo Civic Center, 400 West Walker Street, League City, Texas 77573. Please consult the public notice for said meeting for details regarding public access or alternate meeting location. The District reserves the right to postpone the bond sale, if needed.

Electronic Bidding Procedure: Any prospective bidder that intends to submit an electronic bid must submit its electronic bid through the facilities of PARITY. Bidders must submit, prior to 9:00 A.M., Central Time, September 9, 2025, SIGNED Official Bid Forms, in duplicate, to Leslie Cook, RBC Capital Markets, LLC, 609 Main St., Suite 3600, Houston, Texas, 77002. Subscription to the i-Deal’s BIDCOMP Competitive Bidding System is required in order to submit an electronic bid. The District will neither confirm any subscription nor be responsible for the failure of any prospective bidder to subscribe. Electronic bids must be received via PARITY in the manner described below, prior to 9:00 A.M., Central Time, September 9, 2025.

Electronic bids must be submitted via PARITY in accordance with this Official Notice of Sale, until 9:00 A.M., Central Time, and no bid will be received after the time for receiving bids specified above. An electronic bid made through the facilities of PARITY shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in the Official Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the District. The District shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, PARITY, the use of such facilities being the sole risk of the prospective bidder.

If any provisions of the Official Notice of Sale shall conflict with information provided by PARITY as the approved provider of electronic bidding services, this Official Notice of Sale shall control. Further information about PARITY, including any fee charged, may be obtained from i-Deal, 395 Hudson Street, New York, New York 10014, (212) 806-8304.

For purposes of the electronic bidding process, the time as maintained by PARITY shall constitute the official time. For information purposes only, bidders are requested to state in their electronic bids the net effective interest rate to

the District, as described under “CONDITIONS OF SALE – Basis of Award” below. All electronic bids shall be deemed to incorporate the provisions of this Official Notice of Sale and the Official Bid Form.

Bids by Telephone: Bidders must submit, prior to 9:00 A.M., Central Time, September 9, 2025, duplicate SIGNED Official Bid Forms to Leslie Cook, RBC Capital Markets, LLC, 609 Main St., Suite 3600, Houston, Texas 77002 and submit their bid by telephone, (713) 853-0884, on the date of sale. The District will not accept bids submitted by facsimile.

Late Bids and Irregularities . . . RBC Capital Markets, LLC is not authorized to receive and will not be responsible for the submission of any bids made after the time prescribed nor does the District or RBC Capital Markets, LLC assume any responsibility or liability with respect to any irregularities associated with the submission, transcription, delivery, or electronic transmission of any bid. The District reserves the right to waive any irregularity except time of bid.

Award of Bonds . . . The District will take action to award the Bonds or reject all bids promptly upon the Board of Directors reviewing and approving the bids. Upon awarding the Bonds, the District also will adopt the Resolution authorizing issuance of the Bonds (the “Bond Resolution”) and will approve the Official Statement. Sale of the Bonds will be made subject to the terms, conditions and provisions of the Bond Resolution, to which reference is hereby made for all purposes, and subject to compliance with Texas Government Code §2252.908 as more fully described below.

ESTABLISHING THE ISSUE PRICE FOR THE BONDS

General . . . In order to provide the Issuer with information that enables it to comply with certain requirements of the Internal Revenue Code of 1986, as amended, relating to the excludability of interest on the Bonds from gross income for federal income tax purposes, the winning bidder will be required to complete, execute, and deliver to the Issuer or to the Issuer’s Financial Advisor at least five business days before the delivery date of the Bonds, a certification as to the Bonds’ “issue price” (the “Issue Price Certificate”) substantially in one of the forms and to the effect attached hereto or accompanying this Notice of Sale. In the event the winning bidder will not reoffer any maturity of the Bonds for sale to the Public (as defined herein) by the delivery date of the Bonds, the Issue Price Certificate may be modified in a manner approved by the Issuer and Bond Counsel (identified in the Preliminary Official Statement). Each bidder, by submitting its bid, agrees to complete, execute, and timely deliver the appropriate Issue Price Certificate, if its bid is accepted by the Issuer. It will be the responsibility of the winning bidder to institute such syndicate reporting requirements, to make such investigation, or otherwise to ascertain such facts as are necessary to enable it to make such certification with reasonable certainty. Any questions concerning such certification should be directed to Bond Counsel (identified in the Preliminary Official Statement).

Defined Terms. . . For purposes of this section of this Notice of Sale:

- (i) “Public” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Initial Purchaser or a Related Party to an Initial Purchaser.
- (ii) “Initial Purchaser” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead Initial Purchaser to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).
- (iii) “Related Party” means any two or more persons who are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).
- (iv) “Sale Date” means the date that the Bonds are awarded by the Issuer to the winning bidder.

All actions to be taken by the Issuer under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the Issuer by the Financial Advisor, and any notice or report to be provided to the Issuer may be provided to the Financial Advisor.

The Issuer will consider any bid submitted pursuant to this Notice of Sale to be a firm offer for the purchase of the Bonds, as specified in the bid and as so stated in the Official Bid Form.

Three Bid Requirement . . . The Issuer intends to rely on Treasury Regulation section 1.148-1(f)(3)(i) for purposes of establishing the issue price of municipal bonds, which requires, among other things, that the Issuer receives bids from at least three Initial Purchasers of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds (the “Three Bid Requirement”). In the event that the Three Bid Requirement is not satisfied, Treasury Regulations permit the issue price for any maturity of the Bonds to be determined based upon either (i) the first price at which 10% of such maturity is sold to the Public (the “10% Test”) or (ii) if the requirements of the “Hold-the-Offering-Price Rule” described below are met, the initial offering price to the Public as of the Sale Date. For purposes hereof, if different interest rates apply within a maturity, each separate CUSIP number will be treated separately.

In the event that the Three Bid Requirement is satisfied, the sale of the Bonds will be awarded to the bidder making a bid that conforms to the specifications herein. In the event that the Three Bid Requirement is not satisfied, the Issuer will notify the prospective winning bidder to that effect, and the prospective winning bidder will advise the Issuer of any maturity of the Bonds that satisfies the 10% Test. For any maturity of the Bonds that does not meet the 10% Test, it is the Issuer’s intention to apply the “Hold-the-Offering-Price Rule” to any maturity of the Bonds, as described below.

Hold-The-Offering-Price-Rule . . . If the “Hold-the-Offering-Price Rule” is applied to any maturity of the Bonds (each, a “Held Maturity”), the winning bidder agrees, on behalf of each Initial Purchaser participating in the purchase of the Bonds, that each Initial Purchaser will neither offer nor sell any Held Maturity to any person at a price that is higher than the initial offering price to the Public during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth business day after the Sale Date; or
- (2) the date on which the Initial Purchasers have satisfied the 10% Test with respect to that Held Maturity at a price that is no higher than the initial offering price to the Public.

The winning bidder shall promptly advise the Issuer when the Initial Purchasers have satisfied the 10% Test with respect to each Held Maturity at a price that is no higher than the initial offering price to the Public, if that occurs prior to the close of the fifth business day after the Sale Date. On or after the sixth business day after the Sale Date, if requested by the Issuer, the winning bidder will confirm that the Initial Purchasers have complied with the Hold-the-Offering-Price-Rule. If at any time the winning bidder becomes aware of any noncompliance by an Initial Purchaser with respect to the Hold-the-Offering Price Rule, the winning bidder will promptly report such noncompliance to the Issuer.

- (i) **Additional Requirements . . .** By submitting a bid, each bidder confirms that: (i) any agreement among Initial Purchasers, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Initial Purchaser, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among Initial Purchasers relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Initial Purchaser that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such Initial Purchaser that either the 10% Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public and (B) comply with the Hold-the-Offering-Price Rule, if applicable, in each case if and for so long as directed by the winning bidder or such Initial Purchaser and as set forth in the related pricing wires.

THE BONDS

Description of Bonds . . . The Bonds will be dated and interest on the Bonds will accrue from the date of delivery, on or about October 16, 2025 (the “Date of Delivery”) and be payable March 1, 2026, and semiannually thereafter on each September 1 and March 1 (each an “Interest Payment Date”) until the earlier of maturity or prior redemption. The Bonds will be delivered to the successful bidder (the “Initial Purchaser”) as one Bond for each maturity, in fully registered form, and may be exchanged for Bonds in the denomination of \$5,000 or any integral multiple thereof. Principal and semiannual interest will be paid by UMB Bank, N.A., (the “Paying Agent/Registrar”), at its corporate trust office in Houston, Texas. Principal and redemption price of the Bonds will be payable to the registered owners (“Registered Owners”) at maturity or earlier redemption upon presentation and surrender to the Paying Agent/Registrar. Interest on the Bonds will be payable by check or draft, dated as of the interest payment date, and mailed on each interest payment date by the Paying Agent/Registrar to each registered owner of record as of the Record Date. The Bonds mature serially on September 1 in the years and amounts shown below.

Due (9/1)	Principal Amount	Interest Rate	Due (9/1)	Principal Amount	Interest Rate
2027	\$125,000	_____ %	2040 ^(a)	\$240,000	_____ %
2028	130,000	_____ %	2041 ^(a)	250,000	_____ %
2029	140,000	_____ %	2042 ^(a)	260,000	_____ %
2030	145,000	_____ %	2043 ^(a)	280,000	_____ %
2031 ^(a)	150,000	_____ %	2044 ^(a)	290,000	_____ %
2032 ^(a)	160,000	_____ %	2045 ^(a)	300,000	_____ %
2033 ^(a)	165,000	_____ %	2046 ^(a)	320,000	_____ %
2034 ^(a)	175,000	_____ %	2047 ^(a)	335,000	_____ %
2035 ^(a)	185,000	_____ %	2048 ^(a)	350,000	_____ %
2036 ^(a)	195,000	_____ %	2049 ^(a)	370,000	_____ %
2037 ^(a)	205,000	_____ %	2050 ^(a)	385,000	_____ %
2038 ^(a)	215,000	_____ %	2051 ^(a)	405,000	_____ %
2039 ^(a)	225,000	_____ %			

(a) Bonds maturing on or after September 1, 2031, shall be subject to optional redemption in whole or from time to time in part on September 1, 2030, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest.

Redemption Provisions . . . The District reserves the right, at its option, to redeem Bonds maturing on or after September 1, 2031, in whole or from time to time in part in integral multiples of \$5,000 on September 1, 2030, or on any date thereafter at a price of par plus accrued interest from the most recent interest payment date to the date fixed for redemption. If fewer than all the Bonds are redeemed, the District shall determine the maturity or maturities and the amounts thereof to be redeemed in integral multiples of \$5,000 within a maturity. If fewer than all of the Bonds within a maturity are redeemed, the particular Bonds or portions thereof to be redeemed shall be selected by the Paying Agent/Registrar by lot or random selection. See “THE BONDS – Redemption Provisions” in the Preliminary Official Statement.

Source and Security of Payment . . . The Bonds will constitute valid and legally binding obligations of the District, with principal and interest payable solely from the proceeds of a continuing, direct, annual ad valorem tax levied, without legal limitation as to rate or amount, against all taxable property located within the District.

Other Terms and Covenants . . . Other terms of the Bonds and various covenants of the District contained in the Bond Resolution are described in the Preliminary Official Statement, to which reference is made for all purposes.

Municipal Bond Insurance and Ratings: . . . Applications have been made for a commitment to issue a policy of municipal bond guaranty insurance on the Bonds. The purchase of such insurance, if available, and payment of all associated costs, including the premium charged by the insurer, and fees charged by any rating companies, will be at the option and expense of the Initial Purchaser. The Initial Purchaser understands, by submission of its bid, that the Initial Purchaser is solely responsible for the selection of any insurer and for all negotiations with (i) the insurer as to the premium to be paid, and (ii) the insurer and any and all rating companies as to selection of such rating companies, the ratings to be assigned to the Bonds as a consequence of the issuance of the municipal bond guaranty insurance policy, and the payment of fees in connection with such ratings.

CONDITIONS OF SALE

Types of Bids and Interest Rates . . . The Bonds will be sold in one block, all or none, and no bid of less than 97% of par value plus accrued interest to the Date of Delivery will be considered. The net effective interest rate, as calculated pursuant to Chapter 1204 of the Texas Government Code, as amended, on the Bonds may not exceed 2% above the Daily Bond Buyer's weekly "20 Bond Index" published over the one-month period preceding the sale date of the Bonds. The difference between the highest interest rate bid and the lowest interest rate bid shall not exceed 3%. Interest rates must be in multiples of 1/8 or 1/20 of 1%. Any number of interest rates and rate changes may be named, but graduating or declining interest rates within a maturity, split interest rates within a maturity, or supplemental or zero interest rates will not be acceptable. No bid generating a cash premium greater than \$5,000 will be accepted.

Serial Bonds and/or Term Bonds: Subject to the limitation in the following sentence, bidders have the option of specifying that the principal amount of the Bonds payable in any two or more consecutive years may, in lieu of maturing in each of such years, be combined into one or more term bonds. Term bonds may be used for any of the maturities in the years 2032 through 2051, both inclusive. Bidders may reestablish serial bonds following a term bond.

In the event that bidders choose to specify one or more term bonds, such term bonds will be subject to mandatory redemption by the District prior to their scheduled maturities on September 1 in the years and in the amounts set forth in the maturity schedule of the serial bonds. The term bonds, along with the serial bonds are subject to optional redemption on September 1, 2030, or any date thereafter, in whole or from time to time in part, at a price of par plus accrued interest from the most recent interest payment date to the date fixed for redemption.

Basis of Award: For the purpose of awarding the sale of the Bonds, the interest cost of each bid will be computed by determining, at the rates specified therein, the total dollar value of all interest on the Bonds from the date thereof to their respective maturities and adding thereto the discount bid, if any. Subject to the District's right to reject any or all bids, sale of the Bonds will be awarded to the bidder (the "Initial Purchaser") whose bid, under the above computation, produces the lowest net interest cost to the District. The Board reserves the right to reject any or all bids. In the event of mathematical discrepancies between the interest rate(s) bid and the interest cost determined therefrom, as both appear on the Official Bid Form, the bid will be governed solely by the interest rate(s) named.

Good Faith Deposit: Each bid must be accompanied by a bank cashier's check payable to the order of "Galveston County Municipal Utility District No. 73" in the amount of \$120,000, which represents two percent (2%) of the principal amount of the Bonds. Only bank cashier checks will be accepted; no "Official Bank Checks" will be accepted. The check will be considered as a Good Faith Deposit, and the check of the successful bidder will be retained uncashed by the District until the Bonds are delivered. In the event the Initial Purchaser should fail or refuse to accept delivery of and pay for the Bonds in accordance with its bid, then the Good Faith Deposit shall be cashed and the proceeds accepted by the District as liquidated damages against the Initial Purchaser.

The Good Faith Deposit may accompany the Official Bid Form or it may be submitted separately. If submitted separately, it shall be made available to the District prior to the opening of the bids and shall be accompanied by instructions from the bank on which it is drawn to authorize its use as a Good Faith Deposit by the bidder, who shall be named in such instructions. Upon payment for and delivery of the Bonds, the Good Faith Deposit will be returned uncashed. No interest will be paid on the Good Faith Deposit. The checks accompanying bids other than the winning bid will be returned immediately after the bids are opened and an award of the Bonds has been made.

Provision of Texas Ethics Commission Form 1295 ("TEC Form 1295") by Bidders: Pursuant to Texas Government Code § 2252.908 (the "Interested Party Disclosure Act" or the "Act"), the District may not award the Bonds to a bidder unless the bidder, and each syndicate member listed on the Official Bid Form, unless such bidder or syndicate member is either exempt from such requirements pursuant to Texas Government Code § 2252.908(c)(4) or has provided to the District (c/o RBC Capital Markets, LLC, 609 Main St., Suite 3600, Houston, Texas, 77002, Attn: Leslie Cook, leslie.cook@rbccm.com) a completed and signed TEC Form 1295 which has been assigned a certificate number by the Texas Ethics Commission (the "TEC"). Pursuant to the rules prescribed by the TEC, the TEC Form 1295 must be completed online through the TEC's website, assigned a certificate number, printed, and signed, and provided to the District. The TEC Form 1295 may accompany the Official Bid Form or may be submitted separately, but must be provided to the District prior to the time prescribed for the award of the Bonds. The TEC Form 1295 may be provided to the District electronically, however, the original signed and notarized TEC Form 1295 complete with certificate number must be physically delivered to the District (c/o The Muller Law Group, PLLC, 202 Century Square Blvd. Sugar Land, TX 77478) within two business days of the award. Following the award of the Bonds, the District will notify the TEC of the receipt of the completed TEC Form 1295 from the winning bidder. The District reserves the right to reject any bid that does not comply with the requirements prescribed herein. For purposes

of completing the TEC Form 1295, the entity's name is "Galveston County Municipal Utility District No. 73" and the contract ID number is "GCMUD73 – S2025 – B." Neither the District nor its consultants have the ability to verify the information included in a TEC Form 1295, and neither have an obligation nor undertake responsibility for advising any bidder with respect to its exemption from the requirement of the Act or the proper completion of the TEC Form 1295. Consequently, an entity intending to bid on the Bonds should consult its own advisors to the extent it deems necessary and be prepared to either confirm its exemption from the requirements of the Act or submit the completed form promptly upon notification from the District that its bid is the apparent winning bid.

Standing Letter Requirement: Each prospective bidder must have a standing letter on file with the Municipal Advisory Council of Texas and the Texas Attorney General's Office, as required by and compliant in all aspects with, the All Bond Counsel Letter of the Texas Attorney General dated November 1, 2023 (the "All Bond Counsel Letter"). In submitting a bid, a bidder represents to the District that it has filed a standing letter that conforms to the requirements set forth in the All Bond Counsel Letter and it has no reason to believe that the District may not be entitled to rely on the standing letter on file with the Municipal Advisory Council of Texas and the Texas Attorney General's Office. Bidder agrees that it will not rescind its standing letter at any time before the delivery of the Bonds unless same is immediately replaced with a standing letter meeting the requirements of the All Bond Counsel Letter.

The District reserves the right, in its sole discretion, to reject any bid from a bidder that does not have such standing letter on file as of the deadline for bids for the Bonds. In the event that a bidder does not have such standing letter on file at the time of submission of a bid, the bidder agrees to file such standing letter with the Municipal Advisory Council of Texas and the Texas Attorney General's Office by the earlier of: (a) two (2) hours after submitting its bid, and (b) the deadline for bids for the Bonds. If requested by the District, the Initial Purchaser agrees to provide such further representations, certifications or assurances regarding the matters described under the heading "Compliance with Laws Prohibiting Contracts with Companies," as applicable, as of the Date of Delivery of the Bonds or such other date requested by the District.

A bidder who is currently under review by the Texas Attorney General for being a potential discriminator or boycotter under (i) Section 2271.002 of the Texas Government Code, (ii) Section 2252.151 of the Texas Government Code, (iii) Section 2276.002 of the Texas Government Code, or (iv) Section 2274.002 of the Texas Government Code, agrees to provide, prior to the Date of Delivery of the Bonds, a bring-down certification that the Texas Attorney General can continue to rely on the bidder's standing letter and the statutory representations and covenants, in accordance with the requirements set forth in the All Bond Counsel Letter.

Compliance with Laws Prohibiting Contracts with Companies Boycotting Israel and Certain Companies Engaged in Business with Iran, Sudan or Foreign Terrorist Organizations: By submission of a bid for the Bonds, the bidder represents and verifies that at the time of execution and delivery of a bid and through the end of the underwriting period as defined by United States Securities and Exchange Commission Rule 15c2-12, neither the bidder nor a syndicate member listed on the OFFICIAL BID FORM, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, boycotts or will boycott Israel. The terms "boycotts Israel" and "boycott Israel" as used in this paragraph have the meanings assigned to the term "boycott Israel" in Section 808.001 of the Texas Government Code, as amended.

Additionally, by submitting a bid, the bidder also represents and certifies that, solely for purposes of Chapter 2252 of the Texas Government Code, at the time of execution and delivery of this bid, neither the bidder nor a syndicate member listed on the OFFICIAL BID FORM, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same (i) engages in business with Iran, Sudan, or any foreign terrorist organization as described in Chapters 806 or 807 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, or (ii) is a company listed by the Texas Comptroller of Public Accounts under Sections 806.051, 807.051, or 2252.153 of the Texas Government Code. The term "foreign terrorist organization" in this paragraph has the meaning assigned to such term in Section 2252.151, as amended, Texas Government Code.

Compliance with Laws Prohibiting Contracts with Companies that Boycott Energy Companies: By submission of a bid for the Bonds, the bidder represents and verifies that neither the bidder nor any syndicate member listed on the OFFICIAL BID FORM, nor the parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any, of the bidder or any syndicate member listed on the OFFICIAL BID FORM boycott energy companies and, such entities will not boycott energy companies through the end of the underwriting period. The foregoing verification is made solely to comply with Section 2276.002, Texas Government Code, as amended. As used in the foregoing verification, "boycott energy companies" has the meaning assigned to such term in Section 809.001, Texas Government Code, as amended, which currently means, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or

manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above. As used in this verification, the bidder and any syndicate member listed on the OFFICIAL BID FORM understand 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the bidder or syndicate member listed on the OFFICIAL BID FORM, as applicable, within the meaning of SEC Rule 405, 17. C.F.R. § 230.405, and exists to make a profit.

Compliance with Laws Prohibiting Contracts with Companies that Discriminate Against a Firearm Entity or Trade Association: By submission of a bid for the Bonds, the bidder represents and verifies that neither bidder nor any syndicate member listed on the OFFICIAL BID FORM, nor the parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, of the bidder or any syndicate member listed on the OFFICIAL BID FORM

- 1) have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association; and
- 2) will not through the end of the underwriting period discriminate against a firearm entity or firearm trade association.

The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning assigned to it in Section 2274.001(3), Texas Government Code, as amended, which currently, (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association. As used in the foregoing verification, "firearm entity" has the meaning assigned to it in Section 2274.001(6), Texas Government Code, as amended, which currently means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (defined in Section 2274.001(4) as weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (defined in Section 2274.001(5) as devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (defined in Section 2274.001(1) as a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (as defined by Section 250.001, Texas Local Government Code). As used in the foregoing verification, "firearm trade association" has the meaning assigned to it in Section 2274.001(7), Texas Government Code, as amended, which currently, means any person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code. As used in this verification, the bidder and any syndicate member listed on the OFFICIAL BID FORM understand 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the bidder or syndicate member listed on the OFFICIAL BID FORM, as applicable, within the meaning of SEC Rule 405, 17. C.F.R. § 230.405, and exists to make a profit.

Contracting Information. . . The District will not award the Bonds to a bidder unless the bidder verifies on behalf of itself and each syndicate member listed on the Official Bid Form that the bidder and each syndicate member listed on the Official Bid Form will (i) preserve all contracting information related to the bid as provided by the records retention requirements applicable to the District through the Date of Delivery of the Bonds, (ii) promptly provide to the District any contracting information related to the bid that is in the custody or possession of the bidder or any syndicate member on request of the District, and (iii) upon delivery of the Bonds to the bidder, either (a) provide at no cost to the District all contracting information related to the bid that is in the custody or possession of the bidder or any syndicate member or (b) preserve the contracting information related to the bid as provided by the records retention requirements applicable to the District. The term "contracting information" as used in this paragraph has the meaning assigned to such term in Section 552.003 of the Texas Government Code.

Competitive Bidding and Certificate of Initial Purchaser . . . In the event that the District does not receive sufficient

qualified bids to satisfy the competitive sale requirements of Treasury Regulation § 1.148-1(f)(3)(i), allowing the District to treat the reasonably expected initial offering price to the public as of the sale date as the issue price of the Bonds, the “hold-the-offering-price rule” shall apply, which will allow the District to treat the initial offering price to the public of each maturity as of the sale date as the issue price of that maturity (the “hold-the-offering-price rule”). So long as the hold-the-offering-price rule applies to any maturity of the Bonds, the Initial Purchaser will neither offer nor sell that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following: (i) the date on which the Initial Purchaser has sold at least 10 percent (10%) of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public or (ii) the close of the fifth business day after the sale date. The Initial Purchaser agrees to promptly report to the District’s Financial Advisor when it has sold 10 percent (10%) of a maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public if that occurs prior to the close of the fifth business day after the sale date. Alternative Certificates of Initial Purchaser are attached for use (a) when the competitive sale requirements of Treasury Regulation § 1.148-1(f)(3)(i) are met and (b) when such requirements are not met.

Rule G-36 Requirements . . . It is the responsibility of the Initial Purchaser to comply with the Municipal Securities Rule Making Board’s Rule G-36 within the required time frame.

OFFICIAL STATEMENT

By accepting the winning bid, the District agrees to the following representations and covenants to assist the Initial Purchaser in complying with Rule 15c2-12 of the Securities and Exchange Commission (“SEC”).

Final Official Statement . . . The District has prepared the accompanying Preliminary Official Statement for dissemination to potential purchasers of the Bonds, but will not prepare any other document or version for such purpose, except as described below. The District will be responsible for completing the Official Statement by inserting the interest rates bid, the purchase price bid, any ratings assigned to the Bonds (if not currently included), the purchase of municipal bond insurance and the initial public offering yields as set forth in the Official Bid Form, or otherwise supplied by the Initial Purchaser, and for preparing and inserting the final debt service schedule. The District does not intend to amend or supplement the Official Statement otherwise, except to take into account certain subsequent events, if any, as described below. Accordingly, the District deems the accompanying Preliminary Official Statement to be final as of its date, within the meaning of SEC Rule 15c2-12(b)(1), except for the omission of the foregoing items. Notwithstanding the foregoing, the only representations concerning the absence of material misstatements or omissions from the Official Statement which are or will be made by the District are those described in the Official Statement under “OFFICIAL STATEMENT – Certification as to Official Statement.”

Changes to Official Statement . . . If, subsequent to the date of the Official Statement, the District learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Initial Purchaser, of any adverse event which causes any of the key representations in the Official Statement to be materially misleading, the District will promptly prepare and supply to the Initial Purchaser a supplement to the Official Statement which corrects such representation to the reasonable satisfaction of the Initial Purchaser, unless the Initial Purchaser elects to terminate its obligation to purchase the Bonds as described below. See “DELIVERY OF THE BONDS AND ACCOMPANYING DOCUMENTS – Conditions to Delivery.” The obligation of the District to do so will terminate when the District delivers the Bonds to the Initial Purchaser, unless the Initial Purchaser notifies the District that less than all of the Bonds have been sold to ultimate customers on or before such date, in which case the obligation will extend for an additional period of time (but not for more than 90 days after the sale date) until all of the Bonds have been sold to ultimate customers.

Delivery of Official Statements . . . The District will furnish to the Initial Purchaser (and to each other participating Initial Purchaser of the Bonds, within the meaning of SEC Rule 15c2-12(a), designated by the Initial Purchaser), within seven business days after the sale date, the aggregate number of Official Statements specified in the winning bid in sufficient quantity to comply with Rule 15c2-12(b)(4). The District will also furnish to the Initial Purchaser a like number of any supplement or amendment prepared by the District for dissemination to potential purchasers of the Bonds as described above as well as such additional copies of the Official Statement or any supplement or amendment as the Initial Purchaser may request prior to earlier of (i) 90 days after the end of the underwriting period (as described in SEC Rule 15c2-12(f)(2)) or (ii) the time the Official Statement is available to any person from the MSRB, but in no case less than 25 days after the end of the underwriting period. The District will pay the expense of preparing the number of copies of the Official Statement specified in the winning bid and an equal number of copies of any supplement or amendment issued on or before the Date of Delivery, but the Initial Purchaser must pay for all other copies of the Official Statement or any supplement or amendment thereto.

Continuing Disclosure . . . The District will agree in the Bond Resolution to provide certain periodic information and notices of certain specified events in accordance with SEC Rule 15c2-12, as described in the Preliminary Official Statement under “CONTINUING DISCLOSURE OF INFORMATION.” The Initial Purchaser’s obligation to accept and pay for the Bonds is conditioned upon delivery to the Initial Purchaser of the certified copy of the Bond Resolution containing the agreement described under such heading.

Compliance with Prior Undertakings

The District has no known failure to comply in all material respects to its prior continuing disclosure undertaking pursuant to Rule 15c2-12.

DELIVERY OF THE BONDS AND ACCOMPANYING DOCUMENTS

Initial Delivery of Initial Bonds . . . Initial delivery (“Initial Delivery”) will be accomplished by the issuance of one initial bond in the principal amount of the Bonds, payable in stated installments (the “Initial Bond”), either in typed or printed form, registered in the name of Cede & Co., manually signed or signed by facsimile by the President or Vice President and Secretary or Assistant Secretary of the Board, or executed by such facsimile signatures and approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of Texas or his authorized deputy. After delivery of the Initial Bonds, they shall be immediately cancelled and one definitive Bond for each maturity will be registered and delivered only to Cede & Co. and deposited with DTC in connection with DTC’s Book-Entry-Only System. See “BOOK-ENTRY-ONLY SYSTEM” in the Preliminary Official Statement. Initial Delivery will be at the principal corporate trust office of the Paying Agent/Registrar in Houston, Texas on or about October 16, 2025. Payment for the Bonds must be made in immediately available funds for unconditional credit to the District, or as otherwise directed by the District. The Initial Purchaser will be given five (5) business days’ notice of the time fixed for delivery of the Bonds. It is anticipated that Initial Delivery can be made on or about October 16, 2025, and, subject to the aforementioned notice, it is understood and agreed that the Initial Purchaser will accept delivery of and make payment for the Bonds by 10:00 A.M., Central Time, October 16, 2025, or thereafter on the date the Bonds are tendered for delivery, up to and including November 14, 2025. If for any reason the District is unable to make delivery on or before November 14, 2025, then the District shall immediately contact the Initial Purchaser and offer to allow the Initial Purchaser to extend its offer for an additional thirty (30) days. If the Initial Purchaser does not elect to extend its offer within six (6) business days thereafter, then its Good Faith Deposit will be returned, and both the District and the Initial Purchaser shall be relieved of any further obligation.

Delivery of Exchange Bonds . . . Upon presentment of the Initial Bond and upon payment for the Initial Bond at the time of the Initial Delivery, the Paying Agent/Registrar shall cancel the Initial Bond and deliver the exchange Bonds in denominations of \$5,000 or any integral multiple of \$5,000 for any one maturity registered in the name of Cede & Co. through the Book-Entry-Only System of the DTC. It is understood that all costs and expenses for the shipping, packing, insuring and delivery of the exchange Bonds shall be borne by the Initial Purchaser if the Initial Purchaser requests delivery of the exchange Bonds at any location other than the corporate trust office of the Paying Agent/Registrar.

CUSIP Numbers . . . It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Initial Purchaser to accept delivery of and pay for the Bonds in accordance with the terms of this OFFICIAL NOTICE OF SALE. CUSIP identification numbers will be made available to the Initial Purchaser at the time the Bonds are awarded or as soon thereafter as practicable. The CUSIP Global Services charge for the assignment of the numbers shall be the responsibility of and shall be paid by the Initial Purchaser.

Conditions to Delivery . . . The Initial Purchaser’s obligation to accept delivery of and pay for the Bonds is subject to the issuance of the legal opinion of the Attorney General of Texas as to the legality of the Bonds, and the legal opinion of The Muller Law Group, PLLC (“Bond Counsel”), the No-Litigation Certificate, and the non-occurrence of the events indicated under “No Material Adverse Change” all as described below.

Legal Opinions . . . The District will furnish without cost to the Initial Purchaser a transcript of certain certified proceedings incident to the issuance and authorization of the Bonds, including a certified copy of the approving legal opinion of the Attorney General of Texas, as recorded in the Bond Register of the Comptroller of Public Accounts of the State, to the effect that the Attorney General has examined a transcript of proceedings authorizing the issuance of the Bonds, and that based upon such examination, the Bonds are valid and binding obligations of the District payable from the proceeds of an annual ad valorem tax, levied without limit as to rate or amount upon all taxable property in the District. The District will also furnish the approving legal opinion of The Muller Law Group, PLLC, Bond Counsel, Sugar Land, Texas, to the effect that, based upon an examination of such transcript, the Bonds are valid and binding obligations of the District under the Constitution and laws of the State, except to the extent that enforcement of the

rights and remedies of the holders of the Bonds may be limited by laws relating to bankruptcy, reorganization, or other similar laws of general application affecting the rights of creditors of political subdivisions such as the District. The legal opinion of Bond Counsel will further state that the Bonds are payable, both as to principal and interest, from the levy of ad valorem taxes without limitation as to rate or amount, against taxable property within the District, and that the interest on the Bonds is excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date of such opinion assuming compliance by the District with certain covenants relating to the use and investment of the proceeds of the Bonds. See “TAX EXEMPTION” in the Preliminary Official Statement. Such opinions express no opinion with respect to the sufficiency of the security for or marketability of the Bonds. The opinion of Bond Counsel is expected to be reproduced on the back panel of the Bonds over a certification by facsimile of the Secretary of the Board of Directors attesting that such opinion was dated as of the date of delivery of and payment for the Bonds and that such reproduction is a true and correct copy of the original opinion. Errors or omissions in the printing of such legal opinion on any Bond shall not constitute cause for a failure or refusal by the Initial Purchaser to accept delivery of and pay for the Bonds.

No-Litigation Certificate . . . The District will furnish the Initial Purchaser a certificate executed by both the President or Vice-President and Secretary or Assistant Secretary of the Board, dated as of the date of delivery of the Bonds, to the effect that there is not pending, and, to their knowledge, there is not threatened, any litigation affecting the validity of the Bonds, the levy and/or collection of the funds from which the Bonds are payable, or the organization or boundaries of the District or the title of the offices thereof to their respective offices.

No Material Adverse Change . . . The obligation of the District to deliver the Bonds and of the Initial Purchaser to accept delivery of and pay for the Bonds are subject to the condition that to the time of delivery of and receipt of payment for the Bonds, there shall have been no material adverse change in the conditions of the District (financial or otherwise) from those set forth in or contemplated by the PRELIMINARY OFFICIAL STATEMENT, as it may have been supplemented or amended through the date of sale.

GENERAL CONSIDERATIONS

Book-Entry-Only System . . . The District intends to utilize the Book-Entry-Only System of the DTC. See “BOOK-ENTRY-ONLY SYSTEM” in the Preliminary Official Statement.

Future Registration . . . In the event the Book-Entry-Only System should be discontinued, the Bonds may be transferred, registered and exchanged only on the registration books of the Paying Agent/Registrar, and such registration shall be at the expense of the District, although the District or the Paying Agent/Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of any Bond. A Bond may be transferred or exchanged upon surrender to the Paying Agent/Registrar accompanied by a written instrument of transfer acceptable to the Paying Agent/Registrar duly executed by the registered owner thereof or his attorney duly authorized in writing. Upon surrender for transfer of any Bond to the Paying Agent/Registrar, the Paying Agent/Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, one or more new Bonds of the same stated maturity and of any authorized denomination and of a like aggregate principal amount.

Risk Factors . . . The Bonds involve certain Risk Factors. Prospective bidders are urged to examine carefully the entire Preliminary Official Statement, made a part hereof, with respect to the investment security of the Bonds. Particular attention should be given to the information set forth therein under the caption “RISK FACTORS.”

Reservation of Rights . . . The District reserves the right to reject any and all bids and to waive any and all irregularities except time of filing.

Not an Offer to Sell . . . This Official Notice of Sale does not alone constitute an offer to sell the Bonds but is merely notice of sale of the Bonds. The invitation for bids on the Bonds is being made by means of this Official Notice of Sale, the Preliminary Official Statement and the Official Bid Form.

Not Qualified Tax-Exempt Obligations . . . The Bonds will not be designated “qualified tax-exempt obligations” within the meaning of the Internal Revenue Code of 1986, as amended.

Municipal Bond Rating and Insurance . . . Applications have been made for a commitment to issue a policy of municipal bond guaranty insurance on the Bonds. The purchase of such insurance, if available, and payment of all associated costs, including the premium charged by the insurer, and fees charged by any rating companies, will be at the option and expense of the Initial Purchaser. The Initial Purchaser understands, by submission of its bid, that the Initial Purchaser is solely responsible for the selection of any insurer and for all negotiations with (i) the insurer as to the premium to be paid, and (ii) the insurer and any and all rating companies as to selection of such rating companies,

the ratings to be assigned to the Bonds as a consequence of the issuance of the municipal bond guaranty insurance policy, and the payment of fees in connection with such ratings.

Registration and Qualification of Bonds for Sale . . . The offer and sale of the Bonds have not been registered or qualified under the Securities Act of 1933, as amended, or under the Securities Act of Texas in reliance upon the exemptions provided thereunder; nor have the Bonds been registered or qualified under the securities acts of any other jurisdiction. The District assumes no responsibility for registration or qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for registration or qualification for the sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions. By submission of its bid, the Initial Purchaser represents that the sale of the Bonds in states other than the State will be made pursuant to exemptions from registration or qualification, or where necessary, the Initial Purchaser will register the Bonds in accordance with the securities laws of the state in which the Bonds are offered or sold. The District agrees to cooperate with the Initial Purchaser, at the Initial Purchaser's written request and expense, in registering or qualifying the Bonds or obtaining an exemption from registration or qualification (other than filing a consent to service of process in such state), in any state where such action is necessary.

Severability . . . In case any provision herein, or application thereof, shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions or applications shall not in any way be affected or impaired thereby.

Additional Copies of Documents . . . Additional copies of this Official Notice of Sale, the Preliminary Official Statement and the Official Bid Form may be obtained from the Financial Advisor, RBC Capital Markets, LLC, 609 Main St., Suite 3600, Houston, Texas 77002.

/s/ Linda Dixon
President, Board of Directors
Galveston County Municipal Utility District No. 73

ATTEST:

/s/ Linda Bordeau
Secretary, Board of Directors
Galveston County Municipal Utility District No. 73

OFFICIAL BID FORM

President and Board of Directors
Galveston County Municipal Utility District No. 73
c/o Muller Law Group, PLLC
202 Century Square Blvd
Sugar Land, TX 77478

Directors:

We have read in detail the Official Notice of Sale and Preliminary Official Statement of Galveston County Municipal Utility District No. 73 (the "District") relating to its \$6,000,000 Unlimited Tax Bonds, Series 2025 (the "Bonds"), which by reference are made a part hereof. We recognize the special investment risks involved in these securities, and have made such inspections and investigations as we deem necessary in order to evaluate the investment quality of the Bonds. Accordingly, we offer to purchase the District's legally issued Bonds, upon the terms and conditions set forth in the Bond Resolution, the Official Notice of Sale and the Preliminary Official Statement, for a cash price of \$_____ (which represents _____% of the principal amount thereof) to the date of delivery of the Bonds to us, provided such Bonds mature September 1 and bear interest in each year at the following rates:

Due (9/1)	Principal Amount	Interest Rate	Due (9/1)	Principal Amount	Interest Rate
2027	\$125,000	_____ %	2040 ^(a)	\$240,000	_____ %
2028	130,000	_____ %	2041 ^(a)	250,000	_____ %
2029	140,000	_____ %	2042 ^(a)	260,000	_____ %
2030	145,000	_____ %	2043 ^(a)	280,000	_____ %
2031 ^(a)	150,000	_____ %	2044 ^(a)	290,000	_____ %
2032 ^(a)	160,000	_____ %	2045 ^(a)	300,000	_____ %
2033 ^(a)	165,000	_____ %	2046 ^(a)	320,000	_____ %
2034 ^(a)	175,000	_____ %	2047 ^(a)	335,000	_____ %
2035 ^(a)	185,000	_____ %	2048 ^(a)	350,000	_____ %
2036 ^(a)	195,000	_____ %	2049 ^(a)	370,000	_____ %
2037 ^(a)	205,000	_____ %	2050 ^(a)	385,000	_____ %
2038 ^(a)	215,000	_____ %	2051 ^(a)	405,000	_____ %
2039 ^(a)	225,000	_____ %			

(a) Bonds maturing on or after September 1, 2031, shall be subject to optional redemption in whole or from time to time in part on September 1, 2030, or on any date thereafter, at a price equal to the principal amount thereof plus accrued interest.

Our calculation (which is not a part of this bid) of the interest cost from the above bid is:

Total Interest Cost from Date of Delivery	\$ _____
Plus: Cash Discount.....	\$ _____
Net Interest Cost	\$ _____
Net Effective Interest Rate.....	_____ %

Of such principal maturities set forth above, we have created term bonds as indicated in the following table (which may include multiple term bonds, one term bond, or no term bonds if none is indicated.) For those years which have been combined into a term bond, the principal amount shown in the table above shall be the mandatory sinking fund redemption amounts in such years. The term bonds created are as follows:

Term Bond Maturity Date (September 1)	First Year of Mandatory Redemption	Principal Amount of Term Bonds	Interest Rate
_____	_____	\$ _____	_____ %
_____	_____	_____	_____ %
_____	_____	_____	_____ %
_____	_____	_____	_____ %
_____	_____	_____	_____ %
_____	_____	_____	_____ %
_____	_____	_____	_____ %

The initial and definitive bonds shall be registered in the name of Cede & Co. and delivered through the Book-Entry-Only System of the Depository Trust Company.

Cashier's Check No. _____, issued by _____ Bank, _____, Texas and payable to your order in the amount of \$120,000 (is attached hereto) (has been made available to you prior to the opening of this bid) as the Good Faith Deposit for disposition in accordance with the terms and conditions set forth in the Official Notice of Sale. Should we fail or refuse to make payment for the Bonds in accordance with the terms and conditions of such Official Notice of Sale, such check shall be cashed and the proceeds retained as liquidated damages against us. We hereby represent that sale of the Bonds in states other than Texas will be made only pursuant to exemptions from registration or qualification and that, where necessary, we will register or qualify the Bonds in accordance with the securities laws of the states in which the Bonds are offered or sold.

Unless the bidder is exempt from such requirements pursuant to the Texas Government Code § 2252.908(c)(4), the District may not accept this bid until it has received from the bidder a completed and signed TEC Form 1295 complete with a certificate number assigned by the Texas Ethics Commission ("TEC"), pursuant to Texas Government Code § 2252.908 and the rules promulgated thereunder by the TEC. The undersigned understands that failure to provide said form complete with a certificate number assigned by the TEC as provided for in the Official Notice of Sale will result in a non-conforming bid and will prohibit the District from considering this bid for acceptance.

By executing this Bid Form, the bidder represents and verifies that at the time of execution and delivery of a bid and through the end of the underwriting period as defined by United States Securities and Exchange Commission Rule 15c2-12, neither the bidder nor a syndicate member listed on the OFFICIAL BID FORM, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same, boycotts or will boycott Israel. The terms "boycotts Israel" and "boycott Israel" as used in this paragraph have the meanings assigned to the term "boycott Israel" in Section 808.001 of the Texas Government Code, as amended.

By executing this Bid Form, the bidder also represents and certifies that, solely for purposes of Chapter 2252 of the Texas Government Code, at the time of execution and delivery of this bid, neither the bidder nor a syndicate member listed on the OFFICIAL BID FORM, nor any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the same (i) engages in business with Iran, Sudan, or any foreign terrorist organization as described in Chapters 806 or 807 of the Texas Government Code, or Subchapter F of Chapter 2252 of the Texas Government Code, or (ii) is a company listed by the Texas Comptroller of Public Accounts under Sections 806.051, 807.051, or 2252.153 of the Texas Government Code. The term "foreign terrorist organization" in this paragraph has the meaning assigned to such term in Section 2252.151 of the Texas Government Code.

By executing this Bid Form, the bidder also represents and verifies that neither the bidder nor any syndicate member listed on the OFFICIAL BID FORM, nor the parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any, of the bidder or any syndicate member listed on the OFFICIAL BID FORM boycott energy companies and, such entities will not boycott energy companies through the end of the underwriting period. The foregoing verification is made solely to comply with Section 2276.002, Texas Government Code, as amended. As used in the foregoing verification, "boycott energy companies" has the meaning assigned to it in Section 809.001, Texas Government Code, as amended, which currently means, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above. As used in this verification, the bidder and any syndicate member listed on the OFFICIAL

BID FORM understand 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the bidder or syndicate member listed on the OFFICIAL BID FORM, as applicable, within the meaning of SEC Rule 405, 17. C.F.R. § § 230.405, and exists to make a profit.

By executing this Bid Form, the bidder also represents and verifies that neither bidder nor any syndicate member listed on the OFFICIAL BID FORM, nor the parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any, of the bidder or any syndicate member listed on the OFFICIAL BID FORM

- 1) have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association; and
- 2) will not through the end of the underwriting period discriminate against a firearm entity or firearm trade association.

The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association," has the meaning assigned to it in Section 2274.001(3), Texas Government Code, as amended, which currently, (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association. As used in the foregoing verification, "firearm entity" has the meaning assigned to it in Section 2274.001(6), Texas Government Code, as amended, which currently, means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (defined in Section 2274.001(4) as weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (defined in Section 2274.001(5) as devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (defined in Section 2274.001(1) as a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (as defined by Section 250.001, Texas Local Government Code). As used in the foregoing verification, "firearm trade association" has the meaning assigned to it in Section 2274.001(7), Texas Government Code, as amended which currently, means any person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code. As used in this verification, the bidder and any syndicate member listed on the OFFICIAL BID FORM understand 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the bidder or syndicate member listed on the OFFICIAL BID FORM, as applicable, within the meaning of SEC Rule 405, 17. C.F.R. § § 230.405, and exists to make a profit.

If the bidder is currently under review by the Texas Attorney General for being a potential discriminator or boycotter under (i) Section 2271.002 of the Texas Government Code, (ii) Section 2252.151 of the Texas Government Code, (iii) Section 2276.002 of the Texas Government Code, or (iv) Section 2274.002 of the Texas Government Code, the bidder agrees to provide, prior to the Date of Delivery of the Bonds, a bring-down certification that the Texas Attorney General can continue to rely on the bidder's standing letter and the statutory representations and covenants, in accordance with the requirements set forth in the All Bond Counsel Letter.

Additionally, notwithstanding anything contained herein, bidder agrees that the representations and covenants contained herein with respect to (i) Section 2271.002 of the Texas Government Code, as amended, (ii) Section 2252.151 of the Texas Government Code, (iii) Section 2276.002 of the Texas Government Code, and (iv) Section 2274.002 of the Texas Government Code, as amended, shall survive the closing of the sale of the Bonds until the applicable statute of limitations has run and shall not be liquidated or otherwise limited by any provision of this Bid or the Official Notice of Sale.

Additionally, by executing this Official Bid Form, the bidder also represents and certifies that, to the extent the Official

Bid Form represents a contract for goods or services within the meaning of Section 552.371 of the Texas Government Code, as amended, the bidder and each syndicate member listed on the Official Bid Form will (i) preserve all contracting information related to the bid as provided by the records retention requirements applicable to the District through the Date of Delivery of the Bonds, (ii) promptly provide to the District any contracting information related to the bid that is in the custody or possession of the bidder or any syndicate member on request of the District, and (iii) upon delivery of the Bonds to the bidder, either (a) provide at no cost to the District all contracting information related to the bid that is in the custody or possession of the bidder or any syndicate member or (b) preserve the contracting information related to the bid as provided by the records retention requirements applicable to the District. The term “contracting information” as used in this paragraph has the meaning assigned to such term in Section 552.003 of the Texas Government Code.

The undersigned agrees to complete, execute, and deliver to the District, by the date of delivery of the Bonds, a certificate relating to the “issue price” of the Bonds in the form and to the effect attached to or accompanying the Official Notice of Sale, with such changes thereto as may be acceptable to the District.

We agree to make payment for the Initial Bond in immediately available funds at the offices of UMB Bank, N.A., in Houston, Texas, not later than 10:00 A.M. Central Time, on October 16, 2025, or thereafter on the date the Bonds are tendered for delivery pursuant to the terms set forth in the Official Notice of Sale.

(Syndicate members, if any)

Respectfully submitted,

By:

Authorized Representative

ACCEPTANCE CLAUSE

The above and foregoing bid is hereby accepted by Galveston County Municipal Utility District No. 73 this _____ day of _____, 2025.

ATTEST:

Secretary, Board of Directors

President, Board of Directors

CERTIFICATE OF INITIAL PURCHASER – FEDERAL INCOME TAX COMPETITIVE BIDDING REQUIREMENTS MET

The undersigned hereby certifies as follows with respect to the sale of \$6,000,000 Galveston County Municipal Utility District No. 73, Unlimited Tax Bonds, Series 2025 (the “Bonds”):

1. The undersigned is the Initial Purchaser or the manager of the syndicate of Initial Purchasers (the “Initial Purchaser”) that has purchased the Bonds from Galveston County Municipal Utility District No. 73 (the “District”) at competitive sale.
2. The Initial Purchaser was not given the opportunity to review other bids prior to submitting its bid, and the bid submitted by the Initial Purchaser constituted a firm bid to purchase the Bonds.
3. As of the Sale Date (as herein defined), the reasonably expected initial offering prices of the Bonds to the public by the Initial Purchaser (expressed as a percentage of principal amount and exclusive of accrued interest) is as set forth below:

Due (9/1)	Principal Amount	Bond Price	Due (9/1)	Principal Amount	Bond Price
2027	\$125,000	_____ %	2040 ^(a)	\$240,000	_____ %
2028	130,000	_____ %	2041 ^(a)	250,000	_____ %
2029	140,000	_____ %	2042 ^(a)	260,000	_____ %
2030	145,000	_____ %	2043 ^(a)	280,000	_____ %
2031 ^(a)	150,000	_____ %	2044 ^(a)	290,000	_____ %
2032 ^(a)	160,000	_____ %	2045 ^(a)	300,000	_____ %
2033 ^(a)	165,000	_____ %	2046 ^(a)	320,000	_____ %
2034 ^(a)	175,000	_____ %	2047 ^(a)	335,000	_____ %
2035 ^(a)	185,000	_____ %	2048 ^(a)	350,000	_____ %
2036 ^(a)	195,000	_____ %	2049 ^(a)	370,000	_____ %
2037 ^(a)	205,000	_____ %	2050 ^(a)	385,000	_____ %
2038 ^(a)	215,000	_____ %	2051 ^(a)	405,000	_____ %
2039 ^(a)	225,000	_____ %			

4. The Initial Purchaser [has] [has not] purchased bond insurance for the Bonds. The bond insurance has been purchased from _____ (the “Insurer”) for a fee of \$ _____ (net of any nonguarantee cost, e.g., rating agency fees). The amount of such fee is set forth in the Insurer's commitment and does not include any payment for any direct or indirect services other than the transfer of credit risk, unless the compensation for those other services is separately stated, reasonable, and excluded from such fee. Such fee does not exceed a reasonable, arms-length charge for the transfer of credit risk. The present value of the debt service savings expected to be realized as a result of such insurance exceeds the amount of the fee set forth above. For this purpose, present value is computed using the yield on the Bonds, determined by taking into account the amount of the fee set forth above, as the discount rate. No portion of the fee payable to the Insurer is refundable upon redemption of any of the Bonds in an amount which would exceed the portion of such fee that had not been earned.

5. The term “public” means any person (including an individual, trust, estate, partnership, association, company or corporation) other than an Initial Purchaser or a related party to an Initial Purchaser. A related party generally means two or more persons with greater than 50 percent common ownership, directly or indirectly.

6. “Sale Date” means the first date on which there is a binding contract in writing for the sale of the Bonds. The Sale Date of the Bonds is September 9, 2025.

The undersigned understands that the statements made herein will be relied upon by the District and The Muller Law Group, PLLC in complying with the conditions imposed by the Internal Revenue Code of 1986, as amended, on the exclusion of interest on the Bonds from the gross income of their owners for federal income tax purposes.

EXECUTED and DELIVERED this _____ day of _____, 2025.

(Name of Initial Purchaser or Manager)
By: _____
Title: _____

CERTIFICATE OF INITIAL PURCHASER – FEDERAL INCOME TAX COMPETITIVE BIDDING REQUIREMENTS NOT MET

The undersigned hereby certifies as follows with respect to the sale of \$6,000,000 Unlimited Tax Bonds, Series 2025 (the “Bonds”), by Galveston County Municipal Utility District No. 73 (the “District”).

1. The undersigned is the underwriter or the manager of the syndicate of underwriters (“Initial Purchaser”) that has purchased the Bonds from the District at competitive sale.
2. As of the date of this Certificate, for each of the following maturities (the “Sold Maturities”), the first price at which a substantial amount (at least ten percent) of such maturity was sold to the public (expressed as a percentage of principal amount and exclusive of accrued interest) is set forth below:

Due (9/1)	Principal Amount	Bond Price	Due (9/1)	Principal Amount	Bond Price
2027	\$125,000	_____ %	2040 ^(a)	\$240,000	_____ %
2028	130,000	_____ %	2041 ^(a)	250,000	_____ %
2029	140,000	_____ %	2042 ^(a)	260,000	_____ %
2030	145,000	_____ %	2043 ^(a)	280,000	_____ %
2031 ^(a)	150,000	_____ %	2044 ^(a)	290,000	_____ %
2032 ^(a)	160,000	_____ %	2045 ^(a)	300,000	_____ %
2033 ^(a)	165,000	_____ %	2046 ^(a)	320,000	_____ %
2034 ^(a)	175,000	_____ %	2047 ^(a)	335,000	_____ %
2035 ^(a)	185,000	_____ %	2048 ^(a)	350,000	_____ %
2036 ^(a)	195,000	_____ %	2049 ^(a)	370,000	_____ %
2037 ^(a)	205,000	_____ %	2050 ^(a)	385,000	_____ %
2038 ^(a)	215,000	_____ %	2051 ^(a)	405,000	_____ %
2039 ^(a)	225,000	_____ %			

3. As of the Sale Date (defined below), each of the following maturities (the “Unsold Maturities”) was offered to the public for purchase at the price (expressed as a percentage of principal amount and exclusive of accrued interest) set forth below:

Due (9/1)	Principal Amount	Bond Price	Due (9/1)	Principal Amount	Bond Price
2027	\$125,000	_____ %	2040 ^(a)	\$240,000	_____ %
2028	130,000	_____ %	2041 ^(a)	250,000	_____ %
2029	140,000	_____ %	2042 ^(a)	260,000	_____ %
2030	145,000	_____ %	2043 ^(a)	280,000	_____ %
2031 ^(a)	150,000	_____ %	2044 ^(a)	290,000	_____ %
2032 ^(a)	160,000	_____ %	2045 ^(a)	300,000	_____ %
2033 ^(a)	165,000	_____ %	2046 ^(a)	320,000	_____ %
2034 ^(a)	175,000	_____ %	2047 ^(a)	335,000	_____ %
2035 ^(a)	185,000	_____ %	2048 ^(a)	350,000	_____ %
2036 ^(a)	195,000	_____ %	2049 ^(a)	370,000	_____ %
2037 ^(a)	205,000	_____ %	2050 ^(a)	385,000	_____ %
2038 ^(a)	215,000	_____ %	2051 ^(a)	405,000	_____ %
2039 ^(a)	225,000	_____ %			

4. As set forth in the Official Notice of Sale, the Initial Purchaser has agreed in writing that, for each of the Unsold Maturities, the Initial Purchaser would neither offer nor sell any of the Bonds of such maturity to any person at a price that is higher than the initial offering price for each maturity, as set forth in the pricing wire

or equivalent communication for the Bonds attached to this Certificate, during the Offering Period for such maturity, nor would the Initial Purchaser permit a related party to do so. Pursuant to such agreement, the Initial Purchaser has neither offered nor sold any of the Unsold Maturities at a price higher than the respective initial offering price for that maturity of the Bonds during the Offering Period.

5. The Initial Purchaser [has] [has not] purchased bond insurance for the Bonds. The bond insurance has been purchased from _____ (the “Insurer”) for a fee of \$ _____ (net of any nonguarantee cost, e.g., rating agency fees). The amount of such fee is set forth in the Insurer's commitment and does not include any payment for any direct or indirect services other than the transfer of credit risk, unless the compensation for those other services is separately stated, reasonable, and excluded from such fee. Such fee does not exceed a reasonable, arms-length charge for the transfer of credit risk. The present value of the debt service savings expected to be realized as a result of such insurance exceeds the amount of the fee set forth above. For this purpose, present value is computed using the yield on the Bonds, determined by taking into account the amount of the fee set forth above, as the discount rate. No portion of the fee payable to the Insurer is refundable upon redemption of any of the Bonds in an amount which would exceed the portion of such fee that had not been earned.
6. The term “public” means any person (including an individual, trust, estate, partnership, association, company or corporation) other than an underwriter or a related party to an underwriter. A related party generally means two or more persons with greater than 50 percent common ownership, directly or indirectly.
7. The term “Sale Date” means the first date on which there is a binding contract in writing for the sale of the Bonds. The Sale Date of the Bonds is September 9, 2025.
8. The term “Offering Period” means, with respect to an Unsold Maturity, the period beginning on the Sale Date and ending on the earlier of (a) the close of the fifth business day after the Sale Date or (b) the date on which the Initial Purchaser has sold at least 10 percent of such Unsold Maturity to the public at a price that is no higher than the initial offering price for such Unsold Maturity.

The undersigned understands that the statements made herein will be relied upon by the District and The Muller Law Group, PLLC in complying with the conditions imposed by the Internal Revenue Code of 1986, as amended, on the exclusion of interest on the Bonds from the gross income of their owners for federal income tax purposes.

EXECUTED and DELIVERED this ____ day of ____, 2025.

(Name of Initial Purchaser or Manager)

By: _____

Title: _____

PRELIMINARY OFFICIAL STATEMENT DATED JULY 8, 2025

This Preliminary Official Statement is subject to completion and amendment and is intended solely for the solicitation of initial bids to purchase the Bonds (as defined herein). Upon the sale of the Bonds, the Official Statement will be completed and delivered to the Initial Purchaser.

In the opinion of Bond Counsel (defined below), under current law and subject to conditions described in the Section herein “Tax Exemption,” interest on the Bonds (a) is not included in gross income for federal income tax purposes, (b) is not an item of tax preference for purposes of the federal alternative minimum income tax, and (c) is taken into account by applicable corporations (as defined in Section 59(k) of the Code) for the alternative minimum tax imposed on such corporations. A holder may be subject to other federal tax consequences as described in the Section herein “Tax Exemption.”

THE BONDS WILL NOT BE DESIGNATED AS “QUALIFIED TAX-EXEMPT OBLIGATIONS” FOR FINANCIAL INSTITUTIONS. SEE “TAX EXEMPTION – OTHER TAX MATTERS.”

NEW ISSUE – Book-Entry-Only

NON-RATED

\$6,000,000

GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 73

(A Political Subdivision of the State of Texas, located within Galveston County)

UNLIMITED TAX BONDS, SERIES 2025

Dated Date: Date of Delivery (defined herein)

Due: September 1, as shown below

The \$6,000,000 Galveston County Municipal Utility District No. 73 Unlimited Tax Bonds, Series 2025 (the “Bonds”), are obligations solely of Galveston County Municipal Utility District No. 73 (the “District”), and are not obligations of the State of Texas, Galveston County, Texas, the City of League City, Texas, or any entity other than the District.

Principal of the Bonds is payable at maturity or earlier redemption by the paying agent/registrar, initially UMB Bank, N.A. (sometimes hereinafter called the “Paying Agent” or the “Registrar”). Interest accrues from the date of delivery of the Bonds to the Initial Purchaser (expected to be on or about October 16, 2025), and is payable beginning March 1, 2026, and each September 1 and March 1 (each an “Interest Payment Date”) thereafter until the earlier of maturity or redemption, and will be calculated on the basis a 360-day year consisting of twelve 30-day months. The Bonds are fully registered bonds in the denomination of \$5,000 or any integral multiple thereof.

The Bonds will be registered and delivered only in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”), which will act as securities depository for the Bonds. Beneficial Owners (as herein defined under “BOOK-ENTRY-ONLY SYSTEM”) of the Bonds will not receive physical certificates representing the Bonds, but will receive a credit balance on the books of the DTC participants. So long as Cede & Co. is the registered owner of the Bonds, the principal of and interest on the Bonds will be paid by the Paying Agent directly to DTC, which will, in turn, remit such principal and interest to its participants for subsequent disbursement to the Beneficial Owners. See “BOOK-ENTRY-ONLY SYSTEM.”

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND INITIAL REOFFERING YIELDS

Due (Sept. 1)	Principal Amount	Interest Rate ^(a)	Initial Reoffering Yield ^(b)	CUSIP ^(c)	Due (Sept. 1)	Principal Amount	Interest Rate ^(a)	Initial Reoffering Yield ^(b)	CUSIP ^(c)
2027	\$125,000	_____ %	_____ %		2040 ^(d)	\$240,000	_____ %	_____ %	
2028	130,000	_____ %	_____ %		2041 ^(d)	250,000	_____ %	_____ %	
2029	140,000	_____ %	_____ %		2042 ^(d)	260,000	_____ %	_____ %	
2030	145,000	_____ %	_____ %		2043 ^(d)	280,000	_____ %	_____ %	
2031 ^(d)	150,000	_____ %	_____ %		2044 ^(d)	290,000	_____ %	_____ %	
2032 ^(d)	160,000	_____ %	_____ %		2045 ^(d)	300,000	_____ %	_____ %	
2033 ^(d)	165,000	_____ %	_____ %		2046 ^(d)	320,000	_____ %	_____ %	
2034 ^(d)	175,000	_____ %	_____ %		2047 ^(d)	335,000	_____ %	_____ %	
2035 ^(d)	185,000	_____ %	_____ %		2048 ^(d)	350,000	_____ %	_____ %	
2036 ^(d)	195,000	_____ %	_____ %		2049 ^(d)	370,000	_____ %	_____ %	
2037 ^(d)	205,000	_____ %	_____ %		2050 ^(d)	385,000	_____ %	_____ %	
2038 ^(d)	215,000	_____ %	_____ %		2051 ^(d)	405,000	_____ %	_____ %	
2039 ^(d)	225,000	_____ %	_____ %						

(a) After requesting competitive bids for purchase of the Bonds, the District has accepted the lowest net effective interest rate bid to purchase the Bonds, bearing interest as shown, at a price of _____ % of par to the Date of Delivery, resulting in a net effective interest rate to the District of _____ %.

(b) The initial reoffering yields on the Bonds are established by, and are the sole responsibility of the Initial Purchaser, and may subsequently be changed. The initial yield indicated above represents the lower of the yields resulting when priced to maturity or to the first optional redemption date.

(c) CUSIP numbers have been assigned to the Bonds by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association, and are included solely for the convenience of the owners of the Bonds. Neither the District nor the Initial Purchaser shall be responsible for the selection or correctness of the CUSIP numbers.

(d) Bonds maturing on September 1, 2031, and thereafter, shall be subject to redemption and payment at the option of the District, in whole or from time to time in part, on September 1, 2030, or on any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. See “THE BONDS – Redemption Provisions.” In addition, the Initial Purchaser may designate one or more of the Bonds maturing in the year 2031, or thereafter, as term bonds. See accompanying “Official Notice of Sale” and “THE BONDS – Redemption Provisions.”

The Bonds, when issued, will constitute valid and legally binding obligations of the District and will be payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property within the District, as further described herein. Investment in the Bonds is subject to special Risk Factors described herein. See “RISK FACTORS.”

The Bonds are offered when, as and if issued by the District, subject, among other things, to the approval of the Bonds by the Attorney General of Texas and the approval of certain legal matters by The Muller Law Group, PLLC, Sugar Land, Texas, Bond Counsel. Certain legal matters will be passed upon for the Initial Purchaser (as hereinafter defined) by Orrick, Herrington & Sutcliffe LLP, Houston, Texas, Disclosure Counsel. Delivery of the Bonds in book-entry form through DTC is expected on or about October 16, 2025 (the “Date of Delivery”).

BIDS TO BE SUBMITTED: 9:00 A.M., CENTRAL TIME

BIDS TO BE PRESENTED: 3:00 P.M., CENTRAL TIME

SEPTEMBER 9, 2025

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APPENDIX A – INDEPENDENT AUDITOR'S REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED MAY 31, 2024

USE OF INFORMATION IN OFFICIAL STATEMENT

For purposes of compliance with United States Securities and Exchange Commission (the “SEC”) Rule 15c2-12 (the “Rule”) in effect on the date of this Preliminary Official Statement, this document constitutes an “official statement” of the District with respect to the Bonds that has been deemed “final” by the District as of its date (or of any such supplement or correction) except for the omission of no more than information permitted by the Rule.

This document, when further supplemented by adding additional information specifying the interest rates and certain other information relating to the Bonds shall constitute a “final official statement” of the District with respect to the Bonds, as such term is defined in the Rule.

No dealer, broker, salesman or other person has been authorized by the District or the to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as having been authorized by the District or the Initial Purchaser.

This Official Statement does not constitute, and is not authorized by the District for use in connection with, an offer to sell or the solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer or solicitation.

All of the summaries of the statutes, resolutions, orders, contracts, audited financial statements, engineering and other related reports set forth in this Official Statement are made subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions, and reference is made to such documents, copies of which are available from the District upon payment of the costs for duplication thereof.

This Official Statement contains, in part, estimates, assumptions and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates, assumptions or matters of opinion, or as to the likelihood that they will be realized. Any information and expressions of opinion herein contained are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the condition of the District or other matters described herein since the date hereof; however, the District has agreed to keep this Official Statement current by amendment or sticker to reflect material changes in the affairs of the District and to the extent that information actually comes to its attention, the other matters described in this Official Statement until delivery of the Bonds to the Initial Purchaser of the Bonds, as shown on the cover page hereof, and thereafter only as described under “SOURCES OF INFORMATION – Updating of Official Statement.”

Neither the District, the Initial Purchaser, nor the District’s Financial Advisor makes any representation or warranty with respect to the information contained in this Official Statement regarding DTC or its Book-Entry-Only System.

The agreements of the District and others related to the Bonds are contained solely in the contracts described herein. Neither this Official Statement nor any other statement made in connection with the offer or sale of the Bonds is to be construed as constituting an agreement with the purchaser of the Bonds. INVESTORS SHOULD READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING ALL APPENDICES ATTACHED HERETO, TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement.

SALE AND DISTRIBUTION OF THE BONDS

Award and Marketing of the Bonds

After requesting competitive bids for the Bonds, the District has accepted the lowest net effective interest rate bid, which was tendered by _____ (the "Initial Purchaser"), to purchase the Bonds bearing the interest rates shown under "MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND INITIAL REOFFERING YIELDS" on the cover page hereof at a price of _____% of the principal amount thereof, to the date of delivery, which resulted in a net effective interest rate of _____% as calculated pursuant to Chapter 1204, Texas Government Code.

Prices and Marketability

The prices and other terms respecting the re-offering and sale of the Bonds may be changed from time to time by the Initial Purchaser after the Bonds are released for sale, and the Bonds may be offered and sold at prices other than the initial offering price, including sales to dealers who may sell the Bonds into investment accounts.

IN CONNECTION WITH THE RE-OFFERING OF THE BONDS, THE INITIAL PURCHASER MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

No Litigation

As a condition to delivery of the Bonds, the District will furnish a certificate executed by the President and Secretary of the District that no litigation is pending or, to the knowledge of the District's certifying officers, threatened, either in state or federal courts, contesting or attacking the Bonds; restraining or enjoining the authorization, execution or delivery of the Bonds; affecting the provision made for the payment of or security for the Bonds; in any manner questioning the authority or proceedings for the authorization, execution or delivery of the Bonds; or affecting the validity of the Bonds, the corporate existence or boundaries of the District or the titles of the present officers and directors of the Board of Directors of the District.

Securities Laws

No registration statement relating to the Bonds has been filed with the Securities and Exchange Commission under the Securities Act of 1933, as amended, in reliance upon the exemptions provided thereunder. The Bonds have not been registered or qualified under the Texas Securities Act in reliance upon various exemptions contained therein, nor have the Bonds been registered or qualified under the securities laws of any other jurisdiction. The District assumes no responsibility for registration or qualification of the Bonds under the securities laws of any other jurisdiction in which the Bonds may be offered, sold or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions in such other jurisdictions.

MUNICIPAL BOND RATINGS AND MUNICIPAL BOND INSURANCE

Applications have been made for a commitment to issue a policy of municipal bond guaranty insurance on the Bonds. The purchase of such insurance, if available, and payment of all associated costs, including the premium charged by the insurer, and fees charged by any rating companies, will be at the option and expense of the Initial Purchaser. The Initial Purchaser understands, by submission of its bid, that the Initial Purchaser is solely responsible for the selection of any insurer and for all negotiations with (i) the insurer as to the premium to be paid, and (ii) the insurer and any and all rating companies as to selection of such rating companies, the ratings to be assigned to the Bonds as a consequence of the issuance of the municipal bond guaranty insurance policy, and the payment of fees in connection with such ratings.

MUNICIPAL BOND INSURANCE RISK FACTORS

The District has applied for a municipal bond insurance policy to guarantee the scheduled payment of principal and interest on the Bonds. If available, the Initial Purchaser will determine whether an insurance policy will be purchased with the Bonds. If an insurance policy is purchased, the following are risk factors relating to municipal bond insurance: in the event of default of the payment of principal or interest with respect to the Bonds when all or some becomes due, any owner of the Bonds shall have a claim under the applicable bond insurance policy (the "Policy") for such payments. However, in the event of any acceleration of the due date of such principal by reason of mandatory or optional redemption or acceleration resulting from default or otherwise, other than any advancement of maturity

pursuant to a mandatory sinking fund payment, the payments are to be made in such amounts and at such times as such payments would have been due had there not been any such acceleration. The Policy does not insure against redemption premium, if any. The payment of principal and interest in connection with mandatory or optional prepayment of the Bonds by an issuer which is recovered by the issuer from the bond owner as a voidable preference under applicable bankruptcy law is covered by the insurance policy, however, such payments will be made by the policy insurer at such time and in such amounts as would have been due absent such prepayment by the District unless the bond insurer (the “Bond Insurer”) chooses to pay such amounts at an earlier date. Default of payment of principal and interest does not obligate acceleration of the obligations of the Bond Insurer without appropriate consent. The Bond Insurer may direct and must consent to any remedies and the Bond Insurer's consent may be required in connection with amendments to any applicable bond documents.

In the event the Bond Insurer becomes obligated to make payments with respect to the Bonds, no assurance is given that such event will not adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds.

The long-term ratings on the Bonds are dependent in part on the financial strength of the Bond Insurer and its claim paying ability. The Bond Insurer’s financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance is given that the long-term ratings of the Bond Insurer and of the ratings on the Bonds insured by the Bond Insurer will not be subject to downgrade and such event could adversely affect the market price of the Bonds or the marketability (liquidity) for the Bonds. See description of “MUNICIPAL BOND RATING AND MUNICIPAL BOND INSURANCE” herein.

The obligations of the Bond Insurer are general obligations of the Bond Insurer and in an event of default by the Bond Insurer, the remedies available to the bondholder may be limited by applicable bankruptcy law or other similar laws related to insolvency.

Neither the District nor the Initial Purchaser has made independent investigation into the claims paying ability of the Bond Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Bond Insurer is given. Thus, when making an investment decision, potential investors should carefully consider the ability of the District to pay principal and interest on the Bonds and the claims paying ability of the Bond Insurer, particularly over the life of the investment.

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OFFICIAL STATEMENT SUMMARY

The following summary of certain information contained herein is qualified in its entirety by the more detailed information and financial statements appearing elsewhere in this Official Statement. The reader should refer particularly to sections that are indicated for more complete information.

THE BONDS

The Issuer	Galveston County Municipal Utility District No. 73, (the “District”), is a political subdivision of the State of Texas (the “State”) located in Galveston County, Texas. The District is situated wholly within the limits of the City of League City, Texas. The District is generally bounded on the south by future Grand Parkway SH 99, on the north by existing Magnolia Creek neighborhood, and on the east by Hobbs Road. Primary access to the District will be from Ervin Street. Secondary access points will be from Hobbs Road, Florence Drive, and future Grand Parkway. See “THE DISTRICT.”
Description	\$6,000,000 Unlimited Tax Bonds, Series 2025, are dated October 16, 2025, and mature on September 1 in each of the years and in the principal amounts indicated on the cover page of this Official Statement (the “Bonds”). Interest accrues from the date of delivery of the Bonds to the Initial Purchaser (expected to be on or about October 16, 2025), and is payable beginning March 1, 2026, and each September 1 and March 1 thereafter until maturity or prior redemption. The Bonds are issued in fully registered form and will be issued in denominations of \$5,000 of principal amount or integral multiples thereof. The Bonds maturing on or after September 1, 2031 are subject to redemption, in whole or from time to time in part, prior to their scheduled maturities, on September 1, 2030, or on any date thereafter, at the option of the District. Upon redemption, the Bonds will be payable at a price equal to the principal amount of the Bonds, or portions thereof so called for redemption to the date of redemption. See “THE BONDS.” In addition, the Initial Purchaser may designate one or more of the Bonds maturing in the year 2031, or thereafter, as term bonds. See accompanying “Official Notice of Sale” and “THE BONDS – Redemption Provisions.”
Book-Entry Only	The Bonds are initially issuable in book-entry only form and, when issued, will be registered in the name of Cede & Co., as nominee of the Depository Trust Company, which will act as securities depository. Beneficial Owners of the Bonds will not receive physical delivery of bond certificates. See “BOOK-ENTRY-ONLY SYSTEM.”
Source of Payment.....	Principal of and interest on the Bonds are payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District. See “THE BONDS – Source and Security for Payment,” “TAX DATA – Tax Rate Calculations,” and “RISK FACTORS – Maximum Impact on District Tax Rates.”
Payment Record.....	The Bonds are the third issuance of bonded indebtedness by the District. The District has never defaulted on the timely payment of principal or interest on its bonded indebtedness.
Use of Proceeds	Proceeds of the sale of the Bonds will be used to pay for items shown herein under “USE AND DISTRIBUTION OF BOND PROCEEDS,” including to pay for developer interest; to pay twelve (12) months of capitalized interest on the Bonds; and to pay certain other costs and engineering fees related to the issuance of the Bonds. See “USE AND DISTRIBUTION OF BOND PROCEEDS.”
Municipal Bond Rating and Insurance.....	Applications have been made for a commitment to issue a policy of municipal bond guaranty insurance on the Bonds. The purchase of such insurance, if available, and payment of all associated costs, including the premium charged

by the insurer, and fees charged by any rating companies, will be at the option and expense of the Initial Purchaser. The Initial Purchaser understands, by submission of its bid, that the Initial Purchaser is solely responsible for the selection of any insurer and for all negotiations with (i) the insurer as to the premium to be paid, and (ii) the insurer and any and all rating companies as to selection of such rating companies, the ratings to be assigned to the Bonds as a consequence of the issuance of the municipal bond guaranty insurance policy, and the payment of fees in connection with such ratings. See “MUNICIPAL BOND RATING AND INSURANCE” and “MUNICIPAL BOND INSURANCE RISK FACTORS.”

Not Qualified Tax-Exempt

Obligations The Bonds will **not** be designated “qualified tax-exempt obligations” within the meaning of the Internal Revenue Code of 1986, as amended. See “TAX EXEMPTION – Other Tax Matters.”

THE DISTRICT

Description Galveston County Municipal Utility District No. 73, a political subdivision of the State, was created by Order of the Texas Commission on Environmental Quality (“TCEQ”) dated July 22, 2019, and operates under Chapters 49 and 54 of the Texas Water Code pursuant to Article XVI, Section 59 and Article III, Section 52, of the Texas Constitution. The District is located in Galveston County, Texas and is situated wholly within the limits of the City of League City, Texas (“League City” or the “City”). See “THE DISTRICT – Description.”

Authority for Issuance At an election held within the District on May 1, 2021, the District voters authorized the issuance of (1) \$443,700,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing water, sanitary sewer and drainage facilities (the “System”) and the issuance of \$44,370,000 for the purpose of refunding such bonds (2) \$113,000,000 for the issuance of bonds for the costs of parks and recreational facilities (the “Park System”) and \$11,300,000 for the purpose of refunding such bonds and (3) \$287,000,000 for the purpose of construction of roads within the District (the “Road System”) and \$28,700,000 for the purpose of refunding such bonds. The Bonds constitute the second issuance of bonds for the construction of the System from such authorization. After the issuance of the Bonds, \$434,280,000 principal amount of unlimited tax bonds for the System will remain authorized but unissued. The Bonds are issued by the District pursuant to the terms and provisions of the Bond Resolution (as defined herein); Article XVI, Section 59 of the Texas Constitution; Chapters 49 and 54 of the Texas Water Code, as amended; and an order of the TCEQ dated June 10, 2024. See “THE DISTRICT – General.”

The Developer The developer/principal landowner within the District is Lennar Homes of Texas Land and Construction, Ltd. (the “Developer”), a Texas limited partnership, which is a subsidiary of and controlled by Lennar Corporation.

Additionally, pursuant to the Reimbursement Agreement (defined herein), dated April 27, 2021, by and among the District and Richard K. Duncan, Sr., a landowner and developer in the District (the “Reimbursement Agreement”), Richard K. Duncan, Sr. is entitled to receive from the District reimbursements for the cost of the creation of the District and the costs of certain improvements in the District. See “THE DEVELOPER – The Developer and Principal Landowners.”

Development of the District..... As of July 1, 2025, the District contained 439 completed single-family homes, 12 homes under construction by the Developer and 138 vacant lots. The remaining land in the District is comprised of approximately 509.123 undeveloped but developable acres and approximately 98.615 acres that are

undevelopable. See “THE DEVELOPER – Status of Development.”

Homebuilders within the District....	Recently completed homes within the District have been constructed by the Developer. New homes being constructed range in price from \$265,000 to \$330,000. See “THE DEVELOPER – Homebuilders.”
Bond Counsel	The Muller Law Group, PLLC, Sugar Land, Texas. See “LEGAL MATTERS.”
Disclosure Counsel	Orrick, Herrington & Sutcliffe LLP, Houston, Texas
Engineer.....	LJA Engineering, Inc., Katy, Texas
Financial Advisor	RBC Capital Markets, LLC, Houston Texas
Paying Agent	UMB Bank, N.A., Houston, Texas

RISK FACTORS

INVESTMENT IN THE BONDS IS SUBJECT TO SPECIAL RISK FACTORS AS SET FORTH IN THIS OFFICIAL STATEMENT. PROSPECTIVE PURCHASERS SHOULD CAREFULLY EXAMINE THE ENTIRE OFFICIAL STATEMENT BEFORE MAKING THEIR INVESTMENT DECISIONS; ESPECIALLY THE PORTION OF THE OFFICIAL STATEMENT ENTITLED “RISK FACTORS.”

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SUMMARY OF SELECTED FINANCIAL INFORMATION (UNAUDITED)

2025 Taxable Assessed Valuation as of January 1, 2025	\$132,489,797 ^(a)
Direct Debt (Includes the Bonds)	\$16,905,000
Estimated Overlapping Debt	2,105,908
Direct and Estimated Overlapping Debt	<u>\$19,010,908</u>
Operating Fund (as of July 8, 2025)	\$43,509
System Debt Service Fund Balance (as of July 8, 2025)	113,755
Debt Service Fund Balance (as of July 8, 2025)	336,988
Ratios of Direct Debt to:	
2025 Taxable Assessed Valuation as of January 1, 2025	12.76%
Ratios of Direct Debt and Estimated Overlapping Debt to:	
2025 Taxable Assessed Valuation as of January 1, 2025	14.35%
2024 Tax Rate per \$100 of Assessed Valuation	
System Debt Service Tax Rate	\$0.11
Road System Debt Service Tax Rate	0.24
Maintenance Tax	0.65
Total	<u>\$1.00</u>
Projected Average Annual Debt Service Requirements on the Outstanding Bonds and the Bonds (Calendar Years 2026 – 2051)	\$1,081,330
Projected Maximum Annual Debt Service Requirement on the Outstanding Bonds and the Bonds (Calendar Year 2026)	\$1,166,798
Tax Rate per \$100 of Assessed Valuation Required to pay the Projected Average Annual Debt Service Requirements of the Outstanding Bonds and the Bonds at 95% Tax Collection Based Upon 2025 Taxable Assessed Valuation as of January 1, 2025	\$0.86
Tax Rate per \$100 of Assessed Valuation Required to pay Projected Maximum Annual Debt Service Requirement of the Outstanding Bonds and the Bonds at 95% Tax Collection Based Upon 2025 Taxable Assessed Valuation as of January 1, 2025	\$0.93

^(a) The 2025 Taxable Assessed Valuation as of January 1, 2025 shown herein is provided by Galveston Central Appraisal District's ("GCAD").

PRELIMINARY OFFICIAL STATEMENT
relating to
\$6,000,000
GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 73
UNLIMITED TAX BONDS
SERIES 2025

INTRODUCTION

This Official Statement provides certain information with respect to the issuance by Galveston County Municipal Utility District No. 73 (the “District”), of its \$6,000,000 Unlimited Tax Bonds, Series 2025 (the “Bonds”). There follows in this Official Statement descriptions of the Bonds and certain information about the District and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from the District c/o The Muller Law Group, PLLC, Sugar Land, Texas (“Bond Counsel”), upon request and payment of the costs of duplication therefor.

THE DISTRICT

General

Galveston County Municipal Utility District No. 73 (the “District”), a municipal utility district created by an order of the Texas Water Commission, now known as the Texas Commission on Environmental Quality (the “TCEQ”), on July 22, 2019, operates under the provisions of Chapters 49 and 54 of the Texas Water Code and other general statutes of Texas applicable to municipal utility districts. The District is subject to the continuing supervision of the TCEQ. The District is located within the corporate limits of the City of League City, Texas (the “City” or “League City”) which retains certain approval related to utility construction and operation as well as the sale of bonds serving the Development (see “UTILITY SERVICE AGREEMENT BETWEEN THE DISTRICT AND LEAGUE CITY”).

The District is located in Galveston County, Texas and is situated wholly within the limits of the League City. The District is generally bounded on the south by future Grand Parkway SH 99, on the north by existing Magnolia Creek neighborhood, and on the east by Hobbs Road. Primary access to the District will be from Ervin Street. Secondary access points will be from Hobbs Road, Florence Drive, and future Grand Parkway.

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THE DEVELOPER

Status of Development

As of July 1, 2025, the District contained 439 completed single-family homes, 12 homes under construction by the Developer and 138 vacant lots. The remaining land in the District is comprised of approximately 509.123 undeveloped but developable acres and approximately 98.615 acres that are undevelopable.

Subdivision	Acreage	Platted Lots	To Be Platted Lots	Completed Homes	Homes Under Construction	Vacant Lots
Section 1	29.940	92	0	88	0	4
Section 2	26.750	77	0	75	0	2
Section 3	18.874	83	0	83	0	0
Section 4	18.014	66	0	66	0	0
Section 5	14.079	64	0	64	0	0
Section 6	14.291	63	0	63	0	0
Section 7	17.769	67	0	0	0	67
Section 8	19.385	77	0	0	12	65
Rec Center & Ervin St. Ph. 2	9.141	0	0	0	0	0
Ervin St. Ph. 3	4.320	0	0	0	0	0
Landing Blvd. & Samara Way Ph. 1	6.249	0	0	0	0	0
Future	509.123	0	0	0	0	0
Undevelopable	98.615	0	0	0	0	0
Total	786.550	589	0	439	12	138

Role of a Developer

In general, the activities of a developer in a municipal utility district such as the District include purchasing the land within the District, designing the subdivision, designing the utilities and streets to be constructed in the subdivision, designing any community facilities to be built, defining a marketing program and building schedule, securing necessary governmental approvals and permits for development, arranging for the construction of roads and the installation of utilities (including, in some cases, water, wastewater, and drainage facilities pursuant to the rules of the Commission, as well as gas, telephone and electric service) and selling improved lots and commercial reserves to builders, developers, or other third parties. In certain instances, the developer will be required to pay up to thirty percent of the cost of constructing certain of the water, wastewater and drainage facilities in a municipal utility district pursuant to the rules of the TCEQ. The relative success or failure of a developer to perform such activities in development of the property within a municipal utility district may have a profound effect on the security of the unlimited tax bonds issued by a district. A developer is generally under no obligation to a district to develop the property which it owns in a district. Furthermore, there is no restriction on a developer's right to sell any or all of the land which it owns within a district. In addition, a developer is ordinarily a major taxpayer within a municipal utility district during the development phase of the property.

The Developer and Principal Landowners

The developer/principal landowner within the District is Lennar Homes of Texas Land and Construction, Ltd. (the "Developer"), a Texas limited partnership, which is a subsidiary of and controlled by Lennar Corporation. Lennar Corporation is a publicly traded corporation whose stock is listed on the New York Stock Exchange as "LEN." Audited financial statements for Lennar Corporation can be found online at <https://investors.lennar.com>. Lennar Corporation is subject to the information requirements of the Securities Exchange Act of 1934, as amended, and in accordance therewith files reports and other information with the SEC. Reports, proxy statements and other information filed by Lennar Corporation can be inspected at the office of the SEC at Judiciary Plaza, Room 1024, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such material can be obtained from the Public Reference Section of the SEC at 450 Fifth Street, N.W., Washington, D.C. 20549, at prescribed rates. Copies of the above reports, proxy statements and other information may also be inspected at the offices of the New York Stock Exchange, Inc., 20 Broad Street, New York, New York 10005. The SEC maintains a website at <http://www.sec.gov> that contains reports, proxy

information statements and other information regarding registrants that file electronically with the SEC.

Certain financial information concerning the Developer is included as part of the consolidated financial statements of Lennar Corporation. However, Lennar Corporation is not legally obligated to provide funds for the development of the District, to provide funds to pay taxes on property within the District owned by the Developer, or to pay any other obligations of the Developer. Further, neither the Developer nor Lennar Corporation is responsible for, is liable for or has made any commitment for payment of the Bonds or other obligations of the District, and the inclusion of such financial statements and description of financial arrangements herein should not be construed as an implication to that effect. Neither the Developer nor Lennar Corporation has any legal commitment to the District or owners of the Bonds to continue development of the land within the District and the Developer may sell or otherwise dispose of its property within the District, or any other assets, at any time. Further, the financial condition of the Developer and Lennar Corporation is subject to change at any time. Because of the foregoing, financial information concerning the Developer and Lennar Corporation will neither be updated nor provided following issuance of the Bonds, except as described under “CONTINUING DISCLOSURE OF INFORMATION.”

Pursuant to the Reimbursement Agreement (defined herein), dated April 27, 2021, by and among the District and Richard K. Duncan, Sr., a landowner and developer in the District (the “Reimbursement Agreement”), Richard K. Duncan, Sr. is entitled to receive from the District reimbursements for the cost of the creation of the District and the costs of certain improvements in the District, such as the shared regional lift station, which benefits the District. A portion of the proceeds of the Bonds will be used to reimburse for such costs, pursuant to the terms of the Reimbursement Agreement.

Homebuilders in the District

Recently completed homes within the District have been constructed by the Developer. Home sale prices range from \$265,000 to \$330,000.

THE BONDS

General

The following is a description of some of the terms and conditions of the Bonds, which description is qualified in its entirety by reference to the Bond Resolution (as defined herein), a copy of which is available from Bond Counsel upon payment of the costs of duplication therefor. The Bond Resolution authorizes the issuance and sale of the Bonds and prescribes the terms, conditions and provisions for the payment of the principal of and interest on the Bonds by the District.

Description

The Bonds will be dated as of the Date of Delivery of the Bonds to the Initial Purchaser (anticipated October 16, 2025) and payable on March 1, 2026, and on each September 1 and March 1 thereafter (each an “Interest Payment Date”), until the earlier of maturity or prior redemption. Interest on the Bonds initially accrues from the Date of Delivery (anticipated October 16, 2025), and thereafter, from the most recent Interest Payment Date. The Bonds mature on September 1 of the years and in the amounts shown under “MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND INITIAL REOFFERING YIELDS” on the cover page hereof. The Bonds are issued in fully registered form only in denominations of \$5,000 or any integral multiple of \$5,000 for any one maturity. The Bonds will be registered and delivered only to The Depository Trust Company, New York, New York (“DTC”), in its nominee name of Cede & Co., pursuant to the book-entry system described herein (“Registered Owners”). No physical delivery of the Bonds will be made to the purchasers thereof. See “BOOK-ENTRY-ONLY SYSTEM.” Interest calculations are based upon a three hundred sixty (360) day year comprised of twelve (12) thirty (30) day months.

Record Date

The record date for payment of the interest on any regularly scheduled interest payment date is defined as the 15th day of the month (whether or not a business day) preceding an Interest Payment Date.

Authority for Issuance

At an election held within the District on May 1, 2021, voters of the District authorized a total of \$443,700,000 in unlimited tax bonds for the purpose of acquiring or constructing water, sanitary sewer, and drainage facilities. The Bonds constitute the second issuance of bonds from such authorization. After the issuance of the Bonds, a total of \$434,280,000 in principal amount of unlimited tax bonds for water, sanitary sewer and drainage facilities will remain authorized but unissued. The Bonds are issued by the District pursuant to the terms and provisions of a resolution

adopted by the District on the date of award of the Bonds (the “Bond Resolution”); Article XVI, Section 59 of the Texas Constitution; Chapters 49 and 54 of the Texas Water Code, as amended; and an order of the TCEQ dated June 10, 2024.

Source and Security for Payment

The Bonds and any additional bonds payable from ad valorem taxes, are secured by and payable from the proceeds of an annual ad valorem tax, without legal limitation as to rate or amount, levied upon all taxable property located within the District. See “TAXING PROCEDURES.” Investment in the Bonds involves certain elements of risk, and all prospective purchasers are urged to examine carefully this Official Statement with respect to the investment security of the Bonds. See “RISK FACTORS.” The Bonds are obligations solely of the District and are not obligations of the State of Texas (the “State”), Galveston County, Texas, the City, or any political subdivision or agency other than the District.

Redemption Provisions

The District reserves the right, at its option, to redeem the Bonds maturing on or after September 1, 2031, prior to their scheduled maturities, in whole or from time to time in part, in integral multiples of \$5,000, on September 1, 2030, or any date thereafter, at a price equal to the principal amount thereof to the date fixed for redemption (“Redemption Date”). If fewer than all of the Bonds are to be redeemed, the particular maturity or maturities and the amounts thereof to be redeemed shall be determined by the District. If fewer than all of the Bonds of the same maturity are to be redeemed, the particular Bonds shall be selected by DTC in accordance with its procedures. See “BOOK-ENTRY-ONLY SYSTEM.”

Notice of each exercise of the reserved right of optional redemption shall be given by the Paying Agent/Registrar at least thirty (30) calendar days prior to the Redemption Date, in the manner specified in the Bond Resolution.

By the Redemption Date, due provision shall be made with the Paying Agent for payment of the principal of the Bonds or portions thereof to be redeemed by the Redemption Date. When the Bonds have been called for redemption in whole or in part and due provision has been made to redeem the same as herein provided, the Bonds or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Registered Owners to collect interest which would otherwise accrue after the Redemption Date on any bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

Method of Payment of Principal and Interest

The Board of Directors of the District (“Board”) has appointed UMB Bank, N.A., having its principal corporate trust office and its principal payment office in Houston, Texas, as the initial paying agent/registrar for the Bonds (“Paying Agent” or “Registrar”). The principal of and interest on the Bonds shall be paid to DTC, which will make distribution of the amounts so paid. See “BOOK-ENTRY-ONLY SYSTEM.”

Registration

Section 149(a) of the Internal Revenue Code of 1986, as amended, requires that all tax exempt obligations (with certain exceptions that do not include the Bonds) be in registered form in order for the interest payable on such obligations to be excludable from a Beneficial Owner’s income for federal income tax purposes. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. pursuant to the Book-Entry-Only System described herein. One fully-registered Bond will be issued for each maturity of the Bonds and will be deposited with DTC. See “BOOK-ENTRY-ONLY SYSTEM.” So long as any Bonds remain outstanding, the District will maintain at least one paying agent/registrar in the State for the purpose of maintaining the Register on behalf of the District.

Replacement of Paying Agent/Registrar

Provision is made in the Bond Resolution for replacement of the Paying Agent. If the Paying Agent is replaced by the District, the new paying agent/registrar shall be required to accept the previous Paying Agent’s records and act in the same capacity as the previous Paying Agent. Any paying agent/registrar selected by the District shall be a duly qualified and competent trust or banking corporation or organization organized and doing business under the laws of the United States of America or of any State thereof, with a combined capital and surplus of at least \$25,000,000, which is subject to supervision of or examination by federal or state banking authorities, and which is a transfer agent duly registered with the United States Securities and Exchange Commission.

Legal Investment and Eligibility to Secure Public Funds in Texas

The following is quoted from Section 49.186 of the Texas Water Code, and is applicable to the District:

(a) All bonds, notes, and other obligations issued by a district shall be legal and authorized investments for all banks, trust companies, building and loan associations, savings and loan associations, insurance companies of all kinds and types, fiduciaries, and trustees, and for all interest and sinking funds and other public funds of the state, and all agencies, subdivisions, and instrumentalities of the state, including all counties, cities, towns, villages, school districts, and all other kinds and types of districts, public agencies, and bodies politic.

(b) A district's bonds, notes, and other obligations are eligible and lawful security for all deposits of public funds of the state, and all agencies, subdivisions, and instrumentalities of the state, including all counties, cities, towns, villages, school districts, and all other kinds and types of districts, public agencies, and bodies politic, to the extent of the market value of the bonds, notes, and other obligations when accompanied by any unmatured interest coupons attached to them.

The Public Funds Collateral Act (Chapter 2257, Texas Government Code) also provides that bonds of the District (including the Bonds) are eligible as collateral for public funds.

No representation is made that the Bonds will be suitable for or acceptable to financial or public entities for investment or collateral purposes. No representation is made concerning other laws, rules, regulations or investment criteria which apply to or which might be utilized by any of such persons or entities to limit the acceptability or suitability of the Bonds for any of the foregoing purposes. Prospective purchasers are urged to carefully evaluate the investment quality of the Bonds as to the suitability or acceptability of the Bonds for investment or collateral purposes.

Issuance of Additional Debt

At an election held within the District on May 1, 2021, the District voters authorized the issuance of (1) \$443,700,000 principal amount of unlimited tax bonds for the purpose of acquiring or constructing water, sanitary sewer and drainage facilities (the "System") and the issuance of \$44,370,000 for the purpose of refunding such bonds; (2) \$113,000,000 for the issuance of bonds for the costs of parks and recreational facilities (the "Park System") and \$11,300,000 for the purpose of refunding such bonds; and (3) \$287,000,000 for the purpose of construction of roads within the District (the "Road System") and \$28,700,000 for the purpose of refunding such bonds.

The Bond Resolution imposes no limitation on the amount of additional parity bonds which may be authorized for issuance by the District's voters or the amount ultimately issued by the District. See "RISK FACTORS – Future Debt."

Dissolution and Consolidation

The City Council of the City, by a vote of not less than two-thirds of its membership, may adopt an ordinance dissolving the District. Upon the adoption of the ordinance, the District would be dissolved, and the City would succeed to the property and assets of the District and assume all bonds, debts, obligations, and liabilities of the District, including, without limitation, the obligation to pay the debt service on the Bonds. The District can make no representation on the ability of the City to repay the District's debt. Pursuant to a Utility Agreement between the District and the City, the City has agreed not to dissolve the District until development within the District is substantially complete.

The District may be consolidated with other municipal utility districts, with the assets and liabilities of the consolidated districts belonging to the new, consolidated district. No representation is made that the District will ever consolidate with any other district, although no consolidation is presently contemplated by the District.

Remedies in Event of Default

If the District defaults in the payment of principal, interest, or redemption price on the Bonds when due, or if it fails to make payments into any fund or funds created in the Bond Resolution, or defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Bond Resolution, the Registered Owners have the right to seek a writ of mandamus issued by a court of competent jurisdiction requiring the District and its officials to observe and perform the covenants, obligations, or conditions prescribed in the Bond Resolution. Except for mandamus, the Bond Resolution does not specifically provide for remedies to protect and enforce the interests of the Registered Owners. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Further, there is no trust indenture or trustee, and all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the Registered Owners. Certain traditional legal remedies may also not be available. See "RISK FACTORS – Registered Owners' Remedies."

Defeasance

The Bond Resolution provides that the District may discharge its obligations to the Registered Owners of any or all of the Bonds to pay the principal of, interest and redemption price thereon in any manner permitted by law. Under current Texas law, such discharge may be accomplished either (i) by depositing with the Comptroller of Public Accounts of the State a sum of money equal to the principal of, premium, if any, and all interest to accrue on the Bonds to maturity or redemption or (ii) by depositing with any place of payment (paying agent) for obligations of the

District payable from revenues or from ad valorem taxes or both, or a commercial bank or trust company designated in the proceedings authorizing such discharge amounts sufficient to provide for the payment and/or redemption of the Bonds; provided that such deposits may be invested and reinvested only in (a) direct noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the District adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the District adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent. The foregoing obligations may be in book entry form and shall mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment and/or redemption of the Bonds. If any of such Bonds are to be redeemed prior to their respective dates of maturity, provision must have been made for giving notice of redemption as provided in the Bond Resolution.

Upon such deposit as described above, such Bonds shall no longer be regarded to be outstanding or unpaid. After firm banking and financial arrangements for the discharge and final payment or redemption of the Bonds have been made as described above, all rights of the District to initiate proceedings to call the Bonds for redemption or take any other action amending the terms of the Bonds are extinguished; provided, however, that the right to call the Bonds for redemption is not extinguished if the District: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption; (ii) gives notice of the reservation of that right to the owners of the Bonds immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds. Because the Bond Resolution does not contractually limit such investments, Registered Owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under Texas law.

BOOK-ENTRY-ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by DTC while the Bonds are registered in its nominee's name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The District believes the source of such information to be reliable, but takes no responsibility for the accuracy or completeness thereof.

The District cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. Discontinuance of the DTC Book-Entry-Only System by the District may require consent of DTC Participants under DTC Operational Arrangements. The current rules applicable to DTC are on file with the Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York

Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a rating of AA+ from S&P Global Ratings. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within an issue are being redeemed, DTC’s practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC’s MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.’s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC’s practice is to credit Direct Participants’ accounts upon DTC’s receipt of funds and corresponding detail information from the District or Agent, on payable date in accordance with their respective holdings shown on DTC’s records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form

or registered in “street name,” and will be the responsibility of such Participant and not of DTC, Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of District or Agent, disbursement of such payments to the Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or Agent. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC’s book-entry system has been obtained from sources that the District believes to be reliable, but District takes no responsibility for the accuracy thereof.

RISK FACTORS

General

The Bonds, which are obligations solely of the District and not obligations of the State, Galveston County, Texas, the City of League City, Texas or any other entity, are secured by the levy of an annual ad valorem tax, without legal limitation as to rate or amount, levied against all taxable property located within the District. The ultimate security for payment of the principal of and interest on the Bonds depends upon the District’s ability to collect from the property owners within the District taxes levied against all taxable property located within the District, or, in the event taxes are not collected and foreclosure proceedings are instituted by the District, upon the value of the taxable property with respect to taxes levied by the District and by other taxing authorities. The District makes no representation that over the life of the Bonds the taxable property within the District will maintain a value sufficient to justify continued payment of taxes by property owners or that there will be a market for any property if the District forecloses on property to enforce its tax lien. The potential increase in taxable valuation of District property is directly related to the economics of the residential housing industry, not only due to general economic conditions, but also due to the particular factors discussed below. Further, the collection of delinquent taxes owed the District, and the enforcement by a Registered Owner of the District’s obligation to collect sufficient taxes, may be costly and lengthy processes. See “Tax Collection Limitations” and “Registered Owners’ Remedies” below and “THE BONDS – Source and Security for Payment,” and “– Remedies in Event of Default.”

Competition: The demand for and construction of taxable improvements in the District could be affected by competition from other developments near the District. In addition to competition for new single-family home sales from other developments, there are numerous previously-owned single-family homes in more established commercial centers and neighborhoods closer to the City of Houston, Texas that are for sale. Such existing developments could represent additional competition for new development proposed to be constructed within the District. The competitive position of the Developer or the principal landowners in the sale of land, and the sale or leasing of residences is affected by most of the factors discussed in this section. Such a competitive position is directly related to the growth and maintenance of taxable values in the District and tax revenues to be received by the District. The District can give no assurance that building and marketing programs in the District by the Developer will be implemented or, if implemented, will be successful.

Location and Access: The District is located approximately 30 miles southeast from the central business district of the City of Houston, Texas. Many of the single-family developments with which the District competes are in a more developed state and have lower taxes. As a result, particularly during times of increased competition, the Developer within the District may be at a competitive disadvantage to the developers in other single-family projects located closer to major urban centers or in a more developed state. See “THE DISTRICT” and “THE DEVELOPER – Status of Development.”

Prospective purchasers of the Bonds should note that the prior real estate experience of a developer should not be construed as an indication that further development within the District will occur, construction of taxable improvements upon property within the District will occur, or that marketing or leasing of taxable improvements constructed upon property within the District will be successful. Circumstances surrounding development within the District may differ from circumstances surrounding development of other land in several respects, including the

existence of different economic conditions, financial arrangements, homebuilders, geographic location, market conditions, and regulatory climate.

Potential Effects of Oil Price Fluctuations on the Houston Area

The economy of the Greater Houston area has, in the past, been particularly affected by adverse conditions in the oil and gas industry, and such conditions and their collateral impact to other industries could result in declines in the demand for residential and commercial property in the Greater Houston area and could reduce or negatively affect property values within the District. The District cannot predict the impact that negative conditions in the oil and gas industry could have on property values in the District.

Maximum Impact on District Tax Rates

The value of the land and improvements currently located within the District will be a major determinant of the ability of the District to collect, and the willingness of District property owners to pay, ad valorem taxes levied by the District. The January 1, 2024 Taxable Assessed Valuation of property located within the District (see “TAX DATA”) is \$42,217,665. The 2024 Taxable Assessed Valuation shown herein includes \$30,704,189 of certified value and \$11,513,476 of uncertified value assigned to properties that remain under review by GCAD (as defined herein). The uncertified value represents the Galveston Central Appraisal District’s (“GCAD”) GCAD’s opinion of the value for the properties that are under review; however, such value is subject to review and downward adjustment prior to certification. No tax will be levied on said uncertified value until it is certified by the Appraisal District. The January 1, 2025 Estimate of Assessed Valuation of property located within the District (see “TAX DATA”) is \$137,134,931. After issuance of the Bonds, and assuming an interest rate of 5.00% per annum on the Bonds, the Projected Maximum Annual Debt Service Requirement for the Outstanding Bonds and the Bonds will be \$1,166,798 (2026) and the Projected Average Annual Debt Service Requirements for the Outstanding Bonds and the Bonds will be \$1,081,330 (2026 through 2051, inclusive). Assuming no increase to or decrease from the January 1, 2024 Taxable Assessed Valuation, and no use of other District funds, tax rates of \$2.91 and \$2.70 per \$100 of Assessed Valuation at a 95% tax collection rate would be necessary to pay the Projected Maximum Annual Debt Service Requirement for the Outstanding Bonds and the Bonds and the Projected Average Annual Debt Service Requirements for the Outstanding Bonds and the Bonds, respectively. Assuming no increase to or decrease from the January 1, 2025 Estimate of Assessed Valuation, and no use of other District funds, tax rates of \$0.90 and \$0.84 per \$100 of Assessed Valuation at a 95% tax collection rate would be necessary to pay the Projected Maximum Annual Debt Service Requirement for the Outstanding Bonds and the Bonds and the Projected Average Annual Debt Service Requirements for the Outstanding Bonds and the Bonds, respectively. See “TAX DATA – Tax Rate Calculations.”

Dependence on Principal Taxpayers and Concentration of Taxable Value

Based upon the 2024 GCAD tax rolls, the principal taxpayer of the District, the Developer, comprises of 64.56% of the District’s 2024 Taxable Assessed Valuation. The calculation of the percent of principal taxpayers is based upon the 2024 Taxable Assessed Valuation, which includes \$30,704,189 of certified value and \$11,513,476 of uncertified value. The uncertified value represents the Galveston Central Appraisal District’s (“GCAD”) opinion of the value; however, such value is subject to review and downward adjustment prior to certification. No tax will be levied on said uncertified value until it is certified by the GCAD. The entities that constitute the top ten taxpayers may change as properties under GCAD review are certified. See “TAX DATA” and “TAXING PROCEDURES.”

The ability of any principal landowner to make full and timely payments of taxes levied against its property by the District and similar taxing authorities will directly affect the District’s ability to meet its debt service obligations. In the event one of these taxpayers, or any combination of taxpayers, should default in the payment of taxes in an amount which exceeds the District’s debt service fund surplus, the ability of the District to make timely payment of debt service on the Bonds will be dependent on its ability to enforce and liquidate its tax liens, which is a time-consuming process. Failure to collect tax revenues or enforce and liquidate its tax liens in a timely fashion could result in an excessive District tax rate. The District is not required by law or the Bond Resolution to maintain any specified amount of surplus in its interest and sinking fund. See “TAX DATA – Principal Taxpayers.”

Tax Collection Limitations

The District’s ability to make debt service payments may be adversely affected by its inability to collect ad valorem taxes. Under Texas law, the levy of ad valorem taxes by the District constitutes a lien in favor of the District on a parity with the liens of all other state and local taxing authorities on the property against which taxes are levied, and such lien may be enforced by judicial foreclosure. The District’s ability to collect ad valorem taxes through such foreclosure may be impaired by (a) cumbersome, time consuming and expensive collection procedures, (b) a bankruptcy court’s stay of tax collection procedures against a taxpayer, (c) market conditions affecting the

marketability of taxable property within the District and limitation of the proceeds from a foreclosure sale of such property, (d) adverse effects on the proceeds of a foreclosure sale resulting from a taxpayer's limited right to redeem its foreclosed property as set forth below, or (e) insufficient foreclosure bids to satisfy the tax liens of all state and local taxing authorities which have parity liens on the property. While the District has a lien on taxable property within the District for taxes levied against such property, such lien can be foreclosed only in a judicial proceeding. Moreover, the value of the property to be sold for delinquent taxes and thereby the potential sales proceeds available to pay debt service on the Bonds, may be limited by among other factors, the existence of other tax liens on the property, by the current aggregate tax rate being levied against the property, or by the taxpayers' right to redeem residential or agricultural use property within two (2) years following the date of recordation of the deed issued at foreclosure and all other property within six (6) months following the date of recordation of the deed issued at foreclosure. See "TAXING PROCEDURES."

Finally, a bankruptcy court with jurisdiction over bankruptcy proceedings initiated by or against a taxpayer within the District pursuant to the Federal Bankruptcy Code could stay any attempt by the District to collect delinquent ad valorem taxes against such taxpayer. In addition to the automatic stay against collection of delinquent taxes afforded a taxpayer during the pendency of a bankruptcy, a bankruptcy could affect payment of taxes on two other ways: first, a debtor's confirmation plan may allow a debtor to make installment payments on delinquent taxes for up to six years; and, second, a debtor may challenge, and a bankruptcy court may reduce, the amount of any taxes assessed against the debtor, including taxes that have already been paid. See "TAXING PROCEDURES – District's Rights in the Event of Tax Delinquencies."

Extreme Weather Events

The Greater Houston area, including the District, is subject to occasional severe weather events, including tropical storms and hurricanes. If the District were to sustain damage to its facilities requiring substantial repair or replacement, or if substantial damage were to occur to taxable property within the District as a result of such a weather event, the investment security of the Bonds could be adversely affected.

If a future weather event significantly damaged all or part of the improvements within the District, the assessed value of property within the District could be substantially reduced, which could result in a decrease in tax revenues and/or necessitate an increase in the District's tax rate. Further, there can be no assurance that a casualty loss to taxable property within the District will be covered by insurance (or that property owners will even carry flood or other casualty insurance), that any insurance company will fulfill its obligation to provide insurance proceeds, or that insurance proceeds will be used to rebuild or repair any damaged improvements within the District. Even if insurance proceeds are available and improvements are rebuilt, there could be a lengthy period in which assessed values within the District could be adversely affected.

Specific Flood Type Risks

The District is subject to the following types of flood risks.

Riverine (or Fluvial) Flood.

Riverine, or fluvial, flooding occurs when water levels rise over the top of river, bayou or channel banks due to excessive rain from tropical systems making landfall and/or persistent thunderstorms over the same area for extended periods of time. The damage from a riverine flood can be widespread. The overflow can affect smaller rivers and streams downstream, or may sheet-flow overland. Flash flooding is a type of riverine flood that is characterized by an intense, high velocity torrent of water that occurs in an existing river channel with little to no notice. Flash floods are very dangerous and destructive not only because of the force of the water, but also the hurtling debris that is often swept up in the flow. They can occur within minutes or a few hours of excessive rainfall. They can also occur even if no rain has fallen, for instance, after a levee, dam or reservoir has failed or experienced an uncontrolled release, or after a sudden release of water by a debris or ice jam.

In addition, planned or unplanned controlled releases from a dam, levee or reservoir also may result in flooding in areas adjacent to rivers, bayous or drainage systems (canals or channels) downstream.

Ponding (or Pluvial) Flood.

Ponding, or pluvial, flooding occurs when heavy rainfall creates a flood event independent of an overflowing water body, typically in relatively flat areas. Intense rainfall can exceed the drainage capacity of a drainage system, which may result in water within the drainage system becoming trapped and diverted onto streets and nearby property until it is able to reach a natural outlet. Ponding can also occur in a flood pool upstream or behind a dam, levee or reservoir.

Coastal (or Storm Surge) Flood.

Coastal, or storm surge, flooding occurs when sea levels or water levels in estuarial rivers, bayous and channels rise to abnormal levels in coastal areas, over and above the regular astronomical tide, caused by forces generated from a severe storm's wind, waves, and low atmospheric pressure. Storm surge is extremely dangerous, because it is capable of flooding large swaths of coastal property and causing catastrophic destruction. This type of flooding may be exacerbated when storm surge coincides with a normal high tide.

Registered Owners' Remedies

If the District defaults in the payment of principal, interest, or redemption price on the Bonds when due, or if it fails to make payments into any fund or funds created in the Bond Resolution, or defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Bond Resolution, the Registered Owners have the right to seek a writ of mandamus issued by a court of competent jurisdiction requiring the District and its officials to observe and perform the covenants, obligations, or conditions prescribed in the Bond Resolution. Except for mandamus, the Bond Resolution does not specifically provide for remedies to protect and enforce the interests of the Registered Owners. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. Further, there is no trust indenture or trustee, and all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the Registered Owners.

Statutory language authorizing local governments such as the District to sue and be sued does not waive the local government's sovereign immunity from suits for money damages so that in the absence of other waivers of such immunity by the Texas legislature, a default by the District in its covenants in the Bond Resolution may not be reduced to a judgment for money damages. Even if a judgment against the District for money damages could be obtained, it could not be enforced by direct levy and execution against the District's property. Further, the Beneficial Owners cannot themselves foreclose on property within the District or sell property within the District to enforce the tax lien on taxable property to pay the principal of and interest on the Bonds. The enforceability of the rights and remedies of the Beneficial Owners may further be limited by a State statute reasonably required to attain an important public purpose or by laws relating to bankruptcy, reorganization or other similar laws of general application affecting the rights of creditors of political subdivisions, such as the District.

Bankruptcy Limitation to Registered Owners' Rights

Subject to the requirements of Texas law, the District may voluntarily proceed under Chapter 9 of the Federal Bankruptcy Code, 11 U.S.C. Section 901-946, if the District: (1) is authorized to file for federal bankruptcy protection by Texas law; (2) is insolvent or unable to meet its debts as they mature; (3) desires to effect a plan to adjust such debts; and (4) has either obtained the agreement of or negotiated in good faith with its creditors or is unable to negotiate with its creditors because negotiation is impracticable. Under Texas law, the District must also obtain the approval of the Commission prior to filing bankruptcy. Such law requires that the Commission investigate the financial conditions of the District and authorize the District to proceed only if the District has fully exercised its rights and powers under Texas law and remains unable to meet its debts and other obligations as they mature.

Notwithstanding a district's noncompliance with Texas statutory requirements, the district may file a voluntary petition for relief under Chapter 9 of the Bankruptcy Code, thereby invoking the protections of the automatic stay, unless the bankruptcy court, following a hearing, determines that dismissal of the petition is warranted. A federal bankruptcy court is a court of equity and federal bankruptcy judges have considerable discretion in the conduct of bankruptcy proceedings and in making the decision of whether to grant the petitioning District relief from its creditors. While such a decision might be appealable, the concomitant delay and loss of remedies to the Registered Owner could potentially and adversely impair the value of the Registered Owner's claim.

If the District decides in the future to proceed voluntarily under the Federal Bankruptcy Code, the District could develop and file a plan for the adjustment of its debts. If such a plan were confirmed by the bankruptcy court, it could, among other things, affect the Registered Owners by reducing or eliminating the interest rate or the principal amount, modifying or abrogating collateral or security arrangements, substituting (in whole or in part) other securities, and otherwise compromising and modifying the rights and remedies of such Registered Owner's claim against the District.

A district may not be forced into bankruptcy involuntarily.

Future Debt

The District reserves the right in the Bond Resolution to issue (1) the remaining \$434,280,000 in principal amount of unlimited tax bonds for the purpose of acquiring or constructing water, sanitary sewer and drainage facilities (the “System”) and the issuance of \$44,370,000 for the purpose of refunding such bonds; (2) \$113,000,000 for the issuance of bonds for the costs of parks and recreational facilities (the “Park System”) and \$11,300,000 for the purpose of refunding such bonds; and (3) \$279,515,000 for the purpose of construction of roads within the District (the “Road System”) and \$28,700,000 for the purpose of refunding such bonds. The District has also reserved the right to issue certain other additional bonds. See “THE BONDS –Issuance of Additional Debt.”

Continuing Compliance with Certain Covenants

The Bond Resolution contains covenants by the District intended to preserve the exclusion from gross income of interest on the Bonds. Failure by the District to comply with such covenants on a continuous basis prior to maturity of the Bonds could result in interest on the Bonds becoming taxable retroactively to the date of original issuance. See “TAX EXEMPTION.”

Changes in Tax Legislation

Certain tax legislation, whether currently proposed or proposed in the future, may directly or indirectly reduce or eliminate the benefit of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation, whether or not enacted, may also affect the value and liquidity of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed, pending or future legislation.

2025 Legislative Session

The 89th Regular Legislative Session convened on January 14, 2025, and concluded on June 2, 2025. The Legislature meets in regular session in odd numbered years for 140 days. When the Legislature is not in session, the Governor of Texas (the “Governor”) may call one or more special sessions, at the Governor’s discretion, each lasting no more than 30 days, and for which the Governor sets the agenda. During this time, the Legislature may enact laws that materially change current laws affecting ad valorem tax matters, including rollback elections for maintenance tax increases, and other matters which could adversely affect the marketability or market value of the Bonds. The District can make no representations or predictions regarding any actions the Texas Legislature may take or the effect of any such actions.

Atlas 14

In 2018, the National Weather Service completed a rainfall study known as NOAA Atlas 14, Volume 11 Precipitation-Frequency Atlas of the United States (“Atlas 14”). Floodplain boundaries within the District may be redrawn based on the Atlas 14 study based on a higher statistical rainfall amount, resulting in interim floodplain regulations applying to a larger number of properties and consequently leaving less developable property within the District. Such regulations could additionally result in higher insurance rates, increased development fees, and stricter building codes for any property located within the expanded boundaries of the floodplain. See “THE SYSTEM—100-Year Flood Plain.”

Marketability

The District has no understanding (other than the initial reoffering yields) with the Initial Purchaser regarding the reoffering yields or prices of the Bonds and has no control over the trading of the Bonds in the secondary market. There is no assurance that a secondary market will be made for the Bonds. If there is a secondary market, the difference between the bid and asked price of the Bonds may be greater than the bid and asked spread of other bonds generally bought, sold or traded in the secondary market. See “SALE AND DISTRIBUTION OF THE BONDS.”

Approval of the Bonds

The Attorney General of Texas must approve the legality of the Bonds prior to their delivery. The Attorney General of Texas does not pass upon or guarantee the security of the Bonds as an investment, nor does he pass upon the adequacy or accuracy of the information contained in this Official Statement.

Environmental Regulations

Wastewater treatment, water supply, storm sewer facilities, and construction activities within the District are subject to complex environmental laws and regulations at the federal, state, and local levels that may require or prohibit certain activities that affect the environment, such as:

- Requiring permits for construction and operation of water wells, wastewater treatment and other facilities;
- Restricting the manner in which wastes are treated and released into the air, water and soils;
- Restricting or regulating the use of wetlands or other properties; or
- Requiring remedial action to prevent or mitigate pollution.

Sanctions against a municipal utility district or other type of special purpose district for failure to comply with environmental laws and regulations may include a variety of civil and criminal enforcement measures, including assessment of monetary penalties, imposition of remedial requirements and issuance of injunctions to ensure future compliance. Environmental laws and compliance with environmental laws and regulations can increase the cost of planning, designing, constructing, and operating water production and wastewater treatment facilities. Environmental laws can also inhibit growth and development within the District. Further, changes in regulations occur frequently, and any changes that result in more stringent and costly requirements could materially impact the District.

Air Quality Issues: Air quality control measures required by the United States Environmental Protection Agency (the “EPA”) and the TCEQ may impact new industrial, commercial and residential development in the Houston area. Under the Clean Air Act (“CAA”) Amendments of 1990, the eight-county Houston-Galveston-Brazoria area (“HGB Area”)—Harris, Galveston, Brazoria, Chambers, Fort Bend, Waller, Montgomery and Liberty Counties—has been designated a nonattainment area under two separate federal ozone standards: the eight-hour ozone standard of 75 ppb promulgated by the EPA in 2008 (the “2008 Ozone Standard”), and the EPA’s most recent promulgation of an even lower, 70 ppb eight-hour ozone standard in 2015 (the “2015 Ozone Standard”). While the State of Texas has been able to demonstrate steady progress and improvements in air quality in the HGB Area, the HGB Area remains subject to CAA nonattainment requirements.

The HGB Area is currently designated as a “severe” nonattainment area under the 2008 Ozone Standard, with an attainment deadline of July 20, 2027. If the EPA ultimately determines that the HGB Area has failed to meet the attainment deadline based on the relevant data, the area is subject to reclassification to a nonattainment classification that provides for more stringent controls on emissions from the industrial sector. In addition, the EPA may impose a moratorium on the awarding of federal highway construction grants and other federal grants for certain public works construction projects if it finds that an area fails to demonstrate progress in reducing ozone levels.

The HGB Area is currently designated as a “moderate” nonattainment area under the 2015 Ozone Standard, with an attainment deadline of August 3, 2027. For purposes of the 2015 Ozone Standard, the HGB Area consists of only six counties: Brazoria, Chambers, Fort Bend, Galveston, Harris, and Montgomery Counties.

In order to demonstrate progress toward attainment of the EPA’s ozone standards, the TCEQ has established a state implementation plan (“SIP”) for the HGB Area setting emission control requirements, some of which regulate the inspection and use of automobiles. These types of measures could impact how people travel, what distances people are willing to travel, where people choose to live and work, and what jobs are available in the HGB Area. These SIP requirements can negatively impact business due to the additional permitting/regulatory constraints that accompany this designation and because of the community stigma associated with a nonattainment designation. It is possible that additional controls will be necessary to allow the HGB Area to reach attainment with the ozone 35 standards by the EPA’s attainment deadlines. These additional controls could have a negative impact on the HGB Area’s economic growth and development.

Water Supply & Discharge Issues: Water supply and discharge regulations that municipal utility districts, including the District, may be required to comply with involve: (1) groundwater well permitting and surface water appropriation; (2) public water supply systems; (3) wastewater discharges from treatment facilities; (4) storm water discharges; and (5) wetlands dredge and fill activities. Each of these is addressed below:

Certain governmental entities regulate groundwater usage in the HGB Area. A municipal utility district or other type of special purpose district that (i) is located within the boundaries of such an entity that regulates groundwater usage, and (ii) relies on local groundwater as a source of water supply, may be subject to requirements and restrictions on the drilling of water wells and/or the production of groundwater that could affect both the engineering and economic feasibility of district water supply projects.

Pursuant to the federal Safe Drinking Water Act (“SDWA”) and the EPA’s National Primary Drinking Water Regulations (“NPDWRs”), which are implemented by the TCEQ’s Water Supply Division, a municipal utility district’s provision of water for human consumption is subject to extensive regulation as a public water system. Municipal utility districts must generally provide treated water that meets the primary and secondary drinking water quality standards adopted by the TCEQ, the applicable disinfectant residual and inactivation standards, and the other

regulatory action levels established under the agency's rules. The EPA has established NPDWRs for more than ninety (90) contaminants and has identified and listed other contaminants which may require national drinking water regulation in the future. Further, the EPA has established a NPDWR for six (6) Per- and Polyfluoroalkyl Substances ("PFAS"), which requires public water systems to perform certain monitoring and remediation measures. Public water systems may be subject to additional PFAS regulation in the future, which could increase the cost of constructing, operating, and maintaining water production and distribution facilities.

Texas Pollutant Discharge Elimination System ("TPDES") permits set limits on the type and quantity of discharge, in accordance with state and federal laws and regulations. The TCEQ reissued the TPDES Construction General Permit (TXR150000) ("CGP"), with an effective date of March 5, 2023, which is a general permit authorizing the discharge of stormwater runoff associated with small and large construction sites and certain non-stormwater discharges into surface water in the state. The CGP has a 5-year permit term, and is then subject to renewal. Moreover, the Clean Water Act ("CWA") and Texas Water Code require municipal wastewater treatment plants to meet secondary treatment effluent limitations and more stringent water quality-based limitations and requirements to comply with the Texas water quality standards. Any water quality-based limitations and requirements with which a municipal utility district must comply may have an impact on the municipal utility district's ability to obtain and maintain compliance with TPDES permits.

The TCEQ issued the General Permit for Phase II (Small) Municipal Separate Storm Sewer Systems (the "MS4 Permit") on August 15, 2024. The MS4 Permit authorizes the discharge of stormwater to surface water in the state from small municipal separate storm sewer systems. While the District is currently not subject to the MS4 Permit, if the District's inclusion were required at a future date, the District could incur substantial costs to develop, implement, and maintain the necessary plans as well as to install or implement best management practices to minimize or eliminate unauthorized pollutants that may otherwise be found in stormwater runoff in order to comply with the MS4 Permit.

Operations of utility districts, including the District, are also potentially subject to requirements and restrictions under the CWA regarding the use and alteration of wetland areas that are within the "waters of the United States." The District must obtain a permit from the United States Army Corps of Engineers ("USACE") if operations of the District require that wetlands be filled, dredged, or otherwise altered.

On May 25, 2023, the Supreme Court of the United States issued its decision in *Sackett v. EPA*, which clarified the definition of "waters of the United States" and significantly restricted the reach of federal jurisdiction under the CWA. Under the *Sackett* decision, "waters of the United States" includes only geographical features that are described in ordinary parlance as "streams, oceans, rivers, and lakes" and to adjacent wetlands that are indistinguishable from such bodies of water due to a continuous surface connection. Subsequently, the EPA and USACE issued a final rule amending the definition of "waters of the United States" under the CWA to conform with the Supreme Court's decision.

While the *Sackett* decision and subsequent regulatory action removed a great deal of uncertainty regarding the ultimate scope of "waters of the United States" and the extent of EPA and USACE jurisdiction, operations of municipal utility districts, including the District, could potentially be subject to additional restrictions and requirements, including additional permitting requirements, in the future.

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USE AND DISTRIBUTION OF BOND PROCEEDS

The use and distribution of the proceeds from the sale of the Bonds, as approved by the TCEQ, is set forth below. Non-construction costs are based upon either contract amounts, or estimates of various costs by the Engineer and the Financial Advisor. The actual amounts to be reimbursed by the District and the non-construction costs will be finalized after the sale of the Bonds and completion of agreed-upon procedures by the District's auditor.

CONSTRUCTION COSTS	District's Share
A. Developer Contribution Items	
1. Samara Lift Station and Force Main	\$1,390,542
2. Engineering (Item 1)	\$1,122
3. Samara Detention Pond, Phase 1	286,613
4. Engineering , SWPPP and Geotechnical (Item No. 3)	34,618
Total Developer Contribution Items	\$1,712,895
B. District Items	
1. Land Costs for Detention Pond 1	\$1,685,425
2. Land Costs for Detention Pond 2	1,300,185
3. Land Costs for Lift Station	8,056
4. Capital Recovery Fees for Samara Section 5	137,410
Total District Items	\$3,131,076
TOTAL CONSTRUCTION COSTS	\$4,843,971
 NON-CONSTRUCTION COSTS	
A. Legal Fees	\$150,000
B. Fiscal Agent Fees	75,000
C. Interest Costs	
1. Capitalized Interest (12 Months at 5.00%)	300,000
2. Developer Interest	185,819
D. District Creation Costs	50,174
E. Bond Discount (3.00%)	180,000
F. Developer Operating Advances and Interest	114,400
G. Bond Issuance Expenses	29,636
H. Bond Application Report Costs	50,000
I. Attorney General Fee (0.10% or \$9,500 Max.)	6,000
J. TCEQ Bond Issuance Fee (0.25%)	15,000
TOTAL NON-CONSTRUCTION COSTS	\$1,156,029
TOTAL BOND ISSUE REQUIREMENT	\$6,000,000

In the instance that approved estimated amounts exceed actual costs, the difference comprises a surplus which may be expended for uses approved by the TCEQ. In the instance that actual costs exceed previously approved estimated amounts and contingencies, additional TCEQ approval and the issuance of additional bonds may be required. The Engineer has advised the District that the proceeds of the sale of the Bonds should be sufficient to pay the costs of the above-described facilities. However, the District cannot and does not guarantee the sufficiency of such funds for such purposes.

SELECTED FINANCIAL INFORMATION (UNAUDITED)

General

2025 Taxable Assessed Valuation as of January 1, 2025	\$132,489,797 ^(a)
Direct Debt (Includes the Bonds)	\$16,905,000
Estimated Overlapping Debt	2,105,908
Direct and Estimated Overlapping Debt	<u>\$19,010,908</u>
Direct Debt Ratios:	
as a percentage of 2025 Taxable Assessed Valuation as of January 1, 2025	12.76%
Direct and Estimated Overlapping Debt Ratios	
as a percentage of 2025 Taxable Assessed Valuation as of January 1, 2025	14.35%

^(a) The 2025 Taxable Assessed Valuation as of July 18, 2025 shown herein is provided by Galveston Central Appraisal District's ("GCAD").

District Bonds Authorized but Unissued

Date of Authorization	Purpose	Authorized	Issued To Date ^(a)	Amount Unissued ^(a)
05/01/2021	Water, Wastewater, Drainage	\$443,700,000	\$9,420,000	\$434,280,000
05/01/2021	Parks and Recreational Facilities	113,000,000	0	113,000,000
05/01/2021	Roads	287,000,000	7,485,000	279,515,000
05/01/2021	Refunding Water, Wastewater, Drainage	44,370,000	0	44,370,000
05/01/2021	Refunding Parks and Recreational Facilities	11,300,000	0	11,300,000
05/01/2021	Refunding Roads	28,700,000	0	28,700,000

^(a) Assumes issuance of the Bonds.

Cash and Investment Balances (Unaudited as of July 8, 2025)

Operating Fund	Cash and Temporary Investments	\$43,509
System Debt Service Fund ^(a)	Cash and Temporary Investments	\$113,755
Road System Debt Service Fund ^(b)	Cash and Temporary Investments	\$336,988
WS&D Capital Projects Fund	Cash and Temporary Investments	\$35,467
Road Construction Fund	Cash and Temporary Investments	\$7

^(a) Neither Texas law nor the Bond Resolution (herein defined) requires that the District maintain any particular sum in the System Debt Service Fund. Funds in the System Debt Service Fund are pledged only to pay the debt service on bonds issued by the District for water, wastewater, and drainage and are not available to pay debt service on bonds issued by the District for road purposes.

^(b) Neither Texas law nor the Bond Resolution (herein defined) requires that the District maintain any particular sum in the Road System Debt Service Fund. Funds in the Road System Debt Service Fund are pledged only to pay the debt service on bonds issued by the District for road facilities and are not available to pay debt service on bonds issued by the District for water, wastewater, and drainage, including the Bonds.

The policy of the District is to invest District funds only in instruments which further the following investment objectives of the District stated in order of importance: (1) preservation and safety of principal; (2) liquidity; and (3) yield. The District does not currently own, nor does it anticipate the inclusion of, long term securities or derivative products in the District's portfolio.

Investment in U.S. Government Obligations, bank Certificates of Deposit and money market funds are generally representative of the District's investment practices. State law requires the District to report its investments each calendar quarter and upon the conclusion of each fiscal year. The District is required by state law to mark its investments to market price in these reports for the purpose of compliance with applicable accounting principles concerning the contents of the District's audited financial statements.

Estimated Overlapping Debt Statement

The following table indicates the direct and estimated overlapping debt of the District. The table includes the estimated amount of indebtedness of governmental entities overlapping the District, defined as outstanding bonds payable from ad valorem taxes, and the estimated percentages and amounts of such indebtedness attributable to property located within the District. This information is based upon data secured from the individual jurisdictions and/or the Texas Municipal Reports published by the Municipal Advisory Council of Texas. The calculations by which the statement was derived were made in part by comparing the reported assessed valuation of the property in the overlapping taxing jurisdictions with the assessed valuation of property within the District. No effect has been given to the tax burden levied by any applicable taxing jurisdiction for maintenance and operational or other purposes. Except for the amount relating to the District, the District has not independently verified the accuracy or completeness of such information and no person is entitled to rely upon such information as being accurate or complete. Further, certain of the entities listed below may have issued additional bonds since the date cited.

Taxing Body	Direct Debt	As of	Percent Overlapping Direct Debt	Overlapping Direct Debt
Clear Creek ISD	\$996,560,000	07/31/2025	(a)	\$0
College of the Mainland	146,565,000	07/31/2025	0.12%	175,878
Dickinson ISD	435,580,000	07/31/2025	0.33%	1,437,414
Galveston Co	143,154,091	07/31/2025	0.05%	71,577
League City, City of	247,670,000	07/31/2025	0.17%	421,039
Santa Fe ISD	67,240,000	07/31/2025	(a)	0
Total Overlapping Debt:				\$2,105,908
The District (includes the Bonds):				\$16,905,000
Total Direct and Overlapping Debt:				\$19,010,908
Total Direct and Overlapping Debt Percent of Taxable Assessed Value as of January 1, 2025:				14.35%

(a) Less than 0.01%.

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OPERATING STATEMENT

The following is a summary of the District's operating fund activity for the fiscal years 2023 through 2025. The summary below has been prepared by the Financial Advisor based upon information obtained from the District's audited financial statements and bookkeeper's reports. Reference is made to such statements for further and more complete information. See "APPENDIX A."

	Fiscal Year Ended May 31		
	2025 (unaudited)	2024 (audited)	2023 (audited)
Property Taxes	\$270,111	\$2,076	\$2,412
Penalties and interest	0	88	336
Miscellaneous	0	70	90
Investment Earnings	1,022	35	10
Total	\$271,133	\$2,269	\$2,848
Professional Fees	153,883	162,358	99,621
Contracted Services	0	10,026	9,057
Repairs & Maintenance	110,165	81,540	25,735
Administrative	19,700	17,317	14,073
Other	27,329	4,591	1,383
Total	\$311,077	\$275,832	\$149,869
Excess Revenues (Expenditures)	-39,944	-273,563	-147,021
Other Financing Sources Developer Advances	115,000	293,265	123,000
Fund Balance Beginning of Year	<u>-7,766</u>	<u>-27,468</u>	<u>-3,447</u>
Fund Balance Year End	<u><u>67,290</u></u>	<u><u>-7,766</u></u>	<u><u>-27,468</u></u>

PROJECTED DEBT SERVICE REQUIREMENTS

The following schedule sets forth the principal and estimated interest requirements on the Bonds.

Year End 12/31	Outstanding Debt Service	The Bonds*				Total
		Principal Due 9/1	Interest Due 3/1	Interest Due 9/1	Total Principal & Interest	
2025	\$414,919.65	\$0.00	\$0.00	\$0.00	\$0.00	\$414,919.65
2026	725,131.24	0.00	291,666.67	150,000.00	441,666.67	1,166,797.91
2027	724,531.24	125,000.00	150,000.00	146,875.00	421,875.00	1,146,406.24
2028	717,931.24	130,000.00	146,875.00	143,625.00	420,500.00	1,138,431.24
2029	715,656.24	140,000.00	143,625.00	140,125.00	423,750.00	1,139,406.24
2030	712,381.24	145,000.00	140,125.00	136,500.00	421,625.00	1,134,006.24
2031	708,106.24	150,000.00	136,500.00	132,750.00	419,250.00	1,127,356.24
2032	702,831.24	160,000.00	132,750.00	128,750.00	421,500.00	1,124,331.24
2033	699,043.74	165,000.00	128,750.00	124,625.00	418,375.00	1,117,418.74
2034	703,268.74	175,000.00	124,625.00	120,250.00	419,875.00	1,123,143.74
2035	704,068.74	185,000.00	120,250.00	115,625.00	420,875.00	1,124,943.74
2036	704,268.74	195,000.00	115,625.00	110,750.00	421,375.00	1,125,643.74
2037	703,868.74	205,000.00	110,750.00	105,625.00	421,375.00	1,125,243.74
2038	707,868.74	215,000.00	105,625.00	100,250.00	420,875.00	1,128,743.74
2039	711,068.74	225,000.00	100,250.00	94,625.00	419,875.00	1,130,943.74
2040	708,468.74	240,000.00	94,625.00	88,625.00	423,250.00	1,131,718.74
2041	710,268.74	250,000.00	88,625.00	82,375.00	421,000.00	1,131,268.74
2042	711,268.74	260,000.00	82,375.00	75,875.00	418,250.00	1,129,518.74
2043	716,468.74	280,000.00	75,875.00	68,875.00	424,750.00	1,141,218.74
2044	715,462.50	290,000.00	68,875.00	61,625.00	420,500.00	1,135,962.50
2045	718,643.74	300,000.00	61,625.00	54,125.00	415,750.00	1,134,393.74
2046	720,812.50	320,000.00	54,125.00	46,125.00	420,250.00	1,141,062.50
2047	721,968.74	335,000.00	46,125.00	37,750.00	418,875.00	1,140,843.74
2048	722,112.50	350,000.00	37,750.00	29,000.00	416,750.00	1,138,862.50
2049	725,975.00	370,000.00	29,000.00	19,750.00	418,750.00	1,144,725.00
2050	728,600.00	385,000.00	19,750.00	10,125.00	414,875.00	1,143,475.00
2051	0.00	405,000.00	10,125.00	0.00	415,125.00	415,125.00
	\$18,254,994.45	\$6,000,000.00	\$2,616,291.67	\$2,324,625.00	\$10,940,916.67	\$29,195,911.12

(a) The above chart projects debt service based on an estimated interest rate of 5.00%.

TAXING PROCEDURES

Authority to Levy Taxes

The Board is authorized to levy an annual ad valorem tax, without legal limitation as to rate and amount, on all taxable property within the District in sufficient amount to pay the principal of and interest on the Bonds and any additional bonds payable from taxes which the District may hereafter issue, and to pay the expenses of assessing and collecting such taxes. The District agrees in the Bond Resolution to levy such a tax from year to year as described more fully above under the caption “THE BONDS – Source of Payment.” The Board is also authorized to levy and collect annual ad valorem taxes for the administration and maintenance of the District and the System and for the payment of certain contractual obligations if such taxes are authorized by vote of the District’s electors at an election. The District’s electors have authorized the levy of such a maintenance tax in the maximum amount of \$1.50 per \$100 of assessed valuation, and the District levied a maintenance tax of \$1.00 per \$100 of Assessed Valuation in 2023. See “TAX DATA – Maintenance Tax” and – “Historical Values and Tax Collection History.”

Property Subject to Taxation by the District

Except for certain exemptions provided by Texas law, all real property, tangible personal property held or used for the production of income, mobile homes and certain categories of intangible personal property with a tax situs in the District are subject to taxation by the District. Principal categories of exempt property include, but are not limited to: property owned by the State or its political subdivisions, if the property is used for public purposes; property exempt from ad valorem taxation by federal law; certain household goods, family supplies and personal effects; certain goods, wares, and merchandise in transit; certain farm products owned by the producer; certain property of charitable organizations, youth development associations, religious organizations, and qualified schools; designated historical sites; and most individually-owned automobiles. In addition, the District may by its own action exempt residential homesteads of persons 65 years or older and certain disabled persons, to the extent deemed advisable by the Board of Directors of the District. The District may be required to offer such exemptions if a majority of voters approve same at an election. The District would be required to call an election upon petition by twenty percent (20%) of the number of qualified voters who voted in the preceding election. The District is authorized by statute to disregard exemptions for the disabled and elderly if granting the exemption would impair the District's obligation to pay tax supported debt incurred prior to adoption of the exemption by the District. Furthermore, the District must grant exemptions to disabled veterans, or certain surviving dependents of disabled veterans if requested, but only to the maximum extent of between \$5,000 and \$12,000 of assessed valuation depending upon the disability rating of the veteran. A veteran who receives a disability rating of 100%, and, under certain circumstances, the surviving spouse of such veteran, is entitled to the exemption for the full amount of the residential homestead. A partially disabled veteran or certain surviving spouses of partially disabled veterans are entitled to an exemption from taxation of a percentage of the appraised value of their residence homestead in an amount equal to the partially disabled veteran’s disability rating if the residence homestead was donated by a charitable organization. Also, the surviving spouse of a member of the armed forces who was killed in action is, subject to certain conditions, entitled to an exemption of the total appraised value of the surviving spouse’s residence homestead, and subject to certain conditions, an exemption up to the same amount may be transferred to a subsequent residence homestead of the surviving spouse.

Residential Homestead Exemptions: The Property Tax Code authorizes the governing body of each political subdivision in the State to exempt up to twenty percent (20%) of the appraised market value of residential homesteads from ad valorem taxation. Where ad valorem taxes have previously been pledged for the payment of debt, the governing body of a political subdivision may continue to levy and collect taxes against the exempt value of the homesteads until the debt is discharged, if the cessation of the levy would impair the obligations of the contract by which the debt was created. The adoption of a homestead exemption may be considered each year, but must be adopted by May 1. See “TAX DATA – Exemptions.”

Freeport Goods Exemption: A “Freeport Exemption” applies to goods, wares, ores, and merchandise other than oil, gas, and petroleum products (defined as liquid and gaseous materials immediately derived from refining petroleum or natural gas), and to aircraft or repair parts used by a certified air carrier acquired in or imported into Texas which are destined to be forwarded outside of Texas and which are detained in Texas for assembling, storing, manufacturing, processing or fabricating for less than 175 days. Although certain taxing units may take official action to tax such property in transit and negate such exemption, the District does not have such an option. A “Goods-in-Transit” Exemption is applicable to the same categories of tangible personal property which are covered by the Freeport Exemption, if, for tax year 2011 and prior applicable years, such property is acquired in or imported into Texas for assembling, storing, manufacturing,

processing, or fabricating purposes and is subsequently forwarded to another location inside or outside of Texas not later than 175 days after acquisition or importation, and the location where said property is detained during that period is not directly or indirectly owned or under the control of the property owner. For tax year 2012 and subsequent years, such Goods-in-Transit Exemption includes tangible personal property acquired in or imported into Texas for storage purposes only if such property is stored under a contract of bailment by a public warehouse operator at one or more public warehouse facilities in Texas that are not in any way owned or controlled by the owner of such property for the account of the person who acquired or imported such property. A property owner who receives the Goods-in-Transit Exemption is not eligible to receive the Freeport Exemption for the same property. Local taxing units such as the District may, by official action and after public hearing, tax goods-in-transit personal property. A taxing unit must exercise its option to tax goods-in-transit property before January 1 of the first tax year in which it proposes to tax the property at the time and in the manner prescribed by applicable law.

Tax Abatement

Galveston County, Texas may designate all or part of the area within the District as a reinvestment zone. The City of League City, Texas also may designate property within its boundaries or its extraterritorial jurisdiction as a reinvestment zone. Thereafter, Galveston County, Texas, the District, or the City of League City, Texas at the option and discretion of each entity, may enter into tax abatement agreements with owners of property within the zone. Prior to entering into a tax abatement agreement, each entity must adopt guidelines and criteria for establishing tax abatement, which each entity will follow in granting tax abatement to owners of property. The tax abatement agreements may exempt from ad valorem taxation by each of the applicable taxing jurisdictions, including the District, for a period of up to ten (10) years, all or any part of any increase in the assessed valuation of property covered by the agreement over its assessed valuation in the year in which the agreement is executed, on the condition that the property owner make specified improvements or repairs to the property in conformity with the terms of the tax abatement agreement. The terms of all tax abatement agreements need not be the same.

Property Tax Code and County-Wide Appraisal District

The Texas Property Tax Code (the “Property Tax Code”) establishes an appraisal district and an appraisal review board in each county of the State. The appraisal district is governed by a board of directors elected by the governing bodies of cities, towns, school districts and, if entitled to vote, the conservation and reclamation districts that participate in the appraisal district and of the county. The District is entitled to vote upon and participate in the selection of members of the board of directors of the GCAD. The board of directors selects a chief appraiser to manage the appraisal office of the appraisal district. All taxing units within Galveston County, including the District, are included in the GCAD. GCAD is responsible for appraising property within the District, subject to review by the Galveston Central Appraisal Review Board (the “Appraisal Review Board”). The appraisal roll as approved by the Appraisal Review Board must be used by the District in establishing its tax rolls and tax rate. The valuation and assessment of taxable property within the District is governed by the Property Tax Code.

Under current Texas law, the District is responsible for the levy and collection of its taxes and will continue to be so responsible unless the Board of Directors of the District, or the qualified voters of the District or of Galveston County at an election held for such purpose, determines to transfer such functions to the GCAD or another taxing unit.

Valuation of Property for Taxation

Generally, all taxable property in the District (other than any qualifying agricultural and timberland) must be appraised at 100% of market value as of January 1 of each tax year, subject to review and approval by the Appraisal Review Board. However, houses held for sale by a developer or builder which remain unoccupied, are not leased or rented and produce no income, are required to be assessed at the price for which they would sell as a unit to a purchaser who would continue the owner’s business. Implementation of this amendment could reduce the assessed value of builder inventory within the District if any single-family residential development and building were to occur. See “TAX DATA – Principal Taxpayers” below. The Property Tax Code requires each appraisal district to implement a plan providing for reappraisal of all real property in the appraisal district at least once every three years. It is not known what frequency of reappraisal will be utilized by the GCAD or whether reappraisals will be conducted on a zone or county-wide basis.

The Property Tax Code permits land designated for agricultural use or timberland to be appraised at its value based on the land’s capacity to produce agricultural or timber products rather than at its fair market value. Provisions of the Property Tax Code are complex and are not fully summarized here. Landowners wishing to avail themselves of the

agricultural use designation must apply for the designation, and the appraiser is required by the Property Tax Code to act on each claimant's right to the designation individually. If a claimant receives the designation and later loses it by changing the use of the property or selling it to an unqualified owner, the District can collect taxes based on the new use, including taxes for the previous three years for agricultural use, land and timberland, prior to the loss of the designation.

The Property Tax Code requires the Appraisal District to implement a plan for periodic reappraisal of property to update appraisal values. The plan must provide for appraisal of all real property in the Appraisal District at least once every three years. It is not known what frequency of reappraisal will be utilized by the Appraisal District or whether reappraisals will be conducted on a zone or county-wide basis. The District, however, at its expense has the right to obtain from the Appraisal District a current estimate of appraised values within the District or an estimate of any new property or improvements within the District. While such current estimate of appraised values may serve to indicate the rate and extent of growth of taxable values within the District, it cannot be used for establishing a tax rate within the District until such time as the Appraisal District chooses formally to include such values on its appraisal roll.

The chief appraiser must give written notice on May 15, or as soon thereafter as practicable to each owner if the appraised value of his property is greater than it was in the preceding year, if the appraised value of the property is greater than the value rendered by the property owner, or if the property was not on the appraisal roll in the preceding year. In addition, the chief appraiser must give written notice to each property owner whose property was reappraised in the current year or if ownership of the property changed during the preceding year. The appraisal review board has the ultimate responsibility for determining the value of all taxable property within the District; however, any owner who has timely filed notice with the appraisal review board may appeal the final determination by the appraisal review board by filing suit in Texas district court. Prior to such appeal and prior to the delinquency date, however, the owner must pay the tax due on the amount of value of the property involved that is not in dispute or the amount of tax paid in the prior year, whichever is greater, or the amount of tax due under the order from which the appeal is taken. In the event of such suit, the value of the property is determined by the court, or a jury if requested by any party. Additionally, the District is entitled to challenge certain matters before the appraisal review board, including the level of appraisals of a certain category of property, the exclusion of property from the appraisal records, or the grant in whole or in part of a partial exemption. The District may not, however, protest a valuation of individual property. The rate of taxation is set by the Board based upon the assessed valuation of property within the District as of the preceding January 1 and the amount required to be raised for debt service, maintenance purposes and authorized contractual obligations.

During the 2nd Special Session, convened on June 27, 2023, the Texas Legislature passed Senate Bill 2 ("SB 2"), which, among other things, includes provisions that prohibit an appraisal district from increasing the appraised value of real property during the 2024 tax year on non-homestead properties (the "Subjected Property") whose appraised values are not more than \$5,000,000 (the "Maximum Property Value") to an amount not to exceed the lesser of: (1) the market value of the Subjected Property for the most recent tax year that the market value was determined by the appraisal office or (2) the sum of: (a) 20 percent of the appraised value of the Subjected Property for the preceding tax year; (b) the appraised value of the Subjected Property for the preceding tax year; and (c) the market value of all new improvements to the Subjected Property. After the 2024 tax year, through December 31, 2026, the Appraisal Cap may be increased or decreased by the product of the preceding state fiscal year's increase or decrease in consumer price index, as applicable, to the Maximum Property Value. SB 2 was signed into law by the Governor on July 22, 2023. The provisions described hereinabove took effect January 1, 2024, after the constitutional amendment proposed by H.J.R. 2, 88th Legislature, 2nd Called Session, 2023, was approved by voters at an election held on November 7, 2023.

Disaster Exemption

The Property Tax Code provides for a temporary exemption from ad valorem taxation of a portion of the appraised value of certain property that is at least 15% damaged by a disaster and located within an area declared to be a disaster area by the governor of the State. This temporary exemption is automatic if the disaster is declared prior to a taxing unit, such as the District, adopting its tax rate for the tax year. A taxing unit, such as the District, may authorize the exemption at its discretion if the disaster is declared after the taxing unit has adopted its tax rate for the tax year. The amount of the exemption is based on the percentage of damage and is prorated based on the date of the disaster. Upon receipt of an application submitted within the eligible timeframe by a person who qualifies for a temporary exemption under the Property Tax Code, the Appraisal District is required to complete a damage assessment and assign a damage assessment rating to determine the amount of the exemption. The temporary exemption amounts established in the Property Tax Code range from 15% for property less than 30% damaged to 100% for property that is a total loss. Any such temporary exemption granted for disaster-damaged property expires on January 1 of the first year in which the property is reappraised.

District and Taxpayer Remedies

Under certain circumstances, taxpayers and taxing units, including the District, may appeal orders of the Appraisal Review Board by filing a timely petition for review in district court. In such event, the property value in question may be determined by the court, or by a jury, if requested by any party. Additionally, taxing units may bring suit against the Appraisal District to compel compliance with the Property Tax Code. The Property Tax Code sets forth notice and hearing procedures for certain tax rate increases by the District and provides for taxpayer referenda which could result in the repeal of certain tax increases. The Property Tax Code also establishes a procedure for notice to property owners of reappraisals reflecting increased property values, appraisals that are higher than renditions and appraisals of property not previously on an appraisal roll.

Rollback of Operation and Maintenance Tax Rate

Chapter 49 of the Texas Water Code classifies districts differently based on the current operation and maintenance tax rate or on the percentage of build-out that the district has completed. Districts that have adopted an operation and maintenance tax rate for the current year that is 2.5 cents or less per \$100 of taxable value are classified as "Special Taxing Units." Districts that have financed, completed, and issued bonds to pay for all improvements and facilities necessary to serve at least 95% of the projected build-out of the district are classified as "Developed Districts." Districts that do not meet either of the classifications previously discussed can be classified herein as "Developing Districts." The impact each classification has on the ability of a district to increase its maintenance and operations tax rate is described for each classification below. Debt service and contract tax rates cannot be reduced by a rollback election held within any of the districts described below.

Special Taxing Units

Special Taxing Units that adopt a total tax rate that would impose more than 1.08 times the amount of the total tax imposed by such district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead, subject to certain homestead exemptions, are required to hold an election within the district to determine whether to approve the adopted total tax rate. If the adopted total tax rate is not approved at the election, the total tax rate for Special Taxing Units is the current year's debt service and contract tax rate plus 1.08 times the previous year's operation and maintenance tax rate.

Developed Districts

Developed Districts that adopt a total tax rate that would impose more than 1.035 times the amount of the total tax imposed by the district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead, subject to certain homestead exemptions for the preceding tax year, plus any unused increment rates, as calculated and described in Section 26.013 of the Tax Code, are required to hold an election within the district to determine whether to approve the adopted total tax rate. If the adopted total tax rate is not approved at the election, the total tax rate for a Developed District is the current year's debt service and contract tax rate plus 1.035 times the previous year's operation and maintenance tax rate plus any unused increment rates. In addition, if any part of a Developed District lies within an area declared for disaster by the Governor of Texas or President of the United States, alternative procedures and rate limitations may apply for a temporary period. If a district qualifies as both a Special Taxing Unit and a Developed District, the district will be subject to the operation and maintenance tax threshold applicable to Special Taxing Units.

Developing Districts

Districts that do not meet the classification of a Special Taxing Unit or a Developed District can be classified as Developing Districts. The qualified voters of these districts, upon the Developing District's adoption of a total tax rate that would impose more than 1.08 times the amount of the total tax rate imposed by such district in the preceding tax year on a residence homestead appraised at the average appraised value of a residence homestead, subject to certain homestead exemptions, are authorized to petition for an election to reduce the operation and maintenance tax rate. If an election is called and passes, the total tax rate for Developing Districts is the current year's debt service and contract tax rate plus 1.08 times the previous year's operation and maintenance tax rate.

A determination as to a district's status as a Special Taxing Unit, Developed District or Developing District will be made by the Board of Directors on an annual basis. The District cannot give any assurances as to what its classification will be at any point in time or whether the District's future tax rates will result in a total tax rate that will reclassify the District into a new classification and new election calculation. In tax year 2024, the Board qualified the District as a Developing District.

Levy and Collection of Taxes

The District is responsible for the levy and collection of its taxes, unless it elects to transfer such functions to another governmental entity. By September 1 of each year, or as soon thereafter as practicable, the rate of taxation is set by the Board of Directors of the District based upon a) the valuation of property within the District as of the preceding January 1, and b) the amount required to be raised for debt service, maintenance purposes and authorized contractual obligations. Taxes are due October 1, or when billed, whichever comes later, and become delinquent if not paid before February 1 of the year following the year in which imposed. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent and incurs an additional penalty for collection costs of an amount established by the District and a delinquent tax attorney. The delinquent tax accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code makes provisions for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes under certain circumstances which, at the option of the District, may be rejected. The owner of a residential homestead property who is a person sixty-five (65) years of age or older or under a disability for the purpose of payment of disability insurance benefits under the Federal Old Age Survivors and Disability Insurance Act is entitled by law to pay current taxes on a residential homestead in installments or to defer the payment of taxes without penalty during the time of ownership.

District's Rights in the Event of Tax Delinquencies

Taxes levied by the District are a personal obligation of the person who owns or acquires the property on January 1 of the year for which the tax is imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed for the year upon the property. The District's tax lien is on a parity with the tax liens of the other jurisdictions levying taxes on property within the District. Whether a lien of the United States is on a parity with or takes priority over a tax lien of the District is determined by applicable federal law. In the absence of such federal law, the District's tax lien takes priority over a lien of the United States. In the event a taxpayer fails to make timely payment of taxes due the District, the District may file suit at any time after taxes become delinquent to foreclose its lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the District must join other taxing units that have claims for delinquent taxes against all or part of the same property. Collection of delinquent taxes may also be adversely affected by the amount of taxes owed to other federal, state and local taxing jurisdictions, by the effects of market conditions on the foreclosure sales price, by the taxpayer's right to redeem the property within two years of foreclosure, or by bankruptcy proceedings which restrain or stay the collection of a taxpayer's debts. Federal bankruptcy law provides that an automatic stay of actions by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In many cases post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

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TAX DATA

Classification of Assessed Valuation

The following table illustrates the composition of property located within the District since 2023.

	2025 Assessed Valuation ^(a)	2024 Assessed Valuation	2023 Assessed Valuation
Land	\$43,106,136	\$31,163,661	\$9,496,900
Improvements	100,029,887	16,588,115	0
Personal Property	39,510	23,370	0
	<u>\$143,175,533</u>	<u>\$47,775,146</u>	<u>\$9,496,900</u>
Exemptions	<u>(10,685,736)</u>	<u>(5,507,171)</u>	<u>(9,303,340)</u>
Total	\$132,489,797	\$42,267,975	\$193,560

(a) The 2025 Taxable Assessed Valuation shown herein is provided by Galveston Central Appraisal District's ("GCAD").

Tax Collections

The following statement of tax collections set forth is the tax collections of the District for the past four (4) tax years. Such summary has been prepared by the Financial Advisor for inclusion herein based upon information obtained from records of the District's tax assessor/collector. Reference is made to such records for further and more complete information.

Tax Year	Assessed Valuation	Tax Rate	Levy	Collections Through June 30, 2025	
				Amount	%
2021	\$133,640	\$1.000	\$1,336	\$1,336	100.00%
2022	193,580	1.000	1,936	1,936	100.00%
2023	193,560	1.000	1,936	1,936	100.00%
2024	42,267,975 ^(a)	1.000	422,680	417,020	98.66%

(a) The 2024 Taxable Assessed Valuation shown herein is provided by Galveston Central Appraisal District's ("GCAD").

District Tax Rates

	2024	2023	2022	2021
System Debt Service Fund	\$0.110	\$0.000	\$0.000	\$0.000
Road System Debt Service Fund	0.240	0.000	0.000	0.000
Maintenance & Operations	0.650	1.000	1.000	1.000
Total	<u>\$1.000</u>	<u>\$1.000</u>	<u>\$1.000</u>	<u>\$1.000</u>

Tax Rate Limitation

Debt Service: Unlimited (no legal limit as to rate or amount).

Maintenance: \$1.50 per \$100 of assessed valuation.

Maintenance Tax

The Board of Directors of the District has the statutory authority to levy and collect an annual ad valorem tax for operation and maintenance of the District and its improvements, if such maintenance tax is authorized by a vote of the District's electorate. The District's electors have authorized the levy of such a maintenance tax in the maximum amount of \$1.50 per \$100 of assessed valuation, and the District levied a maintenance tax of \$0.65 per \$100 of Assessed Valuation in 2024. Such tax is levied in addition to taxes which the District is authorized to levy for paying principal of and interest on the Bonds and any parity bonds which may be issued in the future.

Principal Taxpayers

The following list of top ten principal taxpayers was provided by the District's Tax Assessor/Collector based on the 2024 tax rolls of the District, which reflect ownership as of January 1 of each year.

Taxpayer	Property Type	2025
Milrose Properties Texas LLC	Residential Land	\$8,294,694
Lennar Homes of Texas Land ^(a)	Developer	2,420,842
Homeowner	Personal Property	475,000
Homeowner	Personal Property	452,130
Homeowner	Personal Property	439,720
Homeowner	Personal Property	428,460
Homeowner	Personal Property	421,390
Homeowner	Personal Property	418,400
Homeowner	Personal Property	418,370
Homeowner	Personal Property	417,260
		<hr/> \$14,186,266
Percent of 2025 TAV ^(b)		<hr/> 10.71%

(a) Developer within the District. See "THE DEVELOPER."

(b) The calculation of the percent of principal taxpayers is based upon the 2025 Taxable Assessed Valuation provided by Galveston Central Appraisal District's ("GCAD").

Tax Rate Calculations

The tax rate calculations set forth below are presented to indicate the tax rates per \$100 of Assessed Valuation which would be required to meet certain debt service requirements on the Bonds (interest estimated at 5.00%) if no growth in the District occurs beyond the January 1, 2024 Taxable Assessed Valuation or the January 1, 2025 Estimate of Taxable Assessed Valuation. The calculations also assume collection of 95% of taxes levied, no use of District funds on hand, and the sale of no additional bonds by the District except the Bonds.

Projected Average Annual Debt Service Requirements (2026 – 2051)*	\$1,081,330
Tax Rate of \$0.86 on the January 1, 2025 Taxable Assessed Valuation produces	1,082,442
Tax Rate of \$ ____ on the ____, 2025 Estimate of Assessed Valuation produces	
Projected Maximum Debt Service Requirement (2026)*	\$1,166,798
Tax Rate of \$0.93 on the January 1, 2025 Taxable Assessed Valuation produces	1,166,798
Tax Rate of \$ ____ on the ____, 2025 Estimate of Assessed Valuation produces	

*Preliminary; subject to change.

Overlapping Taxes

Property located within the District is subject to taxation by several taxing authorities in addition to the District. Set forth below is a compilation of all taxes levied upon property located within the District. Under Texas law, ad valorem taxes levied by each taxing authority other than the District entitled to levy taxes against property located within the District create a lien which is on a parity with the tax lien of the District. In addition to the ad valorem taxes required to make the debt service payments on bonded indebtedness of the District and of such other jurisdictions (see “DISTRICT DEBT – Estimated Direct and Overlapping Debt Statement”), certain taxing jurisdictions are authorized by Texas law to assess, levy and collect ad valorem taxes for operation, maintenance, administrative and/or general revenue purposes.

	SFISD	DISD	CCISD
	2024 Tax	2024 Tax	2024 Tax
	Rate per	Rate per	Rate per
Overlapping Entity	\$100 AV	\$100 AV	\$100 AV
City of League City	\$0.369000	\$0.369000	\$0.369000
Galveston County	0.333460	0.333460	0.333460
Mainland College	0.267100	0.267100	0.267100
Galveston County Road & Flood	0.000040	0.000040	0.000040
Santa Fe ISD (“SFISD”) ^(a)	1.141400	-	-
Dickinson ISD (“DISD”) ^(a)	-	1.136000	-
Clear Creek ISD (“CCISD”) ^(a)	-	-	0.969000
The District	1.000000	1.000000	1.000000
Total	\$3.111000	\$3.105600	\$2.938600

(a) The District encompasses land within Santa Fe ISD, Dickinson ISD and Clear Creek ISD. Taxpayers within the District are subject to only one school district tax.

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MANAGEMENT OF THE DISTRICT

The District is governed by a Board of Directors, consisting of five directors. The Board of Directors has control over and management supervision of all affairs of the District. Directors serve four-year staggered terms. Elections are held in May of even numbered years. The current members and officers of the Board, along with their respective terms of office, are listed below.

Name	Position	Term Expires May
Linda Dixon	President	2028
Carolyn Chapman	Vice President	2026
Linda Bordeau	Secretary	2026
Chuck Atkins	Assistant Secretary	2028
Diane Perillo	Assistant Vice President	2028

The District does not have a general manager but has contracted for services, as follows:

Bookkeeper – The District has engaged Myrtle Cruz, Inc. as the District’s Bookkeeper.

Tax Assessor/Collector – The tax assessor/collector for the District is the Assessments of the Southwest, Inc.

District Engineer – The District has engaged the firm LJA Engineering, Inc., Katy, Texas as District Engineer.

General Counsel – The District has engaged The Muller Law Group, PLLC, Sugar Land, Texas, as General Counsel and Bond Counsel in connection with the issuance of the Bonds. The fees paid to Bond Counsel by the District for services rendered in connection with the issuance of the Bonds are contingent on the issuance, sale and delivery of the Bonds. See “LEGAL MATTERS” and “TAX EXEMPTION.”

Disclosure Counsel – The District has engaged Orrick, Herrington & Sutcliffe LLP (“Disclosure Counsel”), Houston, Texas, as Disclosure Counsel in connection with the issuance of the Bonds. The fees paid to Disclosure Counsel by the District for services rendered in connection with the issuance of the Bonds are contingent on the issuance, sale and delivery of the Bonds. See “LEGAL MATTERS” and “TAX EXEMPTION.”

District Operator of Water and Sewer Facilities – The District’s water and sewer system is operated by the City of League City pursuant to the Utility Agreement between the District and League City. See “UTILITY AGREEMENT BETWEEN THE DISTRICT AND LEAGUE CITY.”

Auditor – The financial statements of the District as of May 31, 2024, and for the year then ended, included in this offering document, have been audited by McGrath & Co., PLLC, independent auditors, as stated in their report appearing herein. See “Appendix A.”

Financial Advisor – The District has engaged RBC Capital Markets, LLC as Financial Advisor to the District in connection with the issuance of the Bonds.

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UTILITY SERVICE AGREEMENT BETWEEN THE DISTRICT AND LEAGUE CITY

Description

All land in the District is located within the city limits of the City of League City, Texas ("League City"). Shortly after the District was created, the District approved and ratified a Utility Agreement with League City dated January 22, 2019, (the "Utility Agreement"). The Utility Agreement obligates the District to acquire, construct, and extend water, sanitary sewer and drainage and road facilities (the "System") to serve land in the District and, when completed in accordance with approved plans and specifications, the District is required to convey title to such utility facilities to League City. League City then operates and maintain such facilities, and is responsible for establishing water and sewer rates and collection charges for water and sewer service from District residents. League City also levies and collects ad valorem taxes on taxable property within the District just as it does with any other property located in League City. As specified in the Utility Agreement, the District is a "City Service" district and no rebate of City taxes is made by the City.

The Utility Agreement provides certain limitations related to the issuance of bonds payable from ad valorem taxes and the District must receive City consent prior to the sale of any such bonds.

The Utility Agreement provides that the District retains a security interest in the System to secure League City's performance under the Utility Agreement until the District's bonds have been discharged. The District will then execute a release of such security interest, and League City will then own the System free and clear.

The District has agreed to extend the System to serve future users as necessary so that ultimately all land owners in the District will be in a position to receive services from the System; however, the District's obligation to extend the system is conditioned upon League City performing under the provisions of the Utility Agreement, the satisfaction of certain determinations of economic feasibility, governmental agency approvals and the ability of the District to sell bonds.

THE SYSTEM

Water, Sanitary Sewer, and Drainage System

According to the District's Engineer, LJA Engineering, Inc. ("Engineer"), the System has been designed in accordance with accepted engineering practices and the requirements of all governmental agencies having regulatory or supervisory jurisdiction over the construction and operation of such facilities including, among others, the TCEQ, the City. According to the District's Engineer, the design of all such facilities has been approved by all required governmental agencies.

Operation of the District's waterworks and sewage treatment facilities is provided by League City, and is subject to regulation by, among others, the United States Environmental Protection Agency and the TCEQ. In many cases, regulations promulgated by these agencies have become effective only recently and are subject to further development and revisions.

Source of Water Supply: Water supply for League City is obtained from three sources: 1) existing groundwater wells; 2) surface water as a participant through the Gulf Coast Water Authority in the City of Houston's Southeast Water Purification Plant; and 3) surface water from the Gulf Coast Water Authority from the Thomas Mackey Water Purification Plant. Water from these three sources is delivered to League City's nine water plants and from there distributed to retail customers such as the residents of the District.

Source of Wastewater Treatment: The District has constructed a lift station, force main and gravity trunk sewer to connect to the City's regional sewer system, which flows to the City's Southwest Water Reclamation Facility. This plant has sufficient capacity to serve the District through build out.

100-Year Flood Plain

"Flood Insurance Rate Map" or "FIRM" means an official map of a community on which the Federal Emergency Management Agency (FEMA) has delineated the appropriate areas of flood hazards. The 1% chance of probable inundation, also known as the 100-year flood plain, is depicted on these maps. The "100-year flood plain" (or 1% chance of probable inundation) as shown on the FIRM is the estimated geographical area that would be flooded by a rain storm of such intensity to statistically have a one percent chance of occurring in any given year. Generally speaking, homes must be built above the 100-year flood plain in order to meet local regulatory requirements and to be eligible for federal flood insurance. An engineering or regulatory determination that an area is above the 100-year flood plain is not an assurance that homes built in such area will not be flooded, and a number of neighborhoods in the greater Houston area that are above the 100-year flood plain have flooded multiple times in the last several years. The District's drainage system has been designed and constructed to all current standards.

None of the developable acreage within the District is located within the 100-year flood plain. Additionally, the District's storm water drainage system has been designed and constructed in accordance with current applicable regulatory standards for a development of this size and location.

THE ROAD SYSTEM

Construction of the District's Road System is subject to regulations by the City of League City, Texas. The roads in the District are constructed with reinforced concrete pavement with curbs on lime stabilized subgrade. In accordance with the City's Master Mobility Plan, minor arterial boulevards and collector roads will continue to be constructed and remaining streets will provide local interior service within the District. The Road System also includes, or will include, streetlights and franchise utilities (power, phone and cable). Public utilities such as water, wastewater and storm drainage are typically located within street rights-of-way. The Road System is maintained by the City of League City, Texas and consists, or will consist upon completion, of the internal roadways adequate for serving the single-family homes within the District. The roads within the District vary in width in accordance with standards adopted by the City, but are sized to accommodate the anticipated traffic demands of full build-out of the property within the District. As described under "THE BONDS—Use and Distribution of Bond Proceeds," a portion of the proceeds of the Bonds will be used to reimburse the Developer for the costs associated with certain road improvements and to pay certain land acquisition costs of the District for the portion of the Road System serving Sections 1, 2, 3, and 4, as well as Ervin Street Phase 1 of the Samara development within the District.

LEGAL MATTERS

Legal Proceedings

The District will furnish the Initial Purchaser a transcript of certain certified proceedings incident to the issuance and authorization of the Bonds. Such transcript will include a copy of the approving opinion of the Attorney General of Texas, as recorded in the Bond Register of the comptroller of Public Accounts of the State of Texas, to the effect that the Bonds are valid and binding obligations of the District, payable from the levy of ad valorem taxes without limitation as to rate or amount. The District will also furnish the legal opinion of The Muller Law Group, PLLC, Sugar Land, Texas, Bond Counsel, to the effect that, based upon an examination of such transcript, the Bonds are valid and binding obligations of the District under the Texas Constitution and laws of the State of Texas. The legal opinion of Bond Counsel will further state that the bonds are payable, both as to principal and interest, from the levy of ad valorem taxes, without limitation as to rate or amount, against taxable property within the District and that interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes as further described in "TAX EXEMPTION."

In its capacity as Bond Counsel, The Muller Law Group, PLLC, has reviewed the information appearing in this Official Statement under the captions "THE BONDS," "TAXING PROCEDURES," "THE DISTRICT – Authority" and – "Management of the District – Counsel," "LEGAL MATTERS – Legal Opinions," "TAX EXEMPTION" and "CONTINUING DISCLOSURE OF INFORMATION" solely to determine whether such information fairly summarizes the procedures, law and documents referred to therein and conforms to the requirements of applicable laws and ordinances of League City with regard to the sale of the Bonds. Bond Counsel has not, however, independently verified any of the other factual information contained in this Official Statement, nor has Bond Counsel conducted an investigation of the affairs of the District for the purpose of passing upon the accuracy or completeness of the information contained in this Official Statement. No person is entitled to rely upon Bond Counsel's limited participation as an assumption of responsibility for, or an expression of opinions of any kind with regard to, the accuracy or completeness of any of the other factual information contained herein.

No Arbitrage

The District will certify on the date the Bonds are delivered and paid for that based upon all facts and estimates now known or reasonably expected to be in existence, the District reasonably expects that the proceeds of the Bonds will not be used in a manner that would cause the Bonds, or any portion of the Bonds, to be "arbitrage bonds" under Section 148 of the Internal Revenue Code of 1986 (the "Code") and the regulations prescribed from time to time thereunder. Furthermore, all officers, employees and agents of the District have been authorized and directed to provide certifications of facts and estimates that are material to the reasonable expectations of the District as of the date the Bonds are delivered and paid for. In particular, all or any officers of the District have been authorized to certify to the facts, circumstances and reasonable expectations of the District on the date the Bonds are delivered and paid for regarding the amount and use of the proceeds of the Bonds. Moreover, the District will covenant in the Bond Resolution that it will make such use of the proceeds of the Bonds, regulate investments of proceeds of the Bonds and take such other and further actions and follow such procedures, including without limitation, calculation of the yield

on the Bonds, as may be required so that the Bonds will not become “arbitrage bonds” under the Code and the regulations prescribed from time to time thereunder.

No Material Adverse Change

The obligations of the Initial Purchaser to take and pay for the Bonds, and of the District to deliver the Bonds, are subject to the condition that, up to the time of delivery of and receipt of payment for the Bonds, there shall have been no material adverse change in the condition (financial or otherwise) of the District from that set forth or contemplated in the PRELIMINARY OFFICIAL STATEMENT.

No-Litigation Certificate

The District will furnish the Initial Purchaser a certificate, executed by both the President or Vice President and Secretary or Assistant Secretary of the Board, and dated as of the date of delivery of the Bonds, to the effect that there is not pending, and to their knowledge, there is not threatened, any litigation affecting the validity of the Bonds, or the levy and/or collection of taxes for the payment thereof, or the organization or boundaries of the District, or the title of the officers thereof to their respective offices, and that no additional bonds or other indebtedness have been issued since the date of the statement of indebtedness or non-encumbrance certificate submitted to the Attorney General of Texas in connection with approval of the Bonds.

TAX EXEMPTION

Opinion of Bond Counsel

In the opinion of Bond Counsel, under current law, interest on the Bonds (a) is not included in gross income for federal income tax purposes, (b) is not an item of tax preference for purposes of the federal alternative minimum income tax, and (c) is taken into account by applicable corporations (as defined in Section 59(k) of the Code for the alternative minimum tax imposed on such corporations. No other opinion is expressed by Bond Counsel regarding the tax consequences of the ownership of or the receipt or accrual of interest on the Bonds.

Bond Counsel’s opinion is given in reliance upon certifications by representatives of the District as to certain facts relevant to both the opinion and requirements of the Internal Revenue Code of 1986, as amended (the “Code”), and is subject to the condition that there is compliance subsequent to the issuance of the Bonds with all requirements of the Code that must be satisfied in order for interest thereon to remain excludable from gross income for federal income tax purposes. The District has covenanted to comply with the current provisions of the Code regarding, among other matters, the use, expenditure and investment of the proceeds of the Bonds and the timely payment to the United States of any arbitrage rebate amounts with respect to the Bonds. Failure by the District to comply with such covenants, among other things, could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to their date of issue.

Customary practice in the giving of legal opinions includes not detailing in the opinion all the assumptions, limitations and exclusions that are a part of the conclusions therein. See “*Statement on the Role of Customary Practice in the Preparation and Understanding of Third-Party Legal Opinions*”, 63 Bus. Law. 1277 (2008) and “*Legal Opinion Principles*”, 53 Bus. Law. 831 (May 1998). Purchasers of the Bonds should seek advice or counsel concerning such matters as they deem prudent in connection with their purchase of Bonds.

Bond Counsel’s opinion represents its legal judgment based in part upon the representations and covenants referenced therein and its review of current law, but is not a guarantee of result or binding on the Internal Revenue Service (the “Service”) or the courts. Bond Counsel assumes no duty to update or supplement its opinion to reflect any facts or circumstances that may come to Bond Counsel’s attention after the date of its opinion or to reflect any changes in law or the interpretation thereof that may occur or become effective after such date.

Alternative Minimum Tax

Individuals – Bond Counsel’s opinion states that under current law interest on the Bonds is not an item of reference and is not subject to the alternative minimum tax on individuals.

Applicable Corporations – Bond Counsel’s opinion also states that under current law interest on the Bonds is taken into account by applicable corporations (as defined in Section 59(k) of the Code) for the alternative minimum tax imposed on such corporations. Under current law, an “applicable corporation” generally is a corporation with average

annual adjusted financial statement income for a 3-taxable-year period ending after December 31, 2021 that exceeds \$1 billion.

Other Tax Matters

The Bonds will not be designated as “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

In addition to the matters addressed above, prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations may result in collateral federal income tax consequences to certain taxpayers, including without limitation financial institutions, property and casualty insurance companies, S corporations, foreign corporations subject to the branch profits tax, recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the Bonds should consult their tax advisors as to the applicability and impact of such consequences.

Prospective purchasers of the Bonds should consult their own tax advisors as to the status of interest on the Bonds under the tax laws of any state, local, or foreign jurisdiction.

The Service has a program to audit state and local government obligations to determine whether the interest thereon is includible in gross income for federal income tax purposes. If the Service does audit the Bonds, under current Service procedures, the Service will treat the District as the taxpayer and the owners of the Bonds will have only limited rights, if any, to participate.

There are many events that could affect the value and liquidity or marketability of the Bonds after their issuance, including but not limited to public knowledge of an audit of the Bonds by the Service, a general change in interest rates for comparable securities, a change in federal or state income tax rates, federal or state legislative or regulatory proposals affecting state and local government securities and changes in judicial interpretation of existing law. In addition, certain tax considerations relevant to owners of Bonds who purchase Bonds after their issuance may be different from those relevant to purchasers upon issuance. Neither the opinion of Bond Counsel nor this Official Statement purports to address the likelihood or effect of any such potential events or such other tax considerations and purchasers of the Bonds should seek advice concerning such matters as they deem prudent in connection with their purchase of Bonds.

Original Issue Discount

Some of the Bonds may be sold at initial sale prices that are less than their respective stated redemption prices payable at maturity (collectively, the “Discount Bonds”). The excess of (i) the stated redemption price at maturity of each maturity of the Discount Bonds, over (ii) the initial offering price to the public (excluding bond houses and brokers) at which a substantial amount of each maturity of the Discount Bonds is sold will constitute original issue discount. Original issue discount will accrue for federal income tax purposes on a constant-yield-to-maturity method based on regular compounding; and a holder’s basis in such a Bond will be increased by the amount of original issue discount treated for federal income tax purposes as having accrued on the Bond while the holder holds the Bond.

Under the Code, for purposes of determining a holder’s adjusted basis in a Discount Bond, original issue discount treated as having accrued while the holder holds the Bond will be added to the holder’s basis. Original issue discount will accrue on a constant-yield-to-maturity method based on semiannual compounding. The adjusted basis will be used to determine taxable gain or loss upon the sale or other disposition (including redemption or payment at maturity) of a Discount Bond.

Prospective purchasers of Discount Bonds should consult their own tax advisors as to the calculation of accrued original issue discount and the state and local tax consequences of owning or disposing of such Bonds.

Bond Premium

Bonds purchased, whether upon issuance or otherwise, for an amount (excluding any amount attributable to accrued interest) in excess of their principal amount will be treated for federal income tax purposes as having amortizable bond premium. A holder’s basis in such a Bond must be reduced by the amount of premium which accrues while such Bond is held by the holder. No deduction for such amount will be allowed, but it generally will offset interest on the Bonds while so held. Purchasers of such Bonds should consult their own tax advisors as to the calculation, accrual and treatment of amortizable bond premium and the state and local tax consequences of holding such Bonds.

SOURCES OF INFORMATION

General

The information contained in this Official Statement has been obtained primarily from the District's records, the Galveston Central Appraisal District and other sources believed to be reliable; however, no representation is made as to the accuracy or completeness of the information contained herein, except as described below under the caption "Certification of Official Statement." The summaries of the statutes, resolutions and engineering and other related reports set forth herein are included subject to all of the provisions of such documents. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. The financial statements of the District as of May 31, 2024, and for the year then ended, included in this offering document, have been audited by McGrath & Co., PLLC, independent auditors, as stated in their report appearing herein. See "APPENDIX A."

Consultants

The information contained in this Official Statement relating to engineering, to the description of the System generally and, in particular, the engineering information included in the section captioned "THE SYSTEM" and "THE ROAD SYSTEM" has been provided by LJA Engineering, Inc., Katy, Texas. Such information has been included herein in reliance upon the authority of said firm as an expert in the field of civil engineering.

The information contained in this Official Statement relating to the assessed valuations of property generally and, in particular, that information concerning principal taxpayers, tax collection rates and valuations contained in the sections captioned "TAX DATA" and "SELECTED FINANCIAL INFORMATION" has been provided by the Galveston Central Appraisal District and the Galveston County Tax Office.

Updating of Official Statement

If, subsequent to the date of the Official Statement, the District learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Initial Purchaser, of any adverse event which causes the Official Statement to be materially misleading, and unless the Initial Purchaser elects to terminate its obligation to purchase the Bonds, the District will promptly prepare and supply to the Initial Purchaser an appropriate amendment or supplement to the Official Statement satisfactory to the Initial Purchaser; provided, however, that the obligation of the District to so amend or supplement the Official Statement will terminate when the District delivers the Bonds to the Initial Purchaser, unless the Initial Purchaser notifies the District on or before such date that less than all of the Bonds have been sold to ultimate customers, in which case the District's obligations hereunder will extend for an additional period of time (but not more than 90 days after the date the District delivers the Bonds) until all of the Bonds have been sold to ultimate customers.

Certification of Official Statement

At the time of payment for and delivery of the Bonds, the District will furnish the Initial Purchaser a certificate, executed by the President and Secretary of the Board, acting in their official capacities, to the effect that to the best of their knowledge and belief: (a) the information, descriptions and statements of or pertaining to the District contained in this Official Statement, on the date thereof and on the date of delivery were and are true and correct in all material respects; (b) insofar as the District and its affairs, including its financial affairs, are concerned, this Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated herein or necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading; and (c) insofar as the descriptions and statements, including financial data contained in this Official Statement, of or pertaining to entities other than the District and their activities are concerned, such statements and data have been obtained from sources which the District believes to be reliable and that the District has no reason to believe that they are untrue in any material respect or omit to state any material fact necessary to make the statements herein, in the light of the circumstances under which they were made, not misleading; however, the District has made no independent investigation as to the accuracy or completeness of the information derived from sources other than the District.

Official Statement "Deemed Final"

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission (the "SEC"), this document, as the same may be supplemented or corrected by the District from time to time, may be treated as an Official Statement with respect to the Bonds described herein "deemed final" by the District as of the date hereof (or of any such supplement or correction) except for the omission of certain information referred to in the succeeding paragraph.

The Official Statement, when further supplemented by adding information specifying the interest rates and certain other information relating to the Bonds, shall constitute a “final official statement” of the District with respect to the Bonds, as that term is defined in Rule 15c2-12.

CONTINUING DISCLOSURE OF INFORMATION

As required by Rule 15c2-12 of the SEC (the “Rule”), and in the Bond Resolution, the District has the following agreement for the benefit of the holders and beneficial owners of the Bonds. The District is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the District will be obligated to provide certain updated financial information and operating data annually, audited financial statements and timely notice of specified material events, in an electronic format as prescribed by the Municipal Securities Rulemaking Board (“MSRB”). The MSRB has established the Electronic Municipal Market Access (“EMMA”) system for such purpose.

Annual Reports

The District will provide certain updated financial information and operating data, which is customarily prepared by the District and publicly available, annually to the MSRB. The financial information and operating data which will be provided with respect to the District is found in the sections titled “SELECTED FINANCIAL INFORMATION” (except “Estimate of Overlapping Debt Statement”) and “TAX DATA” and in APPENDIX A (Independent Auditor’s Report and Financial Statements and certain supplemental schedules). The District will update and provide this information to EMMA within six months after the end of each of its fiscal years ending in or after 2025. Any information so provided shall be prepared in accordance with generally accepted accounting principles or other such principles as the District may be required to employ from time to time pursuant to state law or regulation, and audited if the audit report is completed within the period during which it must be provided. If the audit report is not complete within such period, then the District shall provide unaudited financial statements for the applicable fiscal year to EMMA within such six-month period, and audited financial statements when the audit report becomes available. The District may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by the Rule.

In addition, the District has agreed to provide information with respect to the Developer, any person or entity to whom the Developer voluntarily assigns (except as collateral) the right to receive a payment out of the proceeds from the sale of the bonds of the District, and each other person or entity, if any, to whom the District voluntarily makes or agrees or has agreed to make a payment out of such proceeds. The District will be obligated to provide information concerning the Developer and any such other person or entity only if and so long as (1) such persons own more than 20% of the taxable property within the District by value, as reflected by the most recently certified tax rolls (and without effect to special valuation provisions), (2) such persons have made tax or other payments to the District which were used or available to pay more than 20% of the District’s debt service requirements in the applicable fiscal year, or (3) at the end of such fiscal year such persons are obligated to the District to provide or pay for District facilities or debt in an amount which exceeds 20% of the amount of the District’s bonds then outstanding.

The District’s fiscal year end is currently May 31. Accordingly, it must provide updated information by the last day of November, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify the MSRB of the change.

Event Notices

The District will provide timely notices of certain specified events to the MSRB, but in no event will such notices be provided to the MSRB in excess of ten business days after the occurrence of an event. The District will provide notice of any of the following events with respect to the Bonds: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determination of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other events affecting the tax status of the Bonds; (7) modifications to rights of Beneficial Owners of the Bonds, if material; (8) bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the District or other obligated person; (13) consummation of a merger, consolidation, or acquisition involving the District or other obligated person or the sale of all or substantially all of the assets of the District or other obligated person other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional

trustee or the change of name of a trustee, if material; (15) incurrence of a financial obligation of the District or other obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District or other obligated person, any of which affect Beneficial Owners of the Bonds, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the District or other obligated person, any of which reflect financial difficulties. The terms "obligated person" and "financial obligation" when used in this paragraph shall have the meanings ascribed to them under SEC Rule 15c2-12 (the "Rule"). The term "material" when used in this paragraph shall have the meaning ascribed to it under federal securities laws. Neither the Bonds nor the Bond Resolution makes any provision for debt service reserves or liquidity enhancement. In addition, the District will provide timely notice of any failure by the District to provide financial information, operating data, or financial statements in accordance with its agreement described above under "Annual Reports."

Availability of Information from MSRB

The District has agreed to provide the foregoing information only to the MSRB. Investors will be able to access continuing disclosure information filed with the MSRB at www.emma.msrb.org.

Limitations and Amendments

The District has agreed to update information and to provide notices of material events only as described above. The District has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The District makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The District disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders or beneficial owners of Bonds may seek a writ of mandamus to compel the District to comply with its agreement.

The District may amend its continuing disclosure agreement only if (1) the amendment is made in connection with a change in circumstances that arise from a change in legal requirements, change in law, or change in the identity, nature, or status of the District; (2) the agreement, as amended, would have complied with SEC Rule 15c2-12 at the date of sale of the Bonds, taking into account any amendments or interpretations of the SEC Rule 15c2-12 as well as any change in circumstances; and (3) the District receives an opinion of nationally recognized bond counsel to the effect that the amendment does not materially impair the interests of the holders and beneficial owners of the Bonds. If any such amendment is made, the District will include in its next annual update an explanation in narrative form of the reasons for the change and its impact on the type of operating data or financial information being provided.

Compliance with Prior Undertakings

The District has no known failure to comply in all material respects with its prior continuing disclosure undertaking pursuant to Rule 15c2-12.

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This Official Statement is duly approved by the Board of Directors of the District as of the date specified on the first page hereof.

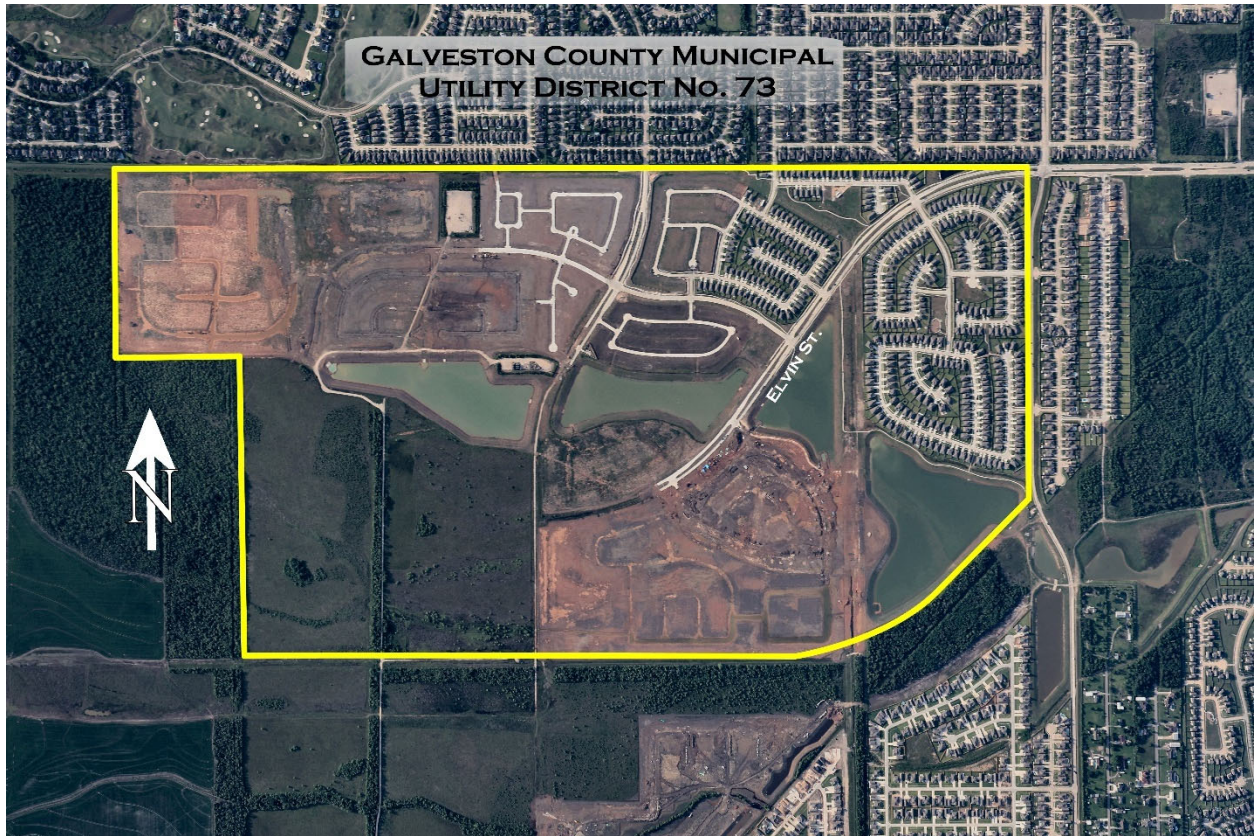
/s/ _____
Linda Dixon
President, Board of Directors
Galveston County Municipal Utility District No. 73

ATTEST:

/s/ _____
Linda Bordeau
Secretary, Board of Directors
Galveston County Municipal Utility District No. 73

AERIAL PHOTOGRAPH

(June 2025)



DISTRICT PHOTOGRAPHS

(June 2025)



APPENDIX A

Independent Auditor's Report and Financial Statements for the Year Ended May 31, 2024