

ORDER CALLING CONFIRMATION ELECTION, DIRECTOR ELECTION, BOND ELECTIONS, AND OPERATION AND MAINTENANCE TAX ELECTIONS

RECITALS

Galveston County Municipal Utility District No. 73 (“District”) was heretofore duly created by order of the Texas Commission on Environmental Quality (“TCEQ”), and the initial directors of the District have met and organized and have qualified to serve as directors of the District by making the sworn statement, taking the oath, and making the bond required by law.

The District was created under the authority of Article XVI, Section 59, and Article III, Section 52, of the Texas Constitution and Chapters 49 and 54, Texas Water Code, and has all of the purposes and powers described therein.

It is now necessary to call an election in accordance with Section 49.102, Texas Water Code, for the purpose of confirming the creation and establishment of the District and for the purpose of the election of five permanent directors thereof.

As required by Section 49.106, Texas Water Code, there has been filed in the office of the District open to inspection by the public, an engineer’s report, and any supplemental letters or amendments, covering the land, improvements, facilities, plants, equipment, and appliances to be purchased or constructed and their estimated cost, together with maps, plats, profiles and data fully showing and explaining the report (“Engineering Report”), and the Engineering Report has been carefully considered by the Board of Directors of the District (“Board”).

The Board finds that the estimate of probable costs of the design, construction, purchase, and acquisition of a waterworks system, sanitary sewer system, and/or drainage and storm sewer system and additions thereto, and incidental expenses connected with such improvements and the issuance of \$443,700,000 in bonds and \$44,370,000 in refunding bonds, as described in the Engineering Report, is reasonable and proper.

The Board desires to call an election for the purpose of submitting a proposition on the issuance of the bonds of the District for the provision of a waterworks system, sanitary sewer system, and/or a drainage and storm sewer system in the maximum aggregate principal amount of \$443,700,000 and the levy of taxes in payment of such bonds.

The Board desires to call an election for the purpose of submitting a proposition on the issuance of the bonds of the District to refund bonds issued or to be issued by the District for a waterworks system, sanitary sewer system, and/or a drainage and storm sewer system in the maximum aggregate principal amount of \$44,370,000 and the levy of taxes in payment of such bonds.

As required by Section 49.4645(b), Texas Water Code, there has been filed in the office of the District for review by the public a park plan covering the land, improvements, facilities, and equipment to be purchased or constructed and their estimated cost, together with maps, plats, drawings, and data fully showing and explaining the park plan (“Park Plan”).

In accordance with Section 49.465, Texas Water Code, the Board finds that the size and location of the recreational facilities described in the Park Plan have been established in consideration of municipal or county recreational facilities, whether existing or proposed, if any, that serve or will serve the area in which the District is located.

The Board finds that the estimate of probable costs of the design, construction, purchase, and acquisition of recreational facilities and additions thereto, and incidental expenses connected with such facilities and the issuance of \$113,000,000 in bonds and \$11,300,000 in refunding bonds, as described in the Park Plan, is reasonable and proper.

The Board desires to call an election for the purpose of submitting a proposition on the issuance of the bonds of the District for the provision of recreational facilities in the maximum aggregate principal amount of \$113,000,000 and the levy of taxes in payment of such bonds.

The Board desires to call an election for the purpose of submitting a proposition on the issuance of the bonds of the District to refund bonds issued or to be issued by the District for recreational facilities in the maximum aggregate principal amount of \$11,300,000 and the levy of taxes in payment of such bonds.

Section 54.234, Texas Water Code, authorizes the District to issue bonds for road facilities.

Article III, Section 52(b) of the Texas Constitution requires approval of bonds by a two-thirds majority of the voting qualified voters of a district exercising road powers.

The Board finds that the estimate of probable costs for the design, construction, purchase, and acquisition of road facilities and additions thereto, and incidental expenses connected with such improvements and the issuance of \$287,000,000 in bonds and \$28,700,000 in refunding bonds, as described in the Engineering Report, is reasonable and proper.

The Board desires to call an election for the purpose of submitting a proposition on the issuance of bonds of the District for the provision of road facilities in the maximum aggregate principal amount of \$287,000,000 and the levy of taxes in payment of such bonds.

The Board desires to call an election for the purpose of submitting a proposition on the issuance of the bonds of the District to refund bonds issued or to be issued by the District for road facilities in the maximum aggregate principal amount of \$28,700,000 and the levy of taxes in payment of such bonds.

Section 49.107, Texas Water Code, provides that the District may levy and collect a tax for operation and maintenance purposes after such tax is approved by a majority of the electors voting in an election held for that purpose.

The Board is of the opinion that an election should be held for the purpose of submitting a proposition on the levy of an operation and maintenance tax for facilities authorized by Article XVI, Section 59 of the Texas Constitution.

The Board is of the opinion that an election should be held for the purpose of submitting a proposition on the levy of an operation and maintenance tax for facilities authorized by Article III, Section 52 of the Texas Constitution.

The Board wishes to proceed with the ordering of said elections.

NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 73 THAT:

Section 1: The matters and facts set out in the recitals of this Order are hereby found and declared to be true and complete.

Section 2: The Engineering Report and the Park Plan, together with the estimates of costs described therein, are hereby approved.

Section 3: An election shall be held on May 1, 2021, at which there shall be submitted the questions of the confirmation of the District, the election of permanent directors, the issuance of bonds and the levy of taxes in payment of the bonds, the issuance of refunding bonds and the levy of taxes in payment of the refunding bonds, the levy of operation and maintenance taxes.

Section 4: The following propositions shall be submitted to the resident electors of the District:

PROPOSITION A

SHALL THE CREATION OF GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 73 BE CONFIRMED?

PROPOSITION B

(WATERWORKS, SANITARY SEWER, AND DRAINAGE AND STORM SEWER FACILITIES BONDS)

SHALL THE BOARD OF DIRECTORS OF GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 73 BE AUTHORIZED TO ISSUE THE BONDS OF SAID DISTRICT IN ONE OR MORE ISSUES OR SERIES IN THE MAXIMUM AMOUNT OF \$443,700,000 MATURING SERIALY OR OTHERWISE IN SUCH INSTALLMENTS AS ARE FIXED BY SAID BOARD OVER A PERIOD OR PERIODS NOT EXCEEDING THE MAXIMUM NUMBER OF YEARS AUTHORIZED BY LAW FROM THEIR DATE OR DATES, BEARING INTEREST AT ANY RATE OR RATES AND TO SELL SAID BONDS AT ANY PRICE OR PRICES, PROVIDED THAT THE NET EFFECTIVE INTEREST RATE ON ANY ISSUE OR SERIES OF SAID BONDS SHALL NOT EXCEED THE MAXIMUM LEGAL LIMIT IN EFFECT AT THE TIME OF ISSUANCE OF EACH ISSUE OR SERIES OF BONDS, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF SAID DISTRICT, FOR THE PURPOSE OR PURPOSES OF PURCHASING, CONSTRUCTING, ACQUIRING, OWNING, MAINTAINING, OPERATING, REPAIRING, IMPROVING, EXTENDING, OR PAYING FOR, INSIDE AND OUTSIDE THE DISTRICT'S BOUNDARIES, ANY AND ALL DISTRICT WORKS, IMPROVEMENTS, FACILITIES, PLANTS, EQUIPMENT, AND APPLIANCES NEEDED TO PROVIDE A WATERWORKS SYSTEM, SANITARY SEWER SYSTEM, AND DRAINAGE AND STORM SEWER

SYSTEM, INCLUDING, BUT NOT LIMITED TO, ALL COSTS ASSOCIATED WITH FLOOD PLAIN AND WETLANDS REGULATION (INCLUDING MITIGATION) AND ENDANGERED SPECIES AND STORMWATER PERMITS (INCLUDING MITIGATION) AND ALL ADDITIONS TO SUCH SYSTEMS AND ALL WORKS, IMPROVEMENTS, FACILITIES, PLANTS, EQUIPMENT, APPLIANCES, INTERESTS IN PROPERTY, AND CONTRACT RIGHTS NECESSARY OR CONVENIENT THEREFOR AND ADMINISTRATIVE FACILITIES NEEDED IN CONNECTION THEREWITH, AND TO PROVIDE FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON SUCH BONDS BY THE LEVY AND COLLECTION OF A SUFFICIENT TAX UPON ALL TAXABLE PROPERTY WITHIN SAID DISTRICT, ALL AS AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS?

PROPOSITION C

**(WATERWORKS, SANITARY SEWER, AND DRAINAGE
AND STORM SEWER FACILITIES REFUNDING BONDS)**

SHALL THE BOARD OF DIRECTORS OF GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 73 BE AUTHORIZED TO ISSUE THE BONDS OF SAID DISTRICT IN ONE OR MORE ISSUES OR SERIES IN THE MAXIMUM AMOUNT OF \$44,370,000 MATURING SERIALY OR OTHERWISE IN SUCH INSTALLMENTS AS ARE FIXED BY SAID BOARD OVER A PERIOD OR PERIODS NOT EXCEEDING THE MAXIMUM NUMBER OF YEARS AUTHORIZED BY LAW FROM THEIR DATE OR DATES, BEARING INTEREST AT ANY RATE OR RATES AND TO SELL SAID BONDS AT ANY PRICE OR PRICES, PROVIDED THAT THE NET EFFECTIVE INTEREST RATE ON ANY ISSUE OR SERIES OF SAID BONDS SHALL NOT EXCEED THE MAXIMUM LEGAL LIMIT IN EFFECT AT THE TIME OF ISSUANCE OF EACH ISSUE OR SERIES OF BONDS, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF SAID DISTRICT, FOR THE PURPOSE OR PURPOSES OF REFUNDING BY ANY MEANS NOW OR HEREAFTER AUTHORIZED BY LAW, ALL OR ANY PORTION OF BONDS OF THE DISTRICT HERETOFORE OR HEREAFTER ISSUED FOR THE PURPOSE OR PURPOSES OF PURCHASING, CONSTRUCTING, ACQUIRING, OWNING, MAINTAINING, OPERATING, REPAIRING, IMPROVING, EXTENDING, OR PAYING FOR, INSIDE AND OUTSIDE THE DISTRICT'S BOUNDARIES, ANY AND ALL DISTRICT WORKS, IMPROVEMENTS, FACILITIES, PLANTS, EQUIPMENT, AND APPLIANCES NEEDED TO PROVIDE A WATERWORKS SYSTEM, SANITARY SEWER SYSTEM, AND DRAINAGE AND STORM SEWER SYSTEM, INCLUDING, BUT NOT LIMITED TO, ALL COSTS ASSOCIATED WITH FLOOD PLAIN AND WETLANDS REGULATION (INCLUDING MITIGATION) AND ENDANGERED SPECIES AND STORMWATER PERMITS (INCLUDING MITIGATION) AND ALL ADDITIONS TO SUCH SYSTEMS AND ALL WORKS, IMPROVEMENTS, FACILITIES, PLANTS, EQUIPMENT,

APPLIANCES, INTERESTS IN PROPERTY, AND CONTRACT RIGHTS NECESSARY OR CONVENIENT THEREFOR AND ADMINISTRATIVE FACILITIES NEEDED IN CONNECTION THEREWITH, AND TO PROVIDE FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON SUCH BONDS BY THE LEVY AND COLLECTION OF A SUFFICIENT TAX UPON ALL TAXABLE PROPERTY WITHIN SAID DISTRICT, ALL AS AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS?

PROPOSITION D

(RECREATIONAL FACILITIES BONDS)

SHALL THE BOARD OF DIRECTORS OF GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 73 BE AUTHORIZED TO ISSUE THE BONDS OF SAID DISTRICT IN ONE OR MORE ISSUES OR SERIES IN THE MAXIMUM AMOUNT OF \$113,000,000 MATURING SERIALY OR OTHERWISE IN SUCH INSTALLMENTS AS ARE FIXED BY SAID BOARD OVER A PERIOD OR PERIODS NOT EXCEEDING THE MAXIMUM NUMBER OF YEARS AUTHORIZED BY LAW FROM THEIR DATE OR DATES, BEARING INTEREST AT ANY RATE OR RATES AND TO SELL SAID BONDS AT ANY PRICE OR PRICES, PROVIDED THAT THE NET EFFECTIVE INTEREST RATE ON ANY ISSUE OR SERIES OF SAID BONDS SHALL NOT EXCEED THE MAXIMUM LEGAL LIMIT IN EFFECT AT THE TIME OF ISSUANCE OF EACH ISSUE OR SERIES OF BONDS, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF SAID DISTRICT, FOR THE PURPOSE OR PURPOSES OF PURCHASING, CONSTRUCTING, ACQUIRING, OWNING, DEVELOPING, MANAGING, MAINTAINING, OPERATING, REPAIRING, IMPROVING, EXTENDING, OR PAYING FOR, INSIDE AND OUTSIDE THE DISTRICT'S BOUNDARIES, ANY AND ALL DISTRICT RECREATIONAL FACILITIES, INCLUDING, BUT NOT LIMITED TO, PARKS, LANDSCAPING, PARKWAYS, GREENBELTS, SIDEWALKS, TRAILS, PUBLIC RIGHT-OF-WAY BEAUTIFICATION PROJECTS, RECREATIONAL EQUIPMENT AND FACILITIES, AND ASSOCIATED STREET AND SECURITY LIGHTING, AND ALL ADDITIONS TO SUCH FACILITIES AND INTERESTS IN PROPERTY, ALL COSTS ASSOCIATED WITH FLOOD PLAIN AND WETLANDS REGULATION (INCLUDING MITIGATION) AND ENDANGERED SPECIES AND STORMWATER PERMITS (INCLUDING MITIGATION), AND CONTRACT RIGHTS NECESSARY OR CONVENIENT THEREFOR AND ADMINISTRATIVE FACILITIES NEEDED IN CONNECTION THEREWITH, AND TO PROVIDE FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON SUCH BONDS BY THE LEVY AND COLLECTION OF A SUFFICIENT TAX UPON ALL TAXABLE PROPERTY WITHIN SAID DISTRICT, ALL AS AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS?

PROPOSITION E

(RECREATIONAL FACILITIES REFUNDING BONDS)

SHALL THE BOARD OF DIRECTORS OF GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 73 BE AUTHORIZED TO ISSUE THE BONDS OF SAID DISTRICT IN ONE OR MORE ISSUES OR SERIES IN THE MAXIMUM AMOUNT OF \$11,300,000 MATURING SERIALLY OR OTHERWISE IN SUCH INSTALLMENTS AS ARE FIXED BY SAID BOARD OVER A PERIOD OR PERIODS NOT EXCEEDING THE MAXIMUM NUMBER OF YEARS AUTHORIZED BY LAW FROM THEIR DATE OR DATES, BEARING INTEREST AT ANY RATE OR RATES AND TO SELL SAID BONDS AT ANY PRICE OR PRICES, PROVIDED THAT THE NET EFFECTIVE INTEREST RATE ON ANY ISSUE OR SERIES OF SAID BONDS SHALL NOT EXCEED THE MAXIMUM LEGAL LIMIT IN EFFECT AT THE TIME OF ISSUANCE OF EACH ISSUE OR SERIES OF BONDS, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF SAID DISTRICT, FOR THE PURPOSE OR PURPOSES OF REFUNDING BY ANY MEANS NOW OR HEREAFTER AUTHORIZED BY LAW, ALL OR ANY PORTION OF BONDS OF THE DISTRICT HERETOFORE OR HEREAFTER ISSUED FOR THE PURPOSE OR PURPOSES OF PURCHASING, CONSTRUCTING, ACQUIRING, OWNING, DEVELOPING, MANAGING, MAINTAINING, OPERATING, REPAIRING, IMPROVING, EXTENDING, OR PAYING FOR, INSIDE AND OUTSIDE THE DISTRICT'S BOUNDARIES, ANY AND ALL DISTRICT RECREATIONAL FACILITIES, INCLUDING, BUT NOT LIMITED TO, PARKS, LANDSCAPING, PARKWAYS, GREENBELTS, SIDEWALKS, TRAILS, PUBLIC RIGHT-OF-WAY BEAUTIFICATION PROJECTS, RECREATIONAL EQUIPMENT AND FACILITIES, AND ASSOCIATED STREET AND SECURITY LIGHTING, AND ALL ADDITIONS TO SUCH FACILITIES AND INTERESTS IN PROPERTY, ALL COSTS ASSOCIATED WITH FLOOD PLAIN AND WETLANDS REGULATION (INCLUDING MITIGATION) AND ENDANGERED SPECIES AND STORMWATER PERMITS (INCLUDING MITIGATION), AND CONTRACT RIGHTS NECESSARY OR CONVENIENT THEREFOR AND ADMINISTRATIVE FACILITIES NEEDED IN CONNECTION THEREWITH, AND TO PROVIDE FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON SUCH BONDS BY THE LEVY AND COLLECTION OF A SUFFICIENT TAX UPON ALL TAXABLE PROPERTY WITHIN SAID DISTRICT, ALL AS AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS?

PROPOSITION F

(ROAD FACILITIES BONDS)

SHALL THE BOARD OF DIRECTORS OF GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 73 BE AUTHORIZED TO ISSUE THE BONDS OF SAID DISTRICT IN ONE OR MORE ISSUES OR SERIES IN THE MAXIMUM AMOUNT OF \$287,000,000 MATURING SERIALY OR OTHERWISE IN SUCH INSTALLMENTS AS ARE FIXED BY SAID BOARD OVER A PERIOD OR PERIODS NOT EXCEEDING THE MAXIMUM NUMBER OF YEARS AUTHORIZED BY LAW FROM THEIR DATE OR DATES, BEARING INTEREST AT ANY RATE OR RATES AND TO SELL SAID BONDS AT ANY PRICE OR PRICES, PROVIDED THAT THE NET EFFECTIVE INTEREST RATE ON ANY ISSUE OR SERIES OF SAID BONDS SHALL NOT EXCEED THE MAXIMUM LEGAL LIMIT IN EFFECT AT THE TIME OF ISSUANCE OF EACH ISSUE OR SERIES OF BONDS, ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF SAID DISTRICT, FOR THE PURPOSE OR PURPOSES OF PURCHASING, CONSTRUCTING, ACQUIRING, OWNING, MAINTAINING, OPERATING, REPAIRING, IMPROVING, EXTENDING, OR PAYING FOR, INSIDE AND OUTSIDE THE DISTRICT'S BOUNDARIES, ANY AND ALL MACADAMIZED, GRAVELED OR PAVED ROADS OR FACILITIES IN AID THEREOF, INCLUDING BUT NOT LIMITED TO, ASSOCIATED DRAINAGE AND STORMWATER DETENTION FACILITIES, LANDSCAPING AND IRRIGATION, AND ALL WORKS, IMPROVEMENTS, FACILITIES, EQUIPMENT, APPLIANCES, INTERESTS IN PROPERTY, ALL COSTS ASSOCIATED WITH FLOOD PLAIN AND WETLANDS REGULATION (INCLUDING MITIGATION) AND ENDANGERED SPECIES AND STORMWATER PERMITS (INCLUDING MITIGATION), AND CONTRACT RIGHTS NECESSARY OR CONVENIENT THEREFOR, AND TO PROVIDE FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON SUCH BONDS BY THE LEVY AND COLLECTION OF A SUFFICIENT TAX UPON ALL TAXABLE PROPERTY WITHIN SAID DISTRICT, ALL AS AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS?

PROPOSITION G

(ROAD FACILITIES REFUNDING BONDS)

SHALL THE BOARD OF DIRECTORS OF GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 73 BE AUTHORIZED TO ISSUE THE BONDS OF SAID DISTRICT IN ONE OR MORE ISSUES OR SERIES IN THE MAXIMUM AMOUNT OF \$28,700,000 MATURING SERIALY OR OTHERWISE IN SUCH INSTALLMENTS AS ARE FIXED BY SAID BOARD OVER A PERIOD OR PERIODS NOT EXCEEDING THE MAXIMUM NUMBER OF YEARS AUTHORIZED BY LAW FROM THEIR DATE OR DATES, BEARING INTEREST AT ANY RATE OR RATES AND TO SELL SAID BONDS AT ANY PRICE OR PRICES, PROVIDED THAT THE NET EFFECTIVE INTEREST RATE ON ANY ISSUE OR SERIES OF SAID BONDS SHALL NOT EXCEED THE MAXIMUM LEGAL LIMIT IN EFFECT AT THE TIME OF ISSUANCE OF EACH ISSUE OR SERIES OF BONDS,

ALL AS MAY BE DETERMINED BY THE BOARD OF DIRECTORS OF SAID DISTRICT, FOR THE PURPOSE OR PURPOSES OF REFUNDING BY ANY MEANS NOW OR HEREAFTER AUTHORIZED BY LAW, ALL OR ANY PORTION OF BONDS OF THE DISTRICT HERETOFORE OR HEREAFTER ISSUED FOR THE PURPOSE OR PURPOSES OF PURCHASING, CONSTRUCTING, ACQUIRING, OWNING, MAINTAINING, OPERATING, REPAIRING, IMPROVING, EXTENDING, OR PAYING FOR, INSIDE AND OUTSIDE THE DISTRICT'S BOUNDARIES, ANY AND ALL MACADAMIZED, GRAVELED OR PAVED ROADS OR FACILITIES IN AID THEREOF, INCLUDING BUT NOT LIMITED TO, ASSOCIATED DRAINAGE AND STORMWATER DETENTION FACILITIES, LANDSCAPING AND IRRIGATION, AND ALL WORKS, IMPROVEMENTS, FACILITIES, EQUIPMENT, APPLIANCES, INTERESTS IN PROPERTY, ALL COSTS ASSOCIATED WITH FLOOD PLAIN AND WETLANDS REGULATION (INCLUDING MITIGATION) AND ENDANGERED SPECIES AND STORMWATER PERMITS (INCLUDING MITIGATION), AND CONTRACT RIGHTS NECESSARY OR CONVENIENT THEREFOR, AND TO PROVIDE FOR THE PAYMENT OF PRINCIPAL OF AND INTEREST ON SUCH BONDS BY THE LEVY AND COLLECTION OF A SUFFICIENT TAX UPON ALL TAXABLE PROPERTY WITHIN SAID DISTRICT, ALL AS AUTHORIZED BY THE CONSTITUTION AND LAWS OF THE STATE OF TEXAS?

PROPOSITION H

(MAINTENANCE TAX FOR ARTICLE XVI, SECTION 59, CONSERVATION AND RECLAMATION FACILITIES)

SHALL THE BOARD OF DIRECTORS OF GALVESTON COUNTY MUNICIPAL UTILITY DISTRICT NO. 73 BE AUTHORIZED TO LEVY AND COLLECT AN OPERATION AND MAINTENANCE TAX (IN ADDITION TO ANY OTHER OPERATION AND MAINTENANCE TAX AUTHORIZED BY THE VOTERS OF SAID DISTRICT) NOT TO EXCEED ONE DOLLAR AND FIFTY CENTS (\$1.50) PER ONE HUNDRED DOLLARS (\$100) VALUATION ON ALL TAXABLE PROPERTY WITHIN SAID DISTRICT TO SECURE FUNDS FOR OPERATION AND MAINTENANCE OF ALL DISTRICT FACILITIES AUTHORIZED BY ARTICLE XVI, SECTION 59, OF THE TEXAS CONSTITUTION, INCLUDING, BUT NOT LIMITED TO, FUNDS FOR PLANNING, CONSTRUCTING, ACQUIRING, MAINTAINING, REPAIRING, AND OPERATING ALL NECESSARY LAND, PLANTS, WORKS, FACILITIES, IMPROVEMENTS, APPLIANCES, AND EQUIPMENT OF THE DISTRICT, AND FOR PAYING RELATED COSTS OF PROPER SERVICES, ENGINEERING AND LEGAL FEES, AND ORGANIZATION AND ADMINISTRATIVE EXPENSES?

PROPOSITION I

(MAINTENANCE TAX FOR ARTICLE III, SECTION 52, ROAD FACILITIES)

SHALL THE BOARD OF DIRECTORS OF GALVESTON COUNTY MUNICIPAL COUNTY UTILITY DISTRICT NO. 73 BE AUTHORIZED TO LEVY AND COLLECT AN OPERATION AND MAINTENANCE TAX (IN ADDITION TO ANY OTHER OPERATION AND MAINTENANCE TAX AUTHORIZED BY THE VOTERS OF SAID DISTRICT) NOT TO EXCEED TWENTY-FIVE CENTS (\$.25) PER ONE HUNDRED DOLLARS (\$100) VALUATION ON ALL TAXABLE PROPERTY WITHIN SAID DISTRICT TO SECURE FUNDS FOR OPERATING AND MAINTAINING, INCLUDING, BUT NOT LIMITED TO, PLANNING, CONSTRUCTING, ACQUIRING, AND REPAIRING ALL MACADAMIZED, GRAVELED OR PAVED ROADS AUTHORIZED BY ARTICLE III, SECTION 52, OF THE TEXAS CONSTITUTION, OR FACILITIES IN AID THEREOF, AND ALL WORKS, IMPROVEMENTS, FACILITIES, EQUIPMENT, AND APPLIANCES NECESSARY OR CONVENIENT THEREFOR, AND FOR PAYING RELATED COSTS OF PROPER SERVICES, ENGINEERING AND LEGAL FEES?

Section 5: In addition to any other measures, propositions, or offices to be voted on, the ballots used in the elections shall have printed thereon the following:

OFFICIAL BALLOT

PROPOSITION A

- () FOR DISTRICT
- () AGAINST DISTRICT

PROPOSITION B

- () FOR) THE ISSUANCE OF \$443,700,000 BONDS FOR
- () AGAINST) WATER, SANITARY SEWER, AND DRAINAGE
- () AGAINST) AND STORM SEWER SYSTEMS AND THE
- () AGAINST) LEVY OF TAXES, WITHOUT LIMIT AS TO
- () AGAINST) RATE OR AMOUNT, IN PAYMENT OF THE
- () AGAINST) PRINCIPAL AND INTEREST ON THE BONDS

PROPOSITION C

- () FOR) THE ISSUANCE OF \$44,370,000 REFUNDING
- () AGAINST) BONDS FOR WATER, SANITARY SEWER, AND
- () AGAINST) DRAINAGE AND STORM SEWER SYSTEMS
- () AGAINST) AND THE LEVY OF TAXES, WITHOUT LIMIT
- () AGAINST) AS TO RATE OR AMOUNT, IN PAYMENT OF
- () AGAINST) THE PRINCIPAL AND INTEREST ON THE
- () AGAINST) BONDS

PROPOSITION D

- () FOR) THE ISSUANCE OF \$113,000,000 BONDS FOR
- () AGAINST) RECREATIONAL FACILITIES AND THE LEVY
-) OF TAXES, WITHOUT LIMIT AS TO RATE OR
-) AMOUNT, IN PAYMENT OF THE PRINCIPAL
-) AND INTEREST ON THE BONDS

PROPOSITION E

- () FOR) THE ISSUANCE OF \$11,300,000 REFUNDING
- () AGAINST) BONDS FOR RECREATIONAL FACILITIES
-) AND THE LEVY OF TAXES, WITHOUT LIMIT
-) AS TO RATE OR AMOUNT, IN PAYMENT OF
-) THE PRINCIPAL AND INTEREST ON THE
-) BONDS

PROPOSITION F

- () FOR) THE ISSUANCE OF \$287,000,000 BONDS FOR
- () AGAINST) ROADS AND THE LEVY OF TAXES, WITHOUT
-) LIMIT AS TO RATE OR AMOUNT, IN
-) PAYMENT OF THE PRINCIPAL AND
-) INTEREST ON THE BONDS

PROPOSITION G

- () FOR) THE ISSUANCE OF \$28,700,000 REFUNDING
- () AGAINST) BONDS FOR ROADS AND THE LEVY OF
-) TAXES, WITHOUT LIMIT AS TO RATE OR
-) AMOUNT, IN PAYMENT OF THE PRINCIPAL
-) AND INTEREST ON THE BONDS

PROPOSITION H

- () FOR) AN OPERATION AND MAINTENANCE TAX
- () AGAINST) FOR CONSERVATION AND RECLAMATION
-) FACILITIES AUTHORIZED BY ARTICLE XVI,
-) SECTION 59, OF THE TEXAS CONSTITUTION,
-) NOT TO EXCEED ONE DOLLAR AND FIFTY
-) CENTS (\$1.50) PER ONE HUNDRED DOLLARS
-) (\$100) VALUATION OF TAXABLE PROPERTY

PROPOSITION I

- | | |
|-------------|---|
| () FOR |) AN OPERATION AND MAINTENANCE TAX |
| |) FOR ROAD FACILITIES AUTHORIZED BY |
| |) ARTICLE III, SECTION 52, OF THE TEXAS |
| |) CONSTITUTION, NOT TO EXCEED TWENTY- |
| |) FIVE CENTS (\$0.25) PER ONE HUNDRED |
| |) DOLLARS (\$100) VALUATION OF TAXABLE |
| () AGAINST |) PROPERTY |

Each voter shall vote on the propositions by placing an “X” in the square beside the statement indicating the way he or she wishes to vote.

Section 6: The District currently estimates that if all of the bonds described in Propositions B, C, D, E, F, and G, as described in Section 4 above, were approved, and all of the bonds proposed herein were authorized and issued, based on market conditions at the time of this Order, the District’s ad valorem debt service tax rate would increase to \$1.50 per \$100 of assessed valuation within the District.

The market conditions described herein are based on information available to the District on the date of adoption of this Order and take into consideration many factors, which are not subject to or within the control of the District, including but not limited to prevailing interest rates, the capital improvement needs of the District and the costs of such improvements, the development of property within the District, the assessed valuation of taxable property within the District, statutory or regulatory requirements and changes affecting the District, general economic conditions, including residential and commercial development market conditions, and other conditions affecting the sale of bonds by the District. The District makes no representation or covenant that any market conditions will remain unchanged after the date of this Order. The estimate made under this Section is not part of any proposition to be submitted to the voters and should not be construed to limit, amend or otherwise modify the express language of Propositions B, C, D, E, F, and G described in Section 4 above, or to create a contract with the voters relative to the terms upon which the bonds may be issued or the tax rate that may be levied by the District in payment of such bonds.

Section 7: The aggregate amount of the outstanding principal of the District’s bonds secured by ad valorem taxes as of the date of this Order is \$0.

Section 8: The aggregate amount of the outstanding interest on the District’s bonds secured by ad valorem taxes as of the date of this Order is \$0.

Section 9: The debt service tax rate for the District as of the date of this Order is \$0 per \$100 valuation of taxable property.

Section 10: In addition to any other measures, propositions, or offices to be voted on, the ballots used in the election for the directors shall have the names of four appointed directors and five blank spaces for write-in votes, as follows:

- () Cynthia Aldape

- () Rebecca C. Clark
- () Diane Perillo
- () Karen P. Alvanez

Section 11: Written applications for a place on the ballot for the office of director shall be filed at the office of the Secretary of the Board, or his/her authorized agent, by 5:00 p.m. on February 12, 2021.

Section 12: A written declaration of a person’s intention to be a write-in candidate on the ballot for the office of director shall be filed at the office of the Secretary of the Board, or his authorized agent, by 5:00 p.m. on February 16, 2021.

Section 13: The boundaries of the District are hereby established as and shall constitute one election precinct for the election.

Section 14: The District will enter into an interlocal agreement with Galveston County (“County”), by which the County will conduct the election and provide other election services on behalf of the District.

Section 15: The Election Officer of the County shall appoint the presiding judge, clerks, and members of the early voting ballot board for the election.

Section 16: Early voting by personal appearance will be conducted at locations identified by the County, as shown on **Exhibit A** attached hereto, and which may be updated subsequent to the adoption of this Order, as additional early voting locations are identified by the County.

Section 17: Applications for ballot by mail shall be mailed to:

Dwight D. Sullivan, County Clerk
Attn: Ernest Murrie, Chief Deputy Clerk for Elections
P.O. Box 17253
Galveston, TX 77552-7253

Applications for ballot by mail must be received no later than 5:00 p.m. on April 20, 2021.

Section 18: In the event the elections result favorably for the propositions submitted,

- (i) the creation of the District shall be confirmed,
- (ii) the Board shall be elected,

- (iii) the Board shall thereafter be authorized to issue \$443,700,000 in bonds of the District for the provision of waterworks system, sanitary sewer system, and drainage and storm sewer system facilities for the District, and to levy and collect ad valorem taxes sufficient to pay the principal of and interest on the bonds, on the terms and conditions described in Proposition B voted in the election,
- (iv) the Board shall thereafter be authorized to issue \$44,370,000 in bonds of the District to refund bonds issued or to be issued by the District for a waterworks system, sanitary sewer system, and/or a drainage and storm sewer system, and to levy and collect ad valorem taxes sufficient to pay the principal of and interest on the bonds, on the terms and conditions described in Proposition C voted in the election,
- (v) the Board shall thereafter be authorized to issue \$113,000,000 in bonds of the District for the provision of recreational facilities for the District, and to levy and collect ad valorem taxes sufficient to pay the principal of and interest on the bonds, on the terms and conditions described in Proposition D voted in the election,
- (vi) the Board shall thereafter be authorized to issue \$11,300,000 in bonds of the District to refund bonds issued or to be issued by the District for recreational facilities, and to levy and collect ad valorem taxes sufficient to pay the principal of and interest on the bonds, on the terms and conditions described in Proposition E voted in the election,
- (vii) the Board shall thereafter be authorized to issue \$287,000,000 in bonds of the District for the provision of road facilities for the District, and to levy and collect ad valorem taxes sufficient to pay the principal of and interest on the bonds, on the terms and conditions described in Proposition F voted in the election,
- (viii) the Board shall thereafter be authorized to issue \$28,700,000 in bonds of the District to refund bonds issued or to be issued by the District for road facilities, and to levy and collect ad valorem taxes sufficient to pay the principal of and interest on the bonds, on the terms and conditions described in Proposition G voted in the election,
- (ix) the Board shall be authorized to levy and collect an operation and maintenance tax for conservation and reclamation facilities authorized by Article XVI, Section 59, of the Texas Constitution not to exceed \$1.50 per \$100 assessed valuation on the terms and conditions described in Proposition H voted in the election,
- (x) the Board shall be authorized to levy and collect an operation and maintenance tax for road facilities authorized by Article III, Section 52, of the Texas Constitution not to exceed \$0.25 per \$100 of assessed valuation on the terms and conditions described in Proposition I voted in the election,

In the event the elections result against any of the propositions submitted, the Board shall be authorized to act on the terms and conditions of the propositions approved at the elections.

Section 19: The Board's President and Secretary, or their authorized agent, and the attorneys for the District are authorized and directed to take any action necessary or convenient to carry out the provisions of this Order.

Section 20: It is hereby found that the meeting at which this Order has been considered and adopted is open to the public, as required by law, and that written notice of the time, place, and subject matter of said meeting, and of the proposed adoption of this Order, was given as required by Chapter 551, Texas Government Code, and Section 49.063, Texas Water Code. The Board further ratifies and confirms said written notice and the contents and posting thereof.

ADOPTED AND APPROVED ON JANUARY 19, 2021.

President, Board of Directors

ATTEST:

Secretary, Board of Directors

(SEAL)

CERTIFICATE FOR ORDER

I, the undersigned officer of the Board of Directors of Galveston County Municipal Utility District No. 73, certify as follows:

1. The Board of Directors of Galveston County Municipal Utility District No. 73 convened in organizational session on January 19, 2021, and the roll was called of the members of the Board:

Cynthia Aldape	President
Karen P. Alvarez	Vice President
Vacant	Assistant Vice President
Rebecca C. Clark	Secretary
Diane Perillo	Assistant Secretary

and all of said persons were present, thus constituting a quorum. Among other business, the following was transacted at the meeting: a written

ORDER CALLING CONFIRMATION ELECTION, DIRECTOR ELECTION, BOND ELECTIONS, AND OPERATION AND MAINTENANCE TAX ELECTIONS

was introduced for the consideration of the Board. It was then moved and seconded that the Order be adopted; and, after discussion, the motion, carrying with it the adoption of the Order, prevailed and carried unanimously.

2. A true, full, and correct copy of the Order adopted at the meeting described in the above paragraph is attached to this certificate. The action approving the Order has been recorded in the Board's minutes of the meeting. The persons named above are the chosen, qualified, and acting members of the Board. Each of the members of the Board was sufficiently notified officially and personally, in advance, of the time, place, and purpose of the aforesaid meeting, and that the Order would be introduced and considered for adoption at the meeting, and each of the members consented, in advance, to the holding of the meeting for such purpose. The meeting was open to the public as required by law, and public notice of the time, place, and subject of the meeting was given as required by Chapter 551, Texas Government Code, and Section 49.063, Texas Water Code, together with any official actions of the Office of the Governor of the State of Texas related to the temporary suspension of applicable provisions of said laws due to then-current pandemic conditions and disaster declarations.

SIGNED AND SEALED on January 19, 2021.

Secretary

(SEAL)