This OFFICIAL NOTICE OF SALE does not alone constitute an invitation for bids on the Bonds but is merely notice of sale of the Bonds described herein. The invitation for bids is being made by means of this OFFICIAL NOTICE OF SALE, the PRELIMINARY OFFICIAL STATEMENT and the OFFICIAL BID FORM attached hereto. Information contained in this OFFICIAL NOTICE OF SALE is qualified in its entirety by the detailed information contained in the PRELIMINARY OFFICIAL STATEMENT.

OFFICIAL NOTICE OF SALE

FORT BEND COUNTY MUNICIPAL UTILITY DISTRICT NO. 173

(A political subdivision of the State of Texas located within Fort Bend County)

$4,800,000

UNLIMITED TAX BONDS
SERIES 2016

THE BONDS WILL BE DESIGNATED "QUALIFIED TAX-EXEMPT OBLIGATIONS" FOR FINANCIAL INSTITUTIONS

BIDS DUE: Monday, October 24, 2016 at 10:30 A.M., Houston Time
BID AWARD: Monday, October 24, 2016 at 1:00 P.M., Houston Time

The bonds described above (the "Bonds") are limited obligations solely of Fort Bend County Municipal Utility District No. 173 (the "District") and are not obligations of the State of Texas, Fort Bend County, the City of Fulshear, the other MUD Participants (as defined in the PRELIMINARY OFFICIAL STATEMENT) or any entity other than the District.

THE SALE

Bonds Offered for Sale by Competitive Bidding: The Board of Directors (the "Board") of the District is inviting competitive bids for the purchase of $4,800,000 Unlimited Tax Bonds, Series 2016 (the "Bonds"). Bidders may submit bids for the Bonds by any of the following methods:

(1) Deliver bids directly to the District as described below in "Bids Delivered to the District;"
(2) Submit bids electronically as described below in "Electronic Bidding Procedures;" or
(3) Submit bids by telephone as described below in "Bids by Telephone."

Bids Delivered to the District: Sealed bids, plainly marked "Bid for Bonds," should be addressed to "President and Board of Directors, Fort Bend County Municipal Utility District No. 173" and delivered to FirstSouthwest, a Division of Hilltop Securities Inc., 700 Milam Street, Suite 500, Houston, Texas 77002 prior to 10:30 A.M., Houston time, on October 24, 2016. All bids must be submitted in duplicate on the Official Bid Form, without alteration or interlineation.

Electronic Bidding Procedures: Any prospective bidder that intends to submit an electronic bid must submit its electronic bid through the facilities of PARITY by 10:30 A.M., Houston Time Monday, October 24, 2016. Bidders must submit by email or facsimile (debbie.shelton@hilltopsecurities.com/(713) 654-8625), prior to 10:30 A.M., Monday, October 24, 2016, a signed OFFICIAL BID FORM to Debbie Shelton, FirstSouthwest, a Division of Hilltop Securities Inc., 700 Milam Street, Suite 500, Houston, Texas 77002. Subscription to the i-Deal LLC'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.

An electronic bid made through the facilities of PARITY shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in this 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 this 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 PARITY Customer Support, 40 West 23rd Street, 5th Floor, New York, New York 10010, telephone: (212) 812-0905.

For purposes of both the written sealed bid process and 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 interest cost to the District, as described under "CONDITIONS OF THE 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.**
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Bids by Telephone: Bidders must submit by e-mail or facsimile (debbie.shelton@hilltopsecurities.com/(713) 654-8625) a signed original Official Bid Form to Ms. Debbie Shelton, FirstSouthwest, a Division of Hilltop Securities Inc., 700 Milam Street, Suite 500, Houston, Texas 77002, *prior to 9:30 A.M., Monday, October 24, 2016*. Bidders that have provided a signed OFFICIAL BID FORM will be contacted by a representative of FirstSouthwest, a Division of Hilltop Securities Inc. between 9:45 A.M., Houston Time and 10:15 A.M., Houston Time on the date of the sale. Questions about this procedure should be addressed to Ms. Shelton at (713) 654-8625. See "CONDITIONS OF THE SALE—Required Disclosure of Interested Parties" for additional requirements concerning submission of bids.

Neither FirstSouthwest, a Division of Hilltop Securities Inc. nor the District will be responsible for the submission of any bids tendered by telephone before the deadline for filing but received by the Board after the filing deadline. Neither FirstSouthwest, a Division of Hilltop Securities Inc. nor the District assume any responsibility or liability with respect to any irregularities or errors associated with the submission of bids if the above-described telephone options are exercised. ***The District will not accept bids submitted by facsimile.***

Place and Time of Bid Opening: The bids for the Bonds will be publicly opened and read by an authorized representative of the Board at FirstSouthwest, a Division of Hilltop Securities Inc., 700 Milam Street, Suite 500, Houston, Texas 77002, at 11:00 A.M., Houston Time, Monday, October 24, 2016.

Award of the Bonds: The District will take action to award the Bonds or reject all bids at a meeting scheduled to convene at 1:00 P.M., Houston Time, on the date of the bid opening, at Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027. Upon awarding the Bonds to the winning bidder (the "Initial Purchaser" or "Underwriter"), the Board will adopt a resolution authorizing the issuance of the Bonds (the "Bond Resolution"). Sale of the Bonds will be made subject to the terms, conditions and provisions of the Bond Resolution, to which Bond Resolution reference is hereby made for all purposes and subject to compliance with Texas Government Code § 2252.908 as more fully described below. The District reserves the right to reject any and all bids and to waive any irregularities, except the time of filing of the bids.

THE BONDS

Description of the Bonds: The Bonds will be dated November 1, 2016, and interest will be payable on March 1, 2017, and on each September 1 and March 1 thereafter until the earlier of maturity or redemption. The Bonds will be issued in fully registered form only, in denominations of $5,000 or any integral multiple of $5,000 for any one maturity. See the PRELIMINARY OFFICIAL STATEMENT (made a part hereof) for a more complete description of the Bonds. The Bonds will mature serially on September 1 in the years and amounts as follows:

YEAR DUE	PRINCIPAL AMOUNT	YEAR DUE	PRINCIPAL AMOUNT	YEAR DUE	PRINCIPAL AMOUNT
2018	$ 100,000	2027	$ 155,000	2035	$ 230,000
2019	105,000	2028	165,000	2036	240,000
2020	110,000	2029	170,000	2037	255,000
2021	115,000	2030	180,000	2038	265,000
2022	125,000	2031	190,000	2039	280,000
2023	130,000	2032	200,000	2040	295,000
2024	135,000	2033	210,000	2041	310,000
2025	140,000	2034	220,000	2042	325,000
2026	150,000				

Redemption Provisions: Bonds maturing on or after September 1, 2025, are subject to redemption prior to maturity, at the option of the District, as a whole or in part, on September 1, 2024, or on any date thereafter, at a price of par value plus unpaid accrued interest from the most recent interest payment date to the date fixed for redemption. If less than all of the Bonds are redeemed at any time, the maturities of the Bonds to be redeemed shall be selected by the District. If less than all the Bonds of any maturity are redeemed at anytime, the particular Bonds within maturity to be redeemed shall be selected by the Paying Agent/Registrar by lot or other customary method of selection (or by DTC in accordance with its procedures while the Bonds are in book-entry-only form).

Mandatory Sinking Fund Redemption: If the successful bidder designates principal amounts to be combined into one or more term bonds, each such term bond shall be subject to mandatory sinking fund redemption commencing on September 1 of the first year which has been combined to form such term bond and continuing on September 1 in each year thereafter until the stated maturity date of that term bond. The amount redeemed in any year shall be equal to the principal amount for such year set forth on the cover page of the PRELIMINARY OFFICIAL STATEMENT under the caption "Maturity Schedule." Bonds to be redeemed in any year by mandatory sinking fund redemption shall be redeemed at par by lot or other customary random selection method. The principal amount of term bonds to be mandatorily redeemed is subject to proportionate reduction by the amount of any prior optional redemption.

Book-Entry-Only: The Bonds will be registered 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 of the Bonds will not receive physical certificates representing the Bonds, but will receive a credit balance on the books of the nominees of such Beneficial Owners. 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 of the Bonds as described herein. See "THE BONDS—Book-Entry-Only System."

Registered Form Requirement: 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) must be in registered form in order for the interest payable on such obligations to be excluded from the Registered Owners' income for federal income tax purposes.

Successor Paying Agent/Registrar: The Bank of New York Mellon Trust Company, N.A., Dallas, Texas has been appointed as the initial Paying Agent/Registrar. Provision is made in the Bond Resolution for replacement of the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the District, the new paying agent/registrar shall act in the same capacity as the previous Paying Agent/Registrar. Any paying agent/registrar selected by the District shall be a national or state banking institution organized and doing business under the laws of the United States of America or any state thereof and shall be subject to supervision or examination by federal or state authority.

Source of Payment: The Bonds will constitute valid and binding obligations of the District, payable as to principal and interest from the proceeds of a continuing, direct, annual ad valorem tax without legal limitation as to rate or amount, levied against taxable property located within the District, as further described in the Preliminary Official Statement. The Bonds are obligations solely of Fort Bend County Municipal Utility District No. 173 and are not obligations of Fort Bend County, the City of Fulshear, the State of Texas, or any entity other than the District.

CONDITIONS OF THE SALE

Types of Bids and Interest Rates: The Bonds will be sold in one block on an "all or none" basis at a price of not less than ninety-seven percent (97%) of the par value plus accrued interest to the date fixed for delivery. Bidders are to name the rate or rates of interest to be borne by the Bonds, provided that each interest rate bid must be in a multiple of 1/8 of 1% or 1/20 of 1%. The net effective interest rate on the Bonds may not exceed 5.20% which is two percentage points (2%) above the highest "20 Bond Index" as reported by the "Bond Buyer" during the thirty (30) day period prior to the date of this OFFICIAL NOTICE OF SALE as calculated pursuant to Chapter 1204 of the Texas Government Code, as amended. No bids generating a cash premium greater than $5,000 will be accepted. Subject to the conditions below, no limitation will be imposed upon bidders as to the number of interest rates which may be used, but each rate of interest specified for Bonds maturing in the years 2025 (base year) through 2042, both inclusive, shall not be less than the rate of interest specified for any earlier maturity highest interest rate bid may not exceed the lowest interest rate bid by more than 2.50% in rate. All Bonds maturing within a single year must bear the same rate of interest. No bids for the Bonds involving supplemental interest rates will be considered. Each bidder shall state in its bid the total and net interest cost in dollars and the net effective interest rate determined thereby, which shall be considered informative only and not as a part of the bid.

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 interest rate or rates specified therein, the total dollar value of all interest on the Bonds from the date thereof to their respective maturities and adding thereto any discount bid, if any, or subtracting therefrom any premium bid, if any. The District reserves the right to reject any or all bids and to waive any and all irregularities except time of filing. Subject to such rights, the Bonds will be awarded to the bidder whose bid, under the above computation, produces the lowest net interest cost to the District subject to compliance with Texas Government Code § 2252.908. In the event of mathematical discrepancies between the interest rate or rates and the interest cost determined therefrom, as both appear on the OFFICIAL BID FORM, the bid will be solely governed by the interest rates shown on the OFFICIAL BID FORM.

Good Faith Deposit: Each bid must be accompanied by a bank cashier's check payable to the order of "Fort Bend County Municipal Utility District No. 173" in the amount of $96,000, which represents two percent (2%) of the par value of the Bonds (the "Good Faith Deposit"). **Only bank cashier's checks will be accepted.** The check will be considered as a Good Faith Deposit. No interest will be paid on the Good Faith Deposit. The checks for the Good Faith Deposit 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. The check of the Underwriter will be retained uncashed by the District pending the Underwriter's compliance with the terms of the OFFICIAL BID FORM and this OFFICIAL NOTICE OF SALE. In the event the Underwriter should fail or refuse to accept delivery of and pay for the Bonds in accordance with such terms, then the Good Faith Deposit shall be cashed and the proceeds accepted by the District as full and complete liquidated damages against the Underwriter. 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. The Good Faith Deposit will be returned immediately after full payment has been made by the Underwriter to the District in federal or immediately available funds in the amount of the purchase price plus accrued interest thereon.

Provision of Texas Ethics Commission Form 1295 ("TEC Form 1295") by Bidders: Effective January 1, 2016, 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, have provided to the District (c/o FirstSouthwest, a Division of Hilltop Securities Inc., 700 Milam Street, Suite 500, Houston, Texas 77002; Attn: Debbie Shelton, debbie.shelton@HilltopSecurities.com) a completed, signed and notarized 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, signed and notarized, 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 via facsimile or electronically, however, the original signed and notarized TEC Form 1295 complete with certificate number must be physically delivered to the District (c/o Allen Boone Humphries Robinson LLP, 3200 Southwest Freeway, Suite 2600, Houston, Texas 77027) within two business days of the award. Following the award of the Bonds, the District will notify the TEC of the receipt of each completed TEC Form 1295. The District reserves the right to reject any bid that does not comply with the requirements prescribed herein or to waive any such requirements. For purposes of completing the TEC Form 1295, the entity's name is Fort Bend County Municipal Utility District No. 173 and the contract ID number is FBCMUD173-S2016-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 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 submit the completed form promptly upon notification from the District that its bid is the apparent winning bid.

DELIVERY AND ACCOMPANYING DOCUMENTS

Initial Delivery of Initial Bond: Initial delivery ("Initial Delivery") will be accomplished by the issuance of one initial bond (the "Initial Bond"), either in typed or printed form, in the aggregate principal amount of $4,800,000, payable in stated installments, registered in the name of Cede & Co., manually signed by the President or Vice President and Secretary or Assistant Secretary of the Board, or executed by the facsimile signatures of the President or Vice President and Secretary or Assistant Secretary of the Board, 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. Initial Delivery will be at the principal payment office of the Paying Agent/Registrar. 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 Underwriter will be given three (3) business days' notice of the time fixed for delivery of the Bonds. It is anticipated that Initial Delivery can be made on or about November 22, 2016, and subject to the aforementioned notice it is understood and agreed that the Underwriter will accept delivery of and make payment for the Bonds by 10:00 A.M., Dallas Time, on November 22, 2016, or thereafter on the date the Bonds are tendered for delivery, up to and including December 27, 2016. If for any reason the District is unable to make delivery on or before December 27, 2016, then the District shall immediately contact the Underwriter and offer to allow the Underwriter to extend its offer for an additional thirty (30) days. If the Underwriter does not elect to extend its offer within three (3) business days thereafter, then its Good Faith Deposit will be returned, and both the District and the Underwriter 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 an Exchange Bond for each maturity, registered in the name of Cede & Co., as nominee for DTC, in denominations of $5,000 or any integral multiple of $5,000 for any one maturity in accordance with DTC's Book-Entry-Only System. See "THE BONDS—Book-Entry-Only System."

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 Underwriter to accept delivery of and pay for the Bonds in accordance with the terms of this OFFICIAL NOTICE OF SALE. The Financial Advisor will obtain CUSIP identification numbers from the CUSIP Service Bureau, New York, New York prior to the date of sale. CUSIP identification numbers will be made available to the Underwriter at the time the Bonds are awarded or as soon thereafter as practicable. The CUSIP Service Bureau charge for the assignment of the numbers shall be the responsibility of and shall be paid by the Underwriter.

Conditions to Delivery: The Underwriter'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 Allen Boone Humphries Robinson LLP ("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 Underwriter a transcript of certain certified proceedings incident to the issuance and authorization of the Bonds, including a certified copy of the unqualified approving legal 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 proceeds of an annual ad valorem tax levied, without limit as to rate or amount upon all taxable property within the District, and, based upon an examination of such transcript, the approving legal opinion of Bond Counsel, to a like effect and to the effect that interest on the Bonds is excludable from gross income for federal income tax purposes under existing law and that interest on the Bonds is not subject to the alternative minimum tax on individuals and corporations, except for certain alternative minimum tax consequences for corporations.

Certification Regarding Offering Price of Bonds: In order to provide the District with information to enable it to comply with certain conditions of the Internal Revenue Code of 1986 (the "Code") relating to the exclusion of interest on the Bonds from gross income for federal income tax purposes, the Underwriter will be required to complete, execute and deliver to the District (on or before the date of delivery of the Bonds) a certification regarding "issue price" substantially in the form accompanying this OFFICIAL NOTICE OF SALE. If the Underwriter will not reoffer the Bonds for sale or has not sold a substantial amount of the Bonds of any maturity by the date of delivery, such certificate may be modified in a manner approved by the District and Bond Counsel. Each bidder, by submitting its bid, agrees to complete, execute and deliver such a certificate by the date of delivery of the Bonds if its bid is accepted by the District. It will be the responsibility of the Underwriter to institute such syndicate reporting requirements, to make such investigation, or otherwise to ascertain the facts necessary to enable it to make such certification with reasonable certainty. Any questions concerning such certification should be directed to Bond Counsel.

Qualified Tax-Exempt Obligations: The Bonds will be designated as "qualified tax-exempt obligations" for financial institutions. See "Tax Matters—Qualified Tax Exempt Obligations" in the Preliminary Official Statement.

No-Litigation Certificate: The District will furnish the Underwriter 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, restraining or enjoining the levy, assessment and collection of ad valorem taxes to pay the interest on or principal of the Bonds; in any manner questioning the authority or proceedings for the issuance, execution or delivery of the Bonds; or affecting the validity of the Bonds or the title of the officers thereof to their respective offices.

No Material Adverse Change: The obligations of the District to deliver the Bonds and of the Underwriter 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 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.

RULE 15c2-12 COMPLIANCE

Continuing Disclosure: The District will agree in the Bond Resolution to provide certain periodic information and notices of specified events in accordance with Securities and Exchange Commission ("SEC") Rule 15c2-12 (the "Rule"), 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 or its agent of a certified copy of the Bond Resolution containing the agreement described under such heading. The District has not previously entered into a continuing disclosure agreement.

Substantive Requirements for Official Statement: To the best knowledge and behalf of the District, the Preliminary Offering Statement contains information, including financial information or operating data, concerning every entity, enterprise, fund, account, or person that is material to an evaluation of the offering of the Bonds.

Final Official Statement: The District has approved and authorized distribution of the accompanying Preliminary Official Statement for dissemination to potential purchasers of the Bonds, but does not intend to prepare any other document or version thereof for such purpose, except as described below. Accordingly, the District intends the Preliminary Official Statement to be final as of its date, within the meaning of SEC Rule 15c2-12(b)(1), except for information relating to the offering prices, interest rates, final debt service schedule, selling compensation, identity of the Initial Purchaser and other similar information, terms and provisions to be specified in the competitive bidding process. The Initial Purchaser shall be responsible for promptly informing the District of the initial offering yields of the Bonds. Thereafter, the District will complete and authorize distribution of the Official Statement identifying the Initial Purchaser and containing such omitted information. 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. By delivering the final Official Statement or any amendment or supplement thereto in the requested quantity to the Initial Purchaser on or after the sale date, the District intends the same to be final as of such date, within the meaning of SEC Rule 15c2-12(f)(3). Notwithstanding the foregoing, the only representations concerning the absence of material misstatements or omissions from the Official Statement which are being or which will be made by the District are those described and contained in the Official Statement under the caption "PREPARATION OF OFFICIAL STATEMENT-Certification of 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 the Official Statement to be materially misleading, and unless the Initial Purchaser elects to terminate its obligation to purchase the Bonds, as described above under "DELIVERY OF THE BONDS AND ACCOMPANYING DOCUMENTS--Conditions to Delivery," 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 as provided in SEC Rule 15c2-12 (but not more than 90 days after the date the District delivers the Bonds).

Delivery of Official Statements: The District shall furnish to the Initial Purchaser (and to each participating Initial Purchaser of the Bonds, within the meaning of SEC Rule 15c2-12(a), designated by the Initial Purchaser), within seven (7) business days after the sale date, the aggregate number of Official Statements specified in the winning bid, not to exceed 250 copies. The District also shall furnish to the Initial Purchaser a like number of any supplements or amendments approved and authorized for distribution by the District for dissemination to potential purchasers of the Bonds, as well as such additional copies of the Official Statement or any such supplements or amendments as the Initial Purchaser may reasonably request prior to the 90th day after the end of the underwriting period described in SEC Rule 15c2-12(f)(2). The District shall pay the expense of preparing the number of copies of the Official Statement specified in the winning bid and an equal number of any supplements or amendments issued on or before the delivery date, but the Initial Purchaser shall pay for all other copies of the Official Statement or any supplement or amendment thereto.

GENERAL CONSIDERATIONS

Risk Factors: The Bonds involve certain risk factors. Prospective bidders are urged to examine carefully the entire Preliminary Official Statement, with respect to the investment security associated with 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.

Municipal Bond Rating: The District has not applied for an underlying investment grade rating nor is it expected that the District would have been successful if such application had been made.

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.

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, in reliance upon the exemptions provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein, and the Bonds have not 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 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 of Texas 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.

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, FirstSouthwest, a Division of Hilltop Securities Inc., 700 Milam Street, Suite 500, Houston, Texas 77002.

Ms. Judith Y. Klein
President, Board of Directors
Fort Bend County Municipal Utility District No. 173

September 14, 2016

OFFICIAL BID FORM

President and Board of Directors
Fort Bend County Municipal Utility District No. 173
c/o FirstSouthwest, a Division of Hilltop Securities Inc.
700 Milam Street, Suite 500
Houston, Texas 77002

October 24, 2016

Board Members:

We have read in detail your OFFICIAL NOTICE OF SALE and accompanying PRELIMINARY OFFICIAL STATEMENT, dated September 14, 2016, relating to the Fort Bend County Municipal Utility District No. 173 $4,800,000 Unlimited Tax Bonds, Series 2016 (the "Bonds"), as made a part hereof. We realize that the Bonds involve certain investment risks, and we have made inspections and investigations as we deem necessary relating to the District and to the investment quality of the Bonds.

For your legally issued Bonds, in the aggregate principal amount of $4,800,000, we will pay you a price of $_____, representing _____% of the principal amount thereof, plus accrued interest to the date of delivery to us. Such Bonds mature September 1, in each of the years and in the amounts and interest rates shown below:

Maturity	Principal Amount	Interest Rate	Maturity	Principal Amount	Interest Rate
2018	$ 100,000	_____%	2031 (a)	$ 190,000	_____%
2019	105,000	_____%	2032 (a)	200,000	_____%
2020	110,000	_____%	2033 (a)	210,000	_____%
2021	115,000	_____%	2034 (a)	220,000	_____%
2022	125,000	_____%	2035 (a)	230,000	_____%
2023	130,000	_____%	2036 (a)	240,000	_____%
2024	135,000	_____%	2037 (a)	255,000	_____%
2025 (a)	140,000	_____%	2038 (a)	265,000	_____%
2026 (a)	150,000	_____%	2039 (a)	280,000	_____%
2027 (a)	155,000	_____%	2040 (a)	295,000	_____%
2028 (a)	165,000	_____%	2041 (a)	310,000	_____%
2029 (a)	170,000	_____%	2042 (a)	325,000	_____%
2030 (a)	180,000	_____%			

(a) Bonds maturing on or after September 1, 2025, are subject to redemption prior to maturity at the option of the District in whole or from time to time in part, on September 1, 2024, or on any date thereafter, at a price equal to the par plus accrued interest on the principal amounts called for redemption to the date fixed for redemption.

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

Term Bond Maturity Date September 1	Year of First Mandatory Redemption	Prnicipal Amount of Term Bond	Interest Rate
_____	_____	$ _____	_____%
_____	_____	_____	_____%
_____	_____	_____	_____%
_____	_____	_____	_____%
_____	_____	_____	_____%

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

Total Interest Cost from November 1, 2016 .....$_____
Plus Dollar Amount of Discount.....$_____
NET INTEREST COST .....$_____
NET EFFECTIVE INTEREST RATE ..... _____%

The Initial Bond shall be registered in the name of Cede & Co., as nominee for the Depository Trust Company, New York, New York (see accompanying PRELIMINARY OFFICIAL STATEMENT). We will advise The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, the Paying Agent/Registrar, of our registration instructions at least five (5) business days prior to the date set for Initial Delivery. We will not ask the Paying Agent/Registrar to accept any registration instructions after the five (5) day period.

A cashier's check payable to the order of the District in the amount of $96,000 has been made available to you prior to the opening of this bid, as a Good Faith Deposit for disposition in accordance with the OFFICIAL NOTICE OF SALE made a part hereof. Should we fail or refuse to make payment for the Bonds in accordance with the terms and conditions set forth in the OFFICIAL NOTICE OF SALE, this check shall be cashed by the District and the proceeds retained as complete liquidated damages against us.

The District may not accept this bid until it has received from the bidder a completed, signed, and notarized TEC Form 1295 and Certification of Filing pursuant to Texas Government Code § 2252.908 and the rules promulgated thereunder by the Texas Ethics Commission. The undersigned understands that failure to provide said form and Certification of Filing will result in a non-conforming bid and will prohibit the District from considering this bid for acceptance.

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 accompanying the OFFICIAL NOTICE OF SALE, with such changes thereto as may be acceptable to the District.

We agree to accept delivery of and make payment for the Bonds in immediately available funds at the offices of The Bank of New York Mellon Trust Company, N.A., in Dallas, Texas not later than ten o'clock A.M., Dallas Time, on November 22, 2016, or thereafter on the date the Bonds are tendered for delivery, pursuant to the terms set forth in the "Official Notice of Sale."

Respectfully submitted,

_____

By: _____

Telephone Number: _____

Syndicate Members (if any):

_____ _____

_____ _____

ACCEPTANCE CLAUSE

The above and foregoing bid is hereby in all things accepted by Fort Bend County Municipal Utility District No. 173, this 24th day of October 2016.

ATTEST:

_____ _____

Secretary, Board of Directors President, Board of Directors

BOND YEARS

Due: September 1, Annually
Dated: November 1, 2016

Year	Principal	Bond Years	Cumulative Bond Years
2018	$ 100,000	183.333	183.333
2019	105,000	297.500	480.833
2020	110,000	421.667	902.500
2021	115,000	555.833	1,458.333
2022	125,000	729.167	2,187.500
2023	130,000	888.333	3,075.833
2024	135,000	1,057.500	4,133.333
2025	140,000	1,236.667	5,370.000
2026	150,000	1,475.000	6,845.000
2027	155,000	1,679.167	8,524.167
2028	165,000	1,952.500	10,476.667
2029	170,000	2,181.667	12,658.333
2030	180,000	2,490.000	15,148.333
2031	190,000	2,818.333	17,966.667
2032	200,000	3,166.667	21,133.333
2033	210,000	3,535.000	24,668.333
2034	220,000	3,923.333	28,591.667
2035	230,000	4,331.667	32,923.333
2036	240,000	4,760.000	37,683.333
2037	255,000	5,312.500	42,995.833
2038	265,000	5,785.833	48,781.667
2039	280,000	6,393.333	55,175.000
2040	295,000	7,030.833	62,205.833
2041	310,000	7,698.333	69,904.167
2042	325,000	8,395.833	78,300.000
Total	$4,800,000		

Average Maturity – 16.313 Years

ISSUE PRICE CERTIFICATE

The undersigned hereby certifies as follows with respect to the sale of $4,800,000 Fort Bend County Municipal Utility District No. 173 (the "District") Unlimited Tax Bonds, Series 2016 (the "Bonds"):

1. The undersigned is the underwriter or the manager of the syndicate of underwriters (the "Underwriter") which has purchased the Bonds from the District at competitive sale.

2. The first price for each maturity of the Bonds at which a substantial amount (at least ten percent) of each maturity is sold to the public (expressed as percentage of principal amount and exclusive of accrued interest) is as set forth below:

Principal Amount Maturing	Year of Maturity	Offering Price	Principal Amount Maturing	Year of Maturity	Offering Price
$ 100,000	2018	_____%	$ 190,000	2031 *	_____%
105,000	2019	_____%	200,000	2032 *	_____%
110,000	2020	_____%	210,000	2033 *	_____%
115,000	2021	_____%	220,000	2034 *	_____%
125,000	2022	_____%	230,000	2035 *	_____%
130,000	2023	_____%	240,000	2036 *	_____%
135,000	2024	_____%	255,000	2037 *	_____%
140,000	2025 *	_____%	265,000	2038 *	_____%
150,000	2026 *	_____%	280,000	2039 *	_____%
155,000	2027 *	_____%	295,000	2040 *	_____%
165,000	2028 *	_____%	310,000	2041 *	_____%
170,000	2029 *	_____%	325,000	2042 *	_____%
180,000	2030 *	_____%			

* Subject to optional redemption on September 1, 2024 and thereafter.

3. The Underwriter has made a bona fide offering to the public of all of the Bonds of each maturity at the initial offering prices to the public set forth above. The initial offering prices set forth above are the prices at which the Underwriter expected, on the date the Bonds were purchased by the Underwriter, to offer such Bonds to the general public and such prices have not been adjusted to take into account actual facts after such date.

4. In the case of the Retained Maturities, the Underwriter reasonably expected on the offering date to sell each Retained Maturity at the initial offering price/yield as set forth below:

Principal Amount Maturing	Year of Maturity	Offering Price	Principal Amount Maturing	Year of Maturity	Offering Price
$ 100,000	2018	_____%	$ 190,000	2031 *	_____%
105,000	2019	_____%	200,000	2032 *	_____%
110,000	2020	_____%	210,000	2033 *	_____%
115,000	2021	_____%	220,000	2034 *	_____%
125,000	2022	_____%	230,000	2035 *	_____%
130,000	2023	_____%	240,000	2036 *	_____%
135,000	2024	_____%	255,000	2037 *	_____%
140,000	2025 *	_____%	265,000	2038 *	_____%
150,000	2026 *	_____%	280,000	2039 *	_____%
155,000	2027 *	_____%	295,000	2040 *	_____%
165,000	2028 *	_____%	310,000	2041 *	_____%
170,000	2029 *	_____%	325,000	2042 *	_____%
180,000	2030 *	_____%			

* Subject to optional redemption on September 1, 2024 and thereafter.

5. The Underwriter has or has not (circle one) purchased bond insurance for the Bonds. The bond insurance, if any, has been purchased from _____ (the "Insurer") for a fee of $_____ (net 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, arm's-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 has not been earned.

6. The initial offering prices described above for each maturity of the Bonds do not exceed fair market value at the time such prices were established.

7. The term "public," as used herein, means persons other than bondhouses, brokers, dealers, and similar persons or organizations acting in the capacity of underwriters or wholesalers.

8. The undersigned understands that the statements made herein will be relied upon by the District and Allen Boone Humphries Robinson LLP 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 _____, 2016.

_____
Name of Underwriter or Manager

By:_____

Title:_____