

**THIS INVITATION DATED FEBRUARY 20, 2024 WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME
ON MARCH 4, 2024 UNLESS EARLIER TERMINATED OR EXTENDED**

INVITATION TO TENDER BONDS

made by

TEXAS TRANSPORTATION COMMISSION

to the Bondowners described herein of

all or any portion of the maturities listed on page (ii) herein of

**TEXAS TRANSPORTATION COMMISSION
STATE OF TEXAS
HIGHWAY IMPROVEMENT
GENERAL OBLIGATION REFUNDING BONDS,
TAXABLE SERIES 2019**

**TEXAS TRANSPORTATION COMMISSION
STATE OF TEXAS
HIGHWAY IMPROVEMENT
GENERAL OBLIGATION REFUNDING BONDS,
TAXABLE SERIES 2020**

This Invitation to Tender Bonds, dated February 20, 2024 (as it may be amended or supplemented, this "**Invitation**"), which includes the Appendices hereto, describes an offer ("**Tender Offer**") made by the Texas Transportation Commission (the "**Commission**") to the beneficial owners (the "**Bondowners**") of the Commission's outstanding (i) State of Texas Highway Improvement General Obligation Refunding Bonds, Taxable Series 2019 (the "**Series 2019 Target Bonds**"), and (ii) State of Texas Highway Improvement General Obligation Refunding Bonds, Taxable Series 2020 (the "**Series 2020 Target Bonds**"), and together with the Series 2019 Target Bonds, the "**Target Bonds**") maturing on the dates set forth in the tables on page (ii) of this Invitation, to tender such Target Bonds for cash purchase on the Settlement Date (as defined herein) by the Commission at the applicable price (each an "**Offer Purchase Price**") to be determined as described herein based on a yield (each a "**Purchase Yield**") equal to the fixed spread (each a "**Fixed Spread**") to be added to the yield on the relevant benchmark United States Treasury Security (the "**Benchmark Treasury Security**"). **Notwithstanding the preceding sentence, in no event will an Offer Purchase Price for any Target Bonds exceed 100% of the principal amount of such Target Bonds. See Section 2, "Information to Bondowners - Tender Consideration - Determination of Offer Purchase Prices" herein.** Interest on Target Bonds validly tendered and purchased to but not including the Settlement Date ("**Accrued Interest**") will also be paid on the Settlement Date. On or about February 27, 2024, the Commission expects to publish (as it may be amended and supplemented) the Pricing Notice (as defined herein) in the form attached hereto as **Appendix B**, which will include the "Fixed Spread" for each maturity and corresponding CUSIP of the respective Target Bonds, as listed in page (ii) of this Invitation.

The purchase of any Target Bonds pursuant to this Invitation is contingent on the Commission receiving sufficient net proceeds from the issuance of the Commission's State of Texas Highway Improvement General Obligation Refunding Bonds, Series 2024 (the "**Series 2024 Bonds**"), described in the Preliminary Official Statement of the Commission dated February 20, 2024 and attached hereto as **Appendix A** (the "**Series 2024 Bonds POS**") and other Financing Conditions (as defined herein) and is also subject to the terms of this Invitation and certain other conditions as described herein, including the approval of the Attorney General of the State of Texas with respect to the Series 2024 Bonds. Capitalized terms used and not defined in the body of this Invitation shall have the meanings ascribed to such terms in the Series 2024 Bonds POS.

This Tender Offer is part of a plan by the Commission to refinance certain of its outstanding indebtedness, including the purchase of some or all of the Target Bonds, for debt service savings (the "**Refunding Plan**"), as described in the Series 2024 Bonds POS. The Series 2024 Bonds, if issued, will produce no more than approximately \$1.013 billion in bond proceeds (the "**Cap Amount**") which will be used to finance the Refunding Plan and to pay the costs and expenses of this Tender Offer and of issuing the Series 2024 Bonds. The Commission intends to purchase up to all of the Target Bonds validly tendered for purchase pursuant to this Invitation, though depending upon the results of this Tender Offer and other factors including the Financing Conditions and the Cap Amount, the Commission, in its sole discretion, may elect to purchase less than all of the Target Bonds so tendered. Except as described in this Invitation, the Commission shall be under no obligation to accept any Target Bonds tendered for purchase pursuant to this Invitation. The Commission, in its sole discretion, will select which, if any, Target Bonds to purchase of each maturity thereof. Bondowners who do not tender their Target Bonds or whose Target Bonds are tendered but not accepted for purchase by the Commission will continue to own their respective interest in their Target Bonds and such Target Bonds will remain outstanding. See Section 17, "Additional Considerations – *Potential Subsequent Transactions*" herein.

To make an informed decision as to whether, and how, to offer Target Bonds for purchase pursuant to this Invitation, Bondowners must read this Invitation carefully, including the Series 2024 Bonds POS attached as **Appendix A**, the Pricing Notice, all other notices, amendments and supplements to thereto, if any, and consult their broker-dealer, financial, legal, accounting, tax, and other professionals. **This Invitation, the Series 2024 Bonds POS, the Pricing Notice and all other notices, amendments and supplements thereto, if any, collectively, shall constitute an invitation to Bondowners to offer to tender their Target Bonds for purchase.**

The Tender Offer is being made by the Commission with the assistance of Jefferies LLC, as dealer manager (the "**Dealer Manager**"), and Globic Advisors Inc., as information agent and tender agent (the "**Information Agent and Tender Agent**").

Key Dates and Times

All of these dates and times are subject to change. All times are New York City time.

Notices of changes will be sent in the manner provided for in this Invitation.

Launch Date.....	Tuesday, February 20, 2024
Pricing Notice	On or about Tuesday, February 27, 2024
Tender Expiration Date.....	5:00 p.m., on Monday, March 4, 2024
Preliminary Notice of Acceptance	Tuesday, March 5, 2024
Determination of Target Bonds Purchase Prices.....	Approximately 10:00 a.m., on Wednesday, March 6, 2024
Notice of Target Bonds Purchase Prices.....	Wednesday, March 6, 2024
Final Acceptance Date and Final Notice of Acceptance	Wednesday, March 6, 2024
Settlement Date.....	Thursday, March 28, 2024

TARGET BONDS SUBJECT TO TENDER OFFER FOR CASH

**TEXAS TRANSPORTATION COMMISSION
STATE OF TEXAS
HIGHWAY IMPROVEMENT GENERAL OBLIGATION REFUNDING BONDS,
TAXABLE SERIES 2019**

CUSIP No⁽¹⁾	Maturity Date (April 1)	Average Life Date⁽²⁾	Interest Rate (%)	Outstanding Principal Amount	Par Call Date	Benchmark Treasury Security⁽³⁾	Indicative Fixed Spreads⁽⁴⁾
882724QD2	2025	N/A	4.000	\$3,795,000	N/A	2-Year	+0.0 bps
882724QE0	2026	N/A	4.000	3,945,000	N/A	2-Year	+0.0 bps
882724QF7	2027	N/A	4.000	4,100,000	N/A	3-Year	+0.0 bps
882724QG5	2028	N/A	3.000	33,070,000	N/A	5-Year	-25.0 bps
882724QH3	2029	N/A	3.000	34,065,000	N/A	5-Year	-22.0 bps
882724QJ9	2030	N/A	2.604	35,080,000	04/01/2029	7-Year	-17.0 bps
882724QK6	2031	N/A	2.704	36,000,000	04/01/2029	7-Year	-12.5 bps
882724QL4	2032	N/A	2.804	36,970,000	04/01/2029	10-Year	-10.0 bps
882724QM2	2033	N/A	2.884	38,005,000	04/01/2029	10-Year	-5.0 bps
882724QN0	2034	N/A	2.964	39,105,000	04/01/2029	10-Year	+3.0 bps
882724QP5	2044	09/02/2039	3.211	427,655,000	04/01/2029	10-Year	+39.0 bps

**TEXAS TRANSPORTATION COMMISSION
STATE OF TEXAS
HIGHWAY IMPROVEMENT GENERAL OBLIGATION REFUNDING BONDS,
TAXABLE SERIES 2020**

CUSIP No⁽¹⁾	Maturity Date (April 1)	Average Life Date⁽²⁾	Interest Rate (%)	Outstanding Principal Amount	Par Call Date	Benchmark Treasury Security⁽³⁾	Indicative Fixed Spreads⁽⁴⁾
882830AP7	2042	08/12/2038	2.562	\$325,755,000	04/01/2030	10-Year	+37.0 bps

- (1) CUSIP is a registered trademark of FactSet. CUSIP data herein is provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers are being provided solely for the convenience of the owners of the Target Bonds and the Commission is not responsible for the selection or correctness of the CUSIP numbers printed herein and does not make any representation with respect to such numbers or undertake any responsibility for their accuracy.
- (2) Average life date is shown for the Target Term Bonds (as defined herein) only. The Target Term Bonds will be priced to their respective average life dates.
- (3) Each Benchmark Treasury Security (as defined herein) will be the most recently auctioned "on-the-run" United States Treasury Security for the maturity indicated as of the date and time that the Offer Purchase Price for the Target Bonds is set, currently expected to be approximately 10:00 a.m. ET on March 6, 2024.
- (4) Indicative Fixed Spreads (as defined herein) are preliminary and subject to change. Actual Fixed Spreads for each CUSIP number will appear in the Pricing Notice. **FOR THE AVOIDANCE OF DOUBT, IF THE DETERMINED OFFER PURCHASE PRICE FOR ANY MATURITY AND CORRESPONDING CUSIP OF THE TENDERED BONDS IS MORE THAN 100%, THEN THE OFFER PURCHASE PRICE WILL BE CAPPED AT 100%. SEE Section 2, "Information to Bondowners - Tender Consideration - Determination of Offer Purchase Prices" HEREIN.**

IMPORTANT INFORMATION

This Invitation and other information with respect to this Invitation are available from the Dealer Manager and the Information Agent and Tender Agent at www.globic.com/txdot. Bondowners wishing to offer their Target Bonds for purchase pursuant to this Invitation must follow the procedures more fully described herein. Pursuant to the terms of this Invitation as more fully described herein, the Commission reserves the right to cancel or modify this Invitation at any time on or prior to the Expiration Date and reserves the right to make a future invitation to tender bonds at prices different than the offer purchase prices described herein in its sole discretion. Except as described in this Invitation, the Commission will have no obligation to purchase Target Bonds offered pursuant to this Invitation. The Commission further reserves the right to waive any irregularities or defects in any offer received.

This Invitation is not being made to, and Target Bonds offered for purchase in response to this Invitation will not be accepted from or on behalf of, Bondowners in any jurisdiction in which this Invitation, the making of an offer to sell Target Bonds or the acceptance thereof would not be in compliance with the laws of such jurisdiction. In those jurisdictions whose laws require the Tender Offer to be made through a licensed or registered broker or dealer, the Tender Offer is being made on behalf of the Commission by the Dealer Manager.

The Commission, the Dealer Manager, and the Information Agent and Tender Agent are not recommending to any Bondowner whether or not to tender their Target Bonds for purchase in connection with this Tender Offer. Each Bondowner must make this decision for itself and should read this Invitation and the Series 2024 Bonds POS, attached as **Appendix A**, and the Pricing Notice in the form attached hereto as **Appendix B**, in their entirety and should consult with its broker-dealer, financial, legal, accounting, tax and other professionals in making this decision.

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this Invitation, including **Appendices A** and **B** hereto, and, if given or made, such information or representation may not be relied upon as having been authorized by the Commission.

The delivery of this Invitation shall not under any circumstances create any implication that the information contained herein is correct as of any time subsequent to the date hereof or that there has been no change in the information set forth herein or in any attachments hereto or materials delivered herewith or in the affairs of the Commission since the date hereof.

The Dealer Manager makes no representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein, including **Appendix A**. The Dealer Manager has not independently verified any of the information contained herein, and assumes no responsibility for the accuracy or completeness of any such information. References to website addresses 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 websites and the information or links contained therein are not incorporated into, and are not a part of, this Invitation.

This Invitation contains statements relating to future results that are "forward-looking statements" as defined in the Private Securities Litigation Reform Act of 1995. When used in this Invitation and other materials referred to or incorporated herein, the words "estimate", "anticipate", "forecast", "project", "intend", "propose", "plan", "expect", and similar expressions identify forward-looking statements. Such statements are subject to risks and uncertainties that could cause actual results to differ materially from those contemplated in such forward-looking statements. Any forecast is subject to such uncertainties. Inevitably, some assumptions used to develop the forecasts will not be realized and unanticipated events

and circumstances may occur. Therefore, there are likely to be differences between forecasts and actual results, and those differences may be material.

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Appendix A -- SERIES 2024 BONDS PRELIMINARY OFFICIAL STATEMENT

Appendix B -- FORM OF PRICING NOTICE

INVITATION DATED FEBRUARY 20, 2024 TO TENDER BONDS
made by
TEXAS TRANSPORTATION COMMISSION
to the Bondowners described herein of
all or any portion of the maturities listed on page (ii) herein of

TEXAS TRANSPORTATION COMMISSION
STATE OF TEXAS
HIGHWAY IMPROVEMENT
GENERAL OBLIGATION REFUNDING BONDS,
TAXABLE SERIES 2019

TEXAS TRANSPORTATION COMMISSION
STATE OF TEXAS
HIGHWAY IMPROVEMENT
GENERAL OBLIGATION REFUNDING BONDS,
TAXABLE SERIES 2020

1. Introduction. This Invitation to Tender Bonds, dated February 20, 2024 (as it may be amended or supplemented, this "**Invitation**"), which includes the Appendices hereto, describes an offer ("**Tender Offer**") made by the Texas Transportation Commission (the "**Commission**") to the beneficial owners (the "**Bondowners**") of the Commission's outstanding (i) State of Texas Highway Improvement General Obligation Refunding Bonds, Taxable Series 2019 (the "**Series 2019 Target Bonds**"), and (ii) State of Texas Highway Improvement General Obligation Refunding Bonds, Taxable Series 2020 (the "**Series 2020 Target Bonds**"), and together with the Series 2019 Target Bonds, the "**Target Bonds**") maturing on the dates set forth in the tables on page (ii) of this Invitation to tender such Target Bonds for cash purchase on the Settlement Date (as defined herein) by the Commission at the applicable price (each an "**Offer Purchase Price**") to be determined as described herein based on a yield (each a "**Purchase Yield**") equal to the fixed spread (each a "**Fixed Spread**") to be added to the yield on the relevant benchmark United States Treasury Security (the "**Benchmark Treasury Security**"). **Notwithstanding the preceding sentence, in no event will an Offer Purchase Price for any Target Bonds exceed 100% of the principal amount of such Target Bonds. See Section 2, "Information to Bondowners – Tender Consideration – Determination of Offer Purchase Prices" herein.** Interest on Target Bonds validly tendered and purchased to but not including the Settlement Date ("**Accrued Interest**") will also be paid on the Settlement Date. On or about February 27, 2024, the Commission expects to publish (as it may be amended and supplemented) the Pricing Notice (the "**Pricing Notice**") in the form attached hereto as **Appendix B**, which will include the "Fixed Spread" for each maturity and corresponding CUSIP of the respective Target Bonds, as listed in page (ii) of this Invitation. **All times in this Invitation are local time in New York City.** The Tender Offer is being made by the Commission with the assistance of Jefferies LLC, as dealer manager (the "**Dealer Manager**"), and Globic Advisors Inc., as information agent and tender agent (the "**Information Agent and Tender Agent**").

The purchase of any Target Bonds pursuant to this Invitation is contingent on the Commission receiving sufficient net proceeds from the issuance of the Commission's State of Texas Highway Improvement General Obligation Refunding Bonds, Series 2024 (the "**Series 2024 Bonds**"), and is also subject to the terms of this Invitation and certain other conditions as described herein, including the approval of the Attorney General of the State of Texas with respect to the Series 2024 Bonds and satisfaction of the Financing Conditions (as defined herein). The Commission's obligation to accept for purchase and to pay for Target Bonds validly tendered (and not withdrawn) pursuant to this Invitation is also subject to the satisfaction or waiver of certain conditions. See "*Commission's Obligation to Purchase Offered Target Bonds*" below and Section 14, "Conditions to Purchase," for additional information regarding certain of such conditions.

The Target Bonds were issued pursuant to the Constitution and general laws of the State of Texas, particularly Chapters 1207 and 1371, Texas Government Code, as amended (together, the "**Act**"), and Minute Order 115545 adopted by the Commission (the "**Minute Order**"). The Minute Order delegated

pricing of the Target Bonds and certain other matters to a "**Department Representative**" who approved and executed award certificates for the Series 2019 Target Bonds and the Series 2020 Target Bonds, respectively, which contained the final pricing information and completed the sale of the Series 2019 Target Bonds and the Series 2020 Target Bonds, respectively (the "**Award Certificates**" and together with the Minute Order are jointly referred to herein as the "**Target Bond Authorizations**").

Purpose. This Tender Offer is part of a plan by the Commission to refinance certain of its outstanding indebtedness, including the purchase of some or all of the Target Bonds, for debt service savings (the "**Refunding Plan**"), as described in the Preliminary Official Statement of the Commission dated February 20, 2024, and attached hereto as **Appendix A** (the "**Series 2024 Bonds POS**"). **The Commission's outstanding bonds of any series that are not identified in the tables on page (ii) of this Invitation are not subject to this Tender Offer.** For additional information concerning the Commission, its plan of refunding and its outstanding indebtedness, see the Series 2024 Bonds POS attached hereto as **Appendix A**.

Offers by Bondowners. Pursuant to this Invitation, each Bondowner may submit an offer to tender to the Commission for cash purchase all or a part of its Target Bonds, in a denomination of \$5,000 principal amount (the "**Minimum Authorized Denomination**") or any integral multiple thereof, with respect to which the Bondowner has a beneficial ownership interest. The applicable Fixed Spread for each maturity and corresponding CUSIP of the Target Bonds at which such Target Bonds may be tendered by a Bondowner for purchase pursuant to this Invitation will be set forth in the Pricing Notice. The applicable purchase price for each maturity and corresponding CUSIP of the Target Bonds (each an "**Offer Purchase Price**") will be determined as further described below in Section 2, "Information to Bondowners – *Tender Consideration – Determination of Offer Purchase Prices*" herein.

Source of Funds. Other than Accrued Interest, the total amount paid to Bondowners to purchase the Target Bonds validly tendered for purchase pursuant to this Invitation (the "**Aggregate Purchase Price**") is anticipated to be proceeds of the Series 2024 Bonds to be issued on the Settlement Date. The payment of Accrued Interest on Target Bonds validly tendered for purchase is expected to be made from funds held by the Commission for such purpose.

Commission's Obligation to Purchase Offered Target Bonds. Subject to the terms of this Invitation and the satisfaction of all conditions to the Commission's obligation to purchase tendered Target Bonds as described herein, and provided that (i) a Bondowner's Target Bonds tendered for purchase have been validly tendered by 5:00 p.m., ET, on March 4, 2024 (as may be extended from time to time in accordance with this Invitation, the "**Expiration Date**"), and (ii) accepted by the Commission on or before March 6, 2024 (as may be extended from time to time in accordance with this Invitation, the "**Final Acceptance Date**"), the Commission will purchase such Target Bonds tendered for purchase on March 28, 2024 (the "**Settlement Date**"). Accrued Interest on the Target Bonds purchased will also be paid on the Settlement Date.

The Commission's obligation to accept for purchase any tendered Target Bonds and the Commission's obligation to pay for Target Bonds validly tendered (and not validly withdrawn) and accepted pursuant to this Invitation is subject to the satisfaction of or waiver of the following conditions on or prior to the Settlement Date: (A) the successful completion by the Commission of the issuance of the Series 2024 Bonds, the proceeds of which will be sufficient to, together with other available moneys of the Commission to, (x) fund the Aggregate Purchase Price of all Target Bonds validly tendered and accepted for purchase pursuant to this Invitation and the authorizing documents for the Series 2024 Bonds, and (y) pay all fees and expenses associated with the issuance of the Series 2024 Bonds and this Tender Offer; (B) receipt of all certifications and opinions required by the "Dealer Manager Agreement" executed between the Commission and the Dealer Manager in connection with this Tender Offer, and (C) when taken together with the issuance of the Series 2024 Bonds, the Commission, determining in its reasonable discretion that

it will obtain a satisfactory and sufficient economic benefit as a result of market conditions, including (x) all or any portion of the maturities listed on page (ii) satisfying the savings requirements of the authorizing documents for the Series 2024 Bonds or producing savings, in aggregate, of not less than 3%, (y) the expected or actual level of participation by Bondowners, or (z) any other factors not within the sole control of the Commission, all on terms and conditions that are in the Commission's best interest (collectively, the "**Financing Conditions**").

No assurances can be given that the Series 2024 Bonds will be issued or that any Target Bonds tendered for purchase by a Bondowner will be purchased. See Section 10, "Determination of Amounts to be Purchased; Acceptance of Offers; Final Notice of Acceptance", for more information on the selection of tendered Target Bonds to be purchased, if any. The Commission reserves the right, subject to applicable law, to amend or waive any of the conditions to this Invitation, in whole or in part, any time prior to the Expiration Date or from time to time subject to the Financing Conditions and other conditions described in this Invitation. The Commission also has the right to terminate this Tender Offer at any time up to and including the Expiration Date. See Section 15, "Extension, Termination and Amendment of Tender Offer", herein.

The Commission is under no obligation to accept any of the Target Bonds that are tendered for purchase pursuant to this Invitation as described in Section 10, "Determination of Amounts to be Purchased; Acceptance of Offers; Final Notice of Acceptance." Any Target Bonds not tendered by Bondowners, or Target Bonds tendered by Bondowners pursuant to this Invitation but not accepted for purchase by the Commission that have been returned to the Bondowners, will continue to be payable and secured under the terms of the Target Bond Authorizations until maturity or prior redemption. If all conditions to this Invitation are not satisfied or waived by the Commission on or prior to the Settlement Date, all Target Bonds tendered by Bondowners pursuant to this Invitation will be returned to the Bondowners and will continue to be payable and secured under the terms of the Target Bond Authorizations until maturity or prior redemption. See Section 17, "Additional Considerations – *Potential Subsequent Transactions*" herein.

To make an informed decision as to whether, and how, to offer Target Bonds for purchase pursuant to this Invitation, a Bondowner must read this Invitation carefully and entirely, including the Series 2024 Bonds POS attached hereto as Appendix A and the Pricing Notice in the form attached hereto as Appendix B.

None of the Commission, the Dealer Manager, or the Information Agent and Tender Agent make any recommendation that any Bondowner tender or refrain from tendering all or any portion of such Bondowner's Target Bonds for purchase. Bondowners must make these decisions and should consult with their broker-dealer, financial, legal, accounting, tax, and other professionals.

2. Information to Bondowners

General. The Commission will provide additional information about this Tender Offer, if any, to Bondowners of the Target Bonds, including, without limitation, the information contained in the Pricing Notice in the form attached hereto as **Appendix B** expected to be delivered on or about February 27, 2024 and the information contained in **Appendix A** and any supplement to the Series 2024 Bonds POS, by delivery of such information in the following ways (collectively, the "**Information Services**"):

(a) to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system website, currently located at <http://emma.msrb.org> (the "**EMMA Website**"), using the CUSIP numbers for the Target Bonds listed in the tables on page (ii) of this Invitation;

(b) to DTC (defined below) and to the DTC participants holding the Target Bonds;
and

(c) by posting electronically on the website of the Information Agent and Tender Agent at www.globic.com/txdot.

Delivery by the Commission of information in the foregoing manner will be deemed to constitute delivery of the information to each Bondowner of the Target Bonds. The Commission, the Dealer Manager, and the Information Agent and Tender Agent have no obligation to ensure that any such Bondowner actually receives any information provided by the Commission in this manner. Any such Bondowner who would like to receive information furnished by or on behalf of the Commission as described above must make appropriate arrangements with its broker-dealer, account executive or other financial advisor or representative.

Pricing Notice and Fixed Spreads. On or about February 27, 2024, the Commission will provide the Pricing Notice in the manner described under the heading "*General*" above in the form attached hereto as **Appendix B**, which Pricing Notice will set forth either a confirmation of the indicative fixed spreads shown on page (ii) of this Invitation or a change to the indicative fixed spreads (each, as confirmed or changed, a "**Fixed Spread**") for each maturity and corresponding CUSIP of the Target Bonds tendered and accepted for purchase pursuant to this Invitation.

Tender Consideration – Determination of Offer Purchase Prices. The applicable Fixed Spread, expressed as an interest rate percentage, will be added to the yield on the relevant Benchmark Treasury Security (the "**Treasury Security Yield**") to arrive at a yield (each a "**Purchase Yield**") used to calculate the Offer Purchase Price for each maturity and corresponding CUSIP of the Target Bonds. **Notwithstanding the preceding sentence, in no event will an Offer Purchase Price for any maturity and corresponding CUSIP of the Target Bonds exceed 100% of the principal amount of each such Target Bonds.** The Benchmark Treasury Security for each CUSIP is identified on page (ii) hereof and will be identified in the Pricing Notice. The Treasury Security Yield will equal the bid-side yield of the Benchmark Treasury Security as quoted on the Bloomberg Bond Trader FIT1 series of pages at approximately 10:00 a.m., New York City time, on March 6, 2024.

The Purchase Yields will be used to calculate the Offer Purchase Prices expressed as a dollar amount per \$100 principal amount of the Target Bonds. The Offer Purchase Prices will be calculated using the market standard bond pricing formula as of the Settlement Date using the relevant Purchase Yield, the coupon of the relevant Target Bond and the maturity date for each Target Bond, except for each of the Target Term Bonds (defined below) which will be priced to their respective average life dates as shown below.

Summary of the Target Term Bonds

Series	CUSIP ⁽¹⁾	Maturity Date	Average Life Date	Outstanding Principal Amount
Series 2019 Target Term Bonds	882724QP5	04/1/2044	09/2/2039	\$427,655,000
Series 2020 Target Term Bonds	882830AP7	04/1/2042	08/12/2038	\$325,755,000

The Commission expects to publish a Notice of Target Bonds Purchase Prices on March 6, 2024. The purchase price to be received on the Settlement Date by a Bondowner whose Target Bonds were validly tendered and accepted for purchase, in whole or in part, by the Commission will equal the par amount of

¹ CUSIP is a registered trademark of FactSet. CUSIP data herein is provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers are being provided solely for the convenience of the owners of the Target Bonds and the Commission is not responsible for the selection or correctness of the CUSIP numbers printed herein and does not make any representation with respect to such numbers or undertake any responsibility for their accuracy.

such Bondowners' purchased Target Bonds multiplied by the Offer Purchase Price of such Target Bonds divided by 100. In addition to the purchase price of the Target Bonds accepted for purchase by the Commission, Accrued Interest on such Target Bonds will be paid by the Commission on the Settlement Date.

For illustrative purposes only, the tables on the following page provide an example of the Offer Purchase Prices realized by Bondowners of Target Bonds that submit a tender offer based on the closing yields as of February 16, 2024 for the Benchmark Treasury Securities provided below and the Indicative Fixed Spreads. THESE EXAMPLES ARE BEING PROVIDED FOR CONVENIENCE ONLY AND ARE NOT TO BE RELIED UPON BY A BONDOWNER AS AN INDICATION OF THE PURCHASE YIELD OR OFFER PURCHASE PRICE THAT MAY BE PAID BY THE COMMISSION.

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Based on these Treasury Security Yields, the following Offer Purchase Prices would be derived:

**TEXAS TRANSPORTATION COMMISSION
STATE OF TEXAS HIGHWAY IMPROVEMENT GENERAL OBLIGATION REFUNDING BONDS,
TAXABLE SERIES 2019**

CUSIP No ⁽¹⁾	Maturity Date (April 1)	Average Life Date ⁽²⁾	Interest Rate (%)	Outstanding Principal Amount	Par Call Date	Benchmark Treasury Security ⁽³⁾	Indicative Fixed Spreads ⁽⁴⁾	Illustrative Treasury Security Yield ⁽⁵⁾	Illustrative Purchase Yield ⁽⁵⁾	Illustrative Offer Purchase Price ⁽⁵⁾
882724QD2	2025	N/A	4.000	\$3,795,000	N/A	2-Year	+0.0 bps	4.644%	4.644%	99.372
882724QE0	2026	N/A	4.000	3,945,000	N/A	2-Year	+0.0 bps	4.644%	4.644%	98.778
882724QF7	2027	N/A	4.000	4,100,000	N/A	3-Year	+0.0 bps	4.418%	4.418%	98.834
882724QG5	2028	N/A	3.000	33,070,000	N/A	5-Year	-25.0 bps	4.276%	4.026%	96.236
882724QH3	2029	N/A	3.000	34,065,000	N/A	5-Year	-22.0 bps	4.276%	4.056%	95.256
882724QJ9	2030	N/A	2.604	35,080,000	04/01/2029	7-Year	-17.0 bps	4.299%	4.129%	91.958
882724QK6	2031	N/A	2.704	36,000,000	04/01/2029	7-Year	-12.5 bps	4.299%	4.174%	91.146
882724QL4	2032	N/A	2.804	36,970,000	04/01/2029	10-Year	-10.0 bps	4.283%	4.183%	90.697
882724QM2	2033	N/A	2.884	38,005,000	04/01/2029	10-Year	-5.0 bps	4.283%	4.233%	89.982
882724QN0	2034	N/A	2.964	39,105,000	04/01/2029	10-Year	+3.0 bps	4.283%	4.313%	89.128
882724QP5	2044	09/02/2039	3.211	427,655,000	04/01/2029	10-Year	+39.0 bps	4.283%	4.673%	84.052

**TEXAS TRANSPORTATION COMMISSION
STATE OF TEXAS HIGHWAY IMPROVEMENT GENERAL OBLIGATION REFUNDING BONDS,
TAXABLE SERIES 2020**

CUSIP No ⁽¹⁾	Maturity Date (April 1)	Average Life Date ⁽²⁾	Interest Rate (%)	Outstanding Principal Amount	Par Call Date	Benchmark Treasury Security ⁽³⁾	Indicative Fixed Spreads ⁽⁴⁾	Illustrative Treasury Security Yield ⁽⁵⁾	Illustrative Purchase Yield ⁽⁵⁾	Illustrative Offer Purchase Price ⁽⁵⁾
882830AP7	2042	08/12/2038	2.562	\$325,755,000	04/01/2030	10-Year	+37.0 bps	4.283%	4.653%	78.260

(1) CUSIP is a registered trademark of FactSet. CUSIP data herein is provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers are being provided solely for the convenience of the owners of the Target Bonds and the Commission is not responsible for the selection or correctness of the CUSIP numbers printed herein and does not make any representation with respect to such numbers or undertake any responsibility for their accuracy.

(2) Average life date is shown for the Target Term Bonds (as defined herein) only. The Target Term Bonds will be priced to their respective average life dates.

(3) Each Benchmark Treasury Security (as defined herein) will be the most recently auctioned "on-the-run" United States Treasury Security for the maturity indicated as of the date and time that the Offer Purchase Price for the Target Bonds is set, currently expected to be approximately 10:00 a.m. ET on March 6, 2024.

(4) Indicative Fixed Spreads (as defined herein) are preliminary and subject to change. Actual Fixed Spreads for each CUSIP number will appear in the Pricing Notice.

(5) Preliminary and subject to change. Provided for illustrative purposes only, the above table provides an example of the Offer Purchase Prices realized by Bondowners that submit a tender offer based on the closing yields as of February 16, 2024 for the Benchmark Treasury Securities provided above and the Indicative Fixed Spreads. On March 6, 2024, the Commission will determine the Offer Purchase Prices for the Bonds pursuant to the calculations described in this Invitation and will publish the respective Offer Purchase Prices. **FOR THE AVOIDANCE OF DOUBT, IF THE DETERMINED OFFER PURCHASE PRICE FOR ANY MATURITY AND CORRESPONDING CUSIP OF THE TENDERED BONDS IS MORE THAN 100%, THEN THE OFFER PURCHASE PRICE WILL BE CAPPED AT 100%. SEE Section 2, "Information to Bondowners – Tender Consideration – Determination of Offer Purchase Prices" HEREIN.**

As a measure of sensitivity of the Offer Purchase Price to changes in the yield on the Benchmark Treasury Security, the following table shows the illustrative impact on the Offer Purchase Price of a 0.10% (10 basis point) movement in yield on the Benchmark Treasury Security.

**TEXAS TRANSPORTATION COMMISSION
STATE OF TEXAS HIGHWAY IMPROVEMENT GENERAL OBLIGATION REFUNDING BONDS,
TAXABLE SERIES 2019**

CUSIP No ⁽¹⁾	Maturity Date (April 1)	Illustrative Purchase Yield Based on Treasury Security Yields as of February 16, 2024	Illustrative Offer Purchase Prices ⁽²⁾		
			Assuming a 0.10% Increase in Treasury Security Yields	Current Treasury Security Yield	Assuming a 0.10% Decrease in Treasury Security Yields
882724QD2	2025	4.644%	99.275	99.372	99.469
882724QE0	2026	4.644%	98.590	98.778	98.966
882724QF7	2027	4.418%	98.557	98.834	99.111
882724QG5	2028	4.026%	95.878	96.236	96.596
882724QH3	2029	4.056%	94.821	95.256	95.694
882724QJ9	2030	4.129%	91.457	91.958	92.462
882724QK6	2031	4.174%	90.577	91.146	91.720
882724QL4	2032	4.183%	90.061	90.697	91.337
882724QM2	2033	4.233%	89.287	89.982	90.684
882724QN0	2034	4.313%	88.378	89.128	89.885
882724QP5	2044	4.673%	83.078	84.052	85.040

**TEXAS TRANSPORTATION COMMISSION
STATE OF TEXAS HIGHWAY IMPROVEMENT GENERAL OBLIGATION REFUNDING BONDS,
TAXABLE SERIES 2020**

CUSIP No ⁽¹⁾	Maturity Date (April 1)	Illustrative Purchase Yield Based on Treasury Security Yields as of February 16, 2024	Illustrative Offer Purchase Prices ⁽²⁾		
			Assuming a 0.10% Increase in Treasury Security Yields	Current Treasury Security Yield	Assuming a 0.10% Decrease in Treasury Security Yields
882830AP7	2042	4.653%	77.367	78.260	79.164

⁽¹⁾ CUSIP is a registered trademark of FactSet. CUSIP data herein is provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers are being provided solely for the convenience of the owners of the Target Bonds and the Commission is not responsible for the selection or correctness of the CUSIP numbers printed herein and does not make any representation with respect to such numbers or undertake any responsibility for their accuracy.

⁽²⁾ Preliminary and subject to change. Provided for illustrative purposes only, the above table provides an example of the Offer Purchase Prices realized by Bondowners that submit a tender offer based on the closing yields as of February 16, 2024 for the Benchmark Treasury Securities provided above and the Indicative Fixed Spreads. On March 6, 2024, the Commission will determine the Offer Purchase Prices for the Bonds pursuant to the calculations described in this Invitation and will publish the respective Offer Purchase Prices. **FOR THE AVOIDANCE OF DOUBT, IF THE DETERMINED OFFER PURCHASE PRICE FOR ANY MATURITY AND CORRESPONDING CUSIP OF THE TENDERED BONDS IS MORE THAN 100%, THEN THE OFFER PURCHASE PRICE WILL BE CAPPED AT 100%. SEE Section 2, "Information to Bondowners – Tender Consideration – Determination of Offer Purchase Prices" HEREIN.**

Sinking Fund Amortization of Unpurchased Target Term Bonds. The Series 2019 Target Bonds maturing on April 1, 2044 (the "**Series 2019 Target Term Bonds**") and the Series 2020 Target Bonds maturing on April 1, 2042 (the "**Series 2020 Target Term Bonds**", and together with the Series 2019 Target Term Bonds, the "**Target Term Bonds**") are each subject to mandatory sinking fund redemption in specified annual principal amounts prior to their respective maturity dates. If less than all of such Target Term Bonds are purchased by the Commission pursuant to this Invitation, each of the original principal amounts to be redeemed on each mandatory sinking fund redemption date or paid at maturity of such Target Term Bonds will be reduced pro rata in Authorized Denominations to a principal amount equal to such original principal amount multiplied by a percentage equal to (a) the aggregate principal amount of unpurchased Target Term Bonds of such CUSIP divided by (b) \$427,655,000 (in the case of the Series 2019 Target Term Bonds (CUSIP 882724QP5)) or \$325,755,000 (in the case of the Series 2020 Target Term Bonds (CUSIP 882830AP7)), such that for each of such Target Term Bonds, the sum of the principal amount of all scheduled mandatory sinking fund redemptions and the principal amount due at maturity will equal the aggregate principal amount of each such unpurchased Target Term Bond for each corresponding CUSIP. Thereafter, those unpurchased Target Term Bonds will continue to be outstanding and subject to the mandatory sinking fund redemption in annual amounts that will be reflected on a revised mandatory sinking fund redemption schedule.

3. Expiration Date; Offers Only Through Financial Institutions; Brokerage Commissions. This Tender Offer to tender Target Bonds will expire at 5:00 p.m., ET, on March 4, 2024, the Expiration Date, unless earlier terminated, and Target Bonds received after 5:00 p.m., ET, on the Expiration Date will not be considered. See Section 15, "Extension, Termination and Amendment of Tender Offer" herein for a discussion of the Commission's ability to extend the Expiration Date and to terminate or amend this Invitation.

In the sole discretion of the Commission, the Commission may extend the Expiration Date, the Preliminary Acceptance Date (defined herein), the Final Acceptance Date, or the Settlement Date.

All of the Target Bonds are held in book-entry-only form through the facilities of The Depository Trust Company of New York ("**DTC**"). The Information Agent and Tender Agent and DTC have confirmed that this Tender Offer is eligible for submission of tenders for purchase through DTC's Automated Tender Offer Program (known as the "**ATOP**" system). **Bondowners of Target Bonds who want to tender Target Bonds for purchase pursuant to the Commission's Invitation must do so through a DTC participant in accordance with the relevant DTC procedures for the ATOP system. The Commission will not accept any tenders of Target Bonds for purchase that are not made through the ATOP system.** A Bondowner that is not a DTC participant can only tender Target Bonds for purchase pursuant to this Invitation by making arrangements with and instructing the bank or brokerage firm through which it holds Target Bonds (sometimes referred to herein as a "custodial intermediary") to tender the Bondowner's Target Bonds on its behalf through the ATOP system. To ensure a Bondowner's Target Bonds are tendered through the ATOP system by 5:00 p.m., ET, on the Expiration Date, the Bondowner must provide instructions to its custodial intermediary with sufficient time for such custodial intermediary to tender the Target Bonds in accordance with DTC procedures through the ATOP system by this deadline. Each Bondowner wishing to tender Target Bonds should contact its custodial intermediary for information on when such custodial intermediary needs the Bondowner's instructions in order to tender the Bondowner's Target Bonds through the ATOP system by 5:00 p.m., ET, on the Expiration Date. See also Sections 5, "Provisions Applicable to All Offers" below.

The Commission, the Dealer Manager, and the Information Agent and Tender Agent are not responsible for making or transmitting any tender of Target Bonds or for the transfer of any tendered Target Bonds through the ATOP system or for any mistakes, errors or omissions in the making or transmission of any offer or transfer.

Bondowners will not be obligated to pay any brokerage commissions or solicitation fees to the Commission, the Dealer Manager, or the Information Agent and Tender Agent in connection with this Tender Offer. However, Bondowners should check with their broker-dealer, account executive or other financial institution which maintains the account in which their Target Bonds are held to determine if it will charge any commission or fees.

4. Minimum Denominations; Changes to the Terms of this Invitation.

Authorized Denominations for Offers. A Bondowner may tender, as aforesaid, all or a portion of its Target Bonds of a particular maturity and corresponding CUSIP in a principal amount of its choosing, but only in principal amounts equal to the Minimum Authorized Denomination or any integral multiple of \$5,000 in excess thereof.

Changes to Terms of this Invitation. As described in Section 15 hereof, the Commission may revise the terms of this Invitation prior to the Expiration Date. If the Commission determines to revise the terms of this Invitation, it shall provide notice thereof in the manner described in Section 2 of this Invitation to provide reasonable time for dissemination of such revision to Bondowners. If the Commission increases the Fixed Spread for any of the Target Bonds pursuant to this Invitation (which would thereby reduce the related Offer Purchase Price), the Commission shall provide notice thereof (in the manner described in Section 2 of this Invitation) no less than three (3) Business Days prior to the Expiration Date, as extended. **In such event, any tenders of the affected Target Bonds prior to such change in the Fixed Spread for such Target Bonds pursuant to this Invitation will remain in full force and effect and each Bondowner of such affected Target Bonds wishing to revoke its tender of such Target Bonds must affirmatively withdraw its tender of such Target Bonds prior to the Expiration Date in the manner described in Section 8 hereof.**

5. Provisions Applicable to all Offers. A Bondowner should ask its financial advisor, investment manager, broker or account executive for advice in determining whether to tender Target Bonds for purchase and the principal amount of Target Bonds to be tendered. A Bondowner should also inquire as to whether its financial institution will charge a fee for submitting tenders. The Commission, the Dealer Manager, and the Information Agent and Tender Agent will not charge fees to any tendering Bondowner or completing the purchase of Target Bonds.

A tender of Target Bonds cannot exceed the par amount of Target Bonds owned by the Bondowner. Target Bonds may be tendered and accepted for payment only in principal amounts equal to the Minimum Authorized Denomination and integral multiples of \$5,000 in excess thereof.

"All or none" tenders are not permitted. No alternative, conditional or contingent tenders will be accepted. All tenders shall survive the death or incapacity of the tendering Bondowner.

By tendering Target Bonds pursuant to this Invitation, each such Bondowner will be deemed to have represented and warranted to and agreed with the Commission and the Dealer Manager that:

(a) the Bondowner has received, and has had the opportunity to review, this Invitation (including the Series 2024 Bonds POS attached as **Appendix A** hereto) and the Pricing Notice prior to making the decision as to whether or not it should tender its Target Bonds for purchase;

(b) the Bondowner has full authority to tender, sell, assign and transfer such Target Bonds, and that, on the Settlement Date, the Commission, as transferee, will acquire good title, free and clear of all liens, charges, encumbrances, conditional sales agreements or other obligations and not subject to any adverse claims, subject to payment to the Bondowner of the applicable Offer Purchase Price, plus payment of Accrued Interest on the Target Bonds;

(c) the Bondowner has made an independent decision to tender, the appropriateness of the terms thereof, and whether the tender is appropriate for the Bondowner;

(d) such decisions are based upon the Bondowner's judgment and upon advice from such advisors as the Bondowner has consulted;

(e) the Bondowner is not relying on any communication from the Commission, the Dealer Manager, or the Information Agent and Tender Agent as investment advice or as a recommendation to make the offer, it being understood that the information from any of the foregoing related to the terms and conditions of this Invitation shall not be considered investment advice or a recommendation to tender Target Bonds; and

(f) the Bondowner is capable of assessing the merits of and understanding (on its own and/or through independent professional advice), and does understand and accept, the terms and conditions of this Invitation.

6. Transmission of Offers by Financial Institutions; DTC ATOP Procedures. Tenders of Target Bonds pursuant to this Invitation may only be made through DTC's ATOP system. Bondowners that are not DTC participants must make their tenders through their custodial intermediary. A DTC participant must tender the Target Bonds on behalf of the Bondowner for whom it is acting pursuant to this Invitation, by book-entry through the ATOP system. In so doing, such custodial intermediary and the Bondowner on whose behalf the custodial intermediary is acting, agree to be bound by DTC's rules for the ATOP system. In accordance with ATOP procedures, DTC will then verify receipt of the Tender Offer and send an Agent's Message (as described below) to the Information Agent and Tender Agent.

The term "Agent's Message" means a message transmitted by DTC to, and received by, the Information Agent and Tender Agent, forming a part of the book-entry confirmation stating that DTC has received an express acknowledgement from the DTC participant tendering Target Bonds for purchase that are the subject of such book-entry confirmation that includes: (i) the CUSIP number(s) and the par amount(s) of the Target Bonds that have been validly tendered by such DTC participant on behalf of the Bondowner pursuant to this Invitation, and (ii) that the Bondowner agrees to be bound by the terms of this Invitation, including the representations, warranties, agreements and affirmations deemed made by it as set forth in Section 5 above. By causing DTC to transfer Target Bonds into the Commission's ATOP system, a financial institution warrants to the Commission that it has full authority, and has received from the Bondowner(s) of such Target Bonds all direction necessary, to tender and sell such Target Bonds as set forth in this Invitation.

Agent's Messages must be transmitted to and received by the Information Agent and Tender Agent by not later than 5:00 p.m., ET, on the Expiration Date. Target Bonds will not be deemed to have been tendered for cash purchase pursuant to this Invitation until an Agent's Message with respect thereto is received by the Information Agent and Tender Agent.

Each DTC participant is advised to submit each beneficial owner's instruction individually into DTC's ATOP system to ensure proper settlement.

The Commission, the Dealer Manager, and the Information Agent and Tender Agent are not responsible for making or transmitting any tender of Target Bonds or for the transfer of any tendered Target Bonds through the ATOP system or for any mistakes, errors or omissions in the making or transmission of any offer or transfer.

7. Determinations as to Form and Validity of Tenders; Right of Waiver and Rejection. All questions as to the validity (including the time of receipt of Agent's Messages by the Information Agent

and Tender Agent), eligibility, and acceptance of any tenders of Target Bonds will be determined by the Commission in its sole discretion and will be final, conclusive and binding.

The Commission reserves the right to waive any irregularities or defects in any tender. The Commission, the Dealer Manager, and the Information Agent and Tender Agent are not obligated to give notice of any defects or irregularities in tenders, and they will have no liability for failing to give such notice.

8. Withdrawals of Tenders Prior to Expiration Date; Irrevocability of Tenders on Expiration Date. A Bondowner may withdraw its tender of Target Bonds pursuant to this Invitation by causing a withdrawal notice to be transmitted via DTC's ATOP system to, and received by, the Information Agent and Tender Agent at or before 5:00 p.m., ET, on the Expiration Date (as the date and time may have been changed as provided in this Invitation).

A Bondowner that is not a DTC participant can only withdraw its tender by making arrangements with and instructing the custodial intermediary through which it holds its Target Bonds to submit the Bondowner's notice of withdrawal through the DTC ATOP system.

All tenders of Target Bonds will become irrevocable as of 5:00 p.m., ET, on the Expiration Date.

9. Preliminary Acceptance Notice. On March 5, 2024, unless such time or date is extended by the Commission (the "**Preliminary Acceptance Date**"), the Commission will determine the preliminary principal amount, if any, of the Target Bonds for each CUSIP that it will purchase, based on satisfaction of the Financing Conditions. Notice of the preliminary principal amount of the Target Bonds, if any, for each CUSIP that the Commission initially agrees to purchase pursuant to the Invitation will be provided to the Information Services on the Preliminary Acceptance Date via the publication of a "**Preliminary Notice of Acceptance.**"

10. Determination of Amounts to be Purchased; Acceptance of Offers; Final Notice of Acceptance. This Tender Offer is part of the Refunding Plan as described in the Series 2024 Bonds POS. The Series 2024 Bonds, if issued, will produce no more than approximately \$1.013 billion in bond proceeds (the "**Cap Amount**") which will be used to finance the Refunding Plan and to pay the costs and expenses of the Tender Offer and issuing the Series 2024 Bonds. The Commission intends to purchase up to all of the Target Bonds validly tendered pursuant to this Invitation, though depending upon the results of this Tender Offer and other factors including the Financing Conditions and the Cap Amount, the Commission, in its sole discretion, may elect to purchase less than all of the Target Bonds so tendered. The Commission shall be under no obligation to accept any Target Bonds tendered for purchase pursuant to this Invitation. The Commission, in its sole discretion, will select which, if any, Target Bonds validly tendered of a particular maturity and corresponding CUSIP are purchased based on its determination of the economic benefit from such purchase.

Should the Commission decide to only purchase a portion of the Target Bonds being tendered for purchase of a certain CUSIP, the Commission will accept such Target Bonds tendered for purchase on a pro rata basis. The principal amount of each individual offer will be adjusted, pro rata, based upon a proration factor for each such CUSIP (each a "**Proration Factor**"). In such event, should the principal amount of any individual offer, when adjusted by the Proration Factor, result in an amount that is not a multiple of \$5,000, the principal amount of such offer will be rounded up to the nearest multiple of \$5,000. If as a result of such adjustment, the principal amount of a Bondowner's unaccepted Target Bonds is less than the Minimum Authorized Denomination of \$5,000, the Commission will reject such Bondowner's offer in whole. The Commission will determine the Proration Factor that permits it to accept the amount of Target Bonds it has determined to purchase.

On the Final Acceptance Date (i.e., March 6, 2024, unless extended), upon the terms and subject to the conditions of this Invitation, the Commission will announce its acceptance for purchase of Target Bonds, if any, validly tendered by Bondowners pursuant to this Invitation via the publication of a "**Final Notice of Acceptance**," with acceptance subject to the satisfaction or waiver by the Commission of the conditions to the purchase of tendered Target Bonds. See Section 11, "Acceptance of Tenders Constitutes Irrevocable Agreement" and Section 14, "Conditions to Purchase."

The Final Notice of Acceptance will state: (i) the principal amount of the Target Bonds of each maturity and corresponding CUSIP number that the Commission has accepted for purchase in accordance with this Invitation, which may be zero for a particular maturity and corresponding CUSIP, or (ii) that the Commission has decided not to purchase any Target Bonds.

Shortly following the giving of notice of its acceptance of tenders, the Commission will instruct DTC to release from the controls of the ATOP system all Target Bonds that were tendered but were not accepted for purchase. The release of such Target Bonds will take place in accordance with DTC's ATOP procedures. The Commission, the Dealer Manager, and the Information Agent and Tender Agent are not responsible or liable for the operation of the ATOP system by DTC to properly credit such released Target Bonds to the applicable account of the DTC participant or custodial intermediary or by such DTC participant or custodial intermediary for the account of the Bondowner.

Notwithstanding any other provision of this Invitation, the obligation of the Commission to accept for purchase and to pay for Target Bonds validly tendered (and not validly withdrawn) by Bondowners pursuant to this Invitation is subject to the satisfaction or waiver of the conditions set forth under Section 14, "Conditions to Purchase" below. The Commission reserves the right, subject to applicable law, to amend or waive any of the conditions to this Invitation, in whole or in part, any time prior to the Expiration Date or from time to time subject to the Financing Conditions and other conditions described in this Invitation. This Tender Offer may be withdrawn by the Commission at any time prior to the Expiration Date.

11. Acceptance of Tenders Constitutes Irrevocable Agreement. Acceptance by the Commission of validly tendered Target Bonds will constitute an irrevocable agreement between the tendering Bondowner and the Commission to sell and purchase such Target Bonds, subject to the conditions and terms of this Invitation, including the Conditions to Purchase set forth in Section 14.

12. Settlement Date; Purchase of Target Bonds. Subject to satisfaction of all conditions to the Commission's obligation to purchase tendered Target Bonds, as described herein, the Settlement Date is the day on which Target Bonds accepted for purchase will be purchased and paid for at the applicable Offer Purchase Price, and Accrued Interest on the Target Bonds to be purchased will also be paid. Such purchase and payment are expected to occur on the Settlement Date. The Settlement Date has initially been set as March 28, 2024, unless extended by the Commission, assuming all conditions to this Invitation have been satisfied or waived by the Commission.

The Commission may, in its sole discretion, change the Settlement Date by giving notice thereof in the manner described in Section 2 of this Invitation prior to the change. However, the Settlement Date may not be later than April 22, 2024. If the Commission does not complete the purchase of the Target Bonds by 3:00 p.m., ET, on April 22, 2024, the right and obligation of the Commission to purchase any Target Bonds will automatically terminate, without any liability to any Bondowner, and the Commission will instruct DTC to release from the controls of the ATOP system all Target Bonds.

Subject to satisfaction of all conditions to the Commission's obligation to purchase Target Bonds tendered for purchase pursuant to this Invitation, as described herein, payment by the Commission will be made through DTC on the Settlement Date. The Commission expects that, in accordance with DTC's standard procedures, DTC will transmit the Aggregate Purchase Price to be paid for the Target Bonds

tendered for purchase (plus Accrued Interest) to DTC participants holding the Target Bonds accepted for purchase on behalf of Bondowners for subsequent disbursement to the Bondowners. **The Commission, the Dealer Manager, and the Information Agent and Tender Agent have no responsibility or liability for the distribution of the Aggregate Purchase Price and Accrued Interest paid by DTC to DTC participants or by DTC participants to tendering Bondowners.**

Promptly following such deliveries and payments, the Commission will instruct the paying agent/registrars for the purchased Target Bonds to cause such purchased Target Bonds to be cancelled and retired.

13. Source of Funds. The source of funds to purchase the Target Bonds validly tendered for purchase pursuant to this Invitation and accepted by the Commission is anticipated to be proceeds received by the Commission from the sale of its Series 2024 Bonds, expected to be issued on the Settlement Date. The payment of Accrued Interest on Target Bonds validly tendered and accepted for purchase is expected to be made from funds held by the Commission for such purpose. The Commission's ability to settle the cash purchase of Target Bonds tendered for purchase is contingent upon the successful delivery of its Series 2024 Bonds and the other conditions set forth herein.

14. Conditions to Purchase. The consummation of the purchase of the Target Bonds pursuant to this Invitation is conditioned upon the satisfaction of the Financing Conditions and other conditions described in this Invitation. Furthermore, the Commission will not be required to purchase any Target Bonds, and will incur no liability as a result, if, before payment for Target Bonds on the Settlement Date:

(a) The Commission does not, for any reason, have sufficient funds on the Settlement Date from the proceeds of the Series 2024 Bonds to pay the Aggregate Purchase Price of tendered Target Bonds accepted for purchase pursuant to this Invitation and pay all fees and expenses associated with the Series 2024 Bonds and this Tender Offer;

(b) Litigation or another proceeding is pending or threatened which the Commission believes may, directly or indirectly, have an adverse impact on this Tender Offer or the expected benefits of this Tender Offer to the Commission or the Bondowners;

(c) A war, other hostilities, or the escalation thereof, public health or other national emergency, banking moratorium, suspension of payments by banks, a general suspension of trading by the New York Stock Exchange or a limitation of prices on the New York Stock Exchange exists and the Commission believes this fact makes it inadvisable to proceed with the purchase of Target Bonds;

(d) A material change in the business or affairs of the Commission has occurred which the Commission believes makes it inadvisable to proceed with the purchase of Target Bonds;

(e) A material change in the net benefits of the transaction contemplated by this Tender Offer and the Series 2024 Bonds POS has occurred due to a material change in market conditions that the Commission reasonably believes makes it inadvisable to proceed with the purchase of Target Bonds;

(f) Additional guidance shall be delivered by the Attorney General of the State of Texas pursuant to Section 402.044 of the Texas Government Code causing a material change in the net benefits of the transaction contemplated by this Tender Offer and the Series 2024 Bonds POS that the Commission reasonably believes makes it inadvisable to proceed with the purchase of Target Bonds; or

(g) There shall have occurred a material disruption in securities settlement, payment or clearance services.

These conditions are for the sole benefit of the Commission. They may be asserted by the Commission prior to the time of payment for the Target Bonds on the Settlement Date. The conditions may be waived by the Commission in whole or in part at any time and from time to time in its sole discretion and may be exercised independently for each maturity date and CUSIP number of the Target Bonds. The failure by the Commission at any time to exercise any of these rights will not be deemed a waiver of any of these rights, and the waiver of these rights with respect to particular facts and other circumstances will not be deemed a waiver of these rights with respect to any other facts and circumstances. Each of these rights will be deemed an ongoing right of the Commission that may be asserted at any time and from time to time. Any determination by the Commission concerning the events described in this Section 14 will be final and binding upon all parties. If, prior to the time of payment of any Target Bonds any of the events described happens, the Commission will have the absolute right to cancel its obligations to purchase Target Bonds without any liability to any Bondowner or any other person.

15. Extension, Termination and Amendment of Tender Offer. Through and including the Expiration Date, the Commission has the right to extend this Tender Offer, to any date in its sole discretion. Notice of an extension of the Expiration Date will be given in the manner described in Section 2 of this Invitation, on or about 11:00 a.m., ET, on the first Business Day after the then current Expiration Date.

The Commission also has the right, prior to the Final Acceptance Date to terminate this Invitation at any time by giving notice of such termination in the manner described in this Invitation.

The Commission also has the right, prior to the Expiration Date, to amend or waive the terms of this Invitation in any respect and at any time by giving notice of the amendment or waiver in the manner described in Section 2 of this Invitation. The amendment or waiver will be effective at the time specified in such notice.

If the Commission amends the terms of this Invitation, including a waiver of any term, in any material respect, notice of such amendment or waiver will be given in the manner described in Section 2, to provide reasonable time for dissemination of such amendment or waiver to Bondowners and for Bondowners to respond. **If the Commission increases the Fixed Spread for any of the Target Bonds pursuant to this Invitation, any tenders submitted with respect to the affected Target Bonds prior to such increase will remain in full force and effect, and any Bondowner of such affected Target Bonds wishing to revoke its tender must affirmatively withdraw its tender of such Target Bonds prior to the Expiration Date in the manner described in Section 8 hereof.**

No extension, termination or amendment of this Invitation (or waiver of any terms of this Invitation) will: (i) change the Commission's right to decline to purchase any Target Bonds without liability; or (ii) give rise to any liability of the Commission, the Dealer Manager, or the Information Agent and Tender Agent to any Bondowner or nominee.

16. Certain Federal Income Tax Consequences.

General Matters. The following discussion summarizes certain U.S. federal income tax considerations generally applicable to U.S. Holders (as defined below) that tender their Target Bonds for cash. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective tendering investors should note that no rulings have been or are expected to be sought from the U.S. Internal Revenue Service (the "IRS") with respect to any of the U.S. federal income tax considerations discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion

does not address U.S. tax consequences applicable to any given investor, nor does it address the U.S. tax considerations applicable to all categories of investors, some of which may be subject to special taxing rules (regardless of whether or not such investors constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, investors that hold their Target Bonds as part of a hedge, straddle or an integrated or conversion transaction, or investors whose "functional currency" is not the U.S. dollar, or certain taxpayers that are required to prepare certified financial statements or file financial statements with certain regulatory or governmental agencies. Furthermore, it does not address: (i) alternative minimum tax consequences, (ii) the net investment income tax imposed under Section 1411 of the Internal Revenue Code of 1986 (the "**Code**"), or (iii) the indirect effects on persons who hold equity interests in a holder. This summary also does not consider the taxation of the Target Bonds under state, local or non-U.S. tax laws. In addition, this summary generally is limited to U.S. tax considerations applicable to investors who will hold their Target Bonds as "capital assets" within the meaning of Section 1221 of the Code. The following discussion does not address tax considerations applicable to any investors in the Target Bonds other than investors that are U.S. Holders. As used herein, "U.S. Holder" means a Bondowner of a Target Bond that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S. Treasury Regulations to be treated as a domestic trust). If a partnership holds Target Bonds, the tax treatment of such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Target Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Target Bonds (including their status as U.S. Holders).

ANY FEDERAL INCOME TAX DISCUSSIONS IN THIS INVITATION ARE INCLUDED FOR GENERAL INFORMATION ONLY AND SHOULD NOT BE CONSTRUED AS A TAX OPINION NOR TAX ADVICE TO BONDOWNERS BY THE COMMISSION, THE DEALER MANAGER, THE INFORMATION AGENT AND TENDER AGENT, OR ANY OF THE COMMISSION'S ADVISORS OR AGENTS. SUCH DISCUSSIONS ALSO DO NOT PURPORT TO ADDRESS ALL ASPECTS OF FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO PARTICULAR BONDOWNERS (E.G., A FOREIGN PERSON, BANK, THRIFT INSTITUTION, PERSONAL HOLDING COMPANY, TAX EXEMPT ORGANIZATION, REGULATED INVESTMENT COMPANY, INSURANCE COMPANY, OR OTHER BROKER OR DEALER IN SECURITIES OR CURRENCIES). BONDOWNERS SHOULD NOT RELY ON SUCH DISCUSSIONS AND ARE URGED TO CONSULT THEIR TAX ADVISORS TO DETERMINE THE PARTICULAR FEDERAL, STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF SALES MADE BY THEM PURSUANT TO TENDERS OF TARGET BONDS, INCLUDING THE EFFECT OF POSSIBLE CHANGES IN THE TAX LAWS. IN ADDITION TO FEDERAL TAX CONSEQUENCES, THE SALE OF TARGET BONDS MAY BE TREATED AS A TAXABLE EVENT FOR STATE, LOCAL AND FOREIGN TAX PURPOSES. BONDOWNERS ARE URGED TO CONSULT THEIR TAX ADVISORS TO DETERMINE THE PARTICULAR STATE, LOCAL AND FOREIGN TAX CONSEQUENCES OF SALES MADE BY THEM PURSUANT TO TENDERS OF TARGET BONDS, INCLUDING THE EFFECT OF POSSIBLE CHANGES IN THE TAX LAWS.

Tendering U.S. Holders. The purchase by the Commission of a validly tendered Target Bond and accepted for cash purchase will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder will recognize gain or loss equal to the difference between (i) the amount of cash received (except to the extent attributable to Accrued Interest on the Target Bond, which will be taxed as ordinary interest income except to the extent such interest is excludible from gross income under Section 103 of the Code) and (ii) the U.S. Holder's adjusted U.S. federal income tax basis in the Target Bond (generally, the purchase price paid by the U.S. Holder for the Target Bond, decreased by any amortized acquisition premium, and increased by the amount of any original issue discount previously included in income by such U.S. Holder with respect to such Target Bond or otherwise required to be added to the cost basis of the U.S. Holder in such Target Bond). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the Target Bonds holding the Target Bond for a period exceeding one year, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income. The deductibility of capital losses is subject to limitations.

Backup Withholding. Amounts paid to Bondowners may be subject to backup withholding by reason of the events specified by Section 3406 of the Code, which events include failure of a Bondowner to supply the broker, dealer, commercial bank or trust company acting on behalf of such Bondowner with such Bondowner's taxpayer identification number certified under penalty of perjury. Certification can be made by completing a substitute IRS Form W-9, a copy of which is available from the Information Agent and Tender Agent. Backup withholding may also apply to Bondowners who are otherwise exempt from such backup withholding if such Bondowners fail to properly document their status as exempt recipients.

17. Additional Considerations. In deciding whether to participate in this Tender Offer, each Bondowner should consider carefully, in addition to the other information contained in this Invitation, the following:

Market for Target Bonds. The Target Bonds are not listed on any national or regional securities exchange. To the extent that the Target Bonds are traded, their prices may fluctuate greatly depending on the trading volume and the balance between buy and sell orders. Bondowners may be able to effect a sale of the Target Bonds at a price higher than the Offer Purchase Price established pursuant to this Invitation.

Target Bonds Not Purchased. Bondowners who do not tender their Target Bonds or whose Target Bonds are tendered but not accepted for purchase will continue to hold their respective interests in their Target Bonds and such Target Bonds will remain outstanding. If Target Bonds are purchased pursuant to this Invitation, the aggregate amount of Target Bonds for a particular maturity and corresponding CUSIP that remains outstanding will be reduced, which could adversely affect the liquidity and market value of the Target Bonds of that maturity and CUSIP that remain outstanding. The Target Bonds which are also Target Term Bonds are currently considered "index eligible" as they each total at least \$300,000,000 in par. Unpurchased Target Term Bonds may no longer be considered "index eligible" due to their reduced par amount outstanding which could adversely affect their liquidity and market value.

Potential Subsequent Transactions. To the extent Target Bonds are not purchased pursuant to this Invitation, the Commission reserves the right to, and may in the future decide to, acquire some or all of the Target Bonds through open market purchases, privately negotiated transactions, subsequent tender offers, exchange offers or otherwise, upon such terms and at such prices as it may determine, which may be more or less than the consideration offered pursuant to this Invitation, and which could be cash or other consideration. Any future acquisition of Target Bonds may be on the same terms or on terms that are more or less favorable to Bondowners than the terms described in this Invitation. The Commission also reserves the right in the future to refund or redeem any remaining portion of outstanding Target Bonds, pursuant to the Target Bond Authorizations, through the issuance of publicly offered or privately placed tax-exempt or taxable bonds. The decision to undertake any such future transactions will depend on various factors

existing at that time. There can be no assurance as to which of these alternatives, if any, the Commission may ultimately choose to pursue in the future.

Ratings. As of the date of this Invitation, (i) the Series 2019 Target Bonds are rated "Aaa" (stable outlook) by Moody's Investors Service, Inc., "AAA" (stable outlook) by S&P Global Ratings, and "AAA" (stable outlook) by Fitch Ratings, Inc. and (ii) the Series 2020 Target Bonds are rated "Aaa" (stable outlook) by Moody's Investors Service, Inc., "AAA" (stable outlook) by Fitch Ratings, Inc., and "AAA" (stable outlook) by Kroll Bond Rating Agency, LLC. The ratings of the Target Bonds by each rating agency reflect only the views of such organization and any desired explanation of the significance of such ratings and any outlooks or other statements given by such rating agency with respect thereto should be obtained from such rating agency.

There is no assurance that the current ratings assigned to the Target Bonds will continue for any given period of time or that any of such ratings will not be revised upward or downward, suspended or withdrawn entirely by any rating agency. Any such upward or downward revision, suspension or withdrawal of such ratings may have an effect on the availability of a market for or the market price of the Target Bonds. Each Bondowner should review these ratings and consult with its financial representatives concerning them.

Market Conditions. The purpose of this Tender Offer is to provide the Commission with the opportunity to purchase a portion of the Target Bonds. The final decision to purchase Target Bonds, and which Target Bonds will be accepted for purchase by the Commission will, in part, be based upon market conditions and other factors outside of the control of the Commission.

The Dealer Manager is not acting as a financial or municipal advisor to the Commission in connection with this Tender Offer.

18. The Dealer Manager. References in this Invitation to the Dealer Manager are to Jefferies LLC only in its capacity as the Dealer Manager.

The Dealer Manager may contact Bondowners regarding this Tender Offer and may request brokers, dealers, custodian banks, depositories trust companies and other nominees to forward this Invitation to beneficial owners of the Target Bonds.

The Commission, subject to the terms of the Dealer Manager Agreement, will pay the Dealer Manager a fee for its services in connection with this Tender Offer, and in addition, the Commission will pay the Dealer Manager its reasonable out-of-pocket costs and expenses relating to this Tender Offer.

The Dealer Manager, including its affiliates, is a full-service financial institution engaged in various activities, which may include securities trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage, and other financial and non-financial activities and services. The Dealer Manager and its affiliates have, from time to time, performed, and may in the future perform, a variety of these services for the Commission, for which they received and or will receive customary fees and expenses. In the ordinary course of their various business activities, the Dealer Manager and its affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own accounts and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities of the Dealer Manager and/or its affiliates may involve securities and instruments of the Commission, including but not limited to Target Bonds, whether or not tendered for purchase pursuant to this Invitation.

In addition to its role as Dealer Manager in connection with this Tender Offer, the Dealer Manager

is currently expected to act as the lead bookrunning underwriter of the Series 2024 Bonds, anticipated to be issued by the Commission as described in the Series 2024 Bonds POS attached as **Appendix A** and, as such, they will receive compensation in connection with that transaction as well.

19. Information Agent and Tender Agent. The Department Representative has appointed, and hereby affirms such appointment by publication of this Invitation, Globic Advisors Inc. to act as the Information Agent and Tender Agent in connection with the Tender Offer and has authorized Jefferies LLC to engage the Information and Tender Agent to advise the Commission and Dealer Manager as to such matters related to the Tender Offer. The Commission will pay the Information Agent and Tender Agent customary fees for its services in connection with this Tender Offer, and in addition, the Commission will pay the Information Agent and Tender Agent its reasonable out-of-pocket costs and expenses related to this Tender Offer, subject to the terms of the Dealer Manager Agreement.

20. Miscellaneous. This Invitation is not being made to, and offers will not be accepted from or on behalf of, Bondowners in any jurisdiction in which this Invitation or the acceptance thereof would not be in compliance with the laws of such jurisdiction. In those jurisdictions whose laws require this Tender Offer to be made through a licensed or registered broker or dealer, this Tender Offer is being made on behalf of the Commission by the Dealer Manager.

No one has been authorized by the Commission, the Dealer Manager, or the Information Agent and Tender Agent to recommend to any Bondowners whether to tender Target Bonds for purchase pursuant to this Invitation. No one has been authorized to give any information or to make any representation in connection with this Tender Offer other than those contained in this Invitation. Any recommendation, information and representations given or made cannot be relied upon as having been authorized by the Commission, the Dealer Manager, or the Information Agent and Tender Agent.

None of the Commission, the Dealer Manager, or the Information Agent and Tender Agent makes any recommendation that any Bondowner tender or refrain from tendering all or any portion of such Bondowner's Target Bonds for purchase. Bondowners must make these decisions and should consult with their broker-dealer, account executive, financial advisor, attorney and/or other appropriate professionals.

21. Available Information; Contact Information. Certain information relating to the Target Bonds and the Commission may be obtained by contacting the Dealer Manager or Information Agent and Tender Agent at the contact information set forth below. Such information is limited to (i) the Invitation, including the information set forth in the Series 2024 Bonds POS, which is attached hereto as **Appendix A**, and (ii) information about the Commission available through the EMMA Website.

Investors with questions about this Tender Offer should contact the Dealer Manager or the Information Agent and Tender Agent utilizing the contact information below:

The Dealer Manager for this Tender Offer is:

JEFFERIES LLC

Contact your Jefferies LLC Representative or
Jefferies LLC's Municipal Syndicate Desk
520 Madison Avenue
(800) 567-8567
muni_underwriting@jefferies.com

The Information Agent and Tender Agent for this Tender Offer is:

GLOBIC ADVISORS INC.

Attention: Robert Stevens
485 Madison Avenue, 7th Floor
(212) 227-9622, rstevens@globic.com
Document Website: www.globic.com/txdot

Appendix A

SERIES 2024 BONDS PRELIMINARY OFFICIAL STATEMENT

PRELIMINARY OFFICIAL STATEMENT DATED FEBRUARY 20, 2024

NEW ISSUE - Book-Entry-Only

RATINGS: S&P: "AAA"; Moody's: "Aaa"; KBRA: "AAA"

In the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel to the Texas Transportation Commission, interest on the Series 2024 Bonds (as defined herein) will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions on the date thereof, subject to the matters described under "TAX MATTERS" herein, including the alternative minimum tax on certain corporations.



\$670,000,000*

**TEXAS TRANSPORTATION COMMISSION
STATE OF TEXAS HIGHWAY IMPROVEMENT
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2024**



Dated: Date of Initial Delivery

Due: April 1, as shown on the inside cover page

The "Texas Transportation Commission State of Texas Highway Improvement General Obligation Refunding Bonds, Series 2024" (the "Series 2024 Bonds") are general obligations of the State of Texas (the "State") issued by the Texas Transportation Commission (the "Commission"), the governing body of the Texas Department of Transportation (the "Department" or "TxDOT"), an agency of the State. The Series 2024 Bonds are being issued pursuant to the authority granted to the Commission, acting on behalf of the State, by Article III, Section 49-p of the Texas Constitution (the "Constitutional Provision"), Section 222.004 of the Texas Transportation Code (the "Enabling Act") and Chapters 1207 and 1371 of the Texas Government Code; a "Master Resolution Establishing the Texas Transportation Commission Highway Improvement General Obligation Financing Program" (the "Master Resolution"), adopted by minute order of the Commission on January 28, 2010, as supplemented by a "Sixth Supplemental Resolution" thereto, adopted by minute order of the Commission on June 29, 2023; and an Award Certificate of a Department Representative authorized by the Sixth Supplemental Resolution (the "Award Certificate"). The Master Resolution, the Sixth Supplemental Resolution and the Award Certificate are collectively referred to herein as the "Resolution." The Master Resolution establishes the Texas Transportation Commission Highway Improvement General Obligation Financing Program (the "Program") to provide a financing structure for the issuance of obligations secured by and payable solely from the general obligation pledge of the State, including the first money coming into the State treasury each fiscal year, not otherwise appropriated by the Texas Constitution. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS" herein.

The Series 2024 Bonds are being issued to: (i) refund certain Previously Issued Bonds of the Commission (as defined and described herein, including "SCHEDULE I – Refunded Bonds" hereto) to achieve debt service savings, (ii) pay the purchase price of certain Previously Issued Bonds (as described in "SCHEDULE II – Purchased Bonds" hereto) that have been validly tendered for purchase by the Commission pursuant to the Invitation (as defined herein) to achieve debt service savings, and (iii) pay the costs of issuing the Series 2024 Bonds and the costs of the Invitation. See "PLAN OF FINANCE."

Interest on the Series 2024 Bonds will accrue from the Date of Initial Delivery (defined below), will be calculated on the basis of a 360-day year composed of twelve 30-day months, and will be payable on April 1 and October 1 of each year, commencing October 1, 2024, until maturity or prior redemption. The Series 2024 Bonds are initially issuable only to Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC"), pursuant to the book-entry-only system described herein. Beneficial ownership of the Series 2024 Bonds may be acquired in denominations of \$5,000 or integral multiples thereof within a maturity. No physical delivery of the Series 2024 Bonds will be made to the beneficial owners thereof. Principal of, premium, if any, and interest on the Series 2024 Bonds will be payable by the paying agent/registrars (the "Paying Agent/Registrar"), initially UMB Bank, N.A., Austin, Texas, to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent remittance to the beneficial owners of the Series 2024 Bonds. See "DESCRIPTION OF THE SERIES 2024 BONDS – Paying Agent/Registrar" and "APPENDIX D – DTC Book-Entry-Only System."

THE SERIES 2024 BONDS ARE GENERAL OBLIGATIONS OF THE STATE AND ARE SECURED BY THE FULL FAITH AND CREDIT OF THE STATE. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS" and "GENERAL INFORMATION REGARDING THE STATE" herein and "APPENDIX A – The State" attached hereto for general information regarding the State, including information concerning outstanding general obligation debt of the State.

Certain of the Series 2024 Bonds are subject to redemption prior to maturity as more fully described herein. See "DESCRIPTION OF THE SERIES 2024 BONDS – Redemption Provisions."

This cover page contains information for quick reference only. It is not a summary of the Series 2024 Bonds. Potential investors must read this entire Official Statement to obtain information essential to making an informed investment decision.

MATURITY SCHEDULE, INTEREST RATES, INITIAL YIELDS AND PRICES: See Inside Cover Page

The Series 2024 Bonds are offered for delivery when, as, and if issued by the Commission and accepted by the underwriters of the Series 2024 Bonds shown below (collectively, the "Underwriters"). The issuance of the Series 2024 Bonds is subject to the approval of the Attorney General of the State and the opinion of McCall, Parkhurst & Horton L.L.P., Austin, Texas, Bond Counsel to the Commission. Certain legal matters will be passed upon for the Commission by the General Counsel to the Commission and by Orrick, Herrington & Sutcliffe LLP, Austin, Texas, Disclosure Counsel to the Commission. Certain legal matters will be passed upon for the Underwriters by their co-counsel, Bracewell LLP, Austin, Texas, and Kassahn & Ortiz, P.C., San Antonio, Texas. It is expected that the Series 2024 Bonds will be delivered on or about March 28, 2024 (the "Date of Initial Delivery"), through the facilities of DTC.

Jefferies

Morgan Stanley

FHN Financial Capital Markets

Siebert Williams Shank & Co., LLC

Stern Brothers

Stifel

* Preliminary; subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

MATURITY SCHEDULE*

\$670,000,000

**TEXAS TRANSPORTATION COMMISSION
STATE OF TEXAS HIGHWAY IMPROVEMENT
GENERAL OBLIGATION REFUNDING BONDS, SERIES 2024**

\$ _____ Serial Bonds

Maturity (April 1)⁽¹⁾	Principal Amount	Interest Rate	Yield	Price	CUSIP⁽²⁾
2025	\$	%	%		
2026					
2027					
2028					
2029					
2030					
2031					
2032					
2033					
2034					
2035					
2036					
2037					
2038					
2039					
2040					
2041					
2042					
2043					
2044					

(Interest accrues from the Date of Initial Delivery of the Series 2024 Bonds)

* Preliminary; subject to change.

- (1) Certain of the Series 2024 Bonds are subject to redemption prior to maturity as more fully described herein. See “DESCRIPTION OF THE SERIES 2024 BONDS – Redemption Provisions.”
- (2) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, which is managed on behalf of the American Bankers Association by FactSet Research Systems, Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Global Services. CUSIP numbers are included solely for the convenience of the owners of the Series 2024 Bonds. None of the Commission, the Department, the Financial Advisor or the Underwriters shall be responsible for the selection or the correctness of the CUSIP numbers shown herein. The CUSIP numbers for the Series 2024 Bonds are subject to being changed after the initial issuance thereof as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of the Series 2024 Bonds or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of the Series 2024 Bonds.

STATE OF TEXAS OFFICIALS

Greg Abbott	Governor
Dan Patrick	Lieutenant Governor
Ken Paxton	Attorney General
Glenn Hegar	Comptroller of Public Accounts
Dawn Buckingham, M.D.	Commissioner of the General Land Office
Sid Miller	Commissioner of Agriculture

TEXAS TRANSPORTATION COMMISSION

<u>Name</u>	<u>Title</u>	<u>Term Expires</u>
J. Bruce Bugg, Jr.	Chairman	February 1, 2027
Stephen D. Alvis	Commissioner	February 1, 2029
Alejandro “Alex” G. Meade, III	Commissioner	February 1, 2025
W. Alvin New	Commissioner	February 1, 2027
Robert C. Vaughn	Commissioner	February 1, 2025

TEXAS DEPARTMENT OF TRANSPORTATION-SELECTED PERSONNEL

<u>Name</u>	<u>Position</u>	<u>Total Years of Service with the Department</u>
Marc D. Williams, P.E.	Executive Director	12 years
Brandye L. Hendrickson	Deputy Executive Director, Planning and Administration	3 years
Brian R. Barth, P.E.	Deputy Executive Director, Program Delivery	36 years
Stephen Stewart, CPA	Chief Financial Officer	12 years
Benjamin H. Asher	Director, Project Finance, Debt and Strategic Contracts Division	12 years
Amanda Landry, CPA	Director, Financial Management Division	10 years
Jeff Graham	General Counsel	12 years

CONSULTANTS AND ADVISORS

Financial Advisor Estrada Hinojosa & Company, Inc.
 Bond Counsel McCall, Parkhurst & Horton L.L.P.
 Disclosure Counsel Orrick, Herrington & Sutcliffe LLP
 Paying Agent/Registrar and Escrow Agent UMB Bank, N.A.

For additional information regarding the Commission or the Department, please contact either:

Mr. Stephen Stewart, CPA
 Chief Financial Officer
 Texas Department of Transportation
 125 E. 11th Street
 Austin, Texas 78701-2483
 (512) 305-9512

Mr. Paul Jack
 Senior Managing Director
 Estrada Hinojosa & Company, Inc.
 3103 Bee Caves Road, Suite 133
 Austin, Texas 78746
 (512) 605-2444

SALE AND DISTRIBUTION OF THE SERIES 2024 BONDS

For purposes of compliance with Rule 15c2-12 (the “Rule”) of the United States Securities and Exchange Commission, as amended and in effect on the date of this Preliminary Official Statement, this document constitutes an “official statement” of the Commission with respect to the Series 2024 Bonds that has been deemed “final” by the Commission as of its date except for the omission of no more than the information permitted by the Rule.

Use of Official Statement

No dealer, broker, salesman, or other person has been authorized by the Commission, the Commission’s Financial Advisor or the underwriters set forth on the cover page hereof (collectively, the “Underwriters”) to give any information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representation must not be relied upon as having been authorized by the Commission, the Commission’s Financial Advisor or the Underwriters. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Series 2024 Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation, or sale. The information and expressions of opinion herein are subject to change without notice, and neither the delivery of this Official Statement, nor any sale made hereunder, shall, under any circumstances, create the implication that there has been no change in the affairs of the Commission since the date hereof. See “CONTINUING DISCLOSURE OF INFORMATION” herein for a description of the Commission’s undertakings and the undertakings of the Texas Comptroller of Public Accounts (the “Comptroller”) to provide certain information on a continuing basis.

This Official Statement is submitted in connection with the sale of securities referred to herein and may not be reproduced or used for any other purpose. In no instance may this Official Statement be reproduced or used in part.

Certain information set forth in this Official Statement has been furnished by the State, the Commission and other sources which are believed to be reliable by the Commission, but such information is not to be construed as a representation by the Underwriters.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and as part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

THIS OFFICIAL STATEMENT IS INTENDED TO REFLECT FACTS AND CIRCUMSTANCES ON THE DATE OF THIS OFFICIAL STATEMENT OR ON SUCH OTHER DATE OR AT SUCH OTHER TIME AS IDENTIFIED HEREIN. NO ASSURANCE CAN BE GIVEN THAT SUCH INFORMATION MAY NOT BE MISLEADING AT A LATER DATE. CONSEQUENTLY, RELIANCE ON THIS OFFICIAL STATEMENT AT TIMES SUBSEQUENT TO THE ISSUANCE OF THE SERIES 2024 BONDS DESCRIBED HEREIN SHOULD NOT BE MADE ON THE ASSUMPTION THAT ANY SUCH FACTS OR CIRCUMSTANCES ARE UNCHANGED.

NONE OF THE STATE, THE DEPARTMENT, THE COMMISSION, THE COMMISSION’S FINANCIAL ADVISOR OR THE UNDERWRITERS MAKE ANY REPRESENTATION AS TO THE ACCURACY, ADEQUACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT IN “APPENDIX D – DTC BOOK-ENTRY-ONLY SYSTEM.”

THE CONTENTS OF THIS OFFICIAL STATEMENT ARE NOT TO BE CONSTRUED AS LEGAL, BUSINESS OR TAX ADVICE, AND PROSPECTIVE INVESTORS SHOULD CONSULT THEIR OWN ATTORNEYS AND BUSINESS AND TAX ADVISORS.

The financial and other information contained herein has been obtained from the Commission’s records and other sources which the Commission believes to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents, and the Resolution contained in this Official Statement are made subject to all of the provisions of such statutes, documents, and the Resolution. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

Marketability

THE PRICE AND OTHER TERMS RESPECTING THE OFFERING AND SALE OF THE SERIES 2024 BONDS MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS AFTER SUCH SERIES 2024 BONDS ARE RELEASED FOR SALE, AND SUCH SERIES 2024 BONDS MAY BE OFFERED AND SOLD AT PRICES OTHER THAN THE INITIAL OFFERING PRICES, INCLUDING SALES TO DEALERS WHO MAY SELL SUCH SERIES 2024 BONDS INTO INVESTMENT ACCOUNTS. IN CONNECTION WITH THE OFFERING OF THE SERIES 2024 BONDS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH SERIES 2024 BONDS AT A LEVEL ABOVE THOSE WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Securities Laws

THE SERIES 2024 BONDS HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE “SEC”) NOR HAS THE SEC PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

No registration statement relating to the Series 2024 Bonds has been filed with the SEC under the Securities Act of 1933, as amended, in reliance upon an exemption provided thereunder, nor have the Series 2024 Bonds been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein. Furthermore, the Series 2024 Bonds have not been registered or qualified under the securities laws of any other jurisdiction (domestic or foreign).

The Commission assumes no responsibility for registration or qualification for sale or other disposition of the Series 2024 Bonds under the securities laws of any jurisdiction (domestic or foreign) in which the Series 2024 Bonds may be offered, sold or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Series 2024 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.

The statements contained in this Official Statement, and in other information provided by the Commission or the Comptroller, that are not purely historical, are forward-looking statements, including statements regarding the Commission’s or Comptroller’s expectations, hopes, intentions, or strategies regarding the future. All forward-looking statements included in this Official Statement are based on information available to the Commission or the Comptroller on the date of this Official Statement or the date of the Bond Appendix, State ACFR (as defined herein), or event notice, respectively, or such other dates of such forward-looking statements as described herein, as applicable, and none of the Commission, the Department, or the Comptroller assume any obligation to update any such forward-looking statements. See “OTHER INFORMATION – Forward-Looking Statements.”

References to website 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 websites and the information or links contained therein (or in any other document expressly incorporated herein) are not incorporated into, and are not part of, this Official Statement, including for purposes of, and as that term is defined in, Rule 15c2-12 of the SEC.

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OFFICIAL STATEMENT

relating to

\$670,000,000*

TEXAS TRANSPORTATION COMMISSION STATE OF TEXAS HIGHWAY IMPROVEMENT GENERAL OBLIGATION REFUNDING BONDS, SERIES 2024

INTRODUCTION

The purpose of this Official Statement (which includes the cover page, inside cover page, the Schedules and Appendices hereto, and the information incorporated by reference into this Official Statement as described in “GENERAL INFORMATION REGARDING THE STATE”) is to furnish information concerning the offering of the “Texas Transportation Commission State of Texas Highway Improvement General Obligation Refunding Bonds, Series 2024” (the “Series 2024 Bonds”), which are being issued by the Texas Transportation Commission (the “Commission”), the governing body of the Texas Department of Transportation (the “Department”), an agency of the State of Texas (the “State”), in the aggregate principal amount set forth above. The Series 2024 Bonds are being issued pursuant to the authority granted to the Commission by Article III, Section 49-p of the Texas Constitution (the “Constitutional Provision”), Section 222.004 of the Texas Transportation Code (the “Enabling Act”) and Chapters 1207 and 1371 of the Texas Government Code; the “Master Resolution Establishing the Texas Transportation Commission Highway Improvement General Obligation Financing Program” (the “Master Resolution”), adopted by minute order of the Commission on January 28, 2010, as supplemented by a “Sixth Supplemental Resolution” thereto (the “Sixth Supplemental Resolution” or the “Sixth Supplement”), adopted by minute order of the Commission on June 29, 2023; and an Award Certificate of a Department Representative authorized by the Sixth Supplemental Resolution (the “Award Certificate”). The Master Resolution, the Sixth Supplemental Resolution and the Award Certificate are collectively referred to herein as the “Resolution.” Except as otherwise indicated herein, capitalized terms used in this Official Statement have the same meanings assigned to such terms in the Resolution, as set forth in “APPENDIX B – Select Provisions of the Resolution – Select and Conformed Definitions in the Master Resolution and the Sixth Supplemental Resolution.”

The Master Resolution establishes the Texas Transportation Commission Highway Improvement General Obligation Financing Program (the “Program”) to provide a financing structure for the issuance of obligations secured by and payable solely from the general obligation pledge of the State pursuant to the Constitutional Provision and the Enabling Act, including the first money coming into the State treasury each fiscal year, not otherwise appropriated by the Texas Constitution. The Series 2024 Bonds, the Previously Issued Bonds and other bonds issued under the Program are collectively referred to herein as the “Bonds.” See “PLAN OF FINANCE.”

PURSUANT TO THE CONSTITUTIONAL PROVISION, THE SERIES 2024 BONDS CONSTITUTE GENERAL OBLIGATIONS OF THE STATE AND THE FULL FAITH AND CREDIT OF THE STATE IS PLEDGED FOR THE PAYMENT OF THE SERIES 2024 BONDS. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS – General Obligation Pledge.”

This Official Statement includes descriptions of the Series 2024 Bonds, the Commission, the Department, the State, and certain other matters, along with summaries and excerpts of portions of the Resolution. The excerpts and summaries of documents contained herein do not purport to be complete or verbatim and are qualified in their entirety by reference to the respective documents. The Resolution is available for inspection at the office of the Department, DeWitt C. Greer State Office Building, 125 East 11th Street, Austin, Texas 78701.

This Official Statement speaks only as of its date, except information in the Bond Appendix (defined herein), State ACFR (defined herein) and any notice incorporated herein by reference speak only as of the date specified in each such document, and the information contained herein is subject to change. A copy of this Official Statement will be submitted by the Underwriters to the Municipal Securities Rulemaking Board (the “MSRB”) and will be available through the MSRB’s Electronic Municipal Market Access (“EMMA”) system. See “CONTINUING DISCLOSURE OF INFORMATION” for information regarding the EMMA system and for a description of the Commission’s

* Preliminary, subject to change.

undertaking and the undertaking of the Texas Comptroller of Public Accounts (the “Comptroller”) to provide certain information on a continuing basis.

PLAN OF FINANCE

General

The Constitutional Provision, adopted by the voters of the State on November 6, 2007, authorizes the Commission to issue general obligation bonds of the State in an aggregate principal amount not to exceed \$5 billion. The Master Resolution establishes the Program in an aggregate principal amount not to exceed \$5 billion subject to the limitations and requirements of the Constitutional Provision, the Enabling Act, the General Appropriations Act, other applicable provisions of State law, the Master Resolution and each Supplement. The Master Resolution may be amended, without the consent of Bondholders, to increase the principal amount of Bonds issued under the Program by the Commission upon a finding by the Commission that the increase is authorized by the Texas Constitution and State law.

The Commission has previously issued nine series of Bonds under the Program pursuant to the Constitutional Provision (defined below as the “Previously Issued Bonds”), which consist of the Commission’s State of Texas Highway Improvement General Obligation Bonds, Taxable Series 2010A (Build America Bonds - Direct Payment); State of Texas Highway Improvement General Obligation Bonds, Series 2010B; State of Texas Highway Improvement General Obligation Bonds, Series 2012A; State of Texas Highway Improvement General Obligation Bonds, Taxable Series 2012B; State of Texas Highway Improvement General Obligation Bonds, Series 2014; State of Texas Highway Improvement General Obligation Bonds, Series 2016; State of Texas Highway Improvement General Obligation Bonds, Series 2016A; State of Texas Highway Improvement General Obligation Refunding Bonds, Taxable Series 2019; and State of Texas Highway Improvement General Obligation Refunding Bonds, Taxable Series 2020 (collectively, the “Previously Issued Bonds”), in the original aggregate principal amount of \$5,859,555,000. As of January 1, 2024, \$3,201,100,000 in aggregate principal amount of such Previously Issued Bonds are outstanding. The issuance of the Series 2016A Bonds described above represented the remaining voted authorization pursuant to the Constitutional Provision, and, therefore, the Commission is not currently authorized to issue any additional new money general obligation bonds of the State pursuant to the Constitutional Provision. For information concerning other general obligation debt of the State, see the caption “State Debt” within the Bond Appendix, which is incorporated by reference into and made a part of this Official Statement as if set forth herein. See “GENERAL INFORMATION REGARDING THE STATE” and “APPENDIX A – The State.”

Under the Sixth Supplemental Resolution, the Commission has authorized the issuance in one or more series of additional Bonds under the Program for refunding purposes. The Series 2024 Bonds are the first series of obligations issued or executed under the Sixth Supplemental Resolution and the tenth series of obligations issued under the Program. The Series 2024 Bonds are being issued to: (i) refund certain Previously Issued Bonds described in “SCHEDULE I – Refunded Bonds” hereto to achieve debt service savings, (ii) pay the purchase price of certain Previously Issued Bonds described in “SCHEDULE II – Purchased Bonds” hereto that have been validly tendered for purchase by the Commission pursuant to the Commission’s Invitation to Tender Bonds dated February 20, 2024 (the “Invitation”) to achieve debt service savings, and (iii) pay the costs of issuing the Series 2024 Bonds and the costs of the Invitation. See “PLAN OF FINANCE – Refunded Bonds and – Purchased Bonds” below.

Refunded Bonds

Certain maturities of the Commission’s State of Texas Highway Improvement General Obligation Bonds, Series 2014 (the “Refunded Series 2014 Bonds”), described in “SCHEDULE I – Refunded Bonds” hereto, are to be redeemed on the optional redemption date therefor as described in “SCHEDULE I – Refunded Bonds” hereto from funds to be deposited with UMB Bank, N.A., Austin, Texas (the “Escrow Agent”) pursuant to the Escrow Agreement, dated as of the Date of Initial Delivery of the Series 2024 Bonds, between the Commission and the Escrow Agent (the “Escrow Agreement”).

A portion of the proceeds of the Series 2024 Bonds, together with a cash contribution by the Commission, will be deposited in escrow with the Escrow Agent pursuant to the Escrow Agreement to pay, when due, the principal of and interest on the Refunded Series 2014 Bonds on the optional redemption date therefor as described in “SCHEDULE I – Refunded Bonds” hereto. Monies on deposit in the Escrow Fund established by the Escrow Agreement and held by the Escrow Agent will not be available to pay debt service on the Series 2024 Bonds. The accuracy of the mathematical computations of the adequacy of funds necessary for the payment of the Refunded Series

2014 Bonds will be verified by the Arbitrage Group, Inc. (the “Verification Agent”). The Verification Agent will issue its report (the “Verification Report”) additionally verifying to the Underwriters, prior to or on the Date of Initial Delivery of the Series 2024 Bonds, the mathematical accuracy of the schedules that demonstrate the sufficiency of the amount initially deposited to the Escrow Fund to pay the principal of and interest on the Refunded Series 2014 Bonds when due. Amounts on deposit in the Escrow Fund shall, until such time as needed for their intended purpose, be (i) held uninvested in cash and/or (ii) invested in certain direct noncallable, not pre-payable United States Treasury obligations and obligations, the timely payment of which is unconditionally guaranteed by the United States of America. See “OTHER INFORMATION – Verification of Mathematical Accuracy” herein. By the deposit of uninvested funds with the Escrow Agent pursuant to the Escrow Agreement, the Commission will have entered into firm banking and financial arrangements for the discharge, defeasance, and final payment of the Refunded Series 2014 Bonds in accordance with applicable law and the terms of the Master Resolution and the applicable Supplement authorizing their issuance.

Certain maturities of the Commission’s State of Texas Highway Improvement General Obligation Refunding Bonds, Taxable Series 2020 (the “Refunded Series 2020 Bonds,” and collectively with the Refunded Series 2014 Bonds, the “Refunded Bonds”), described in “SCHEDULE I – Refunded Bonds” hereto, are to be redeemed on the Date of Initial Delivery of the Series 2024 Bonds from a portion of the proceeds of the Series 2024 Bonds, together with a cash contribution by the Commission, to be deposited with U.S. Bank Trust Company, National Association, as successor in interest to U.S. Bank, National Association, the paying agent/registrar for the Refunded Series 2020 Bonds (the “Series 2020 Bonds Paying Agent”), into a separate sub-account for the Refunded Series 2020 Bonds pursuant to a letter of instructions from the Commission to the Series 2020 Bonds Paying Agent.

The accuracy of the mathematical computations for the make-whole redemption price for the Refunded Series 2020 Bonds will be verified by the Financial Advisor (as defined herein) to the Commission, and the Financial Advisor will provide such verification to the Verification Agent. The accuracy of the mathematical computations of the adequacy of funds necessary for the payment of the Refunded Series 2020 Bonds will be verified by the Verification Agent in its Verification Report. See “OTHER INFORMATION – Verification of Mathematical Accuracy” herein. By the deposit with the Series 2020 Bonds Paying Agent of funds to pay the make-whole redemption price on the Date of Initial Delivery of the Series 2024 Bonds, the Commission will have entered into firm banking and financial arrangements for the discharge, defeasance, and final payment of the Refunded Series 2020 Bonds in accordance with applicable law and the terms of the Master Resolution and the applicable Supplement authorizing their issuance.

Bond Counsel will render an opinion on the Date of Initial Delivery of the Series 2024 Bonds to the effect that, in reliance upon the Verification Report, and as a result of the firm banking and financial arrangements described above, the Refunded Bonds will be deemed to be fully paid and no longer outstanding except for the purpose of being paid from the funds described above.

The Commission will give instructions to provide notice to the owners of the Refunded Bonds that the Refunded Bonds will be redeemed on a date prior to their stated maturity, on which date funds will be made available to redeem the Refunded Bonds, and the Commission will have no further responsibility with respect to amounts available in the Escrow Fund for the payment of the Refunded Series 2014 Bonds from time to time.

Purchased Bonds

On February 20, 2024, the Commission released the Invitation to the beneficial owners of certain Previously Issued Bonds, comprised of certain maturities of the Commission’s State of Texas Highway Improvement General Obligation Refunding Bonds, Taxable Series 2019 (the “Target Taxable Series 2019 Bonds”) and certain maturities of the Commission’s State of Texas Highway Improvement Refunding Bonds, Taxable Series 2020 (the “Target Taxable Series 2020 Bonds,” and together with the Target Taxable Series 2019 Bonds, the “Target Bonds”), to tender their Target Bonds for purchase by the Commission on the terms and conditions set forth in the Invitation. Pursuant to the Invitation, the owners of the Target Bonds may tender their Target Bonds and, subject to the conditions set forth in the Invitation, on or about the Date of Initial Delivery (defined herein) of the Series 2024 Bonds, the Commission expects to purchase some or all of the validly tendered Target Bonds for cash at the purchase prices and on the other terms and conditions set forth in the Invitation, as supplemented or amended via pricing notice or otherwise. The validly tendered Target Bonds to be purchased by the Commission (which constitute the “Purchased Bonds” for purposes of this Official Statement and are more fully described in “SCHEDULE II – Purchased Bonds”) will be cancelled on the Date of Initial Delivery of the Series 2024 Bonds and will no longer be deemed Outstanding.

The Commission expects to pay the purchase price for the Purchased Bonds on the Date of Initial Delivery of the Series 2024 Bonds, together with the costs related thereto, from (x) a portion of the proceeds of the Series 2024

Bonds, and (y) certain available funds of the Commission held in trust for the beneficial owners of the Purchased Bonds. Target Bonds not purchased pursuant to the Invitation will remain Outstanding. Prior to or on the Date of Initial Delivery of the Series 2024 Bonds, the Verification Agent will verify, among other items described below, the sufficiency of cash deposited with the paying agent/registrars for the Purchased Bonds to pay the purchase price of the Purchased Bonds plus costs related thereto.

The Target Bonds will be tendered to the Commission under the terms of the Invitation with the assistance of Jefferies LLC (“Jefferies”), acting in its capacity as dealer manager (“Dealer Manager”). Jefferies will receive a fee for its services and will be reimbursed for any expenses it incurs as the Dealer Manager. Jefferies is also an Underwriter of the Series 2024 Bonds. See “OTHER INFORMATION – Underwriting.”

Owners of the Target Bonds must review the Invitation (including the appendices attached thereto) for further information. This description is not intended to summarize the terms of the Invitation, or solicit offers to tender Target Bonds, and reference is made to the Invitation for a complete discussion of the terms of the Invitation and the conditions for settlement of the Target Bonds validly tendered and accepted for purchase. The Commission will file the Invitation with the MSRB through its EMMA System. See “SOURCES AND USES OF FUNDS” and “SCHEDULE II – Purchased Bonds.”

Issuance of Additional General Obligation Bonds

Various State entities, including the Commission, have issued and are authorized to issue general obligation bonds or other obligations of the State. In addition, by constitutional amendment or proposition, the voters of the State may authorize the issuance of additional general obligation bonds or other indebtedness for which the full faith, credit and taxing power of the State are pledged. See “PLAN OF FINANCE – General,” “THE COMMISSION AND THE DEPARTMENT – Other Financing Programs – Texas Mobility Fund” and “APPENDIX A – The State.” The Commission is not currently authorized to issue any additional new money general obligation bonds of the State pursuant to the Constitutional Provision.

Bond Review Board Approval

With certain exceptions, bonds issued by State agencies and institutions, including bonds issued by the Commission, must be formally approved by the Texas Bond Review Board (the “Bond Review Board”) prior to their issuance, unless certain exemption criteria set forth in the Bond Review Board’s rules are satisfied. The Bond Review Board is composed of the Governor of the State (the “Governor”), the Lieutenant Governor, the Speaker of the House of Representatives, and the Comptroller. The Governor is the Chairman of the Bond Review Board. Each member of the Bond Review Board may, and frequently does, act through a designee. By letter dated February 7, 2024, the Bond Review Board provided written notification to the Commission that the issuance of the Series 2024 Bonds, in a total maximum proceeds amount of \$1,013,425,000, including premiums, if any, meets the exemption criteria set forth in the Bond Review Board’s rules and that the Bond Review Board decided not to exercise its option to require the Commission to follow the formal approval process pursuant to the Bond Review Board’s rules.

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SOURCES AND USES OF FUNDS

The proceeds from the sale of the Series 2024 Bonds, together with other lawfully available funds of the Commission, if any, are estimated to be applied as follows:

Sources of Funds

Principal Amount
Original Issue [Premium/Discount]
Commission's Contribution
Total Sources

Uses of Funds

Deposit to Escrow Fund for Refunded Series 2014
Bonds
Redemption of Refunded Series 2020 Bonds
Purchase Price of the Purchased Bonds
Underwriters' Discount
Costs of Issuance⁽¹⁾
Total Uses

(1) Includes fees associated with bond counsel, disclosure counsel, rating agencies and other costs associated with issuing the Series 2024 Bonds and the Invitation.

DESCRIPTION OF THE SERIES 2024 BONDS

General

The Series 2024 Bonds will accrue interest from the date of their initial delivery (the "Date of Initial Delivery"), and such interest will be payable on April 1 and October 1 of each year, commencing October 1, 2024, until maturity or prior redemption, and such interest will be calculated on the basis of a 360-day year composed of twelve 30-day months. The Series 2024 Bonds will be issued in book-entry form under a book-entry-only system operated by Cede & Co. as nominee of The Depository Trust Company, New York, New York ("DTC"), described in "APPENDIX D – DTC Book-Entry-Only System." Beneficial owners of the Series 2024 Bonds will not receive physical delivery of the Series 2024 Bond certificates. The Series 2024 Bonds will be issued in fully registered form in denominations of \$5,000 of principal amount and integral multiples thereof within a maturity, and will mature in the principal amounts on the dates shown on the inside cover page of this Official Statement. The Series 2024 Bonds will be dated the Date of Initial Delivery.

Payment of the Series 2024 Bonds

Principal of, interest and redemption premium, if any, on the Series 2024 Bonds due and payable by reason of maturity, redemption, or otherwise, will be payable only to the owner thereof appearing on the Security Register (the "Owner"), and, to the extent permitted by law, neither the Commission nor the Paying Agent/Registrar, nor any agent of either, will be affected by notice to the contrary.

Principal of and redemption premium, if any, on the Series 2024 Bonds will be payable only upon the presentation and surrender of the Series 2024 Bonds to the Paying Agent/Registrar at its designated office. Interest on the Series 2024 Bonds will be paid to the Owner whose name appears in the Security Register at the close of business on the Record Date (as defined herein) and will be paid (i) by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, by the Paying Agent/Registrar to the address of the Owner appearing in the Security Register on the Record Date or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested in writing by, and at the risk and expense of, the Owner. The "Record Date" for the Series 2024 Bonds means the 15th day of March and the 15th day of September of each year preceding the next scheduled interest payment date. If any such Record Date is not a business day then the Record Date is the business day next preceding such date. Notwithstanding the foregoing, so long as Cede & Co. (or other DTC nominee) is the registered

owner of the Series 2024 Bonds, all payments will be made as described in “APPENDIX D – DTC Book-Entry-Only System.”

In the event of a nonpayment of interest on a scheduled payment date on a Series 2024 Bond, and for 30 days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Commission. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which will be 15 days after the Special Record Date) will be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Owner of a Series 2024 Bond appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

Paying Agent/Registrar

The initial Paying Agent/Registrar for the Series 2024 Bonds is UMB Bank, N.A., Austin, Texas (the “Paying Agent/Registrar”). The Commission agrees and covenants to cause to be kept and maintained by the Paying Agent/Registrar a Security Register, in accordance with the terms and provisions of the Paying Agent/Registrar Agreement and such reasonable rules and regulations as the Paying Agent/Registrar and the Commission may prescribe.

The Commission expressly reserves the right to appoint one or more successor Paying Agent/Registrars, by filing with the Paying Agent/Registrar a certified copy of a resolution or minute order of the Commission making such appointment. The Commission further expressly reserves the right to terminate the appointment of the Paying Agent/Registrar by filing a certified copy of a resolution or minute order of the Commission giving notice of the Commission’s termination of the Commission’s agreement with such Paying Agent/Registrar and appointing a successor. The Commission covenants to maintain and provide a Paying Agent/Registrar at all times until the Series 2024 Bonds are paid and discharged, and any successor Paying Agent/Registrar will be a bank, trust company, financial institution, or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar for the Series 2024 Bonds. If a Paying Agent/Registrar is replaced, such Paying Agent/Registrar, promptly upon the appointment of the successor, will deliver the Security Register (or a copy thereof) and all other pertinent books and records relating to the Series 2024 Bonds to the successor Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar, the Commission agrees promptly to cause a written notice thereof to be sent to each Owner by United States mail, first-class postage prepaid, which notice will also give the address of the new Paying Agent/Registrar.

Redemption Provisions*

Optional Redemption. The Series 2024 Bonds maturing on and after _____ 1, 20__ are subject to redemption, prior to their scheduled maturity, with funds derived from any available source, in whole or in part, at the option of the Commission in authorized denominations, at the redemption price of par plus interest accrued to the date of redemption, and without premium, on _____ 1, 20__, or any date thereafter.

[Mandatory Sinking Fund Redemption. The Series 2024 Bonds maturing on _____ (the “Term Bonds”) are subject to mandatory sinking fund redemption prior to maturity. The Term Bonds must be redeemed by the Paying Agent/Registrar in authorized denominations at the redemption price of par plus interest accrued to the date of redemption, and without premium, on the dates and in the principal amounts as set forth in the following schedule:

Term Bonds	
Maturing _____	
Redemption Date	Principal Amount
(April 1)	\$ _____
_____	_____
_____	_____
_____*	_____
* Stated maturity	

* Preliminary; subject to change.

The principal amount of the Term Bonds required to be redeemed on any redemption date pursuant to the operation of mandatory sinking fund redemption provisions will be reduced, at the option of the Commission, by the principal amount of any Term Bond scheduled for redemption on such redemption date, which, at least 45 days prior to the mandatory sinking fund redemption date, (1) has been acquired by the Commission and delivered to the Paying Agent/Registrar for cancellation, (2) has been acquired and canceled by the Paying Agent/Registrar, at the direction of the Commission, at a price not exceeding the principal amount of such Term Bond plus accrued interest to the date of acquisition thereof, or (3) has been redeemed pursuant to the optional redemption provisions and not previously credited to a scheduled mandatory sinking fund redemption.]

Selection of Bonds to be Redeemed

If less than all of the Series 2024 Bonds are to be redeemed at the option of the Commission, the particular maturities of Series 2024 Bonds[, or mandatory sinking fund installment in the case of a Term Bond,] to be redeemed will be determined by the Commission in its sole discretion. If less than all of the Series 2024 Bonds of any maturity[, or mandatory sinking fund installment in the case of a Term Bond], are to be redeemed, the Paying Agent/Registrar (or DTC while the Series 2024 Bonds are in book-entry-only form) shall determine by lot or other customary random (or pro rata) method the Series 2024 Bonds, or portions thereof, within such maturity to be redeemed. If a Series 2024 Bond (or any portion of the principal sum thereof) shall have been called for redemption and notice of such redemption shall have been given, the Series 2024 Bond (or the principal amount thereof to be redeemed) shall become due and payable on such redemption date and interest thereon shall cease to accrue from and after the redemption date, provided funds for the payment of the redemption price and accrued interest thereon are held by the Paying Agent/Registrar on the redemption date.

Notice of Redemption or Defeasance

Unless waived by any Owner of the Series 2024 Bonds to be redeemed or defeased, the Commission will give notice of optional redemption or defeasance to the Paying Agent/Registrar at least thirty-five (35) days prior to a redemption date in the case of a redemption of Series 2024 Bonds (unless a lesser period is acceptable to the Paying Agent/Registrar) and on the defeasance date in the case of a defeasance of Series 2024 Bonds and the Paying Agent/Registrar will give notice of optional redemption of Series 2024 Bonds or notice of defeasance of Series 2024 Bonds by United States mail, first-class postage prepaid, at least thirty (30) days, but not more than sixty (60) days, prior to such redemption date and within thirty (30) days after a defeasance date to each registered securities depository and to any national information service that disseminates such notices. Any notice sent to the registered securities depositories or such national information services will be sent so that it is received at least two days prior to the general mailing or publication date of such notice. The Paying Agent/Registrar will also send a notice of prepayment or redemption to the Owner of any Series 2024 Bond who has not sent the Series 2024 Bonds in for redemption sixty (60) days after the redemption date. Any notice sent as described above will be effective whether or not the Owner receives it.

With respect to any optional redemption of the Series 2024 Bonds, unless certain prerequisites to such redemption required by the Sixth Supplemental Resolution have been met and money sufficient to pay the principal of, premium, if any, and interest on the Series 2024 Bonds to be redeemed will have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice will state that said redemption may, at the option of the Commission, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not fulfilled, such notice will be of no force and effect, the Commission will not redeem such Series 2024 Bonds, and the Paying Agent/Registrar will give notice in the manner in which the notice of redemption was given, to the effect that the Series 2024 Bonds have not been redeemed.

Purchase in Lieu of Redemption

If and to the extent that the Series 2024 Bonds are subject to optional redemption, all or a portion of the Series 2024 Bonds to be redeemed, as specified in the notice of redemption, may be purchased by the Paying Agent/Registrar at the direction of the Department Representative on the date which would be the redemption date if such Series 2024 Bonds were redeemed rather than purchased in lieu thereof at a purchase price equal to the redemption price which would have been applicable to such Series 2024 Bonds on the redemption date for the account of the Commission and at the direction of the Department Representative who shall give the Paying Agent/Registrar notice at least forty-five (45) days prior to the scheduled redemption date for the Series 2024 Bonds accompanied by a Favorable Opinion of Bond Counsel. In the event the Paying Agent/Registrar is so directed to purchase Series 2024 Bonds in lieu of optional

redemption, no notice to the Owners of the Series 2024 Bonds to be so purchased (other than the notice of redemption otherwise required hereunder) shall be required, and the Paying Agent/Registrar shall be authorized to apply to such purchase the funds which would have been used to pay the redemption price for such Series 2024 Bonds if such Series 2024 Bonds had been redeemed rather than purchased. Each Series 2024 Bond so purchased shall not be canceled or discharged and shall be registered in the name of the Commission and such purchase is not intended to extinguish or merge such debt. The Series 2024 Bonds to be purchased as described above which are not delivered to the Paying Agent/Registrar on the purchase date shall be deemed to have been so purchased and not optionally redeemed on the purchase date and shall cease to accrue interest as to the former Owner on the purchase date.

Limitation on Transfer of Bonds Called for Redemption

Neither the Commission nor the Paying Agent/Registrar will be required to issue or transfer to an assignee of an Owner any Series 2024 Bond called for redemption, in whole or in part, within forty-five (45) days of the date fixed for the redemption of such Series 2024 Bond; provided, however, that such limitation on transfer will not be applicable to an exchange by the Owner of the unredeemed balance of a Series 2024 Bond called for redemption in part.

Redemption Through The Depository Trust Company

The Paying Agent/Registrar and the Commission, so long as a book-entry-only system is used for the Series 2024 Bonds, will send only to DTC any notice of optional redemption (with respect to the Series 2024 Bonds), notice of proposed amendment to the Resolution, or other notices with respect to the Series 2024 Bonds. Any failure by DTC to advise any Direct Participant (defined herein), or of any Direct Participant or Indirect Participant (defined herein) to notify the Beneficial Owner (defined herein), will not affect the validity of the redemption of the Series 2024 Bonds called for redemption or any other action premised on any such notice. Redemption of portions of the Series 2024 Bonds by the Commission will reduce the outstanding principal amount of such Series 2024 Bonds held by DTC. In such event, DTC may implement, through its book-entry-only system, a redemption of such Bonds held for the account of Direct Participants in accordance with its rules or other agreements with Direct Participants and then Direct Participants and Indirect Participants may implement a redemption of such Series 2024 Bonds from the Beneficial Owners. Any such selection of Series 2024 Bonds to be redeemed will not be governed by the Sixth Supplemental Resolution and will not be conducted by the Commission or the Paying Agent/Registrar. Neither the Commission nor the Paying Agent/Registrar will have any responsibility to Direct Participants, Indirect Participants, or the persons for whom Direct Participants act as nominees, with respect to the payments on the Series 2024 Bonds or the providing of notice to Direct Participants, Indirect Participants, or Beneficial Owners of the selection of portions of the Series 2024 Bonds for redemption. See “APPENDIX D – DTC Book-Entry-Only System.”

Transfer, Exchange and Registration

The Paying Agent/Registrar will obtain, record, and maintain in the Security Register the name and address of each Owner, and any Series 2024 Bond may, in accordance with its terms and the terms of the Sixth Supplemental Resolution, be transferred or exchanged for Series 2024 Bonds in authorized denominations of \$5,000 or any integral multiple thereof (“Authorized Denominations”) upon the Security Register by the Owner, in person or by his duly authorized agent, upon surrender of such Series 2024 Bond to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Owner or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender for transfer of any Series 2024 Bond at the designated office of the Paying Agent/Registrar, there will be registered and delivered in the name of the designated transferee or transferees, one or more new Series 2024 Bonds, executed on behalf of, and furnished by, the Commission, of Authorized Denominations and having the same Maturity and of a like aggregate principal amount as the Series 2024 Bond or Bonds surrendered for transfer.

At the option of the Owner, the Series 2024 Bonds may be exchanged for other Series 2024 Bonds of Authorized Denominations and having the same Maturity, bearing the same rate of interest, and of like tenor and aggregate principal amount as the Series 2024 Bonds surrendered for exchange, upon surrender of the Series 2024 Bonds to be exchanged at the designated office of the Paying Agent/Registrar. Whenever any Series 2024 Bonds are surrendered for exchange, new Series 2024 Bonds will be registered and delivered, executed on behalf of, and furnished by, the Commission to the Owner requesting the exchange.

All Series 2024 Bonds issued upon any transfer or exchange of Series 2024 Bonds will be delivered at the designated office of the Paying Agent/Registrar or sent by United States mail, first-class, postage prepaid to the Owners or the designee thereof, and, upon the registration and delivery thereof, the same will be the valid obligations

of the Commission, evidencing the same debt, and entitled to the same benefits under the Resolution as the Series 2024 Bonds surrendered in such transfer or exchange.

All transfers or exchanges of Series 2024 Bonds pursuant to the Sixth Supplemental Resolution will be made without expense or service charge to the Owner, except as otherwise provided in the Sixth Supplemental Resolution, and except that the Paying Agent/Registrar will require payment by the Owner requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Series 2024 Bonds canceled by reason of an exchange or transfer are defined as “Predecessor Bonds,” evidencing all or a portion, as the case may be, of the same debt evidenced by the new Series 2024 Bond or Bonds registered and delivered in the exchange or transfer. Additionally, the term “Predecessor Bonds” includes any mutilated Series 2024 Bond that is surrendered to the Paying Agent/Registrar or any Series 2024 Bond for which satisfactory evidence of the loss of which has been received by the Commission and the Paying Agent/Registrar and, in either case, in lieu of which a Series 2024 Bond has or Series 2024 Bonds have been registered and delivered pursuant to the Sixth Supplemental Resolution.

In the event that the date for any payment on the Series 2024 Bonds is a Saturday, Sunday, legal holiday, or day on which banking institutions in the city where the designated office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment will be the next succeeding day that is not a Saturday, Sunday, legal holiday or day on which such banking institutions are authorized to close. Payment on such later date will not increase the amount of interest due and will have the same force and effect as if made on the original date that payment was due.

See “APPENDIX D – DTC Book-Entry-Only System” for a description of the system to be utilized initially in regard to the ownership and transferability of the Series 2024 Bonds.

Defeasance

Deemed Paid. The principal of and/or the interest and redemption premium, if any, on any Series 2024 Bonds shall be deemed to be “Defeased Bonds” within the meaning of the Master Resolution and the Sixth Supplemental Resolution, when payment of the principal of such Series 2024 Bonds, plus interest and redemption premium, if any, thereon to the due date or dates (whether such due date or dates be by reason of maturity, redemption or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption or the establishment of irrevocable provisions for the giving of such notice) or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar for such Series 2024 Bonds or an eligible trust company or commercial bank for such payment (1) lawful money of the United States of America sufficient to make such payment, (2) Defeasance Securities, certified by an independent public accounting firm or verification agent, both of national reputation to mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment and when proper arrangements have been made by the Commission with the Paying Agent/Registrar for such Series 2024 Bonds or an eligible trust company or commercial bank for the payment of its services until all Defeased Bonds shall have become due and payable or (3) any combination of (1) and (2). At such time as the Series 2024 Bonds shall be deemed to be Defeased Bonds under the Resolution, such Defeased Bonds and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of the Security (as defined herein) as provided in the Resolution, and such principal and interest shall be payable solely from such money or Defeasance Securities.

Retention of Rights. To the extent that the Commission has defeased any Outstanding Series 2024 Bonds to their stated maturity pursuant to the provisions of the Sixth Supplemental Resolution, the Commission retains the right under State law to later call those Defeased Bonds for redemption in accordance with the provisions of the Sixth Supplemental Resolution and the Award Certificate relating to the Defeased Bonds. The Commission may call such Defeased Bonds for redemption upon complying with the provisions of State law and upon the satisfaction of certain provisions of the Sixth Supplemental Resolution with respect to such Defeased Bonds as though such Defeased Bonds were being defeased at the time of the exercise of the option to redeem the Defeased Bonds, and the effect of the redemption is taken into account in determining the sufficiency of the provisions made for the payment of the Defeased Bonds.

Amendments to the Master Resolution without Consent of Owners

The Master Resolution and the rights and obligations of the Commission and of the Owners may be modified or amended at any time without notice to or the consent of any Owner, solely for any one or more of the following

purposes: (i) to add to the covenants and agreements of the Commission contained in the Master Resolution, other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon the Commission in the Master Resolution; (ii) to cure any ambiguity or inconsistency, or to cure or correct any defective provisions contained in the Master Resolution, upon receipt by the Commission of an Opinion of Counsel, that the same is needed for such purpose, and will more clearly express the intent of the Master Resolution; (iii) to supplement the Security for the Outstanding Bonds in accordance with the Constitutional Provision and State law; (iv) to make such other changes in the provisions thereof as the Commission may deem necessary or desirable and which shall not, in the judgment of the Commission, materially adversely affect the interests of the Owners; (v) to make any changes or amendments requested by the State Attorney General's Office or the Bond Review Board as a condition to the approval of a series or issue of Bonds, which changes or amendments do not, in the judgment of the Commission, materially adversely affect the interests of the Owners; (vi) to make any changes or amendments requested by any bond rating agency then rating or requested to rate Bonds, as a condition to the issuance or maintenance of a rating, which changes or amendments do not, in the judgment of the Commission, materially adversely affect the interests of the Owners; or (vii) to change the maximum principal amount of Bonds issued under the Program or change or supplement the purposes for which Bonds can be issued or Credit Agreements executed.

Amendments to the Master Resolution with Consent of Owners

Subject to the Master Resolution, the Owners aggregating a majority in Outstanding Principal Amount shall have the right from time to time to approve any amendment, other than amendments described above, to the Master Resolution which may be deemed necessary or desirable by the Commission; provided, however, that nothing contained in the Master Resolution shall permit or be construed to permit, without the approval of all Owners (unless such amendment shall be determined by the Commission to affect only certain Owners, in which case such amendment shall not be made without the approval of the Owners so affected), the amendment of the terms and conditions in the Master Resolution so as to: (i) grant to the Owners of any Outstanding Bonds a priority over the owners of any other Outstanding Bonds; or (ii) materially adversely affect the rights of the Owners of less than all Bonds then Outstanding; or (iii) change the minimum percentage of the Outstanding Principal Amount necessary for consent to such amendment; or (iv) make any change in the maturity of any Outstanding Bonds; or (v) reduce the rate of interest borne by any Outstanding Bonds; or (vi) reduce the amount of the principal payable on any Outstanding Bonds; or (vii) modify the terms of payment of the amounts required to meet any financial obligations of the Commission relating to the Program, including payments due on or with respect to the payment of any Outstanding Bonds, or impose any conditions with respect to such; or (viii) amend the above-described provisions.

Amendments to Sixth Supplemental Resolution without Consent of Owners

Subject to the provisions of the Master Resolution, the Sixth Supplemental Resolution, and the rights and obligations of the Commission and of the Owners of the Series 2024 Bonds, the Sixth Supplemental Resolution may be modified or amended at any time without notice to or the consent of any Owner of the Series 2024 Bonds, solely for any one or more of the following purposes to: (i) add to the covenants and agreements of the Commission contained in the Sixth Supplemental Resolution, other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon the Commission in the Sixth Supplemental Resolution; (ii) cure any ambiguity or inconsistency, or to cure or correct any defective provisions contained in the Sixth Supplemental Resolution, upon receipt by the Commission of an Opinion of Counsel, that the same is needed for such purpose, and will more clearly express the intent of the Sixth Supplemental Resolution; (iii) supplement the Security for the Series 2024 Bonds or a Credit Agreement; (iv) to make such other changes in the provisions of the Sixth Supplemental Resolution, as the Commission may deem necessary or desirable and which will not, in the judgment of the Commission, materially adversely affect the interests of the Owners of the Outstanding Series 2024 Bonds; (v) make any changes or amendments requested by the State Attorney General's Office or the Bond Review Board as a condition to the approval of the Series 2024 Bonds, which changes or amendments do not, in the judgment of the Commission, materially adversely affect the interests of the Owners of the Outstanding Series 2024 Bonds; or (vi) make any changes or amendments requested by any bond rating agency then rating or requested to rate the Series 2024 Bonds, as a condition to the issuance or maintenance of a rating, which changes or amendments do not, in the judgment of the Commission, materially adversely affect the interests of the Owners of the Outstanding Series 2024 Bonds.

Amendments to Sixth Supplemental Resolution with Consent of Owners

Subject to the other provisions of the Sixth Supplemental Resolution and the Master Resolution, the Owners of Outstanding Series 2024 Bonds aggregating a majority in Outstanding Principal Amount of the Series 2024 Bonds have the right from time to time to approve any amendment, other than amendments described in the immediately

preceding section, to the Sixth Supplemental Resolution that may be deemed necessary or desirable by the Commission; provided, however, that this may not be construed to permit, without the approval of the Owners of all of the Outstanding Series 2024 Bonds, the amendment of the terms and conditions in the Sixth Supplemental Resolution or in the Series 2024 Bonds, so as to: (i) make any change in the maturity of the Outstanding Series 2024 Bonds; (ii) reduce the rate of interest borne by the Outstanding Series 2024 Bonds; (iii) reduce the amount of the principal payable on the Outstanding Series 2024 Bonds; (iv) modify the terms of payment of principal of or interest on the Outstanding Series 2024 Bonds, or impose any conditions with respect to such payment; (v) affect the rights of the Owners of less than all of the Series 2024 Bonds then Outstanding; or (vi) change the minimum percentage of the Outstanding Principal Amount of the Series 2024 Bonds necessary for consent to such amendment.

Prior to the effective date of any such amendment, a copy of such amendment will be promptly furnished to the rating agencies then rating the Series 2024 Bonds and the Paying Agent/Registrar.

Notice of a proposed amendment requiring consent of the Owners must be published in a financial newspaper or journal of general circulation in the City of New York, New York (including, but not limited to, *The Bond Buyer* or *The Wall Street Journal*) or in the State (including, but not limited to, *The Texas Bond Reporter*), once during each calendar week for at least two successive calendar weeks or disseminated by electronic means customarily used to convey notices of redemption. Such publication is not required, however, if the Commission gives or causes to be given such notice in writing to each Owner of the Series 2024 Bonds. A copy of such notice must be provided in writing to each rating agency maintaining a rating on the Series 2024 Bonds.

Use of Certain Terms in Other Sections of this Official Statement

In reading this Official Statement it should be understood that while the Series 2024 Bonds are in the book-entry-only system, references in other sections of this Official Statement to registered owners should be read to include the person for which the Direct Participant or Indirect Participant acquires an interest in the Series 2024 Bonds, but (i) all rights of ownership must be exercised through DTC and the book-entry-only system, and (ii) except as described above, notices that are to be given to registered owners under the Resolution will be given only to DTC.

SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS

General

Pursuant to the Master Resolution, any series of Bonds issued under the Program shall be secured by and payable solely from a pledge of the following (collectively, the “Security”): (i) the general obligation pledge of the State pursuant to the Constitutional Provision, including the first money coming into the State treasury each fiscal year, not otherwise appropriated by the Texas Constitution, in an amount sufficient to pay principal of and interest on the Bonds that mature or become due during the fiscal year, including an amount sufficient to make payment under a related Credit Agreement; (ii) all amounts in the Interest and Sinking Fund; (iii) all of the proceeds of the foregoing, including, without limitation, investments thereof; and (iv) any applicable Credit Agreement to the extent set forth in such Credit Agreement.

Pursuant to the Master Resolution, the Commission has assigned and pledged the Security to the payment of the Annual Debt Service Requirements on Bonds, including the obligations due under and in connection with any Credit Agreement, to the extent set forth therein and in the related Supplement, and the Commission has further pledged the Security to the establishment and maintenance of any funds, accounts or subaccounts which may be provided to secure the repayment of any series of Bonds, including the obligations due under and in connection with any Credit Agreement, to the extent set forth therein and in the related Supplement. Pursuant to the Constitutional Provision, the amounts constituting Security are appropriated when received by the State and may be used for the purposes provided by State law, including the Constitutional Provision, the General Appropriations Act and the Enabling Act.

Neither the Commission nor the State has ever defaulted on the payment of principal of or interest on its bonds or other debt obligations. The Series 2024 Bonds constitute the tenth series of Bonds issued or executed by the Commission on behalf of the State under the Program. See “PLAN OF FINANCE – General” herein.

General Obligation Pledge

THE SERIES 2024 BONDS ARE GENERAL OBLIGATIONS OF THE STATE AND, AS PROVIDED IN THE CONSTITUTIONAL PROVISION, THE ENABLING ACT AND THE RESOLUTION, THE FULL FAITH AND CREDIT OF THE STATE IS PLEDGED FOR THE PAYMENT OF THE SERIES

2024 BONDS. For a reference to information describing the financial condition of the State, see “GENERAL INFORMATION REGARDING THE STATE” herein and “APPENDIX A – The State” attached hereto.

The Constitutional Provision provides that, while any of the Bonds or interest on the Bonds is outstanding and unpaid, there is appropriated out of the first money coming into the State treasury each fiscal year, not otherwise appropriated by the Texas Constitution, an amount sufficient to pay the principal of and interest on the Bonds that mature or become due during the fiscal year, including an amount sufficient to make payments under a related Credit Agreement.

Perfection

Chapter 1208, Texas Government Code, applies to the issuance of any series of Bonds and the pledge of the Security granted by the Commission under the Master Resolution and in any applicable Supplement, and such pledge is therefore valid, effective and perfected. If State law is amended at any time while any Bonds are outstanding and unpaid such that the pledge of the Security granted by the Commission under the Master Resolution and in any applicable Supplement is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve for the owners of Bonds the perfection of the security interest in said pledge, the Commission has agreed to take such measures as it determines are reasonable and necessary under State law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

Credit Agreements

The Enabling Act and the Resolution authorize the Commission at any time to enter into one or more Credit Agreements. The Master Resolution provides that, to the extent permitted by law, and as provided in a Supplement, the Commission may enter into one or more Credit Agreements upon the delivery to the Commission of an Officer’s Certificate to the effect that (i) the Credit Agreement is in the best interest of the Commission and (ii) to the best of his or her knowledge, the Commission and the Department have not failed to comply with the covenants contained in the Master Resolution and any Supplement, to any material extent, and are not in default, to any material extent, in the performance and observance of any of the terms, provisions and conditions thereof or under any existing Credit Agreement. Each Credit Agreement must be approved by the Commission, to the extent required by law, either pursuant to a Supplement or by other action.

The Commission currently is not a party to any Credit Agreement with respect to Bonds issued under the Program, and the Commission does not currently intend to enter into any Credit Agreement with respect to Bonds issued under the Program. However, the Commission has the ability to enter into Credit Agreements at any time for the Series 2024 Bonds or other series of Bonds issued under the Program.

Application of Certain BAB Subsidy Payments

Pursuant to the American Recovery and Reinvestment Act of 2009 (the “Recovery Act”), the Commission issued its “Texas Transportation Commission State of Texas Highway Improvement General Obligation Bonds, Taxable Series 2010A (Build America Bonds - Direct Payment)” (the “Series 2010A Bonds”) as taxable “Build America Bonds” (or “BABs”) and elected to receive a subsidy payment from the U.S. Treasury equal to 35% of the amount of each interest payment on the Series 2010A Bonds (the “BAB Subsidy Payments”).

Subject to any required State appropriation, the Commission has covenanted to deposit all collections of BAB Subsidy Payments into a Build America Bonds Subaccount within the Interest and Sinking Fund (the “2010A Subaccount”). Funds in the 2010A Subaccount may be used solely for the purpose of paying principal of and interest on the Series 2010A Bonds, and such funds may not be used to pay debt service on any other Bonds. The Department expects to receive future appropriations, to the extent required by applicable law, of the BAB Subsidy Payments in connection with the annual debt service requirements for the Series 2010A Bonds. The BAB Subsidy Payments have been appropriated to the Department by the State for the Series 2010A Bonds for the 2024-2025 biennium, and the Department expects to receive future appropriations of the BAB Subsidy Payments in connection with annual debt service payments for the Series 2010A Bonds.

The receipt of the BAB Subsidy Payments by the Commission is subject to certain requirements, including the filing of a form with the Internal Revenue Service prior to each interest payment date for the Series 2010A Bonds. In the event of a failure to file a necessary form with the Internal Revenue Service in a timely manner, the Commission may not receive a BAB Subsidy Payment. BAB Subsidy Payments are also subject to offset against certain amounts that may, for reasons unrelated to the Series 2010A Bonds, be owed by the State to an agency of the United States. In

addition, the Commission can give no assurances regarding future changes in legislation or United States Treasury regulations or the netting of other liabilities of the State against BAB Subsidy Payments which may affect the timing or amount of the BAB Subsidy Payments. Accordingly, there is no assurance that the anticipated BAB Subsidy Payments will be received as anticipated. See “– Effects of Federal Sequestration on the Series 2010A Bonds” below.

THE BAB SUBSIDY PAYMENTS ARE NOT FULL FAITH AND CREDIT OBLIGATIONS OF THE UNITED STATES OF AMERICA AND DO NOT CONSTITUTE PART OF THE SECURITY FOR THE SERIES 2024 BONDS.

Effects of Federal Sequestration on the Series 2010A Bonds

Pursuant to the requirements of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended by the Bipartisan Budget Act of 2013 (the “Budget Act”), certain automatic reductions in federal spending (the “Sequester Cuts”) took effect as of March 1, 2013. The Sequester Cuts affected the subsidy payments to be made by the federal government to issuers of “direct-pay” tax credit bonds, such as BABs (including the Series 2010A Bonds). As a result of the Sequester Cuts, the BAB Subsidy Payments received by the Commission for the Series 2010A Bonds in State fiscal years 2019 through 2023 were reduced by amounts ranging between approximately \$636,197 and \$802,757 for each such fiscal year. The BAB Subsidy Payment in respect of the October 1, 2023 debt service payment on the Series 2010A Bonds was reduced by approximately \$306,548.

Under current law, the Sequester Cuts are scheduled to continue through 2030. Assuming Congress does not repeal the Sequester Cuts, the percentage reduction that will be applied to payments to issuers of direct-pay bonds through federal fiscal year 2030 will be 5.7% and will apply to the BAB Subsidy Payment to be received by the Commission in respect of the April 1, 2024 debt service payment on the Series 2010A Bonds. If the Sequester Cuts continue, the State will be required to expend additional funds constituting the Security in order to pay debt service on the Series 2010A Bonds resulting from a reduction in BAB Subsidy Payments. There can be no assurances as to whether the Sequester Cuts will remain in effect and cause a reduction in receipts of federal funds or BAB Subsidy Payments for any future year.

Enforcement

The Resolution does not provide for any specific remedies relating to the enforcement of the obligations of the Commission, and the State has not waived sovereign immunity with respect to the enforcement of the obligations of the Commission and the State relating to the Series 2024 Bonds. Any owner of Series 2024 Bonds, in the event of default in connection with any covenant contained in the Resolution or in any Supplement, or default in the payment of Annual Debt Service Requirements due in connection with the Series 2024 Bonds, or other costs and expenses related thereto, may require the Commission, the Department, its officials and employees, and any appropriate official of the State, to carry out, respect, or enforce the covenants and obligations of the Master Resolution or any Supplement, by the use and filing of mandamus proceedings in any court of competent jurisdiction in Travis County, Texas against the Commission, the Department, its officials and employees, or any appropriate official of the State.

The remedy of mandamus is (i) available only if the covenants and obligations to be enforced are not uncertain or disputed and (ii) controlled by equitable principles and rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Series 2024 Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Resolution does not provide for the appointment of a trustee to represent the interests of the owners of the Series 2024 Bonds upon any failure of the Commission or the State to perform in accordance with the terms of the Resolution or upon any other condition, and accordingly all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the owners of the Series 2024 Bonds. No assurance can be given that a mandamus or other legal action to enforce a default under the Resolution would be successful. The opinion of Bond Counsel will state that all opinions relative to the enforceability of the Series 2024 Bonds are qualified with respect to customary rights of debtors relative to their creditors. See “APPENDIX C – Form of Opinion of Bond Counsel.”

Limitation of Liability of Officials of the Commission

No present or future member of the Commission or agent or employee of the Department, in his or her individual capacity, and neither the members of the Commission nor any official executing the Series 2024 Bonds will be liable personally for payment on the Series 2024 Bonds or be subject to any personal liability or accountability by reason of the issuance of the Series 2024 Bonds.

Creation of Accounts and Subaccounts With Respect to the Program

The Master Resolution created: (i) the General Obligation Interest and Sinking Fund (the “Interest and Sinking Fund”) and (ii) the General Obligation Proceeds Fund (the “Proceeds Fund”). The Sixth Supplemental Resolution creates an Escrow Fund for the Series 2024 Bonds (the “Escrow Fund”).

Interest and Sinking Fund. The Master Resolution requires the Commission to cause to be deposited into the Interest and Sinking Fund, from funds that are available for such purpose under the Constitutional Provision, an amount that is sufficient (together with any other funds on deposit therein) to provide for the timely payment of Bonds not later than the Business Day preceding each date on which any Bonds come due. The Department Representative is authorized to direct any such deposit to be made on an earlier date. Amounts on deposit in the Interest and Sinking Fund must be applied at such time and in such amounts as required for the timely payment of any series of Bonds. Additionally, in connection with the issuance of the Series 2010A Bonds, the Commission created the 2010A Subaccount of the Interest and Sinking Fund and covenanted that all BAB Subsidy Payments will be deposited into such subaccount. Funds in the 2010A Subaccount may be used solely for the purpose of paying principal of and interest on the Series 2010A Bonds, and such funds may not be used to pay debt service on any other Bonds issued under the Program pursuant to the Constitutional Provision, including the Series 2024 Bonds. See “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS – Application of Certain BAB Subsidy Payments” and “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS – Effects of Federal Sequestration on the Series 2010A Bonds.”

Bond Proceeds Fund. Proceeds from the issuance of a series of Bonds are required to be deposited from time to time upon the issuance of such Bonds as provided by the applicable Supplement into the Proceeds Fund created with respect to such series of Bonds or into the State Infrastructure Bank account as further set forth in the applicable Supplement. Such proceeds and the interest thereon remain in the Proceeds Fund until expended to accomplish the purposes for which any series of Bonds were issued or until otherwise utilized as provided in the applicable Supplement. Amounts in the Proceeds Fund or the State Infrastructure Bank account do not constitute Security.

Escrow Fund. The Sixth Supplemental Resolution establishes the Escrow Fund for the Refunded Series 2014 Bonds. The Escrow Fund is a separate fund held pursuant to the Escrow Agreement with the Escrow Agent. Funds in the Escrow Fund may be used solely to pay principal of and interest and premium, if any, on the Refunded Series 2014 Bonds, and such funds may not be used to pay debt service on any other Bonds, including the Series 2024 Bonds. See “PLAN OF FINANCE – Refunded Bonds.”

Other Accounts. In connection with the issuance of any series of Bonds or for other purposes, the Commission may establish one or more additional funds, accounts or subaccounts for other purposes.

Flow of Funds

Interest and Sinking Fund. Pursuant to the Master Resolution, the Commission will cause to be deposited into the Interest and Sinking Fund, solely from the Security including funds that are available for such purpose under the Constitutional Provision, an amount that is sufficient (together with any other funds on deposit therein) to provide for the timely payment of Bonds not later than the Business Day preceding each date on which any Bonds come due. The Department Representative may direct any such deposit to be made on an earlier date. If, on any date that funds in the Interest and Sinking Fund are required (pursuant to the Master Resolution or any Supplement) to be withdrawn for the payment of Bonds, the Interest and Sinking Fund does not contain sufficient funds for such purpose, an amount of immediately available funds sufficient (together with the funds then on deposit in the Interest and Sinking Fund) to pay such Bonds shall be transmitted by the Comptroller to the appropriate payee(s) for such purpose from funds made available under the Constitutional Provision, at such time as will cause such Bonds to be timely paid.

Proceeds Fund. Furthermore, the Master Resolution provides that proceeds from the issuance of a series of Bonds shall be deposited from time to time upon the issuance of such Bonds as provided by the applicable Supplement into the Proceeds Fund created with respect to such series of Bonds or into the State Infrastructure Bank account as further set forth in the applicable Supplement. Such proceeds and the interest thereon shall remain in the Proceeds Fund until expended to accomplish the purposes for which any series of Bonds were issued or until otherwise utilized as provided in the applicable Supplement. Amounts in the Proceeds Fund or the State Infrastructure Bank account do not constitute Security.

Authorization of Comptroller. The Master Resolution authorizes and directs the Comptroller to make the deposits and transfers required under all provisions of the Master Resolution and any Supplement as requested or instructed by a Department Representative in accordance with applicable State law, and further authorizes and directs

the Comptroller to make current funds available to pay the principal amount of and interest on all Bonds as they mature and come due and payable. The Commission, through the Department Representative, has agreed to cooperate with and aid the Comptroller by calculating the amounts to be deposited in or transferred to the appropriate accounts and ascertaining the amounts to be remitted to the respective Paying Agent to meet the requirements for the due and punctual payment of any series of Bonds as they become due and payable.

Investment of Funds

Moneys in all funds, accounts and subaccounts established pursuant to the Master Resolution and any Supplement may be invested or reinvested by the Comptroller in accordance with applicable State law. Such State law is subject to change. The investments of each fund, account and subaccount must be made under conditions that will timely provide money sufficient to satisfy the Comptroller's and the Commission's obligations under the Master Resolution and under any Supplement. For additional information with respect to the State's investments, see "APPENDIX A – The State."

Appropriation of Proposition 7 Revenues for the Payment of Debt Service on the Bonds for the 2024-2025 State Biennium

The General Appropriations Act of the State for the 2024-2025 biennium appropriates Proposition 7 Revenues (as defined and described below) for the payment of principal of and interest on general obligation bonds issued as authorized by the Constitutional Provision (which includes the Series 2024 Bonds, the Previously Issued Bonds and any additional bonds issued pursuant to the Constitutional Provision). See "PLAN OF FINANCE – General."

Article VIII, Section 7-c of the State Constitution ("Section 7-c") directs the Comptroller in each State fiscal year to deposit to the credit of the State Highway Fund \$2.5 billion of the net revenue derived from the imposition of State sales and use tax on certain taxable items that exceeds the first \$28 billion of that revenue coming into the State treasury in that State fiscal year, effective for the State fiscal year beginning September 1, 2017 through the State fiscal year ending August 31, 2032. Additionally, Section 7-c directs the Comptroller in each State fiscal year to deposit to the credit of the State Highway Fund an amount equal to 35% of the net revenue derived from the State tax imposed on the sale, use, or rental of a motor vehicle that exceeds the first \$5 billion of that revenue coming into the State treasury in that State fiscal year, effective for the State fiscal year beginning September 1, 2019 through the State fiscal year ending August 31, 2029. Such revenues deposited to the credit of the State Highway Fund are collectively referred to herein as "Proposition 7 Revenues." Section 7-c also contains provisions that authorize the State Legislature to direct the Comptroller to reduce the transfers authorized by Section 7-c into the State Highway Fund, and to extend, in 10-year increments, the duty of the Comptroller to make deposits into the State Highway Fund pursuant to Section 7-c. For additional information regarding the State Highway Fund, see "THE COMMISSION AND THE DEPARTMENT – Other Financing Programs – State Highway Fund."

Pursuant to Section 7-c, Proposition 7 Revenues may be appropriated only to (i) construct, maintain or acquire rights-of-way for public roadways other than toll roads or (ii) repay the principal of and interest on general obligation bonds issued as authorized by the Constitutional Provision. The General Appropriations Act of the State for the 2024-2025 biennium appropriates Proposition 7 Revenues for both of these purposes.

Proposition 7 Revenues will constitute Security for the Bonds in accordance with the terms of the Master Resolution only in the event, and to the extent, Proposition 7 Revenues are collected and deposited to the credit of the Interest and Sinking Fund. No assurances can be provided that any Proposition 7 Revenues (i) will be collected and deposited to the credit of the Interest and Sinking Fund, or (ii) will be appropriated by the State Legislature to pay the debt service on the Bonds beyond the 2024-2025 biennium. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS – General." Pursuant to the terms of the Sixth Supplemental Resolution, on or before each payment date for the Series 2024 Bonds, the Commission is obligated to cause to be available to the Paying Agent/Registrar, from funds that are available for such purpose under the Constitutional Provision or from any other lawfully available source, money sufficient to pay the principal of and interest on the Series 2024 Bonds.

THE SERIES 2024 BONDS ARE GENERAL OBLIGATIONS OF THE STATE AND, AS PROVIDED IN THE CONSTITUTIONAL PROVISION, THE ENABLING ACT AND THE RESOLUTION, THE FULL FAITH AND CREDIT OF THE STATE IS PLEDGED FOR THE PAYMENT OF THE SERIES 2024 BONDS. See "SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS – General Obligation Pledge."

THE COMMISSION AND THE DEPARTMENT

The Commission

The Commission is the policy-making body governing the Department and is composed of five commissioners appointed by the Governor with the advice and consent of the Texas Senate. Commissioners serve staggered six-year terms. One member is designated by the Governor as the Chair and serves as the presiding officer of the Commission. A person is not eligible to be a member of the Commission if the person or the person's spouse is employed by or manages a business that is regulated by or receives funds from the Department; directly or indirectly owns or controls more than a 10% interest in a business that is regulated by or receives funds from the Department; uses or receives a substantial amount of goods, services, or funds from the Department; or is registered, certified, or licensed by the Department.

The State Legislature created the "State Highway Commission" on April 4, 1917, for the purpose of adopting and implementing a comprehensive system of state highways and promoting the construction of a State highway system by cooperation with counties or independently by the State Highway Commission. In 1975, the State Legislature changed the name of the State Highway Commission to the "State Highway and Public Transportation Commission." In 1991, the State Legislature changed the name again to the "Texas Transportation Commission," as it remains today.

The current members of the Commission are listed below. Their terms end on the dates specified on page iii of this Official Statement.

J. Bruce Bugg, Jr., Chairman

Mr. Bugg was appointed to the Commission by Governor Abbott on February 13, 2015 and was reappointed to the Commission by Governor Abbott on February 23, 2021. Mr. Bugg is chairman and trustee of The Tobin Endowment, a private charitable foundation, in San Antonio, Texas and chairman and co-founder of the Bexar County Performing Arts Center Foundation, owner of the \$205 million Tobin Center for the Performing Arts in San Antonio. Mr. Bugg currently serves as a member of the board of directors of the San Antonio Chamber of Commerce, the board of trustees of the Texas Biomedical Research Institute and board of trustees of St. Mary's Hall, a private school in San Antonio, Texas, and chairman of the Endowment Investment Committee and a member of the board of directors of The Santa Fe Opera in Santa Fe, New Mexico. He is former chairman of the board of Governors of Cancer Therapy & Research Center, former officer and trustee of the Texas Research and Technology Foundation, and a trustee emeritus of the board of Trustees of the McNay Art Museum. Mr. Bugg is also chairman, president and chief executive officer of Southwest Bancshares, Inc., a Texas bank holding company for The Bank of San Antonio, and chairman of The Bank of San Antonio; and chairman, president and chief executive officer of Texas Hill Country Bancshares, Inc., a Texas bank holding company for Texas Hill Country Bank. In addition, Mr. Bugg also serves as chairman of San Antonio Capital & Trust Co., L.L.C. and chairman and chief executive officer of Argyle Investment Co., L.L.C., a private investment firm. Mr. Bugg was appointed to serve as chairman and president of the Texas Economic Development Corporation and a senior advisor to Governor Perry on the State of Texas' economic development strategies and initiatives from 2012 to May, 2014. Prior to this appointment, Mr. Bugg was appointed to serve as the Governor's appointee on the board of directors of Humanities Texas in Austin, Texas. Mr. Bugg is a member of the State Bar of Texas and holds Juris Doctorate and Bachelor of Business Administration degrees from Southern Methodist University.

Stephen D. Alvis, Commissioner

Mr. Alvis was appointed to the Commission by Governor Abbott on March 21, 2023. Mr. Alvis is the co-founder and managing partner of NewQuest Properties. He started NewQuest Properties in 1985 and has used his real estate experience to develop retail centers throughout Texas and southwest states. Today, NewQuest Properties currently represents more than 75 national, regional and local tenants, having developed over 15 million square feet with a portfolio in excess of \$2 billion. NewQuest Properties is the largest privately held shopping center developer in Texas. He is currently a member of the YPO Gold Houston Chapter (Young President's Organization), the Chief Executives Organization, and the International Council of Shopping Centers. In 2017, the Texas Lieutenant Governor appointed him to the Texas Facilities Commission. In December 2020, Governor Greg Abbott appointed Mr. Alvis to the position of Chairman of the Texas Facilities Commission. Additionally, Mr. Alvis is an active owner and developer of The Clubs at Houston Oaks. Mr. Alvis received his bachelor's degree from Texas A&M University.

Alejandro “Alex” G. Meade, III, Commissioner

Mr. Meade was appointed to the Commission by Governor Abbott on March 21, 2023. Mr. Meade serves as the executive vice president for Texas Regional Bank, where he manages their public policy strategy and economic development. Mr. Meade is a Brownsville native, who previously served as the city manager of Pharr, Texas, where he managed a \$200 million budget and almost 700 employees. He also served as the chief executive officer of the Mission Economic Development Corporation. His career also includes positions as principal of P3 Economics, an economic development consulting firm in Brownsville, the director of Economic Development at the Harlingen Area Chamber of Commerce; and private sector positions in accounting and management. Mr. Meade is an alumnus of the Texas Lyceum and is a board member of the Border Trade Alliance, former board of regent for Texas State Technical College System, and a former member of the Texas Economic Development Corporation Board of Directors. He is certified as an Economic Development Finance Professional and is a Certified Public Manager. Mr. Meade earned his bachelor’s degree in business administration in economics from St. Edward’s University, a master’s in business administration from The University of Texas at Brownsville, and a master’s in public administration from The University of Texas Pan American.

W. Alvin New, Commissioner

Mr. New was appointed to the Commission by Governor Abbott on February 20, 2018 and was reappointed to the Commission by Governor Abbott on February 23, 2021. Mr. New is a business investor, rancher and former Mayor of the City of San Angelo, Texas. He is a life-long resident of West Texas and was born in Brownfield, Texas. Mr. New has lived mostly in or near San Angelo since 1981. Mr. New spent most of his career with Town & Country Food Stores. He started as a clerk while getting his business administration degree from Angelo State University. Mr. New worked his way up to chief executive officer and part owner. He and his partners sold their stake in the convenience store chain about a decade ago. Mr. New currently serves as a member of the Texas Tech University Foundation Board and the Goodfellow Air Force Base Advisory Council. Mr. New earned his bachelor’s degree in business administration in management from Angelo State University.

Robert C. Vaughn, Commissioner

Mr. Vaughn was appointed to the Commission by Governor Abbott on August 12, 2019. Mr. Vaughn is the owner of Vaughn Capital Partners LLC and Vaughn Petroleum Ltd. He has served as chair of the TexNet Technical Advisory Committee. He is a member of the University of Texas System Chancellor’s Council Executive Committee and the University of Texas at Austin McDonald Observatory and Department of Astronomy Board of Visitors. He is a life member of the University of Texas at Austin Development Board and serves on the Longhorn Foundation Advisory Council. Mr. Vaughn serves on a variety of nonprofit boards, including the Culver Educational Foundation and Perot Museum of Nature and Science, and as a trustee for The First Tee. He holds a Bachelor of Business Administration from The University of Texas at Austin.

The Department

The Department is a public authority and body politic and corporate created in 1917 as the “Texas Highway Department” by an act of the State Legislature to administer federal funds for highway construction and maintenance. In 1975, the State Legislature merged the Texas Highway Department with the “Texas Mass Transportation Commission” to form the “State Department of Highways and Public Transportation,” and in 1991, the State Legislature combined the State Department of Highways and Public Transportation, the Department of Aviation, and the Texas Motor Vehicle Commission to create the Department. In 2009, the State Legislature created the Department of Motor Vehicles as a separate State agency, and moved vehicle title and registration; motor carrier registration and enforcement; licensing of motor vehicle dealers, manufacturers, distributors, and other similar entities; and auto theft reduction efforts from the Department to the Department of Motor Vehicles.

The mission of the Department is “Connecting You With Texas”. The Department’s core goals and objectives are: to implement effective planning and forecasting processes that deliver the right projects on time and on budget; to focus on the customer because people are at the center of everything the Department does; to foster stewardship by ensuring efficient use of State resources; to optimize system performance by developing and operating an integrated transportation system that provides reliable and accessible mobility and enables economic growth; to preserve its assets by delivering preventative maintenance for the Department’s system and capital assets to protect its investments;

to champion a culture of safety; and to value its employees by respecting and caring for their well-being and development.

The Department is headquartered in Austin, Texas, with 34 divisions and 25 district offices located throughout the State. Each district is responsible for the planning, design, construction, operation and maintenance of its area's transportation systems. The Department is managed by an Executive Director, subject to and under the direction of the Commission. The Executive Director and other key Department personnel are listed below.

Marc D. Williams, P.E., Executive Director

Effective June 1, 2021, Marc D. Williams, P.E. was appointed Executive Director by the Commission on May 26, 2021. Under the direction of the Commission, Mr. Williams manages, directs and implements Department policies, programs and operating strategies. Mr. Williams also represents the Department before the State Legislature and other entities. Prior to his appointment as Executive Director, Mr. Williams served as the Department's Deputy Executive Director from February 2015 to May 2021. Mr. Williams started with the Department in February 2012 as the Director of Planning within the Department's Planning and Projects Office. His career experience in transportation planning and program efforts includes public and private-sector organizations involving state, county and local jurisdictions. Mr. Williams has served in leadership positions with two state departments of transportation as well as worked with national private-sector transportation engineering organizations. His professional assignments have included directing statewide transportation planning and programming efforts as well as managing project specific highway and multimodal transportation plans and programs. Mr. Williams has worked extensively with public and agency outreach, transportation plans of various modes, regional and corridor-level plans and programs, environmental planning and approval, economics and finance, project design and development, along with work in the areas of construction management, operations and maintenance. Mr. Williams received both a Master's degree in Civil Engineering and a Bachelor's degree in Civil Engineering from Texas A&M University.

Brandye L. Hendrickson, Deputy Executive Director, Planning and Administration

As Deputy Executive Director, Planning and Administration, Ms. Hendrickson is responsible for assisting the Executive Director with immediate oversight of the planning and administration functions of the agency, in addition to government relations, communications, strategy and innovation, and modal programs. Prior to her appointment as Deputy Executive Director in July of 2021, Ms. Hendrickson served much of her career in various roles within the Indiana Department of Transportation, including leading the agency as Commissioner in a CEO capacity from 2015-2017. She successfully championed efforts to streamline and improve the delivery of transportation projects, fostered collaboration and promoted innovation. As Deputy Director of the American Association of State Highway and Transportation Officials ("AASHTO"), Ms. Hendrickson most recently worked on critical legislative initiatives benefiting state departments of transportation and led the development of AASHTO's Strategic Plan and increased focus for the organization's diversity, equity and inclusion initiatives. From 2017-2019, Ms. Hendrickson served as Acting Administrator of the U.S. Department of Transportation Federal Highway Administration ("FHWA"). At FHWA, Ms. Hendrickson led development of policy and programs around the administration's safety, infrastructure, innovation and accountability goals. Ms. Hendrickson has served on multiple transportation boards and is a recognized leader for her contributions to the transportation industry. She is a graduate of Indiana University.

Brian R. Barth, P.E., Deputy Executive Director, Program Delivery

As Deputy Executive Director, Program Delivery, Mr. Barth is responsible for assisting the Executive Director in program delivery overseeing all roads, bridges and maintenance throughout the entire State to ensure transportation projects are delivered efficiently and effectively. Prior to his appointment as Deputy Executive Director, Mr. Barth served as the Department's Director of Project Planning and Development, where he oversaw the Department's Transportation Planning and Programming, Right of Way, Environmental Affairs, Professional Engineering Procurement and Transportation Programs divisions. Mr. Barth began his career at the Department in 1988 as an engineering assistant in the Dallas District office. In 2003, Mr. Barth was appointed as the Dallas District's director of transportation planning and development. From 2009 to 2013, Mr. Barth served as the Fort Worth District's deputy district engineer, providing joint oversight and development of the DFW Connector, North Tarrant Express, I-35W, I-30, and Chisholm Trail Parkway. Mr. Barth was appointed as Fort Worth district engineer in November 2013, and served on the Regional Transportation Council of the North Central Texas Council of Governments working to solve Metroplex-area transportation issues. Under Mr. Barth's direction as district engineer, he also oversaw over \$1

billion in construction work each year in addition to major projects on I-35W, SH 360 South and the I-30/SH 360 Interchange. Mr. Barth received a Bachelor's degree in civil engineering from The University of Texas at Austin.

Stephen Stewart, CPA, Chief Financial Officer

Effective April 7, 2021, Mr. Stewart was appointed as the Department's Chief Financial Officer. Mr. Stewart has financial oversight responsibility for the Department including the Department's Financial Management Division; Project Finance, Debt and Strategic Contracts Division; and Toll Operations Division. Mr. Stewart has over 20 years of state governmental experience and has been involved with many key initiatives since he began with the Department in March of 2012. Mr. Stewart has held previous roles as Director, Financial Management Division and Manager of Financial Reporting and Director of Accounting positions within the Financial Management Division. Prior to joining the Department, Mr. Stewart worked for the Comptroller of Public Accounts of the State of Texas assisting in the production of the State's Annual Comprehensive Financial Report where he gained insight and experience working with various agencies across the State. Aside from governmental accounting, Mr. Stewart has also gained business and management experience from owning his own CPA firm which focused on bookkeeping and tax services. Prior to his accounting experiences, Mr. Stewart worked at Texas State University in the information technology division as a network administrator and systems programmer where he was responsible for administration of Active Directory, e-mail, database, and other enterprise systems. Mr. Stewart received a Bachelor's degree in Computer Science from Southwest Texas State University and a Master's degree in Accounting from Texas State University. He is a licensed Certified Public Accountant and a member of the American Institute of CPAs (AICPA).

Benjamin H. Asher, Director, Project Finance, Debt and Strategic Contracts Division

As director of the Project Finance, Debt and Strategic Contracts Division, Mr. Asher is responsible for the Department's various debt programs, financial assistance programs, and investments, as well as the operation of Department owned toll roads. Additionally, Mr. Asher and his team supports the Alternative Delivery Division on the Department's alternative delivery program focusing on financial and commercial aspects, including the Department's comprehensive development agreements which include public private partnerships. The debt programs include revenue and general obligation bonds. Mr. Asher provides oversight of the Department's involvement in transportation corporations, such as the Grand Parkway Transportation Corporation and the Texas Private Activity Bond Service Transportation Corporation, along with the Department's commitments regarding the Transportation Infrastructure Finance and Innovation Act (TIFIA). Mr. Asher also oversees the Department's financial assistance programs including State Highway Fund loans, the pass through financing program and the State Infrastructure Bank (SIB). He also manages the Department's investment funds, policies, and strategies. Mr. Asher manages toll operations for Department toll roads including budgeting, reporting, toll system design and integration, oversight, reporting, interoperability coordination and management of TxTag back-office operations. The back-office operations include, among other functions, the TxTag Customer Service Center and store front locations and website and managing TxTag, Pay By Mail and non-ETC accounts. Mr. Asher received his Bachelor of Arts in history from Columbia University and an M.B.A. in finance from Columbia University Graduate School of Business.

Amanda Landry, CPA, Director, Financial Management Division

Effective June 1, 2021, Amanda Landry was appointed as the Director of the Financial Management Division for the Department. As the Department's Director of the Financial Management Division, Ms. Landry is responsible for the management and control of budget, revenue, disbursements, and accounting for the Department as well as letting management of all transportation projects. Ms. Landry has over 14 years of State experience. Prior to this position, Ms. Landry held the Chief Financial Officer position at the Texas Water Development Board and the Manager of Financial Reporting position at the Department. Ms. Landry began her State career with the Office of the Comptroller of Public Accounts of the State of Texas in the Financial Reporting section where she worked with various agencies across the State gaining insights into various agencies. She is a Certified Public Accountant and graduate of The University of Texas at Austin with bachelor's and master's degrees in Accounting.

Jeff Graham, General Counsel

Mr. Graham assumed the position of General Counsel on July 16, 2012. Under his direction, the General Counsel Division renders legal advice to the Commission and the Department. He also drafts Department rules, reviews legislation, and serves as counsel at Commission meetings. Previously, Mr. Graham served as Division Chief for the Financial and Taxation Litigation Division, under Texas Attorney General Greg Abbott. Prior to that, he served

as the Division Chief for the Financial Litigation Division of the Office of Attorney General. In 2011, the Taxation Division and the Texas Workforce Commission Section were added to the Financial Litigation Division, resulting in the combined Financial and Taxation Litigation Division. In 2012, the Charitable Trust Section was also added to his portfolio. Jeff began his career at the Office of the Attorney General in 1997, and has lived in Austin since 1986. He is a graduate of Washington University School of Law in St. Louis, Missouri and The University of Texas at Austin.

Sunset Review

The Texas Sunset Act (Chapter 325, Texas Government Code) (the “Sunset Act”) provides that virtually all agencies of the State, including TxDOT, are subject to periodic review by the State Legislature, and that each agency subject to sunset review will be abolished unless the State Legislature specifically determines to continue its existence. TxDOT will be subject to its next sunset review in 2029. Pursuant to the Sunset Act, the State Legislature specifically recognizes the State’s continuing obligation to pay bonded indebtedness and all other obligations incurred by TxDOT. Accordingly, in the event that a sunset review results in TxDOT being abolished, the Governor would be required by law to designate an appropriate state agency that would continue to carry out all covenants contained in TxDOT’s bonded indebtedness (and in all other obligations) and the performance of all other obligations to complete the construction of projects or the performance of other obligations of TxDOT, including lease, contract and other written obligations. The designated State agency would provide payment from the sources of payment of TxDOT’s bonded indebtedness in accordance with the terms thereof and would provide payment from the sources of payment of all other obligations in accordance with their terms, until the principal of and interest on such bonded indebtedness are paid in full and all other obligations, including lease, contract and other written obligations, are performed and paid in full.

Other Financing Programs

The Commission has implemented programs designed to accelerate the development and construction of highways through the issuance of debt payable from various sources of security. The Commission uses numerous financing vehicles to implement this strategy.

Set forth below is a summary of several of the financing programs and financing alternatives that have been utilized and are available to the Commission (in addition to the Program) to finance, assist in the financing of, or otherwise facilitate the development and construction of highway projects. **None of such financing programs are part of the Program and, except for obligations issued under the Mobility Fund Program (as defined below), such financing programs are not secured by the full faith and credit of the State. Additionally, none of such financing programs provide a source of security for the Series 2024 Bonds or any other series of Bonds issued under the Program, and the Security is not pledged to secure the payment of any obligations described under this caption, except that, as described above, the obligations issued under the Mobility Fund Program are secured by the full faith and credit of the State.**

Texas Mobility Fund. The State Legislature established the Texas Mobility Fund (the “Mobility Fund”) pursuant to Article III, Section 49-k of the Texas Constitution and Subchapter M of Chapter 201, Texas Transportation Code (the “Mobility Fund Act”). The Mobility Fund is administered by the Commission to provide a method of financing the construction, reconstruction, acquisition, and expansion of State highways, including costs of any necessary design and costs of acquisition of rights-of-way. The Mobility Fund may also be used to provide participation by the Department in the payment of all or a portion of the costs of constructing and providing certain public transportation projects. As of January 1, 2024, Mobility Fund obligations in the aggregate principal amount of approximately \$5.48 billion were outstanding out of the \$7.50 billion maximum aggregate principal amount of obligations currently authorized for the Texas Mobility Fund Revenue Financing Program (the “Mobility Fund Program”). The Commission may issue additional Mobility Fund obligations for refunding purposes within the next twelve months. Outstanding Mobility Fund obligations are currently rated “AAA” by Fitch Ratings, Inc., and “Aaa” by Moody’s (as defined herein), and a portion of the outstanding Mobility Fund obligations are rated “AAA” by S&P (as defined herein) and “AAA” by KBRA (as defined herein).

House Bill No. 122 (“HB 122”), which was enacted during the regular session of the 84th Legislature and became effective on June 10, 2015, amends the Mobility Fund Act to provide that no additional Mobility Fund Program obligations may be issued or incurred after January 1, 2015, except for obligations issued to refund (i) outstanding obligations to provide savings to the State and (ii) outstanding variable rate obligations and to renew or replace credit agreements relating to outstanding variable rate obligations. Additionally, HB 122 provides that

money in the Mobility Fund, in excess of amounts required by the proceedings authorizing obligations and credit agreements to be retained on deposit, may not be used for toll roads.

House Bill No. 2219 (“HB 2219”), which was enacted during the regular session of the 87th Legislature and became effective on June 18, 2021, amends the Mobility Fund Act to (i) eliminate the ability of the Commission to issue Mobility Fund obligations for the purpose of providing participation by the State in the payment of part of the cost of constructing and providing publicly owned toll roads and (ii) authorize the Commission to issue Mobility Fund obligations for certain transportation projects after May 31, 2021, and before January 1, 2027, in an aggregate principal amount not to exceed an amount equal to sixty percent (60%) of the outstanding principal amount of Mobility Fund obligations existing on May 1, 2021. As of May 1, 2021, the outstanding principal amount of Mobility Fund obligations was \$5,943,200,000. Accordingly, under the Mobility Fund Act, as amended by HB 2219, the Commission may issue, other than refunding obligations, no more than \$3,565,920,000 in aggregate principal amount of additional Mobility Fund obligations prior to January 1, 2027 (of which \$3,565,920,000 in aggregate principal amount remains authorized under the Mobility Fund Act but unissued as of January 1, 2024). HB 2219 does not limit the authority of the Commission to issue Mobility Fund obligations to refund (i) outstanding obligations for savings and (ii) outstanding variable rate obligations and to renew or replace credit agreements relating to outstanding variable rate obligations.

Obligations issued under the Mobility Fund Program are secured by certain revenue sources that have been allocated by the State Legislature for the benefit of the Mobility Fund, including, but not limited to, driver’s license fees, driver record information fees, motor vehicle inspection fees and certificate of title fees. In addition, obligations issued under the Mobility Fund Program are further secured by the full faith and credit of the State to payments due on such obligations and, therefore, should the revenue and money dedicated to and on deposit in the Mobility Fund be insufficient to make payments due on such obligations, an amount that is sufficient to make payments due on such obligations would be appropriated pursuant to Article III, Section 49-k of the Texas Constitution.

Obligations issued by the Commission under the Mobility Fund Program are not part of the Program, but in addition to the revenues pledged from the Mobility Fund, such obligations are secured by the full faith and credit of the State as described above.

State Highway Fund. The State Highway Fund (the “State Highway Fund”) is the general source for a substantial portion of funding for the State highway system, the Department and the administration of State laws relating to traffic and safety on public roads. The State Highway Fund receives revenue from a variety of sources, including, without limitation, certain federal transportation program funds received from the United States Department of Transportation, State motor fuels tax funds, State motor vehicle registration funds and State motor lubricants tax funds. The State Highway Fund is the general operating fund of the Department through which, generally, all revenues dedicated or appropriated to the purposes of the Department are deposited and all of the Department’s administration, maintenance and operating expenses are paid.

Senior Obligations. Section 49-n of Article III, Texas Constitution, as approved by voters in the State in 2003 (“Section 49-n”), permits the State Legislature to authorize the Commission to issue bonds and other public securities to fund State highway improvement projects payable from certain revenues deposited to the credit of the State Highway Fund. Section 222.003, Texas Transportation Code (the “State Highway Fund Revenue Bond Act”), authorized the Commission to issue bonds and other public securities, if any (collectively, “Senior Obligations”) pursuant to Section 49-n in an aggregate principal amount not to exceed \$6 billion; provided that the Commission may not issue more than \$1.5 billion aggregate principal amount of Senior Obligations in any year. No authorized amount currently remains unissued under the State Highway Fund Revenue Bond Act for new money purposes, unless such Act is amended by the State Legislature to modify or remove such limitation. As of January 1, 2024, approximately \$2.85 billion in aggregate principal amount of Senior Obligations in the form of State Highway Fund Revenue Bonds were outstanding. Outstanding Senior Obligations are currently rated “Aaa” by Moody’s and “AAA” by S&P.

Further, the State Highway Fund Revenue Bond Act currently provides that Senior Obligations may not have a principal amount or terms that, at the time Senior Obligations are issued, are expected by the Commission to cause annual debt service expenditures with respect to Senior Obligations to exceed 10% of the amount deposited to the credit of the State Highway Fund in the immediately preceding year. Section 49-n does not restrict the authority of the State Legislature to modify or remove the limitations on the issuance of Senior Obligations contained in the State Highway Fund Revenue Bond Act.

Senior Obligations issued by the Commission under the State Highway Fund Revenue Bond Act are not part of the Program.

Subordinate Obligations. The State Constitution (Article III, Section 49-m) and Section 201.115 of the Texas Transportation Code (“Section 201.115”) currently authorize the Commission to borrow money from any source to carry out the functions of the Department. A loan incurred pursuant to Section 201.115 may be in the form of an agreement, a note, a contract, or another form, as determined by the Commission. The term of a loan may not exceed two years, and the amount of a loan, combined with any other loans issued and outstanding pursuant to Section 201.115, may not exceed an amount that is two times the average monthly revenue deposited to the State Highway Fund for the 12 months preceding the month in which the loan is made. A loan incurred pursuant to Section 201.115 is payable from legislative appropriation of amounts on deposit in the State Highway Fund for that purpose. As of the date of this Official Statement, the Department has no outstanding loan balances pursuant to Section 201.115.

Additionally, pursuant to the Texas Transportation Code, Sections 201.961, et seq., the Commission may issue highway tax and revenue anticipation notes (“HTRANS”) if the Commission anticipates a temporary cash flow shortfall in the State Highway Fund during any fiscal year. The HTRANS are subject to the approval of the Cash Management Committee (consisting of the Governor, the Lieutenant Governor, the Speaker of the House (a non-voting member), and the Comptroller), which also approves cash flow borrowings of the State. HTRANS must mature during the fiscal biennium in which they are issued. HTRANS and related credit agreements are payable from amounts on deposit in the State Highway Fund. To date, the Commission has not issued, and does not expect to issue, any HTRANS.

Other Obligations and Commitments. In addition to the State Highway Fund financing programs described above, there are a number of obligations and commitments that the Commission and the Department have incurred and expect to incur in the future and that are to be paid or are expected to be paid from the State Highway Fund, including toll equity obligations and pass-through toll agreements. Toll equity obligations and pass-through toll agreement commitments are not part of the Program and are not secured by the Security.

Turnpike Financings. The Commission, using the resources of the Department, has the statutory authority to study, plan, design, construct, finance, operate, and maintain turnpikes in all 254 counties in the State. Any such turnpike projects are part of the state highway system. The Commission has the authority to issue turnpike revenue bonds to pay all or a part of the costs of a turnpike project, to enter into certain comprehensive development agreements for projects, and to acquire right-of-way. Obligations issued by the Commission or its instrumentalities to finance turnpike projects are not part of the Program and are not secured by the Security.

State Infrastructure Bank. Under Subchapter D of Chapter 222, Texas Transportation Code, the Commission may issue revenue bonds for the purpose of providing money for the “State Infrastructure Bank” as an account in the State Highway Fund which is used to provide financial assistance and loans to public or private entities for qualified projects. Such revenue bonds are special obligations of the Commission payable only from income and receipts of the State Infrastructure Bank. State Infrastructure Bank revenue bonds are not part of the Program and are not secured by the Security. No State Infrastructure Bank revenue bonds have been issued to date.

Private Activity Bonds. The Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users (“SAFETEA-LU”), amended section 142 of the Code (defined herein) to permit the use of up to \$15 billion of tax-exempt private activity bonds (“PABs”) to finance facilities for qualified highway or surface freight transfer projects. The Infrastructure Investment and Jobs Act (the “IIJA”) (Public Law 117-58, also known as the “Bipartisan Infrastructure Law”), signed into law on November 15, 2021, increased the available PAB authority from \$15 billion to \$30 billion. The Commission created the Texas Private Activity Bond Surface Transportation Corporation (the “Corporation”) as a transportation corporation under Chapter 431, Texas Transportation Code, for the purpose of issuing PABs for transportation projects developed or to be developed under comprehensive development agreements entered into by the Department. As of January 1, 2024, the Corporation had approximately \$3.34 billion in aggregate principal amount of PABs outstanding. PABs are not part of the Program and are not secured by the Security.

GENERAL INFORMATION REGARDING THE STATE

Available Information

The Comptroller prepares (a) a quarterly appendix (the “Bond Appendix”), which sets forth certain information regarding the State (including its government, finances, economic profile, and other matters) for use by State entities when issuing debt, (b) an Annual Comprehensive Financial Report (the “State ACFR”), which includes financial statements audited by the State Auditor, and (c) from time to time notices of certain events as described under “CONTINUING DISCLOSURE OF INFORMATION – Continuing Disclosure Undertaking of the Comptroller – Event Notices.” All such documents are provided to the MSRB and are publicly accessible as described in

“APPENDIX A – The State.” The most current such documents are described in “APPENDIX A – The State” and are incorporated herein by reference. No representation is made that such documents contain all facts material to an evaluation of the ability of the State to make timely payment of debt service on the Series 2024 Bonds, or the value of the Series 2024 Bonds, or that any specific information should be accorded any particular significance.

Constitutional Limitation on Debt

Article III, Section 49-j of the Texas Constitution prohibits the State Legislature from authorizing additional State debt payable from the general revenue fund, including authorized but unissued bonds and lease purchase contracts in excess of \$250,000 but excluding debt reasonably expected to be paid from other sources, if the resulting maximum annual debt service in any State fiscal year on such State debt payable from the general revenue fund exceeds 5% of the average amount of general fund revenues for the three immediately preceding fiscal years, excluding revenues constitutionally dedicated for purposes other than payment of State debt. Prior to the Date of Initial Delivery of the Series 2024 Bonds, the Bond Review Board is expected to certify that the maximum annual debt service in any fiscal year on debt payable from the general revenue fund, including the debt service on the Series 2024 Bonds, does not exceed 5% of the average of the amount of general revenue fund revenues, excluding revenues constitutionally dedicated for purposes other than payment of debt, for the three preceding fiscal years. See “APPENDIX A – The State” and “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS – General Obligation Pledge.”

LEGAL MATTERS

Legal Opinions

The Commission will compile complete transcripts of proceedings incident to the authorization and issuance of the Series 2024 Bonds, including the approving opinion of the Attorney General of the State to the effect that the Series 2024 Bonds are valid and legally binding obligations of the Commission, payable solely from the Security, and based upon examination of such transcripts of proceedings, the legal opinion to like effect of McCall, Parkhurst & Horton L.L.P., Bond Counsel. In its capacity as Bond Counsel, such firm has reviewed the information under the captions and subcaptions “PLAN OF FINANCE” “DESCRIPTION OF THE SERIES 2024 BONDS,” “SECURITY AND SOURCES OF PAYMENT FOR THE SERIES 2024 BONDS,” “LEGAL MATTERS – Legal Opinions,” “LEGAL MATTERS – Eligibility for Investment in Texas,” “LEGAL MATTERS – Registration and Qualification of the Series 2024 Bonds for Sale,” “TAX MATTERS,” “CONTINUING DISCLOSURE OF INFORMATION” (except for “– Continuing Disclosure Undertaking of the Comptroller,” and any information describing or otherwise pertaining to the continuing disclosure undertaking of the Comptroller, as to which no opinion will be expressed), APPENDIX B – Select Provisions of the Resolution and APPENDIX C - Form of Opinion of Bond Counsel and such firm is of the opinion that such information relating to the Series 2024 Bonds and the Resolution is a fair and accurate summary of the information purported to be shown therein and is correct as to matters of law. In connection with the transactions described herein, Bond Counsel and Orrick, Herrington & Sutcliffe LLP, Austin, Texas, Disclosure Counsel, represent only the Commission. The legal fees to be paid to Bond Counsel, and the legal fees to be paid to each of Disclosure Counsel and co-counsel to the Underwriters, for services rendered in connection with the issuance of the Series 2024 Bonds are contingent on the sale and delivery thereof. The legal opinion of Bond Counsel in the form set forth in APPENDIX C - Form of Opinion of Bond Counsel will accompany the Series 2024 Bonds deposited with DTC. Certain legal matters will be passed upon for the Commission by Disclosure Counsel and the General Counsel to the Commission. Certain legal matters will be passed upon for the Underwriters by their co-counsel, Bracewell LLP, Austin, Texas, and Kassahn & Ortiz, P.C., San Antonio, Texas.

Bond Counsel, Disclosure Counsel and co-counsel to the Underwriters each represent the Commission or the Underwriters of the Series 2024 Bonds from time to time on matters not related to the Series 2024 Bonds.

The various legal opinions to be delivered concurrently with the delivery of the Series 2024 Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering legal opinions, attorneys do not become insurers or guarantors of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction, nor does the rendering of opinions guarantee the outcome of any legal dispute that may arise out of the transaction.

Litigation

There is no litigation, proceeding, inquiry, or investigation pending or threatened by or before any court or other governmental authority or entity of which the Commission has notice or, to the Department’s knowledge, any

basis therefor, against or affecting the Commission or the Department that would (i) affect the existence of the Department or the Commission or the right of the present commissioners and officers of the Commission or the Department to hold their offices, (ii) affect the validity or enforceability of the provisions pursuant to which the Series 2024 Bonds are being issued, or (iii) have a material adverse effect upon the power of the Commission to issue the Series 2024 Bonds.

The State is a party to various legal proceedings relating to its operation and government functions, but unrelated to the Series 2024 Bonds or the Security for the Bonds. As set forth in the Bond Appendix, as of its date, in the opinion of the Comptroller, based on information provided by the State Attorney General as to the existence and legal status of such legal proceedings, none of such proceedings, except for those specifically disclosed in the Bond Appendix, if finally decided adversely to the State, could possibly have a materially adverse effect on the long-term financial condition of the State. For information concerning litigation affecting the State, see the caption “Litigation” within the Bond Appendix, which is incorporated by reference into and made a part of this Official Statement as if set forth herein. See “GENERAL INFORMATION REGARDING THE STATE” and “APPENDIX A – The State.”

Eligibility for Investment in Texas

Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code) provides that the Series 2024 Bonds are negotiable instruments, investment securities governed by Chapter 8, Texas Business & Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Series 2024 Bonds are legal investments for State banks, savings banks, trust companies with at least \$1 million of capital, and savings and loan associations. The Series 2024 Bonds are eligible to secure deposits of any public funds of the State, its agencies and political subdivisions, and are legal security for those deposits to the extent of their market value. For political subdivisions in Texas which have adopted investment policies and guidelines in accordance with the Public Funds Investment Act (Chapter 2256, Texas Government Code), the Series 2024 Bonds may have to be assigned a rating of not less than “A” or its equivalent as to the investment quality by a national rating agency before the Series 2024 Bonds are eligible investments for sinking funds or other public funds of such political subdivisions.

The Commission makes no representation that the Series 2024 Bonds will be acceptable to banks, savings and loan associations or public entities for investment purposes or to secure deposits of public funds. The Commission has not made any review of laws in other states to determine whether the Series 2024 Bonds are legal investments for various institutions in those states. Prospective purchasers are urged to carefully evaluate the investment quality of the Series 2024 Bonds and the acceptability of the Series 2024 Bonds for investment or collateral purposes.

Registration and Qualification of the Series 2024 Bonds for Sale

No registration statement relating to the Series 2024 Bonds has been filed with the SEC under the Securities Act of 1933, as amended, in reliance upon an exemption provided thereunder, nor have the Series 2024 Bonds been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein. Furthermore, the Series 2024 Bonds have not been registered or qualified under the securities laws of any other jurisdiction (domestic or foreign). The Commission assumes no responsibility for registration or qualification of the Series 2024 Bonds under the securities laws of any jurisdiction in which the Series 2024 Bonds may be offered, sold, assigned, pledged, hypothecated, or otherwise transferred. It is the obligation of the purchaser to register or qualify sale of the Series 2024 Bonds under the securities laws of any jurisdiction which so requires. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Series 2024 Bonds will not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions.

TAX MATTERS

Opinion

On the Date of Initial Delivery of the Series 2024 Bonds, McCall, Parkhurst & Horton L.L.P., Bond Counsel to the Commission, will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof (“Existing Law”), (1) interest on the Series 2024 Bonds for federal income tax purposes will be excludable from the “gross income” of the holders thereof and (2) the Series 2024 Bonds will not be treated as “specified private activity bonds” the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the “Code”). Except as stated above, Bond Counsel to the Commission will express no opinion as to any other federal, state or local tax consequences of

the purchase, ownership or disposition of the Series 2024 Bonds. See “APPENDIX C – Form of Opinion of Bond Counsel.”

In rendering its opinion, Bond Counsel to the Commission will rely upon (a) the Commission’s federal tax certificate and the Verification Report prepared by the Verification Agent, and (b) covenants of the Commission with respect to arbitrage, the application of the proceeds to be received from the issuance and sale of the Series 2024 Bonds and certain other matters. Failure of the Commission to comply with these representations or covenants could cause the interest on the Series 2024 Bonds to become includable in gross income retroactively to the Date of Initial Delivery of the Series 2024 Bonds.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Series 2024 Bonds in order for interest on the Series 2024 Bonds to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Series 2024 Bonds to be included in gross income retroactively to the Date of Initial Delivery of the Series 2024 Bonds. The opinion of Bond Counsel to the Commission is conditioned on compliance by the Commission with the covenants and the requirements described in the preceding paragraph, and Bond Counsel to the Commission has not been retained to monitor compliance with these requirements subsequent to the issuance of the Series 2024 Bonds.

Bond Counsel’s opinion represents its legal judgment based upon its review of Existing Law and the reliance on the aforementioned information, representations and covenants. Bond Counsel’s opinion is not a guarantee of a result. The Existing Law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that such Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Series 2024 Bonds.

A ruling was not sought from the Internal Revenue Service by the Commission with respect to the Series 2024 Bonds or the facilities financed or refinanced with the proceeds of the Series 2024 Bonds. Bond Counsel’s opinion represents its legal judgment based upon its review of Existing Law and the representations of the Commission that it deems relevant to render such opinion and is not a guarantee of a result. No assurances can be given as to whether the Internal Revenue Service will commence an audit of the Series 2024 Bonds, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the Commission as the taxpayer and the Bondholders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

Federal Income Tax Accounting Treatment of Original Issue Discount

The initial public offering price to be paid for one or more maturities of the Series 2024 Bonds may be less than the principal amount thereof or one or more periods for the payment of interest on the Series 2024 Bonds may not be equal to the accrual period or be in excess of one year (the “Original Issue Discount Bonds”). In such event, the difference between (i) the “stated redemption price at maturity” of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond would constitute original issue discount. The “stated redemption price at maturity” means the sum of all payments to be made on the Series 2024 Bonds less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under Existing Law, any owner who has purchased such Original Issue Discount Bond in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Bond was held by such initial owner) is includable in gross income.

Under Existing Law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Series 2024 Bonds and ratably within each such six-month period)

and the accrued amount is added to an initial owner's basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Bond.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of the treatment of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Bonds.

Collateral Federal Income Tax Consequences

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Series 2024 Bonds. This discussion is based on Existing Law, which is subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with Subchapter C earnings and profits, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE SERIES 2024 BONDS.

Interest on the Series 2024 Bonds may be includable in certain corporation's "adjusted financial statement income" determined under section 56A of the Code to calculate the alternative minimum tax imposed by section 55 of the Code.

Under section 6012 of the Code, holders of tax-exempt obligations, such as the Series 2024 Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Series 2024 Bonds, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to "market discount bonds" to the extent such gain does not exceed the accrued market discount of such Series 2024 Bonds; although for this purpose, a de minimis amount of market discount is ignored. A "market discount bond" is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the "revised issue price" (i.e., the issue price plus accrued original issue discount). The "accrued market discount" is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

State, Local and Foreign Taxes

Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the Series 2024 Bonds under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

Information Reporting and Backup Withholding

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Series 2024 Bonds will be sent to each registered holder and to the Internal Revenue

Service. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of foreign investors, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

Future and Proposed Legislation

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the federal or state level, may adversely affect the tax-exempt status of interest on the Series 2024 Bonds under federal or state law and could affect the market price or marketability of the Series 2024 Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Series 2024 Bonds should consult their own tax advisors regarding the foregoing matters.

CONTINUING DISCLOSURE OF INFORMATION

Each of the Commission and the Comptroller has entered into a separate undertaking for the benefit of the holders and beneficial owners of the Series 2024 Bonds to provide certain updated information and notices to the MSRB through its EMMA system, as described below.

Continuing Disclosure Undertaking of the Commission

General. In the Sixth Supplemental Resolution, the Commission has made the following agreement for the benefit of the holders and beneficial owners of the Series 2024 Bonds. The Commission is required to observe the agreement for so long as, but only for so long as, it remains an Obligated Person (as defined below) with respect to the Series 2024 Bonds within the meaning of Rule 15c2-12 (the "Rule") of the United States Securities and Exchange Commission (the "SEC"), except that the Commission in any event will give notice of any defeasance deposit that causes the Series 2024 Bonds no longer to be outstanding. Under the agreement, the Commission will be obligated to provide timely notice of certain specified events to the MSRB. The information will be available to investors through the MSRB's EMMA system, free of charge at www.emma.msrb.org.

Annual Reports. Updated financial information and operating data with respect to the State of the general type included in the Bond Appendix will be provided pursuant to the continuing disclosure undertaking of the Comptroller as set forth in the Agreement (as defined herein). See "– Continuing Disclosure Undertaking of the Comptroller."

Event Notices. The Commission will notify the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, of any of the following events with respect to the Series 2024 Bonds: (i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material within the meaning of the federal securities laws; (iii) unscheduled draws on debt service reserves reflecting financial difficulties; (iv) unscheduled draws on credit enhancements reflecting financial difficulties; (v) substitution of credit or liquidity providers, or their failure to perform; (vi) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the Series 2024 Bonds, or other events affecting the tax status of the Series 2024 Bonds; (vii) modifications to rights of holders of the Series 2024 Bonds, if material within the meaning of the federal securities laws; (viii) Series 2024 Bond calls, if material within the meaning of federal securities laws, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Series 2024 Bonds, if material within the meaning of the federal securities laws; (xi) rating changes; (xii) bankruptcy, insolvency, receivership, or similar event of an Obligated Person; (xiii) the consummation of a merger, consolidation, or acquisition involving an Obligated Person or the sale of all or substantially all of the assets of an 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 within the meaning of the federal securities laws; and (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material within the meaning of the federal securities laws. For these purposes, any event described in the immediately preceding clause (xii) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for an Obligated Person in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court of

governmental authority has assumed jurisdiction over substantially all of the assets or business of the Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the Obligated Person in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the asset or business of the Obligated Person. Neither the Series 2024 Bonds nor the Resolution make any provision for a trustee, debt service reserves or credit or liquidity enhancement.

As used in this “– Event Notices” caption, “Obligated Person” is defined in the Sixth Supplemental Resolution to mean any person, including the Commission, who is either generally or through an enterprise, fund, or account of such person, committed by contract or other arrangement to support payment of all, or part of the obligations on the Series 2024 Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities).

Should the Rule be amended to obligate the Commission to make filings with or provide notices to entities other than the MSRB, the Commission has agreed to undertake such obligation with respect to the Series 2024 Bonds in accordance with the Rule as amended.

Continuing Disclosure Undertaking of the Comptroller

General. The Comptroller has entered into an Amended and Restated Continuing Disclosure Agreement with the Bond Review Board dated as of March 12, 2019 (the “Agreement”). The Commission and the legal and beneficial owners of the Series 2024 Bonds are third party beneficiaries of the Agreement. The Comptroller is required to observe this agreement in respect to any issue of Securities, as defined in the Agreement (which includes the Series 2024 Bonds), for so long as the State remains an “obligated person” with respect to the Series 2024 Bonds within the meaning of the Rule. Under the Agreement, the Comptroller will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified events, to the MSRB as described below.

Annual Reports. The Comptroller will provide certain updated financial information and operating data to the MSRB annually, in an electronic format as prescribed by the MSRB. Under the Agreement, the Comptroller is not obligated to provide such financial and operating data more frequently than on an annual basis. The information to be updated includes all quantitative financial information and operating data with respect to the State of the general type referred to in the Bond Appendix. The Comptroller will update and provide this information to the MSRB within 195 days after the end of each fiscal year of the State.

The financial information and operating data to be provided may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB’s EMMA website or filed with the SEC, as permitted by the Rule. The updated information provided by the Comptroller will be provided on a cash basis and will not be audited, but the Comptroller will provide audited financial statements of the State prepared in accordance with generally accepted accounting principles for governmental entities when the State Auditor completes its statutorily required audit of such financial statements. The accounting principles pursuant to which such financial statements must be prepared may be changed from time to time to comply with State law.

The State’s current fiscal year end is August 31. Accordingly, the Comptroller must provide updated information within 195 days thereof in each year unless the State changes its fiscal year. If the State changes its fiscal year, the Comptroller will notify the MSRB of the change prior to the next date by which the Comptroller otherwise would be required to provide financial information and operating data as described above.

Quarterly Reports. Although it is not contractually committed to do so, the Comptroller currently prepares and files with the MSRB a quarterly disclosure appendix (defined herein as the Bond Appendix) for use by State entities when issuing debt. Certain tables within the Bond Appendix are updated on a quarterly basis while other tables within the Bond Appendix are updated on a semiannual or annual basis. The Bond Appendix is not audited and provides financial data on a cash basis. The Comptroller generally files an updated Bond Appendix with the MSRB within two weeks after each January 31, April 30, July 31, and October 31, and the Comptroller may file voluntary notices of significant events with the MSRB between the filing dates of Bond Appendices, although there is no assurance that it will continue such voluntary filings at such times or at all in the future.

Event Notices. The Comptroller will also provide notice to the MSRB, in an electronic format as prescribed by the MSRB, of any of the following events with respect to the Series 2024 Bonds on a timely basis no later than ten (10) business days after the occurrence of the event: (a) the incurrence of a financial obligation (as defined in the Rule, including certain debt, debt-like, and debt-related obligations) of the State, if material, or an agreement to covenants,

events of default, remedies, priority rights, or other similar terms of any such financial obligation, any of which affect security holders, if material; or (b) a default, event of acceleration, termination event, modification of terms, or other similar event under the terms of any such financial obligation of the State, any of which reflect financial difficulties.

The Comptroller will also provide timely notice to the MSRB of its failure to provide information, data, or financial statements in accordance with its Agreement.

Availability of Information

The Commission and the Comptroller have agreed to provide the foregoing information and notices only as described above. The Commission and the Comptroller will be required to file their respective continuing disclosure information using the MSRB's EMMA system. Investors will be able to access continuing disclosure information filed with the MSRB free of charge at www.emma.msrb.org.

The quarterly Bond Appendix, if and when filed, the State ACFR, annual financial and operating information, and event notices, if any, filed by the Comptroller using the MSRB's EMMA system may be obtained by using the EMMA Advanced Search function and entering the term "State of Texas Comptroller" in the Issuer Name field within the Security Information search filter. The most recently prepared Bond Appendix, State ACFR and notices may also be accessed on the Comptroller's website at: <http://www.comptroller.texas.gov/programs/systems/treasury-ops/index.php>.

Limitations and Amendments

The Commission and the Comptroller have agreed to update information and to provide notices of certain specified events only as described above. Neither is responsible for performance of the other's agreement, and neither has agreed to provide other information that may be relevant or material to a complete presentation of the Commission's or the State's financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. Neither makes any representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Series 2024 Bonds at any future date. Each 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 the holders of the Series 2024 Bonds may seek a writ of mandamus to compel the Commission and the Comptroller to comply with their respective agreements.

The Commission may amend its continuing disclosure agreement to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Commission, but only if (i) the agreement, as amended, would have permitted an underwriter to purchase or sell Series 2024 Bonds in the primary offering thereof in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (ii) either (a) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of the Sixth Supplemental Resolution that authorizes such an amendment) of the outstanding Series 2024 Bonds consent to such amendment or (b) a person unaffiliated with the Commission (such as nationally-recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and the beneficial owners of such Series 2024 Bonds. The Commission may also amend or repeal the provisions of its continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Series 2024 Bonds in the primary offering of the Series 2024 Bonds. If the Commission so amends its agreement, the Commission must provide an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of information and data provided. The Commission will provide such information to the MSRB within 195 days after the end of such fiscal year.

The Comptroller may amend the Agreement to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status or type of operations of the State if (i) the Agreement, as amended, would have permitted an underwriter to purchase or sell Series 2024 Bonds in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (a) the holders of a majority in aggregate principal amount of outstanding Series 2024 Bonds consent to such amendment or (b) a person unaffiliated with the State, the Comptroller, the Bond Review Board and the Commission (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the registered owners of the Series

2024 Bonds. If the Comptroller so amends the Agreement, it has agreed to include with the next financial information and operating data provided in accordance with its agreement described above under “– Continuing Disclosure Undertaking of the Comptroller – Annual Reports” an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

OTHER INFORMATION

Ratings

S&P Global Ratings (“S&P”), Moody’s Investors Service, Inc. (“Moody’s”) and Kroll Bond Rating Agency, LLC (“KBRA”) have assigned ratings of “AAA,” “Aaa” and “AAA,” respectively, to the Series 2024 Bonds. An explanation of the significance of such ratings may be obtained from the company furnishing the rating. The ratings reflect only the respective views of such companies at the time the ratings are given, and the Commission makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such companies, if in the judgment of such companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Series 2024 Bonds. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

Underwriting

Jefferies (the “Representative”), acting on behalf of itself and the other underwriters listed on the front cover page of this Official Statement (collectively, the “Underwriters”), has agreed, subject to certain conditions, to purchase the Series 2024 Bonds from the Commission at a price of \$ _____ (representing the original aggregate principal amount of the Series 2024 Bonds, plus an original issue premium of \$ _____ and less an underwriting discount of \$ _____). The Underwriters will be obligated to purchase all of the Series 2024 Bonds if any Series 2024 Bonds are purchased. The Series 2024 Bonds to be offered to the public may be offered and sold to certain dealers (including the Underwriters and other dealers depositing Series 2024 Bonds into investment trusts) and others at prices lower than the public offering prices of the Series 2024 Bonds and such public offering prices may be changed, from time to time, by the Underwriters.

Jefferies is also acting as the Dealer Manager in connection with the Commission’s tender offer described under “PLAN OF FINANCE – Purchased Bonds.” Pursuant to the Invitation, Jefferies is acting as the Dealer Manager, and not as an Underwriter of the Series 2024 Bonds. The Dealer Manager will be paid a fee for its services and will be reimbursed for any expenses it incurs as the Dealer Manager.

The Underwriters have provided the following paragraphs for inclusion in this Official Statement, and neither the Commission nor the Department take any responsibility for the accuracy thereof.

Certain of the Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage, asset management and other financial and non-financial activities and services. Certain of the Underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the Commission and the State and to persons and entities with relationships with the Commission and the State, for which they received or will receive customary fees and expenses. Under certain circumstances, certain of the Underwriters and their affiliates may have certain creditor and/or other rights against the Commission or the State in connection with such activities.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities and provide financial instruments (which may include bank loans, credit support or interest rate swaps). The Underwriters and their respective affiliates may engage in transactions including, but not limited to, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the Commission or the State (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Commission or the State. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time

hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Morgan Stanley & Co. LLC, one of the Underwriters of the Series 2024 Bonds, has entered into a retail distribution arrangement with its affiliate, Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute securities to retail investors through the financial network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its underwriting efforts with respect to the Series 2024 Bonds.

Stern Brothers & Co., one of the Underwriters of the Series 2024 Bonds, has entered into agreements (the “Stern Brothers Agreement”) each with InspereX LLC (“InspereX”) and Wedbush Securities Inc. (“Wedbush”) for the distribution of certain municipal securities offerings at the original issue price. Pursuant to each Stern Brothers Agreement, Stern Brothers & Co. may sell the Series 2024 Bonds to each InspereX and Wedbush and will share a portion of its selling concession compensation with each, if applicable.

Verification of Mathematical Accuracy

The accuracy of the mathematical computations for the make-whole redemption price for the Refunded Series 2020 Bonds will be verified by the Financial Advisor to the Commission, and the Financial Advisor will provide such verification to the Verification Agent. The Verification Agent will verify from the schedules provided to it by the Financial Advisor, the mathematical accuracy as of the Date of Initial Delivery of the Series 2024 Bonds of the computations contained in the provided schedules to determine that the anticipated receipts from the cash deposits listed in the Financial Advisor’s schedules will be sufficient to pay the redemption price of the Refunded Bonds and the purchase price of the Purchased Bonds. The Verification Agent will express no opinion on the assumptions provided to it.

Forward-Looking Statements

The statements contained in this Official Statement (which includes the cover page, the inside cover page, the Schedules and Appendices hereto, and the information incorporated by reference into this Official Statement as described in “APPENDIX A – The State”) that are not purely historical are forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended, including statements regarding the Commission’s and the Comptroller’s expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Commission and the Comptroller on the date of this Official Statement or the date of the Bond Appendix, the State ACFR or event notice, respectively, and the Commission and the Comptroller assume no obligation to update any such forward-looking statements. It is important to note that the Commission’s and the State’s actual results could differ materially from those in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the Commission and the Comptroller. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

Financial Advisor

Estrada Hinojosa & Company, Inc. is serving as the Financial Advisor to the Commission (the “Financial Advisor”) in connection with the issuance of the Series 2024 Bonds. The Financial Advisor’s fee for services rendered with respect to the sale of the Series 2024 Bonds is not contingent upon the issuance and delivery of the Series 2024 Bonds. The Financial Advisor has not verified and does not assume any responsibility for the information, covenants, and representations contained in any of the legal documents with respect to the federal income tax status of the Series 2024 Bonds, or the possible impact of any present, pending, or future actions taken by any legislative or judicial bodies.

Approval of Official Statement

The Sixth Supplemental Resolution approved the form and content of this Official Statement and authorized its further use in the reoffering of the Series 2024 Bonds by the Underwriters.

TEXAS TRANSPORTATION COMMISSION

By: _____
Chief Financial Officer
Texas Department of Transportation

SCHEDULE I
REFUNDED BONDS*

Texas Transportation Commission
State of Texas Highway Improvement General Obligation Bonds, Series 2014

Maturity Date (April 1)	Interest Rate	Principal Amount	Redemption Date	Redemption Price
2025	5.000%	\$42,000,000	06/17/2024	100.00%
2026	5.000%	42,000,000	06/17/2024	100.00%

Texas Transportation Commission
State of Texas Highway Improvement General Obligation Refunding Bonds, Taxable Series 2020

Maturity Date (April 1)	Interest Rate	Principal Amount	Redemption Date*	Redemption Price
2025	5.000%	\$25,465,000	03/28/2024	___% ⁽¹⁾
2026	5.000%	26,740,000	03/28/2024	___% ⁽¹⁾
2027	5.000%	68,885,000	03/28/2024	___% ⁽¹⁾
2028	5.000%	41,400,000	03/28/2024	___% ⁽¹⁾
2029	5.000%	42,710,000	03/28/2024	___% ⁽¹⁾
2030	5.000%	42,750,000	03/28/2024	___% ⁽¹⁾
2031	5.000%	42,785,000	03/28/2024	___% ⁽¹⁾
2032	5.000%	42,825,000	03/28/2024	___% ⁽¹⁾
2033	5.000%	43,285,000	03/28/2024	___% ⁽¹⁾
2034	5.000%	43,770,000	03/28/2024	___% ⁽¹⁾

* Preliminary, subject to change. The refunding of any of the Refunded Bonds is contingent upon the sale and delivery of the Series 2024 Bonds. The maturities and amounts of the Refunded Bonds, if any, to be refunded will depend on market conditions when the Series 2024 Bonds are sold, and could differ materially from the information shown. The maturities and amounts of the Refunded Series 2014 Bonds, if any, to be refunded will depend in part on the Target Bonds tendered to the Commission under the terms of the Invitation, and could differ materially from the information shown. See "PLAN OF FINANCE."

(1) Reflects the make-whole redemption price for the Refunded Series 2020 Bonds payable on the redemption date therefor, as determined in accordance with the terms thereof. A summary of the terms of the Refunded Series 2020 Bonds, including the manner of determining the make-whole redemption price therefor, can be found in the final Official Statement relating thereto dated June 17, 2020.

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SCHEDULE II

PURCHASED BONDS*

Texas Transportation Commission

State of Texas Highway Improvement General Obligation Refunding Bonds, Taxable Series 2019

<u>Maturity Date</u> <u>(April 1)</u>	<u>Interest Rate</u>	<u>Original Principal</u> <u>Amount</u>	<u>Purchased Amount</u>	<u>Remaining</u> <u>Outstanding</u> <u>Amount</u>
2025	4.000%	\$ 3,795,000	\$	\$
2026	4.000%	3,945,000		
2027	4.000%	4,100,000		
2028	3.000%	33,070,000		
2029	3.000%	34,065,000		
2030	2.604%	35,080,000		
2031	2.704%	36,000,000		
2032	2.804%	36,970,000		
2033	2.884%	38,005,000		
2034	2.964%	39,105,000		
2044 ⁽¹⁾	3.211%	427,655,000		

Texas Transportation Commission

State of Texas Highway Improvement General Obligation Refunding Bonds, Taxable Series 2020

<u>Maturity Date</u> <u>(April 1)</u>	<u>Interest Rate</u>	<u>Original Principal</u> <u>Amount</u>	<u>Purchased Amount</u>	<u>Remaining</u> <u>Outstanding</u> <u>Amount</u>
2042 ⁽²⁾	2.562%	\$ 325,755,000	\$	\$

* Preliminary, subject to change. The purchase of any of the Purchased Bonds is contingent upon the sale and delivery of the Series 2024 Bonds. The maturities and amounts of such obligations, if any, to be purchased will depend on market conditions when the Series 2024 Bonds are sold and could differ materially from the information shown. See "PLAN OF FINANCE – Purchased Bonds."

- (1) Represents the 2035 through 2044 sinking fund installments for term bonds stated to mature on April 1, 2044.
 (2) Represents the 2035 through 2042 sinking fund installments for term bonds stated to mature on April 1, 2042.

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APPENDIX A

THE STATE

As described in the body of the Official Statement under “CONTINUING DISCLOSURE OF INFORMATION – Continuing Disclosure Undertaking of the Comptroller,” the Comptroller is required to file updated annual financial and operating data, audited financial statements of the State when received, and timely notice of certain events with the MSRB, and the Comptroller voluntarily files quarterly Bond Appendices and occasional notices of significant events.

The Official Statement hereby incorporates by reference the previously filed documents listed below, except for any information superseded by information that is included directly in the body of the Official Statement or incorporated by reference in a subsequent document, as well as any future filings that the Comptroller makes with the MSRB through EMMA prior to the termination of the offering of the Series 2024 Bonds under the Official Statement:

- State of Texas Annual Comprehensive Financial Report for the fiscal year ended August 31, 2022
- Bond Appendix: The State of Texas (February 2024), as may be supplemented by the Comptroller from time to time)
- Each notice, if any, filed with the MSRB by the Comptroller since the end of the fiscal year of the State addressed in the foregoing Annual Comprehensive Financial Report.

These documents and any subsequently filed documents, if any, may be obtained by accessing EMMA at <https://emma.msrb.org/>, using the EMMA Advanced Search function and entering the term “State of Texas Comptroller” in the Issuer Name field within the Security Information search filter. The documents may also be accessed on the Comptroller’s website at: <https://comptroller.texas.gov/programs/systems/treasury-ops/index.php>. For further information see “CONTINUING DISCLOSURE OF INFORMATION – Continuing Disclosure Undertaking of the Comptroller” in the body of the Official Statement.

Information in the Bond Appendix, the State ACFR, and any notice incorporated herein by reference is provided as of the date specified in the documents. No representation is made that such documents contain all facts material to an evaluation of the ability of the State to pay principal of and interest on the Series 2024 Bonds when due, or the value of the Series 2024 Bonds, or that any specific information should be accorded any particular significance.

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APPENDIX B

SELECT PROVISIONS OF THE RESOLUTION

The following capitalized terms appearing in this Official Statement have the meanings set forth below, unless the context otherwise requires. A reference to any of these terms in the singular number includes the plural and vice versa.

Select and Conformed Definitions in the Master Resolution and the Sixth Supplemental Resolution

“Acts” means The Constitutional Provision, the Enabling Act, the General Appropriations Act, Chapters 1207 and 1371, Texas Government Code and other applicable provisions of State law.

“Annual Debt Service Requirements” means, for any Fiscal Year, (i) the principal of, premium, if any, and interest on all Bonds coming due at Maturity or Stated Maturity (or that could come due on demand of the owner thereof other than by acceleration or other demand conditioned upon default by the Commission on such Bonds, or be payable in respect of any required purchase of such Bonds by the Commission) plus (ii) all payments required to be made by the Commission under each Credit Agreement constituting Bonds (net of any credits as provided in (7) below) in such Fiscal Year, and minus (iii) all amounts on deposit to the credit of the Interest and Sinking Fund from original proceeds from the sale of Bonds or from any other lawfully available source and, for such purposes, any one or more of the following rules shall apply at the election of the Commission; provided, however, that this definition shall never be applied in a manner which results in Annual Debt Service Requirements for any Fiscal Year being an amount that is less than the aggregate amount actually required to be paid in such Fiscal Year with respect to Outstanding Bonds:

(1) Committed Take Out. If the Commission has entered into a Credit Agreement constituting a binding commitment within normal commercial practice, from any bank, savings and loan association, insurance company, or similar institution to discharge any of its Funded Debt at its Stated Maturity (or, if due on demand, at any date on which demand may be made) or to purchase any of its Funded Debt at any date on which such debt is subject to required purchase, all pursuant to arrangements whereby the Commission’s obligation to repay the amounts advanced for such discharge or purchase constitutes Funded Debt, then the portion of the Funded Debt committed to be discharged or purchased shall be excluded from such calculation and the principal of and interest on the Funded Debt incurred for such discharge or purchase that would be due in the Fiscal Year for which the calculation is being made, if incurred at the Stated Maturity or purchase date of the Funded Debt to be discharged or purchased, shall be added to such calculation, and the remaining provisions of this definition shall be applied to such added Funded Debt;

(2) Balloon Debt. If the principal, including the accretion of interest resulting from original issue discount or compounding of interest (collectively, “Principal”), of any series or issue of Funded Debt due (or payable in respect of any required purchase of such Funded Debt by the Commission) in any Fiscal Year either is equal to at least 25% of the total Principal of such Funded Debt or exceeds by more than 50% the greatest amount of Principal of such series or issue of Funded Debt due in any preceding or succeeding Fiscal Year (such Principal due in such Fiscal Year for such series or issue of Funded Debt being referred to herein as “Balloon Debt”), the amount of Principal of such Balloon Debt taken into account during any Fiscal Year shall be equal to either (i) the debt service calculated using the Principal of such Balloon Debt amortized over the Term of Issue on a level debt service basis at an assumed interest rate equal to the rate borne by such Balloon Debt on the date of calculation or (ii) an amortization which, in the judgment of the Department Representative, the Department reasonably expects to amortize the Balloon Debt;

(3) Consent Sinking Fund. In the case of Balloon Debt (as defined in clause (2) above), if a Department Representative shall deliver to the Commission an Officer’s Certificate providing for the retirement of (and the instrument creating such Balloon Debt shall permit the retirement of), or for the accumulation of a sinking fund for (and the instrument creating such Balloon Debt shall permit the accumulation of a sinking fund for), such Balloon Debt according to a fixed schedule stated in such Officer’s Certificate ending on or before the Fiscal Year in which such principal (and premium, if any) is due, then the principal of (and, in the case of retirement, or to the extent provided for by the sinking fund accumulation, the premium, if any, and interest and other payments due on) such Balloon Debt shall be computed as if the same were due in accordance with such schedule, provided that this clause (3) shall apply only to Balloon

Debt for which the installments previously scheduled have been paid or deposited to the sinking fund established with respect to such debt on or before the times required by such schedule; and provided further that this clause (3) shall not apply where the Commission has elected to apply the rule set forth in clause (2) above;

(4) Prepaid Debt. Principal of, premium, if any, and interest on Bonds, or portions thereof, shall not be included in the computation of the Annual Debt Service Requirements for any Fiscal Year for which such principal, premium, if any, or interest are payable from funds on deposit or set aside in trust for the payment thereof at the time of such calculations (including, without limitation, capitalized interest and accrued interest so deposited or set aside in trust) with a financial institution acting as fiduciary with respect to the payment of such Bonds;

(5) Variable Rate. As to any Bonds that bear interest at a variable interest rate which cannot be ascertained at the time of calculation of the Annual Debt Service Requirement, at the election of the Commission, the interest rate for such Bonds shall be determined to be either (i) an interest rate equal to the average rate borne by such Bonds (or by comparable debt in the event that such Bonds have not been outstanding during the preceding 24 months) for any 24 month period ending within 30 days prior to the date of calculation, (ii) if the Bonds bear interest at tax-exempt rates, an interest rate equal to the 24 month average of the Bond Market Association Bond Index (as most recently published in The Bond Buyer), unless such index is no longer published in The Bond Buyer, in which case the index to be used in its place shall be that index which the Commission determines most closely replicates such index as set forth in a certificate of a Department Representative, (iii) if the Bonds bear interest at taxable rates, an interest rate equal to the 24 month average of the Bond Market Association Bond Index (as most recently published in The Bond Buyer), unless such index is no longer published in The Bond Buyer, in which case the index to be used in its place shall be that index which the Commission determines most closely replicates such index as set forth in a certificate of a Department Representative, (iv) that interest rate which, in the judgment of the Chief Financial Officer, based, to the extent possible, upon an accepted market index which corresponds with the provisions of the subject Bonds, is the average rate anticipated to be in effect with respect to such Bonds or (v) that interest rate which, in the judgment of the Chief Financial Officer, based upon the interest rate methodology in the applicable Credit Agreement if calculating payments under a Credit Agreement in accordance with paragraph 7 of this definition, is the average rate anticipated to be in effect;

(6) Short-Term Obligations. Notwithstanding anything in the foregoing to the contrary, with respect to any Bonds issued as Short-Term Obligations, the debt service on such Bonds shall be calculated assuming that such Bonds will be refunded and refinanced to mature over a 30-year period with level debt service at then current market rates; provided, however, that to the extent permitted by law, if in the judgment of the Chief Financial Officer, as set forth in an Officer's Certificate delivered to the Commission, the result of the foregoing calculation is inconsistent with the reasonable expectations of the Commission, the interest on such Bonds shall be calculated in the manner provided in clause (5) of this definition and the maturity schedule shall be calculated in the manner provided in clause (2) of this definition; and

(7) Credit Agreement Payments. If the Commission has entered into a Credit Agreement in connection with an issue of Bonds, payments due under any such Credit Agreement (other than payments for fees and expenses) from either the Commission or the provider of a Credit Agreement shall be included in such calculation, except to the extent that the payments are already taken into account under clauses (1) through (6) above and any payments otherwise included under clauses (1) through (6) above which are to be replaced by payments under such a Credit Agreement, from either the Commission or the provider under a Credit Agreement, shall be excluded from such calculation.

“Authorized Representative” means the Executive Director and the Deputy Executive Director of the Department or such other individuals so designated by the Commission to perform the duties of an Authorized Representative under the Master Resolution and the Sixth Supplement.

“Bonds” means bonds, notes and other public securities issued in one or more series pursuant to the Constitutional Provision, the Enabling Act and governed by the Master Resolution, and includes the Series 2024 Bonds.

“Business Day” means any day except (i) a Saturday, Sunday or legal holiday, (ii) any other day on which commercial banks and trust companies in the City of New York, or any City in which the principal office of the Commission or the Paying Agent, are authorized or required to remain closed, or are closed for any other reason, or (iii) a day on which the New York Stock Exchange is closed.

“Chapter 1371” means Chapter 1371, Texas Government Code.

“Chief Financial Officer” means the Chief Financial Officer of the Department or such other officer or employee of the Department or such other individual so designated by the Commission to perform the duties of Chief Financial Officer under the Sixth Supplement and Master Resolution.

“Code” means the Internal Revenue Code of 1986, as amended, and the rulings, regulations, and procedures (including temporary, proposed, and final regulations and procedures) promulgated thereunder.

“Commission” means the Texas Transportation Commission and its successors and assigns.

“Comptroller” means the Comptroller of Public Accounts of the State and its successors and assigns.

“Constitutional Provision” means Article III, Section 49-p of the Texas Constitution.

“Credit Agreement” means, collectively, a loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitments to purchase Bonds, purchase or sale agreements, interest rate swap, cap and/or floor agreement or commitment, or other contract or agreement authorized, recognized, and approved by the Commission as a Credit Agreement in connection with the authorization, issuance, sale, resale, security, exchange, payment, purchase, remarketing, or redemption of Bonds, the interest on Bonds, or both.

“Defeasance Securities” means, unless otherwise specified in an Award Certificate, (i) Federal Securities, and (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the Commission adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provides for the funding of an escrow to effect the defeasance of the Series 2024 Bonds are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent.

“Defeased Bonds” means any Bonds and the interest thereon deemed to be paid, retired, and no longer Outstanding pursuant to the provisions of the applicable Supplement authorizing such Bonds; and thus, no longer secured by, payable from, or entitled to the benefits of the Security.

“Department” means the Texas Department of Transportation or its successors.

“Department Representative” means an Authorized Representative, the Chief Financial Officer, the Director, Project Finance, Debt and Strategic Contracts Division or such other officer or employee of the Department so designated by the Commission to perform the duties of Department Representative under the Master Resolution.

“DTC” means The Depository Trust Company, New York, New York, or any successor securities depository.

“DTC Participant” means securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

“Electronic Means” means telecopy, facsimile transmission, e-mail transmission or other similar electronic means of communication providing evidence of transmission, including a telephonic communication confirmed by any other method set forth in this definition.

“Enabling Act” means Section 222.004 of the Texas Transportation Code as enabling legislation for the Constitutional Provision.

“Favorable Opinion of Bond Counsel” means with respect to any action the occurrence of which requires such an opinion, an unqualified opinion of Bond Counsel to the effect that such action is permitted under the Acts, the Master Resolution and the Sixth Supplement.

“Federal Securities” means direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America (including Interest Strips of the Resolution Funding Corporation).

“Financing Program” means the “Texas Transportation Commission Highway Improvement General Obligation Financing Program”.

“Fiscal Year” means the fiscal year of the Department, currently the period commencing the first day of September and ending on the last day of August of the following year.

“Funded Debt” means all Bonds or Credit Agreements created, assumed or guaranteed by the Commission that matures by its terms (in the absence of the exercise of any earlier right of demand), or is renewable at the option of the Commission to a date, more than one year after the original creation, assumption or guarantee of such Bonds or Credit Agreement by the Commission.

“General Appropriations Act” means the appropriations act of the State for the applicable biennium.

“General Counsel” means general counsel to the Department, including any duly authorized designee of the general counsel to the Department.

“Highest Lawful Rate” means the maximum net effective interest rate permitted by law to be paid on obligations issued or incurred by the Commission in the exercise of its borrowing powers (prescribed by Chapter 1204, Texas Government Code, or any successor provisions).

“Holder” or “Bondholder” or “owner” means the (i) registered owner of any Bonds registered as to ownership, (ii) holder of any Bonds payable to bearer or (iii) obligee or counter party (other than the Commission) pursuant to any Credit Agreement.

“Interest and Sinking Fund” has the meaning assigned to that term in Section 3(c) of the Master Resolution.

“Issuance Date” means the date of delivery of a Series of the Bonds to the initial purchaser(s) thereof against payment therefor.

“Master Resolution” means the “Master Resolution Establishing the Texas Transportation Commission Highway Improvement General Obligation Financing Program,” adopted by Minute Order of the Commission on January 28, 2010, as may be amended or supplemented from time to time.

“Maturity” when used with respect to any Bonds means the date on which the principal of such Bonds or any installment thereof becomes due and payable as therein provided, whether at the Stated Maturity thereof or by call for redemption, or otherwise.

“Maturity Date” means the final maturity date of any series of Bonds which shall be such date as established pursuant to the Sixth Supplement.

“MSRB” means the Municipal Securities Rulemaking Board.

“Officer’s Certificate” means a certificate signed by a Department Representative.

“Opinion of Counsel” means a written opinion of counsel which shall be acceptable to the Commission.

“Outstanding” when used with respect to Bonds means, as of the date of determination, all Bonds theretofore delivered under the Master Resolution or any Supplement, except:

(1) Bonds theretofore cancelled and delivered to the Commission or delivered to the Paying Agent or the Registrar for cancellation;

(2) Bonds deemed to be Defeased Bonds;

(3) Bonds upon transfer of or in exchange for and in lieu of which other Bonds have been authenticated and delivered pursuant to the Master Resolution or any Supplement; and

(4) Bonds under which the obligations of the Commission have been released, discharged, or extinguished in accordance with the terms thereof; provided, however, that unless the same is acquired for purposes of cancellation, Bonds owned by the Commission and Bonds purchased with funds advanced pursuant to a Credit Agreement shall be deemed to be Outstanding as though they were owned by any other owner.

“Outstanding Principal Amount” means, as of any record date established by a Registrar in connection with a proposed amendment of the Master Resolution or any Supplement, with respect to all Bonds or to a series of Bonds that is in the form of bonds, notes, or other similar instruments that have a stated principal amount, the outstanding and unpaid principal amount of such Bonds on which interest is paid on a current basis and the outstanding and unpaid principal and compounded interest on such Bonds paying accrued, accreted, or compounded interest only at maturity and, with respect to Credit Agreements shall total the amount, if any, then due under such Credit Agreement if it was to be terminated as of the date of calculation of Outstanding Principal Amount as determined by the Department Representative.

“Owner” means the registered owners of the Bonds as shown on the Security Register and to the extent set forth in a Credit Agreement relating to the Bonds, the party contracting with the Commission under a Credit Agreement.

“Paying Agent” means the agent selected and appointed by the Commission for purposes of paying the principal of, premium, if any, and interest on the Bonds to the Owners thereof, as identified in the Sixth Supplement and any successor to such agent.

“Paying Agent/Registrar” means, collectively, the Paying Agent and the Registrar designated in the Sixth Supplement or any successor to such agent.

“Principal Payment Date” means any date upon which the principal amount of the Bonds is due hereunder at Maturity or on any Redemption Date.

“Proceeds Fund” has the meaning assigned to that term in Section 3 of the Master Resolution and includes any account or subaccount thereof.

“Rebate Fund” means the fund by that name described in Section 4.02 of the Sixth Supplement.

“Registrar” means the agent selected and appointed by the Commission for purposes of keeping and maintaining books and records relating to the registration, transfer, exchange, and payment of the Bonds and interest thereon, as identified in Section 2.03 of the Sixth Supplement and any successor to such agent.

“Rule” means SEC Rule 15c2-12, as amended from time to time.

“SEC” means the United States Securities and Exchange Commission.

“Section” unless the context clearly requires otherwise, refers to a Section of the Sixth Supplement.

“Security” has the meaning assigned to that term in Section 2(a) of the Master Resolution.

“Security Register” means the books and records kept and maintained by the Registrar relating to the registration, transfer, exchange, and payment of the Bonds and the interest thereon.

“Series” means a separate series of the Bonds as specified by or pursuant to the terms of the Sixth Supplement.

“Series 2024 Bonds” means a series of the Bonds being issued pursuant to the Sixth Supplement.

“Sixth Supplement” means the Sixth Supplemental Resolution, which was adopted pursuant to authority reserved by the Commission under the Master Resolution and adopted by Minute Order of the Commission on June 29, 2023, as may be amended or supplemented from time to time.

“State” means the State of Texas.

“State Infrastructure Bank account” means the account within the State Highway Fund created pursuant to Subchapter D, Chapter 222 of the Texas Transportation Code and includes one or more subaccounts created pursuant to Section 222.076 of the Texas Transportation Code capitalized with State funds only.

“Stated Maturity” when used with respect to any Bonds or any installment of interest thereon means any date specified in the instrument evidencing or authorizing such Bonds or such installment of interest as a fixed date on which the principal of such Bonds or any installment thereof or the fixed date on which such installment of interest is due and payable.

“Supplement” means a resolution supplemental to, and authorized and executed pursuant to the terms of, the Master Resolution as may be supplemented or amended from time to time as authorized by the Commission and such Supplement.

“Taxable Bonds” means a Series of Bonds bearing interest at a taxable rate.

“Term of Issue” means with respect to any Balloon Debt a period of time equal to the greater of (i) the period of time commencing on the date of issuance of such Balloon Debt and ending on the final maturity date of such Balloon Debt or the maximum maturity date in the case of commercial paper or (ii) thirty years.

“Texas Transportation Commission Highway Improvement General Obligation Financing Program” or “Financing Program” means the Texas Transportation Commission Highway Improvement General Obligation Financing Program established by the Master Resolution.

Select Excerpts of the Master Resolution

Section 1. ESTABLISHMENT OF FINANCING PROGRAM AND ISSUANCE OF BONDS. As authorized by the Constitutional Provision, the Enabling Act, and other applicable provisions of State law, the General Obligation Financing Program is hereby established for the purpose of providing a financing structure for the issuance of multiple series of Bonds and the execution of Credit Agreements by the Commission secured by and payable from a general obligation pledge of the State. This Master Resolution is intended to establish a master financing program under which Bonds and Credit Agreements of the Financing Program can be issued or incurred. The Financing Program is initially established in the aggregate principal amount of Bonds outstanding at any time of not to exceed \$5 billion, subject to the limitations and requirements of the Constitutional Provision, the Enabling Act, the General Appropriations Act and other applicable provisions of State law, this Master Resolution, and each Supplement (the “Controlling Provisions”). Each issue or series of Bonds shall be issued, or Credit Agreements shall be executed, pursuant to a Supplement and no Bonds shall be issued unless the Commission has complied with the Controlling Provisions.

Each Supplement shall provide for the authorization, issuance, sale, delivery, form, characteristics, provisions of payment and redemption, and security of each issue or series of Bonds and any other matters related to any series of Bonds not inconsistent with the Controlling Provisions.

Section 2. SECURITY AND PLEDGE. (a) Pledge. Any series of Bonds shall be secured by and payable solely from a pledge of the following (collectively, the “Security”): (i) the general obligation pledge of the State including the first money coming into the State treasury each fiscal year, not otherwise appropriated by the Texas Constitution, an amount sufficient to pay principal of and interest on the Bonds that mature or become due during the fiscal year, including an amount sufficient to make payment under a related Credit Agreement; (ii) all amounts in the Interest and Sinking Fund; (iii) all of the proceeds of the foregoing, including, without limitation, investments thereof; and (iv) any applicable Credit Agreement to the extent set forth in such Credit Agreement. The Commission hereby assigns and pledges the Security to the payment of the Annual Debt Service Requirements on Bonds including the obligations due under and in connection with any Credit Agreement, to the extent set forth therein and in the related Supplement, and the Security is further pledged to the establishment and maintenance of any funds, accounts or subaccounts which may be provided to secure the repayment of any series of Bonds including the obligations due under and in connection with any Credit Agreement, to the extent set forth therein and in the related Supplement, in accordance with this Master Resolution and any Supplement. Pursuant to the Constitutional Provision, the amounts constituting Security are appropriated when received by the State and may be used for the purposes provided by State law, including the Constitutional Provision, the General Appropriations Act and the Enabling Act.

(b) Credit Agreements. Credit Agreements entered into as provided in section 5 hereof and all or any portion of the obligations thereunder may, pursuant to their terms, be secured by a pledge of the Security as determined by the Department Representative.

(c) Perfection. Chapter 1208, Texas Government Code, applies to the issuance of any series of Bonds and the pledge of the Security granted by the Commission under this Section and in any applicable Supplement, and such pledge is therefore valid, effective, and perfected. If State law is amended at any time while any Bonds are outstanding and unpaid such that the pledge of the Security granted by the Commission under this Section and in any applicable Supplement is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve for the owners of Bonds the perfection of the security interest in said pledge, the Commission agrees to take such measures as it determines are reasonable and necessary under State law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

Section 3. FUNDS. (a) Creation of Funds. The Commission hereby establishes and affirms the creation of the following accounts held by the Comptroller, to-wit:

- (i) the General Obligation Interest and Sinking Fund (the “Interest and Sinking Fund”) and
- (ii) the General Obligation Proceeds Fund (the “Proceeds Fund”).

(b) Application of Constitutionally Appropriated Funds. The Commission shall cause to be deposited into the Interest and Sinking Fund, from funds that are available for such purpose under the Constitutional Provision, an amount that is sufficient (together with any other funds on deposit therein) to provide for the timely payment of Bonds not later than the Business Day preceding each date on which any Bonds come due. The Department Representative may direct any such deposit to be made on an earlier date.

If, on any date that funds in the Interest and Sinking Fund are required (pursuant to this Master Resolution or any Supplement) to be withdrawn for the payment of Bonds, the Interest and Sinking Fund does not contain sufficient funds for such purpose, an amount of immediately available funds sufficient (together with the funds then on deposit in the Interest and Sinking Fund) to pay such Bonds shall be transmitted to the appropriate payee(s) for such purpose from funds made available under the Constitutional Provision, at such time as will cause such Bonds to be timely paid.

(c) Interest and Sinking Fund. Amounts on deposit in the Interest and Sinking Fund shall be applied at such time and in such amounts as required for the timely payment of any series of Bonds.

(d) Proceeds. Proceeds from the issuance of a series of Bonds shall be deposited from time to time upon the issuance of such Bonds as provided by the applicable Supplement into the Proceeds Fund created with respect to such series of Bonds or into the State Infrastructure Bank account as further set forth in the applicable Supplement. Such proceeds and the interest thereon shall remain in the Proceeds Fund until expended to accomplish the purposes for which any series of Bonds were issued or until otherwise utilized as provided in the applicable Supplement. Amounts in the Proceeds Fund or the State Infrastructure Bank account do not constitute Security.

(e) Other Accounts or Funds. The Commission reserves the right to establish, in connection with the issuance of any series of Bonds or for other purposes, one or more additional funds, accounts or subaccounts for such other purposes as the Commission may determine from time to time. The Commission may, at its option, declare in the action establishing the fund, account or subaccount that the amounts in such additional fund, account or subaccount will be either included within or excluded from the Security.

(f) Authorization of Comptroller. The Comptroller is hereby authorized and directed to make the deposits and transfers required under all provisions of this Master Resolution and any Supplement as requested or instructed by a Department Representative in accordance with applicable State law. The Comptroller is hereby authorized and directed to make current funds available to pay the principal amount of and interest on all Bonds as they mature and come due and payable. Remittances to any Paying Agent must be made in accordance with any Paying Agent Agreement. The Commission, through the Department Representative, agrees to cooperate with and aid the Comptroller in calculating the amounts to be deposited in or transferred to the appropriate accounts and in ascertaining the amounts to be remitted to the respective Paying Agent to meet the requirements for the due and punctual payment of any series of Bonds as they become due and payable.

Section 4. GENERAL REPRESENTATIONS AND COVENANTS. The Commission further represents, covenants, and agrees that while Bonds or interest thereon is Outstanding:

(a) Performance. The Commission will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Master Resolution and in each Supplement, and in each and every Bond or evidence thereof and will take such action as is reasonably possible to cause the Comptroller and each other agency of the State to perform each and every duty imposed upon the Comptroller or such agency by law with respect to any series of Bonds.

(b) Mandatory Redemption. The Commission will duly cause to be called for redemption prior to maturity, and will cause to be redeemed prior to maturity, any Bonds which by its terms is mandatorily required to be redeemed prior to maturity, when and as required.

(c) Determination of Annual Debt Service Requirements. For all purposes of this Master Resolution, the judgment of the Chief Financial Officer shall be deemed final in the determination of the Annual Debt Service Requirements of the Financing Program.

(d) Lawful Authority. The Commission is lawfully authorized to pledge the Security herein pledged in the manner prescribed herein, and has lawfully exercised such right.

(e) Investments. Moneys in all funds, accounts and subaccounts established pursuant to this Master Resolution and any Supplement will be invested or reinvested by the Comptroller in accordance with applicable State law. The investments of each fund, account and subaccount shall be made under conditions that will timely provide money sufficient to satisfy the Comptroller's and the Commission's obligations hereunder and under any Supplement. The proceeds received from the disposition of any investment acquired with the funds and any income received from such investment, shall be deposited into such fund, provided, however, that investment proceeds of funds in the Proceeds Fund may be retained in such fund or transferred to the Interest and Sinking Fund. Uninvested funds, if any, shall be secured in the manner and to the extent required by State law.

(f) Inspection of Records. The Commission will permit any owner or owners of twenty-five percent (25%) or more of the then Outstanding Principal Amount of Bonds at all reasonable times to inspect all records, accounts, and data of the Commission and the Department relating to the Financing Program, except such records as federal or State law may designate as privileged and exempt from disclosure.

Section 5. ISSUANCE OF ONE OR MORE SERIES OF BONDS. (a) General. The Commission reserves and shall have the right and power to issue or incur one or more series of Bonds for any purpose authorized by law, including the refunding of any series of Bonds, pursuant to the provisions of this Master Resolution and Supplements to be hereafter authorized. The Commission hereby covenants and agrees to comply with all constitutional and statutory requirements of State law and, to the extent applicable, federal law governing the issuance of any series of Bonds.

(b) Credit Agreements. To the extent permitted by law, and as provided in a Supplement, the Commission may enter into one or more Credit Agreements upon the delivery to the Commission of an Officer's Certificate to the effect that (i) the Credit Agreement is in the best interest of the Commission and (ii) to the best of his or her knowledge, the Commission and the Department have not failed to comply with the covenants contained in this Master Resolution and any Supplement, to any material extent, and are not in default, to any material extent, in the performance and observance of any of the terms, provisions and conditions hereof, thereof or under any existing Credit Agreement. Each Credit Agreement shall be approved by the Commission, to the extent required by law, either pursuant to a Supplement or by other action.

(c) Increase in Financing Program. The principal amount of Bonds issued under the Financing Program, as authorized by Section 1, may be increased by the Commission upon a finding by the Commission to the effect that the increase is authorized by the Texas Constitution and State law.

Section 6. WAIVER OF CERTAIN COVENANTS. The Commission may omit in any particular instance to comply with any covenant or condition set forth in Sections 4 and 5 hereof if before or after the time for such compliance the owners of the same percentage in Outstanding Principal Amount, the consent of which would be required to amend the applicable provisions to permit such noncompliance, shall either waive such compliance in the particular instance or generally waive compliance with such covenant or condition, but no such waiver shall extend to or affect such covenant or condition except to the extent so expressly waived and, until such waiver shall become effective, the obligations of the Commission and the duties of the Commission in respect of any such covenant or condition shall remain in full force and effect. For the purpose of this Section, the Commission may determine in each Supplement the treatment of who may act as an "owner", "Holder", or "Bondholder" and other matters relating to such Bonds, including designating in the relevant Supplement or award certificate any municipal bond insurance company providing an insurance policy on the payment of the principal of and interest on any series of Bonds or the provider under a Credit Agreement as the sole owner of such Bonds.

Section 7. INDIVIDUALS NOT LIABLE. All covenants, stipulations, obligations, and agreements of the Commission contained in this Master Resolution and any Supplement shall be deemed to be covenants, stipulations, obligations, and agreements of the Financing Program, the Commission and the Department to the full extent authorized or permitted by the Constitution and State law. No covenant, stipulation, obligation, or agreement herein contained shall be deemed to be a covenant, stipulation, obligation, or agreement of any member of the Commission or agent or employee of the Department in his or her individual capacity and neither the members of the Commission, nor any officer, employee, or agent of the Department, shall be liable personally on any Bonds when issued, or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 8. EVENTS OF DEFAULT AND REMEDIES. (a) Events of Default. Each of the following occurrences or events for the purpose of this Master Resolution is hereby declared to be an Event of Default: (i) the failure to make payment of the principal of or interest on any of the Bonds or Credit Agreements when the same becomes due and payable; or (ii) default in the performance or observance of any other covenant, agreement or obligation of the Commission or the State, the failure to perform which materially, adversely affects the rights of the owners of the Bonds or Credit Agreements, including, but not limited to, their prospect or ability to be repaid in accordance with this Master Resolution, and the continuation thereof for a period of 60 days after notice of such default is given by any owner to the Commission.

(b) Remedies. The State has not waived sovereign immunity with respect to the enforcement of the obligations of the Commission and the State relating to any series of Bonds or Credit Agreements. Any owner of Bonds or Credit Agreements in the event of default in connection with any covenant contained herein or in any Supplement, or default in the payment of Annual Debt Service Requirements due in connection with any Bonds, or other costs and expenses related thereto, or Credit Agreements may require the Commission, the Department, its officials and employees, and any appropriate official of the State, to carry out, respect, or enforce the covenants and obligations of this Master Resolution or any Supplement, by the use and filing of mandamus proceedings in any court of competent jurisdiction in Travis County, Texas against the Commission, the Department, its officials and employees, or any appropriate official of the State.

Section 9. DEFEASANCE OF BONDS. Each Supplement authorizing Bonds may provide by its respective terms the circumstances and conditions under which such Bonds may be considered Defeased Bonds.

Section 10. AMENDMENT OF RESOLUTION. (a) Amendment Without Consent. This Master Resolution and the rights and obligations of the Commission and of the owners may be modified or amended at any time without notice to or the consent of any owner, solely for any one or more of the following purposes:

(i) To add to the covenants and agreements of the Commission contained in this Master Resolution, other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon the Commission in this Master Resolution;

(ii) To cure any ambiguity or inconsistency, or to cure or correct any defective provisions contained in this Master Resolution, upon receipt by the Commission of an Opinion of Counsel, that the same is needed for such purpose, and will more clearly express the intent of this Master Resolution;

(iii) To supplement the Security for the Outstanding Bonds in accordance with the Constitutional Provision and State law;

(iv) To make such other changes in the provisions hereof as the Commission may deem necessary or desirable and which shall not, in the judgment of the Commission, materially adversely affect the interests of the owners;

(v) To make any changes or amendments requested by the State Attorney General's Office or the State Bond Review Board as a condition to the approval of a series or issue of Bonds, which changes or amendments do not, in the judgment of the Commission, materially adversely affect the interests of the owners;

(vi) To make any changes or amendments requested by any bond rating agency then rating or requested to rate Bonds, as a condition to the issuance or maintenance of a rating, which changes or amendments do not, in the judgment of the Commission, materially adversely affect the interests of the owners; or

(vii) To change the maximum principal amount of Bonds issued under the Financing Program as provided in Section 5(c) or change or supplement the purposes for which Bonds can be issued or Credit Agreements executed.

(b) Amendments With Consent. Subject to the provisions of Section 10(a) of this Master Resolution, the owners aggregating a majority in Outstanding Principal Amount shall have the right from time to time to approve any amendment, other than amendments described in subsection (a) of this Section, to this Master Resolution which may be deemed necessary or desirable by the Commission; provided, however, that nothing herein contained shall

permit or be construed to permit, without the approval of all owners (unless such amendment shall be determined by the Commission to affect only certain owners, in which case such amendment shall not be made without the approval of the owners so affected), the amendment of the terms and conditions in this Master Resolution so as to:

- (i) Grant to the owners of any Outstanding Bonds a priority over the owners of any other Outstanding Bonds; or
- (ii) Materially adversely affect the rights of the owners of less than all Bonds then Outstanding; or
- (iii) Change the minimum percentage of the Outstanding Principal Amount necessary for consent to such amendment; or
- (iv) Make any change in the maturity of any Outstanding Bonds; or
- (v) Reduce the rate of interest borne by any Outstanding Bonds; or
- (vi) Reduce the amount of the principal payable on any Outstanding Bonds; or
- (vii) Modify the terms of payment of the amounts required to meet any financial obligations of the Commission relating to the Financing Program, including payments due on or with respect to the payment of any Outstanding Bonds, or impose any conditions with respect to such; or
- (viii) Amend this subsection (b) of this Section.

(c) Notice. If at any time the Commission shall desire to amend this Master Resolution pursuant to subsection (b) of this Section, the Commission shall cause notice of the proposed amendment to be published in a financial newspaper or journal of general circulation in the City of New York, New York (including, but not limited to, The Bond Buyer or The Wall Street Journal) or in the State (including, but not limited to, The Texas Bond Reporter), once during each calendar week for at least two successive calendar weeks or disseminated by electronic means customarily used to convey notices of redemption. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of each Registrar for any Bonds for inspection by all owners of Bonds. Such publication is not required, however, if the Commission gives or causes to be given such notice in writing, by certified mail, to each owner of Bonds. A copy of such notice shall be provided in writing to each national rating agency maintaining a rating on any Bonds.

(d) Receipt of Consents. With respect to any amendment undertaken pursuant to subsection (b) above, whenever at any time the Commission shall receive an instrument or instruments executed by all of the owners or the owners of a majority in Outstanding Principal Amount, as appropriate, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically consent to and approve such amendment in substantially the form of the copy thereof on file as aforesaid, the Commission may adopt the amendatory resolution in substantially the same form.

(e) Effect of Amendments. Upon the adoption by the Commission of any resolution to amend this Master Resolution pursuant to the provisions of this Section, this Master Resolution shall be deemed to be amended in accordance with the amendatory resolution, and the respective rights, duties, and obligations of the Commission and all the owners shall thereafter be determined, exercised, and enforced under this Master Resolution, as amended.

(f) Consent Irrevocable. Any consent given by any owner of Bonds pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the first publication or other service of the notice provided for in this Section or the date of such consent, whichever is later, and shall be conclusive and binding upon all future owners of the same Bonds during such period. Such consent may be revoked at any time after the applicable period of time that a consent is irrevocable by the owner who gave such consent, or by a successor in title, by filing notice thereof with the Registrar for such Bonds and the Commission, but such revocation shall not be effective if the owners of the requisite amount of the Outstanding Principal Amount, prior to the attempted revocation, consented to and approved the amendment. Notwithstanding the foregoing, any consent given by an owner at the time of and in connection with the initial sale or incurrence of an issue or series Bonds by the Commission shall be irrevocable.

(g) Ownership. For the purpose of this Section, the Commission may determine in each Supplement the treatment of who may act as an “owner”, “Holder”, or “Bondholder” and other matters relating to all Bonds and Credit Agreements, including designating any municipal bond insurance company providing an insurance policy on the payment of Bonds or the provider or counterparty under a Credit Agreement as the sole owner of such Bonds.

(h) Amendments of Supplements. Each Supplement shall contain provisions governing the ability of the Commission to amend such Supplement; provided, however, that no amendment may be made to any Supplement for the purpose of granting to the owners under such Supplement a priority over the owners of any other Outstanding Bonds.

Select Excerpts and Conforming Provisions of the Sixth Supplemental Resolution

Section 1.02. ESTABLISHMENT OF FINANCING PROGRAM AND ISSUANCE OF BONDS. Sixth Supplement. By adoption of the Master Resolution, the Commission has established the Texas Transportation Commission Highway Improvement General Obligation Financing Program for the purpose of enabling the Commission to provide for the financing of the highway improvement projects including loans for highway improvement projects authorized by the Constitutional Provision, the Enabling Act, the General Appropriations Act, and any other applicable provisions of State law pursuant to which the Commission may issue and enter into obligations, including bonds, notes and other public securities and Credit Agreements, secured by and payable from a pledge of and lien on all or part of the Security. This Sixth Supplement provides for the authorization, form, characteristics, provisions of payment and redemption, and security of the Bonds, including the Series 2024 Bonds, and Credit Agreements. This Sixth Supplement is subject to the terms of the Master Resolution and the terms of the Master Resolution are incorporated herein by reference and as such are made a part hereof for all purposes.

Section 4.01. PAYMENTS. (a) Accrued Interest. Immediately after the delivery of each Series of Bonds, the Commission shall deposit any accrued interest received from the sale and delivery of such Bonds to the credit of the Interest and Sinking Fund.

(b) Debt Service Payments. Semiannually on or before each principal or interest payment date while any of the Bonds are outstanding and unpaid, commencing on the first interest payment date for the Bonds as provided in the Award Certificate(s), the Commission shall cause to be available to the Paying Agent/Registrar, from funds that are available for such purpose under the Constitutional Provision, money sufficient to pay such interest on and such principal of the Bonds as will accrue or mature, or be subject to mandatory redemption prior to maturity, on such principal, redemption, or interest payment date. The Paying Agent/Registrar shall cancel all paid Series 2024 Bonds and shall furnish the Commission with an appropriate certificate of cancellation.

Section 4.02. ESCROW FUND. A separate fund to be known as the Escrow Fund is hereby established by the Commission pursuant to the Escrow Agreement.

Section 6.01. AMENDMENTS OR MODIFICATIONS WITHOUT CONSENT OF OWNERS. Subject to the provisions of the Master Resolution, this Sixth Supplement and the rights and obligations of the Commission and of the Owners, this Sixth Supplement may be modified or amended at any time without notice to or the consent of any Owner, solely for any one or more of the following purposes:

- (i) To add to the covenants and agreements of the Commission contained in this Sixth Supplement, other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon the Commission in this Sixth Supplement;
- (ii) To cure any ambiguity or inconsistency, or to cure or correct any defective provisions contained in this Sixth Supplement, upon receipt by the Commission of an Opinion of Counsel, that the same is needed for such purpose, and will more clearly express the intent of this Sixth Supplement;
- (iii) To supplement the Security for the Bonds or a Credit Agreement;

(iv) To make such other changes in the provisions hereof, as the Commission may deem necessary or desirable and which shall not, in the judgment of the Commission, materially adversely affect the interests of the Owners;

(v) To make any changes or amendments requested by the State Attorney General's Office or the State Bond Review Board as a condition to the approval of the Bonds, which changes or amendments do not, in the judgment of the Commission, materially adversely affect the interests of the Owners; or

(vi) To make any changes or amendments requested by any bond rating agency then rating or requested to rate the Bonds, as a condition to the issuance or maintenance of a rating, which changes or amendments do not, in the judgment of the Commission, materially adversely affect the interests of the Owners of the Outstanding Bonds.

Section 6.02. AMENDMENTS OR MODIFICATIONS WITH CONSENT OF OWNERS.

(a) Amendments. Subject to the other provisions of this Sixth Supplement and the Master Resolution, the Owners aggregating a majority in Outstanding Principal Amount shall have the right from time to time to approve any amendment, other than amendments described in Section 6.01 hereof, to this Sixth Supplement that may be deemed necessary or desirable by the Commission, provided, however, that nothing herein contained shall permit or be construed to permit, without the approval of all the Owners, the amendment of the terms and conditions in this Sixth Supplement or in the Bonds so as to:

(i) Make any change in the maturity of the Outstanding Bonds;

(ii) Reduce the rate of interest borne by Outstanding Bonds;

(iii) Reduce the amount of the principal payable on Outstanding Bonds;

(iv) Modify the terms of payment of principal of or interest on the Outstanding Bonds, or impose any conditions with respect to such payment;

(v) Affect the rights of the Owners of less than all Bonds then Outstanding; or

(vi) Change the minimum percentage of the Outstanding Principal Amount necessary for consent to such amendment.

(b) Notice. If at any time the Commission shall desire to amend this Sixth Supplement pursuant to Subsection (a), the Commission shall cause notice of the proposed amendment to be published in a financial newspaper or journal of general circulation in the City of New York, New York (including, but not limited to, The Bond Buyer or The Wall Street Journal) or in the State (including, but not limited to, The Texas Bond Reporter), once during each calendar week for at least two successive calendar weeks or disseminated by electronic means customarily used to convey notices of redemption. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Paying Agent/Registrar for inspection by all Owners. Such publication is not required, however, if the Commission gives or causes to be given such notice in writing to each Owner. A copy of such notice shall be provided in writing to each rating agency maintaining a rating on the Bonds.

(c) Receipt of Consents. Whenever at any time the Commission shall receive an instrument or instruments executed by all of the Owners or the Owners aggregating a majority in Outstanding Principal Amount, as appropriate, which instrument or instruments shall refer to the proposed amendment described in said notice and which consent to and approve such amendment in substantially the form of the copy thereof on file as aforesaid, the Commission may adopt the amendatory resolution in substantially the same form.

(d) Consent Irrevocable. Any consent given by any Owner pursuant to the provisions of this Section shall be irrevocable for a period of six (6) months from the date of the first publication or other service of the notice provided for in this Section, and shall be conclusive and binding upon all future Owners of the same Bond during such period. Such consent may be revoked at any time after six (6) months from the date of the first publication of such notice by the Owner who gave such consent, or by a successor in title, by filing notice thereof with the Paying

Agent/Registrar and the Commission, but such revocation shall not be effective if the Owners of Outstanding Series 2024 Bonds aggregating a majority in Outstanding Principal Amount prior to the attempted revocation consented to and approved the amendment. Notwithstanding the foregoing, any consent given at the time of and in connection with the initial purchase of Bonds shall be irrevocable.

(e) Ownership. For the purpose of this Section, the ownership and other matters relating to all Bonds registered as to ownership shall be determined from the Security Register kept by the Paying Agent/Registrar therefor. The Paying Agent/Registrar may conclusively assume that such ownership continues until written notice to the contrary is served upon the Paying Agent/Registrar.

Section 7.01. DISPOSITION OF BOND PROCEEDS AND OTHER FUNDS. Proceeds from the sale of each Series of the Bonds shall, promptly upon receipt thereof, be applied by the Department Representative as follows:

- (i) any underwriting discount or fees and any Credit Agreement fees for each Series of Bonds may be retained by and/or wired directly to such parties;
- (ii) any accrued interest shall be deposited as provided in Section 4.01; and
- (iii) an amount sufficient to pay the remaining costs of issuance of the Bonds and the cost of highway improvement projects being financed with the proceeds of each Series of Bonds shall be deposited in a separate subaccount for each Series within the Proceeds Fund or the State Infrastructure Bank account as directed by the Department Representative.

Any sale proceeds of the Bonds remaining after making all deposits and payments provided for above shall be deposited into the Interest and Sinking Fund and applied to the payment of principal of and interest on the Bonds.

Section 7.03. DEFEASANCE OF BONDS. (a) Deemed Paid. The principal of and/or the interest and redemption premium, if any, on any Bonds shall be deemed to be Defeased Bonds within the meaning of the Master Resolution and this Sixth Supplement, except to the extent provided in subsections (c) and (e) of this Section, when payment of the principal of such Bonds, plus interest thereon to the due date or dates (whether such due date or dates be by reason of maturity, upon redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption or the establishment of irrevocable provisions for the giving of such notice) or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar for such Bonds or an eligible trust company or commercial bank for such payment (1) lawful money of the United States of America sufficient to make such payment, (2) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment and when proper arrangements have been made by the Commission with the Paying Agent/Registrar for such Bonds or an eligible trust company or commercial bank for the payment of its services until all Defeased Bonds shall have become due and payable or (3) any combination of (1) and (2). At such time as Bonds shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bonds and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of the Security as provided in the Master Resolution and this Sixth Supplement, and such principal and interest shall be payable solely from such money or Defeasance Securities.

(b) Investments. The deposit under clause (ii) of subsection (a) of this Section shall be deemed a payment of Series 2024 Bonds as aforesaid when proper notice of redemption of such Bonds shall have been given or upon the establishment of irrevocable provisions for the giving of such notice, in accordance with the Master Resolution and this Sixth Supplement. Any money so deposited with the Paying Agent/Registrar for such Bonds or an eligible trust company or commercial bank as provided in this Section may at the discretion of the Commission also be invested in Defeasance Securities, maturing in the amounts and at the times as hereinbefore set forth, and all income from all Defeasance Securities in possession of the Paying Agent/Registrar for such Bonds or an eligible trust company or commercial bank pursuant to this Section which is not required for the payment of such Series 2024

Bonds and premium, if any, and interest thereon with respect to which such money has been so deposited, shall be remitted to the Commission for deposit to the Interest and Sinking Fund.

(c) Continuing Duty of Paying Agent and Registrar. Notwithstanding any provision of any other Section of this Sixth Supplement which may be contrary to the provisions of this Section, all money or Defeasance Securities set aside and held in trust pursuant to the provisions of this Section for the payment of principal of Bonds and premium, if any, and interest thereon, shall be applied to and used solely for the payment of the particular Bonds and premium, if any, and interest thereon, with respect to which such money or Defeasance Securities have been so set aside in trust. Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar for such Defeased Bonds shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the Department shall make proper arrangements to provide and pay for such services as required by this Sixth Supplement.

(d) Amendment of this Section. Notwithstanding anything elsewhere in this Sixth Supplement, if money or Defeasance Securities have been deposited or set aside with the Paying Agent/Registrar for such Bonds or an eligible trust company or commercial bank pursuant to this Section for the payment of Bonds and such Bonds shall not have in fact been actually paid in full, no amendment of the provisions of this Section shall be made without the consent of the registered owner of each Bond affected thereby.

(e) Retention of Rights. Notwithstanding the provisions of subsection (a) of this Section, to the extent that, upon the defeasance of the Defeased Bond to be paid at its maturity, the Commission retains the right under State law to later call that Defeased Bond for redemption in accordance with the provisions of this Sixth Supplement and the Award Certificate relating to the Defeased Bond, the Commission may call such Defeased Bond for redemption upon complying with the provisions of State law and upon the satisfaction of the provisions of subsection (a) of this Section with respect to such Defeased Bond as though it was being defeased at the time of the exercise of the option to redeem the Defeased Bond and the effect of the redemption is taken into account in determining the sufficiency of the provisions made for the payment of the Defeased Bond.

Section 7.05. FURTHER PROCEDURES. Each Department Representative is hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the Commission all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Sixth Supplement, each Series of Bonds, the sale and delivery of each Series of Bonds, and fixing all details in connection therewith, and the Paying Agent/Registrar Agreement, and to approve the Official Statement, or supplements thereto, in connection with each Series of Bonds. In connection with the issuance and delivery of each Series of Bonds, the above-stated officers, with the advice of General Counsel and Bond Counsel to the Department, are hereby authorized to approve, subsequent to the date of the adoption of this Sixth Supplement, any amendments to the above named documents, and any technical amendments to this Sixth Supplement as permitted by Section 6.01 (v) or (vi) and a Department Representative is hereby authorized to execute this Sixth Supplement to evidence approval of such changes.

APPENDIX C

FORM OF OPINION OF BOND COUNSEL



[An opinion in substantially the following form will be delivered by McCall, Parkhurst & Horton L.L.P., Bond Counsel, upon the delivery of the Bonds, assuming no material changes in facts or law.]

**TEXAS TRANSPORTATION COMMISSION
STATE OF TEXAS HIGHWAY IMPROVEMENT
GENERAL OBLIGATION REFUNDING BONDS,
SERIES 2024
\$670,000,000***

AS BOND COUNSEL for the Texas Transportation Commission (the "Commission") the governing body of the Texas Department of Transportation (the "Department"), we have examined into the legality and validity of the issue of bonds described above (the "Bonds"), which bear interest from the dates and mature on the dates specified, all in accordance with the "Master Resolution Establishing the Texas Transportation Commission Highway Improvement General Obligation Financing Program" adopted by Minute Order No. 112100 of the Commission on January 28, 2010 (the "Master Resolution") as supplemented by the "Sixth Supplemental Resolution to the Master Resolution Establishing the Texas Transportation Commission Highway Improvement General Obligation Financing Program" (the "Sixth Supplement") adopted by Minute Order No. 116505 of the Commission on June 29, 2023 and the Award Certificate of the Department Representative dated _____, 2024 (the "Award Certificate"), (the Master Resolution, the Sixth Supplement and the Award Certificate are collectively referred to as the "Resolution"). Capitalized terms used herein and not otherwise defined shall have the meanings given in the Resolution.

WE HAVE EXAMINED the applicable and pertinent provisions of the Constitution and laws of the State of Texas (the "State"), a transcript of certified proceedings of the Commission, the Master Resolution, as supplemented by the Sixth Supplement, the Award Certificate and other pertinent instruments relating to the authorization, issuance and delivery of the Bonds; and we have examined various certificates and documents executed by officers and officials of the Commission and the Department upon which certificates and documents we rely as to certain

*Preliminary, subject to change.

matters stated below. We have also examined one of the executed Bonds which we found to be in proper form and duly executed.

BASED ON SAID EXAMINATION, it is our opinion that the Bonds have been duly authorized, issued and delivered, all in accordance with law; and that, except as may be limited by laws applicable to the Commission and the State relating to sovereign immunity, bankruptcy, reorganization and other similar matters affecting creditors' rights generally or by general principles of equity which permit the exercise of judicial discretion, the Bonds constitute valid and legally enforceable general obligations of the State payable solely from the Security including money made available for such purpose pursuant to Article III, Section 49-p of the State Constitution.

THE COMMISSION has reserved the right to amend the Master Resolution and Sixth Supplement in the manner provided therein; and under some (but not all) circumstances amendments thereto must be approved by the Owners of a majority of all Bonds.

IT IS FURTHER OUR OPINION, except as discussed below, that the interest on the Bonds is excludable from the gross income of the owners for federal income tax purposes under the statutes, regulations, published rulings, and court decisions existing on the date of this opinion. We are further of the opinion that the Bonds are not "specified private activity bonds" and that, accordingly, interest on the Bonds will not be included as an individual alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). In expressing the aforementioned opinions, we have relied on the Verification Report of the Arbitrage Group Inc. and on certain representations, the accuracy of which we have not independently verified, and assume compliance with certain covenants regarding the use and investment of the proceeds of the Bonds and the use of the property financed therewith. We call your attention to the fact that if such representations are determined to be inaccurate or if the Commission fails to comply with such covenants, interest on the Bonds may become includable in gross income retroactively to the date of issuance of the Bonds.

EXCEPT AS STATED ABOVE, we express no opinion as to any other federal, state, or local tax consequences of acquiring, carrying, owning, or disposing of the Bonds, including the amount, accrual or receipt of interest on, the Bonds. In particular, but not by way of limitation, we express no opinion with respect to the federal, state or local tax consequences arising from the enactment of any pending or future legislation. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds.

WE CALL YOUR ATTENTION TO THE FACT that the interest on tax-exempt obligations, such as the Bonds, may be includable in a corporation's adjusted financial statement income for purposes of determining the alternative minimum tax imposed on certain corporations by section 55 of the Code.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come

to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service (the "Service"); rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the Commission as the taxpayer. We observe that the Commission has covenanted not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

OUR SOLE ENGAGEMENT in connection with the issuance of the Bonds is as Bond Counsel for the Commission, and, in that capacity, we have been engaged by the Commission for the sole purpose of rendering an opinion with respect to the legality and validity of the Bonds under the Constitution and laws of the State and for no other reason or purpose. We have not been requested to investigate or verify, and have not independently investigated or verified any records, data, or other material relating to the financial condition or capabilities of the Commission or the State, or the disclosure thereof in connection with the sale of the Bonds, and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Bonds and have relied solely on certificates executed by officials of the Commission and the Comptroller of Public Accounts of the State with respect to the current outstanding general obligation debt of the State and the sufficiency of the general obligation revenues pledged to the Bonds. Our role in connection with the Official Statement prepared for use in connection with the sale of the Bonds has been limited as described therein.

THE FOREGOING OPINIONS represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result.

Respectfully,

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APPENDIX D

DTC BOOK-ENTRY-ONLY SYSTEM

This Appendix describes how ownership of the Series 2024 Bonds is to be transferred and how the principal of, premium, if any, and interest on the Series 2024 Bonds are to be paid to and credited by The Depository Trust Company (“DTC”), New York, New York, while the Series 2024 Bonds are registered in its nominee name. The information set out below is subject to any change in or reinterpretation of the rules, regulations and procedures of DTC currently in effect. The information in this section concerning DTC has been provided by DTC for use in disclosure documents such as this Official Statement. The Commission and the Underwriters believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.

The Commission and the Underwriters cannot and do not give any assurance that (1) DTC will distribute payments of debt service on the Series 2024 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 Series 2024 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. 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.

DTC Book Entry Only System

DTC will act as securities depository for the Series 2024 Bonds. The Series 2024 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 Series 2024 Bond certificate will be issued for each serial installment or maturity of the Series 2024 Bonds, and will be deposited with DTC. If, however, the aggregate principal amount of the issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

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 S&P Global Ratings rating of “AA+”. 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 Series 2024 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Series 2024 Bonds on DTC’s records. The ownership interest of each actual purchaser of each Series 2024 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 Series 2024 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 Series 2024 Bonds, except in the event that use of the book-entry system for the Series 2024 Bonds is discontinued.

To facilitate subsequent transfers, all Series 2024 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 Series 2024 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Series 2024 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Series 2024 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 Series 2024 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Series 2024 Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Series 2024 Bond documents. For example, Beneficial Owners of Series 2024 Bonds may wish to ascertain that the nominee holding the Series 2024 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 Series 2024 Bonds are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Series 2024 Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Commission 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 Series 2024 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments on the Series 2024 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 Commission or the Paying Agent/Registrar, 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, the Paying Agent/Registrar, or the Commission, subject to any statutory or regulatory requirements as may be in effect from time to time. Payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) are the responsibility of the Commission or the Paying Agent/Registrar, disbursement of such payments to 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 Series 2024 Bonds at any time by giving reasonable notice to the Commission or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, Series 2024 Bond certificates are required to be printed and delivered.

To the extent permitted by law, the Commission may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Series 2024 Bond certificates will be printed and delivered to DTC.

Limitations

For so long as the Series 2024 Bonds are registered in the name of DTC or its nominee, Cede & Co., the Commission and the Paying Agent/Registrar will recognize only DTC or its nominee, Cede & Co., as the registered owner of the Series 2024 Bonds for all purposes, including payments, notices and voting. So long as Cede & Co. is the registered owner of the Series 2024 Bonds, references in this Official Statement to registered owners of the Series 2024 Bonds shall mean Cede & Co. and shall not mean the beneficial owners of the Series 2024 Bonds.

Because DTC is treated as the owner of the Series 2024 Bonds for substantially all purposes under the Master Resolution, beneficial owners may have a restricted ability to influence in a timely fashion remedial action or the giving or withholding of requested consents or other directions. In addition, because the identity of beneficial owners is unknown to the Commission, the Paying Agent/Registrar or DTC, it may be difficult to transmit information of potential interest to beneficial owners in an effective and timely manner. Beneficial owners should make appropriate arrangements with their broker or dealer regarding distribution of information regarding the Series 2024 Bonds that may be transmitted by or through DTC.

Under the Master Resolution, payments made by the Paying Agent/Registrar to DTC or its nominee shall satisfy the obligations of the Commission under the Series 2024 Bonds to the extent of the payments so made.

Neither the Commission nor the Paying Agent/Registrar have any responsibility or obligation with respect to:

- the accuracy of the records of DTC, its nominee or any Direct Participant or Indirect Participant with respect to any beneficial ownership interest in any Series 2024 Bonds;
- the delivery to any Direct Participant or Indirect Participant or any other person, other than a registered owner as shown in the bond register kept by the Paying Agent/Registrar, of any notice with respect to any Bond including, without limitation, any notice of redemption with respect to any Bond;
- the payment to any Direct Participant or Indirect Participant or any other person, other than a registered owner as shown in the bond register kept by the Paying Agent/Registrar, of any amount with respect to the principal of, premium, if any, or interest on, any Bond; or
- any consent given by DTC or its nominee as registered owner.

Prior to any discontinuation of the book-entry-only system hereinabove described, the Commission and the Paying Agent/Registrar may treat Cede & Co. (or such other nominee of DTC) as, and deem Cede & Co. (or such other nominee) to be, the absolute registered owner of the Series 2024 Bonds for all purposes whatsoever, including, without limitation:

- the payment of principal of, premium, if any, and interest on the Series 2024 Bonds;
- giving notices of redemption and other matters with respect to the Series 2024 Bonds;
- registering transfers with respect to the Series 2024 Bonds; and
- the selection of Series 2024 Bonds for redemption.

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Appendix B

FORM OF PRICING NOTICE

PRICING NOTICE

**RELATING TO THE
INVITATION TO TENDER BONDS DATED FEBRUARY 20, 2024
made by**

**to the Bondowners described herein of
all or any portion of the maturities listed on page (ii) herein of**

**TEXAS TRANSPORTATION COMMISSION
STATE OF TEXAS
HIGHWAY IMPROVEMENT
GENERAL OBLIGATION REFUNDING BONDS,
TAXABLE SERIES 2019
(BASE CUSIP: 882724)**

**TEXAS TRANSPORTATION COMMISSION
STATE OF TEXAS
HIGHWAY IMPROVEMENT
GENERAL OBLIGATION REFUNDING BONDS,
TAXABLE SERIES 2020
(BASE CUSIP: 882830)**

The purpose of this Pricing Notice dated _____, 2024 (the "Pricing Notice") is to publish the Fixed Spreads for the Target Bonds. All other terms relating to the Invitation (hereinafter defined) remain unchanged.

Pursuant to the Invitation to Tender Bonds dated February 20, 2024 (as it may be amended or supplemented, the "**Invitation**"), Texas Transportation Commission (the "**Commission**"), invited Bondowners to tender Target Bonds for cash at the applicable Offer Purchase Prices based on a Fixed Spread to be added to the yields on certain benchmark United States Treasury Securities set forth in this Pricing Notice, plus Accrued Interest on the Target Bonds tendered for purchase to but not including the Settlement Date. All terms used herein and not otherwise defined are used as defined in the Invitation.

As set forth in the Invitation, the Commission retains the right to extend the Tender Offer, or amend the terms of the Tender Offer (including a waiver of any term) in any material respect, provided, that the Commission shall provide notice thereof at such time and in such manner to allow reasonable time for dissemination to Bondowners and for Bondowners to respond. In such event, any tenders of Target Bonds prior to such change in the Fixed Spreads for such Target Bonds pursuant to the Invitation will remain in full force and effect and any Bondowner of such affected Target Bonds, wishing to revoke its tender of such Target Bonds for purchase must affirmatively withdraw such offer prior to the Expiration Date, as extended.

The Invitation, including the Preliminary Official Statement dated February 20, 2024 relating to the Commission's State of Texas Highway Improvement General Obligation Refunding Bonds, Series 2024 is available: (i) at the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access website, currently located at <http://emma.msrb.org>, using the CUSIP numbers for the Target Bonds, and (ii) on the website of the Information Agent and Tender Agent at www.globic.com/txdot.

Any questions are to be directed to the Information Agent and Tender Agent at (212) 227-9622.

TENDER OFFER – FIXED SPREADS

Pursuant to the Invitation, the Fixed Spreads for the Target Bonds are listed below. [There has been no change in the Indicative Fixed Spreads listed in page (ii) of the Invitation.]

**TEXAS TRANSPORTATION COMMISSION
STATE OF TEXAS HIGHWAY IMPROVEMENT GENERAL OBLIGATION REFUNDING BONDS,
TAXABLE SERIES 2019**

CUSIP No⁽¹⁾	Maturity Date (April 1)	Average Life Date⁽²⁾	Interest Rate (%)	Outstanding Principal Amount	Par Call Date	Benchmark Treasury Security⁽³⁾	Fixed Spreads
882724QD2	2025	N/A	4.000	\$3,795,000	N/A	2-Year	
882724QE0	2026	N/A	4.000	3,945,000	N/A	2-Year	
882724QF7	2027	N/A	4.000	4,100,000	N/A	3-Year	
882724QG5	2028	N/A	3.000	33,070,000	N/A	5-Year	
882724QH3	2029	N/A	3.000	34,065,000	N/A	5-Year	
882724QJ9	2030	N/A	2.604	35,080,000	04/01/2029	7-Year	
882724QK6	2031	N/A	2.704	36,000,000	04/01/2029	7-Year	
882724QL4	2032	N/A	2.804	36,970,000	04/01/2029	10-Year	
882724QM2	2033	N/A	2.884	38,005,000	04/01/2029	10-Year	
882724QN0	2034	N/A	2.964	39,105,000	04/01/2029	10-Year	
882724QP5	2044	09/02/2039	3.211	427,655,000	04/01/2029	10-Year	

**TEXAS TRANSPORTATION COMMISSION
STATE OF TEXAS HIGHWAY IMPROVEMENT GENERAL OBLIGATION REFUNDING BONDS,
TAXABLE SERIES 2020**

CUSIP No⁽¹⁾	Maturity Date (April 1)	Average Life Date⁽²⁾	Interest Rate (%)	Outstanding Principal Amount	Par Call Date	Benchmark Treasury Security⁽³⁾	Fixed Spreads
882830AP7	2042	08/12/2038	2.562	\$325,755,000	04/01/2030	10-Year	

The yields on the Benchmark Treasury Securities will be determined at approximately 10:00 a.m., ET, on March 6, 2024.

- (1) CUSIP is a registered trademark of FactSet. CUSIP data herein is provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers are being provided solely for the convenience of the owners of the Target Bonds and the Commission is not responsible for the selection or correctness of the CUSIP numbers printed herein and does not make any representation with respect to such numbers or undertake any responsibility for their accuracy.
- (2) Average life date is shown for the Target Term Bonds only. The Target Term Bonds will be priced to their respective average life dates.
- (3) Each Benchmark Treasury Security (as defined herein) will be the most recently auctioned "on-the-run" United States Treasury Security for the maturity indicated as of the date and time that the Offer Purchase Price for the Target Bonds is set, currently expected to be approximately 10:00 a.m. ET on March 6, 2024.

Illustrative Offer Purchase Price Calculations: Treasury Security Yields as of February __, 2024

The tables below provide examples of the Offer Purchase Price realized by a Bondowner that submits an offer based on the following yields for the Benchmark Treasury Securities as of February __, 2024 and the Fixed Spreads. This example is being provided for convenience only and is not to be relied upon by a Bondowner as an indication of the Purchase Yield or Offer Purchase Price that may be paid by the Commission.

Based on these Treasury Security Yields, the following Offer Purchase Prices would be derived:

**TEXAS TRANSPORTATION COMMISSION
STATE OF TEXAS HIGHWAY IMPROVEMENT GENERAL OBLIGATION REFUNDING BONDS,
TAXABLE SERIES 2019**

CUSIP No ⁽¹⁾	Maturity Date (April 1)	Average Life Date ⁽²⁾	Interest Rate (%)	Outstanding Principal Amount	Par Call Date	Benchmark Treasury Security ⁽³⁾	Fixed Spreads	Illustrative Treasury Security Yield*	Illustrative Purchase Yield*	Illustrative Offer Purchase Price ^{(4)*}
882724QD2	2025	N/A	4.000	\$3,795,000	N/A	2-Year				
882724QE0	2026	N/A	4.000	3,945,000	N/A	2-Year				
882724QF7	2027	N/A	4.000	4,100,000	N/A	3-Year				
882724QG5	2028	N/A	3.000	33,070,000	N/A	5-Year				
882724QH3	2029	N/A	3.000	34,065,000	N/A	5-Year				
882724QJ9	2030	N/A	2.604	35,080,000	04/01/2029	7-Year				
882724QK6	2031	N/A	2.704	36,000,000	04/01/2029	7-Year				
882724QL4	2032	N/A	2.804	36,970,000	04/01/2029	10-Year				
882724QM2	2033	N/A	2.884	38,005,000	04/01/2029	10-Year				
882724QN0	2034	N/A	2.964	39,105,000	04/01/2029	10-Year				
882724QP5	2044	09/02/2039	3.211	427,655,000	04/01/2029	10-Year				

**TEXAS TRANSPORTATION COMMISSION
STATE OF TEXAS HIGHWAY IMPROVEMENT GENERAL OBLIGATION REFUNDING BONDS,
TAXABLE SERIES 2020**

CUSIP No ⁽¹⁾	Maturity Date (April 1)	Average Life Date ⁽²⁾	Interest Rate (%)	Outstanding Principal Amount	Par Call Date	Benchmark Treasury Security ⁽³⁾	Fixed Spreads	Illustrative Treasury Security Yield*	Illustrative Purchase Yield*	Illustrative Offer Purchase Price ^{(4)*}
882830AP7	2042	08/12/2038	2.562	\$325,755,000	04/01/2030	10-Year				

(1) CUSIP is a registered trademark of FactSet. CUSIP data herein is provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers are being provided solely for the convenience of the owners of the Target Bonds and the Commission is not responsible for the selection or correctness of the CUSIP numbers printed herein and does not make any representation with respect to such numbers or undertake any responsibility for their accuracy.

(2) Average life date is shown for the Target Term Bonds only. The Target Term Bonds will be priced to their respective average life dates.

(3) Each Benchmark Treasury Security (as defined herein) will be the most recently auctioned "on-the-run" United States Treasury Security for the maturity indicated as of the date and time that the Offer Purchase Price for the Target Bonds is set, currently expected to be approximately 10:00 a.m. ET on March 6, 2024.

(4) **FOR THE AVOIDANCE OF DOUBT, IF THE DETERMINED OFFER PURCHASE PRICE FOR ANY MATURITY AND CORRESPONDING CUSIP OF THE TENDERED BONDS IS MORE THAN 100%, THEN THE OFFER PURCHASE PRICE WILL BE CAPPED AT 100%. SEE Section 2, "Information to Bondowners – Tender Consideration - Determination of Offer Purchase Prices."**

*Preliminary and subject to change.

Illustrative Offer Purchase Price Calculations: Interest Rate Sensitivity

As a measure of the sensitivity of the Offer Purchase Price to changes in the yield on the Benchmark Treasury Security, the following tables show the impact on the Offer Purchase Price of a 0.10% (10 basis point) movement in the yield of the Benchmark Treasury Security.

**TEXAS TRANSPORTATION COMMISSION
STATE OF TEXAS HIGHWAY IMPROVEMENT GENERAL OBLIGATION REFUNDING BONDS,
TAXABLE SERIES 2019**

CUSIP No ⁽¹⁾	Maturity Date (April 1)	Illustrative Purchase Yield Based on Treasury Security Yields as of February __, 2024	Illustrative Offer Purchase Prices ^{(2)*}		
			Assuming a 0.10% Increase in Treasury Security Yields	Current Treasury Security Yield	Assuming a 0.10% Decrease in Treasury Security Yields
882724QD2	2025				
882724QE0	2026				
882724QF7	2027				
882724QG5	2028				
882724QH3	2029				
882724QJ9	2030				
882724QK6	2031				
882724QL4	2032				
882724QM2	2033				
882724QN0	2034				
882724QP5	2044				

**TEXAS TRANSPORTATION COMMISSION
STATE OF TEXAS HIGHWAY IMPROVEMENT GENERAL OBLIGATION REFUNDING BONDS,
TAXABLE SERIES 2020**

CUSIP No ⁽¹⁾	Maturity Date (April 1)	Illustrative Purchase Yield Based on Treasury Security Yields as of February __, 2024	Illustrative Offer Purchase Prices ^{(2)*}		
			Assuming a 0.10% Increase in Treasury Security Yields	Current Treasury Security Yield	Assuming a 0.10% Decrease in Treasury Security Yields
882830AP7	2042				

⁽¹⁾ CUSIP is a registered trademark of FactSet. CUSIP data herein is provided by CUSIP Global Services, managed on behalf of the American Bankers Association by FactSet Research Systems Inc. The CUSIP numbers are being provided solely for the convenience of the owners of the Target Bonds and the Commission is not responsible for the selection or correctness of the CUSIP numbers printed herein and does not make any representation with respect to such numbers or undertake any responsibility for their accuracy.

⁽²⁾ **FOR THE AVOIDANCE OF DOUBT, IF THE DETERMINED OFFER PURCHASE PRICE FOR ANY MATURITY AND CORRESPONDING CUSIP OF THE TENDERED BONDS IS MORE THAN 100%, THEN THE OFFER PURCHASE PRICE WILL BE CAPPED AT 100%. SEE Section 2 "Information to Bondowners – Tender Consideration - Determination of Offer Purchase Prices."**

**Preliminary and subject to change.*