

OFFICIAL STATEMENT DATED MARCH 6, 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.*



**\$696,245,000**  
**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/Registrars"), 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.

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

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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**

## MATURITY SCHEDULE

**\$696,245,000**

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

<b>Maturity (April 1)<sup>(1)</sup></b>	<b>Principal Amount</b>	<b>Interest Rate</b>	<b>Initial Yield</b>	<b>Initial Price</b>	<b>CUSIP<sup>(2)</sup></b>
2025	\$61,960,000	5.000%	2.970%	102.001	882830BK7
2026	63,250,000	5.000%	2.790%	104.287	882830BL5
2027	63,120,000	5.000%	2.640%	106.781	882830BM3
2028	35,445,000	5.000%	2.570%	109.199	882830BN1
2029	39,310,000	5.000%	2.550%	111.450	882830BP6
2030	53,805,000	5.000%	2.580%	113.389	882830BQ4
2031	58,295,000	5.000%	2.610%	115.216	882830BR2
2032	52,625,000	5.000%	2.650%	116.856	882830BS0
2033	46,980,000	5.000%	2.660%	118.634	882830BT8
2034	39,560,000	5.000%	2.660% <sup>(3)</sup>	119.544	882830BU5
2035	20,230,000	5.000%	2.730% <sup>(3)</sup>	118.897	882830BV3
2036	20,525,000	5.000%	2.780% <sup>(3)</sup>	118.437	882830BW1
2037	20,835,000	5.000%	2.870% <sup>(3)</sup>	117.614	882830BX9
2038	21,160,000	5.000%	2.900% <sup>(3)</sup>	117.341	882830BY7
2039	21,505,000	5.000%	2.970% <sup>(3)</sup>	116.708	882830BZ4
2040	21,870,000	5.000%	3.120% <sup>(3)</sup>	115.365	882830CA8
2041	22,245,000	5.000%	3.240% <sup>(3)</sup>	114.303	882830CB6
2042	22,640,000	5.000%	3.330% <sup>(3)</sup>	113.514	882830CC4
2043	5,610,000	5.000%	3.420% <sup>(3)</sup>	112.732	882830CD2
2044	5,275,000	5.000%	3.470% <sup>(3)</sup>	112.301	882830CE0

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

- (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.
- (3) Reflects the yield to the first optional redemption date of October 1, 2033.

## 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

Name	Title	Term Expires
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

Name	Position	Total Years of Service with the Department
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:

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(512) 605-2444

## **SALE AND DISTRIBUTION OF THE SERIES 2024 BONDS**

### **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**

**\$696,245,000**

### **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 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/registrars 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 General Obligation 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/registrar 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 filed 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 to be applied as follows:

### Sources of Funds

Principal Amount	\$696,245,000.00
Original Issue Premium	86,927,628.75
Commission's Contribution	<u>16,747,807.51</u>
Total Sources	\$799,920,436.26

### Uses of Funds

Deposit to Escrow Fund for Refunded Series 2014 Bonds	\$ 85,970,432.77
Redemption of Refunded Series 2020 Bonds	443,786,913.02
Purchase Price of the Purchased Bonds	266,415,506.11
Underwriters' Discount	2,365,628.80
Costs of Issuance <sup>(1)</sup>	<u>1,381,955.56</u>
Total Uses	\$799,920,436.26

(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 15<sup>th</sup> day of March and the 15<sup>th</sup> 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 April 1, 2034 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 October 1, 2033, or any date thereafter.

### ***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 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 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, 2042. 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, 2039. 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](http://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](http://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 \$780,806,999.95 (representing the original aggregate principal amount of the Series 2024 Bonds, plus an original issue premium of \$86,927,628.75 and less an underwriting discount of \$2,365,628.80). 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: /s/ Stephen Stewart, CPA

Chief Financial Officer

Texas Department of Transportation

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## SCHEDULE I

### REFUNDED BONDS<sup>(1)</sup>

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

<b>Maturity Date (April 1)</b>	<b>Interest Rate</b>	<b>Principal Amount</b>	<b>Redemption Date</b>	<b>Redemption Price</b>
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**

<b>Maturity Date (April 1)</b>	<b>Interest Rate</b>	<b>Principal Amount</b>	<b>Redemption Date</b>	<b>Redemption Price</b>
2025	5.000%	\$25,465,000	03/28/2024	100.000000000 <sup>(2)</sup>
2026	5.000%	26,740,000	03/28/2024	100.493019387 <sup>(2)</sup>
2027	5.000%	68,885,000	03/28/2024	101.336541168 <sup>(2)</sup>
2028	5.000%	41,400,000	03/28/2024	102.441767661 <sup>(2)</sup>
2029	5.000%	42,710,000	03/28/2024	102.988247756 <sup>(2)</sup>
2030	5.000%	42,750,000	03/28/2024	103.404913001 <sup>(2)</sup>
2031	5.000%	42,785,000	03/28/2024	103.890906007 <sup>(2)</sup>
2032	5.000%	42,825,000	03/28/2024	104.356428561 <sup>(2)</sup>
2033	5.000%	43,285,000	03/28/2024	104.954420263 <sup>(2)</sup>
2034	5.000%	43,770,000	03/28/2024	105.395536409 <sup>(2)</sup>

(1) The refunding of any of the Refunded Bonds is contingent upon the delivery of the Series 2024 Bonds.

(2) 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<sup>(1)</sup>

#### 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	-	\$ 3,795,000
2026	4.000%	3,945,000	-	3,945,000
2027	4.000%	4,100,000	-	4,100,000
2028	3.000%	33,070,000	\$ 100,000	32,970,000
2029	3.000%	34,065,000	2,955,000	31,110,000
2030	2.604%	35,080,000	17,670,000	17,410,000
2031	2.704%	36,000,000	22,030,000	13,970,000
2032	2.804%	36,970,000	16,140,000	20,830,000
2033	2.884%	38,005,000	10,000,000	28,005,000
2034	2.964%	39,105,000	2,195,000	36,910,000
2044	3.211%	427,655,000	125,790,000	301,865,000

#### 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	2.562%	\$ 325,755,000	\$110,850,000	\$214,905,000

(1) The purchase of any of the Purchased Bonds is contingent upon the delivery of the Series 2024 Bonds.

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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, 2023
- 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.

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### Select Excerpts of the Master Resolution

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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.

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### Select Excerpts and Conforming Provisions of the Sixth Supplemental Resolution

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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.

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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.

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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.

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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.

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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.

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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  
\$696,245,000**

**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 March 6, 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 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](http://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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