

OFFER TO PURCHASE BONDS
made by the
INTERNATIONAL LEADERSHIP OF TEXAS, INC.
FKA INTERNATIONAL AMERICAN EDUCATION FEDERATION, INC.
to the Holders described herein of all or any portion of the maturities listed on page (ii) herein of the

Clifton Higher Education Finance Corporation
Education Revenue Bonds
(International Leadership of Texas) Series 2015A & Series 2018D

**THE TENDER OFFER WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON FEBRUARY 6, 2024,
UNLESS THIS OFFER IS EARLIER TERMINATED OR EXTENDED AS DESCRIBED HEREIN.**

This Offer to Purchase Bonds, dated January 30, 2024 (as it may be amended or supplemented, this “Offer”), describes an offer by the International Leadership of Texas, Inc. fka International American Education Federation, Inc. (the “ILTexas”), with the assistance of RBC Capital Markets, LLC, as dealer manager (the “Dealer Manager”) to the beneficial owners (the “Holders” or “Bondholders”) of the ILTexas’s outstanding Series 2015A Bonds and Series 2018D Bonds of maturities listed in Table 1 on page (ii) of this Offer (collectively, the “Target Bonds”) to purchase such Target Bonds for cash (the “Tender Offer”) at the applicable purchase prices set forth in the Table 1.

In each case, the Purchase Price (as defined herein) of the Target Bonds will not be deemed to include any amount representing accrued interest. Bondholders who tender the Target Bonds and whose bonds are accepted for purchase on the Settlement Date (as defined below) will (in addition to the Purchase Price) receive accrued interest on such Target Bonds to but not including the Settlement Date.

Subject to the terms and conditions of the Tender Offer, the ILTexas will purchase Target Bonds tendered for purchase on February 29, 2024, unless extended by the ILTexas, assuming all conditions to the Tender Offer have then been satisfied or waived by the ILTexas (such date being the “Settlement Date”), provided that such Target Bonds have been validly tendered (and not withdrawn) by the Expiration Date set forth below. The source of funds to purchase the Target Bonds validly tendered for purchase pursuant to the Tender Offer with respect to the principal amount thereof and any premium will be limited to proceeds of the Clifton Higher Education Finance Corporation Education Revenue Refunding Bonds (International Leadership of Texas, Inc.), Series 2024B (collectively, the “Series 2024 Bonds”), anticipated to be issued on the Settlement Date, together with any other available funds that the ILTexas may decide to apply to this purchase. The payment of accrued interest on Target Bonds validly tendered and accepted for purchase will be funded from proceeds of the Series 2024 Bonds, and/or other available funds of the ILTexas, and will be paid on the Settlement Date. The purchase of any Target Bonds tendered pursuant to the Tender Offer is contingent on the issuance of the Series 2024 Bonds. The consummation of the Tender Offer is also subject to certain other conditions, including, without limitation, the Financing Conditions (as defined herein). See “INTRODUCTION – General” and “TERMS OF THE TENDER OFFER – Conditions to Purchase” herein.

HOLDERS OF TARGET BONDS WHO DO NOT ACCEPT THE TENDER OFFER (OR WHOSE OFFER TO TENDER SUCH TARGET BONDS HAS NOT BEEN ACCEPTED BY THE ILTEXAS IN ITS DISCRETION) WILL CONTINUE TO HOLD SUCH TARGET BONDS (THE “UNTENDERED/REJECTED BONDS”) AND SUCH UNTENDERED/REJECTED BONDS WILL REMAIN OUTSTANDING. THE ILTEXAS RESERVES THE RIGHT TO, AND MAY DECIDE TO, REFUND (ON AN ADVANCE OR CURRENT BASIS) SOME OR ALL OF THE UNTENDERED/REJECTED BONDS IN THE FUTURE. See “INTRODUCTION – Bonds Not Tendered for Purchase” and “ADDITIONAL CONSIDERATIONS” herein.

To make an informed decision as to whether, and how, to tender Target Bonds for purchase pursuant to the Tender Offer, Bondholders must read this Offer carefully, and consult with their broker, account executive, financial advisor, attorney and/or other professionals. For more information about risks concerning the Tender Offer, please see “ADDITIONAL CONSIDERATIONS” herein.

Any Bondholder wishing to accept the Tender Offer pursuant to this Offer should follow the procedures more specifically described herein. Bondholders and their brokers and account executives with questions about this Offer should contact the Dealer Manager or the Information Agent (as defined below).

Key Dates and Times

*All of these dates and times are subject to change. All times are New York City time.
Notices of changes will be sent in the manner provided for in this Offer.*

Launch Date	January 30, 2024
Expiration Date	5:00 p.m. on February 6, 2024
Withdrawal Deadline	5:00 p.m. on February 6, 2024
Acceptance Date	At or around 9:00 a.m. on February 7, 2024
Settlement Date	February 29, 2024

The Dealer Manager for the Offer is:
RBC Capital Markets

TABLE 1
TARGET BONDS SUBJECT TO TENDER OFFER

Series	CUSIP*	Maturity	Optional Redemption Date	Interest Rate	Outstanding Principal Amount	Purchase Price as a Percentage of Par[†]
2015A	187145DJ3	08/15/2025	-	4.6250%	\$5,060,000	100.621%
2015A	187145DN4	08/15/2027	08/15/2025	4.8750	1,500,000	101.171
2015A	187145DP9	08/15/2030	08/15/2025	5.1250	13,475,000	102.226
2015A	187145DK0	08/15/2035	08/15/2025	5.5000	19,365,000	102.658
2015A	187145DQ7	08/15/2038	08/15/2025	5.7500	14,400,000	102.458
2015A	187145DL8	08/15/2045	08/15/2025	5.7500	44,685,000	102.254
2018D	187145JM0	08/15/2024	-	5.0000	6,245,000	100.177
2018D	187145JN8	08/15/2025	-	5.0000	6,565,000	101.306
2018D	187145JP3	08/15/2026	08/15/2025	5.2500	6,910,000	102.638
2018D	187145JQ1	08/15/2027	08/15/2025	5.2500	7,280,000	102.717
2018D	187145JH1	08/15/2028	08/15/2025	5.2500	7,675,000	102.834
2018D	187145JR9	08/15/2033	08/15/2025	5.7500	45,640,000	103.455
2018D	187145JS7	08/15/2038	08/15/2025	6.0000	61,245,000	103.527
2018D	187145JT5	08/15/2048	08/15/2025	6.1250	195,645,000	102.794

* CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services (“CGS”). CGS 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 CGS. CUSIP numbers are provided for convenience of reference only. None of the Authority, the Dealer Manager, the Information Agent, the Tender Agent nor their respective agents or counsel assume responsibility for the accuracy of such numbers.

† The Purchase Price to be paid on the Settlement Date excludes earned but unpaid interest on the Target Bonds tendered for purchase, which interest will be paid to but not including the Settlement Date in addition to the Purchase Price.

PROVISIONS APPLICABLE TO THE TENDER OFFER

The ILTexas's Preliminary Official Statement, dated January 30, 2024 (the "*ILTexas Series 2024 Official Statement*") relating to its Clifton Higher Education Finance Corporation Education Revenue Refunding Bonds (International Leadership of Texas, Inc.), Series 2024B (the "*Series 2024 Bonds*"), is incorporated herein and will be made available: (i) at <http://emma.msrb.org> (the "*EMMA Website*"), using the CUSIP numbers for the Target Bonds listed in the "Target Bonds Subject to Tender Offer" table in this Offer; (ii) to DTC and to the DTC participants holding the Target Bonds; and (iii) by posting electronically on the website of the Information Agent <https://www.globic.com/iltexas>.

The consummation of the Tender Offer is also subject to certain conditions, including, without limitation, the Financing Conditions. See "INTRODUCTION – General" and "TERMS OF THE TENDER OFFER – Conditions to Purchase" herein.

IMPORTANT INFORMATION

This Offer and other information with respect to the Tender Offer are and will be available from RBC Capital Markets, LLC (the "Dealer Manager") and Globic Advisors (the "Information Agent") at <http://emma.msrb.org> and <https://www.globic.com/iltexas>. Bondholders wishing to tender their Target Bonds for purchase pursuant to the Tender Offer should follow the procedures described in this Offer. The ILTexas reserves the right to cancel or modify the Tender Offer at any time on or prior to the Expiration Date, and reserves the right to make a future tender offer at prices different than the prices described herein in its sole discretion. The ILTexas will have no obligation to purchase Target Bonds tendered if cancellation or modification occurs or if the ILTexas is unable to issue any of the Series 2024 Bonds. The ILTexas further reserves the right to accept nonconforming tenders or waive irregularities in any tender. The ILTexas also reserves the right to refund (on an advance or current basis) any remaining portion of outstanding Target Bonds through the issuance of publicly offered or privately placed bonds in the future. The consummation of the Tender Offer is also subject to certain other conditions, including, without limitation, the Financing Conditions (as defined herein) that are anticipated to occur after the Expiration Date but prior to the Settlement Date.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THIS OFFER OR PASSED UPON THE FAIRNESS OR MERITS OF THIS OFFER OR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS OFFER. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Offer is not being extended to, and Target Bonds tendered in response to this Offer will not be accepted from or on behalf of, Bondholders in any jurisdiction in which this Offer or such acceptance thereof would not be in compliance with the laws of such jurisdiction. In any jurisdictions where the securities, "blue sky" or other laws require this Offer to be made through a licensed or registered broker or dealer, this Offer shall be deemed to be made on behalf of the ILTexas through the Dealer Manager or one or more registered brokers or dealers licensed under the laws of that jurisdiction.

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

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this Offer, and, if given or made, such information or representation may not be relied upon as having been authorized by the ILTexas.

The delivery of this Offer shall not under any circumstances create any implication that any information contained herein is correct as of any time subsequent to the date hereof or that there has been no change in the information set forth herein or in any attachments hereto or materials delivered herewith or in the affairs of the ILTexas, since the date hereof. The information contained in this Offer is as of the date of this Offer only and is subject to change, completion, or amendment without notice.

Certain statements included or incorporated by reference into this Offer constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used such as “forecast,” “plan,” “expect,” “estimate,” “budget” or similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The ILTexas does not plan to issue any updates or revisions to those forward-looking statements if or when changes to its expectations, or events, conditions or circumstances on which such statements are based, occur.

This Offer contains important information which should be read in its entirety before any decision is made with respect to this Offer.

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INTRODUCTION

General

This Offer to Purchase Bonds, dated January 30, 2024 (as it may be amended or supplemented, this “*Offer*”), describes an offer by the International Leadership of Texas, Inc. fka International American Education Federation, Inc. (the “*ILTexas*”), with the assistance of RBC Capital Markets, LLC, as dealer manager (the “*Dealer Manager*”) to the beneficial owners (the “*Holder*” or “*Bondholders*”) of the ILTexas’s outstanding Series 2015A Bonds and Series 2018D Bonds of maturities listed in Table 1 on page (ii) of this Offer (collectively, the “*Target Bonds*”) to purchase such Target Bonds for cash (the “*Tender Offer*”) at the applicable purchase prices set forth in the Table 1.

In each case, the Purchase Price (as defined herein) of the Target Bonds will not be deemed to include any amount representing accrued interest. Bondholders who tender the Target Bonds and whose bonds are accepted for purchase on the Settlement Date (as defined below) will (in addition to the Purchase Price) receive accrued interest on such Target Bonds to but not including the Settlement Date.

For certain information concerning the ILTexas and its Series 2024 Bonds, see the Preliminary Official Statement, dated January 30, 2024 (the “*ILTexas Series 2024 Official Statement*”) relating to its Series 2024 Bonds (the “*Series 2024 Bonds*”), incorporated herein.

The source of funds to purchase the Target Bonds validly tendered for purchase pursuant to the Tender Offer with respect to the principal amount thereof and any premium will be limited to proceeds of the ILTexas’s Series 2024 Bonds, anticipated to be issued on the Settlement Date, together with any other available funds that the ILTexas may decide to apply to this purchase. See “Sources of Funds to Purchase Bonds and Pay Accrued Interest” herein.

Notwithstanding any other provision of this Offer, the consummation of the Tender Offer and the ILTexas’s obligation to pay for Target Bonds validly tendered (and not validly withdrawn) pursuant to the Tender Offer and accepted by the ILTexas is subject to the satisfaction of or waiver of the following conditions on or prior to the Settlement Date: (i) the successful completion by the ILTexas of certain debt financing transactions (the “*Proposed Financings*”), including (a) the issuance of the Series 2024 Bonds, the proceeds of which will be sufficient together with any other available funds that the ILTexas may decide to apply to fund the purchase of all Target Bonds validly tendered pursuant to the Tender Offer, and (b) payment of all fees and expenses associated with the Proposed Financings and the Tender Offer; (ii) the ILTexas obtaining satisfactory and sufficient economic benefit as a result of the consummation of the Tender Offer when taken together with the Proposed Financings (collectively, the “*Financing Conditions*”), all on terms and conditions that are in the ILTexas’s best interest in its sole discretion; and (iii) the other conditions set forth in “TERMS OF THE TENDER OFFER – Conditions to Purchase.” The ILTexas reserves the right, subject to applicable law, to amend or waive any of the conditions to the Tender Offer, in whole or in part, at any time or from time to time, prior to the Expiration Date (as defined herein), in its sole discretion. This Offer may be withdrawn by the ILTexas at any time prior to the Expiration Date.

TO MAKE AN INFORMED DECISION AS TO WHETHER, AND HOW, TO TENDER THEIR TARGET BONDS FOR PURCHASE, BONDHOLDERS MUST READ THIS ENTIRE OFFER.

None of the ILTexas, the Dealer Manager or the Information Agent and Tender Agent (as defined herein) makes any recommendation that any Bondholder tender or refrain from tendering all or any portion of such Bondholder’s Bonds for purchase. Bondholders must make their own

decisions and should read this Offer carefully and consult with their broker, account executive, financial advisor, attorney and/or other appropriate professional in making these decisions.

Subject to the terms and conditions of the Tender Offer, the ILTexas will purchase Target Bonds tendered for purchase provided that such Target Bonds are validly tendered (and not withdrawn) by 5:00 p.m., on February 6, 2024 (as extended from time to time in accordance with this Offer, the “*Expiration Date*”) and accepted by the ILTexas at or around 9:00 a.m. on February 7, 2024 (the “*Acceptance Date*”), unless extended by the ILTexas, assuming all conditions to the Tender Offer have then been satisfied or waived by the ILTexas on or prior to February 29, 2024 (such date being the “*Settlement Date*”). Bondholders who tender Target Bonds for purchase on the Settlement Date will receive Accrued Interest on such Target Bonds to but not including the Settlement Date.

In the event all conditions to a Tender Offer are not satisfied or waived by the ILTexas on or prior to the Settlement Date, any Target Bonds tendered pursuant to such Tender Offer shall be returned to the Holder.

HOLDERS OF TARGET BONDS WHO DO NOT ACCEPT THE TENDER OFFER (OR WHOSE OFFER TO TENDER SUCH TARGET BONDS HAS NOT BEEN ACCEPTED BY THE ILTEXAS IN ITS DISCRETION) WILL CONTINUE TO HOLD SUCH TARGET BONDS (THE “*UNTENDERED/REJECTED BONDS*”) AND SUCH UNTENDERED/REJECTED BONDS WILL REMAIN OUTSTANDING. THE ILTEXAS RESERVES THE RIGHT TO, AND MAY DECIDE TO, REFUND (ON AN ADVANCE OR CURRENT BASIS) SOME OR ALL OF THE TARGET BONDS NOT PURCHASED PURSUANT TO THE TENDER OFFER IN THE FUTURE. See “INTRODUCTION – Bonds Not Tendered for Purchase” and “ADDITIONAL CONSIDERATIONS” herein.

All times referenced in this Offer are references to New York City time.

Consideration for Tender Offer

The prices to be paid by the ILTexas for each CUSIP for the Target Bonds tendered pursuant to this Offer are set forth on page (ii) of this Offer.

Sources of Funds to Purchase Target Bonds and Pay Accrued Interest

The source of funds to purchase the Target Bonds validly tendered for purchase pursuant to the Tender Offer will be limited to the proceeds of the Series 2024 Bonds, together with any other available funds that the ILTexas may decide to apply to this purchase. The payment of Accrued Interest on Target Bonds validly tendered and accepted for purchase pursuant to the Tender Offer will be funded by proceeds of the Series 2024 Bonds and/or other available funds of the ILTexas. **THE PURCHASE OF ANY TARGET BONDS TENDERED PURSUANT TO THE TENDER OFFER IS CONTINGENT ON THE ISSUANCE BY THE ILTEXAS OF THE SERIES 2024 BONDS, THE ISSUANCE OF WHICH ARE SUBJECT TO CONDITIONS TO BE SATISFIED ON OR PRIOR TO THE SETTLEMENT DATE.**

Brokerage Commissions and Solicitation Fees

Bondholders will not be obligated to pay any brokerage commissions or solicitation fees to the ILTexas, the Dealer Manager, or the Information Agent and Tender Agent in connection with the Tender Offer. However, Bondholders should check with their broker, bank, account executive or other financial

institution which maintains the account in which their Target Bonds are held (their “*Financial Representative*”) to determine whether it will charge any commissions or fees.

Target Bonds Not Tendered for Purchase

Any Target Bonds that are not tendered for purchase in response to the Tender Offer will continue to be outstanding. THE ILTEXAS RESERVES THE RIGHT TO, AND MAY DECIDE TO, REFUND (ON AN ADVANCE OR CURRENT BASIS) SOME OR ALL OF THE TARGET BONDS NOT PURCHASED PURSUANT TO THE TENDER OFFER IN THE FUTURE. See “ADDITIONAL CONSIDERATIONS” herein.

The purchase of the Target Bonds by the ILTexas of any CUSIP number may have certain potential adverse effects on holders of Target Bonds not purchased pursuant to the Tender Offer, including the following:

- the principal amount of the Target Bonds of such CUSIP number available to trade publicly will be reduced, which could adversely affect the liquidity and market value of any Target Bonds of that CUSIP number that remain outstanding; and
- if less than all of the Target Bonds of a CUSIP number for which sinking fund installments have been established are purchased by the ILTexas pursuant to the Tender Offer, the average life of the remaining Target Bonds of that CUSIP number may change.

Dealer Manager, Information Agent and Tender Agent

RBC Capital Markets, LLC is the Dealer Manager for the Tender Offer. Investors with questions about the Tender Offer should contact the Dealer Manager or Globic Advisors Inc., which serves as Information Agent and Tender Agent (the “*Information Agent*” or the “*Tender Agent*”) for the Tender Offer, at the addresses and telephone numbers set forth on the final page to this Offer. See “DEALER MANAGER” and “INFORMATION AGENT AND TENDER AGENT” herein.

TERMS OF THE TENDER OFFER

Expiration Date

The Tender Offer will expire on the Expiration Date, unless earlier terminated or extended, as described in this Offer. In the sole discretion of the ILTexas, Target Bonds tendered after 5:00 p.m. on the Expiration Date and prior to the acceptance of tenders by the ILTexas as described below under the heading “– Acceptance of Tenders Constitutes Irrevocable Agreement; Notice of Results” may be accepted by the ILTexas for purchase. See “– Extension, Termination and Amendment of the Tender Offer; Changes to Terms” below for a discussion of the ILTexas’s ability to extend the Expiration Date and to terminate or amend the Tender Offer.

Offers Only Through the ILTexas’s ATOP Accounts

The Target Bonds are held in book-entry-only form through the facilities of The Depository Trust Company (“*DTC*”). The ILTexas, through the Information Agent and Tender Agent, will establish Automated Tender Offer Program (“*ATOP*”) accounts at DTC for the Tender Offer promptly after the date of this Offer. Bondholders who wish to accept the Tender Offer may do so through the applicable ILTexas ATOP Account.

ALL TENDERS FOR PURCHASE MUST BE MADE THROUGH THE ILTEXAS'S ATOP ACCOUNTS. THE ILTEXAS WILL NOT ACCEPT ANY TENDERS FOR PURCHASE THAT ARE NOT MADE THROUGH ITS ATOP ACCOUNTS. LETTERS OF TRANSMITTAL ARE NOT BEING USED IN CONNECTION WITH THE TENDER OFFER.

Any financial institution that is a participant in DTC may make a book-entry tender of the Target Bonds by causing DTC to transfer such Target Bonds into the ILTexas's ATOP Account relating to the series, maturity and CUSIP number in accordance with DTC's procedures for such transfer. Bondholders who are not DTC participants can only tender Target Bonds pursuant to the Tender Offer by making arrangements with and instructing their Financial Representative to tender the Bondholder's Target Bonds through the applicable ILTexas ATOP Account. To ensure a Bondholder's Target Bonds are tendered to the applicable ILTexas ATOP Account by 5:00 p.m. on the Expiration Date, the Bondholder must provide instructions to its Financial Representative in sufficient time for the Financial Representative to tender the Target Bonds to the applicable ILTexas ATOP Account by this deadline. A Bondholder should contact its Financial Representative for information as to when the Financial Representative needs the Bondholder's instructions in order to tender the Bondholder's Target Bonds to the applicable ILTexas ATOP Account by 5:00 p.m. on the Expiration Date. See “– Tender of Target by Financial Representatives; ILTexas's ATOP Accounts.”

The ILTexas, the Dealer Manager and the Information Agent and Tender Agent are not responsible for the transfer of any tendered Target Bonds to the applicable ILTexas ATOP Account or for any mistakes, errors or omissions in the transfer of any tendered Target Bonds.

Information to Bondholders

The ILTexas may give information about the Tender Offer to the market and Bondholders by delivery of the information to the Municipal Securities Rulemaking Board through EMMA, which such institution, together with the Information Agent are collectively referred to herein as the “*Information Services*.” The Information Agent will deliver information provided to it by the ILTexas through its website, <https://www.globic.com/iltexas>. Delivery by the ILTexas of information to the Information Services will be deemed to constitute delivery of this information to each Bondholder.

The ILTexas, the Dealer Manager, and the Information Agent and Tender Agent have no obligation to ensure that a Bondholder actually receives any information given to the Information Services.

Bondholders who would like to receive information transmitted by or on behalf of the ILTexas to the Information Services may receive such information from the Dealer Manager or the Information Agent and Tender Agent by contacting them using the contact information on the final page to this Offer or by making appropriate arrangements with its Financial Representative or directly with the Information Services.

Any updates to this Offer, including, without limitation any supplements to the ILTexas Series 2024 Official Statement, which is included herein by specific reference, will be distributed through the Information Services.

Minimum Denominations and Consideration

Any Bondholder may tender Target Bonds for purchase of a particular CUSIP number that it owns in an amount of its choosing, but in a principal amount equal to the minimum denomination of \$5,000 or any integral multiple thereof (each, a “*Minimum Authorized Denomination*”).

Tender Consideration. The purchase price for Target Bonds with each particular CUSIP tendered pursuant to the Tender Offer is identified on page (ii) (each a “**Purchase Price**,” and together the “**Purchase Prices**”). The source of funds for payment of Accrued Interest on Target Bonds validly tendered and accepted for purchase will be from proceeds of the Series 2024 Bonds and paid on the Settlement Date, and/or other available funds of the ILTexas.

Accrued Interest

“**Accrued Interest**” means the interest, if any, accrued on a tendered Target Bond of a particular CUSIP number from the last payment of interest thereon to but not including the Settlement Date. The Purchase Price of the Target Bonds will not be deemed to include any amount representing Accrued Interest. In addition to the Purchase Prices of the Target Bonds accepted for purchase by the ILTexas, Accrued Interest on such Target Bonds will be paid by, or on behalf of, the ILTexas to the tendering Bondholders on the Settlement Date.

Provisions Applicable to All Tenders

Need for Advice. A Bondholder should ask its Financial Representative or financial advisor for help in determining: (a) whether to tender Target Bonds of a particular CUSIP number for purchase, and (b) the principal amount of Target Bonds of such CUSIP number to be tendered. A Bondholder also should inquire as to whether its Financial Representative will charge a fee for submitting tenders if the ILTexas purchases the Bondholder’s tendered Target Bonds. The ILTexas, the Dealer Manager, and the Information Agent and Tender Agent will not charge any Bondholder for tendering Target Bonds.

Need for Specificity of Tender. A tender cannot exceed the par amount of Target Bonds owned by the Bondholder and must include the following information: (1) the CUSIP number(s) of the Target Bond(s) being tendered, and (2) the principal amount of each CUSIP number being tendered (such principal amount must be stated in Minimum Authorized Denomination and integral multiples in excess thereof and if not so stated, for tenders of less than all of the holder’s position in the Target Bonds such principal amount will be reduced to the greatest integral multiple of \$5,000). Any Bondholder located outside of the United States should check with their broker to determine if there any additional minimal increments, alternative settlement timing or other limitations.

“All or none” offers are not permitted.

Target Bonds may be tendered and accepted for payment only in principal amounts equal to the Minimum Authorized Denomination and integral multiples in excess thereof. Holders who tender less than all of their Target Bonds must continue to hold their Target Bonds in at least the Minimum Authorized Denomination and integral multiples in excess thereof. No alternative, conditional or contingent tenders will be accepted.

ALL TENDERS FOR PURCHASE MUST BE MADE THROUGH THE APPLICABLE ILTEXAS ATOP ACCOUNT. THE ILTEXAS WILL NOT ACCEPT ANY TENDERS FOR PURCHASE THAT ARE NOT MADE THROUGH ITS ATOP ACCOUNTS. LETTERS OF TRANSMITTAL ARE NOT BEING USED IN CONNECTION WITH THE TENDER OFFER. See “– Tender of Target Bonds by Financial Representatives; ILTexas’s ATOP Accounts.”

General. A Bondholder may only tender Target Bonds it owns or controls. By tendering Target Bonds pursuant to the Tender Offer, a Bondholder will be deemed to have represented and agreed with the ILTexas as set forth below under “– Representations by Tendering Bondholders to the ILTexas.” All tenders shall survive the death or incapacity of the tendering Bondholder.

Bondholders who would like to receive information furnished by the ILTexas to the Information Services must make appropriate arrangements with their Financial Representatives, or the Information Agent and Tender Agent.

Representations by Tendering Bondholders to the ILTexas

By tendering Target Bonds for purchase, each tendering Bondholder will be deemed to have represented to and agreed with the ILTexas that:

(a) the Bondholder has received this Offer and has had the opportunity to review this Offer prior to making its decision to tender Target Bonds, and agrees if the purchase of any tendered Target Bonds is consummated, the purchase of such Target Bonds shall be on the terms and conditions set forth in this Offer;

(b) the Bondholder has had the opportunity to review the information incorporated by reference herein prior to making its decision to tender such Target Bonds for purchase;

(c) the Bondholder has full power and ILTexas to tender, sell, assign and transfer the tendered Target Bonds; and on the Settlement Date, the ILTexas will acquire good, marketable and unencumbered title thereto, free and clear of all liens, charges, encumbrances, conditional sales agreements or other obligations and not subject to any adverse claims, subject to payment to the Bondholder of the applicable Purchase Price(s), plus Accrued Interest;

(d) the Bondholder has made its own independent decision to tender its Target Bonds for purchase pursuant to the Tender Offer, and as to the terms thereof, and such decision is based upon the Bondholder's own judgment and upon advice from such advisors with whom the Bondholder has determined to consult;

(e) the Bondholder is not relying on any communication from the ILTexas, the Dealer Manager or the Information Agent and Tender Agent as investment advice or as a recommendation to tender the Bondholder's Target Bonds at the applicable Purchase Price, it being understood that the information from the ILTexas, the Dealer Manager and the Information Agent and Tender Agent related to the terms and conditions of the Tender Offer made pursuant to this Offer shall not be considered investment advice or a recommendation to tender Target Bonds; and

(f) the Bondholder is capable of assessing the merits of and understanding (on its own and/or through independent professional advice), and does understand, agree and accept, the terms and conditions of the Tender Offer.

Tender of Target Bonds by Financial Representatives; ILTexas's ATOP Accounts

The ILTexas, through the Information Agent and Tender Agent, will establish the ILTexas's ATOP accounts at DTC for the Tender Offer to which this Offer relates promptly after the date of this Offer. Tenders of Target Bonds pursuant to the Tender Offer may only be made by transfer to the respective ILTexas ATOP Accounts of an offer to purchase Target Bonds for cash. Any financial institution that is a participant in DTC may make a book-entry tender of the Target Bonds by causing DTC to transfer such Target Bonds into the ILTexas's ATOP account corresponding to the Tender Offer in accordance with DTC's procedures.

Concurrently with the delivery of Target Bonds through book-entry transfer into the applicable ILTexas ATOP Account, an Agent's Message (as described below) in connection with such book-entry transfer must be transmitted to and received at the related ILTexas ATOP Account by not later than 5:00

p.m. on the Expiration Date, *provided, however*, a tender of Target Bonds related to an Agent's Message transmitted to the applicable ILTexas ATOP Account after such time may be accepted by the ILTexas for purchase if the ILTexas, in its sole discretion, waives the defect in the timing of the delivery of such message. The confirmation of a book-entry transfer to either of the ILTexas's ATOP accounts as described above is referred to herein as a "**Book-Entry Confirmation.**" The term "**Agent's Message**" means a message transmitted by DTC to, and received by, the Information Agent and Tender Agent and forming a part of a Book-Entry Confirmation which states that DTC has received an express acknowledgment from the DTC participant tendering Target Bonds that are the subject of such Book-Entry Confirmation, stating the CUSIP number(s) and the principal amount(s) of the Target Bonds (including the maturity value of CAB Target Bonds) that have been tendered by such participant pursuant to the Tender Offer, and to the effect that such participant agrees to be bound by the terms of the Tender Offer. By causing DTC to transfer Target Bonds into the applicable ILTexas ATOP Account, a financial institution warrants to the ILTexas that it has full ILTexas, and has received from the Bondholder(s) of such Target Bonds, all direction necessary, to tender, transfer and sell such Target Bonds as set forth in this Offer.

ALL TENDERS FOR PURCHASE MUST BE MADE THROUGH THE APPLICABLE ILTEXAS ATOP ACCOUNT. THE ILTEXAS WILL NOT ACCEPT ANY TENDERS FOR PURCHASE THAT ARE NOT MADE THROUGH ITS ATOP ACCOUNTS. LETTERS OF TRANSMITTAL ARE NOT BEING USED IN CONNECTION WITH THE TENDER OFFER.

Bondholders who are not DTC participants can only tender Target Bonds pursuant to the Tender Offer by making arrangements with and instructing their Financial Representative to tender the Bondholder's Target Bonds through the applicable ILTexas ATOP Account. To ensure a Bondholder's Target Bonds are tendered to the applicable ILTexas ATOP Account by 5:00 p.m. on the Expiration Date, a Bondholder must provide instructions to its Financial Representative in sufficient time for the Financial Representative to tender the Bondholder's Target Bonds to the applicable ILTexas ATOP Account by this deadline. A Bondholder should contact its Financial Representative for information as to when the Financial Representative needs the Bondholder's instructions in order to tender the Bondholder's Target Bonds to the applicable ILTexas ATOP Account by 5:00 p.m. on the Expiration Date.

Determinations as to Form and Validity of Tender Offer; Right of Waiver and Rejection

All questions as to the validity (including the time of receipt at the applicable ILTexas ATOP Account), form, eligibility and acceptance of any Target Bonds tendered for purchase pursuant to the Tender Offer will be determined by the ILTexas in its sole discretion and such determinations will be final, conclusive and binding.

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

The ILTexas reserves the absolute right to reject any and all offers, whether or not they comply with the terms of this Offer.

Withdrawals of Tenders Prior to an Expiration Date

A Bondholder may withdraw its Target Bonds tendered for purchase pursuant to this Offer by causing a withdrawal notice to be transmitted via the applicable ILTexas ATOP Account to, and received by, the Information Agent and Tender Agent at or before 5:00 p.m., New York City time, on February 6, 2024 (the "**Withdrawal Deadline**") (as such Withdrawal Deadline may change pursuant to this Offer).

Bondholders who are not DTC participants can only withdraw their offers by making arrangements with and instructing the custodial intermediary through which they hold their Target Bonds to submit the Bondholder's notice of withdrawal through the applicable ILTexas ATOP Account.

ALL TENDERS OF TARGET BONDS WILL BECOME IRREVOCABLE AS OF 5:00 P.M., NEW YORK CITY TIME, ON THE WITHDRAWAL DEADLINE (AS THE DATE MAY HAVE BEEN CHANGED FROM TIME-TO-TIME AS PROVIDED IN THIS OFFER).

A notice of withdrawal must be submitted in substantially the same manner as an offer.

Bondholders who have tendered their Target Bonds will not receive any information from the ILTexas, the Dealer Manager or the Information and Tender Agent concerning offers by other Bondholders. A withdrawn offer must specify the applicable CUSIP number. Offering Bondholders will not be afforded an opportunity to withdraw their offers after the Withdrawal Deadline. All questions as to the validity (including the time of receipt) of a withdrawal will be determined by the ILTexas in its sole discretion and will be final, conclusive and binding.

Acceptance of Tenders for Purchase

As of the Acceptance Date, upon the terms and subject to the conditions of the Tender Offer, as set forth in this Offer, the ILTexas may elect to accept Target Bonds for purchase validly tendered pursuant to the Tender Offer (or defectively tendered, if such defect has been waived by the ILTexas), with acceptance subject to the satisfaction or waiver by the ILTexas of the conditions to the purchase of tendered Target Bonds. See “– Acceptance of Tenders Constitutes Irrevocable Agreement; Notice of Results” and “– Conditions to Purchase.”

The ILTexas will have no obligation to purchase Target Bonds tendered if cancellation or modification occurs or if the ILTexas is unable to issue any of the Series 2024 Bonds. After the Expiration Date, the ILTexas will determine in its sole discretion the amount (if any) of the tendered Target Bonds that it will purchase based on such factors as the ILTexas deems relevant. See “ADDITIONAL CONSIDERATIONS” herein. The ILTexas, therefore, has the right to purchase none, some or all of the Target Bonds offered for purchase, notwithstanding any other statements herein about the ILTexas's current intentions for amount of Target Bonds to be purchased. Target Bonds that will be purchased will be indicated by CUSIP. With respect to Target Bonds not purchased by the ILTexas pursuant to this Offer, the ILTexas shall have the right in the future to either refund, on an advance or current basis, some or all of the Target Bonds, or invite Bondholders to tender their Target Bonds for purchase by the ILTexas.

Should the ILTexas choose to purchase some but not all of the Target Bonds of a particular CUSIP, the ILTexas will accept those tendered Target Bonds on a pro rata basis reflecting the ratio of (a) the principal amount, if any, the ILTexas determines to purchase of such CUSIP to (b) the aggregate principal amount of valid offers to sell received. In such event, should the principal amount of any individual tender offer, when adjusted by the pro rata acceptance, result in an amount that is not a multiple of \$5,000, the principal amount of such offer will be rounded to the nearest multiple of \$5,000. If as a result of such adjustment, the amount of a holder's unaccepted Target Bonds is less than the minimum authorized denomination of \$5,000, the ILTexas will reject such holder's tender instruction in whole.

Notwithstanding any other provision of this Offer, the consummation of the Tender Offer and the ILTexas's obligation to accept for purchase Target Bonds validly tendered (and not validly withdrawn) pursuant to the Tender Offer are subject to the satisfaction of or waiver of the Financing Conditions (see “INTRODUCTION – General” herein) and the other conditions set forth in “Conditions to Purchase” herein. The ILTexas reserves the right, subject to applicable law, to amend or waive

any of the conditions to the Tender Offer, in whole or in part, at any time prior to the Expiration Date or from time to time, in its sole discretion. This Offer may be withdrawn by the ILTexas at any time prior to the Expiration Date.

Acceptance of Tenders Constitutes Irrevocable Agreement; Notice of Results

Acceptance by the ILTexas of Target Bonds tendered for purchase will constitute an irrevocable agreement between the offering Bondholder and the ILTexas to sell and purchase such Target Bonds, subject to satisfaction of all conditions to the ILTexas's obligation to purchase tendered Target Bonds and the other terms of the Tender Offer and this Offer. See "Minimum Denominations and Consideration" herein and "– Conditions to Purchase" herein.

The acceptance of Target Bonds tendered for purchase is expected to be made by notification to the Information Services at or around 9 a.m. on the Acceptance Date. This notification will state the principal amount of the Target Bonds of each CUSIP number that the ILTexas has agreed to purchase in accordance with the Tender Offer which may be zero for a particular CUSIP number.

Settlement Date; Purchase of Target Bonds

Subject to satisfaction of all conditions to the ILTexas's obligation to purchase tendered Target Bonds as described herein, including, without limitation, the Financing Conditions, the Settlement Date is the day on which Bonds accepted for purchase will be purchased at the applicable Purchase Price(s), together with Accrued Interest on the Target Bonds. The Settlement Date will occur following the Acceptance Date, subject to all conditions to the Tender Offer having been satisfied or waived by the ILTexas. The expected Settlement Date is February 29, 2024, unless extended by the ILTexas, assuming all conditions to the Tender Offer have been satisfied or waived by the ILTexas. Bondholders whose Target Bonds are accepted for purchase on the Settlement Date will receive Accrued Interest.

The ILTexas may, in its sole discretion, change the Settlement Date by giving notice to the Information Services prior to the change. See "– Conditions to Purchase."

Subject to satisfaction of all conditions to the ILTexas's obligation to purchase Target Bonds tendered for purchase pursuant to the Tender Offer, as described herein, payment by the ILTexas, or on the ILTexas's behalf, will be made in immediately available funds on the Settlement Date by deposit with DTC of the aggregate Purchase Price and Accrued Interest on the Target Bonds accepted for purchase. The ILTexas expects that, in accordance with DTC's standard procedures, DTC will transmit the aggregate Purchase Price (plus Accrued Interest on the Target Bonds accepted for purchase) in immediately available funds to each of its participant financial institutions holding the Target Bonds accepted for purchase on behalf of Bondholders for delivery to the Bondholders. **The ILTexas, the Dealer Manager, and the Information Agent and Tender Agent have no responsibility or liability for the distribution of the Purchase Prices plus Accrued Interest on the Target Bonds by DTC to the Bondholders.**

Purchase & Accrued Interest Funds

The source of funds to pay the principal portion and any related premium of the Purchase Price of the Target Bonds validly tendered for purchase pursuant to the Tender Offer is anticipated to be proceeds of the Series 2024 Bonds, together with any other available funds that the ILTexas may decide to apply to this purchase. The source of funds for payment of Accrued Interest on Target Bonds validly tendered and accepted for purchase is anticipated to be proceeds of the Series 2024 Bonds, and/or other available funds of the ILTexas, and will be paid on the Settlement Date. The purchase of any Target Bonds tendered pursuant to the Tender Offer is contingent on the issuance by the ILTexas of the Series 2024 Bonds, as well

as certain other conditions which must be satisfied on or prior to the Settlement Date. See “INTRODUCTION – General” and “- Conditions to Purchase” herein for more information on the conditions precedent to this Offer.

Conditions to Purchase

In addition to the Financing Conditions (see “INTRODUCTION – General” herein), if after the Acceptance Date, but prior to payment for tendered Target Bonds accepted by the ILTexas for purchase, any of the following events should occur, the ILTexas will have the absolute right to cancel its obligations to purchase any or all of such Target Bonds without any liability to any Bondholder:

- Litigation or another proceeding is pending or threatened which the ILTexas reasonably believes may, directly or indirectly, have an adverse impact on the Tender Offer or the expected benefits of the Tender Offer to the ILTexas or the Bondholders;
- A war, national emergency, banking moratorium, suspension of payments by banks, a general suspension of trading by the New York Stock Exchange or a limitation of prices on the New York Stock Exchange exists and the ILTexas reasonably believes this fact makes it inadvisable to proceed with the purchase of the Target Bonds;
- A material change in the business or affairs of the ILTexas has occurred which the ILTexas reasonably believes makes it inadvisable to proceed with the purchase of Target Bonds;
- A material change in the net economics of the transaction has occurred due to a material change in market conditions which the ILTexas reasonably believes makes it inadvisable to proceed with the purchase of Target Bonds; or
- In the case of the ILTexas’s obligation to purchase Target Bonds accepted for purchase, if for any reason, the Series 2024 Bonds are not issued.

These conditions (including the Financing Conditions) (the “*Conditions to Purchase*”) are for the sole benefit of the ILTexas and may be asserted by the ILTexas, prior to the time of payment of Target Bonds it has agreed to purchase, regardless of the circumstances giving rise to any of these conditions or may be waived by the ILTexas in whole or in part at any time and from time to time in its discretion, and may be exercised independently for each CUSIP. The failure by the ILTexas at any time to exercise any of these rights will not be deemed a waiver of any of these rights, and the waiver of these rights with respect to particular facts and other circumstances will not be deemed a waiver of these rights with respect to any other facts and circumstances. Each of these rights will be deemed an ongoing right of the ILTexas which may be asserted at any time and from time to time prior to the time of payment of the Target Bonds it has agreed to purchase. Any determination by the ILTexas concerning the events described in this section will be final and binding upon all parties.

Any tendered Target Bonds not purchased as a result of a failure to satisfy the Conditions to Purchase may now or in the future be refunded by the ILTexas, and at any time in the future Bondholders may be invited to tender such tendered Target Bonds by the ILTexas in the sole discretion of the ILTexas.

Extension, Termination and Amendment of the Tender Offer; Changes to Terms

Through and including the Expiration Date, the ILTexas has the right to extend the Tender Offer, as to any or all of the Target Bonds, to any date in its sole discretion, provided that a notice of any extension

of an Expiration Date is given to the Information Services, including by posting such notice to EMMA on the first business day after the Expiration Date.

The ILTexas also has the right, prior to acceptance of Target Bonds tendered for purchase as described above under the heading “– Acceptance of Tenders Constitutes Irrevocable Agreement; Notice of Results,” to terminate the Tender Offer at any time by giving notice to the Information Services. The termination will be effective at the time specified in such notice.

The ILTexas also has the right, prior to acceptance of Target Bonds tendered for purchase as described above under the heading “– Acceptance of Tenders Constitutes Irrevocable Agreement; Notice of Results,” to amend or waive the terms of the Tender Offer in any respect and at any time by giving notice to the Information Services. This amendment or waiver will be effective at the time specified in such notice.

If the ILTexas extends the Tender Offer, or amends the terms of the Tender Offer (including a waiver of any term) in any material respect, including, without limitation, a change in the Purchase Price of the Target Bonds pursuant to the Tender Offer, the ILTexas shall provide notice thereof at such time and in such manner to allow reasonable time for dissemination to Bondholders and for Bondholders to respond. **In such event, any offers submitted with respect to the affected Target Bonds prior to such change in the Purchase Price for such Target Bonds pursuant to the Tender Offer, will remain in full force and effect and any Bondholder of such affected Target Bonds wishing to revoke their offer to tender such Target Bonds for purchase must affirmatively withdraw such offer prior to the Expiration Date, as may be extended, as described above under “Withdrawals of Tenders Prior to an Expiration Date”.**

No extension, termination or amendment of the Tender Offer (or waiver of any terms of the Tender Offer or this Offer) will change the ILTexas’s right to decline to purchase Target Bonds without liability. See “– Conditions to Purchase.”

The ILTexas, the Dealer Manager and the Information Agent and Tender Agent have no obligation to ensure that a Bondholder actually receives any information given to the Information Services.

AVAILABLE INFORMATION

Certain information relating to the Target Bonds and the ILTexas may be obtained by contacting the Dealer Manager or the Information Agent and Tender Agent at the contact information set forth on the final page to this Offer. Such information is limited to this Offer, including the information concerning the ILTexas and its finances included pursuant to the ILTexas Series 2024 Official Statement.

ADDITIONAL CONSIDERATIONS

None of the ILTexas, the Dealer Manager or the Information Agent and Tender Agent make any recommendation that any Bondholder tender or refrain from tendering all or any portion of the Target Bonds. Each Bondholder must make its decision and should read this Offer, and consult with its broker, account executive, financial advisor and/or other financial professional in making such decision.

In deciding whether to participate in the Tender Offer, each Bondholder should consider carefully, in addition to the other information contained in this Offer, the following:

- In the event that the Series 2024 Bonds are not issued and sold or the other conditions to purchase are not met, tendered Target Bonds accepted for purchase are not required to be purchased by the ILTexas and in such event, Bondholders will continue to hold their respective tendered Target Bonds.

- Even if the ILTexas does not purchase any tendered Target Bonds, the ILTexas shall have the right now or in the future to refund all or any portion of the applicable tendered Target Bonds or may in the future invite Bondholders to tender such tendered Target Bonds for purchase by the ILTexas.
- The ILTexas in its sole discretion will select which, if any, Target Bonds of a particular CUSIP to purchase based on its determination of the economic benefit from such purchase.
- The ILTexas may choose to purchase some but not all of the Target Bonds of a particular CUSIP. Should the ILTexas decide to only purchase a portion of the Target Bonds being tendered for purchase of a certain CUSIP, the ILTexas will accept Target Bonds tendered for purchase on a pro rata basis. The principal amount of each individual offer will be reduced, pro rata, based upon the ratio of principal amount of the Target Bonds accepted for purchase divided by the aggregate principal amount of Target Bonds tendered for purchase. The ILTexas will determine the amount to accept for each CUSIP in its sole discretion and reserves the right to accept significantly more or significantly less (or none) of any CUSIP as compared to any other CUSIP.

The ILTexas May Later Acquire Bonds at More Favorable Prices Than Those Offered Pursuant to this Offer

The ILTexas reserves the right to, and may in the future decide to, acquire some or all of the Target Bonds not purchased pursuant to the Tender Offer through open market purchases, privately negotiated transactions, subsequent tender offers, exchange offers or otherwise, upon such terms and at such prices as such parties may determine, which may be more or less than the consideration offered pursuant to the Tender Offer set forth in this Offer, which could be cash or other consideration. Any future acquisition or exchange of Target Bonds may be on the same terms or on terms that are more or less favorable to Bondholders than the terms of the Tender Offer described in this Offer. The decision to make future purchases or exchanges by the ILTexas, and the terms of such future transactions will depend on various factors existing at that time. There can be no assurance as to which of these alternatives, if any, the ILTexas, will ultimately choose to pursue in the future.

Timeliness of Offers

The Tender Offer will expire at 5:00 p.m., New York City time, on the Expiration Date (currently scheduled for February 6, 2024), unless such date is extended or terminated. Target Bonds tendered for purchase as described in this Offer after 5:00 p.m., New York City time, on the Expiration Date will not be considered, except in the ILTexas's sole discretion.

Acceptance Date

Notification of acceptance of Target Bonds tendered pursuant to the Tender Offer will be given on or around 9:00 a.m., New York City time, on the Acceptance Date (currently scheduled for February 7, 2024), unless the Expiration Date is extended or the Tender Offer is terminated. See "TERMS OF THE TENDER OFFER – Acceptance of Tenders for Purchase" herein.

SUMMARY OF CERTAIN FEDERAL INCOME TAX CONSEQUENCES

The following is a summary of certain U.S. federal income tax considerations relating to the sale of Target Bonds for cash pursuant to the Tender Offer. This summary is based on the U.S. Internal Revenue Code of 1986 (the "Code") and the Treasury Regulations promulgated thereunder, judicial decisions, and

published rulings and administrative pronouncements of the Internal Revenue Service (the “IRS”), all as of the date hereof and all of which are subject to change, possibly with retroactive effect. Any such change could adversely affect the matters discussed below. The ILTexas has not sought and will not seek any rulings from the IRS regarding the matters discussed below, and there can be no assurance the IRS or a court will not take a contrary position regarding these matters.

Bondholders should consult their own tax advisors with respect to applicable federal, state, and local tax rules, and any pending or proposed legislation or regulatory or administrative actions, relating to the Target Bonds and the Tender Offer based on their own particular circumstances.

This summary is for general information only and is not intended to constitute a complete analysis of all tax considerations relating to the ownership and disposition of Target Bonds. It does not address the application of the alternative minimum tax imposed on noncorporate taxpayers and applicable corporations (as defined in Section 59(k) of the Code) or the additional tax on net investment income, nor does it address the U.S. federal estate and gift tax or any state, local, or non-U.S. tax consequences. This summary is limited to consequences to U.S. Holders (as defined below) that hold the Target Bonds as “capital assets” (generally, property held for investment).

This discussion does not address all aspects of U.S. federal income or state taxation that may be relevant to particular holders of Target Bonds in light of their specific circumstances or the tax considerations applicable to holders that may be subject to special income tax rules, such as: holders subject to special tax accounting rules under Section 451(b) of the Code; insurance companies; brokers, dealers, or traders in stocks, securities, or currencies or notional principal contracts; foreign corporations subject to the branch profits tax; holders receiving payments in respect of the Target Bonds through foreign entities; and S corporations, partnerships, or other pass-through entities or investors therein.

For purposes of this discussion, a “U.S. Holder” means a beneficial owner of Target Bonds that is, for U.S. federal income tax purposes: (i) an individual who is a citizen or resident of the United States; (ii) a corporation created or organized in or under the laws of the United States, any state thereof, or the District of Columbia; (iii) an estate the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust, if (a) a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons have the ILTexas to control all substantial decisions of the trust or (b) the trust has a valid election in effect under applicable Treasury Regulations to be treated as a United States person.

Tendering Holders

A Bondholder that sells Target Bonds for cash pursuant to the Tender Offer generally will recognize gain or loss in an amount equal to the difference between (i) the cash received less amounts attributable to any accrued but unpaid stated interest (which will be excluded from gross income to the same extent that it would have been excluded absent such tender and otherwise taxed as ordinary interest income) and (ii) the Bondholder’s adjusted tax basis in the Target Bond. A Bondholder’s adjusted tax basis in a Target Bond generally will be equal to the amount that the Bondholder paid for the Target Bond, increased by any market discount with respect to the Target Bond previously included in the Bondholder’s gross income and accrued original issue discount with respect to the Target Bond and reduced by the amount of any amortized bond premium on the Target Bond. Except to the extent attributable to market discount, any gain or loss will be capital gain or loss and will be long-term capital gain or loss if the Bondholder held the Target Bond for more than one year. Long-term capital gains recognized by certain non-corporate persons, including individuals, generally are taxable at a reduced rate. The deductibility of capital losses is subject to significant limitations.

In the case of a Bondholder that acquired Target Bonds at a market discount, any gain recognized upon the sale of the Target Bonds generally will be taxable as ordinary income to the extent of the market discount not previously included in income.

Payments of the proceeds from the sale of the Target Bonds, including payments of Accrued Interest, may be required to be reported to the IRS under applicable Treasury Regulations. Backup withholding will apply to these payments if the Bondholder fails to provide an accurate taxpayer identification number and certification that it is not subject to backup withholding (generally on an IRS Form W-9) or otherwise fails to comply with the applicable backup withholding requirements. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against the Bondholder's U.S. federal income tax liability, provided that the required information is timely furnished to the IRS. Certain holders are exempt from information reporting. Potential holders should consult their own tax advisors regarding qualification for an exemption and the procedures for obtaining such an exemption.

Non-Tendering Holders

A Bondholder that does not sell Target Bonds pursuant to the Tender Offer will not recognize any gain or loss, and will retain the same adjusted tax basis, holding period, and accrued market discount, if any, in its Target Bonds.

DEALER MANAGER

The ILTexas has retained RBC Capital Markets, LLC ("**RBC**") to act on its behalf as Dealer Manager for the Tender Offer. The ILTexas has agreed to pay the Dealer Manager customary fees for their services and to reimburse the Dealer Manager for their reasonable out-of-pocket costs and expenses relating to the Tender Offer. References in this Offer to the Dealer Manager are to RBC, only in its capacity as the Dealer Manager. The compensation of the Dealer Manager is based upon the amount of Target Bonds tendered to and accepted by the ILTexas.

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

The Dealer Manager and its respective affiliates are full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Dealer Manager and its respective affiliates may have, from time to time, performed and may in the future perform, various investment banking services for the ILTexas for which they received or will receive customary fees and expenses. In the ordinary course of their various business activities, the Dealer Manager and its respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities and financial instruments which may include bank loans and/or credit default swaps) for their own account and for the accounts of their respective customers and may at any time hold long and short positions in such securities and instruments. Such investment securities activities may involve securities and instruments of the ILTexas, including the Target Bonds. The Dealer Manager may tender such Target Bonds pursuant to this Offer. Affiliates of a Dealer Manager may have holdings of the Target Bonds that they are unable to disclose for legal or regulatory reasons.

In addition to their role as a Dealer Manager for the Target Bonds, RBC Capital Markets, LLC, is also serving as Senior Managing Underwriter for the Series 2024 Bonds, as described in the ILTexas Series 2024 Official Statement.

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

INFORMATION AGENT AND TENDER AGENT

The ILTexas has retained Globic Advisors Inc. to serve as Information Agent and Tender Agent for the Tender Offer. The ILTexas has agreed to pay the Information Agent and Tender Agent customary fees for its services and to reimburse the Information Agent and Tender Agent for its reasonable out-of-pocket costs and expenses relating to the Tender Offer.

TENDER OF TARGET BONDS AND ALLOCATIONS OF SERIES 2024 BONDS

The underwriting syndicate for the Series 2024 Bonds, when making allocations of the Series 2024 Bonds, may, but is not required to, take into consideration whether the party submitting an order for Series 2024 Bonds was a Bondholder who tendered Target Bonds for purchase pursuant to this Offer. The ILTexas, at its discretion, may, but is not required to, give such Bondholder a preference allocation of Series 2024 Bonds up to the principal amount of Target Bonds that such Bondholder is tendering.

MISCELLANEOUS

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

None of the ILTexas, the Dealer Manager, or the Information Agent and Tender Agent makes any recommendation that any Bondholder tender or refrain from tendering all or any portion of the principal amount of such Bondholder's Target Bonds. Bondholders must make their own decisions and should read this Offer carefully and consult with their broker, account executive, financial advisor, attorney and/or other professional in making these decisions.

Investors with questions about the Tender Offer should contact the Dealer Manager or the Information Agent and Tender Agent. The contact information for the Dealer Manager and the Information Agent and Tender Agent is as follows:

The Dealer Manager for the Tender Offer is:

RBC Capital Markets, LLC
Brookfield Place
200 Vesey Street, 8th Fl
New York, New York 10281
Attn: Liability Management Team
Toll Free: 877-381-2099
Phone: 212-618-7843
Email: liability.management@rbccm.com

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

Globic Advisors
485 Madison Avenue, 7th Floor
New York, New York 10022
Tel: (212) 227-9622
Attn: Robert Stevens
Email: rstevens@globic.com
Document Website: <https://www.globic.com/iltexas>