



125 E 11th St | Austin, Texas 78701
512.463.8588
txdot.gov

August 23, 2024

Dear Bondowner:

The Texas Transportation Commission (the "**Commission**") appreciates your investment in our State of Texas General Obligation Mobility Fund Refunding Bonds, Taxable Series 2020 listed hereto in **Attachment A** (the "**Target Bonds**"). Terms used in this letter and not defined herein have the same meanings assigned to them in the Commission's Invitation to Tender Bonds dated August 23, 2024 (the "**Invitation**"). Capitalized terms not otherwise defined herein shall have the meanings ascribed to such terms in the Invitation.

You are receiving this letter because the Commission is offering **to purchase your Target Bonds for cash** (the "**Tender Offer**") in connection with a potential refinancing of certain of the Commission's outstanding debt.

The Tender Offer is further described in the Invitation, and is subject to the terms and conditions described therein. Information concerning the Commission and its proposed issuance of its State of Texas General Obligation Mobility Fund Refunding Bonds, Series 2024 (the "**Series 2024 Bonds**"), which will be issued to fund, among other purposes, the Aggregate Purchase Price of the tendered Target Bonds accepted by the Commission for purchase pursuant to the Invitation, is described in the Commission's Preliminary Official Statement dated August 23, 2024 (the "**Series 2024 Bonds POS**") and attached as Appendix A to the Invitation. *Please see below for directions regarding how to access the Invitation and related offer documents via the web.*

Background

The Tender Offer is part of a plan by the Commission to refinance certain of its outstanding indebtedness, including the purchase of some or all of the Target Bonds, for debt service savings (the "**Refunding Plan**"), as described in the Series 2024 Bonds POS. The Series 2024 Bonds, if issued, will produce no more than approximately \$1.468 billion in bond proceeds (the "**Cap Amount**") which will be used to finance the Refunding Plan and to pay the costs and expenses of the Tender Offer and issuing the Series 2024 Bonds. The Commission intends to purchase up to all of the Target Bonds validly tendered pursuant to the Invitation, though depending upon the results of this Tender Offer and other factors including the Financing Conditions and the Cap Amount, the Commission, in its sole discretion, may elect to purchase less than all of the Target Bonds so tendered. The Commission anticipates paying for the Target Bonds validly tendered and accepted for purchase pursuant to the Invitation, together with the costs related thereto, from proceeds of the Series 2024 Bonds anticipated to be issued on the Settlement Date (as set forth in the Invitation). Interest on Target Bonds validly tendered and purchased to but not including the Settlement Date ("**Accrued Interest**") is expected to be paid from available funds of the Commission.

What Price is the Commission Offering to Purchase My Target Bonds?

Each Bondowner is invited to offer to sell to the Commission, for payment in cash, all or part of its beneficial ownership interests in the Target Bonds in the tables on page (ii) of the Invitation and Attachment A hereto. The Offer Purchase Price for Bondowners of the Target Bonds will be based on a Fixed Spread to be added to the yield on certain relevant Reference United States Treasury Securities. **In no event will the Commission purchase Target Bonds at a price in excess of 100% of the principal amount of such Target Bonds. Please see the Invitation (as well as Attachment A) for the illustrative**



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Purchase Yields that the Commission intends to offer for your Target Bonds based on the closing yields as of Wednesday, August 21, 2024 for the Reference United States Treasury Securities provided below and the illustrative purchase yields. THESE EXAMPLES ARE BEING PROVIDED FOR CONVENIENCE ONLY AND ARE NOT TO BE RELIED UPON BY A BONDDOWNER AS AN INDICATION OF THE PURCHASE YIELD OR OFFER PURCHASE PRICE THAT MAY BE PAID BY THE COMMISSION.

*Please note that the illustrative Purchase Yields, in addition to the illustrative Offer Purchase Prices, which have been provided for convenience only in the Invitation, are subject to change. On or about September 10, 2024, the Commission expects to publish a Notice of Target Bonds Purchases Prices (described in the Invitation), which will either confirm or amend the illustrative Purchase Yields and the illustrative Offer Purchase Prices for each Target Bond subject to the Invitation. On September 11, 2024, the Commission expects to publish a Final Notice of Acceptance; **provided, however, should any Offer Purchase Price for any Target Bond exceed 100% of the principal amount (par value) calculated as described in the Invitation, the Offer Purchase Price shall be capped to par.***

The Commission has no obligation to accept for purchase any tendered Target Bonds, and the Commission's obligation to accept for purchase Target Bonds validly tendered (and not validly withdrawn) pursuant to the Invitation are subject to the satisfaction of or waiver of the conditions described in the Invitation on or prior to the Settlement Date.

In deciding whether, and if so, how to respond to the Tender Offer, you should contact your broker, account executive, financial advisor and/or other professional to discuss the Tender Offer and the options available to you.

What Happens if I Choose Not to Participate?

Bondowners of Target Bonds who do not accept the Tender Offer, as well as Bondowners of Target Bonds who tender their Target Bonds for purchase that the Commission chooses not to accept or does not purchase, will remain outstanding and the Bondowner will continue to hold such Target Bonds in their account. See the Invitation under the heading "**Additional Considerations**".

The deadline to offer your Target Bonds for purchase is Friday, September 6, 2024, at 5:00 p.m., New York City time, unless extended or earlier terminated. Should you wish to participate in the Tender Offer, please contact your bank, broker or other financial advisor in advance of this date so that they may have sufficient time to relay your instructions to the Commission prior to expiration of the Tender Offer.

This brief letter does not provide all of the information that you will need to consider the Commission's Tender Offer. The Tender Offer is only being made pursuant to the Invitation. ***Bondowners should carefully read the entire Invitation, the Series 2024 Bonds POS and all appendices to both documents, because these documents contain information, including the various terms of and conditions to the Tender Offer that Bondowners should consider before making any decision regarding tendering their Target Bonds.***

The Invitation along with the Series 2024 Bonds POS, attached as Appendix A thereto, are available electronically on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website, currently located at <http://emma.msrb.org>, using the CUSIP numbers for the Target Bonds listed in Attachment A hereto and the Invitation, as well as the website of the Information Agent at



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www.globic.com/txdot. Throughout the term of and upon expiration of the Tender Offer, the Commission will post notices regarding the Tender Offer at these same weblinks.

Institutional investors with questions about the Tender Offer should contact the Dealer Manager at:

BOFA SECURITIES, INC.

Attn: Contact your BofA Securities, Inc. Representative or
the Municipal Liability Management Group
Email: dg.muni-lm@bofa.com
One Bryant Park, 12th Floor
New York, NY 10036
Tel: (646) 743-1362

Individual investors and their brokers, account executives, financial advisors and/or other appropriate professionals with questions about the Tender Offer should contact the Information and Tender Agent, Robert Stevens of Globic Advisors, at: (212) 227-9622 or by email: rstevens@globic.com.

Please note that the Commission retains the right to modify or withdraw the Tender Offer as more fully described in the Invitation.

Thank you for taking the time to consider the Commission's Tender Offer.

TEXAS TRANSPORTATION COMMISSION

Attachment A

TARGET BONDS SUBJECT TO TENDER OFFER FOR CASH

**TEXAS TRANSPORTATION COMMISSION
STATE OF TEXAS
GENERAL OBLIGATION MOBILITY FUND REFUNDING BONDS,
TAXABLE SERIES 2020**

CUSIP No ^(a)	Maturity Date (October 1)	Interest Rate (%)	Outstanding Principal Amount (\$)	Par Call Date	Reference Treasury Security	Illustrative Treasury Security Yield (%)	Fixed Spreads	Illustrative Purchase Yield (%)	Illustrative Offer Purchase Price (% of Principal Amount) ^(b)
882830AW2	2028	1.3830	92,495,000	N/A	UST 4.000% due 07/31/2029 CUSIP:91282CLC3	3.658	-15.0 bps	3.508	92.133
882830AX0	2029	1.5330	94,575,000	N/A	UST 4.000% due 07/31/2029 CUSIP:91282CLC3	3.658	-12.5 bps	3.533	90.906
882830AY8	2030	1.5830	180,565,000	N/A	UST 4.125% due 07/31/2031 CUSIP:91282CLD1	3.705	-12.5 bps	3.580	89.303
882830AZ5	2031	1.7130	10,115,000	N/A	UST 4.125% due 07/31/2031 CUSIP:91282CLD1	3.705	-7.5 bps	3.630	88.243
882830BA9	2032	1.7830	10,290,000	N/A	UST 3.875% due 08/15/2034 CUSIP:91282CLF6	3.803	-10.0 bps	3.703	86.810
882830BB7	2033	1.8330	66,505,000	N/A	UST 3.875% due 08/15/2034 CUSIP:91282CLF6	3.803	-2.5 bps	3.778	85.276
882830BC5	2034	1.8830	67,755,000	N/A	UST 3.875% due 08/15/2034 CUSIP:91282CLF6	3.803	+2.5 bps	3.828	83.965
882830BD3	2035	1.9130	30,350,000	N/A	UST 3.875% due 08/15/2034 CUSIP:91282CLF6	3.803	+7.5 bps	3.878	82.539
882830BE1	2036	1.9630	7,150,000	N/A	UST 3.875% due 08/15/2034 CUSIP:91282CLF6	3.803	+15.0 bps	3.953	81.130
882830BF8	2037	2.0130	7,295,000	N/A	UST 3.875% due 08/15/2034 CUSIP:91282CLF6	3.803	+22.5 bps	4.028	79.762
882830BG6	2038	2.0630	7,445,000	N/A	UST 3.875% due 08/15/2034 CUSIP:91282CLF6	3.803	+27.5 bps	4.078	78.667
882830BH4	2044 ^(c)	2.4720	560,805,000	10/1/2030	UST 4.125% due 08/15/2044 CUSIP:912810UD8	4.179	+10.0 bps	4.279	77.672

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

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

^(c) Term Bond subject to sinking fund redemption payments on October 1 in 2039, 2040, 2041, 2042, 2043 and 2044 (maturity).