INVITATION TO TENDER BONDS
made by
TEXAS TRANSPORTATION COMMISSION
to the Bondowners described herein of
all or any portion of the maturities listed on pages (ii) and (iii) herein of

TEXAS TRANSPORTATION COMMISSION
(Base CUSIPs 882723, 882830)

STATE OF TEXAS
GENERAL OBLIGATION
MOBILITY FUND REFUNDING BONDS,
SERIES 2017-B

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

THIS INVITATION WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME ON AUGUST 28, 2026 UNLESS EARLIER TERMINATED OR EXTENDED

This Invitation to Tender Bonds, dated August 17, 2026 (as it may be amended or supplemented, this "**Invitation**) which includes the Appendices hereto describes an offer (the "**Tender Offer**") made by the Texas Transportation Commission (the "**Commission**") to the beneficial owners (the "**Bondowners**") of the Commission's outstanding bonds of the series and certain maturities listed on pages (ii) and (iii) of this Invitation (collectively, the "**Target Bonds**") to tender their Target Bonds for purchase for cash at the Offer Purchase Prices determined (a) with respect to the federally tax-exempt bonds, on the basis of the fixed offer price for each such bond, and (b) with respect to the federally taxable bond, based on a yield equal to the applicable fixed spread to be added to the yield on the relevant United States Treasury Security, all as further described herein.

To make an informed decision as to whether, and how, to offer Target Bonds for purchase pursuant to this Invitation, Bondowners must read this Invitation carefully, including the Series 2026 A&B Bonds POS and all other notices, amendments and supplements to thereto, if any, and consult their broker-dealer, financial, legal, accounting, tax, and other professionals. **This Invitation, the Series 2026 A&B Bonds POS and all other notices, amendments and supplements thereto, if any, collectively, shall constitute an invitation to Bondowners to offer their Target Bonds for purchase.**

Any Bondowner wishing to tender its Target Bonds should follow the procedures more specifically described herein. Bondowners and their brokers and account executives with questions about this Invitation should contact the Dealer Manager or the Information Agent and Tender Agent (as defined herein). Capitalized terms used on this cover page and not otherwise defined have the respective meanings assigned in this Invitation.

Key Dates and Times
All of these dates and times are subject to change. All times are New York City Time.
Notices of changes will be sent in the manner provided for in this Invitation.

Launch Date	Monday, August 17, 2026
Pricing Notice	Monday, August 24, 2026
Tender Expiration Date	5:00 p.m., on Friday, August 28, 2026
Preliminary Notice of Acceptance	Approximately 9:30 a.m., on Tuesday, September 1, 2026
Determination of Taxable Target Bond Offer Purchase Prices	Approximately 10:00 a.m., on Tuesday, September 1, 2026
Notice of Taxable Target Bond Offer Purchase Prices	Tuesday, September 1, 2026
Final Notice of Acceptance	Tuesday, September 1, 2026
Settlement Date	Thursday, October 1, 2026

The Dealer Manager for this Tender Offer is:
Jefferies LLC

The Information Agent and Tender Agent for this Tender Offer is:
Globic Advisors Inc.

The date of the Invitation is August 17, 2026

TARGET BONDS SUBJECT TO TENDER OFFER FOR CASH

TABLE 1 – TAX-EXEMPT TARGET BONDS

TEXAS TRANSPORTATION COMMISSION
STATE OF TEXAS
GENERAL OBLIGATION
MOBILITY FUND REFUNDING BONDS, SERIES 2017-B

CUSIP No.[1]	Maturity Date (October 1)	Par Call Date (October 1)	Interest Rate (%)	Outstanding Principal Amount ($)	Indicative Offer Purchase Price ($)[2]
8827236X2	2029	2027	5.000	35,505,000	102.744
8827236Y0	2030	2027	5.000	49,785,000	102.714
8827236Z7	2031	2027	5.000	53,230,000	102.644
8827237A1	2032	2027	5.000	56,865,000	102.565
8827237B9	2033	2027	5.000	60,695,000	102.535
8827237C7	2034	2027	5.000	65,365,000	102.465
8827237D5	2035	2027	5.000	57,165,000	102.366
8827237E3	2036	2027	5.000	95,525,000	102.356

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

(2) Indicative Offer Purchase Prices are expressed as a dollar amount per $100 principal amount of the Tax-Exempt Target Bonds, exclude Accrued Interest, and are preliminary and subject to change. Actual Offer Purchase Prices for each maturity and corresponding CUSIP will appear in the Pricing Notice. In addition to the Purchase Price, Accrued Interest on any Tax-Exempt Target Bonds purchased will be paid by the Commission to but not including the Settlement Date. All capitalized terms used as defined herein.

TARGET BONDS SUBJECT TO TENDER OFFER FOR CASH

TABLE 2 – TAXABLE TARGET BOND

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

CUSIP No[1]	Maturity Date (October 1)	Average Life Date	Interest Rate (%)	Outstanding Principal Amount ($)	Par Call Date (October 1)[2]	Benchmark Treasury Security[3]	Indicative Fixed Spread[4]
882830BH4[5]	2044	8/5/2042	2.472	434,715,000	2030	10-Year	+ 30 bps

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

(2) The Taxable Target Term Bond (as defined herein) is subject to optional redemption at par plus accrued interest to the date of redemption on October 1, 2030 or any date thereafter; additionally, the Taxable Target Term Bond is subject optional redemption at a make-whole redemption price on any date prior to October 1, 2030. For additional information related to the redemption provisions for the Taxable Target Bond, see the Commission's Official Statement for the Taxable Target Bond available from and on file with the Municipal Securities Rulemaking Board (via its Electronic Municipal Market Access system at www.emma.msrb.org) which is incorporated herein by reference.

(3) The Benchmark Treasury Security (as defined herein) will be the most recently auctioned "on-the-run" United States Treasury Security for the maturity indicated as of the date and time that the Offer Purchase Price for the Taxable Target Bond is set, currently expected to be approximately 10:00 a.m., New York City time, on September 1, 2026.

(4) The Indicative Fixed Spread (as defined herein) is preliminary and subject to change. The actual Fixed Spread will appear in the Pricing Notice. The Offer Purchase Prices for the Taxable Target Bond derived from the Fixed Spread (when finalized) will be expressed as a dollar amount per $100 principal amount of the Taxable Target Bond. In addition to the Purchase Price, Accrued Interest on any Taxable Target Bond purchased will be paid by the Commission to but not including the Settlement Date.

(5) Represents the Taxable Target Term Bond subject to mandatory sinking fund redemption payments on October 1, 2039 through and including 2044. Average life date is shown for the Taxable Target Term Bond only. The Taxable Target Term Bond will be priced to its average life date.

IMPORTANT INFORMATION

This Invitation and other information with respect to the Tender Offer are available from the Dealer Manager and the Information Agent and Tender Agent at www.globic.com/txdot. Bondowners wishing to offer their Target Bonds for purchase pursuant to this Invitation must follow the procedures more fully described herein. Pursuant to the terms of this Invitation as more fully described herein, the Commission reserves the right to cancel or modify this Invitation at any time on or prior to the Expiration Date and reserves the right to make a future invitation to tender bonds at prices different than the Offer Purchase Prices described herein and in the Pricing Notice (as defined herein) in its sole discretion. Except as described in this Invitation, the Commission's obligation to accept any of the Target Bonds that are tendered for purchase pursuant to this Invitation is subject to the Financing Conditions. The Commission further reserves the right to waive any irregularities or defects in any offer received.

The Commission also reserves the right in the future to defease, redeem, purchase, exchange or refund (on an advance, current or forward basis) any remaining portion of its outstanding mobility fund obligations (which includes the Target Bonds) through the issuance of publicly offered or privately placed taxable or tax-exempt obligations or with lawfully available funds of the Commission. The consummation of the Tender Offer also is subject to certain other conditions, including, without limitation, the Financing Conditions 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 INVITATION OR PASSED UPON THE FAIRNESS OR MERITS OF THE TENDER OFFER OR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS INVITATION. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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

The Commission, the Dealer Manager, and the Information Agent and Tender Agent are not recommending to any Bondowner whether or not to tender their Target Bonds for purchase in connection with this Tender Offer. Each Bondowner must make this decision for itself and should read this Invitation and the Series 2026 A&B Bonds POS in their entirety and should consult with its broker-dealer, financial, legal, accounting, tax and other professionals in making this decision.

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this Invitation, including the Series 2026 A&B Bonds POS, and, if given or made, such information or representation may not be relied upon as having been authorized by the Commission.

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

The Dealer Manager makes no representation or warranty, express or implied, as to the accuracy or completeness of the information contained herein, including the Series 2026 A&B Bonds POS. The

Dealer Manager has not independently verified any of the information contained herein, and assumes no responsibility for the accuracy or completeness of any such information. References to website addresses herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not a part of, this Invitation.

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

TABLE OF CONTENTS

Page

INVITATION TO TENDER BONDS
Dated August 17, 2026
made by
TEXAS TRANSPORTATION COMMISSION
to the Bondowners described herein of
all or any portion of the maturities listed on pages (ii) and (iii) herein of

TEXAS TRANSPORTATION COMMISSION
STATE OF TEXAS
GENERAL OBLIGATION
MOBILITY FUND REFUNDING BONDS,
SERIES 2017-B

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

1. Introduction. This Invitation to Tender Bonds, dated August 17, 2026 (as it may be amended or supplemented, this "**Invitation**"), which includes the Appendices hereto, describes an offer (the "**Tender Offer**") made by the Texas Transportation Commission (the "**Commission**") to the beneficial owners (the "**Bondowners**") of the Commission's outstanding bonds of the series and certain maturities listed on pages (ii) and (iii) of this Invitation (collectively, the "**Target Bonds**") to tender their Target Bonds for cash purchase at the offer purchase prices (each an "**Offer Purchase Price**") to be set forth, in the case of Tax-Exempt Target Bonds (as defined herein), in the Pricing Notice, which is expected to be dated on or about August 24, 2026 (as amended and supplemented, the "**Pricing Notice**," a form of which is attached hereto as APPENDIX B) and, in the case of Taxable Target Bond (as defined herein), in the Notice of Taxable Target Bond Offer Purchase Prices, which is expected to be dated on or about September 1, 2026.

The Offer Purchase Price of each CUSIP of the Target Bonds will be determined as follows:

- with respect to the Commission's State of Texas General Obligation Mobility Fund Refunding Bonds, Series 2017-B (the "**Tax-Exempt Target Bonds**") as set forth on page (ii) of this Invitation, the Offer Purchase Prices will be set forth in the Pricing Notice, which may differ from the "Indicative Offer Purchase Prices" listed on page (ii) herein; and

- with respect to the Commission's State of Texas General Obligation Mobility Fund Refunding Bonds, Taxable Series 2020 (the "**Taxable Target Bond**") as set forth on page (iii) of this Invitation, the Offer Purchase Prices will each be based on a yield (a "**Purchase Yield**") equal to the fixed spread (the "**Fixed Spread**") set forth in the Pricing Notice, which may differ from the "Indicative Fixed Spread" listed on page (iii) herein, to be added to the yield (the "**Treasury Security Yield**") on the benchmark United States Treasury Security (the "**Benchmark Treasury Security**") as set forth in page (iii) of this Invitation hereof and in the Pricing Notice.

In addition for each Target Bond purchased, if any, accrued interest to but not including the Settlement Date (as defined herein) ("**Accrued Interest**") will be paid on the Settlement Date.

See Section 2, "Information to Bondowners – *Pricing Notice*," "Information to Bondowners – *Tender Consideration – Determination of Offer Purchase Prices for Tax-Exempt Target Bonds*," and "Information to Bondowners – *Tender Consideration – Determination of Offer Purchase Price for Taxable Target Bond*" herein.

The Target Bonds were issued pursuant to the Constitution and general laws of the State of Texas, particularly Chapters 1207 and 1371, Texas Government Code, as amended and Chapter 201, Texas Transportation Code, as amended (together, the "**Act**"), and Minute Order No. 114472 adopted by the Commission with respect to the Tax-Exempt Target Bonds (the "**Tax-Exempt Target Bonds Minute Order**") and Minute Order No. 115544 adopted by the Commission with respect to the Taxable Target Bond (the "**Taxable Target Bond Minute Order**," together with the Tax-Exempt Target Bonds Minute Order, the "**Minute Orders")**. The Minute Orders delegated pricing of the Target Bonds and certain other matters to a "**Department Representative**" who approved and executed an award certificate for the Tax-Exempt Target Bonds on January 19, 2017 and for the Taxable Target Bond on July 15, 2020, respectively, which contained the final pricing information and completed the sale of the Target Bonds (the "**Award Certificates**" and together with the Minute Orders are jointly referred to herein as the "**Target Bond Authorizations**").

Purpose. This Tender Offer is part of a plan by the Commission (i) to finance the construction of approximately $1.125 billion of State highways and to provide participation by the State for public transportation projects pursuant to the Act while also (ii) defeasing, redeeming or refinancing certain of its outstanding indebtedness secured by the Mobility Fund (the "**Mobility Fund**") created pursuant to Article III, Section 49-k of the Texas Constitution, including the purchase and cancellation of some of the Target Bonds with the proceeds of the Series 2026-A Bonds, all in conjunction with the Commission's expected issuance of Series 2026-A Bonds and Series 2026-B Bonds (both as defined herein) (collectively, the "**Financing Plan**"), as described in the Commission's State of Texas General Obligation Mobility Fund and Refunding Bonds, Series 2026-A and Series 2026-B Preliminary Official Statement dated August 17, 2026 (the "**Series 2026 A&B Bonds POS**") and attached hereto as APPENDIX A. **The Commission's outstanding bonds of any series that are not identified in the tables on pages (ii) and (iii) of this Invitation are not subject to this Tender Offer.** For additional information concerning the Commission, its Financing Plan and its outstanding indebtedness, see the Series 2026 A&B Bonds POS. Also see "*– Commission's Obligation to Purchase Offered Target Bonds"* below and Section 10, "Determination of Amounts to be Purchased; Acceptance of Offers; Final Notice of Acceptance" herein.

Offers by Bondowners. Pursuant to this Invitation, each Bondowner may submit an offer to tender to the Commission for cash purchase all or a part of its Target Bonds, in a denomination of $5,000 principal amount (the "**Minimum Authorized Denomination**") or any integral multiple thereof, with respect to which the Bondowner has a beneficial ownership interest. On or about August 24, 2026, the Commission expects to publish the Pricing Notice in the form attached hereto as APPENDIX B, which will set forth the (i) the Offer Purchase Price for each respective CUSIP of the Tax-Exempt Target Bonds and (ii) the Fixed Spread for the Taxable Target Bond. All tender offers will be made on the basis of the Offer Purchase Prices (for the Tax-Exempt Target Bonds) and the Fixed Spread (for the Taxable Target Bond) listed in the Pricing Notice. The Commission expects to determine the Offer Purchase Price for the Taxable Target Bond, which will be determined based on the Fixed Spread, on or about 10:00 a.m. New York City time on September 1, 2026 as described herein in Section 2, "Information to Bondowners – *Tender Consideration – Determination of Offer Purchase Price for Taxable Target Bond*."

Source of Funds. Other than Accrued Interest, the total amount paid to Bondowners to purchase the Target Bonds accepted for purchase pursuant to this Invitation (the "**Aggregate Purchase Price**") is anticipated to be a portion of the net proceeds of the Commission's State of Texas General Obligation Mobility Fund and Refunding Bonds, Series 2026-A (the "**Series 2026-A Bonds**") expected to be issued on October 1, 2026 (as may be extended from time to time in accordance with this Invitation, the "**Settlement Date**"). The payment of Accrued Interest on purchased Target Bonds is expected to be made from funds held by the Commission for such purpose.

Commission's Obligation to Accept and to Purchase Offered Target Bonds. The Commission's obligation to accept for purchase any tendered Target Bonds is subject to the Commission determining, in its reasonable discretion, that it will obtain a satisfactory and sufficient economic benefit of such acceptance, including (i) satisfying a 2% aggregate present value savings target and the minimum savings requirements of the authorizing documents for the Financing Plan, (ii) satisfying the components of Chapter 201 of the Texas Transportation Code, including requiring a minimum level of projected annual debt service coverage for all of its Mobility Fund obligations upon the issuance of the Series 2026-A Bonds and Series 2026-B Bonds based on the certificate provided by the State Comptroller for such Series 2026-A Bonds and Series 2026-B Bonds, (iii) the expected or actual level of participation by Bondowners, or (iv) any other factors not within the sole control of the Commission. See Section 10, "Determination of Amounts to be Purchased; Acceptance of Offers; Final Notice of Acceptance" herein.

Additionally, the Commission's obligation to purchase Target Bonds accepted for purchase is subject to the terms of this Invitation and is contingent on certain other conditions as described herein, including (i) the approval of the Attorney General of the State of Texas with respect to the Series 2026-A Bonds, (ii) the successful completion by the Commission of the issuance of the Series 2026-A Bonds, the proceeds of which will be sufficient to, together with other available moneys of the Commission to (y) fund the Aggregate Purchase Price of all Target Bonds accepted for purchase pursuant to this Invitation, and (z) pay all fees and expenses associated with the issuance of the Series 2026-A Bonds and this Tender Offer, and (iii) receipt of all certifications and opinions required by the "**Dealer Manager Agreement**" executed between the Commission and the Dealer Manager in connection with this Tender Offer. Also see Section 14, "Conditions to Purchase," for additional information regarding certain of such conditions. All such terms and conditions that are collectively described in this paragraph and in the prior paragraph and in this Invitation are in the Commission's best interest and are collectively referred to as the "**Financing Conditions.**"

No assurances can be given that the Series 2026-A Bonds will be issued or that any Target Bonds tendered for purchase by a Bondowner will be purchased. See Section 10, "Determination of Amounts to be Purchased; Acceptance of Offers; Final Notice of Acceptance," for more information on the selection of tendered Target Bonds to be purchased, if any. The Commission reserves the right, subject to applicable law, to amend or waive any of the conditions to this Tender Offer, in whole or in part, any time prior to the Settlement Date or from time to time subject to the Financing Conditions and other conditions described in this Invitation. The Commission also has the right to amend or terminate this Tender Offer at any time up to and including the Expiration Date (as defined herein). See Section 15, "Extension, Termination and Amendment of Tender Offer," herein.

The Commission's obligation to accept any of the Target Bonds that are tendered for purchase pursuant to this Invitation is subject to the Financing Conditions. See Section 10, "Determination of Amounts to be Purchased; Acceptance of Offers; Final Notice of Acceptance." Any Target Bonds not tendered by Bondowners, or Target Bonds tendered by Bondowners pursuant to this Invitation but not accepted for purchase by the Commission that have been returned to the Bondowners, will continue to be payable and secured under the terms of the Target Bond Authorizations until maturity or prior redemption. If all conditions to this Invitation are not satisfied or waived by the Commission on or prior to the Settlement Date, all Target Bonds tendered by Bondowners pursuant to this Invitation will be returned to the Bondowners and will continue to be payable and secured under the terms of the Target Bond Authorizations until maturity or prior redemption. See Section 17, "Additional Considerations – *Potential Subsequent Transactions*" herein.

To make an informed decision as to whether, and how, to offer Target Bonds for purchase pursuant to this Invitation, a Bondowner must read this Invitation carefully and entirely, including the Series 2026 A&B Bonds POS.

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

2. Information to Bondowners

General. The Commission will provide additional information about this Tender Offer, if any, to Bondowners of the Target Bonds, including, without limitation, the information contained in all notices identified on the cover page of this Invitation and any supplement to the Series 2026 A&B Bonds POS by delivery of such information in the following ways (collectively, the "**Information Services**"):

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

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

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

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

Pricing Notice. On or about August 24, 2026, the Commission expects to publish the Pricing Notice in the form attached hereto as APPENDIX B, which will set forth (a) the Offer Purchase Price for each respective CUSIP of the Tax-Exempt Target Bonds (which may differ from the "Indicative Offer Purchase Prices" listed on page (ii) herein) and (b) the Fixed Spread for the Taxable Target Bond (which may differ from the "Indicative Fixed Spread" listed on page (iii) herein) as well as an illustration of the resulting Offer Purchase Price for the Taxable Target Bond based on market conditions as described therein. The illustrative Offer Purchase Price shown in the Pricing Notice with respect to the Taxable Target Bond will be subject to change and the actual Offer Purchase Price for the Taxable Target Bond will be determined on or about 10:00 a.m. New York City time on September 1, 2026 as described herein. The Pricing Notice will be made available via the Information Services described above.

Tender Consideration — Determination of Offer Purchase Prices for the Tax-Exempt Target Bonds. The Offer Purchase Prices will be set forth in the Pricing Notice for each respective maturity and corresponding CUSIP of Tax-Exempt Target Bonds tendered pursuant to this Invitation.

The Purchase Price to be received on the Settlement Date by a Bondowner whose Tax-Exempt Target Bonds were validly tendered and accepted for purchase, in whole or in part, by the Commission will equal the par amount of such Bondowner's purchased Tax-Exempt Target Bonds multiplied by the Offer Purchase Price of such Tax-Exempt Target Bonds divided by 100. In addition to the Purchase Price of the Tax-Exempt Target Bonds purchased by the Commission, Accrued Interest on such Tax-Exempt Target Bonds will be paid by the Commission on the Settlement Date.

Tender Consideration — Determination of Offer Purchase Price for Taxable Target Bond. The Fixed Spread, as set forth in the Pricing Notice, expressed as an interest rate percentage, will be added to the Treasury Security Yield to arrive at the Purchase Yield used to calculate the Offer Purchase Price of the Taxable Target Bond. The Benchmark Treasury Security for the Taxable Target Bond is identified on page (iii) of this Invitation and will be identified in the Pricing Notice. The Treasury Security Yield will equal the bid-side yield of the Benchmark Treasury Security as quoted on the Bloomberg Bond Trader FIT1 series of pages at approximately 10:00 a.m., New York City time, on September 1, 2026. Subsequent to determination of the Offer Purchase Price for the Taxable Target Bond, the Commission expects to publish a Notice of

Taxable Target Bond Offer Purchase Price on September 1, 2026, which will be made available via the Information Services.

The Purchase Yield will be used to calculate the Offer Purchase Price expressed as a dollar amount per $100 principal amount of the Taxable Target Bond. As the Taxable Target Bond is also a "**Taxable Target Term Bond**," such Offer Purchase Price will be calculated using the market standard bond pricing formula as of the Settlement Date using the Purchase Yield, the coupon of the relevant Taxable Target Bond, and the "average life date," shown below, as the assumed maturity date.

Summary of the Taxable Target Term Bond

CUSIP	Maturity Date	Average Life Date	Outstanding Principal Amount
882830BH4	10/1/2044	8/5/2042	$434,715,000

The Purchase Price to be received on the Settlement Date by a Bondowner whose Taxable Target Bond was validly tendered and accepted for purchase, in whole or in part, by the Commission will equal the par amount of such Bondowner's purchased Taxable Target Bond multiplied by the Offer Purchase Price divided by 100. In addition to the Purchase Price of the Taxable Target Bond accepted for purchase by the Commission, Accrued Interest on such Taxable Target Bond will be paid by the Commission on the Settlement Date.

Sinking Fund Amortization of Unpurchased Taxable Target Term Bond. If less than all of the Taxable Target Term Bond is purchased by the Commission pursuant to this Invitation, the outstanding principal amounts to be redeemed on each mandatory sinking fund redemption date or paid at maturity of the Taxable Target Term Bond will be reduced pro rata in Authorized Denominations to a principal amount equal to such outstanding principal amount multiplied by a percentage equal to (a) the aggregate principal amount of the "**Unpurchased Taxable Target Term Bond**" divided by (b) $434,715,000, such that the sum of the principal amount of all scheduled mandatory sinking fund redemptions and the principal amount due at maturity will equal the aggregate principal amount of such Unpurchased Taxable Target Term Bond. Thereafter, the Unpurchased Taxable Target Term Bond will continue to be outstanding and subject to the mandatory sinking fund redemption in annual amounts that will be reflected on a revised mandatory sinking fund redemption schedule.

3. Expiration Date; Offers Only Through Financial Institutions; Brokerage Commissions. This Tender Offer to tender Target Bonds will expire at 5:00 p.m., New York City Time, on August 28, 2026 (the "**Expiration Date**"), unless the Tender Offer is earlier terminated or the Expiration Date is extended as described in this Invitation, and Target Bonds received after 5:00 p.m., New York City Time, on the Expiration Date will not be considered. See Section 15, "Extension, Termination and Amendment of Tender Offer" herein for a discussion of the Commission's ability to extend the Expiration Date and to terminate or amend this Invitation.

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

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

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

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

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

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

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

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

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

(a) the Bondowner has received, and has had the opportunity to review, this Invitation and the Series 2026 A&B Bonds POS prior to making the decision as to whether or not it should tender its Target Bonds for purchase;

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

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

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

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

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

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

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

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

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

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

7. Determinations as to Form and Validity of Tenders; Right of Waiver and Rejection. All questions as to the validity (including the time of receipt of Agent's Messages by the Information Agent and Tender Agent), eligibility, and acceptance of any tenders of Target Bonds will be determined by the Commission in its sole discretion and will be final, conclusive and binding.

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

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

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

All tenders of Target Bonds will become irrevocable as of 5:00 p.m., New York City Time, on the Expiration Date. See Section 11, "Acceptance of Offers Constitutes Irrevocable Agreement."

9. Preliminary Notice of Acceptance. At approximately 9:30 a.m., New York City Time, on September 1, 2026, unless such date is extended by the Commission (the "**Preliminary Acceptance Date**"), the Commission will determine the preliminary principal amount, if any, of the Target Bonds for each CUSIP that it will purchase, based on satisfaction of the Financing Conditions. Notice of the preliminary principal amount of the Target Bonds, if any, for each CUSIP that the Commission initially agrees to purchase pursuant to the Invitation will be provided via the Information Services on the Preliminary Acceptance Date via the publication of a "**Preliminary Notice of Acceptance**."

10. Determination of Amounts to be Purchased; Acceptance of Offers; Final Notice of Acceptance. This Tender Offer is part of the Financing Plan as described in the Series 2026 A&B Bonds POS. The Series 2026-A Bonds, if issued, together with the Commission's State of Texas General Obligation Mobility Fund Put Bonds, Series 2026-B (Multiannual Mode) (the "**Series 2026-B Bonds**"), if issued, are expected produce no more than approximately $1.125 billion in net new money bond proceeds; in addition, the Series 2026-A Bonds, if issued, are expected to be used to finance the Financing Plan and to pay the costs and expenses of the Tender Offer and issuing the Series 2026-A Bonds. The Financing Plan is subject to satisfying several other conditions, including but not limited to the savings requirements of the authorizing documents for the Series 2026-A Bonds, all of which will be determined as to whether they are met (or otherwise waived) solely in the Commission's discretion. Depending upon the results of this Tender Offer and other factors including the Financing Conditions, the Commission, in its sole discretion, may elect to purchase less than all of the Target Bonds so tendered. **As of the date of this Invitation, the Commission intends (i) to accept tender offers on the Taxable Target Bond with the primary goal of generating present value savings and (ii) to accept only those tender offers on the Tax-Exempt Target Bonds necessary to assure that the Commission can either (a) comply with Sections 201.943(e) and (f) of the Texas Transportation Code requiring a minimum level of projected annual debt service coverage for all of its Mobility Fund obligations upon the issuance of the Series 2026-A Bonds and Series 2026-B Bonds based on the certificate provided by the State Comptroller for such Series 2026-A Bonds and Series 2026-B Bonds or (b) satisfy a 2% aggregate present value savings target and the minimum savings requirements of the authorizing documents for the Financing Plan.** The Commission's obligation to accept any Target Bonds tendered for purchase pursuant to this Invitation is subject to the Financing Conditions. The Commission, in its sole discretion, will select which, if any, validly tendered Target Bonds of a particular maturity and corresponding CUSIP are purchased based on its determination of the economic and structural benefits from such purchase.

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

Commission will reject such Bondowner's offer in whole. The Commission will determine the Proration Factor that permits it to accept the amount of Tax-Exempt Target Bonds it has determined to purchase.

Taxable Target Bond. The Commission will not accept for purchase any Taxable Target Bond on a pro rata basis. With respect to the Taxable Target Bond, the Commission will accept for purchase, on a CUSIP-by-CUSIP basis, either all or none of the Taxable Target Bond validly tendered (and not validly withdrawn) pursuant to this Invitation, as determined by the Commission in its sole discretion. Accordingly, the pro rata acceptance provisions and the Proration Factor described above will not apply to the Taxable Target Bond.

On September 1, 2026, unless such date is extended by the Commission (the "**Final Acceptance Date**"), upon the terms and subject to the conditions of this Invitation, the Commission will announce its acceptance for purchase of Target Bonds, if any, from those validly tendered by Bondowners and preliminarily accepted for purchase according to the Preliminary Notice of Acceptance and pursuant to this Invitation via the publication of a "**Final Notice of Acceptance**," with acceptance subject to the satisfaction or waiver by the Commission of the conditions to the purchase of tendered Target Bonds. See Section 11, "Acceptance of Tenders Constitutes Irrevocable Agreement" and Section 14, "Conditions to Purchase."

Following the publication of the Final Notice of Acceptance, which will be made available via the Information Services, all Target Bonds that were tendered but were not accepted for purchase will be released and returned to the tendering institution in accordance with DTC's procedures. The Commission, the Dealer Manager, and the Information Agent and Tender Agent are not responsible or liable for the operation of the ATOP system by DTC to properly credit such released Target Bonds to the applicable account of the DTC participant or custodial intermediary or by such DTC participant or custodial intermediary for the account of the Bondowner.

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

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

12. Settlement Date; Purchase of Target Bonds. Subject to satisfaction of all conditions to the Commission's obligation to purchase tendered Target Bonds, as described herein, the Settlement Date is the day on which Target Bonds accepted for purchase will be purchased and paid for at the applicable Purchase Price, and Accrued Interest on the Target Bonds to be purchased will also be paid. Such purchase and payment are expected to occur on the Settlement Date. The Settlement Date has initially been set as October 1, 2026, unless extended by the Commission, assuming all conditions to this Invitation have been satisfied or waived by the Commission.

The Commission may, in its sole discretion, change the Settlement Date by giving notice thereof in the manner described in Section 2 of this Invitation prior to the change. However, the Settlement Date may not be later than October 19, 2026. If the Commission does not complete the purchase of the Target Bonds by 3:00 p.m., New York City Time, on October 19, 2026, the right and obligation of the Commission to purchase any Target Bonds will automatically terminate, without any liability to any Bondowner, and DTC will release from the controls of the ATOP system all Target Bonds.

Subject to satisfaction of all conditions to the Commission's obligation to purchase Target Bonds tendered for purchase pursuant to this Invitation, as described herein, payment by the Commission will be made through DTC on the Settlement Date. The Commission expects that, in accordance with DTC's standard procedures, DTC will transmit the Aggregate Purchase Price (plus Accrued Interest) to DTC participants holding the Target Bonds accepted for purchase on behalf of Bondowners for subsequent disbursement to the Bondowners. **The Commission, the Dealer Manager, and the Information Agent and Tender Agent have no responsibility or liability for the distribution of the Aggregate Purchase Price and Accrued Interest paid by DTC to DTC participants or by DTC participants to tendering Bondowners**.

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

13. Source of Funds. The source of funds to purchase the Target Bonds validly tendered for purchase pursuant to this Invitation and accepted by the Commission is anticipated to be proceeds received by the Commission from the sale of its Series 2026-A Bonds, expected to be issued on the Settlement Date. The payment of Accrued Interest on purchased Target Bonds is expected to be made from funds held by the Commission for such purpose. The Commission's ability to settle the cash purchase of Target Bonds tendered for purchase is contingent upon the successful delivery of its Series 2026-A Bonds and the other conditions set forth herein.

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

(a) The Commission does not, for any reason, have sufficient funds on the Settlement Date from the proceeds of the Series 2026-A Bonds to pay the Aggregate Purchase Price of tendered Target Bonds accepted for purchase pursuant to this Invitation and pay all fees and expenses associated with the Series 2026-A Bonds and this Tender Offer;

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

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

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

(e) A material change in the net benefits of the transaction contemplated by this Tender Offer and the Series 2026 A&B Bonds POS has occurred due to a material change in market conditions that the Commission reasonably believes makes it inadvisable to proceed with the purchase of Target Bonds;

(f) Additional guidance shall be delivered by the Attorney General of the State of Texas pursuant to Section 402.044 of the Texas Government Code causing a material change in the net benefits of the transaction contemplated by this Tender Offer and the Series 2026 A&B Bonds POS that the Commission reasonably believes makes it inadvisable to proceed with the purchase of Target Bonds; or

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

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

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

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

The Commission also has the right, prior to the Final Acceptance Date to extend the Preliminary Acceptance Date and to terminate this Invitation at any time by giving notice of such termination in the manner described in Section 2 of this Invitation.

The Commission also has the right at any time to extend the Settlement Date by giving notice of such extension in the manner described in Section 2 and Section 12 of this Invitation but only in accordance with DTC rules and procedures.

If the Commission amends the terms of this Invitation, including a waiver of any term, in any material respect, or makes any change to the Offer Purchase Price for any Tax-Exempt Target Bonds or the Fixed Spread for the Taxable Target Bond, notice of such amendment or waiver will be given in the manner described in Section 2 to provide reasonable time for dissemination of such amendment or waiver to Bondowners and for Bondowners to respond. **In the event of any such amendment or change, any offers submitted with respect to the affected Target Bonds prior to such amendment or change will remain in full force and effect, and any Bondowner of such affected Target Bonds wishing to revoke its offer to tender such Target Bonds must affirmatively withdraw such offer prior to the Expiration Date in the manner described in Section 8 hereof.**

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

16. Certain Federal Income Tax Consequences.

The purchase of tendered Target Bonds pursuant to this Invitation will generally be taxable transactions for federal income tax purposes. As a result, each Bondowner who tenders Target Bonds pursuant to this Invitation will have taxable gain or loss in an amount equal to the difference between the Purchase Price received by the Bondowner and the Bondowners' adjusted federal income tax basis in the tendered Target Bonds. The character of a Bondowners' gain or loss as capital gain or loss or as ordinary income or loss will be determined by a number of factors which vary depending on the particular circumstances of the tendering Bondowner. Bondowners should consult their tax advisors with respect to the proper tax treatment of a sale pursuant to this Invitation, in light of their individual tax situation.

Amounts paid to Bondowners tendering their Target Bonds for purchase may be subject to "backup withholding" ("**Backup Withholding**") by reason of the events specified by Section 3406 of the Internal Revenue Code of 1986, as amended, which include failure of a Bondowner to supply the broker, dealer, commercial bank or trust company acting on behalf of such Bondowner with the Bondowner's taxpayer identification number certified under penalty of perjury, which is generally certified through an I.R.S Form W-9. Backup Withholding may also apply to Bondowners who are otherwise exempt from such Backup Withholding if such Bondowners fail to properly document their status as exempt recipients.

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

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

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

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

Potential Subsequent Transactions. To the extent Target Bonds are not purchased pursuant to this Invitation, the Commission reserves the right to, and may in the future decide to, acquire some or all of the Unpurchased Bonds through open market purchases, privately negotiated transactions, subsequent tender offers, exchange offers or otherwise, upon such terms and at such prices as it may determine, which may be more or less than the consideration offered pursuant to this Invitation, and which could be cash or other consideration. Any future acquisition of Unpurchased Bonds may be on the same terms or on terms that are more or less favorable to Bondowners than the terms described in this Invitation. The Commission also reserves the right in the future to refund or redeem any remaining portion of outstanding Unpurchased Bonds, pursuant to the Target Bond Authorizations, through the issuance of publicly offered or privately placed tax-exempt or taxable bonds. The decision to undertake any such future transactions will depend on various factors existing at that time. There can be no assurance as to which of these alternatives, if any, the Commission may ultimately choose to pursue in the future.

Ratings. As of the date of this Invitation, the Tax-Exempt Target Bonds are rated "Aaa" (stable outlook) by Moody's Investors Service, Inc., "AAA" (stable outlook) by Fitch Ratings, Inc., "AAA" (stable outlook) by S&P Global Ratings, and "AAA" (stable outlook) by Kroll Bond Rating Agency, LLC, and the Taxable Target Bond is rated "Aaa" (stable outlook) by Moody's Investors Service, Inc., "AAA" (stable outlook) by Fitch Ratings, Inc., and "AAA" (stable outlook) by Kroll Bond Rating Agency, LLC.

The ratings of the Target Bonds by each rating agency reflect only the views of such organization and any desired explanation of the significance of such ratings and any outlooks or other statements given by such rating agency with respect thereto should be obtained from such rating agency.

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

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

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

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

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

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

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

In addition to its role as Dealer Manager in connection with this Tender Offer, the Dealer Manager is currently expected to act as the lead bookrunning underwriter of the Series 2026-A Bonds, anticipated to be issued by the Commission as described in the Series 2026 A&B Bonds POS and, as such, they will receive compensation in connection with that transaction as well.

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

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

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

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

21. Available Information; Contact Information. Certain information relating to the Target Bonds and the Commission may be obtained by contacting the Dealer Manager or Information Agent and Tender Agent at the contact information set forth below. Such information is limited to (i) the Invitation, including the information set forth in the Series 2026 A&B Bonds POS and (ii) information about the Commission available through the EMMA Website.

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

The Dealer Manager for this Tender Offer is:

JEFFERIES LLC

Contact your Jefferies LLC Representative or
Jefferies LLC's Municipal Syndicate Desk
(212) 336-7151
Email: muni_underwriting@jefferies.com

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

GLOBIC ADVISORS INC.

Attention: Robert Stevens
(212) 227-9622
Email: rstevens@globic.com
Document Website: www.globic.com/txdot

APPENDIX A
SERIES 2026 A&B BONDS POS

PRELIMINARY OFFICIAL STATEMENT DATED AUGUST 17, 2026

NEW ISSUES – Book-Entry-Only **RATINGS:** *KBRA: "AAA"*
Moody's: "Aaa"

In the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel to the Texas Transportation Commission, interest on the 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. See "TAX MATTERS" herein.

TEXAS TRANSPORTATION COMMISSION
STATE OF TEXAS GENERAL OBLIGATION

$716,080,000*
MOBILITY FUND AND REFUNDING BONDS, SERIES 2026-A

$400,000,000*
MOBILITY FUND PUT BONDS, SERIES 2026-B (MULTIANNUAL MODE)

Dated: Date of Initial Delivery **Due: October 1, as shown on pages (i) and (ii)**

The Texas Transportation Commission State of Texas General Obligation Mobility Fund and Refunding Bonds, Series 2026-A (the "Series 2026-A Bonds") and State of Texas General Obligation Mobility Fund Put Bonds, Series 2026-B (Multiannual Mode) (the "Series 2026-B Bonds," and together with the Series 2026-A Bonds, the "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"), an agency of the State. The Bonds are being issued pursuant to the authority granted to the Commission by Article III, Section 49-k of the Texas Constitution (the "Constitutional Provision") and Subchapter M of Chapter 201, Texas Transportation Code, as amended (the "Act"); Chapters 1207 and 1371, Texas Government Code, as amended; a Master Resolution adopted by minute order of the Commission on May 4, 2005, as amended as described herein (the "Master Resolution"); and the Sixteenth Supplemental Resolution authorizing the Bonds, adopted by minute order of the Commission on May 21, 2026, together with one or more Award Certificates approving the final terms of the Bonds as authorized therein (collectively, the "Sixteenth Supplemental Resolution").

Proceeds of the Bonds will be used to (i) pay, or reimburse the State Highway Fund or the Mobility Fund (as defined herein) for payment for, authorized purposes (as provided by the Act), including paying costs of constructing, reconstructing, acquiring, and expanding State highways and providing participation by the State in the payment of part of the costs of constructing and providing public transportation projects, and (ii) pay the costs of issuing the Bonds. In addition to the immediately preceding sentence, proceeds of the Series 2026-A Bonds may also be used to (i) refund certain Outstanding Parity Debt (as defined herein), as further identified in "SCHEDULE I – REFUNDED BONDS" attached hereto (collectively, the "Refunded Bonds"), (ii) pay the purchase price of certain Outstanding Parity Debt, as further identified in "SCHEDULE II – PURCHASED BONDS" attached hereto (collectively, the "Purchased Bonds"), that have been validly tendered and accepted for purchase by the Commission pursuant to the Invitation (as defined herein), and (iii) pay the costs of the Tender Offer (as defined herein). See "INTRODUCTION – Purpose" and "PLAN OF FINANCE."

The Bonds are initially issuable and delivered 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 Bonds may be acquired in denominations of $5,000 and integral multiples thereof. No physical delivery of the Bonds will be made to the purchasers thereof. Principal of, premium, if any, and interest on the Bonds will be payable by the "Paying Agent/Registrar," initially U.S. Bank Trust Company, National Association, Houston, Texas, to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent remittance to the owners of the beneficial interests in the Bonds. See "GENERAL INFORMATION REGARDING THE BONDS – Paying Agent/Registrar" and "APPENDIX D – DTC BOOK-ENTRY-ONLY SYSTEM."

Obligations that are payable from the Mobility Fund (as defined herein) created under the Constitutional Provision and secured on a first lien basis by the "Security" (as defined herein) are "Parity Debt" (as defined herein) obligations. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Other Sources of Payment – Pledge of Security" for a description of the Security. The Bonds are being issued as Parity Debt. See "MOBILITY FUND FINANCING PROGRAM" and "GENERAL INFORMATION REGARDING THE BONDS – Additional Parity Debt" for information concerning previously issued Outstanding Parity Debt and the issuance of additional Parity Debt or other obligations pursuant to the Master Resolution. **THE 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 BONDS."

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

MATURITY SCHEDULE AND ADDITIONAL INFORMATION WITH RESPECT TO THE BONDS
See pages (i) and (ii)

The Bonds are offered for delivery when, as, and if issued by the Commission and accepted by the underwriters of the Bonds shown below (the "Underwriters"). The issuance of the 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 Cantu Harden Montoya LLP, Austin, Texas. It is expected that the Bonds will be delivered on or about October 1, 2026 (the "Date of Initial Delivery"), through the facilities of DTC.

Underwriters for the Series 2026-A Bonds

Jefferies **Ramirez & Co., Inc.**

Bancroft Capital, LLC **Blaylock Van, LLC** **BofA Securities** **BOK Financial Securities, Inc.**

Cabrera Capital Markets LLC **D.A. Davidson FHN Financial Capital Markets** **Loop Capital Markets**

SAMCO Capital **Siebert Williams Shank** **Stern Brothers** **Truist Securities**

Underwriter for the Series 2026-B Bonds

Morgan Stanley

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* Preliminary, subject to change.

MATURITY SCHEDULE*

$716,080,000
TEXAS TRANSPORTATION COMMISSION
STATE OF TEXAS GENERAL OBLIGATION
MOBILITY FUND AND REFUNDING BONDS,
SERIES 2026-A

General. The Texas Transportation Commission State of Texas General Obligation Mobility Fund and Refunding Bonds, Series 2026-A (the "Series 2026-A Bonds") are being issued as Current Interest Bonds. The Series 2026-A Bonds will bear interest at the respective rates shown below, as applicable, calculated on the basis of a 360-day year composed of twelve 30-day months. The Series 2026-A Bonds will mature in the respective principal amounts and on the respective dates shown below. The Series 2026-A Bonds will bear interest from the Date of Initial Delivery, and such interest will be payable semiannually on each April 1 and October 1, commencing April 1, 2027. See "DESCRIPTION OF THE SERIES 2026-A BONDS."

Maturity (October 1)	Principal Amount	Interest Rate	Initial Yield	Price	CUSIP[1]
		%	%		

Redemption. The Series 2026-A Bonds are subject to redemption prior to their stated maturity as described herein. See "DESCRIPTION OF THE SERIES 2026-A BONDS – Redemption Provisions of the Series 2026-A Bonds."

* Preliminary; subject to change.

(1) 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 2026-A Bonds. None of the Commission, the Department, the Municipal 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 2026-A 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 2026-A 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 2026-A Bonds.

MATURITY SCHEDULE*

$400,000,000
TEXAS TRANSPORTATION COMMISSION
STATE OF TEXAS GENERAL OBLIGATION MOBILITY FUND PUT BONDS,
SERIES 2026-B (MULTIANNUAL MODE)

General. The Texas Transportation Commission State of Texas General Obligation Mobility Fund Put Bonds, Series 2026-B (Multiannual Mode) (the "Series 2026-B Bonds"), are multi-modal bonds and will initially bear interest in a Multiannual Mode for an initial multiannual period that commences on the Date of Initial Delivery and ends on the date specified below as the Multiannual Rate Period (the "Initial Multiannual Rate Period"). During the Initial Multiannual Rate Period, interest on the Series 2026-B Bonds will accrue at the Interest Rate specified below, calculated on the basis of a 360-day year composed of twelve 30-day months, and will be payable on each April 1 and October 1, commencing April 1, 2027, and on such other dates as described herein. See "DESCRIPTION OF THE SERIES 2026-B BONDS – Interest During Initial Multiannual Rate Period."

Multiannual Period Commencement	Multiannual Period Expiration	First Optional Redemption Date / First Mandatory Tender Date	Latest Mandatory Tender Date	Maturity (October 1)	Interest Rate	Initial Stepped Coupon Rate	Stepped Coupon Rate	CUSIP No. (1)
Date of Initial Delivery						[___]%	[___]%	

THIS OFFICIAL STATEMENT DESCRIBES THE SERIES 2026-B BONDS IN THE MULTIANNUAL MODE ONLY. BEGINNING ON THE FIRST MANDATORY TENDER DATE SPECIFIED ABOVE, THE SERIES 2026-B BONDS ARE SUBJECT TO CONVERSION AND MANDATORY TENDER FOR PURCHASE. UPON SUCH MANDATORY TENDER AND PURCHASE, THE SERIES 2026-B BONDS ARE EXPECTED TO BE REMARKETED UNLESS OTHERWISE REDEEMED.

Redemption. The Series 2026-B Bonds are subject to optional redemption on [October 1, 20__], or on any date thereafter during the Initial Multiannual Rate Period, including any deemed extension of the Initial Multiannual Rate Period because of a failed remarketing on the Latest Mandatory Tender Date specified above, at the redemption price equal to the par amount of the Series 2026-B Bonds to be redeemed plus accrued interest to, but not including, the date of redemption. The Series 2026-B Bonds are also subject to mandatory sinking fund redemption prior to their stated maturity as described herein. See "DESCRIPTION OF THE SERIES 2026-B BONDS – Redemption."

No Optional Tender. The Series 2026-B Bonds are not subject to tender for purchase at the option of the holders thereof during the Initial Multiannual Rate Period.

Mandatory Tender. The Series 2026-B Bonds are subject to mandatory tender for purchase, without right of retention by the owners thereof, beginning on the First Mandatory Tender Date specified above (being [_________], which is prior to the expiration of the Initial Multiannual Rate Period), and on any date thereafter during the Initial Multiannual Rate Period, including any deemed extension of the Initial Multiannual Rate Period because of a failed remarketing on the Latest Mandatory Tender Date specified above (being [_________]; any such date of mandatory tender, the "Mandatory Tender Date"). See "DESCRIPTION OF THE SERIES 2026-B BONDS – Conversion; Mandatory Tender; Purchase of Tendered Series 2026-B Bonds."

Conversion. The Series 2026-B Bonds are not subject to conversion to another interest rate period or mode until purchased on a Mandatory Tender Date. See "DESCRIPTION OF THE SERIES 2026-B BONDS – Conversion; Mandatory Tender; Purchase of Tendered Series 2026-B Bonds."

No Liquidity Facility. As of the date of this Official Statement, the Commission has not provided any liquidity facility for the payment of the purchase price of the Series 2026-B Bonds payable upon the mandatory tender thereof on any Mandatory Tender Date, nor is there any requirement or expectation that such liquidity facility will be obtained. The principal portion of the purchase price of the Series 2026-B Bonds is expected to be obtained from the remarketing thereof or from the issuance of refunding bonds. The obligation of the Commission to purchase Series 2026-B Bonds on a Mandatory Tender Date is subject to the successful remarketing of all Series 2026-B Bonds. The Commission has no obligation to purchase Series 2026-B Bonds except from remarketing proceeds. In the event all of the Series 2026-B Bonds are not remarketed or refunded: (i) on any Mandatory Tender Date that occurs before the Latest Mandatory Tender Date, the Series 2026-B Bonds shall continue to bear interest at the Interest Rate specified above and the Mandatory Tender Date shall be rescinded, or (ii) on the Latest Mandatory Tender Date, the Series 2026-B Bonds will [(a) bear interest from the Latest Mandatory Tender Date for the period of ninety (90) days at a rate of [___]% per annum (the "Initial Stepped Coupon Rate")] and (b) for the period beginning ninety-one (91) days from the Latest Mandatory Tender Date and thereafter at a rate of [____]% per annum (the "Stepped Coupon Rate") until purchased by the Commission through a subsequent remarketing, or retired or redeemed or otherwise (collectively, the "Stepped Coupon Rate Period"). See "DESCRIPTION OF THE SERIES 2026-B BONDS – Conversion; Mandatory Tender; Purchase of Tendered Series 2026-B Bonds" and "– Effects of a Failed Remarketing on the Latest Mandatory Tender Date."

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* Preliminary; subject to change.

(1) 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 2026-B Bonds. None of the Commission, the Department, the Municipal 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 2026-B 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 2026-B 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 2026-B Bonds.

STATE OF TEXAS OFFICIALS

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

TEXAS TRANSPORTATION COMMISSION

Name	Title	Term Expires
W. Alvin New	Acting Chairman	February 1, 2027
Stephen D. Alvis	Commissioner	February 1, 2029
Alejandro "Alex" G. Meade, III	Commissioner	February 1, 2031
Robert C. Vaughn	Commissioner	February 1, 2031
Pat Gordon	Commissioner	February 1, 2027

TEXAS DEPARTMENT OF TRANSPORTATION SELECTED PERSONNEL

Name	Position	Total Years of Service with the Department
Marc D. Williams, P.E.	Executive Director	15 years
Brandye L. Hendrickson	Deputy Executive Director, Planning and Administration	5 years
Brian R. Barth, P.E.	Deputy Executive Director, Program Delivery	38 years
Stephen Stewart, CPA	Chief Financial Officer	15 years
Benjamin H. Asher	Director, Project Finance and Toll Operations Division	14 years
Amanda Landry, CPA	Director, Financial Management Division	13 years
Jeff Graham	General Counsel	14 years

CONSULTANTS AND ADVISORS

Municipal Advisor .... Estrada Hinojosa
Bond Counsel .... McCall, Parkhurst & Horton L.L.P.
Disclosure Counsel .... Orrick, Herrington & Sutcliffe LLP
Paying Agent/Registrar and Escrow Agent .... U.S. Bank Trust Company, National Association

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

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

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

* *On July 2, 2026, Governor Greg Abbott appointed Don Huffines as Comptroller of Public Accounts of Texas, effective August 1, 2026. Mr. Huffines took the oath of office on August 1, 2026. Pursuant to Article IV, Section 12 of the Texas Constitution, the vacancy in the office of Comptroller is filled by appointment of the Governor until the next general election.*

SALE AND DISTRIBUTION OF THE BONDS

For purposes of compliance with Rule 15c2-12 (the "Rule") of the United States Securities and Exchange Commission, this document constitutes an Official Statement that has been "deemed final" by the Commission as of its date, except for the omission of information as permitted by the Rule.

Use of Official Statement

No dealer, broker, salesman, or other person has been authorized by the Commission, the Commission's Municipal Advisor or 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 Municipal 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 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 of this Official Statement. See "CONTINUING DISCLOSURE OF INFORMATION" herein 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.

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 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 CHANGE AT A LATER DATE. CONSEQUENTLY, RELIANCE ON THIS OFFICIAL STATEMENT AT TIMES SUBSEQUENT TO THE ISSUANCE OF THE BONDS DESCRIBED HEREIN SHOULD NOT BE MADE ON THE ASSUMPTION THAT ANY SUCH FACTS OR CIRCUMSTANCES ARE UNCHANGED.

NONE OF THE STATE, THE COMMISSION, THE DEPARTMENT, THE COMMISSION'S MUNICIPAL ADVISOR OR THE UNDERWRITERS MAKE ANY REPRESENTATION AS TO THE ACCURACY, ADEQUACY OR COMPLETENESS OF THE INFORMATION CONTAINED 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, the Master Resolution, the Sixteenth Supplemental Resolution and such other documents contained in this Official Statement are made subject to all of the respective provisions thereof. 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.

The Series 2026-A Bonds and the Series 2026-B Bonds are separate and distinct securities offerings being issued and sold independently except for this common Official Statement, and, while the Bonds share certain common attributes, each series of Bonds is separate from the others and should be reviewed and analyzed independently, including the type of obligation being offered, its terms for payment, the right of owners, and other features. See "OTHER INFORMATION – Underwriting" herein.

Marketability

THE PRICES AND OTHER TERMS RESPECTING THE OFFERING AND SALE OF EACH SERIES OF BONDS MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS OF SUCH BONDS AFTER SUCH BONDS ARE RELEASED FOR SALE, AND SUCH BONDS MAY BE OFFERED AND SOLD AT PRICES OTHER THAN THE INITIAL OFFERING PRICES, INCLUDING SALES TO DEALERS WHO MAY SELL SUCH BONDS INTO INVESTMENT ACCOUNTS.

Securities Laws

NEITHER THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION (THE "SEC") NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE BONDS OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

No registration statement relating to the 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 Bonds been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein. Furthermore, the 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 Bonds under the securities laws of any jurisdiction (domestic or foreign) in which the Bonds may be offered, sold or otherwise transferred.

This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions.

The statements contained in this Official Statement that are not purely historical, are forward-looking statements, including but not limited to, the revenue projections in the Comptroller's certification described herein and any statements regarding a person's or entity's expectations, hopes, intentions, or strategies regarding the future. All forward-looking statements included in this Official Statement are based on information available on the date of this Official Statement 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 are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, the Rule.

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TABLE OF CONTENTS

Page

TABLE OF CONTENTS
(Continued)

OFFICIAL STATEMENT

$716,080,000*	**$400,000,000***
TEXAS TRANSPORTATION COMMISSION	**TEXAS TRANSPORTATION COMMISSION**
STATE OF TEXAS GENERAL OBLIGATION	**STATE OF TEXAS GENERAL OBLIGATION**
MOBILITY FUND AND REFUNDING BONDS,	**MOBILITY FUND PUT BONDS,**
SERIES 2026-A	**SERIES 2026-B (MULTIANNUAL MODE)**

INTRODUCTION

General

This Official Statement (which includes the cover page, pages (i) and (ii), the Schedules and the Appendices hereto, and the information incorporated by reference into this Official Statement as described in "GENERAL INFORMATION REGARDING THE STATE") contains information relating to the offering 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"), of its State of Texas General Obligation Mobility Fund and Refunding Bonds, Series 2026-A (the "Series 2026-A Bonds") and State of Texas General Obligation Mobility Fund Put Bonds, Series 2026-B (Multiannual Mode) (the "Series 2026-B Bonds," and together with the Series 2026-A Bonds, the "Bonds"). Capitalized terms used in this Official Statement have the meanings assigned to such terms as set forth in "APPENDIX B – SELECT PROVISIONS OF THE RESOLUTION," except as otherwise indicated herein.

Purpose

The Bonds will be used to (i) pay, or reimburse the State Highway Fund or the Mobility Fund (as defined herein) for payment for, authorized purposes (as provided by the Act), including paying costs of constructing, reconstructing, acquiring, and expanding State highways and providing participation by the State in the payment of part of the costs of constructing and providing public transportation projects, and (ii) pay the costs of issuing the Bonds. In addition to the immediate preceding sentence, the Series 2026-A Bonds may be used to (i) refund the Refunded Bonds, as further identified in "SCHEDULE I – REFUNDED BONDS" attached hereto (collectively, the "Refunded Bonds"), (ii) pay the purchase price of certain Outstanding Parity Debt, as further identified in "SCHEDULE II – Purchased Bonds" attached hereto (collectively, the "Purchased Bonds"), that have been validly tendered for purchase by the Commission pursuant to the Invitation (as defined herein), and (ii) pay the costs of the Tender Offer (as defined herein). See "PLAN OF FINANCE."

Security

The Bonds are payable from the Mobility Fund (the "Mobility Fund" or "Fund") created pursuant to Article III, Section 49-k of the Texas Constitution (the "Constitutional Provision") and secured on a first lien basis by the Security (as defined herein) as Parity Debt (as defined herein) obligations. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Other Sources of Payment – Pledge of Security" for a description of the Security. Pursuant to the Constitutional Provision, the Texas Legislature (the "State Legislature") has dedicated certain revenues to the Mobility Fund and such revenues (referred to herein as the "Dedicated Revenues") must be deposited in the Mobility Fund. Upon their deposit in the Mobility Fund, Dedicated Revenues are available for the payment of Parity Debt, including the Bonds, the other Outstanding Parity Debt and any additional Parity Debt, without further appropriation by the State. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Overview of Dedicated Revenues – Major Sources" and "– Substitution of Dedicated Revenues" herein.

THE 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 BONDS."

* Preliminary; subject to change.

Legal Authority

The Bonds are issued pursuant to the Constitutional Provision, Subchapter M of Chapter 201, Texas Transportation Code, as amended (the "Act"); Chapters 1207 and 1371, Texas Government Code, as amended; the Master Resolution (as defined herein); the Sixteenth Supplemental Resolution adopted by minute order of the Commission on May 21, 2026, together with one or more Award Certificates approving the final terms of the Bonds as authorized therein (collectively, the "Sixteenth Supplemental Resolution"). The Master Resolution and the Sixteenth Supplemental Resolution are referred to herein collectively as the "Resolution."

MOBILITY FUND FINANCING PROGRAM

General

The Commission created the Mobility Fund Revenue Financing Program (the "Program") by adoption of the "Master Resolution Establishing the Texas Transportation Commission Mobility Fund Revenue Financing Program" by minute order of the Commission on May 4, 2005, as amended pursuant to minute orders adopted by the Commission on September 27, 2007, June 28, 2012 and January 29, 2015 (collectively, the "Master Resolution") to provide a financing structure for the issuance of obligations pursuant to the Constitutional Provision and the Act. The Bonds are the nineteenth and twentieth series of obligations issued pursuant to the Program. The Master Resolution further authorizes the issuance of additional obligations under the Program. See "– Amendments to the Act" and "GENERAL INFORMATION REGARDING THE BONDS – Additional Parity Debt." As of August 15, 2026, $5,760,010,000 in aggregate principal amount of Parity Debt was outstanding. Following the issuance of the Bonds and the application of the proceeds thereof, including the refunding of the Refunded Bonds, purchase and cancellation of the Purchased Bonds, and the redemption of the Redeemed Bonds (as defined herein), on the Date of Initial Delivery (as defined herein), $6,669,780,000* in aggregate principal amount of Parity Debt will be outstanding.

Constitutional Authority for the Program

The Constitutional Provision establishes the Mobility Fund as a fund in the State treasury to be administered by the Commission to provide a method of financing the construction, reconstruction, acquisition, and expansion of State highways. The Constitutional Provision also authorizes the use of money in the Mobility Fund to provide participation by the State in the payment of a portion of the costs of constructing and providing publicly-owned toll roads and other public transportation projects in accordance with procedures, standards, and limitations established by law. Under the Constitutional Provision, the Commission is authorized to issue and sell obligations and enter into credit agreements that are payable from and secured by a pledge of and a lien on all or part of the money on deposit in the Mobility Fund subject to the Texas Comptroller of Public Accounts (the "Comptroller") certifying the aggregate principal amount of obligations that can be repaid in accordance with State law. See "– Requirements of the Act" below. Proceeds from the sale of obligations must be deposited into the Mobility Fund and used for one or more specific purposes authorized by law, including: (1) paying all or a portion of the costs of constructing, reconstructing, acquiring and expanding State highways, including costs of any necessary design and costs of acquisition of rights-of-way; (2) providing participation by the State in the payment of part of the costs of constructing and providing public transportation projects; (3) refunding obligations and related credit agreements; (4) creating reserves for payment of obligations and related credit agreements; (5) paying the costs of issuance; and (6) paying interest on the obligations and related credit agreements for a period not longer than the maximum period established by law.

Pursuant to the Constitutional Provision, the State Legislature has dedicated certain Dedicated Revenues to the Mobility Fund and such Dedicated Revenues must be deposited in the Mobility Fund. Upon their deposit in the Mobility Fund, Dedicated Revenues are available for the payment of Parity Debt, including the Bonds, the other Outstanding Parity Debt and any additional Parity Debt, without further appropriation by the State. For more information on Dedicated Revenues, see "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Overview of Dedicated Revenues – Major Sources" and "– Substitution of Dedicated Revenues" herein.

The Constitutional Provision also authorizes the State Legislature to provide the Commission with the authority to guarantee the payment of Parity Debt by pledging the full faith and credit of the State to the payment of Parity Debt if Dedicated Revenues are insufficient for such purpose. Pursuant to the Act, the Commission has

* Preliminary, subject to change.

implemented such authority to pledge the full faith and credit of the State to the payment of the Bonds and all other currently Outstanding Parity Debt. THE BONDS CONSTITUTE GENERAL OBLIGATIONS OF THE STATE, AND THE FULL FAITH AND CREDIT OF THE STATE IS PLEDGED FOR THE PAYMENT OF THE BONDS. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – State General Obligation Pledge.”

Requirements of the Act

The Constitutional Provision authorizes the State Legislature to establish standards, procedures and limitations for the issuance of obligations under the Program. These standards, procedures and limitations are set forth in the Act. Before obligations (including Parity Debt such as the Bonds and Subordinated Debt) secured by revenues dedicated to and on deposit in the Mobility Fund may be issued under the Act, the Comptroller must certify that the projected Dedicated Revenues and money on deposit in the Mobility Fund, including projected investment earnings, during each year of the period during which such obligations will be outstanding, will be equal to at least 110% of the Annual Debt Service Requirements of the proposed obligations and any already outstanding obligations in each year. See “FUND ADMINISTRATION AND INVESTMENT – Certification by the Comptroller” herein. The Comptroller has made such a certification with respect to the Bonds and all previously-issued Outstanding Parity Debt. The Comptroller’s certification was based upon the calculation of the Annual Debt Service Requirements, as certified by the Department’s Chief Financial Officer in accordance with the “Annual Debt Service Requirements” as defined in the Master Resolution. For purposes of this calculation, Annual Debt Service Requirements excludes the portion of debt service on certain previously issued Parity Debt that is expected to be paid from BAB Subsidy Payments (as defined herein) anticipated to be received from the United States Treasury (the “U.S. Treasury”). See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Application of Certain BAB Subsidy Payments” and “– Effects of Federal Sequestration on Series 2009A Bonds.”

The Act also provides that the Commission may not issue obligations under the Program until the Department has developed a strategic plan outlining how the proceeds of such Program obligations will be used and the benefits the State will derive from such use. The Department developed, and the Commission approved, the Texas Mobility Fund Strategic Plan (the “Strategic Plan”) in September of 2004. The Strategic Plan has not been amended since its approval by the Commission.

Amendments to the Act

House Bill No. 122 (“HB 122”), enacted during the regular session of the 84th Legislature and effective on June 10, 2015, amended the Act to provide that no additional 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”), enacted during the regular session of the 87th Legislature and effective on June 18, 2021, amended the 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 Program 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 Program obligations outstanding on May 1, 2021. As of May 1, 2021, the outstanding principal amount of Program obligations was $5,943,200,000. Accordingly, under the Act, as amended by HB 2219, the Commission may issue, other than refunding obligations described herein, no more than $3,565,920,000 in aggregate principal amount of additional Program obligations for certain transportation projects prior to January 1, 2027. As of August 15, 2026, $972,400,000 of obligations have been issued by the Commission for transportation projects authorized by HB 2219. Following the issuance of the Bonds, the Commission will have remaining authority to issue, other than refunding obligations described herein, no more than approximately $1,540,135,000* in aggregate principal amount of additional Program obligations for certain transportation projects prior to January 1, 2027, under the Act, as amended by HB 2219. After the issuance of the Bonds, the Commission

* Preliminary, subject to change.

does not intend to issue the remaining $1,540,135,000*[*] of additional Program obligations under the Act, as amended by HB 2219, prior to January 1, 2027.

HB 2219 does not limit the authority of the Commission to issue Program 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.

See "GENERAL INFORMATION REGARDING THE BONDS — Additional Parity Debt" for information concerning the issuance of additional Parity Debt or other obligations pursuant to the Master Resolution.

Program Capacity

Pursuant to the Master Resolution, the Program is currently established in the aggregate principal amount not to exceed $7.5 billion outstanding at any one time. The Program capacity was increased in 2007 from $4.0 billion to $6.5 billion outstanding at any one time, in 2012 from $6.5 billion to $7.2 billion outstanding at any one time and in January 2015 from $7.2 billion to not to exceed $7.5 billion outstanding at any one time. Subject to the Constitutional Provision's debt service coverage requirement, which provides that Program obligations shall be repaid when due from money on deposit in the Mobility Fund in accordance with procedures established by State law, the Constitutional Provision does not limit the amount of obligations that may be issued under the Program, including Parity Debt such as the Bonds; however, HB 2219 does implement limitations on the issuance of Program obligations issued for certain transportation projects. See "GENERAL INFORMATION REGARDING THE BONDS – Additional Parity Debt" for information concerning the issuance of additional Parity Debt or other obligations pursuant to the Master Resolution. The Master Resolution may be amended, without the consent of the Owners (as defined herein), to increase the principal amount of the Program and to permit the issuance of additional obligations thereunder in accordance with State law. The Commission reserves the right to increase the Program capacity but does not currently anticipate increasing the existing Program capacity.

PLAN OF FINANCE

General

The Bonds are being issued under the Program to (i) pay, or reimburse the State Highway Fund (as defined herein) or the Mobility Fund for payment for, authorized purposes (as provided by the Act), including paying costs of constructing, reconstructing, acquiring, and expanding State highways and providing participation by the State in the payment of part of the costs of constructing and providing public transportation projects, and (ii) pay the costs of issuing the Bonds. In addition to the immediately preceding sentence, the Series 2026-A Bonds may also be used to (i) refund the Refunded Bonds, (ii) pay the purchase price of the Purchased Bonds that have been validly tendered and accepted for purchase by the Commission pursuant to the Invitation to Tender Bonds dated August 17, 2026 (the "Invitation"), and (iii) pay the costs of the Tender Offer (as defined herein). The Sixteenth Supplemental Resolution authorizes the issuance of one or more series of bonds in an aggregate principal amount not to exceed $5,100,000,000. See "MOBILITY FUND FINANCING PROGRAM – Amendments to the Act" herein. The Bonds will be the first and second series of obligations issued pursuant to the Sixteenth Supplemental Resolution and the nineteenth and twentieth series of obligations issued or executed pursuant to the Program. The Sixteenth Supplemental Resolution authorizes the Department Representative, on behalf of the Commission, to establish the pricing terms for the Bonds. Concurrently with the issuance of the Bonds, the Commission expects to use lawfully available funds of the Commission to redeem the Redeemed Bonds (as defined herein) pursuant to the extraordinary optional redemption provisions applicable thereto. "See – Payment of the Redeemed Bonds and the Refunded Bonds" and "– Purchase of the Purchased Bonds."

Bond Review Board Approval

With certain exceptions, bonds issued by State agencies and institutions, including obligations authorized by the Sixteenth Supplemental Resolution and any additional Parity Debt and other bonds issued by the Commission, must be approved by the Texas Bond Review Board (the "Bond Review Board") prior to their issuance, unless certain exemptions set forth in the Bond Review Board's rules are satisfied. The Bond Review Board is composed of the

[*] Preliminary, subject to change.

Governor of the State (the "Governor"), the Lieutenant Governor of the State, the Speaker of the Texas 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 July 28, 2026, the Bond Review Board provided written notification to the Commission that it approved the issuance of the Bonds as additional Parity Debt with a maximum par amount and a maximum total proceeds amount of $1,860,000,000, including premiums. The Bonds are being issued pursuant to such approval. Prior to the issuance of any additional obligations authorized by the Sixteenth Supplemental Resolution or any additional Parity Debt in excess of the amount previously approved by the Bond Review Board, the Commission must apply to the Bond Review Board for approval of the issuance of such obligations.

Payment of the Redeemed Bonds and the Refunded Bonds

Concurrently with the issuance of the Bonds, the Commission expects to use a contribution of lawfully available cash of approximately $125,000,000 to redeem certain maturities of (i) the Commission's State of Texas General Obligation Mobility Fund Bonds, Taxable Series 2009A (Build America Bonds – Direct Payment) (the "Series 2009A Bonds" and the Series 2009A Bonds so redeemed, the "Redeemed Series 2009A Bonds") and (ii) the Commission's State of Texas General Obligation Mobility Fund Refunding Bonds, Taxable Series 2020 (the "Taxable Series 2020 Bonds" and the Taxable Series 2020 Bonds so redeemed, if any, the "Redeemed Taxable Series 2020 Bonds") not otherwise included in the Invitation, or any other Outstanding Parity Debt of the Commission, if any (collectively, with the Redeemed Series 2009A Bonds and the Redeemed Taxable Series 2020 Bonds, the "Redeemed Bonds").

The Commission may also refund and redeem, from the net proceeds of the Series 2026-A Bonds, and certain available funds of the Commission, certain maturities of the Series 2009A Bonds (the "Refunded Series 2009A Bonds") and the Taxable Series 2020 Bonds (the "Refunded Taxable Series 2020 Bonds" and together with the Refunded Series 2009A Bonds, the "Refunded Bonds") that are (i) not otherwise included in the Invitation and (ii) not otherwise Redeemed Bonds or Purchased Bonds (as defined below) on their respective redemption dates as described in "SCHEDULE I – REFUNDED BONDS" hereto.

The redemption price of the Redeemed Bonds and of the Refunded Bonds, if any, are expected to be determined in accordance with the requirements of the Amended and Restated Eighth Supplemental Resolution authorizing the issuance of the Series 2009A Bonds (the "2009A Supplement") and the Amended and Restated Thirteenth Supplemental Resolution authorizing the issuance of the Taxable Series 2020 Bonds (the "2020 Supplement"), as applicable. The Commission has designated Jefferies LLC ("Jefferies"), one of the Underwriters of the Series 2026-A Bonds, as the Designated Investment Banker in connection with the extraordinary optional redemption of the Redeemed Series 2009A Bonds and the Refunded Series 2009A Bonds, if any, pursuant to the 2009A Supplement. The accuracy of the mathematical computations of (a) the extraordinary optional redemption price of the Redeemed Series 2009A Bonds, any Refunded Series 2009A Bonds, any Redeemed Taxable 2020 Bonds, and any Refunded Taxable 2020 Bonds will be calculated by the Commission's financial advisor or Municipal Advisor (Estrada Hinojosa). Such calculations by Estrada Hinojosa will be provided to The Arbitrage Group (the "Verification Agent") who will verify the accuracy of the mathematical computations of the sufficiency of the amount initially deposited to the Escrow Fund necessary for the redemption of such Redeemed Bonds and any Refunded Bonds. The Verification Agent will issue its Verification Report, prior to or on the Date of Initial Delivery of the Bonds.

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 Bonds and the Redeemed Bonds in accordance with applicable law and the terms of the Master Resolution and the applicable Supplement authorizing their issuance. Money on deposit in the Escrow Fund held by the Escrow Agent will not be available to pay debt service on the Bonds.

Bond Counsel will render an opinion on the Date of Initial Delivery of the Bonds to the effect that, in reliance upon the calculations of the financial advisor and Municipal Advisor (Estrada Hinojosa), and as a result of the firm banking and financial arrangements described above, the Refunded Bonds and the Redeemed 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 and the Redeemed Bonds that the Refunded Bonds and the Redeemed Bonds will be defeased and/or redeemed on their respective redemption dates, on which date funds will be made available to redeem the Refunded Bonds and the Redeemed Bonds, and the Commission will have no further responsibility with respect to amounts available in the Escrow Fund for the payment of the Refunded Bonds and the Redeemed Bonds.

Purchase of the Purchased Bonds

On August 17, 2026, the Commission released the Invitation to the beneficial owners of certain Outstanding Parity Debt, comprised of certain maturities of the Commission's State of Texas General Obligation Mobility Fund Refunding Bonds, Series 2017-B and State of Texas General Obligation Mobility Fund Refunding Bonds, Taxable Series 2020 (collectively, the "Target Bonds"), to tender their Target Bonds for purchase by the Commission on the terms and conditions set forth in the Invitation (the "Tender Offer"). 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 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 pursuant to the Invitation (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 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 2026-A Bonds, together with the costs related thereto, from a portion of the proceeds of the Series 2026-A Bonds, and certain available funds of the Commission. Target Bonds not purchased pursuant to the Invitation will remain Outstanding. Prior to or on the Date of Initial Delivery of the Series 2026-A Bonds, Estrada Hinojosa, in its capacity as Municipal Advisor, 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.

The Target Bonds will be tendered to the Commission under the terms of the Invitation with the assistance of Jefferies, acting in its capacity as dealer manager of the Tender Offer (the "Dealer Manager"). Jefferies will receive a customary fee for its services as Dealer Manager and will be reimbursed for any expenses it incurs as the Dealer Manager. Jefferies is also the bookrunning Underwriter of the Series 2026-A Bonds. See "OTHER INFORMATION – Underwriting" and "OTHER INFORMATION – Relationship of Certain Parties."

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Sources and Uses of Funds

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

Sources of Funds	Series 2026-A Bonds	Series 2026-B Bonds	Total
Principal Amount	$	$	$
[Net] Original Issue Premium			
Debt Service Funds Available[1]			
Total Sources	$	$	$
Uses of Funds[2]			
Deposit to Mobility Fund Bond Proceeds Account	$	$	$
Redemption of the Refunded Bonds[2]			
Purchase Price of the Purchased Bonds			
Underwriters' Discount			
Costs of Issuance[3]			
Total Uses	$	$	$

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(1) Does not include amounts contributed by the Commission to redeem the Redeemed Bonds.
(2) Does not include the Redeemed Bonds.
(3) Includes fees and expenses associated with bond counsel, disclosure counsel, rating agencies, and other costs associated with issuing the Bonds and the Tender Offer.

GENERAL INFORMATION REGARDING THE BONDS

General

The Bonds will be issued in book-entry form pursuant to the book-entry-only system described below. Beneficial owners of Bonds will not receive physical delivery of Bond certificates. The Bonds will be issued in fully registered form and purchases of Bonds are required to be in the denomination of $5,000 or any integral multiple thereof. The Bonds will be prepared as one fully registered bond certificate for each maturity and will be initially registered in the name of and delivered only to Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"), pursuant to the book-entry-only system described herein. DTC will act as securities depository for the Bonds. Principal of, premium, if any, and interest on the Bonds will be payable by the Paying Agent/Registrar (as defined herein) to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds (see "APPENDIX D – DTC BOOK-ENTRY-ONLY SYSTEM"). The Bonds will mature in the respective principal amounts, on the respective dates, and will bear interest at the respective rates, all as shown on pages (i) and (ii) of this Official Statement. The Bonds will bear interest from their date of initial delivery (the "Date of Initial Delivery"), calculated on the basis of a 360-day year composed of twelve 30-day months, and such interest will be payable semiannually on each April 1 and October 1 (each an "Interest Payment Date"), commencing April 1, 2027.

Payment of the Bonds

The principal of, redemption premium, if any, and interest on the 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, and interest on the Bonds will be payable only upon the presentation and surrender of said Bonds to the Paying Agent/Registrar at its designated office. Interest on the Bonds will be paid to the Owner whose name appears in the Security Register at the close of business on the Record Date for such Bonds 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 for such Bonds 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. Notwithstanding the foregoing, so long as Cede & Co. (or other DTC nominee) is the registered owner of the Bonds, all payments will be made as described in "APPENDIX D – DTC BOOK-ENTRY-ONLY SYSTEM."

In the event that any date for payment of the principal of or interest on the 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.

Record Date for Interest Payment

The record date ("Record Date") for determining the person to whom interest is payable on any Interest Payment Date means the close of business on the fifteenth day of the calendar month immediately preceding such Interest Payment Date. In the event of a non-payment of interest on the Bonds on a scheduled payment date, 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 ("Bonds Special Payment Date," which must be 15 days after the Special Record Date) shall 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 appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day immediately preceding the date of mailing of such notice.

Paying Agent/Registrar

The initial Paying Agent/Registrar for the Bonds is U.S. Bank Trust Company, National Association, Houston, 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 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 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 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.

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 Bond may, in accordance with its terms and the terms of the Resolution, be transferred or exchanged for Bonds in authorized denominations of $5,000 and integral multiples thereof ("Authorized Denominations") upon the Security Register by the Owner, in person or by his duly authorized agent, upon surrender of such 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 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 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 and series as the Bond or Bonds surrendered for transfer.

At the option of the Owner, the Bonds may be exchanged for other 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 Bonds surrendered for exchange, upon surrender of the Bonds to be exchanged at the designated office of the Paying Agent/Registrar. Whenever any Bonds are surrendered for exchange, new Bonds will be registered and delivered, executed on behalf of, and furnished by, the Commission to the Owner requesting the exchange.

All Bonds issued upon any transfer or exchange of 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 Bonds surrendered in such transfer or exchange.

All transfers or exchanges of Bonds pursuant to the Resolution will be made without expense or service charge to the Owner, except as otherwise provided in the 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.

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 Bond or Bonds registered and delivered in the exchange or transfer. Additionally, the term “Predecessor Bonds” includes any mutilated Bond that is surrendered to the Paying Agent/Registrar or any 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 Bond has or Bonds have been registered and delivered pursuant to the Resolution.

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 Bonds.

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 Bond called for redemption, in whole or in part, within 45 days of the date fixed for the redemption of such Bond; provided, however, that such limitation of transfer will not be applicable to an exchange by the Owner of the unredeemed balance of a 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 Bonds, will send any notice of redemption, notice of proposed amendment to the Resolution, or other notices with respect to the Bonds only to DTC. Any failure by DTC to advise any Direct Participant, or of any Direct Participant or Indirect Participant to notify the Beneficial Owner (as such terms are defined in “APPENDIX D – DTC BOOK-ENTRY-ONLY SYSTEM”), will not affect the validity of the redemption of the Bonds called for redemption or any other action premised on any such notice. Redemption of portions of the Bonds by the Commission will reduce the outstanding principal amount of such 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 Bonds from the Beneficial Owners. Any such selection of Bonds to be redeemed will not be governed by the 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 Bonds or the providing of notice to Direct Participants, Indirect Participants, or Beneficial Owners of the selection of portions of the Bonds for redemption. See "APPENDIX D – DTC BOOK-ENTRY-ONLY SYSTEM."

Selection of Bonds for Redemption

If less than all of the Bonds are to be redeemed, the Commission may select the maturities of Bonds to be redeemed. If less than all the Bonds of any maturity, or sinking fund installment in the case of Term Bonds, are to be redeemed, the Paying Agent/Registrar (or DTC while the Bonds of such series are in Book-Entry-Only form) shall determine by lot, or such other random method, the Bonds, or portions thereof, within such maturity, or sinking fund installment in the case of Term Bonds, to be redeemed. If a Bond (or any portion of the principal sum thereof) shall have been called for redemption and notice of such optional redemption shall have been given, the 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.

Purchase in Lieu of Redemption

Notwithstanding anything in the Sixteenth Supplemental Resolution to the contrary, all or a portion of the Bonds to be redeemed as specified in the notice of redemption may be purchased by the Paying Agent/Registrar at the direction of a Department Representative on the date which would be the redemption date if such 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 Bonds on the redemption date for the account of and at the direction of a Department Representative who shall give the Paying Agent/Registrar notice at least forty-five (45) days prior to the scheduled redemption date for the Bonds accompanied by a Favorable Opinion of Bond Counsel. In the event the Paying Agent/Registrar is so directed to purchase Bonds in lieu of optional redemption, no notice to the Owners of the Bonds to be so purchased (other than the notice of redemption otherwise required under the Sixteenth Supplemental Resolution) 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 Bonds if such had been redeemed rather than purchased. Each 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 Bonds to be purchased pursuant to the foregoing provisions 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.

Amendments to Sixteenth Supplemental Resolution

Without Consent of Owners. Subject to the provisions of the Master Resolution, the Sixteenth Supplemental Resolution, and the rights and obligations of the Commission and of the Owners of the Bonds, the Sixteenth Supplemental Resolution may be modified or amended at any time without notice to or the consent of any such Owners or any other owner of Parity Debt, solely for any one or more of the following purposes:

(i) to add to the covenants and agreements of the Commission contained in the Sixteenth 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 Sixteenth Supplemental Resolution;

(ii) to cure any ambiguity or inconsistency, or to cure or correct any defective provisions contained in the Sixteenth 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 Sixteenth Supplemental Resolution;

(iii) to supplement the Security for the Bonds or a Credit Agreement;

(iv) to make such other changes in the provisions of the Sixteenth 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 Bonds;

(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 the initial issuance of the Bonds, which changes or amendments do not, in the judgment of the Commission, materially adversely affect the interests of the Owners of the Outstanding Bonds;

(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; or

(vii) to make any changes or amendments that take effect after a mandatory tender of all Outstanding Variable Rate Bonds if there is delivered to the Commission a Favorable Opinion of Bond Counsel.

With Consent of Owners. Subject to the other provisions of the Sixteenth Supplemental Resolution and the Master Resolution, the Owners of the applicable series of Outstanding Bonds aggregating a majority in Outstanding Principal Amount of such Bonds have the right from time to time to approve any amendment, other than amendments described in the immediately preceding section, to the Sixteenth 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 applicable series of Outstanding Bonds, the amendment of the terms and conditions in the Sixteenth Supplemental Resolution 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 the Outstanding Bonds;

(iii) reduce the amount of the principal payable on the 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 of the Bonds then Outstanding; or

(vi) change the minimum percentage of the Outstanding Principal Amount of the 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 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 Bonds. A copy of such notice must be provided in writing to each rating agency maintaining a rating on the Bonds.

Use of Certain Terms in Other Sections of this Official Statement

In reading this Official Statement it should be understood that while the 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 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.

Additional Parity Debt

In the Master Resolution, the Commission has reserved the right to issue or incur additional Parity Debt for any purpose authorized by State law. The issuance of such Parity Debt is subject to the requirements of the Constitutional Provision and the Act, including the amendments of HB 2219 to the Act. See "MOBILITY FUND FINANCING PROGRAM – Amendments to the Act." Prior to the issuance of such additional Parity Debt, the Commission must find that, upon the issuance of such Parity Debt, the Security will be sufficient to meet the financial obligations relating to the Program, including Security in amounts sufficient to satisfy the Annual Debt Service Requirements of the Program. For this purpose, Annual Debt Service Requirements excludes the portion of debt service on certain previously issued Parity Debt that is expected to be paid from BAB Subsidy Payments (as defined herein) anticipated to be received from the U.S. Treasury. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Application of Certain BAB Subsidy Payments" and "– Effects of Federal Sequestration on Series 2009A Bonds." In addition, to the extent then required by State law, the Commission must receive all required certifications of the Comptroller with respect to such additional Parity Debt. Under current State law, before additional obligations (including Parity Debt and Subordinated Debt) are issued payable from a pledge of and lien on all or part of the money in the Mobility Fund, the Comptroller must project and certify that the amount of money dedicated to and required to be on deposit in the Mobility Fund pursuant to the Constitutional Provision, and the investment earnings on that money, during each year of the period during which the proposed additional obligations are scheduled to be outstanding will be equal to at least 110% of the Annual Debt Service Requirements of the proposed additional obligations and any already outstanding obligations in each year. See "FUND ADMINISTRATION AND INVESTMENT – Certification by the Comptroller."

Pursuant to the Sixteenth Supplemental Resolution, the Commission has authorized the issuance of all remaining amounts of new obligations under HB 2219, which includes $1,116,080,000* of the Bonds; provided, however, the Commission is not required to issue any additional new obligations under HB 2219. See "MOBILITY FUND FINANCING PROGRAM – Amendments to the Act."

DESCRIPTION OF THE SERIES 2026-A BONDS

General

The Series 2026-A Bonds are being issued as Current Interest Bonds. The Series 2026-A Bonds will mature in the respective principal amounts, on the respective dates, and will bear interest at the respective rates, all as shown on page (i) of this Official Statement. The Series 2026-A Bonds will bear interest from their Date of Initial Delivery, calculated on the basis of a 360-day year composed of twelve 30-day months, and such interest will be payable semiannually on each April 1 and October 1, commencing April 1, 2027.

Redemption Provisions of the Series 2026-A Bonds*

Optional Redemption. The Series 2026-A Bonds maturing on or after October 1, 20[__] are subject to redemption, prior to their scheduled maturity, with funds derived from any available source, in whole or in part, at the option of the Commission in authorized denominations, at the redemption price of par plus interest accrued to the date of redemption, and without premium, on October 1, 20[__], or any date thereafter.

Retention of Rights. To the extent that the Commission has defeased any Outstanding Series 2026-A Bonds pursuant to the provisions of the Sixteenth Supplemental Resolution (the "Defeased Debt") to their stated maturity, the Commission retains the right under State law to later call that Defeased Debt for redemption in accordance with the provisions of the Sixteenth Supplemental Resolution and the Award Certificate relating to the Defeased Debt. The Commission may call such Defeased Debt for redemption upon complying with the provisions of State law and upon the satisfaction of certain provisions of the Sixteenth Supplemental Resolution with respect to such Defeased Debt as though it was being defeased at the time of the exercise of the option to redeem the Defeased Debt, and the effect of the redemption is taken into account in determining the sufficiency of the provisions made for the payment of the Defeased Debt.

Notice of Optional Redemption for the Series 2026-A Bonds

Unless waived by any Owner of the Series 2026-A Bonds to be redeemed, the Department Representative will give notice of optional redemption or defeasance to the Paying Agent/Registrar at least 35 days prior to an optional redemption date in the case of a redemption of Series 2026-A 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 2026-A Bonds, and the Paying Agent/Registrar will give notice of optional redemption or of defeasance of Series 2026-A Bonds by United States mail, first-class, postage prepaid at least 30 days but not more than 60 days prior to an optional redemption date, and

* Preliminary; subject to change.

within 30 days after a defeasance date, to each Owner. The Paying Agent/Registrar will also send a notice of prepayment or redemption to the Owner of any Series 2026-A Bond who has not sent the Series 2026-A Bonds in for redemption 60 days after the redemption date.

With respect to any optional redemption of the Series 2026-A Bonds, unless certain prerequisites to such redemption required by the Resolution have been met and money sufficient to pay the principal of and premium, if any, and interest on the Series 2026-A Bonds to be redeemed has been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice will state, at the option of the Commission, that said redemption may 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 2026-A 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 2026-A Bonds have not been redeemed.

DESCRIPTION OF THE SERIES 2026-B BONDS

General

The Series 2026-B Bonds will be issued as multi-modal bonds and will initially bear interest in a Multiannual Mode for an initial multiannual period that commences on the Date of Initial Delivery and ends on the date specified on page (ii) of this Official Statement as the Multiannual Rate Period (the "Initial Multiannual Rate Period"). During the Initial Multiannual Rate Period, interest on the Series 2026-B Bonds will accrue at the Interest Rate specified on page (ii) hereof, calculated on the basis of a 360-day year composed of twelve 30-day months, and will be payable on each April 1 and October 1, commencing April 1, 2027, and on such other dates as described herein. See "– Interest During Initial Multiannual Rate Period."

THIS OFFICIAL STATEMENT DESCRIBES THE SERIES 2026-B BONDS IN THE INITIAL MULTIANNUAL RATE PERIOD ONLY. THE SERIES 2026-B BONDS ARE SUBJECT TO CONVERSION TO A DIFFERENT MODE OR RATE PERIOD AS FURTHER DESCRIBED HEREIN.

The Series 2026-B Bonds will be subject to mandatory tender for purchase by the Commission on any Mandatory Tender Date at the Purchase Price (defined below), subject to the successful remarketing of all Series 2026-B Bonds that are subject to mandatory tender for purchase on such date as described below under "– Conversion; Mandatory Tender; Purchase of Tendered Series 2026-B Bonds – Mandatory Tender of Series 2026-B Bonds." At that time, the Commission currently intends to either refund or remarket the Series 2026-B Bonds in another Interest Rate Period within the Multiannual Mode or in one of the other several Modes authorized by the Sixteenth Supplemental Resolution, including a [Daily, Weekly, Monthly, Flexible, Quarterly, Semiannual, Index Floating Rate or Fixed Rate Mode] (as further described in the Sixteenth Supplemental Resolution). The purchase price of the Series 2026-B Bonds (the "Purchase Price") on any Mandatory Tender Date is equal to the principal amount thereof. Accrued and unpaid interest on the Series 2026-B Bonds payable on a Mandatory Tender Date will be paid separately and not as part of the Purchase Price.

This Official Statement does <u>not</u> describe the terms and provisions of the Sixteenth Supplemental Resolution as they relate to the Series 2026-B Bonds following the Initial Multiannual Period, except as described below in connection with the mandatory tender for purchase occurring on the Latest Mandatory Tender Date (defined below). The Series 2026-B Bonds may be remarketed or refunded following the Initial Multiannual Period with different terms, which may include a different interest rate or amortization. At the time of any such remarketing, a new offering document or supplement to this Official Statement will be prepared for such remarketing of the Series 2026-B Bonds. See "– Future Terms of Series 2026-B Bonds."

As of the date of this Official Statement, the Commission has not provided any liquidity facility for the payment of the Purchase Price payable upon the mandatory tender of the Series 2026-B Bonds on a Mandatory Tender Date, nor is there any requirement or expectation that such liquidity facility will be obtained. The obligation of the Commission to purchase Series 2026-B Bonds on any Mandatory Tender Date is subject to the successful remarketing of all Series 2026-B Bonds that are subject to mandatory tender for purchase on such

date, and a failed remarketing will not constitute an Event of Default under the Sixteenth Supplemental Resolution. Accordingly, a failure by the Remarketing Agent to remarket Series 2026-B Bonds subject to mandatory tender on a Mandatory Tender Date will result in the rescission of the notice of mandatory tender with respect thereto and the Commission will not have any obligation to purchase such Series 2026-B Bonds at that time. In the event that all Series 2026-B Bonds subject to mandatory tender for purchase on a Mandatory Tender Date that occurs prior to the Latest Mandatory Tender Date are not remarketed on such date, all such Series 2026-B Bonds will continue to bear interest at the Interest Rate specified on page (ii) hereof and will remain in the Initial Multiannual Period for all purposes of the Sixteenth Supplemental Resolution. See "– Effects of a Failed Remarketing Prior to the Latest Mandatory Tender Date." In the event that all Series 2026-B Bonds subject to mandatory tender for purchase on the Latest Mandatory Tender Date are not remarketed on the Latest Mandatory Tender Date, all such Series 2026-B Bonds will bear interest at the Initial Stepped Coupon Rate or the Stepped Coupon Rate (each as defined below), as applicable, being the per annum rate of interest then applicable to such unremarketed Series 2026-B Bonds identified on page (ii) hereof, calculated on the basis of a 360-day year of twelve 30-day months. See "– Effects of a Failed Remarketing on the Latest Mandatory Tender Date."

Conversion; Mandatory Tender; Purchase of Tendered Series 2026-B Bonds

Conversion. Beginning on the First Mandatory Tender Date (defined below) and on any Mandatory Tender Date thereafter during the Initial Multiannual Period, the Commission is permitted to convert the Series 2026-B Bonds to a new Multiannual Rate Period or any of the other several Modes authorized by the Sixteenth Supplemental Resolution. See "– Mandatory Tender of Series 2026-B Bonds."

Tender Provisions Generally. The Series 2026-B Bonds are not subject to tender for purchase at the option of the holders thereof during the Initial Multiannual Period. The Series 2026-B Bonds are, however, subject to mandatory tender for purchase (without right of retention) beginning on the First Mandatory Tender Date and on any Mandatory Tender Date thereafter during the Initial Multiannual Period in the manner described under "– Mandatory Tender of Series 2026-B Bonds" below; provided that a failure to remarket the Series 2026-B Bonds subject to mandatory tender for purchase on any Mandatory Tender Date will not constitute an Event of Default under the Sixteenth Supplemental Resolution or the Series 2026-B Bonds themselves and, in such instance, the mandatory tender will be deemed to have been rescinded for that date and the Commission will have no obligation to purchase any Series 2026-B Bonds subject to mandatory tender on such date, all in accordance with the Sixteenth Supplemental Resolution. See "– Effects of a Failed Remarketing Prior to the Latest Mandatory Tender Date" and "– Effects of a Failed Remarketing on the Latest Mandatory Tender Date" below.

Mandatory Tender of Series 2026-B Bonds. The Series 2026-B Bonds are subject to mandatory tender for purchase, without right of retention by the owners thereof, beginning on [_________] (the "First Mandatory Tender Date") and on any date thereafter during the Initial Multiannual Period, including any deemed extension of the Initial Multiannual Period because of failed remarketing on [_________] (the "Latest Mandatory Tender Date"; any such date of mandatory tender, the "Mandatory Tender Date"); provided, however, if such Mandatory Tender Date is not a Business Day, actual tender shall occur on the next occurring Business Day (though interest will have ceased to accrue as of such Mandatory Tender Date). A Mandatory Tender Date for the Series 2026-B Bonds, other than the Latest Mandatory Tender Date, shall be determined at the option of the Commission (but in no event to occur before the First Mandatory Tender Date). On the specified Mandatory Tender Date, each owner of the Series 2026-B Bonds will be required to tender, and in any event will be deemed to have tendered, such Series 2026-B Bonds (or the applicable portion thereof described below) to U.S. Bank Trust Company, National Association, Houston, Texas, currently serving as the tender agent for the Series 2026-B Bonds (the "Tender Agent"), for purchase at the Purchase Price.

To the extent the Series 2026-B Bonds are not refunded, the Commission has agreed to appoint one or more remarketing agents (each a "Remarketing Agent") prior to the first Mandatory Tender Date established at the election of the Commission (but in no event later than the Latest Mandatory Tender Date), to use its best efforts to remarket all Series 2026-B Bonds subject to mandatory tender for purchase on a Mandatory Tender Date for a price sufficient to pay the Purchase Price, if the Series 2026-B Bonds are not otherwise redeemed on such date. Each Remarketing Agent must have a capitalization of at least $100,000,000 and be authorized by law to perform all the duties imposed upon it by the Sixteenth Supplemental Resolution. Such future Remarketing Agent may not remarket any Series 2026-B Bonds if a default in the payment of principal of or interest on the Series 2026-B Bonds has occurred and is continuing. The Remarketing Agent(s) to be appointed by the Commission will be required to use their best efforts to remarket the Series 2026-B Bonds on a Mandatory Tender Date at a rate not to exceed [___]% per annum (the "Maximum Rate"). If on a Mandatory Tender Date money sufficient to pay the Purchase Price is on deposit with the Tender Agent, the Series 2026-B Bonds will be deemed to have been tendered on such date for purchase and interest on such tendered Series 2026-B Bonds will cease to accrue. Series 2026-B Bonds that have been deemed tendered, but have not been delivered to the Tender Agent, will not be considered Outstanding under the Sixteenth Supplemental Resolution on the Purchase Date (as defined below).

Prior to a Mandatory Tender Date (each, a "Purchase Date"), an authorized representative of the Commission will determine the interest rate mode or modes that will be applicable to the Series 2026-B Bonds from and after the Purchase Date, unless the Series 2026-B Bonds are otherwise refunded or redeemed. The interest rate or rates to be borne by the Series 2026-B Bonds immediately after the Purchase Date will be determined by the Remarketing Agent and will be equal to the rate or rates that, in the opinion of the Remarketing Agent, will permit the remarketing of such Series 2026-B Bonds at par; provided, however, such rate or rates may not exceed the Maximum Rate.

The Tender Agent is required to give notice of mandatory tender to each registered owner of the Series 2026-B Bonds not less than 15 days prior to the Mandatory Tender Date. While the Series 2026-B Bonds are registered in the name of Cede & Co., only Cede & Co. will receive such notice from the Tender Agent. See "APPENDIX D – BOOK-ENTRY-ONLY SYSTEM." However, beneficial owners may register to receive such information directly by contacting the Tender Agent. In the event that the Book-Entry-Only System is discontinued and registered Series 2026-B Bonds are issued, all notices and Series 2026-B Bonds are required to be delivered to the Tender Agent.

Effects of a Failed Remarketing Prior to the Latest Mandatory Tender Date. In the event that all Series 2026-B Bonds subject to mandatory tender for purchase on a Mandatory Tender Date that occurs prior to the Latest Mandatory Tender Date are not remarketed on any such Mandatory Tender Date, the Commission shall have no obligation to purchase such Series 2026-B Bonds tendered on such date, the failed remarketing shall not constitute an Event of Default under the Sixteenth Supplemental Resolution, the mandatory tender will be deemed to have been rescinded for that date and all such Series 2026-B Bonds (a) will continue to be Outstanding, (b) will continue to bear interest at the Interest Rate specified on page (ii) hereof, and (c) will remain in the Multiannual Mode for the Initial Multiannual Period for all purposes of the Sixteenth Supplemental Resolution.

Effects of a Failed Remarketing on the Latest Mandatory Tender Date. In the event that all Series 2026-B Bonds subject to mandatory tender for purchase on the Latest Mandatory Tender Date are not remarketed on such date, the Commission has no obligation to effect the purchase of the Series 2026-B Bonds subject to mandatory tender on the Latest Mandatory Tender Date, the failed remarketing will not constitute an Event of Default under the Sixteenth Supplemental Resolution, the mandatory tender will be deemed to have been rescinded for that date and all such Series 2026-B Bonds (i) will continue to be Outstanding, (ii) will be required to be tendered and purchased upon the availability of funds to be received from any subsequent remarketing or refunding of such Series 2026-B Bonds, (iii) on the Latest Mandatory Tender Date, the Series 2026-B Bonds will (a) bear interest from the Latest Mandatory Tender Date for the period of ninety (90) days at a rate of [___]% per annum (the "Initial Stepped Coupon Rate") and (b) for the period beginning ninety-one (91) days from the Latest Mandatory Tender Date and thereafter at a rate of [___]% per annum (the "Stepped Coupon Rate") until purchased by the Commission through a subsequent remarketing, or retired or redeemed or otherwise (collectively, the "Stepped Coupon Rate Period"), (iv) will be subject to optional redemption, in whole or in part, and mandatory tender for purchase on any date during the Stepped Coupon Rate Period (with two days' notice) and (v) will be deemed to continue in the Multiannual Mode and in the Initial Multiannual Period, though bearing interest at the Initial Stepped Coupon Rate or Stepped Coupon Rate (as applicable) through the day prior to the day they are purchased, retired or redeemed. In the event of a failed remarketing on the Latest Mandatory Tender Date, the Commission has agreed that it will cause the Series 2026-B Bonds to be remarketed or redeemed on the earliest possible date on which they can be sold at par (or above par if the Series 2026-B Bonds are being remarketed at a fixed rate to maturity), in such interest rate mode or modes as the Commission directs in accordance with the terms of the Sixteenth Supplemental Resolution, at a rate not exceeding the Maximum Rate.

Limitations on Payment of Purchase Price; Untendered Series 2026-B Bonds. The Tender Agent will be required to effect purchases of tendered Series 2026-B Bonds solely from (1) proceeds of the remarketing of the Series 2026-B Bonds pursuant to the Remarketing Agreement, or, to the extent such proceeds are insufficient (2) payments, if any, elected to be made by the Commission in its sole discretion. **The Commission has no obligation to purchase tendered Series 2026-B Bonds except from remarketing proceeds.** No purchase right will pertain to Series 2026-

B Bonds registered in the name or held for the benefit or account of the Commission or certain affiliates. See "– Effects of a Failed Remarketing on the Latest Mandatory Tender Date" above.

ANY SERIES 2026-B BOND WHICH IS REQUIRED TO BE TENDERED OR FOLLOWING NOTICE OF MANDATORY TENDER AND FOR WHICH PAYMENT OF THE PURCHASE PRICE IS DULY PROVIDED FOR ON THE RELEVANT PURCHASE DATE WILL BE DEEMED TO HAVE BEEN TENDERED AND SOLD ON SUCH PURCHASE DATE, AND THE HOLDER OF SUCH SERIES 2026-B BOND WILL NOT THEREAFTER BE ENTITLED TO ANY PAYMENT (INCLUDING ANY INTEREST ACCRUED SUBSEQUENT TO SUCH PURCHASE DATE) IN RESPECT THEREOF OTHER THAN THE PURCHASE PRICE FOR SUCH SERIES 2026-B BOND OR OTHERWISE BE SECURED BY OR ENTITLED TO ANY BENEFIT UNDER THE RESOLUTION.

Redemption of the Series 2026-B Bonds*

Optional Redemption of Series 2026-B Bonds. The Series 2026-B Bonds are subject to redemption at the option of the Commission on [_________], 20__ or any date thereafter during the Initial Multiannual Period, including any deemed extension of the Initial Multiannual Period because of a failed remarketing on the Latest Mandatory Tender Date, with funds derived from any available source, in whole or in part, at the redemption price equal to the par amount of the Series 2026-B Bonds to be redeemed plus accrued interest to, but not including, the date of redemption.

Mandatory Sinking Fund Redemption. The Series 2026-B Bonds are subject to mandatory sinking fund redemption by the Commission prior to their stated maturity at a redemption price of par, plus accrued interest to the date fixed for redemption, on October 1 of the years and in the principal amounts indicated below:

Mandatory Sinking Fund Redemption Date	Principal Amount
October 1, 20__	
October 1, 20__[1]	

[1] Stated maturity.

The principal amount of a Series 2026-B Bond required to be redeemed pursuant to the operation of such mandatory sinking fund redemption provisions shall be reduced, at the option of the Commission, by the principal amount of any Series 2026-B Bonds which, at least 50 days prior to the mandatory redemption date (1) shall have been defeased or acquired by the Commission and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the Commission with money in the applicable debt service fund [at a price not exceeding the principal amount of such Series 2026-B Bonds plus accrued interest to the date of acquisition thereof], or (3) shall have been redeemed pursuant to the optional redemption provisions set forth herein and not previously credited against a mandatory sinking fund redemption requirement.

Future Terms of Series 2026-B Bonds

The Series 2026-B Bonds are not convertible into another Interest Rate Period or Mode until purchased on a Mandatory Tender Date. After the Initial Multiannual Period, the Commission currently intends to either refund or remarket the Series 2026-B Bonds in another Interest Rate Period within the Multiannual Mode or in one or more of the other several Modes authorized by the Sixteenth Supplemental Resolution. Pursuant to the Sixteenth Supplemental Resolution, no such remarketing of the Series 2026-B Bonds after the Initial Multiannual Period may change the maturity of or mandatory redemption requirements for the Series 2026-B Bonds, or require that they be purchased prior to maturity except from proceeds of the remarketing of the Series 2026-B Bonds, or result in the Series 2026-B Bonds bearing interest at a rate greater than the Maximum Rate.

* Preliminary, subject to change.

Interest During Initial Multiannual Rate Period

The Series 2026-B Bonds will bear interest during the Initial Multiannual Rate Period at the per annum interest rate specified on page (ii) hereof.

Interest on the Series 2026-B Bonds will be calculated on the basis of a 360-day year composed of twelve 30-day months. Interest on the Series 2026-B Bonds is payable (i) on each April 1 and October 1, commencing April 1, 2027, during the Initial Multiannual Rate Period, including any deemed extension of the Multiannual Rate Period because of a failed remarketing on the Latest Mandatory Tender Date, (ii) on any scheduled mandatory sinking fund redemption date, (iii) on any Mandatory Tender Date on which all Series 2026-B Bonds are successfully remarketed, (iv) on any optional redemption date, and (v) on the Maturity Date. Interest will be payable to the registered owner of the Series 2026-B Bonds of record on the Record Date. See "– Conversion; Mandatory Tender; Purchase of Tendered Series 2026-B Bonds – Effects of a Failed Remarketing on the Latest Mandatory Tender Date."

If the day specified for any payment of principal or interest on the Series 2026-B Bonds is not a Business Day, then such payment may be made on the next Business Day without additional interest and with the same force and effect as if made on the date specified for payment.

Notice of Redemption for the Series 2026-B Bonds

Unless waived by any Owner of the Series 2026-B Bonds, the Commission will give notice of redemption or defeasance to the Paying Agent/Registrar at least 35 days (or two days during the Stepped Coupon Rate Period) prior to a redemption date in the case of a redemption of Series 2026-B Bonds (unless a lesser period is acceptable to the Paying Agent/Registrar) and the Paying Agent/Registrar will give notice of redemption or of defeasance by United States mail, first-class, postage prepaid at least 30 days prior to a redemption date to each Registered Owner of each Series 2026-B Bond to be redeemed at the address of such Registered Owner as it appeared on the Registration Books. The Paying Agent/Registrar will also send a notice of prepayment or redemption to the Owner of any Series 2026-B Bond who has not sent the Series 2026-B Bonds in for redemption 60 days after the redemption date. Notwithstanding the foregoing, no notice of redemption is required to be given to the Registered Owner of any Series 2026-B Bond which is subject to mandatory tender on the date fixed for redemption.

With respect to any optional redemption of the Series 2026-B Bonds, unless certain prerequisites to such redemption required by the Resolution have been met and money sufficient to pay the principal of and premium, if any, and interest on the Series 2026-B 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, at the option of the Commission, that said redemption may 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 2026-B 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 2026-B Bonds have not been redeemed.

For information concerning alternative notice provisions following a failed remarketing of the Series 2026-B Bonds while the Series 2026-B Bonds remain in the Initial Multiannual Rate Period described herein, see "– Conversion; Mandatory Tender; Purchase of Tendered Series 2026-B Bonds – Effects of a Failed Remarketing on the Latest Mandatory Tender Date."

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

Pursuant to the Act, the Commission must secure payment of Parity Debt with all or part of the revenues dedicated to and on deposit in the Mobility Fund, and may pledge the full faith and credit of the State to payments due on Parity Debt if revenues in the Mobility Fund are insufficient to make payments due on such obligations.

With respect to Parity Debt, including the Bonds and all other previously issued Outstanding Parity Debt, the Commission has pledged, as security for the payment of the Bonds and all other previously issued Outstanding Parity

Debt, a first lien interest in the Security, which is defined below under "– Other Sources of Payment – Pledge of Security." See also "– Creation of Accounts and Subaccounts Within the Mobility Fund" below for a description of the accounts created pursuant to the Master Resolution.

In addition, by adoption of the Sixteenth Supplemental Resolution, the Commission exercised its ability to pledge the full faith and credit of the State to payments due on the Bonds and, therefore, should the revenue and money dedicated to and on deposit in the Mobility Fund be insufficient to make payments due on the Bonds, there is appropriated by the Constitutional Provision an amount that is sufficient to make payments due on the Bonds. THE BONDS CONSTITUTE GENERAL OBLIGATIONS OF THE STATE AND THE FULL FAITH AND CREDIT OF THE STATE IS PLEDGED FOR THE PAYMENT OF THE BONDS.

The Commission has never defaulted on the payment of principal of, or interest on, its bonds or other obligations. Historically, Pledged Revenues and the investment proceeds thereof have been sufficient to pay debt service on previously issued and Outstanding Parity Debt without drawing on the State's General Revenue Fund (as defined herein). The Bonds constitute the nineteenth and twentieth series of Parity Debt obligations issued or executed by the Commission under the Program and payable from the Mobility Fund.

State General Obligation Pledge

THE BONDS ARE GENERAL OBLIGATIONS OF THE STATE AND, AS PROVIDED IN THE ACT AND THE RESOLUTION, THE FULL FAITH AND CREDIT OF THE STATE IS PLEDGED FOR THE PAYMENT OF THE BONDS IN THE EVENT THAT THE REVENUE AND MONEY DEDICATED TO AND ON DEPOSIT IN THE MOBILITY FUND ARE INSUFFICIENT. For information describing the financial condition of the State, see "GENERAL INFORMATION REGARDING THE STATE" and "APPENDIX A – THE STATE" attached hereto.

The Constitutional Provision provides that if the revenue and money dedicated to and on deposit in the Mobility Fund pledged to payments due on the Bonds is not sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds, there is appropriated out of the first money coming into the State Treasury in each fiscal year, not otherwise appropriated by the Constitution, an amount that is sufficient to pay the principal of, redemption premium, if any, and interest on the Bonds maturing or becoming due during that fiscal year. If the revenue and money dedicated to and on deposit in the Mobility Fund is not sufficient to pay the principal of or interest on the Bonds, the Act provides that the appropriation contained in the Constitutional Provision will be implemented and observed by all officers of the State during any period in which the Bonds are Outstanding and unpaid. The Administration Agreement (as defined herein) establishes procedures by which the Commission is required to seek transfers from the Comptroller, as further described below.

Pursuant to the Constitutional Provision, the Bonds and Outstanding Parity Debt are not included within the computation required by Article III, Section 49-j of the Texas Constitution ("Article III, Section 49-j") unless the Comptroller projects that money in the State's General Revenue Fund (the "General Revenue Fund") will be required to pay amounts due on or on account of the Bonds, the Outstanding Parity Debt and any related Credit Agreements. Under Article III, Section 49-j, the State Legislature is prohibited from authorizing additional State debt payable from the General Revenue Fund 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 an amount equal to the average of the amount of General Revenue Fund revenues, excluding revenues constitutionally dedicated for purposes other than payment of State debt, for the three preceding fiscal years. See "State Debt – Recent Developments Affecting State Debt" and "– Selected Data Concerning State Debt" in "APPENDIX A – THE STATE." For purposes of such limitation, "State debt payable from the General Revenue Fund" does not include obligations that, although backed by the full faith and credit of the State, are reasonably expected to be paid from other revenue sources and that are not expected to result in a draw on the general revenues of the State. As described below, the Commission anticipates that debt service on the Bonds and all other previously issued Outstanding Parity Debt and any related Credit Agreements will be self-supporting and, thus, the Bonds, all other previously issued Outstanding Parity Debt and any related Credit Agreements are excluded from the computation required by, and are not subject to the limitation imposed by, Article III, Section 49-j. Notwithstanding this limitation on the ability of the State Legislature to authorize additional State debt, the Bonds, all other previously issued Outstanding Parity Debt and any related Credit Agreements are general obligations of the State, as described above, and are payable from the sources described in this section.

Other Sources of Payment

Pledge of Security. The Constitutional Provision and the Act provide that the Commission must secure payment of obligations issued or entered into for the Program with revenues dedicated to and on deposit in the Mobility Fund. With respect to Parity Debt, including the Bonds and all other previously issued Outstanding Parity Debt, pursuant to the Resolution, the Commission has pledged as security for the payment of the Bonds, all other previously issued Outstanding Parity Debt and any related Credit Agreements, a first lien interest in the following: (i) all Pledged Revenues; (ii) all Transportation Assistance Bonds (defined herein) in the Portfolio Account and all amounts in the General Account and the Interest and Sinking Account; (iii) any additional account or subaccount within the Mobility Fund that is subsequently established and designated as being included within the Security; (iv) all of the proceeds of the foregoing, including, without limitation, investments thereof; (v) any other applicable Credit Agreement to the extent set forth in such Credit Agreement; and (vi) any applicable guarantee of the State (collectively, the "Security"). As described herein, the Commission has pledged the full faith and credit of the State to make payments due on the Bonds should the Security be insufficient for any such payments. See "– State General Obligation Pledge" above for information on the pledge of the full faith and credit of the State. Amounts constituting Security are appropriated when received by the State, must be deposited into the Mobility Fund, and may be used for purposes permitted by State law, including the Act, and with respect to a Credit Agreement, to the extent set forth in the Credit Agreement.

Pledged Revenues. Pledged Revenues include (i) Dedicated Revenues; (ii) Repayments, which means all amounts received by the Commission from the payment of principal of and redemption premium, if any, and interest on Transportation Assistance Bonds held in the Portfolio Account, including, without limitation, any Prepayments; (iii) all other amounts received by the Commission under any collateral documents, including any agreements related to Transportation Assistance Bonds held in the Portfolio Account; (iv) all sale proceeds from the sale of Transportation Assistance Bonds held in the Portfolio Account; and (v) all amounts received by the Commission as income, profits, or gain on investments of money held in the Mobility Fund; provided, however, amounts in the Bond Proceeds Account, the Rebate Fund established for the Bonds, or any other account or subaccount so excluded will not constitute Pledged Revenues or Security for the Bonds. Further, the Commission has not used proceeds of any Parity Debt obligations to purchase Transportation Assistance Bonds. Therefore, there are no Transportation Assistance Bonds held in the Portfolio Account, and Repayments are not currently expected to be available to make payments due on the Bonds. See "– Flow of Funds" below.

Dedicated Revenues. Dedicated Revenues consist of those revenue sources that have been allocated by the State Legislature for the benefit of the Mobility Fund. See "– Overview of Dedicated Revenues" below for a general description of the Dedicated Revenues. Regarding the timing of deposits of each revenue source into the Mobility Fund, State law requires that all revenue received by the recipient (as described below) must be remitted to the Comptroller for deposit into the Mobility Fund within three business days after receipt, with the exception of the Court Fines described below. See "– Creation of Accounts and Subaccounts Within the Mobility Fund" below for a description of the accounts and subaccounts created pursuant to the Master Resolution.

Pursuant to the Constitutional Provision, while money in the Mobility Fund is pledged to the payment of any outstanding obligation or related credit agreement, the dedication of a specific source or portion of revenues, taxes, or other money may not be reduced, rescinded, or repealed unless (i) the State Legislature by law dedicates a substitute or different source projected by the Comptroller to be of a value equal to or greater than the source or amount being reduced, rescinded, or repealed and (ii) the Commission has implemented a pledge of the State's full faith and credit, if such a pledge is not already in place, for the payment of obligations then secured by such dedicated revenues.

The State Legislature has previously substituted Dedicated Revenues with different revenue sources, most recently during the regular session of the 87th Legislature, which concluded on May 31, 2021. There can be no assurance that the State Legislature will not replace some or all of the Dedicated Revenues described herein, or make further changes to the provisions governing the amount and deposit of Dedicated Revenues. If the State Legislature replaces any revenue source with a substitute source, the Master Resolution provides that the definition of Dedicated Revenues with respect to Parity Debt, including the Bonds, will be automatically revised accordingly without further amendment to the Master Resolution. See "– Overview of Dedicated Revenues – Major Sources" and "– Substitution of Dedicated Revenues" below.

Overview of Dedicated Revenues

Major Sources. The State Legislature has directed certain portions of the following sources of revenue ("Major Sources") into the Mobility Fund. The Major Sources are expected to be the primary revenue sources for the Mobility Fund while the Bonds are Outstanding; provided, however, that the State Legislature may substitute a source of revenues if such substituted source of revenues is projected by the Comptroller to be of a value equal to or greater than the source being replaced. See "– Substitution of Dedicated Revenues" below.

– *Driver's License Fees*: "Driver's License Fees" are comprised of fees collected pursuant to Chapters 521 and 522, Texas Transportation Code, and Sections 524.051 and 724.046, Texas Transportation Code, and Section 501.0165, Texas Government Code, for Texas driver's licenses and personal identification cards. In 2019, the State Legislature passed Senate Bill 616 ("SB 616"), which amended Chapters 521 and 522 of the Texas Transportation Code to extend the expiration dates of driver's licenses from six to eight years and of commercial driver's licenses from five to eight years for most applicants. SB 616 also increased the amount of the fees charged for such licenses, including certain licenses to operate a motorcycle or moped. The changes in law made by SB 616 apply to licenses issued or renewed on or after June 1, 2020. The revenue projections provided by the Comptroller certification dated July 8, 2026, reflect a decrease in Driver's License Fees in 2027, following the implementation of SB 616, and year-over-year increases in Driver's License Fees in 2028 and beyond. See "– Overview of Dedicated Revenues – Mobility Fund Revenue Forecasts" and "Table 3: Texas Mobility Fund Historical and Estimated Dedicated Revenues."

– *Driver Record Information Fees*: "Driver Record Information Fees" are comprised of fees associated with Texas Department of Public Safety ("DPS") driver's license records collected pursuant to Chapter 521, Subchapter C, Texas Transportation Code. Such fees include accident and conviction information; disclosure of an abstract driving record; sale of certain information contained in the DPS basic driver's license record file and weekly updates of such information; disclosure of information related to an individual; disclosure of information to a license holder; release of driving records; and disclosure of information from the National Driver Register to an employer.

– *Motor Vehicle Inspection Fees*: "Motor Vehicle Inspection Fees" are comprised of a portion of certain fees collected pursuant to Chapter 548, Subchapter H, Texas Transportation Code ("Chapter 548"). Motor Vehicle Inspection Fees are required to be collected by the Texas Department of Motor Vehicles, or by a county assessor-collector and forwarded to the Comptroller, at the time of registration and registration renewal for each motor vehicle.

– *Certificate of Title Fees*: Prior to September 1, 2021, "Certificate of Title Fees" constituted one of the Major Sources of Dedicated Revenues directed to the Mobility Fund. Certificate of Title Fees are a portion of the fees collected from owners of motor vehicles pursuant to Chapter 501, Texas Transportation Code, as amended ("Chapter 501"), to obtain a title for a motor vehicle registered in Texas. House Bill 4472 ("HB 4472"), enacted during the regular session of the 87th Legislature and effective on September 1, 2021, amended Chapter 501 to require, among other things, the following: (i) the portion of the Certificate of Title Fees that were previously deposited to the credit of the Mobility Fund must be deposited by the Comptroller instead to the credit of the Texas Emissions Reduction Plan Fund (the "TERP Fund"), and (ii) the transfer of an equal amount (i.e., equal to the amount of Certificate of Title Fees that are deposited by the Comptroller to the credit of the TERP Fund) of non-constitutionally dedicated funds from the State Highway Fund to the credit of the Mobility Fund, on a monthly basis. For a description of historical deposits of Certificate of Title Fees to the Mobility Fund and projected transfers of amounts from the State Highway Fund to the Mobility Fund in accordance with HB 4472, see "Table 3: Texas Mobility Fund Historical and Estimated Dedicated Revenues." HB 4472 requires both transfers to expire on the last day of the fiscal biennium of which the State reaches national ambient air quality attainment, as classified by the Environmental Protection Agency. If the State reaches national ambient air quality attainment, HB 4472 requires the deposit of Certificate of Title Fees to the credit of the Mobility Fund on or after the last day of that fiscal biennium. In accordance with the terms of the Master Resolution, the definition of Dedicated Revenues with respect to Outstanding Parity Debt, including the Bonds, shall be automatically revised consistent with the changes made by HB 4472, without further amendment to the Master Resolution. See "– Substitution of Dedicated Revenues." For information relating to the State Highway Fund, see "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Information Relating to State Highway Fund."

Miscellaneous Sources. In addition to the Major Sources, the State Legislature has allocated certain other revenue, the “Miscellaneous Sources,” to the Mobility Fund. The Miscellaneous Sources are not expected to be a major source of revenue for the Mobility Fund, and the amount and timing of receipts for the Miscellaneous Sources are expected to be less predictable than the Major Sources. Under current law, such Miscellaneous Sources include the following: (i) certain administrative penalties imposed pursuant to Chapter 644, Texas Transportation Code, for the violation of commercial motor vehicle safety standards (“Motor Carrier Act Penalties”); (ii) fees collected pursuant to Chapter 504, Texas Transportation Code, for the issuance of specialty license plates that include the words “United We Stand” (“United We Stand License Plate Fees”); (iii) portions of State traffic fines assessed (“Court Fines”); and (iv) certain surplus revenues of regional mobility authorities allocated to the Fund (“Surplus RMA Revenues”). Annual deposits of Motor Carrier Act Penalties described in clause (i) above are not projected to exceed 1% of total revenues deposited in the Fund in any year, and amounts deposited in the Fund pursuant to the other Miscellaneous Sources (if any) are expected to be immaterial. See “Table 3: Texas Mobility Fund Historical and Estimated Dedicated Revenues.”

The Commission may invest the assets in the Mobility Fund in investments authorized by State law in accordance with an investment policy approved by the Commission (the “Investment Policy”). Both State law and the Investment Policy are subject to change. See “APPENDIX E – INVESTMENT AUTHORITY AND INVESTMENT PRACTICES FOR THE MOBILITY FUND” and “FUND ADMINISTRATION AND INVESTMENT” herein. Beginning in 2005, investment earnings on the proceeds of Parity Debt held in the Mobility Fund have contributed to the Mobility Fund’s interest earnings. As such Parity Debt proceeds have been expended over time, the Mobility Fund’s interest earnings attributable to the investment of such Parity Debt proceeds have decreased. See “– Mobility Fund Financial Statements” below.

Substitution of Dedicated Revenues. While the Dedicated Revenues are pledged to the payment of Outstanding Parity Debt, the Dedicated Revenues may not be reduced, rescinded, or repealed unless: (i) the State Legislature dedicates a substitute source that is projected by the Comptroller to be of a value equal to or greater than the source being reduced, rescinded, or repealed and (ii) if not already in place, the Commission institutes a pledge of the State’s full faith and credit to the payment of Outstanding Parity Debt. Revenues from any revenue source substituted by the State Legislature will become part of Dedicated Revenues.

Legislative and executive actions may affect the sources of revenues or the strength of the revenue stream deposited to the Mobility Fund. If the State Legislature replaces any revenue source with a substitute source, the Master Resolution provides that the definition of Dedicated Revenues with respect to Outstanding Parity Debt, including the Bonds, will be automatically revised accordingly without further amendment to the Master Resolution. There can be no assurance that the State Legislature will not replace any part of the Dedicated Revenues outlined herein, or otherwise alter the revenues deposited to the Mobility Fund. The State Legislature has previously substituted Dedicated Revenues with different revenue sources, most recently during the regular session of the 87th Legislature. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Overview of Dedicated Revenues — Major Sources — Certificate of Title Fees.”

The Governor may declare a state of disaster if the Governor finds a disaster has occurred or that the occurrence or threat of disaster is imminent. Once the Governor issues a disaster proclamation, he may suspend the provisions of regulatory statutes pursuant to Sections 418.016 and 418.017, Texas Government Code, including provisions for the collection of fees that provide Dedicated Revenues.

Repayments, Prepayments, and Sale Proceeds of Transportation Assistance Bonds. The Master Resolution provides that, to the extent authorized by State law, including Section 222.103, Texas Transportation Code, the Commission may use money in the Mobility Fund to provide participation by the State, by loan, in the payment of part of the costs of constructing and providing public transportation projects. To the extent that the Commission intends to loan proceeds of obligations issued for the Program to political subdivisions for these purposes, the Commission will make such loans by entering into loan agreements with, or purchasing obligations issued by, the borrowing political subdivisions (the “Transportation Assistance Bonds”). The Commission, pursuant to a supplemental resolution, may (but is not required to) pledge the payments and repayments relating to such Transportation Assistance Bonds to the payment of Parity Debt, including the Bonds, and such pledged Transportation Assistance Bonds will be held in the Portfolio Account of the Mobility Fund. The repayments and prepayments made on such pledged Transportation Assistance Bonds, along with Sale Proceeds from the sale of such Transportation Assistance Bonds, will be deposited into the Interest and Sinking Account and used to make payments due on Parity Debt, including the Bonds. The Commission has not acquired any Transportation Assistance Bonds.

Accounts and Subaccounts Within the Mobility Fund. All amounts in the General Account, the Interest and Sinking Account, and any additional account or subaccount within the Mobility Fund that is subsequently established and designated as being included within the Security, along with all of the proceeds of the foregoing, including, without limitation, investments thereof, are part of the Security pledged to payments due on Parity Debt, including the Bonds. Amounts held in the Bond Proceeds Account and in each rebate fund established for Parity Debt, including the Rebate Fund for the Bonds, do not constitute Security. See "– Creation of Accounts and Subaccounts Within the Mobility Fund" below.

Perfection of Pledge of Security. Chapter 1208, Texas Government Code, as amended, applies to the issuance of Program obligations, including the Bonds, and the pledge of the Security granted by the Commission pursuant to the Resolution, and such pledge is therefore valid, effective, and perfected. If State law is amended at any time while Parity Debt, including the Bonds, is outstanding and unpaid such that the pledge of the Security granted by the Commission under the Resolution is to be subject to the filing requirements of Chapter 9, Texas Business and Commerce Code, then in order to preserve for the Owners the perfection of the security interest created in such 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 and Commerce Code, and enable a filing to perfect the security interest created in such pledge to occur.

Mobility Fund Financial Statements. The Mobility Fund was created on November 6, 2001 and the initial revenue sources and investment earnings began to be deposited into the Mobility Fund in March 2004. See "– Other Sources of Payment – Dedicated Revenues."

As of August 31, 2024, the Mobility Fund had total assets of approximately $494,627,000. Of the $298,154,000 total fund balance for amounts reported as "Debt Service Funds," approximately $311,000 was held in the Rebate Fund. (Amounts held in the Rebate Fund do not constitute Security under the Master Resolution.) As of August 31, 2024, the total fund balance of $172,247,000 for amounts reported as "Capital Projects Fund" was held in the General Account for use in accordance with State law and the Master Resolution. See "– Creation of Accounts and Subaccounts Within the Mobility Fund" and "– Flow of Funds." Financial information in Tables 1 and 2 for the Fiscal Year ended August 31, 2024 was obtained from the audited Annual Financial Report of the Texas Mobility Fund for the Fiscal Year ended August 31, 2024 (the "FY 2024 Report"). As of August 31, 2025, the Mobility Fund had total assets of approximately $554,355,000. Of the $283,895,000 total fund balance for amounts reported as "Debt Service Funds," approximately $325,000 was held in the Rebate Fund. (Amounts held in the Rebate Fund do not constitute Security under the Master Resolution.) As of August 31, 2025, the total fund balance of $255,377,000 for amounts reported as "Capital Projects Fund" was held in the General Account for use in accordance with State law and the Master Resolution. See "– Creation of Accounts and Subaccounts Within the Mobility Fund" and "– Flow of Funds." Financial information in Tables 1 and 2 for the Fiscal Year ended August 31, 2025 was obtained from the audited Annual Financial Report of the Texas Mobility Fund for the Fiscal Year ended August 31, 2025 (the "FY 2025 Report"). The FY 2025 Report is attached to this Official Statement as "APPENDIX F – AUDITED ANNUAL FINANCIAL REPORT OF THE TEXAS MOBILITY FUND FOR THE FISCAL YEAR ENDED AUGUST 31, 2025." See "THE COMMISSION AND THE DEPARTMENT – State Audits."

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Table 1: Balance Sheet of the Mobility Fund
(In Thousands)

	As of August 31, 2024			As of August 31, 2025		
	Debt Service Fund	Capital Projects Fund	Total Mobility Fund	Debt Service Fund	Capital Projects Fund	Total Mobility Fund
Assets						
Cash in State Treasury	$ 287,264	$ 196,473	$ 483,737	$ 273,061	$ 270,460	$ 543,521
Receivable (Federal)	10,890	-	10,890	10,834	-	10,834
Total Assets	**$ 298,154**	**$ 196,473**	**$ 494,627**	**$ 283,895**	**$ 270,460**	**$ 554,355**
Liabilities and Fund Balances						
Liabilities:						
Accounts Payable	-	17,901	17,901	-	11,955	11,955
Due to Other Funds	-	6,325	6,325	-	3,128	3,128
Total Liabilities	**-**	**24,226**	**24,226**	**-**	**15,083**	**15,083**
Fund Balances (Deficits):						
Restricted	298,154[1]	-	298,154[1]	283,895 [2]	-	283,895 [2]
Committed	-	172,247	172,247	-	255,377	255,377
Total Fund Balances	**298,154**	**172,247**	**470,401**	**283,895**	**255,377**	**539,272**
Total Liabilities and Fund Balances	**$ 298,154**	**$ 196,473**	**$ 494,627**	**$ 283,895**	**$ 270,460**	**$ 554,355**

Source: The FY 2024 Report and the FY 2025 Report of the Mobility Fund. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Overview of Dedicated Revenues – Mobility Fund Financial Statements.

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(1) Of the $298,154,000 total fund balance for amounts reported as "Debt Service Funds," approximately $311,000 was held in the Rebate Fund. (Amounts held in the Rebate Fund do not constitute Security under the Master Resolution.) See "– Creation of Accounts and Subaccounts Within the Mobility Fund" and "– Flow of Funds."

(2) Of the $283,895,000 total fund balance for amounts reported as "Debt Service Funds," approximately $325,000 was held in the Rebate Fund. (Amounts held in the Rebate Fund do not constitute Security under the Master Resolution.) See "– Creation of Accounts and Subaccounts Within the Mobility Fund" and "– Flow of Funds."

Table 2: Statement of Revenues, Expenditures and Changes in Fund Balances of the Mobility Fund
(In Thousands)

	For the Fiscal Year Ended August 31, 2024			For the Fiscal Year Ended August 31, 2025		
	Debt Service Fund	Capital Project Fund	Total Mobility Fund	Debt Service Fund	Capital Project Fund	Total Mobility Fund
Revenues:						
Federal Revenues	$ 21,818	$ -	$ 21,818	$ 21,720	$ -	$ 21,720
Licenses, Fees and Permits	291,347	96,164	387,511	273,772	135,142	408,914
Interest and Investment Income	8,766	8,609	17,375	7,289	10,509	17,879
Other Revenues	-	15	15	-	24	24
Total Revenues	**321,931**	**104,788**	**426,719**	**302,781**	**145,756**	**448,537**
Expenditures:						
Transportation	-	84,410	84,410	-	94,456	94,456
Debt Service:	-	-	-	-	-	-
Principal on State Bonds	170,590	-	170,590	186,380	-	186,380
Interest on State Bonds	228,614	-	228,614	222,611	-	222,611
Other Financing Fees	-	381	381	-	4,335	4,335
Capital Outlay	-	17,246	17,246	-	4,422	4,422
Total Expenditures	**399,204**	**102,037**	**501,241**	**408,991**	**103,213**	**512,204**
Excess (Deficiency) of Revenues Over (Under) Expenditures	(77,273)	2,751	(74,522)	(106,210)	42,543	(63,667)
Other Financing Sources (Uses)						
Transfers In	94,065	29,807	123,872	87,792	42,428	130,220
Transfers Out	-	-	-	-	(1,841)	(1,841)
Bonds Issued for Refunding	-	-	-	840,260	-	840,260
Premium/Discount on Bonds Issued	-	-	-	91,530	-	91,530
Payments to Escrow for Refunding	-	-	-	(927,631)	-	(927,631)
Total Other Financing Sources (Uses)	**94,065**	**29,807**	**123,872**	**91,951**	**40,587**	**132,538**
Net Change in Fund Balances	16,792	32,558	49,350	(14,259)	83,130	68,871
Fund Balances, September l	281,362	139,689	421,051	298,154	172,247	470,401
Fund Balances, August 31	**$ 298,154**[(1)]	**$ 172,247**	**$ 470,401**	**$ 283,895**[(2)]	**$ 255,377**	**$ 539,272**

Source: The FY 2024 Report and the FY 2025 Report of the Mobility Fund. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Overview of Dedicated Revenues – Mobility Fund Financial Statements."

(1) See footnote (1) to "Table 1: Balance Sheet of the Mobility Fund."
(2) See footnote (2) to "Table 1: Balance Sheet of the Mobility Fund."

Mobility Fund Revenue Forecasts. As required by Section 201.943(e) and (f), Texas Transportation Code, before Program obligations are issued payable from and secured by a pledge of and lien on all or part of the money in the Mobility Fund, the Comptroller must certify that the projected Dedicated Revenues and money on deposit in the Mobility Fund, including projected investment earnings, during each year of the period during which such obligations will be outstanding, will be equal to at least 110% of the Annual Debt Service Requirements of the proposed additional obligations and any already outstanding obligations in each year. Current State law requires that for the purpose of so certifying for the issuance of short-term obligations (obligations with a final stated maturity of five years or less), the Comptroller must assume that the short-term obligations will be refunded and refinanced to mature over a 20-year period with level principal requirements and bearing interest at then current market rates, as determined by the Comptroller. In addition, for this purpose, Annual Debt Service Requirements excludes the portion of debt service on certain previously issued Parity Debt that is expected to be paid from BAB Subsidy Payments (as defined herein) anticipated to be received from the U.S. Treasury. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Application of Certain BAB Subsidy Payments" and "– Effects of Federal Sequestration on Series 2009A Bonds."

The Comptroller's Mobility Fund Revenue Forecast, dated as of July 8, 2026, is incorporated into "Table 3: Texas Mobility Fund Historical and Estimated Dedicated Revenues" on the following page. Based on the forecast in Table 3 and the Department's certification of Annual Debt Service Requirements due on the Bonds and Outstanding Parity Debt as shown in "Table 4: Pro Forma Debt Service Coverage for Parity Debt," the Comptroller has made the certification described above with respect to the Bonds. Certain payment obligations of the Commission that constitute Parity Debt (such as the Commission's obligation to reimburse the provider of a credit agreement for amounts drawn pursuant to such credit agreement), may be excluded from existing debt service requirements included in the Comptroller's certification, and are excluded from existing debt service requirements included in "Table 4: Pro Forma Debt Service Coverage for Parity Debt" below in accordance with the calculation of Annual Debt Service Requirements pursuant to the Master Resolution.

Changes in economic and/or market conditions could result in an increase or decrease in the capacity of the Mobility Fund to support Parity Debt. The maximum aggregate principal amount of obligations outstanding at any one time currently established for the Program pursuant to the Master Resolution is not to exceed $7.5 billion. See "MOBILITY FUND FINANCING PROGRAM – Program Capacity" herein. See also, "FUND ADMINISTRATION AND INVESTMENT – Certification by the Comptroller."

THERE CAN BE NO ASSURANCES THAT REVENUES ACTUALLY DEPOSITED INTO THE MOBILITY FUND WILL BE DEPOSITED, AS TO ANY OF THE TYPE OF REVENUES, TIMING OF DEPOSIT, OR AMOUNT, AS FORECAST IN TABLE 3 BELOW. See "OTHER INFORMATION – Forward Looking Statements."

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Table 3: Texas Mobility Fund Historical and Estimated Dedicated Revenues[1]
(in Thousands)

Fiscal Year	Motor Vehicle Inspection Fees	Driver's License Fees[2]	Driver Record Information Fees	United We Stand License Plate Fees	Certificate of Title Fees[3]	Motor Carrier Act Penalties	Depository Interest	Total Dedicated Revenues[4]
2021	$97,447	$185,919	$65,050	$2	$149,292	$2,010	$1,251	$500,972
2022	117,495	178,705	70,829	2	115,028	3,334	1,737	487,129
2023	121,699	185,090	74,566	2	125,208	2,658	12,761	521,984
2024	120,678	190,487	74,480	2	123,872	1,964	17,375	528,758
2025	126,928	199,200	79,998	2	128,379	2,786	17,879	555,172
2026	130,000	171,000	80,000	2	130,500	3,500	16,000	531,002
2027	129,479	103,588	81,606	2	133,115	3,500	11,702	462,992
2028	130,774	179,811	82,421	2	134,446	3,500	9,574	540,528
2029	132,082	182,507	83,246	2	135,790	3,500	9,574	546,701
2030	133,403	185,244	84,079	2	137,148	3,500	9,574	552,950
2031	134,737	188,022	84,920	2	138,519	3,500	9,574	559,274
2032	136,084	190,842	85,769	2	139,904	3,500	9,670	565,771
2033	137,445	193,705	86,627	2	141,303	3,500	9,767	572,349
2034	138,819	196,611	87,493	2	142,716	3,500	9,865	579,006
2035	140,207	199,560	88,368	2	144,143	3,500	9,964	585,744
2036	141,609	202,553	89,252	2	145,584	3,500	10,064	592,564
2037	143,025	205,591	90,144	2	147,040	3,500	10,165	599,467
2038	144,455	208,675	91,046	2	148,510	3,500	10,267	606,455
2039	145,900	211,805	91,956	2	149,995	3,500	10,370	613,528
2040	147,359	214,982	92,876	2	151,495	3,500	10,474	620,688
2041	148,833	218,207	93,805	2	153,010	3,500	10,579	627,936
2042	150,321	221,480	94,743	2	154,540	3,500	10,685	635,271
2043	151,824	224,802	95,690	2	156,085	3,500	10,792	642,695
2044	153,342	228,174	96,647	2	157,646	3,500	10,900	650,211
2045	154,875	231,597	97,613	2	159,222	3,500	11,009	657,818

Source: Amounts for Fiscal Years 2021 through 2025 represent unaudited actual revenues of the Mobility Fund as reported in the supplementary information (unaudited) section of the Annual Financial Reports of the Mobility Fund for the Fiscal Years 2021 through 2025. See "– Mobility Fund Financial Statements" above. Amounts for Fiscal Year 2026 represent projected revenues of the Mobility Fund as provided by the Department. Amounts for Fiscal Years 2027 through 2045 are revenue projections provided by the Comptroller certification dated July 8, 2026 and prepared prior to the issuance of the Bonds as required by Section 201.943(e), Texas Transportation Code. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Overview of Dedicated Revenues – Mobility Fund Revenue Forecasts" and "FUND ADMINISTRATION AND INVESTMENT – Certification by the Comptroller" herein. The table excludes federal subsidies for Build America Bonds.

(1) These revenue projections assume no revenues are received from Court Fines or Surplus RMA Revenues. See "- Miscellaneous Sources" above.

(2) Amounts shown for Driver's License Fees is the portion of such fee collections that is deposited to the Mobility Fund. Driver's License Fees are anticipated to be lower in 2027 due to the implementation of SB 616. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS - Overview of Dedicated Revenues - Driver's License Fees" herein.

(3) Amounts shown for Certificate of Title Fees for Fiscal Year 2021 reflect the portion of such fee collections deposited to the Mobility Fund for such Fiscal Years. Amounts shown for Certificate of Title Fees for Fiscal Years 2022 through 2045 reflect the actual or projected amounts, as applicable, transferred to the Mobility Fund from the State Highway Fund pursuant to HB 4472.

(4) Numbers may not add up due to rounding.

Table 4: Pro Forma Debt Service Coverage for Parity Debt*

This Table 4 shows the pro forma Annual Debt Service Requirements coverage for Parity Debt, including the Bonds and all other previously issued Outstanding Parity Debt, except as noted below.

					Plus: The Bonds					
Fiscal Year	Fiscal Year Parity Debt Service[(1)]	Less Refunded Bonds and Purchased Bonds Debt Service	Less Redeemed Bonds Debt Service	Build America Bond Direct Subsidy[(2)]	Principal	Interest[(3)]	Total	Pro-Forma Parity Debt Service (including the Bonds)	Comptroller's Revenue Estimate[(4)]	Revenue as a % of Total Parity Debt Service (Net of BAB Subsidy)
2027	$384,085,631	$(868,482)	$(3,577,635)	$(19,079,673)	-	$ 27,902,000	$27,902,000	$388,461,841	$462,992,000	119.2%
2028	454,883,558	(1,736,965)	(7,048,292)	(17,771,286)	$1,425,000	55,768,375	57,193,375	485,520,390	540,528,000	111.3%
2029	461,727,557	(1,736,965)	(7,059,705)	(17,565,452)	-	55,732,750	55,732,750	491,098,185	546,701,000	111.3%
2030	475,230,470	(5,334,179)	(8,550,044)	(17,334,287)	-	52,732,750	52,732,750	496,744,709	552,950,000	111.3%
2031	489,318,243	(10,257,968)	(8,717,359)	(17,617,308)	-	49,732,750	49,732,750	502,458,358	559,274,000	111.3%
2032	490,663,760	(5,331,825)	(8,890,329)	(17,847,674)	-	49,732,750	49,732,750	508,326,682	565,771,200	111.3%
2033	496,995,367	(5,874,569)	(9,057,851)	(17,519,992)	-	49,732,750	49,732,750	514,275,705	572,348,892	111.3%
2034	503,370,803	(6,428,518)	(9,234,375)	(17,149,057)	-	49,732,750	49,732,750	520,291,603	579,006,161	111.3%
2035	509,752,374	(7,037,540)	(9,338,520)	(16,732,068)	-	49,732,750	49,732,750	526,376,997	585,744,093	111.3%
2036	516,220,483	(7,611,141)	(9,518,320)	(16,277,040)	-	49,732,750	49,732,750	532,546,732	592,563,773	111.3%
2037	469,427,009	(1,074,208)	(9,888,811)	(15,769,779)	47,545,000	48,544,125	96,089,125	538,783,337	599,467,291	111.3%
2038	559,659,690	(1,074,208)	(55,713,407)	(15,180,453)	10,315,000	47,097,625	57,412,625	545,104,248	606,454,734	111.3%
2039	565,961,564	(1,074,208)	(55,707,700)	(7,793,507)	3,360,000	46,755,750	50,115,750	551,501,899	613,528,191	111.2%
2040	348,057,468	(11,785,163)	-	-	179,520,000	42,183,750	221,703,750	557,976,055	620,687,753	111.2%
2041	354,230,877	(1,136,979)	-	-	178,190,000	33,241,000	211,431,000	564,524,898	627,935,511	111.2%
2042	345,499,222	(4,012,606)	-	-	206,035,000	23,635,375	229,670,375	571,156,990	635,270,556	111.2%
2043	348,074,577	(9,961,685)	-	-	89,690,000	16,242,250	105,932,250	444,045,142	642,694,982	144.7%
2044	348,075,886	(10,061,165)	-	-	150,800,000	11,361,000	162,161,000	500,175,721	650,210,881	130.0%
2045	348,079,670	(10,088,167)	-	-	249,200,000	4,361,000	253,561,000	591,552,502	657,818,350	111.2%
Total	**$8,469,314,208**	**$(102,486,541)**	**$(202,302,247)**	**$(213,637,576)**	**$1,116,080,000**	**$763,954,250**	**$1,880,034,250**	**$9,830,921,994**	**$11,211,947,368**	

* Numbers may not compute due to rounding. Preliminary, subject to change.

(1) Includes debt service on the Refunded Bonds, Purchased Bonds, and the Redeemed Bonds; excludes debt service on the Bonds. Debt service on the Commission's State of Texas General Obligation Mobility Fund Bonds, Series 2006-B (Multi Modal Bonds) is calculated at a rate of 3.5%, which is inclusive of remarketing and liquidity fees, as applicable. Debt service on the Commission's State of Texas General Obligation Mobility Fund Put Bonds, Series 2014-B is calculated at its actual interest rate of 2.8% through October 1, 2030, and assumes a rate of 3.5% thereafter. Includes the full interest payment amounts on the Series 2009A Bonds issued as taxable Build America Bonds.

(2) Represents BAB Subsidy Payments expected to be received with respect to the Series 2009A Bonds, excluding BAB Subsidy Payments associated with the Redeemed Series 2009A Bonds. Amounts reflect a reduction in BAB Subsidy Payments due to the federal Sequester Cuts (as defined herein). A 5.7% reduction in BAB Subsidy Payments has been announced by the federal government through the federal fiscal year ending September 30, 2030 and, in Table 4 above is assumed to apply to the BAB Subsidy Payments beginning with the October 1, 2026 payment and continuing through the federal fiscal year ending September 30, 2030 (October 1, 2030 payment). See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Application of Certain BAB Subsidy Payments" and"- Effects of Federal Sequestration on Series 2009A Bonds."

(3) Interest on the Series 2026-B Bonds assumes a rate of 3.5% after the Latest Mandatory Tender Date.

(4) Revenue projections provided by the Comptroller certification dated July 8, 2026 and received prior to the issuance of the Bonds as required by Section 201.943(e), Texas Transportation Code. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Overview of Dedicated Revenues – Mobility Fund Revenue Forecasts" and "– Table 3: Texas Mobility Fund Historical and Estimated Dedicated Revenues."

Credit Agreements

The Constitutional Provision, the Act and the Resolution authorize the Commission at any time to enter into one or more Credit Agreements to secure Parity Debt, including the Bonds, in whole or in part. The Resolution provides that the Commission may execute and deliver a Credit Agreement upon the receipt of a certificate signed by an Authorized Representative of the Department to the effect that such Credit Agreement is in the best interest of the Commission. Each Credit Agreement must be approved by the Commission to the extent required by State law.

Credit Agreements may include loan agreements; revolving credit agreements; agreements establishing a line of credit; letters of credit; reimbursement agreements; insurance contracts; commitments to purchase Parity Debt; purchase or sale agreements; interest rate swap, cap, and/or floor agreements or commitments; or other contracts or agreements 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 Parity Debt, the interest on Parity Debt, or both. Payments to be made by the Commission under the terms of any Credit Agreement will be governed by the resolution adopted by the Commission authorizing the execution and delivery of such Credit Agreement. Credit Agreements may be entered into as Parity Debt, as Subordinate Debt, or partially as Parity Debt and partially as Subordinate Debt.

Pursuant to the fifth supplemental resolution to the Master Resolution, the Commission entered into a "Liquidity Agreement" dated as of December 7, 2016 (the "Series 2006-B Liquidity Facility") with the Texas Comptroller of Public Accounts (the "Series 2006-B Liquidity Facility Issuer"), to provide a liquidity facility for the Commission's State of Texas General Obligation Mobility Fund Bonds, Series 2006-B (the "Series 2006-B Variable Rate Bonds"). The Series 2006-B Liquidity Facility constitutes a Credit Agreement and provides for the purchase, in accordance with the terms thereof, of the Series 2006-B Variable Rate Bonds which bear interest at a weekly rate and that are tendered and accepted for purchase as provided in the fifth supplemental resolution but not remarketed by the remarketing agent. Unless extended, the Series 2006-B Liquidity Facility expires on August 31, 2027 or if such day is not a business day, the next business day. The Commission's obligations to make payments to the Series 2006-B Liquidity Facility Issuer under the Series 2006-B Liquidity Facility are Parity Debt, and are additionally secured by the full faith and credit of the State.

The Commission currently is not a party to any other Credit Agreements relating to any previously issued Outstanding Parity Debt, or to the Bonds, and the Commission does not currently intend to enter into any other Credit Agreements. However, the Commission has the ability to enter into Credit Agreements at any time for the Bonds or other issues of Parity Debt. See "MOBILITY FUND FINANCING PROGRAM" and "GENERAL INFORMATION REGARDING THE BONDS – General."

Enforcement

Pursuant to the Constitutional Provision and as allowed by other State law, the State has waived sovereign immunity with respect to the enforcement of the obligations of the Commission and the State pursuant to mandamus proceedings. Any Owner of the Bonds, in the event of default in connection with any covenant contained in the Resolution or default in the payment of the Annual Debt Service Requirements due in connection with the Bonds or other costs and expenses related thereto, may require the Commission, the Department, its officials and employees, the State, and any appropriate official of the State to carry out, respect, or enforce the covenants and obligations of the Resolution by all legal and equitable means, including specifically the use and filing of mandamus proceedings in a district court in Travis County, Texas against the Commission, the Department, its officials and employees, the State, or any appropriate official of the State. The opinions of Bond Counsel will note that all opinions relative to the enforceability of the Bonds are qualified with respect to sovereign immunity (except as provided in the Constitutional Provision), the customary rights of debtors relative to their creditors and with respect to certain other matters as referenced therein. See "APPENDIX C – FORMS 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 Bonds will be liable personally for payment on the Bonds, any other previously issued Outstanding Parity Debt or any related Credit

Agreements or be subject to any personal liability or accountability by reason of the issuance of the Bonds, any Outstanding Parity Debt or any related Credit Agreements.

Creation of Accounts and Subaccounts Within the Mobility Fund

The Master Resolution creates: (i) the Mobility Fund General Account (the "General Account"); (ii) the Mobility Fund Portfolio Account (the "Portfolio Account"); (iii) the Mobility Fund Interest and Sinking Account (the "Interest and Sinking Account"); and (iv) the Mobility Fund Bond Proceeds Account (the "Bond Proceeds Account") (collectively, the "Accounts"). The Sixteenth Supplemental Resolution creates the Rebate Fund for the Bonds (the "Rebate Fund").

General Account. All Pledged Revenues must be deposited in the General Account immediately upon receipt by the Department, the Comptroller, or other applicable State agency. All money remaining in the General Account, after making the deposits required by the Master Resolution and the applicable Supplement including deposits and transfers to the Interest and Sinking Account to meet all financial obligations of the Commission relating to the Program including payments due on or with respect to the payment of Parity Debt as the same mature or come due, may be used for any lawful purpose for which the Mobility Fund may be used pursuant to the Constitutional Provision, the Act, and other State law.

Interest and Sinking Account. Pledged Revenues will be transferred to the Interest and Sinking Account to the extent needed to make payments due on Parity Debt, including the Bonds. The Interest and Sinking Account must be used to pay the principal of, redemption premium, if any, and interest on Parity Debt as the same become due and payable, whether at Stated Maturity or upon prior redemption, so long as any Parity Debt, including the Bonds, is outstanding. Additionally, in connection with the issuance of the Series 2009A Bonds (defined herein), the Commission has created the 2009A Subaccount of the Interest and Sinking Account within the Mobility Fund (the "2009A Subaccount") and has covenanted that all BAB Subsidy Payments are to be deposited into such subaccount. Funds on deposit in the 2009A Subaccount must be used solely for the purpose of paying principal of and interest on the Series 2009A Bonds and may not be used to pay any debt service on other Parity Debt, including the Bonds, or Subordinated Debt. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Application of Certain BAB Subsidy Payments" and "– Effects of Federal Sequestration on Series 2009A Bonds."

Portfolio Account. Transportation Assistance Bonds, if any, pledged by the Commission to the payment of Parity Debt, will be deposited into the Portfolio Account and held there until paid. Payments of such pledged Transportation Assistance Bonds, if any, will be deposited into the General Account.

Bond Proceeds Account. With the exception of proceeds allocated to underwriter's discount and premiums for bond insurance, proceeds from the issuance of new money Parity Debt must be deposited, as provided by the applicable Supplement, into the Bond Proceeds Account until expended to accomplish the purposes for which such Parity Debt was issued. Amounts in the Bond Proceeds Account do not constitute Security.

Rebate Fund. Money on deposit in the Rebate Fund, if any, will be paid to the United States of America in compliance with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended (the "Code"). Money in the Rebate Fund, if any, does not constitute Security.

Reserve Accounts. The Commission may establish one or more reserve accounts within the Mobility Fund for the purpose of paying or securing Parity Debt or any particular series or issue of Parity Debt, and any such reserve account so established may be funded with a surety bond, insurance policy, or other Credit Agreement, to the extent permitted by law. The Commission has not established a reserve account for Parity Debt, including the Bonds.

Other Accounts. The Commission may establish other accounts or subaccounts for other purposes.

Flow of Funds

All Pledged Revenues will be deposited in the General Account immediately upon receipt by the Department, the Comptroller, or other State agency. Pledged Revenues will be transferred from the General Account to the other Accounts, subaccounts, or funds in the Mobility Fund in the following priority order:

FIRST: to the payment of amounts required to be deposited and credited to the Interest and Sinking Account to meet all financial obligations of the Commission relating to the Program, including payments due on or with respect to the payment of Parity Debt as the same mature or come due;

SECOND: pro rata, on the basis that the Outstanding Principal Amount of each particular issue or series of Parity Debt secured by a reserve account bears to the aggregate Outstanding Principal Amount of all such issues or series of such Parity Debt secured by any reserve account, to the payment of the amounts required to be deposited and credited to each reserve account created and established to maintain a reserve in accordance with the provisions of any Supplement relating to the issuance of any Parity Debt;

THIRD: any amounts to be deposited into any other fund, account, or subaccount to the extent required pursuant to the provisions of any Supplement relating to the issuance of Parity Debt;

FOURTH: to the extent required by any resolution or other instrument adopted or approved by the Commission pursuant to which Subordinated Debt is issued, the amount necessary to meet all financial obligations on such Subordinated Debt and to accumulate or restore any required reserves to ensure payment of such principal, redemption premium, and interest will be deposited to any account or subaccount created for such purpose; and

FIFTH: all remaining Pledged Revenues must be retained in the General Account.

Application of Certain BAB Subsidy Payments

Pursuant to the American Recovery and Reinvestment Act of 2009, signed into law on February 17, 2009 (the "Recovery Act"), the Commission issued its Series 2009A 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 2009A Bonds (the "BAB Subsidy Payments").

Subject to any required State appropriation, the Commission has covenanted to deposit all collections of BAB Subsidy Payments into the 2009A Subaccount. Funds in the 2009A Subaccount must be used solely for the purpose of paying principal of and interest on the Series 2009A Bonds and may not be used to pay any debt service on other Parity Debt, including the Bonds, or Subordinated Debt. The debt service on the Series 2009A Bonds that is expected to be paid from funds on deposit in the 2009A Subaccount is excluded from the calculation of Annual Debt Service Requirements, as provided in the Master Resolution, in connection with obtaining the Comptroller's certification for the issuance of additional Parity Debt, including the Bonds. See "MOBILITY FUND FINANCING PROGRAM" and "GENERAL INFORMATION REGARDING THE BONDS – Additional Parity Debt." The BAB Subsidy Payments have been appropriated to the Department by the State for the Mobility Fund for the 2026-2027 biennium, and the Department expects to receive future appropriations of the BAB Subsidy Payments in connection with Annual Debt Service Requirements for the Series 2009A Bonds through the final maturity of such Series 2009A 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 2009A 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 2009A 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 U.S. 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 that are excluded from the calculation of Annual Debt Service Requirements will be received as anticipated. See "– Effects of Federal Sequestration on Series 2009A Bonds" below. A portion of the Series 2009A Bonds is expected to be redeemed on October 1, 2026 pursuant to the extraordinary optional redemption provisions applicable thereto with lawfully available funds of the Commission, if any; such redemption, if pursued, will decrease the amount of BAB Subsidy Payments due to the Commission commencing with the interest payment date of the Series 2009A Bonds on April 1, 2027. See "PLAN OF FINANCE – Payment of the Redeemed Bonds and the Refunded Bonds."

THE BAB SUBSIDY PAYMENTS ARE NOT FULL FAITH AND CREDIT OBLIGATIONS OF THE UNITED STATES OF AMERICA AND DO NOT CONSTITUTE "PLEDGED REVENUES" UNDER THE RESOLUTION.

Effects of Federal Sequestration on Series 2009A 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 Commission's Series 2009A Bonds). As a result of the Sequester Cuts, the BAB Subsidy Payments received by the Commission in Fiscal Years 2021 through 2025 for the Series 2009A Bonds were reduced in amounts ranging between approximately $1.02 million and $1.35 million. The BAB Subsidy Payments in respect of the October 1, 2025, and April 1, 2026 debt service payments on the Series 2009A Bonds were reduced by a combined total of approximately $1.28 million.

Under current law, the Sequester Cuts are scheduled to continue through federal fiscal year 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 October 1, 2026 debt service payment on the Series 2009A Bonds and continuing through the federal fiscal year ending September 30, 2030 (October 1, 2030 payment). If the Sequester Cuts continue or are further amended, the Commission may be required to expend additional Pledged Revenues or other sources of Security in order to pay debt service on the Series 2009A Bonds resulting from a reduction in BAB Subsidy Payments.

The debt service projections contained in "Table 4: Pro Forma Debt Service Coverage for Parity Debt" reflect actual and anticipated reductions in BAB Subsidy Payments through federal fiscal year 2030, based on information provided by the federal government; however, the Commission and Department make no representations 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. See "Table 4: Pro Forma Debt Service Coverage for Parity Debt."

Information Relating to State Highway Fund

As described in "– Overview of Dedicated Revenues — Major Sources — Certificate of Title Fees," HB 4472, which became effective on September 1, 2021, requires certain non-constitutionally dedicated funds in the State Highway Fund to be deposited to the credit of the Mobility Fund. The State Highway Fund Annual Continuing Disclosure Report for the fiscal year ending August 31, 2025 (the "SHF 2025 Annual Report"), relating to the Commission's outstanding State Highway Fund First Tier Revenue Bonds (the "SHF Bonds"), has been filed with the MSRB through its EMMA system with respect to the SHF Bonds, which may be accessed over the internet at https://www.emma.msrb.org. All financial information and operating data in the SHF 2025 Annual Report relating to the State Highway Fund is hereby incorporated by reference into and made a part of this Official Statement as if set forth herein.

FUND ADMINISTRATION AND INVESTMENT

The Commission and the Comptroller have entered into the "Texas Mobility Fund Administration Agreement" (the "Administration Agreement") and the "Investment Agreement" (the "Investment Agreement") with respect to the Program. Set forth below are summaries of certain provisions of (i) the Administration Agreement, which provides for the administration of the proceeds of the Bonds and other obligations secured by the Mobility Fund and availability of funds for the payment thereof, and (ii) the Investment Agreement, which provides for the management, disbursement, safekeeping, and investment of certain funds and securities in the Mobility Fund to the extent that the Department requests the assistance of the Texas Treasury Safekeeping Trust Company (the "Safekeeping Trust") in the investment of such funds. These summaries do not purport to be comprehensive or definitive and are qualified in their entirety by reference to the Administration Agreement and the Investment Agreement, respectively. Copies of the Administration Agreement and the Investment Agreement are available for examination at the offices of the Department.

Texas Mobility Fund Administration Agreement

Establishment of Accounts and Subaccounts. The Commission is required to establish and maintain accounts and funds within the Mobility Fund for the application of money with respect to the Bonds. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Creation of Accounts and Subaccounts Within the Mobility Fund."

Deposit of Purchase Price. The purchase price of the Bonds, net of underwriters' discount, will be deposited into the Mobility Fund or transferred to or on behalf of the applicable paying agent/registrars(s) for the Refunded Bonds, the Purchased Bonds, and all other costs of issuance payable from Bond proceeds will be paid from the Bond Proceeds Account.

Payment of Parity Debt. The Department will cause the transfer of money from the Interest and Sinking Account for the payments due on any particular series of Parity Debt for payment to the applicable paying agent/registrar for such series. If the Commission and the Comptroller determine that there are not sufficient funds in the Mobility Fund available for payments due on Parity Debt, including the Bonds, the Comptroller, upon receipt of a warrant drawn from money available pursuant to the Constitutional Provision, must transfer an amount of immediately available funds sufficient, together with funds then on deposit in the Mobility Fund, to pay such Parity Debt, at such time as will permit such Parity Debt to be timely paid.

Investments. Money held in the Mobility Fund will be invested in accordance with State law. See "APPENDIX E – INVESTMENT AUTHORITY AND INVESTMENT PRACTICES FOR THE MOBILITY FUND." At the request of the Department, the Comptroller, acting through the Safekeeping Trust, may assist the Department with the custody and investment of all or any portion of the Mobility Fund pursuant to the Investment Agreement. See "– Texas Mobility Fund Investment Agreement" below.

Certification by the Comptroller

Under current State law, additional Parity Debt obligations (including the Bonds) may not be issued unless the Comptroller projects that the amount of money dedicated to and required to be on deposit in the Mobility Fund pursuant to the Constitutional Provision, and the investment earnings on that money, during each year of the period during which such additional Parity Debt obligations are scheduled to be Outstanding, will be equal to at least 110% of the Annual Debt Service Requirements on the obligations proposed to be issued and all Outstanding Parity Debt obligations in each year. As provided in the Master Resolution, for the purposes of this certification, the Department's Chief Financial Officer will certify the outstanding and proposed Annual Debt Service Requirements. Certain payment obligations of the Commission that constitute Parity Debt (such as the Commission's obligation to reimburse the provider of any Credit Agreement for amounts drawn pursuant to such Credit Agreement) and certain amounts, such as the anticipated BAB Subsidy Payments expected to be on deposit in the Interest and Sinking Account, are excluded from Annual Debt Service Requirements included in the Comptroller's certification. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Application of Certain BAB Subsidy Payments" and "– Effects of Federal Sequestration on Series 2009A Bonds."

Under current State law, short-term obligations (obligations with a final stated maturity of five years or less) to be issued for the Program may not be issued unless the Comptroller: (i) assumes that the short-term obligations will be refunded and refinanced to mature over a 20-year period with level principal requirements and bearing interest at then current market rates, as determined by the Comptroller and (ii) projects that the amount of money dedicated to the Mobility Fund pursuant to Article III, Section 49-k(e), Texas Constitution, and required to be on deposit in the Mobility Fund pursuant to Article III, Section 49-k(f), Texas Constitution, and the investment earnings on that money, during each year of the assumed 20-year period, will be equal to at least 110% of the Annual Debt Service Requirements. Neither the Bonds nor any outstanding Parity Debt obligations constitute short-term obligations pursuant to the Act.

In the Administration Agreement, the Comptroller has agreed to prepare the certification required by the Act in connection with the issuance of long-term obligations (including Parity Debt) and short-term obligations within a reasonable time after the Comptroller's receipt of a written request for such certification from the Commission.

See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Other Sources of Payment – Dedicated Revenues" for information concerning projections that must be provided by the Comptroller in connection with a dedication of substitute or different source(s) of Dedicated Revenues.

Texas Mobility Fund Investment Agreement

Investment of Mobility Fund Balances. Money held in the Mobility Fund may be invested (and reinvested) in any investments permitted by law for the investment of money on deposit in the State Highway Fund and in compliance with the Commission's Investment Policy. Pursuant to the Investment Agreement, investments may be made by the Comptroller, acting by and through the Safekeeping Trust, as determined by the Department. The money and investments of the Mobility Fund may be commingled with other funds held by the Safekeeping Trust to obtain the highest and best investment yield.

Treatment of Profits and Losses. All earnings and profits from an investment in the Mobility Fund must be credited to and deposited as received in the account or fund for which the investment was made. Likewise, all losses resulting from an investment will be charged against the account or fund for which the investment was made. If an investment is made for more than one account or fund, profits and losses will be credited or charged, as appropriate, pro rata among the accounts or funds for which the investment was acquired.

Liability. None of the Comptroller, the Safekeeping Trust, or any Comptroller employee will be held liable for any action or omission to act pursuant to the Investment Agreement unless such action or omission to act is due to negligence or willful misconduct.

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. One position is currently vacant.

W. Alvin New, Acting Chairman

Mr. New was appointed to the Commission by Governor Abbott on February 20, 2018 and was reappointed to the Commission by Governor Abbott on April 8, 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.

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 Quest 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. Mr. Alvis served on the Texas Lieutenant Governor's Transportation Advisory Board. 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 and was reappointed to the Commission by Governor Abbott on March 27, 2025. Mr. Meade serves as the executive vice president for Texas Regional Bank, where he manages their public policy strategy and economic development division. 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 where he led projects with significant job creation and capital investments in excess of $400 million. Mr. Meade is an alumnus of the Texas Lyceum and 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 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.

Robert C. Vaughn, Commissioner

Mr. Vaughn was appointed to the Commission by Governor Abbott on August 12, 2019 and was reappointed to the Commission by Governor Abbott on March 27, 2025. Mr. Vaughn is the owner of Vaughn Capital Partners LLC. He has served as chair of the TexNet Technical Advisory Committee. He serves on Dorchester Minerals, LP (NASDAQ: DMLP) Board of Managers. 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, 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.

Pat Gordon, Commissioner

Mr. Gordon was appointed to the Commission by Governor Abbott on February 12, 2026. Mr. Gordon is an attorney and shareholder at Gordon Davis Johnson & Shane P.C. in El Paso where his practice focuses on business law, including domestic and international tax law, mergers and acquisitions, corporate law, and cross-border transactions, particularly those involving Mexico. Mr. Gordon previously served as a Regent of the Texas Tech University System from 2021 through 2026 and represented the State of Texas as a Commissioner on the Rio Grande Compact Commission for more than 15 years, from 2006 through 2021. He also served on the governing board of the Texas Department of Housing and Community Affairs from 2003 through 2006. He also serves on the Board of Directors of El Paso Children's Hospital, where he is a former chairman, and is a member of the Young Presidents' Organization. Mr. Gordon earned a B.B.A. in Finance from Texas A&M University, an M.B.A. from the Rawls College of Business at Texas Tech University, and a J.D. from Texas Tech University School of Law. He is also a Certified Public Accountant and a licensed Texas real estate broker. He is a frequent author and speaker on tax and business law topics and has been recognized for more than 15 years in The Best Lawyers in America in Corporate Law and Tax Law, and as a Super Lawyer in Tax Law by Thomson Reuters.

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

Mr. Stewart was appointed as the Department's Chief Financial Officer on April 7, 2021. 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 Certified Public Accountants ("AICPA").

Benjamin H. Asher, Director, Project Finance and Toll Operations Division

As director of the Project Finance and Toll Operations 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, the Texas Transportation Finance Corporation, and the Texas Private Activity Bond Surface 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

Amanda Landry was appointed as the Director of the Financial Management Division for the Department on June 1, 2021. 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. Mr. Graham 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 the Department, 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. The Department 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 the Department. Accordingly, in the event that a sunset review results in the Department 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 the Bonds (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 the Department, including lease, contract and other written obligations. The designated State agency would provide payment from the sources of payment of the Bonds in accordance with the terms of the Bonds 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 the Bonds are paid in full and all other obligations, including lease, contract and other written obligations, are performed and paid in full. Moreover, debt service for all of the Commission's outstanding indebtedness relating to the Mobility Fund and the Program, including the Bonds, would be automatically appropriated pursuant to the Texas Constitution and the general obligation pledge securing the payment of principal of and interest on the Bonds would remain in full force and effect. See "MOBILITY FUND FINANCING PROGRAM – Constitutional Authority for the Program."

State Audits

The State Auditor's Office ("SAO") is the independent auditor for Texas state government. The SAO operates with oversight from the Legislative Audit Committee, a six-member permanent standing committee of the State Legislature, jointly chaired by the Lieutenant Governor and the Speaker of the House of Representatives.

The SAO is authorized, by Chapter 321, Texas Government Code, to perform financial audits, compliance audits, investigations and other special audits of any entity receiving State funds, including State agencies and higher education institutions. Audits are performed in accordance with generally accepted government auditing standards, which include standards issued by the AICPA, Governmental Accounting Standards Board, United States General Accounting Office or other professionally recognized entities that prescribe auditing standards.

Pursuant to the terms of the Master Resolution, the Commission has covenanted to prepare or cause to be prepared a financial report of the Mobility Fund each year while any Parity Debt is Outstanding. The Commission has reserved the right, so long as the Department Annual Financial Report is audited, to contain the financial report of the Mobility Fund within the audited TxDOT Annual Financial Report as a discrete account or fund in accordance with generally accepted accounting principles. See "APPENDIX B – SELECT PROVISIONS OF THE RESOLUTION." Under current State law, the SAO has the first right to perform audits requested by the Department and, if it declines, the Department can select an external auditor. The FY 2025 Report is attached to this Official Statement as "APPENDIX F – AUDITED ANNUAL FINANCIAL REPORT OF THE TEXAS MOBILITY FUND FOR THE FISCAL YEAR ENDED AUGUST 31, 2025," which has been audited by CliftonLarsonAllen LLP. CliftonLarsonAllen LLP has not been engaged to perform, and has not performed, any procedures on such financial statements since the date of its report included thereon.

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 the State general obligation bonds to fund highway improvements, 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 obligations of the Mobility Fund, including Parity Debt, and none of the Mobility Fund, the Dedicated Revenues, or the Security are pledged to secure the payment of any obligations, including the Bonds, described under this caption.**

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") was amended by the State Legislature in 2007 to increase the maximum principal amount of bonds and other public securities, if any (collectively, "Senior Obligations"), that may be issued by the Commission pursuant to Section 49-n. The Commission is currently authorized to issue Senior Obligations 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. 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. No authorized amount currently remains 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 August 15, 2026, approximately $1.97 billion in aggregate principal amount of Senior Obligations in the form of State Highway Fund Revenue Bonds was outstanding. The Commission may issue additional Senior Obligations for refunding purposes within the next twelve months.

Subordinate Obligations. The State Constitution (Article III, Section 49-m) and Section 201.115 of the Texas Transportation Code ("Section 201.115") 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. Any such loan or obligation incurred or authorized to be incurred pursuant to Section 201.115 is referred to herein as a "Section 201.115 Loan."

On November 13, 2025, the Commission adopted a minute order under Section 201.115 authorizing the Department to issue revolving notes (the "State Highway Fund Revenue Revolving Notes") from time to time in an amount at any one time outstanding not to exceed the lesser of (i) two times the average monthly revenue deposited to the State Highway Fund for the 12 months preceding the month of the issuance, or (ii) $3,000,000,000, and to execute and deliver, from time to time, one or more note resolutions and direct lending agreements in connection therewith. In connection with the State Highway Fund Revenue Revolving Notes, the Department has (i) entered into a note purchase agreement with RBC Municipal Capital, LLC and RBC Capital Markets, LLC on December 30, 2025 under which the Department may issue State Highway Fund Revenue Revolving Notes from time to time designated as its "State Highway Fund Revenue Revolving Notes, Series A" in an amount not to exceed $500,000,000 at any one time outstanding, and (ii) entered into a note purchase agreement with Wells Fargo Municipal Capital Strategies, LLC and Wells Fargo Bank, National Association on December 30, 2025 under which the Department may issue State Highway Fund Revenue Revolving Notes from time to time designated as its "State Highway Fund Revenue Revolving Notes, Series B" in an amount not to exceed $600,000,000 at any one time outstanding.

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 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 August 15, 2026, the Corporation had approximately $3.06 billion in aggregate principal amount of PABs outstanding. PABs are not part of the Program and are not secured by the Security.

State General Obligation Bonds to Fund Highway Improvements.

Pursuant to Article III, Section 49-p(a), Texas Constitution, and Section 222.004, Texas Transportation Code, the Commission has the authority to issue State general obligation bonds in an amount not to exceed $5 billion to provide funding for highway improvement projects. The Commission is not authorized to issue any additional State general obligation bonds pursuant to such program for new money purposes under current State law. As of the date of this Official Statement, approximately $2.57 billion in aggregate principal amount of Texas Transportation Commission State of Texas Highway Improvement General Obligation Bonds is outstanding. The Commission may issue additional State general obligation bonds pursuant to such program for refunding purposes within the next twelve months. These bonds (and other such bonds that may be issued in the future) are not part of the Program and are not secured by the Security, but they are (or will be) secured by the full faith and credit of the State.

LEGAL MATTERS

Legal Opinions

The Commission will compile complete transcripts of proceedings incident to the authorization and issuance of the Bonds, including the approving opinion of the Attorney General of the State to the effect that the Bonds are valid and legally binding obligations of the Commission, and based upon examination of such transcripts of proceedings, the legal opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel to the Commission. In its capacity as Bond Counsel, such firm has reviewed the information under the captions and subcaptions "INTRODUCTION – Purpose," "INTRODUCTION – Security," "INTRODUCTION – Legal Authority," "MOBILITY FUND FINANCING PROGRAM," "PLAN OF FINANCE" (except for the information under the heading "– Sources and Uses of Funds," as to which no opinion will be expressed), "GENERAL INFORMATION REGARDING THE BONDS," "DESCRIPTION OF THE SERIES 2026-A BONDS," "DESCRIPTION OF THE SERIES 2026-B BONDS," "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" (except for the information under the headings "– Overview of Dedicated Revenues - Major Sources," "– Miscellaneous Sources," "– Mobility Fund Financial Statements," "– Mobility Fund Revenue Forecast," Tables 1 through 4, "– Effects of Federal Sequestration on Series 2009A Bonds" and "– Information Relating to the State Highway Fund," as to which no opinion will be expressed), "FUND ADMINISTRATION AND INVESTMENT," "LEGAL MATTERS – Legal Opinions," "LEGAL MATTERS – Eligibility for Investment in Texas," "LEGAL MATTERS – Registration and Qualification of Bonds for Sale," "TAX MATTERS," "CONTINUING DISCLOSURE OF INFORMATION – Continuing Disclosure Undertaking of the Commission Related to the Program," "CONTINUING DISCLOSURE OF INFORMATION – Limitations and Amendments" (but only with respect to the second paragraph thereof), "APPENDIX B – SELECT PROVISIONS OF THE RESOLUTION," "APPENDIX C – FORMS OF OPINION OF BOND COUNSEL" and

"APPENDIX E – INVESTMENT AUTHORITY AND INVESTMENT PRACTICES FOR THE MOBILITY FUND" and such firm is of the opinion that such information contained under such captions and in such appendices 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 Disclosure Counsel represent only the Commission. The legal fee 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 Bonds, are contingent on the sale and delivery thereof. The legal opinion of Bond Counsel in the form set forth in "APPENDIX C – FORMS OF OPINION OF BOND COUNSEL" will accompany the Bonds deposited with DTC.

Certain legal matters will be passed upon for the Commission by Orrick, Herrington & Sutcliffe LLP, Austin, Texas, 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 Cantu Harden Montoya LLP, Austin, Texas.

Bond Counsel and Disclosure Counsel each represent the Commission or the Underwriters of the Bonds from time to time on matters not related to the Bonds.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor 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 an opinion 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 (i) would 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) would affect the validity or enforceability of the provisions pursuant to which the Bonds are being issued, or (iii) would have a material adverse effect upon the power of the Commission to issue the Bonds.

The State is a party to various legal proceedings relating to its operation and government functions, but unrelated to the Bonds or the Security for the Bonds. As set forth in the Bond Appendix (as hereinafter defined), 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 Bonds are negotiable instruments governed by Chapter 8, Texas Business and 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. 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 Bonds may have to be assigned a rating of not less than "A" or its equivalent as to investment quality by a national rating agency before such obligations are eligible investments for sinking funds and other public funds. Currently, the Bonds meet the Public Funds Investment Act rating requirement. See "OTHER INFORMATION – Ratings." In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with capital of $1,000,000 or more, and savings and loan associations. The Bonds are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value. No review by the Commission has been made of the laws in other states to determine whether the Bonds are legal investments for various institutions in those states.

The Commission makes no representation that the 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 made no investigation of other laws, regulations, or investment criteria that might apply to or otherwise limit the availability of the Bonds for investment or collateral purposes. Prospective purchasers are urged to carefully evaluate the investment quality of the Bonds and the acceptability of the Bonds for investment or collateral purposes.

Registration and Qualification of Bonds for Sale

No registration statement relating to the Bonds has been filed with the United States Securities and Exchange Commission (the "SEC") under the Securities Act of 1933, as amended, in reliance upon exemptions provided thereunder. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein, nor have the Bonds 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 Bonds under the securities laws of any jurisdiction in which the Bonds may be offered, sold or otherwise transferred. It is the obligation of the purchaser to register or qualify sale of the 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 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 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 Bonds for federal income tax purposes will be excludable from the "gross income" of the holders thereof and (2) the 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, as amended (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 Bonds. See "APPENDIX C – FORMS 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 sufficiency certificate prepared by the Municipal Advisor (as defined herein), 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 Bonds and certain other matters. Failure of the Commission to comply with these representations or covenants could cause the interest on the Bonds to become includable in gross income retroactively to the Date of Initial Delivery of the Bonds.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the 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 Bonds to be included in gross income retroactively to the Date of Initial Delivery of the 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 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 Bonds.

A ruling was not sought from the Internal Revenue Service by the Commission with respect to the Bonds or the facilities financed or refinanced with the proceeds of the 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 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 Bonds may be less than the principal amount thereof or one or more periods for the payment of interest on the 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 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 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 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 BONDS.

Interest on the 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 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 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 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 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 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 Bonds under federal or state law and could affect the market price or marketability of the 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 Bonds should consult their own tax advisors regarding the foregoing matters.

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 Bonds, or the value of the 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. However, the Bonds are self-supporting and, thus, the Bonds are excluded from the computation required by, and are not subject to the limitation imposed by, Article III, Section 49-j. See "APPENDIX A – THE STATE" and "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – State General Obligation Pledge."

CONTINUING DISCLOSURE OF INFORMATION

Continuing Disclosure Undertaking of the Commission Related to the Program

General. In the Sixteenth Supplemental Resolution, the Commission has made the following agreement for the benefit of the Owners and Beneficial Owners of the Bonds. The Commission is required to observe the provisions of the undertaking for so long as it remains obligated to advance funds to pay the Bonds. Under the undertaking, the Commission will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified events, to the MSRB. This information will be available to investors by the MSRB through its EMMA system, free of charge at www.emma.msrb.org.

Annual Reports. The Commission will provide certain updated financial information and operating data to the MSRB, in an electronic format and accompanied by identifying information as prescribed by the MSRB, annually. The information to be updated includes: (i) any revenue forecast performed by the Comptroller (which is required by law to be prepared in connection with the issuance of additional obligations payable from the Mobility Fund), substantially in the form of "Table 3: Texas Mobility Fund Historical and Estimated Dedicated Revenues" herein or in any format as may be provided by the Comptroller; (ii) any revenue forecast performed by the Comptroller upon the substitution by the State Legislature of any of the Dedicated Revenues with any other revenue source, substantially in the form of "Table 3: Texas Mobility Fund Historical and Estimated Dedicated Revenues" herein or in any format as may be provided by the Comptroller; and (iii) for each fiscal year, annual financial statements of the Mobility Fund prepared in accordance with generally accepted accounting principles. The Commission will update and provide this information not more than six (6) months after the last day of each fiscal year.

The information to be provided may be set forth in full in one or more documents or may be included by specific reference to any document that is available to the public on the MSRB's internet web site or filed with the SEC. Any financial statements to be so provided (i) will be prepared in accordance with generally accepted accounting principles or such other accounting principles as the Commission may be required to employ from time to time pursuant to State law or regulation (ii) will be audited, if the Commission commissions an audit of such statements and the audit is completed within the period during which they must be provided and (iii) may be provided as separate financial statements of the Mobility Fund or may be contained within the financial statements of the Department. If the audit of such financial statements is not complete within such period, then the Commission will provide unaudited financial statements within such period, and audited financial statements for the applicable fiscal year, when and if the audit report on such statements become available.

The Commission's current fiscal year end is August 31. Accordingly, the Commission must provide the information to be updated annually, as described above, not more than six (6) months after such date unless the Commission changes its fiscal year. If the Commission changes its fiscal year, it will notify the MSRB of the change.

Certain 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 business days after the occurrence of the event, of any of the following events with respect to the Bonds: (i) principal and interest payment delinquencies; (ii) non-payment related defaults, if material; (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 Bonds, or other material events affecting the tax status of the Bonds; (vii) modifications to rights of holders of the Bonds, if material; (viii) Bond calls, if material, and tender offers; (ix) defeasances; (x) release, substitution, or sale of property securing repayment of the Bonds, if material; (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; and (xiv) appointment of a successor or additional trustee or the change of name of a trustee, if material. In addition, the Commission will provide the MSRB notice in a timely manner of any failure by the Commission to provide information, data, or financial statements in accordance with its agreement described above under "– Continuing Disclosure Undertaking of the Commission Related to the Program – Annual Reports."

For the purposes of the event numbered (xii) in the preceding paragraph, the event 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 U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of such Obligated Person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers 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 assets or business of such Obligated Person.

As used in this "– Certain Event Notices" caption, "Obligated Person" means 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 Bonds (other than providers of municipal bond insurance, letters of credit, or other liquidity facilities).

All documents provided to the MSRB pursuant to this "– Continuing Disclosure Undertaking of the Commission Related to the Program" caption shall be accompanied by identifying information as prescribed by SEC Rule 15c2-12 (the "Rule").

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 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 Bonds), for so long as the State remains an "obligated person" with respect to the Bonds as defined in 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. 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 (previously defined herein as the Bond Appendix), which provides a general description of the State and sets forth certain information regarding the State, including its government, finances, economic profile, and other matters, 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 of any of the following events with respect to the Bonds on a timely basis no later than ten business days after 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.

All documents provided to the MSRB pursuant to this "– Continuing Disclosure Undertaking of the Comptroller" caption shall be accompanied by identifying information as prescribed by the Rule.

Availability of Information

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

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

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 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 Bonds at any future date. Each disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of such person's continuing disclosure agreement or from any statement made pursuant to such person's agreement, although the holders and beneficial owners of the Bonds may seek a writ of mandamus to compel the Commission and the Comptroller to comply with their 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 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 Sixteenth Supplemental Resolution that authorizes such an amendment) of the outstanding 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 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 Bonds in the primary offering of the Bonds. If the Commission so amends its agreement, the Commission must include with any amended financial information or operating data next provided in accordance with its agreement described above 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 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 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 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 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

The Bonds have been assigned ratings of "AAA" by Kroll Bond Rating Agency, LLC and "Aaa" by Moody's Investors Service, Inc. An explanation of the significance of each such rating may be obtained from the company furnishing the rating. The ratings reflect only the 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 any rating may have an adverse effect on the market price of the Bonds. A securities rating is not a recommendation to buy, sell or hold securities.

Underwriting

Jefferies, as representative of the Underwriters for the Series 2026-A Bonds, has agreed, subject to certain conditions set forth in a bond purchase agreement for the Series 2026-A Bonds with the Commission, to purchase the Series 2026-A Bonds at a price of $[____________] (which represents the par amount of the Series 2026-A Bonds plus a [net] original issue premium of $[____________] and less an underwriting discount of $[____________]).

Morgan Stanley & Co. LLC, the Underwriter of the Series 2026-B Bonds, has agreed, subject to certain conditions set forth in a bond purchase agreement for the Series 2026-B Bonds with the Commission, to purchase the Series 2026-B Bonds at a price of $[____________] (which represents the par amount of the Series 2026-B Bonds plus a [net] original issue premium of $[____________] and less an underwriting discount of $[____________]).

The respective Underwriters will be obligated to purchase all of the Bonds of a series if any Bonds of such series are purchased. The obligation of the underwriters to purchase any series of Bonds from the Commission is subject to certain customary conditions to delivery, including the sale and purchase of each other series of the Bonds by the respective Underwriters. The Bonds to be offered to the public may be offered and sold to certain dealers (including the Underwriters and other dealers depositing Bonds into investment trusts) at prices lower than the public offering prices of the Bonds and such public offering prices may be changed, from time to time, by the Underwriters.

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.

BofA Securities, Inc., an underwriter of the Series 2026-A Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Series 2026-A Bonds.

One of the Underwriters of the Series 2026-A Bonds is BOK Financial Securities, Inc., which is not a bank, and the Series 2026-A Bonds are not deposits of any bank and are not insured by the Federal Deposit Insurance Corporation.

SAMCO Capital Markets Inc., an Underwriter of the Series 2026-A Bonds, has entered into a retail distribution agreement with Fidelity Capital Markets, a division of National Financial Services LLC (together with its affiliates, "Fidelity"). Under this distribution agreement, SAMCO Capital Markets Inc. may distribute municipal securities to retail investors at the original issue price through Fidelity. As part of this arrangement, SAMCO Capital Markets Inc. will compensate Fidelity for its selling efforts.

Truist Securities, Inc. has entered into an agreement (the "Distribution Agreement") with Truist Investment Services, Inc. ("TIS") for the retail distribution of certain municipal securities offerings, including the Series 2026-A Bonds. Pursuant to the Distribution Agreement, Truist Securities, Inc. will share a portion of its underwriting compensation, as applicable, with respect to the Series 2026-A Bonds with TIS. Each of Truist Securities, Inc. and TIS is a subsidiary of Truist Financial Corporation.

Truist Securities is the trade name for the corporate and investment banking services of Truist Financial Corporation and its subsidiaries. Securities and strategic advisory services are provided by Truist Securities, Inc., member FINRA and SIPC. Lending, financial risk management, and treasury management and payment services are offered by Truist Bank. Deposit products are offered by Truist Bank, Member FDIC. In its normal course of business Truist Bank may currently, or in the future, provide credit, treasury management, or other commercial banking services to the State, the Commission, or the Department.

Morgan Stanley & Co. LLC, the Underwriter of the Series 2026-B 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 2026-B Bonds.

The Commission intends to use a portion of the proceeds of the Series 2026-A Bonds to redeem the Refunded Bonds. To the extent an Underwriter or an affiliate thereof is an owner of Refunded Bonds, such Underwriter or its affiliate, as applicable, would receive a portion of the proceeds from the issuance of the Series 2026-A Bonds contemplated herein in connection with such Refunded Bonds being purchased by the Commission.

The Commission intends to use a portion of the proceeds from this offering to purchase the Purchased Bonds. To the extent an Underwriter or an affiliate thereof is an owner of Purchased Bonds, such Underwriter or its affiliate, as applicable, would receive a portion of the proceeds from the issuance of the Bonds contemplated herein in connection with such Purchased Bonds being redeemed by the Commission.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, financial advisory, commercial and investment banking, investment management, principal investment, hedging, financing, and brokerage services. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the Commission and the State, for which they received or will receive customary fees and expenses. In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt or equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of 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.

Verification of Mathematical Accuracy

The Verification Agent will verify from the schedules provided to it by Estrada Hinojosa, the mathematical accuracy as of the Date of Initial Delivery of the Bonds of the computations contained in the provided schedules to determine that the anticipated receipts from the cash deposits listed in such schedules will be sufficient to pay (i) the extraordinary optional redemption price of the Refunded Series 2009A Bonds and Redeemed Series 2009A Bonds, if any, (iii) the make-whole redemption price on the Refunded Taxable Series 2020 Bonds, if any, and Redeemed Taxable Series 2020 Bonds and (iii) the purchase price of the Purchased Bonds when due. The Verification Agent will express no opinion on the assumptions provided to it.

Municipal Advisor

Effective August 2, 2024, Texas Bankshares, Inc., the registered bank holding company for Texas Regional Bank (collectively, "TRB"), completed its acquisition of Dallas-based investment banking group Estrada Hinojosa & Company, Inc. ("Estrada Hinojosa"). Estrada Hinojosa operates under TRB Securities, LLC, a wholly-owned subsidiary of TRB, using the assumed name of "Estrada Hinojosa."

Estrada Hinojosa is acting as municipal advisor to the Commission (the "Municipal Advisor"). The Municipal Advisor's fee for services rendered with respect to the sale of the Bonds is not contingent upon the issuance and delivery of the Bonds. The Municipal 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 Bonds, or the possible impact of any present, pending, or future actions taken by any legislative or judicial bodies.

Relationship of Certain Parties

The Commission has designated Jefferies the bookrunning Underwriter of the Series 2026-A Bonds, and as the Designated Investment Banker in connection with the extraordinary optional redemption of the Redeemed Series 2009A Bonds and Refunded Series 2009A Bonds, if any, pursuant to the 2009A Supplement. See "PLAN OF FINANCE – Payment of the Redeemed Bonds and the Refunded Bonds."

Jefferies is also acting as the Dealer Manager in connection with the Commission's Tender Offer described under "PLAN OF FINANCE – Purchase of the Purchased Bonds." The Commission's purchase of the Purchased

Bonds will be funded with a portion of the proceeds of the Series 2026-A Bonds and any available funds of the Commission. In its capacity as Dealer Manager, Jefferies is acting solely as Dealer Manager and not as an Underwriter of the Series 2026-A Bonds. The Dealer Manager will be separately paid a customary fee for its services as Dealer Manager and will be reimbursed for reasonable expenses incurred as Dealer Manager from a portion of the proceeds of the Series 2026-A Bonds.

Forward-Looking Statements

The statements contained in this Official Statement (which includes the cover page, the inside cover pages, the Schedules and the 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 but not limited to, the revenue projections in the Comptroller's certification described in "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Overview of Dedicated Revenues – Mobility Fund Revenue Forecasts," and any statements regarding a person's or entity'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 on the date of this Official Statement or such other dates of such forward-looking statements as described herein, as applicable, and neither the Commission nor the Comptroller assume any obligation to update any such forward-looking statements. The Commission's and the State's actual results, and the actual performance of the Mobility Fund, 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, the Department 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.

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Approval of Official Statement

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

TEXAS TRANSPORTATION COMMISSION

By:____
Chief Financial Officer
Texas Department of Transportation

SCHEDULE I

REFUNDED BONDS

Texas Transportation Commission
State of Texas General Obligation Mobility Fund Bonds, Taxable Series 2009A
(Build America Bonds – Direct Payment)

Maturity Date (April 1)	Interest Rate	Principal Amount	Redemption Date	Redemption Price

Texas Transportation Commission
State of Texas General Obligation Mobility Fund Refunding Bonds, Taxable Series 2020**

Maturity Date (April 1)	Interest Rate	Principal Amount	Redemption Date	Redemption Price

* Preliminary, subject to change. The refunding of any of the Refunded Bonds is contingent upon the sale and delivery of the Series 2026-A Bonds. The maturities and amounts of the Refunded Bonds, if any, to be refunded will depend on market conditions when the Series 2026-A Bonds are sold, and could differ materially from the information shown. See "PLAN OF FINANCE – Payment of the Redeemed Bonds and the Refunded Bonds."

** The Refunded Bonds will not include the Taxable Series 2020 Term Bond maturing October 1, 2044.

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SCHEDULE II

PURCHASED BONDS*

Texas Transportation Commission
State of Texas General Obligation Mobility Fund Refunding Bonds, Series 2017-B

Maturity Date (April 1)	Interest Rate	Current Principal Amount	Purchased Amount	Remaining Outstanding Amount

Texas Transportation Commission
State of Texas General Obligation Mobility Fund Refunding Bonds, Taxable Series 2020

Maturity Date (April 1)	Interest Rate	Principal Amount Outstanding	Purchased Amount	Remaining Outstanding Amount

* Preliminary, subject to change. The purchase of any of the Purchased Bonds is contingent upon the sale and delivery of the Series 2026-A Bonds. The maturities and amounts of such obligations, if any, to be purchased are subject to the terms and conditions of the Tender Offer. See "PLAN OF FINANCE – Purchase of the Purchased Bonds."

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APPENDIX A

THE STATE

As described in this 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.

This Official Statement hereby incorporates by reference the previously filed documents listed below, except for any information superseded by information that is included directly in this 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 Bonds under this Official Statement:

(i) State of Texas Annual Comprehensive Financial Report ("State ACFR") for the fiscal year ended August 31, 2025;

(ii) Appendix A: The State of Texas (August 2026, as may be supplemented from time to time); and

(iii) 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 State ACFR.

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/transparency/reports/. For further information, see "CONTINUING DISCLOSURE OF INFORMATION – Continuing Disclosure Undertaking of the Comptroller" in this Official Statement.

Information in the Bond Appendix, State ACFR, and any notice incorporated herein by reference is provided as of the date specified in the document. 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 Bonds when due, or the value of the 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 Definitions in the Master Resolution and the Sixteenth Supplemental Resolution

"*Annual Debt Service Requirements*" means, for any Fiscal Year, (i) the principal of, premium, if any, and interest on all Parity Debt 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 Parity Debt, or be payable in respect of any required purchase of such Parity Debt by the Commission) plus (ii) all payments required to be made by the Commission under each Credit Agreement constituting Parity Debt (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 Account from original proceeds from the sale of Parity Debt or from any other lawfully available source (other than moneys that would constitute Pledged Revenues in the subject annual period) 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 Parity Debt:

(1) Committed Take Out. If the Commission has entered into a Credit Agreement constituting Parity Debt and 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 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;

(3) Consent Sinking Fund. In the case of Balloon Debt (as defined in clause (2) above), if an Authorized 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 Parity Debt, 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 Parity Debt;

(5) Variable Rate. As to any Parity Debt that bears 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 Parity Debt shall be determined to be either (i) an interest rate equal to the average rate borne by such Parity Debt (or by comparable debt in the event that such Parity Debt has 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 Parity Debt bears 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 an Authorized Representative, (iii) if the Parity Debt bears interest at taxable rates, an interest rate equal to the rate of the 30 day London Interbank Offered Rate, or (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 Parity Debt, is the average rate anticipated to be in effect with respect to such Parity Debt 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 Parity Debt issued as Short-Term Obligations, the debt service on such Parity Debt shall be calculated assuming that such Parity Debt will be refunded and refinanced to mature over a 20-year period with level principal requirements and bearing interest 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 Parity Debt 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 Parity Debt, 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.

"*Amended and Restated Eighth Supplemental Resolution*" means the Amended and Restated Eighth Supplemental Resolution to the Master Resolution Establishing the Texas Transportation Commission Mobility Fund Revenue Financing Program adopted on April 30, 2009, and the related award certificate dated August 19, 2009, authorizing the issuance of the Series 2009A Bonds.

"*Authorized Denominations*" means, with respect to each Series of the Bonds (i) as Current Interest Bonds, $5,000 and any integral multiple thereof or (ii) as Capital Appreciation Bonds, $5,000 in Maturity Amount or any integral multiple thereof.

"*Authorized Representative*" means the Executive Director of the Department, each Deputy Executive Director of the Department, the Chief Financial Officer or such other individuals so designated by the Commission to perform the duties of an Authorized Representative under the Master Resolution and the Sixteenth Supplement.

"*Capital Appreciation Bonds*" means the Bonds on which no interest is paid prior to maturity, maturing variously in each of the years and in the aggregate principal amount as set forth in an Award Certificate.

"*Chief Financial Officer*" means the Chief Financial Officer, the Director, Project Finance and Toll Operations Division and/or or such other officer or employee so designated by the Commission to perform the duties of Chief Financial Officer under the Master Resolution and the Sixteenth Supplement.

"*Compounded Amount*" means, with respect to a Capital Appreciation Bond, as of any particular date of calculation, the original principal amount thereof, plus initial premium, if any, plus all interest accrued and compounded to the particular date of calculation, as determined in accordance with this Sixteenth Supplement and the Compounded Amount Table relating to such Bonds.

"*Compounded Amount Table*" means, with respect to the Capital Appreciation Bonds, the table attached as an exhibit to the Award Certificate relating to the Bonds that shows the Compounded Amounts per $5,000 Maturity Amount on the Compounding Dates for each maturity to its Maturity.

"*Current Interest Bonds*" means the Bonds paying current interest and maturity in each of the years and in the aggregate principal amounts set forth in an Award Certificate.

"*Debt*" means all indebtedness of the Commission payable from the Security that is also:

(1) indebtedness incurred or assumed by the Commission for borrowed money (including all obligations arising under Credit Agreements) and all other financial obligations of the Commission that, in accordance with generally accepted accounting principles, are shown on the liability side of a balance sheet;

(2) all other indebtedness (other than indebtedness otherwise treated as Debt hereunder) for borrowed money or for the acquisition, construction, or improvement of property or capitalized lease obligations that is guaranteed, directly or indirectly, in any manner by the Commission, or that is in effect guaranteed, directly or indirectly, by the Commission through an agreement, contingent or otherwise, to purchase any such indebtedness or to advance or supply funds for the payment or purchase of any such indebtedness or to purchase property or services primarily for the purpose of enabling the debtor or seller to make payment of such indebtedness, or to assure the owner of the indebtedness against loss, or to supply funds to or in any other manner invest in the debtor (including any agreement to pay for property or services irrespective of whether or not such property is delivered or such services are rendered), or otherwise; and

(3) all indebtedness secured by any mortgage, lien, charge, encumbrance, pledge, or other security interest upon property owned by the Commission whether or not the Commission has assumed or become liable for the payment thereof.

For the purpose of determining the "Debt" of the Commission, only outstanding Debt shall be included. No item shall be considered Debt unless such item constitutes indebtedness under generally accepted accounting principles applied on a basis consistent with the financial statements of the Department in prior Fiscal Years.

"*Dedicated Revenues*" means (i) from the periods and to the extent set forth below, the moneys generated from the below listed sources, each of which has been dedicated by the State Legislature to the Mobility Fund pursuant to the Constitutional Provision and other State law; (ii) all moneys hereafter dedicated to the Mobility Fund by the State Legislature; (iii) any other moneys substituted pursuant to the Constitutional Provision and Section 2(d) of the Master Resolution; and (iv) all amounts in the Mobility Fund attributable to such moneys, including investment income, as follows:

(1) The "United We Stand" specialty license plate fees provided for in Section 504.628 of the Texas Transportation Code;

(2) Beginning September 1, 2008, $15 of the Certificate of Title Fees provided for in Section 501.138 of the Texas Transportation Code;

(3) 67% of the state traffic fines received by the Comptroller for Fiscal Years 2004 and 2005 as provided for in Section 542.4031 of the Texas Transportation Code and beginning September 1, 2005 to the extent amounts of the dedicated portion of such fines combined with 49.5% of the annual surcharges as provided for in Section 708.053

of the Texas Transportation Code and Section 780.002 of the Texas Health and Safety Code exceeds $250 million in any Fiscal Year;

(4) 49.5% of the collected annual surcharge for Fiscal Years 2004 and 2005 as provided for in Section 708.053 of the Texas Transportation Code and Section 780.002 of the Texas Health and Safety Code and beginning September 1, 2005 to the extent amounts of the dedicated portion of such surcharge combined with 67% of the State traffic fines as provided for in Section 542.4031 of the Texas Transportation Code exceeds $250 million in any Fiscal Year;

(5) Beginning September 1, 2006, the license record fees provided for in Subchapter C of Chapter 521 of the Texas Transportation Code;

(6) Beginning September 1, 2007, the license reinstatement and reissuance fees provided for in Section 521.313 of the Texas Transportation Code;

(7) Beginning September 1, 2007, the license reinstatement and reissuance fees after conviction related to certain fraudulent records provided for in Section 521.3466 of the Texas Transportation Code;

(8) Beginning September 1, 2007, the license and certificate fees provided for in Subchapter R of Chapter 521 of the Texas Transportation Code;

(9) Beginning September 1, 2007, the commercial driver's license or commercial driver learner's permit fees provided for in Section 522.029 of the Texas Transportation Code;

(10) Beginning September 1, 2007, the license reinstatement and reissuance fees after administrative suspension of driver's license for failure to pass test for intoxication provided for in Section 524.051 of the Texas Transportation Code;

(11) Beginning September 1, 2005, the inspection and certification fees provided for in Subchapter H of Chapter 548 of the Texas Transportation Code;

(12) Beginning September 1, 2005, an administrative penalty imposed under Section 644.153 of the Texas Transportation Code;

(13) Beginning September 1, 2007, the reinstatement of license or issuance of new license fees provided for in Section 724.046 of the Texas Transportation Code; and

(14) To the extent permitted under Chapter 370, Texas Transportation Code, any surplus revenue of a regional mobility authority for any given year that such surplus is allocated to the Mobility Fund.

"*Defeasance Securities*" means (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 provide for the funding of an escrow to effect the defeasance of Bonds are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent.

"*Department Representative*" means the Chief Financial Officer, the Director, Project Finance and Toll Operations Division, Director, Financial Management Division or such other officer or employee of the Department so designated by the Commission to perform the duties of Department Representative under this Sixteenth Supplement.

"*Designated Investment Banker*" means, initially, Jefferies LLC, or any other primary United States government securities dealer located in the City of New York selected to serve as a designated investment bank for the purpose of defeasing and/or redeeming certain of the Texas Transportation Commission State of Texas General Obligation Mobility Fund Bonds, Taxable Series 2009A (Build America Bonds - Direct Payment) pursuant to the Amended and Restated Eighth Supplemental Resolution authorizing the issuance of the Series 2009A Bonds.

"*Escrow Agent*" means U.S. Bank Trust Company, National Association, Houston, Texas.

"*Escrow Agreement*" means the Escrow Agreement dated October 1, 2026, between the Commission and the Escrow Agent.

"*Escrow Fund*" means the Escrow Fund established pursuant to the Escrow Agreement.

"*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 Act, the Master Resolution and the Sixteenth 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).

"*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, as amended, or any successor provisions).

"*Maturity*," when used with respect to the Bonds, means the scheduled maturity.

"*Maturity Amount*" means the Compounded Amount of a Capital Appreciation Bond due on its Maturity.

"*Non-Recourse Debt*" means any debt secured by a lien (other than a lien on the Security), liability for which is effectively limited to the property subject to such lien with no recourse, directly or indirectly, to the Security.

"*Outstanding*" when used with respect to Parity Debt means, as of the date of determination, all Parity Debt theretofore delivered under the Master Resolution or any Supplement, except:

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

(2) Parity Debt deemed to be Defeased Debt;

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

(4) Parity Debt 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, Parity Debt owned by the Commission and Parity Debt purchased with funds advanced pursuant to a Credit Agreement shall be deemed to be Outstanding as though it was owned by any other owner.

"*Outstanding Parity Debt*" means the following previously issued and outstanding obligations: "Texas Transportation Commission State of Texas General Obligation Mobility Fund Bonds, Series 2006-B (Multi-Modal Bonds) (December 7, 2016 Remarketing)," "Texas Transportation Commission State of Texas General Obligation Mobility Fund Bonds, Taxable Series 2009A (Build America Bonds - Direct Payment)," "Texas Transportation Commission State of Texas General Obligation Mobility Fund and Refunding Bonds, Series 2014-A," "Texas Transportation Commission State of Texas General Obligation Mobility Fund Put Bonds, Series 2014-B (April 1, 2026 Remarketing)," "Texas Transportation Commission State of Texas General Obligation Mobility Fund Refunding Bonds, Series 2015-A," "Texas Transportation Commission State of Texas General Obligation Mobility Fund Refunding Bonds, Series 2017-A," "Texas Transportation Commission State of Texas General Obligation Mobility Fund Refunding Bonds, Series 2017-B," "Texas Transportation Commission State of Texas General Obligation Mobility Fund Refunding Bonds, Taxable Series 2020," "Texas Transportation Commission State of Texas General Obligation Mobility Fund Refunding Bonds, Series 2024" and "Texas Transportation Commission State of Texas General Obligation Mobility Fund and Refunding Bonds, Series 2025."

"*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 Parity Debt or to a series of

Parity Debt 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 Parity Debt on which interest is paid on a current basis and the outstanding and unpaid principal and compounded interest on such Parity Debt 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.

"*Parity Debt*" means all Debt of the Commission which may be issued or assumed in accordance with the terms of the Master Resolution and a Supplement, secured by a first lien on and pledge of the Security.

"*Pledged Revenues*" means (i) all Dedicated Revenues, (ii) all Repayments included in Pledged Revenues pursuant to a Supplement, (iii) all other amounts received by the Commission under any Collateral Documents, (iv) all Sale Proceeds, and (v) all amounts received by the Commission as income, profits, or gain on investments of money held in the Mobility Fund; provided, however, amounts in the Bond Proceeds Account and any other accounts or subaccounts so excluded pursuant to any Supplement shall not constitute Pledged Revenues.

"*Prepayments*" means all amounts received by the Commission from payment of principal of Transportation Assistance Bonds held in the Portfolio Account, which amounts are received prior to the stated maturity date or dates or the scheduled mandatory redemption dates of such Transportation Assistance Bonds.

"*Repayments*" means all amounts received by the Commission from the payment of principal of and premium, if any, and interest on Transportation Assistance Bonds held in the Portfolio Account, including, without limitation, all Prepayments.

"*Sale Proceeds*" means the gross proceeds (other than accrued interest) resulting from the sale of Transportation Assistance Bonds held in the Portfolio Account.

"*Security Register*" means the books and records kept and maintained by the Paying Agent/Registrar relating to the registration, transfer, exchange, and payment of the Bonds and the interest thereon.

"*Series 2009A Bonds*" has the meaning given to such term in "THE BONDS – Application of Certain BAB Subsidy Payments" herein.

"*Short-Term Obligations*" means an issue or series of Parity Debt the latest scheduled maturity of which is five years or less.

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

"*Subordinated Debt*" means any Debt which expressly provides that all payments thereon shall be subordinated to the timely payment of all Parity Debt then outstanding or subsequently issued.

"*Taxable Bonds*" means each Series of Bonds bearing interest at a taxable interest rate.

"*Tax-Exempt Bonds*" means each Series of Bonds bearing interest which is excludable from gross income for federal taxation purposes pursuant to Section 103 of the Internal Revenue Code of 1986.

"*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) twenty-five years.

"*Texas Transportation Commission Mobility Fund Revenue Financing Program*" or "*Financing Program*" or "Program" means the Texas Transportation Commission Mobility Fund Revenue Financing Program established by the Master Resolution.

"*Thirteenth Supplement Resolution*" means the Thirteenth Supplemental Resolution to the Master Resolution Establishing the Texas Transportation Commission Mobility Fund Revenue Financing Program," which was adopted pursuant to authority reserved by the Commission under the Master Resolution and adopted by Minute Order of the Commission on July 25, 2019, as may be amended or supplemented from time to time.

"*Transportation Assistance Bonds*" means obligations purchased by the Commission which may or may not be pledged as part of the Security on an individual basis as further described in the Master Resolution.

"*Variable Rate Bonds*" means Bonds in the Daily Mode, the Flexible Mode, the Weekly Mode, the Monthly Mode, the Quarterly Mode, the Semiannual Mode, the Multiannual Mode, the Index Floating Rate Mode or such other mode or provisions as set forth in each Award Certificate.

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Select Provisions of the Master Resolution

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Section 1. ESTABLISHMENT OF FINANCING PROGRAM AND ISSUANCE OF PARITY DEBT. As authorized by the Constitutional Provision, the Act, and other applicable provisions of State law, the Texas Mobility Fund Revenue Financing Program is hereby established for the purpose of providing a financing structure for the issuance of Debt by the Commission secured by and payable from a pledge of and lien on all or part of the moneys in the Mobility Fund. The Master Resolution is intended to establish a master financing program under which Parity Debt of the Financing Program can be incurred. The Financing Program is initially established in the aggregate principal amount outstanding at any time of not to exceed $7.5 billion, subject to the limitations and requirements of the Constitutional Provision, the Act and other applicable provisions of State law, the Master Resolution, and each Supplement (the "Controlling Provisions"). Each issue or series of Parity Debt shall be issued pursuant to a Supplement and no Parity Debt shall be issued unless the Commission has complied with the Controlling Provisions. (As amended by (i) the "First Amendment to Master Resolution Establishing the Texas Transportation Commission Mobility Fund Revenue Financing Program," approved by the Commission by adoption of Minute Order No. 111083 on September 27, 2007, (ii) the "Second Amendment to Master Resolution Establishing the Texas Transportation Commission Mobility Fund Revenue Financing Program," approved by the Commission by adoption of Minute Order No. 113164 on June 28, 2012 and (iii) the "Third Amendment to Master Resolution Establishing the Texas Transportation Commission Mobility Fund Revenue Financing Program," approved by the Commission by adoption of Minute Order No. 114187 on January 29, 2015).

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 Parity Debt and any other matters related to Parity Debt not inconsistent with the Controlling Provisions.

Section 2. SECURITY AND PLEDGE. (a) Pledge. Parity Debt shall be secured by and payable solely from a first lien on and pledge of the following (collectively, the "Security"): (i) all Pledged Revenues; (ii) all Transportation Assistance Bonds in the Portfolio Account and all amounts in the General Account and the Interest and Sinking Account; (iii) any additional account or subaccount within the Mobility Fund that is subsequently established and so designated as being included within the Security pursuant to Section 3(g) hereof; (iv) all of the proceeds of the foregoing, including, without limitation, investments thereof; (v) any applicable Credit Agreement to the extent set forth in such Credit Agreement and, (vi) any applicable guarantee pursuant to subsection (c) hereof. With respect to any applicable series of Parity Debt, the term "Security" shall also include all amounts in any reserve account or subaccount applicable to such Parity Debt pursuant to Section 3(f) hereof, including any reserve fund surety policy or other Credit Agreement entered into for the benefit of such account or subaccount. The Commission hereby assigns and pledges the Security to the payment of the Annual Debt Service Requirements on Parity Debt 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 accounts or subaccounts within the Mobility Fund which may be provided to secure the repayment of Parity Debt 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 the Master Resolution and any Supplement. Pursuant to the Constitutional Provision, the amounts constituting Security are appropriated when received by the State, shall be deposited into the Mobility Fund, and may be used for the purposes provided by State law, including the Constitutional Provision and the Act.

(b) Credit Agreements. The Commission may execute and deliver one or more Credit Agreements (i) to additionally secure Parity Debt or an issue or series or part of any issue or series of Parity Debt or (ii) in connection with the authorization, issuance, sale, resale, security, exchange, payment, purchase, remarketing, or redemption of Parity Debt or an issue or series or part of an issue or series of Parity Debt or interest on an issue or series or part of an issue or series of Parity Debt without regard to whether a Credit Agreement was contemplated, authorized or executed in relation to the initial issuance, sale or delivery of Parity Debt. Credit Agreements and the obligations thereunder may, pursuant to their terms, constitute: (i) Parity Debt secured by a pledge of the Security on parity with all Parity Debt (ii) Subordinated Debt secured by a pledge of the Security subordinate to Parity Debt or (iii) partially on a parity with Parity Debt and partially as Subordinated Debt.

(c) State Guarantee. As authorized by subsection (g) of the Constitutional Provision and by Section 201.944 of the Texas Transportation Code, in addition to the security interest in the lien and pledge granted in subsection (a)(i) through (v) of this Section, the Commission may, at its option, pursuant to any Supplement applicable to a particular series or issue of Parity Debt, guarantee on behalf of the State the payment of such Parity Debt by pledging the full faith and credit of the State to the payment of such Parity Debt in the event that the revenue and moneys dedicated to and on deposit in the Mobility Fund are insufficient to provide for the payment of such Parity Debt.

(d) Dedicated Revenues. While moneys in the Mobility Fund are pledged to the payment of any outstanding Parity Debt or Subordinated Debt, Dedicated Revenues may not be reduced, rescinded, or repealed unless: (i) the State Legislature by law dedicates a substitute or different source that is projected and certified by the Comptroller to be of equal or greater value than the source or amount being reduced, rescinded, or repealed; and (ii) the Commission implements the State guarantee pursuant to subsection (c) hereof for the payment of outstanding Parity Debt. Revenues from any such revenue source substituted by the State Legislature pursuant to this subsection shall constitute Dedicated Revenues.

(e) Perfection. Chapter 1208, Texas Government Code, applies to the issuance of Parity Debt 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 Parity Debt is 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 Parity Debt 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. FUND ACCOUNTS. (a) Creation of Accounts. The Commission hereby establishes and affirms the creation of the following accounts within the Mobility Fund held by the Comptroller, to-wit:

(i) the Mobility Fund General Account (the "General Account");

(ii) the Mobility Fund Portfolio Account (the "Portfolio Account");

(iii) the Mobility Fund Interest and Sinking Account (the "Interest and Sinking Account"); and

(iv) the Mobility Fund Bond Proceeds Account (the "Bond Proceeds Account").

(b) General Account. Subject to the provisions of Section 4 of the Master Resolution, moneys in the General Account may be used for any lawful purpose for which the Mobility Fund may be used pursuant to the Constitutional Provision, the Act, and other State law.

(c) Portfolio Account. Any Transportation Assistance Bonds acquired for the Mobility Fund pursuant to Section 7(b) hereof, upon acquisition thereof by the Commission, will be promptly deposited into the Portfolio Account and held therein until paid.

(d) Interest and Sinking Account. Moneys in the Interest and Sinking Account shall be used to pay amounts due on or with respect to Parity Debt, including the principal of, premium, if any, and interest on Parity Debt as the same become due and payable (whether at Stated Maturity or upon prior redemption), and the Commission shall maintain such account as long as Parity Debt is Outstanding.

(e) Bond Proceeds Account. Proceeds from the issuance of Parity Debt shall be deposited from time to time upon the issuance of such Parity Debt as provided by the applicable Supplement into the Bond Proceeds Account, or any subaccount thereof created with respect to such Parity Debt. Such proceeds and the interest thereon shall remain in the Bond Proceeds Account or applicable subaccount thereof until expended to accomplish the purposes for which such Parity Debt was issued or until otherwise utilized as provided in the applicable Supplement. Amounts in the Bond Proceeds Account do not constitute Security.

(f) Reserve Accounts or Subaccounts. The Commission may establish a reserve account within the Mobility Fund and/or any other account or subaccount pursuant to the provisions of the applicable Supplement for the purpose of paying or securing a particular issue or series of Parity Debt or any specific group of issues or series of Parity Debt and the amounts, once deposited into said accounts or subaccounts, shall no longer constitute Security for all Parity Debt but shall be held solely for the benefit of the owners of the particular issue or series or group of issues or series of Parity Debt for which such account or subaccount was established. Each such account or subaccount shall be designated in such manner as is necessary to identify the Parity Debt it secures and to distinguish such account or subaccount from any other accounts created for the benefit of any other Parity Debt. Any such reserve accounts or subaccounts shall be established in the Supplement related to such series or issue of Parity Debt. The Commission may, in its discretion, provide in the applicable Supplement for a surety bond, insurance policy or other Credit Agreement, to the extent then authorized by law, to be held for the benefit of such a reserve account or subaccount.

(g) Other Accounts. The Commission reserves the right to establish, in connection with the issuance of Parity Debt or for other purposes, one or more additional accounts or subaccounts within the Mobility Fund 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 account or subaccount that the amounts in such additional account or subaccount will be either included within or excluded from the Security.

Section 4. FLOW OF FUNDS. (a) Application of Certain Pledged Revenues. All Pledged Revenues shall be deposited in the General Account immediately upon receipt by the Department, the Comptroller or other applicable State agency. Except as provided in subsection (b) below, all Pledged Revenues are hereby and shall be pledged, appropriated, deposited, and transferred from the General Account to the other Accounts and Subaccounts in the Mobility Fund to the extent required for the following uses and in the order of priority shown:

FIRST: to the payment of amounts required to be deposited and credited to the Interest and Sinking Account to meet all financial obligations of the Commission relating to the Financing Program, including payments due on or with respect to the payment of Parity Debt as the same mature or come due;

SECOND: pro rata, on the basis that the Outstanding Principal Amount of each particular issue or series of Parity Debt secured by a reserve account bears to the aggregate Outstanding Principal Amount of all such issues or series of such Parity Debt secured by any reserve account, to the payment of the amounts required to be deposited and credited to each reserve account created and established to maintain a reserve in accordance with the provisions of any Supplement relating to the issuance of any Parity Debt;

THIRD: any amounts to be deposited into any other fund, account or subaccount to the extent required pursuant to the provisions of any Supplement relating to the issuance of Parity Debt;

FOURTH: to the extent required by any resolution or other instrument adopted or approved by the Commission pursuant to which Subordinated Debt is issued, the amount necessary to meet all financial obligations on such Subordinated Debt and to accumulate or restore any required reserves to ensure payment of such principal, premium, and interest shall be deposited to any account or subaccount created for such purpose; and

FIFTH: all remaining Pledged Revenues shall be retained in the General Account.

(b) Repayments and Sale Proceeds. Notwithstanding the foregoing subsection (a), the Commission may direct and apply all Repayments and Sale Proceeds relating to Transportation Assistance Bonds pledged as Security pursuant to Section 7(b) of the Master Resolution in such a manner and to the extent necessary to protect the tax-exempt status of interest on any Parity Debt under the Code.

Section 5. GENERAL REPRESENTATIONS AND COVENANTS. The Commission further represents, covenants, and agrees that while Parity Debt or interest thereon is Outstanding:

(a) Payment of Parity Debt. The Commission will duly and punctually pay or cause the Comptroller to pay, solely from the Security, (i) the Annual Debt Service Requirements on, and other payments with respect to, each and every Parity Debt on the dates and at the places, as such Parity Debt accrues or matures, or becomes subject to mandatory redemption prior to maturity and such payments will be made in the manner provided in said Parity Debt and the Supplement governing its issuance, according to the true intent and meaning thereof and (ii) the fees and expenses related to Parity Debt, including the fees and expenses of the Paying Agent and any registrar, trustee, Underwriters, tender agent, or credit provider.

(b) Performance. The Commission will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in the Master Resolution and in each Supplement, and in each and every Parity Debt 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 the Mobility Fund and Parity Debt.

(c) Redemption. The Commission will duly cause to be called for redemption prior to maturity, and will cause to be redeemed prior to maturity, all Parity Debt which by its terms is mandatorily required to be redeemed prior to maturity, when and as required.

(d) Determination of Annual Debt Service Requirements. For all purposes of the 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.

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

(f) Preservation of Lien. Subject to the conditions set forth in subsection (g) of this Section and in Section 6 of the Master Resolution, the Commission (i) will not do or suffer any act or thing whereby the pledge of the Security might or could be impaired and (ii) will take all actions to the extent necessary to ensure that the Comptroller does not do or suffer any act or thing whereby the pledge of the Security might or could be impaired.

(g) No Additional Encumbrance. The Commission shall not incur additional Debt secured by the Security in any manner, except as permitted by the Master Resolution in connection with Parity Debt, unless said Debt is made junior and subordinate in all respects to the liens, pledges, covenants, and agreements of the Master Resolution and any Supplement. Any Debt incurred by the Commission without satisfying the conditions for the issuance of Parity Debt, as set forth in the Master Resolution, is hereby declared to be Subordinated Debt junior and subordinate in all respects to the liens, pledges, covenants, and agreements of the Master Resolution and any Supplement whether such status is noted or not.

(h) Mobility Fund. The Commission will administer the Mobility Fund in accordance with the Act, the Constitutional Provision, and any other applicable provision of State law.

(i) Investments and Security. Moneys in all accounts and subaccounts established pursuant to the Master Resolution and any Supplement will be held uninvested or invested and secured in the manner prescribed by State law for such funds and in accordance with the applicable Supplement and written policies adopted by the Commission. The investments of each account and subaccount shall be made under conditions that will timely provide money sufficient to satisfy the Commission's obligations hereunder and under any Supplement. Money in all accounts and subaccounts established pursuant to the Master Resolution and any Supplement may be combined for investment purposes, as directed by the Commission. Such treatment does not constitute a commingling of the money in such accounts and subaccounts and the Commission shall keep or cause to be kept full and complete records indicating the money, investments and securities credited to each such account and subaccount. Any profits or losses from investments shall be credited or charged, respectively, on a pro rata basis among the accounts and other sources of money from which such investment was made.

(j) Records; Annual Audit. Each year while any Parity Debt is Outstanding, the Commission covenants that as soon as practicable, but in no event more than six (6) months after the last day of each Fiscal Year, it will prepare or cause to be prepared a financial report of the Mobility Fund for such Fiscal Year. So long as the Department Annual Financial Report is audited, the financial report of the Mobility Fund shall be contained within the audited TxDOT Annual Financial Report as a discrete account or fund in accordance with generally accepted accounting principles. If in any Fiscal Year the Department's Annual Financial Report is not audited, the Commission covenants to provide a separate audited financial report of the Mobility Fund. The Commission shall promptly furnish such financial report to the municipal bond rating agencies then maintaining a rating on Parity Debt and to any owner of Parity Debt who shall request the same, and shall file or make available such financial report as required by each Supplement. In addition, a copy of each such financial report shall be retained on file in the Department's administrative offices and open to the inspection of the owners of Parity Debt, and their respective agents and representatives, at all reasonable times during regular business hours, for at least one (1) year following the preparation thereof.

(k) 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 Parity Debt at all reasonable times to inspect all records, accounts, and data of the Commission and the Department relating to the Mobility Fund and the Financing Program, except such records as federal or State law may designate as privileged and exempt from disclosure.

Section 6. ISSUANCE OF PARITY DEBT. (a) General. The Commission reserves and shall have the right and power to issue or incur Parity Debt for any purpose authorized by law, including the refunding of Parity Debt, Subordinated Debt, or other obligations of the Commission issued to finance the costs of a project authorized to be financed under the Financing Program, pursuant to the provisions of the 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 Parity Debt.

(b) Parity Debt Issued as Long-Term Obligations. Provided that the Commission is in compliance with the requirements of any then applicable provisions of State law, the Commission may from time to time incur, assume, guarantee, or otherwise become liable in respect of Parity Debt constituting Long-Term Obligations if, in the applicable Supplement, the Commission finds that, upon the issuance of such Parity Debt, the Security will be sufficient to meet the financial obligations relating to the Financing Program, including Security in amounts sufficient to satisfy the Annual Debt Service Requirements of the Financing Program. In addition, the Commission shall not issue or incur such Parity Debt unless (i) an Authorized Representative shall deliver to the Commission an Officer's Certificate stating that, to the best of his or her knowledge, the Commission, the Department and the Comptroller 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 hereof, thereof, or under any Credit Agreement that constitutes Parity Debt and (ii) to the extent then required by law, the Commission has received all required certifications of the Comptroller with respect to such Parity Debt.

(c) Parity Debt Issued as Short-Term Obligations. Provided that the Commission is in compliance with the requirements of any then applicable provisions of State law, the Commission may from time to time incur, assume, guarantee, or otherwise become liable in respect of Parity Debt constituting Short-Term Obligations if, in the applicable Supplement, the Commission finds that, upon the issuance of such Parity Debt, the Security will be sufficient to meet the financial obligations relating to the Financing Program, including Security in amounts sufficient to satisfy the Annual Debt Service Requirements of the Financing Program. In addition, the Commission shall not issue or incur such Parity Debt unless (i) an Authorized Representative shall deliver to the Commission an Officer's Certificate stating that, to the best of his or her knowledge, the Commission, the Department and the Comptroller 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 hereof, thereof or under any Credit Agreement that constitutes Parity Debt and (ii) to the extent then required by law, the Commission has received all required certifications of the Comptroller with respect to such Parity Debt.

(d) Credit Agreements. To the extent permitted by law, the Commission may execute and deliver one or more Credit Agreements (i) upon the delivery to the Commission of an Officer's Certificate to the effect that the Credit Agreement is in the best interest of the Commission and (ii) compliance with the requirements of subsection (b) or (c) of this section as the case may be, if the Credit Agreement is to constitute Parity Debt. Each Credit Agreement shall be approved by the Commission, to the extent required by law, either pursuant to a Supplement or by other action. Credit Agreements and the obligations thereunder may, pursuant to their terms, constitute (i) Parity Debt secured by a pledge of the Security on parity with other Parity Debt, (ii) Subordinated Debt secured by a pledge of the Security subordinate to Parity Debt, or (iii) partially Parity Debt and partially Subordinated Debt.

(e) Non-Recourse Debt and Subordinated Debt. Non-Recourse Debt and Subordinated Debt may be incurred by the Commission in accordance with State law.

(f) Increase in Financing Program. The principal amount of 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 Dedicated Revenues will be sufficient to pay all amounts to be payable from Dedicated Revenues. The increase in the principal amount of the Financing Program does not relieve the Commission from any of the Controlling Provisions, including specifically the other requirements of this Section 6 relating to the issuance or incurrence of Parity Debt by the Commission.

Section 7. TRANSPORTATION ASSISTANCE BONDS. (a) Purchase of Transportation Assistance Bonds. To the extent then authorized by State law, including specifically, Section 222.103, Texas Transportation Code, the Commission may use available moneys in the Mobility Fund to provide participation by the State, by loan, in the payment of part of the costs of constructing and providing publicly owned toll roads and other public transportation projects or otherwise as provided by law. The Commission may evidence such a loan by the purchase of Transportation Assistance Bonds from the entity receiving such a loan.

(b) Pledge of Transportation Assistance Bonds. The Commission, pursuant to a Supplement, may pledge the Repayments relating to particular Transportation Assistance Bonds to the payment of Parity Debt and such Transportation Assistance Bonds shall be held in the Portfolio Account of the Mobility Fund and the Repayments shall be deposited into the General Account.

Section 8. WAIVER OF CERTAIN COVENANTS. The Commission may omit in any particular instance to comply with any covenant or condition set forth in Sections 5 and 6 hereof if before or after the time for such compliance the Holders 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 Parity Debt, including designating any municipal bond insurance company providing an insurance policy on the payment of Parity Debt or the provider under a Credit Agreement as the sole owner of such Parity Debt.

Section 9. INDIVIDUALS NOT LIABLE. All covenants, stipulations, obligations, and agreements of the Commission contained in the Master Resolution and any Supplement shall be deemed to be covenants, stipulations, obligations, and agreements of the Financing Program, the Mobility Fund, 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 Parity Debt when issued, or be subject to any personal liability or accountability by reason of the issuance thereof.

Section 10. SPECIAL OBLIGATIONS; ABSOLUTE OBLIGATION TO PAY PARITY DEBT. All Parity Debt and the interest thereon shall constitute special obligations of the Commission payable from the Security, and except as provided in Section 2(c) hereof, the owners of Parity Debt shall never have the right to demand payment out of funds raised or to be raised by taxation, or from any source other than those specified in the Master Resolution or any Supplement. The obligation of the Commission to pay or cause to be paid the amounts payable under the Master Resolution and each Supplement out of the Security shall be absolute, irrevocable, complete, and unconditional, and the amount, manner, and time of payment of such amounts shall not be decreased, abated, rebated, setoff, reduced, abrogated, waived, diminished, or otherwise modified in any manner or to any extent whatsoever, regardless of any right of setoff, recoupment, or counterclaim that the Commission might otherwise have against any owner or any other party and regardless of any contingency, force majeure, event, or cause whatsoever and notwithstanding any circumstance or occurrence that may arise or take place before, during, or after the issuance of Parity Debt while any Parity Debt is Outstanding.

In addition, the obligation of the State, to the extent that the full faith and credit of the State is pledged to the payment of an issue or series of Parity Debt pursuant to the Constitutional Provision and Section 2(c) of the Master Resolution, to pay or cause to be paid the amounts payable under the Master Resolution and each Supplement shall be absolute, irrevocable, complete, and unconditional, and the amount, manner, and time of payment of such amounts shall not be decreased, abated, rebated, setoff, reduced, abrogated, waived, diminished, or otherwise modified in any manner to any extent whatsoever, regardless of any right of setoff, recoupment, or counterclaim that the State might otherwise have against any owner or any other party and regardless of any contingency, force majeure, event, or cause whatsoever and notwithstanding any circumstance or occurrence that may arise or take place before, during, or after the issuance of Parity Debt while any Parity Debt is Outstanding.

Section 11. REMEDIES. Pursuant to the Constitutional Provision and as allowed by other law, the State has waived sovereign immunity with respect to the enforcement of the obligations of the Commission and the State pursuant to mandamus proceedings. Any owner of Parity Debt 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 Parity Debt, 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 all legal and equitable means, including specifically 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 12. DEFEASANCE OF PARITY DEBT. Each Supplement authorizing Parity Debt may provide by its respective terms the circumstances and conditions under which such Parity Debt may be considered Defeased Debt.

Section 13. AMENDMENT OF RESOLUTION. (a) Amendment Without Consent. The Master Resolution and the rights and obligations of the Commission and of the owners of the Outstanding Parity Debt may be modified or amended at any time without notice to or the consent of any owner of the Outstanding Parity Debt, 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 approving 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 Parity Debt or to change the definition of Dedicated Revenues as may be altered by the State Legislature from time to time 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 of Outstanding Parity Debt;

(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 Parity Debt, which changes or amendments do not, in the judgment of the Commission, materially adversely affect the interests of the owners of the Outstanding Parity Debt;

(vi) To make any changes or amendments requested by any bond rating agency then rating or requested to rate Parity Debt, 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 Parity Debt; or

(vii) To change the principal amount of the Financing Program as provided in Section 6(f).

(b) Amendments With Consent. Subject to the provisions of Section 13(g) of the Master Resolution, the owners of Outstanding Parity Debt 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 the 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 the owners of all of the Outstanding Parity Debt (unless such amendment shall be determined by the Commission to affect only the owners of certain Parity Debt, 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 Parity Debt a priority over the owners of any other Outstanding Parity Debt; or

(ii) Materially adversely affect the rights of the owners of less than all Parity Debt 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 Parity Debt; or

(v) Reduce the rate of interest borne by any Outstanding Parity Debt; or

(vi) Reduce the amount of the principal payable on any Outstanding Parity Debt; 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 Parity Debt, 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 the 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 of Texas (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 Parity Debt for inspection by all owners of Parity Debt. 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 Parity Debt. A copy of such notice shall be provided in writing to each national rating agency maintaining a rating on any Parity Debt.

(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 the Master Resolution pursuant to the provisions of this Section, the 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 of then Outstanding Parity Debt and all future Parity Debt shall thereafter be determined, exercised, and enforced under the Master Resolution, as amended.

(f) Consent Irrevocable. Any consent given by any owner of Parity Debt 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 Parity Debt 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 Parity Debt 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 Parity Debt 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 Parity Debt, including designating any municipal bond insurance company providing an insurance policy on the payment of Parity Debt or the provider under a Credit Agreement as the sole owner of such Parity Debt.

(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 of Outstanding Parity Debt under such Supplement a priority over the owners of any other Outstanding Parity Debt.

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Select Provisions of the Sixteenth Supplemental Resolution

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Section 1.02. ESTABLISHMENT OF FINANCING PROGRAM AND ISSUANCE OF PARITY DEBT.

(b) Bonds Are Parity Debt. As required by Section 6 of the Master Resolution governing the issuance of Long-Term Obligations such as the Bonds, the Commission hereby finds that, upon the issuance of the Bonds, the Security will be sufficient to meet the financial obligations relating to the Financing Program, including Security in amounts sufficient to satisfy the Annual Debt Service Requirements of the Financing Program. The Bonds are hereby declared to be Parity Debt under the Master Resolution.

(c) State Guarantee. The Commission hereby exercises the authority provided for in subsection (g) of the Constitutional Provision, Section 201.944, Texas Transportation Code, and Section 2(c) of the Master Resolution and guarantees on behalf of the State the payment of the Bonds and any Credit Agreements executed under Section 7.18 of this Sixteenth Supplement by pledging the full faith and credit of the State to the payment of the Bonds and any Credit Agreements executed under Section 7.18 of this Sixteenth Supplement in the event that the revenue and moneys dedicated to and on deposit in the Mobility Fund are insufficient to provide for the payment of the Bonds and any Credit Agreements executed under Section 7.18 of this Sixteenth Supplement.

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Section 4.0l. 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 Account to be held to pay interest on such Series of the Bonds.

(b) Debt Service Payments. Semiannually on or before each principal or interest payment date while any of the Current Interest Bonds are outstanding and unpaid, commencing on the first interest payment date for the

Current Interest Bonds as provided in the Award Certificate(s), the Commission shall make available from the Mobility Fund to the Paying Agent/Registrar, money sufficient to pay such interest on and such principal of the Current Interest 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 Bonds and shall furnish the Commission with an appropriate certificate of cancellation.

Section 4.02. REBATE FUND. A separate and special fund to be known as the Rebate Fund is hereby established by the Commission within the Mobility Fund pursuant to the requirements of Section 148(f) of the Code and the tax covenants of the Commission contained in Section 5.01 of this Sixteenth Supplement for the benefit of the United States of America and the Commission, as their interests may appear pursuant to this Sixteenth Supplement. Such amounts shall be deposited therein and withdrawn therefrom as is necessary to comply with the provisions of Section 5.01. Any moneys held within the Rebate Fund shall not constitute Security under the Master Resolution.

Section 4.03. ESCROW FUND AND ESCROW INSTRUCTIONS. A separate and special fund to be known as the Escrow Fund is hereby established by the Commission pursuant to an Escrow Agreement.

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Section 5.02. ALLOCATION OF, AND LIMITATION ON, EXPENDITURES FOR PROJECT. The Commission covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 2.01 of this Sixteenth Supplement on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (i) the expenditure is made, or (ii) the purposes for which the Tax-Exempt Bonds are issued have been accomplished. The foregoing notwithstanding, the Commission shall not expend sale proceeds or investment earnings thereon more than 60 days after the earlier of (i) the fifth anniversary of the delivery of the Tax-Exempt Bonds, or (ii) the date the Tax-Exempt Bonds are retired, unless the Commission obtains an opinion of nationally-recognized bond counsel that such expenditure will not adversely affect the tax-exempt status of the Tax-Exempt Bonds. For purposes hereof, the Commission shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 5.03. DISPOSITION OF PROJECT. The Commission covenants that the property financed or refinanced with the Tax-Exempt Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the Commission of cash or other compensation, unless the Commission obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Tax-Exempt Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Commission shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

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

(i) To add to the covenants and agreements of the Commission contained in this Sixteenth 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 Sixteenth Supplement;

(ii) To cure any ambiguity or inconsistency, or to cure or correct any defective provisions contained in this Sixteenth 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 Sixteenth Supplement;

(iii) To supplement the Security for the Bonds;

(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 of the Outstanding Bonds;

(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 the initial issuance of the applicable series of Bonds, which changes or amendments do not, in the judgment of the Commission, materially adversely affect the interests of the Owners of the applicable series of Outstanding Bonds;

(vi) To make any changes or amendments requested by any bond rating agency then rating or requested to rate the applicable series of 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 applicable series of Outstanding Bonds; or

(vii) To make any changes or amendments that take effect after a mandatory tender of all Outstanding Variable Rate Bonds if there is delivered to the Commission a Favorable Opinion of Bond Counsel.

Section 6.02. AMENDMENTS OR MODIFICATIONS WITH CONSENT OF OWNERS OF BONDS. (a) Amendments. Subject to the other provisions of this Sixteenth Supplement and the Master Resolution, the Owners of Outstanding Bonds 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 Sixteenth 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 the Owners of all of the Outstanding Bonds, the amendment of the terms and conditions in this Sixteenth 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 of Bonds necessary for consent to such amendment.

(b) Notice. If at any time the Commission shall desire to amend this Sixteenth 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 of Bonds. Such publication is not required, however, if the Commission gives or causes to be given such notice in writing to each Owner of Bonds. 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 of Outstanding Bonds 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 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 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 and sale proceeds to be used to pay capitalized interest for a Series of Bonds, if any, shall be deposited as provided in Section 4.01; and

(iii) an amount sufficient to pay the remaining costs of issuance of each Series of the Bonds and the costs of projects being financed with the proceeds of each Series of the Bonds shall be deposited in a separate subaccount for each Series within the Bond Proceeds Account or such other account as directed by the Department Representative as set forth in each Award Certificate; and

(iv) an amount sufficient to pay the Refunded Bonds (unless exchanged for Bonds and cancelled) shall be deposited in one or more Escrow Funds pursuant to each Escrow Agreement.

Any sale proceeds of the Bonds remaining after making all deposits and payments provided for above shall be deposited into the Interest and Sinking Account and applied to the payment of principal of and interest on the Current Interest Bonds and Maturity Amounts in the case of Capital Appreciation Bonds, unless otherwise directed by the Department Representative as set forth in the Award Certificate and closing instructions for each Series of 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 Debt within the meaning of the Master Resolution, 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 Debt 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 Debt 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 Sixteenth Supplement, and such principal and interest shall be payable solely from such money or Defeasance Securities, and thereafter, the Commission will have no further responsibility with respect to amounts available to such Paying Agent/Registrar (or other eligible institution) for the payment of said Defeased Debt, including any insufficiency therein caused by the failure of such Paying Agent/Registrar or other eligible institution to receive payment when due on the Defeasance Securities.

(b) Investments. The deposit under clause (ii) of subsection (a) of this Section shall be deemed a payment of 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 Sixteenth 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 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 into the General Account of the Mobility Fund.

(c) Continuing Duty of Paying Agent and Registrar. Notwithstanding any provision of any other Section of this Sixteenth 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 Debt shall have become due and payable, the Paying Agent/Registrar for such Defeased Debt shall perform the services of Paying Agent/Registrar for such Defeased Debt 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 Sixteenth Supplement.

(d) Amendment of this Section. Notwithstanding anything elsewhere in this Sixteenth 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 Bonds affected thereby.

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

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Section 7.05. ESCROW AGREEMENT AND RELATED PROVISIONS. (a) Escrow Agreement. The discharge and defeasance of Refunded Bonds shall be effectuated pursuant to the terms and provisions of an Escrow Agreement, in the form and containing the terms and provisions as shall be approved by a Department Representative, including any insertions, additions, deletions, and modifications as may be necessary (a) to carry out the program designed for the Commission by the underwriters or purchasers, (b) to maximize the Commission's present value savings and/or to minimize the Commission's costs of refunding, (c) to comply with all applicable laws and regulations relating to the refunding of the Refunded Bonds and (d) to carry out the other intents and purposes of this Sixteenth Supplement; and, the Department Representative is hereby authorized to execute and deliver such Escrow Agreement, on behalf of the Commission, in multiple counterparts.

(b) Redemption Prior to Maturity of Refunded Bonds. To maximize the Commission's present value savings and to minimize the Commission's costs of refunding, the Commission hereby authorizes and directs that certain of the Refunded Bonds shall be called for redemption prior to maturity in the amounts, at the dates and at the redemption prices set forth in each Award Certificate, and the Department Representative is hereby authorized and directed to take all necessary and appropriate action to give or cause to be given a notice of redemption to the holders or paying agent/registrars, as appropriate, of such Refunded Bonds, in the manner required by the documents authorizing the issuance of such Refunded Bonds.

(c) Purchase of Defeasance Securities. A Department Representative and the Escrow Agent are each hereby authorized (a) to subscribe for, agree to purchase, and purchase Defeasance Securities that are permitted investments for a defeasance escrow established to defease Refunded Bonds, and to execute any and all subscriptions, purchase agreements, commitments, letters of authorization and other documents necessary to effectuate the foregoing, and any actions heretofore taken for such purpose are hereby ratified and approved, and (b) to authorize such contributions to the escrow fund as are provided in each Escrow Agreement.

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APPENDIX C

FORMS OF BOND COUNSEL OPINION

[*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*.]

$716,080,000*
TEXAS TRANSPORTATION COMMISSION
STATE OF TEXAS GENERAL OBLIGATION
MOBILITY FUND AND REFUNDING BONDS,
SERIES 2026-A

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 of 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 Mobility Fund Revenue Financing Program" as amended by the "First Amendment to the Master Resolution Establishing the Texas Transportation Commission Mobility Fund Revenue Financing Program," the "Second Amendment to the Master Resolution Establishing the Texas Transportation Commission Mobility Fund Revenue Financing Program" and the "Third Amendment to the Master Resolution Establishing the Texas Transportation Commission Mobility Fund Revenue Financing Program" (collectively, the "Master Resolution") as supplemented by the "Sixteenth Supplemental Resolution to the Master Resolution Establishing the Texas Transportation Commission Mobility Fund Revenue Financing Program" (the "Sixteenth Supplement") adopted by minute order of the Commission on May 21, 2026 and the Award Certificate of the Department Representative (the "Award Certificate" which together with the Master Resolution and the Sixteenth Supplement 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, a transcript of certified proceedings of the Commission, the Master Resolution, as supplemented by the Sixteenth 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

*Preliminary, subject to change.

legally binding obligations of the Commission which, together with the Outstanding Parity Debt, are secured equally and ratably, on parity, by a first lien on and pledge of the Security established by the Resolution, and are payable as to principal and interest solely from the sources provided therein, including the Pledged Revenues. The Bonds are additionally secured by the State guarantee as authorized in the Master Resolution and exercised in the Sixteenth Supplement. The Master Resolution and Sixteenth Supplement are authorized by law, have been duly executed and delivered, and are valid and legally binding upon the Commission in accordance with their terms and provisions.

THE COMMISSION has reserved the right, subject to the restrictions stated in the Resolution to issue additional Parity Debt which also may be secured by the Master Resolution on a parity with the Bonds and the Outstanding Parity Debt. The Commission also has reserved the right to amend the Master Resolution and Sixteenth 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 Parity Debt.

IT IS FURTHER OUR OPINION, that except as discussed below, under the statutes, regulations, published rulings, and court decisions existing on the date of this opinion, for federal income tax purposes, the interest on the Bonds (i) is excludable from the gross income of the owners thereof and (ii) the Bonds will not be treated as "specified private activity bonds" the interest on which would be included as an alternative minimum tax preferred item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). In expressing the aforementioned opinions, we have relied upon the Sufficiency Certificate of Estrada Hinojosa, and certain representations, the accuracy of which we have not independently verified, and assume compliance by the Commission with certain representations and 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 upon a failure by the Commission 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. 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.

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.

WE CALL YOUR ATTENTION TO THE FACT THAT the interest on tax-exempt obligations, such as the Bonds, is included in a corporation's alternative minimum taxable income for purposes of determining the alternative minimum tax imposed on corporations by section 55 of the Code.

WE EXPRESS NO OPINION as to any insurance policies issued with respect to the payments due for the principal of and interest on the Bonds, nor as to any such insurance policies issued in the future.

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, the State, or the Texas Mobility Fund, 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 of Texas with respect to the projected revenues of the Texas Mobility Fund. 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,

[*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.*]

$400,000,000*
TEXAS TRANSPORTATION COMMISSION
STATE OF TEXAS GENERAL OBLIGATION
MOBILITY FUND PUT BONDS,
SERIES 2026-B (MULTIANNUAL MODE)

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 of 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 Mobility Fund Revenue Financing Program" as amended by the "First Amendment to the Master Resolution Establishing the Texas Transportation Commission Mobility Fund Revenue Financing Program," the "Second Amendment to the Master Resolution Establishing the Texas Transportation Commission Mobility Fund Revenue Financing Program" and the "Third Amendment to the Master Resolution Establishing the Texas Transportation Commission Mobility Fund Revenue Financing Program" (collectively, the "Master Resolution") as supplemented by the "Sixteenth Supplemental Resolution to the Master Resolution Establishing the Texas Transportation Commission Mobility Fund Revenue Financing Program" (the "Sixteenth Supplement") adopted by minute order of the Commission on May 21, 2026 and the Award Certificate of the Department Representative (the "Award Certificate" which together with the Master Resolution and the Sixteenth Supplement 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, a transcript of certified proceedings of the Commission, the Master Resolution, as supplemented by the Sixteenth 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 binding obligations of the Commission which, together with the Outstanding Parity Debt, are secured equally and ratably, on parity, by a first lien on and pledge of the Security established by the Resolution, and are payable as to principal and interest solely from the sources provided

*Preliminary, subject to change.

therein, including the Pledged Revenues. The Bonds are additionally secured by the State guarantee as authorized in the Master Resolution and exercised in the Sixteenth Supplement. The Master Resolution and Sixteenth Supplement are authorized by law, have been duly executed and delivered, and are valid and legally binding upon the Commission in accordance with their terms and provisions.

THE COMMISSION has reserved the right, subject to the restrictions stated in the Resolution to issue additional Parity Debt which also may be secured by the Master Resolution on a parity with the Bonds and the Outstanding Parity Debt. The Commission also has reserved the right to amend the Master Resolution and Sixteenth 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 Parity Debt.

IT IS FURTHER OUR OPINION, that except as discussed below, under the statutes, regulations, published rulings, and court decisions existing on the date of this opinion, for federal income tax purposes, the interest on the Bonds (i) is excludable from the gross income of the owners thereof and (ii) the Bonds will not be treated as "specified private activity bonds" the interest on which would be included as an alternative minimum tax preferred item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). In expressing the aforementioned opinions, we have relied upon the Sufficiency Certificate of Estrada Hinojosa, and certain representations, the accuracy of which we have not independently verified, and assume compliance by the Commission with certain representations and 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 upon a failure by the Commission 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. 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.

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.

WE CALL YOUR ATTENTION TO THE FACT THAT the interest on tax-exempt obligations, such as the Bonds, is included in a corporation's alternative minimum taxable income for purposes of determining the alternative minimum tax imposed on corporations by section 55 of the Code.

WE EXPRESS NO OPINION as to any insurance policies issued with respect to the payments due for the principal of and interest on the Bonds, nor as to any such insurance policies issued in the future.

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, the State, or the Texas Mobility Fund, 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 of Texas with respect to the projected revenues of the Texas Mobility Fund. 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,

APPENDIX D

DTC BOOK-ENTRY-ONLY SYSTEM

This Appendix describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by The Depository Trust Company ("DTC"), New York, New York, while the 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 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 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 Bonds. The 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 Bond certificate will be issued for each serial installment or maturity of the Bonds, and will be deposited with DTC. If, however, the aggregate principal amount of the issue exceeds $500 million, one certificate will be issued with respect to each $500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a S&P Global Ratings rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each 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 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all 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 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 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such 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 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the 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 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 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments on the 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 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, 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, Bond certificates will be printed and delivered to DTC.

Limitations

For so long as the 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 Bonds for all purposes, including payments, notices and voting. So long as Cede & Co. is the registered owner of the Bonds, references in this Official Statement to registered owners of the Bonds shall mean Cede & Co. and shall not mean the beneficial owners of the Bonds.

Because DTC is treated as the owner of the Bonds for substantially all purposes under the 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 Bonds that may be transmitted by or through DTC.

Under the Resolution, payments made by the Paying Agent/Registrar to DTC or its nominee shall satisfy the obligations of the Commission under the 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 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 Bonds for all purposes whatsoever, including, without limitation:

- the payment of principal of, premium, if any, and interest on the Bonds;

- giving notices of redemption and other matters with respect to the Bonds;

- registering transfers with respect to the Bonds; and

- the selection of Bonds for redemption.

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APPENDIX E

INVESTMENT AUTHORITY AND INVESTMENT PRACTICES FOR THE MOBILITY FUND

Pursuant to Section 201.946, Texas Transportation Code, the Mobility Fund may be invested in investments permitted by law for the investment of money on deposit in the State Highway Fund, which under current law is governed by Section 404.024, Texas Government Code ("Section 404.024"). Section 201.942, Texas Transportation Code, charges the Commission with the responsibility of investing the Mobility Fund. In furtherance of such investment responsibility, the Commission has executed an investment agreement with the Comptroller, acting by and through the Texas Treasury Safekeeping Trust Company ("Safekeeping Trust"), to assist the Commission, when requested by the Commission, with investing all or any portion of the Mobility Fund. See "FUND ADMINISTRATION AND INVESTMENT" herein. The Commission has adopted an investment policy which includes the Mobility Fund (the "Investment Policy") in accordance with the Public Funds Investment Act, Chapter 2256, Texas Government Code (the "PFIA"). Therefore, the Commission is authorized to invest or cause to be invested funds on deposit within the Mobility Fund in those permitted investments authorized under Section 404.024, as further modified by the Investment Policy. The Investment Policy and State law are subject to further change and amendment.

Based on the current Investment Policy and current law, the Mobility Fund may be invested in the following: (i) direct obligations of the United States or its agencies and instrumentalities (including senior debt obligations of the Government National Mortgage Association, or "GNMA", the Federal National Mortgage Association, or "FNMA", and the Federal Home Loan Mortgage Corporation, or "FHLMC"); (ii) direct obligations of the State or its agencies and instrumentalities rated as to investment quality by a nationally-recognized investment firm of not less than "A"; (iii) certain collateralized mortgage obligations that have a stated maturity of ten years or less directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States (such transactions not to exceed ten percent of the total of each investment portfolio under the Investment Policy); (iv) other obligations, the principal and interest of which are unconditionally guaranteed by the State or the United States or their respective agencies and instrumentalities; (v) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally-recognized investment rating firm not less than "A" or its equivalent (such transactions not to exceed ten percent of the total of each investment portfolio under the Investment Policy); (vi) certificates of deposit issued by a state or national bank designated as a State depository that are (a) guaranteed or insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration or their successors; (b) secured by obligations described in clauses (i) through (v) above; or (c) secured in any other manner and amount provided by law for deposits of the Commission (investment in certificates of deposit may not exceed 20 percent of the total investment portfolio); (vii) a fully collateralized repurchase agreement that has a defined termination date, is secured by obligations described in (i) through (v) above; requires collateral levels to be at least 104 percent of the principal and accrued but unpaid interest obligations under the agreement when the collateral type is U.S. Treasury obligations or obligations of GNMA, and such collateral levels to be at least 105 percent of the principal and accrued but unpaid interest obligations under the agreement when the collateral type is obligations of FNMA or FHLMC; requires the securities purchased by the Commission to be pledged to the Commission, held in the Commission's name, and deposited at the time the investment is made with the Commission or with a third party selected and/or approved by the Commission; requires the securities purchased by the Commission to be segregated and marked-to-market at least weekly with any deficiency in collateral level being cured within two business days; and is placed through a primary government securities dealer or financial institutions doing business in the State (such entity or its parent must be rated in the "A" category, without regard to gradation or numerical modifier, by at least two nationally-recognized rating agencies (S&P, Moody's and Fitch)); (viii) certain bankers acceptances with a stated maturity of 270 days or fewer from the date of issuance, if liquidated in full at maturity, eligible for collateral for borrowing from a Federal Reserve Bank, and accepted by a bank organized and existing under the laws of the United States or any state, if the short-term obligations of the bank are rated not less than "A-1" or "P-1" or an equivalent rating by at least one nationally-recognized credit rating agency (such transactions not to exceed five percent of the total Commission investment portfolio under the Investment Policy); (ix) commercial paper with a stated maturity of 270 days or less that is rated at least "A-1" or "P-1," or the equivalent, by at least (a) two nationally-recognized rating agencies or (b) one nationally-recognized credit rating agency if the paper is fully secured by an irrevocable letter of credit issued by a bank organized and existing under the laws of the United States or any state; (x) with certain restrictions, a no-load money market mutual fund that is registered with and regulated by the SEC and (a) provides the Commission with a prospectus and other information required by the Securities Exchange Act of 1934 or the Investment Company Act of 1940, complies with federal Securities and Exchange Commission Rule 2a-7 (17 C.F.R. Section 270.2a-7), promulgated under the Investment Company Act of 1940 (15 U.S.C. Section 80a-l et seq.); or (b) has an average weighted maturity of less than two years, and either has a duration of one year or more and is invested exclusively in obligations permitted for investment under the Investment Policy, or has a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset-backed securities; (xi) bonds issued, assumed, or guaranteed by the State of Israel; (xii) certain securities lending programs (as described below); (xiii) an eligible investment pool that is established by the Safekeeping Trust and invests solely in such obligations authorized under State law provided that the pool is rated no lower than "AAA" or "AAA-m" or an equivalent by at least one nationally-recognized rating service, operates like a mutual fund, has a portfolio consisting only of dollar-denominated securities, and operates under a qualified advisory board.

The Commission may invest in a securities lending program if (i) the value of securities loaned under the program are 100% collateralized (including accrued income), a loan made under the program allows for termination at any time, and a loan made under the program is secured by either (a) obligations that are described in clauses (i) through (v) and (xi) of the second paragraph under this Appendix; (b) pledged irrevocable letters of credit issued by a bank that is organized and existing under the laws of the United States or any other state and continuously rated by a nationally-recognized investment rating firm not less than "A" or its equivalent; or (c) cash invested in obligations that are described in clauses (i) through (v), (ix) through (xi) and (xiii) of the second paragraph under this Appendix; (ii) securities held as collateral under a loan are pledged to the Commission, held in the name of the Commission, and deposited at the time the investment is made with a third party designated by the Commission; (iii) a loan made under the program is placed through either a primary government securities dealer as defined by 5 C.F.R. Section 6801.102(f), as that regulation existed on September 1, 2003, or a financial institution doing business in the State; and (iv) the agreement to lend securities has a term of one year or less.

The Commission is specifically prohibited from investing in: (i) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal (interest only bond); (ii) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest (principal only bond); (iii) collateralized mortgage obligations that have a stated final maturity date of greater than ten years; (iv) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index (inverse floaters); or (v) investments of any type that are denominated in a foreign currency. In addition, the Commission is not authorized to invest in the aggregate more than 15% of the monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service, in mutual funds described in clause (x)(b) of the second paragraph under this Appendix, any portion of bond proceeds, reserves and other funds held for debt service, in mutual funds described in clause (x)(b) of the second paragraph under this Appendix, or invest its funds or funds under its control, including bond proceeds and reserves and other funds held for debt service, in any one mutual fund described in (x) of the second paragraph under this Appendix in an amount that exceeds ten percent of the total assets of the mutual fund. Further, reverse repurchase agreements must not have a term of more than 90 days, and the investment of reverse repurchase agreement funds must be in obligations with a term no greater than the term of the reverse purchase agreement.

Under State law, the Commission is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that include a list of authorized investments for Commission funds, the maximum allowable stated maturity of any individual investment, and the maximum average dollar-weighted maturity allowed for pooled fund groups. All Commission funds must be invested consistent with a formally adopted "Investment Strategy" that specifically addresses each fund's investment. Each Investment Strategy will describe its objectives concerning: (i) suitability of the investment to the financial requirements of the Commission; (ii) preservation and safety of principal; (iii) liquidity; (iv) marketability of each investment if the need arises to liquidate prior to maturity; (v) diversification of the portfolio; and (vi) yield.

Under State law, the Commission's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment considering the probable safety of capital and the probable income to be derived." At least quarterly, the Commission's investment officers must submit an investment report to the Commission including: (i) the book value and market value for each investment at the beginning and end of the reporting period; (ii) if the funds are pooled and invested, a summary statement, prepared in accordance with generally accepted accounting principles, presenting the beginning market value of the pool portfolio, changes in market value during the reporting periods, the ending market value of the portfolio, and fully accrued interest for the reporting period; (iii) the maturity date of each investment, if applicable; (iv) a statement of intent if some or all securities are intended to be held to maturity; (v) any variations from the investment strategy of the Commission; (vi) recommended amendments to current specific investment strategies; and (vii) an analysis of current market conditions.

Under State law, the Commission is additionally required to: (i) annually review its adopted policies and strategies; (ii) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and record any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (iii) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the Commission to disclose the relationship and file a statement with the Texas Ethics Commission and the Commission; (iv) require the qualified representative of firms offering to engage in an investment transaction with the Commission to: (a) receive and review the Commission's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the Commission and the business organization that are not authorized by the Commission's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the Commission's entire portfolio or requires an interpretation of subjective investment standards), and (c) deliver a written statement in a form acceptable to the Commission and the business organization attesting to these requirements; (v) perform a biennial audit of the management controls on investments and adherence to the Commission's investment policy; (vi) provide specific investment training for the Commissioners, Chief Financial Officer, and investment officers; (vii) require local government investment pools to conform to the disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (viii) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the Commission.

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APPENDIX F

AUDITED ANNUAL FINANCIAL REPORT OF THE TEXAS MOBILITY FUND FOR THE FISCAL YEAR ENDED AUGUST 31, 2025

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TEXAS MOBILITY FUNDS

Governmental funds of the Texas Department of Transportation

Annual Financial Report

For the Fiscal Year Ended August 31, 2025

(With Independent Auditor's Report)

Texas Department of Transportation

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Texas Mobility Funds

Governmental Funds of the Texas Department of Transportation

Annual Financial Report

For the Fiscal Year Ended

August 31, 2025

Prepared by:
Financial Management Division of the Texas Department of Transportation

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Texas Mobility Funds
Annual Financial Report
For the Fiscal Year Ended August 31, 2025

Table of Contets

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Section One

Introductory Section

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

December 12, 2025

To: The Citizens of the State of Texas and the Creditors of the Texas Mobility Funds' Bonds

The audited financial statements of the Texas Mobility Funds' (Mobility Funds) for the year ended Aug. 31, 2025, are submitted in conformity with the Master Resolution, dated as of May 4, 2005, as amended and supplemented by the first through fourteenth Supplemental Resolutions (Resolution).

An external audit firm, CliftonLarsonAllen, LLP (CLA), performed an independent audit, in accordance with generally accepted auditing standards in the United States of America (GAAS), of the Mobility Funds financial statements for the year ended Aug. 31, 2025. The audit opinion is presented in this report preceding the financial statements. This report was prepared by the accounting staff in the Financial Management Division of the Texas Department of Transportation (TxDOT). TxDOT's internal accounting controls provide reasonable assurance regarding the safeguarding of assets against loss from unauthorized use or disposal and the reliability of financial records for preparing financial statements. The concept of reasonable assurance recognizes that the cost of a control should not exceed the resulting benefit.

Management is responsible for the accuracy of the data in this report as well as for the completeness and fairness of the presentation. Consequently, management assumes full responsibility for the completeness and fairness of all of the information presented in the financial statements. To the best of my knowledge and belief, the financial statements are accurate in all material respects and are reported in a manner that presents fairly the financial position and results of operations of the Mobility Funds and provide disclosures that enable the reader to understand the Mobility Funds' financial condition.

The Management's Discussion and Analysis (MD&A) provides a narrative introduction, overview and analysis of the financial activities of the Mobility Funds. We encourage readers to consider the information in this letter of transmittal in conjunction with the MD&A.

Profile of the Government

This report includes financial statements for the Mobility Funds, a part of TxDOT's reporting entity. TxDOT is an agency of the state of Texas. TxDOT is managed by an executive director and is governed by the five-member Texas Transportation Commission (Commission). All members of the Commission are appointed by the Governor with the advice and consent of the Texas Senate.

In 2001, voters approved a Texas constitutional amendment that authorized the creation of the Mobility Funds. In particular, Article III, Section 49-k of the Texas Constitution (Constitutional Provision) created the Mobility Funds within the treasury of the state of Texas.

In 2003, the 78th Legislature dedicated sources of revenue to the Mobility Funds. The funds generated by these dedicated revenues, as well as funds generated through other pledged revenues, are required to be accounted for in accounts established in the Mobility Funds. TxDOT is responsible for ensuring that the accounts are maintained at the proper minimum balances as set forth in the Resolution and for investing in securities required to meet liquidity requirements.

The Mobility Funds are administered by the Commission to provide a method of financing for the construction, reconstruction, acquisition and expansion of state highways, including costs of any necessary design and costs of acquisition of rights of way, as determined by the Commission in accordance with standards and procedures established by law. Monies in the Mobility Funds may also be used to provide state participation in the payment of a portion of the costs of constructing and providing public transportation projects in accordance with procedures, standards and limitations established by law. By expediting the delivery of transportation infrastructure, the Mobility Funds are an important tool in meeting TxDOT's goal to develop and operate an integrated transportation system that provides reliable and accessible mobility and enables economic growth.

Legislation enacted under the Constitutional Provision authorized the Commission to issue and sell obligations of the state and enter into related credit agreements that are payable from and secured by a pledge of and a lien on all or part of the money on deposit in the Mobility Funds. Mobility Funds obligations may be issued to refund: (i) outstanding bonds for savings; and, (ii) outstanding variable rate bonds and to renew or replace credit agreements. In addition, the Texas Legislature enacted H.B. 2219 (87th Legislature) authorizing the issuance of new Mobility Funds obligations between June 18, 2021 and January 1, 2027 in which the principal amount of the bonds may not exceed $3.6 billion.

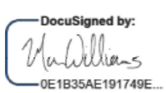
Budgetary Controls

Budgetary control is exercised through appropriated budgets. These budgets are entered in the statewide accounting system after the General Appropriations Act becomes law. The General Appropriations Act becomes law after passage by the Texas Legislature, certification by the Texas Comptroller of Public Accounts that the amounts appropriated are within the estimated collections and upon the signing of the bill by the governor. Controls are maintained at the agency level, with additional control at the fund and appropriation level to ensure expenditures do not exceed authorized limits. State budgets are established on a biennial cycle.

Acknowledgements

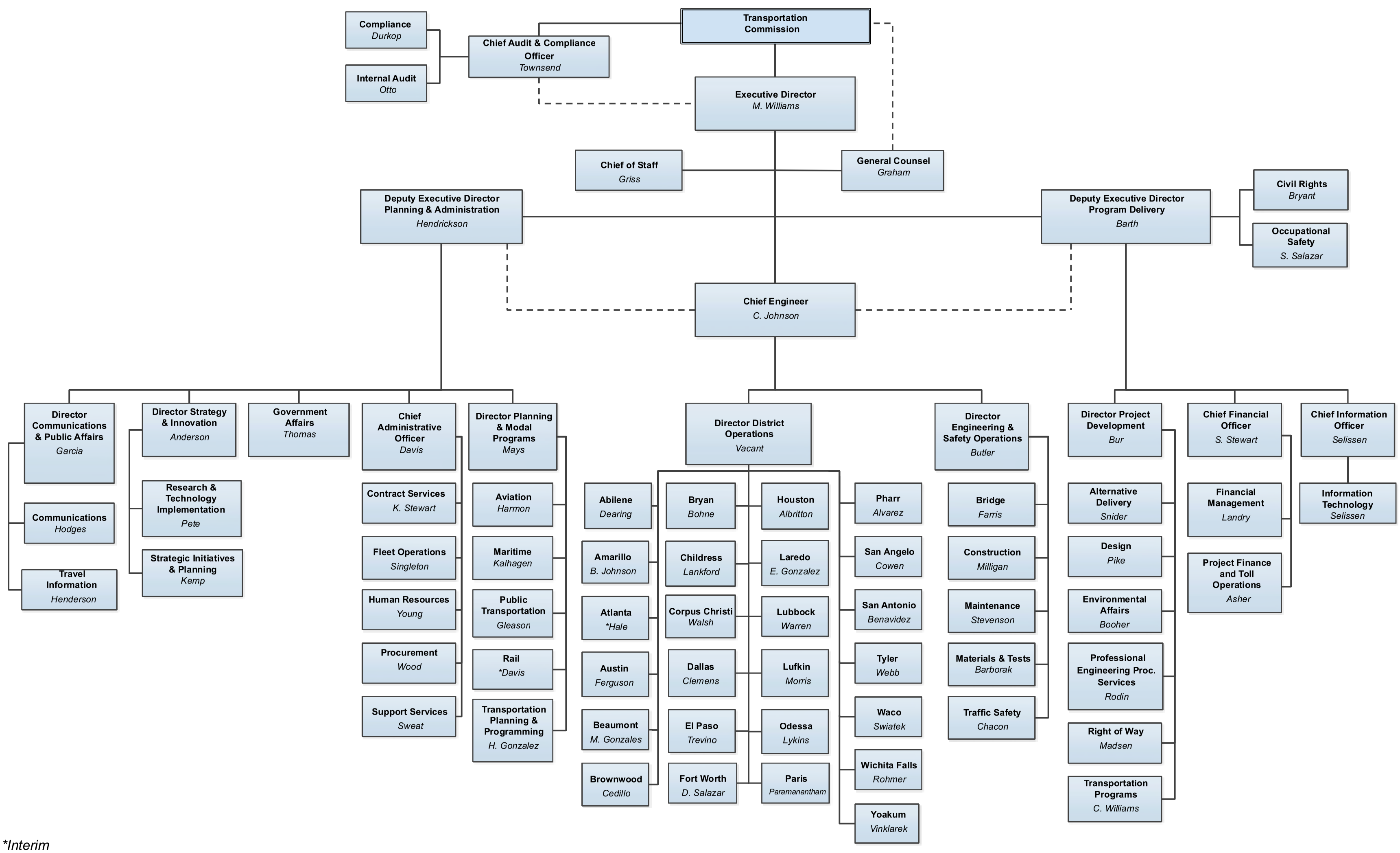
The preparation of the report requires the efforts of individuals throughout TxDOT, including the dedicated efforts of the management and staff of the TxDOT Financial Reports Section and Financial Management Division. I sincerely appreciate the efforts of all these individuals who continue to help make TxDOT a leader in quality financial reporting.

Sincerely,



Marc D. Williams, P.E.
Executive Director

Texas Department of Transportation
Organization Chart as of August 31, 2025



*Interim

TEXAS DEPARTMENT OF TRANSPORTATION
TEXAS TRANSPORTATION COMMISSION
as of August 31, 2025

W. Alvin New
Acting Chairman
San Angelo

Robert C. Vaughn
Commissioner
Dallas

Alejandro "Alex" G. Meade III
Commissioner
Mission

Steven D. Alvis
Commissioner
Houston

TEXAS DEPARTMENT OF TRANSPORTATION
TxDOT ADMINISTRATION
as of August 31, 2025

The following is a list of administrators who oversee the Texas Department of Transportation. All TxDOT districts, divisions and offices report to a member of the administration, headquartered in Austin.

Marc Williams
Executive Director

Brandye Hendrickson
Deputy Executive Director for Planning and Administration

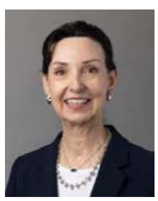
Brian Barth
Deputy Executive Director for Program Delivery

Jeffery Davis
Chief Administrative Officer

Parsons Townsend
Chief Audit and Compliance Officer

Stephen Stewart
Chief Financial Officer

Anh Selissen
Chief Information Officer



Mary Anne Griss
Chief of Staff

Alejandro Garcia
Director of Communications and Public Affairs

Carl Johnson
Chief Engineer

Jessica Butler
Director of Engineering and Safety Operations

Trent Thomas
Director of Government Affairs

Caroline Mays
Director of Planning and Modal Programs

Mohamed "Mo" Bur
Director of Project Development

Darran Anderson
Director Strategy and Innovation

Jeff Graham
General Counsel

As of August 31, 2025

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Section Two

Financial Section

CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Members of the Texas Transportation Commission
State of Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of each major fund of the Texas Mobility Fund (Fund), funds of the Texas Department of Transportation (TxDOT), an agency of the State of Texas, as of and for the year ended August 31, 2025, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each major fund of the Texas Mobility Fund, as of August 31, 2025, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the State of Texas and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Texas Mobility Fund and do not purport to, and do not, present fairly the financial position of the TxDOT, as of August 31, 2025, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Members of the Texas Transportation Commission
State of Texas

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the TxDOT's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis* be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Members of the Texas Transportation Commission
State of Texas

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and the Texas Mobility Fund Dedicated Revenues but does not include the financial statements and our auditors' report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2025, on our consideration of the Texas Mobility Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of TxDOT's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering TxDOT's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

San Antonio, Texas
December 12, 2025

Section Two (Continued)

Management's Discussion and Analysis (Unaudited)

Management's Discussion and Analysis

As management of the Texas Department of Transportation (TxDOT), we offer readers of the Texas Mobility Funds' (Mobility Funds), which is comprised of the Texas Mobility Fund - Debt Service Fund and the Texas Mobility Fund - Capital Projects Fund, financial statements this narrative overview and analysis of its financial activities for the fiscal years ended Aug. 31, 2025 and 2024 for comparative purposes. The information presented should be read in conjunction with our letter of transmittal, the financial statements and the accompanying notes to the financial statements.

Highlights

Function of Mobility Funds

The Mobility Funds bonds are used to accelerate transportation projects across the state of Texas. The Mobility Fund has no ownership interest in the highway or other transportation projects that it is assisting to fund and does not fund the maintenance of any such completed projects.

Governmental Fund

As of Aug. 31, 2025, the Mobility Funds combined governmental fund balance was $539.3 million, an increase of $68.9 million, or 14.6 percent, from fiscal 2024. The increase in fund balance is largely attributed to the increase in licenses, fees and permits in fiscal 2025. The fiscal 2025 expenditures totaled $512.2 million, which increased by $11.0 million or 2.2 percent, as compared to 2024. During fiscal year 2025, the Mobility Funds generated $448.5 million in revenues, an increase by $21.8 million or 5.1 percent over fiscal 2024.

Overview of the Financial Statements

The annual financial report consists of three parts: (1) management's discussion and analysis (MD&A), (2) financial statements and related notes, and (3) other supplementary information.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. TxDOT, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The Mobility Funds are comprised of two governmental fund types: capital projects fund and debt service fund. See Note 1 for more information.

Financial reports of governmental funds focus on how money flows in and out of the funds, and amounts remaining at year end for future spending. Governmental funds are accounted for using the modified accrual basis of accounting, which measures cash and other assets that can be readily converted to cash. The fund financial statements provide a detailed short-term view of the Mobility Funds' operations.

Impact of Mobility Funds Activity on TxDOT's Entity-Wide Financial Statements

The assets, liabilities, revenues and expenditures not recognizable on the Mobility Funds' governmental fund financial statements are included within the governmental activities section of the TxDOT entity-wide financial statements. These statements consist of the statement of net position and statement of activities, which are prepared using the economic resources measurement focus and the accrual basis of accounting. The activity of the Mobility Funds are considered governmental activities for the purpose of the TxDOT statement of net position and statement of activities.

Financial Analysis

The Mobility Funds' overall financial position and operations for the past two years is summarized as follows:

Balance Sheet
As of August 31, 2025 and 2024
(Amounts in Thousands)

	2025	2024	Amount of Increase (Decrease)	Percent Change
Assets:	$ 554,355	$ 494,627	$ 59,728	12.1%
Total Assets	554,355	494,627	59,728	12.1%
Liabilities:	15,083	24,226	(9,143)	(37.7%)
Total Liabilities	15,083	24,226	(9,143)	(37.7%)
Fund Balances:				
Restricted	283,895	298,154	(14,259)	(4.8%)
Committed	255,377	172,247	83,130	48.3%
Total Fund Balances	539,272	470,401	68,871	14.6%
Total Liabilities and Fund Balances	$ 554,355	$ 494,627	$ 59,728	12.1%

Assets totaled $554.4 million, an increase of $59.7 million, or 12.1 percent while liabilities amounted to $15.1 million, a decrease of $9.1 million, or 37.7 percent.

Payables decreased by 33.2 percent due to the conversion of certain Mobility Fund projects to other funding sources prior to the Nov. 2025 bond issuance.

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Years Ended August 31, 2025 and 2024

(Amounts in Thousands)

	2025	2024	Amount of Increase (Decrease)	Percent Change
REVENUES				
Federal Revenues	$ 21,720	$ 21,818	$ (98)	(0.4%)
Licenses, Fees and Permits	408,914	387,511	21,403	5.5%
Interest & Investment Income	17,879	17,375	504	2.9%
Other Revenues	24	15	9	60.0%
Total Revenues	448,537	426,719	21,818	5.1%
EXPENDITURES				
Transportation	94,456	84,410	10,046	11.9%
Capital Outlay	4,422	17,246	(12,824)	(74.4%)
Debt Service	413,326	399,585	13,741	3.4%
Total Expenditures	512,204	501,241	10,963	2.2%
Excess (Deficiency) of Revenues **Over (Under) Expenditures**	(63,667)	(74,522)	10,855	(14.6%)
OTHER FINANCING SOURCES (USES)				
Transfers In	130,220	123,872	6,348	5.1%
Transfers Out	(1,841)		(1,841)	N/A
Bonds Issued for Refunding	840,260		840,260	N/A
Premium/Discount on Bonds Issued	91,530		91,530	N/A
Payment to Escrow for Refunding	(927,631)		(927,631)	N/A
Total Other Financing Sources (Uses)	132,538	123,872	8,666	7.0%
Change in Fund Balances	68,871	49,350	19,521	39.6%
Fund Balances - Beginning	470,401	421,051	49,350	11.7%
Fund Balances - Ending	$ 539,272	$ 470,401	$ 68,871	14.6%

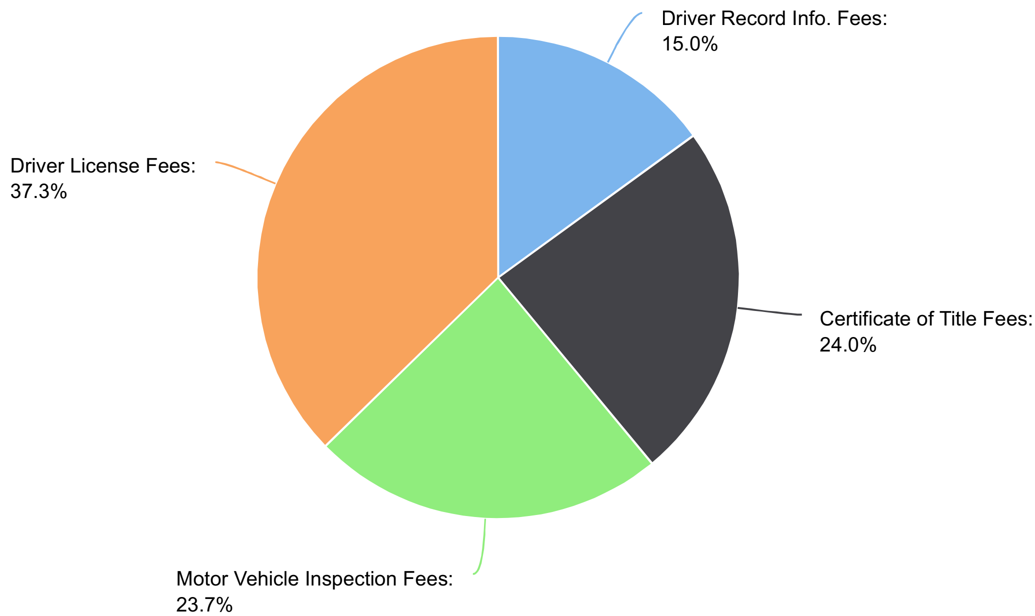
The main changes in revenues were as follows: increase in licenses, fees and permits by $21.4 million, or 5.5 percent. The increase in interest & investment income comes from additional interest earnings in 2025 due to higher cash balance in the state treasury.

Licenses, Fees and Permits revenues changed after the passage of House Bill 4472 during the 87th Texas Legislature, which redirected Certificates of Title Fees to the Texas Emissions Reduction Plan Trust. During fiscal 2025 the Mobility Fund received a $128.4 million cash transfer in from the State Highway Fund in an amount equal to the Certificate of Title Fees deposited into the Trust.

The major changes in expenditures were: increase in transportation by $10.0 million, or 11.9 percent, decrease in capital outlay by $12.8 million, or 74.4 percent, increase in debt service by $13.7 million, or 3.4 percent. During fiscal 2025, fewer construction projects were programmed to use Mobility Fund dollars in anticipation of the Nov. 2025 Mobility Fund bond issuance.

The major dedicated revenue sources of the Mobility Fund for the year ended Aug. 31, 2025, are summarized in the pie chart. A detailed listing of all dedicated revenue sources can be found in the supplementary information section of this report.

The state collects various inspection-fees at the time of registration, a portion of which is deposited to the Mobility Fund, based on the inspection category for the type of vehicle being registered.



Debt Administration

The Mobility Fund bonds are self-supporting general obligation debt. The issuance of Mobility Fund bonds is subject to debt service coverage requirements as prescribed in Section 201.943(e) of the Texas Transportation Code. Prior to a Mobility Fund debt issuance, the Texas Comptroller of Public Accounts (Comptroller) must certify that the projected dedicated revenues and money on deposit in the Mobility Fund will be equal to at least 110 percent of the annual debt service requirements.

The Mobility Fund program is currently established in the aggregate principal amount of $7.5 billion outstanding at any one time. As of Aug. 31, 2025, the principal amount of debt outstanding is $5.2 billion. All Mobility Fund debt issuances must be approved by the Texas Bond Review Board prior to issuance.

House Bill No. 2219 which was enacted during the regular session of the 87th Legislature and became effective on June 18, 2021, now authorizes the Commission to issue Program obligations for certain transportation projects, after May 1, 2021, and before January 1, 2027.

Bonds payable balances are not reported in the accompanying governmental fund balance sheet which is presented on a current financial resource's measurement focus and modified accrual basis of accounting. Governmental fund financial statements do not include long-term liabilities. Long-term liabilities are reported in the governmental activities of the TxDOT entity-wide financial statements. See Note 4 and 5 for additional information.

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Bond Credit Ratings

The Mobility Fund bonds are rated by the major nationally recognized statistical rating organizations.

As of Aug. 31, 2025, the bonds carried a long-term rating of AAA, Aaa, AAA and AAA from Fitch Ratings (Fitch), Moody's Investor Services (Moody's), Standard & Poor's, and Kroll, respectively. The short-term rating of variable rate demand bonds is usually reliant upon the supporting liquidity facility and its credit strength.

Long-Term Credit Ratings as of August 31, 2025

	Fitch	Moody's	Standard & Poor's [1]	Kroll
General Obligation Bonds	AAA	Aaa	AAA	AAA

[1] Series 2020 is not rated by Standard & Poor's

Short-Term Credit Ratings as of August 31, 2025

	Fitch	Moody's	Standard & Poor's	Kroll
Series 2006-B Variable Rate Demand Bonds	F1+	VMIG 1	n/a	n/a

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 organizations 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 any or all of such rating companies, if in the judgment of any or all companies, circumstances warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the bonds.

Contacting TxDOT's Financial Management

This financial report is designed to provide a general overview of the Mobility Fund's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the TxDOT Financial Management Division at the following address:

Texas Department of Transportation

Financial Management Division - Accounting Section

125 East 11th Street

Austin, Texas 78701-2483

Section Two (Continued)

Financial Statements

Texas Department of Transportation
Balance Sheet - Texas Mobility Funds
August 31, 2025 (Amounts in Thousands)

	Debt Service Fund	Capital Projects Fund	Total
ASSETS			
Cash and Cash Equivalents:			
Cash in State Treasury	$ 273,061	$ 270,460	$ 543,521
Receivables:			
Federal	10,834		10,834
Total Assets	$ 283,895	$ 270,460	$ 554,355
LIABILITIES AND FUND BALANCES			
Liabilities:			
Payables:			
Accounts		11,955	11,955
Due to Other Funds		3,128	3,128
Total Liabilities	0	15,083	15,083
Fund Balances (Deficits):			
Restricted	283,895		283,895
Committed		255,377	255,377
Total Fund Balances	283,895	255,377	539,272
Total Liabilities and Fund Balances	$ 283,895	$ 270,460	$ 554,355

The accompanying notes to the financial statements are an integral part of this financial statement.

Texas Department of Transportation
Statement of Revenues, Expenditures and
Changes in Fund Balances - Texas Mobility Funds
For the Fiscal Year Ended August 31, 2025 (Amounts in Thousands)

	Debt Service Fund	Capital Projects Fund	Total
REVENUES			
Federal Revenues	$ 21,720	$	$ 21,720
Licenses, Fees and Permits	273,772	135,142	408,914
Interest and Investment Income	7,289	10,590	17,879
Other Revenues		24	24
Total Revenues	302,781	145,756	448,537
EXPENDITURES			
Curent:			
Transportation		94,456	94,456
Capital Outlay		4,422	4,422
Debt Service			
Principal	186,380		186,380
Interest	222,611		222,611
Other Financing Fees		4,335	4,335
Total Expenditures	408,991	103,213	512,204
Excess (Deficiency) of Revenues Over (Under) Expenditures	(106,210)	42,543	(63,667)
OTHER FINANCING SOURCES (USES)			
Transfers In	87,792	42,428	130,220
Transfers Out		(1,841)	(1,841)
Bonds Issued for Refunding	840,260		840,260
Premium/Discount on Bonds Issued	91,530		91,530
Payment to Escrow for Refunding	(927,631)		(927,631)
Total Other Financing Sources (Uses)	91,951	40,587	132,538
Net Change in Fund Balances	(14,259)	83,130	68,871
Fund Balances, September 1, 2024	298,154	172,247	470,401
Fund Balances, August 31, 2025	$ 283,895	$ 255,377	$ 539,272

The accompanying notes to the financial statements are an integral part of this financial statement.

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Texas Mobility Funds
Notes to Financial Statements

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

These fund financial statements reflect the financial position of the Texas Mobility Funds' (Mobility Fund), which is comprised of the Texas Mobility Fund - Debt Service Fund and the Texas Mobility Fund - Capital Projects Fund. The Mobility Funds, are appropriated funds of the state of Texas, are managed by the Texas Department of Transportation (TxDOT). The Mobility Funds, part of the TxDOT reporting entity, is created in the Texas Constitution and administered by the Texas Transportation Commission (Commission). The Commission, the governing body of TxDOT, has the authority to commit the Mobility Fund to various legal agreements.

The Texas Legislature (Legislature) established the Mobility Fund 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 TxDOT in the payment of a portion of the costs of constructing and providing other public transportation projects.

The Commission may sell obligations of the state that are payable from and secured by a pledge of and a lien on all or part of the money dedicated to and on deposit in the Mobility Fund.

The Legislature dedicated certain statutory fee revenues of the state to the Mobility Fund for purposes of providing funds for the debt service on the outstanding Mobility Fund obligations. The Commission has also elected to pledge the general obligation of the state as additional repayment security for the currently outstanding bonds. To date, the dedicated revenues of the Mobility Fund have been sufficient to meet the debt service requirements of the bonds without the necessity of calling on the general obligation pledge.

The Commission is subject to various covenants imposed by the bond resolutions. As of Aug. 31, 2025, the Commission and management believe that they were in compliance with all covenants.

Basis of Presentation

The accompanying financial statements were prepared in conformance with generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). Financial reporting for the Mobility Fund is based on all GASB pronouncements. The data in this report is combined and consolidated by the Texas Comptroller's Office with similar data from other state agencies and universities in the preparation of the state of Texas Annual Comprehensive Financial Report (ACFR).

GASB Pronouncements and Implementation Guides Effective for Fiscal 2025

In fiscal 2025 the Mobility Fund adopted the following new GASB pronouncements:

- GASB Statement No. 101, *Compensated Absences*. This Statement requires governments to recognize a liability for compensated absences when (1) leave has been earned but not used, and (2) leave has been used but not yet paid. A liability for unused leave must be recognized if the leave is attributable to past service, accumulates, and is more likely than not to be used or paid. Leave expected to convert to defined benefit postemployment benefits is excluded. This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. Liabilities for unused leave are measured using the employee's pay rate as of the financial statement date. Used but unpaid leave is measured at the expected settlement amount. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. Under the current financial resource's measurement focus, expenditures should be recognized to the extent the liability will be liquidated with available resources. Disclosure requirements have been simplified to allow reporting of net changes in the liability, and governments are no longer required to disclose which funds typically liquidate the liability. The mobility fund was not impacted by the impact of this Statement.

- GASB Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government's vulnerability to the risk of a substantial impact.

The disclosure should include descriptions of the following:

- ○ The concentration or constraint.
- ○ Each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements.
- ○ Actions taken by the government prior to the issuance of the financial statements to mitigate the risk.

- Implementation Guide 2025-1, Implementation Guidance Update - 2025. Questions 4.16 – Financial Reporting Model Improvements.

The data in this report is combined and consolidated by TxDOT and included in the TxDOT Annual Comprehensive Financial Report submitted to the Texas Comptroller of Public Accounts' office. The accompanying financial statements present only the fund balance and changes in fund balance of the Mobility Funds and are not intended to and do not present fairly the financial position or changes in financial position of TxDOT.

The records of the Mobility Fund are maintained in accordance with the practices set forth in the provisions of the bond resolutions. Details on outstanding Mobility Fund Bonds are provided in Note 5.

Fund Structure

The Mobility Funds are established and reported as the following two governmental fund types:

Debt Service Fund:

- Mobility Fund Interest and Sinking Account (0367) – monies in this account are used to pay amounts due on or with respect to Parity Debt, including the principal, premium, if any, and interest on Parity Debt as they become due and payable. This account is required as long as Parity Debt is outstanding.
- Mobility Fund Rebate Account (0373) – the fifth Supplemental Resolution established the rebate account. Money on deposit in the rebate account, if any, is paid to the federal government in compliance with arbitrage earnings requirements. Money in the rebate account, if any, does not constitute security.

Capital Projects Fund:

- Mobility Fund General Account (0365) – monies in this account may be used for any lawful purpose for which the Mobility Fund may be used. The General Account is primarily used to fund construction projects throughout the state.

Basis of Accounting

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Measurement focus refers to the definition of the resource flows measured and relates to the types of transactions or events reported in the statement of revenues, expenditures, and changes in fund balances. Basis of accounting refers to the timing of the recognition of transactions or events. Under the modified accrual basis of accounting, amounts are recognized as revenues as they become susceptible to accrual (measurable and available). The Mobility Fund considers revenues available if they are collected within 60 days of the end of the fiscal year. Accruals whose receipt is due after the 60-day period are classified as deferred inflows of resources. Amounts are considered measurable if they can be estimated or otherwise determined. Expenditures are generally recognized when the related fund liability is incurred. However, principal and interest on bonds is recorded at the earlier of its due date or its payment date. The issuance of long-term debt is reported as other financing sources. Debt issuance costs are recognized as an expenditure in the year incurred.

Budgetary Information

The Mobility Fund budget is prepared biennially and represents appropriations authorized by the Legislature and approved by the governor (the General Appropriations Act). The Mobility Fund has committed revenue budgets for debt service and for in-house design, contracted design, construction and right of way. After mobility-related expenditures are incurred in the State Highway Fund, the Mobility Fund reimburses cash and committed budget to the State Highway Fund.

Unencumbered appropriations are generally subject to lapse 60 days after the end of the fiscal year for which they were appropriated.

Assets, Liabilities and Fund Balance

Cash and Cash Equivalents – Cash in State Treasury

Cash balances in state treasury of most state funds are pulled and invested by the Treasury Operations Division of the Comptroller's Office. Interest earned is deposited in the general revenue fund and specified funds designated by law. See Note 3 for more information.

Federal Receivable

The Federal Receivable represents the portion of the Build America Bonds (BABs) federal interest rate subsidy payment that is owed from the federal government.

Accounts Payable

Accounts Payable represents the liability for the value of assets or services received during the reporting period for which payment is pending.

Due To Other Funds

The Due to Other Funds balance represents the value of assets or services paid for by the State Highway Fund during the reporting period, for which reimbursement was due from the Texas Mobility Fund as of Aug. 31, 2025.

Fund Balance

Fund balance classifications depict the nature of constraints on the use of net resources in a governmental fund. The Mobility Fund's fund balance as of Aug. 31, 2025, are displayed in two components.

- Restricted fund balance - resources that have constraints placed on their use through external parties or by law through constitutional provisions.
- Committed fund balance – can be used only for specific purposes pursuant to constraints imposed by a formal action of the Legislature, the state's highest level of decision-making authority.

The Mobility Fund's fund balance in the Debt Service Fund is restricted due to bond covenants and constitutional provisions. Most of current year revenues relate to fees pledged for debt service on outstanding bonds.

The Mobility Fund's fund balance in the Capital Projects Fund is committed since the fund balance can only be used for specific purposes pursuant to constraints imposed by formal action of the state's highest level of decision-making authority (the Legislature), based on the Texas Transportation Code, subchapter M, Sec.201.946.

When both restricted and unrestricted resources are available for use, it is the Commission's policy to use restricted resources first and then unrestricted resources as they are needed. When only unrestricted resources are available for use, it is the Commission's policy to use committed resources first, then, assigned resources, and lastly unassigned resources.

Revenues and Expenditures

Federal Revenue

Federal revenue relates to the federal interest rate subsidy provided in relation to the Mobility Fund's Build America Bond issuance. Although the amount is recognized as revenue on the financial statements, the subsidy is specifically restricted to use as an offset of debt service costs. Refer to Note 5 for more details on the Mobility Fund's involvement with the Build America Bond program.

Licenses, Fees and Permits

The major sources of dedicated revenue to the Mobility Fund for fiscal 2025 were driver license fees, motor vehicle inspection fees, certificate of title fees, and driver record information fees. A list of all fiscal 2025 dedicated revenues can be found in the supplementary information section of this report.

Interest Income

Cash in the state treasury earns interest income at stated rates established by the Comptroller.

Other Revenues

Money received from voided warrants that were past the statute of limitations.

Expenditures

Expenditures include payments for debt service, professional fees, other financing fees and the funding of eligible transportation projects. Capital outlay represents Mobility Fund contributions to projects on the state highway system and owned by the state of Texas.

NOTE 2 – CAPITAL ASSETS

The Mobility Fund does not own capital assets. The state highway system infrastructure, built using Mobility Fund resources, becomes a capital asset of the governmental activities of the state of Texas. The capital assets of the state highway system are reported in the TxDOT Annual Comprehensive Financial Report.

NOTE 3 – DEPOSITS AND INVESTMENTS

Investments – Treasury Pool

The Mobility Fund is established in the state treasury, thus all monies are pooled with other state funds and invested under the direction of the Comptroller of Public Accounts Treasury Operations Division (Treasury). The Treasury obtains direct access to the services of the Federal Reserve System through the Texas Treasury Safekeeping Trust Company (Trust Company). The Federal Reserve Bank requires the Trust Company to maintain a positive cash balance in the account during and at the end of the day. The Trust Company met those requirements throughout fiscal 2025. The Comptroller has delegated investment authority to the Trust Company and utilizes the Trust Company to manage and invest funds in the Treasury Pool.

State statutes authorize the Treasury to invest state funds in fully collateralized time deposits; direct security repurchase agreements; reverse repurchase agreements; obligations of the United States and its agencies and instrumentalities; banker’s acceptances; commercial paper; and contracts written by the Comptroller, which are commonly known as covered call options. Funds held in the Treasury Pool have not been categorized as a credit risk because TxDOT does not own individual securities. Detail on the nature of these deposits and investments are available within the state of Texas Annual Comprehensive Financial Report.

As of Aug. 31, 2025, the Mobility Fund’s pro rata share of participation in the Treasury Pool was $543.5 million. No further detail of this balance is available due to the management policies of the Treasury.

NOTE 4 – LONG-TERM LIABILITIES

The Mobility Fund bonds are recorded as long-term liabilities within the governmental activities balances in the TxDOT Annual Comprehensive Financial Report. During the fiscal year ended Aug. 31, 2025, the following changes occurred in the long-term liabilities.

Long-Term Liabilities Activity

For the Fiscal Year Ended August 31, 2025 (Amounts in Thousands)

Governmental Activities	Beginning Balance 9/1/2024	Adjustments*	Additions	Deductions	Ending Balance 8/31/2025	Amounts Due Within One Year	Amounts Due Thereafter
General Obligation Bonds	$ 5,434,959	$ 1,451	$ 840,260	$ (1,163,235)	$ 5,113,435	$ 221,372	$ 4,892,063
General Obligation Bonds - Direct Placements	276,984	(1,986)			274,998	1,986	273,012
Total	$ 5,711,943	$ (535)	$ 840,260	$ (1,163,235)	$ 5,388,433	$ 223,358	$ 5,165,075

*Includes premiums from current-year issuance and amortization of premiums and discounts.

Pledged Future Revenues

Pledged revenues are those specific revenues that are formally committed to directly secure the payment of debt service. The table that follows provides information on pledged revenue and pledged future revenue of the self-supporting general obligation bonds.

Pledged Future Revenue

(Amounts in Thousands)

Texas Mobility Fund General Obligation Bonds	
Pledged Revenue Required for Future Principal and Interest on Existing Debt	$ 7,372,610
Term of Commitment Ending	10/1/2044
Percentage of Revenue Pledged	100%
Current Year Pledged Revenue	$ 576,915
Current Year Principal and Interest Paid	$ 408,991

NOTE 5 – BONDED INDEBTEDNESS

Texas Constitution, Article III, Section 49-k and Transportation Code, Chapter 201, Subchapter M authorize the Commission to issue general obligation bonds payable from a pledge of and lien on all or part of the money in the Mobility Fund. The Mobility Fund bonds are designed to be self-supporting, but the full faith and credit of the state is pledged in the event the revenue and money dedicated to the Mobility Fund is insufficient to pay debt service on the bonds. As of Aug. 31, 2025, major sources of pledged revenue to the Mobility Fund include driver license fees, motor vehicle inspection fees, certificate of title fees, and driver record information fees.

The Resolution currently allows for $7.5 billion of principal amount outstanding at any time. Prior to a Mobility Fund debt issuance, the Texas Comptroller of Public Accounts must certify and project that money dedicated to the Fund and on deposit in the Fund will be at least 110 percent coverage of debt service requirements during the period that the debt will be outstanding. House Bill No. 2219 which was enacted during the regular session of the 87th Legislature and became effective on June 18, 2021, amended the authority to (i) eliminate the ability of the Commission to issue Program obligations for the purpose of providing participation by the State in the payment of part of the costs of constructing and providing publicly owned toll roads and (ii) authorize the Commission to issue Program obligations for certain transportation projects, as described herein, after May 1, 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 Program obligations existing on May 1, 2021. As of May 1, 2021, the outstanding principal amount of Program obligations (i.e., Parity Debt) was $5.9 billion. Accordingly, under the authority, as amended by HB 2219, the Commission may issue, other than refunding obligations described herein, no more than $3.6 billion in aggregate principal amount of Parity Debt prior to January 1, 2027. The actual amount of bonds that can be issued is subject to a revenue estimate provided by the Comptroller as well as other market conditions at the time of each issuance.

Bond proceeds are to be used for the purpose of refunding existing bonds and related credit agreements, creating reserves for payment of bonds and related credit agreements, paying bond issuance costs and paying interest on the bonds and related credit agreements.

Miscellaneous Bond Information
(Amounts in Thousands)

Description of Issue	Bonds Issued to Date	Date Issued	Range of Interest Rates		Maturities First Year	Maturities Last Year	First Call Date
Texas Mobility Fund							
Series 2006-B Variable Rate Bonds	$ 150,000	12/13/2006	VAR	VAR	2036	2036	*
Series 2009-A Taxable Fixed Rate Bonds	1,208,495	08/26/2009	5.37%	5.52%	2029	2039	*
Series 2014 Fixed Rate Refunding Bonds**	973,775	07/02/2014	4.00%	5.00%	2016	2034	04/01/2024
Series 2014-A Fixed Rate Refunding Bonds	1,580,160	12/18/2014	4.00%	5.00%	2017	2044	10/01/2024
Series 2014-B Put Bonds	250,000	12/18/2014	0.65%	0.65%	2040	2041	10/01/2025
Series 2015-A Fixed Rate Refunding Bonds	911,360	09/30/2015	3.20%	5.00%	2018	2036	10/01/2025
Series 2015-B Fixed Rate Refunding Bonds	254,105	10/07/2015	5.00%	5.00%	2031	2036	10/01/2025
Series 2017-A Fixed Rate Refunding Bonds	296,020	02/01/2017	5.00%	5.00%	2030	2034	10/01/2027
Series 2017-B Fixed Rate Refunding Bonds	474,135	02/01/2017	5.00%	5.00%	2029	2036	10/01/2027
Series 2020 Taxable Fixed Rate Refunding Bonds	1,270,690	08/05/2020	0.26%	2.47%	2021	2044	*
Series 2024 Fixed Rate Refunding Bonds	$ 840,260	10/01/2024	5.00%	5.00%	2025	2044	10/1/2034
Texas Mobility Fund Total	$ 8,209,000						

* Bonds are subject to redemption prior to their respective maturities at the option of the Commission.
** Bonds are not outstanding as of 8/31/2025.

The Series 2015-B outstanding balance of $275.0 million, including unamortized premium, is from direct placements. In an event of default, any owner of parity debt in connection with any covenant or in any supplement, or default in the payment of annual debt service requirements due in connection with any parity debt, 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 all legal and equitable means, including specifically 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.

Debt service requirements for the revenue bonds as of Aug. 31, 2025, are detailed in the following table.

Debt Service Requirements - General Obligation Bonds

(Amount in Thousands)

Year	Principal	Interest *	Total
2026	$ 192,950	$ 204,521	$ 397,471
2027	122,920	204,264	327,184
2028	224,680	196,316	420,996
2029	242,540	186,824	429,364
2030	244,165	177,607	421,772
2031-2035	1,435,280	709,995	2,145,275
2036-2040	1,690,325	352,614	2,042,939
2041-2045	745,240	60,936	806,176
	4,898,100	2,093,077	6,991,177
Premium	215,334		215,334
Total	$ 5,113,434	$ 2,093,077	$ 7,206,511

* Series 2006-B debt service requirements are calculated with interest rate of 3.08 percent which is the interest rate reported at Aug. 31, 2025.

Debt Service Requirements – Direct Placements

(Amounts in Thousands)

Year	Principal	Interest	Total
2026		12,705	12,705
2027		12,705	12,705
2028		12,705	12,705
2029		12,705	12,705
2030		12,705	12,705
2031-2035	89,810	54,195	144,005
2036-2040	164,295	9,607	173,902
	254,105	127,327	381,432
Premium	20,893		20,893
Total	$ 274,998	$ 127,327	$ 402,325

Build America Bonds

The interest payments shown above do not reflect the federal interest rate subsidy payment related to the Mobility Fund Build America Bonds Series 2009-A, which will be used to offset debt service cost. The American Recovery and Reinvestment Act of 2009 granted municipal debt issuers access to a broader investor base in the taxable market by providing a federal interest rate subsidy payment to offset debt service costs through the Build America Bonds (BABs) program. Direct Payment BABs provide for a federal reimbursement to TxDOT equal to 35 percent of the interest paid on the BABs.

As a result of budget sequestration, the federal government reduced subsidy payments for BABs by 5.7 percent effective Oct. 1, 2020, through Sept. 30, 2030, for BABs subsidy payments paid in federal fiscal year 2025. See the table below for details on the Commission's Direct Payment BABs outstanding as of Aug. 31, 2025.

Direct Payment Build America Bonds

(Amounts in Thousands)

Description	Issue Date	Par Amount Issued	Outstanding
GOVERNMENTAL ACTIVITIES			
General Obligation Bonds			
Texas Mobility Fund Bonds Series 2009-A	8/26/2009	$ 1,208,495	$ 1,191,125
Governmental Activities Total		$ 1,208,495	$ 1,191,125

Variable Rate Bonds

The Mobility Fund has one variable rate bond issue, the Series 2006-B, outstanding as of Aug. 31, 2025. The interest rates in effect on Aug. 31, 2025, to calculate the debt service requirements was 3.08 percent. The rate resets every seven days.

Fixed Rate Put Bonds

The Series 2014-B bonds were redesigned and remarketed on Oct. 1, 2021. The interest rate mode was converted to a Multiannual Mode for an initial multiannual rate period that commences on Oct. 1, 2021, and ends on Mar. 31, 2026, the mandatory tender date. At the termination of the initial multiannual rate period, the bonds are subject to mandatory tender and purchase. Upon such mandatory tender and purchase, the bonds are expected to be remarketed unless otherwise redeemed. The Commission has not provided any credit or liquidity facility for the payment of the purchase price of the bonds payable upon the mandatory tender date. The principal portion of the purchase price for the bonds is expected to be obtained from the remarketing proceeds. The obligation of the Commission to purchase the bonds on the mandatory tender date is subject to the successful remarketing of such bonds. The Commission has no obligation to purchase bonds except from remarketing proceeds. If the bonds are not remarketed or otherwise redeemed, the interest rate on the bond will be increased to the stepped coupon rate from the mandatory tender date until purchased or redeemed.

Put Bonds

(Amounts in Thousands)

Description	Mandatory Tender Date	Initial Rate	Initial Period Interest [1]	Stepped Coupon Rate	Stepped Rate Period Interest [1]
GOVERNMENTAL ACTIVITIES					
General Obligation Bonds					
Texas Mobility Fund Series 2014-B	4/1/2026	0.65%	$ 1,625	7.00% per annum	$ 17,500

[1] Assumes a full year of interest

Demand Bonds

The Series 2006-B variable rate bonds are demand bonds. A bondholder may tender any of the bonds for repurchase prior to maturity at a price equal to principal plus accrued interest. Any bonds so tendered will be purchased either by the proceeds of the remarketing of such bonds or, if not successfully remarketed, from amounts drawn under the standby bond purchase agreements.

The Series 2006-B bonds are subject to a standby bond purchase liquidity agreement (agreement) with the Texas Comptroller of Public Accounts (Comptroller). The agreement provides terms to be negotiated and mutually agreed upon by TxDOT and the Comptroller upon need for the Comptroller to purchase bonds put that the remarketing agent cannot resell timely to new investors. In that case, TxDOT would pay interest to the Comptroller based on the existing debt service schedule for the Series 2006-B bonds.

The agreement was made pursuant to powers granted to Comptroller under Texas Government Code Sec. 404.027. The agreement provides protection to prevent an unplanned draw on current financial resources of the Texas Mobility Fund. The agreement is subject to renewal on a biennial basis.

For fiscal 2025, the Trustee did not draw from the Comptroller related to the Series 2006-B demand bonds. The following table provides details for the outstanding demand bonds and the related standby bond purchase liquidity agreement.

Demand Bonds – Standby Bond Purchase Agreement Provisions

(Amounts in Thousands)

Description	Principal Balance Outstanding	Counterparties	Annual Liquidity Fee	Agreement Termination Date
GOVERNMENTAL ACTIVITIES				
General Obligation Bonds				
Texas Mobility Fund				
Series 2006-B	$ 150,000	Texas Comptroller of Public Accounts	0.12%	8/31/2027
Total	$ 150,000			

Refunding

On May 23, 2024, the Commission approved the Fourteenth Supplemental Resolution related to the Texas Mobility Fund. This resolution authorized the issuance of general obligation refunding bonds to refund certain previously issued bonds, pay the purchase price of certain bonds tendered for purchase by the Commission pursuant to an invitation to achieve debt service savings, and cover the costs of issuing the bonds.

The Commission issued the General Obligation Mobility Fund Refunding Bonds, Series 2024, with a par amount of $840.3 million. The Series 2024 Bonds carried a premium of $91.5 million, and the underwriter's discount totaled $2.7 million, resulting in net proceeds of $929.1 million. The bond issuance closed on October 1, 2024.

Refunding Issues (Amounts in Thousands)

For the Fiscal Year Ended August 31, 2025

Description	Category	Amount Extinguished or Refunded	For Refunding Only: Refunding Issued Par Value	Cash Flow Increase	Economic Gain
Governmental Activities					
Texas Mobility Fund General Obligation Bonds					
Series 2014 Fixed Rate Refunding Bonds	Current Refunding	$ 234,560	$ 214,130	$ 17,313	$ 15,023
Series 2014-A Fixed Rate Refunding Bonds	Current Refunding	417,820	381,905	30,786	27,623
Series 2020 Taxable Fixed Rate Refunding Bonds	Current Refunding	324,475	244,225	25,878	12,158
Governmental Activities Total		$ 976,855	$ 840,260	$ 73,977	$ 54,804

NOTE 6 – RETIREMENT PLAN AND POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS

The Mobility Fund is part of TxDOT's reporting entity. The Mobility Fund does not have any employees and does not make contributions to any retirement plans or other postemployment benefits (OPEB) plans. TxDOT employees provide all accounting and administrative services for the Mobility Fund. Those employees are members of the Employee Retirement System of Texas defined benefit pension plan (ERS Plan) and the State Retiree Health Plan (SRHP). The Mobility Fund is not obligated in any form for the funding of the pension benefits provided by the ERS Plan or the postemployment benefits provided through the SRHP. Allocation of the pension and OPEB liabilities and expenses for the Mobility Fund is deemed unnecessary and not required.

The details are disclosed in the TxDOT's Annual Comprehensive Financial Report for the pension plan in Note 8 and the OPEB plan in Note 10.

NOTE 7 – INTERFUND ACTIVITY

Interfund activity refers to financial interactions between funds within the Mobility Fund and with the funds of TxDOT, and is restricted to internal events. Interfund transfers represent the flow of assets (cash or goods) without equivalent flow of assets in return or a requirement for repayment. The Mobility Fund interfund activity detail is as follows.

Due To

August 31, 2025 (Amounts in Thousands)

Description	Due To Other Funds
State Highway Fund	$ 3,128
Total	$ 3,128

Amounts not transferred at fiscal year-end are accrued as due to other funds. As of Aug. 31, 2025, the due to the State Highway Fund balance totaled 3.1 million. This amount represents Mobility Fund expenditures paid by State Highway Fund that were not reimbursed until fiscal 2026.

Transfers

August 31, 2025 (Amounts in Thousands)

Description	Transfer In	Transfer Out
Debt Service Fund	$ 87,792	$
Capital Project Fund	$ 42,428	$ (1,841)
Total	$ 130,220	$ (1,841)

A transfer of $1.8 million was made from the capital projects fund to the debt service fund for debt service expenditures.

House Bill 4472 (87th Legislature) changed the way the Certificate of Title Fees were deposited starting Sept. 1, 2021. Fees are now deposited in the Texas Emissions Reduction Plan Fund (TERP). An equal amount is transferred from the State Highway Fund (SHF) to the Texas Mobility Fund (TMF). During fiscal 2025, the Mobility Fund received transfers of $128.4 million from the State Highway Fund under House Bill 4472 requirements.

NOTE 8 – CONTINUANCE SUBJECT TO REVIEW

Under the current Texas Sunset Act, TxDOT will be abolished effective Sept. 1, 2029, unless continued in existence by the 91st Legislature as provided by the Act. If abolished, TxDOT may continue until Sept. 1, 2030, to wind down its operations. In the event that TxDOT is abolished, pursuant to the Texas Sunset Act or other law, Texas Government Code, Section 325.017(f), acknowledges that such action will not alter the obligation of the state to pay bonded indebtedness and all other obligations of the abolished agency.

NOTE 9 – COMMITMENTS AND CONTINGENCIES

Rebatable arbitrage defined by Internal Revenue Code (IRC), Section 148, is earnings on tax exempt bond proceeds in excess of the yield on the bond. The rebatable arbitrage must be repaid to the federal government. Pursuant to the applicable bond resolution, a Rebate Fund will be established under the resolution to which deposits will be made upon the determination by a verification agent that a rebate payment may be due. The amount of rebate due to the federal government is determined and payable during each five-year period and upon final payment of the tax-exempt bonds. IRC Section 148 also provides for certain rebate exceptions, including an exception if certain spend-out requirements of the bond proceeds are met. TxDOT estimates that rebatable arbitrage liability, if any, will be immaterial to the Mobility Fund's overall financial condition.

NOTE 10 – SUBSEQUENT EVENTS

On Nov. 6, 2025, the State of Texas General Obligation Mobility Fund and Refunding Bonds, Series 2025 were successfully issued in the par amount of $1.7 billion. Below is information on the bonds refunded subsequent to Aug. 31, 2025.

Description	Series	Actual Par Amount (Amount in Billions)	Actual Date of Issuance	Purpose
General Obligation Mobility Fund And Refunding Bonds	2025	$ 1.7	11/6/2025	Pay for or reimburse the State Highway Fund for payment for authorized purposes. Refund certain Outstanding Parity Debt and to achieve debt service savings.

NOTE 11 – RISK MANAGEMENT

The Mobility Fund does not have any employees. TxDOT provides all accounting, debt financing and administrative services. In addition, TxDOT's risk financing and insurance programs apply to the Mobility Fund.

TxDOT is exposed to various risks of loss related to property, general and employer liability, net income, and personnel. TxDOT and its employees are covered by various immunities and defenses that limit some of these risks of loss, particularly in liability actions brought against TxDOT or its employees. Remaining exposures are managed by self-insurance arrangements.

Property and Liability

TxDOT administers a self-insured workers compensation program. Due to the nature of worker compensation claims, amounts are not reasonably estimable. Claims are paid as they become due.

Health, Life and Dental

Insurance coverage is provided to active state employees and their dependents by one of three health plan administrators. All TxDOT employees are included in the Texas Employees Group Benefit Program (GBP) administered by the Employees Retirement System of Texas (ERS).

Claims for health, life, accidental death and dismemberment, disability and dental insurance coverages are established under GBP. These coverages are provided through a combination of insurance contracts, a self-funded health plan, a self-funded dental indemnity plan, health maintenance organization contracts and dental health maintenance organizations contracts.

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Section Two (Continued)

Other Supplementary Information

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Texas Mobility Fund Dedicated Revenues
For the Fiscal Year Ended August 31, 2025

Major Sources of Funds	
Driver License Fees	$ 199,200,029
Motor Vehicle Inspection Fees	126,927,963
Certificate of Title Fees*	128,379,233
Driver Record Information Fees	79,997,679
	534,504,904
Miscellaneous Sources	
Motor Carrier Act Penalties	2,786,472
Motor Vehicle Registration Fees	1,632
Depository Interest	17,878,631
	20,666,735
Total Dedicated Revenues	$ 555,171,639

Note:

* The amount is recorded as a transfer on TxDOT's Statement of Revenues, Expenditures and Changes in Fund Balance.

The total above does not include the Build America Bonds federal interest rate subsidy and other revenues that are not dedicated revenue.

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Texas Transportation Commission • State of Texas General Obligation Mobility Fund and Refunding Bonds, Series 2026-A and Mobility Fund Put Bonds, Series 2026-B (Multiannual Mode)

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APPENDIX B
FORM OF PRICING NOTICE

PRICING NOTICE

RELATING TO THE
INVITATION TO TENDER BONDS DATED August 17, 2026
made by the

TEXAS TRANSPORTATION COMMISSION

to the Bondowners described herein of:

TEXAS TRANSPORTATION COMMISSION
STATE OF TEXAS GENERAL OBLIGATION
MOBILITY FUND REFUNDING BONDS,
SERIES 2017-B

(BASE CUSIP: 882723)

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

(BASE CUSIP: 882830)

*The purpose of this Pricing Notice dated August 24, 2026 (the "**Pricing Notice**") is to set forth the Offer Purchase Prices for the Tax-Exempt Target Bonds and the Fixed Spreads for the Taxable Target Bond. All other terms used herein and not otherwise defined are used as defined in the Invitation (hereinafter defined).*

Pursuant to the Invitation to Tender Bonds dated August 17, 2026 (as it may be amended or supplemented, the "**Invitation**"), the Texas Transportation Commission (the "**Commission**") invited Bondowners to tender Target Bonds for cash at the applicable: (i) for the Tax-Exempt Target Bonds, Offer Purchase Prices set forth in this Pricing Notice and (ii) for the Taxable Target Bond, Offer Purchase Prices based on the Fixed Spreads set forth in this Pricing Notice to be added to the yields on certain benchmark United States Treasury Securities (also set forth in this Pricing Notice), plus, for both (i) and (ii), Accrued Interest on purchased Target Bonds to but not including the Settlement Date. See Section 2, "Information to Bondowners" in the Invitation.

[With respect to the Tax-Exempt Target Bonds, there has been no change to the Indicative Offer Purchase Prices listed on page (ii) of the Invitation / the Indicative Offer Purchase Prices listed on page (ii) of the Invitation have been revised.]

[With respect to the Taxable Target Bond, there has been no change to the Indicative Fixed Spread listed on page (iii) of the Invitation / the Indicative Fixed Spread listed on page (iii) of the Invitation has been revised.]

As set forth in the Invitation, the Commission retains the right to extend the Tender Offer, or amend the terms of the Tender Offer (including a waiver of any term) in any material respect, provided, that the Commission shall provide notice thereof at such time and in such manner to allow reasonable time for dissemination to Bondowners and for Bondowners to respond. In such event, any offers submitted with respect to the affected Target Bonds prior to such change in the Offer Purchase Prices for any Tax-Exempt Target Bonds or such change in the Fixed Spread for the Taxable Target Bond pursuant to the Invitation, will remain in full force and effect and any Bondowner of such affected Target Bonds, as applicable, wishing to revoke their offer to tender such Target Bonds for purchase must affirmatively withdraw such offer prior to the Expiration Date, as extended. See Section 8, "Withdrawals of Tenders Prior to Withdrawal Date; Irrevocability of Tenders on Withdrawal Date" in the Invitation.

The Invitation, including the 2026 A&B Bonds POS, is available: (i) at the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access website, currently located at http://emma.msrb.org, using the CUSIP numbers for the Target Bonds, and (ii) on the website of the Information Agent and Tender Agent at https://www.globic.com/txdot.

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

TENDER OFFER – TAX-EXEMPT TARGET BONDS – OFFER PURCHASE PRICES

Pursuant to the Invitation, the Offer Purchase Prices for the Tax-Exempt Target Bonds are listed in the table below. [There has been no change to the Indicative Offer Purchase Prices listed on page (ii) of the Invitation / the Indicative Offer Purchase Prices listed on page (ii) of the Invitation have been revised].

TEXAS TRANSPORTATION COMMISSION
STATE OF TEXAS
GENERAL OBLIGATION MOBILITY FUND REFUNDING BONDS,
SERIES 2017-B

CUSIP[1] (Base No. 882723)	Maturity Date (October 1)	Par Call Date (October 1)	Interest Rate (%)	Outstanding Principal Amount ($)	Offer Purchase Price[2]
6X2	2029	2027	5.000	35,505,000	
6Y0	2030	2027	5.000	49,785,000	
6Z7	2031	2027	5.000	53,230,000	
7A1	2032	2027	5.000	56,865,000	
7B9	2033	2027	5.000	60,695,000	
7C7	2034	2027	5.000	65,365,000	
7D5	2035	2027	5.000	57,165,000	
7E3	2036	2027	5.000	95,525,000	

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

(2) Offer Purchase Prices are expressed as a dollar amount per $100 principal amount of the Tax-Exempt Target Bonds and exclude Accrued Interest. Accrued Interest on purchased Tax-Exempt Target Bonds will be paid by the Commission to but not including the Settlement Date in addition to the applicable Purchase Price.

TENDER OFFER – TAXABLE TARGET BOND – FIXED SPREADS

Pursuant to the Invitation, the Fixed Spread for the Taxable Target Bond is listed in the table below. [There has been no change to the Indicative Fixed Spread listed on page (iii) of the Invitation / the Indicative Fixed Spread listed on page (iii) of the Invitation has been revised].

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

CUSIP[(1)] (Base No. 882830)	Maturity Date (October 1)	Average Life Date[(2)]	Interest Rate (%)	Outstanding Principal Amount($)	Par Call Date (October 1)	Benchmark Treasury Security[(3)]	Fixed Spread
BH4	2044	8/5/2042	2.472	434,715,000	2030	10-Year	__bps

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

(2) Average life date is shown for the Taxable Target Term Bond only. The Taxable Target Term Bond will be priced to its average life date.

(3) The Benchmark Treasury Security (as defined in the Invitation and identified herein) will be the most recently auctioned "on-the-run" United States Treasury Security for the maturity indicated as of the date and time that the Offer Purchase Prices for the Taxable Target Bond are set, currently expected to be approximately 10:00 a.m., New York City time, on September 1, 2026.

Illustrative Taxable Target Bond Offer Purchase Price Calculations: Treasury Security Yields as of August 21, 2026

The table below provides an example of the Offer Purchase Price for the Taxable Target Bond realized by a Bondowner that submits an offer based on the following yields for the Benchmark Treasury Securities as of August 21, 2026 and the Fixed Spread. This example is being provided for convenience only and is not to be relied upon by a Bondowner as an indication of the Purchase Yield or the Offer Purchase Price for any Taxable Target Bond that may be paid by the Commission.

Based on this Treasury Security yield, the following Offer Purchase Price would be derived:

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

CUSIP (Base No. 882830)[1]	Maturity Date (October 1)	Average Life Date[2]	Interest Rate (%)	Outstanding Principal Amount($)	Par Call Date (October 1)	Benchmark Treasury Security[3]	Fixed Spread	Illustrative Treasury Security Yield*	Illustrative Purchase Yield*	Illustrative Offer Purchase Price* [4]
BH4	2044	8/5/2042	2.472	434,715,000	2030	10-Year	__bps			

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

(2) Average life date is shown for the Taxable Target Term Bond only. The Taxable Target Term Bond will be priced to its average life date.

(3) The Benchmark Treasury Security (as defined in the Invitation and identified herein) will be the most recently auctioned "on-the-run" United States Treasury Security for the maturity indicated as of the date and time that the Offer Purchase Prices for the Taxable Target Bond are set, currently expected to be approximately 10:00 a.m., New York City time, on September 1, 2026.

(4) The Offer Purchase Price for the Taxable Target Bond derived from the Fixed Spread to be paid on the Settlement Date will (i) be expressed as a dollar amount per $100 principal amount of the Taxable Target Bond and (ii) exclude Accrued Interest on purchased Taxable Target Bond, which Accrued Interest will be paid by the Commission to but not including the Settlement Date in addition to the applicable Purchase Price.

**Preliminary and subject to change.*

Illustrative Taxable Target Bond Offer Purchase Price Calculations: Interest Rate Sensitivity

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

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

			Illustrative Offer Purchase Prices*[2]		
CUSIP[1] (Base No. 882830)	Maturity Date (October 1)	Illustrative Purchase Yield Based on Treasury Security Yields as of August 21, 2026(%)	Assuming a 0.10% Increase in Treasury Security Yields	Current Treasury Security Yield	Assuming a 0.10% Decrease in Treasury Security Yields
BH4	2044				

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(2) The Offer Purchase Price for the Taxable Target Bond derived from the Fixed Spreads to be paid on the Settlement Date will (i) be expressed as a dollar amount per $100 principal amount of the Taxable Target Bond and (ii) exclude Accrued Interest on purchased Taxable Target Bond, which Accrued Interest will be paid by the Commission to but not including the Settlement Date in addition to the applicable Purchase Price.

**Preliminary and subject to change.*