

NOTICE OF PRELIMINARY ACCEPTANCE

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

made by

TEXAS TRANSPORTATION COMMISSION

*to the Bondowners described herein of all or any portion of the maturities
and corresponding CUSIPs listed on page (ii) of the Tender Offer for a cash price*

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

(BASE CUSIP: 882724)

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

(BASE CUSIP: 882830)

The purpose of this Preliminary Notice of Acceptance dated March 5, 2024 (the “**Preliminary Notice of Acceptance**”) is to provide notice of the Texas Transportation Commission’s (the “**Commission**”) preliminary acceptance for purchase of certain Target Bonds.

Pursuant to the Invitation to Tender Bonds dated February 20, 2024 (as it may be amended or supplemented, including the cover page, inside cover pages and Appendices, the “**Invitation**”), the Commission invited Bondowners to tender Target Bonds for cash at the applicable purchase price (each an “**Offer Purchase Price**”) based on a fixed spread (each a “**Fixed Spread**”) to be added to the yields on the relevant benchmark United States Treasury Security (the “**Benchmark Treasury Security**”), plus Accrued Interest on the Target Bonds tendered for purchase to but not including the Settlement Date (“**Accrued Interest**”). All terms used herein and not otherwise defined herein are defined in the Invitation.

The Tender Offer expired at 5:00 p.m., Eastern time, on March 4, 2024.

The principal amounts of Target Bonds of each CUSIP that the Commission is preliminarily accepting for purchase are set forth on Schedule 1 hereto. The Commission has set the Fixed Spreads for the Target Bonds of each CUSIP pursuant to the terms of the Pricing Notice dated February 27, 2024.

The applicable Fixed Spread, expressed as an interest rate percentage, will be added to the yield on the Benchmark Treasury Security (the “**Treasury Security Yield**”) corresponding thereto to arrive at a yield (each a “**Purchase Yield**”) used to calculate the Offer Purchase Price for each maturity and corresponding CUSIP of the Target Bonds. Notwithstanding the preceding sentence, in no event will an Offer Purchase Price for any Target Bonds exceed 100% of the principal amount of such Target Bonds. See Section 2, “Information to Bondowners—Tender Consideration—Determination of Offer Purchase Prices” in the Invitation. The Treasury Security Yield on each Benchmark Treasury Security will be determined at approximately 10:00 a.m., Eastern time, on March 6, 2024, and the Notice of Target Bonds Purchase Prices will be provided on March 6, 2024, all in accordance with the Invitation.

On March 6, 2024, unless such date is extended by the Commission (the “**Final Acceptance Date**”), the Commission will announce its acceptance for purchase of the Target Bonds, if any, from among those Target Bonds of such maturity and corresponding CUSIP initially accepted for purchase as listed on Schedule 1 hereto. The Commission has no obligation to accept for purchase any tendered Target Bonds and the Commission’s obligation to pay for Target Bonds validly tendered (and not validly withdrawn) and accepted pursuant to the Invitation is subject to the terms and conditions of the Invitation including, *inter alia*, satisfaction or waiver of the Financing Conditions (as defined in the Invitation) on or prior to the Settlement Date.

Should the Commission determine to purchase some but not all of the tendered Target Bonds of a particular CUSIP, it will accept such Target Bonds tendered for purchase on a pro rata basis as described in the Invitation.

The Invitation, including the Preliminary Official Statement relating to the Commission's State of Texas Highway Improvement General Obligation Refunding Bonds, Series 2024, a portion of the proceeds of which will be used to purchase the tendered Target Bonds, if such Target Bonds are purchased, and the Pricing Notice dated February 27, 2024 are available through the Information Services at: (i) at the Municipal Securities Rulemaking Board through its EMMA 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.

March 5, 2024

SCHEDULE 1

The table below provides a listing of the respective principal amount of the Target Bonds of each CUSIP that have been preliminarily accepted for purchase by the Commission.

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

CUSIP ¹	Maturity Date (April 1)	Interest Rate (%)	Outstanding Principal Amount	Principal Amount Tendered for Purchase	Preliminary Principal Amount Accepted*
882724QD2	2025	4.000	\$3,795,000	\$0	\$0
882724QE0	2026	4.000	3,945,000	0	0
882724QF7	2027	4.000	4,100,000	0	0
882724QG5	2028	3.000	33,070,000	100,000	100,000
882724QH3	2029	3.000	34,065,000	2,955,000	2,955,000
882724QJ9	2030	2.604	35,080,000	17,670,000	17,670,000
882724QK6	2031	2.704	36,000,000	22,030,000	22,030,000
882724QL4	2032	2.804	36,970,000	16,140,000	16,140,000
882724QM2	2033	2.884	38,005,000	10,000,000	10,000,000
882724QN0	2034	2.964	39,105,000	2,195,000	2,195,000
882724QP5	2044	3.211	427,655,000	125,790,000	125,790,000
TOTAL			\$691,790,000	\$196,880,000	\$196,880,000

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

CUSIP ¹	Maturity Date (April 1)	Interest Rate (%)	Outstanding Principal Amount	Principal Amount Tendered for Purchase	Preliminary Principal Amount Accepted*
882830AP7	2042	2.562	\$325,755,000	\$110,850,000	\$110,850,000
TOTAL			\$325,755,000	\$110,850,000	\$110,850,000

*Preliminary, subject to change.

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