

OFFICIAL STATEMENT DATED OCTOBER 25, 2023

NEW ISSUE - Book-Entry Only

RATINGS: S&P: "AAA"
Fitch: "AAA"
(See "RATINGS" herein)

*The Bonds are not obligations described in Section 103(a) of the Internal Revenue Code of 1986.
See "TAX MATTERS" herein.*



TEXAS PUBLIC FINANCE AUTHORITY

\$298,400,000

State of Texas

**General Obligation and Refunding Bonds,
Taxable Series 2023A**

Dated Date and Interest Accrual Date: Date of Delivery

Due: October 1, as shown on page ii

The Texas Public Finance Authority State of Texas General Obligation and Refunding Bonds, Taxable Series 2023A (the "Bonds") are general obligations of the State of Texas (the "State") being issued by the Texas Public Finance Authority (the "Authority") under the authority of the Constitution and general laws of the State, including Article III, Section 67 of the Texas Constitution, as amended (the "Constitutional Provision"); Chapter 1232, Texas Government Code, as amended (the "Texas Public Finance Authority Act"); Chapters 1207 and 1371, Texas Government Code, as amended, and Chapter 102, Texas Health and Safety Code, as amended (the Constitutional Provision, the Texas Public Finance Authority Act and any rules promulgated by the Authority thereunder, and the other statutes cited above together constituting the "Authorizing Law"); and pursuant to the Bond Resolution (defined herein).

Proceeds of the Bonds will be used (i) by the Cancer Prevention and Research Institute of Texas ("CPRIT") to make grants for cancer research and prevention and pay for the operation of CPRIT, as authorized by the Constitutional Provision, (ii) to refund certain outstanding general obligation commercial paper notes of the State issued by the Authority (the "Refunded Notes") for CPRIT, as further identified on Schedule I attached hereto, and (iii) to pay the costs of issuing the Bonds. See "PLAN OF FINANCE" herein.

Interest on the Bonds will accrue from the Date of Delivery (defined below), will be payable on each April 1 and October 1 until maturity or prior redemption, commencing on April 1, 2024, and will be calculated on the basis of a 360-day year composed of twelve 30-day months. The Bonds will be issued in principal denominations of \$5,000 or any integral multiple thereof within a maturity. The Bonds are initially issuable only to Cede & Co., as 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 or integral multiples thereof within a maturity. No physical delivery of the Bonds will be made to the initial purchasers named below (the "Underwriters") or the beneficial owners of the Bonds. Interest on and principal of the Bonds will be payable by the Authority (which will act as the initial Paying Agent/Registrar) to Cede & Co., which will make distribution of the amounts so paid to the beneficial owners of the Bonds. See "APPENDIX C — Book-Entry-Only System." The Bonds are subject to redemption prior to maturity as set forth in the section "DESCRIPTION OF THE BONDS — Redemption."

The Bonds are general obligations of, and are secured by the full faith and credit of, the State. See "DESCRIPTION OF THE BONDS — Source of Payment" herein. For general information regarding the State, including information concerning outstanding general obligation debt of the State, see "GENERAL INFORMATION REGARDING THE STATE OF TEXAS" and "APPENDIX A — The State of Texas" hereto.

Maturity Schedule, Interest Rates, Initial Yields and CUSIP Numbers
(See page ii)

The Bonds are offered for delivery when, as and if issued and received by the Underwriters, subject to approval of legality by the Attorney General of the State and the approving opinion of McCall, Parkhurst & Horton L.L.P., Austin, Texas, Bond Counsel. Certain legal matters will be passed upon for the Authority by its Disclosure Counsel, Orrick, Herrington & Sutcliffe LLP, Austin, Texas. Certain legal matters will be passed upon for the Underwriters by their counsel, Greenberg Traurig, LLP, Houston, Texas. See "LEGAL MATTERS." The Bonds are expected to be available for initial delivery through the facilities of DTC on or about November 15, 2023 (the "Date of Delivery").

Piper Sandler & Co.

Cabrera Capital Markets, LLC

Hilltop Securities

Morgan Stanley

Raymond James

Stifel

Maturity Schedule

\$298,400,000
TEXAS PUBLIC FINANCE AUTHORITY
STATE OF TEXAS
GENERAL OBLIGATION AND REFUNDING BONDS,
TAXABLE SERIES 2023A

\$223,400,000 Serial Bonds

| Maturity (October 1) | Principal Amount | Interest Rate | Initial Yield ⁽¹⁾ | CUSIP No. Suffix ⁽²⁾ |
|-------------------------|---------------------|------------------|---------------------------------|------------------------------------|
| 2024 | \$13,400,000 | 5.616% | 5.616% | V38 |
| 2025 | 15,000,000 | 5.456% | 5.456% | V46 |
| 2026 | 15,000,000 | 5.272% | 5.272% | V53 |
| 2027 | 15,000,000 | 5.332% | 5.332% | V61 |
| 2028 | 15,000,000 | 5.382% | 5.382% | V79 |
| 2029 | 15,000,000 | 5.530% | 5.530% | V87 |
| 2030 | 15,000,000 | 5.580% | 5.580% | V95 |
| 2031 | 15,000,000 | 5.689% | 5.689% | W29 |
| 2032 | 15,000,000 | 5.769% | 5.769% | W37 |
| 2033 | 15,000,000 | 5.869% | 5.869% | W45 |
| 2034 | 15,000,000 | 5.949% | 5.949% | W52 |
| 2035 | 15,000,000 | 6.069% | 6.069% | W60 |
| 2036 | 15,000,000 | 6.129% | 6.129% | W78 |
| 2037 | 15,000,000 | 6.179% | 6.179% | W86 |
| 2038 | 15,000,000 | 6.249% | 6.249% | W94 |

\$75,000,000 Term Bond due October 1, 2043; Interest Rate 6.401%; Initial Yield 6.401%⁽¹⁾ – CUSIP No. 882724X28⁽²⁾

(Interest accrues from Date of Delivery)

OPTIONAL REDEMPTION...The Bonds maturing on and after October 1, 2031 are subject to redemption prior to maturity at the option of the Authority, in whole or in part, from time to time, in principal amounts of \$5,000 or any integral multiple thereof, in such manner as the Authority may select, on October 1, 2030, or on any date thereafter, at a redemption price equal to par plus accrued interest from the most recent interest payment date to the date fixed for redemption. See “DESCRIPTION OF THE BONDS — Redemption — Optional Redemption.”

MANDATORY SINKING FUND REDEMPTION...The Term Bonds (as defined herein) are subject to mandatory sinking fund redemption as further described herein. See “DESCRIPTION OF THE BONDS — Redemption — Mandatory Sinking Fund Redemption.”

(1) Yields shown are calculated to the earlier of stated maturity or first available redemption date at par plus accrued interest.

(2) CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP services. None of the Authority, the Financial Advisor (defined herein), or the Underwriters shall be responsible for the selection or the correctness of the CUSIP numbers shown herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part as a result of the procurement of secondary market portfolio insurance or other similar enhancements by investors that is applicable to all or a portion of certain maturities of the Bonds.

STATE OF TEXAS

Greg Abbott
Governor

Dan Patrick
Lieutenant Governor

Ken Paxton
Attorney General

Glenn Hegar
Comptroller of Public Accounts

TEXAS PUBLIC FINANCE AUTHORITY

BOARD OF DIRECTORS

Billy M. Atkinson, Jr. – Chair⁽¹⁾
Ramon Manning – Vice-Chair
Jay A. Riskind – Secretary⁽¹⁾
Larry G. Holt – Member
Shanda Perkins – Member
Ben Streusand – Member
Lance S. Etcheverry – Member

CERTAIN OFFICERS

Lee Deviney, Executive Director
John Hernandez, Deputy Director
Pamela Scivicque, Director of Business Administration
Kevin Van Oort, General Counsel

CONSULTANTS AND ADVISORS

Financial AdvisorRBC Capital Markets, LLC
Bond Counsel McCall, Parkhurst & Horton L.L.P.
Disclosure Counsel Orrick, Herrington & Sutcliffe LLP

FOR ADDITIONAL INFORMATION REGARDING THE AUTHORITY, PLEASE CONTACT:

Lee Deviney
Executive Director
300 W. 15th Street, Suite 411
Austin, Texas 78701
(512) 463-5544

or

Mr. Chris W. Allen
RBC Capital Markets, LLC
609 Main Street, Suite 3600
Houston, Texas 77002
(713) 651-3338

⁽¹⁾ Mr. Atkinson’s and Mr. Riskind’s respective terms expired on February 1, 2023. State law provides that a member of the Board whose term of office has expired remains in office until the earlier of (i) the date a successor is duly appointed and takes the oath of office, or (ii) the last day of the first regular session of the Texas Legislature which begins after the expiration of the term.

This Official Statement, which includes the cover page, schedule and the appendices attached hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale.

Use of Official Statement

No dealer, broker, salesman or other person has been authorized by the Authority 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 Authority 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 Authority or the State of Texas since the date hereof. This Official Statement is submitted in connection with the sale of the Bonds and in no instance may this Official Statement be reproduced or used for any other purpose.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement pursuant to their respective responsibilities to investors under the federal securities laws, but the Underwriters do not guarantee the accuracy or completeness of such information.

THIS OFFICIAL STATEMENT IS INTENDED TO REFLECT FACTS AND CIRCUMSTANCES ON THE DATE OF THIS OFFICIAL STATEMENT OR ON SUCH OTHER DATE OR AT SUCH OTHER TIME AS IDENTIFIED HEREIN. NO ASSURANCE CAN BE GIVEN THAT SUCH INFORMATION MAY NOT BE MISLEADING AT A LATER DATE. CONSEQUENTLY, RELIANCE ON THIS OFFICIAL STATEMENT AT TIMES SUBSEQUENT TO THE ISSUANCE OF THE BONDS DESCRIBED HEREIN SHOULD NOT BE MADE ON THE ASSUMPTION THAT ANY SUCH FACTS OR CIRCUMSTANCES ARE UNCHANGED.

NONE OF THE AUTHORITY, ITS FINANCIAL ADVISOR, OR THE UNDERWRITERS MAKES ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING DTC, AS SUCH INFORMATION WAS FURNISHED BY DTC.

Marketability

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

Securities Laws

No registration statement relating to the Bonds has been filed with the United States Securities and Exchange Commission ("SEC") under the Securities Act of 1933, as amended, in reliance upon an exemption 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. The Authority assumes no responsibility for registration or qualification for sale or other disposition of the Bonds under the securities laws of any jurisdiction 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.

NEITHER THE SEC NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE SECURITIES OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS DOCUMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

THIS OFFICIAL STATEMENT CONTAINS “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. SUCH STATEMENTS MAY INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE THE ACTUAL RESULTS, PERFORMANCE AND ACHIEVEMENTS TO BE DIFFERENT FROM THE FUTURE RESULTS, PERFORMANCE AND ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED THAT THE ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN THE FORWARD-LOOKING STATEMENTS. See “LEGAL MATTERS — Forward-Looking Statements” herein.

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SUMMARY STATEMENT

This Summary Statement is subject in all respects to the more complete information contained in this Official Statement. The offering of the Bonds to potential investors is made only by means of this entire Official Statement, including the Schedule and Appendices hereto. No one is authorized to detach this Summary Statement from this Official Statement or to otherwise use it without this entire Official Statement (including the Schedule and Appendices). Certain defined terms used in this Summary Statement are defined elsewhere in this Official Statement.

| | |
|-------------------------------------|---|
| ISSUER | Texas Public Finance Authority. |
| OFFERING | State of Texas General Obligation and Refunding Bonds, Taxable Series 2023A (the “Bonds”), in the aggregate principal amount of \$298,400,000. |
| MATURITY | The Bonds in the aggregate principal amount of \$223,400,000 mature serially in varying amounts on October 1 of each year from 2024 through and including 2038 and as Term Bonds (as defined herein) maturing on October 1, 2043, in the aggregate principal amount of \$75,000,000. See “DESCRIPTION OF THE BONDS — Redemption — Mandatory Sinking Fund Redemption.” |
| INTEREST | Interest on the Bonds will accrue from the Date of Delivery and will be payable on April 1 and October 1 of each year, commencing on April 1, 2024, until maturity or prior redemption. See “DESCRIPTION OF THE BONDS.” |
| REDEMPTION | The Bonds maturing on and after October 1, 2031, are subject to redemption at the option of the Authority, in whole or in part, from time to time, in principal amounts of \$5,000 or any integral multiple thereof, in such manner as the Authority may select, on October 1, 2030, or on any date thereafter, at a redemption price equal to par plus accrued interest from the most recent interest payment date to the date fixed for redemption. See “DESCRIPTION OF THE BONDS — Redemption — Optional Redemption.” In addition, the Term Bonds are subject to mandatory sinking fund redemption as further described herein. See “DESCRIPTION OF THE BONDS — Redemption — Mandatory Sinking Fund Redemption.” |
| BOOK-ENTRY-ONLY SYSTEM | The Bonds are initially issuable only to Cede & Co., the nominee of The Depository Trust Company, New York, New York (“DTC”), pursuant to a book-entry-only system (as described herein). No physical delivery of the Bonds will be made to the beneficial owners of the Bonds. Interest on and principal of the Bonds will be paid to Cede & Co., which will distribute the payments to the participating members of DTC for remittance to the beneficial owners of the Bonds. See “APPENDIX C — Book-Entry-Only System.” |
| PURPOSE | Proceeds of the Bonds will be used (i) by the Cancer Prevention and Research Institute of Texas (“CPRIT”) to make grants for cancer research and prevention and pay for the operation of CPRIT, as authorized by the Constitutional Provision (defined herein), (ii) to refund certain outstanding general obligation commercial paper notes of the State of Texas (the “State”) issued by the Authority (the “Refunded Notes”) for CPRIT, as further identified on Schedule I attached hereto, and (iii) to pay the costs of issuing the Bonds. See “PLAN OF FINANCE.” |
| SOURCE OF PAYMENT | The Bonds are general obligations of, and are secured by the full faith and credit of, the State, issued under the applicable Authorizing Law (defined herein). See “DESCRIPTION OF THE BONDS — Source of Payment.” |
| RATINGS | S&P Global Ratings, a division of S&P Global Inc., and Fitch Ratings, Inc., have assigned ratings of “AAA” and “AAA,” respectively, to the Bonds. See “RATINGS.” |

LEGALITY 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, as to the validity of the issuance of the Bonds under the Constitution and laws of the State. See “LEGAL MATTERS.”

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OFFICIAL STATEMENT

relating to

TEXAS PUBLIC FINANCE AUTHORITY

\$298,400,000

State of Texas

**General Obligation and Refunding Bonds,
Taxable Series 2023A**

INTRODUCTION

General

This Official Statement, including the cover page, Schedule I and the Appendices hereto, provide certain information regarding the issuance by the Texas Public Finance Authority (the “Authority” or “Issuer”) of its \$298,400,000 State of Texas General Obligation and Refunding Bonds, Taxable Series 2023A (the “Bonds”). Capitalized terms used in this Official Statement and not otherwise defined herein shall have the meaning assigned in the Bond Resolution (defined below).

All references to and descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of documents relating to the Authority may be obtained from the Executive Director, Texas Public Finance Authority, 300 West 15th Street, Suite 411, Austin, Texas 78701, (512) 463-5544.

This Official Statement speaks only as of its date, except the Bond Appendix (defined below) and the State of Texas Annual Comprehensive Financial Report, which speak as of the date of their issuance. The information contained herein is subject to change. A copy of this Official Statement will be submitted to the Municipal Securities Rulemaking Board (the “MSRB”) through its Electronic Municipal Market Access (“EMMA”) system. See “CONTINUING DISCLOSURE OF INFORMATION” for a description of the Authority’s and the Comptroller’s respective undertakings to provide certain information on a continuing basis.

Security

The Bonds are general obligations of the State, secured by the full faith and credit of the State and issued pursuant to the Authorizing Law (defined below), including the Constitutional Provision (defined below) which provides that, while any of the Bonds or interest on the Bonds is outstanding and unpaid, from the first money coming into the State treasury in each fiscal year not otherwise appropriated by the State Constitution, an amount sufficient to pay the principal of and interest on the Bonds that mature or become due during the fiscal year and to make payments that become due under any Bond Enhancement Agreements (hereinafter defined), during the fiscal year is appropriated, less the amount in the Interest and Sinking Fund (defined below) at the close of the previous fiscal year. The funds that become available for payment of the Bonds pursuant to the Constitutional Provision are the sole security for the payment of the Bonds.

The Authority has reserved the right to enter into Bond Enhancement Agreements (defined below) from time to time, subsequent to the issuance of the Bonds. However, the Authority does not currently expect to enter into any Bond Enhancement Agreements in connection with the issuance of the Bonds. See “DESCRIPTION OF THE TRANSACTION DOCUMENTS – The Bond Resolution.”

PLAN OF FINANCE

Authority for Issuance

The Bonds are being issued in accordance with the Constitution and general laws of the State, including Article III, Section 67 of the Texas Constitution, as amended (the “Constitutional Provision”); Chapter 1232, Texas Government Code, as amended (the “Texas Public Finance Authority Act”); Chapters 1207 and 1371, Texas Government Code, as amended, and Chapter 102, Texas Health and Safety Code, as amended (the Constitutional Provision, the Texas Public Finance Authority Act and any rules promulgated by the Authority thereunder, and the other statutes cited above together constituting the “Authorizing Law”); and additionally pursuant to the bond resolution (the “Resolution”) adopted by the Board of Directors of the Authority (the “Board”) on October 12, 2023. As permitted by Chapters 1207 and 1371, Texas Government Code, as amended, the Board, in the Resolution, delegated to certain designated officials (the “Pricing Committee”) the authority to establish and approve the final terms of sale of the Bonds through the execution of a “Pricing Certificate,” which Pricing Certificate was executed in connection with the sale of the Bonds (the Resolution and the Pricing Certificate are jointly referred to herein as the “Bond Resolution”).

Purpose

Proceeds of the Bonds will be used (i) by the Cancer Prevention and Research Institute of Texas (“CPRIT”) to make grants for cancer research and prevention and pay for the operation of CPRIT, as authorized by the Constitutional Provision, (ii) to refund certain outstanding general obligation commercial paper notes of the State issued by the Authority (the “Refunded Notes”) for CPRIT, as further identified on Schedule I attached hereto, and (iii) to pay the costs of issuing the Bonds.

Payment of Refunded Notes

The principal of and interest due on the Refunded Notes are to be paid on the redemption date of such Refunded Notes identified on Schedule I attached to this Official Statement from funds to be deposited with U.S. Bank Trust Company, National Association, as successor in interest to U.S. Bank, National Association (the “CP Paying Agent” or “Escrow Agent”) on the Date of Delivery into a separate sub-account for the Refunded Notes (the “Note Escrow Account”) within the Note Payment Account (as such term is defined in the resolution of the Authority authorizing issuance of the Refunded Notes). The Bond Resolution provides that, from proceeds of the sale of the Bonds received from the Underwriters, the Authority will deposit with the CP Paying Agent the amount necessary to accomplish the discharge and final payment of the Refunded Notes on the redemption date(s) provided in the letter of instructions (the “Escrow Instructions”) from the Authority to the CP Paying Agent. By the deposit with the CP Paying Agent pursuant to the Bond Resolution and the Escrow Instructions, the Authority will have effected the defeasance of all of the Refunded Notes in accordance with law.

The Authority’s financial advisor, RBC Capital Markets, LLC (the “Financial Advisor”) will provide a sufficiency certificate which Bond Counsel will rely upon as to the sufficiency of funds to be deposited with the CP Paying Agent for the discharge, defeasance and final payment of the Refunded Notes.

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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 Authority, will be applied approximately as follows:

Sources of Funds

| | |
|-------------------------------|--------------------------------|
| Principal Amount of the Bonds | \$298,400,000.00 |
| Authority Contribution | <u>1,897,085.73</u> |
| Total | <u><u>\$300,297,085.73</u></u> |

Uses of Funds

| | |
|----------------------------------|--------------------------------|
| Deposit to Project Fund | \$205,600,000.00 |
| Escrow Deposit ⁽¹⁾ | 93,456,032.44 |
| Costs of Issuance ⁽²⁾ | <u>1,241,053.29</u> |
| Total | <u><u>\$300,297,085.73</u></u> |

(1) Includes a portion of the Authority Contribution representing interest on the Refunded Notes in the amount of \$656,032.44.

(2) Includes Underwriters' Discount.

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DESCRIPTION OF THE BONDS

General

The Bonds are dated the Date of Delivery, and mature on October 1 in each of the years and in the amounts and will bear interest at the per annum rates shown on page ii hereof. Interest on the Bonds will accrue from the Date of Delivery, will be payable on April 1 and October 1 of each year, commencing on April 1, 2024, until maturity or prior redemption, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The Bonds will be issued only as fully registered bonds, without coupons, in any integral multiple of \$5,000 principal amount within a maturity.

If the specified date for any payment on the Bonds is a Saturday, Sunday, or legal holiday or equivalent (other than a moratorium) for banking institutions in the City of New York, New York or in the City of Austin, Texas, the designated payment office for the Paying Agent/Registrar for the Bonds (the “Designated Payment Office”), such payment may be made on the next succeeding day that is not one of the foregoing days without additional interest and with the same force and effect as if made on the specified date for such payment.

Source of Payment

The Bonds are general obligations of the State, secured by the full faith and credit of the State and issued pursuant to the Authorizing Law, including the Constitutional Provision which provides that, while any of the Bonds or interest on the Bonds is outstanding and unpaid, from the first money coming into the State treasury in each fiscal year not otherwise appropriated by the State Constitution, an amount sufficient to pay the principal of and interest on the Bonds that mature or become due during the fiscal year and to make payments that become due under any Bond Enhancement Agreements during the fiscal year is appropriated, less the amount in the Interest and Sinking Fund at the close of the previous fiscal year. The funds that become available for payment of the Bonds pursuant to the Constitutional Provision are the sole security for the payment of the Bonds.

The Authority has reserved the right to enter into Bond Enhancement Agreements, from time to time, subsequent to the issuance of the Bonds. However, the Authority does not currently expect to enter into any Bond Enhancement Agreements in connection with the issuance of the Bonds. See “DESCRIPTION OF THE TRANSACTION DOCUMENTS – The Bond Resolution.”

Flow of Funds

Under the terms of the Bond Resolution, the Authority will create or confirm the following funds for the Bonds: (i) an Interest and Sinking Fund, (ii) a Project Fund, and (iii) a Costs of Issuance Fund. The Note Escrow Account will be created by the CP Paying Agent pursuant to the Escrow Instructions.

Pursuant to the Bond Resolution, the Authority will deposit or cause to be deposited into the Interest and Sinking Fund an amount that is sufficient (together with any other funds on deposit therein) to provide for the timely payment of the Bond Obligations, from funds that are available for such purpose under the Constitutional Provision, not later than the second (2nd) Business Day preceding each date on which any such Bond Obligations come due. The Authority may make any such deposit on an earlier date so long as such date is not earlier than the 50th day before the date that the Bond Obligations for which such deposit is made comes due. If, on any date that funds in the Interest and Sinking Fund are required (pursuant to the Bond Resolution) to be withdrawn for the payment of Bond Obligations, and such Interest and Sinking Fund does not contain sufficient funds for such purpose, an amount of immediately available funds sufficient (together with the funds then on deposit in such Interest and Sinking Fund) to pay such Bond Obligations will be transmitted to the appropriate payee(s) for such purpose from funds made available under the Constitutional Provision, at such time as will cause such Bond Obligations to be timely paid.

The costs of issuance for the Bonds will be paid from the Costs of Issuance Fund. Any money on deposit in the Costs of Issuance Fund after all Costs of Issuance have been paid will be deposited into the Interest and Sinking Fund.

Money held in the Funds pursuant to the Bond Resolution may be invested and reinvested by the Comptroller only in Eligible Investments.

All money required to be deposited into the Note Escrow Account will be, on the Date of Delivery of the Bonds, immediately paid to the CP Paying Agent for the account of the Authority pursuant to the Escrow Instructions. The Authority anticipates that the money initially deposited into the Note Escrow Account will be sufficient to pay the principal of and interest on the Refunded Notes on their respective maturity dates.

Defaults and Remedies

If the Authority defaults in the payment of the principal of or interest on the Bonds or the redemption price on the Bonds when due, or if it fails to make payments into any Fund or Funds created in the Bond Resolution, or defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Bond Resolution, the Bond Owners may seek a writ of mandamus to compel Authority officials to carry out their legally imposed duties with respect to the Bonds, if there is no other available remedy at law to compel performance of the Bonds or Bond Resolution and the Authority's obligations are not uncertain or disputed. The issuance of a writ of mandamus is controlled by equitable principles and such remedy rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from time to time. The Bond Resolution does not provide for the appointment of a trustee to represent the interest of the Bond Owners upon any failure of the Authority to perform in accordance with the terms of the Bond Resolution or upon any other condition; accordingly, all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the Bond Owners. The opinion of Bond Counsel will note that the rights of the Bond Owners are subject to applicable provisions of bankruptcy, reorganization and other similar matters affecting the rights of creditors generally, and may be limited by general principles of equity that permit the exercise of judicial discretion.

Transfer, Exchange, and Registration

Upon surrender for transfer of any Bond at the Designated Payment Office, the Authority will execute, and the Paying Agent/Registrar (initially the Authority) will authenticate and deliver, in the name of the designated transferee, one or more new fully registered Bonds of the same Stated Maturity, of any authorized denominations, and of a like aggregate principal amount. At the option of the Bond Owner, Bonds may be exchanged for other Bonds of the same Stated Maturity, of any authorized denominations, and of like aggregate principal amount, upon surrender of the Bonds to be exchanged at the place of payment for the Bonds. Whenever any Bonds are so surrendered for exchange, the Authority will execute, and the Paying Agent/Registrar will authenticate and deliver the Bonds, which the Bond Owner making the exchange is entitled to receive. Every Bond presented or surrendered for transfer or exchange will be duly endorsed or accompanied by a written instrument of transfer in form satisfactory to the Authority and the Paying Agent/Registrar duly executed, by the Bond Owner thereof or his attorney duly authorized in writing. No service charge will be made to the Bond Owner for any registration, transfer, or exchange of Bonds, but the Authority or the Paying Agent/Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

Limitation on Transfer

The Paying Agent/Registrar will not be required to transfer or exchange any Bond: (i) between a Record Date and the related Interest Payment Date; (ii) during the 30-day period preceding the maturity date of such Bond; or (iii) which has been selected for redemption in whole or in part.

Record Date for Interest Payment

The regular record date ("Record Date") for determining the party entitled to the receipt of the interest payable on the Bonds on any Interest Payment Date means the fifteenth day of the month immediately preceding each Interest Payment Date.

The interest payable on any Interest Payment Date will be paid to the person in whose name a Bond (or one or more predecessor Bonds evidencing the same debt) is registered at the close of business on the Record Date for such interest. Any such interest not so paid or duly provided for will cease to be payable to the person in whose name such Bond is registered on such Record Date, and will be paid to the person in whose name such Bond (or one or more predecessor Bonds) is registered at the close of business on a special Record Date for the payment of such defaulted interest to be fixed by the Paying Agent/Registrar, notice whereof being given to the Bond Owner not less than 15 days prior to the special Record Date.

Redemption

Optional Redemption. The Bonds scheduled to mature on and after October 1, 2031 are subject to redemption prior to maturity at the option of the Authority on October 1, 2030 or on any date thereafter, in whole or in part, from time to time, in principal amounts of \$5,000 or any integral multiple thereof (and, if in part within a maturity, the particular Bonds or portion thereof to be redeemed will be selected by the Paying Agent/Registrar) at a redemption price of par plus accrued interest from the most recent Interest Payment Date to the date fixed for redemption.

Mandatory Sinking Fund Redemption. The Bonds maturing on October 1, 2043 (the “Term Bonds”) are subject to mandatory sinking fund redemption prior to their scheduled maturity, and will be redeemed by the Authority, in part at a redemption price equal to the principal amount thereof, without premium, plus interest accrued to the redemption date, on the dates and in the principal amounts shown in the following schedule:

| <u>\$75,000,000 Term Bonds Maturing on October 1, 2043</u> | |
|--|-------------------------|
| <u>Mandatory Redemption Date</u> | <u>Principal Amount</u> |
| October 1, 2039 | \$15,000,000 |
| October 1, 2040 | 15,000,000 |
| October 1, 2041 | 15,000,000 |
| October 1, 2042 | 15,000,000 |
| October 1, 2043 (stated maturity) | 15,000,000 |

The Paying Agent/Registrar will select by lot or by any other customary method that results in a random selection the specific Term Bonds (or with respect to Term Bonds having a denomination in excess of \$5,000, each \$5,000 portion thereof) to be redeemed by mandatory redemption. The principal amount of Term Bonds required to be redeemed on any redemption date pursuant to the foregoing mandatory sinking fund redemption provisions hereof shall be reduced, at the option of the Authority, by the principal amount of any Bonds which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the Authority at a price not exceeding the principal amount of such Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Notice of Redemption

Notice of any redemption identifying the Bonds to be redeemed in whole or in part is required to be given by the Paying Agent/Registrar not less than 30 days nor more than 45 days prior to the date fixed for redemption by sending notice to DTC (or any successor securities depository for the Bonds) so long as a book-entry-only registration (“Book-Entry-Only System”) is used for the Bonds. If the Bonds subsequently are issued in certificate form, notice of redemption will be sent by United States mail, first class postage prepaid, to the registered owners of the Bonds to be redeemed in whole or in part at the address shown in the registration books kept by the Paying Agent/Registrar. See “APPENDIX C — Book-Entry-Only System” herein.

Each notice of redemption will state the redemption date, the redemption price, the place at which such Bonds are to be surrendered for payment and, if less than all Bonds outstanding are to be redeemed, the number of the Bonds or portions thereof to be redeemed.

Any notice of redemption so mailed as provided in the Bond Resolution will be conclusively presumed to have been duly given, whether or not the Bond Owner receives such notice by the date fixed for redemption, and due provisions shall be made with the Paying Agent/Registrar for payment of the redemption price of the Bonds or portions thereof to be redeemed. When the Bonds have been called for redemption, in whole or in part, and notice of redemption has been given as provided in the Bond Resolution, the Bonds or portions thereof so redeemed shall no longer be regarded as outstanding, except for the purpose of receiving payment solely from the funds so provided for redemption, and interest that would otherwise accrue after the redemption date on any Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

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

Purchase in Lieu of Redemption

Any money held in the Interest and Sinking Fund for application to the redemption of the Bonds may instead be applied, at the Authority's discretion, to purchase one or more Bonds of the same maturity as those Bonds for the redemption of which such money is held if:

- (1) the total cost to effect such purchase that is to be paid with such money (including brokerage and other charges) is less than the amount of the Bond Obligations owing on the purchased Bonds on the purchase date;
- (2) such purchase is consummated before notice of such redemption is given to the Bond Owners; and
- (3) upon such purchase, the Bond(s) so purchased are surrendered to the Paying Agent/Registrar for cancellation.

An amount of money equal to the principal amount of the Bonds so purchased shall be credited toward the particular redemption of Bonds for which such money was held.

Redemption Through DTC

The Paying Agent/Registrar, so long as a book-entry-only system is used for the Bonds, will send any notice of redemption (with respect to the Bonds), notice of proposed amendment to the Bond Resolution, or other notices with respect to the Bonds only to The Depository Trust Company, New York, New York ("DTC"). Any failure by DTC to advise any Direct Participant (defined herein), or of any Direct Participant or Indirect Participant (defined herein) to notify the Beneficial Owner (defined herein), will not affect the validity of the redemption of the Bonds called for redemption or any other action premised on any such notice. Redemption of portions of the Bonds by the Authority 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 Bond Resolution and will not be conducted by the Authority as Paying Agent/Registrar. Neither the Authority 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 "DESCRIPTION OF THE BONDS — Book-Entry-Only System" herein.

Book-Entry-Only System

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 Bond 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 Bond Owners under the Bond Resolution will be given only to DTC. See “APPENDIX C – Book-Entry-Only System.”

THE PAYING AGENT/REGISTRAR, SO LONG AS THE DTC BOOK-ENTRY SYSTEM IS USED FOR THE BONDS, WILL SEND ANY NOTICE OF PROPOSED AMENDMENT TO THE BOND RESOLUTION OR OTHER NOTICES WITH RESPECT TO SUCH BONDS ONLY TO DTC. ANY FAILURE BY DTC TO ADVISE ANY DTC PARTICIPANT OR OF ANY DIRECT PARTICIPANT OR INDIRECT PARTICIPANT TO NOTIFY THE BENEFICIAL OWNERS, OF ANY NOTICES AND THEIR CONTENTS OR EFFECT WILL NOT AFFECT ANY ACTION PREMISED ON ANY SUCH NOTICE. NEITHER THE AUTHORITY NOR THE PAYING AGENT/REGISTRAR WILL HAVE ANY RESPONSIBILITY OR OBLIGATION TO DIRECT PARTICIPANTS, INDIRECT PARTICIPANTS, OR THE PERSONS FOR WHOM DTC 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.

THE AUTHORITY

General

Under the Texas Public Finance Authority Act, the Authority’s power is limited to financing and refinancing project costs for State agencies and institutions and does not affect the power of the relevant State agency or institution to carry out its statutory authority, including the authority of such agency or institution to construct buildings. The Texas Public Finance Authority Act directs State agencies and institutions to carry out their authority regarding projects financed by the Authority as if the projects were financed by legislative appropriation.

Pursuant to the Texas Public Finance Authority Act, as amended, and other applicable State law, the Authority issues general obligation bonds and revenue bonds for designated State agencies (including certain institutions of higher education). In addition, the Authority currently administers three commercial paper programs, namely: a lease-revenue commercial paper program, which is available for financing equipment acquisitions and for the construction or renovation of buildings; a general obligation commercial paper program for CPRIT; and a revenue commercial paper program for the Texas Facilities Commission. In addition, in 2003, the Authority created a nonprofit corporation, the Texas Public Finance Authority Charter School Finance Corporation to finance projects for eligible charter schools pursuant to Chapter 53, Texas Education Code. Further, in 2021, the Authority created a nonprofit corporation, the Texas Natural Gas Securitization Finance Corporation, to issue customer rate relief bonds to recover the extraordinary natural gas cost associated with Winter Storm Uri occurring during 2021 pursuant to H.B.1520, 87th Leg., R.S. (2021).

The Authority has issued revenue bonds on behalf of the Texas Parks & Wildlife Department, the Texas Facilities Commission, the Texas State Preservation Board, the Texas Department of Criminal Justice, the Texas Health & Human Services Commission (which includes the Texas Department of State Health Services and the Texas Department of Health), the Texas Workforce Commission, the Texas State Technical College System, the Texas Military Department, the Texas Historical Commission, Midwestern State University, Texas Southern University, Stephen F. Austin State University, and the Texas Windstorm Insurance Association. It has also issued general obligation bonds for the Texas Parks & Wildlife Department, the Texas Facilities Commission, the Texas Department of State Health Services, the Texas Department of Criminal Justice, the Texas Department of Aging and Disability Services, the Texas Department of Public Safety, the Texas Juvenile Justice Department (formerly Texas Youth Commission and Texas Juvenile Probation Commission), the Texas National Research Laboratory Commission, the Texas Historical Commission, the Texas School for the Blind and Visually Impaired, the Texas School for the Deaf, the Texas Department of Agriculture, the Texas Military Department (formerly Adjutant General’s Department and Texas Military Facilities Commission), the Texas Department of Transportation, the Texas Military Preparedness Commission, and CPRIT.

Before the Authority may issue bonds for the acquisition or construction of a building, the Texas Legislature must have authorized the specific project for which the bonds or other obligations are to be issued and the estimated cost of the project or the maximum amount of bonded indebtedness that may be incurred by the issuance of bonds. The Texas Supreme Court, in *Texas Public Building Authority v. Mattox*, 686 S. W. 2d 924 (1985), ruled that revenue bonds issued by the Authority do not constitute debt of the State within the meaning of the Texas Constitution. As set forth in the Texas Public Finance Authority Act, revenue obligations issued thereunder are not a debt of the State or any State agency, political corporation or political subdivision of the State and are not a pledge of the full faith and credit of any of them.

Authority Executives

The Authority is currently governed by the Board, which is composed of seven members appointed by the Governor of the State with the advice and consent of the State Senate. The Governor designates one member of the Board to serve as Chair at the will of the Governor. The current members of the Board, the office held by each member and the date on which each member’s term expires are as follows:

| <u>Name</u> | <u>Position</u> | <u>Term Expires (February 1)</u> |
|------------------------|-----------------|--------------------------------------|
| Billy M. Atkinson, Jr. | Chair | 2023 ⁽¹⁾ |
| Ramon Manning | Vice-Chair | 2027 |
| Jay A. Riskind | Secretary | 2023 ⁽¹⁾ |
| Larry G. Holt | Member | 2027 |
| Shanda Perkins | Member | 2025 |
| Ben Streusand | Member | 2025 |
| Lance S. Etcheverry | Member | 2025 |

- (1) State law provides that a member of the Board whose term of office has expired remains in office until the earlier of (i) the date a successor is duly appointed and takes the oath of office, or (ii) the last day of the first regular session of the Texas Legislature which begins after the expiration of the term.

The Authority generally employs approximately 15 employees, including an Executive Director, a General Counsel, a Deputy Director, and a Director of Business Administration. The Executive Director is charged with managing the affairs of the Authority, subject to and under the direction of the Board.

Lee Deviney, Executive Director. The Board appointed Mr. Deviney as the Executive Director of the Texas Public Finance Authority on June 5, 2014. Previously, Mr. Deviney served as the Chief Financial Officer of the Texas Economic Development and Tourism Office within the Office of the Governor since September 1, 2011. He has held similar positions at the Texas Lottery Commission and the Texas Education Agency and has served as Assistant Commissioner for Finance and Agribusiness Development for the Texas Department of Agriculture (“TDA”). Prior to his appointment as an Assistant Commissioner at TDA, Mr. Deviney served as Interim Executive Director and Director of Operations for the Texas Public Finance Authority and was a Budget Examiner for the Texas Legislative Budget Board. Mr. Deviney has a Bachelor’s degree in Economics from The University of Texas at Austin and a Master’s degree in Business Administration from St. Edwards University.

John Hernandez, Deputy Director. Mr. Hernandez leads the Finance and Accounting Team, which is responsible for debt service budgeting, arbitrage rebate compliance, the State of Texas Master Lease Program, financial reporting, and information technology. Mr. Hernandez and his team also provide support for new debt issuance of fixed rate and variable rate debt. Mr. Hernandez holds a B.A. in Finance from St. Edwards University in Austin.

Pamela Scivicque, Director of Business Administration. Ms. Scivicque joined the staff of the Authority in 1990. She is currently responsible for legislative reporting, procurement, accounting, budgeting, and risk and property management. Ms. Scivicque attended Texas State University, Texas Tech’s Southwest School of Governmental Finance, the Texas Fiscal Officers’ Academy (“TFOA”), and the Governor’s Executive Development Program. She

has served on numerous statewide committees, including TFOA’s curriculum committee, and is a member of the Texas State Business Administrators’ Association where she served as President in 2006.

Kevin Van Oort, General Counsel. Mr. Van Oort was hired as the Authority’s General Counsel on September 2, 2014. Previously, Mr. Van Oort served as Senior Tax Counsel for the Office of the Texas Attorney General; Deputy General Counsel for the Texas Comptroller of Public Accounts and General Counsel for the Texas Legislative Budget Board. Mr. Van Oort took his Bachelor’s degree in Economics at the University of Nebraska and his J.D. at The University of Texas.

Sunset Review

In 1977, the Texas Legislature enacted the Texas Sunset Act (Chapter 325, Texas Government Code, as amended) (the “Sunset Act”), which provides that virtually all agencies of the State, including the Authority, are subject to periodic review of the Texas Legislature and that each agency subject to sunset review will be abolished unless the Texas Legislature specifically determines to continue its existence. The next sunset review of the Authority is scheduled to occur in 2029. The Texas Public Finance Authority Act, as amended by SB 1659 of the 88th Texas Legislature, Regular Session, provides that if the Authority is not continued in existence, the Authority will cease to exist as of September 1, 2029; however, the Texas Sunset Act also provides, unless otherwise provided by law, that the Authority will exist until September 1 of the following year (September 1, 2030) in order to conclude its business.

Pursuant to the Texas Sunset Act, the Texas Legislature specifically recognizes the State’s continuing obligation to pay bonded indebtedness and all other obligations incurred by various State agencies, including the Authority. Accordingly, in the event that a future sunset review were to result in the Authority being abolished, the Governor would be required by law to designate an appropriate State agency to continue to carry out all covenants contained in the Bonds and in all other obligations, including lease, contract and other written obligations of the Authority. 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, whether from a State general obligation pledge, revenues or otherwise, 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.

State Audits

General. 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 Texas Legislature, jointly chaired by the Lieutenant Governor and the Speaker of the House of Representatives.

The SAO is authorized, by Chapter 321 of the 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 American Institute of Certified Public Accountants, Governmental Accounting Standards Board, United States General Accounting Office or other professionally recognized entities that prescribe auditing standards.

Texas Bond Review Board

With certain exceptions, bonds issued by State agencies and institutions, including bonds issued by the Authority, must be approved by the Texas Bond Review Board (the “Bond Review Board”) prior to their issuance. The Bond Review Board is composed of the Governor, the Lieutenant Governor, the Speaker of the House of Representatives, and the Texas Comptroller of Public Accounts (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.

On October 19, 2023, the Bond Review Board approved the issuance of the Bonds.

Retirement Plan of the Authority

The Authority participates in joint contributory retirement system of the State administered by the Employees Retirement System of Texas (“ERS”), which is operated by the State and which covers State employees and the Law Enforcement and Custodial Officers System. For more detailed information on the ERS and other State administered retirement plans, see the Bond Appendix described in “APPENDIX A — The State of Texas” attached hereto.

DESCRIPTION OF THE TRANSACTION DOCUMENTS

Selected Definitions

The following is a summary of certain defined terms of the Resolution adopted by the Board on October 12, 2023. This summary does not purport to be comprehensive or definitive and is qualified in its entirety by reference to the Bond Resolution. Copies of the Resolution are available for examination at the offices of the Authority. A reference to any of such terms in the singular number shall include the plural and vice versa.

“Authority” – means the Texas Public Finance Authority or any successor thereto.

“Beneficial Owner” – means each Person in whose name a Book-Entry Bond is recorded as the owner of a beneficial interest in such Bond by a participant in such book-entry system.

“Blanket Letter of Representations” – means any representation letter of, or agreement delivered by, the Authority pursuant to the Resolution or a prior bond resolution providing for administration of a book-entry system for the Bonds and any successive arrangements under which the Authority provides for the administration of a book-entry system for the Bonds or any other bonds.

“Board” – means the Board of Directors of the Authority.

“Bond Counsel” – means McCall, Parkhurst & Horton L.L.P. or any other law firm or firms experienced and nationally recognized in matters relating to the issuance of tax-exempt or taxable governmental obligations, which firm or firms are engaged by the Board to render services to the Authority related to the issuance of the Bonds.

“Bond Enhancement Agreement” – means any loan agreement, revolving credit agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitment to purchase, purchase or sale agreement, interest rate swap agreement or commitment or other agreement authorized by the Authority in connection with the authorization, issuance, sale, resale, security, exchange, payment, purchase, remarketing or redemption of the Bonds, interest on the Bonds, or both, or as otherwise authorized by Chapter 1371, Texas Government Code, as amended.

“Bond Obligations” – means the principal, premium (if any), and interest payment obligations of the Authority on any of the Bond(s).

“Bond Owner” – means the Person who is the registered owner of any Bond, as such ownership appears in the Register.

“Bonds” – means the Bonds authorized pursuant to the Resolution and designated as “Texas Public Finance Authority State of Texas General Obligation and Refunding Bonds, Taxable Series 2023A”, as further set forth in the Pricing Certificate and such other series or subseries of Bonds as may be further set forth in the Pricing Certificate as authorized by the Resolution.

“Book-Entry Bond” – means any Bond administered under a book-entry system pursuant to the Bond Resolution and the Blanket Letter of Representations.

“Business Day” – means any day that is a day on which the Comptroller is open for business and:

(1) while the Authority is the Paying Agent/Registrar, on which the Authority is open for business at its principal business office; or

(2) while a Person other than the Authority is the Paying Agent/Registrar, on which financial institutions in the city where the principal corporate trust office of the Paying Agent/Registrar is located are not authorized by law or executive order to close.

“Chair” – means the Chair of the Board, or any member of the Board authorized to act as Chair.

“Closing” – means the concurrent delivery of the Bonds to or upon the order of the Purchaser in exchange for payment therefor.

“Code” – means the Internal Revenue Code of 1986, as amended by all legislation, if any, enacted on or before the Issue Date.

“Comptroller” – means the Texas Comptroller of Public Accounts or any successor thereto.

“Continuing Disclosure Agreement” – means the Amended and Restated Continuing Disclosure Agreement, dated March 12, 2019, between the Comptroller and the Texas Bond Review Board, as may be further amended from time to time.

“Costs of Issuance” – means the “costs of issuance,” as provided in the Authorizing Law, incurred in connection with the issuance of the Bonds.

“Costs of Issuance Fund” – means the “*Texas Public Finance Authority State of Texas General Obligation and Refunding Bonds, Taxable Series 2023A Costs of Issuance Fund*” created pursuant to the Resolution.

“Eligible Investments” – means any securities or obligations in which the Comptroller is authorized by law to invest the money on deposit in the Funds.

“Escrow Fund” – means either: (a) the escrow fund, if any, created with respect to the Refunded Notes pursuant to the Escrow Agreement, if any, or (b) the escrow account for each series of the Refunded Notes created pursuant to the Escrow Instructions, if any, within the applicable note payment account under the Issuing and Paying Agency Agreement for the Refunded Notes; such fund or account in either case to be created and held by the Escrow Agent.

“Executive Director” – means the Executive Director of the Authority, or any member of the staff of the Authority authorized by the Board to perform the duties of the Executive Director.

“Fund” – means any of the Funds created or confirmed by the Resolution.

“Funds” – means collectively, the Interest and Sinking Fund, the Project Fund, the Escrow Fund, and the Costs of Issuance Fund.

“General Counsel” – means the general counsel of the Authority or any individual or firm appointed by the Board to serve in such capacity.

“Government Obligations” – means any of the following:

(1) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by the United States; and

(2) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the Board adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent.

“Interest and Sinking Fund” – means the “*Texas Public Finance Authority State of Texas General Obligation and Refunding Bonds, Taxable Series 2023A Interest and Sinking Fund*” created pursuant to the Resolution.

“Interest Payment Date” – means April 1 and October 1 of each year, commencing on the date identified in the Pricing Certificate.

“Issue Date” – means the date of initial delivery of the Bonds.

“Issuing and Paying Agency Agreement” – means the Amended and Restated Issuing and Paying Agency Agreement, dated September 1, 2010, entered into between the Authority and U.S. Bank Trust Company, National Association (successor in interest to U.S. Bank National Association), as amended from time to time.

“Paying Agent/Registrar” – means initially, the Authority, or any financial institution appointed by the Authority in accordance with the Resolution as the paying agent/registrar for the Bonds.

“Person” – means any individual, partnership, corporation, trust, or unincorporated organization or any governmental entity.

“Pricing Certificate” – means the certificate(s) executed by the Pricing Committee which sets forth the final terms of each series of the Bonds, in substantially the form attached to the Resolution.

“Pricing Committee” – means the members of the Board who are authorized to act on behalf of the Board in selling and delivering the Bonds, with the remaining Board members designated as the alternate(s) in the event one or more of the specifically designated Board members is unable to participate as a member of the Pricing Committee.

“Project” – means any costs or expenditures authorized to be financed by the Authority for CPRIT pursuant to the Authorizing Law and the Resolution.

“Project Costs” – means any costs associated with the Projects that are authorized under the Authorizing Law to be paid with the proceeds of the Bonds.

“Project Fund” – means the “Texas Public Finance Authority – CPRIT Project Fund(s)” the creation of which is confirmed pursuant to the Resolution.

“Purchase Contract” – means the bond purchase contract between the Authority and the Purchasers pursuant to which the Bonds are sold to the Purchasers in the form approved by the Pricing Committee and attached to the Pricing Certificate.

“Purchaser” – means the Person(s) who initially purchase the Bonds from the Authority pursuant to the Purchase Contract.

“Record Date” – means the 15th day of the month immediately preceding each Interest Payment Date.

“Refundable Notes” – means the “Texas Public Finance Authority State of Texas General Obligation Commercial Paper Notes (Cancer Prevention and Research Institute of Texas Project), Series A (Taxable),” authorized November 25, 2013.

“Refunded Notes” – means all or any portion of the Refundable Notes, as set forth in the Pricing Certificate, that are actually refunded with proceeds of each series of the Bonds for the purpose of achieving long-term fixed rate financing.

“Register” – means the official registration records for the Bonds maintained by the Paying Agent/Registrar for the Bonds pursuant to the Resolution.

“Rule” – means Rule 15c2-12, as amended, adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

“Securities Depository” – means initially The Depository Trust Company, or any Person acting as a securities depository for the Book-Entry Bonds.

“State” – means the State of Texas.

“Sufficient Assets” – means with respect to the Bond Obligations for any Bond or Bonds, any combination of the following:

- (1) an amount of money sufficient, without investment, to pay such Bond Obligations when due; and
- (2) Government Obligations that (a) are not redeemable prior to maturity; and (b) mature as to principal and interest in such amounts and at such times as will provide, without reinvestment, money sufficient to pay such Bond Obligations when due.

“Transaction Documents” – means collectively, the Bond Resolution, the Escrow Instructions, the Purchase Contract, and the Bonds.

The Bond Resolution

The Bonds will be issued pursuant to the Bond Resolution and the following is a summary of certain provisions of the Resolution, adopted by the Board on October 12, 2023, and the Pricing Certificate. This summary does not purport to be comprehensive or definitive and is qualified in its entirety by reference to the Bond Resolution. Copies of the Bond Resolution are available for examination at the offices of the Authority. References to the singular number includes the plural and vice versa.

Security for the Bonds. The Bonds are general obligations of the State, secured by the full faith and credit of the State and issued pursuant to the Authorizing Law, including the Constitutional Provision, which provides that, while any of the Bonds or interest on the Bonds is outstanding and unpaid, from the first money coming into the State treasury in each fiscal year not otherwise appropriated by the State Constitution, an amount sufficient to pay the principal of and interest on the Bonds that mature or become due during the fiscal year and to make payments that become due under any Bond Enhancement Agreements during the fiscal year is appropriated, less the amount in the Interest and Sinking Fund at the close of the previous fiscal year. The funds that become available for payment of the Bonds pursuant to the Constitutional Provision are the sole security for the payment of the Bonds.

Ownership. A Bond Owner is deemed to be the absolute owner of the Bonds registered in the name of the Bond Owner for all purposes of determining the obligations of the Authority with respect to such Bonds and the Authority is not bound to recognize the interest (beneficial or otherwise) of any Person, notwithstanding any notice to the Authority of such Person’s interest. While the Bonds are in book-entry form, the Securities Depository or its nominee will be treated as the Bond Owner for all purposes under the Bond Resolution, and all required notices to Bond Owners will be given only to the Securities Depository.

Transfer, Exchange, and Replacement of Bonds. For so long as the Bonds are Book-Entry Bonds, the Securities Depository (or its nominee) will be treated as the Bond Owner for all purposes under the Resolution, and any transfer, exchange, or replacement of a Bond shall occur on the books and records of the Securities Depository notwithstanding anything in the Resolution. Further, and for so long as the Bonds are Book-Entry Bonds, the Authority or any separate Paying Agent/Registrar shall be required to give all notices to Bond Owners required by the Resolution by mail to the Securities Depository only and not to any other Person.

In the event the book-entry-only system is discontinued, the transfer of a Bond will be made upon surrender of the Bond by the Bond Owner (or the Bond Owner’s duly authorized attorney) to the Paying Agent/Registrar together with an endorsement or other evidence of transfer satisfactory to the Authority and the Paying Agent/Registrar. The Paying Agent/Registrar will authenticate and deliver to the transferee a new Bond of the same tenor and aggregate principal amount of the Bonds and interest rate as the surrendered Bond. A transfer will be made without charge, except that any tax or other governmental charge imposed with respect to the transfer will be paid by the transferring Bond Owner.

A Bond may be exchanged by the Bond Owner for a new Bond (each in an authorized denomination) of the same tenor and aggregate principal amount and interest rate of the Bonds upon surrender to the Paying Agent/Registrar by the Bond Owner (or the Bond Owner's duly authorized attorney) of the Bond as to which the exchange is desired. The Authority will execute and the Paying Agent/Registrar will authenticate and deliver to the surrendering Bond Owner the new Bond(s) in exchange for the surrendered Bond. The out-of-pocket expenses incurred by the Authority and the Paying Agent/Registrar in connection with making an exchange of Bonds and any tax or other governmental charge imposed with respect to the exchange will be paid by the Bond Owner.

The Paying Agent/Registrar is not required to transfer or exchange any Bond: (1) between a Record Date and the related Interest Payment Date, (2) during the 30-day period preceding the maturity date of the Bond, or (3) which has been selected for redemption in whole or in part.

At the request of the Bond Owner of a mutilated, lost, stolen, or destroyed Bond, the Bond will be replaced if, in the case of a mutilated Bond, the Bond Owner (or its duly authorized representative) surrenders the mutilated Bond to the Paying Agent/Registrar, or in the case of a lost, stolen, or destroyed Bond, the Bond Owner (1) furnishes the Authority and the Paying Agent/Registrar with evidence satisfactory to the Authority and the Paying Agent/Registrar that the loss, theft, or destruction has occurred, (2) provides indemnity or security satisfactory to the Authority and the Paying Agent/Registrar to save the Paying Agent/Registrar and the Authority harmless from any loss or damage with respect thereto, and (3) satisfies such other requirements as may reasonably be imposed by the Authority and the Paying Agent/Registrar. If a mutilated, lost, stolen, or destroyed Bond has matured or will mature within the 30-day period following the Bond Owner's request for a replacement Bond, the Bond (at the Authority's direction) may, if indemnity or security is provided as described above, be paid instead of delivering a replacement Bond. The out-of-pocket expenses incurred by the Authority and the Paying Agent/Registrar in connection with replacement of a Bond and any tax or other governmental charge imposed with respect to the replacement will be paid by the Bond Owner.

Creation of Funds. The Authority will create the following Funds for the Bonds: (i) the Interest and Sinking Fund and (ii) the Costs of Issuance Fund. The Resolution confirmed the previously created Project Fund.

The Funds will be maintained by the Comptroller in the treasury of the State, separate from any other funds, and shall be held in trust for application as provided by the Resolution.

The Authority may also create additional funds and accounts from time to time as may be necessary or convenient to accomplish the purposes of the Resolution including the creation of additional interest and sinking funds, project funds and costs of issuance funds if more than one series of Bonds are issued.

The Note Escrow Account will be created by the CP Paying Agent pursuant to the Escrow Instructions.

Application of Constitutionally Appropriated Funds. The Authority will cause to be deposited into the Interest and Sinking Fund an amount sufficient (together with any other money on deposit therein) to provide for the timely payment of the Bond Obligations, from money that is available for such purpose under the Constitutional Provision, not later than the second Business Day preceding each date on which any Bond Obligations come due. The Authority may make any such deposit on an earlier date so long as such date is not earlier than the 50th day before the date the Bond Obligations for which such deposit is made come due. If, on any date that money in the Interest and Sinking Fund is required to be withdrawn for the payment of Bond Obligations, the Interest and Sinking Fund does not contain sufficient money for such purpose, an amount of immediately available money sufficient (together with money then on deposit in the Interest and Sinking Fund) to pay such Bond Obligations will be transmitted to the appropriate payee(s) for such purpose from money made available under the Constitutional Provision, at such time as will cause such Bond Obligations to be timely paid.

Application of Interest and Sinking Fund. Amounts on deposit in the Interest and Sinking Fund will be applied at such times and in such amounts as required for the timely payment of Bond Obligations.

Application of Project Fund. Amounts on deposit in the Project Fund will be applied to pay Project Costs in accordance with the Bond Resolution.

Investment of Funds. The money on deposit in any Fund may be invested and reinvested only in Eligible Investments by the Comptroller. The investments of each Fund will be made under conditions that will timely provide amounts sufficient to satisfy the purpose(s) for which such Fund is intended. The proceeds received from the disposition of any investment acquired with money from any Fund, and any income received from any such investment, are to be deposited into such Fund. Uninvested money (if any) in any Fund is to be secured in the manner and to the extent required by law.

Unclaimed Payments. Any funds held for the payment of Bond Obligations due on any Bond, which funds are unclaimed by the Bond Owner, will be set aside in an escrow fund, uninvested, and held for the exclusive benefit of the Bond Owner, without liability for any interest thereon. Any such funds remaining unclaimed for three years after such Bond Obligations became due (or such other period as specified by applicable law) will be transferred to the Authority, which will dispose of such funds pursuant to Title 6 of the Texas Property Code or other applicable law. After such disposal, all liability of the Authority and the Paying Agent/Registrar for the payment of such funds will cease. The Authority and the Paying Agent/Registrar will comply with the reporting requirements of Chapter 74 of the Texas Property Code or other applicable law with respect to such unclaimed money.

Amendment. Except as provided below, the Bond Resolution may not be amended without the consent of the Bond Owners of at least a majority in aggregate principal amount of the outstanding Bonds affected by such amendment. The consent of the Bond Owners of all outstanding Bonds is required for any proposed amendment to the Bond Resolution that would:

- (1) permit a preference or priority of any Bond over another Bond; or
- (2) reduce the percentage of Bond Owners that is required to consent to an amendment of the Bond Resolution.

The consent of the Bond Owner of each affected outstanding Bond is required for any proposed amendment to the Bond Resolution that would:

- (1) change the time of any regularly scheduled payment of Bond Obligations, the principal amount of any Bond, the interest rate on any Bond, the currency in which Bond Obligations are required to be paid, or any of the other terms of the Bond Resolution governing the time, place, or manner of payment of Bond Obligations;
- (2) impair the security for any Bond; or
- (3) result in a reduction of any then existing rating on the Bonds.

Except as provided above, no Bond Owner consent is required for an amendment to the Bond Resolution if the amendment, in the opinion of nationally recognized bond counsel, will not adversely affect the rights of any Bond Owner under the Transaction Documents, including without limitation, amendments, changes, or modifications to facilitate the utilization of Bond Enhancement Agreements.

No amendment to the Bond Resolution will take effect until the Executive Director obtains an opinion of Bond Counsel to the effect that such amendment will not violate the Bond Resolution, the Authorizing Law or other applicable law and, upon obtaining the required Bond Owner consent (if any), will comply with the requirements of the Bond Resolution for such amendment.

Discharge of Claim Against Constitutional Provision. The claim of the Bond Resolution against money provided under the Constitutional Provision will be deemed discharged and of no further force and effect when the Bond Obligations on all Bonds have been discharged and all other amounts of money payable under the Bond Resolution have been paid or arrangements satisfactory to the Person to whom any such payment is due for making such payment have been made. The Bond Obligations on any Bond or Bonds will be deemed discharged when (i) such Bond Obligations have been paid pursuant to the terms of such Bonds or become due (whether at stated maturity or otherwise) and money sufficient for the payment thereof has been deposited into the Interest and Sinking Fund or with the Paying Agent/Registrar; (ii) such Bonds have been canceled or surrendered to the Paying Agent/Registrar for cancellation; or (iii) such Bond Obligations have been discharged by a deposit of Sufficient Assets as described below.

Defeasance. The benefits of the Bond Resolution, and the covenants of the Authority contained therein in support of any Bond (or Bonds), will be deemed redeemed and discharged with respect to such Bond (or Bonds) when the following requirements have been satisfied:

- (1) the payment of the Bond Obligations with respect thereto has been provided for by irrevocably depositing Sufficient Assets into the Interest and Sinking Fund or with the Paying Agent/Registrar or a financial institution or trust company designated by the Authority, which will be held in trust in a separate escrow account and applied exclusively to the payment of such Bond Obligations;
- (2) the Authority has received an opinion of Bond Counsel to the effect that: (a) such deposit of Sufficient Assets complies with State law; and (b) all conditions precedent to such Bond Obligations being deemed discharged have been satisfied;
- (3) all amounts of money (other than Bond Obligations) due, or reasonably estimated by the Paying Agent/Registrar to become due, under the Bond Resolution with respect to such Bond(s) have been paid, or provision satisfactory to the Person to whom any such payment is or will be due for making such payment has been made; and
- (4) the Paying Agent/Registrar has received such other documentation and assurance as the Paying Agent/Registrar reasonably may request.

If a deposit of Sufficient Assets is to provide for the payment of Bond Obligations on less than all of the outstanding Bonds, the particular maturity or maturities of Bonds (or, if less than all of a particular maturity, the principal amounts), will be as specified by the Authority, and the particular Bonds (or portions thereof) will be selected by the Paying Agent/Registrar by lot in such manner as the Paying Agent/Registrar determines (provided that a portion of a Bond may be redeemed only in an integral multiple of \$5,000 principal amount).

To the extent permitted by law, at the Executive Director's direction, the Paying Agent/Registrar may substitute, for any of the securities or obligations deposited as Sufficient Assets, other securities or obligations constituting Sufficient Assets if, upon such substitution, the requirements for redemption and discharge described above are satisfied. Any net proceeds realized from such a substitution will be paid to the Authority.

No Individual Liability. No obligation imposed under the Bond Resolution, the Bonds, or any document executed by the Authority or the Comptroller in connection therewith will be deemed to be the obligation, in an individual capacity, of any director, officer, employee, or agent of the Authority or the Comptroller, and no such director, officer, employee, or agent or any individual executing the Bonds or any such other document on behalf of any such entity will be subject to any personal liability with respect thereto.

Bond Enhancement Agreement. Pursuant to the Bond Resolution, to the extent permitted by law, the Authority may execute one or more Bond Enhancement Agreements for the Bonds. The Board has authorized the Executive Director to act on behalf of the Authority from time to time in negotiating and approving the details of any Bond Enhancement Agreements. The execution and delivery of any Bond Enhancement Agreement is subject to the approval of the Attorney General of Texas. Bond Owner consent is not necessary for the Authority to adopt a Bond Enhancement Agreement. Payments due under one or more Bond Enhancement Agreements will be made from funds made available for such purpose pursuant to the Constitutional Provision.

GENERAL INFORMATION REGARDING THE STATE OF TEXAS

Available Information

The Texas Comptroller of Public Accounts (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 ("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 publicly

accessible as described in "APPENDIX A – The State of Texas." The most current such documents are described in "APPENDIX A – The State of Texas" and 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 Debt Limit

Article III, Section 49-j of the Texas Constitution prohibits the Texas Legislature from authorizing additional State debt payable from general revenues, 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 general revenues exceeds 5% of an amount equal to the average amount of general revenue for the three immediately preceding years, excluding revenues constitutionally dedicated for purposes other than payment of debt service. Prior to the Date of Delivery of the Bonds, the Bond Review Board is expected to certify that the maximum annual debt service in any fiscal year on debt payable from the general revenue fund, including debt service on the Bonds, does not exceed 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 immediately preceding fiscal years. See "APPENDIX A – The State of Texas" and "DESCRIPTION OF THE BONDS – Source of Payment."

LEGAL MATTERS

Legal Opinions

The delivery of the Bonds is subject to the Authority furnishing the Underwriters a complete transcript of proceedings incident to the authorization and issuance of the Bonds and the approval of the Attorney General of Texas to the effect that the Bonds are valid and legally binding obligations of the Authority, and the approving legal opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, to the effect that the Bonds, issued in compliance with the provisions of the Bond Resolution, are valid and legally binding obligations of the Authority, subject to applicable provisions of sovereign immunity, bankruptcy, reorganization and other similar matters affecting the rights of creditors or by general principles of equity which permit the exercise of judicial discretion. The form of Bond Counsel's opinion is attached hereto as Appendix B. Bond Counsel was engaged by, and only represents, the Authority. In its capacity as Bond Counsel, such firm has reviewed the statements and information appearing under captions "PLAN OF FINANCE" (except for the information under the subcaption "Sources and Uses of Funds" as to which no opinion will be expressed), "DESCRIPTION OF THE BONDS" (except for the information under the subcaption "Book-Entry-Only System," as to which no opinion will be expressed), "DESCRIPTION OF THE TRANSACTION DOCUMENTS," "LEGAL MATTERS," "TAX MATTERS," and "CONTINUING DISCLOSURE OF INFORMATION" (except for the information under the subcaption "Continuing Disclosure Undertaking of the Comptroller," as to which no opinion will be expressed, and except for any information describing or otherwise pertaining to the continuing disclosure undertaking of the Comptroller, as to which no opinion will be expressed), and such firm is of the opinion that the statements and information contained under such captions and subcaptions provide an accurate and fair description of the Bonds, the Escrow Instructions and the Bond Resolution and are correct as to matters of law. The legal fee to be paid to Bond Counsel for services rendered in connection with the issuance of the Bonds is contingent upon the sale and delivery of the Bonds. The legal opinion of Bond Counsel will accompany the Bonds deposited with DTC or will be printed on the definitive Bonds in the event of the discontinuance of the Book-Entry-Only System.

Certain legal matters will be passed upon for the Authority by Orrick, Herrington & Sutcliffe LLP, Austin, Texas, Disclosure Counsel to the Authority, whose legal fee is contingent on the sale and delivery of the Bonds. Certain legal matters will be passed upon for the Underwriters by their counsel, Greenberg Traurig, LLP, Houston, Texas, whose legal fee is contingent on the sale and delivery of the Bonds. Bond Counsel, Disclosure Counsel, and Underwriters Counsel periodically serve in other capacities on other separate and unrelated offerings of securities by the Authority.

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 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.

Legal Investments in Texas

Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code) provides that the Bonds are negotiable instruments, investment securities governed by Chapter 8, Texas Business & Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking fund of municipalities or other political subdivisions or public agencies of the State of Texas. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for Texas state banks, savings banks, trust companies with at least \$1 million of capital, and savings and loan associations. The Bonds are eligible to secure deposits of any public funds of the State, its agencies and political subdivisions, and are legal security for those deposits to the extent of their market value. For political subdivisions in Texas that have adopted investment policies and guidelines in accordance with the Public Funds Investment Act, the Bonds may have to be assigned a rating of at least “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.

The Authority has not made any investigation of other laws, rules, regulations or investment criteria that might apply to such institutions or entities or that might limit the suitability of the Bonds for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Bonds for such purposes. The Authority has not made any review of laws in other states to determine whether the Bonds are legal investments for various institutions in those states.

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 under the Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2). The Bonds have not been approved or disapproved by the United States Securities and Exchange Commission, nor has the United States Securities and Exchange Commission passed upon the accuracy or adequacy of the Official Statement. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; and have not been registered or qualified under the securities acts of any other jurisdiction. The Authority does not assume any responsibility for registration or qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated, 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.

Forward-Looking Statements

The statements contained or incorporated by reference into this Official Statement, and in any other information provided by the Authority and the Comptroller, that are not purely historical, are forward-looking statements, including statements regarding the Authority’s and the Comptroller’s expectations, hopes, intentions, or strategies regarding the future.

Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the Authority and the Comptroller on the date of this Official Statement, or the date of the Bond Appendix, ACFR, or event notice, respectively, and the Authority and the Comptroller assume no obligation to update any such forward-looking statements. It is important to note that the Authority’s and the State’s actual results could differ materially from those in such forward-looking statements.

The forward-looking statements 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 Authority and the Comptroller. Any of such assumptions may be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

TAX MATTERS

THE FOLLOWING DISCUSSION, WHICH WAS WRITTEN TO SUPPORT THE PROMOTION OR MARKETING OF THE SALE OF THE BONDS, IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED BY ANY TAXPAYER, TO AVOID PENALTIES THAT MIGHT BE IMPOSED ON THE TAXPAYER IN CONNECTION WITH THE MATTERS DISCUSSED THEREIN. 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, OR ANY OTHER TAX CONSEQUENCE.

Certain Federal Income Tax Considerations

General. The following discussion is a summary of certain expected material federal income tax consequences of the purchase, ownership and disposition of the Bonds and is based on the Internal Revenue Code of 1986, as amended (the “Code”), the regulations promulgated thereunder, published rulings and pronouncements of the Internal Revenue Service (“IRS”) and court decisions currently in effect. There can be no assurance that the IRS will not take a contrary view, and no ruling from the IRS, has been, or is expected to be, sought on the issues discussed herein. Any subsequent changes or interpretations may apply retroactively and could affect the opinion and summary of federal income tax consequences discussed herein.

The following discussion is not a complete analysis or description of all potential U.S. federal tax considerations that may be relevant to, or of the actual tax effect that any of the matters described herein will have on, particular holders of the Bonds and does not address U.S. federal gift or estate tax or (as otherwise stated herein) the alternative minimum tax, state, local or other tax consequences. This summary does not address special classes of taxpayers (such as partnerships, or other pass-thru entities treated as a partnerships for U.S. federal income tax purposes, S corporations, mutual funds, insurance companies, financial institutions, small business investment companies, regulated investment companies, real estate investment trusts, grantor trusts, former citizens of the U.S., broker-dealers, traders in securities and tax-exempt organizations, individual recipients of Social Security or Railroad Retirement benefits, taxpayers who may be subject to or personal holding company provisions of the Code or taxpayers qualifying for the health insurance premium assistance credit) that are subject to special treatment under U.S. federal income tax laws, or persons that hold Bonds as a hedge against, or that are hedged against, currency risk or that are part of hedge, straddle, conversion or other integrated transaction, or persons whose functional currency is not the “U.S. dollar”. This summary is further limited to investors who will hold the Bonds as “capital assets” (generally, property held for investment) within the meaning of Section 1221 of the Code. This discussion is based on existing statutes, regulations, published rulings and court decisions, all of which are subject to change or modification, retroactively.

As used herein, the term “U.S. Holder” means a beneficial owner of a Bond who or which is: (i) an individual citizen or resident of the United States, (ii) a corporation or partnership created or organized under the laws of the United States or any political subdivision thereof or therein, (iii) an estate, the income of which is subject to U.S. federal income tax regardless of the source; or (iv) a trust, if (a) a court within the U.S. is able to exercise primary supervision over the administration of the trust and one or more U.S. persons have the authority to control all substantial decisions of the trust, or (b) the trust validly elects to be treated as a U.S. person for U.S. federal income tax purposes. As used herein, the term “Non-U.S. Holder” means a beneficial owner of a Bond that is not a U.S. Holder.

THIS SUMMARY IS INCLUDED HEREIN FOR GENERAL INFORMATION ONLY AND DOES NOT DISCUSS ALL ASPECTS OF THE U.S. FEDERAL INCOME TAXATION THAT MAY BE RELEVANT TO A PARTICULAR HOLDER OF BONDS IN LIGHT OF THE HOLDER’S PARTICULAR CIRCUMSTANCES AND INCOME TAX SITUATION. PROSPECTIVE HOLDERS OF THE BONDS SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE

PURCHASE, OWNERSHIP AND DISPOSITION OF THE BONDS BEFORE DETERMINING WHETHER TO PURCHASE BONDS.

FOREIGN INVESTORS SHOULD ALSO CONSULT THEIR OWN TAX ADVISORS REGARDING THE TAX CONSEQUENCES UNIQUE TO NON-U.S. HOLDERS.

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 IRS. Payments of interest and principal may be subject to withholding under sections 1471 through 1474 or 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 withholding or 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 Non- U.S. Holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

Certain U.S. Federal Income Tax Consequences to U.S. Holders.

Periodic Interest Payments and Original Issue Discount. The Bonds are not obligations described in Section 103(a) of the Code. Accordingly, the stated interest paid on the Bonds or original issue discount, if any, accruing on the Bonds will be includable in "gross income" within the meaning of Section 61 of the Code of each owner thereof and be subject to federal income taxation when received or accrued, depending upon the tax accounting method applicable to such owner.

Disposition of Bonds. An owner will recognize gain or loss on the redemption, sale, exchange or other disposition of a Bond equal to the difference between the redemption or sale price (exclusive of any amount paid for accrued interest) and the owner's tax basis in the Bonds. Generally, a U.S. Holder's tax basis in the Bonds will be the owner's initial cost, increased by income reported by such U.S. Holder, including original issue discount and market discount income, and reduced, but not below zero, by any amortized premium. Any gain or loss generally will be a capital gain or loss and either will be long-term or short-term depending on whether the Bonds has been held for more than one year.

Defeasance of the Bonds. Defeasance of any Bond may result in a reissuance thereof, for U.S. federal income tax purposes, in which event a U.S. Holder will recognize taxable gain or loss as described above.

State, Local and Other Tax Consequences. Investors should consult their own tax advisors concerning the tax implications of holding and disposing of the Bonds under applicable state or local laws, or any other tax consequence, including the application of gift and estate taxes.

Certain U.S. Federal Income Tax Consequences to Non-U.S. Holders. A Non-U.S. Holder that is not subject to U.S. federal income tax as a result of any direct or indirect connection to the U.S. in addition to its ownership of a Bond, will not be subject to U.S. federal income or withholding tax in respect of such Bond, provided that such Non-U.S. Holder complies, to the extent necessary, with identification requirements including delivery of a signed statement under penalties of perjury, certifying that such Non-U.S. Holder is not a U.S. person and providing the name and address of such Non-U.S. Holder. Absent such exemption, payments of interest, including any amounts paid or accrued in respect of accrued original issue discount, may be subject to withholding taxes, subject to reduction under any applicable tax treaty. Non-U.S. Holders are urged to consult their own tax advisors regarding the ownership, sale or other disposition of a Bond.

The foregoing rules will not apply to exempt a U.S. shareholder of a controlled foreign corporation from taxation on the U.S. shareholder's allocable portion of the interest income received by the controlled foreign corporation.

RATINGS

S&P Global Ratings, a division of S&P Global Inc. and Fitch Ratings, Inc., have assigned ratings of "AAA" and "AAA," respectively, to the Bonds. An explanation of the significance of such ratings may be obtained from the

company furnishing the rating. The ratings reflect only the respective views of such organizations and the Authority makes no representation as to the appropriateness of the ratings. There is no assurance that the ratings of the Bonds will continue for any given period of time or that they will not be revised downward or withdrawn entirely if, in the judgment of any one or more of these companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings, or either of them, may have an adverse effect on the market price of the Bonds.

CONTINUING DISCLOSURE OF INFORMATION

Continuing Disclosure Undertaking of the Authority

General. In the Bond Resolution, the Authority has made the following agreement for the benefit of the Owners and Beneficial Owners of the Bonds. Under the agreement, the Authority will be obligated to provide timely notice of specified events to the MSRB. The information will be available to investors by the MSRB through its EMMA system, free of charge at www.emma.msrb.org.

Annual Reports. The Authority and the legal and beneficial owners of the Bonds are third-party beneficiaries of the Comptroller's Continuing Disclosure Agreement. The Comptroller will provide certain updated financial information and operating data to the MSRB, in an electronic format as prescribed by the MSRB, annually, as set out in the Continuing Disclosure Agreement, and described under "— Continuing Disclosure Undertaking of the Comptroller — Annual Reports."

Event Notices. The Authority will provide to the MSRB, with respect to the Bonds, notice not in excess of ten business days after the occurrence of any of the following events: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions or 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; (7) modifications to rights of bondholders, if material; (8) Bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership or similar event of the Authority; (13) the consummation of a merger, consolidation, or acquisition involving the Authority or the sale of all or substantially all of the assets of the Authority, 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 (14) the appointment of a successor or additional trustee or the change of name of a trustee, if material.

For the purposes of the event numbered 12 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 the Authority in a proceeding under the United States 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 the Authority, 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 the Authority.

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 March 12, 2019. The Board and the legal and beneficial owners of the Bonds are third-party beneficiaries of the Comptroller's agreement. The Comptroller is required to observe this agreement in respect of any issue of Securities, as defined in the agreement (which include the Bonds), for so long as the State remains an "obligated person," as defined in United States Securities and Exchange Commission Rule 15c2-12, as amended (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 its disclosure 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 included in the Bond Appendix. The Comptroller will update and provide this information 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 for each fiscal year within 195 days after that date 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 the quarterly 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 it may file voluntary notices of significant events with the MSRB between 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 10 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 any failure to provide updated financial information, operating data, or financial statements in accordance with its agreement.

Availability of Information

The Authority and the Comptroller have agreed to provide the foregoing financial and operating information only as described above. The Authority 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's ACFR, and annual financial and operating information, and event notices, if any, 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, ACFR, and notices may also be accessed on the Comptroller's website at: <https://comptroller.texas.gov/programs/systems/treasury-ops/index.php>.

Limitations and Amendments

The Authority and the Comptroller have agreed to update information and to provide notices of certain events only as described above. Neither has agreed to provide other information that may be relevant or material to a complete presentation of the Authority'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 Bond Owners may seek a writ of mandamus to compel the Authority and the Comptroller to comply with their agreements.

The Authority and the Comptroller may amend their continuing disclosure agreements to adapt to changed circumstances that arise from a change in legal requirements, a change in the identity, nature, status, or type of operations of the Authority or 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 changed circumstances, and (ii) either (a) the Bond Owners of a majority in aggregate principal amount of the outstanding Bonds consent to the amendment or (b) any person unaffiliated with the State, the Comptroller, the Bond Review Board and the Authority (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the beneficial owners of such Bonds. The Authority or the Comptroller may also amend or repeal the provisions of its continuing disclosure agreements 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 Authority or 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 "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.

NO LITIGATION

There is no litigation, proceeding, inquiry, or investigation pending by or before any court or other governmental authority or entity (or, to the best knowledge of the Authority, threatened) that affects the obligation of the Authority to deliver the Bonds or the validity of the Bonds. The State is a party to various legal proceedings relating to its operation and government functions, but unrelated to the Bonds. See "APPENDIX A – The State of Texas" of this Official Statement. On the Date of Delivery of the Bonds to the Underwriters, the Authority will execute and deliver to the Underwriters a certificate to the effect that no litigation of any nature has been filed or is pending against the Authority, as of that date, to restrain or enjoin the issuance or delivery of the Bonds or that would affect the provisions made for their payment or security, or in any manner questioning the validity of the Bonds.

UNDERWRITING

Piper Sandler & Co., as the authorized representative of a group of underwriters (the "Underwriters"), has agreed, subject to certain conditions, to purchase the Bonds at a price equal to the initial offering price of the Bonds shown on page ii of this Official Statement and less an underwriting discount of \$956,053.29. The Underwriters will be obligated to purchase all of the Bonds if any Bonds are purchased. 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.

Morgan Stanley & Co. LLC, one of the Underwriters of the 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 Bonds.

Piper Sandler & Co., one of the Underwriters of the Bonds, has entered into a distribution agreement (“Distribution Agreement”) with Charles Schwab & Co., Inc. (“CS&Co”) for the retail distribution of certain securities offerings including the Bonds, at the original issue prices. Pursuant to the Distribution Agreement, CS&Co. will purchase Bonds from Piper at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that CS&Co. sells.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement pursuant to their respective responsibilities to investors under the federal securities laws, but the Underwriters do not guarantee the accuracy or completeness of such information.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and 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. Certain of the Underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the Authority and to persons and entities with relationships with the Authority, 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, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Authority. 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.

FINANCIAL ADVISOR

RBC Capital Markets, LLC is acting as Financial Advisor to the Authority in connection with the issuance of the Bonds. The Financial Advisor’s fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. RBC Capital Markets, LLC, in its capacity as Financial Advisor, has not verified and does not assume any responsibility for the information, covenants, and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending, or future actions taken by any legislative or judicial bodies.

The Financial Advisor has provided the following sentence for inclusion in this Official Statement: The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the Authority and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

AUTHENTICITY OF FINANCIAL DATA AND OTHER INFORMATION

The financial data and other information contained herein have been obtained from the Authority’s records and other sources that are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents, and Bond Resolution contained in this Official Statement are made subject to all of the provisions of such statutes, documents, and Bond Resolution. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

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.

The Bond Resolution approves the form and content of this Official Statement, and any addenda, supplement or amendment hereto issued on behalf of the Authority, and authorizes its further use in the reoffering of the Bonds by the Underwriters.

This Official Statement has been approved by the Authority for distribution in accordance with the provisions of the Rule.

/s/ Lee Deviney _____
Lee Deviney
Executive Director
Texas Public Finance Authority

Schedule I
Schedule of Refunded Notes

Texas Public Finance Authority
State of Texas
General Obligation Commercial Paper Notes
(Cancer Prevention and Research Institute of Texas Project)
Series A (Taxable)

| <u>Issue Date</u> | <u>Maturity Date</u> | <u>Par Amount</u> |
|-------------------|----------------------|-------------------|
| 10/19/2023 | 12/05/2023 | \$92,800,000 |

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APPENDIX A

THE STATE OF TEXAS

As described in the body of the Official Statement under “CONTINUING DISCLOSURE OF INFORMATION - Continuing Disclosure Undertaking of the Comptroller,” the Comptroller is required to file updated annual financial and operating data, audited financial statements of the State when received, and timely notice of certain events with the MSRB, and the Comptroller voluntarily files quarterly Bond Appendices and occasional notices of significant events.

The Official Statement hereby incorporates by reference the previously filed documents listed below, except for any information superseded by information that is included directly in the body of the Official Statement or incorporated by reference in a subsequent document, as well as any future filings that the Comptroller makes with the MSRB through EMMA prior to the termination of the offering of the Bonds under the Official Statement:

- State of Texas Annual Comprehensive Financial Report for the fiscal year ended August 31, 2022
- Bond Appendix: The State of Texas (August 2023, as may be supplemented by the Comptroller from time to time)
- Each notice, if any, filed with the MSRB by the Comptroller since the end of the fiscal year of the State addressed in the foregoing Annual Comprehensive Financial Report.

These documents and any subsequently filed documents, if any, may be obtained by accessing EMMA at <https://emma.msrb.org/>, using the EMMA Advanced Search function and entering the term “State of Texas Comptroller” in the Issuer Name field within the Security Information search filter. The documents may also be accessed on the Comptroller’s website at: <https://comptroller.texas.gov/programs/systems/treasury-ops/index.php>. For further information see “CONTINUING DISCLOSURE OF INFORMATION - Continuing Disclosure Undertaking of the Comptroller” in the body of the Official Statement.

Information in the Bond Appendix, ACFR, and any notice incorporated herein by reference is provided as of the date specified in the documents. No representation is made that such documents contain all facts material to an evaluation of the ability of the State to pay principal of and interest on the 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

FORM OF BOND COUNSEL'S OPINION

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*[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.]*

\$298,400,000

**TEXAS PUBLIC FINANCE AUTHORITY
STATE OF TEXAS
GENERAL OBLIGATION AND REFUNDING BONDS,
TAXABLE SERIES 2023A**

WE HAVE ACTED AS BOND COUNSEL for the Texas Public Finance Authority (the "Authority"), in connection with the issuance of the State of Texas (the "State") general obligation bonds described above (the "Bonds"). We have examined into the legality and validity of the Bonds, which bear interest from the dates specified in the text of the Bonds, until maturity or redemption, at the rates and payable on the dates specified in the text of the Bonds, in the resolution of the Authority adopted on October 12, 2023 authorizing the issuance of the Bonds and the Pricing Committee's Pricing Certificate as authorized in such resolution (the resolution and Pricing Certificate, collectively, the "Resolution"). Capitalized terms used and not otherwise defined herein have the meanings assigned to them in the Resolution.

WE HAVE EXAMINED the applicable and pertinent provisions of the Constitution and laws of the State, a transcript of certified proceedings of the Authority pertaining to the Bonds, and other pertinent instruments authorizing and relating to the issuance of the Bonds including one of the executed Bonds (Bond Number R-1). We have also examined the opinion of the Attorney General of the State of Texas approving the Resolution.

BASED ON SAID EXAMINATION, IT IS OUR OPINION that said Bonds have been authorized, issued and delivered in accordance with law; and that except as may be limited by laws applicable to the Authority and the State relating to sovereign immunity, bankruptcy, reorganization and other similar matters affecting creditors' rights generally, the Bonds constitute valid and legally binding general obligations of the State payable solely from money made available for such purpose pursuant to Article III, Section 67 of the State Constitution, as amended, and a continuing appropriation is made pursuant to the State Constitution out of the first moneys coming into the Treasury in each fiscal year, not otherwise appropriated by the Constitution, an amount which is sufficient to pay the principal of and interest on the Bonds that mature or become due during that fiscal year (less the amount of any sinking fund at the end of the preceding fiscal year that is pledged to the payment of Bonds or the interest thereon).

WE EXPRESS no opinion as to any 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. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds.

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; 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.

OUR SOLE ENGAGEMENT in connection with the issuance of the Bonds is as Bond Counsel for the Authority, and, in that capacity, we have been engaged by the Authority 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 Authority, 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 Authority and the Comptroller of Public Accounts as to the current outstanding indebtedness of the Authority and the State, the sufficiency certificate of the Authority's financial advisor, and the sufficiency of the general obligation revenues pledged to the Bonds. Our role in connection with the Authority's 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 C

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 DTC while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The Authority, the Financial Advisor and the Underwriters believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof and such information is not to be construed as a representation by any of the Authority, the Financial Advisor or the Underwriters.

The Authority and the Underwriters cannot and do not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or 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 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 United States Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

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 will be issued for each maturity of the Bonds, as set forth on the inside of the cover page hereof, in the aggregate principal amount of such maturity and will be deposited with DTC.

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 an S & P Global 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 effect 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 the 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 the 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 Paying Agent/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 in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 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 Authority 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 the Bonds are credited on the Record Date (identified in a listing attached to the Omnibus Proxy).

All 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 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 nor its nominee, the Paying Agent/Registrar, or the Authority, subject to any statutory or regulatory requirements as may be in effect from time to time. All 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 Authority 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.

The Authority 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.

Effect of Termination of Book-Entry Only System

In the event that the Book-Entry Only System is discontinued by DTC or the Authority, the following provisions will be applicable to the Bonds: The Bonds may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender thereof to the Paying Agent/Registrar in Austin, Texas (the "Designated Trust Office") and such transfer or exchange shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. A Bond may be assigned by the execution of an assignment form on the Bond or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. A new Bond or Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bond being transferred or exchanged, at the principal office of the Paying Agent/Registrar, or sent by United States mail, first class, postage prepaid, to the new registered owner or the designee

thereof. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the registered owner or assignee of the registered owner in not more than three business days after the receipt of the Bonds to be canceled, and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in an exchange or transfer shall be in any integral multiple of \$5,000 for any one maturity and for a like aggregate principal amount as the Bond or Bonds surrendered for exchange or transfer.

Use of Certain Terms in the Official Statement

In reading the Official Statement it should be understood that while the Bonds are in the Book-Entry-Only System, references in the Official Statement to registered owners should be read to include the person for which the 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 Bond Resolution will be given only to DTC.

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