

OFFICIAL STATEMENT DATED JANUARY 13, 2026

NEW ISSUE - Book-Entry-Only

RATINGS: S&P: “AAA”
(See “RATINGS” herein)

In the opinion of Troutman Pepper Locke LLP, Bond Counsel to the Authority, interest on the Bonds (defined herein) will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described under “TAX MATTERS” herein, including the alternative minimum tax on certain corporations.



TEXAS PUBLIC FINANCE AUTHORITY

\$16,770,000

State of Texas

General Obligation Bonds (Texas Military
Value Revolving Loan Program),
Series 2026

Dated Date: Date of Delivery (defined herein)
Interest Accrual Date: Date of Delivery

Due: October 1, as shown on page ii

The Texas Public Finance Authority State of Texas General Obligation Bonds (Texas Military Value Revolving Loan Program), Series 2026 (the “Bonds”) are general obligations of the State of Texas (the “State”) being issued by the Texas Public Finance Authority (the “Authority”) on behalf of the Texas Military Preparedness Commission (the “Commission”) for the purposes described below under the authority of the Constitution and general laws of the State, including Article III, Section 49-(n) of the Texas Constitution, as added by Acts 2003, 78th Leg., S.J.R. No. 55 (the “Constitutional Provision”); Chapter 1232, Texas Government Code, as amended (the “Texas Public Finance Authority Act”), Chapter 436, Texas Government Code, as amended (the “Military Preparedness Commission Act”), Chapters 1201 and 1371, Texas Government Code, as amended (the Constitutional Provision, the Texas Public Finance Authority Act and any rules promulgated by the Authority thereunder, the Military Preparedness Commission Act, 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 for the purpose of (i) funding the Texas Military Value Revolving Loan Account (defined herein) and to pay certain costs of administering the Texas Military Value Revolving Loan Account, and (ii) to pay the costs of issuing the Bonds. See “PLAN OF FINANCE” herein.

Interest on the Bonds will accrue from the Date of Delivery, will be payable on each April 1 and October 1 until maturity or prior redemption, commencing on October 1, 2026, 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 underwriter named below (the “Underwriter”) 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 Underwriter, subject to approval of legality by the Attorney General of the State and the approving opinion of Troutman Pepper Locke LLP, Dallas, Texas, Bond Counsel. Certain legal matters will be passed upon for the Authority by its Disclosure Counsel, Escamilla & Poneck, LLP, San Antonio, Texas. Certain legal matters will be passed upon for the Underwriter by its counsel, Norton Rose Fulbright US LLP, Austin, Texas. See “LEGAL MATTERS.” The Bonds are expected to be available for initial delivery through the facilities of DTC on or about February 4, 2026 (the “Date of Delivery”).

SAMCO Capital

MATURITY SCHEDULE

\$16,770,000
TEXAS PUBLIC FINANCE AUTHORITY
STATE OF TEXAS
GENERAL OBLIGATION BONDS
(TEXAS MILITARY VALUE REVOLVING LOAN PROGRAM),
SERIES 2026

\$9,150,000 Serial Bonds

Maturity (October 1)	Principal Amount (\$)	Interest Rate (%)	Initial Yield (%)	CUSIP No. Suffix⁽²⁾	Maturity (October 1)	Principal Amount	Interest Rate	Initial Yield	CUSIP No. Suffix⁽²⁾
2026	\$140,000	5.000	2.450	DG6	2037	\$445,000	5.000	3.110 ⁽¹⁾	DT8
2027	270,000	5.000	2.400	DH4	2038	465,000	5.000	3.200 ⁽¹⁾	DU5
2028	285,000	5.000	2.440	DJ0	2039	490,000	5.000	3.340 ⁽¹⁾	DV3
2029	300,000	5.000	2.430	DK7	2040	515,000	5.000	3.390 ⁽¹⁾	DW1
2030	315,000	5.000	2.490	DL5	2041	545,000	5.000	3.530 ⁽¹⁾	DX9
2031	330,000	5.000	2.540	DM3	2042	570,000	5.000	3.660 ⁽¹⁾	DY7
2032	345,000	5.000	2.640	DN1	2043	600,000	5.000	3.790 ⁽¹⁾	DZ4
2033	365,000	5.000	2.700	DP6	2044	625,000	4.000	4.130	EA8
2034	385,000	5.000	2.790	DQ4	2045	655,000	4.000	4.240	EB6
2035	400,000	5.000	2.880	DR2	2046	680,000	4.000	4.330	EC4
2036	425,000	5.000	3.000 ⁽¹⁾	DS0					

\$7,620,000 Term Bonds

\$3,865,000 – 4.250% Term Bonds Due October 1, 2051 – Priced to Yield 4.550% - CUSIP No. Suffix⁽²⁾ ED2

\$3,755,000 – 4.500% Term Bonds Due October 1, 2055 – Priced to Yield 4.600% - CUSIP No. Suffix⁽²⁾ EE0

(Interest accrues from Date of Delivery)

OPTIONAL REDEMPTION: The Bonds maturing on and after October 1, 2036, 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, 2035, 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 Bonds maturing on October 1, 2051 and October 1, 2055 (the “Term Bonds”) are also subject to mandatory sinking fund redemption prior to maturity. See “DESCRIPTION OF THE BONDS — Redemption — Mandatory Sinking Fund Redemption.”

(1) Yield calculated based on the assumption that the Bonds denoted and sold at a premium will be redeemed on October 1, 2035, the 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 Underwriter 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

Kelly Hancock*
Acting Comptroller of Public Accounts

TEXAS PUBLIC FINANCE AUTHORITY

BOARD OF DIRECTORS

Billy M. Atkinson, Jr.	–	Chair
Ramon Manning	–	Vice-Chair
Jay A. Riskind	–	Secretary
Lance S. Etcheverry	–	Member
Larry G. Holt	–	Member
Shanda G. Perkins	–	Member
Benjamin E. Streusand	–	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 Troutman Pepper Locke LLP
Disclosure Counsel Escamilla & Poneck, 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	Chris W. Allen RBC Capital Markets, LLC 609 Main Street, Suite 3600 Houston, Texas 77002 (713) 651-3338
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* On June 19, 2025, then Comptroller Glenn Hegar appointed former Senator Kelly Hancock as Chief Clerk. On July 1, 2025, Mr. Hegar resigned as Comptroller to become Chancellor of the Texas A&M University System. Pursuant to Section 403.003, Texas Government Code, on July 1, 2025, the Chief Clerk became Acting Comptroller until a comptroller is appointed or elected and qualifies for office.

This Official Statement, which includes the cover page 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 Underwriter 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 Underwriter. 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 Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does 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 UNDERWRITER 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 UNDERWRITER 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 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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TABLE OF CONTENTS

INTRODUCTION	1	DESCRIPTION OF THE TRANSACTION	
General	1	DOCUMENTS	11
Security	1	Selected Definitions	11
PLAN OF FINANCE	1	The Bond Resolution	14
Authority for Issuance	1	GENERAL INFORMATION REGARDING THE	
Purpose	2	STATE OF TEXAS	16
Sources and Uses of Funds	2	Available Information	16
DESCRIPTION OF THE BONDS	2	Constitutional Debt Limit	17
General	2	LEGAL MATTERS	17
Record Date for Interest Payment	2	Legal Opinions	17
Redemption	3	Legal Investments in Texas	18
Notice of Redemption	4	Registration and Qualification of Bonds for Sale	18
Purchase in Lieu of Redemption	4	Forward-Looking Statements	18
Redemption Through DTC	5	TAX MATTERS	19
Book-Entry-Only System	5	RATINGS	21
Source of Payment	5	CONTINUING DISCLOSURE OF INFORMATION .	22
Flow of Funds	6	Continuing Disclosure Undertaking of the Authority	
Defaults and Remedies	6	22
THE AUTHORITY	7	Continuing Disclosure Undertaking of the	
General	7	Comptroller	22
Authority Executives	7	Availability of Information	23
Sunset Review	8	Limitations and Amendments	23
State Audits	9	NO LITIGATION	24
Relationship with the Commission	9	UNDERWRITING	24
Texas Bond Review Board	10	FINANCIAL ADVISOR	25
Retirement Plan of the Authority	10	AUTHENTICITY OF FINANCIAL DATA AND	
THE TEXAS MILITARY PREPAREDNESS		OTHER INFORMATION	25
COMMISSION	10		
THE TEXAS MILITARY VALUE REVOLVING			
LOAN ACCOUNT	11		
APPENDIX A - THE STATE OF TEXAS			
APPENDIX B - FORM OF BOND COUNSEL’S OPINION			
APPENDIX C - BOOK-ENTRY-ONLY SYSTEM			

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 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 Appendices). Certain defined terms used in this Summary Statement are defined elsewhere in this Official Statement.

ISSUER	Texas Public Finance Authority.
OFFERING	The Texas Public Finance Authority State of Texas General Obligation Bonds (Texas Military Value Revolving Loan Program), Series 2026 (the “Bonds”), in the aggregate principal amount of \$16,770,000.
MATURITY	The Bonds will be issued as serial bonds in the aggregate principal amount of \$9,150,000 maturing in varying amounts on October 1 of each year from 2026 through and including 2046 and as Term Bonds (as defined herein) in the aggregate principal amount of \$7,620,000 maturing on October 1, in each of the years 2051 and 2055. See “DESCRIPTION OF THE BONDS — General” and “— Redemption.”
INTEREST	Interest on the Bonds will accrue from the Date of Delivery (defined herein) and will be payable on April 1 and October 1 of each year, commencing on October 1, 2026, until maturity or prior redemption. See “DESCRIPTION OF THE BONDS.”
REDEMPTION	The Bonds maturing on and after October 1, 2036, 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, 2035, 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.” The Bonds maturing on October 1, 2051 and October 1, 2055 (the “Term Bonds”) are also subject to mandatory sinking fund redemption prior to maturity. 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 for the purpose of (i) funding the Texas Military Value Revolving Loan Account (as defined herein) and to pay certain costs of administering the Texas Military Value Revolving Loan Account, and (ii) to pay the costs of issuing the Bonds. See “PLAN OF FINANCE” herein.
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. has assigned a rating of “AAA” 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 Troutman Pepper Locke LLP, Dallas, 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

\$16,770,000

State of Texas

General Obligation Bonds

(Texas Military Value Revolving Loan Program),

Series 2026

INTRODUCTION

General

This Official Statement, including the cover page and the Appendices hereto, provide certain information regarding the issuance by the Texas Public Finance Authority (the “Authority” or “Issuer”) of its \$16,770,000 State of Texas General Obligation Bonds (Texas Military Value Revolving Loan Program), Series 2026 (the “2026 Bonds”). Capitalized terms used in this Official Statement and not otherwise defined herein shall have the meaning assigned in the Bond Resolution (defined herein).

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 herein) 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 herein), including the Constitutional Provision (defined herein) 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 (defined herein) during the fiscal year is appropriated, less the amounts available in the Interest and Sinking Fund (defined herein). 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.”

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 49-(n) of the Texas Constitution, as added by Acts 2003, 78th Leg., S.J.R. No. 55 (the “Constitutional

Provision”); Chapter 1232, Texas Government Code, as amended (the “Texas Public Finance Authority Act”), Chapter 436, Texas Government Code, as amended (the “Military Preparedness Commission Act”), Chapters 1201 and 1371, Texas Government Code, as amended (the Constitutional Provision, the Texas Public Finance Authority Act and any rules promulgated by the Authority thereunder, the Military Preparedness Commission Act, 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 9, 2025. As permitted by Chapters 1232 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 finalized and 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 for the purpose of (i) funding the Texas Military Value Revolving Loan Account (defined herein) and to pay certain costs of administering the Texas Military Value Revolving Loan Account, and (ii) to pay the costs of issuing the Bonds.

Sources and Uses of Funds

The proceeds from the sale of the Bonds, together with other lawfully available funds of the Authority, if any, will be applied approximately as follows:

Sources of Funds

Principal Amount of the Bonds	\$16,770,000.00
Net Reoffering Premium	<u>611,060.70</u>
Total	<u>\$17,381,060.70</u>

Uses of Funds

Deposit to Military Value Revolving Loan Account	\$17,003,580.00
Deposit to Costs of Issuance Fund	279,048.31
Underwriter’s Discount	<u>98,432.39</u>
Total	<u>\$17,381,060.70</u>

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 October 1, 2026, 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 not a Business Day (as defined herein), such payment may be made on the first Business Day occurring after such day without additional interest and with the same force and effect as if made on the specified date for such payment.

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 15th 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 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, 2036 are subject to redemption prior to maturity at the option of the Authority on October 1, 2035 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, 2051 and October 1, 2055 (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:

Term Bonds Maturing October 1, 2051

<u>Mandatory Redemption</u>	<u>Principal Amount</u>
October 1, 2047	\$710,000
October 1, 2048	740,000
October 1, 2049	770,000
October 1, 2050	805,000
October 1, 2051*	840,000

*Stated Maturity

Term Bonds Maturing October 1, 2055

<u>Mandatory Redemption</u>	<u>Principal Amount</u>
October 1, 2052	\$875,000
October 1, 2053	915,000
October 1, 2054	960,000
October 1, 2055*	1,005,000

*Stated Maturity

Approximately forty-five (45) days prior to each mandatory redemption date for the Term Bonds, the Paying Agent/Registrar shall select by lot or by any other customary method that results in a random selection the specific Term Bonds (or with respect to Terms Bonds having a denomination in excess of \$5,000, each \$5,000 portion thereof) to be redeemed on the next following October 1 from moneys set aside for that purpose in the Interest and Sinking Fund with respect thereto. Any Term Bonds not selected for prior redemption shall be paid on the date of their Stated Maturity.

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 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 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 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 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.

Source of Payment

Constitutional Appropriation 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 amounts available in the Interest and Sinking Fund. 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."

Loan Repayments. Additionally, the Military Preparedness Commission Act requires the Texas Military Preparedness Commission (the “Commission”) to administer loans made by the Commission from the Texas Military Value Revolving Loan Account to ensure the full repayment of the general obligation bonds, such as the Bonds, issued to finance projects for defense communities. Accordingly, the Financing Agreements provide that the Commission will deposit loan repayments received from the City of Del Rio, Texas into the Texas Military Value Revolving Loan Account and will transfer such amounts into the Interest and Sinking Fund in order to pay debt service on the Bonds when due. **Loan repayments are not pledged to the Owners.**

Flow of Funds

Under the terms of the Bond Resolution, the Authority will create: (i) an Interest and Sinking Fund, (ii) a Loan Account within the Texas Military Value Revolving Loan Account, (iii) a Costs of Issuance Fund, and (iv) a Rebate Fund (if such fund is determined to be necessary). The Texas Military Value Revolving Loan Account, the Interest and Sinking Fund, and the Costs of Issuance Fund are separate funds or accounts held by the Comptroller in the State treasury.

Pursuant to the Bond Resolution, the Authority will deposit or cause to be deposited into the Interest and Sinking Fund an amount of money that is 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 such Bond Obligations come due. If, on any date that money in the Interest and Sinking Fund is required (pursuant to the Bond Resolution) to be withdrawn for the payment of Bond Obligations, such Interest and Sinking Fund does not contain sufficient money for such purpose, an amount of immediately available money sufficient (together with the money then on deposit in such Interest and Sinking Fund) to pay such Bond Obligations shall 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.

The Costs of Issuance of the Bonds will be paid from the Costs of Issuance Fund as soon as practicable after the delivery of the Bonds.

The Rebate Fund is to be established for purposes of complying with provisions of the Code that require the Authority to pay the federal government any excess earnings (generally, the portion of investment income attributable to a yield on investments that is higher than the yield on the Bonds) received from investment of the proceeds of the Bonds, and certain money held in connection with the Bonds. The Rebate Fund will be established only if it is necessary in accordance with the provisions of the Bond Resolution. The Rebate Fund would be for the sole benefit of the United States of America and would not be subject to the claim of any Owner. From time to time the Authority would transfer to the Rebate Fund the amounts to be paid to the federal government pursuant to the Code.

Money held in the Funds pursuant to the Bond Resolution may be invested (and reinvested) by the Comptroller in any investment authorized by law for State funds.

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 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 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 Owners. The opinion of Bond Counsel will note that the rights of the 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.

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 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 the Cancer Prevention and Research Institute of Texas; and the commercial paper program for the Texas Facilities Commission. In addition, in 2003, the Authority created a nonprofit 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 certain extraordinary natural gas costs associated with Winter Storm Uri, 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, the Texas Department of Motor Vehicles, Midwestern State University, Texas Southern University, Stephen F. Austin State University, the Texas Department of Transportation 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, 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 Military Department, the Texas Department of Transportation, the Texas Military Preparedness Commission (the "Commission"), and the Cancer Prevention and Research Institute of Texas.

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 with the advice and consent of the State Senate. The Governor designates one member to serve as Chair at the pleasure 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:

Name	Position	Term Expires (February 1)
Billy M. Atkinson, Jr.	Chair	2029
Ramon Manning	Vice-Chair	2027
Jay A. Riskind	Secretary	2029
Lance S. Etcheverry	Member	2025 ⁽¹⁾
Larry G. Holt	Member	2027
Shanda G. Perkins	Member	2025 ⁽¹⁾
Benjamin E. Streusand	Member	2025 ⁽¹⁾

- ⁽¹⁾ State law provides that a member of the Board whose term has expired remains in office until the earlier of (i) the date a successor is duly appointed by the Governor 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 he 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 Authority’s 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 has served as the Authority’s General Counsel since September, 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 received a bachelor’s degree in Economics from the University of Nebraska and a J.D. from 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 by the Texas Legislature and that each agency subject to sunset review will be abolished unless the Texas Legislature takes action 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 the 88th Texas Legislature, 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

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.

Pursuant to Chapter 327, Texas Government Code, as enacted by House Bill 12 (89th Legislature, Regular Session, 2025), the SAO is required to conduct periodic efficiency audits of each state agency subject to Sunset Review during the two-year period prior to such agency's scheduled Sunset Review period. Per statute, such audits focus on determining whether state resources are used effectively and efficiently to achieve the desired outcome for the agency's program beneficiaries, as well as to identify and make recommendations regarding opportunities for cost savings and other improvements. As required by statute, the SAO's efficiency audit of the Authority began in September 2025.

Relationship with the Commission

Pursuant to the Constitutional Provision and the Military Preparedness Commission Act, the Authority is authorized to issue general obligation bonds and notes in an amount not to exceed \$250 million, at the request of the Commission, to provide funds for the Texas Military Value Revolving Loan Account. Upon the issuance of the Bonds, the Authority will have issued general obligation bonds in the amount of \$66,365,000 (such amount includes the Bonds but excludes any refunding bonds), at the request of the Commission, to provide funds for the Texas Military Value Revolving Loan Account. The Commission submitted and the Authority approved a request for financing relating to the issuance of the Bonds. See "THE TEXAS MILITARY VALUE REVOLVING LOAN ACCOUNT."

Under the Military Preparedness Commission Act, the Authority's power is limited to financing the purposes permitted thereunder and such power does not affect the power of the Commission to carry out its statutory authority regarding the Texas Military Value Revolving Loan Account. Accordingly, the Authority will not be responsible for supervising the on-going administration of the Commission's program. The Authority will, however, pursuant to the Financing Agreement, be responsible for making debt service payments due on the Bonds and for monitoring federal tax and securities law compliance.

For a discussion of the sources available for the payment of the Bonds, see "THE BONDS - Source of Payment of the Bonds."

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 November 20, 2025, the Bond Review Board approved the issuance of the Bonds.

Retirement Plan of the Authority

The Authority participates in a 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.

THE TEXAS MILITARY PREPAREDNESS COMMISSION

The Commission was created in 2003 by the 78th Texas Legislature and is charged with preserving and expanding the State’s military installations and their missions, assisting communities that have been impacted by a Base Realignment and Closure action, and assisting defense communities. The Commission is composed of 13 public members appointed by the Governor. To be eligible for appointment as a public member, a person must have demonstrated experience in economic development, the defense industry, military installation operation, environmental issues, finance, local government, or the use of airspace or outer space for future military missions. The 13 public members serve staggered terms of six years with the terms of four or five members expiring February 1 of each odd numbered year. Members of the Commission whose terms have expired continue to serve until a successor therefor has been appointed by the Governor. The Governor designates one member to serve as presiding officer at the pleasure of the Governor. The Commission also has two ex-officio members: the chair of the Texas House of Representatives’ Committee on Defense Affairs and State-Federal Relations, and the chair of the Texas Senate’s Veteran Affairs and Military Installation Committee.

The current members of the Commission, 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</u> <u>(February 1)</u>
Mike Boyd	Chairman	2031
Todd Fox	Commissioner	2031
Garry Bradford	Commissioner	2031
Tom Duncavage	Commissioner	2029
Michael Bob Starr	Commissioner	2029
Dennis Lewis	Commissioner	2027
Benjamin Miranda	Commissioner	2029
Annette Sobel	Commissioner	2029
Timothy Strawther	Commissioner	2029
Shannalea Taylor	Commissioner	2027
Kirk Peterson	Commissioner	2031
J. Mark McLean	Commissioner	2027
Paul Norwood	Commissioner	2027

The Commission is within and is managed by the Office of the Governor. The Commission employs an Executive Director who is charged with managing the affairs of the Commission, subject to and under the direction of the Commission. The Executive Director of the Commission is Keith Graf.

THE TEXAS MILITARY VALUE REVOLVING LOAN ACCOUNT

Pursuant to the Military Preparedness Commission Act, the Commission may provide a loan of financial assistance to a defense community for: (1) a project that will enhance the military value of a military facility located in, near, or adjacent to the defense community, (2) an economic development project that minimizes the negative effects of a defense base reduction on the defense community as a result of a United States Department of Defense base realignment process that occurs during 2005 or later, or (3) an infrastructure project to accommodate new or expanded military missions assigned to a military facility located in, near, or adjacent to the defense community as a result of a United States Department of Defense base realignment process that occurs during 1995 or later.

Proceeds of the Bonds will be deposited into the Texas Military Value Revolving Loan Account, an account in the State's General Revenue Fund and allocated to the Loan Account created thereunder. The Texas Military Value Revolving Loan Account will be used by the Commission to make a loan (the "Military Value Revolving Loan Account Loan") under the Military Preparedness Commission Act to the City of Del Rio, Texas, to pay certain costs of administering the Military Value Revolving Loan Account Loan, and to pay Costs of Issuance. The Commission will deposit amounts received from the City of Del Rio, Texas representing the repayment of such loan to the Texas Military Value Revolving Loan Account. See "THE BONDS – Source of Payment of the Bonds."

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 9, 2025. 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. A reference to any of such terms in the singular number shall include the plural and vice versa.

Authority - the Texas Public Finance Authority or any successor thereto.

Authorizing Law – The Constitutional Provision, Chapters 436, 1201, 1232, and 1371, Texas Government Code, as amended, and any rules promulgated by the Authority thereunder.

Beneficial Owner - 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 - any representation letter of, or agreement delivered by, the Authority pursuant to the Bond 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 - the Board of Directors of the Authority.

Bond Counsel – Troutman Pepper Locke LLP 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 such Bonds, interest on the Bonds, or both, or as otherwise authorized by Chapter 1371.

Bond Obligations - the principal, premium, if any, and interest payment obligations of the Authority on any Bond(s).

Bonds - the “Texas Public Finance Authority State of Texas General Obligation Bonds (Texas Military Value Revolving Loan Program), Series 2026” authorized by the Resolution.

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

Business Day - 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 office for payment of the Paying Agent/Registrar is located are not authorized by law or executive order to close.

Chair - the Chair of the Board, or any member of the Board authorized to act as Chair.

Chapter 1201 – Chapter 1201, Texas Government Code, as amended.

Chapter 1371 – Chapter 1371, Texas Government Code, as amended.

Closing - the concurrent delivery of the Bonds to or upon the order of the Purchaser thereof in exchange for payment therefor.

Code - the Internal Revenue Code of 1986, as amended, together with all published regulations promulgated thereunder and revenue rulings issued with respect thereto by the United States Department of the Treasury or the Internal Revenue Service on or before the date of Closing.

Commission – the Texas Military Preparedness Commission or its successor.

Comptroller - the Texas Comptroller of Public Accounts or any successor thereto.

Constitutional Provision - Article III, Section 49-n of the Texas Constitution (as added by Acts 2003, 78th Legislature, S.J.R. No. 55).

Continuing Disclosure Agreement – 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 - the “costs of issuance,” as provided in the Authorizing Law, incurred in connection with the issuance of the Bonds.

Costs of Issuance Fund – the “Texas Public Finance Authority State of Texas General Obligation Bonds (Texas Military Value Revolving Loan Program), Series 2026 Costs of Issuance Fund” created pursuant to the Bond Resolution.

Event of Taxability - any act or omission that could cause any amount payable with respect to any of the Bonds, which is treated as interest under the Code, not to be excludable under section 103(a) of the Code from the gross income of the owner of the Bond.

Executive Director - 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.

Financing Agreement – the Financing Agreement between the Authority and the Office of the Governor, Texas Military Preparedness Commission providing the terms and conditions under which the financing of loans with the proceeds of the Bonds is to be undertaken.

Fund - any of the Funds.

Funds - collectively, the Interest and Sinking Fund, the Loan Account, the Costs of Issuance Fund and the Rebate Fund, if any.

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

Government Obligations - any of the following:

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

(b) 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 - the “Texas Public Finance Authority State of Texas General Obligation Bonds (Texas Military Value Revolving Loan Program), Series 2026 Interest and Sinking Fund” created pursuant to the Bond Resolution.

Interest Payment Date – October 1 and April 1 of each year commencing October 1, 2026.

Loan Account - the “Texas Public Finance Authority State of Texas General Obligation Bonds (Texas Military Value Revolving Loan Program), Series 2026 Loan Account” created pursuant to the Bond Resolution.

Loan Agreement – the Loan Agreement between the City of Del Rio, Texas and the Texas Military Preparedness Commission with respect to the Military Value Revolving Loan Account Loan.

Owner - the Person who is the registered owner of any Bond, as such ownership appears in the Registrar.

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

Person - any individual, partnership, corporation, limited liability company, trust, unincorporated organization, or any governmental entity.

Purchase Contract - the bond purchase contract between the Authority and the Purchaser pursuant to which the Bonds are sold to the Purchaser in the form approved by the Pricing Committee and attached to the Pricing Certificate.

Purchaser - the Person who initially purchase the Bonds from the Authority pursuant to the Purchase Contract.

Rebate Fund - the “Texas Public Finance Authority State of Texas General Obligation Bonds (Texas Military Value Revolving Loan Program), Series 2026 Rebate Fund” created pursuant to the Bond Resolution.

Record Date - the 15th day of the month immediately preceding each Interest Payment Date.

Register - the official registration records for the Bonds maintained by the Paying Agent/Registrar for the Bonds pursuant to the Bond Resolution.

Resolution - the resolution authorizing the issuance of the Bonds adopted by the Board on October 9, 2025, including any amendments and supplements thereto.

Securities Depository - initially DTC, or any Person acting as a securities depository for the Book-Entry Bonds.

State - the State of Texas.

Texas Military Value Revolving Loan Account - the Texas Military Value Revolving Loan Account established in the State treasury pursuant to the Constitutional Provision.

Transaction Documents - collectively, the Resolution, the Pricing Certificate, the Financing Agreement, 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 9, 2025, 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

Ownership. An Owner is deemed to be the absolute owner of such Owner's Bond(s) for all purposes of determining the obligations of the Authority with respect to such Bond(s) 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 Owner for all purposes under the Bond Resolution and any transfer, exchange or replacement of a Bond shall occur on the books and records of such Securities Depository. All required notices to Owners will be given to the Securities Depository.

Transfer, Exchange, and Replacement of Bonds. 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 Owner (or the 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 (or Bonds) of the same, tenor, aggregate principal amount 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 Owner.

A Bond may be exchanged by the Owner for a new Bond or Bonds (each in an authorized denomination) of the same, tenor, aggregate principal amount and interest rate of the Bonds upon surrender to the Paying Agent/Registrar by the Owner (or the Owner's duly authorized attorney) of the Bond(s) as to which the exchange is desired.

The Paying Agent/Registrar will authenticate and deliver to the surrendering Owner the new Bond(s) in exchange for the surrendered Bond(s). 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 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) that has been selected for redemption in whole or in part.

At the request of the Owner of a mutilated, lost, stolen or destroyed Bond, the Bond will be replaced if, in the case of a mutilated Bond, the Owner (or its duly authorized attorney) surrenders the mutilated Bond to the Paying Agent/Registrar, or in the case of a lost, stolen, or destroyed Bond, the 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 Owner's request for a replacement Bond, the Bond (at the Authority's direction) may 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 Owner.

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. Money on deposit in the Interest and Sinking Fund shall be applied at such times and in such amounts as required for the timely payment of Bond Obligations and otherwise as provided in the Resolution. Any amounts remaining in the Interest and Sinking Fund after the defeasance of all Bond Obligations shall be transferred at the direction of the Authority in accordance with applicable law.

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

Tax-Exempt Status. The Authority has covenanted in the Bond Resolution that it will not take any action that could cause the interest on the Bonds to become includable in the gross income of the Owners thereof for federal income tax purposes.

Noncompliance with the provisions of the Bond Resolution relating to the tax-exempt status of the Bonds under the Code will only be permitted to the extent that, in the opinion of nationally recognized bond counsel, such noncompliance will not adversely affect the excludability of interest on the Bonds from the gross income of the Owners thereof for federal income tax purposes.

The Commission has covenanted in the Financing Agreement, to the extent within its control, to take any action necessary, or to use its best efforts to cause such action to be taken to assure, or refrain from any action that would adversely affect the treatment of the Bonds for federal income tax purposes, and to the extent applicable to the City of Del Rio to take such measures as are necessary and sufficient to cause the City of Del Rio to refrain from such action that would adversely affect the treatment of the Bonds for federal income tax purposes.

The City of Del Rio has covenanted in the Loan Agreement, to take any action necessary to assure, or refrain from any action that would adversely affect the treatment for federal income tax purposes of the debt instruments it delivers to the Commission to evidence the Loan Agreement.

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

The consent of the 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 Owner consent is required for an amendment to the Bond Resolution if the amendment, in the opinion of Bond Counsel will not constitute an Event of Taxability and, if the amendment, in the opinion of Bond Counsel, will not adversely affect the rights of any Owner under the Transaction Documents, including without limitation, amendments, changes or modifications to facilitate the economic and practical utilization of Bond Enhancement Agreements.

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 defined in the Bond Resolution) as described below.

Defeasance. The Authority may provide for the irrevocable deposit into the Interest and Sinking Fund or in escrow with the Paying Agent/Registrar of an amount of money sufficient, without investment, or “Government Obligations” (as defined in the Bond Resolution, which may include direct obligations of, or obligations fully guaranteed by, the United States of America) not redeemable prior to maturity and maturing as to principal and interest in such amounts and at such times as will provide (without reinvestment) money sufficient to pay the Bond Obligations when due and all other amounts due under the Bond Resolution. Upon such a deposit, and receipt by the Authority of an opinion of Bond Counsel as to such defeasance, the benefits of the Bond Resolution and the covenants of the Authority including the Authority’s obligation to pay debt service on the Bonds will be deemed discharged.

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 shall 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 shall be subject to any personal liability with respect thereto.

Bond Enhancement Agreement. Pursuant to the Bond Resolution, to the extent permitted by law and by adoption of a resolution, the Board may approve the material terms of one or more Bond Enhancement Agreements for the Bonds subsequent to the authorization and issuance of the Bonds. The execution and delivery of any Bond Enhancement Agreement is subject to the approval of the Attorney General of Texas. Owner consent is not necessary for the Authority to adopt a Bond Enhancement Agreement.

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 versions of 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 Underwriter 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 Troutman Pepper Locke LLP, 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 subcaptions “Book-Entry-Only System” and “Defaults and Remedies,” as to which no opinion will be expressed), “DESCRIPTION OF THE TRANSACTION DOCUMENTS,” “LEGAL MATTERS,” (except for the second paragraph thereof, as to which no opinion will be expressed), “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 Escamilla & Poneck, LLP, San Antonio, 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 Underwriter by its counsel, Norton Rose Fulbright US LLP, Austin, Texas, whose legal fee is contingent on the sale and delivery of the Bonds. Bond Counsel, Disclosure Counsel, and Underwriter’s 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, as amended) provides that the Bonds are negotiable instruments, investment securities governed by Chapter 8, Texas Business & Commerce Code, as amended, 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 (the “SEC”) 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 SEC, nor has the SEC 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 assumes no responsibility for registration or qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be offered, sold, or otherwise transferred. 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

Opinion

On the date of initial delivery of the Bonds, Troutman Pepper Locke LLP, Bond Counsel to the Authority (“Bond Counsel”) will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof (“Existing Law”), (1) interest on the Bonds for federal income tax purposes will be excludable from the “gross income” of the holders thereof and (2) the Bonds will not be treated as “specified private activity bonds” the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the “Code”). Except as stated above, Bond Counsel will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Bonds. (See “APPENDIX C - FORM OF OPINION OF BOND COUNSEL”).

In rendering its opinion, Bond Counsel will rely upon (a) the Authority’s federal tax certificate and (b) covenants of the Authority with respect to arbitrage, the application of the proceeds to be received from the issuance and sale of the Bonds and certain other matters. Failure of the Authority to comply with these representations or covenants could cause the interest on the Bonds to become includable in gross income retroactively to the date of issuance of the Bonds.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The opinion of Bond Counsel is conditioned on compliance by the Authority with the covenants and the requirements described in the preceding paragraph, and Bond Counsel has not been retained to monitor compliance with these requirements subsequent to the issuance of the Bonds.

Bond Counsel’s opinion represents its legal judgment based upon its review of Existing Law and the reliance on the aforementioned information, representations and covenants. Bond Counsel’s opinion is not a guarantee of a result. The Existing Law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that such Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Bonds.

A ruling was not sought from the Internal Revenue Service by the Authority with respect to the Bonds or the facilities financed or refinanced with the proceeds of the Bonds. Bond Counsel’s opinion represents its legal judgment based upon its review of Existing Law and the representations of the Authority that it deems relevant to render such opinion and is not a guarantee of a result. No assurances can be given as to whether the Internal Revenue Service will commence an audit of the Bonds, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an audit is commenced, under current procedures the Internal Revenue Service is likely to treat the Authority as the taxpayer and the Bondholders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

Federal Income Tax Accounting Treatment of Original Issue Discount

The initial public offering price to be paid for one or more maturities of the Bonds may be less than the principal amount thereof or one or more periods for the payment of interest on the Bonds may not be equal to the accrual period

or be in excess of one year (the “Original Issue Discount Bonds”). In such event, the difference between (i) the “stated redemption price at maturity” of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond would constitute original issue discount. The “stated redemption price at maturity” means the sum of all payments to be made on the Bonds less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under Existing Law, any owner who has purchased such Original Issue Discount Bond in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see discussion set forth below.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Bond was held by such initial owner) is includable in gross income.

Under Existing Law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner’s basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Bond.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of the treatment of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Bonds.

Collateral Federal Income Tax Consequences

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Bonds. This discussion is based on Existing Law, which is subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with Subchapter C earnings and profits, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE BONDS.

Under section 6012 of the Code, holders of tax-exempt obligations, such as the Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Interest on the Bonds may be includable in certain corporations' "adjusted financial statement income" determined under section 56A of the Code to calculate the alternative minimum tax imposed by section 55 of the Code.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Bonds, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation is equal to, or exceeds, one year from the date of issue. Such treatment applies to "market discount Bonds" to the extent such gain does not exceed the accrued market discount of such Bonds; although for this purpose, a de minimis amount of market discount is ignored. A "market discount bond" is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the "revised issue price" (i.e., the issue price plus accrued original issue discount). The "accrued market discount" is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

State, Local and Foreign Taxes

Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the Bonds under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

Information Reporting and Backup Withholding

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Bonds will be sent to each registered holder and to the Internal Revenue Service. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of Non-U.S. Holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

Future and Proposed Legislation

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

RATINGS

S&P Global Ratings, a division of S&P Global Inc has assigned a rating of "AAA" to the Bonds. An explanation of the significance of such rating may be obtained from the company furnishing the rating. The rating reflects only the view of such organization, and the Authority makes no representation as to the appropriateness of the rating. There is no assurance that the rating of the Bonds will continue for any given period of time or that it will not be revised downward or withdrawn entirely if, in the judgment of the company furnishing the rating, circumstances so warrant. Any such downward revision or withdrawal of such rating 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 10 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 the 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 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 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 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 their 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 Comptroller so amends its 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 Underwriter, the Authority will execute and deliver to the Underwriter 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

SAMCO Capital Markets Inc. (the "Underwriter"), 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 \$98,432.39. The Underwriter 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 Underwriter 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 Underwriter.

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

The Underwriter has provided the following sentence for inclusion in this Official Statement: The Underwriter has reviewed the information in this Official Statement pursuant to its responsibilities to investors under the federal securities laws, but the Underwriter does not guarantee the accuracy or completeness of such information.

The Underwriter and its 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. The Underwriter and its 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 Underwriter and its 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 Authority (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the Authority. The Underwriter and its 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 the 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.

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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 Underwriter.

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

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 Texas Comptroller of Public Accounts (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 Municipal Securities Rulemaking Board (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. Further, 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 are hereby incorporated by reference and made a part of the Official Statement:

- State of Texas Annual Comprehensive Financial Report (ACFR) for the fiscal year ended August 31, 2024;
- Bond Appendix: The State of Texas November 2025, as may be supplemented from time to time; and
- 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 ACFR.

These documents and any subsequently filed documents, if any, may be obtained by accessing EMMA at <https://emma.msrb.org/>, using the EMMA Advanced Search function and entering the term “State of Texas Comptroller” in the Issuer Name field within the Security Information search filter. The documents may also be accessed on the Comptroller’s website at: <https://comptroller.texas.gov/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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[Form of Bond Counsel Opinion]

February 4, 2026

\$16,770,000

TEXAS PUBLIC FINANCE AUTHORITY
STATE OF TEXAS GENERAL OBLIGATION BONDS
(TEXAS MILITARY VALUE REVOLVING LOAN PROGRAM),
SERIES 2026

We have represented the Texas Public Finance Authority (the "Authority"), as its bond counsel, in connection with the issuance of the State of Texas (the "State") general obligation bonds described above (the "Bonds"), which mature, bear interest, are subject to redemption prior to maturity, and may be transferred and exchanged as set out in the Bonds and in the bond resolution adopted by the Board of Directors of the Authority authorizing their issuance (the "Bond Resolution") and the pricing certificate (the "Pricing Certificate," and together with the Bond Resolution, the "Resolution") executed pursuant thereto. Capitalized terms used herein and not otherwise defined herein have the meanings assigned to them in the Resolution.

We have represented the Authority as its bond counsel for the sole purpose of rendering our opinion with respect to the legality and validity of the Bonds under the Constitution and laws of the State and with respect to the excludability of interest on the Bonds from gross income for federal income tax purposes. We have not been requested to investigate or verify and have not investigated or verified original proceedings, records, data or other material, but have relied solely upon the transcript of certified proceedings described in the following paragraph. We have not assumed any responsibility with respect to the financial condition or capabilities of the Authority or the State or the disclosure thereof in connection with the sale of the Bonds.

In our capacity as bond counsel, we have participated in the preparation of and have examined a transcript of certified proceedings pertaining to the Bonds on which we have relied in giving our opinion. The transcript contains certified copies of certain proceedings of the Authority; customary certificates of officers, agents and representatives of the Authority and other public officials; and other certified showings relating to the authorization and issuance of the Bonds, on which we have relied in giving our opinion. We also have analyzed such laws, regulations, guidance, documents and other materials as we have deemed necessary to render the opinions herein.

In providing the opinions set forth herein, we have relied on representations and certifications of the Authority and other parties involved with the issuance of the Bonds with respect to matters solely within the knowledge of the Authority and such parties, which we have not independently verified. In addition, we have assumed for purposes of this opinion

continuing compliance with the covenants in the Resolution, the Financing Agreement, and the Loan Agreement including, but not limited to, covenants relating to the tax-exempt status of the Bonds.

BASED ON SUCH EXAMINATION, IT IS OUR OPINION THAT:

(A) The transcript of proceedings evidences complete legal authority for the issuance of the Bonds in full compliance with the Constitution and laws of the State presently effective and, therefore, 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 49-n of the State Constitution (as added by Acts 2003, 78th Leg., S.J.R. No. 55) and a continuing appropriation in an amount sufficient to pay the principal of and interest on the Bonds that mature or become due during the fiscal year, less the amount in the sinking fund, as further provided in such constitutional provision; and

(B) Interest on the Bonds is excludable from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986, as amended. In addition, interest on the Bonds is not a specific preference item for purposes of the alternative minimum tax.

The rights of the owners of the Bonds are subject to the applicable provisions of the federal bankruptcy laws and any other similar laws affecting creditors' rights generally, and may be limited by general principles of equity which permit the exercise of judicial discretion.

Except as stated above, we express no opinion as to the amount of interest on the Bonds or any federal, state or local tax consequences resulting from the receipt or accrual of interest on, or acquisition, ownership, or disposition of the Bonds. This opinion is specifically limited to the laws of the State and, to the extent applicable, the laws of the United States of America. Further, if the representations of the Authority or other parties upon which we have relied are determined to be inaccurate or incomplete or the State, the Authority, or the Defense Community fails to comply with the covenants of the Bond Resolution, the Financing Agreement, or the Loan Agreement, as applicable, interest on the Bonds could become includable in gross income for federal income tax purposes from the date of the original delivery of the Bonds, regardless of the date on which the event causing such inclusion occurs.

Our opinions are based on existing law and our knowledge of facts as of the date hereof and may be affected by certain actions that may be taken or omitted on a later date. We assume no duty to update or supplement our opinions, and this opinion letter may not be relied upon in connection with any changes to the law or facts, or actions taken or omitted, after the date hereof.

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 Underwriter 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 Underwriter.

The Authority and the Underwriter 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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