

EXHIBIT B

DRAFT
02/14/12

\$ _____
CITY OF AUSTIN, TEXAS
(Travis, Williamson and Hays Counties)
Hotel Occupancy Tax
Subordinate Lien Revenue Refunding Bonds, Series 2012
(Convention Center/Waller Creek Venue Project)

BOND PURCHASE AGREEMENT

March 1, 2012

The Honorable Mayor and Members
of the City Council
City of Austin, Texas
700 Lavaca, Suite 1510
Austin, Texas 78701

Ladies and Gentlemen:

The undersigned (collectively, the “Underwriters”), each acting on its own behalf and not acting as a fiduciary or agent for the City of Austin, Texas (the “Issuer”), offers to enter into this Bond Purchase Agreement (the “Agreement”) with the Issuer with respect to its \$ _____ City of Austin, Texas Hotel Occupancy Tax Subordinate Lien Revenue Refunding Bonds, Series 2012 (Convention Center/Waller Creek Venue Project) (the “Bonds”), which, upon acceptance of this offer by the Issuer, shall be binding upon the Issuer and upon the Underwriters. This offer is made subject to the Issuer’s written acceptance hereof on or before 10:00 p.m., Austin, Texas time, on the date set out above, and, if not so accepted, will be subject to withdrawal by the Underwriters upon written notice delivered to the Issuer at any time prior to the acceptance hereof by the Issuer. Terms used herein, unless otherwise defined, have the meanings set forth in the Ordinance or in the Official Statement (each as defined herein); provided, however, that in the event of a conflict or ambiguity in meaning, the meaning ascribed to a term in the Ordinance shall control.

1. Purchase and Sale of the Bonds.

(a) Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriters hereby agree, jointly and severally, to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriters, all, but not less than all, of the Bonds. The Issuer acknowledges that in connection with the purchase and sale of the Bonds pursuant to this Agreement and the offering of the Bonds for sale and the discussions and negotiations relating to the terms of the Bonds set forth in this Agreement: (a) the Underwriters have acted at arm’s length, are acting solely as principals for their own account and are not agents of or advisors to, and owe no fiduciary duties to, the Issuer or any other person, (b) the Underwriters’ duties and obligations to the Issuer shall be limited to

those contractual duties and obligations set forth in this Agreement, (c) the Underwriters may have interests that differ from those of the Issuer and (d) the Issuer has consulted its own legal and financial advisors to the extent it deemed appropriate in connection with the offering of the Bonds.

The principal amount of the Bonds to be issued, the dated date thereof, the maturities, redemption provisions (if any) and interest rates per annum are set forth in Schedule I hereto. The obligations to be refunded with the proceeds of the Bonds are set forth in Schedule II hereto (the "Refunded Obligations"). Interest on the Bonds will accrue from the date of delivery and will be payable on November 15, 2012, and each May 15 and November 15 thereafter until maturity or prior redemption. The Bonds shall be as described in, and shall be issued and secured under and pursuant to the provisions of the ordinance adopted by the Issuer's City Council on the date hereof (the "Ordinance"). In accordance with the terms of the Ordinance, the City Council authorized the Mayor or Mayor Pro Tem of the City to effect the sale of the Bonds through the execution of this Agreement, which contains the terms of the sale of the Bonds, consistent with the Ordinance.

The purchase price for the Bonds shall be \$_____ (representing \$_____ original principal amount thereof, plus a net original issue premium of \$_____, less an underwriting discount of \$_____) plus interest accrued on the Bonds to the Closing (as herein defined).

[(b) **Good Faith Check.** Delivered to the Issuer herewith as a good faith deposit is a corporate check of the Underwriters payable to the order of the Issuer in the amount of \$_____. In the event the Issuer accepts this Agreement, such check shall be held by the Issuer as security for the performance of the Underwriters of their obligation to purchase, accept delivery of and pay for the Bonds under this Agreement. Such check shall be held uncashed by the Issuer until the time of Closing, at which time such check shall be returned uncashed to the Underwriters upon the purchase and delivery of the Bonds. In the event that the Issuer does not accept this Agreement, such check will be immediately returned to the Underwriters. Should the Issuer fail to deliver the Bonds at the Closing, or should the Issuer be unable to satisfy the conditions of the obligations of the Underwriters to purchase, accept delivery of and pay for the Bonds, as set forth in this Agreement (unless waived by the Underwriters), or should such obligations of the Underwriters be terminated for any reason permitted by this Agreement, such check shall immediately be returned to the Underwriters. In the event that the Underwriters fail (other than for a reason permitted hereunder) to purchase, accept delivery of and pay for the Bonds at the Closing as herein provided, such check shall be cashed and the amount thereof retained by the Issuer as and for fully liquidated damages, and not as a penalty for such failure of the Underwriters, and for any defaults hereunder on the part of the Underwriters. Acceptance of such check by the Issuer shall constitute a full release and discharge of all claims and damages for such failure and/or any and all such defaults, and the Issuer shall have no further action for damages, specific performance or any other legal or equitable relief against the Underwriters. The Underwriters and the Issuer understand that in such event the Issuer's actual damages may be greater or may be less than such amount. Accordingly, the Underwriters hereby waive any right to claim that the Issuer's actual damages are less than such amount, and the Issuer's acceptance of this Agreement shall constitute a waiver of any right the Issuer may have to

additional damages from the Underwriters. The Underwriters hereby agree not to stop payment on the check or cause payment on the check to be stopped unless the Issuer has breached any of the terms of this Agreement.]

2. **Public Offering.** The Underwriters intend to make an initial public offering of all the Bonds at a price not in excess of the initial offering price or prices set forth in the Official Statement; provided, however, that the Underwriters may change such initial offering price or prices as they deem necessary in connection with the offering of the Bonds without any requirement of prior notice, and may offer and sell the Bonds to certain institutions (including dealers depositing the Bonds into investment trusts) at prices lower than those stated in the Official Statement. The Underwriters also reserve the right to: (i) over-allot or effect transactions that stabilize or maintain the market price of the Bonds at levels above those that might otherwise prevail in the open market and (ii) discontinue such stabilizing, if commenced, at any time without prior notice. On or before Closing, the Underwriters shall execute an Issue Price Certificate, in substantially the form attached hereto as Exhibit A, verifying the initial offering prices to the public.

3. **The Official Statement.**

(a) The Issuer previously has delivered copies of the Preliminary Official Statement dated February 23, 2012 (the “Preliminary Official Statement”), to the Underwriters in a “designated electronic format,” as defined in the Municipal Securities Rulemaking Board’s (“MSRB”) Rule G-32 (“Rule G-32”). The Issuer will prepare or cause to be prepared a final Official Statement relating to the Bonds, which will be (1) dated the date of this Agreement, (2) complete within the meaning of the United States Securities and Exchange Commission’s Rule 15c2-12, as amended (the “Rule”), (3) substantially in the form of the most recent version of the Preliminary Official Statement provided to the Underwriters before the execution hereof with only such changes as have been approved in advance by the Underwriters and (4) in both a “designated electronic format” consistent with the requirements of Rule G-32 and in a printed format. Such final Official Statement, including the cover page thereto, all exhibits, schedules, appendices, maps, charts, pictures, diagrams, reports and statements included or incorporated therein or attached thereto, and all amendments and supplements thereto that may be authorized for use with respect to the Bonds, is herein referred to as the “Official Statement.” Until the Official Statement has been prepared and is available for distribution, the Issuer shall provide to the Underwriters sufficient quantities of the Preliminary Official Statement (which may be in electronic format, as described above) as the Underwriters reasonably deem necessary to satisfy the obligation of the Underwriters under the Rule with respect to distribution to each potential customer, upon request, of a copy of the Preliminary Official Statement.

(b) The Preliminary Official Statement has been prepared by the Issuer for use by the Underwriters in connection with the public offering, sale and distribution of the Bonds. The Issuer hereby represents and warrants that the Preliminary Official Statement was “deemed final” by the Issuer as of its date for purposes of the Rule, except for the omission of such information which is dependent upon the final pricing of the Bonds for completion, all as permitted to be excluded by Section (b)(1) of the Rule.

(c) The Issuer represents that it has reviewed and approved the information in the Official Statement and the Issuer hereby authorizes the distribution and use of the Official Statement, and the information therein contained, by the Underwriters in connection with the public offering and the sale of the Bonds. The Issuer ratifies and consents to the distribution and use by the Underwriters prior to the date hereof of the Preliminary Official Statement in connection with the public offering and sale of the Bonds. The Issuer shall provide, or cause to be provided, to the Underwriters as soon as practicable after the date of the Issuer's acceptance of this Agreement (but, in any event, not later than seven business days after the Issuer's acceptance of this Agreement and in sufficient time to accompany any confirmation that requests payment from any customer) copies of the Official Statement which is complete as of the date of its delivery to the Underwriters (i) in a "designated electronic format" consistent with the requirements of Rule G-32 and (ii) in a printed format in such quantity as the Underwriters shall reasonably request in order for the Underwriters to comply with Section (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board (the "MSRB"). The Issuer hereby confirms that it does not object to the distribution of the Preliminary Official Statement or the Official Statement in electronic form.

(d) If, after the date of this Agreement to and including the date the Underwriters are no longer required to provide an Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) 90 days from the "end of the underwriting period" (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from the MSRB, but in no case less than 25 days after the "end of the underwriting period" for the Bonds), the Issuer becomes aware of any fact or event which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or if it is necessary to amend or supplement the Official Statement to comply with law, the Issuer will notify the Underwriters (and for the purposes of this clause provide the Underwriters with such information as it may from time to time reasonably request), and if, in the reasonable judgment of the Underwriters, such fact or event requires preparation and publication of a supplement or amendment to the Official Statement, the Issuer will forthwith prepare and furnish, at the Issuer's own expense (in a form and manner approved by the Underwriters), a reasonable number of copies of either amendments or supplements to the Official Statement so that the statements in the Official Statement as so amended and supplemented will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading and so that the Official Statement will comply with law; provided, however, that for all purposes of this Agreement and any representation, warranty or covenant made herein, or any certificate delivered by the Issuer in accordance herewith, the Issuer makes no representations with respect to the descriptions in the Preliminary Official Statement or the Official Statement of The Depository Trust Company, New York, New York ("DTC") or its book-entry-only system. If such notification shall be subsequent to the Closing, the Issuer shall furnish such legal opinions, certificates, instruments and other documents as the Underwriters may reasonably deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement. The Issuer shall provide any such amendment or supplement, or cause any such amendment or supplement to be provided, (i) in a "designated electronic format" consistent with the requirements of Rule G-32 and (ii) in a printed format in such quantity as the

Underwriters shall reasonably request in order for the Underwriters to comply with Section (b)(4) of the Rule and the rules of the MSRB.

(e) Unless otherwise notified in writing by the Underwriters, the Issuer can assume that the “end of the underwriting period” for purposes of the Rule is the date of the Closing.

(f) To the knowledge and belief of the Issuer, the Official Statement contains information, including financial information or operating data, concerning every entity, enterprise, fund, account or person that is material to an evaluation of the offering of the Bonds. The Underwriters agree to timely file the Official Statement with the MSRB. Except as otherwise provided in the Official Statement, during the last five years the Issuer has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

4. **Representations, Warranties and Covenants of the Issuer.** The Issuer hereby represents and warrants to and covenants with the Underwriters that:

(a) The Issuer is a duly incorporated home rule city, created, operating and existing under the Constitution and general laws of the State of Texas (the “State”) and its home rule charter. The Issuer has full legal right, power and authority under its home rule charter, and the Constitution and general laws of the State, including Chapter 1207, Texas Government Code, as amended (the “Act”), and at the date of the Closing will have full legal right, power and authority under the Act and the Ordinance (i) to enter into, execute and deliver this Agreement, the Ordinance (which contains the Undertaking defined in Section 6(j)(3) hereof) and all documents required hereunder and thereunder to be executed and delivered by the Issuer (this Agreement, the Ordinance, the Escrow Agreement (as hereinafter defined) and the Undertaking and the other documents referred to in this clause are hereinafter referred to as the “Issuer Documents”); (ii) to sell, issue and deliver the Bonds to the Underwriters as provided herein; and (iii) to carry out and consummate the transactions described in the Issuer Documents and the Official Statement, and the Issuer has complied, and at the Closing will be in compliance in all respects, with the terms of the Act and the Issuer Documents as they pertain to such transactions.

(b) By all necessary official action of the Issuer prior to or concurrently with the acceptance hereof, the Issuer has duly authorized all necessary action to be taken by it for (i) the adoption of the Ordinance and the issuance and sale of the Bonds on the terms set forth herein; (ii) the approval, execution and delivery of, and the performance by the Issuer of the obligations on its part contained in, the Bonds and the Issuer Documents; (iii) the approval, distribution and use of the Preliminary Official Statement and the approval, execution, distribution and use of the Official Statement for use by the Underwriters in connection with the public offering of the Bonds; and (iv) the consummation by it of all other transactions described in the Official Statement, the Issuer Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the Issuer in order to carry out, give effect to and consummate the transactions described herein and in the Official Statement.

(c) This Agreement constitutes a legal, valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium, sovereign immunity of political subdivisions and other similar laws and principles

of equity relating to or affecting the enforcement of creditors' rights; the other Issuer Documents, when duly executed and delivered, will constitute legal, valid and binding obligations of the Issuer, enforceable in accordance with their respective terms, subject to bankruptcy, insolvency, reorganization, moratorium, sovereign immunity of political subdivisions and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; the Bonds, when issued, delivered and paid for, in accordance with the Ordinance and this Agreement, will constitute legal, valid and binding obligations of the Issuer entitled to the benefits of the Ordinance and enforceable in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium, sovereign immunity of political subdivisions and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; upon the issuance, authentication and delivery of the Bonds as aforesaid, the Ordinance will provide, for the benefit of the holders, from time to time, of the Bonds, the legally valid and binding pledge of and lien it purports to create as set forth in the Ordinance.

(d) The Issuer is not in breach of or default in any material respect under any applicable constitutional provision, law or administrative regulation of the State or the United States relating to the issuance of the Bonds or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer or any of its property or assets is otherwise subject, and no event which would have a material and adverse effect upon the business or financial condition of the Issuer has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the Issuer under any of the foregoing; and the execution and delivery of the Bonds and the Issuer Documents and the adoption of the Ordinance and compliance with the provisions on the Issuer's part contained therein, will not conflict with or constitute a material breach of or default under any constitutional provision, administrative regulation, judgment or decree, or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is or to which any of its property or assets are otherwise subject nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Issuer to be pledged to secure the Bonds or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the Ordinance.

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the approval or adoption, as applicable, of the Issuer Documents, the issuance of the Bonds or the due performance by the Issuer of its obligations under the Issuer Documents and the Bonds have been duly obtained, except for the approval of the Bonds by the Attorney General of the State of Texas and the registration of the Bonds by the Comptroller of Public Accounts of the State of Texas and such approvals, consents and orders as may be required under the Blue Sky or securities laws if any jurisdiction in connection with the offering and sale of the Bonds.

(f) The Bonds and the Ordinance conform to the descriptions thereof contained in the Official Statement under the captions "DESCRIPTION OF THE BONDS"; the proceeds of the

sale of the Bonds will be applied generally as described in the Official Statement under the caption “PLAN OF FINANCING” and the Undertaking conforms to the description thereof contained in the Official Statement under the subcaption “CONTINUING DISCLOSURE OF INFORMATION.”

(g) Except to the extent disclosed in the Official Statement, there is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the knowledge of the Issuer, threatened against the Issuer: (i) affecting the existence of the Issuer or the titles of its officers to their respective offices; (ii) affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the collection of ad valorem taxes pledged to the payment of principal of and interest on the Bonds pursuant to the Ordinance; (iii) in any way contesting or affecting the validity or enforceability of the Bonds or the Issuer Documents; (iv) contesting the exclusion from gross income of interest on the Bonds for federal income tax purposes; (v) contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto; or (vi) contesting the powers of the Issuer or any authority for the issuance of the Bonds, the adoption of the Ordinance or the execution and delivery of the Issuer Documents, nor, to the knowledge of the Issuer, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the Issuer Documents; provided, however, that for all purposes of this Agreement, including, without limitation, for purposes of subparagraphs (h), (i) and (j) below, and any certificate delivered by the Issuer in accordance herewith, the Issuer makes no representations with respect to the descriptions in the Preliminary Official Statement or the Official Statement of DTC or its book-entry-only system.

(h) As of the date thereof, the Preliminary Official Statement did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(i) At the time of the Issuer’s acceptance hereof and (unless the Official Statement is amended or supplemented pursuant to paragraph (d) of Section 3 of this Agreement) at all times subsequent thereto during the period up to and including the twenty-fifth (25th) day subsequent to the “end of the underwriting period,” the Official Statement does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(j) If the Official Statement is supplemented or amended pursuant to paragraph (d) of Section 3 of this Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the twenty-fifth (25th) day subsequent to the “end of the underwriting period,” the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which made, not misleading.

(k) The Issuer has the legal authority to apply and will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Ordinance and will not take or omit to take any action, which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds.

(l) The Issuer will furnish such information and execute such instruments and take such action in cooperation with the Underwriters as the Underwriters may reasonably request at no expense to the Issuer, (A) to (y) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriters may designate and (z) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and (B) to continue such qualifications in effect so long as required for the distribution of the Bonds (provided, however, that the Issuer will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Underwriters immediately of receipt by the Issuer of any notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose.

(m) The financial statements of, and other financial information regarding the Issuer, in the Official Statement fairly present the financial position and results of the Issuer as of the dates and for the periods therein set forth. Prior to the Closing, the Issuer will not take any action within or under its control that will cause any adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the Issuer. The Issuer is not a party to any litigation or other proceeding pending or, to its knowledge, threatened which, if decided adversely to the Issuer, would have a materially adverse effect on the financial condition of the Issuer.

(n) Prior to the Closing, the Issuer will not offer or issue any bonds, notes or other obligations for borrowed money or take any action to incur any material liabilities (except in the ordinary course of business), direct or contingent, payable from or secured by the Pledged Revenues described in the Ordinance without the prior approval of the Underwriters, such approval not to be unreasonably withheld.

(o) Any certificate, signed by any official of the Issuer authorized to do so in connection with the transactions described in this Agreement, shall be deemed a representation and warranty by the Issuer to the Underwriters as to the statements made therein.

(p) The Issuer covenants that between the date hereof and the Closing it will take no actions which will cause the representations and warranties made in this Section to be untrue as of Closing.

(q) The Issuer, to the extent heretofore requested by the Underwriters, has delivered to the Underwriters true, correct, complete and legible copies of all information, applications, reports or other documents of any nature whatsoever submitted to any rating agency for the purpose of obtaining a rating for the Bonds and, in each instance, true, correct, complete and

legible copies of all correspondence or other communications relating, directly or indirectly, thereto.

(r) The Issuer maintains internal controls and procedures designed to ensure that material information relating to the Issuer is made known to the appropriate officials of the Issuer responsible for the Issuer's compliance with the disclosure obligations of the Issuer under federal securities laws.

5. **Closing.** At 10:00 a.m., Austin, Texas time, on March 22, 2012, or at such other time and date as shall have been mutually agreed upon by the Issuer and the Underwriters, the Issuer, subject to the terms and conditions hereof, will deliver to the Underwriters the initial Bonds registered in the name of the Underwriters, in temporary form, together with the other documents hereinafter mentioned, and will have available for immediate exchange definitive Bonds duly executed and authenticated in the form and manner described below, and the Underwriters, subject to the terms and conditions hereof, will accept such delivery and pay the purchase price of the Bonds, as set forth in Section 1 of this Agreement, in immediately available funds by federal funds wire transfer to or for the account of the Issuer (such events being referred to herein as the "Closing"). Payment for the Bonds as aforesaid shall be made at the offices of the Paying Agent/Registrar, or such other place as shall have been mutually agreed upon by the Issuer and the Underwriters.

Delivery of the Bonds in definitive form shall be made through the facilities of DTC's book-entry-only system. The definitive Bonds shall be delivered in fully registered form, bearing CUSIP numbers without coupons, with one Bond for each maturity of the Bonds and registered in the name of Cede & Co., as nominee of DTC, all as provided in the Ordinance, and shall be made available to the Underwriters at least one business day before the Closing for purposes of inspection. Unless otherwise agreed to by the Underwriters, the Bonds will be delivered under DTC's FAST delivery system.

6. **Closing Conditions.** The Underwriters have entered into this Agreement in reliance upon the representations, warranties and agreements of the Issuer maintained herein, and in reliance upon the accuracy of the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriters' obligations under this Agreement to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Issuer of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions, including the delivery by the Issuer of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Underwriters, unless waived in writing by the Underwriters on behalf of the Underwriters:

(a) The representations and warranties of the Issuer contained herein shall be true, complete and correct in all material respects on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing.

(b) The Issuer shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing.

(c) At the time of the Closing, (i) the Issuer Documents and the Bonds shall have been duly executed, delivered and authenticated, as applicable, shall be in full force and effect and shall not have been amended, modified or supplemented, and the Official Statement shall have been duly executed and delivered and shall not have been supplemented or amended, except in any such case as may have been agreed to by the Underwriters; and (ii) all actions of the Issuer required to be taken by the Issuer shall be performed in order for Bond Counsel and Counsel to the Underwriters to deliver their respective opinions referred to hereafter.

(d) At the time of the Closing, all official actions of the Issuer relating to the Bonds and the Issuer Documents shall be in full force and effect and shall not have been amended, modified or supplemented.

(e) At or prior to the Closing, the Ordinance shall have been duly executed and delivered by the Issuer and the Issuer shall have duly executed and delivered and the Paying Agent/Registrar shall have duly authenticated the definitive Bonds.

(f) At the time of the Closing, there shall not have occurred any change or any development involving a prospective change in the condition, financial or otherwise, or in the revenues or operations of the Issuer, from that set forth in the Official Statement that, in the reasonable judgment of the Underwriters, is material and adverse and that makes it, in the reasonable judgment of the Underwriters, impracticable to market the Bonds on the terms and in the manner described in the Official Statement.

(g) The Issuer shall not have failed to pay principal or interest when due on any of its outstanding obligations for borrowed money.

(h) No suit, action, investigation or legal or administrative proceeding shall be threatened or pending before any court or governmental agency which is likely to result in the restraint, prohibition or the obtaining of damages or other relief in connection with the issuance of the Bonds or the consummation of the transactions described herein, or which, in the reasonable judgment of the Underwriters, would have a materially adverse effect on the transactions described herein.

(i) All steps to be taken and all instruments and other documents to be executed, and all other legal matters in connection with the transactions contemplated by this Agreement shall be reasonably satisfactory in legal form and effect to the Underwriters, Bond Counsel and Counsel to the Underwriters.

(j) At or prior to the Closing, the Underwriters shall have received one copy of each of the following documents:

- (1) The Official Statement, and each supplement or amendment thereto, if any, in (i) a “designated electronic format” that meets the requirements of Rule G-32 and (ii) in a printed format;

(2) The Ordinance certified by the City Clerk under the Issuer's seal as having been duly adopted by the Issuer and as being in effect, with such supplements or amendments as may have been agreed to by the Underwriters;

(3) The Continuing Disclosure Undertaking (the "Undertaking") of the Issuer which satisfies the requirements of section (b)(5)(i) of the Rule, which Undertaking is included in the Ordinance;

(4) A copy of an opinion or certificate, dated on or prior to the date of Closing, of the Attorney General of the State of Texas approving the Bonds as required by law and a copy of the registration certificate of the Comptroller of Public Accounts of the State of Texas;

(5) The approving opinion of Bond Counsel with respect to the Bonds, in substantially the form attached to the Official Statement;

(6) A supplemental opinion of Bond Counsel addressed to the Underwriters, substantially to the effect that:

(i) the Issuer has duly adopted and enacted the Ordinance, and the Ordinance is in full force and effect;

(ii) the Bonds are exempt securities under the Securities Act of 1933, as amended (the "1933 Act"), and the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), and it is not necessary, in connection with the offering and sale of the Bonds, to register the Bonds under the 1933 Act or to qualify the Ordinance under the Trust Indenture Act; and

(iii) said firm has reviewed the statements and information contained under the headings "PLAN OF FINANCING," "DESCRIPTION OF THE BONDS," "SECURITY FOR THE BONDS"(except for the information under the subheading "Historical Hotel Occupancy Tax Receipts"), "INVESTMENTS – Legal Investments," "INVESTMENTS – Investment Policies," "INVESTMENTS – Additional Provisions," "TAX MATTERS," "CONTINUING DISCLOSURE OF INFORMATION" (except for the information under the subheading "Compliance with Prior Undertakings"), "OTHER RELEVANT INFORMATION – Registration and Qualification of Bonds," "OTHER RELEVANT INFORMATION – Legal Investments and Eligibility to Secure Public Funds in Texas" and "OTHER RELEVANT INFORMATION – Legal Opinions," and "APPENDIX D – Form of Bond Counsel's Opinion" and is of the opinion that the information relating to the Bonds and legal matters contained under such captions and subcaptions is an accurate and fair description of the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the provisions of the Ordinance;

(7) An opinion of Counsel to the Underwriters, dated as of the date of the Closing, and addressed to the Underwriters, in a form acceptable to the Underwriters;

(8) A certificate, dated the date of Closing, signed by the Issuer's Mayor or Mayor Pro Tem to the effect that (i) the representations and warranties of the Issuer contained herein or in any certificate or document delivered by the Issuer pursuant to the provisions hereof are true and correct in all material respects on and as of the date of Closing as if made on the date of Closing; (ii) except to the extent disclosed in the Official Statement, no litigation, action, suit or proceeding or tax challenge against it is pending or, to their knowledge, threatened in any court or administrative body which would (a) contest the right of the members of the City Council or officials of the Issuer to hold and exercise their respective positions, (b) contest the due organization and valid existence of the Issuer, (c) contest the validity, due authorization and execution of the Bonds or the Issuer Documents or (d) attempt to limit, enjoin or otherwise restrict or prevent the Issuer from functioning and collecting revenues or taxes, including payments on the Bonds, pursuant to the Ordinance, and other income or the levy or collection of the taxes pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof; (iii) the official actions of the Issuer authorizing the execution, delivery and/or performance of the Official Statement, the Bonds and Issuer Documents have been duly adopted by the Issuer, are in full force and effect and have not been modified, amended or repealed; (iv) to their knowledge, no event affecting the Issuer has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein, in light of the circumstances under which made, not misleading in any respect as of the time of Closing, and the information contained in the Official Statement is correct in all material respects and, as of the date of the Official Statement did not, and as of the date of the Closing does not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and (v) there has not been any materially adverse change in the financial condition of the Issuer since June 30, 2011, the latest date as of which audited financial information is available;

(9) A certificate of an appropriate official of the Issuer in form and substance satisfactory to Bond Counsel and Counsel to the Underwriters setting forth the facts, estimates and circumstances in existence on the date of the Closing, which establish that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be "arbitrage bonds" or "private activity bonds" within the meaning of Sections 148 and 141, respectively, of the Internal Revenue Code of 1986, as amended (the "Code"), and any applicable regulations (whether final, temporary or proposed), issued pursuant to the Code;

(10) Evidence in a form acceptable to the Underwriters that Standard & Poor's, a division of The McGraw-Hill Companies, Inc., and Moody's Investors Service have assigned ratings of "___" and "___," respectively, based upon the bond insurance policy, to the Bonds, and that all such ratings are in effect as of the date of Closing;

(11) A copy of the municipal bond insurance policy with respect to the Bonds, if purchased;

(12) A fully executed copy of the Escrow Agreement (the “Escrow Agreement”) executed by the Issuer and Deutsche Bank, New York, New York (the “Escrow Agent”), which (together with any other appropriate documentation) evidences that all Securities and cash required to be deposited with the Escrow Agent on the Closing Date have been purchased by or delivered to the Escrow Agent, all as described in the Official Statement, together with a certificate, dated as of the Closing Date, executed by an appropriate official of the Escrow Agent, to the effect that the Escrow Agreement has been duly authorized, executed and entered into by the Escrow Agent;

(13) Evidence in a form acceptable to the Underwriters from The Arbitrage Group, Inc. verifying the mathematical accuracy of the schedules that demonstrate that the Securities will mature and pay interest in such amounts which, together with uninvested funds, if any, in the Escrow Fund, will be sufficient to pay, when due, the principal and interest on the Refunded Obligations; and

(14) Such additional legal opinions, certificates, instruments and other documents as the Underwriters, Bond Counsel or Counsel to the Underwriters may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the Issuer’s representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Issuer on or prior to the date of the Closing of all the respective agreements then to be performed and conditions then to be satisfied by the Issuer.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance reasonably satisfactory to the Underwriters.

The Underwriters acknowledge receipt of a copy of the Ordinance, and have reviewed the Undertaking set forth in the Ordinance.

If the Issuer shall be unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds contained in this Agreement, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate and neither the Underwriters nor the Issuer shall be under any further obligation hereunder, except that the obligation of the Issuer to return the good faith check to the Underwriters as described in Section 1 and the respective obligations of the Issuer and the Underwriters set forth in Sections 4, 8 and 10 hereof shall continue in full force and effect.

7. **Termination.** The Underwriters shall have the right to cancel their obligation to purchase the Bonds and terminate this Agreement if, between the date of this Agreement and the Closing, in the sole judgment of the Underwriters, any of the following events (each a “Termination Event”) occur:

(a) the market price or marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds shall be materially adversely affected by any of the following events:

(1) a general suspension of trading in securities on the New York Stock Exchange, the American Stock Exchange or any other major exchange, the establishment of minimum or maximum prices on any such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, a general banking moratorium declared by federal, State of New York or State of Texas officials authorized to do so;

(2) the New York Stock Exchange or other national securities exchange or any governmental authority, shall impose, as to the Bonds or as to obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriters;

(3) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriters, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading and, in either such event, the Issuer refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as so supplemented is to materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds;

(4) there shall have occurred since the date of this Agreement any materially adverse change in the affairs or financial condition of the Issuer, except for changes which the Official Statement discloses are expected to occur;

(5) there shall have occurred any (i) new outbreak of hostilities (including, without limitation, an act of terrorism) or (ii) new other national or international calamity or crisis, or any material adverse change in the financial, political or economic conditions affecting the United States, including, but not limited to, an escalation of hostilities that existed prior to the date hereof and the effect of any such event on the financial markets of the United States, shall be such as would make it impracticable, in the reasonable judgment of the Underwriters, for the Underwriters to sell the Bonds on the terms and in the manner contemplated by the Official Statement;

(6) any fact or event shall exist or have existed that, in the Underwriters' reasonable judgment, requires or has required an amendment of or supplement to the Official Statement;

(7) there shall have occurred any downgrading or published negative credit watch or similar published information from a rating agency that at the date of this Agreement has published a rating (or has been asked to furnish a rating on the Bonds) on any of the Issuer's debt obligations that are secured in a like manner as the Bonds, which action reflects a downgrade or possible downgrade, in the ratings accorded any such obligations of the Issuer (including any rating to be accorded the Bonds);

(8) a material disruption in securities settlement, payment or clearance services shall have occurred; or

(9) the purchase of and payment for the Bonds by the Underwriters, or the resale of the Bonds by the Underwriters, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission and such prohibition shall occur subsequent to the date hereof;

(b) legislation shall be enacted by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States, or the Treasury Department of the United States or the Internal Revenue Service or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or of the State or the United States Tax Court shall be rendered, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed, the effect of any or all of which would be to impose, directly or indirectly, federal income taxation upon interest received on obligations of the general character of the Bonds, or the interest on the Bonds as described in the Official Statement, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences of any of the transactions described herein;

(c) legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary or proposed), press release, no-action letter or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the federal securities laws, including the 1933 Act, or that the Ordinance or any document relating to the issuance, offering or sale of the Bonds, is not exempt from qualification under or other requirements of the Trust Indenture Act, or that the issuance, offering or sale of obligations of the general character of the Bonds, including any or all underlying arrangements, as described herein or by the Official Statement or otherwise, is or would be in violation of any federal securities laws, including the 1933 Act, the Securities Exchange Act of 1934 and the Trust Indenture Act, as amended and then in effect;

(d) any state blue sky or securities commission or other governmental agency or body in a state in which fifteen percent (15%) or more of the Bonds have been sold shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto; or

(e) any amendment to the federal or Texas Constitution or action by any federal or state court, legislative body, regulatory body or other authority materially adversely affecting the tax status of the Issuer, its property, income, securities (or interest thereon) or the validity or enforceability of the assessments or the levy of taxes to pay principal of and interest on the Bonds.

With respect to the conditions described in subsections (a)(2) and (a)(9) above, the Underwriters are not aware of any current, pending or proposed law or government inquiry or investigation as of the date of the execution of this Agreement which would permit the Underwriters to invoke their termination rights hereunder.

Upon the occurrence of a Termination Event and the subsequent termination of this Agreement by the Underwriters, all obligations of the Issuer and the Underwriters under this Agreement shall terminate, without further liability, except that the Issuer and the Underwriters shall pay their respective expenses as set forth in Section 8 hereof.

8. Expenses.

(a) The Underwriters shall be under no obligation to pay, and the Issuer shall pay, any expenses incident to the performance of the Issuer's obligations hereunder, including, but not limited to (i) the cost of preparation and printing of the Bonds; (ii) the costs of obtaining credit ratings and any municipal bond guaranty insurance policy; (iii) the fees and disbursements of Bond Counsel and the Financial Advisor to the Issuer; (iv) the fees and disbursements of any other engineers, accountants, and other experts, consultants or advisers retained by the Issuer; (v) the costs of preparing, printing and mailing the Preliminary Official Statement and the Official Statement; (vi) the fees and expenses of the Paying Agent/Registrar and the Escrow Agent; (vii) advertising expenses (except any advertising expenses of the Underwriters as set forth below); (viii) the out-of-pocket, miscellaneous and closing expenses, including the cost of travel, of the officers and trustees of the Issuer; and (ix) any other expenses mutually agreed to by the Issuer and the Underwriters to be reasonably considered expenses of the Issuer which are incident to the transaction contemplated hereby.

(b) The Underwriters shall pay (i) the cost of preparation and printing of this Agreement and the Blue Sky Survey and Legal Investment Memorandum, if any; (ii) all advertising expenses in connection with the public offering of the Bonds; and (iii) all other expenses incurred by them in connection with the public offering of the Bonds, including the fees and disbursements of counsel retained by the Underwriters.

9. **Notices.** Any notice or other communication to be given to the Issuer under this Agreement may be given by delivering the same in writing to the City of Austin, Texas, 700 Lavaca, Suite 1510, Austin, Texas 78701, Attention: Chief Financial Officer, and any notice or other communication to be given to the Underwriters under this Agreement may be given by

delivering the same in writing to Estrada Hinojosa & Company, Inc., 100 Congress Avenue, 20th Floor, Austin, Texas 78701, Attention: Paul Jack, and RBC Capital Markets LLC, 2711 N. Haskell, Suite 2500, Dallas, Texas 75204, Attention: Ron Morrison.

10. **Parties in Interest.** This Agreement as heretofore specified shall constitute the entire agreement between us and is made solely for the benefit of the Issuer and the Underwriters (including successors or assigns of the Underwriters) and no other person shall acquire or have any right hereunder or by virtue hereof. This Agreement may not be assigned by the Issuer. All of the Issuer's representations and warranties contained in this Agreement shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of any of the Underwriters; (ii) delivery of and payment for the Bonds pursuant to this Agreement; and (iii) any termination of this Agreement.

11. **Effectiveness.** This Agreement shall become effective upon the acceptance hereof by the Issuer and shall be valid and enforceable at the time of such acceptance.

12. **Choice of Law.** This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

13. **Severability.** If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provision or provisions of any Constitution, statute, rule of public policy or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

14. **Business Day.** For purposes of this Agreement, "business day" means any day on which the New York Stock Exchange is open for trading.

15. **Section Headings.** Section headings have been inserted in this Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Agreement and will not be used in the interpretation of any provisions of this Agreement.

16. **Counterparts.** This Agreement may be executed in several counterparts each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document) and all of which shall constitute one and the same document.

17. **No Personal Liability.** None of the members of the City Council, nor any officer, agent or employee of the Issuer, shall be charged personally by the Underwriters with any liability, or be held liable to the Underwriters under any term or provision of this Agreement, or because of execution or attempted execution, or because of any breach or attempted or alleged breach, of the Agreement.

[Remainder of page left blank intentionally]

If the Issuer agrees with the foregoing, please sign the enclosed counterpart of this Agreement and return it to the Underwriters. This Agreement shall become a binding agreement between the Issuer and the Underwriters when at least the counterpart of this letter shall have been signed by or on behalf of each of the parties hereto.

ESTRADA HINOJOSA & COMPANY, INC.

By: _____

Name: _____

Title: _____

RBC CAPITAL MARKETS LLC

By: _____

Name: _____

Title: _____

AS THE UNDERWRITERS

APPROVED AND ACCEPTED AS OF THE DATE HEREOF at _____ .m.:

CITY OF AUSTIN, TEXAS

By: _____

Name: _____

Title: _____

SCHEDULE I

\$_____

City of Austin, Texas
Hotel Occupancy Tax
Subordinate Lien Revenue Refunding Bonds, Series 2012
(Convention Center/Waller Creek Venue Project)

Dated Date: Date of Delivery
(Interest to accrue from Dated Date)

<u>Maturity</u> <u>(November 15)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Initial</u> <u>Yield</u>	<u>CUSIP No.</u>
2012	\$ 525,000			
2013	540,000			
2014	560,000			
2015	910,000			
2016	940,000			
2017	975,000			
2018	1,010,000			
2019	1,055,000			
2020	1,100,000			
2021	1,155,000			
2022	1,210,000			
2023	1,270,000			
2024	1,335,000			
2025	1,400,000			
2026	1,465,000			
2027	1,535,000			
2028	1,610,000			
2029	1,685,000			

-
- (a) The Bonds scheduled to mature on or after November 15, 2022, are subject to redemption, at the option of the City, in whole or in part, on November 15, 2021, or any date thereafter, at the par value thereof, plus accrued interest thereon to the date of redemption.

SCHEDULE II

REFUNDED OBLIGATIONS

**City of Austin, Texas Convention Center/
Waller Creek Venue Project Revenue Bonds,
Series 1999A**

Dated: June 15, 1999

<u>Year of</u> <u>Maturity</u>	<u>Interest Rate</u>	<u>Par Amount</u>	<u>Redemption</u> <u>Price</u>
2012		\$ 690,000	
2019		6,010,000	
2029		13,475,000	

EXHIBIT A
FORM OF ISSUE PRICE CERTIFICATE

[See attached certificate.]