

## ***BOND PURCHASE AGREEMENT***

September 23, 2016

City of Austin, Texas  
301 W. 2<sup>nd</sup> Street, Third Floor  
Austin, Texas 78701

Re: \$29,080,000 "City of Austin, Texas, Town Lake Park Community Events Center Venue Project Refunding Bonds, Series 2016", dated October 1, 2016

Ladies and Gentlemen:

Prosperity Bank (the "Purchaser") hereby offers to purchase from the City of Austin, Texas (the "City") the captioned Bonds (the "Bonds") and, upon acceptance of this offer by the City, such offer will become a binding agreement between the Purchaser and the City. This offer must be accepted by 10:00 p.m., Austin, Texas, time, September 23, 2016, and if not so accepted will be subject to withdrawal.

1. Purchase Price: The purchase price for the Bonds is par, \$29,080,000.
2. Terms of Bonds: The Bonds shall be issued in the principal amounts, shall bear interest at such rates, mature on such dates and in such amounts, be subject to redemption prior to maturity and have such other terms and conditions as are set forth in the ordinance adopted by the City Council of the City on August 18, 2016 (the "Bond Ordinance") authorizing the issuance of the Bonds, together with the pricing certificate (the "Pricing Certificate") executed pursuant to the Bond Ordinance (the Pricing Certificate and the Bond Ordinance are collectively hereinafter referred to as the "Ordinance"), copies of which have been provided to the Purchaser. The Bonds shall be payable from the Pledged Revenues as more fully described in the Ordinance.
3. Closing: The City shall deliver the Initial Bond to, or for the account of, the Purchaser and the Purchaser shall purchase the Bonds at 10:00 a.m. Dallas, Texas, time, on November 16, 2016, or at such other time as shall be mutually agreed upon (hereinafter referred to as the "Closing"). The Closing shall take place at the offices of Norton Rose Fulbright US LLP, Dallas, Texas, or such other location as may be mutually agreed upon. Prior to the Closing, the City will also deliver a signed copy of the Ordinance to the Purchaser.

4. Conditions to Closing: The Purchaser shall not have any obligation to consummate the purchase of the Bonds unless the following requirements have been satisfied prior to Closing:
  - (a) The City shall have adopted the Ordinance authorizing the issuance of the Bonds and the Pricing Certificate shall have been duly executed.
  - (b) Norton Rose Fulbright US LLP, Bond Counsel shall have issued its approving legal opinion as to the due authorization, issuance and delivery of the Bonds and as to the exemption of the interest thereon from federal income taxation, upon which the Purchaser shall be entitled to rely.
  - (c) The Bonds shall have been approved by the Attorney General of the State of Texas and shall have been registered by the Comptroller of Public Accounts of the State of Texas.
  - (d) The City shall have executed its Certificate as to Tax Exemption and IRS Form 8038-G in the form provided by Bond Counsel.
  
5. Nature of Purchase: The Purchaser acknowledges that no official statement or other disclosure or offering document has been prepared in connection with the issuance and sale of the Bonds. The Purchaser is a financial institution or other accredited investor as defined in the Securities Act of 1933, Regulation D, 17 C.F.R. § 230.501(a), accustomed to purchasing tax-exempt obligations such as the Bonds. Norton Rose Fulbright US LLP, Bond Counsel, has not undertaken steps to ascertain the accuracy or completeness of information furnished to the Purchaser with respect to the City or the Bonds, and the Purchaser has not looked to that firm for, nor has that firm made, any representations to the Purchaser with respect to that information. The Purchaser has satisfied itself that it may lawfully purchase the Bonds. The Bonds (i) are not being registered under the Securities Act of 1933 and are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state; (ii) will not be listed on any stock or other securities exchange; and (iii) will not carry any rating from any rating service. The Purchaser is familiar with the financial condition and affairs of the City, particularly with respect to its ability to pay its ad valorem tax-supported obligations such as the Bonds. The Purchaser has received from the City all information that it has requested in order for it to assess and evaluate the security and source of payment for the Bonds. The Purchaser is purchasing the Bonds for its own account or for that of an affiliate as evidence of a loan to the City and has no present intention to make a public distribution or sale of the Bonds. In no event will the Purchaser sell the Bonds to purchasers who are not sophisticated investors unless an official statement or other disclosure document is prepared with respect to such sale of the Bonds.
  
6. Issue Price Certifications: Furthermore, the Purchaser hereby certifies and represents that (1) the Bonds were issued for cash and were not publicly offered, (2) the price paid by the undersigned for the Bonds is \$29,080,000, and (3) the undersigned understands that the

statements contained herein will be relied upon by the City in its effort to comply with the conditions imposed by the Internal Revenue Code of 1986, as amended to the date of initial delivery of the Bonds, and Bond Counsel in rendering their opinion that the interest on the Bonds is excludable from the gross income of the owners thereof.

7. No Oral Agreements: To the extent allowed by law, the parties hereto agree to be bound by the terms of the following notice: THIS PURCHASE AGREEMENT, THE ORDINANCE OF THE CITY AUTHORIZING THE BONDS, THE PRICING CERTIFICATE, THE ATTORNEY GENERAL OPINION, THE OPINION OF BOND COUNSEL AND THE BONDS TOGETHER REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES REGARDING THIS TRANSACTION AND MAY NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES RELATING TO THIS TRANSACTION.

*[signatures begin on next page]*

If this purchase agreement meets with the Purchaser's and the City's approval, please execute it in the place provided below.

PROSPERITY BANK

By:  \_\_\_\_\_

Title: Area President

*[signatures continue on next page]*

ACCEPTED BY THE CITY OF AUSTIN, TEXAS

A handwritten signature in blue ink, appearing to read "Elmer Hart".

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Pricing Officer