

PEARSON PLACE ROAD DISTRICT

(A political subdivision of the State of Texas located within Williamson County, Texas)

\$_____

Unlimited Tax Road Bonds, Series 2016

BOND PURCHASE AGREEMENT

August 16, 2016

Pearson Place Road District
c/o Honorable County Judge and County Commissioners
Williamson County Courthouse
301 S.E. Inner Loop, Suite 109
Georgetown, Texas 78626

Ladies and Gentlemen:

The undersigned, Raymond James & Associates, Inc. (the “*Underwriter*”), offers to enter into the following agreement (this “*Agreement*”) with Williamson County Commissioners Court (the “*Commissioners Court*”) acting as the governing body of the Pearson Place Road District (the “*Issuer*”), which, upon the Issuer’s written acceptance of this offer, will be binding upon the Issuer and upon the Underwriter. This offer is made subject to the Issuer’s written acceptance hereof on or before 10:00 p.m., Austin, Texas time, on August 16, 2016, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Issuer at any time prior to the acceptance hereof by the Issuer. Terms not otherwise defined in this Agreement shall have the same meanings set forth in the Bond Order (as defined herein) or in the Official Statement (as defined herein).

1. *Purchase and Sale of the Bonds.* Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriter, all, but not less than all, of the Issuer’s \$_____ Unlimited Tax Road Bonds, Series 2016 (the “*Bonds*”). The Issuer acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Agreement is an arm’s-length commercial transaction between the Issuer and the Underwriter, (ii) in connection therewith and with the discussions, undertakings, and procedures leading up to the consummation of this transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent or fiduciary of the Issuer, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the Issuer with respect to the offering contemplated hereby or the discussions, undertakings, and procedures leading thereto (regardless of whether the Underwriter has provided other services or is currently

providing other services to the Issuer on other matters) and the Underwriter has no obligation to the Issuer with respect to the offering contemplated hereby except the obligations expressly set forth in this Agreement, and (iv) the Issuer has consulted its own legal, financial, and other advisors to the extent it has deemed appropriate.

The principal amount of the Bonds to be issued, the dated date therefor, the maturities, sinking fund and optional redemption provisions and interest rates per annum are set forth in Schedule I hereto. The Bonds shall be as described in, and shall be issued and secured under and pursuant to the provisions of the bond order adopted by the Issuer on August 16, 2016 (the “*Bond Order*”).

The purchase price for the Bonds shall be \$_____ (representing the par amount of the Bonds, plus a reoffering premium of \$_____, and less an underwriting discount of \$_____).

Delivered to the Issuer herewith is the Underwriter’s good-faith corporate check payable to the order of the Issuer in the amount of \$56,950 (the “*Check*”). In the event the Issuer does not accept this offer, the Check shall be promptly returned to the Underwriter. Upon the Issuer’s acceptance and countersignature of this offer, the Check (i) shall not be cashed or negotiated but shall be held and retained in safekeeping by the Issuer as security for the performance by the Underwriter of its obligations, subject to the terms and conditions herein set forth, to purchase and accept delivery of the Bonds at the Closing, and (ii) shall be applied and disposed of by the Issuer solely as provided in this Agreement. In the event of the Underwriter’s compliance with such obligation to purchase and accept delivery of the Bonds at the Closing, the Check shall be returned to the Underwriter at the Closing. In the event of the failure by the Issuer to deliver the Bonds at the Closing, or if the Issuer shall be unable to satisfy the conditions to the obligations of the Underwriter contained in this Agreement, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Agreement, the Check shall be returned promptly to the Underwriter. In the event that the Underwriter fails (other than for a reason permitted hereunder) to purchase and accept delivery of the Bonds at the Closing, the Issuer shall become entitled to cash or negotiate the Check, and the proceeds thereof shall be retained by the Issuer as and for fully liquidated damages for such failure and for any and all defaults on the part of the Underwriter, and (except as set forth in Sections 8 and 10 hereof) no party shall have any further rights against the other hereunder. The Underwriter 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 Underwriter hereby waives any right to claim that the Issuer’s actual damages are less than such amount, and the Issuer’s acceptance of this offer shall constitute a waiver of any right the Issuer may have to additional damages from the Underwriter.

In addition, the Underwriter has delivered the Certificate of Interested Parties Form 1295 (“*Form 1295*”) and certification of filing generated by the Texas Ethics Commission’s electronic portal, signed by an authorized agent of each respective entity, prior to the execution of this Agreement by the Issuer and the Underwriter. The Underwriter and the Issuer understand and agree that, with the exception of information identifying the Issuer and the contract identification number in the Underwriter’s Form 1295, neither the Issuer nor its consultants are responsible for the information contained in the Form 1295 and neither the Issuer nor its consultants have verified such information.

2. Public Offering. It shall be a condition of the obligations of the Issuer to sell and deliver the Bonds to the Underwriter and of the Underwriter to purchase and accept delivery of the Bonds, that the entire principal amount of the Bonds as set forth in the Pricing Certificate shall be sold and delivered by the Issuer and accepted and paid for by the Underwriter at Closing. The Underwriter agrees to make a bona fide public offering of all of the Bonds at prices or yields not to exceed the public offering prices or yields set forth on page 2 of the Official Statement and may subsequently change such offering prices or yields without any requirement of prior notice. Subsequent to the initial offering, the Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower than the public offering prices or yields stated on page 2 of the Official Statement.

3. The Official Statement.

(a) The Issuer previously has delivered, or caused to be delivered, to the Underwriter the Preliminary Official Statement dated August 8, 2016 (the “*Preliminary Official Statement*”) 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 (i) dated the date of this Agreement, (ii) complete within the meaning of the United States Securities and Exchange Commission’s Rule 15c2-12, as amended (the “*Rule*”), (iii) in a “designated electronic format” and (iv) substantially in the form of the most recent version of the Preliminary Official Statement provided to the Underwriter before the execution hereof. 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 Underwriter sufficient quantities (which may be in electronic format) of the Preliminary Official Statement as the Underwriter deems necessary to satisfy the obligation of the Underwriter 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 for use by the Underwriter in connection with the public offering, sale and distribution of the Bonds. The Issuer hereby represents and warrants that the Preliminary Official Statement has been deemed final by the Issuer as of its date, 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 hereby authorizes the Official Statement and the information therein contained to be used by the Underwriter in connection with the public offering and the sale of the Bonds. The Issuer consents to the use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Bonds. The Issuer shall provide, or cause to be provided, to the Underwriter as soon as practicable after the date of the Issuer’s acceptance of this Agreement (but, in any event, not later than within seven (7) 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, approved by the Issuer's Board of Directors or one or more duly authorized officers of the Issuer, which is complete as of the date of its delivery to the Underwriter. The Issuer shall provide the Official Statement, or cause the Official Statement 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 Underwriter shall request in order for the Underwriter to comply with Section (b)(4) of the Rule and the rules of the MSRB.

(d) If, after the date of this Agreement to and including the date the Underwriter is no longer required to provide an Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) ninety (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 twenty-five (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, in light of the circumstances under which they were made, 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 Underwriter (and for the purposes of this clause provide the Underwriter with such information as they may from time to time reasonably request), and if, in the reasonable opinion of the Underwriter, 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 Underwriter), either an amendment or a supplement 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, in light of the circumstances under which they were made, or necessary to make the statements therein not misleading or so that the Official Statement will comply with law. If such notification shall be subsequent to the Closing, the Issuer shall furnish such legal opinions, certificates, instruments and other documents as the Underwriter may 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 Underwriter shall request in order for the Underwriter to comply with Section (b)(4) of the Rule and the rules of the MSRB.

(e) The Underwriter hereby agrees to timely file the Official Statement with MSRB through its Electronic Municipal Market Access ("*EMMA*") system on or before the date of Closing. Unless otherwise notified in writing by the Underwriter, the Issuer can assume that the "end of the underwriting period" for purposes of the Rule is the date of the Closing.

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

(a) The Issuer is a political subdivision of the State of Texas (the “*State*”) within Williamson County, Texas (the “*County*”), duly operating as a road district pursuant to Article III, Section 52, of the Texas Constitution and the laws of the State of Texas (the “*State*”), including particularly Chapter 257, Texas Transportation Code, as amended, and Chapter 1471, Texas Government Code, as amended (collectively, the “*Acts*”), and at the date of the Closing will have full legal right, power and authority under the Acts and the Bond Order (i) to enter into, execute and deliver this Agreement, the Bond Order, the Continuing Disclosure Undertaking (as defined in Section 6(i)(3) hereof), and all documents required hereunder and thereunder to be executed and delivered by the Issuer (this Agreement, the Bond Order, and the Continuing Disclosure Undertaking are hereinafter referred to as the “*Issuer Documents*”), (ii) to sell, issue and deliver the Bonds to the Underwriter as provided herein, and (iii) to carry out and consummate the transactions contemplated by the Issuer Documents and the Official Statement, and the Issuer has complied, and will at the Closing be in compliance in all respects, with the terms of the Acts and the Issuer Documents as they pertain to such transactions;

(b) The Commissioners Court, acting as the governing body of the Issuer, prior to or concurrently with the acceptance hereof, has duly authorized all necessary action to be taken by them for (i) the adoption of the Bond Order and the issuance and sale of the Bonds, (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 and (iii) the consummation by it of all other transactions contemplated by the Official Statement and 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 contemplated herein and in the Official Statement;

(c) The Issuer Documents constitute legal, valid and binding obligations of the Issuer, enforceable in accordance with their respective terms, subject to governmental immunity, bankruptcy, insolvency, reorganization, moratorium 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 Bond Order and this Agreement, will constitute legal, valid and binding obligations of the Issuer entitled to the benefits of the Bond Order and enforceable in accordance with their terms, subject to governmental immunity, bankruptcy, insolvency, reorganization, moratorium 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 Bond Order 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 Bond Order;

(d) To the best of its knowledge, 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 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 is or any of its property or assets are 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, the Issuer Documents and the adoption of the Bond Order and compliance with the provisions on the Issuer's part contained therein, will not conflict with or constitute a breach of or default under any constitutional provision, law or administrative regulation, judgment, decree, 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 Bond Order;

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matters 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 due performance by the Issuer of its obligations under, the Issuer Documents and the Bonds have been duly obtained or will be obtained prior to Closing, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any jurisdiction in connection with the offering and sale of the Bonds;

(f) The Bonds and the Bond Order conform to the descriptions thereof contained in the Official Statement under the caption "THE BONDS"; the proceeds of the sale of the Bonds will be applied generally as described in the Official Statement under the captions "THE BONDS - Sources and Uses of Proceeds"; and the Continuing Disclosure Undertaking conforms to the description thereof contained in the Official Statement under the caption "CONTINUING DISCLOSURE OF INFORMATION";

(g) The District has not made a previous Continuing Disclosure Undertaking in accordance with the Rule;

(h) 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 best knowledge of the Issuer after due inquiry, threatened against the Issuer, affecting the existence of the Issuer or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the collection of taxes pledged to the payment of principal of and interest on the Bonds pursuant to the Bond Order or in any way contesting or affecting the validity or enforceability of the Bonds or the Issuer Documents, or contesting the exclusion from gross income of interest on the Bonds for federal income tax purposes, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or contesting the powers of the Issuer or any authority for the issuance of the Bonds, the adoption of the

Bond Order or the execution and delivery of the Issuer Documents, nor, to the best 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;

(i) 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;

(j) 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 date of Closing, 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;

(k) 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 date of Closing, the Official Statement as so supplemented or amended 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 made, not misleading;

(l) The Issuer 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 Bond Order 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;

(m) The Issuer will furnish such information and, at the expense of the Underwriter, execute such instruments and take such action in cooperation with the Underwriter as the Underwriter may reasonably request (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 Underwriter 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 Underwriter 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;

(n) The financial statements of, and other financial information regarding, the Issuer in the Official Statement fairly present the financial position, results of operations and condition of the Issuer as of the dates and for the periods therein set forth, and there has been no adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the Issuer since the dates of such statements and information;

(o) 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;

(p) Prior to the Closing, the Issuer will not offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by any of the revenues or assets which will secure the Bonds without the prior approval of the Underwriter;

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

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

By delivering the Official Statement to the Underwriter, the Issuer shall be deemed to have reaffirmed, with respect to the Official Statement, the representations, warranties and covenants set forth above with respect to the Preliminary Official Statement.

5. *Closing.*

(a) At 10:00 a.m. Austin, Texas time, on September 13, 2016, or at such other time and date as shall have been mutually agreed upon by the Issuer and the Underwriter (the “*Closing*”), the Issuer will, subject to the terms and conditions hereof, deliver the Bonds to the Underwriter duly executed and authenticated, together with the other documents hereinafter mentioned, and the Underwriter will, subject to the terms and conditions hereof, 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 wire transfer to the account of the Issuer as indicated by BOKF, NA, Austin, Texas (the “*Paying Agent/Registrar*”). 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 Underwriter.

(b) Delivery of the Bonds in definitive form shall be made through The Depository Trust Company, New York, New York (“*DTC*”). The Bonds shall be delivered in definitive fully registered form, bearing CUSIP numbers without coupons, registered in the name of Cede & Co., all as provided in the Bond Order, and shall be

made available to the Paying Agent/Registrar for DTC's FAST closing at least one business day before Closing for purposes of inspection.

6. Closing Conditions. The Underwriter has entered into this Agreement in reliance upon the representations, warranties and agreements of the Issuer contained herein, and in reliance upon 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 Underwriter's 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 Underwriter:

(a) The representations and warranties of the Issuer contained herein shall be true, complete and correct 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 be in full force and effect and shall not have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Underwriter; (ii) the net proceeds of the sale of the Bonds and any funds to be provided by the Issuer shall be deposited and applied as described in the Official Statement and in the Bond Order and (iii) all actions of the Issuer required to be taken by the Issuer shall be performed in order for Bond Counsel and counsel to the Underwriter to deliver their respective opinions referred to hereafter;

(d) At the time of the Closing, all official action 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 Bond Order 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 judgment of the Underwriter is material and adverse and that makes it, in the judgment of the Underwriter, impracticable to market the Bonds on the terms and in the manner contemplated in the Official Statement;

(g) Except as disclosed in the Official Statement, the Issuer shall not have failed to pay principal or interest when due on any of its outstanding obligations for borrowed money;

(h) 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 Underwriter;

(i) At or prior to the Closing, the Underwriter shall have received copies of each of the following documents:

(1) The Official Statement, and each supplement or amendment thereto, if any, as may have been agreed to by the Underwriter;

(2) A copy of the Bond Order, certified as having been duly adopted and in full force and effect, with such supplements or amendments as may have been agreed to by the Underwriter;

(3) The undertaking of the Issuer which satisfies the requirements of section (b)(5)(i) of the Rule (the “*Continuing Disclosure Undertaking*”);

(4) The approving opinion of McCall, Parkhurst & Horton L.L.P. (“*Bond Counsel*”), dated as of the date of the Closing, in form and substance as described in the Official Statement;

(5) A supplemental opinion of Bond Counsel addressed to the Underwriter, dated as of the date of the Closing, substantially to the effect that:

(i) the Bond Order has been duly adopted and is in full force and effect;

(ii) the Bonds are exempted 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 Bond Order under the Trust Indenture Act; and

(iii) the statements and information contained in the Official Statement under the captions “THE BONDS” (except for the subcaptions “Sources and Uses of Proceeds,” “DTC Redemption Provisions,” “Book-Entry-Only System,” and “Remedies in Event of Default”), “TAXING PROCEDURES,” “LEGAL MATTERS - Legal Opinions” and “ - Registration and Qualification of Bonds for Sale,” “TAX MATTERS,” and “CONTINUING DISCLOSURE OF INFORMATION” accurately and fairly describe the law and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Bond Order;

(6) The opinion, dated as of the date of the Closing and addressed to the Underwriter, of counsel for the Underwriter, to the effect that:

(i) the Bonds are exempt securities under the 1933 Act and 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 and the Bond Order need not be qualified under the Trust Indenture Act; and

(ii) based upon their participation in the preparation of the Official Statement as counsel for the Underwriter and their participation at conferences at which the Official Statement was discussed, but without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, such counsel has no reason to believe that the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except for any financial, forecast, technical and statistical statements and data included in the Official Statement and the information regarding DTC and its book-entry system, as to which no view need be expressed);

(7) A certificate, dated as of date of the Closing and signed by the County Judge and the County Clerk, acting on behalf of the Commissioners Court as the governing body of the Issuer, solely in their official capacities, to the effect that (i) the representations and warranties of the Issuer contained herein 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) no litigation, proceeding or tax challenge against the Issuer is pending or, to the best of his or her knowledge, threatened in any court or administrative body nor is there a basis for litigation which would (a) contest the right of the members 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 taxes, including payments on the Bonds, pursuant to the Bond Order, or the levy or collection of the taxes by the Commissioners Court on behalf of the Issuer pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof; (iii) all official action of the Issuer relating to the Official Statement, the Bonds and the Issuer Documents have been duly taken by the Issuer, are in full force and effect and have not been modified, amended, supplemented or repealed; (iv) to the best of his or her knowledge, no event affecting the Issuer has occurred since the date of the Official Statement 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 material 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 material adverse change in the financial condition of the Issuer since September 30, 2015, the latest date as of which audited financial information is available;

(8) A certificate signed by the County Judge, acting on behalf of the Commissioners Court as the governing body of the Issuer, dated as of the date of the Closing, in form and substance satisfactory to Bond Counsel and counsel to the Underwriter (a) 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” within the meaning of Section 148 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, and (b) certifying that to the best of the knowledge and belief of the Issuer there are no other facts, estimates or circumstances that would materially change the conclusions, representations and expectations contained in such certificate;

(9) Any other certificates and opinions required by the Bond Order for the issuance thereunder of the Bonds;

(10) The approving opinion of the Attorney General of the State of Texas with respect to the Bonds and the registration certificate of the Comptroller of Public Accounts of the State of Texas in respect of the Bonds;

(11) Evidence satisfactory to the Underwriter that the Bonds have been rated “_____” S&P Global Ratings, and that such rating is in effect as of the date of the Closing;

(12) Any letters of representation from professional consultants, advisors or any other parties relied upon by the Issuer for the purpose of making any representation, warranty or covenant required of the Issuer by this Agreement, which letters of representation shall authorize reliance thereon by the Underwriter; and

(13) Such additional legal opinions, certificates, instruments and other documents as the Underwriter or counsel to the Underwriter 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.

If the Issuer shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds contained in this Agreement, or if the

obligations of the Underwriter 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 Underwriter nor the Issuer shall be under any further obligation hereunder, except that the respective obligations of the Issuer and the Underwriter set forth in Sections 4 and 8 hereof shall continue in full force and effect.

7. Termination. The Underwriter shall have the right to cancel its obligation to purchase the Bonds if (as evidenced by a written notice to the Issuer terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds) between the date of this Agreement and the Closing, the market price or marketability of the Bonds, or the ability of the Underwriter to enforce contracts for sale of the Bonds, shall be materially adversely affected, in the reasonable judgment of the Underwriter, by the occurrence of any of the following events:

(a) 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;

(b) legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree or injunction issued by any court of competent jurisdiction to the effect that (i) obligations of the general character of the Bonds, including any or all underlying arrangements, or the Bond Order, as the case may be, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect;

(c) a stop order, ruling, regulation or official statement by the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering or sale 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 provisions of the federal securities laws, including the Securities Exchange Act of 1934, as amended and as then in effect or the Trust Indenture Act of 1939, as amended and as then in effect;

(d) any state blue sky or securities commission or other governmental agency or body in which more than 15% of the Bonds have been offered and 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;

(e) payment for and delivery of any of the Bonds is rendered impracticable or inadvisable because (i) there shall be in force a general suspension of trading in securities on the New York Stock Exchange; (ii) a general banking moratorium shall have been declared by federal, State of New York, or State officials authorized to do so, or a material disruption in commercial banking or securities settlement or clearance services shall have occurred; or (iii) there shall have occurred, since the date hereof, any outbreak or escalation of hostilities involving the United States (including, without limitation, an act of terrorism), declaration by the United States, of a national emergency or war or other calamity or crisis or any change in the financial or economic conditions in the United States the effect of which is to cause a material disruption in commercial banking or securities settlement or clearance services;

(f) 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 Underwriter;

(g) any amendment to the federal or state 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 levies of taxes to pay principal of and interest on the Bonds;

(h) any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, 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;

(i) 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;

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

(k) 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 negative change or possible negative change, in the ratings accorded any such obligations of the Issuer (including the ratings to be accorded the Bonds); or

(l) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission; provided, however, that such prohibition occurs after the date of this Agreement and is not caused by the action, or failure to act, of the Underwriter.

With respect to the conditions described in subparagraphs (f) and (l) above, the Underwriter is not aware of any current, pending or proposed law or government inquiry or investigation as of the date of execution of this Agreement which would permit the Underwriter to invoke its termination rights hereunder.

8. *Expenses.*

(a) The Underwriter 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 fees and disbursements of Bond Counsel and any other counsel to the Issuer; (iii) the fees and disbursements of any other engineers, accountants, and other experts, consultants or advisers retained by the Issuer; (iv) the fees for bond ratings and municipal bond insurance, if any; (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; (vii) advertising expenses (except any advertising expenses of the Underwriter as set forth below); (viii) the out-of-pocket, miscellaneous and closing expenses, including the cost of travel, of the officers and officials of the Issuer; (ix) the Attorney General's review fee; and (x) any other expenses mutually agreed to by the Issuer and the Underwriter to be reasonably considered expenses of the Issuer which are incident to the transactions contemplated hereby.

(b) The Underwriter shall pay (i) the cost of preparation and printing of this Agreement, 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 it in connection with the public offering of the Bonds, including the fees and disbursements of counsel retained by the Underwriter.

(c) The Issuer acknowledges that the Underwriter has advised the Issuer that it will pay from the underwriter's expense allocation of the underwriting discount certain fees, including the applicable per bond assessment charged by the Municipal Advisory Council of Texas (the "MAC") and its expenses to cover an internal cost associated with a review of the Issuer's disclosure filings related to the Rule. The MAC is a non-profit

corporation whose purpose is to collect, maintain and distribute information relating to issuing entities of municipal securities.

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 at the address above and any notice or other communication to be given to the Underwriter under this Agreement may be given by delivering the same in writing to Raymond James & Associates, Inc., 5956 Sherry Lane, Suite 1900, Dallas, Texas 75225, Attention: Buddy Kempf.

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 Underwriter (including successors or assigns of the Underwriter) 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, warranties and agreements contained in this Agreement shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of the Underwriter; (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.

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 whatsoever.

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 Commissioners Court nor any officer, agent, or employee of the Issuer, shall be charged personally by the Underwriter with any liability, or be held liable to the Underwriter 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 this Agreement.

[Execution Page Follows]

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

Respectfully submitted,

RAYMOND JAMES & ASSOCIATES, INC.

By: _____
Name: _____
Title: _____

Accepted this _____, 2016 at _____ a.m./p.m., Central Time

PEARSON PLACE ROAD DISTRICT

By: _____
Name: _____
Title: _____

Schedule I – Schedule of Terms

Execution Page

Pearson Place Road District Unlimited Tax Road Bonds, Series 2016

SCHEDULE I

\$ _____

Pearson Place Road District Unlimited Tax Road Bonds, Series 2016

Interest accrues from: Date of Initial Delivery

| <u>Maturity (Aug. 15)</u> | <u>Principal</u> | <u>Interest Rate</u> | <u>Initial Reoffering Yield ^(a)</u> |
|-------------------------------|------------------|--------------------------|--|
| 2018 | \$ | % | % |
| 2019 | | | |
| 2020 | | | |
| 2021 | | | |
| 2022 | | | |
| 2023 | | | |
| 2024 | | | |
| 2025 | | | |
| 2026 ^(b) | | | |
| 2027 ^(b) | | | |
| 2028 ^(b) | | | |
| 2029 ^(b) | | | |
| 2030 ^(b) | | | |
| 2031 ^(b) | | | |
| 2032 ^(b) | | | |
| 2033 ^(b) | | | |
| 2034 ^(b) | | | |
| 2035 ^(b) | | | |
| 2036 ^(b) | | | |
| 2037 ^(b) | | | |
| 2038 ^(b) | | | |
| 2039 ^(b) | | | |
| 2040 ^(b) | | | |
| 2041 ^(b) | | | |

- (a) The initial reoffering prices or yields of the Bonds are furnished by the Underwriter and represent the initial offering prices or yields to the public, which may be changed by the Underwriter at any time.
- (b) The Bonds scheduled to mature on and after August 15, 2026, are subject to redemption, in whole or in part, prior to their scheduled maturities, on August 15, 2025, or on any date thereafter, at a price of par plus accrued interest to the date fixed for redemption.