

\$ _____
Keller Independent School District
(Tarrant County, Texas)
Unlimited Tax School Building and Refunding Bonds
Series 2005

BOND PURCHASE AGREEMENT

June 13, 2005

Board of Trustees
Keller Independent School District
350 Keller Parkway
Keller, Texas 76248

Board of Trustees of the District:

The undersigned (the "Underwriters"), acting through the Representative designated in Section 1 hereof (the "Representative"), offer to enter into the following agreement with the Keller Independent School District (the "District"), which, upon the District's acceptance of this offer, will be binding upon the District and upon the Underwriters.

This offer is made subject to your acceptance of this Bond Purchase Agreement (the "Purchase Agreement") on or before 10:00 P.M., Central Time, on the date hereof and, if not so accepted, will be subject to withdrawal by the Underwriters upon notice delivered to the District by the Underwriters at any time prior to the acceptance hereof by the District. Terms not otherwise defined in this Purchase Agreement shall have the same meanings set forth in the Order (as defined herein) or in the Official Statement (as defined herein).

1. Purchase and Sale of the Bonds. Upon the terms and conditions and upon the basis of the respective representations, warranties and covenants set forth herein, the Underwriters hereby agree to purchase from the District, and the District hereby agrees to sell to the Underwriters, all (but not less than all) of an aggregate of \$_____ in principal amount of Keller Independent School District Unlimited Tax School Building and Refunding Bonds, Series 2005 (representing Current Interest Bonds in the principal amount of \$_____ and Premium Capital Appreciation Bonds in the principal amount of \$_____ and hereinafter referred to as the "Bonds"), for an aggregate purchase price equal to \$_____ (representing the principal amount of the Bonds, plus an original issue premium of \$_____ on the Premium Capital Appreciation Bonds, plus a net original issue premium of \$_____ on the Current Interest Bonds, less an underwriting discount of \$_____) plus accrued interest on the Current Interest Bonds from June 15, 2005, to the date of Closing (as hereinafter defined).

The Bonds are to be issued, secured and sold under the provisions of an Order (the "Order") adopted by the Board of Trustees of the District on the date of the sale of the Bonds. The principal amount of the Bonds to be issued, the maturities, interest rates per annum, and

redemption provisions are set forth in Schedule I attached hereto. The Bonds shall otherwise have such terms and provisions as set forth and described in the Official Statement (as hereinafter defined) referred to below.

A portion of the proceeds received by the District from the sale of the Bonds pursuant hereto and certain other funds of the District, if any, shall be deposited with Wachovia Bank, National Association, Houston, Texas, as escrow agent (the "Escrow Agent"), under and pursuant to the escrow agreement (the "Escrow Agreement") referred to in the Order for the purpose of purchasing certain direct obligations of the United States of America (the "Escrow Securities"), which shall mature and the interest on which shall be payable at such times and in such amounts so as to provide money which, together with cash balances from time to time on deposit in the Escrow Fund (as defined in the Escrow Agreement), will be sufficient to pay the principal of and interest on the Refunded Bonds (as defined in the Order and herein sometimes referred to as the "Refunded Bonds") when and as the same become due and payable in the manner provided in the Order and the Escrow Agreement.

Morgan Keegan & Company, Inc. represents that it has been duly authorized to execute this Purchase Agreement and has been duly authorized to act hereunder as the Representative. All actions which may be taken hereunder by the Underwriters may be taken by the Representative alone. In as much as this purchase and sale represents a negotiated transaction, the District understands, and hereby confirms, that the Underwriters are not acting as fiduciaries of the District, but rather are acting solely in their individual capacities as an underwriter for their own accounts.

2. Public Offering. The Underwriters intend to make an initial public offering of all of the Bonds at a price not to exceed the public offering prices set forth on the inside cover of the Official Statement (as hereinafter defined) and agree at least ten percent (10%) of the principal amount of the Bonds of each maturity shall be sold to the "public" (exclusive of dealers, brokers and investment bankers, etc.) at the offering prices set forth on the inside cover page of the Official Statement. Subject to the foregoing sentence, the Underwriters may subsequently change such offering prices without any requirement of prior notice. The Underwriters 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 stated on the inside cover of the Official Statement.

3. Official Statement/Rule 15c2-12 Compliance. (a) The Bonds are described in a final Official Statement dated the date hereof, a copy of the cover page being attached hereto as Exhibit A. Such final Official Statement, together with the Appendices thereto, as further amended or supplemented only in the manner hereinafter provided, is herein called the "Official Statement." The District agrees to cooperate with the Underwriters to provide a supply of final Official Statements within seven business days of the date hereof in sufficient quantities to comply with the Underwriters' obligations under applicable Municipal Securities Rulemaking Board Rules and Rule 15c2-12 of the Securities and Exchange Act of 1934 ("Rule 15c2-12").

(b) The District hereby authorizes and approves the distribution and use by the Underwriters of the Official Statement in connection with the offering and sale of the Bonds. In addition, the District does hereby ratify and approve the distribution of the Preliminary Official Statement, dated June 1, 2005, relating to the Bonds (the "Preliminary Official Statement") and confirms its consent to the use by the Underwriters prior to the date hereof in connection with the offering and sale of the Bonds. The Preliminary Official Statement was "deemed final" as of

its date by the District within the meaning and for the purposes of Section (b)(1) of Rule 15c2-12.

(c) The District will agree in the Order to provide certain periodic information and notices of material events in accordance with Rule 15c2-12, as described in the Preliminary Official Statement under the caption "CONTINUING DISCLOSURE INFORMATION". The Underwriters' obligation to accept and pay for the Bonds is conditioned upon delivery to the Underwriters or their agent of a certified copy of the Order containing the agreement described under such heading.

(d) To the best knowledge and belief of the District, the Preliminary 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. Except as disclosed in the Official Statement, the District has complied in all material respects with all continuing disclosure agreements made by it in accordance with Rule 15c2-12.

4. Security Deposit. Delivered to the District herewith is a corporate check of the Representative payable to the order of the District in the amount of \$_____. The District agrees to hold such check uncashed until the Closing to ensure the performance by the Underwriters of their obligation to purchase, accept delivery of, and pay for the Bonds at the Closing. Concurrently with the payment by the Underwriters of the purchase price of the Bonds at the Closing, the District shall return such check to the Representative at the address stated below. Should the District fail to deliver the Bonds at the Closing, or should the District 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 Purchase Agreement (unless waived by the Underwriters), or should such obligations of the Underwriters be terminated for any reason permitted by this Purchase Agreement, such check shall immediately be returned to the Representative. In the event 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 District as and for full liquidated damages for such failure of the Underwriters and for any defaults hereunder on the part of the Underwriters. Acceptance of such check by the District shall constitute a full release and discharge of all claims and damages for such failure and for any and all such defaults, and neither the District nor any other person shall have any further action for damages, specific performance, or any other legal or equitable relief against the Underwriters. The Underwriters and the District understand that in such event the District's actual damages may be greater or may be less than such amount. Accordingly, the Underwriters hereby waive any right to claim that the District's actual damages are less than such amount, and the District's acceptance of this offer shall constitute a waiver of any right the District may have to additional damages from the Underwriters. The Representative hereby agrees not to stop or cause payment on said check to be stopped unless the District has breached any of the terms of this Purchase Agreement.

5. Representations and Warranties. The District hereby represents and warrants to the Underwriters that:

(a) The District is an independent school district, a body politic and corporate, and a political subdivision of the State of Texas, duly created, organized and existing under the laws of the State of Texas and is in good standing with and is duly accredited by the Texas Education Agency.

(b) The District has the power and is authorized under the Constitution and the laws of the State of Texas, including particularly 45.001 and 45.003(b)(1), Texas Education Code, as amended, and Chapter 1207, Texas Government Code, as amended (collectively, the "Act"), to (i) issue the Bonds for the purposes for which they are to be issued, and (ii) enter into and perform its obligations under this Purchase Agreement and the Escrow Agreement.

(c) The District has the requisite right, power and authority (i) to adopt the Order authorizing the issuance of the Bonds and the execution and delivery of this Purchase Agreement and the Escrow Agreement, (ii) to execute, deliver and perform its obligations under this Purchase Agreement and the Escrow Agreement and (iii) to consummate the transactions contemplated by such instruments and the Official Statement, and the District has complied with all provisions of applicable law in all matters relating to such transactions.

(d) The District has duly authorized all necessary action to be taken by it for: (i) the issuance and sale of the Bonds upon the terms set forth herein and in the Official Statement; (ii) the approval of the Official Statement and the signing of the Official Statement by a duly authorized officer; and (iii) the execution, delivery and receipt of this Purchase Agreement, the Bonds, the Escrow Agreement, and any and all such other agreements and documents as may be required to be executed, delivered, and received by the District in order to carry out, give effect to, and consummate the transactions contemplated hereby or by the Bonds, the Official Statement, and the Escrow Agreement.

(e) The Order is and, on the date of the Closing, will be in full force, and, on the date of the Closing, the Escrow Agreement will have been duly executed and delivered by the District. The Order is and, on the date of the Closing, will be the legal and valid act of the District and, assuming the due authorization, execution and delivery of such instruments by the other parties thereto and their authority to perform such instruments, this Purchase Agreement and the Escrow Agreement are and, on the date of the Closing, will be legal, valid, and binding obligations of the District, enforceable in accordance with their respective terms (except to the extent that such enforceability may be limited by bankruptcy, insolvency, reorganization, and similar laws affecting creditors' rights generally and general principles of equity).

(f) The Bonds, when issued, delivered, and paid for as herein provided, will have been duly authorized, executed, and issued and will constitute legal, valid, and binding obligations of the District entitled to the benefits of the Order.

(g) 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 statements therein, in light of the circumstances under which they were made, not misleading.

(h) The information contained in the Official Statement (other than the information contained under the captions "BOOK-ENTRY-ONLY SYSTEM" and "THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM" as to which no view need be expressed) is and, as of the date of Closing, will be correct in all material respects, and such information does not contain and will not contain any untrue statement of a material fact and does not omit and will not omit to state a material fact required to be stated

therein or necessary to make the statements in such Official Statement, in light of the circumstances under which they were made, not misleading.

(i) The Bonds conform to the descriptions thereof contained in the Official Statement under the caption "THE BONDS"; the Order conforms to the description 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 caption "PLAN OF FINANCING" and the Order, and the undertaking with respect to Rule 15c2-12 set forth in the Order conforms to the description thereof contained in the Official Statement under the caption "CONTINUING DISCLOSURE INFORMATION."

(j) There is no action, suit, proceeding, inquiry, or investigation at law or in equity or before or by any court, public board or body pending against the District or, to the knowledge of the District, threatened against or affecting the District (or, to the knowledge of the District any basis therefor) contesting the due organization and valid corporate existence of the District or the validity of the Act, or wherein an unfavorable decision, ruling, or finding would adversely affect (i) the transactions contemplated hereby or by the Official Statement, (ii) the validity or due adoption of the Order, or the validity, due authorization and execution of the Bonds, this Purchase Agreement, the Escrow Agreement, or any agreement or instrument to which the District is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or by the Official Statement, or (iii) the federal tax-exempt status of the interest on the Bonds, or (iv) the defeasance of the Refunded Bonds. The District is not a party to any litigation or other proceeding pending or, to its knowledge, threatened, in any court, agency or other administrative body (either state or federal) which, if decided adversely to the District, would have a materially adverse effect on the financial condition of the District.

(k) The authorization, execution, and delivery by the District of the Official Statement, this Purchase Agreement, the Bonds, the Escrow Agreement, and the other documents contemplated hereby and by the Official Statement, the adoption of the Order by the District, the consummation of the transactions contemplated hereby and thereby and compliance by the District with the provisions of such instruments, do not and will not conflict with or constitute on the part of the District a breach of or a default under any provision of the Constitution of the State of Texas or the Act or any other existing law, court or administrative decision, regulation, decree, or order or any agreement, indenture, mortgage, lease, or other instrument by which the District or its properties are or, on the date of Closing, will be bound or affected.

(l) Other than the opinion of the Attorney General of the State of Texas approving the Bonds as required by law and the registration of the Bonds by the Comptroller of Public Accounts of the State of Texas (which approval and registration shall have been duly obtained or effected on or before the date of the Closing), and other than such permits, consents, licenses, notices, and filings, if any, as may be required under the securities or blue sky laws of any jurisdiction, no permit, consent, license, notice, or filing with governmental authorities is necessary or required (i) to permit the District to execute and deliver this Purchase Agreement, the Escrow Agreement, or the other instruments and documents contemplated hereby or thereby, to perform its obligations hereunder and thereunder, or to consummate the transactions contemplated hereby or thereby, or (ii) to issue and deliver the Bonds as contemplated

hereby and by the Official Statement, or to perform in accordance with the terms hereof and thereof, or (iii) to adopt and enact the Order, or to perform in accordance with the terms thereof, or to issue and sell the Bonds as therein and in the Official Statement provided.

(m) The financial statements of, and other financial information regarding, the District included in the Official Statement present fairly the financial position and the results of operations of the District at the respective dates and for the respective periods indicated therein. The financial statements of the District included in Appendix B to the Official Statement are presented in conformity with generally accepted accounting principles applied on a consistent basis throughout the periods presented. As of the date hereof, there has been no, and on the date of the Closing there will be no, adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the District.

(n) The District, to the extent heretofore requested in writing, has delivered to the Representative 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 or to the Texas Education Agency to obtain the Permanent School Fund guarantee on the Bonds and, in each instance, true, correct, complete, and legible copies of all correspondence or other communications relating, directly or indirectly, thereto.

(o) The District has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the District is a bond issuer whose arbitrage certificates may not be relied upon.

6. Delivery of, and Payment for, the Bonds. The consummation of the sale of the Bonds to the Underwriters (the "Closing") shall be held at such location or locations as may be mutually agreed upon by the District and the Representative. The Closing shall be held at 10:00 A.M., Central Time, on July 19, 2005, or at such other time or date as shall have been mutually agreed upon by the District and the Representative.

Subject to the conditions stated herein, the District will deliver, or cause to be delivered, to the Underwriters at the Closing the initial bond or bonds (as required by the Order) and will have available for immediate exchange the Bonds in book-entry form, together with the other documents hereinafter mentioned, and the Underwriters will accept such delivery and pay the purchase price of the Bonds as set forth in Paragraph 1 hereof in immediately available funds. Concurrently with such payment by the Underwriters, the District shall return to the Representative the check referred to in Paragraph 4 hereof. Global certificates for use by The Depository Trust Company in their book-entry-only system shall be printed, typed, or lithographed, shall be prepared and delivered as fully registered bonds in the denominations permitted by the Order, shall be registered in the name of Cede & Co. and shall be deposited with The Depository Trust Company, or with the paying agent/registrars for the Bonds pursuant to The Depository Trust Company Fast Automated Securities Transfer System, at least one business day before the Closing.

In addition, the District and the Underwriters agree that there may be a preliminary Closing held at such place as the District and the Representative shall mutually agree, commencing at least 24 hours prior to the Closing. Drafts of all documents to be delivered at

the Closing shall be prepared and distributed to the parties and their counsel for review at least two (2) business days prior to the Closing.

7. Certain Conditions To Underwriters' Obligations. The obligations of the Underwriters hereunder are subject to the satisfaction on or before the date of the Closing of each of the following conditions (unless waived by the Representative in writing):

(a) The representations and warranties of the District contained herein or on any certificate or other document delivered pursuant to the provisions hereof shall be true on and as of the date of the Closing as though such representations and warranties were made on and as of the date of the Closing.

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

(c) At the time of the Closing, the Order shall be in full force and effect, and the Order shall not have been amended, modified, or supplemented, and the Official Statement shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Representative.

(d) At the time of the Closing, all official action of the District related to the Order, the Bonds, this Purchase Agreement and the Escrow Agreement shall be in full force and effect and shall not have been amended, modified, or supplemented.

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

(f) No suit, action, investigation, or legal or administrative proceeding shall be seriously 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 contemplated hereby, or which, in the opinion of the Representative, would have a materially adverse effect on the transactions contemplated hereby.

(g) 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 Purchase Agreement shall be reasonably satisfactory in legal form and effect to counsel for the Underwriters.

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

(1) the approving opinion, dated the date of the Closing, of McCall, Parkhurst & Horton L.L.P., Dallas, Texas, as bond counsel ("Bond Counsel"), delivered to the Underwriters, relating to, among other things, the validity of the Bonds and the tax-exempt status of the interest on the Bonds for federal income tax purposes, in substantially the form and substance attached to the Official Statement as Appendix C;

(2) a supplemental opinion, dated the date of the Closing, of Bond Counsel addressed to the District and the Underwriters containing the information specified in Exhibit B hereto;

(3) an opinion, dated the date of the Closing, of Fulbright & Jaworski L.L.P., counsel for the Underwriters, addressed to the Underwriters containing the information specified in Exhibit C hereto;

(4) a certificate of the District, dated the date of Closing and signed on its behalf by the President or Vice President of the Board of Trustees and the Assistant Superintendent of Finance acting solely in such officers' official capacities, in form satisfactory to the Representative, to the effect that (a) the representations and warranties of the District in the Purchase Agreement, or in any certificate or document delivered by the District pursuant to the provisions of the Purchase Agreement, are true and correct on and as of the date of the Closing as though such representations and warranties were made on and as of the date of the Closing, and all agreements or conditions to be performed or complied with by the District under the Purchase Agreement on or prior to the date of the Closing have been performed or complied with; (b) except to the extent disclosed in the Official Statement, no litigation or proceeding or tax challenge against the District is pending or, to the knowledge of such persons, threatened, in any court or administrative body, nor is there a basis for litigation, which would (i) contest the right of the members or officials of the District to hold and exercise their respective positions, (ii) contest the due organization and valid existence of the District, (iii) attempt to restrain or enjoin the issuance or delivery of the Bonds, or the levy and collection of ad valorem taxes pledged to pay the principal of and interest on the Bonds, or the pledge thereof, (iv) in any way contest or affect the validity of the Bonds, the Order, the Escrow Agreement or this Purchase Agreement, or contest the powers of the District to issue the Bonds, or contest authorization of the Bonds, the Order, this Purchase Agreement or the Escrow Agreement, or (v) contest the defeasance of the Refunded Bonds, or (vi) contest in any way the accuracy, completeness or fairness of the Preliminary Official Statement, if applicable, or the Official Statement; (c) to the best of such persons' knowledge, no event affecting the District has occurred since the date of the Official Statement which should be disclosed therein for the purpose for which it is to be used or which is necessary to be disclosed therein in order to make the statements and information therein not misleading in any material respect; and (d) there has not been any materially adverse change in the financial condition of the District since August 31, 2004, the latest date as of which audited financial information is available;

(5) one copy of the Order and all other ordinances or resolutions or other proceedings of the District authorizing the issuance and sale of the Bonds and the execution and delivery of this Purchase Agreement, the Official Statement and the Escrow Agreement, in each case certified by the Secretary of the Board of Trustees as having been duly adopted and being in full force and effect and as being true, accurate and complete copies thereof;

(6) an unqualified opinion, dated on or prior to the date of the Closing, of the Attorney General of the State of Texas, relating to the legality and validity

of the Bonds, the defeasance of the Refunded Bonds and approving the Bonds as required by law;

(7) evidence satisfactory to the Representative that the Bonds have been registered by the Comptroller of Public Accounts of the State of Texas as required by law;

(8) evidence satisfactory to the Representative that the Bonds have been rated "AAA" by Standard & Poor's, a division of The McGraw Hill Companies, Inc. and "Aaa" by Moody's Investors Service, Inc., based upon the Permanent School Fund Guarantee, and that such ratings are in effect as of the date of Closing;

(9) evidence that the Bonds have been guaranteed by the Permanent School Fund of the State of Texas, together with correspondence from the Texas Education Agency (the "TEA"), or other evidence satisfactory to the Representative, of the agreement made by the TEA in accordance with Rule 15c2-12, and of the entitlement of the Underwriters and other holders and beneficial owners of the Bonds to rely on the agreement, which agreement is described under the caption "THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM" in the Official Statement;

(10) a certificate of the District, dated the date of the Closing, and signed by the Superintendent, or other authorized officer of the District, in the form approved by Bond Counsel and satisfactory to the Underwriters and their counsel, with respect to arbitrage;

(11) an executed copy of the Escrow Agreement;

(12) a copy of a special report prepared by Grant Thornton LLP, independent certified public accountants, addressed to the District, Bond Counsel and the Underwriters, verifying (i) the arithmetical computations of the adequacy of the maturing principal and interest on the governmental securities held under the Escrow Agreement and uninvested cash on hand under the Escrow Agreement to pay, when due, the principal of and interest on the Refunded Bonds, and (ii) the computation of the yield with respect to such governmental securities and the Bonds; and

(13) such additional legal opinions, certificates, proceedings, instruments, and other documents as counsel to the Underwriters or Bond Counsel may reasonably request to evidence compliance by the District with legal requirements, the truth and accuracy, as of the time of Closing, of the representations and warranties of the District contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the District and the Escrow Agent at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the District or the Escrow Agent.

(i) The District shall have returned the corporate check of the Representative delivered to the District pursuant to Section 4 hereof.

All such opinions, certificates, letters, agreements and documents will be in compliance with the provisions hereof only if they are satisfactory in form and substance to the Underwriters and their counsel and to Bond Counsel. The Underwriters shall be entitled to receive such conformed copies or photocopies of such opinions, certificates, letters, agreements and documents as the Underwriters may reasonably request.

8. Conditions to Obligations of the District. The obligations of the District hereunder to deliver the Bonds shall be subject to receipt on or before the date of the Closing of the opinion of Bond Counsel described in Section 7(h)(1) hereof.

9. Termination. The Underwriters shall have the right, in their absolute discretion, to terminate their obligation to purchase the Bonds if, (i) between the date hereof and the Closing, legislation shall be enacted 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 any member of Congress, 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 the United States Tax Court shall be rendered, or a ruling, order, regulation, 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 upon income of the general character to be derived by the District in such a manner as, in the reasonable opinion of the Underwriters, would materially adversely affect the market price of the Bonds, or the market price generally of obligations of the general character of the Bonds, or (ii) there shall exist any event, or information becomes known, which, in the reasonable judgment of the Underwriters, either (a) makes untrue or incorrect in any material respect any statement or information contained in the Official Statement or (b) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information contained therein not misleading in any material respect, or (iii) there shall have occurred (whether or not foreseeable) any outbreak of hostilities or any national or international calamity or crisis, including, without limitation, financial crisis or a default with respect to the debt obligations of, or the institution of proceedings under the federal or the state bankruptcy laws by or against the State of Texas or any political subdivision, agency or instrumentality of such State, the effect of which on the financial markets of the United States being such as, in the sole judgment of the Underwriters, would make it impracticable for the Underwriters to market the Bonds or to enforce contracts for the sale of the Bonds, or (iv) there shall have occurred (whether or not foreseeable) any (a) new material outbreak of hostilities (including, without limitation, an act of terrorism) or (b) new material 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 sole judgment of the Underwriters, for the Underwriters to deliver or enforce contracts for the sale of the Bonds on the date of Closing, or (v) there shall be in force a general suspension of trading on the New York Stock Exchange or the American Stock Exchange, or (vi) 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, or (vii) a general banking moratorium shall have been declared by federal, Texas, or New York authorities, or (viii) 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, or (ix) 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, or (x) there shall have occurred since the date of this Purchase Agreement any materially adverse change in the affairs or financial condition of the District, except for changes which the Official Statement discloses have occurred or may occur, or (xi) there shall have occurred since the date of this Purchase Agreement any downgrading or any notice shall have been given of (a) any intended or potential downgrading or (b) any review or possible change that does not indicate a possible upgrade, in the rating accorded any of the District's obligations (including the rating to be accorded the Bonds), or (xii) legislation shall be enacted or any action shall be taken by the Securities and Exchange Commission which, in the opinion of counsel for the Underwriters, has the effect of requiring the contemplated distribution of the Bonds to be registered under the Securities Act of 1933, as amended, or requiring the Bonds or the Order or any other document relating to the Bonds or transactions contemplated hereby to be qualified under the Trust Indenture Act of 1939, as amended, or (xiii) an order, decree or injunction by any court of competent jurisdiction, or a stop order, ruling, regulation or official statement by or on behalf of the Securities and Exchange Commission or any other governmental agency having jurisdiction in the matter shall be issued or made to the effect that the issuance, offering or sale of the Bonds, or of obligations of the general character of the Bonds as contemplated hereby, is in violation of any provision of the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, or the Trust Indenture Act of 1939, as amended, or (xiv) any state blue sky or securities commission or other governmental agency or body 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, and in the reasonable judgment of the Underwriters, the market for the Bonds would be materially affected thereby, or (xv) the Constitution of the State of Texas shall be amended or an amendment shall be proposed, or legislation shall be enacted, or a decision shall have been rendered as to matters of Texas law, or any order, ruling or regulation shall have been rendered as to or on behalf of the State of Texas by an official, agency or department thereof, affecting the tax status of the District, its property or income, its bonds (including the Bonds) or the interest thereon, which in the reasonable judgment of the Underwriters would materially affect the market price of the Bonds, or (xvi) the debt ceiling of the United States is such that the Escrow Securities required to fund the Escrow Agreement are not available for delivery on the date of delivery of the Bonds.

If the District 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 Purchase 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 Purchase Agreement, this Purchase Agreement shall terminate and be of no further force or effect, and neither the Underwriters nor the District shall be under further obligation hereunder, except that the respective obligations of the District and the Underwriters set forth in Sections 11, 12 and 14 hereof shall continue in full force and effect. In addition, the District shall promptly return the corporate check of the Representative delivered to the District pursuant to Section 4 hereof.

10. Particular Covenants of the District. The District covenants and agrees with the Underwriters as follows:

(a) The District shall cooperate with the Underwriters in amending or supplementing the Official Statement whenever requested by the Underwriters if, in the reasonable judgment of the Representative, such amendment or supplement is required.

(b) The District shall not revise, amend, or supplement the Official Statement unless such revision, amendment, or supplement has been previously approved by the Representative.

(c) The District shall cooperate with the Underwriters and their counsel in any endeavor (i) to (A) qualify the Bonds for offering and sale under the securities or blue sky laws and regulations of such jurisdictions of the United States as the Underwriters may request and (B) determine the eligibility of the Bonds for investment under the laws of such jurisdictions, and (ii) to maintain such qualifications in effect until the distribution of the Bonds described in the Official Statement shall have been completed; provided, however, that the District shall not be required with respect to the offer or sale of the Bonds to qualify as a foreign corporation or to file a general or special written consent to suit or to file a general or special written consent to service of process in any jurisdiction. The District consents to the use of the Order, the Preliminary Official Statement, and the Official Statement by the Underwriters in obtaining such qualifications. The District will advise the Underwriters immediately of receipt by the District of any written 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.

(d) Any certificate or other instrument or document signed by an authorized officer or agent of the District and delivered to the Underwriters pursuant to the terms and provisions hereof shall be deemed to be a representation and warranty made by the District to the Underwriters as to the statements made therein.

(e) From and after the date of this Purchase Agreement through and including the time of the Closing as herein provided, the District will not, without the prior written consent of the Representative, issue any additional bonds, notes or other obligations for borrowed money, and the District will not incur any material liabilities, direct or contingent, relating to the District.

(f) If, at any time prior to the time of the Closing as herein provided, an event occurs affecting the District, or information becomes known, which is materially adverse for the purpose for which the Official Statement is to be used and is not disclosed in the Official Statement, the District shall notify the Representative, and if, in the opinion of the District and the Representative, such event requires a supplement or amendment to the Official Statement, the District shall supplement or amend the Official Statement in a form and in a manner approved by the Representative and Bond Counsel to the District.

(g) The District shall provide such information under the District's control as necessary for the Underwriters to comply with the filing requirements of Rule G-36 of the Municipal Securities Rulemaking Board.

(h) If, after the date of this Purchase Agreement to and including the date the Underwriters are no longer required pursuant to Rule 15c2-12 to provide the Official Statement to potential customers requesting an Official Statement (such date being the earlier of (A) 90 days from the end of the underwriting period and (B) the time when the Official Statement is available to any person from a nationally recognized municipal securities repository, but in no case less than 25 days after the end of the underwriting period), any event shall occur as a result of which it is necessary to amend or supplement the Official Statement in order to make the statements therein, in the light of the circumstances when the Official Statement is delivered to a purchaser, not

misleading, or if it is necessary to amend or supplement the Official Statement to comply with law, the District shall notify the Underwriters (and for the purposes of this clause (h) provide the Underwriters with such information as they may from time to time request), and cooperate with the Underwriters in the preparation of either amendments or supplements to the Official Statement so that the statements in the Official Statement as so amended and supplemented will not, in light of the circumstances when the Official Statement is delivered to a purchaser, be misleading or so that the Official Statement will comply with law.

(i) The District 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 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.

11. Survival of Representations. All representations, warranties and agreements of the District hereunder or in any certificate delivered by the District pursuant hereto shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Underwriters, and shall survive the delivery of and payment for the Bonds and any termination of this Purchase Agreement by the Underwriters pursuant to the terms hereof.

12. Payment of Expenses. Costs related to the issuance and sale of the Bonds, including, but not limited to, costs of preparation and printing the Bonds, the Preliminary Official Statement and the Official Statement, postage, any payments to credit enhancement providers, fees and expenses of the financial advisors to the District, the fees of the Escrow Agent, the Texas Education Agency and the Texas Attorney General, the cost of obtaining credit ratings on the Bonds, and the fees and disbursements of Bond Counsel, shall be paid out of the proceeds of the Bonds or other funds of the District. The Underwriters shall pay for their costs related to the purchase of the Bonds, including, without limitation, fees and disbursements of their counsel and advertising expenses.

13. Notices. Any notice or other communication to be given to the District under this Purchase Agreement may be given by delivering the same in writing at its address set forth above, Attention: Mr. James R. Veitenheimer, Superintendent, and any notice or other communication to be given to the Underwriters under this Purchase Agreement may be given by delivering the same in writing to Morgan Keegan & Company, Inc., 5956 Sherry Lane, Suite 1900, Dallas, Texas, 75225, Attention: Mr. Tom Oppenheim.

14. Parties. This Purchase Agreement is made solely for the benefit of the District and the Underwriters (including the successors or assigns of the Underwriters) and no other person shall acquire or have any right hereunder or by virtue hereof.

15. Governing Law. This Purchase Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

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

17. Status of the Underwriters. It is understood and agreed that for all purposes of this Purchase Agreement and the transactions contemplated hereby the Underwriters have, in their role as underwriters, acted solely as independent contractors and have not acted as

financial or investment advisors, fiduciaries or agents to or for the District, whether directly or indirectly through any person. The District recognizes that the Underwriters expect to profit from the acquisition and potential distribution of the Bonds.

18. Severability. If any provision of this Purchase 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 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 Purchase Agreement invalid, inoperative or unenforceable to any extent whatever.

[Remainder of page intentionally left blank]

19. General. This Purchase Agreement may be executed in several counterparts, each of which shall be regarded as an original and all of which will constitute one and the same instrument. The section headings of this Purchase Agreement are for convenience of reference only and shall not affect its interpretation. This Purchase Agreement shall become effective upon your acceptance hereof and delivery of a signed copy of this Purchase Agreement to the Underwriters.

Very truly yours,

MORGAN KEEGAN & COMPANY, INC.,
RBC DAIN RAUSCHER INC.,
SOUTHWEST SECURITIES, INC., and
BANC OF AMERICA SECURITIES LLC
the "Underwriters"

By: MORGAN KEEGAN & COMPANY, INC.,
as the Representative of the Underwriters

By: _____
Name: Thomas K. Oppenheim
Title: Managing Director

Accepted and agreed to as of
the date first above written:

KELLER INDEPENDENT SCHOOL DISTRICT

By: _____
President, Board of Trustees

SCHEDULE I

\$ _____
 Keller Independent School District
 Unlimited Tax School Building and Refunding Bonds
 Series 2005

CURRENT INTEREST BONDS

<u>Year</u> <u>(Aug. 15)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Yield</u>
2005			
2006			
2007			
2008			
2009			
2010			
2011			
2012			

2014			
2015			
2016			
2017			
2018			
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			

2029			
2030			

PREMIUM CAPITAL APPRECIATION BONDS

<u>Maturity Date</u> <u>(Aug. 15)</u>	<u>Original</u> <u>Principal</u> <u>Amount</u>	<u>Yield to</u> <u>Maturity</u>	<u>Maturity</u> <u>Value</u>	<u>Initial Offering</u> <u>Price per \$5,000</u> <u>in Maturity Value</u>
2013	\$	%	\$	\$

Optional Redemption. The Current Interest Bonds maturing on and after August 15, 2016, are subject to optional redemption, in whole or in part, on August 15, 2015, or any date thereafter, at a redemption price of par plus accrued interest to the date of redemption.

The Premium Capital Appreciation Bonds are not subject to optional redemption prior to maturity.

Mandatory Redemption. The Bonds stated to mature on August 15, 2029 (the "Term Bonds") are subject to mandatory sinking fund redemption prior to their stated maturities and shall be redeemed in part, by lot or other customary method, at the principal amount thereof plus accrued interest to the date of redemption in the following principal amounts on August 15 in each of the years as set forth below:

**Term Bonds Stated to
Mature on August 15, 2029**

<u>Year</u>	<u>Principal Amount</u>
*	\$ \$

*Payable at Stated Maturity.

The principal amount of a Term Bond required to be redeemed pursuant to the operation of such mandatory redemption provisions shall be reduced, at the option of the District, by the principal amount of any Term Bonds of such Stated Maturity which, at least 50 days prior to the mandatory redemption date (1) shall have been acquired by the District at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof and delivered to the Paying Agent/Registrar for cancellation, or (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the District at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.]]

EXHIBIT A
to
Bond Purchase Agreement

[Copy of Cover Page of the Final Official Statement]

EXHIBIT B
to
Bond Purchase Agreement

Pursuant to Section 7(h)(2) of this Purchase Agreement, the Underwriters shall have received, to the extent such opinions are not covered by the opinion of Bond Counsel referred to in Section 7(h)(1) of this Purchase Agreement, a supplemental opinion of Bond Counsel to the following effect:

(i) Such counsel has reviewed the information contained under the captions or subcaptions “PLAN OF FINANCING” (except under the subcaption “Sources And Uses Of Proceeds”), “THE BONDS” (except under the subcaptions “Yield on Capital Appreciation Bonds”, “Permanent School Fund Guarantee”, “Book-Entry-Only System” and “Bondholders’ Remedies”), “STATE AND LOCAL FUNDING OF SCHOOL DISTRICTS IN TEXAS”, “CURRENT SCHOOL FINANCE SYSTEM” (except under the subcaption “Possible Effects on the District’s Financial Condition”), “TAX MATTERS”, “CONTINUING DISCLOSURE INFORMATION” (except under the subcaption “Compliance with Prior Undertakings”), “OTHER INFORMATION—Registration and Qualification of Bonds for Sale”, “OTHER INFORMATION—Legal Investments and Eligibility to Secure Public Funds in Texas” and “OTHER INFORMATION—Legal Matters”, and is of the opinion that the information relating to the Bonds and the legal issues 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 Order.

(ii) The Bonds are exempted securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and it is not necessary in connection with the offer and sale of the Bonds to the public to register the Bonds under the Securities Act of 1933, as amended, or to qualify the Bonds, the Order, or any other instrument or document under the Trust Indenture Act of 1939, as amended.

In addition, such supplemental opinion shall include an opinion to the effect that the Refunded Bonds have been discharged, paid and retired and are regarded as being outstanding only for the purpose of receiving payment from the funds and securities held in an escrow account with the Escrow Agent, pursuant to the Escrow Agreement and in accordance with the provisions of V.T.C.A., Government Code, Chapter 1207, as amended.

EXHIBIT C
to
Bond Purchase Agreement

Pursuant to Section 7(h)(3) of the Bond Purchase Agreement, the Underwriters shall have received an opinion of Fulbright & Jaworski L.L.P., counsel to the Underwriters, to the effect that the Bonds are exempted securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and it is not necessary in connection with the offer and sale of the Bonds to the public to register the Bonds under the Securities Act of 1933, as amended, or to qualify the Bonds, the Order, or any other instrument or document associated with the issuance of the Bonds under the Trust Indenture Act of 1939, as amended.

In addition, such counsel shall state in their letter containing the foregoing opinion that such counsel has, in their capacity as counsel to the Underwriters, participated in conferences with officers and other representatives of the District, Bond Counsel, the financial advisors to the District and representatives of the Underwriters at which the contents of the Official Statement and related matters were discussed and, although such counsel is not passing upon, and does not assume any responsibility for, the accuracy, completeness or fairness of the statements contained in the Official Statement, on the basis of the foregoing (relying as to materiality to a large extent upon the opinions of officers and other representatives of the District), no facts have come to the attention of such counsel to lead them to believe that the Official Statement, as of its date (excluding therefrom the reports, financial and statistical data and forecasts included therein, and excluding therefrom the Appendices thereto, all as to which no view need be expressed) contains any untrue statement of a material fact or omits to state a 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.