

**WEST ORANGE-COVE CONSOLIDATED INDEPENDENT SCHOOL DISTRICT
(Orange County, Texas)**

**\$3,456,773.85
UNLIMITED TAX REFUNDING BONDS
SERIES 2012**

PURCHASE AGREEMENT

March 21, 2012

President and Board of Trustees
West Orange-Cove Consolidated Independent School District
505 N. 15th Street
Orange, Texas 77631-1107

Ladies and Gentlemen:

The undersigned, Southwest Securities, Inc. (the "*Representative*"), acting on its own behalf and on behalf of the other underwriters listed on Schedule I hereto (collectively, the "*Underwriters*"), and not acting as fiduciary or agent for West Orange-Cove Consolidated Independent School District (the "*Issuer*"), offers to enter into the following agreement (this "*Agreement*") with the Issuer which, upon the Issuer's written acceptance of this offer, will be binding upon the Issuer and upon the Underwriters. This offer is made subject to the Issuer's written acceptance hereof on or before 10:00 p.m., Central Daylight Savings Time, on March 21, 2012, and, if not so accepted, will be subject to withdrawal by the Underwriters 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 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 Underwriters hereby agree to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriters, all, but not less than all, of the Issuer's \$3,456,773.85 Unlimited Tax Refunding Bonds, Series 2012 (the "*Bonds*").

Inasmuch as this purchase and sale represents a negotiated transaction, the Issuer acknowledges and agrees that: (i) the transaction contemplated by this Agreement is an arm's length, commercial transaction between the Issuer and the Underwriters in which the Underwriters are acting solely as a principal and are not acting as a municipal advisor, financial advisor or fiduciary to the Issuer; (ii) the Underwriters have not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction contemplated hereby and the

discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters have provided other services or are currently providing other services to the Issuer on other matters); (iii) the Underwriters are not acting as fiduciaries of the Issuer, but rather are acting solely in their capacity as underwriters for their own accounts, (iv) the only obligations the Underwriters have to the Issuer with respect to the transaction contemplated hereby are those expressly set forth in this Agreement; and (v) the Issuer has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate. The Representative has been duly authorized to execute this Agreement and to act hereunder.

The principal amount of the Bonds to be issued, the dated date therefor, the maturities, redemption provisions and interest rates per annum are set forth in Schedule II hereto. The Bonds shall be as described in, and shall be issued and secured under and pursuant to the provisions of, (i) the order adopted by the Board of Trustees of the Issuer (the "*Board*") on February 20, 2012, and (ii) a pricing certificate (the "*Pricing Certificate*"), dated the date of this Agreement, signed by an authorized representative of the Issuer appointed by the Board and duly authorized to approve the terms of pricing and sale for the Bonds (collectively, the "*Order*").

The purchase price for the Bonds shall be \$5,769,696.70 (representing the par amount of the Bonds, plus a net original issue premium of \$2,365,780.55 on the Bonds, and less an underwriting discount of \$52,857.70).

Delivered to the Issuer herewith as a good faith deposit is a corporate check of the Representative payable to the order of the Issuer in the amount of \$35,000. In the event the Issuer accepts this Agreement, such check shall be held uncashed by the Issuer until the time of Closing (as defined herein), at which time such check shall be returned uncashed to the Representative. In the event that the Issuer does not accept this Agreement, such check will be immediately returned to the Representative. Should the Issuer fail to deliver the Bonds at the Closing, or should the Issuer be unable to satisfy the conditions of the obligations of the Underwriters to purchase, accept delivery of and pay for the Bonds, as set forth in this Agreement (unless waived by the Representative), or should such obligations of the Underwriters be terminated for any reason permitted by this Agreement, such check shall immediately be returned to the Representative. In the event that the Underwriters fail (other than for a reason permitted hereunder) to purchase, accept delivery of and pay for the Bonds at the Closing as herein provided, such check shall be cashed and the amount thereof retained by the Issuer as and for fully liquidated damages for such failure of the Underwriters, and, except as set forth in Sections 8 and 10 hereof, no party shall have any further rights against the other hereunder. The Underwriters and the Issuer understand that in such event the Issuer's actual damages may be greater or may be less than such amount. Accordingly, the Underwriters hereby waive any right to claim that the Issuer's actual damages are less than such amount, and the Issuer's acceptance of this Agreement shall constitute a waiver of any right the Issuer may have to additional damages from the Underwriters.

A portion of the proceeds received by the Issuer from the sale of the Bonds pursuant hereto and certain other funds of the Issuer, if any, shall be deposited with The Bank of New York Mellon Trust Company, N.A., Dallas, 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 depositing cash and purchasing securities authorized by Section 1207.062, Texas

Government Code, which authorized securities include direct noncallable obligations of the United States and noncallable obligations of an agency or instrumentality of the United States rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent and guaranteed by the full faith and credit of the United States of America (the “*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 trust account established to refund the Refunded Bonds (as defined in the Order), will be sufficient to pay the principal of and interest on the Refunded Bonds when due at stated maturity or prior redemption, as applicable.

2. **Public Offering.** The Underwriters agree to make a bona fide public offering of all of the Bonds at a price not to exceed the public offering price set forth on the cover of the Official Statement and may subsequently change such offering price without any requirement of prior notice. On or before Closing, the Underwriters shall execute an issue price certificate prepared by Bond Counsel verifying the initial offering prices to the public at which the Underwriters sold or reasonably expected to sell a substantial amount of each stated maturity of the Bonds to the public. After the initial public offering, 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 price stated on the cover of the Official Statement.

3. **The Official Statement.**

(a) The Issuer previously has delivered copies of the Preliminary Official Statement dated March 14, 2012 (the “*Preliminary Official Statement*”) to the Underwriters. The Issuer will prepare 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*”), and (iii) substantially in the form of the most recent version of the Preliminary Official Statement provided to the Underwriters 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 Underwriters sufficient quantities (which may be in electronic form) of the Preliminary Official Statement as the Representative deems necessary to satisfy the obligation of the Underwriters under the Rule with respect to distribution to each potential customer, upon request, of a copy of the Preliminary Official Statement.

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

(c) The Issuer represents that the governing body of the Issuer has reviewed and approved the information in the Official Statement and hereby authorizes the Official Statement to be used by the Underwriters in connection with the public offering and sale of the Bonds. The Issuer consents to the use by the Underwriters 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 Underwriters as soon as practicable after the date of the Issuer's acceptance of this Agreement (but, in any event, not later than within seven business days after the Issuer's acceptance of this Agreement and in sufficient time to accompany any confirmation that requests payment from any customer) copies of the Official Statement which is complete as of the date of its delivery to the Underwriters in such quantity and format as the Representative shall request in order for the Underwriters to comply with Section (b)(4) of the Rule and the rules of the Municipal Securities Rulemaking Board ("*MSRB*").

(d) If, after the date of this Agreement to and including the date the Underwriters are no longer required to provide an Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) 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 a nationally recognized municipal securities information repository, 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 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 Representative (and for the purposes of this clause provide the Representative with such information as it may from time to time request), and if, in the reasonable opinion of the Representative, 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 Representative), a reasonable number of copies of either amendments or supplements to the Official Statement so that the statements in the Official Statement as so amended and supplemented will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or so that the Official Statement will comply with law; provided, however, that for all purposes of this Agreement and any certificate delivered by the Issuer in accordance herewith, the Issuer makes no representations with respect to the descriptions in the Preliminary Official Statement or the Official Statement of The Depository Trust Company, New York, New York ("*DTC*"), or its book-entry-only system. If such notification shall be subsequent to the Closing, the Issuer shall furnish such legal opinions, certificates, instruments and other documents as the Representative may reasonably deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement.

(e) The Representative hereby agrees to file the Official Statement with the MSRB. Unless otherwise notified in writing by the Representative, 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 Underwriters that:

(a) The Issuer is independent school district and political subdivision of the State of Texas (the “State”) duly created, organized and existing under the Constitution and laws of the State, and has full legal right, power and authority, and at the date of the Closing will have full legal right, power and authority, under the laws of the State, including particularly Chapter 45, Texas Education Code, as amended and Chapter 1207, Texas Government Code, as amended, (collectively, the “Act”), and the Order (i) to enter into, execute and deliver this Agreement, the Order, the Escrow Agreement and the Continuing Disclosure Undertaking, as defined in Section 6(i)(4) hereof, and all documents required hereunder and thereunder to be executed and delivered by the Issuer (this Agreement, the Order, the Escrow Agreement, the Continuing Disclosure Undertaking and the other documents referred to in this clause are hereinafter referred to as the “*Issuer Documents*”), (ii) to sell, issue and deliver the Bonds to the Underwriters as provided herein, and (iii) to carry out and consummate the transactions described 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 Act and the Issuer Documents as they pertain to such transactions;

(b) By all necessary official action of the Issuer prior to or concurrently with the acceptance hereof, the Issuer has duly authorized all necessary action to be taken by it for (i) the adoption of the 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 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 Order and this Agreement, will constitute legal, valid and binding obligations of the Issuer entitled to the benefits of the Order and enforceable in accordance with their terms, subject to 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 Order will provide, for the benefit of the holders, from time to time, of the Bonds, the legally valid and binding pledge and lien it purports to create as set forth in the Order;

(d) The Issuer is not in breach of or default in any material respect under any applicable constitutional provision, law or administrative regulation of the State or the United States 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 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 in any material respect under any of the foregoing; and the execution and delivery of the Bonds, the Issuer Documents and the adoption of the Order and compliance with the provisions on the Issuer's part contained therein, will not conflict with or constitute a material breach of or default in any material respect under any constitutional provision, 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 Order;

(e) Except for the approval of the Bonds by the Attorney General of the State of Texas and the registration thereof by the Comptroller of Public Accounts of the State, all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Issuer of its obligations under the Issuer Documents and the Bonds have been duly obtained, 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 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 caption "THE BONDS – Sources and Uses of Funds"; and the Continuing Disclosure Undertaking conforms to the description thereof contained in the Official Statement under the caption "CONTINUING DISCLOSURE OF INFORMATION";

(g) Except as disclosed in the Official Statement under the caption "CONTINUING DISCLOSURE OF INFORMATION – Compliance with Prior Undertakings", during the last five years the Issuer has complied in all material respects with its previous continuing disclosure undertakings made by it in accordance with the Rule;

(h) Except as disclosed in the Official Statement, there is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the 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 levy and collection of taxes pledged to the payment of principal of and interest on the Bonds pursuant to the Order or in any way contesting or affecting the validity or enforceability of the Bonds, 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 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; provided, however, that for all purposes of this Agreement including, without limitation, for purposes of subparagraphs (i), (j) and (k), and any certificate delivered by the Issuer in accordance herewith, the Issuer makes no representations with respect to the descriptions in the Preliminary Official Statement or the Official Statement of DTC, or its book-entry-only system;

(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 twenty-fifth (25th) day subsequent to the "end of the underwriting period," the Official Statement does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(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 twenty-fifth (25th) day subsequent to the "end of the underwriting period," the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state 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 Order and not to 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 execute such instruments and take such action in cooperation with the Underwriters as the Representative may reasonably request (1) to (i) 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 Representative may designate and (ii) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and (2) 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 consents to service of process under the laws of any jurisdiction) and will advise the Representative 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 and results of the Issuer as of the dates and for the periods therein set forth and prior to the Closing, and there has been no adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, since the date of such statements and information;

(o) Except as disclosed in the Official Statement, 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, except as may be incurred in the ordinary course of business, without the prior approval of the Representative, which approval shall not be unreasonably withheld;

(q) The Issuer, to the extent heretofore requested by the Representative, 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 true, correct, complete, and legible copies of all correspondence or other communications relating, directly or indirectly, thereto;

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

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

By delivering the Official Statement to the Underwriters, the Issuer shall be deemed to have reaffirmed, with respect to such 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. Central Daylight Savings Time, on April 25, 2012, or at such other time and date as shall have been mutually agreed upon by the Issuer and the Representative (the "*Closing*"), the Issuer will, subject to the terms and conditions hereof, deliver the Bonds to the Underwriters, duly executed and authenticated, together with the other documents hereinafter mentioned, and the Underwriters 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 The Bank of New York Mellon Trust Company, N.A., Dallas, 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 Representative.

(b) Delivery of the Bonds in definitive form, utilizing the book entry, shall be made through DTC, or at the office of the Paying Agent/Registrar acting on behalf of DTC. The Bonds shall be delivered in definitive fully registered form, bearing CUSIP numbers without coupons, with one Bond for each maturity of the Bonds, registered in the name of Cede & Co., all as provided in the Order, and shall be made available at the offices of the DTC (or if Bonds are to be held in safekeeping for the DTC by the Paying Agent/Registrar pursuant to DTC's FAST System, at the office of the Paying Agent/Registrar) to the Representative at least one (1) business day before the date of the Closing for the purposes of inspection.

6. Closing Conditions. The Underwriters have 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 Underwriters' obligations under this Agreement to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Issuer of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions, including the delivery by the Issuer of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Representative unless waived by the Representative on behalf of the Underwriters:

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

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

(c) At the time of the Closing, (i) the Issuer Documents and the Bonds shall be in full force and effect in the form heretofore approved by the Underwriters 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 Representative; and (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 Order and (iii) all actions of the Issuer required to be taken by the Issuer shall be performed in order for Bond Counsel to deliver its opinion 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, except as may have been agreed to by the Underwriters;

(e) At or prior to the Closing, the 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 Representative, is material and adverse and that makes it, in the judgment of the Representative, impracticable to market the Bonds on the terms and in the manner described in the Official Statement;

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

(h) All steps to be taken and all instruments and other documents to be executed, and all other legal matters in connection with the transactions described in this Agreement shall be reasonably satisfactory in legal form and effect to the Representative;

(i) At or prior to the Closing, the Underwriters 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 Representative;

(2) The Order, having been duly adopted by the Issuer and certified as being in full force and effect, with such supplements or amendments as may have been agreed to by the Representative;

(3) An executed copy of the Escrow Agreement, having been duly adopted by the Issuer, with such supplements or amendments as may have been agreed to by the Representative;

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

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

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

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

(B) the Bonds are exempted securities under section 3(a)(2) of 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 and the Bonds under the 1933 Act or to qualify the Order under the Trust Indenture Act; and

(C) Bond Counsel has reviewed the statements and information contained in the Official Statement under the captions and sub-captions “THE BONDS,” (except for the information under the sub-captions “Yield on Bonds,” “Book-Entry-Only System,” “Bondholders’ Remedies,” and “Sources and Uses of Funds,” as to which no opinion is expressed), and “CONTINUING DISCLOSURE OF INFORMATION” (except for the information under the sub-caption “Compliance With Prior Undertakings,” as to which no opinion is expressed), and Bond Counsel is of the opinion that the statements and information contained therein fairly and accurately reflect the provisions of the Order; further, Bond Counsel has reviewed the statements and information contained in the Official Statement under the captions and sub-captions “STATE AND LOCAL FUNDING OF SCHOOL DISTRICTS IN TEXAS,” “CURRENT PUBLIC SCHOOL FINANCE SYSTEM” “AD VALOREM TAX PROCEDURES – Tax Rate Limitations” “TAX MATTERS,” “TAX TREATMENT OF ORIGINAL ISSUE DISCOUNT AND PREMIUM BONDS,” “QUALIFIED TAX-EXEMPT OBLIGATIONS,” “OTHER INFORMATION – Registration and Qualification of Bonds for Sale,” “- The Bonds as Legal Investments in Texas,” and “- Legal Matters,” and Bond Counsel is of the opinion that the statements and information contained therein are correct as to matters of law;

(7) An opinion, dated the date of the Closing and addressed to the Underwriters, of counsel for the Underwriters, to the effect that:

(A) the Bonds are exempted securities that do not require registration 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

any securities under the 1933 Act and the Order need not be qualified under the Trust Indenture Act; and

(B) based upon their participation in the preparation of the Official Statement as counsel for the Underwriters 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, the information regarding DTC and its book-entry system, as to which no view need be expressed);

(8) A certificate, dated the date of Closing, of an appropriate official of the Issuer to the effect that (i) all official action of the Issuer relating to the Bonds, the Issuer Documents and the Official Statement have been duly adopted by the Issuer, are in full force and effect, and have not been amended, modified, supplemented or repealed; (ii) 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; (iii) no litigation or proceeding against it is pending or, to 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 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, the Issuer Documents or (d) attempt to limit, enjoin or otherwise prevent the Issuer from functioning and collecting taxes or revenues, including payments on the Bonds, pursuant to the Order, and other income or the levy or collection of the taxes pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof; (iv) to the best of his or her knowledge, no event affecting the Issuer has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein, in light of the circumstances under which made, not misleading in any 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 June 30, 2011, the latest date as of which audited financial information is available;

(9) A certificate of the Issuer in form and substance satisfactory to Bond Counsel and counsel to the Underwriters (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;

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

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

(12) Evidence satisfactory to the Representative that the Bonds have been rated (i) “A1” by Moody’s Investors Service (“Moody’s”), without regard to credit enhancement, and that such ratings are in effect as of the date of Closing;

(13) A copy of a special report prepared by Grant Thornton LLP, Certified Public Accountants, (the “*Verification Agent*”), relating to the Refunded Bonds, addressed to the Issuer, Bond Counsel and the Underwriters, verifying (i) the arithmetical computations of the adequacy of the maturing principal and interest on the escrowed securities 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 securities and the Bonds;

(14) Evidence satisfactory to the Representative that the moneys and escrowed securities identified in the special report of the Verification Agent sufficient to effectuate the refunding of the Refunded Bonds have been received and that such moneys and escrowed securities have been deposited in an escrow fund under the Escrow Agreement; and

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

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

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

7. **Termination**. The Underwriters shall have the right to cancel their obligation to purchase the Bonds if, between the date of this Agreement and the Closing, the market price or marketability of the Bonds shall be materially adversely affected, in the sole judgment of the Representative, by the occurrence of any of the following:

(a) Legislation shall be enacted by or introduced in the Congress 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, of 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, or any other similar action or event shall have occurred which, in the reasonable judgment of the Representative, materially adversely affect the market for the Bonds or the market price generally of obligations of the general character of the Bonds;

(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, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the 1933 Act, or that the Order is not exempt from qualification under or other requirements of the Trust Indenture Act, or that the issuance, offering, or sale of obligations of the general character of the Bonds, including any or all underlying arrangements, as contemplated

hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect;

(c) Any state blue sky or securities commission or other governmental agency or body in any state 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;

(d) A general suspension of trading in securities on the New York Stock Exchange, the establishment of minimum prices on such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, a general banking moratorium declared by federal, State of New York, or State officials authorized to do so or a material disruption in securities settlement, payment or clearance services in the United States shall have occurred;

(e) 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 of, the Underwriters;

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

(g) Any event occurring, or information becoming known which, in the reasonable judgment of the Representative, makes untrue in any material respect any material 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;

(h) 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;

(i) There shall have occurred any 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 or any agency of the State;

(j) 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 including, but not limited to, an escalation of hostilities that existed prior to the date hereof, or (c) material financial

crisis or adverse change in the financial or economic conditions affecting the United States government or the securities markets in the United States;

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

(l) There shall have occurred or any published notice shall have been given of any intended review for possible downgrade, downgrading, suspension, withdrawal or negative change in credit watch status by any national rating service that as of the date of this Agreement has published a rating on the Issuer's debt obligations that are secured in a like manner as the Bonds (including any rating to be accorded the Bonds);

(m) The purchase of and payment for the Bonds by the Underwriters, or the resale of the Bonds by the Underwriters, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission; and

(n) If any portion of escrow fund established in the Escrow Agreement is funded with direct obligations of the United States of America, the debt ceiling of the United States is such that the securities required to fund any portion of such deposit are not available for delivery on the date of the delivery of the Bonds.

With respect to the condition described in subparagraph (m) above, the Underwriters are 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 Underwriters to invoke its termination rights thereunder.

8. Expenses.

(a) The Underwriters shall be under no obligation to pay, and the Issuer shall pay all 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, Preliminary Official Statement, Official Statement and any amendment or supplement thereto, (ii) the fees and disbursements of Bond Counsel and other counsel retained by the Issuer, if any; (iii) the fees and disbursements of the Financial Advisor to the Issuer, if any; (iv) the fees and disbursements of the Paying Agent/Registrar, the Escrow Agent and the Verification Agent; (v) the fees and disbursements of engineers, accountants, and other experts, consultants or advisers retained by the Issuer, if any; and (vi) all fees and expenses in connection with obtaining bond ratings and credit enhancement fees or premiums. The Issuer shall also pay for any expenses (included in the expense component of the Underwriters' discount) mutually agreed by the Issuer and the Representative to be reasonably considered expenses of the Issuer and are incurred by the Underwriters which are incidental to implementing this Agreement and the issuance of the Bonds.

(b) The Issuer acknowledges that the Representative will pay from the underwriters' expense allocation of the underwriting discount the applicable per bond

assessment charged by the Municipal Advisory Council of Texas, a non-profit corporation whose purpose is to collect, maintain and distribute information relating to issuing entities of municipal securities.

(c) Except as provided for above, the Underwriters 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 them in connection with the public offering of the Bonds, including the fees and disbursements of counsel retained by the Underwriters. Certain payments may be in the form of inclusion of such expenses in the expense component of the Underwriters' discount.

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 West Orange-Cove Consolidated Independent School District, 505 N. 15th Street, Orange, Texas 77631-110, Attention: Director of Finance; and, any notice or other communication to be given to the Underwriters under this Agreement may be given by delivering the same in writing to Southwest Securities, Inc., 1201 Elm Street #3500, Dallas, Texas 75270, Attention: Julie Villareal.

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

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

12. **Choice of Law.** This Agreement shall be governed by and construed in accordance with the law 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 provisions of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

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

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

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

17. **No Personal Liability.** Neither the Board, nor any officer, agent, or employee of the Issuer, shall be charged personally by the Underwriters with any liability, or be held liable to the Underwriters under any term or provision of this Agreement, or because of execution or attempted execution, or because of any breach or attempted or alleged breach, of this Agreement.

18. **Entire Agreement.** This Agreement represents the entire agreement between the Issuer and the Underwriters with respect to the preparation of the Preliminary Official Statement and the Official Statement, the conduct of the offering, and the purchase and sale of the Bonds.

[signature page follows]

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

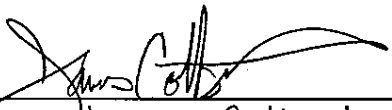
Respectfully submitted,

SOUTHWEST SECURITIES, INC., as Representative of
the Underwriters

By: _____
Name: _____
Title: _____
Date: _____

APPROVED AND ACCEPTED as of the date hereof:

WEST ORANGE-COVE CONSOLIDATED INDEPENDENT SCHOOL DISTRICT

By: 
Name: James Colbert
Title: Superintendent

March 21, 2012
Date and Time of Acceptance

Schedule I - List of Underwriters

Schedule II - Schedule of Terms

Schedule I

List of Underwriters

Southwest Securities, Inc.
1201 Elm Street #3500
Dallas, Texas 75270

SAMCO Capital Markets
8700 Crownhill Boulevard
San Antonio, Texas 78209

Morgan Keegan and Co., Inc.
5847 San Felipe, Suite 4125
Houston, Texas 77057

First Southwest Company
325 North St. Paul Street, Suite 800
Dallas, Texas 75201

SCHEDULE II

\$3,456,773.85

**West Orange-Cove Consolidated Independent School District
Unlimited Tax Refunding Bonds, Series 2012**

Interest Accretes From: Date of Delivery

\$3,456,773.85 Premium Capital Appreciation Bonds

<u>Maturity^(a)</u>	<u>Principal Amount</u>	<u>Initial Yield to Maturity^(b)</u>	<u>Maturity Amount</u>	<u>Initial Offering Price per \$5,000 in Maturity Value</u>
2/15/2014	\$420,816.50	0.910%	\$505,000	\$4,166.50
2/15/2015	380,391.25	1.160	505,000	3,766.25
2/15/2016	343,844.40	1.480	505,000	3,404.40
2/15/2017	310,817.40	1.720	505,000	3,077.40
2/15/2018	152,996.25	2.150	275,000	2,781.75
2/15/2019	319,341.50	2.460	635,000	2,514.50
2/15/2020	288,664.65	2.780	635,000	2,272.95
2/15/2021	265,043.40	3.060	645,000	2,054.60
2/15/2022	235,864.40	3.230	635,000	1,857.20
2/15/2023	213,207.60	3.460	635,000	1,678.80
2/15/2024	192,728.85	3.540	635,000	1,517.55
2/15/2025	175,584.00	3.620	640,000	1,371.75
2/15/2026	157,473.65	3.710	635,000	1,239.95

(a) The Issuer reserves the right, at its option, to redeem Bonds having stated maturities on and after February 15, 2023, in whole or in part, in principal amounts of maturing principal plus the initial premium, if any, and accreted interest payable upon maturity of \$5,000 or any integral multiple thereof, on February 15, 2022, or any date thereafter, at the par value thereof plus premium, if any, plus accreted interest to the date of redemption.

(b) The initial reoffering prices or yields of the Bonds are furnished by the Underwriters and represent the initial offering prices or yields to the public, which may be changed by the Underwriters at any time.