

**RESOLUTION OF THE BOARD OF TRUSTEES OF THE
WEST ORANGE-COVE CONSOLIDATED
INDEPENDENT SCHOOL DISTRICT ESTABLISHING
A LINE OF CREDIT WITH ORANGE SAVINGS BANK**

On the date and beginning at the time set forth below in the Certification by the Secretary of the Board of Trustees of the West Orange-Cove Consolidated Independent School District at a called Board meeting on September 26, 2011 in the Board of Trustees Meeting Room in the Central Administration Building of the West Orange-Cove Consolidated Independent School District (the "School District") in Orange County, Texas, upon a Motion duly made, seconded and carried, the Board of Trustees of the West Orange-Cove Consolidated Independent School District adopted the following Resolution:

WHEREAS, the Board of Trustees of the West Orange-Cove Consolidated Independent School District has determined that the District may experience cash flow problems during the 2011-2012 school year; and

WHEREAS, District staff has entered into negotiations and has reached a tentative agreement, subject to Board of Trustees approval and Bank acceptance, with Orange Savings Bank, located in the City of Orange, Orange County, Texas; and

WHEREAS, the Board of Trustees desires to enter into such an agreement with Orange Savings Bank, as authorized by Texas Education Code Section 45.108;

NOW THEREFORE, BE IT RESOLVED BY THE Board of Trustees of the West Orange-Cove Consolidated Independent School District as follows:

1. Upon the effective date of this Resolution, the West Orange-Cove Consolidated Independent School District hereby agrees to establish a revolving line of credit (the "Line") with the Orange Savings Bank (the "Bank") whereby the Bank will advance funds to the District to resolve cash flow problems.
2. The amount advanced at any time under the Line will not exceed \$5,000,000.
3. Each advance under the Line will be repaid no later than One Hundred Eighty (180) Days after the day of origination of loan, but in no event later than February 29, 2012, with taxable interest on the outstanding principal amount at a daily interest rate of 3.25% per annum paid monthly.
4. At the end of the loan period, Borrower (School District) agrees to pay a 0.10% non-use fee on any portion of the loan which has not been funded during the loan period.
5. The Superintendent or his designated agent (Melinda James) is directed to prepare or execute such documents as may be necessary to comply with the above paragraphs or any other requirements for this Agreement.
6. The amounts advanced under the Line are not designated as "Qualified Tax-Exempt

Obligations” for the purposes of Section 265 of the Internal Revenue Code of 1986, as amended.

7. This resolution shall be effective upon receipt by the Superintendent on behalf of the Board of Trustees of the West Orange-Cove Consolidated Independent School District of written acceptance of its terms by an authorized official of the Bank, and thereafter shall constitute the terms of the Line of Credit Agreement.

Ricky Jacobs
President
Board of Trustees of the West Orange-Cove
Consolidated Independent School District

ATTEST:

Harry Barclay
Vice President

CERTIFICATION BY SECRETARY

I certify that I am the duly elected Secretary of the West Orange-Cove Consolidated Independent School District Board of Trustees, and that the above is a true and correct copy of a Resolution duly adopted at a meeting of the Board of Trustees thereof, convened and held on the ____ day of September, 2011, beginning at 6:00 p.m., and that such Resolution is now in full force and effect.

IN WITNESS THEREOF, I have affixed my name as Secretary of the Board of Trustees of the West Orange-Cove Consolidated Independent School District.

CERTIFIED on this the ____ day of September, 2011.

Eric Mitchell
Secretary
Board of Trustees of the West Orange-Cove
Consolidated Independent School District