

**NOTICE OF SALE AND BIDDING INSTRUCTIONS**

\$9,224,998.90\*  
WEST ORANGE-COVE CONSOLIDATED INDEPENDENT SCHOOL DISTRICT  
(Orange County, Texas)  
UNLIMITED TAX REFUNDING BONDS, SERIES 2016

**(The Bonds will be designated as Qualified Tax-Exempt Obligations for Financial Institutions)**

**Sealed Bids Due Thursday, October 6, 2016 (the "Sale Date"), at 10:00 a.m. (CDT)**

**THE SALE**

**BONDS OFFERED FOR SALE AT COMPETITIVE BIDDING:** The West Orange-Cove Consolidated Independent School District (the "District") is offering for sale at competitive bid its \$9,224,998.90\* Unlimited Tax Refunding Bonds, Series 2016 (the "Bonds"). **The Bonds are being issued in part as current interest bonds (the "CIBs") and in part as premium capital appreciation bonds (the "CABs" and collectively with the CIBs, referred to herein as the "Bonds"). The Bonds, including the CABs, are being sold on an all or none basis. The Bonds will be awarded to the bid producing the lowest true interest cost on the CIBs only, subject to the successful negotiation of the yields on the CABs and the interest rate and yield on any additional CIB maturity that may be added to the issue, as described under "CONDITIONS OF THE SALE - Reservation of Right to Add New CIB Maturity and Negotiate the Interest Rate Thereon". The yields on the CABs and any additional CIB maturities will be negotiated with the high bidder (lowest true interest cost) of the CIBs by the District through its Financial Advisor, USCA (as defined below). See "CONDITIONS OF THE SALE" herein. An application has been filed with the Texas Education Agency and conditional approval has been received for the Bonds to be guaranteed by the Permanent School Fund. See "THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM" in the hereinafter described Official Statement. Bids may be submitted in person, by telephone, by facsimile and electronically as described herein.**

**ADDRESS OF BIDS:** Sealed bids, plainly marked "Bid for Bonds," should be addressed to "President and Board of Trustees, West Orange-Cove Consolidated Independent School District," and delivered to the Superintendent, Rickie Harris, 902 W. Park Avenue, Orange, TX 77630 prior to 10:00 a.m. (CDT) on the Sale Date. All bids must be submitted on the Official Bid Form, without alteration or interlineation.

**BIDS BY TELEPHONE:** Bidders who intend to bid by telephone must submit, prior to October 6, 2016, signed Official Bid Forms to the District's Financial Advisor, Mr. Lewis A. Wilks, USCA Municipal Advisors, LLC, 4444 Westheimer, Suite G500, Houston, Texas 77056, and submit their bid by telephone on the Sale Date. **Telephone bids will be accepted at (713) 366-0590, between 9:30 a.m. (CDT) and 10:00 a.m. (CDT) on the Sale Date.** USCA Municipal Advisors, LLC ("USCA"), Financial Advisor to the District, will not be responsible for submitting any bids received after the deadline.

**BIDS BY FACSIMILE:** Bidders who intend to bid by facsimile submission must submit, prior to October 6, 2016, signed Official Bid Forms to the District's Financial Advisor, Mr. Lewis A. Wilks, USCA Municipal Advisors, LLC, 4444 Westheimer, Suite G500, Houston, Texas 77056, and submit their bid by facsimile on Sale Date. **Facsimile bids will be accepted at (713) 588-8882 between 9:30 a.m. (CDT) and 10:00 a.m. (CDT) on the Sale Date.** USCA will not be responsible for submitting any bids received after the deadline.

Neither the District nor USCA is responsible for the failure of their or the sender's facsimile machine, any failed delivery of a facsimile, any incomplete or ambiguous transmittals, or the disclosure of the bid to any persons prior to bid opening. If any portion of a facsimile bid is illegible, the District and USCA may, at their option, either call any provided reference number for clarification or reject the bid. **Bidders who fax bids do so at their own risk. All such bids shall be binding on the bidder.**

**ELECTRONIC BIDDING PROCEDURE:** Any prospective bidder that intends to submit an electronic bid must submit its electronic bid via PARITY® ("PARITY"). Bidders **MUST SUBMIT PRIOR TO OCTOBER 6, 2016 SIGNED** Official Bid Forms to the District's Financial Advisor, Mr. Lewis A. Wilks, USCA Municipal Advisors, LLC, 4444 Westheimer, Suite G500, Houston, Texas 77056. **Electronic bids will be accepted via the electronic media described below by 10:00 a.m. (CDT) on the Sale Date. Any bid received after the scheduled time for receipt will not be accepted.**

The official time for the receipt of electronic bids shall be the time maintained by PARITY. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale and Bidding Instructions, Official Bid Form and the Official Statement. To the extent that any instructions or directions set forth in PARITY conflict with this Notice of Sale and Bidding Instructions, the terms of this Notice of Sale and Bidding Instructions shall control. For further information about the PARITY bidding system, potential bidders may contact PARITY Customer Support, 1359 Broadway, 2<sup>nd</sup> Floor, New York, New York 10018, telephone (212) 849-5023.

An electronic bid made through PARITY shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in this Notice of Sale and Bidding Instructions, and shall be binding upon the bidder as if made by a signed and sealed bid delivered to the District. The District shall not be responsible for any malfunction or mistake made by, or as a result of the use of PARITY, the use of such facilities being at the sole risk of the prospective bidder.

**For purposes of both the written sealed bid process and the electronic bid process, the time as maintained by PARITY shall constitute the official time for the receipt of bids.** For information purposes only, bidders are requested to state in their electronic bids the true interest cost to the District, as described under "CONDITIONS OF THE SALE-BASIS FOR AWARD" below. All electronic bids shall be deemed to incorporate the provisions of this Notice of Sale and Bidding Instructions, the Official Bid Form, and the Official Statement.

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\* Preliminary subject to change. See "THE BONDS-ADJUSTMENT OF PRINCIPAL AMOUNT AND MATURITY SCHEDULE FOR THE BONDS" herein.

**AWARD OF THE BONDS:** The Board of Trustees (the "Board") of the District adopted an order authorizing the issuance of the Bonds. In the order, the Board delegated pricing of the Bonds and certain other matters to a pricing officer who will approve a pricing certificate containing final pricing information for the Bonds (the order and the pricing certificate are jointly referred to herein as the "Order"). **The District reserves the right to reject any and all bids and to waive any irregularities except time of submission.**

**ADDITIONAL CONDITION OF AWARD — DISCLOSURE OF INTERESTED PARTY FORM**

**NEW OBLIGATION OF THE DISTRICT TO RECEIVE INFORMATION FROM WINNING BIDDER.** Pursuant to Texas Government Code, Section 2252.908 (the "Interested Party Disclosure Act"), the District may not award the Bonds to a bidder unless the bidder submits a Certificate of Interested Parties Form 1295 (the "Disclosure Form") to the District as prescribed by the Texas Ethics Commission ("TEC") at the time the bidder submits its Official Bid Form. In the event that the bidder's bid for the Bonds is the best bid received, the District, acting through its financial advisor, will promptly notify the bidder. That notification will serve as the conditional verbal acceptance of the bid and the winning bidder must promptly file the materials described below.

**PROCESS FOR COMPLETING THE DISCLOSURE FORM.** The Disclosure Form can be found at [https://www.ethics.state.tx.us/whatsnew/elf\\_info\\_form1295.htm](https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm), and reference should be made to the following information in order to complete it: (a) item 2 "Name of District" ("West Orange-Cove Consolidated Independent School District"), (b) item 3 "the identification number" ("WOCCISD 2016 Bonds"), and (c) item 3 "description of the goods or services assigned to this contract by the District" ("WOCCISD Series 2016 Bonds").

**The District cannot accept your bid unless and until you:**

- (i) complete the Disclosure Form electronically at the TEC's "electronic portal", and
- (ii) print, sign and deliver a NOTARIZED copy of the Disclosure Form and Certification of Filing that is generated by the TEC's "electronic portal."

**These materials must be delivered electronically to the District's Bond Counsel at [tomsage@andrewskurth.com](mailto:tomsage@andrewskurth.com) and Financial Advisor [lwilks@uscallc.com](mailto:lwilks@uscallc.com) no later than 3:00 p.m. (CDT) on the Sale Date.**

Time will be of the essence in submitting the form to the District, and no bid will be accepted by the District unless a completed Disclosure Form is received on time. If multiple entities are listed on the winning Official Bid Form, each such entity will be required to submit a Disclosure Form to the District.

Neither the District nor its consultants have the ability to verify the information included in a Disclosure Form, and neither have an obligation nor undertake responsibility for advising any bidder with respect to the proper completion of the Disclosure Form. Consequently, an entity intending to bid on the Bonds should consult its own advisors to the extent it deems necessary and be prepared to submit the completed form promptly upon notification from the District that its bid is the conditional winning bid.

**THE BONDS**

**DESCRIPTION:** The Bonds will be dated November 1, 2016 (the "Dated Date"). Interest on the CIBs will accrue from the date they are delivered to the Initial Purchaser (hereinafter defined), and will be due on February 15, 2017, and each February 15 and August 15 thereafter until maturity or earlier redemption. Interest on the CABs will accrete from the date they are initially delivered to the Initial Purchaser, compounded semi-annually on February 15 and August 15, commencing February 15, 2017, and will be payable only upon maturity. The Bonds will be issued only in fully registered form in any integral multiple of \$5,000 in principal amount (CIBs) or Maturity Amount (CABs) for any one maturity. **The Bonds are being sold on an all or none basis.**

The CABs will mature on February 15 as follows:

		<b>Estimated</b>
	<b>Principal</b>	<b>Maturity</b>
<b>Maturity</b>	<b>Amount*</b>	<b>Amount*</b>
2/15/2019	\$ 189,998.90	\$ 455,000

\* Preliminary, subject to change.

The CIBs will mature on February 15, in the years and amounts as shown below.

	<b>Principal</b>		<b>Principal</b>
<b>Maturity</b>	<b>Amount*</b>	<b>Maturity</b>	<b>Amount*</b>
2/15/2017	\$ 135,000	2/15/2028	\$ 410,000
2/15/2018	150,000	2/15/2029	405,000
****	****	2/15/2030	395,000
2/15/2020	445,000	2/15/2031	440,000
2/15/2021	440,000	2/15/2032	430,000
2/15/2022	440,000	2/15/2033	420,000
2/15/2023	435,000	2/15/2034	465,000
2/15/2024	430,000	2/15/2035	455,000
2/15/2025	430,000	2/15/2036	545,000
2/15/2026	420,000	2/15/2037	530,000
2/15/2027	415,000	2/15/2038	800,000

**ADJUSTMENT OF PRINCIPAL AMOUNT AND MATURITY SCHEDULE FOR THE BONDS:** After final computation of the bids, the District reserves the right in its sole discretion either to decrease or increase the principal amount of any maturity of the CIBs. The aggregate principal amount of the CIBs may be adjusted by no more than 10% of the proposed par amount. Such adjustment(s), if any, shall be made within 4 hours of the award of the Bonds. The price at which such adjusted principal amount of CIBs will be sold will be the same price per \$1,000 of CIBs as the price per \$1,000 for the original par amount of CIBs bid. In order to calculate the yield on the CIBs for federal tax law purposes and as a condition precedent to the award of the CIBs, bidders must disclose to the District in connection with their respective bids the price (or yield) at which each maturity of the CIBs will be reoffered and sold or expected to be sold to the public.

In the event of any adjustment of the maturity schedule for the CIBs as described herein, no rebidding or recalculation of the proposals submitted will be required or permitted. Any such adjustment of the aggregate principal amount of the CIBs and/or the maturity schedule for the CIBs made by the District or its Financial Advisor shall be subsequent to the award of the CIBs to the winning bidder as determined pursuant to "CONDITIONS OF THE SALE" BASIS FOR AWARD herein and shall not affect such determination. The successful bidder may not withdraw its bid as a result of any changes made within the aforementioned limits. If such adjustment is made, it is possible that the actual cash premium generated in the transaction may result in a cash premium amount less than or greater than the amounts shown in the bid for the Bonds.

**There is no guarantee that adjustments and/or revisions will not be necessary in order to properly size the CIBs. Accordingly, the District reserves the right in its sole discretion to make adjustments as previously described above, even if the issue size of the CIBs does not change from the original par amount of CIBs. In the event of any such adjustment and or revision, no rebidding will be permitted, and the purchase price as may have been bid on the CIBs shall be adjusted accordingly. The maturity schedule for the CABs is preliminary and may be adjusted based on the final maturity amounts for the CIBs.**

In addition to the adjustments described above, after receipt of the bids for the CIBs, the District, acting through its Financial Advisor, reserves the right to convert the 2019 CAB maturity to a CIB maturity, in whole or in part. In the event that an additional CIB maturity is added to the issue, the District will negotiate the interest rate and yield with the winning bidder determined under this Notice of Sale and Bidding Instructions. In the event that the District and such submitting entity are unable to agree on the interest rate for such new CIB maturity, the District reserves the right to reject the bid of such entity and enter into negotiations with the entity submitting the next lowest true interest cost on the CIBs, and such negotiations may include the yields on the CABs as well as the interest rate for the new CIB maturity.

**PURPOSE:** Proceeds from the sale of the Bonds will be used to (i) refund a portion of the District's outstanding bonds (see "APPENDIX A - Table 11" SUMMARY OF BONDS REFUNDED in the Preliminary Official Statement), and (ii) pay the costs of issuing the Bonds. The refunding is being undertaken to lower the District's debt service and will result in a present value savings to the District.

**BOOK-ENTRY-ONLY SYSTEM:** The District intends to utilize the book-entry-only system of The Depository Trust Company, New York, New York ("DTC"). See "THE BONDS-Book-Entry-Only System" in the Official Statement.

**OPTIONAL REDEMPTION:** The District reserves the right, at its option, to redeem the CIBs having stated maturities on and after February 15, 2027, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2026, or any date thereafter, at a price equal to the principal amount thereof, plus accrued interest from the most recent interest payment date to the date of redemption. The CABs are not subject to redemption prior to maturity. See "THE BONDS" Optional Redemption in the Official Statement.

\* Preliminary, subject to change.

**SERIAL BONDS OR SERIAL BONDS AND TERM BONDS:** Bidders may provide that all the CIBs be issued as serial bonds (Serial Bonds) maturing in accordance with the maturity schedule (the Maturity Schedule) shown on the Official Bid Form attached hereto (Alternative 1) or as a combination of Serial Bonds and term bonds (Term Bonds) (Alternative 2), but a bid with Term Bonds is permitted only as described in Alternative 2 below.

*Alternative 1 - Serial Bonds:*

Serial Bonds maturing on February 15, 2017 through February 15, 2038

*Alternative 2 - Serial Bonds and Term Bonds:*

One or more Term Bonds consisting of the February 15, 2017 through February 15, 2038 maturities with such Term Bond consisting of two or more consecutive annual principal amounts accumulated from the Maturity Schedule. Bidders may reestablish Serial Bonds following a Term Bond.

**MANDATORY SINKING FUND:** If the successful bidder elects to alter the Maturity Schedule and convert the principal amounts of the CIBs maturing in the years 2017 through 2038 into one or more Term Bonds, each such Term Bond shall be subject to mandatory redemption on February 15 following the last maturity for Serial Bonds, and annually thereafter on each February 15 until the stated maturity for the Term Bonds at the redemption prices of par plus accrued interest to the date of redemption. The principal amounts of the Term Bonds to be redeemed on each mandatory redemption date shall be the principal amounts that would have been due and payable in the Maturity Schedule had no conversion to Term Bonds occurred. At least forty-five (45) days prior to each mandatory date, the Paying Agent/Registrar shall select, by lot, or other customary random selective method, the Term Bonds to be redeemed and cause a notice of redemption to be given in the manner and by the time provided in the Order.

**PAYING AGENT/REGISTRAR:** The initial Paying Agent/Registrar shall be The Bank of New York Mellon Trust Company, N.A., Dallas, Texas. See THE BONDS-Paying Agent/Registrar in the Official Statement.

**SOURCE OF PAYMENT:** The Bonds are direct obligations of the District payable from the proceeds of an annual ad valorem tax levied, without legal limit as to rate or amount, on all taxable property located within the District as provided in the Order. See THE BONDS-Security and Source of Payment and STATE AND LOCAL FUNDING OF SCHOOL DISTRICTS IN TEXAS in the Official Statement. Additionally, the payment of the Bonds is guaranteed by the Permanent School Fund of the State of Texas. See THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM in the Official Statement.

**QUALIFIED TAX-EXEMPT OBLIGATIONS:** The District has designated the Bonds as qualified tax-exempt obligations. Accordingly, it is anticipated that financial institutions that purchase the Bonds will not be subject to the limitation of interest expense allocable to interest on the Bonds under section 265(b) of the Internal Revenue Code of 1986 (the Code); however, 20% of the interest expense incurred by a financial institution which is allocable to the interest on the Bonds will not be deductible pursuant to Section 291 of the Code. See TAX MATTERS-Qualified Tax-Exempt Obligations for Financial Institutions in the Official Statement.

Further details regarding the Bonds are set forth in the Official Statement.

## CONDITIONS OF THE SALE

**TYPE OF BIDS AND INTEREST RATES:** The Bonds will be sold in one block on an all or none basis. **No bid producing a cash premium on the CIBs of less than \$ \_\_\_\_\_ will be considered; provided, however, that any bid is subject to adjustment as described under the caption "THE BONDS-ADJUSTMENT OF PRINCIPAL AMOUNT AND MATURITY SCHEDULE FOR THE BONDS."** Bidders are invited to name the rate(s) of interest to be borne by the Bonds, provided that each rate bid must be in a multiple of 1/8 of 1% or 1/20 of 1% and the highest interest rate specified for any maturity may not exceed the lowest rate bid by more than 2% in rate. No limitation is imposed upon bidders as to the number of rates or changes that may be used. All Bonds of one maturity must bear one and the same rate. No bids involving supplemental interest rates will be considered. Each bidder shall state the true interest cost rate of its bid, which shall be considered informative only and not as a part of the bid.

**NO BID REQUESTED FOR THE CABS:** No bid for the CABS is being requested. The Bonds, including the CABS, are being sold on an all or none basis and the Initial Purchaser agrees to purchase the CABS at yields to be mutually agreed upon by the District and the Initial Purchaser. The approximate maturity value is shown on the Official Bid Form. **If no agreement can be reached between the District and the Initial Purchaser on the yields for the CABS, the District may reject the Initial Purchaser's bid and accept the next lowest true interest cost bid and negotiate with that bidder the yields on the CABS.**

**RESERVATION OF RIGHT TO ADD NEW CIB MATURITY AND NEGOTIATE THE INTEREST RATE THEREON:** After receipt of the bids for the CIBs, the District, acting through its Financial Advisor, reserves the right to convert the 2019 CAB maturity to a CIB maturity, in whole or in part. In the event that an additional CIB maturity is added to the issue, the District will negotiate the interest rate and yield with the entity submitting the bid producing the lowest true interest cost on the basis of the maturities set forth in this Notice of Sale and Bidding Instructions. In the event that the District and such submitting entity are unable to agree on the interest rate for such new CIB maturity, the District reserves the right to reject the bid of such entity and enter into negotiations with the entity submitting the next lowest true interest cost on the CIBs, and such negotiations may include the yields on the CABS as well as the interest rate for the new CIB maturity.

**BASIS FOR AWARD:** The sale of the Bonds will be awarded to the bidder making a bid that conforms to the specifications herein and which produces the lowest true interest cost rate on the CIBs only to the District. The true interest cost rate is that annual rate which, when used to compute the total present value as of the Dated Date of the CIBs of all debt service payments on the CIBs on the basis of using a 360-day year composed of 12 consecutive 30-day months, produces an amount equal to the sum of the par value of the CIBs plus any premium bid (but not interest accrued from the Dated Date of the CIBs to the date of their delivery). **The CABs will be excluded from the true interest rate calculation.** In the event of the bidder's error in interest cost calculations, the interest rates and premium, if any, set forth in the Official Bid Form will be considered as the intended bid.

**GOOD FAITH DEPOSIT:** A Good Faith Deposit, payable to the West Orange-Cove Consolidated Independent School District in the amount of \$184,500 is required. Such Good Faith Deposit shall be a bank cashier's check or certified check, which is to be retained uncashed by the District pending compliance by the winning bidder (upon execution of the Official Bid Form and the pricing certificate, herein referred to as the Initial Purchaser) with the terms of the Official Bid Form and this Notice of Sale and Bidding Instructions. The Good Faith Deposit may accompany the Official Bid Form or it may be submitted separately. If submitted separately it shall be made available to the District prior to the opening of the bids and shall be accompanied by instructions from the bank on which drawn which authorize its use as a Good Faith Deposit by the Initial Purchaser who shall be named in such instructions. **The Good Faith Deposit of the Initial Purchaser will be returned to the Initial Purchaser upon payment for the Bonds.** No interest will be allowed on the Good Faith Deposit. In the event the Initial Purchaser should fail or refuse to take up and pay for the Bonds in accordance with the bid, then said check shall be cashed and accepted by the District as full and complete liquidated damages and neither party shall have further claims against the other relative to the Bonds. The checks accompanying bids other than the winning bid will be returned immediately after the bids are opened and an award of the Bonds has been made.

**The District reserves the right to reject any and all bids and to waive any irregularities except time of submission.**

### **DELIVERY OF THE BONDS AND ACCOMPANYING DOCUMENTS**

**CUSIP NUMBERS:** It is anticipated that CUSIP identification numbers will appear on the Bonds, but neither the failure to print or type such number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Initial Purchaser to accept delivery of and pay for the Bonds in accordance with the terms of this Notice of Sale and Bidding Instructions and the terms of the Official Bid Form. All expenses in relation to the printing or typing of CUSIP numbers on the Bonds shall be paid by the District; provided, however, that the CUSIP Service Bureau charge for assignment of the numbers shall be the responsibility of and shall be paid for by the Initial Purchaser.

**DELIVERY OF BONDS:** Delivery will be accomplished by the issuance of two initial Bonds, either in typed or printed form, with one initial bond for the aggregate principal amount of the CIBs, and one initial bond for the aggregate Maturity Amount of the CABs, signed by the President and Secretary of the Board, approved by the Texas Attorney General, and registered and manually signed by the Comptroller of Public Accounts. Upon delivery of each initial Bond, each initial Bond shall be immediately cancelled and one definitive Bond for each maturity will be registered and delivered only to Cede and Co., and deposited with DTC in connection with DTC's book-entry-only system. Delivery will be at the office of the Paying Agent/Registrar in Dallas, Texas. Payment for the Bonds must be made in immediately available funds for unconditional credit to the District, or as otherwise directed by the District. The Initial Purchaser will be given six business days' notice of the time fixed for delivery of the Bonds. It is anticipated that delivery of the Bonds can be made on or about November 8, 2016 and it is understood and agreed that the Initial Purchaser will accept delivery and make payment for the Bonds by 10:00 a.m. (CST) on November 8, 2016 or thereafter on the date the Bonds are tendered for delivery, up to and including December 8, 2016. If for any reason the District is unable to make delivery on or before December 8, 2016, the District shall immediately contact the Initial Purchaser and offer to allow the Initial Purchaser to extend its offer for an additional thirty days. If the Initial Purchaser does not elect to extend its offer within six days thereafter, then its Good Faith Deposit will be returned, and both the District and the Initial Purchaser shall be relieved of any further obligation. In no event shall the District be liable for any damages by reason of its failure to deliver the Bonds.

**CONDITIONS TO DELIVERY:** The obligation of the Initial Purchaser to take up and pay for the Bonds is subject to the Initial Purchaser's receipt of (a) the legal opinion of Andrews Kurth LLP, Houston, Texas (Bond Counsel), (b) the no-litigation certificate, and (c) the certificate as to the Official Statement, all as further described in the Official Statement.

In order to provide the District with information required to enable it to comply with certain conditions of the Internal Revenue Code of 1986, as amended, relating to the exemption of interest on the Bonds from the gross income of their owners, the Initial Purchaser will be required to complete, execute, and deliver to the District a certification as to their issue price substantially in the form and to the effect attached hereto or accompanying this Notice of Sale and Bidding Instructions. In the event the successful bidder will not reoffer the Bonds for sale, such certificate may be modified in a manner approved by Bond Counsel. **In no event will the District fail to deliver the Bonds as a result of the Initial Purchaser's inability to sell a substantial amount of the Bonds at a particular price prior to delivery.** Each bidder, by submitting its bid, agrees to complete, execute, and deliver such a certificate by the date of delivery of the Bonds, if its bid is accepted by the District. It will be the responsibility of the Initial Purchaser to institute such syndicate reporting requirements to make such investigation, or otherwise to ascertain the facts necessary to enable it to make such certification with reasonable certainty. Any questions concerning such certification should be directed to Bond Counsel.

In the opinion of Bond Counsel, interest on the Bonds will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under TAX MATTERS in the Official Statement, and will not be includable in the alternative minimum taxable income of individuals. See TAX MATTERS in the Official Statement for a discussion of the opinion of Bond Counsel, including the alternative minimum tax on corporations.

**LEGAL OPINIONS:** The Bonds are offered when, as and if issued, subject to the approval of the Attorney General of the State of Texas. Delivery of and payment for the Bonds is subject to the receipt by the Initial Purchaser of the opinion of Bond Counsel, in substantially the form as attached to the Official Statement as Appendix C.

**CERTIFICATION OF OFFICIAL STATEMENT:** At the time of payment for and initial delivery of the Bonds, the District will execute and deliver to the Initial Purchaser a certificate in the form set forth in the Official Statement.

**CHANGE IN TAX-EXEMPT STATUS:** At any time before the Bonds are tendered for delivery, the Initial Purchaser may withdraw its bid if the interest received by private holders on bonds of the same type and character as the Bonds shall be declared to be taxable income under present federal income tax laws, either by ruling of the Internal Revenue Service or by a decision of any federal court, or shall be declared taxable or be required to be taken into account in computing any federal income taxes, by the terms of any federal income tax law enacted subsequent to the date of this Notice of Sale and Bidding Instructions.

## GENERAL

**FINANCIAL ADVISOR:** USCA Municipal Advisors, LLC (USCA or the Financial Advisor), a subsidiary of U.S. Capital Advisors, LLC, is employed as financial advisor to the District in connection with the issuance of the Bonds. The Financial Advisor's fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. USCA, in its capacity as Financial Advisor, has relied on the opinion of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

**BLUE SKY LAWS:** By submission of its bid, the Initial Purchaser represents that the sale of the Bonds in states other than Texas will be made only pursuant to exemptions from registration or, where necessary, the Initial Purchaser will register the Bonds in accordance with the securities law of the states in which the Bonds are offered or sold. The District agrees to reasonably cooperate with the Initial Purchaser, at the Initial Purchaser's written request and expense, in registering the Bonds or obtaining an exemption from registration in any state where such action is necessary, provided, however, that the District shall not be obligated to register as a foreign corporation or execute a general or special consent to service of process in any such jurisdiction.

**NOT AN OFFER TO SELL:** This Notice of Sale and Bidding Instructions does not alone constitute an offer to sell the Bonds, but is merely notice of sale of the Bonds. The offer to sell the Bonds is being made by means of this Notice of Sale and Bidding Instructions, the Official Bid Form and the Official Statement. Prospective purchasers are urged to carefully examine the Official Statement to determine the investment quality of the Bonds.

**ISSUANCE OF ADDITIONAL DEBT:** The District has \$198,148 of authorized but unissued bonds.

**RATING:** An application for a rating on this issue has been made to Moody's Investors Service (Moody's). The result of their determination will be provided as soon as possible. Moody's is expected to assign a municipal bond rating of 'Aaa' based on the Texas Permanent School Fund Guarantee. See OTHER INFORMATION Rating and THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM in the Official Statement.

**THE OFFICIAL STATEMENT AND COMPLIANCE WITH SEC RULE 15c2-12:** The District has prepared the accompanying Preliminary Official Statement and, for the limited purpose of complying with SEC Rule 15c2-12 (the Rule), will deem such Preliminary Official Statement to be final as of its date within the meaning of the Rule for the purpose of review prior to bidding. To the best knowledge and belief of the District, the 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. Representations made and to be made by the District concerning the absence of material misstatements and omissions in the Official Statement are addressed elsewhere in this Notice of Sale and Bidding Instructions and in the Official Statement.

The District will furnish to the Initial Purchaser, acting through a designated senior representative, if applicable, in accordance with instructions received from the Initial Purchaser, within seven (7) business days from the sale date an aggregate of 75 copies of the Official Statement, including a like number of copies of any supplement(s) reflecting interest rates and other terms relating to the initial reoffering of the Bonds. Any Official Statement in excess of the number specified shall be prepared and distributed at the cost of the Initial Purchaser. The Purchaser shall be responsible for providing in writing the initial reoffering prices and other terms, if any, to the Financial Advisor by the close of the next business day after the award. Except as noted above, the District assumes no responsibility or obligation for the distribution or delivery of any copies of the Official Statement in connection with the offering or reoffering of the Bonds.

**CONTINUING DISCLOSURE AGREEMENT:** The District will agree in the Order to provide certain periodic information and notices of material events in accordance with the Rule, as described in the Official Statement under CONTINUING DISCLOSURE OF INFORMATION. The obligation of the Initial Purchaser to accept and pay for the Bonds is conditioned upon delivery to the Initial Purchaser or its agent of a certified copy of the Order containing the agreement described under such heading.

**COMPLIANCE WITH PRIOR UNDERTAKINGS:** Other than stated in the Preliminary Official Statement, during the past five years, the District has complied in all material respects with its previous continuing disclosure agreements in accordance with the Rule.

**ADDITIONAL COPIES OF NOTICE, BID FORM AND STATEMENT:** A limited number of additional copies of this Notice of Sale and Bidding Instructions, the Official Bid Form and the Official Statement, are available over and above the normal mailing, and may be obtained at the offices of the Financial Advisor, USCA Municipal Advisors, LLC, 4444 Westheimer, Suite G500, Houston, Texas 77056.

In the Order, the Board has confirmed its approval of the form and content of the Official Statement, and any addenda, supplement or amendment thereto, and authorize its use in the reoffering of the Bonds by the Initial Purchaser.

/s/  
\_\_\_\_\_  
Pricing Officer  
West Orange-Cove Consolidated Independent School District

September 29, 2016

**OFFICIAL BID FORM**

President and Board of Trustees  
West Orange-Cove Consolidated Independent School District

Members of the Board of Trustees:

Reference is made to your Preliminary Official Statement and Notice of Sale and Bidding Instructions dated September 29, 2016 of the \$9,224,998.90\* WEST ORANGE-COVE CONSOLIDATED INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX REFUNDING BONDS, SERIES 2016, both of which constitute a part hereof.

The Bonds are being issued in part as current interest bonds (the "CIBs") and in part as premium capital appreciation bonds (the "CABs") (collectively referred to as the "Bonds"). **The Bonds are being sold on an all or none basis and the winning bidder agrees to purchase the CABs or any new CIB maturity at the yields to be negotiated with the District after review of the bids for the CIBs and any CIB maturity not shown below. If no agreement can be reached on the yields for the CABs or any new CIB maturity between the bidder and the District, the District may reject the bidder's bid and accept the next lowest true interest costs bid for the CIBs. The maturity values of the CABs are preliminary and may be adjusted on the Sale Date.**

	<b>Principal</b>	<b>Estimated</b>
<b>Maturity</b>	<b>Amount*</b>	<b>Maturity</b>
		<b>Amount*</b>
2/15/2019	\$ 189,998.90	\$ 455,000

(Interest to accrete from the Date of Delivery)

(The CABs are not subject to optional redemption)

For your legally issued Bonds, as described in said Notice of Sale and Bidding Instructions and Preliminary Official Statement, we will pay you par plus a cash premium of \$ \_\_\_\_\_ (minimum of \$ \_\_\_\_\_); **provided, however, that any bid is subject to adjustment as described in the Notice of Sale and Bidding Instructions under the caption "THE BONDS-ADJUSTMENT OF PRINCIPAL AMOUNT AND MATURITY SCHEDULE FOR THE BONDS"** for CIBs maturing and bearing interest as follows:

<b>Maturity</b>	<b>Principal</b>	<b>Amount</b>	<b>Interest</b>		<b>Principal</b>	<b>Amount</b>	<b>Interest</b>
	<b>Amount*</b>	<b>Awarded</b>	<b>Rate</b>	<b>Maturity</b>	<b>Amount*</b>	<b>Awarded</b>	<b>Rate</b>
2/15/2017	\$ 135,000	\$ _____	_____ %	2/15/2028	\$ 410,000	\$ _____	_____ %
2/15/2018	150,000	\$ _____	_____ %	2/15/2029	405,000	\$ _____	_____ %
***	***	\$ _____	_____ %	2/15/2030	395,000	\$ _____	_____ %
2/15/2020	445,000	\$ _____	_____ %	2/15/2031	440,000	\$ _____	_____ %
2/15/2021	440,000	\$ _____	_____ %	2/15/2032	430,000	\$ _____	_____ %
2/15/2022	440,000	\$ _____	_____ %	2/15/2033	420,000	\$ _____	_____ %
2/15/2023	435,000	\$ _____	_____ %	2/15/2034	465,000	\$ _____	_____ %
2/15/2024	430,000	\$ _____	_____ %	2/15/2035	455,000	\$ _____	_____ %
2/15/2025	430,000	\$ _____	_____ %	2/15/2036	545,000	\$ _____	_____ %
2/15/2026	420,000	\$ _____	_____ %	2/15/2037	530,000	\$ _____	_____ %
2/15/2027	415,000	\$ _____	_____ %	2/15/2038	800,000	\$ _____	_____ %

(Interest to accrue from the Delivery Date)

**If an adjustment is made as described in the Notice of Sale and Bidding Instructions, it is possible that the actual cash premium generated in the transaction may result in a cash premium amount less than or greater than the amounts shown in the bid for the Bonds. Cash premium paid, after adjustment is \$ \_\_\_\_\_ (including premium paid on the CABs).**

\* Preliminary, subject to change.



As indicated below, the bidder may bid term bonds consisting of any 2 or more consecutive annual maturities from the CIBs maturing February 15, 2017 through February 15, 2038 with such term consisting of the two consecutive annual principal amounts accumulated from the maturity schedule shown above. The principal amount shown in the maturity table above shall be the mandatory sinking fund redemption amounts in such years except that the amount shown in the year of the term bond maturity date shall mature in such year. The term bond created is as follows:

<u>Maturity</u>	<u>Year of Mandatory Redemption</u>	<u>Principal Amount</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

The initial Bond shall be registered in the name of \_\_\_\_\_ (syndicate manager or sole managing underwriter). We will advise The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, the Paying Agent/Registrar, on forms to be provided by the Paying Agent/Registrar, of our registration instructions at least five (5) business days prior to the date set for delivery.

In accordance with the terms of the Notice of Sale and Bidding Instructions, and the Good Faith Deposit, a bank cashier's or bank certified check in the amount of \$184,500 drawn on \_\_\_\_\_ is herewith enclosed or has been made available to you prior to opening of the bid with authorizing instructions from such bank. Such Good Faith Deposit is payable to the order of West Orange-Cove Consolidated Independent School District. If the Bonds are awarded to us, the Good Faith Deposit will remain uncashed and will be returned to us promptly following the delivery of the Bonds by the District.

We agree to accept delivery of the Bonds utilizing the book-entry-only system through DTC and make payment for the initial Bond in immediately available funds in the Corporate Trust Division, The Bank of New York Mellon Trust Company, N.A., Dallas, Texas not later than 10:00 a.m. (CST) on November 8, 2016, or thereafter on the date the Bonds are tendered for delivery, pursuant to the terms set forth in the Notice of Sale and Bidding Instructions. It will be the obligation of the Initial Purchaser of the Bonds to complete the DTC Eligibility Questionnaire.

The undersigned agrees to complete, execute and deliver to the District, within 5 business days of the award of sale of the Bonds, a certificate relating to the issue price of the Bonds in the form accompanying the Notice of Sale and Bidding Instructions, with such changes thereto as may be acceptable to the District.

If the bid is accepted by the District, this bid shall thereupon become a contract of purchase for the Bonds under the terms contained in this Official Bid Form and in the Notice of Sale and Bidding Instructions. We hereby acknowledge that we have received and read the Notice of Sale and Bidding Instructions and Preliminary Official Statement referred to above.

(Note: Not part of bid)

True Interest Cost Rate \_\_\_\_\_%

Respectfully submitted,

\_\_\_\_\_

By: \_\_\_\_\_  
Authorized Representative

**ACCEPTANCE CLAUSE**

The above and foregoing bid is hereby in all things accepted by the West Orange-Cove Consolidated Independent School District, subject to and in accordance with the Notice of Sale and Bidding Instructions, this the \_\_\_\_ day of October, 2016.

\_\_\_\_\_  
Pricing Officer  
West Orange-Cove Consolidated Independent School District

Direct inquiries to the attention of:

Mr. Lewis A. Wilks  
USCA Municipal Advisors, LLC  
4444 Westheimer, Suite G500  
Houston, Texas 77056  
(713) 366-0592

**CERTIFICATE REGARDING ISSUE PRICE**

The undersigned hereby certifies with respect to the sale of West Orange-Cove Consolidated Independent School District Unlimited Tax Refunding Bonds, Series 2016, dated November 1, 2016 (the "Bonds"), as follows:

1. The undersigned is a duly authorized representative of the underwriter or of the manager of the syndicate of underwriters that purchased the Bonds from the West Orange-Cove Consolidated Independent School District (the "District") pursuant to a competitively bid sale (such underwriter or syndicate of underwriters is referred to herein as the "Purchaser"). In this capacity, the undersigned is familiar with the facts stated herein.

2. The term "Initial Offering Price" means the respective initial offering price (exclusive of accrued interest) for the Bonds of each maturity (stated in term of dollars or as a percent of par) as set forth in the following table.

	<b>Principal</b>	<b>Amount</b>	<b>Reoffering</b>		<b>Principal</b>	<b>Amount</b>	<b>Reoffering</b>
<b>Maturity</b>	<b>Amount</b>	<b>Awarded</b>	<b>Yield</b>	<b>Maturity</b>	<b>Amount</b>	<b>Awarded</b>	<b>Yield</b>
2/15/2017	\$ 135,000	\$ _____	_____ %	2/15/2028	\$ 410,000	\$ _____	_____ %
2/15/2018	150,000	\$ _____	_____ %	2/15/2029	405,000	\$ _____	_____ %
2/15/2019	189,998.90	\$ _____	_____ %	2/15/2030	395,000	\$ _____	_____ %
2/15/2020	445,000	\$ _____	_____ %	2/15/2031	440,000	\$ _____	_____ %
2/15/2021	440,000	\$ _____	_____ %	2/15/2032	430,000	\$ _____	_____ %
2/15/2022	440,000	\$ _____	_____ %	2/15/2033	420,000	\$ _____	_____ %
2/15/2023	435,000	\$ _____	_____ %	2/15/2034	465,000	\$ _____	_____ %
2/15/2024	430,000	\$ _____	_____ %	2/15/2035	455,000	\$ _____	_____ %
2/15/2025	430,000	\$ _____	_____ %	2/15/2036	545,000	\$ _____	_____ %
2/15/2026	420,000	\$ _____	_____ %	2/15/2037	530,000	\$ _____	_____ %
2/15/2027	415,000	\$ _____	_____ %	2/15/2038	800,000	\$ _____	_____ %

3. The term "Public" shall not include bond houses, brokers, and similar persons or organizations acting in the capacity of wholesalers or underwriters. The term "Sale Date" means the first day on which there was a binding contract in writing for the sale of the Bonds by the District to the Purchaser on specific terms that were not later modified or adjusted in any material respect. In the case of the Bonds, the Sale Date is October 6, 2016. The term "Issue Date" means the first day on which there is a physical delivery of the written evidence of the Bonds in exchange for the purchase price (but not earlier than the day interest on the Bonds begins to accrue for federal income tax purposes). In the case of the Bonds, the Issue Date is November 8, 2016.

4. Based on the actual facts and reasonable expectations in existence on the Sale Date, the Initial Offering Price for each Bond (a) represented the price (payable in cash, with no other consideration being included, and exclusive of accrued interest), at which the Initial Purchaser reasonably expected each such Bond would be sold to the Public, and (b) did not exceed what the Purchaser believed to be the respective fair market value of each such Bond.

5. The Purchaser has made a bona fide public offering to the Public of all the Bonds of each maturity at the respective Initial Offering Price set forth above in paragraph 2 above. The Initial Offering Prices were determined on the Sale Date based on the Purchaser's reasonable expectations regarding the Initial Offering Prices, and at least 10 percent (10%) of each maturity of the Bonds was sold to the Public at the respective Initial Offering Price, except for the Bonds maturing in the years \_\_\_\_, \_\_\_\_, \_\_\_\_, \_\_\_\_, and \_\_\_\_ (the "Retained Maturities"). The Purchaser reasonably expected, as of the Sale Date, to sell at least 10% of each maturity of the Retained Maturities to the Public at the respective Initial Offering Price.

6. The aggregate of the respective Initial Offering Prices (the "Issue Price") of all of the Bonds, exclusive of accrued interest and without adjustment for any costs of issuance, is \$ \_\_\_\_\_. The pre-issuance accrued interest on the Bonds as of the Issue Date is \$ \_\_\_\_\_.

We understand that the District will rely on the above in complying with the conditions imposed by Internal Revenue Code of 1986, as amended, and the Treasury Regulations in effect there under, for interest on the Bonds to be and remain excludable from gross income for federal income tax purposes, and that Andrew Kurth LLP, Bond Counsel to the District, will rely on the above representations in rendering its opinion with respect to the excludability of the interest on the Bonds from the gross income of the owners thereof; provided, however, that nothing herein represents our interpretation of any laws, and in particular, regulations under section 148 of the Internal Revenue Code.

EXECUTED and DELIVERED as of and on the \_\_\_ day of \_\_\_\_\_, 2016.

**[PURCHASER]**

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_