

**NOTICE OF SALE
AND
BIDDING INSTRUCTIONS**

ON

**\$35,000,000
CHANNELVIEW INDEPENDENT SCHOOL DISTRICT
(Harris County, Texas)
UNLIMITED TAX SCHOOL BUILDING BONDS, SERIES 2011**

Sealed Bids Due August 16, 2011, at 1:00 p.m., CDT

THE SALE

BONDS OFFERED FOR SALE AT COMPETITIVE BIDDING: The Channelview Independent School District (the "District"), is offering for sale its \$35,000,000 Unlimited Tax School Building Bonds, Series 2011 (the "Bonds"). **An application has been filed with the Texas Education Agency and preliminary approval has been received for the Bonds to be guaranteed by the Permanent School Fund. (See "THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM" in the Official Statement.)**

ADDRESS OF BIDS: Sealed bids, plainly marked "Bid for Bonds," should be addressed to "President and Board of Trustees, Channelview Independent School District," and delivered to the Superintendent, Greg Ollis, 1403 Sheldon Road, Channelview, Texas 77530 prior to 1:00 p.m., CDT, on the date of the bid opening. All bids must be submitted on the Official Bid Form, without alteration or interlineation.

BIDS BY TELEPHONE: Bidders must submit, prior to August 16, 2011, signed Official Bid Forms to Lewis A. Wilks, Coastal Securities, Inc., 5555 San Felipe, Suite 2200, Houston, Texas, 77056, and submit their bid by telephone on the date of the sale. **Telephone bids will be accepted at 713-435-4336, between 12:30 p.m. CDT and 1:00 p.m. CDT on the date of the sale.** Coastal Securities, Inc. will not be responsible for submitting any bids received after the deadline.

BIDS BY FACSIMILE: Bidders must submit, prior to August 16, 2011, signed Official Bid Forms to Lewis A. Wilks, Coastal Securities, Inc., 5555 San Felipe, Suite 2200, Houston, Texas, 77056, and submit their bid by facsimile on the date of the sale. **Facsimile bids will be accepted at 713-435-4448 between 12:30 p.m. CDT and 1:00 p.m. CDT on the date of the sale.** Coastal Securities, Inc. will not be responsible for submitting any bids received after the deadline.

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 AUGUST 16, 2011 SIGNED** Official Bid Forms to Lewis A. Wilks, Coastal Securities, Inc., 5555 San Felipe Suite 2200, Houston, Texas 77056. **Electronic bids will be accepted via the electronic media described below by 1:00 p.m. CDT on the date of the sale. 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 the 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 PARITY, potential bidders may contact PARITY at (212) 806-8304.

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.

PLACE AND TIME OF BID OPENING: The bids for the Bonds will be publicly opened and read in the Board Meeting Room of the District at 7:00 p.m., CDT, August 16, 2011.

AWARD OF THE BONDS: The Board of Trustees (the "Board") will take action to award the Bonds (or reject all bids) at a regular meeting to commence at 7:00 p.m., CDT, on the date of the bid opening. Upon awarding the Bonds to the winning bidder (the "Purchaser") the Board will adopt an order authorizing the Bonds and approving the Official Statement (the "Order"). **The District reserves the right to reject any and all bids and to waive any irregularities except time of submission.**

THE BONDS

DESCRIPTION: The Bonds will be dated September 1, 2011 (the "Dated Date"). Interest will accrue from the Dated Date and will be due on February 15, 2012, and each August 15 and February 15 thereafter until maturity or earlier redemption. The Bonds will be issued only in fully registered form in any integral multiple of \$5,000 for any one maturity. The Bonds will mature on August 15 as shown in the Preliminary Official Statement.

BOOK-ENTRY-ONLY SYSTEM: The District intends to utilize the Book-Entry-Only System of The Depository Trust Company ("DTC"). (See "THE BONDS - Book-Entry-Only System" in the Official Statement.)

OPTIONAL REDEMPTION: The Bonds maturing on and after August 15, 2021, are subject to optional redemption in whole or in part on August 15, 2020, 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.

SERIAL BONDS OR SERIAL BONDS AND TERM BONDS: Bidders may provide that all the Bonds be issued as Serial Bonds maturing in accord with the Maturity Schedule shown on the Official Bid Form (Alternative 1) or as a combination of Serial Bonds and 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 August 15, 2014 through August 15, 2036.

Alternative 2 - Serial Bonds and Term Bonds:

One or more term bonds consisting of the August 15, 2021 through August 15, 2036 maturities with each term consisting of two or more consecutive annual principal amounts accumulated from the Maturity Schedule shown on the Official Bid Form. 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 Bonds maturing in the years 2021 through 2036 into one or more "Term Bonds", such "Term Bonds" shall be subject to mandatory redemption on August 15, 2021, or the first August 15 following the last maturity for Serial Bonds, and annually thereafter on each August 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 shown on the Official Bid Form had no conversion to Term Bonds occurred. At least thirty (30) 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 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 and voted obligations of the District payable from the proceeds of a continuing, direct annual ad valorem tax levied, without 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.)

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, and at a price of not less than their par value, plus accrued interest from the Dated Date of the Bonds to the date of delivery of the Bonds. **No bid producing a cash premium of less than \$150,000 or greater than \$155,000 will be considered.** 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 3% 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.

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 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 Bonds of all debt service payments on the Bonds on the

basis of semi-annual compounding, 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 Bonds plus any premium bid (but not interest accrued from the Dated Date of the Bonds to the date of their delivery). 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.

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

GOOD FAITH DEPOSIT: A Good Faith Deposit, payable to the "Channelview Independent School District," in the amount of \$350,000, 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 the Purchaser's compliance with the terms of the bid and the 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 Purchaser who shall be named in such instructions. **The Good Faith Deposit of the Purchaser will be returned to the Purchaser upon payment for the Bonds.** No interest will be allowed on the Good Faith Deposit. In the event the 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. 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.

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 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 Purchaser.

DELIVERY OF BONDS: Delivery will be accomplished by the issuance of one initial Bond, either in typed or printed form, in the total aggregate principal amount of \$35,000,000, signed by the President and Secretary of the Board of Trustees, approved by the Texas Attorney General, and registered and manually signed by the Comptroller of Public Accounts. Upon delivery of the initial Bond, such 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 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 September 14, 2011 and it is understood and agreed that the Purchaser will accept delivery and make payment for the Bonds by 10:00 a.m., CDT on September 14, 2011 or thereafter on the date the Bonds are tendered for delivery, up to and including October 15, 2011. If for any reason the District is unable to make delivery on or before October 15, 2011, the District shall immediately contact the Purchaser and offer to allow the Purchaser to extend its offer for an additional thirty days. If the 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 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, provided such failure is due to circumstances reasonably beyond the District's control.

CONDITIONS TO DELIVERY: The obligation of the Purchaser to take up and pay for the Bonds is subject to the Purchaser's receipt of (a) the legal opinion of Andrews Kurth LLP, Houston, Texas, bond counsel for the District ("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 relating to the exemption of interest on the Bonds from the gross income of their owners, the 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 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 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 EXEMPTION" in the Official Statement, and will not be includable in the alternative minimum taxable income of individuals. See "TAX EXEMPTION" 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 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 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 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: Coastal Securities, Inc., 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. Coastal Securities, Inc., 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 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 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 cooperate with the Purchaser, at the 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 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 the 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: Following the issuance of the Bonds, the District will have \$17,025,000 of authorized and unissued unlimited tax bonds remaining.

RATING: An application for a rating on this issue has been made to Standard & Poor’s (“S&P”). The result of their determination will be provided as soon as possible. It is anticipated that S&P will assign a municipal bond rating of “AAA” based on the Texas Permanent School Fund Guarantee (See “OTHER INFORMATION – Ratings” 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 Purchaser, acting through a designated senior representative, in accordance with instructions received from the 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 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 Securities and Exchange Commission Rule 15c2-12 (“Rule 15c 2-12, as described in the Official Statement under “CONTINUING DISCLOSURE OF INFORMATION.” The obligation of the Purchaser to accept and pay for the Bonds is conditioned upon delivery to the Purchaser or its agent of a certified copy of the Order containing the agreement described under such heading.

COMPLIANCE WITH PRIOR UNDERTAKINGS: During the last five years, the District has complied in all material respects with all continuing disclosure agreements made by it in accordance with Rule 15c 2-12.

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 Coastal Securities, Inc., 5555 San Felipe, Suite 2200, Houston, Texas, 77056, Financial Advisor to the District.

On the date of the sale, the Board of Trustees will, in the Order authorizing the issuance of the Bonds, confirm 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 Purchaser.

/s/ _____
President, Board of Trustees
Channelview Independent School District

August 8, 2011

OFFICIAL BID FORM

President and Board of Trustees
Channelview 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 August 8, 2011 of the \$35,000,000 CHANNELVIEW INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX SCHOOL BUILDING BONDS, SERIES 2011, both of which constitute a part hereof.

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 \$150,000 and maximum of \$155,000) for Bonds maturing and bearing interest as follows:

<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
8/15/2014	\$ 350,000	_____ %	8/15/2026	\$ 1,540,000	_____ %
8/15/2015	925,000	_____ %	8/15/2027	1,615,000	_____ %
8/15/2016	970,000	_____ %	8/15/2028	1,690,000	_____ %
8/15/2017	1,015,000	_____ %	8/15/2029	1,770,000	_____ %
8/15/2018	1,065,000	_____ %	8/15/2030	1,855,000	_____ %
8/15/2019	1,115,000	_____ %	8/15/2031	1,945,000	_____ %
8/15/2020	1,170,000	_____ %	8/15/2032	2,035,000	_____ %
8/15/2021	1,225,000	_____ %	8/15/2033	2,140,000	_____ %
8/15/2022	1,280,000	_____ %	8/15/2034	2,245,000	_____ %
8/15/2023	1,340,000	_____ %	8/15/2035	2,360,000	_____ %
8/15/2024	1,405,000	_____ %	8/15/2036	2,475,000	_____ %
8/15/2025	1,470,000	_____ %			

(Interest to Accrue from the Dated Date)

As indicated below, the Bidder may bid term bonds consisting of the August 15, 2021 through August 15, 2036 maturities with such term consisting of the two consecutive annual principal amounts accumulated from the maturity schedule shown above. The principal amount shown in the 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 bonds created are as follows:

<u>Maturity August 15</u>	<u>Year of Mandatory Redemption</u>	<u>Principal Amount</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

The Initial Bond shall be registered in the name of _____ (syndicate manager). 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 for \$350,000 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 "Channelview Independent School District". If the Bonds are awarded to us, the Good Faith Deposit will remain uncashed and will be returned to us at the time of 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 AM, CDT, on September 14, 2011, 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 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)

Respectfully submitted,

True Interest Cost Rate _____%

By: _____
Authorized Representative

ACCEPTANCE CLAUSE

The above and foregoing bid is hereby in all things accepted by the Channelview Independent School District, subject to and in accordance with the Notice of Sale and Bidding Instructions, this the 16th day of August, 2011.

President, Board of Trustees
Channelview Independent School District

ATTEST:

Secretary, Board of Trustees
Channelview Independent School District

Direct inquiries to the attention of:

Lewis A. Wilks
Coastal Securities, Inc.
5555 San Felipe, Suite 2200
Houston, Texas 77056
713-435-4336
713-435-4448 Fax

ISSUE PRICE CERTIFICATE

The undersigned hereby certifies with respect to the sale of the Channelview Independent School District Unlimited Tax School Building Bonds, Series 2011, dated September 1, 2011 (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 Channelview Independent School District (the “District”) pursuant to a competitively bid sale. (Such underwriter or syndicate of underwriters is referred to herein as the “Initial Purchaser”). In this capacity, the undersigned is familiar with the facts stated herein.

2. The term “Initial Offering Prices” means the respective initial offering prices (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.

<u>MATURITY</u>	<u>PRINCIPAL AMOUNT</u>	<u>INITIAL OFFERING PRICE</u>	<u>MATURITY</u>	<u>PRINCIPAL AMOUNT</u>	<u>INITIAL OFFERING PRICE</u>	<u>---</u>	
20__	\$ _____	____%	20__	\$ _____	____%	*	
20__	_____	____%	20__	_____	____%	*	
20__	_____	____%	20__	_____	____%	*	
20__	_____	____%	20__	_____	____%	*	
20__	_____	____%	20__	_____	____%	*	
20__	_____	____%	20__	_____	____%	*	
20__	_____	____%	20__	_____	____%	*	
20__	_____	____%	20__	_____	____%	*	
20__	_____	____%	20__	_____	____%	*	
20__	_____	____%	20__	_____	____%	*	
2021	_____	____%	*	20__	_____	____%	*
20__	_____	____%	*	20__	_____	____%	*
20__	_____	____%	*	20__	_____	____%	*
20__	_____	____%	*	20__	_____	____%	*
20__	_____	____%	*	20__	_____	____%	*

* Option for early redemption on or after February 15, 2020.

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 Initial 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 August __, 2011. 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 September __, 2011.

4. Based on the actual facts and reasonable expectations in existence, 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 Initial Purchaser believed to be the respective fair market value of each such Bond.

5. The Initial Purchaser has made a bona fide public offering to the Public of all the Bonds of each maturity at the Initial Offering Prices set forth above in paragraph 2. The Initial Offering Prices were determined on the Sale Date based on the Initial Purchaser’s reasonable expectations regarding the Initial Offering Prices, and at least 10 percent of all of the Bonds, except any Unsold Bonds (as defined below) were sold to the Public at the Initial Offering Prices. For the Bonds maturing in the years _____, _____, _____, _____, and _____, of which at least 10 percent of each maturity was not sold to the Public at the Initial Offering Prices (the “Unsold Bonds”), the Initial Purchaser reasonably expected, as of the Sale Date to sell a substantial amount of each maturity of such Bonds to the Public at the respective Initial Offering Prices.

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 making certain representations to Andrews Kurth LLP, Bond Counsel to the District, and in complying with the conditions of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations in effect thereunder, necessary for interest on the Bonds to be and remain excludable from gross income for federal income tax purposes.

EXECUTED and DELIVERED as of and on the ___ day of _____ 2011.

INITIAL PURCHASER

By: _____

Name: _____

Title: _____