



Moody's Investors Service

August 5, 2005

Mr. Jesus Amezcua
CFO
Laredo Independent School District
1702 Houston Street
Laredo, TX 78040

Plaza of the Americas
600 North Pearl St., Suite 2165
Dallas, Texas 75201
Tel: 214-220-4350

Dear Mr. Amezcua,

We wish to inform you that on July 26, 2005, Moody's Rating Committee assigned a Aaa rating to the Laredo Independent School District's PSF Guaranteed Unlimited Tax School Building Bonds, Series 2005.

In addition Moody's Investors Service assigned an underlying rating of A3 to Laredo Independent School District's outstanding debt.

In order for us to maintain the currency of our ratings, we request that you provide ongoing disclosure, including annual financial and statistical information.

Moody's will monitor the rating and reserves the right, at its sole discretion, to revise or withdraw the rating at any time in the future.

The rating as well as any revisions or withdrawals thereof will be publicly disseminated by Moody's through normal print and electronic media and in response to verbal requests to Moody's rating's desk.

Should you have any questions regarding the above please do not hesitate to contact me or the analyst assigned to this transaction, Kristin Button at 214-220-4383.

Sincerely,


Douglas Benton
Vice President/Senior Credit Officer

cc: Noe Hinojosa
Estrada Hinojosa & Company
1717 Main Street Suite 4760
Dallas, TX 75201

DB/mjd

**STANDARD
& POOR'S**

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reference no.: 732500

July 22, 2005

Laredo Independent School District
1702 Houston Street
Laredo, TX 78040
Attention: Mr. Jesus J. Amezcua, CPA, Chief Financial Officer

Re: ***US\$60,000,000 Laredo Independent School District, Texas, Unlimited Tax School Building Bonds, Series 2005, dated: August 1, 2005, due: August 1, 2035***

Dear Mr. Amezcua:

Pursuant to your request for a Standard & Poor's rating on the above-referenced obligations, we have reviewed the information submitted to us and, subject to the enclosed *Terms and Conditions*, have assigned a rating of "AAA". Standard & Poor's views the outlook for this rating as stable. A copy of the rationale supporting the rating is enclosed.

The rating is not investment, financial, or other advice and you should not and cannot rely upon the rating as such. The rating is based on information supplied to us by you or by your agents but does not represent an audit. We undertake no duty of due diligence or independent verification of any information. The assignment of a rating does not create a fiduciary relationship between us and you or between us and other recipients of the rating. We have not consented to and will not consent to being named an "expert" under the applicable securities laws, including without limitation, Section 7 of the Securities Act of 1933. The rating is not a "market rating" nor is it a recommendation to buy, hold, or sell the obligations.

This letter constitutes Standard & Poor's permission to you to disseminate the above-assigned rating to interested parties. Standard & Poor's reserves the right to inform its own clients, subscribers, and the public of the rating.

Standard & Poor's relies on the issuer/obligor and its counsel, accountants, and other experts for the accuracy and completeness of the information submitted in connection with the rating. This rating is based on financial information and documents we received prior to the issuance of this letter. Standard & Poor's assumes that the documents you have provided to us are final. If any subsequent changes were made in the final documents, you must notify us of such changes by sending us the revised final documents with the changes clearly marked.

To maintain the rating, Standard & Poor's must receive all relevant financial information as soon as such information is available. Placing us on a distribution list for this information would facilitate the process. You must promptly notify us of all material changes in the financial information and the documents. Standard & Poor's may change, suspend, withdraw, or place on

Mr. Jesus J. Amezcua, CPA
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CreditWatch the rating as a result of changes in, or unavailability of, such information. Standard & Poor's reserves the right to request additional information if necessary to maintain the rating.

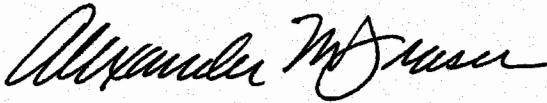
Please send all information to:

Standard & Poor's Ratings Services
Public Finance Department
55 Water Street
New York, NY 10041-0003

Standard & Poor's is pleased to be of service to you. For more information on Standard & Poor's, please visit our website at www.standardandpoors.com. If we can be of help in any other way, please call or contact us at nypublicfinance@standardandpoors.com. Thank you for choosing Standard & Poor's and we look forward to working with you again.

Sincerely yours,

Standard & Poor's Ratings Services
a division of The McGraw-Hill Companies, Inc.



By: Alexander M. Fraser
Director

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enclosures

cc: Mr. Donald J. Gonzales, CPA
Mr. Noe Hinojosa, Jr.

FitchRatings

One State Street Plaza
New York, NY 10004

T 212 908 0600 / 800 75 FITCH
www.fitchratings.com

July 28, 2005

Mr. Jesus J. Amezcua, CPA
Chief Financial Officer
Laredo Independent School District
1702 Houston St.
Laredo, TX 78040

Dear Mr. Amezcua:

Fitch Ratings has assigned one or more ratings and/or otherwise taken rating action(s), as detailed on the attached Notice of Rating Action.

Ratings assigned by Fitch are based on documents and information provided to us by issuers, obligors, and/or their experts and agents, and are subject to receipt of the final closing documents. Fitch does not audit or verify the truth or accuracy of such information.

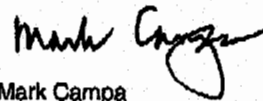
It is important that Fitch be provided with all information that may be material to its ratings so that they continue to accurately reflect the status of the rated issues. Ratings may be changed, withdrawn, suspended or placed on Rating Watch due to changes in, additions to or the inadequacy of information.

Ratings are not recommendations to buy, sell or hold securities. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect of any security.

The assignment of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement or other filing under U.S., U.K., or any other relevant securities laws.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please feel free to contact us at any time.

Sincerely,



Mark Campa
Senior Director
U.S. Public Finance

MC/am

Enc: Notice of Rating Action
(Doc ID: 12703)

Notice of Rating Action

<u>Bond Description</u>	<u>Rating Type</u>	<u>Action</u>	<u>Rating</u>	<u>Outlook/ Watch</u>	<u>Eff Date</u>	<u>Notes</u>
Laredo Independent School District (TX) unitd tax sch bldg bonds ser 2005 (gtd: Texas Permanent School Fund)	Long Term	New Rating	AAA	RO:Sta	27-Jul-2005	1
Laredo Independent School District (TX) unitd tax sch bldg bonds ser 2005 (gtd: Texas Permanent School Fund)	Long Term	New Rating	A	RO:Pos	27-Jul-2005	2
Laredo Independent School District (TX) public property finance contractual obligs	Long Term	Affirmed	A	RO:Pos	27-Jul-2005	2
Laredo Independent School District (TX) public property finance contractual obligs ser 2001 (insured: MBIA Insurance Corp.)	Long Term	Affirmed	A	RO:Pos	27-Jul-2005	2
Laredo Independent School District (TX) public property finance contractual obligs ser 2003 (insured: Financial Security Assurance, Inc.)	Long Term	Affirmed	A	RO:Pos	27-Jul-2005	2
Laredo Independent School District (TX) unitd tax bonds (insured: Texas Permanent School Fund)	Long Term	Affirmed	A	RO:Pos	27-Jul-2005	2
Laredo Independent School District (TX) unitd tax rdg bonds ser 2005 (gtd: Texas Permanent School Fund)	Long Term	Affirmed	A	RO:Pos	27-Jul-2005	2
Laredo Independent School District (TX) unitd tax sch bldg bonds ser 1998 (insured: Texas Permanent School Fund)	Long Term	Affirmed	A	RO:Pos	27-Jul-2005	2
Laredo Independent School District (TX) unitd tax sch bldg bonds ser 2001 (insured: Texas Permanent School Fund)	Long Term	Affirmed	A	RO:Pos	27-Jul-2005	2

Key. HO: Rating Outlook, RW: Rating Watch; Pos: Positive, Neg: Negative, Sta: Stable, Evo: Evolving

Notes

- 1 The rating is based solely on qualification of the bond under the Texas Permanent School Fund, which Fitch rates 'AAA'.
- 2 The rating is an underlying rating, given without consideration of credit enhancement.