

Laredo Independent School District
1702 Houston
Laredo, Texas 78040

August 4, 2005

Ms. Deirdre Ward
Wells Fargo Bank, National Association
1000 Louisiana, Suite 640
MAC T5001-061
Houston, Texas 77002

Re: *Laredo Independent School District Unlimited Tax School Building Bonds, Series 2005 (the "Bonds")*

Dear Ms. Deirdre:

The payment for and delivery of the Bonds to the initial purchasers is to occur at your Bank. Preliminary to the delivery of the Bonds, you will receive a single fully-registered obligation in the total principal amount of the Bonds (the "Initial Obligation") together with the approving opinion of the Attorney General from Mr. Juan F. Aguilera ("Bond Counsel") of the firm Escamilla & Poneck, Inc., located at the 100 Travis Park Plaza Building, 711 Navarro, in San Antonio, Texas 78205. You are authorized to deliver the Initial Obligation to the initial purchasers thereof, or their order, upon payment being made therefor in immediately available funds in accordance with the terms of the enclosed Receipt.

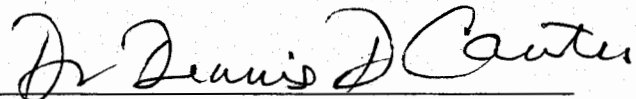
When payment for the Initial Obligation has occurred, please transmit the proceeds thereof by the fastest means available in immediately available funds to the District's depository bank.

I enclose two copies of a Signature and No-Litigation Certificate, Certificate as to Tax Exemption, Certificates as to Official Statement, and Receipt, each executed and completed except as to date. When payment for the Initial Obligation is made, please date and release to the initial purchaser one copy of the Signature and No-Litigation Certificate and Certificate as to Tax Exemption, and return the remaining copies of such certificates and all copies of the Receipt to Bond Counsel at the address shown in the first paragraph of this letter.

Should any litigation having any effect upon the Initial Obligation develop prior to the time you have received payment for it, I will notify you at once by telephone or by telegraph. You may thus be assured that there is no such litigation at the time the Initial Obligation is delivered by you unless you have been advised otherwise as provided herein.

Thank you for your assistance in this matter.

Very truly yours,



President, Board of Trustees