Rating: S&P "AAA"
(See "Rating" and "The Permanent School Fund Guarantee Program," herein)

OFFICIAL STATEMENT
Dated: February 3, 1998

NEW ISSUE: BOOK-ENTRY-ONLY

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" herein, including the alternative minimum tax on corporations.

The District will designate the Bonds as "Qualified Tax-Exempt Obligations" for Financial Institutions.

$2,000,000
HULL-DAISETTA INDEPENDENT SCHOOL DISTRICT
(Liberty County, Texas)
Unlimited Tax School Building Bonds, Series 1998

Dated Date: January 15, 1998

Due: February 15, as shown below

The Hull-Daisetta Independent School District $2,000,000 Unlimited Tax School Building Bonds, Series 1998 (the "Bonds") are being issued pursuant to the Constitution and general laws of the State of Texas, particularly Sections 45.001 and 45.003(b)(1), Texas Education Code, as amended, an election held in the District on December 13, 1997, and the Order adopted by the Board of Trustees. The Bonds are payable as to principal and interest from the proceeds of an ad valorem tax levied, without limit as to rate or amount, against all taxable property located within the Hull-Daisetta Independent School District (the "District"). The Bonds will be additionally secured by the corpus of the Permanent School Fund of the State of Texas. (See "THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM").

Interest on the Bonds will accrue from January 15, 1998 and will be payable on August 15 and February 15 of each year, commencing February 15, 1999. The Bonds will be issued in fully registered form in principal denominations of $5,000 or any integral multiple thereof. Principal of the Bonds will be payable by the Paying Agent/Registrar which initially is U.S. Trust Company of Texas, N.A., Dallas, Texas, (the "Paying Agent/Registrar"), upon presentation and surrender of the Bonds for payment. Interest on the Bonds is payable by check dated as of the interest payment date and mailed by the Paying Agent/Registrar to the registered owners as shown on the records of the Paying Agent/Registrar on the close of business as of the last business day of the month next preceding each interest payment date (the "Record Date").

The District intends to utilize the Book-Entry-Only System of The Depository Trust Company ("DTC"), but reserves the right on its behalf or on behalf of DTC to discontinue such system. Such Book-Entry-Only System will affect the method and timing of payment and the method of transfer. (See "BOOK-ENTRY-ONLY SYSTEM").

Proceeds from the sale of the Bonds will be used to construct and equip school buildings and to pay costs of issuing the Bonds. (See "THE BONDS - Authorization and Purpose").

The Bonds maturing on or after February 15, 2009 are subject to optional redemption in whole or in part on February 15, 2008 or any date thereafter, at a price equal to the principal amount thereof, plus accrued interest to the date of redemption. Certain Bonds may also be subject to mandatory sinking fund redemption. (See "THE BONDS - Mandatory Sinking Fund Redemption, Optional Redemption Provisions").

MATURITY SCHEDULE

Stated Maturity	Principal Amount	Rate (%)	Yield (%)	Stated Maturity	Principal Amount	Rate (%)	Yield (%)
2000	$ 60,000	6.45%	3.80%	2010	$ 105,000	4.50%	4.55%
2001	65,000	6.45%	3.95%	2011	115,000	4.50%	4.65%
2002	70,000	6.45%	4.00%	2012	120,000	4.50%	4.70%
2003	75,000	6.45%	4.10%	2013	125,000	4.50%	4.75%
2004	80,000	6.45%	4.20%	2014	130,000	4.50%	4.80%
2005	85,000	6.45%	4.30%	2015	140,000	4.50%	4.85%
2006	85,000	6.45%	4.35%	2016	145,000	4.50%	4.90%
2007	90,000	5.55%	4.40%	2017	155,000	4.50%	4.95%
2008	95,000	4.45%	4.45%	2018	160,000	4.50%	5.00%
2009	100,000	4.45%	4.50%				

The Bonds are offered when, as and if issued, subject to the approval of legality by the Attorney General of the State of Texas and Fulbright & Jaworski L.L.P., San Antonio, Texas, Bond Counsel. The Bonds are expected to be available for delivery on or about March 3, 1998.