

STATE OF TEXAS §
 §
COUNTY OF HIDALGO §

**AMENDMENT TO C-04-092-01-27
LEASE AGREEMENT BETWEEN
HIDALGO COUNTY AND
UNION PACIFIC RAILROAD COMPANY**

This AMENDMENT to the LEASE AGREEMENT entered into between **UNION PACIFIC RAILROAD COMPANY** (“Lessor”) and **HIDALGO COUNTY** (the “Lessee”), effective the _____ day of January 2008, as follows:

WHEREAS, Lessor and Lessee entered into a Lease Agreement (the “Lease”) on or about April 8, 1997, in which the Lessee agreed to lease from Lessor certain real property located in Pharr, Texas, more particularly described in Exhibit “A” (the “Property”) of the Lease for the purpose of a storage yard for construction materials, equipment, vehicles and purposes incidental thereto;

WHEREAS, the provisions of the Lease require that the Lease automatically renews each year unless sooner terminated as provided for in the Lease for additional one year terms;

WHEREAS, Article III of the Lease provides for an annual rent increase of three percent (3%) annually, cumulative and compounded and is payable in advance;

WHEREAS, Article III further provides that the Lessor may re-determine the rental amount not more than once every three (3) years;

WHEREAS, Lessor has properly opted to exercise its option to re-determine the rental amount for the Property and has stated that the rental amount paid by Lessee no longer represents a fair annual market rental;

WHEREAS, Lessor has determined that the present-day real estate values of the Property warrant a rental increase to Six Thousand Five Hundred Dollars and no 100/ths (\$6,500.00) for the period between February 1, 2008 through January 28, 2009 with automatic rent increases of three percent (3%) annually cumulative and compounded;

WHEREAS, Lessee agrees the amount stated above is a fair and reasonable rental amount for the Property and desires to continue to rent said Property;

WHEREAS, the parties desire to amend the Agreement as hereinafter provided.

NOW THEREFORE, for and in consideration of the terms and provisions set forth

herein, for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Lessor and Lessee hereby agree to the following amendments to the Lease:

1. Article III.A. shall be deleted in its entirety and the following is inserted in lieu thereof:
 - A. Lessee shall pay Lessor, in advance, rent in the amount of Six Thousand Five Hundred Dollars and no 100/ths (\$6,500.00) for the period of February 1, 2008 through January 28, 2009. The rent shall thereafter increase by three percent (3%) annually, cumulative and compounded.
2. Except as modified herein, all terms and conditions of the Lease, as amended, remain in full force and effect. Lessor and Lessee ratify and confirm the terms and provisions of the Lease as amended.

EXECUTED IN DUPLICATE ORIGINALS and effective as of the day and year first written above.

HIDALGO COUNTY

J.D. Salinas, III, County Judge

ATTEST:

Arturo Guajardo, Jr., County Clerk

UNION PACIFIC RAILROAD COMPANY

Printed Name: _____
Title: _____

Approved as to Form:

ATLAS & HALL, L.L.P.

By: Stephen L. Crain