



October 22, 2007
Folder: 01435-99

U.S. CERTIFIED MAIL
RETURN RECEIPT REQUESTED
HIDALGO, COUNTY OF
301 E STATE STREET
PHARR TX 78577

Dear Lessee:

Reference is made to that certain Lease dated April 08, 1997, between UNION PACIFIC RAILROAD COMPANY (Lessor) and HIDALGO, COUNTY OF (Lessee) covering a portion of the Lessor's property at Pharr, Texas. Said Lease is identified in the Lessor's records as Audit No. 200108.

This Lease provides for a periodic reevaluation of rental. In conjunction with this provision, we recently reviewed the present-day land values in Pharr, Texas and, in particular, in the general vicinity of the Lease site.

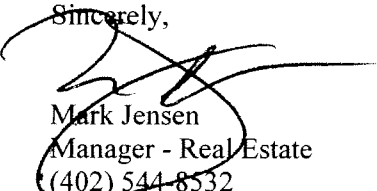
The results of this study indicate that the present rental no longer represents a fair annual market rental. Taking all matters into consideration and applying present-day real estate values of the area, I am of the opinion that a rental of \$6,500.00 would reflect a fair market rental at this time.

This letter is to advise you that effective February 01, 2008 ('Effective Date'), the rent shall be Six Thousand Five Hundred Dollars (\$6,500.00) annually. Commencing twelve (12) months from the Effective Date, the rent shall automatically and without notice to the Lessee be adjusted by Three Percent (3%) annually cumulative and compounded.

You will be billed at your new lease rate on the next billing cycle.

Also, attached is a **Real Estate Environmental Lessee Questionnaire** for you to complete and return to me.

Sincerely,


Mark Jensen
Manager - Real Estate
(402) 544-8532

Real Estate

UNION PACIFIC RAILROAD
1400 Douglas Street, Stop 1690
Omaha, Nebraska 68179-1690
fx. (402) 501-0340