

RODRIGUEZ & NICOLAS, L.L.P.

1200 E. HARRISON
BROWNSVILLE, TEXAS 78520
TELEPHONE: (956) 574-9333
FACSIMILE: (956) 574-9337

MICHAEL RODRIGUEZ
HENRI E. NICOLAS, JR.
ALISON W. COLVIN
EDDIE LUCIO III

Email: mrodriguez@rodrigueznicolas.com
hnicolas@rodrigueznicolas.com
acolvin@rodrigueznicolas.com
elucio@rodrigueznicolas.com

May 22, 2008

Mr. J.D. Salinas
County Judge
100 East Cano
2nd Floor
Edinburg, Texas 78540

via electronic delivery

Re: Guaranteed Investment Contract Investigation and Potential Litigation

Dear Judge J.D. Salinas:

This letter agreement sets forth the terms and conditions which Rodriguez & Nicolas, L.L.P. ("RN") and Susman Godfrey L.L.P. ("SG") (which includes any successor to the partnerships of RN and SG) will undertake to represent Hidalgo County ("Client"), in pursuit of all claims Client has and asserts on behalf of a class against Municipal Derivatives Brokers and Municipal Derivatives Sellers (all such claims are collectively referred to as "cause of action"). If this agreement is acceptable to you, please sign and return an executed copy to me. We must receive an executed copy of this letter agreement before we can agree to this representation. The terms and conditions of our engagement are as follows:

1. Fees

All RN and SG fees for work on behalf of the class will be as awarded by the Court out of any recovery.

2. Costs and Expenses

Client agrees that SG will advance on Client's behalf the costs and expenses of prosecuting the cause of action, and that SG shall be reimbursed from any class recovery or other award of reimbursement of expenses by the Court.

3. Assignment

Client agrees that it shall not assign in whole or in part or otherwise grant any lien against this cause of action or the proceeds from it, without the prior written consent of RN and SG.

4. RN and SG's Right to Terminate

- A. Should Client elect to abandon any litigation asserting the cause of action, should the conduct of Client seriously prejudice the prospects of successful prosecution of such litigation (including but not limited to a change of ownership of Client or the filing of a bankruptcy proceeding involving Client), should Client's failure either to disclose material facts or accurately to describe such facts seriously prejudice the continued prosecution of such litigation, or should Client breach this agreement, then RN and SG shall have the right to terminate this agreement and its representation of Client.
- B. Client shall be consulted as to any offers for settlement of the cause of action. However, any settlement must be approved by the court as being in the best interest of the class, and SG, as class counsel, has an obligation to present to the court any settlement proposals that SG deems to be in the best interest of the class, regardless of whether Client concurs.
- C. Should it become the opinion of SG at any time subsequent to the date of this agreement, that it is unlikely that the Court will certify a class represented by you, or that your cause of action lacks merit (for example, because of inability to verify Client's claims through witnesses, because of adverse developments in the law or because of a materially adverse change in the financial condition of the defendant), or that any of your particular claims are not suitable to be tried in a class action (for example, because the common issues of fact or law on a particular claim are insufficient to make a class action a proper procedure to adjudicate that claim), then SG shall have the option to terminate this agreement and be relieved of any obligation to participate in any pending litigation involving the cause of action.
- D. Should this case not be certified as a class action, Client presently intends to dismiss his individual claim. If Client, however, elects to continue prosecuting his individual claim, RN and SG shall have no responsibility to represent Client and Client agrees to RN and SG's withdrawal.

5. No Guarantees

The Client hereby acknowledges that neither RN nor SG has made any guarantees regarding the successful outcome of this matter and all expressions about the outcome are only opinions.

6. Association of Cocounsel

Client understands that SG may contract with other attorneys for the performance of certain work for the Client.

7. Severability

If any part of this letter agreement shall for any reason be found unenforceable, the parties agree that all other portions shall nevertheless remain valid and enforceable.

8. Integration

This Agreement represents the final and mutual understanding of the parties. It replaces and supersedes any prior agreements or understandings, whether written or oral. This Agreement may not be modified, amended, or replaced except by another signed written agreement.

9. Consent to Adverse Representation

Client acknowledges that SG is engaged in a nation-wide practice involving clients in many industries and with extensive legal needs. Client agrees that in the event that SG should determine in the future that the needs of another SG client (whether continuing client or new client) require SG's services in a matter other than those in which SG represents client, SG may undertake the representation, even if adverse to Client, so long as it involves a factually unrelated matter. Client agrees that such a representation may involve both adverse litigation as well as non-litigation adverse representation, such as negotiating a transaction with Client.

10. Dispute Resolution

Any dispute arising out of, in connection with, or in relation to the interpretation, performance or breach of this agreement— including any claim of legal malpractice (or similar claim) and any claim involving fees or expenses—shall be resolved by final and binding arbitration conducted in Houston, Texas, administered by and in accordance with the then existing Streamlined Rules of Practice and Procedure in Arbitration of J•A•M•S/ENDISPUTE, and any judgment upon any award rendered by the arbitrator may be entered by any state or federal court having jurisdiction to do so.

Client further acknowledges that, by so agreeing, Client waives the right to a jury trial. Client also acknowledges that arbitration provides only limited discovery and that courts will enforce an award in arbitration without reviewing it for errors of fact or law.

11. Client's Acknowledgment

Client acknowledges that Client has been encouraged by SG to consult independent counsel concerning the negotiation of this fee agreement and its terms (including Clause 10 on Dispute Resolution), that Client has made sufficient investigation and inquiry to determine that this agreement is fair and reasonable to Client, and that this agreement was the product of arm's length negotiation with SG. Client acknowledges that Client has either consulted such independent counsel or, having had an adequate opportunity to seek such advice, has declined to follow SG's advice to do so.

12. Choice of Law

In any proceeding (whether in arbitration under 10, above, in court, or in any other tribunal), all questions concerning the rights and obligations of Client and SG under this agreement that are determined to be governed by the law of a state shall be resolved in accordance with the then-prevailing law of the State of Texas, including the Texas Rules of Professional Conduct. Client acknowledges that selecting the law of Texas is reasonable in view of the location of SG's offices there, SG's status as a limited liability partnership under the laws of Texas, and application of the Texas Rules to many of the lawyers who may work on Client's matter.

We discuss the terms and conditions of our engagement so candidly because we believe that you are entitled to know our policies, and that this type of frank discussion will avoid any misunderstandings later. Please sign a copy of this letter in the space provided below, indicating your agreement to the terms and conditions set forth above. When we receive this letter signed by you, we will commence our representation in the above-described matter.

Sincerely yours,

RODRIGUEZ & NICOLAS, L.L.P.

Henri E. Nicolas, Jr., Partner

SUSMAN GODFREY L.L.P.

James Southwick, Partner

AGREED TO AND ACCEPTED:

Hidalgo County

By: _____

Date: _____

Taxpayer ID #: _____

ATTACHMENTS:

Exhibit A — In-House Charges