

February 17, 2009

Ms. Diana Serna, Director
Hidalgo County Urban County Program
1916 Tesoro Boulevard
Pharr, Texas 78577

**RE: PLANNING SERVICES & WATER/SEWER IMPROVEMENT PROJECT FOR DELTA AREA REGIONAL
WATER/WASTEWATER TREATMENT PLANT: PROJECT ACCOUNT NO. 5007-91-2000/0310-5000-9100**

Dear Ms. Serna:

Dos Logistics, Inc. (DL, Inc.) is requesting a 180-day extension on the referenced contract to be made effective December 7, 2008 and expire June 4, 2009.

As you know, DL, Inc. was contracted through the Hidalgo County Urban County Program, to provide planning and project development assistance for the above referenced project for the Precinct 1 Cities of Elsa, Edcouch, and La Villa - which in part, includes grant funding research and application development assistance. There are currently multiple grant applications either submitted or in the process of being submitted to both federal and state agencies, including the *Border Environmental Cooperation Commission (BECC)*, the *Texas Water Development Board (TWDB) Economically Distressed Areas Program (EDAP)*, and the *United States Department of Agriculture Office of Rural and Community Affairs*. The funding applications include grant assistance for Planning, Acquisition, Design, and Construction for water and wastewater upgrades at our target cities.

The funding agencies (i.e., TWDB-EDAP and USDA) have strict pre-application criteria requirements that must be met by each of the Cities prior to the submittal of a funding application, including technical, logistical, and cost data. As the consultant for this project, it is important that we continue to be available to the Cities to not only provide application preparation assistance, but to also guide through the process and coordination of meeting all eligibility requirements of these agencies. This will ensure the Cities have the best possible chance for realizing these improvement projects through full construction. It is also important to point out that in meeting with these agencies, we were informed that final availability of funding will be greatly affected by the regulations set-forth by the Economic Stimulus Package recently signed by the President. TWDB for instance, has already initiated the process for eligible communities and it is unknown how long the process will take before communities receive notice of final award.

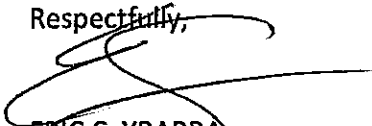
DL, Inc. is 100% complete with the four Environmental Information Documents (EID) required under our Scope. We anticipate that this will categorize these projects at a higher grade of eligibility for potential full design and construction funding. In terms of anticipated dates, the BECC recently announced that our applications did not require any additional information or a

site review/visit by BECC officials as the project(s) applications met their preliminary eligibility requirements. BECC has indicated that they will announce prioritization of projects by March or April of this year.

Thank you for your consideration to this request. Please also be advised that this request will not change the contractual agreement between the Hidalgo County Urban County Program and DL, Inc. as well as other general responsibilities of our firm for this project.

Please do not hesitate to contact me at 956-797-4601 or via email at ericbarra@doslogistics.com if you have any questions or require additional information.

Respectfully,



ERIC C. YBARRA
President/CEO