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December 1, 2010

Hidalgo County Urban County Program
Attn: Diana R. Serna, Director
1916 Tesoro Blvd.
Pharr, Texas 78577

Via Email
& United States Regular Mail

Re: Request by Hidalgo County's Urban County Program for Exception to Conflict of Interest Regulation, 24 C.F.R. § 92.356

Ladies and Gentlemen:

This opinion is being rendered pursuant to 24 C.F.R. § 92.536(d)(2) and at the request of the Hidalgo County Urban County Program ("UCP") relating to its request of the Department of Housing and Urban Development of the United States to grant UCP an exception to the provisions of paragraph (b) of 24 C.F.R. § 92.536 for the application of Ms. Maria Dolores Barco, mother of Hidalgo County Urban County Program Deputy Director, Mr. Antonio Barco.

In connection with the foregoing we have reviewed the Chapters 171 and 176 of the Texas Local Government Code and Chapters 572 and 573 of the Texas Government Code, copies of the conflict of interest provisions of the HOME Program Conflict of Interest policy, have verified with Mr. Valde Guerra, Chief Executive Officer of Hidalgo County, that Hidalgo County has no conflict of interest policies other than Chapters 171 and 176 of the Texas Local Government Code and have examined such other instruments and documents which we have deemed necessary or advisable to examine for the purpose of this opinion. With respect to such examination, we have assumed that the statements of fact made in all such documents and instruments are true, accurate and complete.

Based on the foregoing, and having due regard for such legal considerations as we deem relevant, and subject to the limitations and assumptions set forth herein, including without limitation the matters set forth in the last two (2) paragraphs hereof, we are of the opinion that:

1. To the best of our knowledge, the approval of the application of Ms. Maria Dolores Barco, mother of Hidalgo County Urban County Program Deputy Director, Mr. Antonio Barco, for the UCP Owner-Occupied Rehabilitation Program by the County of Hidalgo Commissioner's Court (the "Court") would not violate Texas state or local laws, assuming the following conditions or

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actions are met and taken in connection with before application approval by the Court:

- a. Receipt by the UCP of the exception to 24 C.F.R. § 92.536(b) by the Department of Housing and Urban Development (the "Exception");
- b. Upon receipt of the Exception, Mr. Antonio Barco shall file with the official record keeper for the Court, before the vote or decision on the approval of Ms. Barco's application by the Court, an affidavit stating the nature and extent of his interest in the real property owned by Ms. Barco in accordance with Section 171.004 of the Texas Local Government Code, as amended and shall abstain from further participation in connection with this matter; and
- c. Ms. Maria Dolores Barco files (or has filed) an updated conflict of interest affidavit stating her relation to Hidalgo County Urban County Program Deputy Director, Mr. Antonio Barco not later than the seventh business day from the date Ms. Barco receives or received notification by the UCP to file an updated conflict of interest affidavit in accordance with Section 176.006(d) of the Texas Local Government Code, as amended.

In rendering the opinion, we have assumed (i) the due authorization, execution and delivery by all parties of all documents that we have examined, (ii) the genuineness of all signatures on conformed copies, (iv) the legal capacity of natural persons, (v) the conformity to authentic original documents of all documents submitted to us as copies, and (vi) the enforceability of all documents against all parties thereto other than the County.

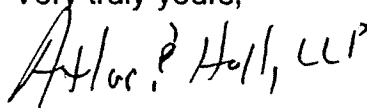
The opinions expressed herein are subject to the following limitations, qualifications, assumptions and exceptions.

We are furnishing this letter solely for your benefit at the request of the UCP. This opinion is not to be used, circulated, quoted or otherwise referred to for any other purpose, nor is it to be relied upon by any other person or entity or by you in any other context without our express written consent.

This opinion is based on and is limited to the laws of the State of Texas, and the federal laws of the United States of America. Insofar as the foregoing opinion relates to matters of law other than the foregoing, no opinion is hereby given.

This opinion is as of the date hereof, and we undertake no obligation to supplement the opinions set forth herein as facts and circumstances come to our attention or changes in the law occur which could affect such opinions.

Very truly yours,

A handwritten signature in black ink that reads "Atlas & Hall, LLP". The signature is written in a cursive, somewhat stylized font.

ATLAS & HALL, L L P