

StataCorp LP

4905 Lakeway Drive
College Station
Texas 77845800 STATAPC
800 782 8272
979 696 4600
FAX 979 696 4601info@stata.com
www.stata.com

3 November 2004

Mr. Bob Malaise
Research Valley Partnership
4001 East 29th Street
Bryan, Texas 77802

Re: Economic Development Agreement

Dear Mr. Malaise:

I am writing the Research Valley Partnership (formerly known as the Economic Development Corporation) to submit a formal request by StataCorp, L.P. (formerly known as Stata Corporation) for an amendment to that certain Economic Development Agreement between the City of College Station, Bryan Economic Development Corporation and Stata Corporation executed on March 29, 1999. I am requesting the RVP's agreement to the amendment I will propose below and that the RVP assist StataCorp, L.P. in complying with any requirements that the City of College Station may have relative to such Amendment.

The Economic Development Agreement (the "Agreement") provided for the construction of StataCorp, L.P.'s property improvements in two phases. Phase One construction was to have been 10,000 square feet. When completed in 2001, it was actually 18,226 square feet. The Agreement provides for Phase Two of the construction to be a minimum of 20,000 square feet. The Agreement contemplated construction of Phase Two in two 10,000 square foot segments.

Here is the problem. The Agreement in Paragraph 1.15.2, provides for the completion of the first segment of Phase Two construction (10,000 square feet) by December 31, 2004 and completion of the second segment of Phase Two construction (10,000 square feet) by December 31, 2005.

The design considered best suited for StataCorp, L.P.'s expansion was a single building of more than 20,000 square feet. This new building, when completed, will exceed the 20,000 square feet required by the Agreement. The construction is currently underway. However, this Phase Two building cannot be built and occupied prior to December 31, 2004. The Phase Two building is not a building that can be built and occupied in 10,000 square foot segments. StataCorp, L.P. expects the entire building to be completed by the end of April, 2005. This is eight months before the completion deadline for the second segment of Phase Two but slightly beyond the completion deadline for the first segment of Phase Two..

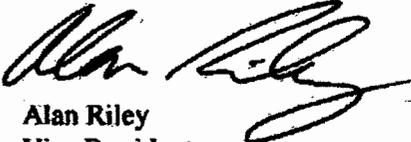
While StataCorp, L.P., believes it has and is fully honoring the terms of the Agreement, it is clear that a technical reading of the Agreement may be interpreted to mean that StataCorp, L.P. is out of technical compliance. Thus, StataCorp, L.P. is hereby requesting

that the Agreement be amended to provide for completion of Phase Two in one segment no later than say, June 30, 2005.

When occupied, the entire project will consist of almost 40,000 square feet as opposed to the 30,000 originally contemplated. StataCorp, L.P. will have spent almost \$5 million on the buildings as opposed to the \$3 million required by the Agreement. StataCorp, L.P. believes that it has, over the years, demonstrated its commitment to the community and to the spirit and intent behind the Agreement. StataCorp, L.P. therefore respectfully requests an amendment to the Agreement as stated above be prepared, voted on and approved by the RVP, and that the RVP shepherd the Amendment through the City of College Station on behalf of StataCorp, L.P.

Should you have any questions with regard to any aspect of the construction or StataCorp, L.P.'s request, please do not hesitate to call upon me.

Sincerely,



Alan Riley
Vice President