

COLORADO RIVERLAND RANCH, LLC

September 14, 2009

Mr. Thomas M. Pollan
Bickerstaff Heath Delgado Acosta LLP
3711 S. MoPac Expressway
Building One, Suite 300
Austin, Texas 78746

Re: Proposed General Aviation Airport in Bastrop County

Dear Tom:

Yesterday, I received a copy of your letter dated September 2, 2009 that was written on behalf of Bastrop County. I discussed this matter with Judge McDonald the day that I was first apprised about the problem by the Bastrop City Attorney. I have been expecting your letter inquiry and had wondered why I had not yet received it. I apologize for the problem on our end, for your letter not being relayed to me.

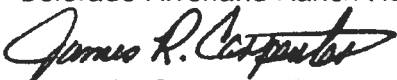
The document in question, dated February 6, 2009, is incorrect and unauthorized – it was inaccurate when it was composed and remains so today. I personally apologize for this document's existence and have taken measures to correct the process and parties involved in handling our investment offerings. I am the only person authorized to prepare informational documents dealing with any representations as to the status of any of our investment or development projects. This policy was not followed by the firm engaged to secure additional funding for our expanded project scope. The original document was significantly rewritten and/or cut and pasted in several places, including the erroneous statements reporting approvals rather than objectives that are being sought. The zoning restrictions have never been applicable for the City of Bastrop and were never included as a project goal in that regard.

We have just a few investors in this project dating back to 2007-2008. Each investor is accredited and made their investment based on in-person presentations with me, not the February 6, 2009 document in question. According to the company handling investment funding, only a couple of these investment offering documents were ever created and I was unaware that it had ever been altered. We are attempting to discover to whom this document was provided and how and where it was obtained by the City and County. There is proprietary information in that document that breach confidentiality.

Our business strategy and investment parameters were significantly changed several months ago with the successful partnership with Pico Innovations (Pico Energy Service, Inc.). This partnership lifted much of our non-disclosure agreement components with Pico and their legal counsel. Our investment documentation was completely rewritten and approved by me and access to this information is restricted to insure accuracy of what is provided and to whom. Your clients can be assured that no erroneous information will be provided in the future and again we apologize for this embarrassing error.

Best regards:

Colorado Riverland Ranch Holdings, LP



James R. Carpenter, Manager
Colorado Riverland Ranch, LLC, General Partner

cc: Judge Ronnie McDonald, Commissioner Lee Dildy, Lisa Smith, Patrick Lindner, Jerry Kyle,