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April 26, 2010

VIA E-MAIL

Mr. Jerry Kyle
Andrews Kurth LLP
111 Congress Avenue
Suite 1700
Austin, Texas 78701

RE: Chapter 381 Economic Development Agreement between Bastrop County, Texas and Central Texas Airport, LLC

Dear Jerry:

I have visited with representatives of Bastrop County (the "County") regarding your letter of April 13, 2010 on behalf of Central Texas Airport, LLC ("CTA"). I have not responded sooner because neither the County nor I have the documentation mentioned in numbered paragraph 6 of your letter. The County and I thought it would be better to bring this to your attention so we could continue to move forward on a possible 381 Agreement.

Thank you for clarifying that if anything was identified in our March 23 letter which was not addressed in CTA's March 29 response, it was accepted by CTA. However, there remain several items about which the County still has concerns. First, the County indicated that there were several items that it deemed to be non-negotiable, and the County continues to be placed in a position of negotiating the non-negotiable items. It may be helpful to review each of the numbered paragraphs in your April 13 letter.

In response to paragraph 1 of your letter, the County appreciates CTA's willingness to return to the County's original language for Section 7(g) of the Agreement.

In response to your paragraph 2, the County has no intention of not performing on its responsibility to appropriate if it enters into a 381 Agreement with CTA. The County was amenable to entering into negotiations based on the representations that the proposed airport would never be a full service commercial airport with regularly scheduled flights. The current ownership and/or management of CTA may change and the restrictive covenant approach is the only way the County is able to go forward to

negotiate and enter into a 381 Agreement. The County must insist on its original restrictive covenant language if it is to go forward in negotiations.

In response to paragraph 3 of your letter, there are two items that you raise after agreeing to remove the additions CTA made to Section 14 of the Agreement. The County recognizes that CTA will attempt to use the Agreement to secure financing. Please provide your suggested acknowledgment without recourse language so we can discuss it with the County. As to CTA's attempt to expand the County's agreement to comply with Chapter 245 of the Texas Local Government Code into making the Agreement constitute a permit, the County will insist that the Agreement contain a statement that the Agreement does not constitute a permit within the meaning of Chapter 245. For any item related to or included in the Agreement that CTA believes would constitute a permit, please expressly identify such item and explain why the CTA believes it would constitute a permit. To the extent the County agrees, it would consider a specific acknowledgment of such items being a permit within the meaning of Chapter 245. Until such items are identified, the County will not be able to determine whether it will agree that the particular item would constitute a permit.

In response to paragraph 6 of your letter, as I indicated at the beginning of this letter, the County has not received the requested information. I have confirmed that it has not been given to the County Engineer. Nor have I received the information that you indicated would be sent to me under a separate transmittal.

Very truly yours,



Thomas M. Pollan

cc: Honorable Ronnie McDonald
Honorable Lee Dildy
Ms. Lisa Smith
Mr. Ronnie Moore