

**Wilhelm, Gayle**

**From:** James R. Carpenter [jim@carpenteraustin.com]  
**Sent:** Friday, April 30, 2010 10:43 PM  
**To:** Wilhelm, Gayle ; Dildy, Lee ; McDonald, Ronnie  
**Subject:** FW: Central Texas Airport - 381 Agreement - Bastrop County  
**Attachments:** CTA Transmittal Ltr.PDF; CTA Chapter 381 Eco Dev Agmt.pdf; Redline.pdf  
**Importance:** High

**CONFIDENTIAL NEGOTIATIONS COMMUNICATION**

Judge McDonald and Commissioner Dildy;

I am sorry that I failed to forward this to each of you on Wednesday afternoon when our attorneys copied me on this transmission to Tom Pollan. I am sure you will be receiving, or hopefully you already have received these documents from Tom. In an effort to expedite the approval of this agreement, I wanted to be sure you were aware of its delivery.

Several months ago, I understood that we were apart on the 381 Agreement based upon 3-4 non-negotiable issues that the County felt were essential to the protections of the County residents and taxpayers. What we received from Tom Pollan was nine non-negotiable issues and by this last concession we believe that we have conceded to all of these items and that there are no remaining issues. As such I asked Jerry Kyle to incorporate each of the agreed points back into a revised final agreement format and provide a red-lined version so that these changes can be easily verified.

As you know, our original funding investors provided us with a deadline of December 31<sup>st</sup>, 2009 for completing an acceptable 381 Agreement in accordance with the financial and operating business model established by our team of aviation, financial and legal advisors. In January, we had to secure new funding partners in order to proceed with CTA in Bastrop County. We established an additional three months, until March 31, 2010, to accomplish completion of the agreement. Based on the legal teams' assessment of the status of the agreement at the end of March, we obtained a 30-day extension that expires today. That deadline was not an arbitrary date but rather driven by the excessive cost factors that have been incurred from unexpected and unbudgeted delays.

The other factor in the timeline relates to the status of discussions with businesses that CTA is recruiting. We are at the top of the list for one of the major employment prospects that we confidentially disclosed previously. This 381 Agreement represents a critical demonstration to businesses, of both a cooperative partnership with Bastrop County, and that a funding model is in place that allows CTA to be competitive in business recruitment. We plan to construct buildings and other necessary infrastructure that would be needed by selected employers as part of the master-airport improvements, the same as the runway, taxiways, fuel facilities, FBO and the like. With the 381 revenues we hope to demonstrate the ability to subsidize the total cost for new construction in an aviation world that typically utilizes old infrastructure and buildings at very low cost. To effectively utilize this model we need more tax revenues than we can forecast from the 381 which is the reason that we would like to explore the ability to add a municipal utility district to help with some of the cost, replacement and operations of the master-project infrastructure.

We had our 20-members of the design/build, planning, engineering, construction, aviation operations team and our funding partner in our offices yesterday for a project decision point meeting. Geoff Connor provided a written report for this meeting based upon his assessment of the potential for CTA achieving approval of an acceptable agreement. A decision was withheld, pending a report from our legal and financial team and myself about whether we have in fact settled the outstanding issues as a result of conceding to all of the County's nine non-negotiable demands. I am available all weekend and at any time on my mobile at 940-9159. I would appreciate hearing from you at your convenience.

Jim Carpenter  
Managing Partner



**CENTRAL TEXAS AIRPORT**  
At Green Corporate Centers

925-B S. Capital of Texas Hwy, Suite 115  
Austin, TX 78746  
Office: 512.306.9993  
Cell: 512.940.9159  
Fax: 512.306.9494  
[www.centraltxairport.com](http://www.centraltxairport.com)

**CONFIDENTIALITY NOTICE/INTELLECTUAL PROPERTY:** This email message and attachment(s) are only intended for use by the addressee(s). The information contained in this electronic mail message is privileged and confidential information intended only for the use of the individual or entity named above. If you received this email in error, please immediately notify the sender via email, and destroy the original and any copies. You are hereby notified that the contents of this transmission and any attachments hereto are the exclusive property, real and intellectual, of Central Texas Airport, LLC., and may not be reproduced, distributed, or otherwise copied by any party whatsoever without the express written consent thereof. © Central Texas Airport, LLC.

**From:** Kyle, Jerry [mailto:JerryKyle@andrewskurth.com]  
**Sent:** Wednesday, April 28, 2010 1:50 PM  
**To:** Tom Pollan  
**Cc:** James R. Carpenter; walter@carpenteraustin.com; Garry@spubfin.com; Patrick W. Lindner  
**Subject:** Central Texas Airport  
**Importance:** High

Tom, in response to your letter dated April 26, 2010, relating to the referenced Agreement and our prior correspondence relating to certain non-negotiable terms, the Company accepts the remaining terms, as outlined in your letter.

Based on our prior correspondence, a revised version of the Agreement incorporating the County's non-negotiable terms and reflecting the terms outlined in our prior correspondence is attached hereto, together with a marked version of the Agreement highlighting changes against the draft Agreement dated February 17, 2010.

As noted in our letter dated April 13, 2010, the Company intends to request the County's consent to the inclusion of the Property in a special utility district by separate instrument.

We look forward to final approval of the Agreement at the County's earliest convenience.

Please call me if you have any questions, comments or concerns. Thanks.

**Jerry V. Kyle, Jr.**  
Partner

**Andrews Kurth LLP**  
111 Congress Avenue, Suite 1700  
Austin, Texas 78701  
512.320.9271 Phone  
512.542.5211 Fax  
512.560.2998 Cell  
512.320.9257 Assistant Phone - Yolanda Roberts  
[jerrykyle@andrewskurth.com](mailto:jerrykyle@andrewskurth.com)  
[vCard](#) | [Bio](#) | [andrewskurth.com](http://andrewskurth.com)

Confidentiality Notice: The information contained in this e-mail and any attachments to it may be legally privileged and include confidential information intended only for the recipient(s) identified above. If you are not one of those intended recipients, you are hereby notified that any dissemination, distribution or copying of this e-mail or its attachments is strictly prohibited. If you have received this e-mail in error, please notify the sender of that fact by return e-mail and permanently delete the e-mail and any attachments to it immediately. Please do not retain, copy or use this e-mail or its attachments for any purpose, nor disclose all or any part of its contents to any other person. Thank you

Treasury Circular 230 Disclosure: Any tax advice in this e-mail (including any attachment) is not intended or written to be used, and cannot be used, by any person, for the purpose of avoiding penalties that may be imposed on the person. If this e-mail is used or referred to in connection with the promoting or marketing of any transaction(s) or matter(s), it should be construed as written to support the promoting or marketing of the transaction(s) or matter(s), and the taxpayer should seek advice based on the taxpayer's particular circumstances from an independent tax advisor.

**E-mail message checked by Spyware Doctor (7.0.0.514)**  
**Database version: 6.14880**

**<http://www.pctools.com/spyware-doctor-antivirus/>**

**E-mail message checked by Spyware Doctor (7.0.0.514)**  
**Database version: 6.14900**

**<http://www.pctools.com/spyware-doctor-antivirus/>**