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May 18, 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:

Our County Working Group has completed its review of your April 28, 2010 draft and has authorized me to send you the County's changes to your document.

Thank you for having your client provide us with clarification on how the aircraft at the Project will be rendered and taxes collected. We have tried to incorporate that procedure into this version.

The County still needs to see Exhibit B, which describes the Project. Please provide this to us at your earliest convenience.

We previously discussed the establishment of some undefined special district which would be handled separately from the 381 Agreement. We have deleted the provision in your April 28, 2010 draft that said the County would assist CTA in the creation of an Infrastructure Agency. Please provide us with the particulars of the special district as soon as possible.

As you will recall, the County originally proposed a 75% County and 25% CTA split on the ad valorem tax revenues and sales tax revenues. Since your April 28, 2010 draft returned to your client's requested 25% County and 75% CTA split, the County will consent to a 25% County and 75% CTA split on the ad valorem tax revenues. However, the County is not willing to make the sales and use tax revenues subject to the 381 Agreement. Additionally, please note that the County has deleted the payment cap that was included in its original draft.

The County is also concerned about the length of the agreement and termination provisions.

I have enclosed a PDF of the County's proposed changes and a clean Word format copy of the document for your convenience.

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Please let me know if you have any questions.

Very truly yours,



Thomas M. Pollan

TMP

Enclosures

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