



DAVIDSON
TROILO
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GARZA PC

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June 4, 2012

Hon. Jim Wither
Bastrop County Judge
804 Pecan Street
Bastrop, Texas 78602

Re: Chapter 381 Economic Development Agreement ("Agreement") dated June 14, 2010 between Bastrop County, Texas and Central Texas Airport, LLC; Approved by Resolution # 06-10-01.

Dear Judge Wither:

The Firm serves as counsel for Central Texas Airport, LLC, and we were asked and authorized to submit this letter to you.

Since the approval of the above-referenced Agreement, the client has proceeded with due diligence and commercially reasonable efforts towards completing the project, including obtaining necessary regulatory permits for the project.

Our client retained ACI Consulting to obtain regulatory approvals that were only determined to be required from the U.S. Army Corps of Engineers (the "USACE") in December 2010. You are familiar with other work that ACI has performed in Bastrop County, such as the Section 404 Clean Water Act permit application approval that was approved by the USACE in 10 months for the near 10,000-acre XS Ranch project. Unfortunately, the client has experienced delays beyond its anticipation and control in obtaining approval from the USACE for its Section 404 permit application that has now surpassed 16-months of ongoing review and requests for additional information and studies. The mitigation being required is for an 8.5 acre manmade livestock tank and 0.80-acre of ephemeral stream drainage area.

Section 9(b) of the Agreement required certain events to occur by the dates specified, but our client probably will not satisfy the deadlines due to the delays caused by the USACE. However, the agreement provides that the deadlines may be extended due to "force majeure." Paragraph (o) page 21 of the Agreement defines "force majeure" as among other things:

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Hon. Jim Wither
June 4, 2012
Page 2

[A]ny delay resulting from causes beyond the reasonable control of a Party, including without limitation, any delay caused by ... (xi) moratorium or other governmental delays, and (xiv) unavailability of labor, materials or governmental permits,...

Our client received a letter dated April 19, 2012, from USACE, that placed additional requirements for approval that were not previously requested. As required by the Agreement, the Firm is submitting notice of force majeure preventing our client from satisfying the deadlines specified in Section 9(b) of the Agreement. It is the opinion of the Firm that this notice satisfies the force majeure requirements of the Agreement. As of this date, our client's commencement of the project has been delayed one year by the unexpected delays in obtaining approval from the USACE. Once the client obtains the required permit from the Corps, the client will proceed promptly with the project.

Should additional information or clarification of this matter be required, please contact us.

Sincerely yours,



Patrick W. Lindner
For the Firm

PWL/ec

Cc: Jim Carpenter (via email)