

March 30, 2010

**VIA E-MAIL TRANSMITTAL**

Mr. Jeffery S. Galt  
Maritime Park Development Partners, LLC  
10010 San Pedro  
Suite 450  
San Antonio, Texas 78216

Re: Analysis of Compliance with Section 4.08.(11); Development Agreement  
(Community Maritime Park Project) Between Community Maritime Park  
Associates, Inc. and Maritime Park Development Partners, LLC

Dear Jeff:

You have asked us to review the attached e-mail from Ed Spears dated this morning, Tuesday, March 30, 2010, addressed to a large list of addressees which contains Ed Fleming's comments from last night. We respectfully point out that Mr. Fleming's e-mail slightly changes and restates the issue at hand. The relevant language responsibility is embedded in the language of Section 4.08.(11), as follows:

... Developer shall provide CMPA with a letter of intent, with an authorization by an attorney in fact attached, from a surety company with an A-rated Best rating that the company would provide the Developer with a payment and performance bond for the type and scale of construction project(s) or contract(s) contemplated in this Agreement. The payment and performance bond must be issued by a surety company with an A-rated Best rating.

The transmittal from the Chubb Group clearly states it is a letter of intent with an authorization by an attorney in fact attached. The letter appropriately identifies Federal Insurance Company as having a Best rating in excess of that required by section 4.08.(11). The heading of the letter from Chubb clearly describes the referenced project and subject of the letter as the Community Maritime Park, and fairly describes the type and scale of the project in the amount of \$32,000,000 (and I am told a second letter of intent increasing that amount to \$38,000,000 has also been issued).

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The transmittal from the Chubb Group was drafted by its attorney in fact to meet the relevant requirements of Section 4.08.(11). It is our view that the Chubb Group transmittal, in fact, meets or exceeds the express contractual requirements of Section 4.08.(11).

Mr. Flemming's example or restated obligations of the Developer are not relevant to determining compliance relevant to these express provisions of the Development Agreement; the relevant provisions and language of Section 4.08.(11) is the appropriate guidepost to be used in determining compliance with the Development Agreement.

We recognize that the process presently only calls for the letter of intent and that any surety, even the one in Mr. Flemming's example, must necessarily reserve the right to review the (as yet to be finalized) written details of a construction contract before issuing a bond. That is customary. The last sentence of Section 4.08.(11) makes it clear that such a bond must in fact be issued subsequently (that obviously means at a later date once the construction contract details are reduced to writing) – and that is undoubtedly what was contemplated by the parties.

We realize every one is busy and all transactions have pressure, but it will lead to more cooperative results if these questions could have come sooner, rather than immediately preceding scheduled public meetings by CMPA.

Sincerely,



Mark G. Lawson

cc: Mark X. White (mwhite@verigoservices.com)