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INTERLOCAL AGREEMENT

BY AND BETWEEN

THE TOWN OF ADDISON AND TEXAS TURNPIKE AUTHORITY

(Dallas North Tollway and Addison Airport Toll Tunnel)

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INTERLOCAL AGREEMENT**BY AND BETWEEN****THE TOWN OF ADDISON AND TEXAS TURNPIKE AUTHORITY****(Dallas North Tollway and Addison Airport Toll Tunnel)**

THIS AGREEMENT is entered into by **THE TOWN OF ADDISON**, a home-rule municipal corporation of the State of Texas (hereinafter called "Addison"), and **TEXAS TURNPIKE AUTHORITY**, an agency of the State of Texas (hereinafter called the "Authority"), organized and existing pursuant to Chapter 361 of the Texas Transportation Code (the "Turnpike Act").

W I T N E S E T H:

WHEREAS, the Authority currently operates, maintains, and periodically improves, expands, extends, and modifies a toll facility known as the Dallas North Tollway (the "DNT"), which provides for the rapid movement of traffic to and from the Central Business District of the City of Dallas to, along, and through the corporate limits of Addison; and

WHEREAS, as a component of the DNT, and pursuant to specific requirements of the Turnpike Act, the Authority constructed certain northbound and southbound service roads commonly known as the Dallas Parkway (herein so called), a portion of said Dallas Parkway and its right-of-way being located within the corporate limits of Addison (the portion of Dallas Parkway and its right-of-way located within the corporate limits of Addison being herein referred to as the "Addison Segment of Dallas Parkway") and being shown on Exhibit A attached hereto; and

WHEREAS, as an extension to and enlargement of the DNT, the Authority shall construct, operate, maintain, and periodically improve, expand, extend, and modify a toll

facility to be known as the Addison Airport Toll Tunnel (the "Toll Tunnel"), which will be located over, under, and through certain real property owned by Addison within the corporate limits of Addison, and sited between Addison Road and Midway Road, most of such property being commonly known as Addison Airport (the "Airport"), and will provide for the rapid movement of traffic through such corporate limits; and

WHEREAS, the existence and operation of the DNT and Dallas Parkway, and the construction and operation of the Toll Tunnel, all in conformance with the Turnpike Act, will relieve traffic congestion in the area being served, and Addison recognizes the value of the DNT, Dallas Parkway, and the Toll Tunnel as supplements to Addison's system of streets and thoroughfares and as furthering the health, safety and welfare of Addison's citizens; and

WHEREAS, the Authority has requested Addison to assume the operation, maintenance, regulation, and public safety functions along the northbound and southbound Addison Segment of Dallas Parkway, and Addison, pursuant to Resolution No. 96-138, has agreed to do so on the terms hereinafter set forth; and

WHEREAS, Addison has agreed to convey to the Authority certain easements (the "Easements") over, under, and across the Airport and a portion of Keller Springs and Dooley Roads for the construction, operation, maintenance, improvement, and modification of the Toll Tunnel, and pursuant to Resolutions Nos. R96-069 and 96-138, Addison has agreed to accept the total sum of One Million Four Hundred Sixteen Thousand Six Hundred One and No/100 Dollars (\$1,416,601.00) (the "Award") as full compensation for the Easements, any future lease income lost as a result of the granting of said Easements, and for all other damages that would otherwise be owing as a result of the laws of eminent domain; and

WHEREAS, Addison has requested that the Authority participate with Addison in providing certain enhancements to the DNT and the Toll Tunnel, said enhancements being (1) the provision of landscaping along a portion of Dallas Parkway situated within the municipal limits of the City of Dallas ("Dallas") between Arapaho Road and Westgrove Drive, (2) the provision of landscaping along certain portions of the outside parkways and within the center median of the approach roadways to the Toll Tunnel, and (3) the construction of a protected right turn lane at the southeast corner of Keller Springs Road and northbound Dallas Parkway, also within the Dallas municipal limits; and

WHEREAS, Addison and the Authority wish to set forth their agreements with respect to (1) the operation and maintenance of the Addison Segment of Dallas Parkway, (2) the construction and operation of the Toll Tunnel, including Addison's obligation to grant the Easements to the Authority for the Toll Tunnel, (3) the enhanced landscaping for a segment of the DNT and for portions of the Toll Tunnel, (4) the Authority's undertaking to construct a right turn lane from northbound Dallas Parkway to eastbound Keller Springs Road, and (5) certain other matters; and

WHEREAS, the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, authorizes local governmental entities to contract with one or more state agencies to perform government functions and services under the terms thereof, and Addison and the Authority have determined that it is in their best interests to assist each other as set forth in this Agreement;

NOW THEREFORE, in consideration of these premises and of the mutual covenants and agreements of the parties hereto to be by them respectively kept and performed, the parties agree as follows:

I. OPERATION AND MAINTENANCE OF DALLAS PARKWAY

A. Dallas Parkway. Prior to the construction of the DNT through the corporate limits of Addison, the proposed right-of-way for the DNT was utilized for and occupied by, in part, the previous configuration of Dallas Parkway, a facility operated, maintained, regulated and patrolled by the respective municipalities and counties through which it passed. The Authority is empowered and required to move and replace any public road that is affected by the construction of a turnpike project, all pursuant to Section 361.232 of the Turnpike Act, a provision previously set forth in Section 5.(i) of Article 6674(v) of the Texas Revised Civil Statutes, the precursor to the Turnpike Act. Acting pursuant to the Turnpike Act, the Authority acquired the necessary right-of-way for the DNT and constructed the controlled access toll lanes in the general location of the right-of-way previously occupied by Dallas Parkway. Pursuant to the referenced provisions of the Turnpike Act, Dallas Parkway was replaced and moved to its current location – northbound Dallas Parkway situated east of the northbound toll lanes and southbound Dallas Parkway situated west of the southbound toll lanes. It was the intention of the Authority and Addison that once construction of relocated Dallas Parkway was completed, all operational rights and responsibilities for the Addison Segment of Dallas Parkway would belong to Addison. The execution of a formal agreement acknowledging Addison's operational rights and responsibilities for relocated Dallas Parkway was delayed until Addison and Dallas resolved certain boundary issues, as evidenced by Ordinance No. 094-045 passed and approved by Addison on June 28, 1994.

B. The Authority's Operational and Maintenance Rights and Responsibilities.
Within the limits described in Section I.D. below, the Authority, at its sole expense, shall:

1. Maintain all DNT improvements constituting the toll lanes of the DNT, including but not limited to mowing, snow/ice control, and the collection and removal of debris from the DNT, all within that portion of the DNT situated between and

including the chain link fence and/or the outside face of the retaining wall situated along the west side of northbound Dallas Parkway and the chain link fence and/or the outside face of the retaining wall situated along the east side of southbound Dallas Parkway, such area being herein referred to as the "DNT Toll Lanes" and being as further depicted on Exhibit B attached hereto.

2. Maintain all improvements constructed by the Authority as a part of the DNT Toll Lanes on the following DNT exit and entry ramps within the limits shown on Exhibit B:

Northbound exit ramp from the DNT Toll Lanes to northbound Dallas Parkway and Belt Line Road; southbound entry ramp to the DNT Toll Lanes from southbound Dallas Parkway and Belt Line Road.

3. Maintain the fence and guardrail placed along Dallas Parkway used to protect the ramp toll plazas described under item no. 2 above and depicted on Exhibit B.

4. Maintain all DNT Toll Lane illumination structures, including under bridge luminaries.

5. Maintain structural bridge components carrying Addison streets over the DNT Toll Lanes.

6. Maintain all DNT trailblazers on Dallas Parkway and other Addison streets, "Left Lane Must Enter Tollway" and "No Pedestrians, Bicycles or Motor Driven Cycles" signs.

7. License, permit, and regulate utility construction and maintenance along, within and across the DNT Toll Lanes.

In no event shall the Authority discharge, or fail to discharge, any of its obligations under this Agreement in a manner that adversely affects the safety or operation of the Dallas Parkway.

C. Addison's Operational and Maintenance Rights and Responsibilities. Addison hereby agrees to operate, maintain, regulate, and provide public safety, all at its sole expense, with respect to the northbound and southbound Addison Segment of Dallas Parkway. The responsibilities of Addison under this Section with respect to the Addison Segment of Dallas Parkway shall apply to these portions of the DNT situated within the corporate limits of Addison and not included in the DNT Toll Lanes, as defined above, and shall include the following:

1. Furnish, construct, install, test, repair, and maintain all street illumination structures, including luminaries and foundations.
2. Provide for the furnishing, construction, repair, installation, testing, and maintenance of traffic signalization, including traffic signal heads, controllers, structures, and foundations.
3. License, permit, and regulate all utility construction within the Addison Segment of Dallas Parkway.
4. Repair, maintain, and, as necessary, construct all storm water conduits and receivers, both open and closed, on, along, and across the northbound and southbound Addison Segment of Dallas Parkway.

5. Maintain the surface drainage of all unpaved right-of-way areas.
6. Collect and dispose of debris and trash accumulated in or along the Addison Segment of Dallas Parkway.
7. Keep the vegetation mown on all right-of-way areas, and maintain all landscaping and irrigation systems.
8. Maintain and, as necessary, supplement all pavement traffic markings.
9. Maintain and, as necessary, modify all traffic regulatory and directional signs, except the DNT trailblazers, "Left Lane Must Enter Tollway," and "No Pedestrians, Bicycles or Motor Driven Cycles."
10. Furnish all policing and other public safety services.
11. License, permit, and regulate all driveway and street connections to the Addison Segment of Dallas Parkway.
12. Provide all sweeping, flushing, and snow/ice control services.
13. Repair, maintain, and provide joint sealing of all pavements, curbs, driveways, sidewalk, and riprap, including precast pavers, on and along the Addison Segment of Dallas Parkway.
14. Maintain and repair and, as necessary, modify all guardrails and fences located along the Addison Segment of Dallas Parkway, including guardrail along and upon Addison streets crossing under or over the DNT Toll Lanes, except those guardrails and fences described in Subsection I.B.(3.).

15. Provide for the payment of the cost of electrical energy for operating illumination and traffic signal systems.

In no event shall Addison discharge, or fail to discharge, any of its obligations under this Agreement in a manner that adversely affects the safety or operation of the DNT Toll Lanes or Dallas Parkway. For the purposes of this Agreement, "maintenance" shall mean the repair, replacement, and/or correction, as appropriate, of defective conditions of materials, equipment, or property in accordance with generally accepted safety, design, and construction standards. "Maintain" and other variants of the word "maintenance" shall be similarly defined.

D. Limits of Operation and Maintenance Obligation. The obligations of Addison arising under this Agreement with respect to the Addison Segment of Dallas Parkway shall apply only to those portions of the Dallas Parkway situated within the established municipal limits of Addison.

II. AIRPORT TOLL TUNNEL

A. Grant of Easements.

Contemporaneous with the execution of this Agreement, Addison shall execute and deliver to the Authority the Easements, which shall be comprised of the following:

1. Subject to the provisions of Subsection II.B.(1.) (b.) below, permanent surface and subsurface easements from the western right-of-way line of Addison Road over, under, and across the Airport and the current right-of-way of Dooley and Keller Springs Roads to the eastern right-of-way line of Midway Road, as shown on Exhibit C hereto and pursuant to the

execution and delivery of the form attached hereto as Exhibit D-1. Notwithstanding anything contained herein to the contrary, Addison, at its sole expense, shall maintain the surface area over the subsurface easements granted to the Authority pursuant to this Agreement.

2. A temporary construction easement as shown on Exhibit C and pursuant to the execution and delivery of the form attached hereto as Exhibit D-2.

B. Issues Specific to the West Side of the Airport.

1. Partial conveyance of Keller Springs and Dooley Roads. As indicated by the legal descriptions attached as Exhibit C hereto, the permanent surface and subsurface easements required for the Toll Tunnel extend from Addison Road on the east to Midway Road on the west. At the western boundary of the Airport, the parties specifically agree, pursuant to Section 361.133 of the Texas Transportation Code, as follows:

a. Addison shall convey to the Authority that portion of Dooley Road situated within the Easement and to be occupied by the Toll Tunnel; and

b. West of both the western boundary of the Airport and the western right-of-way line of Dooley Road and east of the eastern right-of-way of Midway Road, Addison shall convey to the Authority that portion of Keller Springs Road situated within the Easement and required for the Toll Tunnel, it being acknowledged by the parties that the Authority shall be obligated, at the Authority's sole cost, to acquire the additional right-of-way required to widen former Keller Springs

Road west of the western boundary of the Airport and east of Midway Road.

2. Relocation of Dooley Road. Addison approves the temporary relocation of Dooley Road to a location in whole or in part on the Airport property and east of the west portal of the Toll Tunnel and generally parallel to the current location of Dooley Road. Addison hereby grants the Authority all temporary easements necessary or desirable to effect said relocation, which shall be undertaken and completed in accordance with the Plan Sheet attached as Exhibit E.

3. Kellway Circle Connection. The Authority, at its sole cost, shall construct an extension from existing Kellway Circle to Dooley Road, all as shown on the Conceptual Plan attached as Exhibit F. A portion of the right-of-way required for this extension comprises part of a tract of land which Addison previously committed to purchase for purposes related to the operation of the Airport; the Authority, at its sole cost, shall acquire the remainder of the required right-of-way, all as depicted on Exhibit F. Addison, which solely owns and operates that portion of Keller Springs and Dooley Roads being conveyed to the Authority pursuant to Subsection II.B.(1.) above, acknowledges and agrees that the construction by the TTA of the connection from Kellway Circle constitutes the replacement, with an equal or better facility, of those portions of Keller Springs and Dooley Roads conveyed to the Authority.

C. Payment of Award.

1. Upon execution and delivery of the Easements by Addison, the Authority shall pay to Addison \$900,000.00 of the Award. The Authority will pay

such amount at the request of Addison and notwithstanding that Addison will not have resolved all outstanding title issues with respect to the Easements as of the date of such payment.

2. The remainder of the Award, \$516,601.00 (the "Retained Award"), shall be retained by the Authority until Addison has complied with the provisions of this Article II and resolved such title issues to the satisfaction of the Authority so as to permit the Authority to obtain, at its expense, an owner's policy of title insurance (the "Title Policy") insuring the Authority's title to the interests created by the Easements. The Title Policy shall be issued by American Title Company, as agent for a suitable title underwriter, in the form promulgated by the State Board of Insurance of the State of Texas, in the full amount of the Award, showing title to the easement estates created by the Easements to be vested in the Authority and subject to no exceptions that have not been approved in writing by the Authority. Notwithstanding anything to the contrary contained herein, the Authority hereby approves all public utility easements and roadway easements granted to governmental entities as acceptable exceptions to title, which exceptions shall not require a release or other curative work. Upon issuance of the Title Policy to the Authority, the Authority shall pay to Addison the Retained Award.

3. The Authority and Addison recognize and agree that, in order to acquire title to the Land (as hereinafter defined) which is satisfactory to the Authority as described in Subsection II.C.(2.), it may be necessary for Addison and the Authority to file an action in eminent domain. In the event such an action is filed, Addison will not acquire such title to the Land until a final, non-appealable judgment has been entered. However, Addison will be entitled to take possession of the Land (and shall be permitted to provide possession to the Authority) after (i) the filing of a Special Commissioners Award with the applicable court, and (ii) Addison has paid to the owner(s) of the Land the amount of damages and costs awarded by the Special

Commissioners or deposits that amount of money with the court subject to the order of said owner(s). Therefore, notwithstanding the terms of Subsection II.C.(2.) above or any other provision of this Agreement and in order to allow Addison and the Authority to take possession of the Land prior to the entry of a final, non-appealable judgment, the Authority shall pay to Addison the Retained Award upon the filing of the Special Commissioners Award. The payment by the Authority of the Retained Award pursuant to the preceding sentence shall unconditionally and irrevocably commit Addison, at its sole cost, to complete the acquisition of fee title to all of the Land, whether by the completion of said eminent domain action or the consummation of a settlement and the recording of one or more deeds, at the earliest date prudently possible. Notwithstanding the payment of the Retained Amount, Addison shall not be deemed to have fully performed its obligations under this Agreement unless and until it has acquired good and marketable fee title to all of the Land and satisfied all title issues in accordance with Subsection II.C.(2.) above.

D. Representations and Agreements of Addison.

1. Except as otherwise expressly provided in Subsection II.D.(2.) below, Addison hereby represents to and agrees with the Authority that on or before the later of (i) December 31, 1996, or (ii) forty-five (45) days following the filing of a Special Commissioners Award with the applicable court if Addison deems it necessary to exercise its power of eminent domain to acquire the Land (as defined below), or any part of the Land, (the "First Resolution Date");

a. Addison will have good and marketable fee title to all of the land (the "Land") covered by the Easements, free and clear of all leases, encumbrances, and other rights, except as to such encumbrances as may be deemed acceptable to the Authority as set forth in Subsection II.C.(2.) above; provided, however, that in the event Addison deems it necessary to exercise

its power of eminent domain to acquire the Land or any part of the Land, Addison shall, in lieu of providing good and marketable fee title, have possession of the Land or said part of the Land and provide the same to the Authority and shall, upon the entry of a final, non-appealable judgment in any such eminent domain action, have good and marketable fee title to the Land or said part of the Land covered by the Easements, free and clear of all leases, encumbrances, and other rights, except as to such encumbrances as may be deemed acceptable to the Authority as set forth in Subsection II.C.(2.) above. Except as otherwise approved by the Authority, no person or entity other than Addison shall have any interest in the Land. Addison, at its sole expense, shall cure prior to the First Resolution Date all objections of the Authority to matters relating to the title to the Easements and the Land (provided that the Authority may not object to Addison's receipt of possession in lieu of title with respect to the Land or any part of the Land for which it is pursuing an eminent domain action in accordance with this Agreement), including all objections of the Authority to exceptions shown on any commitment for title insurance covering the Easements and the Land, so that the Title Policy can be issued to the Authority without any exception not approved in writing by the Authority. Addison shall conduct any eminent domain action pertaining to the Land (including the naming and serving of the condemnees thereunder) so as to cure the Authority's title objections and to effect the delivery of the Title Policy in accordance with the preceding sentence.

b. Addison, at its sole expense, shall cause to be removed from the Land all hangars, buildings and other improvements that Addison intends to relocate, reuse or salvage. All remaining improvements shall be vacant and otherwise ready for demolition and/or modification by the Authority's contractors in accordance with the provisions of Subsection II.E. below.

2. Notwithstanding the provisions of Subsection II.D.(1.) above, the Authority acknowledges and agrees that, with respect to those portions of the Land occupied by Hangars "D", "E", "F", "G", "J", "K", and "L" (the "Second Resolution Date Land"), Addison shall not be required, prior to the later of (i) March 31, 1997, or (ii) forty-five (45) days following the filing of a Special Commissioners Award with the applicable court if Addison deems it necessary to exercise its power of eminent domain to acquire the Second Resolution Date Land, or any of it, to have secured good and marketable fee title (or possession in the event of an eminent domain action) as provided in subdivision (a) above, or to have removed, vacated and/or readied for demolition hangars, buildings and other improvements as provided in subdivision (b) above. After the Second Resolution Date, Addison shall have fully satisfied all of the identical obligations regarding title to or possession of (as the case may be), and improvements situated on, the Second Resolution Date Land as were applicable to the remainder of Land on or before the First Resolution Date.

3. Addison acknowledges and agrees that it is solely responsible for obtaining all releases, approvals, and consents required by the Federal Aviation Administration (the "FAA") in connection with the construction and operation of the Toll Tunnel and any impact it may have on the safety or operation of the Airport, whether said releases, approvals, or consents arise in connection with the FAA's Grant Agreement for the Airport or otherwise. Addison shall indemnify and hold harmless the Authority for any losses, costs or expenses (including attorneys' fees) resulting from the failure or inability of Addison to comply with the provisions of this Subsection II.D.(3.). The obligation stated herein shall be payable out of Addison's current revenues.

4. If Addison deems it necessary to exercise its power of eminent domain to acquire any portion of the Land, Addison shall file the appropriate action not later than February 15, 1997, and shall thereafter diligently pursue said action and take all

reasonable steps to cause the filing of the Special Commissioners Award at the earliest possible date, unless, and except to the extent that, the Authority elects to acquire any of the Land by eminent domain pursuant to Subsection II.H.(2.).

E. Construction of Toll Tunnel. Following Addison's completion of the activities described in Subsections II.D.(1.) and/or (2.) above, the Authority, through its contractors and at its sole expense, shall demolish and/or modify all hangars, buildings and other improvements on or proximate to the Land and/or the Second Resolution Date Land, as applicable, in the manner indicated on the Demolition Plan attached as Exhibit G. The Authority, through its contractors, shall make all reasonable efforts to minimize any interference with the normal operations of the Airport arising out of the construction of the Toll Tunnel.

F. Support for Turnpike. Addison acknowledges its approval of and support for the financing, design, construction, operation, and maintenance by the Authority of the Toll Tunnel as a turnpike project pursuant to the Turnpike Act. Without limiting the provisions of this Agreement, Addison will take all actions reasonably requested by the Authority which are consistent with this Agreement in furtherance of the purposes of this Agreement. For example, Addison agrees to (1) furnish utility service to the Authority's toll plazas, illumination structures and other facilities that comprise the Toll Tunnel and (2) waive all permit, impact and developer fees regarding the Toll Tunnel. Unless the Authority elects to abandon its efforts to construct and operate the Toll Tunnel, Addison shall not advance any alternative to or conflicting proposal for the development of the Toll Tunnel. Further, in (x) its construction, operation, and maintenance of the Airport, (y) its operation, signalization, and maintenance of Keller Springs Road, Midway Road, and Addison Road, and (z) its consideration of any project that might affect the Toll Tunnel, Addison shall make, and shall cause its tenants to make, every reasonable effort to minimize or avoid any adverse impact on the Toll Tunnel or its operation. Notwithstanding the foregoing, the specific agreements of the Authority and Addison with respect to the proposed extension

of Arapaho Road are set forth in Section II.I. below, and the provisions of this Section II.F. shall not apply to said proposed extension.

G. **Reimbursement by Addison.** Addison shall reimburse the Authority for any costs and expenses (including all attorneys' fees and expenses) that may be incurred by the Authority by reason of the failure of Addison to comply with its obligations under Section II.D. above.

H. **The Authority's Participation in Condemnation Actions.**

1. If in the reasonable judgment of Addison it is necessary for the Authority to be a party in any action in eminent domain undertaken by Addison to comply with its obligations under Section II.D. above, the Authority shall join said action provided that Addison shall reimburse the Authority for any costs and expenses (including all attorneys' fees and expenses) reasonably resulting therefrom.

2. In the event Addison and the Authority deem it necessary to acquire any of the Land by eminent domain, the Authority, at its option, may acquire such Land by eminent domain and exercise its authority, as it deems necessary, to declare a taking and take possession of such Land as authorized by Sections 361.137, 361.138 and other applicable sections of the Texas Transportation Code or the Texas Property Code. In such event, Addison, together with the Authority as set forth below, shall promptly deposit and/or pay all appraised values (in accordance with said Sections of the Texas Transportation Code) and/or awards determined in such proceedings, as the case may be, and shall reimburse the Authority for any costs and expenses (including all attorneys' fees and expenses) that may be incurred by the Authority in acquiring such Land. In the event the Authority exercises its option to acquire any part of the Land by eminent domain, and if Addison and the Authority deem it necessary to use the Retained Award to satisfy all or part of the appraised

values or awards described above, the Authority shall promptly deposit the appraised values or the special commissioners award, as the case may be, and such deposit shall, to the extent of the deposit, satisfy the Authority's obligation under Subsection II.C.(2) to pay to Addison a corresponding portion of the Retained Award; the Authority shall have no obligation to deposit or otherwise become obligated for sums in excess of the Retained Award. In any proceeding of the type described in this Subsection II.H.(2.), the Authority shall not be permitted to accept or offer any settlement, or to file any action or appeal, without the written authorization of Addison. The Authority and its counsel shall permit Addison and its counsel to fully participate in and support any such eminent domain action. The outcome of any such proceeding, including the amount of any resulting award or settlement, shall not modify or abrogate the obligations of the parties under this Agreement or increase or diminish the Award. The Authority and Addison acknowledge and agree that the Authority, at its option, may include at any time Addison as a property owner whose interest is being acquired under the Authority's eminent domain action(s), and that none of the provisions of this Agreement shall be abrogated, modified or affected thereby.

I. The Arapaho Road Extension. Addison currently intends to upgrade and extend Arapaho Road (the "Arapaho Road Extension"). It is anticipated that the Arapaho Road Extension will be generally constructed in the following three (3) phases:

Phase I: Upgrade Arapaho Road for the entire length of its existing alignment, terminating at Addison Road. Phase I is projected to open to traffic on December 31, 1997.

Phase II: Extend Arapaho Road along a new alignment from its existing junction at Addison Road to Midway Road. Phase II is projected to open to traffic on January 1, 2000.

Phase III: Extend Arapaho Road along a new alignment from its junction with Midway Road to Marsh Lane. Phase III is projected to open to traffic on January 1, 2003.

The planned alignment of the Arapaho Road Extension is indicated on Exhibit H attached hereto.

Addison agrees that, at least sixty (60) days before it intends to solicit construction bids for either Phase II or Phase III of the Arapaho Road Extension, it will provide written notice to the Authority of such intent. Thereafter, the Authority shall have an opportunity to review the effect, if any, that the proposed Phase II or Phase III construction will have on the Toll Tunnel. If the Authority, based upon its review, reasonably and in good faith concludes that the construction of Phase II or Phase III, as applicable, of the Arapaho Road Extension will have a materially adverse effect upon the financial performance of the Toll Tunnel (e.g., the Phase II or Phase III construction would have a reasonable likelihood of causing a deterioration in the financial performance of the Toll Tunnel that will result in revenues from the operation of the Toll Tunnel becoming insufficient to satisfy corresponding debt service, operating and maintenance costs, and reserve and similar requirements under the applicable trust agreement), the Authority may, not less than fifteen (15) days prior to the proposed date for the solicitation of bids, request in writing to Addison that the proposed solicitation and construction be postponed. Such request shall be accompanied by all of the evidence considered by the Authority in reaching its conclusion. Upon receiving such evidence, Addison shall review the same and give it significant weight in making its final determination as to whether or not to proceed with the Phase II or Phase III construction. The determination to proceed with the Phase II or Phase III construction shall be at Addison's sole discretion.

J. Operational and Maintenance Rights and Responsibilities. Except as otherwise provided in this Section II.J. and in Section II.K. below, the Authority agrees to construct, operate, maintain, and regulate, all at its sole expense, the Toll Tunnel from its

eastern terminus at Addison Road to its western terminus at Midway Road. As part of said obligations, the Authority, through its contractors and at its sole expense, shall relocate all Addison water and sanitary sewer facilities that are in conflict with the design and construction of the Toll Tunnel, and shall restore existing service to all properties affected by said relocation. At the completion of said work, Addison, at its sole expense, shall inspect and approve said relocated and restored water and sanitary sewer facilities. Addison further agrees to design, furnish required materials and then install all temporary and permanent traffic signalization equipment in connection with the modification of the signalization equipment currently in place at the intersection of the Toll Tunnel with Addison Road that results from the construction of the Toll Tunnel. Upon submission of suitable supporting materials therefor, the Authority shall reimburse Addison for all sums paid by Addison to its contractors pursuant to the preceding sentence, provided that the Authority shall not reimburse Addison for any of Addison's, in distinction to its contractor's, overhead or administrative costs. After completion of the Toll Tunnel, Addison, at its sole expense, shall thereafter operate and maintain all traffic signalization equipment at the intersection of the Toll Tunnel and Addison Road.

K. Authorization for Patrolling, Etc. Consistent with its practice for those portions of the DNT and other transportation projects situated within its municipal limits, Addison shall police and patrol the Toll Tunnel, as well as provide incident and fire response, but only in support of the Department of Public Safety or other entity retained by the Authority to police, patrol and regulate the Toll Tunnel. The Authority hereby authorizes Addison to perform said services with respect to the Toll Tunnel.

III. ENHANCEMENTS TO DNT: LANDSCAPING

A. The Landscaping Improvements. Addison, at no cost to the Authority, has provided for the preparation by Linda Tycher and Associates, a professional architect (the "Landscaping Consultant"), of detailed plans for enhanced landscaping along Dallas Parkway

between Arapaho Road and Westgrove Drive (the "Landscaping Improvements"), said plans being styled and identified as "Landscape Construction DNT City of Addison" and dated January 25, 1996 (the "Plans"). The Plans have been submitted to and approved by the Authority and reflect and incorporate any and all changes requested by the Authority. All work relating to the Landscaping Improvements shall be performed substantially in accordance with the Plans, and the Plans shall not be modified in any material respect without the prior written consent of the Authority. A portion of the Landscaping Improvements are to be made on right-of-way owned and operated by the Authority as part of the DNT Toll Lanes, as previously provided in Section I.B. hereof.

B. Performance and Maintenance of the Landscaping Improvements. Addison, at no cost to the Authority except as expressly provided in Section III.F. below, shall perform the Landscaping Improvements in conformance with the Plans. Thereafter, Addison, at no cost to the Authority, shall maintain the Landscaping Improvements in (1) a healthy, attractive, and sound state and (2) a manner that does not interfere with the safe and efficient operation of the DNT. Addison shall provide for the regular irrigation, mowing, trimming, and other maintenance of the Landscaping Improvements, and shall keep the same free from subsidence, erosion, trash, debris, or dangerous conditions. Without limiting the foregoing, Addison shall maintain the Landscaping Improvements so that foliage, limbs, shrubs, other growth, and structures do not diminish visibility along the DNT or obstruct sight lines prudently desirable at entrance or exit ramps.

C. Irrigation System. The Landscaping Improvements as depicted on the Plans are to be irrigated. Addison, at no cost to the Authority, has agreed to design the irrigation system so as to prevent, to the greatest extent reasonably possible, the spray, flow, run-off, or drift of water carried by said irrigation system from wetting the DNT Toll Lanes or Dallas Parkway. Further, if the Authority determines at any time that the irrigation system is operating in a manner that wets the DNT Toll Lanes, Addison, upon request of the Authority, shall shut off the irrigation system (or applicable portions thereof) until the

Authority receives assurances and evidence reasonably acceptable to it that the irrigation system has been repaired or modified appropriately.

D. Required Approvals. A portion of the Landscaping Improvements are to be made on right-of-way owned and/or operated by Dallas. Addison acknowledges and represents to the Authority that it has received all authorizations required from Dallas to install and maintain the Landscaping Improvements, as well as those required for Addison and the Authority to exercise their respective rights and obligations in accordance with this Article III.

E. Right to Remove. The Authority has no current plan or intention to modify completed portions of the DNT in a manner that would damage the Landscaping Improvements. Nevertheless, if the Authority subsequently determines in good faith that all or any portion of the Landscaping Improvements must be removed or altered so as to permit the improvement, extension, enlargement, or modification of the DNT, the placement of any utility line, roadway signage, safety or illumination device, or other structure, or for any other purpose consistent with the Turnpike Act, Addison consents to said removal or alteration upon its receipt of sixty (60) days prior written notice thereof from the Authority; Addison may remove and/or retain all or any portion of the Landscaping Improvements during said 60-day period. Notwithstanding the foregoing, if the damage to the Landscaping Improvements results from the placement by the Authority or its contractors of a utility line, roadway signage, safety or illumination device or similar structure, the Authority shall restore, to the extent prudently possible, the Landscaping Improvements to substantially their same condition as prior to said damage.

F. Obligations of the Authority. The Authority shall pay, either directly to the identified contractor or as reimbursement to Addison, the actual cost of landscaping material initially installed as part of the Landscaping Improvements, up to but not exceeding \$90,000.00. The Authority is not responsible for (1) the cost of any plants or other

landscaping material acquired in replacement or modification of the Landscaping Improvements, (2) the cost of planting or otherwise installing any portion of the Landscaping Improvements, or (3) any costs resulting from the maintenance, modification, or removal of the Landscaping Improvements. The obligations of the Authority with respect to the Landscaping Improvements are of payment or reimbursement only. The Landscaping Consultant estimates that the cost of the landscaping material to be paid or reimbursed by the Authority will be approximately \$90,000.00, and the Authority's payment and reimbursement obligations hereunder shall not exceed \$90,000.00.

IV. ENHANCEMENTS TO THE TOLL TUNNEL: LANDSCAPING

A. Enhanced Landscaping. Addison has proposed that it provide enhanced landscaping for a portion of the Toll Tunnel constructed west of the Airport. The exact location and nature of the enhanced landscaping shall be established at a later date in accordance with Section IV.B. below. Generally speaking, however, the enhanced landscaping shall be placed along and within the outside parkway/green space that shall be situated between the north and south curb lines of former Keller Springs Road and the north and south right-of-way lines of the Toll Tunnel, as well as in the median of said former Keller Springs Road.

B. The Amendment. The Authority generally agrees with and supports Addison's proposal regarding enhanced landscaping for the Toll Tunnel, but the parties have yet to fully formulate their agreement. The precise nature and location of the enhanced landscaping, as well as a description of the installation, sequencing, maintenance, payment and other rights and obligations of Addison and the Authority, shall be set forth in an amendment to this Agreement.

V. ENHANCEMENTS TO DNT: KELLER SPRINGS TURN LANE

A. Construction of Turn Lane. Traffic on northbound Dallas Parkway is becoming more congested at its intersection with Keller Springs Road. The level of congestion is likely to increase as a result of the Toll Tunnel. Under current conditions, patrons of the DNT are finding it increasingly difficult to exit at the northbound Keller Springs exit ramp. There is the potential for the situation to worsen in the future to the extent that traffic will be stacked back onto the northbound DNT Toll Lanes. As a result of these conditions, the Authority shall construct, at its sole expense, a protected right turn lane (the "Turn Lane") from northbound Dallas Parkway to eastbound Keller Springs Road in accordance with certain plans to be prepared by the Authority and approved by Addison, said approval not to be unreasonably withheld or delayed (the "Plans"), on right-of-way situated within the municipal limits of Dallas.

B. The Plans. The Authority, through its consulting engineers, shall cause the Plans to be prepared. Once the Plans have been prepared by the Authority and approved by Addison and Dallas, no changes to the Plans shall be made without the express written approval of such changes by the Authority, Addison and Dallas.

C. Construction and Maintenance Obligations. Prior to the commencement of construction of the Turn Lane, Addison shall secure, at no cost to the Authority, fee simple title to all right-of-way not then owned by the Authority that is required for the Turn Lane as described in the Plans, together with such additional access and use rights as the Authority, in its sole judgment, believes are necessary for the safe and efficient completion of the Turn Lane. Addison shall grant and convey to the Authority full fee simple title to the land on which the Turn Lane shall be situated, and hereby transfers and assigns to the Authority all access and use rights described in the preceding sentence, so as to permit the construction of the Turn Lane. The Authority, through its contractors, shall complete construction of the Turn Lane in accordance with the Plans. Addison shall be responsible

for the relocation of affected utilities, signalization and illumination structures, and signage, if any (the "Relocation Work"). Upon completion of the Turn Lane, Addison acknowledges and represents that Dallas, at no cost to the Authority, shall continuously thereafter maintain the Turn Lane, together with all appurtenances thereto, including paving, curbing, signage, signalization, illumination, and utility and drainage structures, if any, and shall be solely responsible for the policing thereof.

D. Costs. Except for Addison's responsibility (1) to acquire all needed right-of-way and (2) to provide the Relocation Work described in Subsection V.C. above, the Authority shall be solely responsible, and shall not seek reimbursement, for the costs resulting from the construction of the Turn Lane, including the costs resulting from the removal of existing pavement, sidewalks, fences, trees, and shrubs.

E. Authorization from Dallas. Addison acknowledges and represents to the Authority that Addison will secure any agreements and consents from Dallas necessary to fully authorize the construction and future maintenance of the Turn Lane in accordance with this Article V.

VI. MISCELLANEOUS

A. Authorization. Each party to this Agreement represents to the other that it is fully authorized to enter into this Agreement and to perform its obligations hereunder, and that no waiver, consent, approval, or authorization from any third party, including Dallas, is required to be obtained or made in connection with the execution, delivery, or performance of this Agreement.

B. Binding Nature and Assignment. This Agreement shall be binding on the parties hereto and their respective successors and assigns, but neither party may, or shall have the power to, assign this Agreement or any other rights arising under this Agreement

without the prior written consent of the other, such consent not to be unreasonably withheld or delayed. Notwithstanding the foregoing, this Agreement and all of the Authority's rights and obligations hereunder shall be deemed automatically assigned to any governmental entity succeeding to the Authority's rights and obligations with respect to the DNT and the Toll Tunnel.

C. Sole Benefit. This Agreement is entered into for the sole benefit of the Authority and Addison and their respective successors and permitted assigns. Nothing in this Agreement or in any approval subsequently provided by either party hereto shall be construed as giving any benefits, rights, remedies, or claims to any other person, firm, corporation, or other entity, including the public in general.

D. Relationship of the Parties. Nothing in this Agreement shall be deemed or construed by the parties, or by any third party, as creating the relationship of principal and agent, partnership, or joint venture between the parties.

E. Severability. If any provision of this Agreement is declared or found to be illegal, unenforceable, or void, in whole or in part, then both parties shall be relieved of all obligations arising under such provision, but only to the extent that it is illegal, unenforceable, or void, it being the intent and agreement of the parties that this Agreement shall be deemed amended by modifying such provision to the extent necessary to make it legal and enforceable while preserving its intent or, if that is not possible, by substituting therefor another provision that is legal and enforceable and achieves the same objectives.

F. Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof. There are no representations, understandings, or agreements relative hereto which are not fully expressed herein. No change, waiver, or discharge hereof shall be valid unless in writing and signed by an

authorized representative of the party against which such change, waiver, or discharge is sought to be enforced.

G. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Texas.

[End of Page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the effective date first written above.

ATTEST:

Jimmie G. Newton
Jimmie G. Newton,
Secretary

APPROVED AS TO FORM:
Locke Purnell Rain Harrell
(A Professional Corporation),
General Counsel

By: Frank E. Stevenson, II
Frank E. Stevenson, II

THE AUTHORITY

TEXAS TURNPIKE AUTHORITY,
an agency of the State of Texas

By: James W. Griffin
Name: JAMES W. GRIFFIN
Title: Executive Director

ADDISON

ATTEST:

THE TOWN OF ADDISON,
a home-rule municipal corporation

C. Moran
Name: CITIZEN ADDISON
ADDISON Secretary
[Seal]

By: Ron Whitehead
Name: Ron Whitehead
Title: CITY MANAGER

