NTTA®
NORTH TEXAS TOLLWAY AUTHORITY
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March 21, 2011

Collin County Commissioners' Court
Collin County Administration Building
2300 Bloomdale Rd., Suite 4192
McKinney, TX 75071

Re: Agreement Regarding the Outer Loop Project (Within Collin County) (the "ILA")

Dear County Judge and Commissioners,

The form of ILA transmitted to the County last Thursday, March 17, was approved unanimously by the NTTA's Board of Directors at its monthly meeting earlier that day. We understand that subsequent to the delivery of that form, one or more members of the Commissioners Court raised concerns regarding the use of the phrase "or desirable" in the subsection 5.c.iv. set forth below:

> iv. upon the Authority's payment of the sum determined pursuant to subsections 5.c.iii.(A) through (D) above, the County shall transfer and convey to the Authority such right-of-way and improvements as the Authority deems necessary *or desirable* to own, construct, maintain, or operate the Project, free of any indebtedness, lien, or other adverse encumbrance, and assign to the Authority (or, at the Authority's option, provide a royalty-free license for) any permit, agreement, contract, plans, specifications, or other deliverable pertaining to the Project as the Authority requests; and

We understand that the County is concerned that the use of "desirable" could permit the NTTA to require the County to transfer right-of-way that is unnecessary for the Project and simply "desirable" for reasons unrelated to the NTTA's effective operation of the roadway. On behalf of the NTTA, and recognizing that the County will be relying upon this letter in considering the ILA, I assure you that is not the NTTA's intention regarding the term "desirable" nor would the NTTA advance such an interpretation.

The phrase "necessary or desirable" routinely appears in the NTTA's project agreements with TxDOT – typically in the phrase "necessary or desirable for the proper operation of the Project." So, the NTTA's use of "desirable" is by no means unique to the ILA.

The purpose for the "desirable" language is only to prevent a needless argument in the future about what is absolutely, strictly, or unequivocally "necessary" for the NTTA's road. While the County wishes to avoid an overbroad definition of "desirable," the NTTA fears an overly constrained definition of "necessary."

All that "desirable" is intended to affirm in this context is that right-of-way reasonably considered part of and useful to the Project in accordance with standard toll industry practices could be requested by the NTTA. Some specific examples include right-of-way upon which entrance and exit ramps, slopes, or retaining walls are constructed.

Right-of-way that is (1) not typically considered part of the NTTA's facility or (2) desirable for some purpose unrelated to the safe and efficient operation of the NTTA's facility is specifically disclaimed.

Assuming the Court approves the ILA in form the NTTA submitted last Thursday, this letter shall be deemed an integral interpretive element of the ILA, and both it and its assurances shall fully survive the complete execution of the ILA and not be deemed superseded thereby.

I hope that this letter provides a helpful clarification of the issue you raised.

Very truly yours,

Victor T. Vandergriff

Chairman

cc: Board of Directors
Allen Clemson
Bob Schell
Frank Stevenson