UMBRELLA MEMORANDUM OF UNDERSTANDING

FOR INTERGOVERNMENTAL COOPERATION BETWEEN THE CITY OF BELLEVUE AND THE CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY FOR

THE

EAST LINK PROJECT

This UMBRELLA MEMORANDUM OF UNDERSTANDING ("MOU"), effective this 15 day of November, 2011, is entered into between the CITY OF BELLEVUE, a Washington municipal corporation ("City"), and the CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY ("Sound Transit"), a regional transit authority. For and in consideration of the mutual covenants contained herein, the City and Sound Transit do hereby agree as follows regarding the Sound Transit East Link Project.

RECITALS

WHEREAS, The City is a non-charter optional municipal code city incorporated under the laws of the State of Washington, with authority to enact laws and enter into agreements to promote the health, safety and welfare of its citizens and for other lawful purposes;

WHEREAS, Bellevue is the second largest city in King County, is recognized as the economic and cultural center of the Eastside, and is committed to supporting infrastructure and planning that support and enhance Bellevue's designation as a Metropolitan Regional Growth Center;

WHEREAS, Sound Transit is a regional transit authority created pursuant to chapters 81.104 and 81.112 RCW with all powers necessary to implement a high capacity transit system within its boundaries in King, Pierce, and Snohomish Counties;

WHEREAS, on November 4, 2008, Central Puget Sound area voters approved the Sound Transit 2 plan, a package of transit improvements and expansions including increased bus service, increased commuter rail service, an expansion of link light rail, and improved access to transportation facilities and Sound Transit is implementing the East Link Project pursuant to its statutory authority described above and the voter approved Sound Transit 2 plan;

WHEREAS, the expansion of link light rail approved in the Sound Transit 2 plan includes an expansion of light rail from Downtown Seattle to Mercer Island, downtown Bellevue, and the Overlake Transit Center with stations serving Mercer Island, South Bellevue, downtown Bellevue, Bel-Red and Overlake areas;

WHEREAS, both before and since the public vote on Sound Transit 2, Bellevue has been engaged in extensive planning efforts for deploying light rail, including but not

limited to the Bel-Red Plan, the Light Rail Best Practices Report and amendments to its Comprehensive Plan;

WHEREAS, segments of the East Link Project will be constructed and operated within Bellevue, with associated impacts and benefits for residents, businesses and visitors to Bellevue;

WHEREAS, the parties recognize the mutual benefits of a tunnel alignment through downtown Bellevue, including that such an alignment maximizes the ability of Sound Transit's high capacity light rail system to meet long-term regional transportation needs, increases run-time predictability and light rail operational performance, while avoiding additional congestion on downtown streets and impacts to the homes and businesses in downtown Bellevue;

WHEREAS, since the public vote on Sound Transit 2, Bellevue and Sound Transit have cooperated in efforts to identify and develop a financially feasible tunnel route through Downtown Bellevue;

WHEREAS, the parties' cooperative efforts have resulted in a shorter, less expensive tunnel alternative than the alternatives originally identified in the DEIS, known as the C9T alternative;

WHEREAS, Bellevue has demonstrated a willingness to cooperate and partner with Sound Transit in order to make the C9T affordable by reducing Sound Transit's project costs through Bellevue or by undertaking projects that reduce costs or add value to the project;

WHEREAS, on April 23, 2010 the City and Sound Transit entered into a Term Sheet which provided a general framework regarding the City's funding contributions and commitments for the East Link Project if the C9T tunnel alternative were to be ultimately selected by the Sound Transit Board as a component of the East Link Project;

WHEREAS, on July 28, 2011, the Sound Transit Board selected the alignment and station locations for construction of the East Link Project from downtown Seattle to the cities of Mercer Island, Bellevue and Redmond as set forth in Sound Transit Resolution R2011-10, incorporated by reference herein, and which includes the C9T tunnel alternative;

WHEREAS, on August 10, 2011, the City and Sound Transit entered into another Term Sheet which further defined the City's funding contributions and commitments and called for the parties to enter into good-faith negotiations to produce a binding umbrella MOU on or before October 25, 2011, unless extended by the parties, which addresses at least the following issues: (a) C9T tunnel funding, (b) project cost updating, cost reconciliation, and risk and benefit sharing procedures, (c) use of City right-of-way and associated terms and conditions, (d) a description of the applicable City codes and regulations and potential regulatory changes, and (e) design modifications to the project scope;

WHEREAS, the City has identified potential City Requested Modifications to portions of the alignment selected by the Sound Transit Board as described in Sound Transit Resolution No. R2011-10 (dated July 28, 2011), which modifications would seek to address impacts to the surrounding neighborhoods through design options to avoid or minimize noise, visual and transportation system impacts, particularly in the B Segment and any additional environmental review of these modifications will occur as described in this MOU;

WHEREAS, the City owns and operates public rights-of-way, utilities, parks and other infrastructure and improvements within the City, that will be impacted by certain Project improvements. The City is responsible for managing streets and rights-of-way and public utilities within its jurisdiction for a variety of uses and public benefits, including public safety. The parties intend to enter into a separate Transit Way Agreement which will provide for Sound Transit's temporary and long term use of City right-of-way;

WHEREAS, the City is responsible for administering state and local land use laws and development regulations that will apply to planning, design, development and operation of the Project. Such development regulations and land use laws, including but not limited to the Growth Management Act ("GMA"), Shoreline Management Act ("SMA") and SEPA, grant the City authority to exercise its land use powers in review of permits related to the Project and nothing herein is intended to waive such authority;

WHEREAS, the Growth Management Act (RCW 36.70A) provides that regional transportation facilities are essential public facilities and the Project is an essential public facility;

WHEREAS, the parties have a joint interest in serving Bellevue, the eastside and the Puget Sound region with high quality, convenient public transit, and the Project has the potential to provide a reliable, high frequency transportation option for Bellevue residents and regional commuters, and to benefit the eastside and Bellevue residents and workers by linking to multiple destinations in the region;

WHEREAS, the parties have a joint interest in ensuring that the Project incorporates design and mitigation measures appropriate to its impacts and represents a high-quality investment for taxpayers, the City and Sound Transit;

WHEREAS, the parties anticipate that additional agreements may be necessary to ensure successful completion of the Project; and

WHEREAS, the parties desire to cooperatively identify design modifications for the Project, develop a protocol for sharing information in a timely manner and at stages of the Project appropriate to ensure adequate consideration of issues identified by either party, develop communication and decision making standards that maximize transparency and efficiency in decision making, and build effective cooperation between the parties.

NOW THEREFORE, in consideration of mutual promises and covenants contained herein, the parties agree to the terms and conditions as follows:

1.0 DEFINITIONS

For purposes of this MOU, the following terms, phrases, words, and their derivations shall have the meaning given herein where capitalized; words not defined herein shall have their ordinary and common meaning. When not inconsistent with the context, words used in the present tense include the future, words in the plural number include the singular number, words in the singular number include the plural number, and the use of any gender shall be applicable to all genders whenever the context requires. The words "shall" and "will" are mandatory and the word "may" is permissive. References to governmental entities (whether persons or entities) refer to those entities or their successors in authority. If specific provisions of law referred to herein are renumbered, then the reference shall be read to refer to the renumbered provision. References to laws, ordinances or regulations shall be interpreted broadly to cover government actions, however nominated, and include laws, ordinances and regulations now in force or hereinafter enacted or amended.

1.1 Memorandum of Understanding. "Memorandum of Understanding," MOU," or "Agreement" means this Memorandum of Understanding approved by appropriate action of the City and of Sound Transit.

1.2 City. "City" means the City of Bellevue and any successor or assignee following an assignment that is permitted under this MOU.

1.3 City Contingency. "City Contingency" means that portion of the City Contribution with a potential value of up to $60 million (2010$), subject to a permanent reduction at the time of Project Baseline Budget, the final amount of which will be determined and payable after final Project cost reconciliations, as further described in Section 4.

1.4 City Contribution. "City Contribution" means the City's financial contribution to the Project, which was based on sharing the estimated cost difference between an at-grade and tunnel alignment through downtown Bellevue. The April 2010 Term Sheet between the parties established a $320 million cost difference and the City contribution was identified at $150 million (both in 2007 dollars). At the time of the preliminary engineering (PE) cost estimate for the East Link Project, the cost difference between the at-grade and tunnel alignments was updated to reflect changes in alignment, advances in design, and elimination of a project reserve. In the PE cost estimate, the cost difference between the at-grade and tunnel alignments was $276 million in 2010 dollars. The originally-identified City contribution of $150 million was inflated to $160 million in 2010 dollars by using the Consumer Price Index (CPI), Right-of-Way (ROW) and Construction Cost indices contained in the Sound Transit financial model. See Exhibit A (Inflation

of City Contribution),attached and incorporated herein. The City Contribution consists of the Up-front Contribution and the City Contingency.

1.5 Liability. "Liability" means all loss, damage, cost, expense (including costs of investigation and attorneys' and expert witness fees and expenses at arbitration, trial or appeal and without institution of arbitration or suit), claims and demands of whatever kind or nature (including those arising under the Federal Employers Liability Act), arising out of or relating to this MOU or occurring on or relating to the design, construction and/or operation of the Light Rail Transit System described herein.

1.6 Light Rail Transit Facility. "Light Rail Transit Facility" means a structure, rail track, equipment, maintenance base or other improvement of a Light Rail Transit System, including but not limited to ventilation structures, traction power substations, Light Rail Transit Stations and related passenger amenities, bus layover and inter-modal passenger transfer facilities, park-and-ride lots, and transit station access facilities.

1.7 Light Rail Transit System. "Light Rail Transit System" means a public rail transit line that operates at grade level or above or below grade level, and that provides high-capacity, regional transit service owned or operated by a regional transit authority authorized under chapter 81.112 RCW. A Light Rail Transit System may be designed to share a street right-of-way although it may also use a separate right-of-way.

1.8 MOU Baseline. "MOU Baseline" means the cost estimate, based on preliminary engineering plans for Segment B, Segment C, and Segment D and further described in Section 4, against which the parties shall compare the same elements of the Project Baseline Budget for purposes of the City Contingency calculation described in Section 4.

1.9 Parties. "Parties" means the City of Bellevue and Sound Transit.

1.10 Passenger. "Passenger" means any person who is not an employee or agent of Sound Transit, and who is using any Sound Transit Light Rail Transit Facility.

1.11 Portal to Portal Costs. "Portal to Portal Costs" means those certain construction costs, as identified on Exhibit B (Portal to Portal Costs), attached and incorporated herein, against which the City Contingency may be applied.

1.12 Project. "Project" means the segments of the light rail system in the City of Bellevue as described in Exhibit C (Project Description), attached and incorporated herein, and as may be modified as described in this MOU.

1.13 Project Baseline Budget. "Project Baseline Budget" means the baseline budget for the entire East Link project from the City of Seattle to Overlake, developed in

accordance with Sound Transit's project control and phase gate procedures and based on 60% design drawings following any necessary land use approvals from the City.

1.14 Sound Transit. "Sound Transit" means the Central Puget Sound Regional Transit Authority, and any other entity to the extent such entity, as permitted under this MOU, is exercising any rights to operate the Light Rail Transit System over any portion of the Light Rail Transit Way pursuant to a specific written grant of such rights by Sound Transit.

1.15 Third Party. "Third Party" means any person other than the City or an employee of the City and any person other than Sound Transit or an employee of Sound Transit.

1.16 Up-Front Contribution. "Up-Front Contribution" means that portion of the City Contribution due during the course of Project development and construction, which consists of the elements described in Exhibit D (Up-Front Contribution), attached and incorporated herein, and which together are valued as a $100 million (2010$) credit toward the City Contribution, as calculated and adjusted in Section 4.

2.0 COOPERATION AND GOOD FAITH EFFORTS

2.1 The parties understand and agree that the process described in this MOU depends upon timely and open communication and cooperation between the parties. In this regard, communication of issues, changes, or problems that arise in the acquisitions, in identifying the parcels or property rights to be transferred, or with any aspect of the performance of terms of this MOU should occur as early as possible in the process, and not wait for explicit due dates or deadlines. Each party agrees to work cooperatively and in good faith toward resolution of any such issues in a manner that ensures adequate time for each party to work through issues.

2.2 The parties acknowledge that this MOU contemplates the execution and delivery of a number of future documents, instruments and permits, the final form and contents of which are not presently determined. The parties agree to provide the necessary resources and to work in good faith to diligently and timely develop the final form and contents of such documents, instruments and permits.

2.3 The City may apply for grants available to local agencies to supplement Sound Transit funds as contemplated by this MOU. Upon request, Sound Transit will provide letters of support for and otherwise cooperate fully in grant applications made by the City.

2.4 Attached to this MOU is Exhibit E (Collaborative Design Process), attached hereto and incorporated herein, adopted and incorporated herein by this reference,

explaining in further detail the Collaborative Design Process (CDP) the parties intend to pursue following execution of the MOU.

3.0 SEPA COMPLIANCE

3.1 Sound Transit is the "lead agency" for purposes of the Project (as described herein) compliance with the State Environmental Policy Act, RCW Chapter 43.21C ("SEPA"). The City agrees that the Project has been subject to procedural and substantive SEPA through issuance of the following environmental documents, which, together with any subsequent environmental documents issued by the lead agency, comprise the "Project Environmental Documents," incorporated herein by reference:

(a) East Link Project Draft Environmental Impact Statement, December 12, 2008 ("DEIS").

(b) East Link Project Supplemental Draft Environmental Impact Statement, November 12, 2010 ("SDEIS").

(c) East Link Project Final Environmental Impact Statement, July 15, 2011 ("FEIS").

(d) The related documents referenced in the DEIS, SDEIS, or FEIS, including but not limited to those submitted by the City.

3.2 Sound Transit acknowledges that it has not applied for required permits for the Project from the City and that the City's issuance of permits for the Project is an action which may be subject to SEPA. The parties agree that pursuant to WAC 197-11-600 (adopted by reference in Bellevue City Code (BCC) Section 22.02.020) as supplemented by BCC 22.02.037, the Project Environmental Documents will be used by the City unchanged for its review and decisions on permit applications related to the Project, unless otherwise indicated pursuant to WAC 197-11-600(3) or BCC 22.02.037.

4.0 CITY FUNDING CONTRIBUTIONS FOR C9T TUNNEL

4.1 Description of City Contribution. The City shall provide a City Contribution of up to $160 million (2010$) toward the cost of the Project, as further described in this Section 4.1, and as adjusted as described in Section 4.2.

(a) Up-front Contribution. Subject to Section 4.2(b), the Up-Front Contribution shall be due regardless of the final cost of the Project and as described in Exhibit F (Cost within Bellevue), attached and incorporated herein. The credit for the real property components described in Exhibit D shall be $83.6 million towards the City Contribution, which amount shall be removed from the MOU Baseline, as set forth in the table in 4.2(a) below. The remaining components of the Up-Front Contribution have a total credit value of $16.4

million (2010$). The credit value for each specific component listed on Exhibit D will be reconciled as described in such Exhibit.

b) City Contingency. Subject to Section 4.2(b) the City Contingency of up to $60 million in value (2010$), shall be adjusted at the time of the Project Baseline Budget as described in Section 4.2, and the final amount shall be determined through the Project close-out cost reconciliation procedures described in Section 4.3.

4.2 Preliminary City Contribution Adjustments. During Project design and prior to construction of the Project, the parties agree that the City Contribution shall be adjusted as follows:

The adjustment procedures described below will require in some cases adjustment from 2010 dollars to "year of expenditure" (YOE) dollars. The adjustment calculation will be made using the CPI, ROW, and Construction Cost indices contained in the Sound Transit financial model as illustrated in Exhibit F, attached and incorporated herein.

a) Establish MOU Baseline. In order to adjust the City Contingency at the time of Project Baseline Budget, the parties agree to establish the MOU Baseline, as shown in the following table:

Construction and ROW cost estimates in Bellevue by Segment	**2010$***
Segment B: I-90 and Bellevue Way SE Interchange to Winters House	$285.44
Segment C: Winters House to BNSF	$711.36
Segment D: BNSF to 148th Ave. NE, incld LRV Storage Track	$426.49
Bellevue – Permits, Design Reviews, Construction Assistance	$18.01
Total Construction and ROW cost estimates in City of Bellevue	**$1,441.31**
112th Avenue SE Alignment Modification	$7M
STart$ in PE Cost Estimate (STart is now a standalone project)	-$7.17
City Property Contribution Value	-$83.6
Interim MOU Baseline	**$1,357.54**
Bellevue – Final Design Award Authority**	+TBD
MOU Baseline	**TBD**

* Cost estimates in millions of 2010$

**Sound Transit will award the contract for final design in a manner that will allow for segregation of costs for design of those portions of the East Link project within the Bellevue city limits. Once the contract is awarded and Bellevue costs segregated, Sound Transit will track expenditures in the same manner. At the time of 60% updated cost estimating, Sound Transit will provide an accounting of expenditures to date, as well as a written estimate of projected costs through final design.

The MOU Baseline is a portion of the PE cost estimate, calculated as follows: the total of construction costs for the Project (including design allowance) with allocated contingency, right-of-way costs within the City with allocated contingency, and City plan and permit review and inspection fees PLUS the complete cost estimate for the 112th Avenue SE alignment modification LESS STart and the property components of the Up-Front Contribution PLUS the actual amount of the Bellevue portion of the award authority for the East Link Project civil design contract. See Preliminary Engineering and MOU Baseline Exhibit F. If the City opts to purchase properties along 112th Avenue SE and/or Main Street that Sound Transit would otherwise partially acquire, the MOU Baseline will be adjusted to provide credit to the City for the value of the partial acquisitions, which will be reflected as an adjustment to the

"City Property Contribution Value" and which will count as a credit towards the City's Up-Front Contribution. The parties shall confirm the MOU Baseline in writing when all required costs are available.

b) Confirmation of Agreement. Within forty-five (45) days of Sound Transit providing the City with the 60% updated Project cost estimate, either party may terminate this MOU with no further obligation; provided, however, if the City so terminates, the real property components described in Exhibit D that are owned by the City as of the date of this MOU shall be due and owing to Sound Transit. In the event of a termination under this provision, the parties shall work cooperatively to identify appropriate revisions to the Project scope, schedule and budget as described in Section 14.3. If neither party exercises such option, the parties shall confirm in writing any adjustment to the City Contingency and associated terms regarding final cost reconciliation, and the availability of the City Contingency at Project close-out, as further described in Sections 4.2 and 4.3.

c) Adjustment of City Contingency. Upon confirmation of agreement, the parties shall make the following adjustments:

(i) If the cost of the Project included in the 60% updated Project cost estimate, based on the same elements as included in the MOU Baseline, are lower than the MOU Baseline, then the City Contingency will be permanently adjusted downward by an equal amount of such cost reduction, up to a total reduction of $60 million (2010$). In order to determine if costs are reduced, the MOU Baseline shall be inflated to the same year as the Project Baseline Budget. The inflated MOU Baseline shall be compared to the same elements of the 60% updated Project cost estimate. Cost reductions from value engineering, design advancement, scope modifications, or for any other reason shall count towards the reduction of the City Contingency, provided, however, that cost reductions that are the direct result of deferral of stations, deferral of park-and-ride lots, and deferral or complete elimination of other Project elements that have a direct, substantial negative impact on East Link Project ridership or operations and maintenance shall not count towards a reduction in the City Contingency. Following application of the adjustment procedures herein, the City Contingency may range from $0 to $60 million (2010$) and shall be inflated to year of expenditure dollars based upon the Project Baseline schedule.

(ii) If the cost estimate for Professional Services costs designated "80.03" and "80.08" on Exhibit F at the time of the 60% updated cost estimate have together resulted in a decrease in estimated costs compared to the PE cost estimate, then fifty percent (50%) of such savings shall be added to the Sound Transit resources available for Portal to Portal Costs as shown on Exhibit B.

(iii)At the time the amount of City Contingency is confirmed and Exhibit B ("Portal to Portal Costs") is updated, the City must identify the City's revenue sources that would be used to pay the adjusted City Contingency. The actual amount of City Contingency will be subject to final reconciliation as set forth below. The City will identify the revenue source(s) to pay the maximum amount of adjusted City Contingency and provide an unconditionally binding agreement including an irrevocable pledge to pay the funds consistent with this MOU and the terms of that agreement.

4.3 Timing and Application of City Contribution.

a) The credit value of the property components of the Up-Front Contribution is permanently set at the preliminary engineering cost estimates with contingency as shown in Exhibit D. Except as set forth in such Exhibit, the City shall assume the sole risk and receive the full benefit for any differences between estimated and actual purchase prices.

b) The remaining balance of the Up-Front Contribution will be due for each component as set forth in Exhibit D. After reconciling the credit for the non-cash items, any remaining amount in the cash contribution shall be adjusted to year of expenditure dollar (YOE$), according to the year(s) the City commits to make payment(s) to Sound Transit. The City shall have the option to pay in one installment or over time provided the last payment is made no later the start of revenue service. Notwithstanding the foregoing, the City may contribute to Sound Transit any portion of properties purchased along 112th SE or along Main Street needed for the Project toward the remaining balance of Up-Front Contributions. The City's credit for such contribution shall be based on the appraised value of the portions contributed to Sound Transit including any damages, and the City's remaining obligations for the Up-Front Contribution shall be adjusted accordingly.

c) The final amount of City Contingency to be paid shall be determined based only on the actual expenditures required for Portal to Portal Costs. The Portal to Portal Costs estimated on Exhibit B shall be updated in writing with the agreement described in Section 4.2(c) above based on the Project Baseline Budget and the adjustments described in 4.2(c)(ii); provided, however, that the portion of construction unallocated contingency reflected in Exhibit B shall not be reduced. The City Contingency shall be the last source of funds expended for Portal to Portal Costs. Sound Transit shall provide the City with forecasts of the amount of City Contingency anticipated to be needed at the 90% design stage, 100% design stage, tunnel contract bid award, and then quarterly throughout construction of the Project. The parties shall identify through the CDP the content and details to be included in the quarterly reports anticipated by this Section.

d) After Project close out, the City and Sound Transit will cooperatively conduct a final reconciliation of the Portal to Portal Costs to determine what portion of the City Contingency is due to Sound Transit as the last source of funds. All sources of contribution, including Sound Transit's resources as identified in Exhibit B and any net proceeds from the final resolution of any claim that Sound Transit may have against any contractor, subcontractor or other party for damages or costs that contributed to actual Portal to Portal Cost expenditures must be exhausted prior to the City owing any amount of the remaining City Contingency. In addition, if actual expenditures for construction management (designated as the collective costs designated as "80.04" and "80.07" on Exhibit F) are less than the award authority for such costs within Bellevue city limits, fifty percent (50%) of such savings shall be applied prior to the City owing any amount of the remaining City Contingency. The City may make payments to Sound Transit as the City Contingency is drawn upon or pursuant to a delayed payment schedule as agreed by the parties at the time that it appears that the first amount of City Contingency may be required, provided that any delayed payment schedule shall include provisions whereby the City shall be responsible for Sound Transit's financing costs, if any, for the delayed payments. Final satisfaction of the City Contingency shall be due after Project close-out and final reconciliation and paid by the City to Sound Transit within one hundred twenty (120) days of receipt of an invoice from Sound Transit. If it is determined after final reconciliation that the City paid more than the amount owed from the City Contingency, Sound Transit shall reimburse the City within one hundred twenty (120) days of the Project close-out and final reconciliation, including City's financing costs, if any, for the overpayment. The agreement anticipated in Section 4.2(c) shall include additional detail about the final reconciliation process, including the City's role in review of all documents substantiating expenditures and Portal to Portal Costs and the City's rights to audit Sound Transit and its contractors' records associated with Portal to Portal Costs.

5.0 CITY REQUESTED DESIGN MODIFICATIONS

5.1 The City supports the Project described in Exhibit C with certain modifications, which are the subject of Sound Transit's commitment to conduct any necessary environmental review of the City Requested Modifications listed below in Section 5.4 for potential inclusion in the Project scope. These potential modifications are intended to reduce or further mitigate impacts to the surrounding neighborhood and the environment. The parties estimate that any additional environmental review will be completed in 2012.

5.2 The City will be given the opportunity to review and comment on the administrative draft of any additional SEPA environmental review of the City

Requested Modifications and Sound Transit shall address such comments before it is published.

5.3 Upon completion of the environmental review described herein, the Sound Transit Board will determine, after consultation with the City, if modifications to the Project selected in Resolution No. R2011-10 are appropriate and the parties will jointly determine if modifications to the Project description in Exhibit C are appropriate .

5.4 The City Requested Modifications include the following:

a) An elevated crossing of 112th Avenue SE, from the east to the west side, at approximately SE 15th and then continuing along the west side of 112th Avenue SE, and such other revisions as indicated in "Option B: Flyover to Trench" in the 112th Avenue SE Alternatives Technical Memorandum dated October 2011,
b) An undercrossing of SE 4th via a retained cut alignment,
c) Between Surrey Downs Park and Main Street provide additional landscaping between the light rail alignment and the sidewalk on 112th, and
d) Close the access to Surrey Downs Park from 112th Avenue SE and provide alternate access from SE 4th in order to enhance the Park's neighborhood character.

6.0 POTENTIAL REGULATORY CHANGES

6.1 The parties agree to work cooperatively to identify and process a package of Land Use Code (LUC) and other technical code amendments that, if adopted, would accomplish the following objectives:

a) Provide certainty and predictability for the City, Sound Transit and the public with respect to land use code requirements and processes;
b) Allow for the City Council, through a development agreement, to establish a comprehensive and consolidated permit process for the Project;
c) Add provisions in the LUC to accommodate Light Rail Transit Facilities and Systems as a permitted use allowed under the consolidated permit process;
d) Allow for extended vesting or duration of land use approvals for the Project;
e) Provide a mechanism for addressing any LUC requirements that are impractical or infeasible for the Project; and
f) Resolve identified technical code conflicts

6.2 For purposes of this MOU and Exhibit G (Code and Permitting), attached and incorporated herein, references to "development agreement" shall refer to development agreements as defined and authorized pursuant to RCW ch. 36.70B or such other form of agreement determined by the parties to be appropriate to accomplish the objectives described herein.

6.3 Attached to this MOU is Exhibit G explaining in further detail the land use approval framework the parties intend to pursue following execution of the MOU.

Exhibit G includes Figure G-1, which illustrates how the parties anticipate that the code and permitting framework and Collaborative Design Process described in Section 2.4 and Exhibit E may be integrated.

7.0 SUBSEQUENT FUTURE AGREEMENTS

7.1 The parties contemplate that additional agreements, subsequent to execution of this MOU, will be necessary to fully implement the Project. The parties agree to work cooperatively to negotiate in good faith to develop the final form and contents of such agreements as needed, including but not limited to, development agreement(s) as described in Section 6.2 and an operation and maintenance agreement before the start of Project operations.

7.2 The parties recognize that the City may elect, in its sole discretion, to undertake a capital project to add a lane to Bellevue Way from the main entrance of the South Bellevue Park & Ride north to the "Y" intersection of Bellevue Way and 112th SE. Sound Transit, as part of the Project, will construct certain improvements to Bellevue Way from the main entrance south to I-90 as mitigation for certain impacts. Prior to Project baselining, if the City elects to go forward with its capital project on Bellevue Way the City may undertake the entire project. In such case, the City may receive a payment or receive a credit from Sound Transit for the value of improvements Sound Transit would otherwise construct.

8.0 PERMITS

8.1 Sound Transit, at its sole cost and expense, shall (i) secure and maintain in effect, all federal, state, and local permits and licenses required for the construction, operation and maintenance of the Light Rail Transit System, including, without limitation, crossing, zoning, land use, shoreline, rights-of-way, building, health, environmental and communication permits and licenses, and (ii) indemnify the City against payment of the costs thereof and against any fines or penalties that may be levied for failure to procure, or to comply with, such permits or licenses, as well as any remedial costs incurred by the City in curing any such failures.

8.2 The City shall not hinder Sound Transit's attempts to secure, obtain, and maintain, at Sound Transit's sole cost and expense, any permits, licenses or approvals of other governmental agencies or authorities, or of any necessary Third Parties, for the use of any structures or facilities consistent with cooperative goals outlined in this MOU. Nothing in this Section is intended to prevent the City's participation in the review procedures of such other governmental agencies or authorities to the fullest extent provided by law, including commenting on impacts and mitigation, so long as such comments are consistent with the Project Description, as modified in Section 5.

8.3 Nothing in this MOU shall be deemed a waiver of the City's regulatory authority nor a predetermination of the compliance of the Project with applicable codes and regulations.

8.4 Sound Transit's design and construction of the Project is subject to a financial assistance contract between Sound Transit and the Federal Transit Administration ("FTA"). Both parties recognize that the FTA may request a change to this MOU to comply with its funding requirements. The parties agree to consider any such request in good faith.

9.0 LIABILITY, INDEMNIFICATION

9.1 Sound Transit shall indemnify, defend, and hold the City harmless from any and all claims, demands, suits, actions, damages, recoveries, judgments, costs, or expenses (including, without limitation, attorneys' and expert witness fees) arising or growing out of or in connection with or related to, either directly or indirectly, the design, construction, maintenance, operation, repair, removal, occupancy, and use of the Light Rail Transit System in the Light Rail Transit Way, except to the extent such claims arise from the sole or partial negligence, errors or omissions of the City, its employees, servants, and agents.

9.2 Consistent with Sound Transit's indemnification obligations herein, the City shall give Sound Transit prompt notice of any claims directly affecting Sound Transit about which the City has received formal notification. Sound Transit shall promptly assume responsibility for the claim or undertake the defense of any litigation on behalf of the City. The City shall cooperate fully with Sound Transit in the defense of any claim associated with this MOU. The City shall not settle any claim associated with this agreement directly affecting Sound Transit without the prior written consent of Sound Transit, which consent shall not be unreasonably withheld.

9.3 Sound Transit expressly assumes potential liability for actions brought by Sound Transit's employees and agents against the City and, solely for the purpose of this indemnification, expressly waives any immunity under the Industrial Insurance Law, Title 51 RCW. Sound Transit acknowledges that this waiver was entered into pursuant to the provisions of RCW 4.24.115 and was the subject of mutual negotiation.

9.4 The indemnification obligations provided in this Section shall survive termination of this MOU.

10.0 INSURANCE

10.1 Sound Transit shall maintain, throughout the term of this MOU and for six (6) years after its termination, an appropriate program of insurance, self-insurance, or any combination thereof in amounts and types sufficient to satisfy its liabilities. When commercial insurance is utilized, Sound Transit shall secure and maintain in effect insurance adequate to protect the City against claims or lawsuits that may arise as a result of the design, construction, operation,

maintenance, repair, removal, occupancy, or use of the Light Rail Transit System in the Light Rail Transit Way, including, without limitation: (i) commercial general liability insurance; (ii) workers' compensation insurance (to the extent required by law); (iii) employer's liability insurance; (iv) auto liability coverage for Any auto); (v) environmental liability insurance; and, (vii) during the construction phase, builder's risk.

10.2 Sound Transit shall carry such insurance with insurers who are licensed to do business in the State of Washington or self-insure or participate in an insurance pool or pools at levels of coverage or with reserves adequate, in the reasonable judgment of Sound Transit, to protect Sound Transit and the City against loss, and as are ordinarily carried by municipal or privately owned entities engaged in the operation of systems comparable to the Light Rail Transit System. Sound Transit shall also require any contractors or subcontractors working on the Light Rail Transit System in the Light Rail Transit Way to maintain insurance as noted herein and to name the City as an additional insured on their commercial general liability, auto liability, environmental liability. Sound Transit shall also either require any professional services consultants, subconsultants, contractors or subcontractors working on the Light Rail Transit System project to carry appropriate levels of Professional Liability insurance coverage during the course of design, engineering, and construction or Sound Transit may itself acquire such insurance or self-insure the work.

10.3 Sound Transit shall file with the City's Risk Manager on an annual basis proof of an appropriate program of insurance, self-insurance, or any combination thereof in amounts and types sufficient to satisfy its liabilities. When commercial insurance is utilized, Sound Transit shall provide the City's Risk Manager with Certificates of Insurance reflecting evidence of the required insurance, naming the City as an additional insured where appropriate, to evidence continued coverage during the term of this MOU and for six years after its termination,. The certificates shall contain a provision that coverage shall not be canceled until at least thirty (30) days' prior written notice has been given to the City.

10.4 If Sound Transit fails to maintain the required insurance, the City may order Sound Transit to stop constructing or operating the Light Rail Transit System in the Light Rail Transit Way until the required insurance is obtained.

10.5 On City projects impacting the Light Rail Transit Way, the City shall require any contractors or subcontractors to maintain insurance as required by the City in its standard contracts, and to name Sound Transit as an additional insured on their required insurance. The City shall also either require any professional services consultants, subconsultants, contractors or subcontractors working on City projects impacting the Light Rail Transit Way to carry appropriate levels of Professional Liability insurance coverage during the course of design,

engineering, and construction or the City may itself acquire such insurance or self-insure the work.

11.0 DISPUTE RESOLUTION

11.1 The parties agree that neither party shall take or join any action in any judicial, or administrative forum to challenge actions of the other party associated with this MOU or the Project, except as set forth in this MOU.

11.2 Any disputes or questions of interpretation of this MOU that may arise between Sound Transit and the City shall be governed under the dispute resolution provisions in this Section. The parties agree that cooperation and communication are essential to resolving issues efficiently. The parties agree to exercise their best efforts to resolve any disputes that may arise through this dispute resolution process.

11.3 The parties agree to use their best efforts to prevent and resolve potential sources of conflict at the lowest level.

11.4 The parties agree to use their best efforts to resolve disputes arising out of or related to this MOU using good faith negotiations by engaging in the following dispute escalation process should any such disputes arise:

(a) Level One - Sound Transit's Designated Representative and the City's Designated Representative shall meet to discuss and attempt to resolve the dispute in a timely manner. If they cannot resolve the dispute within fourteen (14) calendar days after referral of that dispute to Level One, either party may refer the dispute to Level Two.

(b) Level Two - Sound Transit's Executive Director of Design, Engineering and Construction Management, or Designee and the City's Development Services Director, or Designee shall meet to discuss and attempt to resolve the dispute, in a timely manner. If they cannot resolve the dispute within fourteen (14) business days after referral of that dispute to Level Two, either party may refer the dispute to Level Three.

(c) Level Three - Sound Transit's Chief Executive Officer or Designee and the City Manager or Designee shall meet to discuss and attempt to resolve the dispute in a timely manner.

11.5 Except as otherwise specified in this MOU, in the event the dispute is not resolved at Level Three within fourteen (14) calendar days after referral of that dispute to Level Three, the parties are free to file suit, seek any available legal remedy, or agree to alternative dispute resolution methods such as mediation. At all times prior to resolution of the dispute, the parties shall continue to perform any undisputed obligations and make any undisputed required payments under

this MOU in the same manner and under the same terms as existed prior to the dispute. Notwithstanding anything in this MOU to the contrary, neither party has an obligation to agree to refer the dispute to mediation or other form of dispute resolution following completion of Level Three of the process described herein. Such agreement may be withheld for any reason or no reason.

12.0 DEFAULT

12.1 No party shall be in default under this MOU unless it has failed to perform under this MOU for a period of thirty (30) calendar days after written notice of default from the other party. Each notice of default shall specify the nature of the alleged default and the manner in which the default may be cured satisfactorily. If the nature of the alleged default is such that it cannot be reasonably cured within the 30-day period, then commencement of the cure within such time period and the diligent prosecution to completion of the cure shall be deemed a cure; provided that in no event shall a cure take longer than ninety (90) days to complete without mutual written consent. Any dispute regarding the existence of a default or appropriate cure shall be handled through dispute resolution.

13.0 REMEDIES; ENFORCEMENT

13.1 The parties reserve the right to exercise any and all of the following remedies, singly or in combination, and consistent with the dispute resolution and default Sections of this MOU, in the event the other violates any provision of this MOU:

(a) Commencing an action at law for monetary damages;
(b) Commencing an action for equitable or other relief;
(c) Seeking specific performance of any provision that reasonably lends itself to such remedy; and
(d) The prevailing party (or substantially prevailing party if no one party prevails entirely) shall be entitled to reasonable attorney fees and costs.

13.2 Remedies are cumulative; the exercise of one shall not foreclose the exercise of others.

13.3 Neither party shall be relieved of any of its obligations to comply promptly with any provision of this MOU by reason of any failure by the other party to enforce prompt compliance, and such failure to enforce shall not constitute a waiver of rights or acquiescence in the other party's conduct.

14.0 TERM; TERMINATION

14.1 This MOU shall be effective as of the date the last party signs. Unless terminated sooner pursuant to the terms hereof, this MOU shall remain in effect until the completion of Project closeout or five (5) years after commencement of Project operation, whichever occurs earlier; provided, however, that the term

shall automatically extend to allow the parties to conclude the cost reconciliation procedures described in Section 4 (City Contribution and Reconciliation Procedures).

14.2 In the event that the code amendments described in Section 6.1 (Potential Regulatory Changes) have not been approved by the City Council as of December 31, 2012, Sound Transit may, in its sole discretion, terminate this MOU or work cooperatively with the City to identify appropriate revisions to the MOU. In the event that the City Requested Modifications described in Section 5.4(a) and (b) have not been adopted by the Sound Transit Board as a modifications to the Project description or the necessary state or federal approvals for the City Requested Modifications are not obtained as of December 31, 2012, the City may, in its sole discretion, terminate this MOU or work cooperatively with Sound Transit to identify appropriate revisions to the MOU.

14.3 In the event that a portion of the Project to be constructed in the City is for any reason determined by the Sound Transit Board or by the City of Bellevue, to be unaffordable due to increased cost or insufficient revenue legally available under the Project financial plan or without additional voter approval to the party responsible for contributing the revenue, or to be impractical or infeasible to accomplish due to changed or unforeseen conditions, legal prohibition, or force majeure events, the parties are excused from further performance under this MOU. In the event the parties are excused from further performance, the parties will work cooperatively to identify appropriate revisions to the Project's scope; schedule or budget, provided however, any final decisions regarding revisions to the Project's scope, schedule or budget will be made by the Sound Transit Board consistent with the polices in the approved ST 2 Plan. The parties shall also cooperatively address Sound Transit's need for and use of city-owned properties.

15.0 COVENANTS AND WARRANTIES

15.1 By execution of this MOU, the City warrants:

(a) That the City has the full right and authority to enter into and perform this MOU, and that by entering into or performing this MOU the City is not knowingly in violation of any law, regulation or agreement by which it is bound or to which it is bound or to which it is subject; and

(b) That the execution, delivery and performance of this MOU by the City has been duly authorized by all requisite corporate action, that the signatories for the City hereto are authorized to sign this MOU, and that, upon approval by the City, the joinder or consent of any other party, including a court or trustee or referee, is not necessary to make valid and effective the execution, delivery and performance of this MOU.

15.2 By execution of this MOU, Sound Transit warrants:

(a) That Sound Transit has full right and authority to enter into and perform this MOU in accordance with the terms hereof, and by entering into or performing under this MOU, Sound Transit is not knowingly in violation of any of its agency governance rules, or any law, regulation or agreement by which it is bound or to which it is subject; and

(b) That the execution, delivery and performance of this MOU by Sound Transit has been duly authorized by all requisite Board action, that the signatories for Sound Transit hereto are authorized to sign this MOU, and that the joinder or consent of any other party, including a court or trustee or referee, is not necessary to make valid and effective the execution, delivery and performance of this MOU.

16.0 RECORDINGS, TAXES AND OTHER CHARGES

16.1 Sound Transit shall pay all transfer taxes, documentary stamps, recording costs or fees, or any similar expense in connection with the recording or filing of any permits that may be granted hereunder. Sound Transit further agrees that if it is determined by any federal, state, or local governmental authority that the sale, acquisition, license, grant, transfer, or disposition of any part or portion of the Light Rail Transit Facilities or rights herein described requires the payment of any tax, levy, excise, assessment, or charges (including, without limitation, property, sales or use tax) under any statute, regulation, or rule, Sound Transit shall pay the same, plus any penalty and/or interest thereon, directly to said taxing authority and shall hold the City harmless therefrom. Sound Transit shall pay all taxes, levies, excises, assessments, or charges, including any penalties and/or interest thereon, levied or assessed on the Light Rail Transit Facilities, or on account of their existence or use (including increases attributable to such existence or use, and excluding taxes based on the income of the City), and shall indemnify the City against payment thereof. Sound Transit shall have the right to claim, and the City shall reasonably cooperate with Sound Transit in the prosecution of any such claim for refund, rebate, reduction or abatement of such tax(es); provided, however, that such obligation to cooperate shall not apply to claims for refunds, rebates, reduction or abatement of such taxes levied by the City, which such claims shall be processed in accordance with City codes and regulations.

16.2 The City may, in its sole discretion and without obligation, pay any tax, levy, excise, assessment or charge, plus any penalty and/or interest thereon, imposed upon Sound Transit for which Sound Transit is obligated pursuant to this Section if Sound Transit does not pay such tax, levy, excise, assessment, or charge when due. Sound Transit shall reimburse the City for any such payment made pursuant to the previous sentence, plus interest at the prime rate per annum, as published in the Wall Street Journal.

17.0 ASSIGNABILITY

17.1 This MOU shall be binding upon and inure to the benefit of the parties hereto and their respective successors or assignees. No assignment hereof or sublease shall be valid for any purpose without the prior written consent of the other party, and any attempt by one party to assign or license the rights or obligations hereunder without prior written consent will give the other party the right, at its written election, immediately to terminate this MOU or take any other lesser action with respect thereto. The above requirement for consent shall not apply to (i) any disposition of all or substantially all of the assets of a party, (ii) any governmental entity merger, consolidation, or reorganization, whether voluntary or involuntary, or (iii) a sublease or assignment of this MOU (in whole or in part) to a governmental entity; provided, however, that no sublease or assignment under (ii) or (iii) shall be permitted to a governmental entity not operating, constructing or maintaining a Light Rail Transit System on behalf of Sound Transit, and provided further that no unconsented assignment shall relieve Sound Transit of its obligations and liabilities under this MOU.

17.2 Either party hereto may assign any monetary receivables due them under this MOU; provided, however, such assignment shall not relieve the assignor of any of its rights or obligations under this MOU.

17.3 Neither this MOU nor any term or provision hereof, or any inclusion by reference, shall be construed as being for the benefit of any party not a signatory hereto.

18.0 DESIGNATED REPRESENTATIVES

18.1 To promote effective intergovernmental cooperation and efficiencies, each party shall designate a representative ("Designated Representative") who shall be responsible for coordination of communications between the parties and shall act as the point of contact for each party. The Designated Representatives shall communicate regularly to discuss the status of the tasks to be performed, identify upcoming Project decisions and any information or input necessary to inform those decisions, and to resolve any issues or disputes related to the Project, consistent with Section 11.

18.2 Communication of issues, changes, or problems that may arise with any aspect of the Project should occur as early as possible in the process, and not wait for specific due dates or deadlines. The Designated Representatives shall use reasonable efforts to provide up-to-date and best available information to the other party promptly after such information is obtained or developed.

18.3 Each Designated Representative is also responsible for coordinating the input and work of its agency, consultants, and staff as it relates to the objectives of this MOU. The parties reserve the right to change Designated Representatives, by written notice to the other party during the term of this MOU. Each party's

Designated Representative is identified in Exhibit H, attached and incorporated herein.

19.0 NOTICE

19.1 Unless otherwise provided herein, all notices and communications concerning this MOU shall be in writing and addressed to the Designated Representative. Any party at any time by written notice to the other party may designate a different address or person to which such notice or communication shall be given.

19.2 Unless otherwise provided herein, all notices shall be either: (i) delivered in person, (ii) deposited postage prepaid in the certified mails of the United States, return receipt requested, (iii) delivered by a nationally recognized overnight or same-day courier service that obtains receipts, or (iv) delivered electronically to the other party's Designated Representative as listed herein. However, notice under Section 14, Termination, must be delivered in person or by certified mail, return receipt requested.

20.0 GENERAL PROVISIONS

20.1 The parties shall not unreasonably withhold requests for information, approvals or consents provided for in this MOU; provided, however, that approvals or consents required to be given by vote of the Sound Transit Board or Bellevue City Council are recognized to be legislative actions. The parties agree to take further actions and execute further documents, either jointly or within their respective powers and authority, to implement the intent of this MOU provided, however, that where such actions or documents required must be first approved by vote of the Sound Transit Board or Bellevue City Council, such actions are recognized to be legislative actions. The City and Sound Transit agree to work cooperatively with each other to achieve the mutually agreeable goals as set forth in this MOU.

20.2 This MOU shall be interpreted, construed and enforced in accordance with the laws of the State of Washington. Venue for any action under this MOU shall be King County, Washington.

20.3 This MOU shall be binding upon and inure to the benefit of the successors and assigns of the City and Sound Transit.

20.4 Time is of the essence in every provision of this MOU. Unless otherwise set forth in this MOU, the reference to "days" shall mean calendar days. If any time for action occurs on a weekend or legal holiday, then the time period shall be extended automatically to the next business day.

20.5 This MOU is made and entered into for the sole protection and benefit of the parties hereto and their successors and assigns. No other person shall have any right of action based upon any provision of this MOU.

20.6 No joint venture or partnership is formed as a result of this MOU. No employees, agents or subcontractors of one party shall be deemed, or represent themselves to be, employees of any other party.

20.7 This MOU has been reviewed and revised by legal counsel for all parties and no presumption or rule that ambiguity shall be construed against the party drafting the document shall apply to the interpretation or enforcement of this MOU. The parties intend this MOU to be interpreted to the full extent authorized by applicable law.

20.8 Each party shall be responsible for its own costs, including legal fees, incurred in negotiating or finalizing this MOU, unless otherwise agreed in writing by the parties.

20.10 This MOU, including its exhibits, may be amended only by a written instrument executed by each of the parties hereto.

20.11 This MOU constitutes the entire agreement of the parties with respect to the subject matters of this MOU, and supersedes any and all prior negotiations (oral and written), understandings and agreements with respect hereto.

20.12 Section headings are intended as information only, and shall not be construed with the substance of the section they caption.

20.13 In construction of this MOU, words used in the singular shall include the plural and the plural the singular, and "or" is used in the inclusive sense, in all cases where such meanings would be appropriate.

20.14 This MOU may be executed in several counterparts, each of which shall be deemed an original, and all counterparts together shall constitute but one and the same instrument.

IN WITNESS WHEREOF, each of the parties has executed this MOU by having its authorized representative affix his/her name in the appropriate space below:

CENTRAL PUGET SOUND REGIONAL TRANSIT AUTHORITY (SOUND TRANSIT)	THE CITY OF BELLEVUE
By: Joan M Earl	By: Steven R. Sarkozy
Joan M. Earl, Chief Executive Officer	Steven R. Sarkozy, City Manager
Date: November 15 2011	Date: November 15 2011

Authorized by Motion No. 2011-77

Approved as to form:

By: D. R. Brown
~~Stephen G. Sheehy~~, Legal Counsel
DESMOND L. BROWN

Authorized by ~~Ordinance~~ RES 8372

Approved as to form:

By:
Mary Kate Berens, Deputy City Attorney

Exhibit List

A	Inflation of City Contribution
B	Portal to Portal Costs
C	Project Description
D	Up Front Contribution
E	Collaborative Design Process
F	Cost within Bellevue
G	Code and Permitting
H	Designated Representatives

EXHIBIT A

Exhibit A: Inflation of City Contribution

Table A-1: Inflation of $150 million (2007$) to $160 million (2010$)

Calcuation using July 2010 escl. Factors					150.00	(2007$)
	Tunnel Cost Est.	Weight	Escl Factor	Weighted Average		
CPI	438,441,889	0.158	1.0553	0.166		
ROWI	305,304,933	0.110	0.8997	0.099		
CCI	2,039,111,444	0.733	1.0949	0.802		
	2,782,858,266	1.000		**1.067**	**160.08**	(2010$)

Table A-2: Escalation Indices from ST Financial Model (Updated July 2010)

CPI

Year	Escalation Factor 2007 = 1	Growth Rate
2007	**1.0000**	
2008	1.0433	4.332%
2009	1.0492	0.562%
2010	1.0553	0.581%

ROWI

Year	Escalation Factor 2007 = 1	Growth Rate
2007	**1.0000**	
2008	1.0357	3.57%
2009	0.8945	-13.64%
2010	0.8997	0.58%

CCI

Year	Escalation Factor 2007 = 1	Growth Rate
2007	**1.0000**	
2008	1.0592	5.92%
2009	1.0675	0.79%
2010	1.0949	2.56%

Table A-3: Escalation Index Used by Estimate Item

Segment / SCC	Total w/AC	Escl. Index
10 GUIDEWAY & TRACK ELEMENTS	840,600,565	CCI
20 STATIONS, STOPS, TERMINALS, INTERMODAL	266,341,600	CCI
30 SUPPORT FACILITIES: YARDS, SHOPS, ADMIN. BLDGS	15,013,362	CCI
40 SITEWORK & SPECIAL CONDITIONS	339,384,746	CCI
50 SYSTEMS	251,696,114	CCI
60 ROW, LAND, EXISTING IMPROVEMENTS	305,304,933	ROWI
80 PROFESSIONAL SERVICES		
80.01: Preliminary Engineering	71,555,207	CPI
80.02: Final Design	176,930,726	CPI
80.03: Project Management	144,920,672	CPI
80.04: Construction Management	82,095,599	CCI
80.05: Insurance	0	
80.06: Legal; Permits; Review Fees	45,035,284	CPI
80.07: Surveys, Testing, Inspection	71,229,705	CCI
80.08: Start up	17,347,430	CCI
90 UNALLOCATED CONTINGENCY	155,402,324	CCI
Grand Total	**2,782,858,266**	

EXHIBIT B

Exhibit B: Portal to Portal Costs

Portal to Portal Cost	ST Resources	Bellevue	Total
Bid Amount (PE Cost Estimate with Design Allowance)	241.4	0.0	**241.4**
Allocated and Unallocated Contingency**	28.5	60.0	**88.5**
50% share of certain Professional Services savings	**TBD**	0.0	**TBD**
Total	**TBD**	**60.0**	**TBD**

** $22 million of Construction Unallocated Contingency is assigned to this contract (E650) based on the proportion of portal to portal construction costs to total construction costs. The amounts on this table shall be updated as described in Section 4.2(c); provided that in no event shall the Construction Unallocated Contingency be reduced below $22 million.

EXHIBIT C

Exhibit C: East Link Project Description

The project consists of constructing and operating an approximately 14-mile light rail system including 10 stations known as East Link. This system would connect with Sound Transit's Central Link at the International District/Chinatown Station. It then would travel east across Lake Washington via Interstate 90 (I-90) to Mercer Island, Downtown Bellevue, Bel-Red, and terminate in Overlake. The figure below shows the four segments of the project.

Segments B, C, and a portion of segment D are within the City of Bellevue. The following describes the portions of the project in these segments within the City of Bellevue, beginning at the I-90 interchange with Bellevue Way, traveling into Downtown Bellevue, then proceeding east over I-405 and through the Bel-Red area. The portions of the East Link Project with the City of Bellevue include 5 or 6 stations over approximately 6 miles.

Current designs of the Project are included in the East Link Final PE plans and the parameters of project mitigation and construction are included in the East Link EIS. While detailed design and mitigation will continue through project development, the City of Bellevue and Sound Transit are committed to managing within the project scope, schedule and budget.

Segment B: South Bellevue

112th SE Modified Segment (B2M)

Segment B2M is elevated in the I-90 center roadway, crosses over westbound I-90, and continues elevated on the east side of Bellevue Way SE to the South Bellevue Station, located at the current South Bellevue Park-and-Ride Lot; this alternative also maintains the westbound and eastbound I-90 HOV direct access ramps.

The South Bellevue Station includes a parking structure with approximately 1,400 stalls on up to five levels built on the site of the existing South Bellevue Park-and-Ride Lot. After leaving the station, the route transitions to a retained cut on the east side of Bellevue Way within Mercer Slough Nature Park to the intersection of Bellevue Way SE and 112th Avenue SE. In front of the Winters House the route is in a lidded retained cut approximately 170 feet long. From this point, *Segment B2M* would connect to *the110th NE Tunnel Alternative Segment (C9T)*. All traffic impacts on Bellevue Way will be mitigated by adding an HOV lane from the main entrance of the S. Bellevue park-and-ride to I-90 and installing a U-turn at the south entrance to the park-and-ride.

B2M transitions from retained cut to at-grade on the east side of 112th Avenue SE. *B2M* remains at-grade until reaching Segment C at SE 6th Street (Exhibit 3). *Segment B2M* has a gated crossing at SE 15th Street and SE 8th Street.

A traction power substation is located on the east side of Bellevue Way at SE 30th Street, near the Sweylocken boat launch and a cross-over is located south of the South Bellevue Station. Other than embedded track at the SE 15th and SE 8th street crossings, all track within Segment B is direct fixation or ballasted.

Segment C: Downtown Bellevue

110th NE Tunnel Alternative Segment (C9T)

The 110th NE Tunnel Alternative Segment (C9T) travels from Segment B in a tunnel north along 110th Avenue NE, turns east at NE 6th Street, and crosses over I-405 to connect with the Segment D alternatives.

From *the 112th SE Modified Segment (B2M), Segment C9T* begins on the east side of 112th Avenue SE at SE 6th Street and then transitions to the west side of 112th Avenue SE at SE 6th Street. *Segment C9T* then travels at-grade on the west side of 112th Avenue SE, serving the East Main Station, just before turning west at Main Street to enter the tunnel portal on Main Street. The project includes realigning SE 4th Street through Surrey Downs Park to connect to 112th Avenue SE farther south, forming a four-way intersection at SE 6th Street and dead-ending SE 1st Place to the west of 112th Avenue SE.

From the tunnel portal on Main Street, *Segment C9T* continues on the south side of Main Street before turning north under 110th Avenue NE. *Segment C9T* includes the Bellevue Transit Center Station at NE 4th Street with two entrances. From this station, *Segment C9T* continues north to NE 6th Street, where it turns east and transitions to an elevated profile in the center of NE 6th Street, and then swings to the north side of NE 6th Street to cross 112th Avenue NE, I-405, and 116th Avenue NE. *Preferred Alternative C9T* then turns north along the former BNSF Railway corridor to cross NE 8th Street and reach the elevated Hospital Station with entrances on the north side of NE 8th. *Preferred Alternative C9T* then connects with Segment D alternatives from the former BNSF Railway corridor.

There is a traction power substation for *Segment C9T*, located near the intersection of Main Street and 112th Avenue SE. Cross-overs are located between SE 4th and SE 1st Place and between I-405 and 116th Avenue NE. Other than embedded track at the SE 6th street crossing, all track within Segment C is direct fixation or ballasted.

Segment D: Downtown Bellevue to Overlake Transit Center

NE 16th At-Grade Segment (D2A)

Segment D2A travels parallel to and north of a new NE 15th Street corridor east from the former BNSF Railway corridor in a mixed at-grade, retained-cut, and elevated profile. *Segment D2A* leaves the former BNSF Railway corridor at-grade and then transitions to a retained cut under 120th Avenue NE to a retained-cut 120th Station subject to a funding agreement with the property owner. After leaving the 120th Station, the route continues in a retained cut under 124th Avenue NE before transitioning to an elevated profile over the West Tributary of Kelsey Creek and then returns to the at-grade 130th Station. The 130th Station would include a new 300 stall park-and-ride lot adjacent to and immediately north of the station. *Segment D2A* continues at-grade on NE 16th Street, turns at 136th Place NE, and crosses NE 20th Street at-grade. NE 16th and 136th will be widened with a partially tiered road design to create a median for light rail within the footprint described in the preliminary engineering plans. From NE 20th, the project transitions to an elevated structure along the south side of SR 520. The project then continues northeast across the Bellevue City Limits at 148th Ave NE and into the City of Redmond. Storage tracks would be in the former BNSF Railway corridor north of the Segment C/D break with lead tracks, operator report and light maintenance facilities adjacent to the corridor.

There are two traction power substations for *Segment D2A* in the City of Bellevue: one near the 120th Station and one located under the elevated guideway at NE 24th Street. A cross-over is located between 124th and 130th Avenues NE. Other than embedded track at street crossings, all track within Segment D is direct fixation or ballasted.

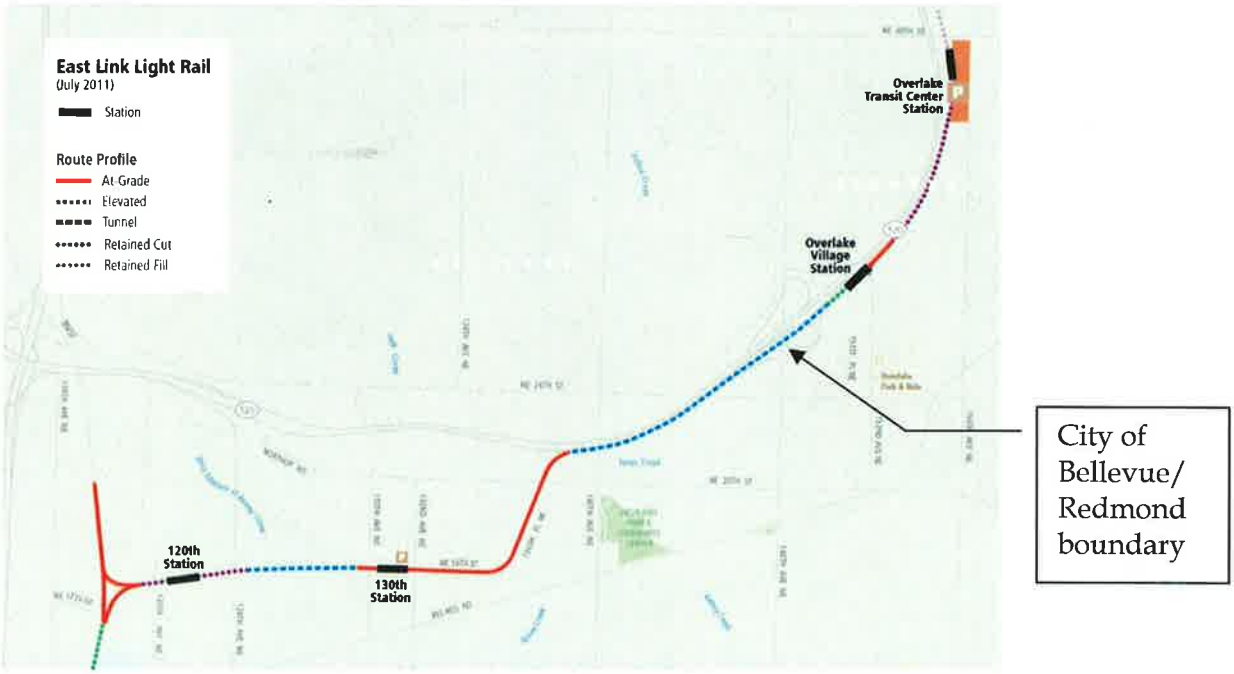


EXHIBIT D

EXHIBIT D: Up-Front Contributions

Contribution	Tunnel Credit (2010$)	Assumptions
Properties		For all properties: 1. The City will provide Sound Transit permanent and temporary rights through construction close out, to be detailed in easement agreements. The rights granted will be based on 60% design plans, but the approximate locations are shown on Sound Transit's preliminary engineering plans. 2. Bellevue contributing property rights without expectation of additional financial compensation or replacement land, beyond the tunnel credit accounted for in this Agreement. 3. Properties to be provided as-is to Sound Transit, unless specifically noted below. 4. A list of parcels affected by this MOU follows this table; this list may be modified by mutual agreement.
NE 2nd Pocket Parks (369900-0075, -0080, -0030; 808760-0029)	Included in subtotal below	5. ST responsible for project related park mitigation and restoration, including temporary and permanent mitigation included in the FEIS.
Bel-Red City-owned Properties (282505-9296, 282505-9240)	Included in subtotal below	6. The City will provide land on these sites for wetland mitigation for impacts on these sites, for Sound Transit to use to meet its federal, state, and City permitting requirements related to wetland mitigation, in a location approved by the City. 7. If these sites cannot accommodate required mitigation, the City and Sound Transit will cooperate to find an alternative location within existing resources. Mitigation for impacts shown in the 30% PE Plans on these sites appear to be able to be accommodated on site. 8. ST is responsible for all environmental documentation and permitting, construction of wetland improvements, and wetland maintenance and monitoring for the duration of the permits. 9. City to ensure wetland improvements, developed in cooperation with and subject to City's site operation and maintenance requirements, to remain in perpetuity. 10. Maintenance and liability issues to be included in the easement document.

Contribution	Tunnel Credit (2010$)	Assumptions
Mercer Slough (700010-0210, -0150, -0445, -0350; 082405-9278; 052405-9254, -9084; 066287-0090)	Included in subtotal below	11. City to purchase private property as currently identified and agreed to by the parties. The purchased property shall be at least 2.61 acres and at least equal value and function as the land identified by Sound Transit as needing to be replaced to satisfy 6(f) and WA RCO requirements. 12. Parties agree to cooperate to resolve issues within existing identified resources if WA RCO or NPS fail to approve proposed conversion or do not approve replacement property within parameters defined above. 13. The timing of the purchase will be in accordance with the replacement proposal timetable in the LWCF manual. 14. City responsible to meet process requirements for parkland conversion required of the grant recipient. Sound Transit responsible to meet other federal process requirements, perform environmental and other analysis as needed, and to cooperate in parkland conversion process (e.g. document preparation, presentations, interagency coordination, etc.). 15. City responsible for any state and federal requirements associated with land acquisitions; ST to cooperate and assist as needed. ST responsible to communicate any additional process requirements beyond standard FHWA requirements. 16. ST responsible for project related park mitigation and restoration, including temporary and permanent mitigation included in the FEIS. 17. The City will provide land on these sites for wetland mitigation for impacts on these sites, for Sound Transit to use to meet its federal, state, and City permitting requirements related to wetland mitigation, in a location approved by the City. 18. If these sites cannot accommodate required mitigation, the City and Sound Transit will cooperate to find an alternative location within existing resources. 19. ST is responsible for all environmental documentation and permitting, construction of wetland improvements, and wetland maintenance and monitoring for the duration of the permits. 20. City to ensure wetland improvements, developed in cooperation with and subject to City's site operation and maintenance requirements, to remain in perpetuity. 21. Maintenance and liability issues to be included in the easement document.

Contribution	Tunnel Credit (2010$)	Assumptions
Surrey Downs Park Property (322505-9140)	Included in subtotal below	22. If B2M-C9T Preferred Alternative: a. ST to transfer rights to remaining land along 112th and Main Street north from Surrey Downs Park to City (approximately 2.9 acres based on FEIS) and to landscape property consistent with City plans; b. Bellevue contributing this property without expectation of additional financial compensation or replacement land, beyond the tunnel credit accounted for in this agreement; c. ST responsible for project related park mitigation and restoration in Surrey Downs, including temporary and permanent mitigation, as included in the FEIS. 23. If B2M Westside variation: a. City will update Surrey Downs Park Master Plan prior to project baselining; b. ST to construct replacement vehicular and pedestrian access consistent with updated Master Plan, and as agreed to by both parties, prior to construction to maintain park access; c. ST to transfer rights to remaining land along 112th and Main Street to City and to landscape property consistent with City plans; d. ST to restore landscaping in Park affected by the Project, consistent with updated Master Plan; e. ST to maintain pedestrian and vehicular access to Surrey Downs Park during construction. 24. If King County Court remains open during construction, ST to maintain access to Court House and parking except for temporary closures for construction, requiring approval by the City. 25. The options may require the Court House building to be modified. The City is responsible for building modifications. 26. City responsible to comply with 2005 King County deed requirements for Surrey Downs.
City Hall (322505-9199, -9017)	Included in subtotal below	27. City responsible to replace temporary and permanent lost parking from visitor/police garage; assumes modification of existing employee garage for police and creation of new stalls on Meydenbauer site. 28. Parking solution implemented prior to construction. 29. ST will restore garage and plaza and all existing features, exclusive of betterments subject to 60% design, as part of tunnel construction, at its sole cost, with associated terms related to liability and construction defects.
King County Metro (322505-9216)	Included in subtotal below	30. Purchase prior to construction. 31. City responsible for any state and federal requirements associated with land acquisitions; ST to cooperate and assist as needed. ST responsible to communicate any additional process requirements beyond standard FHWA requirements.

Contribution	Tunnel Credit (2010$)	Assumptions
Private Parcel (369980-0035, 808760-0035)	Included in subtotal below	32. Purchase prior to construction. 33. City responsible for any state and federal requirements associated with land acquisitions; ST to cooperate and assist as needed. ST responsible to communicate any additional process requirements beyond standard FHWA requirements. 34. Option to evaluate and purchase alternative properties with equal function and value for temporary staging needs by end of 60% design, as agreed to by both parties.
Private Parcel (109910-0005)	Included in subtotal below	35. Purchase prior to construction. 36. City responsible for any state and federal requirements associated with land acquisitions; ST to cooperate and assist as needed. ST responsible to communicate any additional process requirements beyond standard FHWA requirements.
Properties Subtotal	**$83,600,000**	
Private Utilities	$0-8,000,000	37. Final value of credit to be reconciled based on Sound Transit's estimate of the value of relocates City is able to require of private utilities. Credit to be updated to YOE$ value.
Public Utilities	$7,700,000	38. City contribution fixed at $7.7M (2010$). Payment schedule to be determined and agreed by the parties prior to the start of construction and updated to YOE$. 39. ST performs all design and construction work needed for the relocation and the reconstruction. 40. Subject to terms related to liability for design and construction.
112th Ave SE Overlay	$0-1,000,000	41. Overlay 112th Ave SE from Bellevue Way to Main Street after Sound Transit utility relocated and other in-road work. 42. Value to be based on Sound Transit scope at 60% design. 43. Credit to be based on YOE$. 44. Overlay date to be agreed to by both parties. 45. Programmed in 2011-2017 CIP for 2015.
Sales Tax Credit/Cash	$0-8,700,000	46. Credit value up to $4.4M for estimated taxes received as a result of the project; remainder in cash, depending on final credit value (as inflated) of other items shown as ranges, to make total credit $100M. 47. Payment no later than the start of revenue service in YOE$. Option to provide other contributions not listed above, as mutually agreed to by Sound Transit and the City, in lieu of cash contribution, to make total credit $100M.
Non-Properties Subtotal	$16,400,000	48. Subject to Section 4, Cost Reconciliation Procedures.
TOTALS	**$100,000,000**	49. Not to exceed $100M up front contribution.

List of Parcels

King County Parcel ID	ST ROW ID No.	Property Name	Taxpayer Name	Site Address	SF (Lot)	SF (Bldg.)	Type of Take
700010-0210	B-2020	VACANT	City of Bellevue Parks & Recreation	11300 Hendrickson Rd	466,142	0	TCE
700010-0150	B-2033	VACANT	City of Bellevue Parks & Recreation	2920 114th Ave SE	34,490	0	TCE
700010-0445	B-2066	VACANT	City of Bellevue Parks & Recreation	2820 Bellevue Way SE	90,169	0	P
700010-0350	B-2236	VACANT	City of Bellevue Parks & Recreation	2420 Bellevue Way SE	138,520	0	TCE
082405-9278	B-2259	BLUEBERRY FARM	City of Bellevue Parks & Recreation	2400 Bellevue Way SE	73,616	0	P
052405-9254	B-2295	BLUEBERRY FARM	City of Bellevue Parks & Recreation	2340 Bellevue Way SE	37,300	400	P
052405-9084	B-2358	WINTERS HOME	City of Bellevue Parks & Recreation	2102 Bellevue Way SE	605,457	4,080	P
066287-0090	B-2404	BELFIELD NATURE PARK	City of Bellevue Parks & Recreation	1575 112th Ave Ne	635,420	0	P
322505-9140	C-2000	SURREY DOWNS	City Of Bellevue	675 112th Ave SE	496,148	32,810	P
282505-9296	D-1027	VACANT INDUSTRIAL LAND	City Of Bellevue	1750 124th Ave NE	311,116	0	P
282505-9240	D-1034	SAFEWAY	City Of Bellevue	1420 124th Ave NE	144,516	0	TCE
369900-0075	C-8010	VACANT	City Of Bellevue	10857 NE 2nd Pl	6,637	0	P
369980-0080	C-8014	VACANT	City Of Bellevue	10867 NE 2nd Pl	5,463	0	P
369980-0030	C-8016	VACANT	City Of Bellevue	10846 NE 2nd Pl	5,011	0	P
808760-0029	C-8020	VACANT	City Of Bellevue	10919 NE 3rd Pl	4,067	0	F
322505-9199	C-8026	BELLEVUE CITY HALL	City Of Bellevue	450 110th Ave NE	209,322	646,328	P
322505-9017	C-8029	BELLEVUE CITY HALL PARKING	City Of Bellevue	11105 NE 6th St NE	67,836	0	P
PROPERTY PURCHASE							
369980-0035	C-8017	[redacted]		10856 NE 2nd Pl	5,537	0	P
808760-0035	C-8022			11009 3rd Ave NE	40,633	0	F
322505-9216	C-9002	VACANT	King County Metro	11101 NE 6th St	67,954	0	P
1099100005	D-1013	[redacted]		1445 120th Ave NE	238,097	146,991	F
TOTAL REAL ESTATE							**$83.6 million**

F = Full Take, P = Partial Take, TCE = Temporary Construction Easements only

EXHIBIT E

EXHIBIT E: COLLABORATIVE DESIGN PROCESS

Following execution of the MOU, Sound Transit will begin the final design process with the goal of achieving a 60% Project design plan and Project baseline budget within approximately two and one half years. Typically 60% design plans include reports, drawings showing design information sufficient to support the cost estimate based on actual material quantities, special provisions, supplemental technical specifications, and permit review drawings to determine compliance with applicable land use codes. The final 60% cost estimate proposed for baselining the Project budget is based on these 60% design plans and further must reflect design as reviewed by Bellevue and ST as well as all requirements of the Project land use approvals and associated permit conditions.

Sound Transit and the City are committed to working together in a collaborative manner throughout the final design process and anticipate continuous and regular dialog during the course of design and construction in order achieve the joint goals of reducing costs and delivering a quality project on schedule and in compliance with applicable codes and regulations. While the specific tasks outlined below focus on the process of developing 60% design drawings, the parties recognize the need for continued collaboration beyond that point, through completion of construction drawings, final technical construction permitting, construction coordination and construction impact mitigation and project close-out. The parties intend to address these other areas of collaboration at a future date appropriate to the phase of the Project. By working together in this fashion, both parties intend to reduce cost and schedule risks throughout the duration of the project. It is the intent of the parties to establish a decision making framework within the CDP process that allows decisions to be made at the lowest appropriate levels, with issues that require significant policy decisions or resolution of disputes to be elevated in a predictable, consistent manner when necessary.

PROCESS & PROCEDURE

The Sound Transit Board is the final authority for all Project decisions. As a funding partner in the Project, the City will have a clearly defined role on Project scope and design through the Collaborative Design Process (CDP). The parties agree that an objective of the CDP will be to advance engineering design while exploring and accepting scope reductions, modifications and value engineering options that result in material Project cost savings of at least $60 million, provided that such reductions and modifications continue to support East Link's performance with respect to stated Project and City objectives.

Cost saving scope reductions or modifications that are explored but not accepted will be clearly reported prior to Project baselining.

Coordination between Sound Transit and the City will be accomplished using a Leadership Group consisting of three City Councilmembers and three Sound Transit Board Members and a Steering Committee consisting of appropriate department heads from both agencies.

The Leadership Group will meet on an as-needed basis to determine issues of general policy consistent with this MOU and resolve issues that are not resolved at the Steering Committee or Project Management Team levels.

The Steering Committee will meet on a regular basis to resolve issues identified through the CDP. The Steering Committee will establish a Project Management Team and technical working groups to coordinate staff level work needed to achieve the joint goals in accomplishing the Project.

It is acknowledged that the City may, at its expense, utilize consultants to assist it in participating in the CDP. Sound Transit shall coordinate and share information with City consultants used by the City to provide additional technical expertise or labor support for tasks described in the CDP.

Nothing in this Exhibit is intended to waive or modify City of Bellevue permit processes or other powers or authorities. It is understood that at the appropriate stage of design, Sound Transit will submit to the City for required land use approvals and other technical and construction permits, and that the City's participation in CDP, while intended to inform and shape design to avoid code conflict issues, is not a substitute for the permit process.

TASKS

1. Within 60 days of MOU execution, the City and Sound Transit will develop a CDP Management Plan to be approved by the Steering Committee, which will address the following elements:
    1.1. Working principles/goals/roles of the parties
    1.2. Organizational chart for the Project Management Team and any identified technical working groups
    1.3. Cooperative procedures/decision-making process
    1.4. A detailed Project schedule including a review schedule providing sufficient time for each party to review materials in advance of providing input on design, technical and cost estimating issues, as well as specific minimum and maximum turn-around times to be agreed by both parties. The final design consultant will provide an update of the Project schedule to be incorporated into the approved CDP Management Plan and such design consultant's scope of work and schedule shall be consistent with the CDP Management Plan.
    1.5. The process to develop an efficient permit processing plan including the following:
        1.5.1. Submittal standards (i.e. defining minimum acceptable content and quality, CAD standards, formatting, delivery method)
        1.5.2. Submittal timing to allow adequate time to process and approve permits or reach related decisions
        1.5.3. Turn-around times for City permit and plan review and for Sound Transit to provide response to permit/plan revision requests
        1.5.4. The establishment of permitting, plan review, inspection and other Project-related fee estimates for use in the 60% Project baseline budget and cost reconciliation

1.5.5. The parties anticipate action on final land use approvals for the Project in the first quarter of 2014

1.6. City's participation in Sound Transit's development of 60% design drawings, including the parties' roles for jointly identifying and investigating the feasibility of reductions to the Project scope, resolution of existing PE comments and other comments already offered by the City on Project design and mitigation, and other savings

1.7. City's participation in Sound Transit's development of design and mitigation associated with the City Requested Modifications (if accepted by the parties and included in the Project) including but not limited to ensuring that the design of the flyover of 112th Avenue SE is designed to allow only the minimum clearance over the public right-of-way, that the flyover is the minimum practicable and feasible distance given the profile along 112th Avenue SE, that the flyover structure includes permanent sound walls along the west side of elevated portions, that Sound Transit's final design process includes specific outreach to and participation by residents adjacent to and along the Project route, that the flyover support structure visual impact is minimized and avoids the use of straddle bents where practical, and cooperative development of the audible warning systems. This task will include a specific schedule that prioritizes the timing of resolution of these preliminary design issues.

1.8. City's participation in Sound Transit's Value Engineering process

1.9. Sound Transit's participation in City's sub-area and station area planning processes that may affect the Project

1.10. City's participation in Sound Transit's 60% baseline budget development, including at a minimum the City's review and input on Sound Transit's detailed 60% design cost estimate. Cost estimate revisions shall be proposed in writing to the Steering Committee; Sound Transit will provide a written response for suggestions not accepted by Sound Transit

1.11. Procedures and protocols for regular reports to the City Council, Sound Transit Board and community

1.12. Procedures for the City and Sound Transit to coordinate with private utilities related to relocation of such utilities to accommodate those portions of the Project within City rights-of-way

2. Figure G-1 to Exhibit G illustrates how the parties intend to integrate the Code and Permitting Framework with the Collaborative Design Process.

EXHIBIT F

Exhibit F: Cost within Bellevue

11/15/2011

PE Cost Estimates: Tunnel vs. At-Grade by Segment and City Limits

	At-grade Alignment			Tunnel Alignment			
City Limits / SCC	**Bid Amount**	**A.C. %**	**Total**	**Bid Amount**	**A.C. %**	**Total**	**delta**
Segment A: Downtown Seattle to South Bellevue	**357.6**	**28%**	**457.8**	**357.6**	**28%**	**457.8**	-
Seattle, Mercer Island, I-90	**357.6**	**28%**	**457.8**	**357.6**	**28%**	**457.8**	-
10 GUIDEWAY & TRACK ELEMENTS	216.5	30%	281.5	216.5	30%	281.5	-
20 STATIONS, STOPS, TERMINALS, INTERMODAL	26.4	26%	33.2	26.4	26%	33.2	-
40 SITEWORK & SPECIAL CONDITIONS	33.7	25%	42.0	33.7	25%	42.0	-
50 SYSTEMS	80.9	25%	101.1	80.9	25%	101.1	-
Segment B: I-90 and Bellevue Way SE Interchange to Winters House	**228.7**	**25%**	**285.4**	**228.7**	**25%**	**285.4**	-
Bellevue	**228.7**	**25%**	**285.4**	**228.7**	**25%**	**285.4**	-
10 GUIDEWAY & TRACK ELEMENTS	99.4	25%	124.1	99.4	25%	124.1	-
20 STATIONS, STOPS, TERMINALS, INTERMODAL	56.7	25%	70.7	56.7	25%	70.7	-
40 SITEWORK & SPECIAL CONDITIONS	53.1	24%	65.9	53.1	24%	65.9	-
50 SYSTEMS	16.4	25%	20.4	16.4	25%	20.4	-
60 ROW, LAND, EXISTING IMPROVEMENTS	3.2	34%	4.3	3.2	34%	4.3	-
Segment C: C9T from Winters House	**415.5**	**28%**	**532.2**	**557.7**	**28%**	**711.4**	**179.2**
Bellevue	**415.5**	**28%**	**532.2**	**557.7**	**28%**	**711.4**	**179.2**
10 GUIDEWAY & TRACK ELEMENTS	119.0	25%	148.4	227.8	27%	288.7	140.2
20 STATIONS, STOPS, TERMINALS, INTERMODAL	26.1	25%	32.6	86.6	25%	108.3	75.7
40 SITEWORK & SPECIAL CONDITIONS	81.9	27%	103.9	94.7	27%	120.5	16.5
50 SYSTEMS	47.4	25%	59.2	44.0	24%	54.7	-4.5
60 ROW, LAND, EXISTING IMPROVEMENTS	141.1	33%	188.1	104.5	33%	139.3	-48.8
Segment D: BNSF to OTC	**446.3**	**26%**	**563.7**	**446.3**	**26%**	**563.7**	-
Bellevue (to 148th Ave NE)	**336.3**	**27%**	**426.5**	**336.3**	**27%**	**426.5**	-
10 GUIDEWAY & TRACK ELEMENTS	89.1	24%	110.8	89.1	24%	110.8	-
20 STATIONS, STOPS, TERMINALS, INTERMODAL	19.9	24%	24.7	19.9	24%	24.7	-
30 SUPPORT FACILITIES: YARDS, SHOPS, ADMIN. BLDGS	12.2	23%	15.0	12.2	23%	15.0	-
40 SITEWORK & SPECIAL CONDITIONS	56.8	27%	72.2	56.8	27%	72.2	-
50 SYSTEMS	43.2	25%	54.0	43.2	25%	54.0	-
60 ROW, LAND, EXISTING IMPROVEMENTS	115.3	30%	149.8	115.3	30%	149.8	-
Redmond	**109.9**	**25%**	**137.2**	**109.9**	**25%**	**137.2**	-
10 GUIDEWAY & TRACK ELEMENTS	28.8	23%	35.6	28.8	23%	35.6	-
20 STATIONS, STOPS, TERMINALS, INTERMODAL	24.0	23%	29.5	24.0	23%	29.5	-
40 SITEWORK & SPECIAL CONDITIONS	31.0	25%	38.8	31.0	25%	38.8	-
50 SYSTEMS	17.2	25%	21.5	17.2	25%	21.5	-
60 ROW, LAND, EXISTING IMPROVEMENTS	8.9	33%	11.9	8.9	33%	11.9	-
Subtotal Construction and ROW Costs	**1,448.0**	**27%**	**1,839.1**	**1,590.3**	**27%**	**2,018.3**	**179.2**
80 PROFESSIONAL SERVICES			**546.0**			**609.1**	**63.1**
80.01: Preliminary Engineering			71.6			71.6	-
80.02: Final Design			154.3			176.9	22.6
80.03: Project Management			132.3			144.9	12.6
80.04: Construction Management			71.4			82.1	10.7
80.06: Legal; Permits; Review Fees			41.8			45.0	3.3
Seattle			*3.0*			*3.2*	*0.1*
Mercer Island			*0.3*			*0.3*	-
Bellevue			***16.1***			***18.0***	*1.9*
Redmond			*0.5*			*0.5*	-
WSDOT / KCM			*9.3*			*9.9*	*0.6*
Legal, Permits, Other			*12.5*			*13.1*	*0.6*
80.07: Surveys, Testing, Inspection			57.4			71.2	13.8
80.08: Start up			17.3			17.3	-
90 UNALLOCATED CONTINGENCY**			**122.1**			**155.4**	**33.3**
Grand Total			**2,507.3**			**2,782.9**	**275.6**

Cont. Next Page

MOU Baseline

PE Cost Estimate with City of Bellevue by Segment	2010$
Segment B: I-90 and Bellevue Way SE Interchange to Winters House	285.44
Segment C: C9T from Winters House	711.36
Segment D: BNSF to 148th Ave NE	426.49
Bellevue - Permits, Design review, Construction Assistance	18.01
Total PE Cost Estimate in City of Bellevue	**1,441.31**
112th Ave SE Alignment Modification	7.00
STart$ (a standalone project)	-7.17
City Property Contribution	-83.60
MOU Baseline	**1,357.53**
Bellevue - Final Design Cost	+TBD
Revised MOU Baseline	**TBD**

Dollar figures are in Millions 2010$

From Last Page

Segment C, grouped by Zone (Tunnel Alignment)

	Bid Amount	A.C. %	Grand Total
Segment C: C9T from Winters House	**557.7**	**28%**	**711.4**
B1040: "Y" to EB 2968+00	17.1	24%	21.1
B1050: EB 2968+00 to 2988+00	22.8	25%	28.5
B1060: EB 2988+00 to 3000+30 incld SE8th Station	33.9	25%	42.2
B1070: SE 8th Roadwork	9.0	27%	11.5
C1010: EB 3000+30 to 3014+00 incld SE4th Work	26.5	27%	33.6
C1020: EB 3014+00 to SE 1st	37.4	29%	48.4
C1030: Tunnel, BTC Station, Portal Retained Cut			
E650: Downtown Tunnel	***241.4***	***28%***	***307.9***
E750: Systems	*6.8*	*26%*	*8.5*
Right-of-way	*49.3*	*33%*	*65.6*
C1040: Portal to East of 116th Ave NE	36.3	25%	45.6
C1050: 116th Ave NE to BNSF Touchdown	77.3	27%	98.4

EXHIBIT G

Exhibit G: Code and Permitting

MOU CODE AND DISCRETIONARY PERMITTING FRAMEWORK

Following execution of the MOU, Sound Transit will begin the final design process with the goal of achieving a 60% Project design plan and Project baseline budget within approximately two and one half years. Typically Sound Transit applies for local land use permits at approximately the 60% Project design plan stage, with Project baseline budget established after any required land use approvals are issued. It is the intent of the parties to identify and process amendments to the City's Land Use Code that allow for a consolidated land use permitting process for the East Link Project. Such amendments are anticipated to provide certainty and predictability with respect to permitting processes and requirements both for Sound Transit as the project applicant and to interested parties commenting on or otherwise participating in the permitting process.

LAND USE AND TECHNICAL CODE AMENDMENT PACKAGE

The City Council, through a legislative action, is the final decision maker on amendments to the City's Land Use Code (LUC), according to the Process IV procedures and criteria in Part 20.35 of the LUC. Nothing in this MOU is a waiver or limitation of the City's legislative authority, nor is any particular legislative outcome contracted for in this MOU. Rather, the parties agree to work cooperatively to identify and process a package of LUC and other code amendments that, if adopted, could accomplish the following objectives:

- Allow for the City Council, through a subsequent development agreement , to establish a consolidated permit process for the East Link project;
- Amend requirements of the LUC that are technically infeasible for the East Link Project, based on the Project description that is the subject of this MOU;
- Amend and add definitions in the LUC consistent with this MOU to accommodate light rail uses and related facilities
- Allow for extended vesting of land use approvals through a development agreement; and
- Allow for further administrative modifications to LUC requirements through the applicable permitting process if such code requirements are impracticable or infeasible for the Project
- Resolve identified technical code conflicts

It is the intent of the parties to initiate the code amendment process, utilizing the City's Process IV provisions with a public hearing directly with the City Council, as allowed under LUC Section 20.35.400, with sufficient time to complete the process by no later than December 31, 2012, unless otherwise agreed by the parties.

DEVELOPMENT AGREEMENT

If the City Council approves an amendment to the LUC that allows for a development agreement in association with a light rail project, the parties agree to work cooperatively to negotiate a development

agreement that, if approved by the agencies' respective legislative bodies, could accomplish the following objectives:

- Identify the project scope;
- Define the consolidated permitting process, including minimum notice and public participation requirements, identifying the decision-maker on the required land use permits, and establishing an appeal process, which may or may not include an administrative appeal;
- Define the vesting process for the consolidated permit process;
- Establish specific decision criteria for the consolidated permitting process and development standards for the project, considering existing elements of the City's comprehensive plan, the City's Light Rail Best Practices Manual and results and outcomes from the CDP established by this MOU;
- Provide for authority for the decision-maker on the consolidated permit process to allow for administrative modifications to LUC provisions, where compliance with such provisions is impracticable or infeasible; and
- Establish permit processing plan, including fee estimate, as developed through the CDP.

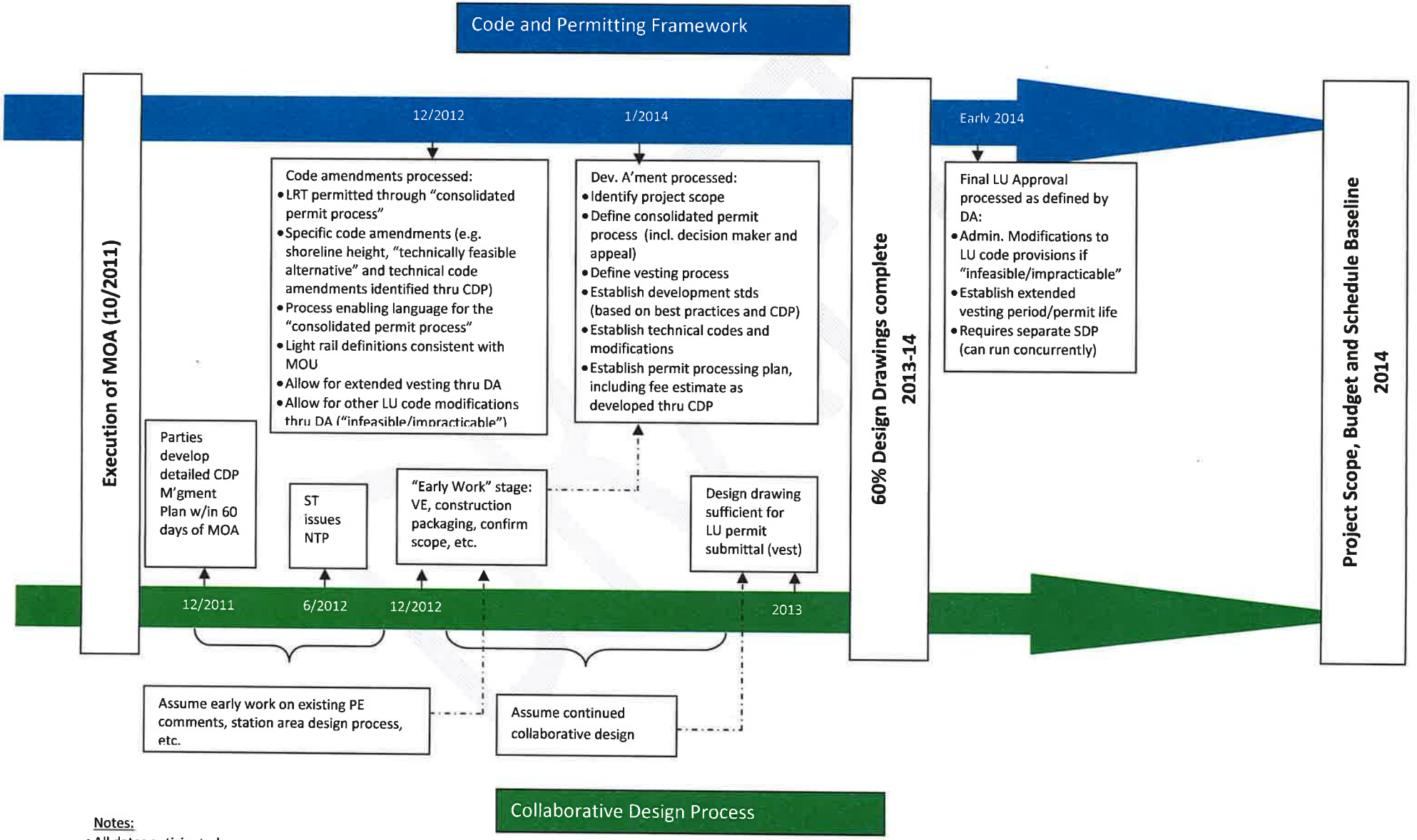
It is anticipated that any development agreement would be negotiated and considered by the Parties' respective legislative bodies through the requirements established by RCW ch. 36.70B by no later than **January 31, 2014** or as otherwise mutually agreed by the Parties. It is recognized by the parties earlier action on a development agreement increases the potential for savings in final design costs.

Nothing in this Exhibit G is intended to waive or modify City of Bellevue permit processes or other powers or authorities. It is understood that at the appropriate stage of design, Sound Transit will submit to the City for required land use approvals and nothing in this MOU shall be construed as an approval of such permits or a pre-determination of compliance with applicable codes and standards.

Figure G-1 illustrates the Code and Permitting Framework established by this Exhibit G.

November 13 Discussion draft

FIGURE G-1
FOR ILLUSTRATIVE PURPOSES ONLY



Notes:
- All dates anticipated
- Specific terms of MOU govern any conflict with this exhibit

EXHIBIT H

Exhibit H: Designated Representatives

Sound Transit

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