



TEAM MONORAIL
140 Fourth Ave. N
Suite 370
Seattle, WA
98109
(206) 404-7600
Fax (206) 404-7610

August 5, 2004

Reference: 721-TM-SM-0097

Seattle Monorail Project
1904 Third Avenue, Suite 105
Seattle, WA 98101

RE: DBOM RFP

Dear Mr. Horkan:

With great regret, Team Monorail confirms that we will not be submitting a response to the DBOM RFP on August 16, 2004.

We remain committed to the success of the Seattle Monorail Project and you can count on our continued cooperation and support.

To that end, we would like to continue discussions regarding the feasibility of an alternative path forward that would protect the tax payer by:

- reflecting the current reality in the surety industry;
- providing greater aggregate bonding protection by allowing separate civil construction and vehicle and systems performance bonds;
- replacing the joint and several requirement with a several structure that maintains a single point of responsibility; and by
- mandating that any disputes between the parties be resolved through internal mechanisms without involving SMP.

This approach has been successfully implemented on major international DBOM projects of equal or greater size.

We reiterate our disappointment that Team Monorail is unable to respond to the RFP. The SMP can be assured of our commitment to work with you towards the success of the project.

Sincerely,

Thomas J. Stone, Ph.D., P.E.
Team Bid Director