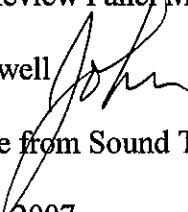




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TO: Expert Review Panel Members
FROM: John Howell 
SUBJECT: Response from Sound Transit Regarding Debt to Equity Ratio
DATE: April 19, 2007

You will recall that state law requires Sound Transit to establish an “optimal debt to equity ratio.” Sound Transit staff have briefed us on their work regarding this requirement.

At our last meeting Darlene asked Joni about Sound Transit’s response to Will Knedlik’s assertion that Sound Transit is limited in the amount of debt it can issue based on legal documents established as part of Sound Move. Joni said that internal counsel had completed an analysis of the issues and that she would share that analysis with the Panel.

Attached is a memo from Sound Transit’s legal counsel. He provides a response to Will Knedlik’s assertions, and makes that case that there are no limitations from Sound Move on the amount of debt that Sound Transit can issue.

If you have any further questions please let me know.