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MASTER AGREEMENT  
 FOR THE  
 CENTURY FREEWAY LIGHT RAIL TRANSIT SYSTEM  
 (DISTRICT AGREEMENT NO. 3783)  
 (LACTC Contract No. F801)

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DEPARTMENT OF TRANSPORTATION  
 STATE OF CALIFORNIA  
 AND THE  
 LOS ANGELES COUNTY TRANSPORTATION COMMISSION

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DATED: ~~NOV 20 1986~~ *date authorized by LACTC*  
*12/24/87* *date executed*  


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TABLE OF CONTENTS

<u>SECTION</u>		<u>PAGE</u>
	Recitals.....	1
	ARTICLE 1 - SCOPE AND DEFINITIONS	
1.1	Scope of Agreement.....	2
1.2	Definitions.....	2
	ARTICLE 2 - DESIGN	
2.1	Design Coordination.....	5
2.2	Joint Schedule.....	5
2.3	Design Responsibility.....	5
2.4	Design Standards.....	5
2.5	Preliminary Design.....	6
2.6	Final Design.....	7
2.7	Construction Staging Plans.....	7
2.8	Assistance by LACTC in Transportation Engineering.....	8
2.9	Coordination of New and Unrelated Facilities.....	8
	ARTICLE 3 CONSTRUCTION COST	
3.1	LACTC Items.....	8
3.2	State Costs.....	9
	ARTICLE 4 - PERMITS	
4.1	State Permits for CLRTS Facilities.....	10
4.2	Other Public Agencies.....	11
	ARTICLE 5 - JOINT USE AGREEMENT	
5.1	Joint Use Agreement .....	11
5.2	Approval of Agreement.....	11

TABLE OF CONTENTS - Continued

<u>SECTION</u>		<u>PAGE</u>
	ARTICLE 6 - CONSTRUCTION	
6.1	State Performance of CLRTS Construction....	12
6.2	"Record" Drawings.....	14
6.3	Reproducible Contract Documents.....	14
	ARTICLE 7 - INSPECTION	
7.1	Inspection During Construction.....	14
7.2	Final Inspection.....	15
	ARTICLE 8 - REIMBURSEMENTS	
	.....	16
	ARTICLE 9 - INDEMNITY	
9.1	Indemnity.....	16
	ARTICLE 10 - WORK ORDERS AND BILLINGS	
10.1	Work Performed by State.....	17
10.2	Work Orders.....	17
10.3	Work Order Changes.....	18
10.4	Work Order Costs.....	18
10.5	Procedures for State Billings to LACTC.....	19
10.6	Payment of Billings by LACTC.....	19
10.7	Audit and Inspection.....	19

TABLE OF CONTENTS - Continued

<u>SECTION</u>		<u>PAGE</u>
	ARTICLE 11 - RESOLUTION OF DISPUTES .....	20
	ARTICLE 12 - MISCELLANEOUS PROVISIONS	
12.1	Approvals; Further Documents.....	22
12.2	Notices.....	22
12.3	Assignment; Binding Effect.....	23
12.4	Waiver.....	23
12.5	Entire Agreement; Modification.....	24
12.6	Governing Law.....	24
12.7	Severability.....	24
12.8	Gender and Tense.....	24
12.9	Headings.....	24
12.10	Incorporation of Exhibits.....	25
12.11	Counterpart Originals.....	25
12.12	Force Majeure.....	25
12.13	Prior Costs.....	25
	Execution.....	27

**MASTER AGREEMENT  
FOR THE  
CENTURY FREEWAY LIGHT RAIL TRANSIT SYSTEM  
BETWEEN THE  
DEPARTMENT OF TRANSPORTATION  
STATE OF CALIFORNIA  
AND THE  
LOS ANGELES COUNTY TRANSPORTATION COMMISSION**

THIS AGREEMENT, dated 12/24/87, is made by and between the Los Angeles County Transportation Commission ("LACTC"), and the Department of Transportation, State of California ("State").

**R E C I T A L S**

A. The State proposes to construct a freeway known as the Century Freeway I-105 ("Freeway"), under the terms and conditions of the Amended Century Freeway Consent Decree dated September 22, 1981 ("Decree"). Part of the Decree requires the physical inclusion in that project of a transitway, such as a light rail system or busway/high occupancy vehicle facility. The LACTC is obligated under Ordinance 16, approved by the voters as Proposition A in 1980, to construct and operate all facilities necessary and convenient for a light rail transit system in the general vicinity of the Freeway. The LACTC has designated this system as the Century Light Rail Transit System ("CLRTS") and the State is willing to include the CLRTS within the median of the Freeway.

B. The planning, design, and construction of the CLRTS in conjunction with the Freeway will require that the parties have a cooperative and mutually beneficial working relationship such that the responsibilities of both parties can be met without negatively impacting or delaying either the CLRTS or Freeway project and without duplicative or conflicting efforts and costs.

NOW, THEREFORE, the parties agree as follows:

ARTICLE 1  
SCOPE AND DEFINITIONS

1.1. Scope of Agreement

This Agreement specifies the procedures which the parties will follow in (i) planning, designing and constructing the CLRTS, (ii) determining the manner in which costs of such activities will be shared, and (iii) coordinating construction of the CLRTS with the Freeway. The parties may amend this agreement or enter into supplemental agreements covering unique arrangements with respect to CLRTS stations and other matters as agreed upon. The provisions of this Agreement shall terminate upon completion of construction of the CLRTS except as expressly provided herein or as the context otherwise requires or as agreed to by the parties.

1.2. Definitions

For the purpose of this Agreement, the following terms shall have the meaning set forth below:

1.2.1. Busway/HOV is defined as the previously contemplated busway/high occupancy vehicle facility in the Freeway median, construction of which was originally to be performed by State in compliance with its obligation under the Decree to build a transitway.

1.2.2. Century Light Rail Transit System ("CLRTS") is defined as that light rail transit system, and any and all necessary or appurtenant facilities, approximately 16.5 miles long in the median of the Freeway between the Aviation Boulevard and Studebaker Road Stations as shown by the diagram attached hereto as Exhibit A, and which the LACTC proposes for the public transportation of passengers, and any portion or section thereof.

1.2.3. Cost is defined as the actual direct costs and indirect costs incurred by a party for such activities or work performed or materials acquired as provided for by this Agreement. Direct costs shall include allowable direct labor and material costs spent specifically for work performed under this Agreement. Indirect costs shall be computed based upon Indirect Cost Rates (ICR's) approved annually for the State by the United States Department of Health and Human Services pursuant to Circular A-87 of the Office of Management and Budget and Publication OASC-10, for allocation to Federally funded or State funded contracts.

1.2.4. Design is defined as that engineering and architectural work which results in the production of maps, plans, drawings, estimates, specifications, advertising for bids and contract award which are necessary to the construction of a project.

1.2.5. Facility is defined as real or personal property (including fixtures) now or hereafter located within or adjacent to the CLRTS route, such as equipment, structures, improvements, and other properties (or portions thereof) under the ownership or operating jurisdiction of State or LACTC, and shall include, but not be limited to, roads, highways, bridges, landscaping, roadway lights, drainage conduits, parking improvements, CLRTS Stations, and CLRTS power substations and communications buildings.

1.2.6. LACTC is defined as the Los Angeles County Transportation Commission and, as the context may require, its members, employees, agents, contractors and subcontractors.

1.2.7. LACTC Items are defined as any component or portion of the construction of the CLRTS (i) which, but for the CLRTS, would not have been constructed in connection with

the Freeway or Busway/HOV; (ii) the Cost of which is to be borne solely by LACTC; and (iii) which component is outside the scope and contemplation of the Consent Decree. LACTC Items may include, but are not limited to, fare collection equipment, communication system, signaling equipment, traction power supply and distribution equipment facilities, and trackwork.

1.2.8. LACTC Representative is defined as the Executive Director, LACTC, or his authorized representative who has the power to conduct reviews, issue Work Orders and make approvals as required by this Agreement.

1.2.9 A project refers to the Freeway and/or the CLRTS, as the context may require.

1.2.10. Standards are defined as those standards of LACTC or State, respectively, customarily applied to the design, construction and inspection (as the case may be), of work that is similar to the CLRTS and Freeway, respectively, and that is primarily financed by that party.

1.2.11. State is defined as the Department of Transportation, State of California and, as the context may require, its officials, employees, agents, contractors and subcontractors.

1.2.12. State Representative is defined as that person designated by the Director of Caltrans, or his authorized representative, who has the power to conduct reviews and make approvals as required by this Agreement.

1.2.13. Work Order is defined as that document which the LACTC shall issue to authorize performance of work and supply of materials under the terms and conditions of this Agreement.



## ARTICLE 2

### DESIGN

#### 2.1. Design Coordination

The parties' Representatives shall establish general guidelines, working relationships, administrative policies, standards of Design, construction procedures, Design review procedures, and coordination of construction of the Freeway and of the CLRTS pursuant to this Agreement in order to permit the timely construction and operation of both projects. The guidelines will also address the subject of rearrangement of utility facilities made necessary by the Project and the work performed under this Agreement.

#### 2.2. Joint Schedule

The parties shall mutually agree upon a joint schedule for remaining Design and construction of the CLRTS, and of the Freeway as it relates to or may impact upon the CLRTS, in order not to delay the scheduled Design and construction of the Freeway, nor the start of the CLRTS revenue operation. In conformance with the Decree, every effort will be made to start the CLRTS revenue service at the same time as the Freeway opens to public.

#### 2.3. Design Responsibility

The State shall be responsible for Freeway plans, specifications and estimates subject however, to the rights, authorizations and approvals of LACTC as set forth in this Agreement. In general, the LACTC shall be in charge of CLRTS Design subject however, to any rights, authorizations and approvals of the State as set forth in this Agreement.

#### 2.4. Design Standards

The LACTC Standards shall govern Design and construction of the CLRTS, though in establishing such standards, the LACTC shall consider any input of the State.

Design and construction of the Freeway shall be done in accordance with the State Standards, however, State agrees to solicit and incorporate LACTC input on certain construction details where Freeway Design and construction will affect the CLRTS.

2.5. Preliminary Design

2.5.1. LACTC, at its cost, will provide State with its preliminary (and/or final, if available) engineering drawings and other work of CLRTS Design which shall contain the details necessary for State to include such CLRTS Design work in the Freeway Design. Such Design shall be furnished by LACTC on a schedule which does not delay Freeway Design by State. State shall evaluate and, if approved, incorporate such final CLRTS Design into its Freeway Design.

2.5.2. State, at its cost, shall provide LACTC with all Freeway engineering plans, structural data, schedules and other work of Freeway Design so as to enable LACTC to proceed with its engineering work for CLRTS Design. To the degree possible this information shall be final and complete so as to minimize the potential for reiterative effort, and shall be furnished to LACTC in accordance with the CLRTS Design and construction schedule.

2.5.3. State shall assist LACTC in interpreting Freeway Design drawings, in reviewing the structural adequacy of the Freeway Facilities to carry the loads of the light rail trains, and in evaluating the needs of the CLRTS for drainage tie-ins, traction power conduits, catenary pole supports, communication and signaling conduits, station modifications and other matters.

2.5.4. Each party shall bear the costs of its respective Design consultants.

2.6. Final Design

2.6.1. Final Design of the CLRTS, and of the Freeway to the extent it incorporates or may affect the CLRTS or the area it occupies, shall be accomplished in accordance with the agreed upon joint schedule and utilizing the appropriate Design Standards. Such final Design must be transmitted to and fully approved in writing by both parties before it shall be deemed completed. Upon such approval, final CLRTS Design plans may not be altered without the further written approval of LACTC.

2.6.2. Submitted with the final Design plans, specifications and estimates (including unit price estimates) for the CLRTS shall be LACTC's estimates of the Costs, and the time needed to perform the required construction work.

2.6.3. Similarly, submitted with the final Design plans, specifications and estimates (including unit price estimates) for elements of the Freeway which may affect the CLRTS or the area it occupies, shall be State's estimates of the Costs, and the time needed to perform the required construction work.

2.7. Construction Staging Plans

The LACTC, through its employees, agents and contractors, shall develop construction staging plans when and if such plans are necessary. Construction staging plans shall provide among other things, for the safe handling of vehicular and pedestrian traffic on streets that cross or are adjacent to CLRTS construction and shall show construction phases, road closings, detours, warning devices and other pertinent information ("traffic control plans"). Prior to implementation State shall review and approve traffic control plans. To assist the LACTC in coordination and the development of construction staging plans, the State shall furnish pursuant to a Work Order to LACTC in writing during Design, information regarding the proposed sequence of construction of Freeway Facilities, estimates of the extent and duration of road closures or

restrictions necessary to permit construction of Freeway Facilities, and other relevant information to these purposes as requested by LACTC.

2.8. Assistance by LACTC in Transportation Engineering

When LACTC and the State mutually agree, LACTC may assist the State in the planning and design of the CLRTS as it relates to facilitating movement of automobiles, buses and pedestrians into and from the CLRTS. The assistance may also include the review and coordination of reports, traffic counts, and street geometric striping and traffic signal plans.

2.9. Coordination of New and Unrelated Facilities

If either party plans to construct new Facilities (other than the project construction work contemplated by this Agreement) that cross or otherwise would occupy proposed locations that would conflict with construction or operation of the other's project, State and LACTC shall make arrangements to install such new Facilities in a place and manner that will not conflict with such other project.

ARTICLE 3

CONSTRUCTION COST

3.1. LACTC Items

LACTC will pay for the Costs for the following CLRTS items, as noted:

(a) Construction of the following stations:  
(Except for design and construction management, as noted in Section 3.2.(e):

- Aviation Boulevard
- Hawthorne Boulevard
- Crenshaw Boulevard
- Vermont Avenue
- Avalon Boulevard

Wilmington Avenue  
Long Beach Boulevard  
Lakewood Boulevard  
I-605 Freeway

(b) Design and construction of components relative to the construction of the CLRTS as outlined in Section 1.2.7, except for those items of State Costs set forth in Section 3.2.

(c) Design of the trackway drainage.

(d) Design and construction of the CLRTS portion of the "Airport Viaduct" from Aviation Boulevard to La Cienega Boulevard, the exact length to be determined upon completion of final design.

(e) Design and construction of the Non-Revenue Track at East Willowbrook Avenue including retaining walls which, but for the CLRTS, would not have been constructed in connection with the Freeway or Busway/HOV.

(f) Design and construction of the CLRTS tailtrack section at the east end of the project near Studebaker Road, including retaining walls which, but for the CLRTS, would not have been constructed in connection with the Freeway or Busway/HOV.

(g) Additional stray current protection for Facilities made necessary by CLRTS operations.

### 3.2. State Costs

3.2.1. State will pay for all other items, costs and expenses of the Freeway and those CLRTS costs that would have been incurred in constructing the Busway/HOV, including without limitation, median rights-of-way, aerial sections, certain parking improvements and landscaping, barrier walls, bridges, certain noise barriers, and preparation of the subgrade, as indicated below:

(a) Acquisition of the median rights-of-way.  
(b) Design and construction of the structures, concrete barriers, and preparation of the LRT subgrade.

(c) Acquisition of right of way, design and construction of the park and ride lots. These lots will include portions of certain stations as access to buses and carpools, as agreed to by both State and LACTC.

(d) Construction of the median drainage (except for design as noted in Section 3.1.(c)).

(e) Design and construction management of the stations noted in Section 3.1.(a) with State only funds.

(f) Design and construction of the I-105/I-110 Transit Station.

3.2.2. The parties will endeavor to specifically identify by the time of completion of final Design of the Freeway and CLRTS, additional items, costs and expenses that will comprise the State Costs.

#### ARTICLE 4

#### PERMITS

##### 4.1. State Permits for CLRTS Facilities

Upon application by LACTC, State shall issue through its permit process, any and all permits necessary for CLRTS construction within State's rights-of-way including but not limited to construction of pipelines, sewers, water mains, storm drains, poles and electrical transmission wires, and underground electrical distribution facilities. It is understood and agreed by the parties that LACTC will not be billed by State for State's review of Design plans prepared by LACTC employees, agents or contractors in connection with the permit process. Inspection by the State of civil construction work done by LACTC, its agents or contractors shall be undertaken as provided for by Article 7.

4.2. Other Public Agencies

LACTC and State will coordinate any discussions with SCRTD, SCAG, and local jurisdictions (including fire and police departments) on issues related to the CLRTS. LACTC will submit to the California Public Utilities Commission an application covering all rail transit grade-separations related to the light rail line, and all other rail-related applications to the Public Utilities Commission. LACTC and State will endeavor to have necessary discussions with these agencies on a schedule which does not delay on-going Freeway and CLRTS Design work.

ARTICLE 5

JOINT USE AGREEMENT

5.1. Joint Use Agreement

State agrees to enter into a Joint Use Agreement with LACTC, or its designees, which conveys the use without charge of a portion of the I-105 right-of-way for the CLRTS facilities, including for CLRTS construction, operation and maintenance.

LACTC agrees that the conveyances shall not preclude the future development by the State of multiple use of the properties on which the CLRTS facilities will be located, upon the terms and conditions as the parties may agree in the Joint Use Agreement.

5.2. Approval of Agreement

LACTC acknowledges that joint use without charge will be subject to approval by the Federal Highway Administration (FHWA) and the California Transportation Commission (CTC).

ARTICLE 6  
CONSTRUCTION

6.1. State Performance of CLRTS Construction

When LACTC and State mutually agree that State shall construct or cause to be constructed certain portions of the CLRTS, the following provisions shall govern:

6.1.1. (a) Final Design product and proposed construction contract documents for a specific portion of the CLRTS to be constructed under this Section 6.1 shall be furnished by State to LACTC for its review, and comments or approval prior to solicitation for bids. LACTC shall provide its comments or approval within the mutually agreed time period, which time period shall be three (3) weeks at a maximum. Should LACTC's review result in substantive comments, State shall resubmit the Design product and contract documents with revisions to LACTC for review, comments or approval. State shall not solicit bids for any contract covered by this Section 6.1 prior to written approval by LACTC of the final CLRTS Design and contract documents. However, in no event shall lack of such approval delay the other scheduled Design and construction work of the Freeway or the CLRTS.

(b) Upon approval and issuance of a Work Order by LACTC, State then shall advertise the contract for bids if competitive bidding is required pursuant to State or Federal law. Whenever practical, separate bid items will be provided for LACTC Items, segregated from any other items that may be part of any particular State work. In cases where LACTC Items are so integrally related to other Freeway work as to make that procedure impractical, State shall attempt to structure its process so that unit bid prices are received for all LACTC Items. The actual Cost of the CLRTS portions of the work shall be determined in such cases by performing a material quantity takeoff from the construction contract drawings and applying the applicable unit prices to the resulting quantities.



(c) State shall then inform the LACTC of the apparent lowest responsible bidder's unit prices, and shall furnish the LACTC with copies of the extract of bids. LACTC shall have the right to review all bids, and shall have the right to approve or reject all bids that are greater than 10% above or below the contract estimate. State can award contracts when the lowest responsible bidder is within 10% of the contract estimate. State shall notify LACTC of the amount of additional advance monies (if any) needed to award the contract as to the LACTC Items. LACTC shall remit such monies upon receipt of notice or billing from the State in advance of the award of the contract. State shall thereafter obtain LACTC's prior written approval for any contract change orders modifying the contract which directly affect the CLRTS and, in any event, shall inform LACTC promptly when State has reason to believe that the contract amount is likely to be exceeded, and shall obtain LACTC's prior approval of any such increase.

6.1.2. If applicable law permits award of a contract for the work contemplated by Section 6.1 by other than competitive bidding, then if the parties agree such other procurement method may be used, and procedures similar to those set forth in Section 6.1.1 shall be adopted.

6.1.3. Should the parties agree that certain CLRTS construction work can best be performed directly by the State, the Cost estimate to perform the work shall be furnished to LACTC. Upon approval of the Cost estimate, LACTC shall issue a Work Order to State. State shall obtain LACTC's prior written approval for any changes from the approved Design or increase to the approved Cost estimate. State shall commence said construction as mutually agreed and thereafter shall diligently prosecute such construction to completion as authorized by Work Order and in accordance with the Design plans and specifications.

6.1.4. State shall furnish the LACTC a quarterly progress and accounting report for the work performed pursuant to this Section 6.1 in a format prescribed by LACTC.

6.2. "Record" Drawings

Upon completion of construction, the party that performed the work shall furnish the other party with film reproductions or other suitable reproducible "record" drawings depicting all construction performed.

6.3. Reproducible Contract Documents

LACTC and State agree to provide the other with suitable reproducible copies of those final contract documents they have prepared or caused to be prepared to govern the performance of a given construction by a contractor of either party, so that each party may compile a complete set of contract documents. Each party shall prepare or cause to be prepared the contract documents for which it is responsible in accordance with its drafting Standards.

ARTICLE 7  
INSPECTION

7.1. Inspection During Construction

7.1.1 Each party shall notify the other at least five (5) working days prior to commencing each phase of construction so that the other party may make arrangements for such inspection and record keeping as it may desire.

7.1.2 During construction, all work performed by either party which may affect construction of the CLRTS shall be inspected by the LACTC at no cost to the State. Working through the State's Resident Engineer, LACTC shall have access to the construction of Freeway Facilities which may affect the CLRTS for the purpose of inspection to ensure that the work is in accordance with specifications contained in the Freeway

contract related to the CLRTS. The LACTC inspectors shall consult with the State's Resident Engineer on all questions or problems that affect LACTC Facilities, and direct any formal questions to him. To the extent possible, questions or problems should be mutually resolved during the inspection. Any disputes shall be resolved as provided for in Article 11.

7.1.3 Construction of Freeway Facilities to be maintained by the State shall be inspected by the State.

7.2. Final Inspection

Upon completion of the work performed or caused to be performed by a party pursuant to a contract or Work Order provided for by this Agreement, that party shall notify the other in writing that said work is ready for final inspection. The final inspection shall be attended by both parties' Representatives. At such inspections, each party shall inform the other of any deficiencies or discrepancies in any work discovered in the course of such final inspection. The LACTC and State, respectively, shall then direct their contractors or forces to perform any necessary corrective work to the extent required to make the CLRTS and Freeway Facility, respectively, conform to the approved Designs. Upon written acceptance thereof by the party for whom the work was performed, that party shall assume full responsibility for that completed work.

ARTICLE 8  
REIMBURSEMENTS

By the mechanism of the issuance to State of Work Orders, LACTC will reimburse State in accordance with the terms of this Agreement, for the Costs of any activity or work performed or materials acquired by State under such Work Orders as described elsewhere in this Agreement.

ARTICLE 9  
INDEMNITY

9.1 Indemnity

9.1.1. LACTC agrees to indemnify, defend and save harmless State, its officers, agents and employees from and against any and all liability, expenses (including defense costs and legal fees), claims, losses, suits and actions of whatever kind, for damages of any nature whatsoever, including but not limited to, bodily injury, death, personal injury, or property damage arising from or connected with LACTC's (or its agents or contractors) performance, acts or omissions hereunder.

9.1.2. State agrees to indemnify, defend and save harmless LACTC, its members, agents, officers and employees from and against any and all liability, expenses (including defense costs and legal fees), claims, losses, suits and actions of whatever kind, for damages of any nature whatsoever, including but not limited to, bodily injury, death, personal injury or property damage arising from or connected with State's (or its agents or contractors) performance, acts or omissions hereunder.

9.1.3. In contemplation of the provisions of Section 895.2 of the Government Code of the State of California imposing certain tort liability jointly upon public entities

solely by reason of such entities being parties to an agreement as defined by Section 895 of said Code, the parties hereto, as between themselves, pursuant to the authorization contained in Sections 895.4 and 895.6 of said Code, will each assume the full liability imposed upon it, or any of its officers, agents or employees by law for injury caused by negligent or wrongful act or omission occurring in the performance of this Agreement to the same extent that such party would be responsible under Sections 9.1.1 and 9.1.2 hereof. The provisions of Section 2778 of the California Civil Code are part hereof as if fully set forth herein.

## ARTICLE 10

### WORK ORDERS AND BILLINGS

#### 10.1. Work Performed by State

All work performed by State under this Agreement and specifically authorized by Work Order shall coincide with the Design and construction schedule for the CLRTS mutually agreed to as stated in Section 2.2 above. The State, to the maximum extent practicable, shall allocate sufficient staff and other resources necessary to provide the level of service required to meet said schedules in accordance with this Agreement. Agreements with contractors of any tier shall include suitable provisions to ensure timely performance of all work required hereunder. Each party shall submit to the other a work plan, setting forth each item of work and detailing the corresponding start and finish dates and estimated costs that the party anticipates it will request the other to perform pursuant to this Agreement.

#### 10.2. Work Orders

LACTC shall issue Work Orders to State to authorize the performance of all CLRTS related work or purchase of all materials and equipment required under the terms and conditions of this Agreement. State or State's contractor or subcontractor may perform any work so authorized. Contractors

engaged by State to perform work covered by this Agreement shall comply with all applicable labor and other laws and agreements. State shall cooperate with LACTC and take such action as the LACTC may reasonably request to ensure such compliance. Each Work Order issued to State under the terms of this Agreement shall specify the work to be performed and any materials or equipment to be acquired, the maximum amount of money which State may expend therefor, and the estimated starting and finishing dates for work so authorized. Should the State refuse or be unable to perform the work as required in a Work Order, the LACTC may perform said work and in that case the State shall cooperate with and assist the LACTC as herein provided.

#### 10.3. Work Order Changes

Any proposed changes in a Work Order issued under this Agreement shall be submitted in writing to LACTC for its prior written approval; provided, however, that any proposed change occasioned by emergency field construction difficulties may be submitted to LACTC by telephone, and later confirmed in writing by State, and in such event, LACTC agrees to act on such oral request as promptly as possible. LACTC may terminate any Work Order at anytime in its sole discretion, but in that case it shall reimburse State in accordance with this Agreement for its Costs, if any, already incurred, and for any contractually obligated Costs to State necessarily incurred as a result of the termination.

#### 10.4. Work Order Costs

State shall not exceed the total Cost specified in any Work Order without the prior written approval of LACTC. State agrees to use its best efforts to perform the work specified in each Work Order within the Cost specified therein. If at any time State has reason to believe that the Costs which it expects to incur under any Work Order will be in excess of

ten percent (10%) greater or less than the previously specified estimated or bid Cost, State shall notify LACTC in writing to that effect, giving the revised Cost estimate for the work authorized in said Work Order.

10.5. Procedures for State Billings to LACTC

The parties agree that the following procedures shall be observed for submission of monthly billings by State to LACTC, on a progress basis for work performed by State under a specific Work Order. State's billings shall begin as soon as practicable following the commencement of work under a given Work Order. Billings shall be in a format acceptable to LACTC and shall specify Costs incurred for that billing period, shall bear the LACTC's Work Order number, and be supported by copies of invoices and other data to support Costs incurred or credits requested. Each billing shall be noted as either progress or final and shall be addressed to the LACTC Representative. The final billing, with a notation that all work covered by a given Work Order has been performed, shall be submitted to the LACTC as soon as practicable following the completion of all required work, shall recapitulate prior progress billings, and shall show inclusive dates upon which work billed therein was performed.

10.6. Payment of Billings by LACTC

LACTC shall endeavor to pay each billing presented by the State under the foregoing procedures within thirty (30) days of receipt thereof, provided, however, that such payments shall be conditional, subject to post-audit adjustments.

10.7. Audit and Inspection

Each party shall have reasonable rights to inspect and audit the other's records relating to its performance under any Work Order from the date hereof through and until expiration of three (3) years after completion of all work under such Work Order.

ARTICLE 11  
RESOLUTION OF DISPUTES

a) In the event of a claim or dispute arising out of or related to this Agreement, both parties shall make good faith efforts at resolution through negotiation. If the parties agree, to assist in attempting to negotiate the claim or dispute, a neutral mediator may be selected from a list of potential mediators prepared by the Los Angeles Office of the American Arbitration Association. If the parties choose to use the assistance of a mediator but can not agree on the selection, they may ask the AAA to select the mediator. The mediator will follow the AAA Construction Industry Mediation Rules as appropriate.

b) In no event shall work be stopped during the pendency of dispute resolution under this Article except where it is absolutely necessary to first resolve the claim or dispute in order to be able to continue the work.

c) If after efforts at negotiation (whether with or without the involvement of a neutral mediator) no resolution of the claim or dispute is reached, before resorting to litigation to resolve the claim or dispute it shall be submitted for resolution to the Dispute Resolution Committee, to commence by the service of a written demand for such resolution by one party on the other ("Demand").

d) The Committee shall be made up of the District 7 Director of Caltrans, and the Executive Director of LACTC, or their respective designees, and a third neutral member appointed as follows. If resort to the Committee occurs after attempts at negotiation involving a neutral mediator, then that person shall remain as the third neutral member of the Committee (unless objected to by a party). Otherwise, the parties shall jointly designate the third neutral member from the list of



potential members prepared by the AAA. If the parties can not decide on a third member within 5 days after service of the Demand, then the AAA shall appoint a third neutral member, and in that event the timetable for rendering a decision, as set forth below, shall be extended by 5 business days. The third neutral member shall be the chairperson of the Committee.

e) Within 10 business days (or within 5 business days in case of work stoppage) after a demand is made by either party, the Committee shall meet and render a decision. If the Committee, by majority vote, determines that more time is needed in order to consider the facts and to render a decision, then the timeable for rendering a decision may be extended for up to 30 business days after the date of the Demand (or up to 20 business days in the event of a work stoppage).

f) The decision of a majority of the Committee shall be final and not subject to further appeal to the Committee. The rendering of a decision by the Committee does not prevent a party from thereafter independently litigating the claim or dispute, and the Committee's decision is not an award of the type that may be confirmed, corrected or vacated under the California Arbitration Act. The Committee may render a decision calling for the payment of money if that is the basis of the claim or dispute submitted, but has no power to assess consequential or punitive damages arising from the acts or omission of a party. The decision shall be in writing and shall specify what steps must be taken by the parties to end the dispute, and shall be implemented as soon thereafter as is specifically stated in the written decision, or if not so stated then with reasonable expeditiousness.

g) The parties agree that evidence and documents prepared, presented or disclosed in the course of mediation and Committee resolution under this Article will be inadmissible in any subsequent litigation as provided by

Evidence Code Section 1152.5. In the event of mediation and Committee resolution efforts under this Article, the parties agree to execute in writing a statement to that effect as required by that statute prior to commencement of such mediation and Committee resolution.

h) Costs and expenses of the mediator, if any, shall be shared jointly by the parties. Each party shall pay its own expenses and fees incurred in connection with the Committee. The expenses and fees of the Committee and of the third neutral member shall be shared equally by the parties.

ARTICLE 12  
MISCELLANEOUS PROVISIONS

12.1. Approvals; Further Documents

12.1.1. Where this Agreement requires approval, consent, permission, satisfaction, agreement or authorization by either party, such approval, consent, permission, satisfaction, agreement or authorization shall not be unreasonably withheld.

12.1.2. The parties agree to execute such further documents, agreements, instruments and notices as may be necessary or appropriate to effectuate the transactions contemplated by this Agreement.

12.2. Notices

12.2.1. Any notices required or permitted to be given under the terms of this Agreement shall be in writing and shall be deemed to be given as of the time of hand delivery to the addresses set forth below, or five (5) days after deposit in the United States mail, postage prepaid, by registered or certified mail, return receipt requested, addressed as follows:

To State:

State of California  
Department of Transportation, District 07  
120 South Spring Street  
Los Angeles, California 90012  
Attn: District Director

To LACTC:

Los Angeles County Transportation  
Commission  
403 West Eighth Street, Suite 500  
Los Angeles, California 90014  
Attention: Program Director

12.2.2. The parties may also designate other procedures for the giving of notice as required or permitted under the terms of this Agreement, but each such alternate procedure shall be described in writing and signed by a designated Representative of the parties.

12.3. Assignment; Binding Effect

This Agreement is assignable only with the consent of the other party and shall bind and inure to the benefit of the respective successors and assigns of the parties.

12.4. Waiver

The failure of any party at any time or times to require performance of any provision hereof shall in no manner affect the rights at a later time to enforce the same. No waiver by any party of any condition, or of any breach of any term, covenant, representation, or warranty contained herein, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such condition or breach or waiver of any other condition or of any breach or any other term, covenant, representation or warranty.

12.5. Entire Agreement; Modification

This Agreement contains the entire agreement of the parties with respect to the matters addressed herein. This Agreement may not be amended, modified, superseded or cancelled, nor may any of the terms, covenants, representations, warranties or conditions hereof be waived, except by a written instrument executed by the party against whom such amendment, modification, supersedure, cancellation or waiver is to be charged.

12.6. Governing Law

This Agreement shall be governed by and construed and enforced in accordance with the laws of the State of California.

12.7. Severability

In the event that any portion hereof is determined to be illegal or unenforceable, such determination shall not affect the validity or enforceability of the remaining provisions hereof, all of which shall remain in full force and effect.

12.8. Gender and Tense

As used in this Agreement, the masculine, feminine and neuter gender, and the singular or plural number shall each be deemed to include the other or others whenever the context so indicates.

12.9. Headings

The headings which appear at the commencement of each section are descriptive only and for convenience in reference to this Agreement. Should there be any conflict between any heading and the section itself, the section itself and not the heading shall control as to construction.

12.10. Incorporation of Exhibits

Every exhibit to which reference is made in this Agreement is hereby incorporated in this Agreement by such reference.

12.11. Counterpart Originals

This Agreement may be executed in any number of counterparts, each of which shall be deemed to be the original, and all of which together shall constitute one and the same instrument.

12.12. Force Majeure

Neither party shall be held liable for any damages or loss due to delay or failure in performance of any part of this Agreement from any cause beyond its control and without its fault or negligence, such as acts of God, acts of civil or military authority, government regulations, embargoes, epidemics, war, terrorist acts, riots, insurrections, fires, explosions, earthquakes, nuclear accidents, floods, strikes, power blackouts, volcanic action, other major environmental disturbances or unusually severe weather conditions.

12.13. Prior Costs

Prior to the date of this Agreement, State may have incurred Costs related to Design work on the CLRTS. Within ninety (90) days after execution of this Agreement, State may submit to LACTC a request for reimbursement of such Costs, with (i) explanation demonstrating that such Costs are of the type for which State would be reimbursed if this Agreement had been in effect when such Costs were incurred, and (ii) documentation of the amount of such Costs. The parties shall then discuss and endeavor to negotiate any reimbursement to State. It is agreed that, except as may result from the product of such discussions and negotiations, LACTC shall not be responsible or obligated for State's Costs and other expenses related to the CLRTS which

were incurred prior to the date hereof. In any event, only those Costs which are fully documented and submitted to LACTC within ninety (90) days after execution of this Agreement, as provided above, shall be considered for reimbursement by LACTC.


IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the date first written above.

"STATE"


STATE OF CALIFORNIA  
DEPARTMENT OF TRANSPORTATION

  
Leo Trombatore  
Director of Transportation

APPROVAL RECOMMENDED:


  
Donald Watson  
District 7 Director of  
Transportation

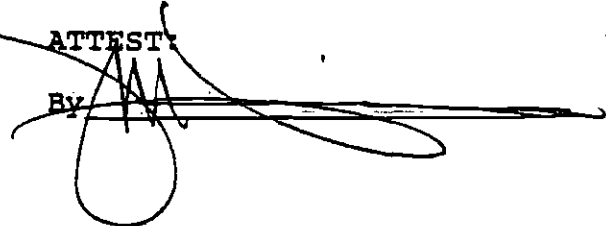
APPROVED AS TO FORM AND  
PROCEDURE:

  
Attorney, Department  
of Transportation

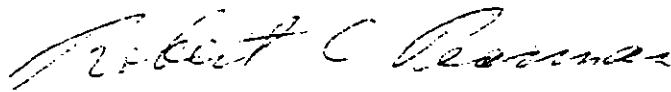

"COMMISSION"

LOS ANGELES COUNTY  
TRANSPORTATION COMMISSION

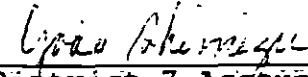
By   
George U. Richmond  
Executive Director

ATTEST:  
By 

APPROVED AS TO FORM:

  
By   
Robert C. Pearman  
BURKE, ROBINSON & PEARMAN  
Special Counsel to LACTC

CERTIFIED AS TO FUNDS AND  
PROCEDURE:

  
District 7 Accounting Officer

RCP44/050887/LATRANSP

LOS ANGELES COUNTY TRANSPORTATION COMMISSION  
CENTURY FREEWAY LIGHT RAIL TRANSIT SYSTEM  
MASTER COOPERATIVE AGREEMENT

EXHIBIT A