

ADDENDUM NO. 2
DHHL 2018 RENEWABLE ENERGY PROJECTS SOLICITATION
March 21, 2018

IMPORTANT: The final deadline for submission of applications has been revised to **Monday, April 2, 2018 at 4:00 pm HST at the same location stated in the Information Packet.** This is due to the Good Friday, State Holiday on Friday, March 30, 2018 when the Department of Hawaiian Home Lands' Kapolei offices will be closed.

Please note the following additional important clarifications:

1. For clarification, the “qualified” Lessees, referred to in the Information Packet and various other documents in this solicitation such as the leasing process overview in Addendum No. 1, refer to applicants that have been selected to proceed further in the leasing process. It is not intended to mean that they will be issued leases automatically since they must still go through the utility company's evaluation process for selection to its “Short List”, the Final Award Group, as well as satisfy DHHL's other requirements.
2. DHHL seeks to provide applicants with the maximum flexibility possible in proposing both pricing and leasing terms for its projects. DHHL may consider lease pricing on a per acre basis and as a percentage of the project's annual gross revenues. If a percentage of the project's annual gross revenues is proposed, DHHL will **not** accept performance risk, so a floor annual rent must be proposed as well. For example, the annual rent payment will be the higher of (i) \$XXX,XXX.00, or (ii) X% of the project's annual gross revenues. Further, DHHL expects that lease rents will be stepped up over the lease term. With regard to the lease term, please provide pricing in the context of lease term and requested renewal terms, as necessary.
3. The Letter of Intent that will be issued by DHHL will be for the issuance of a Right-of-Entry for due diligence purposes, with an eventual conversion to a general lease in a subsequent process involving consultations with DHHL's beneficiaries.

The following are responses to questions received up to Tuesday, March 20, 2018:

1. **Is a map and/or existing study of all known revetments and/or other historical features on the parcels under consideration available?**

For the Kalaeloa parcels on Oahu, maps of historical structures such as revetments and other sources of historical information are found within the copies of quitclaim deeds which are attached as exhibits in the Information Packet.

2. **Are the set-back requirements from revetments known?**

No specific set-back requirements are known but please refer to the copies of the quitclaim deeds attached as exhibits to the Information Packet that apply to a particular site for more information.

3. How many days after applications are received will qualified leases be selected and the DHHL LOI be issued?

To clarify, The goal is for the letter of intent to be issued for selected applicants, eligible to proceed further in the leasing process, sometime the week of March 27 (March 26th is a state holiday) for applications received by March 23rd at 4:00 pm HST. Likewise, letters of intent for any selected applicants who have submitted applications by the revised final deadline of Monday, April 2, 2018 at 4:00 pm HST will be issued sometime the week of April 2nd.

4. Is any additional information about the permitting and financial challenges faced by the cancelled Kalaeloa Solar One, LLC, (“KSI”) project under DHHL’s General Lease No. 293 available? Given the similar scope (Solar PV Energy Generation Project) known permitting and financing challenges would allow Proposers to better tailor our bids.

No additional information is available other than what has been published in the media about the original project’s plan to use Sopogy, Inc.’s micro Concentrating Solar Power technology and subsequent events. Sopogy, Inc. wholly-owned KSP Management, LLC which managed Kalaeloa Solar One, LLC (“KSI”). KSI was Sopogy’s development partner for the project.