October 18, 2019

Addendum Number 2
Request for Qualifications: 2019 Port of Seward
Project Title: Seward Cruise Terminal Development

This addendum is issued for informational purposes only. Except as indicated below, all other information, dates and RFQ terms and conditions remain unchanged.

Receipt of this addendum does not need to be acknowledged.

QUESTIONS:

1. Would it satisfy the requirement if one of the JV members applies for the Alaska Business License at this stage, instead of applying in the name of the JV? Or, would the Respondent be allowed to transfer the application to a new subsidiary or a JV after the SOQ deadline?

   *The Alaska Business License is not required at this stage (Stage 1).*

2. Can the Respondent provide the names and details of the Subcontractors post SOQ stage?

   *Qualifications of the “Team” will be evaluated as part of this RFQ (Stage 1), i.e. Developer and supporting firms/businesses. It is recommended the Statement of Qualifications include the qualifications of key supporting entities.*

3. What is the envisaged duration of the concession agreement?

   *The duration of the concession is open to negotiation.*

4. Anticipated period for performance to begin is stated as May 2020, whereas it is also stated that ARRC anticipates turning over operations to the developer at the end of cruise season in 2021. What would be the intention of ARRC in terms of the timeline of closing date?

   *Period of performance describes the execution of the agreement with Notice to Proceed, tentatively planned for May 2020.*

   *Turning over operations to the developer of the terminal is negotiable and tentatively planned for the end of the 2021 season. i.e. When all covenants in the agreements are satisfied and the Terminal is in operation. ARRC acknowledges this will be dependent on the developers proposed plan.*
5. Would the Developer be entitled to collect the revenues during the construction period?

   The date and revenue timing is negotiable. ARRC anticipates the developer will begin collecting revenue after the “transfer” of operations, tentatively planned for the end of the 2021 season, which likely will be during construction.

6. It is stated that ARRC may be willing to assist in financing the Project? Can you please provide some details on this?

   As noted the RFQ “Qualifications Package must demonstrate the team’s ability to finance the project without ARRC Funds”.

   ARRC could explore the idea of providing financing as a conduit issuer in Step Two of the solicitation, i.e. Invitation for Commercial Proposals, (NOT PART OF THIS RFQ).

7. What benefits are ARRC looking for in terms of concession fee throughout the term (revenue share, fixed fee, none etc.)?

   RFQ, Part E, page one, Statement of Goals reads “Optimize Profitability to ARRC.”

   The terms of this arrangement are negotiable. Consideration may include ARRC fee for land lease, passenger fees, train passengers, bus passengers, incentives for shared earnings, or other innovative cost/revenue sharing covenants that might provide additional revenue opportunities.

8. Does the operation and maintenance required from the Developer include dredging works?

   It is anticipated maintenance and operation dredging will be needed to provide for larger vessels.

   Information on water depth / bathymetry is available on the project website www.railportseward.com

9. Which operational services does ARRC intend to exclude from Developer’s scope of work?

   ARRC anticipates retaining: overall management of the Port; operations of the freight, cargo, and fuel (i.e. non-passenger vessels), rail operations, and management of ARRC lands not associated with the Passenger Terminal. Operations associated with the Passenger Terminal are anticipated to be done by the developer, at least during passenger the season. All details and other operational arrangements are negotiable.

10. Will the Developer be entitled to collect revenues from services provided to freight vessels?

    Off-season use of the passenger terminal is negotiable.

11. Does the Respondent need to have a US-based entity in order to be able to submit the qualification documents?

    No, not required to submit qualifications.
ADDITIONAL INFORMATION:

1. The following information is the passenger and docking fees from cruise ships in the last five years and 2019 YTD:

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<tbody>
<tr>
<td>Seward Pass-Dock</td>
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<td>$360,426</td>
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<td>Seward Pass-Fee</td>
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<td>Seward Pass-Other</td>
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<td>$192,734</td>
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<tr>
<td>Total</td>
<td>$1,330,578</td>
<td>$1,714,843</td>
<td>$2,200,999</td>
<td>$2,176,409</td>
<td>$2,544,263</td>
<td>$3,386,282</td>
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2. Warfage and docking fees from freight operations is not available at this time. ARRC may provide this information in Step 2 of the solicitation, Invitation for Commercial Proposals, (NOT PART OF THIS RFQ).

Sincerely,

Thomas Erickson
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