

Item No.	Date Received	Topic and/or RFP Section Reference	Question	Answer
40.	19 October 2008	Article 5.2.4.4.1 Definition of Similar Projects	<p>1) Total rentable square feet of the Project to cover 3 phases would be 105,864 square meters (8,822 multiplied by 12 bldgs.), so 75% of 105,864 , which is 79,398 square meters, would be the minimum requirement for the relevant projects.</p> <p>2) Otherwise, total rentable square feet of the project to cover only 1 phase would be 35,288 square meters (8,822 multiplied by 4 bldgs.), so 75% of 35,288 square meters, which is 26,466 square meters, would be the minimum required area as a relevant project.</p> <p>Either one is not computed to be the figure of 300,000 square meters given.</p> <p>Would you please verify this issue by providing an exact number of minimum required area to be relevant projects?</p>	<p><i>Amendment 002 will be issued to correct the response to Question #1 issued on 22 Oct 2008 and Amendment 001 reference RFP Article 5.2.4.4.1 as follows:</i></p> <p><i>Definition of Similar Design & Construction Projects:</i></p> <p><i>Similar (relevant) projects are defined as residential projects completed within the ROK within the past 10 years that total at least 79,398 Sq. Meters (854,633 Sq. Feet) or more (this represents 75% of the area of the total for Phases 1, 2, and 3 of the SLQ project at USAG Humphreys). Offeror may submit projects that satisfy more than one of the criteria stated above and can be used to demonstrate Design & Construction experience.</i></p> <p><i>Definition of Similar Operations & Maintenance Projects:</i></p> <p><i>Similar (relevant) projects are defined as residential management engagements completed either within the ROK or abroad, within the past 10 years and consisting of 1,000 units or more. Offeror may submit projects that satisfy more than one of the criteria stated above and can be used to demonstrate Operations & Maintenance experience.</i></p>
41.	20 October 2008	Price Proposal	The total cost of this project will be financed by US dollar or Korea Won?	<i>Offerors are responsible for securing construction and/or permanent financing for the SLQ Project; financing may be obtained in any currency that provides the most favorable terms to the US Government. As noted in the RFP, all rent shall be paid by the US Government in Korean Won (KRW).</i>
42.	20 October 2008	Price Proposal	As base rent will be fixed, do we have to decide the amount of fixed rent per person based on 15-year repayment schedule?	<i>No, the fixed monthly Base Rent will not be based on a pre resident or per unit basis. It will be a single rent payment for the entire facility based on the monthly debt service and the required debt coverage ratio. The pro forma template will calculate the Base Rent based on the assumptions submitted by the Offerors.</i>
43.	20 October 2008	Lease Term	The 15-year lease term is already fixed or can we	<i>Yes, the lease term is fixed. Proposals for any term other</i>

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			propose the lease term freely? (like 5year, 10year...)	<i>than 15 years will not be considered. A 15-year lease term, and two (2) 15-year renewal terms are defined requirement for this project.</i>
44.	20 October 2008	Price Proposal	Even though US Government directly pays the rental payment, if there are vacant rooms after completion of the facility, deficiency could be occurred in repayment of the loan. Thus, can US Government guarantee the 100% occupancy or the loan repayment for 15-year lease term.	<i>No, the US Government will neither guarantee 100% occupancy of the SLQ facilities, nor loan repayment. However, the US Government will be renting 100% of the facility regardless of occupancy and the Base Rent will be fixed for the rent of the facility for the entire 15-year lease term. Again, Base Rent payments will be fixed (i.e. Base Rent payments shall NOT be subject to variances in occupancy), and are intended to be sufficient to cover the Lessor's debt service for the duration of the lease. (For more detailed explanation regarding the relationship between occupancy levels and payment of rent, please refer to the Answer to Question #23.)</i>
45.	20 October 2008	Development Management Plan (Letter of Credit)	Why letter of credit amount is 10% of total cost and it is maintained for construction plus 1 year? Please explain about Letter of credit.	<i>The amount and duration stated in the RFP are terms required by the US Government for the Letter of Credit. All Offerors shall obtain their Letter of Credit in accordance with these required terms.</i>
46.	21 October 2008	Development Management Plan	According to Community Development Plan, we understand that we should submit the 10% Site Adapted Development Design for Phase 1 Only. Does it mean awarded contractor should submit the separate building design for community facility because there is no place for community facility in the 95% architecture drawing which you provided? If yes, should awarded contractor construct three separate community facility buildings for Phase 1, 2 and 3? Please clarify?	<i>No, there is no requirement for the Successful Offeror to construct a "community facility" for the project and such a facility is not reflected in the Standard Design. However, Offerors must construct, operate, and maintain an on-site administrative / maintenance office. This facility must be of sufficient size and capacity to enable the Lessor to fully execute all of its Operations and Maintenance responsibilities for each phase it has been awarded and to meet the quality of service standards, as specified in the Operations and Maintenance Plan. The on-site space requirement can be met in a portion of the parking garage. This requirement does not necessitate the construction of a new facility and does not preclude the need for an off-site facility. Offerors can determine how best to meet this requirement.</i>
47.	21 October 2008	Standard Design	What is the range/limit of modification to Standard Design? Please clarify.	<i>There is no specific range/limit of modification to Standard Design. The U.S. Government does not require,</i>

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				<i>or necessarily encourage, Offerors to modify the Standard Design. Proposed modifications in which Offerors clearly present an economic (cost or energy savings) justification for the modifications will be viewed more favorably. All proposed modifications are subject to US Government approval.</i>
48.	21 October 2008	Standard Design	According to the tunnel connection to each SLQ building from underground parking structure, we have already received the drawings about tunnel connection. Is it possible to submit the standard facility design without any modification or should we modify and upgrade the design about tunnel connection?	<i>The 10% site adapt design should reflect the US Governments Standard Design and required design modifications per Appendix K. However, Offerors do not need to submit facility designs, either modified or not modified. Only the Successful Offeror will be required to submit a standard facility design.</i>
49.	21 October 2008	Standard Design	According to the Design Requirements, Lessor’s administrative/ Maintenance office can be accommodated on the 1st level of parking structure. Does it mean that the awarded contractor should design and construct new separate building for administrative/Maintenance office?	<i>There is no room on the leased site to accommodate a separate constructed facility for the Lessor’s administrative / maintenance office. The Lessor can propose to locate an office within the underground parking garage for its on-site functions that will enable the Lessor to fully execute all of its Operations and Maintenance responsibilities for each phase it has been awarded and to meet the quality of service standards, as specified in the Operations and Maintenance Plan .</i>
50.	21 October 2008	Standard Design	There are some differences of area size between RFQ and drawings, is there any reason? Which we should follow?	<i>Section 2.1 of the RFP (General Existing Conditions) states that “The U.S. Government has made every effort to ensure the accuracy of the information in this Section. However, should a conflict exist between the general information in this Section and the more detailed information in the appendices, the information in the appendices shall be used”.</i> <i>In other words, information found in the Standard Design and Appendix K required modifications to the Standard Design shall be deemed most accurate and Offerors shall base their assumptions on those figures.</i>
51.	21 October 2008	Infrastructure	Could you supply the access road plan for awarded contractor?	<i>Offerors will be responsible for determining access and are encouraged to attend the site visit to survey the current access roadways and routes.</i>
52.	21 October 2008	Infrastructure	Could you supply temporary water and electricity for	<i>No. As stated in the Lease (Conditions 9.12 and 15.2) and</i>

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			awarded contractor? If you don't, can we use water and electricity by connecting from Camp Humphreys which has already existed?	<i>the Request For Proposal (Section 2.3.5), utility connections will not be available through USAG-H during construction to support the Lessor's construction activities. The Lessor will be responsible for installing and maintaining temporary utility systems that link to off-site public systems and for obtaining all utility services required during the construction period.</i>
53.	22 October 2008	Submittal Requirements	According to the RFP, a separate proposal for each phase should be submitted. Does this mean the separate LOC from Lenders and the separate loan terms should be submitted for each phase? If yes, can the loan terms be different for each phase? Does the financial close (or signing of the loan agreement) for each phase have to occur at different time according to the each phase's schedule?	<p><i>Offerors should provide evidence of the financing that will be obtained for each phase. Therefore, separate Letters of Commitment from lenders should be submitted. The terms of the loans for each phase may differ, but they must be consistent with the terms and conditions of Appendix A (Agreement of Lease).</i></p> <p><i>The dates of loan closing for each phase do not have to occur at different times. However, it is envisioned that Offerors will sign the loan agreement for each phase at the same time as they execute the Agreement of Lease, or shortly after lease signing. While the US. Government may award all three phases of the project simultaneously, it does not intend to sign the Agreements of Lease for all three phases at the same time. Instead, it will execute the Agreements of Lease prior to the groundbreaking date of each phase. The slides presented during the Pre-Proposal Conference on October 17, 2008 provided a notional timeline for the expected groundbreaking dates for each phase.</i></p>
54.	22 October 2008	Price Proposal	Pursuant to the RFP, Base Rent Fee is determined after considering the amount of investment and its return. Therefore, would the fluctuation of the underlying interest rate affect the final Base Rent Fee? In other words, is the final Base Rent Fee determined with the consideration of the underlying interest rate finalized at closing?	<i>Offeror's proposal must reflect a single, monthly proposed Base Rent for each phase. See also response to Q55.</i>
55.	22 October 2008	Article 5.3.2	Pursuant to the article 5.3.2 in the RFP, it is allowed to modify the underlying interest rate to reflect the date of	<i>Each proposal must indicate the proposed Rent amount the US Government must pay following its acceptance of</i>

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			<p>the interest rate lock during Successful Offeror's Final Budget Validation. In that case, when submitting the proposal, can we propose the interest rate specified in the LOC from Lenders to be "Underlying interest rate + Spread" along with the time of decision of the underlying interest rate and the decision logic?</p>	<p><i>the constructed improvements in each phase. Of the three components of Rent (Base Rent, Service Rent, and CR&R Rent), the Base Rent will depend on the monthly debt service amount which will be affected by the loan interest rate and the required debt coverage ratio. Thus, to quantify the monthly Base Rent, the loan interest rate must be specified in the Offeror's proposal, correspond to the lender's Letter of Commitment and be fixed as of Offeror selection. In other words, the underlying rate and "as of date" as well as the spread must be specified at the time the Offer is submitted (e.g. 91 Day Korean Treasury as of 1 December 2008). At the time of the proposed interest rate lock, the underlying rate (e.g. the 91 Day Korean Treasury) can be adjusted to the prevailing rate as of that date.</i></p>
57.	28 October 2008	Section 5.2.4.4 Requirements for Past Performance	<p>5.2.4.4.1 Does it mean that a project completed within the ROK and within the past 10 years with gross floor area of 100,000 sq. meters may be submitted as a similar project? What about a project completed within the ROK totaling 300,000 sq. meters, but completed in 1990(18 years ago), likewise? In other words, a similar project doesn't need to meet all these 3 requirements; 1) completed within ROK, 2) completed within the past 10 years, 3) total at least 300,000 sq. meters.</p> <p>5.2.4.4.2 The same question as above</p>	<p><i>As stated in the revised content of 5.2.4.4.1 in Amendment 002, more recent and relevant performance that meets the Government's definition of similar Design and Construction projects will be more favorably evaluated; again, similar projects are defined by the following criteria:</i></p> <ul style="list-style-type: none"> ▪ <i>completed in the ROK</i> ▪ <i>completed within the past 10 years</i> ▪ <i>totaling 79,398 Sq. Meters (854,633 Sq. Feet)</i> <p><i>Offerors should identify their team's experience that most closely fits this definition, but if they cannot identify projects that meet all these criteria, they should try to submit projects that fit the definition as closely as possible.</i></p> <p><i>As stated in the revised content of 5.2.4.4.2 in Amendment 002, more recent and relevant performance that meets the Government's definition of similar projects will be more favorably evaluated; again, similar Operations and Maintenance projects are defined by the following criteria:</i></p> <ul style="list-style-type: none"> ▪ <i>completed in the ROK, or abroad</i> ▪ <i>completed within the past 10 years</i>

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				<ul style="list-style-type: none"> ▪ <i>totaling 1,000 residential units or more</i> <p><i>Offerors should identify their team's experience that most closely fits this definition, but if they cannot identify projects that meet all these criteria, they should try to submit projects that fit the definition as closely as possible.</i></p>
58.	28 October 2008	Section 4.5.2.1 Page limits	<p>The total page count for an Offeror's submission may not exceed 135 pages, including exhibits, tables and charts. The Cover page, transmittal letter, table of contents, executive summary, audited financial statements, design drawings and exhibits, and cut sheet/samples will not count towards the 135 page count limitation. Would you explain what underlined exhibits mean exactly and how different they are?</p>	<p><i>The total page count for an Offeror's submission may not exceed 135 pages, including exhibits, tables and charts.</i></p> <p><i>There is no specific meaning associated with exhibits – this is simply a term meant to convey any visual or graphic material that Offerors may include in their responses in addition to text.</i></p>
59.	28 October 2008	5.1.1.2 Plan for Obtaining Project Financing	<p>We understand the Letter of Commitment from qualified lender/s shall be provided at submission. And it also states that Letter of Commitment must be consistent with proposed term in the proposal. In the item 18) of Q&A, you have also mentioned that "Letter of Commitment may be conditional on final due diligence to occur upon selection; However, the terms sheets should limit conditional statements and state that due diligence will not affect pricing" With the timing difference between proposal submission (5th, Dec 08) and actual financial close (3rd, Apr 09), It is impossible for lender to finalize terms and conditions at the submission of proposal. On ordinary cause of lending process, items such as covenant, pricing, etc are finalized at the financial closing stage. Hence, it is impossible for normal financial institution to provide committed LOC at the submission of proposal. Considering current financial turmoil, even the price can be changed on daily basis.</p> <p>Could you clarify that if lender provides conditional Letter of Commitment; will this make Offeror disqualified for the project in the bidding process?</p>	<p><i>The Government does not anticipate the pricing for the project to change following Offeror's submission of proposals. Based upon the design, existing site due diligence information, and timing, we ask that all Offerors obtain a firm commitment from their lender. It should be possible to obtain a "real time" term sheet based upon current market conditions. The US Government anticipates that the proposed terms would be linked to an existing market index, which certainly may be subject to fluctuation between December 2008 and the proposed closing in April of 2009. However, we anticipate that your lender should be able to commit to a specific spread above the proposed index and should be able to provide enough detail for you to fully complete the financing related inputs in the Pro Forma template. Lender's commitment letter should also include a statement that they have read and agree to the terms of the Lease Agreement.</i></p> <p><i>Regarding the evaluation of the proposals, the Government will grant a more favorable review to Offerors whose financing appears to be more secure, represents competitive market rates, and appears to result in a lower level of risk and volatility to the project closing.</i></p>

