



INSTITUTO DE ASTROFISICA DE CANARIAS

TMT International Observatory LLC
Pasadena, California
Attention: Dr. Edward C. Stone
Executive Director

La Laguna, February 20, 2018

Dear Edward,

I am writing in response to your request regarding the term provided for in the Hosting Agreement.

As you know, according to the Article 1 of the Agreement relating to Hosting the Thirty Meter Telescope ("TMT") at the "Observatorio Roque de los Muchachos" ("ORM") entered into between the Instituto de Astrofísica de Canarias del Reino de España ("IAC") and TMT International Observatory LLC ("TIO") last 29 March 2017 ("**Hosting Agreement**"), two conditions need to be met for the Hosting Agreement to come into effect (other than articles 1 and 5, which are already effective). If those conditions are not met by 30 April 2018, the terms and conditions of the Agreement could be subject to renegotiation.

The IAC is aware that the process to obtain the necessary authorizations to construct the TMT (essentially, the municipal licenses and approval of the Environmental Impact Statement) has been significantly delayed and the timeline that both IAC and TIO had initially contemplated is not being fulfilled. As a consequence, it may not be possible for the necessary authorizations to be obtained before 30 April 2018.

Further, once the necessary authorizations are obtained, they are subject to being challenged or appealed by any interested party as defined by the relevant regulations. The IAC understands that given the large size of the investment to be made to construct the TMT, TIO wants to be sure that no further challenges are permitted before making a decision to proceed with the construction of the TMT.

In this context, I hereby would like to confirm that the IAC agrees it will not seek to renegotiate the terms and conditions of the Hosting Agreement, at least until one month after the date when the approval of the Environmental Impact Statement and the municipal licenses have been granted and all periods provided by the law to file potential appeals (both administrative and judicial) regarding these authorizations have elapsed.

Should you need any further clarification, please let me know.

Yours sincerely,

Professor Rafael Rebolo López
DIRECTOR