

MEMORANDUM OF AGREEMENT

Lot Rental on the 3MW Man-asok Minihydro Power Generation Plant

KNOW ALL MEN BY THESE PRESENTS:

This AGREEMENT made and entered into this day of DEC 20 2014, 2014, in La Trinidad, Benguet, by:

THE SBALP MAN-ASOK LOT OWNERS ASSOCIATION, a group organized for the purpose of negotiation in behalf of the lot owners affected by the BENECO 3 MW Man-asok Mini Hydroelectric Power Generation Plant, with address at Barangay Sebang, Buguias, Benguet, herein represented by **MR. SENARIO O. TODA** in his capacity as President, and hereinafter referred to as "SBALP";

and

THE BENGUET ELECTRIC COOPERATIVE (BENECO), an electric cooperative organized and existing by virtue of Presidential Decree No. 269 as amended with office address at Alapang, La Trinidad, Benguet, Philippines, represented herein by its Board President, **MR. PETER B. BUSAING**, who is duly authorized to represent it in this transaction and hereinafter referred to as "BENECO".

WITNESSETH

WHEREAS, BENECO will develop a 3 MW Mini Hydroelectric Power Generation Plant (PROJECT) to be located within Barangays Sebang, Baculongan Sur, Amgaleyguey, Lengaoan, and Poblacion, Buguias, Benguet;

WHEREAS, the PROJECT will entail rental of lots of private land owners where the facilities will be installed.

WHEREAS, SBALP is the duly organized representative to represent the legitimate private land owners affected by the project in the areas of Sebang, Baculongan Sur, Amgaleyguey, Lengaoan and Poblacion to negotiate the terms on lot rental of the PROJECT;

WHEREAS, BENECO recognizes SBALP as the sole group to negotiate the terms of lot rental of the PROJECT;

NOW THEREFORE, in view of the forgoing premises and in consideration of the mutual covenants and agreements hereinafter set forth, the parties hereto have agreed as follows:

ARTICLE I

DOCUMENTS COMPRISING THE AGREEMENT

The following documents are hereby incorporated and made part of this agreement as though fully written out and set forth herein insofar as they are not consistent with the terms hereof:

1. Lot Survey by a Geodetic Engineer of the Lots affected by the Project, attached as ANNEX "A";
2. Lot identification and corresponding owner certified both by SBALP and Barangay LGU where the lots are located, attached as ANNEX "B"

3. SBALP proof of existence and recognition as the sole entity to negotiate the terms of lot rental of the project, attached as ANNEX "C"

ARTICLE II LOT RENTAL RATE & DURATION OF RENTAL

BENECO shall rent the identified lots by private lot owners over a period of twenty (20) years from the start of commissioning of the power generation plant at the following rate schedule:

Year of Operation	Monthly Rental Rate
Year 0 (Construction Period)	P4.00/sqm
Year 1-5	P4.00/sqm
Year 6-10	P4.20/sqm
Year 11-15	P4.40/sqm
Year 16-20	P4.60/sqm

ARTICLE III MODE OF PAYMENT

BENECO shall commence PAYMENT under this Agreement once the facilities shall have been installed or the owner is deprived of the utilization of the lot owned.

Monthly Billing shall be subject to the usual BENECO audit procedure and upon submission of the following:

1. SBALP Statement of Account to BENECO
2. Barangay Certification of List of Beneficiaries for the Monthly Billing

**The payment for any rent shall be withheld should any dispute arise on the ownership of the land owner who signed the agreement with BENECO. The rent shall be released upon the resolution or settlement of the same.

ARTICLE IV EFFECTIVITY OF AGREEMENT

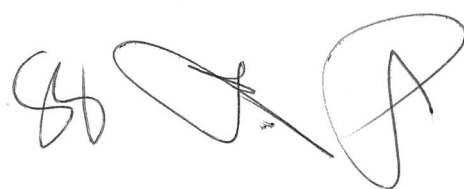
The effectivity of this agreement shall be reckoned upon completion of all the following events:

1. Execution of this Agreement
2. Submission of documents listed in Article I
3. Effectivity Confirmation by the Parties

ARTICLE V ADDITIONAL PROVISIONS

Aside from the rental of the lot of private lot owners, BENECO shall provide the following incentives or priority to the SBALP lot owners:

1. The SBALP lot owners including lot owners whose lots are traversed by the transmission lines shall be given preference to employment during the construction period of the PROJECT. Employment may refer to laborers, security guards, liaison officers, etc., provided the applicant is qualified for employment. SBALP shall provide to BENECO the recommended applicants.



2. All improvements, crops and plants to be affected during the construction period shall be assessed and paid or restored by BENEKO based on the prevailing market price and subject to mutual inspection and appraisal.
3. After the construction of the project, all accumulated river sand, wood, etc. which are dispensed with by the contractor shall be turned over to SBALP by way of donation.
4. The affected SBALP lot owners shall be given the priority on repairs and restoration of damaged riprap, roads and others. Awarding of project shall be based on price set as provided for in the Procurement Procedures by BENEKO.
5. The affected SBALP lot owners shall be given the priority for labor services on the construction of road towards the power plant. Awarding of project shall be based on the Procurement Procedures by BENEKO.

ARTICLE VI SCOPE OF RESPONSIBILITIES

The following are the scope of responsibilities of the parties as agreed upon:

A. BENEKO shall:

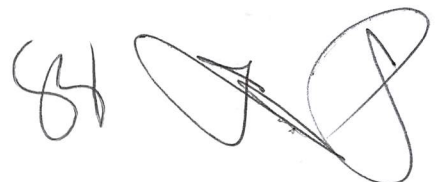
1. Pay the agreed lot rental on a monthly basis on or before every 5th of the month;
2. Coordinate with SBALP list of available employment during construction period;
3. Appraise SBALP the rules and procedures anent awarding of services to qualified service providers on items 4 and 5 of Article V.
4. No introduction of structures or facilities except as indicated in the Detailed Engineering Design for construction;
5. Reinstate the affected properties close to its original state in the event the project is abandoned.

B. SBALP shall:

1. Inform BENEKO any change of ownership over the lot;
2. Secure the necessary certifications in support of the monthly billing to BENEKO;
3. SBALP shall guarantee peaceful utilization by BENEKO over the rented lot throughout the duration of this agreement.
4. The SBALP shall designate three (3) respected leader/elders to help in the immediate settlement or resolution of right of way problems or any disputes that may arise. The designated elders/leaders shall also act as local liaison officers during the implementation of the project.

ARTICLE VII GENERAL PROVISIONS

1. If any of the terms and conditions of this Agreement is held invalid or contrary to law, the validity of the other terms and conditions hereof shall not be affected thereby.
2. A joint inventory and inspection of the lots and crops to be affected should be conducted by the parties with the assistance of the representative/s of the proper government agencies prior to implementation of this Memorandum of Agreement.
3. Any party to this Agreement shall have the right to call for a dialogue for the proper implementation of this Memorandum of Agreement.
4. The parties hereto agree the venue of action for any cause or causes of action which may arise from this Agreement shall be exclusively in the proper court of



Benguet only. But no legal action shall be commenced unless the parties have met to peacefully and amicably settle any issue.


IN WITNESS WHEREOF, the parties hereby set their hands on this DEC 20 2014 day of 2014 at La Trinidad, Benguet.

SBALP MAN-ASOK LOT OWNERS ASSOCIATION

BENGUET ELECTRIC COOPERATIVE, INC. (BENECO)

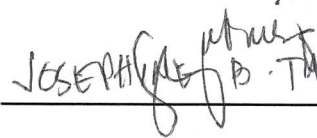
By:

By:


SENARIO O. TODA
President


PETER B. BUSAING
Board President

SIGNED IN THE PRESENCE OF



JOSEPHINE D. TALING



BENJAMIN G. PALANSA

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
PROVINCE OF BENGUET)
MUNICIPALITY OF LA TRINIDAD) S. S.

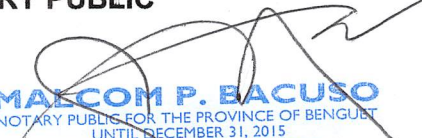
BEFORE ME, a Notary Public in and for LA TRINIDAD, BENGUET on this _____ day of DEC 20 2014 2014 personally appeared MR.PETER B. BUSAING, representing the Benguet Electric Cooperative in his official capacity as the BOD President, with LTO Driver's License No. _____ and SENARIO O. TODA, representing the SBALP MAN-ASOK LOT OWNERS ASSOCIATION in his capacity as President, with Community Tax Certificate No. _____ issued in _____ on _____ 2014, known to me and to me known to be the same persons who executed the foregoing MEMORANDUM of AGREEMENT for the lot rental of the BENECO 3MW Man-asok Mini hydro Power Generation Plant in Buguias, Province of Benguet, Philippines and that they acknowledged to me that the same is their own free and voluntary act and deed.

This MEMORANDUM of AGREEMENT consists of four (4) pages including this page on which this acknowledgment is written, duly signed by the parties and their instrumental witnesses and sealed with my own notarial seal.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal on the date and at the place first above written.

NOTARY PUBLIC

Doc. No. 363 ;
Page No. 73 ;
Book No. Xxxv ;
Series of 2014.


MALCOM P. BACUSO
NOTARY PUBLIC FOR THE PROVINCE OF BENGUET
UNTIL DECEMBER 31, 2015
PTR No. 3553988; Jan. 02, 2014, Benguet
IBP No. 937763; Nov. 21, 2013; Baguio-Benguet
Roll No. 447; 05-10-1999SC
Unit 2A 2nd Floor, D & L Building
Poblacion, La Trinidad, Benguet
CP #: 0920-454-2236

