CONSTRUCTION & OPERATION REQUIREMENTS (COR)

For

Subic Bay Gateway Park Phases I & II

(INDUSTRIAL USE)

(Amended as of January 2016)

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Background:

The following restrictions, rules, regulations, and requirements which are in conformity with the National Building Code and the rules and regulations of Subic Bay Metropolitan Authority (SBMA), shall govern the construction, use, and operation of buildings and other structures in the Gateway Park (the "Gateway Park") managed SBDMC and located in the Subic Bav bv Gateway Park Phases 1 & 2 (SBGP 1 & 2) (See Annexes 1 & 2). These rules, regulations, and requirements can be supplemented or replaced by such additional rules, regulations, and requirements as may be imposed by SBDMC and in its reasonable discretion.

Purpose of Restrictions:

The purpose of these restrictions is to insure proper use and development of the Subic Bay Gateway Park to protect the owner of each parcel against improper use and development of surrounding parcels as will depreciate the value of the parcel or interfere with the Locator's beneficial use and enjoyment of the leased property, to secure and maintain proper setbacks from streets, to prevent haphazard and unsightly improvements, and in general to provide adequately for planned use and development of the Park in accordance with the terms hereof.

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ARTICLE 1: TERMS AND DEFINITIONS

The following capitalized terms shall have the following meanings herein:

Primary Road Property Line: Any property line adjoining a public or private street or right-of-way where the carriageway is in excess of 10.00 meters in width.

Building: Any structure used or intended for supporting or sheltering any use, property or occupancy. The definition of "Building" shall include towers, smokestacks, and poles, but not surface parking lots and fences.

Exterior Property Line: Any property line along the westerly (facing the City of Olongapo), southerly (Rizal Highway), or easterly (Argonaut Highway) edges of the Industrial Park.

Gross Lot Area: The gross lot area of a property, without any deduction for any easements or setback areas. Gross lot area shall be measured to the boundary lines demarcating the Property.

Gross Floor Area: The gross floor area ("GFA) of the building, without any deduction, to include basement, basement parking, etc.

GFA excludes the following:

- (a) Covered areas used for parking, & driveways, services & utilities;
- (b) Vertical penetrations in parking floors where no residential or office units are present; and
- (c) Uncovered areas for helipads, ACU cooling towers or ACCU, balconies, overhead water tanks, roof decks, laundry areas, cages, wading or swimming pools or Jacuzzis, terraces, gardens, courts/ plazas, balconies exceeding 10m², fire escape structures.

Northerly Property Line: Any Property line along the northerly and northeasterly edges of the Gateway Park, where the Gateway Park is adjacent to the forested hills. The Northerly Property Line shall be the southerly edge of the drainage reserve.

Property: A lot or parcel in the Gateway Park.

Secondary Road Property Line: Any property line adjoining a public or private street or right-of-way where the carriageway is less than or equal to 10.00 meters in width.

Tenant: A tenant leasing any Property in the Gateway Park, and such party's successors and assigns. Tenant is also referred to in the COR as Locator.

RROW: Road Right Of Way, a space or area allotted for public walkways, roads and utilities intended for public use required by the government.

ARTICLE 2: PERMITTED INDUSTRIAL USES

SECTION 2.1. PRINCIPAL USES. The following manufacturing, compounding, trading, processing, packaging, treatment, assembly, storage, and warehousing uses shall be allowed as principal uses ("Principal Uses") of the Property, subject to (i) SBMA and SBDMC's environmental controls and restrictions and (ii) approval by SBMA and SBDMC in accordance with the terms, covenants, and conditions of each Tenant's lease:

- a. Textile goods and wearing apparel, except that dyeing, bleaching, and/or other finishing operations shall not be permitted;
- b. Knitting mills, except that dyeing, bleaching, and/or other finishing operations shall not be permitted;
- c. Footwear;
- d. Products made of leather and leather substitutes, except that the tanning and finishing of leather shall not be permitted;
- e. Carpets and rugs;
- f. Cordage, ropes, and twine industries;
- g. Wooden and cane containers and small cane products, except that dyeing, bleaching, and/or other finishing operations shall not be permitted;
- h. Wood and cork products;
- i. Handicrafts;
- j. Furniture, except those made primarily of metal and excluding the manufacture of rubber or polyurethane foam;
- k. Printing, publishing, and allied industries, except that all use and disposal of inks and solvents shall be subject to specific review and approval by SBDMC and the SBMA;
- I. Paper products, containers, and boxes, except that operations involving pulping and bleaching activities shall not be permitted;

- m. Polyethylene products, except that all use and disposal of inks and solvents shall be subject to specific review and approval by SBDMC and the SBMA;
- n. (i) Radio, television, communications, and other electronic equipment, apparatus, and parts, (ii) office, computing, and accounting machinery and products, (iii) electrical appliances and housewares, (iv) electrical and electronic apparatus and supplies; provided that for all the above activities, electroplating and galvanizing operations shall not be permitted unless specifically approved by SBDMC and the SBMA and only minor soldering operations shall be permitted without the specific approval of SBDMC and the SBMA;
- New components for automobiles and other vehicles, except that electroplating or galvanizing operations shall not be permitted unless specifically approved by SBDMC and the SBMA and only minor soldering operations shall be permitted without the specific approval of SBDMC and the SBMA;
- p. Bicycles, except that electroplating or galvanizing operations shall not be permitted unless specifically approved by SBDMC and the SBMA and only minor soldering operations shall be permitted without the specific approval of SBDMC and the SBMA;
- q. Cutlery, hand tools, and general hardware, except that electroplating or galvanizing operations shall not be permitted unless specifically approved by SBDMC and the SBMA and only minor soldering operations shall be permitted without the specific approval of SBDMC and the SBMA;
- r. Professional, scientific, measuring, and controlling equipment, except that electroplating or galvanizing operations shall not be permitted unless specifically approved by SBDMC and the SBMA and only minor soldering operations shall be permitted without the specific approval of SBDMC and the SBMA;
- s. Boats and yachts;
- t. Glass and glass products, provided that such operations shall only utilize electric-, natural gas-, LPG-, or propane-fired ovens and kilns;
- U. Ceramics and ceramics products, provided that such operations shall only utilize electric-, natural gas-, LPG-, or propane-fired ovens and kilns;
- v. Sporting and athletic goods;
- w. Musical instruments;
- x. Toys;

- y. Plastic products, not elsewhere classified or restricted by SBDMC or the SBMA;
- z. Manufacturing industries, not elsewhere classified or restricted by SBDMC or the SBMA;
 - aa. Food products, provided that (i) all operations generating waste water containing oil or grease shall be connected to a grease trap, and (ii) only electric-, natural gas-, LPG-, or propane-fired ovens, cookers, and other types of fuel burning equipment shall be used;
 - bb. Software:
 - cc. Data entry and data processing;
 - dd. Service centers and repair centers;
 - ee. Storage of finished goods and warehousing activities so long as such activities either (I) are accessory or supportive of a manufacturing or assembly activity within the Industrial Park or (ii) do not occupy more than one half of a building of two floors or more;
 - ff. Other manufacturing, compounding, processing, packaging, trading, treatment and assembly activities which comply with SBMA zoning, environmental, and other requirements so long as the lessee or occupant of the Property obtains prior written approval from both SBDMC and the SBMA.

Section 2.2. ANCILLARY USES. The following uses shall be allowed so long as (i) such uses (excluding off-street parking facilities) do not cumulatively occupy more than 30% of the Gross Floor Area, and (ii) such uses are subordinate to the Principal Use in terms of purpose, scope, and extent and are located on the same Property as the principal use:

- a. Offices and administrative facilities:
- Shipping and receiving space and mail rooms;
- c. Cafeterias, educational facilities, vending services, and recreational establishments for persons employed by the business comprising the Principal Use;
- d. Retail sales of goods manufactured by the Principal Use on the Property so long as (i) such retail sales activities occupy the lesser of 100 square meters or 5% of the space occupied by the Principal Use, whichever is lesser, and (ii) such retail sales activities are specifically licensed and approved by the SBMA; and

e. Off-street parking facilities, which must comply with minimum requirements provided under Section 5.

Section 2.3. OTHER USES-PROHIBITED. All uses not explicitly permitted herein shall be deemed prohibited.

ARTICLE 3. INDUSTRIAL USE DESIGN GUIDELINES

SECTION 3.1 PROPERTY AREA; COVERAGE; FLOOR AREA RATIOS; HEIGHT:

Section 3.1.1. Minimum Property Area: No Property shall be transferred or leased unless the Gross Area of the Property is at least 2,250 square meters. No Property shall have a road frontage of less than 25.0 meters.

Section 3.1.2. Minimum Building Area: Each building (other than storage sheds and other accessory structures) shall have a Gross Floor Area of not less than 1,000 square meters.

Section 3.1.3. Maximum Building Coverage: The percentage of any Property occupied by Buildings and other structures shall not exceed 70% of the Gross Area of such Property.

For the purpose of calculating the Building coverage percentage, the following structures and improvements shall be excluded from such computations: (a) driveways, carports and sidewalks; (b) parking lots and parking ramps; (c) unenclosed and uncovered steps and stoops; and (d) overhanging eaves and roof projections not supported by posts or pillars.

In case of proposed additional construction on a lot where a building/structure already stands, the building maximum coverage shall include the additional building/improvements.

Section 3.1.4. Maximum Floor Area Ratio: The ratio

of (a) the sum of the horizontal areas of all floor space of all buildings on a Property (including hallways, mezzanines, mechanical rooms rest rooms, elevator shafts, stairwells, accessory and other structures, but excluding parking ramps, parking garages, and areas not enclosed by exterior walls) (the "Gross Floor Area") divided (b) by the Gross Lot Area of the Property shall not exceed **FAR (Floor Area Ratio) 2.40**.

Section 3.1.5. Maximum Building Height: The distance measured from the ground elevation adjoining any building or other structure at the front side of such Building or other structure to the uppermost point of the Building or other structure (including roof peaks, water tanks, smokestacks, and other building features or equipment) shall not exceed 20.00 meters. Buildings and

other structures (including roof peaks, water tanks, smokestacks, and other building features or equipment) in excess of 20.00 meters shall be permitted only with the prior written approval of both SBDMC and the SBMA.

Section 3.1.6. Guard House Design: All guard houses shall be built with a maximum area of 6 m² or dimension of 2.0 m. x 3.0 m. Materials shall be constructed within the limits stated in Section 3.3.

SECTION 3.2. SETBACKS: All buildings and other structures shall comply with the following setback provisions:

Section 3.2.1. Industrial Park Boundary Setback: The shortest horizontal distance from any part of a building or other structure or equipment to the nearest point on an Exterior Property Line shall not be less than: (a) 10.1 meters for that part of any Building or other structure or equipment on or below the fourth floor; and (b) 15.00 meters for that part of any Building or other structure or equipment above the fourth floor. A portion of said setback area shall be maintained in accordance with the planting requirement set forth in Article 5.

Section 3.2.2. Primary Road Setback: Except for greater setbacks required pursuant to Section 2.3.1 above, the shortest horizontal distance from any part of a Building or other structure or equipment to the nearest point on an Primary Road Property Line shall not be less than: (a) 8.00 meters for that part of any Building or other structure or equipment on or below the fourth floor; and (b) 10.00 meters for that part of any Building or other structure or equipment above the fourth floor. A portion of setback area shall be maintained in accordance with the planting requirement set forth in Article 5 below.

Section 3.2.3. Secondary Road Setback: Except for greater setbacks required pursuant to preceding sections, the shortest horizontal distance from any part of a Building or other structure or equipment to the nearest point on a Secondary Road Property Line shall not be less than: (a) 5.00 meters for that part of any Building or other structure or equipment on or below the fourth floor; and (b) 8.00 meters for that part of any Building or other structure or equipment above the fourth floor. A portion of setback area shall be maintained in accordance with the planting requirement set forth in Section 3.8 below.

Section 3.2.4. Side Yard Setback: Except for greater setbacks required pursuant to preceding sections, the shortest horizontal distance from any part of a Building or other structure or equipment to the nearest point on a side Property Line shall not be less than 3.00 meters.

Section 3.2.5. Rear Yard Setback: Except for greater setbacks required pursuant to preceding sections, the shortest horizontal distance

from any part of a Building or other structure or equipment to the nearest point on a rear Property Line or a Northerly Property Line shall not be less than 3.00 meters.

Section 3.2.6. Exceptions to Setback Requirements: The following shall not be considered as encroachments into the setbacks required by the preceding sections:

- (a) Overhanging eaves not supported by posts or pillars, which do not project more 1.00 meters into the required setback;
- (b) Sidewalks and driveways;
- (c) Fences and walls meeting the requirements of Article II, Section 6 below;
- (d) Awnings and canopies attached to a Building and not supported by a post or pillars, which do not project more than 1.00 meters into the required setback;
- (e) Flagpoles, light poles, and light fixtures;
- (f) Signs meeting the requirement of this COR
- (g) Guardhouses;
- (h) Bus shelters and waiting areas approved by SBDMC and the SBMA;
- (i) Unenclosed steps or stoops;
- (j) Underground storage tanks, conduits, and utilities;
- (k) Retaining walls;
- (I) Trees, shrubs, and other vegetation;
- (m) Pad Mounted Transformers;
- (n) Ring Main Unit (RMU);
- (o) Disconnect Switch (DS); and
- (p) Main Operating Feeder (MOF).

SECTION 3.3. PARKING SPACES; LOADING DOCKS:

Section 3.3.1. Car Parking Spaces: On each Property the following car parking spaces shall be provided:

- (a) 2.00 car parking spaces for every 1,000 square meters of the Gross Floor Area, or fraction thereof, used for manufacturing, compounding, processing, packaging, treatment, assembly, storage warehousing or other industrial activities; plus
- (b) 1.00 car parking spaces for every 100 square meters of the Gross Floor Area, or fraction thereof, used for office or administrative purposes or other uses not included in subsection above. Notwithstanding the foregoing, no improved

Property shall be permitted to have less than 4 car parking spaces. All parking spaces shall be located off-street and located on the same Property as the Principal Use.

Section 3.3.2. Truck Parking Spaces: 1.00 truck parking spaces shall be provided for every 2,000 square meters of Gross Floor Area, or fraction thereof, used for manufacturing, compounding, processing, packaging, treatment, assembly, storage, warehousing, or other industrial activities. Notwithstanding the foregoing, no improved Property shall be permitted to have less than 1 truck parking space. All truck parking spaces shall be located off-street and located on the same Property as the Principal Use.

Section 3.3.3. Parking Space Construction: All car and truck parking spaces and circulation areas shall be surfaced and maintained with a hard, all-weather, durable and dust-free surfacing material composed of bituminous asphalt or concrete installed over a well-compacted sub-grade and gravel base. Each parking space shall be clearly delineated by lines painted on or imbedded in the surface of the parking area.

Section 3.3.4. Parking Area Exits: Vehicular entrances and exits to and from any property shall be permitted only through streets and rights-of-way internal to the Industrial park.

Section 3.3.5. Driveway Design: Provision of driveway is required for the protection of underground utilities of SBGP.

Section 3.3.5.1. All driveways and drive aisles internal to a Property shall not be less than 3.50 meters for one-way traffic and 6.10 meters wide for two-way traffic.

Section 3.3.5.2. All driveways providing access to parking spaces on any Property shall meet the following minimum requirements as to width of entrances:

	<u>Maximum</u>	<u>Minimum</u>	
One-way	6.10 meters	3.50 meters	
Two-way	9.20 meters	6.10 meters	

Section 3.3.5.3. The minimum distance of driveways from the intersection of any public or private street or right-of-way shall be 15.0 meters.

Section 3.3.5.4. All driveways crossing utility reserve areas shall be provided with concrete ramps on both sides connecting to the existing SBGP walkway.

Section 3.3.5.5. Provision of entryways –No occupant could open an egress or ingress from a site to other contiguous site. All site openings shall be with approval of SBDMC.

Section 3.3.6. Loading Facilities: All loading facilities shall be located off-street and be easily accessible from public and private streets and right-of-way with a minimum of interference with other vehicles and

pedestrian traffic. For loading facilities located fronting the road, tractor heads shall not protrude outside the property line. Sufficient circulation of vehicles shall be provided within the property. All loading berths shall comply with the standards for construction of parking areas as specified above.

SECTION 3.4. BUILDING MATERIALS: The design, construction, alteration, or enlargement of any Building or other structure shall meet the following standards:

Section 3.4.1.a Materials: All exterior wall finishes on any Buildings or other structure shall be constructed of the following or a combination of the following materials:

- (a) face brick or stone;
- (b) concrete block where the exterior surfaces are painted or otherwise treated with an applied decorative material or texture:
- (c) pre-cast concrete panels where the exterior surfaces are painted or otherwise treated with an applied decorative material or texture;
- (d) factory fabricated and finished metal-framed panel construction where the exterior surfaces are painted or otherwise treated with an applied decorative material or texture;
- (e) structural steel;
- (f) Painted Rib Type Metal Panels for exterior walls not facing the road;
- (g) glass; or
- (h) other materials specifically approved by SBDMC and the SBMA.

All roofs on any Building or other structure shall be constructed with the following or a combination of the following materials:

- (a) Sheet metal where the exterior surfaces are painted or otherwise treated with an applied decorative material:
- (b) Tar or asphalt; asphalt shingles; or
- (c) Other materials specifically approved by SBDMC and the SBMA.

Except for aesthetic treatments and finishes, the exterior walls and roofs on any Building or other structure shall not be constructed of:

- (a) Wood or fiberboard; or
- (b) Plasterboard or any wallboard. No asbestos or materials containing asbestos shall be permitted in any Building or structure.

Exterior color shall be subject to the control of SBDMC and the SBMA. Notwithstanding the foregoing, all materials shall also comply with the National Building Code, National Fire Code, and the National Structural Code of the Philippines.

Section 3.4.1.b Building Maintenance. All building exterior shall be properly maintained by Occupants at all times including periodic painting, if painting is customary

with respect to the exterior construction materials employed for the building. No other facilities except those temporary facilities for the on-going construction shall be maintained in the leased property. Only permanent structures shall be maintained on site.

Section 3.4.2. Additions/Alterations: The exterior treatment and finishes of all subsequent addition and alteration to any Building or other structure constructed after erection of an original building or other structures shall be constructed with materials comparable to those used in the original construction and shall be designed in a manner conforming to the original architectural design and appearance of the original Buildings and other structures.

Section 3.4.3. Firewall: No firewall is allowed between two adjacent buildings or facilities.

ARTICLE 4. CONSTRUCTION REQUIREMENTS AND GUIDELINES

SECTION 4.1. PRE-CONSTRUCTION REQUIREMENTS

Section 4.1.1 .Building Permit. All constructions, repairs, renovations, extensions, demolitions of buildings, improvements and other structures inside the SBGP must be approved by SBDMC and shall be covered by a building permit issued by the SBMA Building Permit & Safety Department (BPSD). All plans must be initially evaluated and favorably endorsed by SBDMC. It shall be the responsibility of the Locator to secure the Building Permit.

Section 4.1.2. Documents and Plans submittal – Locators shall submit to SBDMC for endorsement to SBMA the following:

A. Before proceeding with the detailed documents and plans:

Two (2) sets of Conceptual Design in A3 size, including
Perspective
Site Development Plan
Floor Plan
Structure/Building Elevations
Building Specifications including proposed type of foundation

- B. After approval of Conceptual Design by SBDMC Inc. and SBMA;
 - a) Seven (7) sets of Site Plan/Civil works showing the exact location of project, including parking areas, driveways, sheds, etc. (Signed and sealed by a local licensed civil engineer), architectural Plans (signed and sealed by a local licensed architect), Structural Plans (signed and sealed by a local licensed civil/structural engineer), Electrical Plans (signed and

- sealed by a local licensed professional electrical engineer), Sanitary/plumbing plans (signed and sealed by a local licensed master plumber), Mechanical plans (signed and sealed by a local professional mechanical engineer), Electronics plans (signed and sealed by a local professional electronics engineer).
- b) Seven (7) sets of Temporary Works Plan (water supply, sewerage, drainage, septic tank, electricity, office construction fence, batching plant and others).
- c) Seven (7) sets of Construction Specifications of the project jointly signed and sealed by the Architect/Engineer in charge of the construction and signed by the contractor (if done through contract) and confirmed by the Occupant.
- d) Seven (7) sets of bill of materials signed and sealed by the corresponding licensed architect and/or engineer.
- e) Seven (7) sets of computation and analysis duly signed and sealed by a civil/structural engineer in case of civil structural works and/or electrical or mechanical engineer as applicable.
- f) Two (2) sets Soil Investigation Report
- g) Seven (7) sets of tapping detail on electricity sewerage, drainage and water supply.
- h) Two (2) sets of Project Schedule.
- i) Two (2) sets of Photocopy of PRC I.D. and PTR of the licensed Architect/Engineer involved in the project.
- j) Two (2) sets of entrance detail between road of the Park and Occupant's property.
- k) Environmental Impact Assessment and others, if required.

Section 4.1.3. The plans shall be subject to design review to determine compliance with this COR. and relevant standards to be set forth by SBDMC.

Section 4.1.4. Once approved, the plans and drawings will be stamped as compliant with the Deed of Restrictions. Then SBDMC will issue to the Locator an endorsement letter to SBMA, with comments, if any. The plans and drawings shall be returned to the Locator for purpose of application for Building Permit. SBDMC shall not be liable to the Locator for any action of SBMA on the building permit application.

Please note SBMA will only return one (1) copy of approved plans to the applicant.

- **Section 4.1.5.** Locator shall secure at its expense and responsibility, a Building Permit and other permit(s) as required by SBMA. If SBMA fails to approve or disapprove plans submitted by Locator through SBDMC within thirty (30) working days from submission, the Locator may advise SBDMC in writing of such failure so that SBDMC could further follow-up to SBMA.
- **Section 4.1.6.** Locator shall submit to SBDMC one (1) copy of the Building Permit and a complete set of plans duly signed and approved by SBMA.
- **Section 4.1.7. Temporary Fence; Fencing Permit.** Tenant and its Contractor are required to provide a temporary construction fence built with approved materials by SBDMC and SBMA prior to the commencement of construction.

Acceptable materials shall be (a) GI sheets (blue color), two layers, 1.80 - 2.40 meters height, with steel frames and (b) designed to withstand strong typhoons. Other materials not mentioned in the foregoing are not allowed.

Tenant shall be solely liable in the event that temporary fence might cause harm to pedestrian, or to other structures of SBDMC facilities.

Fencing permit must be secured from SBMA prior to the installation of temporary construction fence.

Section 4.2. POST-CONSTRUCTION REQUIREMENTS

- **Section 4.2.1. Occupancy Permit.** SBDMC's / SBMA's prior written approval shall be secured by the Locator/Contractor before any building or facility could be used / occupied. It shall be the Locator's responsibility to secure the Occupancy Permit from the Subic Bay Metropolitan Authority (SBMA).
- **Section 4.2.2. Documents and Plans submittal** Locators shall submit to SBDMC for endorsement to SBMA the following:
 - A. Required detailed documents and plans:
 - a) Three (3) sets blueprint and One (1) set original as-built plans: Site Plan/Civil works showing the exact location of project, including parking areas, driveways, sheds, etc. (Signed and sealed by a local licensed civil engineer), Architectural Plans (signed and sealed by a local licensed Architect), Structural Plans (signed and sealed by a local licensed civil/structural engineer), Electrical Plans (signed and sealed by a local licensed professional electrical engineer), Sanitary/plumbing plans (signed and sealed by a local licensed master plumber), Mechanical plans (signed and sealed by a local professional

- mechanical engineer), Electronics plans (signed and sealed by a local professional electronics engineer).
- b) Six (6) copies, signed and sealed and notarized completion certificate
- c) One (1) set signed and sealed construction logbook
- d) Three (3) sets signed and sealed megger test results
- e) Two (2) sets of Photocopy of PRC I.D. and PTR of corresponding licensed Architect/Engineer involved in the project.
- f) Tenant and/or Tenants Contractor shall be required to submit and electronic file of the as-built plans (acad format) to fast track review and for the file of SBDMC.
- **Section 4.2.3.** The plans shall be subject to review to determine compliance with this COR and relevant standards of SBDMC.
- **Section 4.2.4.** Once approved, the plans and drawings will be stamped cleared for compliance with the COR. Then SBDMC will issue to the Locator Endorsement Letter to SBMA, with comments, if any. The plans and drawings shall be returned to the Locator for application of Occupancy Permit. SBDMC shall not be liable to Locator for any action of SBMA on the Occupancy Permit application.
- **Section 4.2.5.** Locator shall secure at its expense and responsibility, the Occupancy Permit and other post-construction permit(s) as required by SBMA.

SECTION 4.3. CONSTRUCTION GUIDELINES

- **Section 4.3.1. Building Permit Signboard.** All Tenant and its contractor are required to display a building permit sign as prescribed in their building permit. Tenant who shall fail to post the building permit signage shall be required by SBDMC to stop construction and shall be treated as an illegal construction until they post the approved building permit signage.
- **Section 4.3.2. Accreditation of Contractors/Service Providers.** All Designers and Contractors to be hired must be accredited by both SBDMC and SBMA.
- **Section 4.3.3. Insurance.** Tenant and Tenant's contractor shall maintain any relevant insurance either required by law or generally carried by reasonably prudent owners and contractors, including but not limited to public liability insurance.
- **Section 4.3.4. Security.** During both working and non-working hours, Tenant and Tenant's contractor shall be responsible for security of the Property during construction and for safeguarding all work, materials, fitting, $10 \mid P \mid a \mid g \mid e$

plant, and other property. Tenant and Tenant's contractor shall provide and maintain any security lighting necessary for the safety or security of the Property. Tenant and Tenant's contractor shall not allow any unauthorized visitors on the Property; shall keep a visitor's book; and shall inform all visitors that SBDMC, the SBMA, SBDMC's project manager, and their contractors and representatives shall not be liable for any death of or injury to any visitors.

Section 4.3.5. Temporary Entrances. Tenant shall construct any necessary temporary entrances to the property at a location and in a manner approved by SBDMC, and, upon completion of the required and approved building or improvements, remove said temporary entrances in a manner satisfactory to SBDMC.

Section 4.3.6. Heavy equipment. Tenant will not be allowed to utilize the lot wherein access of vehicles, heavy equipment and the like will be needed unless tenant provides temporary steel plates (min. ½ in thick) to protect SBGP's utility areas.

Section 4.3.7. Location of Public and Private Services. Tenant shall be solely responsible to determine the exact location of any and public or private services to or affecting the Property, regardless of whether or not such services are shown on any map supplied by SBDMC or the SBMA. Prior to commencement of any work on Property, Tenant shall carry out site investigations and make additional records by means of cable detection equipment, exploratory trial holes, and other methods. The location of any public or private services detected during any site investigation or discovered during the course of construction shall be promptly reported in writing to SBDMC and the SBMA. Tenant shall be solely responsible and liable for any damage to any such services caused by Tenant or its contractor. Tenant shall cooperate with SBDMC and the SBMA in any necessary diversion or extension of public or private services, including but not limited to providing access to the Property for such purposes. Tenant shall pay all charges imposed for the diversion or extension of public and private services to the extent that such charges relate to service benefiting the Property. During construction, Tenant shall protect all public and private service facilities, including but not limited to pipes, drains, sewers, and electrical and telephone cables.

Section 4.3.8. Soil Condition. Tenant is advised that soil conditions on the property are such that construction will, in all likelihood, require the driving of piles. Tenant is advised to retain its own qualified engineering firm: (a) to carry out soil investigations; (b) to advise Tenant on soil conditions; and (c) to design structurally-sound buildings and other structures taking into account actual soil conditions. Tenant and its retained engineer/engineering firm shall be responsible for ordering adequate soil exploration (including test borings) if in their judgment such is necessary. Test borings and a written report on the results of such borings shall be required for buildings of three stories and/or 10.00 meters high. Tenant shall, at its expense, perform all such soil remediation and fill work necessary to construct Tenant's Building and other structures, and SBDMC and SBMA shall have no responsibility or liability with respect to

condition of the Property or its ground level, topography, or soil conditions. Tenant shall be responsible for verifying and establishing bench marks and levels before commencing construction.

Section 4.3.9. Protection of Existing Improvements. Tenant and Tenant's contractor shall shore-up, support, maintain, and protect all lands, buildings, roads, signages, pavements, fences, parapets, retaining walls, cables, sewers, drains, and other property and improvements on the Property and the Gateway Park and shall and repair any damage done thereto by Tenant and promptly restore Tenant's contractor.

Section 4.3.10. Erosion Control: Tenant shall, expeditiously and in a workman-like manner, take such steps and execute such as may be necessary: (a) for the protection of shores and embankments, if any; (b) for the prevention of earth-slip erosion of soil and failure of slopes; and (c) for the removal of sediments from storm water, including the use of silt traps and settlement tanks.

Section 4.3.11. Pollution; Mosquito Control. Tenant shall comply with all rules and regulations of and shall pay charges or fines levied by the SBMA or any other governmental authority with jurisdiction over pollution control, mosquito control, or construction site hygiene. Tenant shall reasonable precautions to prevent pollution of all streams, waterways, and bodies of water arising out of or by reason of construction on the Property. Tenant shall maintain comprehensive pest control and site surveillance program to prevent the Property or any item on the Property from harboring or allowing the breeding of mosquitoes or other pests. Tenants shall provide temporary channels and drains for the Property, shall keep the Property clear of all standing water, and shall keep all drains clear of debris and blockages. Tenant shall not permit any engines, generator, or equipment which emit noxious smoke or gases to be used on the Property. In the event that Tenant or Tenant's contractor shall fail to keep and maintain the Property in the manner required above, SBDMC or SBMA shall have the right to rectify such failure and the cost thereof shall be promptly paid by Tenant to SBDMC or the SBMA, as applicable.

SECTION 4.4. CONSTRUCTION AND MAINTENANCE CASH BOND DEPOSIT:

Section 4.4.1. In the performance of its works, the Tenant and its Main Contractor acknowledge the obligation of the Main Contractor and/or its Subcontractor to keep and maintain the infrastructure on the Property and the Gateway Park such as roads, bridges, buildings, fixtures and other improvements.

Section 4.4.2. To ensure faithful compliance of these obligations, upon signing of the Industrial Lease Agreement, the Main Contractor shall deposit a Construction and Maintenance Cash Bond to SBDMC to answer for all damages which said Main Contractor and/or its Sub-contractor shall cause on

the said infrastructure as well as for all interests and expenses that shall be incurred to restore and repair the same. The Tenant and/or its Contractor shall not be allowed to commence any construction on the Property nor to be provided for water tapping unless the Construction and Maintenance Cash Bond has been furnished to SBDMC. If the Contractor cannot furnish the required Construction and Maintenance Cash Bond, the Tenant shall be liable to SBMDC for such bond. Such Construction and Maintenance Cash Bond Deposit shall be based on the following schedule:

New Construction

Lot size		Amount
2 has, and less	Php	300,000.00
2 has. to 5 has	S.	500,000.00
5 has. to 10 has	S.	700,000.00
10 has. and up	•	00.000,000

Expansions/Renovations/Alterations

Lot size Amount

All lot sizes Php 200,000.00

Section 4.4.3. Upon receipt of a written notice from SBDMC of any such damage or violation committed by the Main Contractor and/or its Subcontractor, the Construction and Maintenance Cash Bond shall promptly be applied to indemnify SBDMC notwithstanding any protest to the effect that the Main Contractor and/or its sub-contractor fulfilled their contractual obligations.

Section 4.4.4. The Construction and Maintenance Cash Bond shall be in full force and effect until the SBMA issues to the Tenant the Permit to Occupy and Permit to Operate the constructed property. Only thereafter shall SBDMC release the Bond or its balance less interests' fines and costs to repair damages, if any.

Section 4.4.5. Should the Construction and Maintenance Cash Bond deposited by the Main Contractor be insufficient to cover the entire cost of damages, interests and expenses incurred by SBDMC to restore and repair the infrastructure on the Property and the Gateway Park as a result of the fault and or negligence of the Main Contractor and/or its Sub-Contractor, SBDMC shall not be precluded from recovering the balance thereof from the Main Contractor and/or its Sub-Contractor who shall be liable to pay the same upon receipt or prior notice from SBDMC.

Section 4.4.6. For detailed procedures on MCB processing & reimbursement, please refer to Annex 8, Standard Operating Procedures (SOP) on MCB.

SECTION 4.5. CONSTRUCTION PERSONNEL/WORKERS:

Section 4.5.1. All construction personnel/workers must secure SBMA

Pass/ID's and shall be worn at all times when entering the SBGP.						

- **Section 4.5.2.** Workers shall not be permitted to live on the Property or anywhere else within the Gateway Park. Tenant and Tenant's contractor and/or workers are advised to make arrangements for the housing of workers in the City of Olongapo or nearby areas. However, up to two (2) personnel/workers may be allowed to stay after working hours mainly to serve as caretakers of the Tenant's construction materials and equipment. Tenants and/or its workers are not allowed to live inside the leased property.
- **Section 4.5.3.** All workers must wear proper personal protective equipment (PPE) during work hours. No workers shall be allowed to work at construction site without proper PPE. Non-wearing of the prescribed PPE shall be considered as a major violation of the COR.
- **Section 4.5.4.** Construction workers are not allowed to loiter or roam around the SBGP premises at nighttime especially after 10:00 p.m., unless for night shift employees. Otherwise, SBDMC and/or its security personnel has the right to send those workers to Law Enforcement Department of SBMA for interview and appropriate action.
- **Section 4.5.5.** Contractors/Tenants must require their personnel to wear uniforms with the company name printed at the back. Otherwise, SBDMC and/or its security personnel has the right to refuse entry of workers at the gates. Wearing of sando, shorts, slippers, and the like are strictly not allowed.
- Section 4.5.6. Worker and Public Health, Safety, and Welfare. Tenant and Tenant's contractor shall comply with all health, safety, and welfare rules and regulations pertaining to workers on the Property. And Tenant and Tenant's contractor shall take every necessary precaution to protect the public from injury or death during the course of construction. Tenant and Tenant's contractor shall display all such flags, signals, markings, or lights as the SBMA or other governmental authorities may require for the safety of the workers and the construction site. During construction, all workers and all visitors to the Property shall be provided with safety helmets and safety shoes which shall be worn at times when in the vicinity of construction or danger areas.

Section 4.6. OTHER CONSTRUCTION-RELATED REQUIREMENTS/GUIDELINES:

Section 4.6.1. Excavation Works on Utility Areas: Contractors and Locators shall submit first detailed plans and shall be checked and inspected by SBDMC Engineering Department (ED) personnel. SBDMC-ED shall issue a notice to proceed (NTP) prior to the excavation works. Tenant who shall initiate any excavation works without an NTP from SBDMC-ED shall be considered in violation of the COR.

The Main Contractor shall deposit (cash or dated check only) a Construction and Maintenance Cash Bond to SBDMC to answer for all damages which the said Main Contractor and/or its Sub-contractor shall cause on the said excavation works as well as for all interests and expenses

that shall be incurred to restore and repair the same. The Tenant and/or its Contractor shall not be allowed to commence any excavation on the Utility Areas unless the Construction and Maintenance Cash Bond has been furnished to SBDMC.

Section 4.6.2. Construction of Driveways: Tenant is not allowed to utilize the green areas (utility reserve area of SBDMC) adjoining their lots as a concrete driveway.

Concreting will be allowed or area that will be utilized as a driveway with dimensions described under Section 2.4.5 provided the unaffected green area/utility reserve area shall not be less than 80% of the total area. Tenants are not allowed to utilize SBDMC utility areas for driveways and/or for maneuvering of container vans.

Tenants that will need loading areas shall provide adequate front yard setback to provide space for container vans to maneuver.

Section 4.7. CLEANLINESS AND GOOD HOUSEKEEPING:

Section 4.7.1. During construction, Tenant Tenant's and Main Contractor shall keep the Property in good order at all times and shall remove from the Property, at frequent intervals or as directed by SBDMC the SBMA, any items no longer required for or the construction. In addition, Tenant and Tenant's Contractor shall comply with the following rules:

- (a) Construction wastes such as scrap wood, etc., are to be disposed of regularly at the SBMA landfill.
- (b) Paint and other related solvent cans are to be emptied, dried and crushed prior to disposal at the landfill.
- (c) Regular wastes are to be disposed of at the landfill. All wastes are to be properly contained and sorted prior to collection. For collection services, arrangement should be made by the Tenant with SBDMC and the Ecology Center.
- (d) For recyclable items such as wood and metal scraps, Tenant and Tenant's Contractor shall engage the services of the SBMA's accredited contractors.
- (e) All other usable items shall be coordinated and turned over to the SBMA Procurement and Property Management Department.
- (f) All transportation vehicles shall be equipped with protective canvas during hauling operations to prevent their contents from scattering.
- (g) A dumping permit shall be secured from the Waste Management Department of SBMA prior to disposal of wastes. Disposal sites shall be designated by the SBMA.

Section 4.7.2. No storage of surplus materials on the property shall be allowed, except to the extent reasonably required for efficient construction. In

the event that the Tenant and Tenant's Contractor shall fail to keep and maintain the Property in the manner required above, SBDMC and SBMA shall have the right to rectify such failure and the costs thereof shall be promptly paid by the Tenant to SBDMC or the SBMA, as applicable.

Section 4.7.3. Tenant and Tenant's Contractor shall ensure that construction materials are properly stored within the construction premises only. All other areas planned for storage of construction materials shall be coordinated with SBDMC or the SBMA in advance. Use of hazardous materials shall have prior clearance from Fire Department, Ecology Center, and SBMA Health and Safety Department.

Section 4.7.4. Tenant and Tenant's Contractor shall ensure that the entire construction operations shall not constitute a nuisance or safety hazard. Both are required to ensure strict compliance with the safety rules and regulations, guidelines and other related requirements of SBDMC and the SBMA. Cleanliness must be maintained in the Freeport.

SECTION 4.8. RESTORATION OF DAMAGED ROAD AND OTHER SBGP INFRASTRUCTURES DUE TO TENANT'S CONSTRUCTION

Section 4.8.1. All restoration works shall be subject to SBDMC's approval and acceptance, otherwise SBDMC reserves the right to correct the said restoration work at Tenant's expense.

Section 4.8.2. Prior to excavation along SBGP common areas and/or utility reserve area, Tenant shall apply for an excavation permit, with corresponding keymap/layout, section, details for SBDMC's approval and SBMA's approval (when needed) prior to execution of work. All approved excavation work shall be properly coordinated with SBDMC prior to commencement of work (Restoration of damaged SBGP property, including the road, utilities, landscaping and the like).

Section 4.8.3. Damaged utilities or relocated utilities affected by any construction work shall be restored to their original conditions or functions acceptable to SBDMC otherwise SBDMC reserves the right to correct the said restoration work at Tenant's expense.

SECTION 4.9. FENCING:

Section 4.9.1. SBGP Boundary Fencing: Along any Exterior Property Line, there shall be constructed and maintained a fence (with a design, materials, and construction designated by SBDMC) consisting of:

(a) Along the Northerly Property Line, there shall be constructed and maintained a fence with a design, materials, and construction designated by SBDMC consisting of a 150mm thick cement hallow blocks on cement plastered finished at both sides and painted with color matching the building exterior or combination of both, a decorative grill could be added on top subject for prior approval of SBDMC prior to construction. Height shall be 2.40 to 3.00 meters.

Section 4.9.2. Interior Fences:

Section 4.9.2.1. Along any property line other than those designated in Section 3.7.2 above, any interior fence constructed shall take the form of landscaped, trimmed, and well-maintained hedges/ornamental plants except for lots occupied by locators with high security requirements as approved by SBDMC and SBMA.

Section 4.9.2.2. Prior to the construction of their fences, Tenants may apply for high security requirements upon submission for approval of their fencing plan and such other relevant details as may be demanded, to SBDMC and SBMA. This is not applicable for fence along SBDMC road.

Section 4.9.2.3. Fence fronting the road shall consist of (a) $75 \times 75 \times 4$ mm hollow steel posts spaced at 2.50 meters, (b) 12×12 mm solid steel square vertical bars welded to 19×4.5 mm solid horizontal bars as shown on Annex "3", (c) painted with anti-rust epoxy paint, (d) with a total height of 1.80 meters.

Section 4.9.2.4. Fence in between lots with a total height of 1.80 meters minimum 150mm thick cement hallow blocks on cement plastered finished at both sides and painted with color matching the building exterior.

Section 4.9.3. General Requirements: If approved, all boundary fences facing any road or right-of-way in the SBGP and all fences required pursuant to this Section shall be built on the Property Line. All fences shall be constructed with the finished side facing neighboring properties or outside the SBGP.

ARTICLE 5. PLANTING REQUIREMENTS:

Section 5.1. Planting Areas: On each Property, the planting requirement set forth in this Section, shall apply to that part of any property within 3.00 meters of an Exterior Property Line, Primary Property Line, or Secondary Road Property Line (the "Planting Areas").

Section 5.2. Landscaping: Every site shall be landscaped according to plans approved by SBDMC and maintained thereafter in a lightly and well-kept condition. Any side of the property facing a street shall be landscaped along its length. Locators are required to do the maintenance of their landscape and green areas. No undamaged or dead tree shall be cut down without the prior written consent of SBDMC. All trees planted shall be of a variety designated or approved by SBDMC and the SBMA. All trees shall be properly watered and trimmed at all times, and in the event a tree is destroyed or dies, said tree shall be replaced within 30 days of such destruction or death by another tree

Section 5.3. Turfing Requirement: The Planting areas and all other unpaved or undeveloped areas of the Property shall be planted with grass, ground cover, and shrubbery. All grass, ground cover, and shrubbery shall be properly watered and maintained. All grass and ground cover shall be cut so that no grass or ground cover shall at any time be in excess of 15.0 centimeters in height. All vacant land shall, at a minimum, be covered with grass or ground cover which is sufficient to prevent erosion and blowing of dust and soil.

ARTICLE 6. MISCELLANEOUS REQUIREMENTS:

Section 6.1. Compliance; Violations. No building or other structure shall be erected, constructed, or placed on any Property, and no building or other structure shall be used for any purpose, unless in full and strict compliance with the restrictions and requirements of these Construction and Operation Requirements and other applicable governmental rules and regulations. The SBMA shall have the right to withhold or withdraw any lessee's or occupants permit to operate, Certificate of Registration and Tax Exemptions (CRTE) or permit of occupancy due to failure to comply with these Construction and Operation Requirements or any other applicable governmental rules and regulations.

Section 6.2. Refuse. All garbage, refuse, solid waste, and similar materials shall be kept in containers designed for such purpose. All such containers and such garbage, refuse, solid waste, and similar material shall be kept (a) indoors or (b) outdoors within screened areas designed for such purpose. All areas designated for garbage, refuse, solid waste, and similar material shall be in a location on the Property reasonably accessible to garbage trucks, as approved by SBDMC and the SBMA. Tenant shall remove from the Property at frequent intervals or as directed by SBDMC and/or the SBMA, any items no longer required for business operation.

Section 6.3. Screening. All trash storage facilities and areas (including those for recyclable materials), all facilities for the outdoor storage of any material or product, water tanks, and all mechanical equipment accessory to any

Building or other structure shall be screened from all property lines and all public and private roads and rights-of-way. Required screening may be achieved with fences, walls, earth berms, hedges and other landscaping materials. All walls and fences shall be architecturally harmonious with the Buildings and other structures on such Property. All material, including landscaping shall have a minimum opacity of 80% at all times of the year. Earth beams shall not be steeper than 3:1.

Section 6.4. Drainage.

Section 6.4.1. All surface water from the Property shall be collected on the Property and properly channeled and discharged into storm sewers, swales, watercourses, or drainage facilities. No surface water shall be channeled or discharged onto an adjoining Property. Tenant shall construct a culvert or covered structure for all permanent entrances to the Property. Tenant is further required to install a catch basin to contain all silt materials from the Property. This catch basin shall be installed at least 1.00 meter from the main SBIP drainage manhole.

Section 6.4.2. Tenant shall inform SBDMC before tapping of drainage system to SBGP drainage system. All illegal tapping of drainage system is prohibited.

Section 6.4.3. All provisions for drainage, including storm sewers, sheet drainage and swales, shall be subject to review and approval by SBDMC and the SBMA prior to construction or installation and shall comply with all appropriate health codes governing the prevention of stagnant water.

Section 6.5. Lighting: All exterior lighting and illuminating devices shall be provided with lenses, reflectors, or shades so as to concentrate illumination on the Property. No light source, lamp or other illuminating devices shall be directed beyond the boundaries of the Property.

Section 6.6. Temporary Buildings: No temporary or portable Buildings or other structures, including, without limitation, any shed, shack, tent, or shelter, which is not permanently attached to the ground shall be placed or stored upon any Property except as accessory to, and during construction of, permanent Buildings or other structures. No temporary or portable structure shall under any circumstances be permitted to remain on a Property for more than 2 years.

Section 6.7. Signs: Except for minor, directional, and informational signs, no Property shall be permitted to have more than (a) 1 sign affixed to the wall of the primary Building on the Property, and (b) 1 sign set on the ground of the Property. All signs shall be limited to identifying the name, logo, product, or trademark of the permitted Tenant or other permitted occupants of the property. The area of any sign affixed to a Building wall shall not exceed the lesser of (I) 30.0 square meters or (ii) 10% of the area of the wall to which the sign is attached. The area of any sign set on the ground shall not exceed the

- lesser of (y) 30 square meters or (z) 10% of the area of the wall of the primary Building located directly behind said sign. No sign set on the ground shall be more than 16.00 meters high. All signs shall be constructed of stone, brick, concrete, metal, or other permanent materials. No neon or moving images shall be permitted on any sign. All signs affixed to the wall or set on the ground shall be parallel to the building façade unless otherwise approved by SBDMC.
- **Section 6.8.** All lessees and authorized occupants shall also fully comply with the terms and conditions of the National Building Code (NBC) and SBMA Signage Guidelines. In the event of a conflict between the terms and conditions contained herein, the terms and conditions of the NBC and SBMA Signage Guidelines, if any, the stricter term or condition shall apply.
- **Section 6.9. Pets and Animals.** Pets and other domesticated animals are not allowed inside SBGP or should be properly secured inside the leased property. Otherwise, loitering animals shall be impounded by SBDMC and/or Law Enforcement Department (LED) for appropriate action.
- **Section 6.9.1.** Raising or keeping livestock (poultry, hogs, goats, cattle and the like) are not allowed inside SBGP.
- **Section 6.10. National Codes.** The National Building Code, National Fire Code, National Accessibility Code and the National Structural Code of the Philippines and the terms and conditions of the SBMA Fire Code are deemed incorporated in this Construction and Operation Requirements. In the event of a conflict between the terms and conditions contained herein, the terms and conditions of the National Building Code, National Fire Code, National Accessibility Code, and the National Structural Code of the Philippines, and the terms and conditions of the SBMA Fire Code, if any, the stricter term or condition shall apply.
- **Section 6.11. Subdivision of Leased Property.** Tenant in any way is not allowed to subdivide their leased lots for subleasing.
- **Section 6.12. Fireworks and Firecrackers.** Pyrotechnics are strictly prohibited, but may be allowed on special occasions for a limited time subject to permit from and under strict control by SBMA Fire Department.
- **Section 6.13. Alcoholic Beverages.** Selling of alcoholic beverages by canteen owners are not allowed in SBGP unless otherwise approved by SBDMC.

Section 6.14. Nuisance.

6.14.1. Unnecessary noise disrupts the peace and serenity of the Park. On occasions of individual tenants' activities, they should write their immediate surrounding neighbors and SBDMC on a certain date but should be quieted down by 10:00 p.m.

6.14.2. Unnecessary foul odor that disrupts neighbor tenants shall be considered as a violation of this COR. Tenant shall ensure that all necessary mitigations are done to avoid such incident.

Section 6.15. Tree-cutting, -trimming or relocation. In case of relocation of trees, tree trimming or tree cutting/bull out, Tenant shall secure permit first from SBDMC and Ecology Center of SBMA prior to execution of work.

ARTICLE 7: UTILITY SERVICES

SECTION 7.1. GENERAL REQUIREMENTS: Tenants shall apply for electricity line to Subic Enerzone Corporation (electrical permit to BPSD as requirement of SEZ), water connection to SBDMC and telephone lines to Subic Telecom. Tenants shall pay all fees, charges, and connection costs for such services in accordance with the rules and regulations of the abovementioned utility companies & BPSD-SBMA. Tenants shall perform or pay a third party to perform any construction or other work that may be needed to provide any utility service to the Property, including but not limited to installation of meters, pipes, or cables.

SECTION 7.2. ELECTRICAL SERVICES

Section 7.2.1. Installations. All temporary and permanent electrical installations and connections shall be done by Tenants at their sole expense. Tenants shall coordinate with SBDMC and the utility provider, Subic Enerzone Corporation (SEZ) for the installation and tapping to SBGP-I Power Distribution System. All Electrical meter shall be located in front of a building at a location accessible for meter readings and maintenance. No electrical installation or connection shall be commenced without the prior written approval of SBDMC, SBMA and the SEZ.

Section 7.2.2. Temporary and Permanent Power Connection. Tenants shall provide 7 copies of Electrical Plan and Electrical Form (both Signed & Sealed by PEE-"Professional Electrical Engineer") & other related requirements for temporary and permanent power connection. Electrical Plan (Sign & Sealed by PEE "Professional Electrical Engineer") and all required documents shall be submitted to SBDMC for review and evaluation and thereafter, if found in order, endorsement to SBMA-BPSD and SBMA-BPSD will in turn endorse the Tenant's application to Subic Enerzone. If SBMA-BPSD has comments, the Tenant will comply with all the comments before it will be endorsed to Subic Enerzone. SEZ will proceed for the power connection after the Tenant has provided all the requirements, paid all the required fees and been issued an electrical permit.

Section 7.2.2.1. Requirements for Temporary Power Connection. Tenant shall provide/comply with the following requirements for temporary power connection (for construction purposes & other approved purposes);

(a) Four (4) copies of Electrical Plan (signed & sealed by PEE)

- (b) Duly filled-up Electrical Permit Form of SBMA-BPSD and payment of the corresponding fee to SBMA-BPSD.
- (c) Compliance with the requirements for power connection of Subic Enerzone for power connection including payment of necessary fees

Section 7.2.2.2. Requirements for Permanent Power Connection. Tenant shall provide/comply with the following for permanent power connection;

- (a) As-Built Electrical Plan (sign & sealed by PEE)
- (b) Duly filled-up Electrical Permit Form of SBMA-BPSD and payment of the corresponding fee to SBMA-BPSD.
- (c) Compliance with the power connection requirements by Subic Enerzone including payment of necessary fees.
- (d) 3Ø Pad Mounted Transformer (step down the distribution voltage of 13.8KV to the desired secondary voltage).
- (e) Load Break Switch (LBS) plus accessories- if the load requirement is greater than 500VA required.
- (f) Metering Outfit (MOF) plus accessories (Tenant to coordinate with Subic Enerzone for the complete technical specifications). Required if the load requirement is greater than 500VA.
- (g) Connection of conduit system from Tenant building premises going to the main distribution lines.
- (h) Testing of transformer (by Subic Enerzone for the account of the amount of the Tenant)
- (i) Megger Test or Insulation Resistance Test
- (j) Others as may require by Subic Enerzone and SBMA-BPSD

Section 7.2.3. Underground distribution lines. All underground distribution lines crossing the road from Tenant's building going to the main distribution lines shall be in concrete encasement with rebar and with a minimum depths requirement of 460mm from the top of electrical duct bank to finished grade elevation.

Section 7.2.4. Compliance with the standards. All electrical works, materials, equipment, power cables, termination kits and all power layout designs shall conform the Philippine Electrical Code (PEC), IEEE/NEMA Standards, SBMA regulations and as required by Subic Enerzone.

Section 7.2.5. Additional Supply/Load: If Tenant requires an electrical design load higher than that available to the Property, Tenant shall apply with SBDMC, SBMA and the Subic Enerzone for the electrical supply needed. Tenant shall be permitted to have an access to such higher load only if, in the reasonable judgment of SBDMC, SBMA and the Subic Enerzone, sufficient excess electrical capacity is available to serve the needs of the Tenant without impairing the operations of other electrical system users. Tenant shall bear all costs and expenses relating to supplying such higher loads to the Property.

However, Tenant is advised to verify the factory's electrical load requirement,

since there is a corresponding penalty imposed for not meeting the demand.

Section 7.2.6. Electrical Material Specifications. All primary cables shall be single-core, 15KV, XLPE/ PVC, 133% Insulation, lead-alloy sheathed type. For the electrical system of a building in loop network, the primary lines shall have two (2) sets of feeders using 3x1cx400mm square, 15KV, XLPE/ PVC, 133% Insulation, lead-alloy sheathed primary cable. All direct burial cable secondary lines must be in rigid steel conduit (RSC) or in PVC pipe with concrete encasement with rebar, schedule 40 for concrete encasement, and schedule 80 for underground-type cable. Tenant shall tap its primary service feeders to the electrical manhole designated by SBDMC and Subic Enerzone. Tenant is required to seek approval from SBDMC, SBMA and Subic Enerzone for the method of tapping the main feeder to the electrical manhole. All materials and equipment to be used by the Tenant shall be in accordance with the approval of Subic Enerzone and SBDMC and SBMA and shall comply with the Philippine Electrical Code.

Section 7.2.7. Electrical Usage: Tenant shall not install or use any electrical equipment, installation, machine, or apparatus that may cause power surges, high frequency voltage or current, noise, vibrations, or any electrical or mechanical interference or disturbance which may interfere with or prevent the service or use of any telephone or communications system or which may affect or impair the operation of other equipment, installations, machinery, or apparatus within or outside of the Gateway Park.

Section 7.2.8. Right of Access: SBDMC, SBMA and the Subic Enerzone shall have the right to enter upon the Property for the purpose of inspecting or servicing any electrical systems servicing the Property and for the purpose of verifying compliance with the above requirements.

Section 7.2.9. Other Concern: Tenant shall coordinate with Electrical Engineer of SBDMC and SEZ for information, guidelines, and monitoring of all activities related to power connection.

SECTION 7.3. WATER AND SEWER SERVICES:

Section 7.3.1. Installation: All temporary and permanent water and sewer installations and connections shall be done by Tenant at Tenant's sole expense. No water or sewer installation or connection shall be commenced without the written approval of SBDMC and the SBMA.

Section 7.3.2. Sanitary Sewer Line: The sanitary sewer line serving each Property is located beneath each Property within 3.0 m. of the front Property Line (within the setback areas created by Article II, Sections 3.2 and 3.3 above). Tenant and Tenant's Contractor shall refer to the SBGP Phase I

sewer line system plans provided by SBDMC to determine the location of Tenants tapping point/s.

Section 7.3.3. Water Service: SBDMC has no obligation to install the water meter in the Tenant's leased property. Should any leased property happens to have an existing water meter at the time of the turnover of the property to Tenant, the same shall not be construed that SBDMC shall assume the cost of replacement thereto. Water consumption billing shall be forwarded by SBDMC to the Tenant for payment. SBDMC shall notify Tenant regarding the charges and penalties to be imposed.

Section 7.3.4. Water meter and all fittings needed shall be provided and installed by the Locators and under supervision by SBDMC. If water meter is defective, Locator/s shall replace the said defective water meter at their expense subject to supervision of SBDMC. Tapping of water meter without informing SBDMC is prohibited.

Section 7.3.5. Treatment of Domestic Sewerage: Tenant shall construct, operate, and maintain a primary domestic sewerage treatment facility on the Property with a designed retention time of not less than twenty-four (24) hours for the treatment of all domestic sewerage from the Property. Tenants shall discontinue operation of said primary domestic sewerage treatment facility and shall dispose all domestic sewerage into the sanitary sewer of the Gateway Park from and after such time as Tenant is given written notice that the SBMA's primary domestic sewerage treatment plant serving the Property is operational.

Section 7.3.6. Treatment of Industrial Sewerage: Tenant shall construct, operate, and maintain a primary industrial sewerage treatment facility on the Property. Tenant shall pre-treat its wastes before discharging them to the sewer system. Tenant's wastewater effluent shall comply with the effluent standard composition set forth by the SBMA and/or its delegated authority.

SECTION 7.4. TELEPHONE SERVICE: Tenant shall contact Subic Telecommunication Company directly to arrange for needed telecommunications services.

ARTICLE 8. PARKING RULES AND REGULATIONS

Please refer to the attached Annex 5 for details of the SOP on Parking Regulations in SBGP