



KASAGANA-KA
Mutual Benefit Association, Inc.

**Board Resolution No. 45
Series of 2019**

APPROVING THE FEASIBILITY STUDY FOR KMBA MEMBERS' RESOURCE CENTER BUILDING AND LOT

Upon motion, duly seconded, the Board of Trustees, in a meeting held on August 8, 2019, where a quorum is present, adopted the following resolution:

WHEREAS, Mr. Randy Tuaño, independent member of the Board of Trustees, an economist by profession, conducted a feasibility analysis on the KMBA Members' Resource Center Building and Lot's projected revenue and expenses and corresponding potential sources upon completion.

WHEREAS, the investment property with a land area of 424 sq. meters with an agreed selling price of Php16.2M will benefit, as a positive result, rental income from spaces to be leased to KSO and non-KSO tenants including parking slots and rental savings for office space and trainings.;

WHEREAS, KMBA will incur several costs including of maintenance, utilities, property tax and income tax from rental income;

WHEREAS, the study further indicates, given the various parameters and assumptions, that the total net present value (NPV) will range from Php 12M to Php 62M and internal rate of return of 6% to 8%;

WHEREAS, in the formulation of final costing of rent, with the consideration that the potential lessees of office space are sister organizations, management recommended to give the lowest rate amounting to Php 350.00 per square meter per month;

WHEREAS, such rate is exclusive of Php 100.00 per sq. meter monthly dues for common utilities exclusive further of light and water; totaling to Php 450.00 per sq. meter per month subject to annual 5% increase for five years effective January 1, 2020;

WHEREAS, for the other parts of the building, management recommended the following rates:

	KSO	Non-KSO
Parking Fee (Ground Floor)	P 2,000.00 / slot / month	
Conference Room (3 rd Floor)		
Conf. Rm. 1	P 5,000.00 / day	P 7,000.00 / day
Conf. Rm. 2	P 3,000.00 / day	P 4,500.00 / day
Conf. Rm. 3	P 1,500.00 / day	P 3,000.00 / day
Kitchen	P 400.00 / sq.m. / month	



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WHEREAS, the Board was pleased with the outcome of the study on the projected benefits and expenses given the reasonable parameters and assumptions;

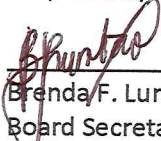
NOW THEREFORE, the foregoing premises considered, the Board of Trustees **RESOLVED** to accept the feasibility study on the projected revenue and expenses of KMBA Members' Resource Center Building and Lot at its completion;

RESOLVED, to approve Php350.00 per square meter per month as KSO's rent for office space exclusive of Php100.00 per square meter per month for monthly dues with 5% annual increase for five (5) years;

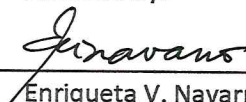
RESOLVED FURTHER, to approve rent rates for the parking slots, conference rooms and kitchen to KSO and non-KSO tenants.


Adopted this 8th of August 2019 in Quezon City, Philippines by the affirmative vote of the undersigned members representing a majority of the trustees of KMBA, Inc.


Prepared by:

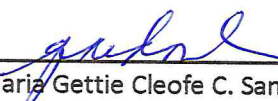

Brenda F. Lumbao
Board Secretary


Attested by:

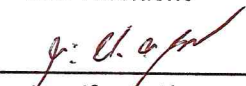

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