

Development Agreement of Individual Proprietorship

Construction of Zhoujiayuan Hydropower Station

Party A: The People's Government of Zhuxi County
Address: Chengguan Zhenbei Ave. of Zhuxi County
Post code: 442300 Telephone: 2726125
Legal representative: He Shengyou Position: County Magistrate

Party B: Shiyang City Jinlutong Motor Trade Co., Ltd
Address: Renmin South Road No.15 of Shiyang City
Post code: 442000 Telephone: (0719)8898109
Legal representative: Liu Jincheng Position: Chairman

Whereas, as friendly consultation in a real and full expression of the will of both sides, the parties (A and B) signed the following agreement.

Section 1

Investment and development mode, scale, property right and management deadline

Party A agrees Party B to manage Zhoujiayuan Hydropower Station with individual proprietorship. The development shall be in accordance with relevant state laws and regulations, capital construction procedures and watershed planning by Party B. Party B possesses the ownership of all assets formed by the investment after the completion of the station and manages permanently.

Section 2

Rights and obligations of both Parties (A and B)

I. Rights and obligations of Party A

- a) Establish a leadership team of station construction coordination which takes charge in the external environment coordination aiming on providing a good construction environment for Party B. Each department of Party A inspects or charges the station must be approved by the leadership team and issues relevant documents otherwise Party B shall not precede the reception.
- b) Provide assistances to the migrant arrangement and application approval of compensation for occupancy of cultivated land and forest land which caused by station construction. Costs shall be paid by Party B. Specific arrangements shall be negotiated separately.
- c) **Party A is responsible for providing necessary conditions to assist Party B following the CDM financing plan of Zhoujiayuan Hydropower Station in order to solve the problem of worse economy during the construction.**
- d) A security agency shall be founded which takes charge in security and safety

management of the station during construction and management in order to protect the legitimate rights and interests of investors.

- e) Provide assistances to electricity, water supply, access to the station and communications before construction started (costs paid by Party B).
- f) Preferential policy (Xizhengfa[2002]No.30) which issued by The People's Government of the County for the construction and management of Eping Power Station is applicable to Zhoujiayuan Hydropower Station.
- g) Party A is responsible for coordination of construction power during the procedure. Party B shall sign the contract with power supply department for power purchase price separately. If relocation of power supply lines, communication lines and broadcasting required during construction, Party A shall provide assistance to Party B which the costs shall be paid by Party B.
- h) In accordance with the relevant laws, regulations, policies and procedures of safety production, assistances shall be provided to Party B to pay special attention to the project construction.
- i) Once the contract comes into force, Party A shall actively provide assistance to Party B in the declaration of the station which all expenses paid by Party B.

II. Rights and obligations of Party B

- a) According to the construction procedure, once the contract is signed, capital of RMB 10 million Yuan (margin) shall be funded and deposited in special account which opened as construction fund for Zhoujiayuan Hydropower Station. The funds can be only used for construction of the station. Otherwise, the bank of deposit shall dishonor which to ensure the safety of special fund for construction, registration in industrial and commercial bureau.

III. Special Content

- a) Once this contract is signed, the development and management right shall not be transferred or mortgaged by Party B without consent of Party A,
- b) Party B shall commence the construction in 45 days after the signing of the contract. If fail to construct as schedule, Party A shall be entitled to terminate this contract and Party B shall undertake all the economic loss.
- c) The soil rent of Zhoujiayuan Hydropower Station, temporary land occupation compensation fees, which shall be confirmed by Party A and Party B with former investors firstly shall be honored by new owner. The preliminary work costs, relevant debt and right of credit shall be negotiated by Party B and the original investors. Party A shall not undertake any responsibility.
- d) Application approvals of migration compensation and permanent occupancy of cultivated land and forest land shall be finished before the construction by Party B.

Date of signing: Nov 24th 2005

Place of signing: Zhuxi Hotel

独资建设经营周家垵电站协议书

甲 方：竹溪县人民政府

地 址：竹溪县城关镇北大街

邮政编码：442300 电 话：2726125

法定代表人：贺盛有 职 务：竹溪县人民政府县长

乙 方：十堰金路通汽车贸易有限公司

地 址：十堰市人民南路15号

邮政编码：442000 电 话：(0719) 8898109

法定代表人：刘金成 职 务：董事长

甲、乙双方经友好协商，就独资建设开发竹溪县周家垵电站签订本合同，供双方遵守执行。

第一条 投资开发方式、规模、产权归属及经营期限

甲方同意由乙方独资开发经营周家垵电站。乙方应依据国家有关法律法规和基本建设程序及流域规划文件进行开发。电站完成投资后形成的全部资产所有权归乙方所有，由乙方永久性经营。

第二条 双方的权利和义务

(一) 甲方的权利和义务

- 1、成立电站工程建设协调领导小组，负责电站工程外部环境的协

调,为了乙方提供良好的建设环境。甲方各职能部门到电站检查或收费,需经电站工程建设协调领导小组同意并出具有关文书,否则乙方不予接待:

2、协助做好移民安置和工程建设占用耕地、林地的补偿报批工作,费用由乙方承担,具体事宜另行商定。

3、负责提供必要条件,协助乙方按照周家垅电站 CDM 融资规划的要求,解决乙方在建设过程中的经济过差问题。

4、成立电站安全保卫机构,负责电站建设经营的治安、安全管理,保障投资者的合法权益不受侵害。

5、协助做好开工前通电、通水、通路、通讯工作(费用由乙方负责)。

6、县人民政府出台的鄂坪电站建设经营的所有优惠政策(溪政发[2002]30号)适用于周家垅电站。

7、负责协调电站建设期间的工程用电,执行电价与供电部门另行签订用电合同,工程建设过程中需迁移的供电、通信、广播线路,甲方应协助乙方做好工作,费用由乙方支付。

8、依照有关安全生产法规、政策和相关程序,协助乙方抓好工程建设。

9、本合同生效后,积极协助乙方做好电站项目的各项申报工作,一切费用由乙方支付。

(二)乙方的权利与义务

1、在合同签订后,根据工程建设程序,乙方应到位 1000 万元资本金(保证金)存入周家垅电站建设资金专户。该资金只能用于周家垅电站建设,否则,开户银行有权拒付,以保证电站专项建设资金安全。

第五条 特别约定

- 1、本合同一经签订，乙方未经甲方同意不得转让、抵押开发经营权。
- 2、乙方在合同签订后 45 日内应开展电站建设工作，按期不能开工，甲方有权解除本合同，所造成的经济损失全部由乙方承担。
- 3、周家垵电站土地租金即临时占用土地补偿费由甲、乙双方会同周家垵电站原投资单位共同确认后由新业主负责兑付，原投资单位进行的前期工作费用及其形成的相关债权债务概由乙方与原投资单位协议解决。甲方不承担任何责任。
- 4、乙方在开工前做好永久性占地、林地的报批工作和移民安置工作。