

MEMORANDUM OF AGREEMENT

KNOW ALL MEN BY THESE PRESENT:

This Memorandum of Agreement made and executed by and between:

The NORTH LUZON RAILWAYS CORPORATION, a government corporation wholly owned and controlled by the Bases Conversion Development Authority, duly organized and existing under Philippine laws, with office address at BCDA Corporate Center, Gozar corner Lucas Streets, Villamor Air Base, Pasay City, represented herein by its Chairman and President ROGELIO L. SINGSON, hereinafter referred to as "NorthRail".

and

The PROVINCE OF BULACAN, a local government unit created and existing under Philippine laws with office address at the Provincial Capitol, Malolos, Bulacan, represented by its Governor, Hon. JOSEFINA M. DELA CRUZ, duly authorized by the Sangguniang Panlalawigan, hereinafter referred to as the "Province".

and

ALTO PROJEKT ASIA INC., a private corporation duly organized and existing under Philippine laws with office address at Rm. 201, Gabriel III Bldg., San Miguel Avenue, Ortigas Center, Pasig City, represented herein by its President DOMINADOR S. TUPAZ, JR., hereinafter referred to as "APAI".

WITNESSETH:

WHEREAS, NorthRail was formed to implement the development, construction, operation and maintenance of a railway system that would adequately service passenger and cargo traffic between Metro Manila and Central/Northern Luzon;

WHEREAS, the Manila-Clark Rapid Railways System (MCRRS) which is intended to provide a fast and reliable mass transit between Metro Manila and Clark Special Economic Zone passing through the provinces of Bulacan and Pampanga, constitutes Phase 1 of the aforesaid railway system;

WHEREAS, the MCRRS is a flagship project of the Office of the President;

WHEREAS, the MCRRS will run entirely on tracks within the property and existing right of way (ROW) of the Philippine National Railways (PNR);

WHEREAS, the first section of the MCRRS covering the railway line from Caloocan City to Calumpit, Bulacan over PNR ROW is presently occupied by families, some 10,500 of which are from Bulacan;

WHEREAS, it is necessary to relocate said families to clear the PNR ROW in order to begin implementation of the MCRRS;

WHEREAS, Republic Act No. 7279 tasks the local government units, among others, the responsibility of relocation and resettlement of families living in danger areas such as PNR's ROW;

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WHEREAS, NorthRail, as early as 1996, sought the assistance and cooperation of the Province for orderly relocation and resettlement of families within PNR ROW;

WHEREAS, NorthRail and the Province have signed a Memorandum of Agreement (MOA) on 25 April 1997 to jointly address the relocation and resettlement of families within PNR ROW in Bulacan;

WHEREAS, in order to prevent the socio-economic dislocation of many families that will be relocated, most of whom come from the Bulacan province, the Province conceptualized the development of a sustainable agro-industrial community that will give decent homes and livelihood opportunities to the affected families;

WHEREAS, in accordance with the MOA of 25 April 1997, the Province searched for an experienced group to assist in resettlement and relocation of affected families especially in the establishment of a sustainable community;

WHEREAS, the Province requires that such experienced group be a developer that not only has the capability to finance, develop and construct housing units, but has the willingness and capability to finance, develop, promote, and operate a 100 hectare agro-industrial estate (the "Project") to be situated beside the new community;

WHEREAS, APAI, meets the Province's criteria in selecting the developer to implement the housing and industrial project of the Province;

WHEREAS, after a thorough review of the requirements of the Project and after consultations between NorthRail and the Province, a new Memorandum of Agreement is deemed necessary to include APAI and in order to reflect the commitments of the parties herein.

NOW, THEREFORE, for and in consideration of the foregoing premises, the parties hereby agree and stipulate as follows:

SEC. 1 PROVISIONS FOR NorthRail:

- 1.1 NorthRail shall purchase and donate to the Province one hundred twenty (120) hectares of land within Bulacan in addition to sixty (60) hectares already donated by NorthRail as per MOA on 25 April 1997, to be used by the Province solely as relocation site for the families who will be affected by the MCRRS.
- 1.2 Title to the property to be donated by NorthRail shall be immediately transferred in the name of the Province. The use of the property as relocation site shall be annotated on the title.
- 1.3 Should the relocation and resettlement program not be fully implemented or completed by 30 June 2001, the Province shall return to NorthRail the raw land portion of the property;
- 1.4 NorthRail shall fund the requirements of the Province pertaining to land documentation, and clearances of 60 hectares of land already donated to the Province as per MOA of 25 April 1997, and the additional 120 hectares to be donated as per this MOA, in the amount not exceeding P 13 M;

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- 1.5 **NorthRail** shall provide financial support to the **Province** up to a maximum amount of P 52.5 M, inclusive of the P 10 M already released to the **Province** as per MOA of 25 April 1997, for the relocation of affected families within Bulacan. It is understood that the foregoing amount was determined on the basis of the following computation:

P5,000.00 per family for 10,500 families, to be used for the following purposes:

P1,000.00	-demolition assistance
P1,000.00	-transportation assistance
P1,500.00	-livelihood fund
P1,500.00	-livelihood training, value formation, organization, documentation and processing

Should any family removed from PNR ROW choose not to be relocated to the housing units to be provided by the **Province**, the full amount of P5,000.00 will be given to them as financial assistance upon demolition of the housing units.

- 1.6 The financial support to the **Province** detailed in Sec 1.5 will be released by **NorthRail**, as follows:

P 5.0 M	- (initial release) within 10 days upon signing of this MOA
P 10.0 M	- for every 2,000 families relocated

The initial release of P 5.0 M, together with the balance of the P10 M released as per MOA of 25 April 1997, would be used by the **Province** for the first 2,000 relocatees.

- 1.7 **NorthRail** shall provide a loan of P 15 M to **APAI** to jump start site development of the housing area, to be paid back to **NorthRail** upon release of funds from bank(s) arranged by **APAI**;
- 1.8 **NorthRail** shall provide an additional sum of P 5.0M to fund a project management office to be established by the **Province** to administer the relocation and resettlement activities in Bulacan including the monitoring of **APAI** undertakings and accomplishments.
- 1.9 **NorthRail** shall provide additional funding of P30.0M to cover the maintenance cost of relocated families. The amount will be released to the **Province** following the schedule below:

P 10 M	- after relocation of first 500 families
P 10 M	- after relocation of next 5,000 families
P 10 M	- after relocation of next 5,000 families

- 1.10 **NorthRail** shall fund the construction of about 12 km. concrete access road that will connect the relocation site to the main highway. The design and cost estimate of said access road to be prepared by the **Province**, in consultation with **APAI**, shall be subject to review and acceptance by **NorthRail**.
- 1.11 **NorthRail** shall contribute to the provision of facilities and structures in the first 60 hectares relocation site, to be identified by the **Province** but not to exceed P 15 M.

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1.12 NorthRail shall provide additional funds as may be required to relocate additional families not covered by the census of the Province, and for maintenance cost of the same.

1.13 NorthRail, together with the Province, shall make representation with National Agencies to fund Public Investment Infrastructure such as school buildings, lying-in clinic, market building, police and fire stations, livelihood center, barangay hall, etc.

SEC. 2 PROVISIONS FOR THE Province:

- 2.1 The Province shall shoulder the expenses relative to the validation survey of the squatter families within Bulacan;
- 2.2 The Province will be responsible in serving the Notice of Eviction from PNR through the Barangay Chairmen;
- 2.3 The Province shall provide APAI the land donated by NorthRail as the province's equity in a joint venture to be established between the Province and APAI to implement the housing and industrial estate project.
- 2.4 The Province shall assist APAI in its application for Environmental Compliance Certificate, development permits and other clearances relative to the development of the relocation site;
- 2.5 The Province shall set up a project monitoring office to monitor the progress of the relocation processes and oversee the activities of APAI;
- 2.6 The Province shall regularly monitor the works of APAI, and shall certify its progress accomplishments;
- 2.7 The Province shall release to APAI from the amounts of the financial support referred to in Sec. 1.5, based on APAI's accomplishment per work item.
- 2.8 The Province shall see to it that the PNR ROW will be cleared starting May 1, 1999. In any case relocation of affected families will be finished not later than June 30, 2001.
- 2.9 The Province shall be responsible for the maintenance and delivery of basic services that will be drawn from the maintenance fund as provided in Section 1.9
- 2.10 The Province shall pass a Board Resolution expressing its commitment to implement the terms of this MOA even if the implementation period goes beyond the terms of office of the signatories.
- 2.11 The Province shall render an accounting of the P10 M initial financial assistance already transferred to the Province as per MOA of 25 April 1997, prior to transfer of initial financial assistance as provided in Section 1.6 of this new MOA.

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SEC. 3. PROVISIONS FOR APAI:

- 3.1 APAI shall buy 100 hectares of land adjacent to NorthRail's relocation site to be developed into an agro-industrial estate which APAI will operate to assure livelihood and employment opportunities for the relocatees;
- 3.2 APAI shall prepare the socio-economic profile of the affected families to be relocated based on the census and tagging conducted by the Province.
- 3.3 APAI shall be responsible for securing environmental clearances and development permits of the land to be provided by the Province;
- 3.4 APAI shall conduct social preparation, training on value formation and livelihood;
- 3.5 APAI shall assist in the demolition of housing units of relocatees on PNR-ROW and transport relocatees to the relocation site beginning May 1, 1999. All affected families must be relocated not later than June 30, 2001.
- 3.6 APAI shall set up convenience stores and transport cooperatives and implement livelihood programs such as cattle fattening, computer training, dress making, etc. for the benefit of the relocatees with the assistance of NorthRail and the Province;
- 3.7 APAI shall fund and implement the development of the housing and agro-industrial estate which shall include constructing standard road networks, drainage system, provision for power and water lines, housing units for the relocatees, barangay hall/ community center, playground, basketball court, parks and green areas.
- 3.8 APAI in consultation with the Province shall coordinate with concerned government agencies in the implementation of all public infrastructure in the relocation site to ensure compliance with specifications;
- 3.9 APAI shall prepare a detailed work schedule that will serve as the basis for monitoring and progress payments after a thorough technical evaluation of the feasibility of the site.
- 3.10 APAI shall be responsible in inviting investors/locators and promoting the agro-industrial estate.
- 3.11 APAI will see to it that cost of facilities/infrastructure funded from public investment will be deducted from its development cost in order to lower the cost of housing unit.
- 3.12 APAI shall post surety bond corresponding to the amount advanced to the Project, in favor of the Province, to guarantee its commitments under this MOA.

SEC. 4 REVIEW OF THE OFFICE OF GOVERNMENT CORPORATE COUNSEL

This Agreement shall be subject to review of the Office of Government Corporate Counsel (OGCC), whose review, comments, and recommendations shall form part of this Agreement.

J. Gray e. A. De la
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[Signature]
[Signature]

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IN WITNESS WHEREOF, the parties have hereunto affixed their signature this 7th day of MARCH, 1999 at _____.

NORTH LUZON RAILWAYS CORPORATION

PROVINCIAL GOVERNMENT OF BULACAN

By:

By:


Hon. ROGELIO L. SINGSON
Chairman and President


Hon. JOSEFINA M. DELA CRUZ
Provincial Governor

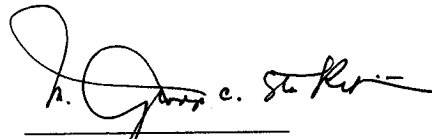
ALTO PROJECT ASIA, INC. (APAI)

By:


DOMINADOR S. TUPAZ
President

Signed in the presence of:

DCG





ACKNOWLEDGMENT

Republic of the Philippines)
PASAY CITY, Metro Manila) s.s.

BEFORE ME, a notary public for and in PASAY CITY, personally appeared:


Name	Community Tax Certificate	Date/Place Issued
JOSEFINA M. DELA CRUZ	05684303	1-11-99/Bocaue, Bulacan
ROGELIO L. SINGSON	19973923	1-22-99/Makati City
DOMINADOR TUPAZ JR.	00458083	1-15-99/Pasig City

known to me to be the same persons who executed the foregoing MEMORANDUM OF AGREEMENT, and they acknowledged to me that the same is their true and voluntary act and deed, as well as that of the entities they represent.

This instrument consists of seven (7) pages, including this page on which the acknowledgment is written, and has been signed on each page by the parties and their witnesses.

WITNESS MY HAND AND SEAL on this 12th day of April 1999, in PASAY CITY.

Doc. No. 329;
Page No. 67;
Book No. I;
Series of 1990.


NICOLAS A. ZARATE
NOTARY PUBLIC
UNTIL DECEMBER 31, 1999
PTR NO. G-350031
CITY OF MLA.
ON JAN. 5, 1999
TIN-118-285-691