

Continuation Res. No. 345, S. 2006 -2

WHEREAS, the CALA Expressway traverses the City of Sta. Rosa and its Barangays, Malitfi, Sto. Domingo and Don Jose;

WHEREAS, acknowledging the benefits that can be granted for the construction of the said road project, the Sangguniang Panlalawigan is ready to support and cooperate in the success of the said road project through the issuance of an ordinance to protect the right-of-way through controlling developments and maintaining present land use and zoning classification on the identified road alignments;

WHEREAS, said ordinance shall be drafted and enacted once all pertinent information on land ownership and characteristics are in place;

NOW THEREFORE, upon mature decision on the matter, promises considered, on motion of Board Member Kamil L. Hernandez, duly seconded by Board Member Benedicto Mario C. Palacol, Jr., and by unanimous consent of all Board Members present there being a quorum:


RESOLVED: As it is hereby RESOLVED to approve a resolution supporting the Implementation of the Cavite-Laguna (CALA) Expressway Road Proposed by the Feasibility Study and Implementation of the Cavite-Laguna East-West National Road Project of DPWH as shown in the Provincial Physical Framework Plan.

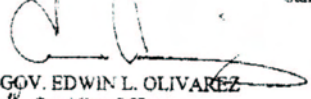
RESOLVED FURTHER, to define, delineate and correspondingly adopt the mentioned project road in the Provincial Physical Framework Plan; and

RESOLVED STILL FURTHER, to furnish copies of this resolution to the Central Office of the Department of Public Works and Highways, Metro Manila for appropriate consideration.

ORDERED: The Secretary to transmit a copy of this resolution to all concerned.

I HEREBY CERTIFY to the correctness of the above-quoted resolution.


FRANCISCO R. MACABUHAY
Prov'l. Govt. Dept. Head
Secretary
Sangguniang Panlalawigan

ATTESTED:
xno valid w/o official seal

VICE-GOV. EDWIN L. OLIVAREZ
Presiding Officer

APPROVED:

TERESITA S. LAZARO
Provincial Governor

CERTIFIED TRUE XEROX COPY

MARLOU R. SALAMAT
BOARD SECRETARY II

wca'2006

REGIONAL DEVELOPMENT COUNCIL

REPUBLIC OF THE PHILIPPINES
REGIONAL DEVELOPMENT COUNCIL
Region IV (Southern Tagalog)
NEDA Complex, E. de los Santos Avenue, Quezon City

EXECUTIVE COMMITTEE
Resolution No. 08, Series of 2000

RESOLUTION ENDORSING TO THE INVESTMENT COORDINATION COMMITTEE (ICC) THE CAVITE-LAGUNA (CALA) URBAN DEVELOPMENT AND TRANSPORT IMPROVEMENT PROJECT FOR FUNDING UNDER THE JAPAN BANK FOR INTERNATIONAL COOPERATION (JBIC)

WHEREAS, the proposed CALA Urban Development and Transport Improvement Project was prepared under Phase 2 of CALA Urban Development and Environment Management Project, a Technical Assistance project funded by the World bank and executed by NEDA in 1997;

WHEREAS, the components of the proposed project such as urban transport development, capacity building and project development facility are intended to address the problems brought about by the lack of transport infrastructure and rapid urbanization in the CALA area;

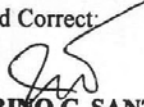
WHEREAS, the proposed project with a total estimated cost of P 7.084 billion has gained favorable support from the DPWH through its inclusion in the agency's investment program;

WHEREAS, the Sectoral Committee on Infrastructure Development (SCID) evaluated the proposed project and recommended it for RDC approval based on the high priority accorded to it by both the implementing agencies and the concerned LGUs;


NOW, THEREFORE, on motion duly seconded, **BE IT RESOLVED AS IT IS HEREBY RESOLVED**, to endorse the CALA Urban Development and Transport Improvement Project to the ICC for funding under the JBIC loaning facility.

APPROVED this 27th day of December 2000 in Quezon City.

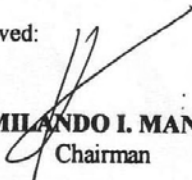
Certified Correct:


SEVERINO C. SANTOS
Secretary

Attested:


OSKAR D. BALBASTRO
Vice-Chairman

Approved:


HERMILANDO I. MANDANAS
Chairman



*Tulong-tulong
sa Pagsubong*

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**APPENDICES FOR
CHAPTER 10**

MEMORANDUM OF UNDERSTANDING

(D R A F T)

This Memorandum of Understanding is entered into by and between

Department of Public Works and Highways (DPWH), with office address on Bonfacio Drive, Manila, as the government agency responsible for the planning and development of the Cavite-Laguna Arterial Roads described herein;

- and -

One Asia Development Corporation, with office address at Suite 2302, The Orient Square, Emerald Avenue, Ortigas Center, Pasig, and the acknowledged developer of one of the properties to be affected by the planned arterial roads in Cavite;.

1. THE PLANNED ARTERIAL ROADS

Following the JICA-assisted feasibility study on the CALA East-West National Road Project which was conducted from February 2005 to September 2006, the Philippine government through the Department of Public Works and Highways has decided to build the following arterial roads:

- a) North-South Expressway, hereinafter referred to as “NS-Way”, extending from Bacoor-Cavite in the north to Sta.Rosa-Laguna in the south and broken down into the following segments:
 - a. NS1 – a grade separation interchange to connect the existing R-1 Expressway to an upgraded Molino Boulevard, approximately 1.9 kms;
 - b. NS2 – a 6-lane expressway, approximately 4.6 km., on Molino Boulevard from NS1;
 - c. NS3 – a 6-lane expressway, approximately 6.3 km, from NS2 to Daang Hari, through the One Asia Property;
 - d. NS4 – extends about 6.8 km. South from Daang Hari extension up to Aguinaldo Highway towards Palapala in Dasmariñas, and almost parallel to Aguinaldo Highway;.
 - e. NS5 – runs on the west-side of Aguinaldo Highway about 2 km before Governor’s Drive and terminates at the Silang area, with a length of about 7.6 km.
 - f. CE1-CE4 – about 22.9 km extending from NS5 to the existing Malitlit interchange of the SLEX in Sta. Rosa, Laguna;.

- b) East-West Road, extending the existing Daang Hari road eastward to SLEX and westward to Tanza, and comprising the following segments:
 - a. DH2 – about 3.2 km road and interchange linking Daang Hari to the South Luzon Expressway adjoining the Muntinlupa Bilibid Prison;
 - b. DH3 – about 9.3 km of the existing Daang Hari Road, from DH2 to the western side of Imus near Salitran;
 - c. DH4 – starting from Aguinaldo Highway, extending about 11.8 km westward to the Tanza area, to connect to the Tanza-Naic-Caylabne Road.

2. UNDERTAKING OF THE DPWH

The DPWH shall prepare all preparatory studies and surveys covering the aforementioned planned arterial roads, including right-of-way acquisition and other tasks attendant to construction. Specifically, the DPWH shall:

1. Line up funding from local and domestic resources for the early construction of the aforementioned roads, with target start of construction per segment as follows:
 - a) Year 2008 for NS1, NS2, and NS3;
 - b) Year 2009 for DH2;
 - c) Year 2010 for DH3;
 - d) Year 2012 for DH4, NS4 and NS5
 - e) Year 2015 for CE1 and CE4
2. Implement NS1 to NS3 road segments as limited access tolled highways in accordance with the BOT Law;
3. Designate or create a Project Management Office that will coordinate and perform all tasks necessary for the efficient implementation of the planned roads up to end of their construction;
4. Exert its best efforts to secure the support of local government units to be traversed by the roads towards incorporating the planned roads into their respective land use plans, and granting tax relief to private property owners whose lots will be yielded voluntarily for the rights-of-way of the planned roads;
5. Secure the Environmental Compliance Certificate for the planned roads as soon as possible, and retain the alignments as discussed and agreed during several meetings in 2005 and 2006 with various stakeholders;
6. Acquire the rights-of-way for the planned roads in accordance with law and established procedures as soon as funds become available for the purpose;
7. From time to time, inform the local government units and large property owners of significant developments or progress about the planned roads.

3. UNDERTAKING OF ONE ASIA DEVELOPMENT CORPORATION

In so far as the property under its control is concerned, One Asia shall reserve the rights-of-way for the road section labeled as NS3 and NS4 above by incorporating its alignment and easement as integral part of the company's property development plan, subject to the following conditions:

1. The alignment shall conform to the attached sketch plan, which traverses the on-going property development community of the company in Imus and Dasmariñas, Cavite;
2. The right-of-way shall not exceed 30-meter width for sections of NS-Way, inclusive of sidewalks but excluding provision for any service road or buffer the company may wish to build;

3. Title to the affected lots as subdivided shall remain with the current owner until such time that the DPWH is ready to construct the relevant road sections, which date shall be reckoned six months from the first tender announcement for the road's construction.
4. Pending road construction, the right of the property owner to utilize the same for whatever beneficial purposes it may deem proper shall not be diminished, provided that no permanent structures are built thereon.
5. The transfer of title to the affected lots shall be in accordance with applicable laws existing at the time of transfer, and in accordance with established valuation, compensation, and procedures. The property owner may opt to donate all or part of the affected lots to the government for the specific requirement of the planned road sections, to accept land swap as just compensation when available, or agree to any other equitable mode of compensation.
6. In the event that implementation by DPWH is delayed, the property owner may opt to construct the roads at its expense based on basic minimum technical and geometric design standards acceptable to DPWH, provided that such works will not prejudice subsequent construction or upgrading into higher level of service. The actual cost of such works shall be considered in item 5 above.
7. Persuade, on best efforts basis, adjacent property owners to respect the road alignment and accordingly reserve the requisite rights-of-way, for the mutual benefit of all.

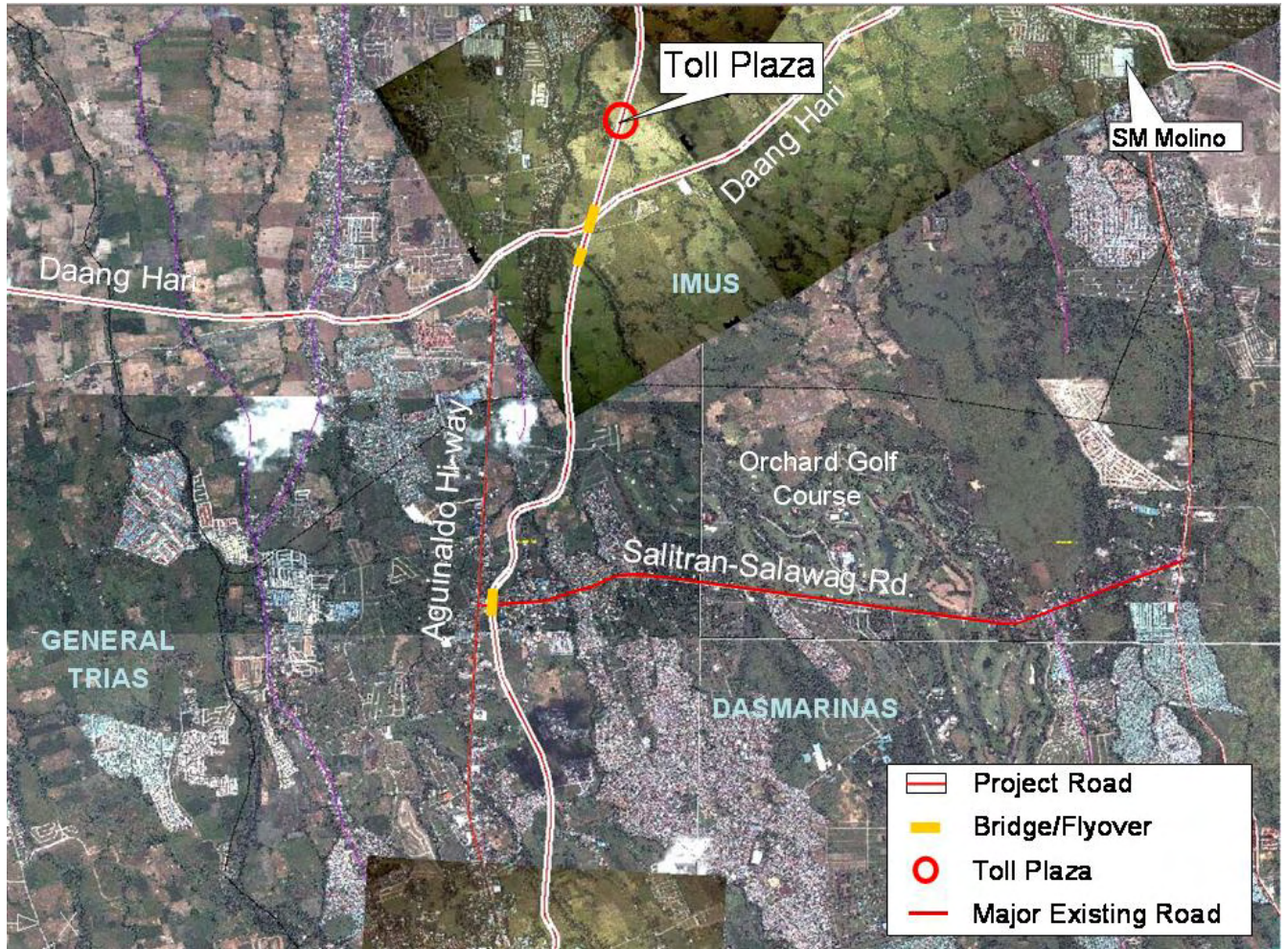
4. EFFECTIVITY AND TERMINATION

This Agreement shall take effect immediately after signing and shall be in effect for a period of fifteen (15) years, or upon completion of the relevant road sections, whichever is earlier.

Department of Public Works and Highways
By:

MANUEL M. BONOAN
Undersecretary

One Asia Development Corp.
By:



MEMORANDUM OF UNDERSTANDING

(D R A F T)

This Memorandum of Understanding is entered into by and between

Department of Public Works and Highways (DPWH), with office address at Bonifacio Drive, Manila, the government agency responsible for the planning and development of the Cavite-Laguna Arterial Roads described herein;

- and -

Ayala Land (?), with office address at _____, and the acknowledged developer of a property that will be traversed by the planned arterial roads.

1. THE PLANNED ARTERIAL ROADS

Following the JICA-assisted feasibility study on the CALA East-West National Road Project which was conducted from February 2005 to September 2006, the Philippine government through the Department of Public Works and Highways has decided to build the following arterial roads:

- a) North-South Expressway, hereinafter referred to as “NS-Way”, extending from Bacoor-Cavite in the north to Sta.Rosa-Laguna in the south and broken down into the following segments:
 - a. NS1 – a grade separation interchange to connect the existing R-1 Expressway to an upgraded Molino Boulevard, approximately 1.9 kms;
 - b. NS2 – a 6-lane expressway, approximately 4.6 km., on Molino Boulevard from NS1;
 - c. NS3 – a 6-lane expressway, approximately 6.3 km, from NS2 to Daang Hari, through the One Asia Property;
 - d. NS4 – extends about 6.8 km. South from Daang Hari extension up to Aguinaldo Highway towards Palapala in Dasmariñas, and almost parallel to Aguinaldo Highway;
 - e. NS5 – runs on the west-side of Aguinaldo Highway about 2 km before Governor’s Drive and terminates at the Silang area, with a length of about 7.6 km.
 - f. CE1-CE4 – about 22.9 km extending from NS5 to the existing Malitlit interchange of the SLEX in Sta. Rosa, Laguna;
- b) East-West Road, extending the existing Daang Hari road eastward to SLEX and westward to Tanza, and comprising the following segments:
 - a. DH2 – about 3.2 km road and interchange linking Daang Hari to the South Luzon Expressway adjoining the Muntinlupa Bilibid Prison;
 - b. DH3 – about 9.3 km of the existing Daang Hari Road, from DH2 to the western side of Imus near Salitran;
 - c. DH4 – starting from Aguinaldo Highway, extending about 11.8 km westward to the Tanza area, to connect to the Tanza-Naic-Caylabne Road.

2. UNDERTAKING OF THE DPWH

The DPWH shall prepare all preparatory studies and surveys covering the aforementioned planned arterial roads, including right-of-way acquisition and other tasks attendant to construction. Specifically, the DPWH shall:

1. Line up funding from local and domestic resources for the early construction of the aforementioned roads, with target start of construction per segment as follows:
 - a) Year 2008 for NS1, NS2, and NS3;
 - b) Year 2009 for DH2;
 - c) Year 2010 for DH3;
 - d) Year 2012 for DH4, NS4 and NS5
 - e) Year 2015 for CE1 and CE4
2. Implement NS1 to NS3 road segments as limited access tolled highways in accordance with the BOT Law;
3. Designate or create a Project Management Office that will coordinate and perform all tasks necessary for the efficient implementation of the planned roads up to end of their construction;
4. Exert its best efforts to secure the support of local government units to be traversed by the roads towards incorporating the planned roads into their respective land use plans, and granting tax relief to private property owners whose lots will be yielded voluntarily for the rights-of-way of the planned roads;
5. Secure the Environmental Compliance Certificate for the planned roads as soon as possible, and retain the alignments as discussed and agreed during several meetings in 2005 and 2006 with various stakeholders;
6. Acquire the rights-of-way for the planned roads in accordance with law and established procedures, as soon as funds become available for the purpose;
7. From time to time, inform the local government units and large property owners of significant developments or progress about the planned roads.

3. UNDERTAKING OF AYALA LAND (or CECI Realty Inc?)

In so far as the property under its control is concerned, ALI shall reserve the rights-of-way for the road sections labeled as CE1 of the NS-Way by incorporating its alignment and easement as integral part of the company's property development plan, subject to the following conditions:

1. The alignment shall conform to the attached sketch plan, which abuts without bisecting into two the Ayala Westgrove Heights property in Silang, Cavite and passes through the Ayala Greenfield in Sta. Rosa, Laguna;
2. A roundabout scheme of sufficient diameter for 3 lanes shall be designed and built to handle the projected volume of traffic on three (3) intersecting roads

comprising the public Tagaytay-Sta.Rosa Road, the private north-south spine road, and the public CE1-CE4 segments of NS-Way;

3. The right-of-way shall not exceed approximately 85m inscribed radius for the planned roundabout and 30-meter width for sections of NS-Way;
4. Title to the affected lots as subdivided shall remain with the current owner until such time that the DPWH is ready to construct the relevant road sections, which date shall be reckoned six months from the first tender announcement for the road's construction.
5. Pending road construction, the right of the property owner to utilize the same for whatever beneficial purposes it may deem proper shall not be diminished, provided that no permanent structures are built thereon.
6. The transfer of title to the affected lots shall be in accordance with applicable laws existing at the time of transfer, and in accordance with established valuation, compensation, and procedures. The property owner may opt to donate all or part of the affected lots to the government for the specific requirement of the planned road sections, to accept land swap as just compensation when available, or agree to any other equitable mode of compensation.
7. In the event that implementation by DPWH is delayed, the property owner may opt to construct the roads at its expense based on basic minimum technical and geometric design standards acceptable to DPWH, provided that such works will not prejudice subsequent construction or upgrading into higher level of service. The actual cost of such works shall be considered in item 5 above.
8. Persuade, on best efforts basis, adjacent property owners to respect the road alignment and accordingly reserve the requisite rights-of-way, for the mutual benefit of all.

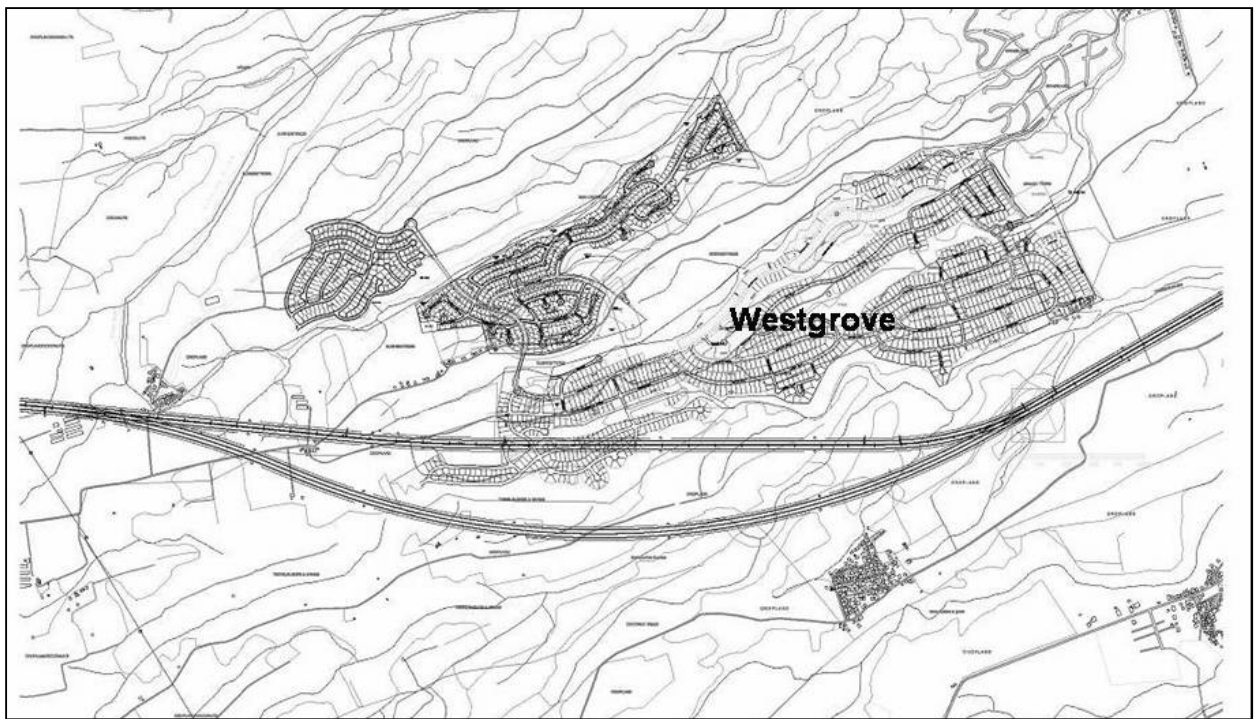
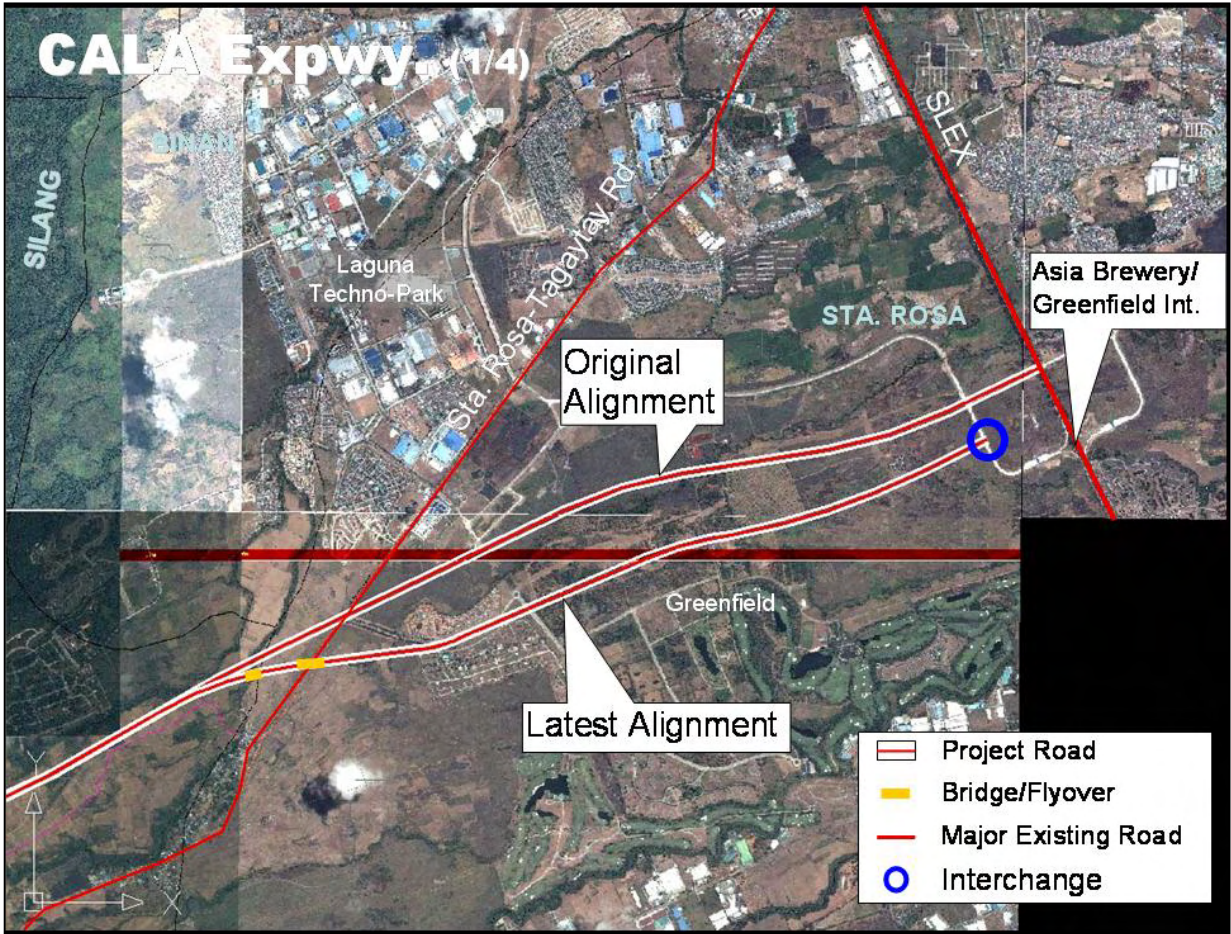
4. EFFECTIVITY AND TERMINATION

This Agreement shall take effect immediately after signing and shall be in effect for a period of fifteen (15) years or upon completion of the relevant road sections, whichever is earlier.

Department of Public Works and Highways
By:

MANUEL M. BONOAN
Undersecretary

Ayala Land Inc.
By:



**APPENDICES FOR
CHAPTER 11**

**THE IMPLEMENTING ARRANGEMENT
FOR THE
CAVITE ARTERIAL ROADS**

**AGREED BETWEEN THE
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
AND
NATIONAL DEVELOPMENT COMPANY**

**Department of Public Works and Highways
By:**

**National Development Company
By:**

HERMOGENES E. EBDANE JR.
Acting Secretary

ARTHUR N. AGUILAR
General Manager

WITNESSETH BY:

MANUEL M. BONOAN
DPWH Undersecretary

NOEL ELI D. KINTANAR
President, Phil. Infrastructure Corp.

I. INTRODUCTION

The development of the CALABARZON as a premiere industrial belt of the Philippines, is a priority of the government. To enhance the global competitiveness of industries in the region and sustain their vitalities, efficient infrastructure must be put in place.

Accordingly, the Department of Public Works and Highways has initiated, as early as 1998, the planning and immediate implementation of several arterial roads in the North-South and East-West corridors. However, due to funding constraints, the major projects have been delayed.

On the other hand, the National Development Corporation, as an attached agency of the Department of Trade and Industry, has been tasked (under the Philippine Medium Term Plan to Year 2010) to make available its resources to overcome the obstacles that hampered the early realization of major transport infrastructure projects and to resolve the constraints that handicapped Philippine industries.

This document outlines the cooperation agreement of the above-mentioned government agencies towards the early implementation of target road projects described in the following sections.

II. THE TARGET ROAD PROJECTS

With due consideration of the preparatory studies made by the JICA-assisted study team on the CALA East-West National Road Project and the extensive consultations undertaken thereby, the target road projects are as indicated in figure 1 and more particularly described as follows:

1. North-South Expressway, hereinafter referred to as “N-S Way”, extending from Bacoor-Cavite in the north to Sta.Rosa-Laguna in the south and broken down into the following segments:

1.1 Stage 1:

- a. NS1 – a grade separation interchange to connect the existing R-1 Expressway to the proposed expressway on Molino Boulevard, approximately 1.9 kms;
- b. NS2 – a 6-lane expressway, approximately 4.6 kms., on Molino Boulevard from NS1;
- c. NS3 – a 6-lane expressway, approximately 6.3 kms, from NS2 to Daang Hari, through the One Asia Property;

1.2 Stage 2:

- a. NS4 – extends about 6.8 kms. South from Daang Hari extension up to Aguinaldo Highway towards Palapala in Dasmariñas, almost parallel to Aguinaldo Highway.
 - b. NS5 – Runs west-side of Aguinaldo Highway about 2 km before Governor’s Drive and terminates at the Silang area, with a length of about 7.6 kms.
 - c. CE1-CE4 – about 22.9 kms. extending from NS5 to the existing ABB-Greenfield interchange of the SLEX.
2. East-West Road, extending the existing Daang Hari road eastward to SLEX and westward to Tanza, and comprising the following segments:
- a. DH2 – about 3.2 kms. near the Muntinlupa Bilibid Prison linking Daang Hari to the South Luzon Expressway, including the required interchange;
 - b. DH3 – about 9.3 kms. of the existing Daang Hari Road, from DH2 to the western side of Imus near Salitran;
 - c. DH4 – starting from Aguinaldo Highway, extending about 11.8 kms. westward to the Tanza area, to connect to the Tanza-Naic-Caylabne Road.

III. GUIDING PRINCIPLES

1. The development of the target roads, particularly Stage 1 of the N-S Way, shall be pursued through a public-private partnership under and pursuant to Republic Act No. 7718, otherwise known as the BOT Law, with the NDC as a possible minority investor providing initial funds, if necessary or required for commercial viability, to jumpstart the implementation of said projects.
2. DH2 of the East-West Road shall be pursued as a BTO project by the NDC, either by itself or together with its partners, in accordance with its charter.
3. The NDC, pursuant to its charter, shall create special project companies for Stage 1 of the N-S Way and of DH2 in order to facilitate the entry of the private sector into both projects, which special project companies shall construct, operate, and maintain the respective project assets.
4. In the public bidding for the BTO implementation of Stage 1 of N-S Way, the guiding principle to award the Project shall be the minimization of government financial exposure in the Project – whether sourced from DPWH or NDC – and the maximization of the private sector financial exposure therein.

5. Land acquisition for rights-of-way shall conform to existing laws, rules and procedures of the government. However, to accelerate the implementation of the target roads, NDC shall:
 - (a) Provide funds to acquire the rights-of-way for Stage 1 of N-S Way, or to secure the writs of possession in case of expropriation proceedings. Incremental contingent claims for just compensation, which are decided by the Courts with finality, above the amount deposited in escrow to secure the writs of possession, shall be for the account of DPWH.
 - (b) Advance the funds to acquire or secure the right of way for DH4, subject to the conditions herein set forth.
6. Titles for all lands acquired thereby, shall accrue to the Republic of the Philippines as administered by DPWH.
7. The repayment by DPWH of any NDC cash advances for the cost of rights-of-way not otherwise factored into the toll rate shall be covered by a separate Memorandum of Agreement between the parties, which shall, among others, stipulate the schedule of repayments and cost-recovery mechanism; provided this shall be without prejudice to the conditions for the release of funds by NDC.
8. The design and construction standards of the DPWH shall govern in respect of all the target roads, which shall include a value engineering of the civil works of target roads and toll facilities. Its technical review powers remain undiminished even for tolled roads, except when otherwise waived in writing.
9. In accordance with standard practices on BTO projects, the project companies envisioned in this agreement shall have the right to select and engage their own design engineer, construction company, construction manager, and/or operations and maintenance entity in accordance with applicable laws.
10. Both parties shall exert their best efforts to secure additional grants from domestic and foreign sources to cover other pre-construction activities – particularly for detailed engineering, parcellary mapping, and preparation of tender documents.
11. Should there be some disagreements not anticipated herein, the parties shall mutually resolve the same in favor of a course of action that will lead to the earliest possible construction time of any section of the target roads.
12. Each party shall be free to waive, in writing, any or all rights it has herein, or to require a strict adherence thereto, at each party's own discretion, in order to accelerate the implementation of the target roads.
13. All relevant information on the target roads shall be shared freely to the other party.

IV. UNDERTAKING OF THE DPWH

In general, the DPWH shall prepare all preparatory studies and surveys covering the target roads, including tasks leading to construction, except when otherwise stated in this document. Specifically, the DPWH shall:

1. Classify relevant road segments of Daang Hari Road and Molino Boulevard into national roads and to establish Stages 1 and 2 of the N-S Way into a limited access highway pursuant to Republic Act 2000;
2. Issue a Certification that Stage 1 of the N-S Way and DH2 have been included in the agency's BOT program to be built before 2010 and secure, with the assistance of the NDC, the requisite approvals from the National Economic Development Authority-Investment Coordination Committee (NEDA-ICC);
3. Desist from entertaining any unsolicited proposal for the BOT development of Stage 1 of N-S way throughout the effectivity of this Agreement, except with the written consent of NDC.
4. Recognize the Philippine Infrastructure Corporation (PIC) as the project manager of NDC for the Projects delineated herein.
5. Immediately after the signing of this Agreement, grant the NDC, PIC, the special project company to be established for Stage 1 of N-S Way, and/or their agents, representatives, consultants and contractors, access to the Molino Boulevard for the purpose of conducting pre-construction activities, including but not limited to the conduct of preliminary and detailed engineering designs of the project.
6. Immediately after the issuance of the NEDA-ICC approval to develop Stage 1 of N-S Way as a BTO Project, assign to the special project company the usufruct of relevant sections of Molino Boulevard for upgrading into an expressway with corollary service roads, which shall include, but not limited to, the right of the special project company to modify the said sections of the Molino Boulevard to be consistent with the full development plan for N-S Way and the design standards of DPWH.
7. Within the limits of its resources, to provide technical assistance and support to the NDC/PIC in the fulfillment of the latter's obligation on the target roads;
8. Subject to availability of funds within its annual budget, reimburse NDC for any advances the latter may have provided for the cost of rights-of-way acquisition involving the target roads not recoverable from tolls, which shall factor-in the costs of money advanced by NDC as stipulated in the covering Memorandum of Agreement;
9. Acquire, and if necessary, expropriate all necessary rights-of-way to be obtained under this Agreement, with the financial and other assistance of NDC.
10. Program in its annual budgets the reimbursement to NDC of any advances the latter may have provided for the cost of rights-of-way acquisition involving the target roads, provided that the scheme for reimbursement shall factor in the costs of money advanced by NDC, and provided further that the same shall be subject to availability of said funds in the annual budgets of DPWH.

11. Designate a Project Management Office that will coordinate and perform all tasks necessary for the efficient implementation of the target roads up to end of their construction, including provision of any technical support to NDC/PIC.
12. Line up funding from local and domestic resources for the early construction of the Calamba bypass road based on past studies, and the other sections of the target roads not otherwise assumed by NDC.
13. Assist NDC with the tender for private sector participation in Stage 1 of the N-S Way and the corollary privatization of the grantee special purpose company.
14. Secure the necessary Environmental Compliance Certificates for the target roads. In this regard, the DPWH shall prioritize the issuance of the necessary ECCs for Stage 1 of the N-S Way and for DH2.

V. UNDERTAKING OF NDC

In general, the NDC shall perform the role of a government minority investor in the above projects for the sole purpose of fast-tracking the development of these projects. Its specific undertaking shall be as follows:

1. To assemble financial, managerial and other resources for the completion of the target roads, particularly that of DH2, NS1, NS2 and NS3, as early as possible before 2010.
2. To develop, with the assistance of DPWH, the feasibility studies and tender documents for Stage 1 of N-S Way as a public-private partnership and as part of the BTO tender process.
3. To provide funds for the right-of-way of Stage 1 of N-S Way, based on items 5 and 6 of the guiding principle.
4. In view of the fact that the construction of DH4 is crucial to the long-term viability of Stage 1 of N-S Way, to advance funds for the acquisition of the rights-of-way for DH4; provided that the obligation of NDC to provide funds therefore shall be subject to: (a) the commitment or programming of DPWH funds for the construction of DH4; (b) the prior execution of a separate Memorandum of Agreement as to the detailed terms and conditions on repayment, which shall include an adequate cost-recovery mechanism, and (c) with respect to the actual release of funds, the same shall be made about a year prior to the commencement of the its actual construction.
5. Set up, as an initial investor, a project company that will hold the toll concession for, and will undertake the development, operation and maintenance of, Stage 1 of the N-S Way, as well as to mobilize local and/or foreign funds for this purpose; provided that NDC shall not be prohibited from divesting its investments in said

project company to interested third parties at any time, pursuant to Republic Act 7718, otherwise known as the BOT Law.

6. Secure, with the endorsement of DPWH, a Toll Concession Agreement and a Toll Operating Certificate from the Toll Regulatory Board (TRB) for the respective special project companies and/or the operation and maintenance companies.
7. Initiate the construction of DH2 at the soonest possible time, either on its own or with any of its partners and/or affiliates, including the financing of the feasibility study thereof, the detailed engineering and securing of approvals from appropriate authorities.
8. Within three(3) months of the signing of this Agreement, initiate the implementation of NS1 section of the N-S Way, which shall encompass the conduct of detailed engineering and other pre-construction activities; provided that the release of the funds for and the conduct of these activities shall be subject to the feasibility of the Project; provided, further, that the release of the funds for the actual construction of NS1 shall be subject to the issuance of the necessary approvals from the TRB.
9. Lead the parties in the tendering for BTO implementation of Stage 1 of the N-S Way, within four (4) months from the issuance of the necessary approvals from NEDA-ICC and TRB. The tendering shall be made as early as possible after the issuance of the necessary NEDA-ICC and TRB approvals to implement the Project, but not later than the bidding for construction and start of actual construction.
10. Without prejudice to item 5 of NDC's undertakings, to synchronize the disposal of its interest in the toll road project company with the tendering process mentioned under item 13 of the DPWH commitments, under such terms and conditions as it may find reasonable.

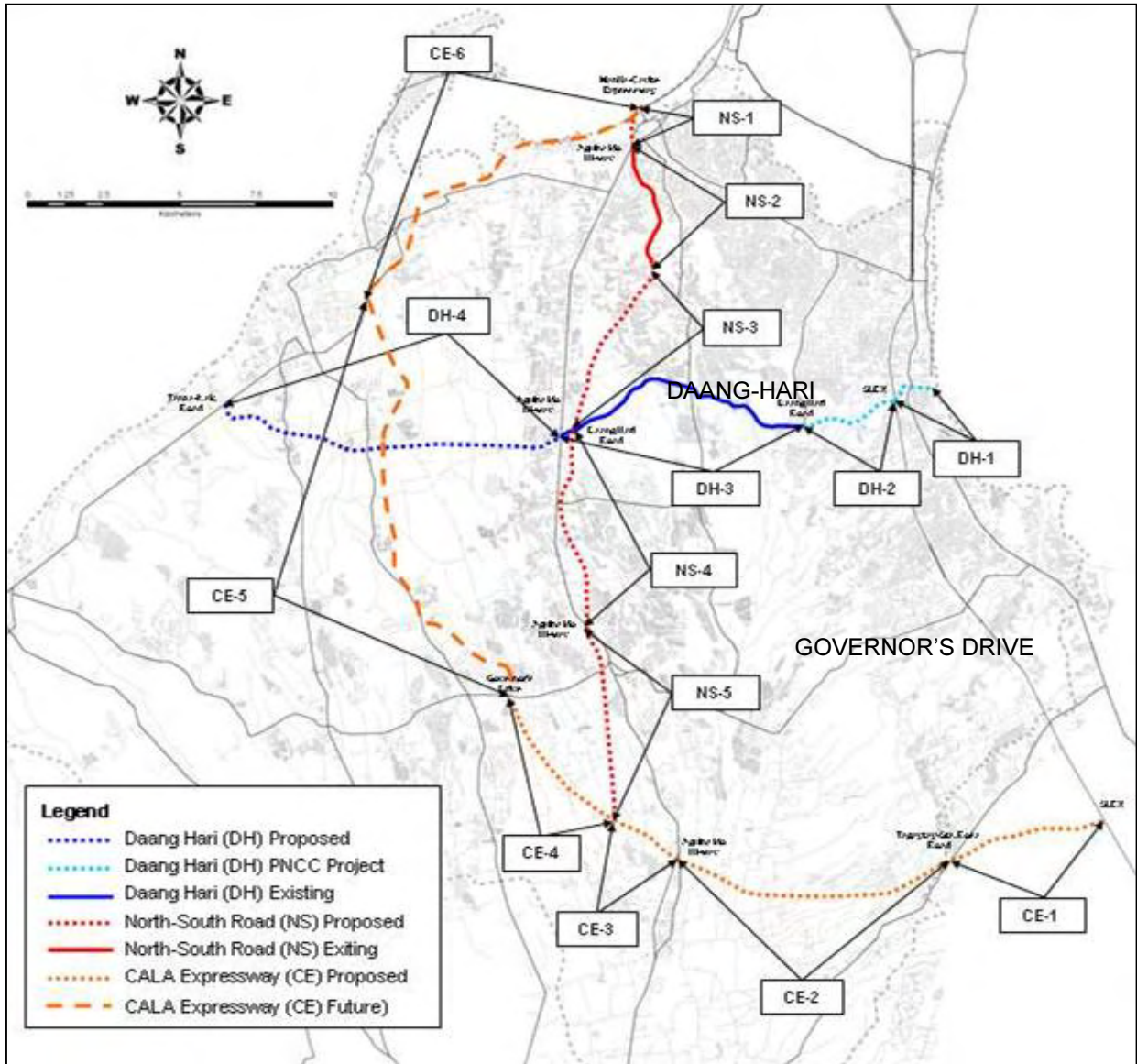
VI. CONSULTATION

DPWH and NDC shall consult with each other from time to time, in respect of any matter that may arise from or in connection with this document.

VII. EFFECTIVITY AND TERMINATION

This Agreement shall take effect immediately after signing and shall be in effect for a period of five (5) years. Within this period, either party may terminate this Agreement if there is no substantial progress in the other party's undertakings, or if all obligations have been substantially fulfilled or complied with.

Figure 1 – The Target Roads



**THE IMPLEMENTING ARRANGEMENT
FOR THE
CAVITE ARTERIAL ROADS**

**AGREED BETWEEN THE
DEPARTMENT OF PUBLIC WORKS AND HIGHWAYS
AND
NATIONAL DEVELOPMENT COMPANY**

**Department of Public Works and Highways
By:**

**National Development Company
By:**

HERMOGENES E. EBDANE JR.
Acting Secretary

ARTHUR N. AGUILAR
General Manager

WITNESSETH BY:

MANUEL M. BONOAN
DPWH Undersecretary

NOEL ELI D. KINTANAR
President, Phiippine. Infrastructure Corp.

I. INTRODUCTION

The development of the CALABARZON (CALA region) as a premiere industrial belt of the Philippines, is a priority of the Government. To enhance the global competitiveness of industries in the CALA region and sustain their vitalities, efficient infrastructure must be put in place.

Accordingly, the Department of Public Works and Highways has initiated, as early as 1998, the planning and immediate implementation of several arterial roads in the North-South and East-West corridors. However, due to funding constraints, the major projects have been delayed.

On the other hand, the National Development Corporation, as an attached agency of the Department of Trade and Industry, has been tasked (under the Philippine Medium Term Plan to Year 2010) to make available its resources to overcome the obstacles that hampered the early realization of major transport infrastructure projects and to resolve the constraints that handicapped Philippine industries.

This document outlines the cooperation agreement of the above-mentioned Government agencies for the early implementation of target road projects described in the following sections.

II. THE TARGET ROAD PROJECTS

With due consideration of the preparatory studies made by the JICA-assisted study team on the CALA East-West National Road Project and the extensive consultations undertaken thereof, the target road projects are as indicated in figure 1 and more particularly described as follows:

1. North-South Expressway, hereinafter referred to as “N-S Way”, extending from Bacoor-Cavite in the north to Sta.Rosa-Laguna in the south and broken down into the following segments:

1.1 Stage 1:

- a. NS1 – a grade separation interchange to connect the existing R-1 Expressway to the proposed expressway on Molino Boulevard, approximately 1.9 km;
- b. NS2 – a 6-lane expressway, approximately 4.6 km., on Molino Boulevard from NS1;

- c. NS3 – a 6-lane expressway, approximately 6.3 km, from NS2 to Daang Hari, through the One Asia Property;

1.2 Stage 2:

- a. NS4 – extends about 6.8 km. South from Daang Hari extension up to Aguinaldo Highway towards Palapala in Dasmariñas, almost parallel to Aguinaldo Highway.
 - b. NS5 – Runs on the west-side of Aguinaldo Highway about 2 km before Governor’s Drive and terminates at the Silang area, with a length of about 7.6 km.
 - c. CE1-CE4 – about 22.9 km extending from NS5 to the existing ABB-Greenfield interchange of the SLEX.
2. East-West Road, extending the existing Daang Hari road eastward to SLEX and westward to Tanza, and comprising the following segments:
- a. DH2 – about 3.2 km near the Muntinlupa Bilibid Prison linking Daang Hari to the South Luzon Expressway, including the required interchange;
 - b. DH3 – about 9.3 km of the existing Daang Hari Road, from DH2 to the western side of Imus near Salitran;
 - c. DH4 – starting from Aguinaldo Highway, extending about 11.8 km westward to the Tanza area, to connect to the Tanza-Naic-Caylabne Road.

III. GUIDING PRINCIPLES

1. The development of the target roads, particularly Stage 1 of the N-S Way, shall be pursued through a public-private partnership under and pursuant to Republic Act No. 7718, otherwise known as the BOT Law, with the NDC providing initial funds, if necessary or required for commercial viability, to jumpstart the implementation of said projects.
2. DH2 of the East-West Road shall be pursued as a BOT project by NDC.
3. In the public bidding for the BOT implementation of Stage 1 of N-S Way, the guiding principle to award the Project shall be the minimization of government financial exposure in the Project – whether sourced from DPWH or NDC – and the maximization of the private sector financial exposure therein.
4. Land acquisition for rights-of-way shall conform to existing laws, rules and procedures of the Government. However, to accelerate the implementation of the target roads, NDC shall provide funds to acquire the rights-of-way for Stage 1 of N-

S Way by some legally-permissible mechanism, or to secure the writs of possession in case of expropriation proceedings, commencing immediately after the award of the concession to the winning bidder and without waiting for the completion of the detailed engineering works.

5. Titles for all lands acquired thereby, shall accrue to the Republic of the Philippines as administered by DPWH.
6. The repayment of any NDC cash advances for the cost of rights-of-way shall be recognized in the bidding for concession, and shall become an obligation of the entity in possession of the Toll Concession Agreement. Such costs shall be part of total project cost in the determination of toll rate.
7. The design and construction standards of the DPWH shall govern in respect of all the target roads, which shall include a value engineering of the civil works of target roads and toll facilities. Its technical review powers remain undiminished even for tolled roads, except when otherwise waived in writing.
8. In accordance with standard practices on BTO projects, the concessionaires shall have the right to select and engage their own design engineer, construction company, construction manager, and/or operations and maintenance entity in accordance with applicable laws.
9. Both parties shall exert their best efforts to secure additional grants from domestic and foreign sources to cover other pre-construction activities – particularly for detailed engineering, parcellary mapping, and preparation of tender documents.
10. Should there be some disagreements not anticipated herein, the parties shall mutually resolve the same in favor of a course of action that will lead to the earliest possible construction time of any section of the target roads.
11. Each party shall be free to waive, in writing, any or all rights it has herein, or to require a strict adherence thereto, at each party's own discretion, in order to accelerate the implementation of the target roads.
12. All relevant information on the target roads shall be shared freely with the other party.

IV. UNDERTAKING OF THE DPWH

In general, the DPWH shall prepare all preparatory studies and surveys covering the target roads, including tasks leading to construction, except when otherwise stated in this document. Specifically, the DPWH shall:

1. Classify relevant road segments of Daang Hari Road and Molino Boulevard into national roads and to establish Stages 1 and 2 of the N-S Way into a limited access highway pursuant to Republic Act 2000;
2. Issue a Certification that Stage 1 of the N-S Way and DH2 have been included in the agency's BOT program to be built before 2010 and secure, with the assistance

of the NDC, the requisite approvals from the National Economic Development Authority-Investment Coordination Committee (NEDA-ICC);

3. Prepare the tender documents on the basis of the feasibility study conducted by the JICA-assisted Study Team, and to conduct the bidding as soon as possible, for the BTO development of Stage 1 of NS-Way, from detailed engineering to construction, operations and maintenance.
4. Form a special Prequalification, Bid and Awards Committee for the NS-Way, to include representatives from the NDC/PIC.
5. Desist from entertaining any unsolicited proposal for the target roads.
6. Recognize the Philippine Infrastructure Corporation (PIC) as the project facilitator of NDC for the roads intended to be implemented under a public-private partnership scheme.
7. Acquire, and if necessary, expropriate all necessary rights-of-way to be obtained under this Agreement, with the financial and other assistance of NDC or any of its subsidiary and affiliates.
8. Program in its annual budgets the capital requirements of the target roads to year 2010, with first priority granted to rights-of-way and other costs not otherwise assumed by the winning bidder in the NS-Way.
9. Designate a Project Management Office that will coordinate and perform all tasks necessary for the efficient implementation of the target roads up to end of their construction.
10. Secure the necessary Environmental Compliance Certificates for the target roads. In this regard, the DPWH shall prioritize the issuance of the necessary ECCs for Stages 1 and 2 of the N-S Way and for DH2.

V. UNDERTAKING OF NDC

NDC specific undertaking shall be as follows:

1. To assist DPWH in assembling financial, managerial and other resources for the completion of the target roads, particularly that of DH2, NS1, NS2, NS3, NS-4 and NS-5 as early as possible before 2010.
2. To assist DPWH to complete the feasibility studies and to prepare the tender documents initially for Stage 1 of N-S Way, and subsequently for Stage 2 of N-S Way, as a public-private partnership.
3. To provide funds for the right-of-way of Stages 1 and 2 of N-S Way, subject to availability of resources and the constraints on NDC charter.
4. Assist DPWH to mobilize local and/or foreign funds for the target roads, including PPPs, pursuant to Republic Act 7718, otherwise known as the BOT Law.

5. Assist DPWH to secure a Toll Concession Agreement and a Toll Operating Certificate from the Toll Regulatory Board (TRB) for the respective Toll Road Concessionaires selected through International Competitive Bidding.
6. Assist DPWH in the tendering for BTO implementation of Stage 1 (and Stage 2, if found to be financially viable) of the N-S Way, within four (4) months from the issuance of the necessary approvals from NEDA-ICC and TRB. The tendering shall be made as early as possible after the issuance of the necessary NEDA-ICC and TRB approvals to implement the Project.
7. Invest in the toll concession company, in such amounts and forms as may be required by the terms of the winning bid and the award thereto.
8. Initiate the construction of DH2 at the soonest possible time, either on its own or with any of its partners and/or affiliates, including the financing of the feasibility study thereof, the detailed engineering and securing of approvals from appropriate authorities.

VI. CONSULTATION

DPWH and NDC shall consult with each other from time to time, in respect of any matter that may arise from or in connection with this document.

VII. EFFECTIVITY AND TERMINATION

This Agreement shall take effect immediately after signing and shall be in effect for a period of five (5) years. Within this period, either party may terminate this Agreement if there is no substantial progress in the other party's undertakings, or if all obligations have been substantially fulfilled or complied with.

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