

BY THE PRESIDENT OF THE PHILIPPINES
ADMINISTRATIVE ORDER No. 52

**DIRECTING THE BASES AND CONVERSION DEVELOPMENT
AUTHORITY TO CONDUCT A STUDY ON A POSSIBLE PARTIAL
NOVATION OF THE JOINT VENTURE AGREEMENT WITH THE
BONIFACIO LAND CORPORATION AND THE FORT BONIFACIO
DEVELOPMENT CORPORATION**

WHEREAS, the prevailing economic crisis has greatly weakened the real estate industry which in turn has affected certain government development projects in the Fort Bonifacio area;

WHEREAS, the Bases Conversion Development Authority (BCDA) and the Bonifacio Land Corporation (BLC), parties in a joint-venture corporation called the Fort Bonifacio Development Corporation are having difficulty complying with their respective obligations under the joint-venture agreement to the effect that BCDA and the Philippine Army has been unable to clear the 64 hectare area to be developed as a Sports and Recreation Area of its illegal military and civilian occupants within the stipulated date of 12 February 1998 and in turn the BLC has not completed payments on its subscription to the joint venture corporation;

WHEREAS, the BCDA the FBDC and the BLC have been considering the partial novation of their joint venture agreement under which the respective obligations of the parties are reduced to more practical parameters consistent with the prevailing economic situation;

WHEREAS, this administration has adopted a policy of complete transparency to assure the public of its honesty and integrity in public service;

NOW, THEREFORE, I JOSEPH EJERCITO ESTRADA, President of the Republic of the Philippines, by virtue of the powers vested in me by law, do hereby order:

Section 1. Study of a Partial Novation of the Joint Venture Agreement. The BCDA in coordination with the Government Corporate Monitoring and Coordinating Committee (GCMCC), is hereby directed to conduct a study of a possible partial novation of the joint venture agreement such that its obligation and the obligations of



the BLC are reduced in line with their respective capabilities taking into consideration the prevailing economic crisis.

Section 2. Scope of the Partial Novation. The partial novation shall allow the BCDA to be released from its obligation to deliver vacant possession of the 64 hectare area which was supposed to have been developed as a Sports and Recreation Area thereby allowing the BCDA to plan the same in accordance with the priorities of government.

Section 3. Participation of the GCMCC. Should the BCDA still be obligated to deliver properties of reduced area and value to FBDC, the GCMCC is hereby directed to confirm the land values and assure that they are appraised in the most transparent manner with the end in view that the government shall enjoy the most advantageous pricing for every parcel.

Section 4. Taxes Attending the Proposed Novation. The BCDA is further directed to seek the appropriate rulings from the Bureau of Internal Revenue regarding the attendant taxes that shall be imposed on the proposed novation where necessary and that they be apportioned to the parties appropriately should there be any tax incidence.

Section 5. All executive department and agency issuances inconsistent herewith are hereby deemed repealed, modified or amended accordingly.


Section 6. This Administrative Order shall take effect immediately.

Done in the City of Manila, this 19th day of FEBRUARY in the year of Our Lord, Nineteen Hundred and Ninety-Nine.


JOSEPH EJERCITO ESTRADA



By the President:


RONALDO B. ZAMORA
Executive Secretary



PJEE Hologram # 3417