

**COMPROMISE AND FRAMEWORK OF AGREEMENT**

This Compromise Agreement (the "Agreement") made and executed by and between:

**FEDERATION OF SICOGON ISLAND FARMERS AND FISHERFOLK ASSOCIATION**, with its office at Bacos Complex, Barangay Botongon, Estancia, Iloilo (FESIFFA)

**SICOGON DEVELOPMENT CORPORATION** a corporation duly organized and existing under Philippine laws with principal office address at Nature's Village Resort and Hotel, Talisay City, Negros Occidental (SIDEKO),

**AYALA LAND, INC.**, a corporation duly organized and existing under Philippine laws with principal office address at ALI Capital, 19<sup>th</sup> Floor, Floor Tower One and Exchange Building, Ayala Triangle, Ayala Avenue, Makati City (ALI)



**SETS FORTH THAT:**

WHEREAS, SIDEKO is the absolute owner of the Eight Hundred Ten (810) Hectares titled property in the island of Sicogon further described in its Transfer Certificate of Title No. T-80191 of the Registry of Deeds of Iloilo.


WHEREAS, FESIFFA has held itself as the representative of its members, agrarian reform beneficiaries and non-option takers that claimed a maximum of Seven Hundred Eighty Four (784) households still remaining in Sicogon Island. This household count shall be validated by the National Anti-Poverty Commission and shall be for the final approval of the JV.

WHEREAS, ALI (or its assignees) has proposed to partner with Sideko to develop the island of Sicogon into a world class eco-tourism destination which will create livelihood and business opportunities to the people of Sicogon including members of FESIFFA. SIDEKO and ALI shall be collectively called as the "JV".

WHEREAS, Three Hundred Thirty Four (334) hectares of the Eight Hundred Ten (810) hectare property has been issued with a Notice of Coverage by the Department of Agrarian Reform (DAR) last July 31, 2009 and has been the subject of disputes between FESIFFA and its members and the landowner SIDEKO.

WHEREAS, JV has presented the development plan for the island and the benefits of livelihood and business opportunities which has been acknowledged by the people of Sicogon. JV also presented its forecast of improved economies and better land use through tourism which achieves the same objectives of CARP which is to alleviate poverty.

WHEREAS, in the interest of pushing through with the development and delivering the livelihood and business opportunities to the people of Sicogon Island, including FESSIFFA and its members, and to the rest of the region, all the parties herein have agreed to pursue a compromise agreement which will in turn allow the JV to develop the island. This agreement is being made as all parties recognize that the legal remedies available to each will require more time, effort and investment. The parties have been engaged in negotiations since December 2013 and the agreement below provides the detail of the compromise agreement.



NOW, THEREFORE, the parties agree as follows:

**FULFILLMENT BY THE JOINT VENTURE (ALI AND SIDEO)**

**Resettlement**

The JV will allocate Thirty Hectares (30 Has.) for residential site to the validated households without relocation options. The use for the land shall be strictly limited to residential use only and shall follow rules and regulations that will be set by the developer and FESIFFA once it completes its planning. The residential site shall not be sold nor assigned to other parties. .

The location of the resettlement site shall be more or less within the boundary of San Fernando and Alipata. Location shall be identified after 30 days from signing of this agreement.

A total of Seventy Six Million Pesos (76,000,000 Php) will be allocated for the construction of amenities and land preparations for the residential site.

A Deed of Donation, subject to such conditions necessary to preserve the residential character of the lot to its intended beneficiaries shall be executed to cause the turnover of the lot simultaneous to the release of the conversion order from DAR. The Deed of Donation shall also contain details of rules and regulations and corresponding penalties for any violations to the agreed use of the property.

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**Livelihood and Training Projects**

The JV will also allocate a total of Thirty Eight Million Pesos (38,000,000 Php) for the livelihood and training projects of FESIFFA and its members. Schedule of disbursements shall be in tranches along with the development schedule of the island. It is also understood that resettlement shall be prioritized before the livelihood projects are initiated. Any savings that may be incurred from the resettlement site shall be added to the livelihood and training funds.

The committed values/ investment above can be reallocated to other projects provided that the main purpose is for livelihood improvement/ supplement and/ or training programs for FESIFFA and its members. Identified livelihood projects shall be aligned with the JV masterplan. Any allocation and manner of use shall be for the discussion and approval of the JV and the FESIFFA to ensure funds are being used for the objective of supporting the livelihood and capacity building of the local community.

**Agricultural Area**

The JV has also agreed to allocate a total of Forty Hectares (40 Has.) for conventional farming. The area shall be identified after the JV completes its Masterplanning. The agricultural area shall be outside of the JV identified developable area and shall be suited for agriculture. Identified area shall be within the legal boundaries of the titled area of SIDECO.

It shall be understood that the only use permitted for the area to be allocated and conveyed thru a Deed of Donation shall be for agricultural use only.

A Deed of Donation, subject to such conditions necessary to preserve the agricultural character of the lot to its intended beneficiaries shall be executed to cause the turnover of the lot simultaneous to the release of the conversion order from DAR. The Deed of Donation shall also contain details of rules and regulations and corresponding penalties for any violations to the agreed use of the property.

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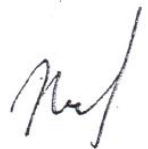
Employment Opportunities

The JV shall ensure equal opportunities to all the original residents of Sicogon. As such, the JV shall prioritize hiring of original residents of Sicogon provided that they have the required skills for the employment opportunity.

**FULFILLMENT BY FESIFFA**

In consideration of the benefits and packages outlined above, FESIFFA, thru its acceptance signified below, pledges its full and unconditional support for the development. FESIFFA also pledges to cooperate with the JV as it acknowledges that the 334 hectares CARPable land will be put to better use thru a tourism development which will provide alternative and more sustainable livelihood that will benefit not only the Sicogon residents but the whole region.

In order to give way to the development, FESIFFA withdraws all of its agrarian reform claims to the titled area of SIDECO (except for those areas that have been specified in this agreement). FESIFFA shall also support the conversion of the 304 hectares for the tourism development.



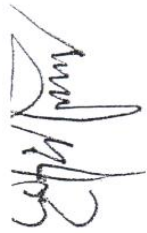
**DAR CONVERSION**

It is understood by both parties that agreements stipulated herein shall only take effect once the DAR Conversion or any other permit that has been issued by DAR to allow the JV to develop the Seven Hundred Thirty Nine (739) Hectares, net of the Thirty (30) Hectares allocated for resettlement area and Forty (40) hectares for agricultural, permanently.



**FRAMEWORK PLAN**

It is also understood that this compromise agreement will govern a more detailed implementing guideline to be executed not more than thirty (30 days) from the signing of this agreement. Such detailed implementing guideline shall be agreed upon and annexed to this agreement provided that in no case shall the implementing guideline conflict with the stipulations of this compromise agreement.



**GOOD FAITH**

In discharging their respective duties and obligations hereunder and in the detailed implementing agreements (if any) to be executed among the parties, each of the parties hereby undertake to each other that it shall apply the standards of good faith taking into consideration that the main purpose of this agreement is to ensure the utmost cooperation among the parties and the success of the undertakings hereby contemplated. The parties agree to perform all such acts and to execute and deliver such other documents or instruments as may be necessary in order to give effect to the intent underlying this Agreement.



IN WITNESS WHEREOF, the parties have hereunto affixed their signatures on the dates indicated below.

FEDERATION OF SICOOGON ISLAND FARMERS AND FISHERFOLK  
ASSOCIATION

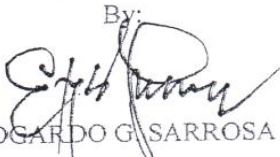
By:



RAUL RAMOS

SICOOGON DEVELOPMENT CORPORATION

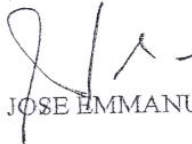
By:



EDGARDO G. SARROSA

AYALA LAND, INC.

By:

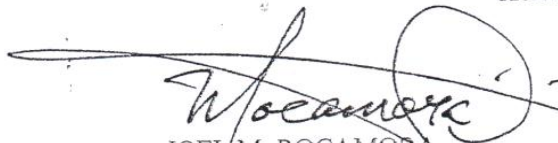


JOSE EMMANUEL H. JALANDONI




MARIA CORAZON G. DIZON


Attested by:



JOEL M. ROCAMORA  
Secretary, National Anti-Poverty Commission



NIEL C. TUPAS, JR.  
Representative Fifth District, Iloilo



RANDY BERNAL  
USWAG Sicogon HOA

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES )  
PROVINCE OF ILOILO ) SS.  
MUNICIPALITY OF ESTANCIA )

I certify that, on this date November 8, 2014, before me, a Notary Public duly authorized in the city named above to take acknowledgments, personally appeared:

<u>Name</u>	<u>Competent Evidence of Identity</u>	<u>Date/Place Issued</u>
Jose Emmanuel H. Jalandoni	PP No. EB6926167	10 December 2012/ DFA Manila
Maria Corazon G. Dizon	PP No. EB0075053	08 April 2010/ DFA Manila
Edgardo G. Sarrosa	PP No. XX4771289	October 2009/ Bacolod City
Raul Ramos		

who were identified by me through competent evidence of identity to be the same persons described in this Compromise Agreement, who acknowledged before me that their respective signatures on the instrument were voluntarily affixed by them for the purposes stated therein, and declared to me that they have executed the instrument as their free and voluntary act and deed, as well as that of the corporation represented herein, and that they have the authority to sign on behalf of their principal.

This instrument consists of five (5) pages, including the page where this acknowledgment is written. Each and every page of this instrument has been signed by the party and its witness.

Witness my hand and seal.

*[Signature]*  
**ALAIN ROSS B. SUMIL**  
 NOTARY PUBLIC  
 REG. NO. 2013-034 VALID UNTIL DEC. 31/2014  
 PTR NO. 180667 / ESTANCIA 1/15/13  
 ID NO. 021389 / BACOLOD CITY 1/09/13  
 MAIL ADDRESS: ESTANCIA # 47888

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Page No. 57 ;  
Book No. XXI ;  
Series of 2014.

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