26 March 2001

CUSTOMS MEMORANDUM
ORDER No. 5 - 2001

TO: All District Collectors
Others concerned

Subject: Amendment to Customs Memorandum Order No. 54-91
on the Designation of the Interline Baggage Room (IBR)
Operators at NAIA International Passenger Terminals I and II.

A. Amended Provisions

In view of the Confirmation of Agreement dated 15 January 2001 reached between Philippine Airlines, Inc. (PAL), Orbit Air Systems, Inc. (ORBIT) and the Airline Operators’ Council (AOC) duly concurred by the Manila International Airport Authority and the NAIA Customs Collection District arising from the transfer of PAL’s operations to NAIA Terminal II as well as the assignment of Orbit as lessee/operator of the new NAIA Baggage Storage Facility by MIAA, and to better attain its objectives, Customs Memorandum Order No. 54-91 is hereby revised in part, to read:

"II.B.1.a Operator - The IBR/Baggage Storage Facility at NAIA Terminal I shall be operated by Orbit Air Systems, Inc. (ORBIT) while the IBR/Baggage Storage Facility at NAIA Terminal II shall be operated by Philippine Airlines, Inc. (PAL), hereinafter referred to as the Operators, both of which shall be under the immediate supervision of the Interline Section, Baggage Assistance Division.

II.B.1.b Bond - The posting of an irrevocable domestic letter of credit, bank guarantee or bond acceptable to the District Collector of Customs in the amount One Million Pesos (P1,000,000.00) to guarantee compliance by the Operator."

B. This Order shall take effect immediately.

Signed

TITUS B. VILLANUEVA
Commissioner

[Signature]
SECRETARY'S CERTIFICATE

I, MANUEL C. SAN JOSE, Corporate Secretary of the Manila International Airport Authority, do hereby certify that, at the meeting held on 11 August 1995, the MIAA Board passed the following Resolution:

RESOLUTION NO. 95-75

"RESOLVED, That, as recommended by Management, the award of contracts to PHILIPPINE AIRPORT AND GROUND SERVICES, INC. (PAGS) and ORBIT AIR SYSTEM (ORBIT) for groundhandling services at IPT for a period of ten (10) years to commence within 180 days from the time of the execution of the contract, renewable every five (5) years thereafter, depending on the performance of service contractors, be approved, as it is hereby approved, subject to A.O. 1 Series 1993, as amended, and other existing rules and regulations."

That, the foregoing Resolution is still in full force and effect, and has not been repealed, amended, or modified as of this date.

IN WITNESS WHEREOF, I have signed and affixed the seal of the MIAA to this Secretary's Certificate this day of September 1995 in Pasay, Metro Manila.

CERTIFIED TRUE COPY
NOTICE OF AWARD

Madame:

We are pleased to inform you that your proposal to provide ground handling services at the International Passenger Terminal (IPT) is hereby accepted. In this regard, we are awarding to your company the corresponding concession subject to the following conditions:

1. The period of concession shall be for a period of ten (10) years;

2. The services shall commence within one hundred eighty (180) days upon execution of the concession contract;

3. The period of concession may be renewed every five (5) years thereafter, depending on your performance;

4. A Concession Privilege Fee (CPF) of 7% of GROSS REVENUE shall be charged in accordance with MIAA Board Resolution No. 94-74.

Should you find the above acceptable, please signify your conformity in the space provided and return the same to us no later than five (5) working days.

Furthermore, please coordinate with our Business Development and Concession Department and Legal Office for the expeditious implementation of this undertaking.

Very truly yours,

FRANCISCO E. ATAYDE
General Manager

CONFORMED:

Date: 9-27-95