



JOHN HAY MANAGEMENT CORPORATION
a member of **The BCDA Group**

ANY MATERIAL RISK FACTORS AND MEASURES TAKEN TO MANAGE SUCH RISKS

MATERIAL RISKS	STRATEGIES (Measures taken/being implemented to manage risks)
1. JHMC is wholly owned by the Bases and Conversion Development Authority, its operational and business strategies are dependent on the approval of BCDA.	<ul style="list-style-type: none"> o Continue to fulfill its mandate of administering the land owned by the BCDA. o Intensify its regulatory functions in accordance with laws, rules and regulations. o Initiated measures for the issuance of an Executive Order which will vest upon JHMC all regulatory functions, including the power to issue regulatory and administrative permits, within the 625-hectare JHRA.
2. Continuous occupancy of informal settlers and ancestral land claims in the 625 hectares of the John Hay reservation area is an impediment to the attainment of the objectives of the Bases Conversion Development Authority (BCDA) and JHMC.	<ul style="list-style-type: none"> o A Relocation, Structure Survey and Utility Survey in the 13 Barangays within the John Hay Reservation Area (JHRA) was completed in 2013 to establish the metes and bounds. o Conduct public consultations with the communities in the JHRA to come-up with beneficial solutions for all stakeholders and the government. o Measures to segregate the 13 Barangays from the JHRA were completed from 2012 to 2013. o Constitution of a Joint Technical Working Group on Ancestral Claims composed of the National Commission on Indigenous Peoples (NCIP) and the Office of the Executive Secretary, BCDA and JHMC. o Establishment of the Inter-Agency Technical Working Group on <i>Barangay Segregation with the DENR, NCIP, City Government of Baguio, NHA and the 13 Punong Barangays in the JHRA.</i>
3. Most of the land with business potentials are covered by long-term lease agreements with a non-paying developer.	<ul style="list-style-type: none"> o Rental income from government land should have been a potential source of income to sustain JHMC's operations. Risk-mitigating provisions such as re-appraisals, lease rate escalation and pre-termination clauses will be strictly studied in subsequent developments. o An inventory of all BCDA assets that may be developed for additional revenue for the government was completed in CY 2013.
4. Conflict with the City of Baguio in the administration of the Camp John Hay	<ul style="list-style-type: none"> o Initiated the amendment of Executive Order 103 to include the provision that when there is a conflict between the JHMC and the local government unit concerned on the matters affecting JHSEZ, the decision of the JHMC shall prevail.


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