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May 20, 2019

**ATTY. GILBERT RAY C. NAVARRO**

Legal Department  
Cathay Land Incorporated (CLI)  
8th Floor, Galleria Corporate Center  
EDSA Corner Ortigas Avenue  
Quezon City 1100 Philippines

**Dear Atty. Navarro:**

I am writing in behalf of my client South Forbes Tokyo Mansions Homeowners Association, Inc. (SFTMHOAI) in response to your letter dated April 15, 2019. In the said letter you demanded my client to cease and desist from conducting any activity and introducing further improvements on alleged Cathay Land Inc.'s property. In addition you ordered my client to remove the basketball court that they have constructed at **“their own expense and initiative”** in the open areas designated as parks in the subdivision plan. Worst you prohibited my client from entering the open spaces designated as “parks”.

With all due respect, not only are the demands of the CLI unreasonable, it is likewise erroneous and unlawful. Under PD 1216 as amended and its Implementing Rules and Regulations, subdivision developers are mandatorily required to provide open spaces in their subdivision to be used as Parks for Recreational Use. Likewise in order to emphasize the importance of maintaining such open spaces the said law particularly delineated such open spaces in residential subdivisions for public use and therefore beyond the commerce of men.

More importantly, the said law even stated that the cost of those open spaces where ultimately to be borne out by the Home Lot Owners when they purchased their respective lots. The cost of

this open areas where included in the cost of their lots. CLI only has the naked title over the said open areas but the beneficial interest belongs to the lot owners of the subdivision. It is under this principle that under PD 1216 stated, that in a mandatory nature that this open spaces should be donated to the city or municipality. This is very clear under section 31 of PD 1216 it provides to wit;

**“Section 31. par (3) xxx Upon their completion as certified by the Authority, the roads, alleys, sidewalks and playgrounds shall be donated by the owner developer to the city or municipality and it shall be mandatory for the local government to accept provided however, that the parks and playgrounds may be donated to the Homeowners Association for the project with the consent of the City or municipality concerned.”**

On the basis of the foregoing premises how can the SFTMHOAI acts be considered illegal and detrimental to the interest of CLI when what they have constructed was for the benefit of the residents of the subdivision for their recreational purposes. In the first place, this responsibility should have been performed by CLI considering that the Tokyo Mansions is not a regular subdivision - it is a FIRST CLASS residential subdivision.

This facility that the SFTMHOAI built at their own expense should have been done by CLI in the first place as per their obligation as Developer. The law orders under pain of penalties and sanctions to provide open spaces for public use and now CLI is preventing my client, the Homeowners and the Lot owners to use the same. This is highly unlawful and contrary to the obligations of CLI as developer. Ultimately as quoted under section 31 of PD 1216 this open spaces whether CLI like it or not will be turned over to the government or to the Homeowners Association for public use. How can you be a trespasser within your own premises which you paid for or to put it differently in a place designated for public use?

Finally on this issue, SFTMHOAI would like to take exception to the allegation of CLI that SFTMHOAI intentionally damaged the said open areas, for all intents and purposes my client even improved the same. More so my client cannot be blamed for the construction of the said basketball court, because CLI has been remised in their obligation to provide the Lot Owners and to SFTMHOAI proper recreational facilities. The clubhouse and the swimming pool remained unfinished which robbed the SFTMHOAI hundreds of thousands if not millions of lost income. In addition before the SFTMHOAI started with the construction of the said basketball court, its officers informed your representatives of the same.

As to the advances allegedly made by CLI for the clubhouse and swimming pool the same is not the obligation of SFTMHOAI. May we remind you of the letter of the SFTMHOAI dated May 22, 2018 addressed to your President Mr. Jeffrey Ng, that the present SFTMHOAI have not only resented the actions of the previous Board of Directors of SFTMHOAI in agreeing to share part of the expenses for the repair of the clubhouse and swimming pool Likewise the present Board of Directors of SFTMHOAI correctly stated that the said action of the former BOD is null and void because majority of the BODs then were representatives of CLI.

In connection with this the present BODs of SFTMHOAI has nullified the said board resolution No. 2016-002 of the previous BOD by virtue of a Board Resolution No. 2019-08 passed on March 26, 2019 copy of which is hereto attached as **Annex "A"**. In essence your demand to reimburse CLI of that alleged amount advanced by them has no leg to stand on. It is the responsibility of CLI to undertake repairs of the said clubhouse until such time the said facility is turned over to the SFTMHOAI.

Likewise, my client has informed the undersigned that CLI has remiss in the payment of the monthly Association Dues from August 2018 up to the present. The records of the SFTMHOAI as

shown by the statement of account which is hereto attached as **Annex "B"** would show that you still owe SFTMHOAI the amount of **Nine Hundred Fifty-Four Thousand Two Hundred Forty Pesos (Php 954,240.00)** and counting. This is a final demand for you to pay the said association dues to South Forbes Tokyo Mansions Homeowners Association, Inc. (SFTMHOAI), within FIVE (5) days from receipt of this Demand Letter.

In addition, per information from HLURB, SFTMHOAI is not liable to pay real estate taxes for properties not yet turned over to SFTMHOAI or still under the name of CLI. Despite the written Demand of my client you failed to heed my client's lawful demand to reimburse the said amount. This is a **FINAL DEMAND** for CLI to reimburse and/or return to SFTMHOAI the amount of **FIVE HUNDRED SIX THOUSAND NINE HUNDRED THIRTY FOUR PESOS AND 40 CENTAVOS (PHP 506,934.40)** representing the real property tax erroneously paid to CLI thru your Accounting Department on May 21, 2018, copy of the receipt is hereto attached as **Annex "C"**.

Furthermore, SFTMHOAI would like to reiterate its previous demand for CLI to complete the renovation of the Perimeter Fence. Per records of SFTMHOAI an amount equivalent to **Php 1,234,635.00** from the Association dues were even given to and was received by CLI but up to now the perimeter fence renovation has not started. Be that as it may, it is likewise the position of the present SFTMHOAI Board of Directors that the said renovation is still the obligation of the CLI and therefore the receipt of the said amount is erroneous and unlawful. This is a **FINAL DEMAND** for you to return to my client the amount of **ONE MILLION TWO HUNDRED THIRTY FOUR THOUSAND AND SIX HUNDRED THIRTY FIVE PESOS (PHP 1,234,635.00)** within FIVE (5) days from receipt hereof.

Finally, my client, since May 22, 2018, has brought to your attention the sorry state and deteriorated metal fence of the Subdivision. The residents has been exposed to security risks and

there were several incidents of break-ins because burglars and intruders were able to gain access inside the subdivision thru this deteriorated metal fence. This is unforgivable, considering that the main reason why the lot owners purchased properties at Tokyo Mansions was the representation of CLI that being a First Class Subdivision the security within the subdivision would be likewise first class. My clients has brought to your attention the need to repair and maintain the said metal fence but my client's pleas has fallen on deaf ears.

In summary this is a **FINAL DEMAND FOR CLI** with five days from receipt of this letter to;

a) To pay South Forbes Tokyo Mansions Homeowners Association, Inc. (SFTMHOAI) the amount of **Nine Hundred Fifty-Four Thousand Two Hundred Forty Pesos (Php 954,240.00)** representing the unpaid association dues from August 2018 up to April 2018;

b) To pay and or reimburse the amount of **FIVE HUNDRED SIX THOUSAND NINE HUNDRED THIRTY FOUR PESOS AND 40 CENTAVOS (PHP 506,934.40)** representing the property tax erroneously paid to CLI by SFTMHOAI;

c) To pay and or reimburse the amount of **ONE MILLION TWO HUNDRED THIRTY FOUR THOUSAND AND SIX HUNDRED THIRTY FIVE PESOS (PHP 1,234,635.00)** remitted to CLI for the alleged renovation of the perimeter fence which is the obligation of CLI;

d) To complete the renovation, construction and rehabilitation of the Clubhouse, Swimming Pool and the Metal Perimeter Fence of the Tokyo Mansions;

e) To transfer and or donate to the Municipality of Silang the roads, alleys, sidewalks and playgrounds within the Tokyo Mansions. Or the in the alternative, donate to the

**South Forbes Tokyo Mansions Homeowners Association, Inc. (SFTMHOAI), the open spaces, parks and playground including the alleged property subject matter of your letter dated April 15, 2019.**

I hope that you will give due consideration to my client's demands if not much to my regret we will be constrained to file the appropriate administrative, civil and criminal cases against Cathay Land Incorporated.

Your favorable response would be highly appreciated.

Very truly yours,



ATTY. RONALD L. SOLIS