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South Forbes Tokyo Mansions Homeowners' Association, Inc.
South Forbes Golf City, Brgy. Inchican, Silang, Cavite
Tel. No. 049-4093612

MINUTES OF THE SPECIAL BOARD MEETING
Tokyo Mansions Administration Office
September 9, 2019

Present:	Dir. Joel Lapis	-	Chairman
	Dir. Arnel Orias	-	Vice Chairman
	Dir. Mark Stanley Lucero	-	Member
	Dir. Vic Navarro	-	Member
	Dir. Nestor Remegio	-	Member
	Mr. Julian Dayrit	-	Board Secretary
	Atty. Ronald Solis	-	SFTMHOAI Legal Counsel
	Mr. Bernard Romarico Sanchez	-	Chief Financial Officer Cathay Land, Inc.
	Engr. Jason Tumbali	-	CLI Estate Manager

A. Conference with CLI's Chief Financial Officer (CFO)

Mr. Sanchez informed the board that he brings Engr. Jason Tumbali along with him so that the estate manager may enlighten the group in the discussion about technical aspects of the different issues.

Atty. Solis mentioned that the purpose of the meeting for today is to hopefully come to an amicable arrangement with the HOA and CLI while setting aside merits from both parties. After presenting to the CLI the HOA's grievances thru the demand letter, he told Mr. Sanchez that it is now the CLI's turn to present its proposal and possible solutions to the problems.

Atty. Solis requested the CFO to present to the board the CLI's counter proposal (with specific amounts) to the HOA's claim and lay down its proposition as part of the negotiation so that the board can act accordingly. Mr. Sanchez admitted that he is not yet ready to provide a counter-proposal but since he already heard of the HOA's complaints and demands, he then requested the board to let him express the CLI's grievances instead and find a middle ground where different issues can be settled fairly.

1 From his understanding, Mr. Sanchez told the board that the subdivision's amenities were
2 already turned over to the then board of the HOA several years ago. By the mere fact that there
3 was a request for the renovation of the clubhouse and the swimming pool from the then board,
4 the assumption is that, it was already deemed accepted in the first place. Now, there is an issue
5 about the resolution adapted by the previous board including the 60-40 sharing for the cost of
6 the renovation project which was part of the arrangements. However, the agreement did not
7 materialize due to the conflicts between the CLI and the present HOA board. Mr. Sanchez added
8 that the renovation project was just an additional transaction which was previously agreed both
9 by CLI and HOA.

10
11 When Dir. Navarro asked Mr. Sanchez if they properly followed the HLURB guidelines and on
12 whose authority did the CLI turnover the amenities, the CFO said that it was turned over to the
13 seating board then and that the necessary documents was expected to be submitted to HLURB
14 but it was not pushed through due to the current situation. Dir. Navarro said that the turn-over
15 cannot be presumed because no certificate of completion was issued by HLURB nor it was not
16 donated to the LGU, and the supposed turn-over was purely based on a signed resolution. Atty.
17 Solis clarified that the person who should accept the official turn over must be authorized by law
18 as he will represent all the homeowners on his behalf.

19
20 The CFO appealed to the board for a fair sharing of responsibilities because he believes that CLI is
21 in the disadvantaged position and that they cannot afford to do all the renovation for free as
22 what the HOA insists. He explained that although the fixing of the clubhouse is almost complete,
23 the swimming pool project requires a very high budget because the budget originally allotted for
24 it has been tripled due to the rapid increase in prices of materials. He added that for the
25 swimming pool alone, they are spending Php 3 to 4 Million not including other additional
26 expenses. They only agreed to repair the clubhouse because during that time, there was only a
27 few numbers of homeowners and the HOA then was not financially capable to finance its own
28 project, which is why they funded the renovation. According to the CFO, the CLI is now very
29 careful in engaging repair projects with other subdivisions because of the lessons learned from SF
30 Tokyo Mansions.

31
32 The chairman reminded the CFO that the swimming pool was fully operational prior to the repair
33 of the clubhouse and that it was just damaged during the renovation. Still, the CFO reiterated
34 that HOA and the CLI should come up with a new agreement that is also advantageous to the
35 developer in terms of financial gains.

36
37 Chairman Lapis also reiterated the board's position to the CLI's claim of 60% HOA share as he
38 believes that the previous agreement is not fair because majority of the seating board was
39 represented by CLI when the board's resolution was approved. He again explained that as per

HLURB, all amenities are still the responsibility and obligation of the developer until it is properly and officially turned over to the HOA or to the local government. The chairman again affirmed that the HOA is basically not required to pay the 60% expenses share including its 8% interest. He added that for two (2) years, the HOA was trying to discuss and resolve the matter with CLI but the company keeps on ignoring them.

Dir. Orias mentioned that the position of the board on the 60-40 sharing is non-negotiable as per opinion of the home owners and it will be a problem for the board to convince them if the CLI maintains its sentiment. Mr. Sanchez appealed to the board to consider explaining the situation to the homeowners.

Dir. Navarro commented that it is difficult for the board to decide on whatever the CLI wants to negotiate because they need to sell it first to the homeowners as they are answerable to them. He explained that all claims stated in the demand letter are the representation of all homeowners. Dir. Navarro believes that what the HOA's demands are just and fair.

Mr. Sanchez said that he must manage the situation first because he is trying to lessen the accountability of the CLI. At present, they are reviewing the expected expenses that need to be allotted for the remaining works of the swimming pool project. As the board may recall, the CFO remarked that the CLI encountered problems with several contractors (e.g. abandoned contract).

Chairman Lapis also informed the CFO that the HOA is planning to send to CLI another demand letter referring to the issues of joining fees and expenses incurred for the subdivision's maintenance works. Atty. Solis mentioned that the HOA administers the maintenance out of their own initiative to keep the subdivision pleasant. In this way, the HOA is helping the developer in selling the property to prospective buyers. Atty. Solis also explained to the CFO that submission of a demand letter is just part of the procedural process.

Mr. Sanchez assured the board that the HOA will hear an update from CLI after Tuesday (September 17, 2019) next week. He said that he will discuss the matter with the CLI Executive Committee including the additional demands from the HOA. He also said that he will present a written proposal addressing the different issues during the next meeting with the HOA.

Dir. Lucero requested the CFO to discuss during the next meeting the detailed estimate of the project cost for the renovation which will be compared to the HOA's own estimate for the expenses for reconciliation purposes.

6. MEETING ADJOURNMENT

The meeting adjourned at _____.

Prepared by:

DANTE P. OCAMPO

Handwritten signature of N. Navarro

Handwritten signature of Arnel I. Orta

Handwritten signature of Joel Lapis