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General Information



Figure 1: Subject property as viewed from Greenfield Parkway

This report covers an investigation and appraisal of certain designated real estate property located within **Barangay Malitlit, City of Sta. Rosa, Province of Laguna**. The appraisal was made for the purpose of expressing an opinion of the **Market Value** of the property as of **March 24, 2014**.

Market Value, based on the definition and conceptual framework set forth by the International Valuation Standards Council (IVSC), is *“the estimated amount for which an asset or liability should exchange on the November 6, 2013 between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently, and without compulsion”*.

The concept of Market Value presumes a price negotiated in an open and competitive market where the participants are acting freely, and that the estimated amount excludes special terms or circumstances affecting the estimated price such as financing terms, leaseback arrangements, and other special considerations.

The right appraised is the **superior interest** which, as stated in Asset Standards of IVS 230 Real Property Interest (p. 63, par. C1(a)), is *an absolute right of possession and control of the land and any buildings upon it in perpetuity subject only to any subordinate interests and any statutory constraints*.

This is the usually recognized "Fee Simple" defined as absolute ownership, without limitations to any particular class of heirs, or restrictions, but subject to the limitations of eminent domain, escheat, police power and taxation. Fee Simple is assumed to be free and clear from liens and encumbrances, and transferable.

Property Location

The property appraised consists of three (3) contiguous lots located 30 meters north from Greenfield Parkway, within Barangay Malitlit, City of Sta. Rosa, Province of Laguna. It is located about 2.2 kilometers southeast from Sta. Rosa – Tagaytay Road, some 3.5 kilometers northwest from the South Luzon Expressway, Malitlit Exit (Northbound), and approximately 10 kilometers southwest from Sta. Rosa City Hall (via Asia Brewery Road).

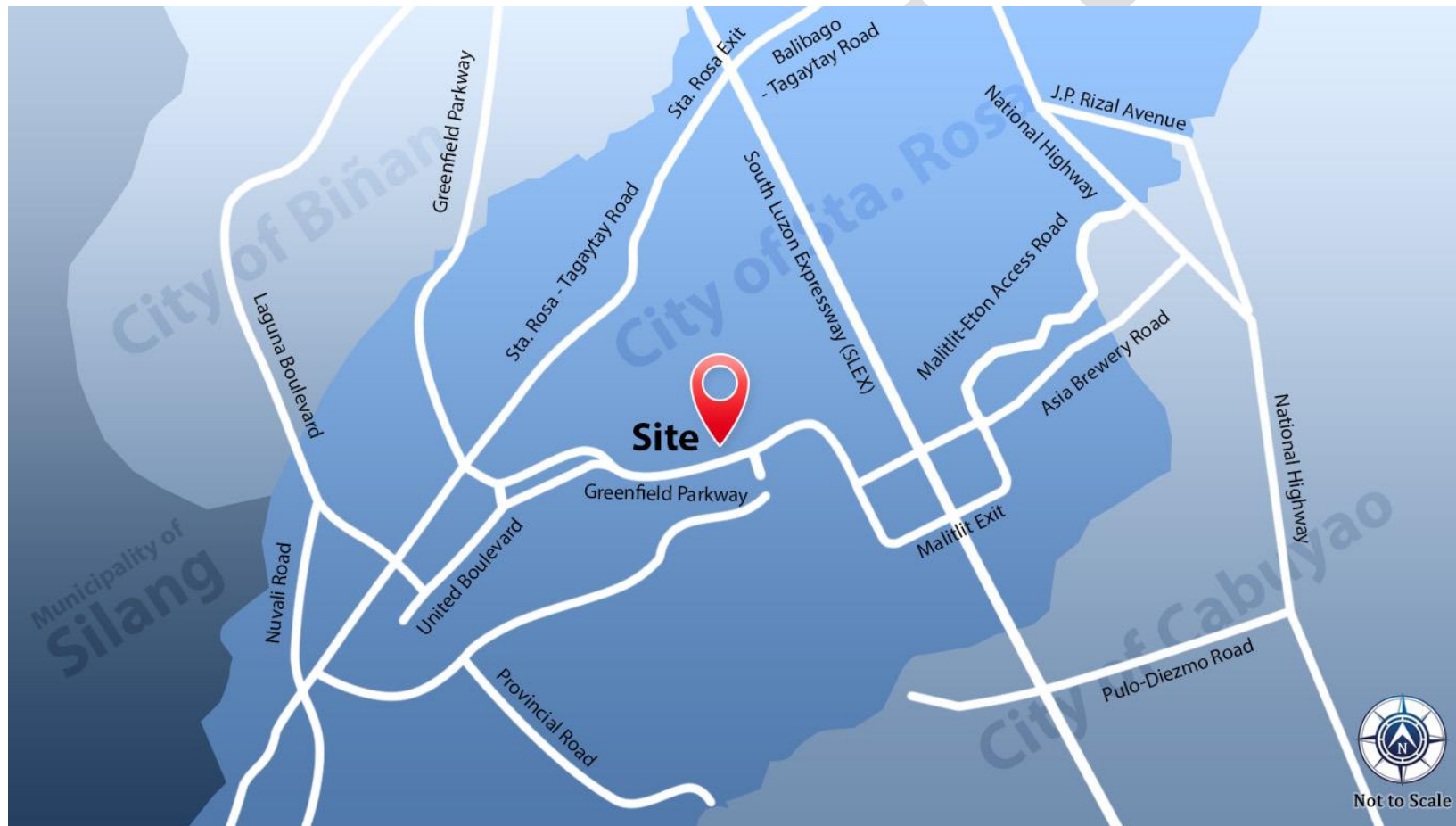


Figure 2: Location Map

Neighborhood Data

Land development in the immediate vicinity of the property is **raw land**. However, several mixed-use (five townships) and industrial developments are also present in the neighborhood.

The streets in the neighborhood are designed to carry light to heavy vehicular traffic loads. **South Luzon Expressway** (SLEX), officially known as Radial Road 3 or R-3, is the major thoroughfare in the neighborhood. It

is a 6-lane¹ (3 lanes in each direction), asphalted expressway connecting Metro Manila to the CALABARZON² region. **Greenfield Parkway**, the road located about 30 meters south from the property, is an 8-meter wide, concrete-paved road on a 60-meter³ road right-of-way connecting SLEX with Sta. Rosa – Tagaytay Road. It expands to a 4-lane, 20-meter wide road with center islands as it approaches **Sta. Rosa – Tagaytay Road**, another a major thoroughfare, also with 4 lanes, asphalted, and 20 meters wide.

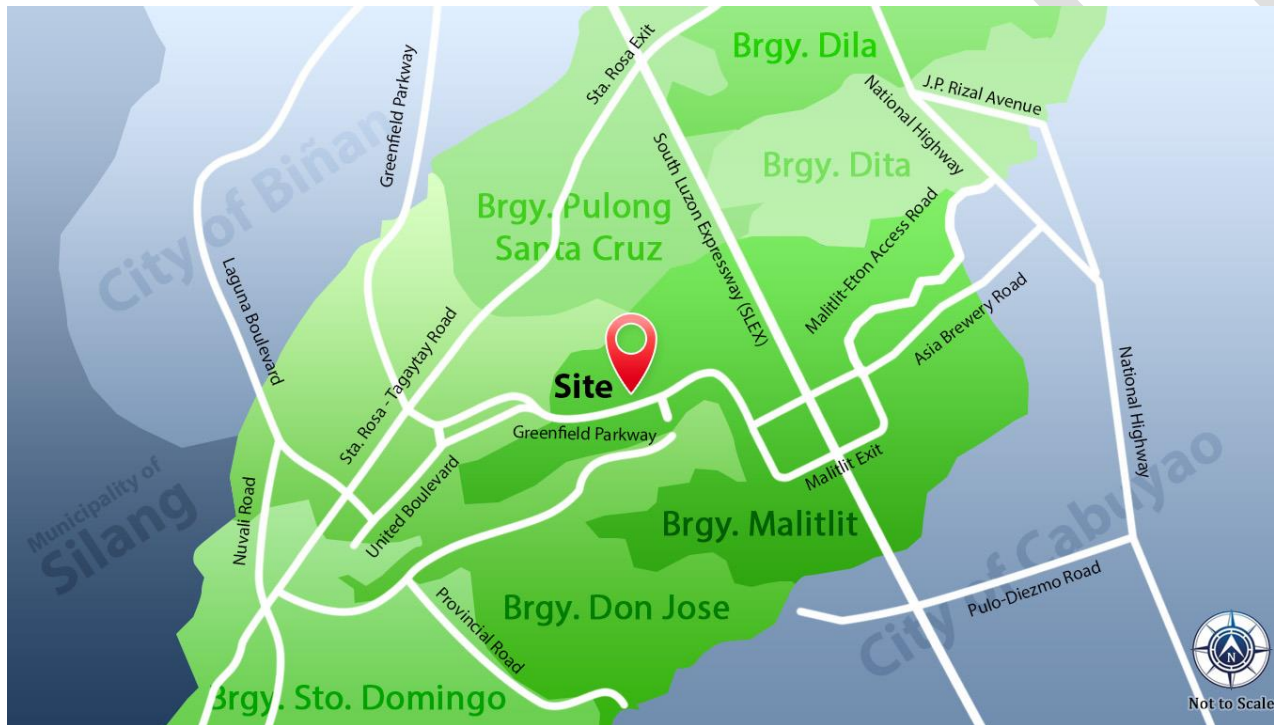


Figure 3: Location Map with Barangay Boundaries based on a map from City of Santa Rosa IT Department.

¹ SLEX has 6 lanes from Sta. Rosa Exit to Calamba Exit.

² This region is composed of five provinces, namely: Cavite, Laguna, Batangas, Rizal, and Quezon.

³ Source: Eton City plan for RiverBend from Eton.com.ph

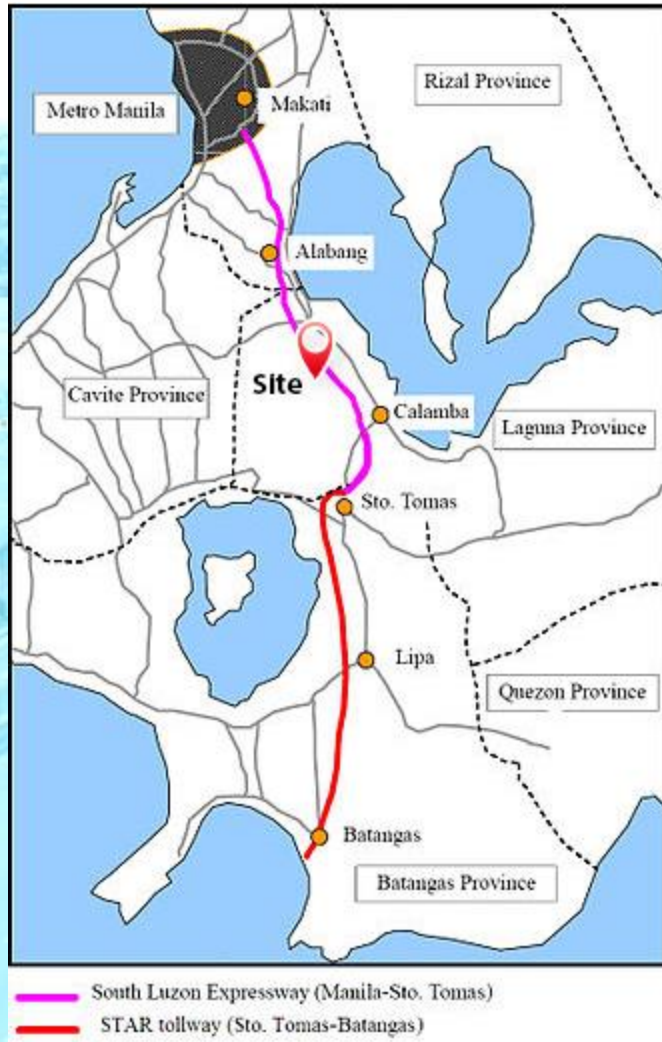


Figure8: Map of SLEX and STAR (Southern Tagalog Arterial Road) with the subject property's relative location. Image courtesy of Wikipedia.



Figure4: South Luzon Expressway. Photo courtesy of Wikipedia



Figure5: Sta. Rosa - Tagaytay Road



Figure6: Greenfield Parkway (towards SLEX)



Figure7: Greenfield Parkway (towards Sta. Rosa - Tagaytay Road)

Neighborhood Developments

Near the property are five township developments, namely: **Eton City**, **Greenfield City**, **Sta. Elena City**, **Nuvali**, and **South Forbes Golf City**; as well as major subdivision developments, namely: **Laguna Bel Air** and **Santa Rosa Estates**.

Eton City is a 1,000 hectare master-planned development of Eton Properties Philippines, Inc. located on the north, east and south of the subject property. It consists of the following existing and proposed districts or subdivisions:

Existing Residential Subdivisions:	RiverBend
Residential Subdivisions Under Development:	South Lake Village and West Wing Residences
Proposed Residential Development:	TierraBela
Proposed Commercial Development:	Village Walk and Eton City Central Business District

A master plan of Eton City from Eton.com.ph with the relative location of the subject property is shown below:



Figure9: Eton City

Greenfield City, on the other hand, is a 300-hectare master-planned development of Greenfield Development Corporation located on the west and southwest of the subject property. It consists of existing and proposed districts or subdivisions as shown on the table on the right.

A map of Greenfield City from Greenfield.com.ph with the relative location of the subject property is shown below:

Existing Residential Subdivisions:	Pramana Residential Park
Residential Subdivisions Under Development:	Solen Residences
Commercial Development:	Paseo de Sta. Rosa (with five existing buildings and one in construction)
Proposed Commercial Development:	Sta. Rosa Business Park
Industrial Development:	Greenfield Autopark



Sta. Elena City is a 300-hectare master-planned development of Brittany Corporation, a subsidiary of Vista Land and Lifescapes, Inc. It is located southwest of the subject property and consists of the following existing and proposed districts or subdivisions:



“Communities”:	Georgia Club, Augusta, Valenza, Belle Reve, Fontamara, Hacienda de Sta. Elena, Promenade, Mesa Homes, and La Residencia
Proposed Commercial Development:	Centro Sta. Elena
Proposed Schools:	Acacia Waldorf School and University of Sto. Tomas

A map of Sta. Elena City from StaElenaCity.com.ph with the relative location of the subject property is shown below:



Figure 11: A map of Sta. Elena City. The road traversing the future site of the University of Sto. Tomas will be connected with Greenfield Parkway (to the north) once a bridge is built over the Malitlit River.

Nuvali is a 1,860-hectare “eco” city developed by Ayala Land, Inc. It consists of the following existing and proposed districts or subdivisions:

Nuvali North:	Abrio and Santierra
Nuvali Central:	Montecito, Elaro, Luscar, Treveia, Avida Settings Nuvali, and Ridgeview Estates Nuvali
Nuvali South:	Venare, Mirala, Avida Parkway Settings, Avida Woodhill Settings, and Avida Village Nuvali
Commercial Developments:	Solenad 1, Solenad 2, One and Two Evotech, and Seda Hotel



A map of Nuvali⁴ is shown below:



Figure 12: Nuvali

⁴Source: <http://nuvalisantierra.blogspot.com/2009/12/santierra-nuvali-location-map.html>

And finally, **South Forbes Golf City**, a 250-hectare development of Cathay Land, Inc. A map⁵ of the development with the subject property's relative location is shown below:

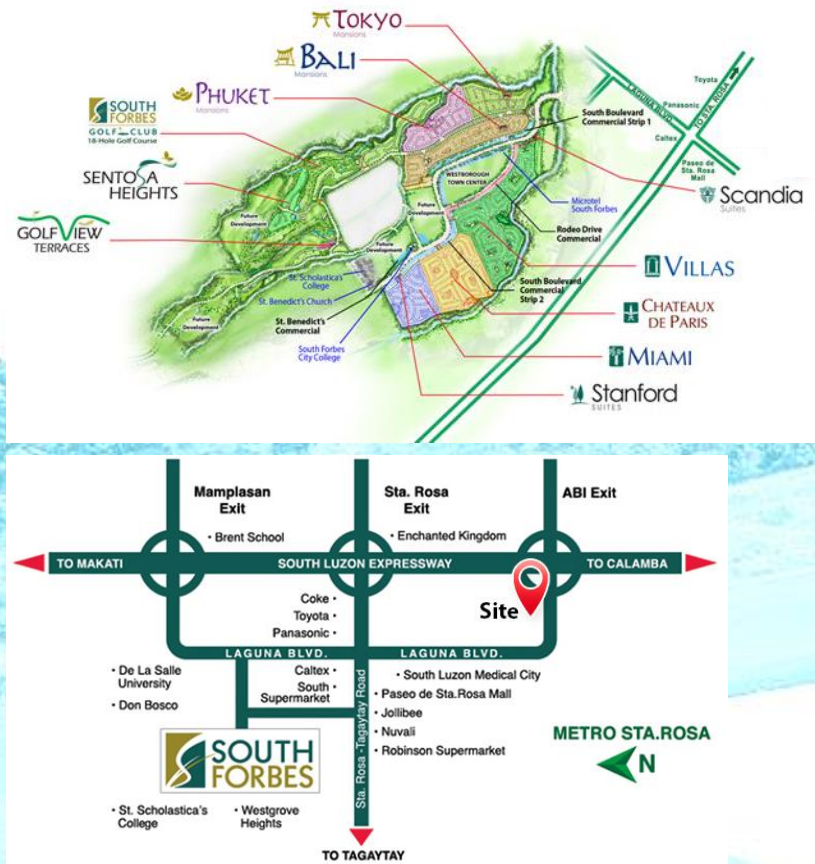


Figure 13: South Forbes Golf City

⁵ Source: <http://www.southforbes.com/images/masterplan-thumbmedium.jpg>

Laguna Bel Air is a four-phased subdivision development by Empire East Land Holdings, Inc., a subsidiary of Megaworld Corporation. Another residential subdivision of by the same developer is present in the vicinity, **The Sonoma**. The location of these developments as well as **Santa Rosa Estates**, also a residential subdivision, is shown in the map⁶ below:



Figure 14: Laguna Bel Air, The Sonoma, and Santa Rosa Estates

⁶ Source: <http://www.condominiumcity.com/the-sonoma.php>

Establishments seen along Sta. Rosa – Tagaytay Road include the following:

Restaurants and Cafes:	McDonald's, Padi's Point, Mang Inasal, Northpark, Rose & Grace Restaurant, King Bee Chinese Restaurant, Goldilocks and Starbucks
Banks:	BDO, Security Bank, BPI, Metrobank, PSBank, Asia United Bank, UCPB, and PNB
Hotels:	El Cielito and Sogo
Car Show rooms:	Honda, Hyundai and Chevrolet (under construction)
Gasoline Stations:	Seaoil, Petron, Shell, and Caltex
Construction Supply Distributors:	Home Plaza
Shopping Centers and Supermarkets:	Shopwise, South Supermarket and Santa Rosa Estates Retail Complex
Other Commercial Establishments:	7-11, French Baker, Panasonic, Bridgestone and KGB
Industrial Developments:	Coca-Cola Bottling Company, Inc., Toyota, Nissan, Mitsubishi Motors, Filsyn (Filipinas Synthetic Fiber Corporation), Sta. Rosa Industrial Complex, and Daystar Sta. Rosa Industrial Park
Others:	Eternal Gardens and Jam Bus Depot

While other notable establishments within the neighborhood include the following:

Hotels:	Paseo Premiere Hotel (within Sta. Rosa Business Park)
Hospitals and Clinics:	South Luzon Hospital and Medical Center (with Union Bank) and FortMED Medical Clinic
BPO Buildings:	One and Two Evotech (Convergys)
Gasoline Stations:	Petron (near the subject property, under construction)
Industrial Developments:	Asia Brewery Inc., Chemfields (Unilab), and Philippine Health Foods Manufacturing, Inc., Laguna Technopark, Laguna International Industrial Park,
Schools:	Bright Achievers Academy Montessori, University of Sto. Tomas (future site within Sta. Elena City), Ateneo Graduate School, De La Salle University Science and Technology Complex, St. Scholastica's College, Miriam College (future site), and University of the Philippine Medical Center (future site)
Others:	Eton City Sales Pavilion



Figure 15: Seda Hotel



Figure 16: Paseo Premiere Hotel



Figure 17: Southern Luzon Hospital and Medical Center



Figure 18: Eton City Sales Pavilion (near South Lake Village)



Figure 19: Petron Gas Station (under construction)



Figure 20: Entrance to Pramana Residential Park



Figure 21: A map of the landmarks within the immediate vicinity of the subject property.

Community Facilities and Utilities

Electric power, water supply, and telecommunication facilities can be made available at the site. Community facilities like public market, commercial centers, hospitals, churches, post office, public and private schools are accessible from the property.

Public transportation is available throughout the day along Sta. Rosa – Tagaytay Road. Street lights, garbage collection, foot and mobile patrol of the Philippine National Police and other community facilities and utilities are maintained by the city government.

City Profile

Region	Region IV-A (CALABARZON)
Province	Laguna
Distance from Manila	38 kilometers south
Date of Cityhood	January 10, 2004
Income Class	1st ⁷
City Class	Component ⁸
Number of Barangays	18
Total Land Area	5,542 hectares
Total Population (2010 Census)	284,670.00
Population Density	5,200 per square kilometer
Population Growth Rate (2000 to 2010)	4.37%
Built-Up Areas	84.23%
Agricultural Areas	15.77%

Sources: Wikipedia and 2012 Socio-Economic and Physical Profile of Santa Rosa (from the City Planning and Development Office)

⁷ **1st Class Cities** have an average annual income of ₱400M or more. Definition source: http://www.nscb.gov.ph/activestats/psgc/articles/con_income.asp

⁸ **Component Cities** vote for provincial public officials in the province in which they are geographically located. Definition source: http://www.nscb.gov.ph/activestats/psgc/articles/con_cityclass.asp



Figure 22: Santa Rosa City Hall



Figure 23: Location of Sta. Rosa City within the Philippines. Image courtesy of Wikipedia.



Figure 24: Location of Sta. Rosa City within the province of Laguna. Image courtesy of Wikipedia.

Population

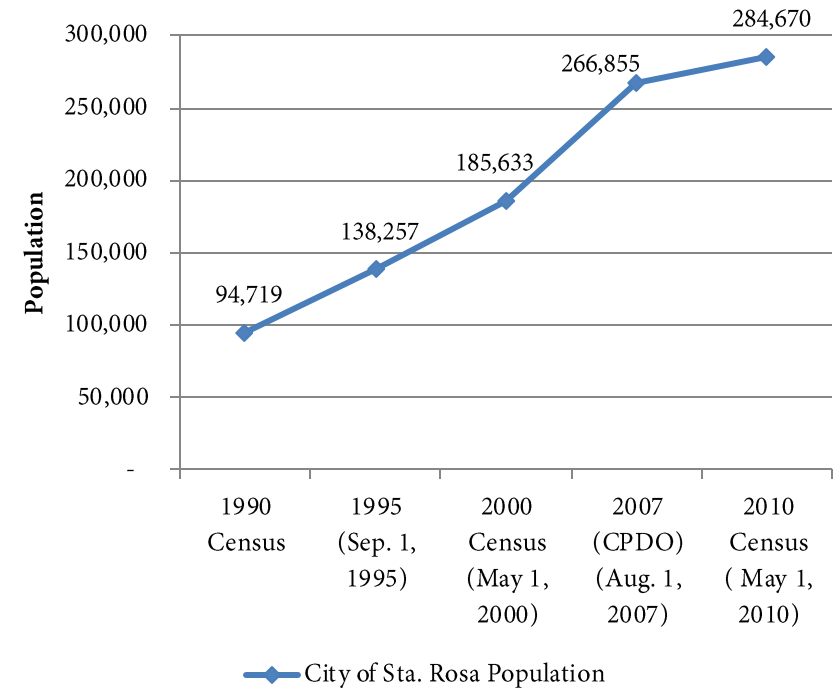
Barangays	2000 Census ⁹ (May 1, 2000)	2007 (CPDO) ¹⁰ (Aug. 1, 2007)	2010 Census ¹¹ (May 1, 2010)
Aplaya	11,026	11,659	14,172
Balibago	12,444	13,575	14,968
Caingin	9,491	12,230	18,608
Dila	21,632	30,080	27,059
Dita	13,058	20,857	20,600
Don Jose	5,289	14,181	12,054
Ibaba	3,675	5,011	4,536
Labas	4,505	14,945	15,086
Macabling	9,841	14,638	17,049
Malitlit	8,626	20,713	22,223
Malusak	14,936	4,840	5,253
Market Area	1,963	13,984	13,086
Kanluran	9,585	4,840	4,322
Pook	15,269	21,775	33,544
Pulong Santa Cruz	11,045	16,440	19,277
Santo Domingo	1,295	2,617	3,178
Sinalhan	15,886	20,412	19,082
Tagapo	16,067	24,058	20,573
Total	185,633	266,855	284,670

⁹Source: <http://www.santarosacity.gov.ph/content.php?ID=42>

¹⁰Source: City Planning and Development Office

¹¹Source:
<http://www.census.gov.ph/sites/default/files/attachments/hsd/pressrelease/CALABARZON.pdf>

City of Sta. Rosa Population



Economic Profile

Number of Industrial Estates:	Seven (7), including Laguna Technopark, Sta. Rosa Business Park, Daystar Industrial Park, and Meridian Industrial Complex
Number of globally-competitive locators (2010):	102
Number of Commercial Establishments (2012):	4,084
Number of Banks and Other Financial Institutions (2012):	195
Number of Real Estate Developers (2012):	48
Number of Lessors of Real Estate (2012):	423
Number of Dealers of Real Estate (2012):	24

The city is home to:

Laguna Technopark – the first industrial park to be established in the country¹²; **Enchanted Kingdom** – the Philippines’ first and only world-class theme park¹³; and shopping centers such as **SM City Sta. Rosa** and **Robinsons Sta. Rosa Market**.

¹² Source: <http://www.expatform.com/articles/cities/sta-rosa-city-guide.html>

¹³ Source: <http://www.santarosacity.gov.ph>

The city is also dubbed as:

“The Investment Capital of South Luzon” because of the presence of numerous multi-national companies and industrial parks in the city. Some of the international companies found here are Filsyn, CIGI, the largest plant of the Coca-Cola in the Philippines, and automotive assembly plants¹⁴;

“Automotive Capital of the Philippines” due to the presence and substantial production of Nissan Motors Company, Toyota Motor Corporation, Honda Motor Company, Isuzu Motors, Mitsubishi Corporation, and Ford¹⁵;

“Silicon Valley and Detroit of the Philippines” owing to the numerous automotive, electronics, and semiconductor companies in the city¹⁶; and

“Next Wave City on ICT” by the Commission on Information and Communication Technology (CICT) and the Department of Trade and Industry because of the presence of ICT/BPO companies in the city such as KBG, Teletec, and Convergys.¹⁷

¹⁴ Source: <http://www.expatform.com/articles/cities/sta-rosa-city-guide.html>

¹⁵ Source: Santa Rosa City Planning and Development Office

¹⁶ Source: <http://www.expatform.com/articles/cities/sta-rosa-city-guide.html>

¹⁷ Source: Santa Rosa City Planning and Development Office

Revenue

Based on the city's website following its policy of full disclosure, as well as from independent news sources, the city has earned the following annual revenues:

Year	Annual Revenue (in Pesos)
1989 ¹⁸	11,000,000.00
1999	263,000,000.00
2003	500,000,000.00
2007 ¹⁹	800,000,000.00
2010 ²⁰	1,260,425,816.94
2011	1,369,622,371.45
2012	2,000,000,000.00

¹⁸ Data source the years 1989 to 2003:

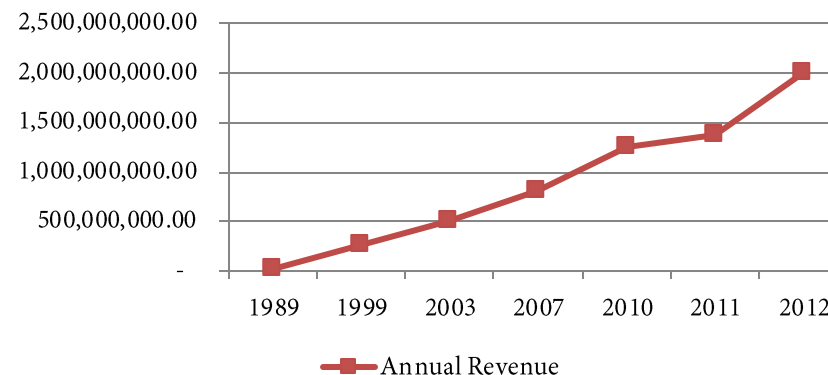
<http://newsinfo.inquirer.net/inquireheadlines/regions/view/20090821-221294/Sta-Rosa-now-part-of-billionaires-club>

¹⁹ Data source for the years 2007 and 2012: <http://newsinfo.inquirer.net/418141/sta-rosa-mayor-gets-big-win-sees-push-for-bigger-projects>

²⁰ Data source for the years 2010 to 2011:

<http://www.santarosacity.gov.ph/data/statement%20of%20income%20and%20expenses%20fund%20101.pdf>

City of Sta. Rosa Annual Revenue



Housing Profile

Number of Subdivisions (2012)²¹:

Barangay	2012
Malitlit	9
Pulong Santa Cruz	4
Don Jose	10
Santo Domingo	10
Others	139
Total	172

²¹ 2012 Socio-Economic and Physical Profile of Santa Rosa

Subdivisions within Brgy. Malitlit

Name of Subdivision	Developer	Class
Garland	Greenfield Development Corporation	First Class A
Pramana Residential Park	Greenfield Development Corporation	First Class A
San Lorenzo Subdivision	San Lorenzo Development Corporation	First Class B
South Point Subdivision	Fil-Estate Development Corporation	First Class B
Sierra Madre	Santa Elena Properties	First Class B
Goldwell Subdivision	Palomino Ventures, Inc.	First Class C
Villa Susan Subdivision	Hidalgo Land Development Corporation	First Class C
Vera Cruz Subdivision	Las Casas social Housing Project, Inc.	First Class C
Casan Residencia	Hidalgo Land Development Corporation	First Class D

Subdivisions within other Barangays situated in the Growth Management

Zone -2 are as follows:

Subdivisions within Brgy. Pulong Santa Cruz

Name of Subdivision	Developer	Class
Ramon Mercado Subdivision	Ramon Mercado	Second Class
Francisco Village	Norberta gana	Second Class
Grand Chestnut Grove	AJ Mark Realty Development Corporation	Second Class
Buklod Diwa	Promenade - Andasol	-

Subdivisions within Brgy. Don Jose

Name of Subdivision	Developer	Class
Santarosa Village	Laguna Properties Holdings, Inc.	First Class A
Laguna Bel Air	Empire East Land Holdings, Inc.	First Class A
Georgia Club	Brittany Development Corporation	First Class A
Abrio	CECI Realty, Inc. & Ayala Land, Inc.	First Class A
Solen Residences	Greenfield Development Corporation	First Class A
Santarosa Estates	Laguna Properties Holdings, Inc.	First Class A
Banahaw Homes	Santa Elena Properties, Inc.	First Class A
Mesa Homes	Jose Quiros	First Class C
Greenfield	Greenfield Development Corporation	-
Augusta	Brittany Development Corporation	-

Subdivisions within Brgy. Santo Domingo

Name of Subdivision	Developer	Class
La Residencia	Brittany Development Corporation	First Class A
Belle Reve	Crown Asia Properties, Inc.	First Class A
Promenade	Brittany Development Corporation	First Class A
Fontamara	Brittany Development Corporation	First Class A
Country Club	The Country Club, Inc.	First Class A
Santa Rosa Estate II	Laguna Properties Holdings, Inc.	First Class A
Valenza	Crown Asia Properties, Inc.	First Class A
Abrio Phase 2	CECI Realty, Inc. & Ayala Land, Inc.	First Class A
Lakeside Evozone - South	CECI Realty, Inc.	First Class A
Santierra	CECI Realty, Inc.	First Class A

Note: Subdivision classifications were based on the Schedule of Market Values for Residential Subdivisions, General Revision, 2012

Barangay Profile

Official Name:	Malitlit
Classification:	Urban ²²
Total Land Area:	1,028.10 hectares ²³
Percentage of City's Area:	18.55%
Total Population (2010 Census)	22,223

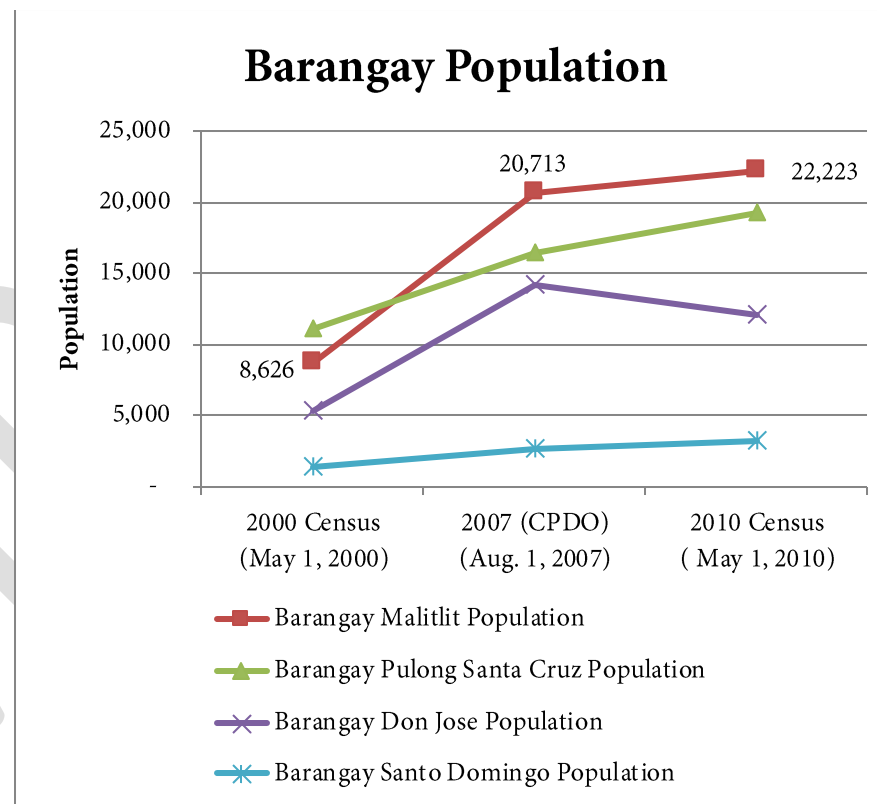
Population: Please refer to the City Profile in the previous section as well as the graph on the right (which includes three other barangays included in the Growth Management Zone -2):

Economic Profile and Revenue: No complete disaggregated economic and revenue information can be acquired specific to Barangay Malitlit.

Housing: Please refer to the City Profile in the previous section.

²² Source: National Statistical Coordinating Board website:
<http://www.nscb.gov.ph/activestats/psgc/municipality.asp?muncode=043428000®code=04&provcode=34>

²³ Source: City Assessor's Office, City of Santa Rosa



Shown on the next page is the City's Barangay Boundaries Map as well as the City's Structural Plan showing the subject property's relative location to the planned new Regional CBD.



Figure 25: Barangay Boundaries Map

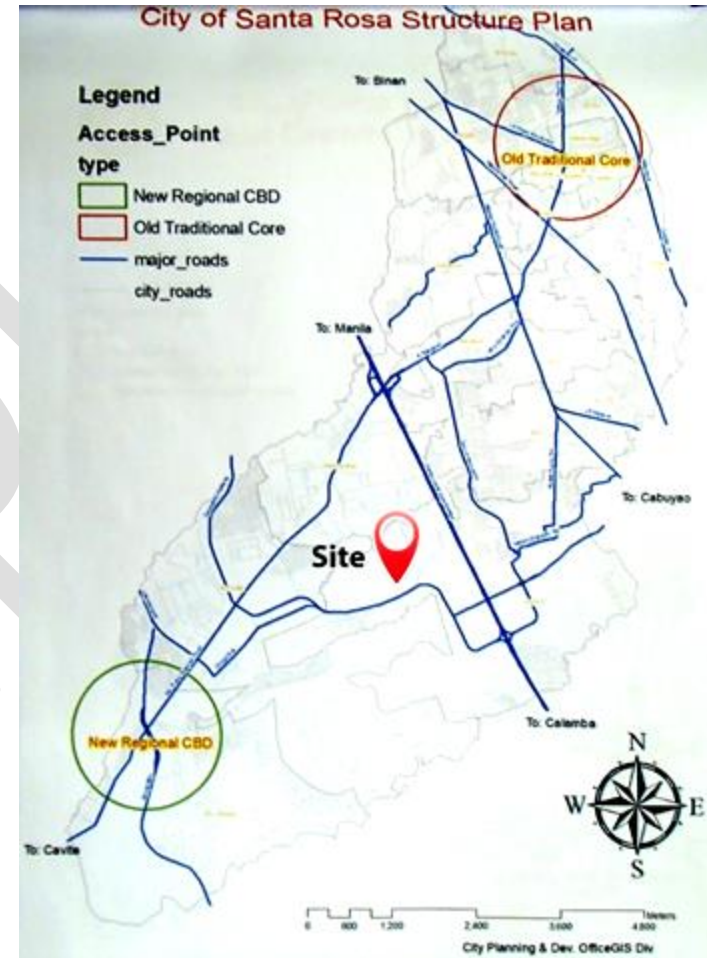


Figure 26: City Structure Plan showing the Old Traditional Core²⁴ and New Regional CBD.

²⁴ The “Old Traditional Core” refers to the Poblacion area or the old center of commerce and social activity in the city, traversed by the Old National Highway. Predominant structures include old one- to two-storey houses. It is also where the new City Hall is located.

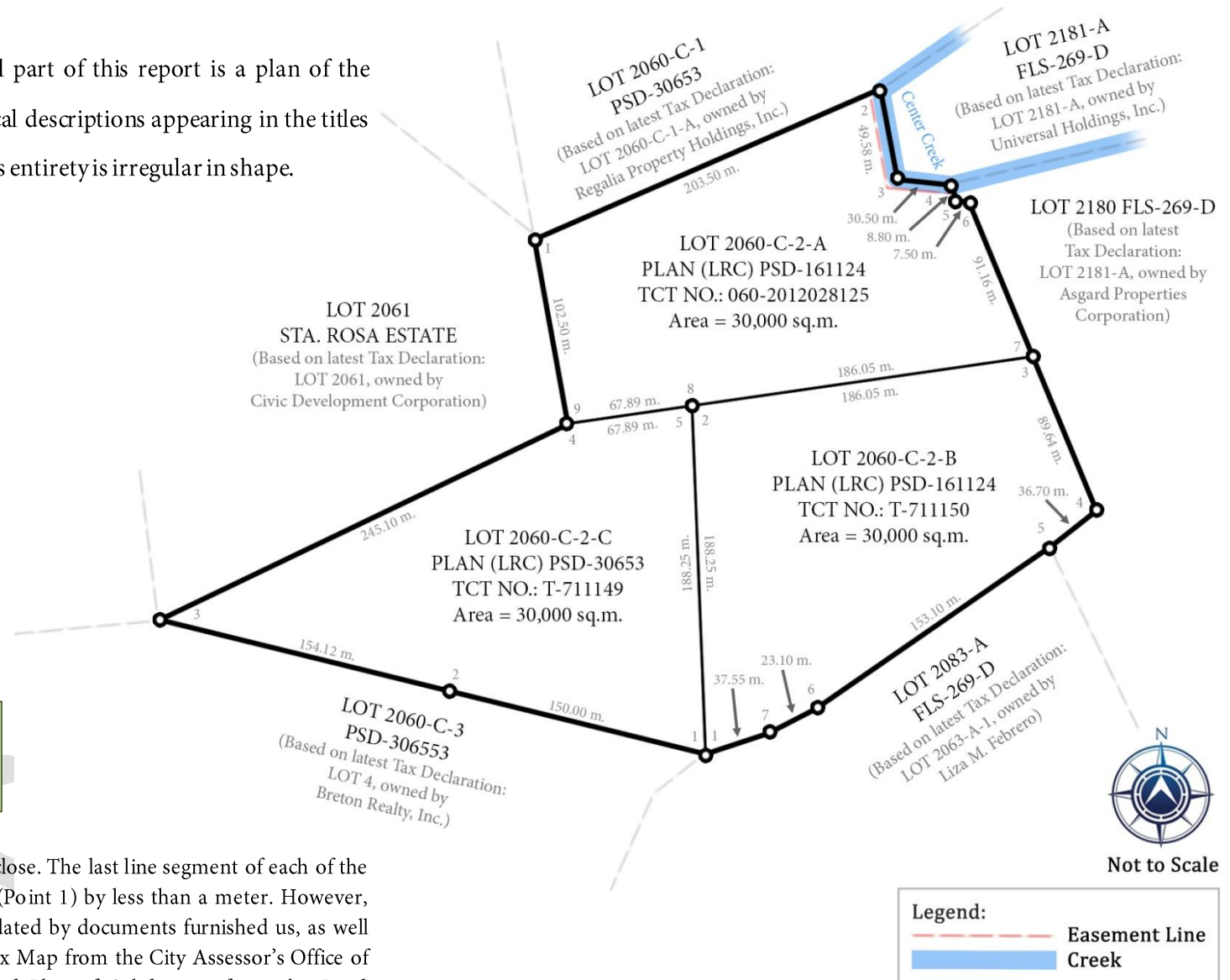
Land Data

On the basis of the document furnished us, the land subject of this appraisal consists of three lots technically identified as follows:

Lot No. / Plan No.	Area (in sq.m.)	TCT No.	Owners	Date of Registration
LOT 2060-C-2-A / (LRC) PSD-161124	30,000	T-711149	FIRST CLASS, INC.	December 18, 2012
LOT 2060-C-2-B / (LRC) PSD-161124	30,000	T-711150	FIRST CLASS, INC.	December 18, 2012
LOT 2060-C-2-C / (LRC) PSD-30653	30,000	T-711151	FIRST CLASS, INC.	December 18, 2012

The titles above were issued to their respective owners by the Registry of Deeds for the Province of Laguna, Calamba Branch.

Attached and forming as an integral part of this report is a plan of the property as plotted²⁵ from the technical descriptions appearing in the titles furnished us. As shown, the land in its entirety is irregular in shape.



PSD – Subdivision of decreed property by a private land surveyor
FLS - Friar land subdivision

²⁵ Note: The polygon of each lot did not close. The last line segment of each of the polygons missed the point of beginning (Point 1) by less than a meter. However, the general shape as shown above is validated by documents furnished us, as well as our independent verification of the Tax Map from the City Assessor's Office of the City of Sta. Rosa, and the approved Plan of Subdivision from the Land Registration Authority (both of which can be seen as supporting documents at the end of this report).

The property, as a whole, is bounded by the following:

Side	Lot No.	TCT No.	Owners
Northeast	LOT 2181-A	T-196705	Universal Holdings, Inc. Center Creek
	LOT 2180-A	T-713092	Asgard Properties Corp.
Southeast	LOT 2180-A	T-713092	Asgard Properties Corp.
	LOT 2063-A-1	060-2013022285	Liza M. Febrero
Southwest	LOT 4	T-600646	Breton Realty, Inc.
Northwest	LOT 2061	T-619113	Civic Development Corporation
	LOT 2060-C-1-A	T-550067	Regalia Property Holdings, Inc.

Note: The boundary information (Lot No., TCT No. and Owner) stated in the table above are based on the latest **Verified Tax Declarations** acquired from the City Assessor’s Office of the City of Sta. Rosa on March 19, 2014, while the boundaries shown on the lot plan are based on the titles.

Legal Easement

It should be noted that, since LOT 2060-C-2-A is bounded by a creek on its northeast side, a legal easement²⁶ of 3 meters must be delineated and subtracted from the total land area to arrive at the net useable area, computed as follows:

²⁶Chapter IV, Article 51, of the Water Code of the Philippines (Presidential Decree No. 1067) states that, “The banks of rivers and streams and the shores of the seas and lakes throughout their entire length and within a zone of three (3) meters in urban areas, twenty (20) meters in agricultural areas and forty (40) meters in forest areas, along their margins are subject to the easement of public use in the interest of recreation, navigation, floatage, fishing and salvage. No person shall be allowed to stay in this zone longer than what is necessary for recreation, navigation, floatage, fishing or salvage or to build structures of any kind.”

Area of LOT 2060-C-2-A	30,000
Less: Area affected by the Legal Easement ²⁷	247
Net Useable Area	29,753

Total Net Useable Area	89,753
-------------------------------	---------------

We have assumed that the creek has not encroached nor eroded any portion of the property and the area appearing on the title furnished us still holds true and correct without further verification.

²⁷ Estimated using computer-aided design software.

The terrain of the property is generally flat and its elevation is slightly below the existing grade of Greenfield Parkway.

Note: We have not entered the premises of the property and our observations were based only from a view from Greenfield Parkway.

Title Encumbrances

The following are the encumbrances annotated in Transfer Certificate of Title No. **T-711149** (verified as of March 21, 2014, please see supporting documents section):

1. *"It is hereby specifically agreed that notwithstanding the provisions of Article 567 of the Civil Code²⁸, the Government of the Philippines is exempted from the obligation to grant a right of way to the grantee herein."*

²⁸ Art. 567 of the Civil Code refers to the rights of a usufructuary, or someone who holds a property by usufruct (the temporary right to use and derive income or benefit from someone else's property).

2. *"Pursuant to Section 7 of Republic Act No. 26²⁹, this certificate of title is without prejudice to any party whose right or interest in the property was duly noted on the original of reconstituted certificate of title no. RT-944 (19165) at the time it was lost or destroyed." (Date of Instrument: July 23, 1954)*
3. *"One-fifth (1/5) of the property described in this title is subject to the claims of the creditors and of the heirs of the deceased **Carlos Javier**, within two (2) years from July 23, 1954, in accordance with the provisions of Section 4, Rule 74 of the Rules of Court." (Date of Instrument: July 23, 1954)*
4. *"To creditors, heirs, and other persons unlawfully deprived of participation in the estate of the deceased **Alejandro Javier** as extrajudicially settled for a period of two (2) years pursuant to Section 4, Rule 74 of the Rules of Court." (Date of Instrument: October 24, 2007)*

²⁹ Republic Act No. 26 is "An Act Providing A Special Procedure For The Reconstitution Of Torrens Certificates Of Title Lost Or Destroyed." Section 7 of the Act states in its first part, "Reconstituted certificates of title shall have the same validity and legal effect as the originals thereof..."

The following are the encumbrances annotated in Transfer Certificate of Title No. **T-711150** (verified as of March 21, 2014):

1. Majority of the first annotation is illegible. However, portions of the annotation are similar to the 2nd annotation on Title No. T-711149 above regarding the right of any party after the reconstitution of a title. (Date of Instrument: July 23, 1954)
2. Notice of Lis Pendens³⁰ (Entry 259874) (Date of Instrument: October 12, 1990)
3. Notice of Lis Pendens (Entry 261478) (Date of Instrument: November 8, 1990)
4. Mortgage in favor of BDO Unibank in the amount of ₱56,200,000.00 (Date of Instrument: February 1, 2008)
5. Cancellation of the Notice of Lis Pendens for Entry 259874 and Entry 261478
6. Affidavit stating that only the cancellation of Entry 259874 is correct. The cancellation does not include that of Entry 261478.

³⁰ A Lis Pendens is a written notice that a lawsuit has been filed which concerns the title to real property or some interest in that real property. Definition source: <http://legal-dictionary.thefreedictionary.com/lis+pendens>

The following are the encumbrances annotated in Transfer Certificate of Title No. **T-711151** (verified as of March 21, 2014):

1. As with title no. T-711150, majority of the first annotation is illegible. Portions of the annotation are similar to the 2nd annotation on Title No. 060-2012028125 above regarding the right of any party after the reconstitution of a title. (Date of Instrument: July 23, 1954)
2. Notice of Lis Pendens (Entry 261714) (Date of Instrument: November 10, 1990)
3. Mortgage in favor of BDO Unibank in the amount of ₱56,200,000.00 (Date of Instrument: February 1, 2008)
4. Cancellation of the Notice of Lis Pendens for Entry 261714

Please see the supporting documents section for the complete text of the encumbrances stated above.

Road Frontage

The property currently has no road frontage, but as previously mentioned, it is about 30 meters north from **Greenfield Parkway**, a road connecting South Luzon Expressway (Malitlit Exit) with Sta. Rosa – Tagaytay Road.

LOT 2063-A-1, currently owned by Ms. Liza M. Febrero³¹, separates the property from Greenfield Parkway.

Based on a location plan furnished us (see supporting documents) as well from the master plan of RiverBend subdivision (from the Eton website), Greenfield Parkway is delineated as a 60-meter Road Right-Of-Way (RROW), only 8 meters of which is currently concreted.

As part of due diligence, we have conducted research and inquiry in various offices regarding the possible effect of this 60-meter RROW on the subject property.

³¹ Based on the verified Tax Declaration acquired from the City Assessor's Office of the City of Sta. Rosa on March 19, 2014

Our findings are as follows:

Office	Findings
Mr. Raf Barlaos Personnel City Assessor's Office City of Santa Rosa	The north boundary of the 60-meter RROW is not adjacent to the subject property. Even with the completion of the road expansion, the property will not be considered as fronting Greenfield Parkway and will remain to be as a landlocked lot .
Microfilm Division Land Registration Authority Quezon City	Per approved Plan of Subdivision Survey for the subject property (see supporting documents section) and it reveals that the delineation of the 60-meter RROW is not included.
Vault Land Registration Authority Quezon City	Per approved Plan of Subdivision Survey for LOT 2063-A-1 (see supporting documents section), it also reveals the same.
Title Verification Land Registration Authority Quezon City	Per verified Transfer Certificate of Title of LOT 2063-A-1, it shows that the RROW is not included among its encumbrances.
Eton Engineering Department Allied Building, Makati City	Our request for information regarding the road expansion was not granted.
Greenfield Engineering Department Mandaluyong City	Our request for information regarding the road expansion was not granted.

Notwithstanding the inconclusive findings above, the subject property is entitled to demand a **Legal Easement of Right of Way** from the current registered owner of LOT 2063-A-1.

Title VII (Easements of Servitudes), Chapter 2 (Legal Easements), Section 3 (Easement of Right of Way), Article 649 of **The Civil Code of the Philippines (Republic Act No. 386)** states that:

*“The owner, or any person who by virtue of a real right may cultivate or use any immovable, which is surrounded by other immovables pertaining to other persons and without adequate outlet to a public highway, is **entitled to demand a right of way through the neighboring estates, after payment of the proper indemnity.**”*

And in identifying which neighboring property the owner of the subject property is entitled to demand from, Article 650 of the same code states that:

*“The easement of right of way shall be established at the point least prejudicial to the servient estate³², and, insofar as consistent with this rule, where **the distance from the dominant estate³³ to a public highway may be the shortest.**”*

Based on this code and a cursory study of the subject property’s lot plan and location relative to Greenfield Parkway, LOT 2063-A-1 shall indeed be the property that must provide the easement of right of way to the subject property.

Despite of this fact, this valuation report estimated the value of the subject property in its current condition, i.e. a **landlocked lot**³⁴.

We recommend a revaluation of the property once the legal easement of right of way has been secured.

³² A Servient Estate is a lot that must provide an easement.

³³ A Dominant Estate is a lot that requires an easement, which is in this case, the subject property.

³⁴ A landlocked lot is defined as a piece of property that is totally inaccessible via public thoroughfare, except through an adjacent lot. Definition source: www.investopedia.com/terms/l/landlocked.asp

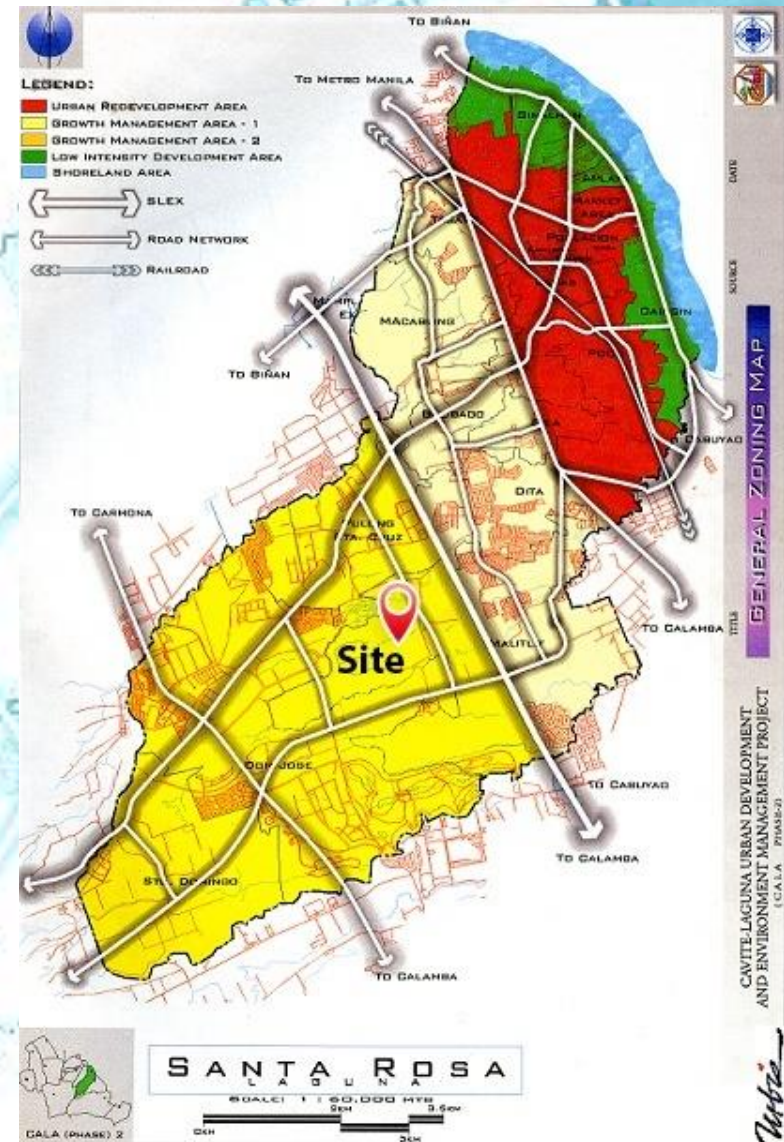
Zoning

As per inquiry with the Housing Office of the City of Sta. Rosa, the area in which the property is located is zoned as **Growth Management Zone 2 (GMZ-2)**.

Based on the Zoning Ordinance of 2000, approved as **Municipal Ordinance No. 888-99**, dated November 17, 1999, GMZ-2 is “*an area with high development capability and with substantial potential for further development.*”

“GMZ-2 is intended to accommodate the urban expansion requirements of the municipality, directing it away from the more sensitive lands. The Santa Rosa Land Development Guidance System (LDGS) promotes mixed-use high-intensity developments in the zone. Substantial ground open spaces shall be provided along with impervious surface conditions.”

*“Barangays included in GMZ-2 (in whole or in part) are as follows: **Pulong Sta. Cruz, Malitlit, Don Jose and Sto. Domingo.**”*



Allowed Uses

Allowed uses within GMZ-2 include all uses allowed under the following classifications of the Housing and Land Use Regulatory Board (HLURB):

1. General Residential Zone
2. Socialized Housing Zone
3. General Commercial Zone
4. General Institutional Zone
5. Special Institutional Zone
6. Light Industrial Zone
7. Medium Industrial Zone
8. Agricultural Zone
9. Parks and Recreation Zone

Based on the Model Zoning Ordinance, 4th Revised Edition (1996), from the HLURB, the following are some of the allowed uses within each of the classifications above:

General Residential Zone – used principally for dwelling / housing purposes so as to maintain peace and quiet of the area within the zone.

Allowable uses: (1) Detached family dwelling, (2) Multi-family dwelling, e.g. row-houses, apartments, (3) Residential condominium, (4) Apartment, (5) Hometel, (6) Pension house, (7) Hotel apartment or apartel, (8) Dormitory, (9) Boarding house, (10) Branch libraries and museums, (11) Customary accessory uses like servants quarter, private garage, and guard house, (12) Home occupation for the practice of one's profession (subject to certain provisions), (13) Home industry classified as cottage industry (also subject to certain provisions), (14) Recreational facilities for the exclusive use of the members of the family residing within the premises such as swimming pool, (15) Nursery / elementary school, (16) High school, (17) Vocational school, (18) Sports club, (19) Religious use, (20) Multi-purpose hall / barangay hall, (21) Clinic, nursing and convalescing home, health center, and (22) Plant nurseries.

Socialized Housing Zone – used principally for socialized housing / dwelling purposes for the underprivileged and homeless as defined in R.A. 7279. Allowable uses: all uses allowed in General Residential Zone.

General Commercial Zone – used for business / trade / service uses. The following types of establishments shall be allowed: (1) Offices, (2) General retail shops like department stores, bookstores, car shop, etc., (3) Food markets and shops like grocery, supermarket, etc., (4) Personal service shops like beauty parlor, sauna bath and massage clinic, etc., (5) Recreational center / establishments like movie house, basketball court, swimming pool, night club, stadium, etc. (6) Restaurants, (7) Short-term special education like driving schools, dancing schools, etc., (8) Storerooms, but only as may be necessary for the efficient conduct of the business, (9) Commercial condominium (with residential units in upper floors), (10) Commercial housing like hotel, apartment, apartel, boarding house, dormitory, pension house, club house, motel, (11) Embassy / consulate, (12) Library / museum, (13) Filling station / service station, (14) Clinic, (15) Vocational / technical school, (16) Convention center, (17) Bank and other financial institutions, (18) Radio and television station, (19) Repair shops, (20) Machine shops, (21) Transportation terminals, (22) Bakery, (23) Funeral parlors, mortuaries and crematory services and memorial chapels, (24) Parking lots, garage facilities.

General Institutional Zone. Allowed uses: (1) Government center to house national, regional or local offices in the area, (2) Colleges, universities, and other institutions of higher learning , (3) General hospitals, medical centers, multipurpose clinics, (4) Scientific, cultural and academic centers.

Special Institutional Zone. Allowed uses: (1) Welfare homes, orphanages, boys and girls town, home for the aged and the like, (2) Rehabilitation and vocational training center for ex-convicts, drug addicts, unwed mothers, physically, mentally and emotionally handicapped, ex-sanitaria inmates and similar establishments, (3) Military camps / reservations / bases and training grounds, and (4) Penitentiary and correctional institution.

Light Industrial Zone – used for non-pollutive/non-hazardous and non-pollutive/hazardous manufacturing and processing establishments. Allowed non-pollutive/non-hazardous uses: (1) Food manufacturing, such as biscuits, doughnuts, bakery products, pasta, etc., (2) Manufacture of luggage, handbags, shoes except rubber, plastic and wood, (3) Printing and publishing, (4) Manufacture and assembly of electronic data processing

machinery and accessories, (5) Manufacture of laboratory and scientific instruments, (5) Manufacture of medical equipment, etc.

Allowed non-pollutive/hazardous uses: (1) Manufacture of house furnishing, (2) Textile bag factories, (3) Garment factories, (4) Manufacture of miscellaneous wood products, (4) Manufacture of paper products, (5) Repacking of industrial products, e.g. paints, varnishes, etc.

Medium Industrial Zone – used for pollutive/non-hazardous and pollutive/hazardous manufacturing and processing establishments.

Allowed pollutive /non-hazardous uses: (1) Manufacture and canning of ham, bacon and native sausage, (2) Poultry processing and canning, (3) Corn mill/ricemill, (4) Chocolate, candy and other confectionery products, (5) Manufacture of flavoring extracts and food products, e.g. vinegar, vetsin, (6) Manufacture of stationary, art goods, cut stone and marble products, (7) Manufacture of hand tools and general hardware, (8) Manufacture of metal furniture, (9) Manufacture of structural products, (10) Manufacture of various electrical and electronic equipment, (11) Manufacture or assembly of service industry machines, elevators and escalators, sewing machines, cooking ranges, water pumps, etc.

Allowed pollutive/hazardous uses: (1) Flour mill, (2) Manufacturing of coffee, (3) Cigar and cigarette factory, (4) Spinning and weaving mills, (5) Manufacture of mats, carpets, cordage, linoleum, artificial leather, miscellaneous textile, etc., (6) Manufacture of rough lumber, veneer, plywood, hardwood, doors, windows, sashes, (7) Manufacture of rubber and plastic products, (8) Manufacture of glass products, (9) Manufacture of clay products, (9) Manufacture or assembly of automobiles, cars, buses, trucks and trailers.

Agricultural Zone. Allowed uses: (1) Cultivation, raising and growing of staple crops such as rice and corn, (2) Customary support facilities such as palay dryers and rice threshers, (3) Ancillary dwelling units, (4) Pastoral activities, etc.

Parks and Recreation Zone. Allowed uses: (1) Parks/gardens, (2) Resort areas, (3) Open air or outdoor sports activities and support facilities including low rise stadia, gyms, amphitheaters and swimming pools, (4) Golf courses, ball courts, race tracks and similar uses, (5) Memorial shrines, kiosks and other park structures, (6) Underground parking, etc.

Land Use Intensity Control Ratings

Maximum PLO ³⁵	Maximum FAR ³⁶	Maximum Building Height	AISAR ³⁷
0.6	4.0	none	Plus 10% of resultant PLO

Maximum Land Occupancy. Based on the Maximum PLO rating of 0.6 or 60%, the ground floor area, and the floor area of each of the succeeding floors of all buildings that can be built on the site is limited to 54,000 sq.m., computed as follows:

Total Lot Area	90,000.00
Multiply by PLO	60%
Total Resultant PLO	54,000.00

³⁵ PLO or Percentage of Land Occupancy is defined as a percentage of the maximum allowable floor area of any building (at any floor level) to the total lot size. This includes the main and auxiliary buildings.

³⁶ FAR or Floor Area Ratio is the ratio between the Gross Floor Area of a building and the area of the lot in which it stands. It is determined by dividing the Gross Floor Area of the building and the area of the lot.

³⁷ AISAR or Allowable Impervious Surface Area Ratio is the ratio between the coverage of ground level impervious surfaces (surfaces not allowing fluid to pass through) to the total lot area. This is expressed as a percentage over and above the resultant PLO for each development.

Maximum Gross Floor Area. Based on the Maximum FAR rating of 4.0, the total allowable building floor area is 360,000 sq.m., computed as follows:

Total Lot Area	90,000.00
Multiply by FAR	4.00
Total Allowable Gross Floor Area	360,000.00

Maximum Number of Floors. If both the PLO and FAR are maximized, the maximum number of floors is 6, computed as follows:

Total Allowable Gross Floor Area	360,000.00
Divide by: Total Resultant PLO	54,000.00
Maximum Number of Floors (if PLO is Maximized)	6.00

Among the tallest buildings within the same zone are Nuvali's Seda Hotel (8 floors), Paseo Premiere Hotel (7 floors) and South Luzon Hospital (7 floors).

Maximum Allowable Impermeable Surface Area. Impermeable surfaces usually refer to concrete floors and pavements of main and auxiliary buildings, as well as driveways, parking lots, and walkways. The maximum impermeable surface area that can be constructed on the site is computed as follows:

Total Resultant PLO	54,000.00
Multiply by: AISAR	10%
	5,400.00
Add: Total Resultant PLO	54,000.00
Total Allowable Impermeable Surface Area	59,400.00

Geophysical Risks

Based on the **Fault Line Map** acquired from the City Planning and Development Office (CPDO) of the City of Sta. Rosa, as well as on the Active Faults and Liquefaction Susceptibility Map of the Geology and Geophysics Research and Development Division of the Philippine Institute of Volcanology and Seismology, the property is estimated to be **4.8 kilometers southeast from the Biñan Segment** and **5.4 kilometers northeast from the Sto. Domingo Segment**. Both segments are part of the **Valley Fault System**. Based on other maps acquired from CPDO (as shown in the following pages), the property is located in an area that is of **low flood hazard, no risk of flash floods, and no risk of liquefaction**.³⁸

³⁸ Geology.com states that “liquefaction occurs when vibrations or water pressure within a mass of soil cause the soil particles to lose contact with one another. As a result, the soil behaves like a liquid, has an inability to support weight and can flow down very gentle slopes.”

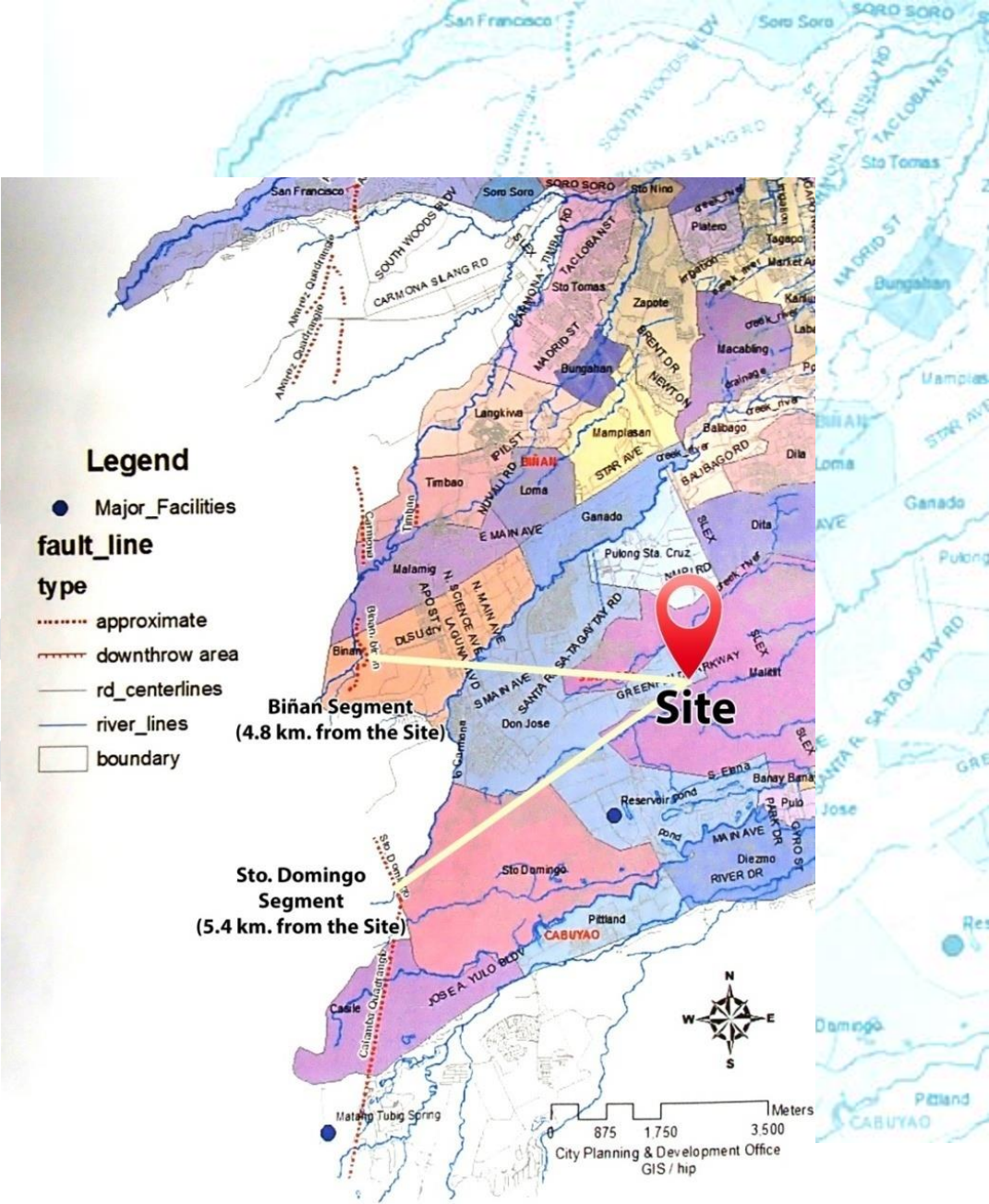


Figure 27: Fault Line Map

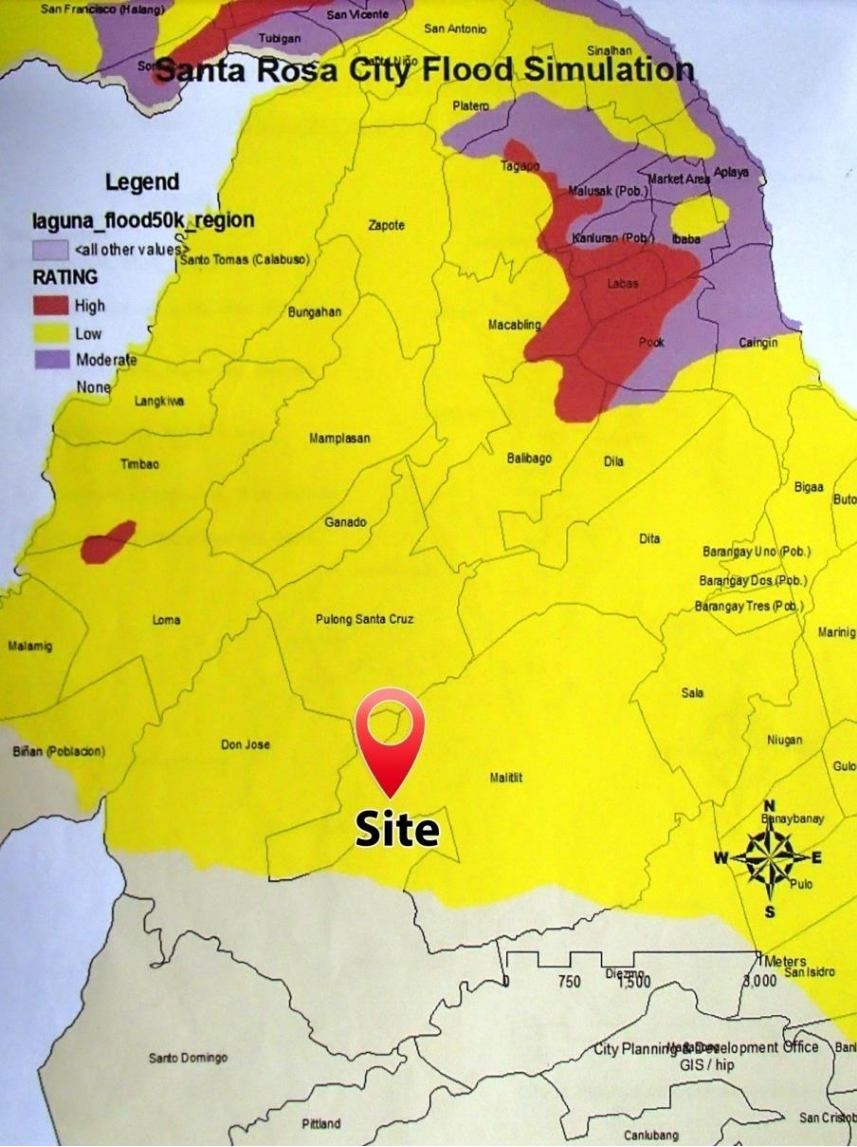


Figure 28: Flood Simulation Map

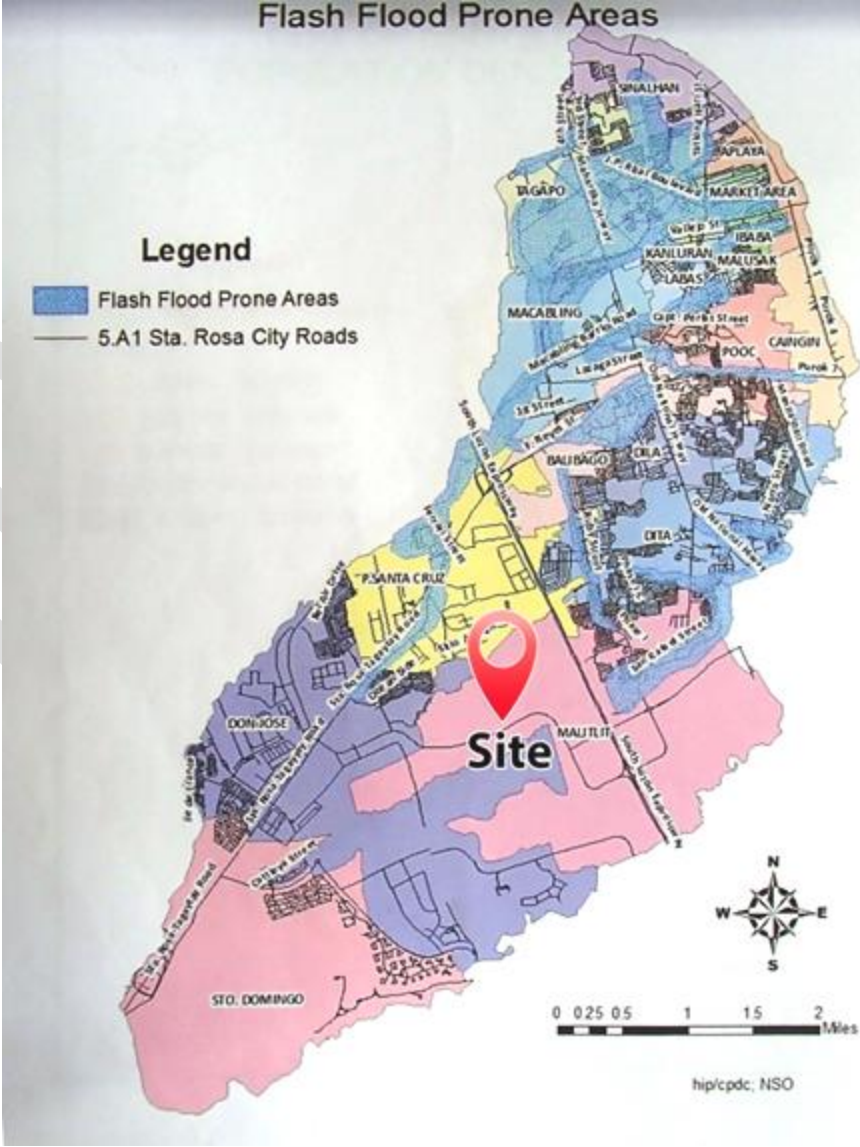


Figure 29: Flash Flood Simulation Map

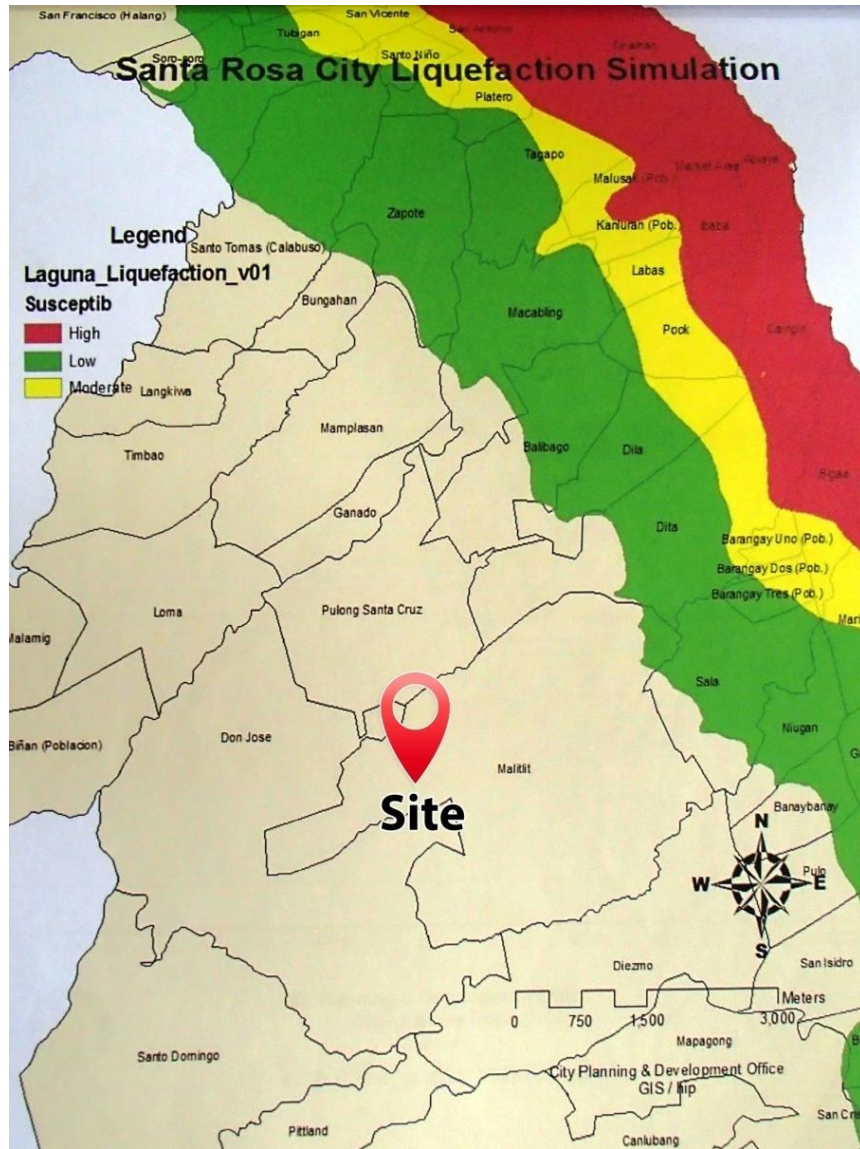


Figure 30: Liquefaction Simulation Map

SWOT Analysis

Strengths and Opportunities

Advantageous factors inherent and external to the property that currently contributes to or may contribute to the property's value.

1. Large buildable area (relative to typical size of retail establishments in the vicinity)
2. Low risk of flooding, and no risk of flash floods and liquefaction
3. Construction of the bridge over Malilit River will provide easier access to and from Sta. Elena City
4. The same bridge will give easier access to the proposed University of Santo Tomas
5. Road widening of Greenfield Parkway
6. Proximity to emerging new Regional CBD
7. Completion of other high-end residential subdivisions within the area
8. Emergence of the Eton Central Business District
9. Easily accessible from South Luzon Expressway
10. Easily accessible from Sta. Rosa – Tagaytay Road
11. High vehicular traffic
12. Surrounded by Eton City, Sta. Elena City and Greenfield City
13. Proximity to existing commercial centers such as Laguna Central, Paseo de Sta. Rosa and Solenad
14. Proximity to high-end subdivisions such as Pramana, Solen, South Lake Village, RiverBend, etc.
15. Proximity to existing and proposed schools such as UST, UPMC, Saint Scholastica, Ateneo Graduate School, DLSU, Miriam College, etc.
16. Proximity to Hospitals

17. Proximity to Golf Courses
18. Moderate proximity to places of work (commercial centers and industrial parks)
19. Zoned as Growth Management Zone – 2, may be used for various high income potential developments such as shopping mall, hotel, recreational facility, office building, etc.
20. May eventually be buildable with high-rise structures of up to 40 floors by availing of the Land Use Intensity Control bonus (also dependent on the emergence of the Eton City CBD).
21. Entitled to the provision of a legal easement of right of way.

Weaknesses and Threats

Disadvantageous factors inherent and external to the property that currently reduces or may reduce the property's value.

1. Irregular shape
2. No road frontage
3. Side bounded by the creek may have been eroded
4. Beside a creek (depending on whether a view of the creek is desirable or not)
5. Servient estate may charge a higher premium for providing the easement of right of way from the property to Greenfield Parkway.
6. Proposed commercial development on the subject property that plans to cater to the nearby high-end subdivisions may be affected by the construction of the nearby Village Walk, also a commercial subdivision.
7. Interior Lot
8. Too distant from City Hall
9. Too distant from Old Traditional Core, requires paid passage

through Asia Brewery Road, or passage through the narrow Malitlit-Eton Access Road

10. No public transportation along Greenfield Parkway
11. No buses stopping at the Malitlit Exit
12. Limited public transportation along Sta. Rosa – Tagaytay Road
13. LOT 2060-C-2-A is subject to a legal easement of 3 meters from the bounding creek, reducing the lot's net useable or buildable area.
14. LOT 2060-C-2-B, covered by T-711150 is encumbered with a mortgage (entered in 2008) (see supporting documents section)
15. LOT 2060-C-2-C, covered by T-711149 is also encumbered with a mortgage (entered in 2008) (see supporting documents section)
16. Subject to the right of any party that was noted in the original title before it was lost or destroyed.
17. Subject to the claims of the heirs, creditors or anyone else who are unlawfully deprived of participation in the estate of the deceased part-owner (Cesar Almeda and Esteban Almeda).
18. Proximity to fault lines

Summary of Property Characteristics

Size and Shape	
Approximate Total Land Area:	90,000 sq.m.
Net Useable Area:	89,753 sq.m.
Shape:	Irregular
Lot Type:	Landlocked
Road Frontage	
Fronting Road:	- (about 30 meters north from Greenfield Parkway)
Total Road Frontage:	-
Average Depth:	-
Road Type and Description:	2-lane, concrete road
Geophysical Risks	
Flooding:	Low Risk
Flash Flood:	No Risk
Liquefaction:	No Risk
Proximity to Nearest Fault Line:	4.8 kilometers northwest

Legal Restrictions	
Title Restrictions (for TCT No T-711149)	Government Exemption from Article 567 of the Civil Code, Rights under R.A. 26, and Rights under Section 4, Rule 74 of the Rules of Court
Title Restrictions (for TCT No T-711150)	Lis Pendens, Mortgage, Rights under R.A. 26, and Rights under Section 4, Rule 74 of the Rules of Court
Title Restrictions (for TCT No. T-711151)	Mortgage, Rights under R.A. 26, and Rights under Section 4, Rule 74 of the Rules of Court
Zoning:	Growth Management Zone 2
Maximum PLO:	60%
Maximum FAR:	4
Maximum AISAR:	10% over the resultant PLO
Allowable Uses:	Residential, Commercial, Institutional, Industrial, Parks and Recreation
Approximate Distance from Major Roads	
SLEX	2.2 km. southeast from the property via Malitlit Exit 5.1 km. northeast via Sta. Rosa Exit
Sta. Rosa – Tagaytay Road	2.2 km. northwest