Republic of the Philippines Regional Trial Court of Manila Office of the Clerk of Court & Ex-Officio Sheriff

EUWARD L. DU and	NOMAD		
SPORTS CLUB	T21 ' (*CC)		
	Plaintiff/s	CIVIL CASE NO. 1	A1 08976
-versus-		FOR:	
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Jonathan Thorp,	et.al.		
	Defendant/s		
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GREETINGS:		•	•
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		Floor, City Hall, Ma	
The summary pr	oceedings on whet	ther a TRO shall issue wi	ll be conducted by the
JUDGE to whom this is a	ramed.		
Manila, Philippin	es, April 7, 2	010 2005	
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JENNIFER H. DELA CRUZ-BUENDIA Clerk of Court

_ Ву:

CLEMENTE M. CLEMENTE Asst. Clerk of Court

Republic of the Philippines Regional Trial Court of Manila Office of the Clerk of Court & Ex-Officio Sherill

EDWARD L. DU and NOMAD SPORTS CLUB,

Plaintiff(s):

-Versus-

Civil Case No. 10-123275

JONATHAN THORP, ET. AL.,

Defendant(s).

SUMMONS

TO:

MA. SHIELA UBAMA -

BRADLEY HANNAM -

THOMAS WHITWELL -

GREETINGS:

You are hereby required, within fifteen (15) days after service of this summons upon you, to file with this Court and serve on the plaintiff your ANSWER to the Complaint, copy of which is attached, together with the annexes. If you fail to answer within the time fixed, the plaintiff will take judgment by default and may be granted the relief applied for in the complaint. Your ANSWER must comply with the requirements contained in Rule 2, Section 6 and 8 of the Interim Rules of Procedure Governing Intra-Corporate Controversies (A.M. No. 01-2-04-SC).

Procedure, pursuant to the TBP-OCA Memorandum on Policy guidelines, dated March 12, 2002, you are expected NOT to file a Motion to Dismiss but instead, you are requested to allege the grounds of such motion as defenses in your Answer. Likewise, you are expected to utilize the deposition-discovery measures under Rule 23, 25, 26, 27 & 28 of the 1997 Rules of Civil Procedure. Failure to resort to deposition by written interrogatories under Rule 25 and the request for admission of facts under Rule 27 may be prejudicial to your interest.

Manila, Philippines. April 7, 2010.

JENNIFER H. DELA CRUZ-BUENDIA Clerk of Court & Ex-Officio Sheriff

By:

CLEMENTE M. CLEMENTE Assistant Clerk of Court

REPUBLIC OF THE PHILIPPINES NATIONAL CAPITAL JUDICIAL REGION

REGIONAL TRIAL COURT
MANILA

Branch ____

EDWARD L. DU and NOMAD SPORTS CLUB,

Petitioners,

APR 0 7 2010

BY:

- versus -

JONATHAN THORP, FAISAL DURRANI-KHAN, MA. SHIELA UBAMA, MATTHEW FREESTON, CONNY DOLONIUS, IAIN SINCLAIR, THOMAS WHITWELL, BRADLEY HANNAM AND STEVE

X-----X

ARTHUR,

Respondents.

Case No. U 1 2 3 2 / 5
For: Annulment of all ultra vires acts of the Board with Prayer for a Writ of Preliminary Injunction.

PETITION

Petitioners Edward L. Du and Nomad Sports Club, by counsel, respectfully state:

- 1. Petitioner Edward L. Du is of legal age, of Filipino nationality, and with address at 25 Regency Avenue, Citihomes Regency Subdivision, Merville, Parañaque City. He may be served with pleadings, notices, orders and other processes of the Honorable Court through the undersigned law firm.
 - 1.1. This is likewise a derivative suit instituted by petitioner Du for and on behalf of petitioner Nomad Sports Club ("Club"), a corporation duly organized and existing under Philippine laws with principal office at the City of Manila and business address at No. Off Madrid Street, Merville Park Subdvision, Parañaque City.

- 1.1.1. Petitioner Du is a member in good standing of petitioner Club.
- 1.1.2. Petitioner Du tried exhausting intra-corporate remedies by demanding that the Board of Directors desist from pursuing the illegal purchase of land. In addition, a demand to the Board of Directors has been proven futile as they continued the questioned transaction despite the cases filed against them previously.
- 1.1.3. In fact, petitioner Du, through demand letters sent on February and March 2010, asked to be shown documents pertaining to the impending purchase being pursued by the respondents and demanded the latter to immediately desist from their unlawful acts.
- 1.1.4. Other than potential personal damages inflicted upon petitioner Du, petitioner Club will also be greatly affected by the illegal action that may even lead to its bankruptcy.
- 1.2. Petitioner Company may likewise be served with pleadings, notices, orders and other processes of the Honorable Court through the undersigned law firm.
- 2. Respondent Jonathan Thorp is of legal age, of British nationality, and with address at '
- where he may be served with summons, pleadings, notices, orders and other processes of the Honorable Court. Respondent Thorp is a director and the President of the petitioner Club.
- , 3. Respondent Faisal Durrani-Khan is of legal age, of Pakistani nationality and with address at
- where he may be served with summons, pleadings, notices, orders and other processes of the Honorable Court. Respondent Durrhani-Khan is a director and an officer of the petitioner Club.

74. Respondent Ma. Shiela Ubama is of legal age, of Filipino nationality, and with address at

where she may be served with summons, pleadings, notices, orders and other processes of the Honorable Court. Respondent Ubama is a director and a Corporate Secretary of the petitioner Club.

- ~5. Respondent Matthew Freeston is of legal age, of British nationality, and with address at
- y where he may be served with summons, pleadings, notices, orders and other processes of the Honorable Court. Respondent Freeston is a director and Treasurer of the petitioner Club.
- 6. Respondent Iain Sinclair is of legal age, of Australian nationality, and with address at

y where he may be served with summons, pleadings, notices, orders and other processes of the Honorable Court. Respondent Sinclair is a director and an officer of the Petitioner Club.

~ 7. Respondent Conny Dolonius is of legal age, of Swedish nationality, and with address at

where he may be served with summons, pleadings, notices, orders and other processes of the Honorable Court. Respondent Dolonius is a director and an officer of the Petitioner Club.

8. Respondent Bradley Hannam is of legal age, of Australian nationality, and with address at

where he may be served with summons, pleadings, notices, orders and other processes of the Honorable Court. Respondent Hannam is a director and an officer of the Petitioner Club.

9. Respondent Thomas Whitwell is of legal age, of British nationality, and with address at

where he may be served with summons, pleadings, notices, orders and other processes of the Honorable Court. Respondent Whitwell is a director and an officer of the petitioner Club.

- ~10. Respondent Steve Arthur is of legal age, of Australian nationality, and with address at
- where he may be served with summons, pleadings, notices, orders and other processes of the Honorable Court. Respondent Arthur is a director and an officer of the petitioner Club.
- 11. As will be discussed below, respondents, acting as members of the Board of Directors and/or officers of the petitioner Club, unlawfully invested corporate funds in the purchase of a parcel of land to the grave and irreparable prejudice of the petitioners.
- 12. Petitioner Club is a non-stock, non-profit corporation. Its primary purpose is "[t]o establish, maintain and operate a sports field and a clubhouse thereon constructed, with all necessary equipment and other appurtenances, for the promotion of social, athletic and recreational activities of its members, as well as to foster, promote and conduct legitimate athletic exercises, sports, games and entertainment of all kinds; to encourage and foster ethical standards in business and profession; and to secure the active interest of its members in the civic, commercial, moral and social welfare of the community" (Article Second, Articles of Incorporation of the Club).

A copy of the Club's Articles of Incorporation is attached hereto and made an integral part hereof as **Annex "A."**

13. E.A. Nersan Enterprises Corporation ("Nersan") owns the following parcels of land located in Parañaque City:

Transfer Certificate of Title ("TCT") No. (issued by the Register of Deeds of Parañaque City)	Approximate Area (square meters)
176060	1,100
176062	18,439
176063	4,005
176064	200
176065	1,810

(Collectively, the "Subject Properties")

Copies of TCT Nos. 1760060, 176062, 176063, 176064 and 176065 are attached hereto and made integral parts hereof as Annexes "B" to "B-4."

- 14. On 15 January 1981, petitioner Club entered into a Contract of Lease with Nersan over a part of the Subject Properties, particularly the one covered by TCT No. 176062. The remaining lots in the Subject Properties were being leased to other entities.
- 15. On 16 August 2003, the parties again entered into another Contract of Lease over the said parcel of land covered by TCT No. 176062 to renew the said lease. Under the said Contract of Lease dated 16 August 2003, "[i]n the event LESSOR desires to sell the property, the LESSEE has the preferential right to purchase the same from the former" (p. 5, Contract of Lease dated 16 August 2003).

A copy of the Contract of Lease dated 16 August 2003 is attached hereto and made an integral part hereof as **Annex "C."**

16. Under date 24 October 2007, Nersan sent to petitioner Club a Notice to Exercise Option Right, giving petitioner Club "a non-extendible period of 5 days from receipt [thereof] to formalize [its] offer to buy the leased premises" (p. 1, Notice to Exercise Option Right). Under the said Notice, Nersan offered to sell to petitioner Club the parcel of land covered by TCT No. 176062 at the price of ₱5,500.00/sq.m., or approximately a total of ₱101,414,500.00. Petitioner Club did not act upon the said notice.

A copy of Notice to Exercise Option Right is attached hereto and made an integral part hereof as **Annex "D."**

17. Subsequently, Nersan entered into a Memorandum of Agreement ("Hemlani MOA") with a certain Kishore Hemlani, selling parcels of land, including the Subject Properties. Under the Hemlani MOA, the aforementioned parcel of land covered by TCT No. 176062

fetched a purchase price of $\cancel{2}4,000.00$ per square meter, or approximately a total of $\cancel{2}73,756,000.00$.

A copy of the Hemlani MOA is attached hereto and made an integral part hereof as **Annex "E."**

18. Nersan afterwards sent a Memorandum of Agreement entitled PROPOSAL to petitioner Club for it to exercise its right of first refusal over the aforementioned parcel of land covered by TCT No. 176062.

A copy of the PROPOSAL is attached hereto and made an integral part hereof as **Annex "F."**

19. In reply, respondents Thorp and Freeston wrote Nersan a letter dated 29 April 2008, offering to buy the Subject Properties. Curiously, respondents Thorp and Freeston offered to buy the Subject Properties at a price much higher than the one offered by Hemlani. While Hemlani merely offered to purchase the said portion for \$104,052,000.00, respondents Thorp and Freeston offered to buy the same at \$115,000,000.00.

A copy of the Letter Reply dated 29 April 2008 is attached hereto and made an integral part hereof as **Annex "G"**.

20. For violations of the Corporation Code and for the commission of ultra vires acts, through a letter dated 5 August 2008, petitioner Du demanded that respondents desist from further pursuing the purchase of the Subject Property.

A copy of the demand letter dated 5 August 2008 is attached herewith and made an integral part hereof as **Annex "H."**

21. In a Letter dated 11 August 2008, petitioner Club's legal counsel replied that respondents "will not desist from pursuing the purchase of the [Subject Properties]."

A copy of the Letter dated 11 August 2008 is attached hereto and made an integral part hereof as **Annex "I."**

- 22. Petitioner Du, thus, filed a complaint with the Securities and Exchange Commission ("SEC"). The complaint alleged that Board of Directors is liable civilly, administratively, and criminally for offering securities and issuing bonds. The complaint prayed for the SEC to do the following:
 - a. Issue *ex parte* a cease and desist order enjoining the sale and/offering for sale of securities by respondent;
 - b. Refer the aforementioned violations of the SRC and other pertinent laws to the Department of Justice for preliminary investigation and prosecution before the proper court;
 - c. Suspend securities from being traded by complainant for having violated Section 13.1 (ii), (iii), (iv) of the SRC.
- 23. The complaint became the basis for the SEC's issuance of a Cease and Desist Order ordering the petitioner Club, "its respective officers, directors, representatives, agents and any and all persons, conduit entities and subsidiaries claiming and acting for and in behalf of respondent are hereby ordered to immediately CEASE AND DESIST from further ordering and selling membership certificates to the general public."
 - 23.1. Petitioner Club, represented by herein respondents, subsequently appealed the said order with the Court of Appeals docketed as CA-G.R. No. 108933. In a Decision dated 30 September 2009, the Court of Appeals denied the Petition and affirmed the assailed orders. Petitioner Club, represented by herein respondents, filed a Motion for Reconsideration which remains pending resolution.
- 24. The complaint likewise became the basis for the filing of a complaint-affidavit against NSC and its directors/officers for violation of Section 8 and 12 of Republic Act No. 8799 (Securities Regulation Code) in relation to their issuance certificates of membership on 2 June 2009. Petitioner Du filed a Motion for Intervention in the proceedings but subsequently withdrew the same after the parties have settled their

issues amicably. Nevertheless, the investigation continued despite such withdrawal and the same is now pending resolution.

- 24.1. The Affidavit of Desistance filed by petitioner Du was made on the understanding that respondents herein shall comply with all the laws and regulations on the purchase of the Subject Properties. Contrary to this understanding, respondents herein continued to keep the transaction under wraps, especially with regard to the financing thereof.
- 25. Subsequently, petitioner Du thereafter learned that respondents intervened in the civil case entitled "Multi-Sphere Trading, Inc. v. E.A. Nersan Enterprises Corporation, et al.," docketed with the Regional Trial Court of Parañaque City as Civil Case No. 08-0350.
 - 25.1. The case involves the claim of Multi-Sphere Trading, Inc. on the properties of Nersan, which include the Subject Properties.
 - 25.2. In the case, respondents agreed to bind the club in a Compromise Agreement, wherein the petitioner Club essentially entered into a Contract to Sell with Nersan involving the Subject Properties.
 - 25.3. In an Order dated 18 December 2009, the Court approved the Compromise Agreement and dismissed the aforesaid case.

A copy of the Order dated 18 December 2009 is attached hereto and made an integral part hereof as **Annex "J."**

- 25.4. With this development, petitioner Du tried to elicit information on the plans of respondents in order to know that all transactions are legal and above board.
- 26. Thus, on 23 February 2010, through an undated letter, petitioner Du requested the respondents to provide the necessary information with respect to the purchase of the Subject Properties. The

letter was addressed to Nomad Sports Club (Attention: Jonathan Thorp Matthew Freeston) and received by the clerk in the office of the Club. Despite such demand, respondents ignored such demand.

A copy of the undated Letter received on 23 February 2010 is attached hereto and made an integral part hereof as **Annex "K."**

27. On 17 March 2010, under a Letter dated 5 March 2010, petitioner Du reiterated his demands with the threat that he will institute the proper action unless the respondents abide by their promises, give transparency on the details surrounding the purchase of the Subject Properties and comply with all existing laws, rules and regulations thereon.

A copy of the Letter dated 5 March 2010 is attached hereto and made an integral part hereof as **Annex "L."**

28. To date, the foregoing demand remained unheeded. Hence, this Petition.

CAUSES OF ACTION

- 29. Section 45 of the Corporation Code expressly provides:
 - Sec. 45. *Ultra vires* acts of corporations. No corporation under this code shall possess or exercise any corporate powers except those conferred by this Code or by its articles of incorporation and except such as are necessary or incidental to the exercise of the powers so conferred.
- 29.1. "The term *ultra vires* refers to an act outside or beyond corporate powers, including those that may ostensibly be within such powers but are, by general or special laws, prohibited or declared illegal. The Corporation Code defines an *ultra vires* act as one outside the powers conferred by the Code or by the Articles of Incorporation, or beyond what is necessary or incidental to the exercise of the powers so conferred" (*Twin Towers Condominium*

Corporation v. Court of Appeals, G.R. No. 13552, 27 February 2003).

FIRST CAUSE OF ACTION

The purchase of the Subject Properties is ultra vires because petitioner Club is not qualified to acquire private lands under Sec. 7, in relation to Secs. 2 and 3, Article XII of the 1987 Constitution.

- 30. Petitioner Club is prohibited under the Constitution to acquire private lands, and therefore, the purchase of the Subject Properties is *ultra vires*.
 - 31. Sec. 7, Article XII of the 1987 Constitution provides:
 - SEC. 7. SAVE IN CASES OF HEREDITARY SUCCESSION, NO PRIVATE LANDS SHALL BE TRANSFERRED OR CONVEYED EXCEPT TO INDIVIDUALS, CORPORATIONS, OR ASSOCIATIONS QUALIFIED TO ACQUIRE OR HOLD LANDS OF THE PUBLIC DOMAIN.
- 32. In relation thereto, Sec. 3 Article XII of the Constitution grants private corporations capacity to hold public lands by lease, thereby qualifying them to acquire private lands as stated in the above-quoted provision. However, Sec. 2, Article XII of the Constitution limits the exploration, development and utilization of natural resources to Filipino corporations at least 60% of whose capital is owned by Filipino Citizens. Therefore, only Filipino corporations may acquire private land.
- 33. In determining compliance with the 60% requirement of a non-stock corporation, the Supreme Court held that "[t]he purpose of the sixty per centum requirement is obviously to ensure that corporations or associations allowed to acquire agricultural land or to exploit natural resources shall be controlled by Filipinos; and the spirit of the Constitution demands that in the absence of capital stock, the controlling membership should be composed of Filipino citizens" (*The Register of Deeds of Rizal v. Ung Sui Si Temple*, G.R. No. L-6776, 21 May 1955).

- The Securities and Exchange Commission ("SEC") "has had occasion to state in several opinions, that it is implicit in this provision, even if it merely refers to ownership of stock in the corporation holding the land or natural resource concession, that the nationality requirement is not satisfied unless it satisfies the criterion of beneficial ownership, i.e., Filipinos are the principal beneficiaries in the exploitation of natural resources (Op. No. 144, s. 1977; Roman Catholic Apostolic Adm. of Davao, Inc., vs. Land. Reg. Com. 102 Phil. 596[1957]) and that in applying the same 'the primordial consideration is situs of control, whether in a stock or non-stock corporation' (Op. No. 178, s. 1974). The framers of the constitution, in limiting the disposition, exploration, development, exploitation or utilization of the natural resources of Philippines to citizens or to corporations or associations at least 60% of the capital of which is owned by such citizens, could not have intended 'any interest less than full and absolute ownership by Philippine citizens of the 60% capital', and any other interpretation would do violence to the policy and intent behind these and related constitutional provisions of insuring the conservation of the natural resources of the Philippines for its citizens (Op. No. 171, s. 1974). As stated in Register of Deeds vs. Ung Sui Si Temple (97 Phil. 58), the purpose of the sixty per centum requirement is obviously to ensure that corporations and associations allowed to acquire agricultural land or to exploit natural resources "shall be controlled by Filipinos" (SEC Opinion No. 130, s. 1985).
- 35. In this case, petitioner Club cannot be considered a Filipino corporation for its foreign membership greatly exceeds its Filipino membership.
- 36. As per the Membership Count by Classification submitted by respondents herein in the SEC Investigation of petitioner Club, as of November 2008, its membership is composed of the following:

Classification Paying Members	Count
Regular Filipino Individual	162
Regular Filipino Corporate	6
Regular Filipino Non-Playing	1
Regular Foreign Individual	73
Regular Foreign Corporate	8
Associate New	146
Associate New Corporate	18
Restricted Temporary	4
Restricted Student	8
Total Paying Members	426

Classification Non-Paying Members	Count
Regular Filipino Lifetime	1
Regular Foreign Lifetime	. 16
Associate New Lifetime	2
Honorary Members	50
Overseas	18
Total Non-Paying Members	87

A copy of the Membership Count by Classification is attached hereto and made an integral part hereof as **Annex "M**."

37. Based on the foregoing, foreign members of Nomad Sports Club ("Club") are at least 281 in number:

Total Foreign Members	281
Overseas	18
Associate New Lifetime	2
Regular Foreign Lifetime	16
Associate New Corporate	18
Associate New	146
Regular Foreign Corporate	8
Regular Foreign Individual	73

(Note: Honorary members cannot be distinguished as they may be either Filipino or Foreigner, and thus, foreign members can even be more than the number stated above)

- 38. Thus, foreigners comprise <u>at least</u> 54.77% (281[Foreign Members]/513 [Total Membership]) of the total membership of the Club.
 - 38.1. In SEC Opinion No. 30-04 dated 28 April 2004, the SEC ruled that "[u]nder the *principle of equality of shares*, regardless of classification of shares, each share is equal in all

respects to every other share except when otherwise provided under the articles of incorporation, and certificate of stock. Thus, the total number of shares issued, whether voting or non-voting which comprises the outstanding capital stock and accorded equal stockholders rights, shall be considered in the determination of the ownership of a corporation."

38.2. Further, in SEC Opinion dated 27 December 1995 issued to Joaquin Cunanan & Co., the SEC explained:

The above provision does not qualify whether the required ownership of "capital stock" are voting or non-voting. Hence, it should be interpreted to mean the sum total of the capital stock subscribed, irrespective of their nomenclature and whether or not they are voting or non-voting. The use of the phrase "capital stock belongs" connotes that in order to comply with the Filipino nationality requirement for land ownership, it is necessary that the criterion of "beneficial ownership" should be met, not merely the control of the corporation.

To construe the 60-40% equity requirement is merely based on the voting shares, disregarding the preferred non-voting shares, not on the total outstanding subscribed capital stock, would give rise to a situation where the actual foreign interest would not really be only 40% but may extend beyond that because they could also own even the entire preferred non-voting shares. In this situation, Filipinos may have the control in the operation of the corporation by way of voting rights, but have no effective ownership of the corporate assets which include lands, because the actual Filipino equity constitutes only a minority of the entire outstanding capital stock. Therefore, in essence, the company, although controlled by Filipinos, is beneficially owned by foreigners since the actual ownership of at least 60% of the entire outstanding capital stocks would be in the hands of foreigners. Allowing this situation would open the floodgates to circumvention of the intent of the law to make the Filipinos the principal beneficiaries in the ownership of Philippine alienable lands.

39. In view of the foregoing, the computation for the compliance with the constitutional requirement of at least 60% Filipinos must be based on the actual number of members, and not merely number of members with voting rights.

- 40. Hence, following the SEC opinion, petitioner Club is not qualified to purchase land as more than majority (54.77%) of the members of the Club who will have "beneficial ownership" are foreigners.
- 41. In addition, it must be noted that almost all of the members of the Board of the Club are foreigners, and thus, it fails to provide for the ratio of 60% Filipino representation. This circumstance may even expose the members of the Club to a violation of Anti-Dummy Law once the Subject Properties are transferred under petitioner Club's name.

SECOND CAUSE OF ACTION

Due to the non-compliance with Section 42 of the Corporation Code which requires ratification by at least 2/3 of the members of the Club, the purchase of the Subject Properties is ultra vires.

- 42. It bears emphasis that petitioner Club is a non-stock corporation, formed in order "to establish, maintain and operate a sports field and clubhouse thereon constructed, with all necessary equipment and other appurtenances, for the promotion of social, athletic and recreational activities of its members, as well as to foster, promote and conduct legitimate athletic exercises, sports, games and entertainments of all kinds; to encourage and foster ethical standards in business and profession; and to secure the active interest of its members in the civic, commercial, moral and social welfare of the community" (Article Second, Articles of Incorporation of the Club, Annex "A").
- 43. The purchase of real property is obviously not included in the primary purpose of the Club, and therefore, such investment needs the ratification of its stockholders under the law.
- 44. Worse, respondents opted to purchase the Subject Property, bigger than the portion petitioner Club was leasing from Nersan. In purchasing that bigger property, respondents intend to engage in the business of leasing real property. In fact, in the Letter Reply dated 29

April 2008, respondents manifested their intention to continue with the renting of certain portions of the Subject Property, to wit:

RENTAL

The seller shall be entitled to collect full rental payments up until the stage 2 payment. Thereafter (sic) the seller shall be entitled to receive a proportion of 45/115 of the rental payments whilst the buyer will receive 70/115 of the rental payments.

From the date of the stage 3 payments the seller shall be entitled to receive a proportion of 10/115 of the rental payment whilst the buyers (sic) is entitled to received (sic) 105/115 of the rental payment until the date of final payment."

(p. 2, Letter Reply dated 29 April 2008; Annex "G")

- 45. "Xxx as borne out by the Articles of Incorporation, [petitioner Club] was incorporated as a non-stock corporation. As a non-stock corporation, [petitioner Club] may only be formed or organized for charitable, religious, educational, professional, cultural, fraternal, literary, scientific, social, civic, or other similar purposes. It may not engage in undertakings, such as the [real estate] business, where profit is the main or underlying purpose" (*People v. Menil*, G.R. No. 115054-66, 12 September 2000).
- 46. Clearly, the purchase of the Subject Properties is not reasonably necessary to accomplish petitioner Club's primary purpose. More so, the business of leasing is an activity that is against the very nature of a non-stock corporation.
- 47. Consequently, petitioner Club must comply with Section 42 of the Corporation Code:
 - Sec. 42. Power to invest corporate funds in another corporation or business or for any other purpose.— Subject to the provisions of this Code, a private corporation may invest its funds in any other corporation or business or for any other purpose other than the primary purpose for which it was organized when approved by a majority of the board of directors or trustees and ratified by the

stockholders representing at least two-thirds (2/3) of the outstanding capital stock, by at least two thirds (2/3) of the members in the case of non-stock corporation, at a stockholders' or members' meeting duly called for the purpose. Written notice of the proposed investment and the time and place of the meeting shall be addressed to each stockholder or member at his place of residence as shown on the books of the corporation and deposited to the addressee in the post office with the postage prepaid, or served personally: xxx Provided, however, where the investment by the corporation is reasonable necessary to accomplish its primary purpose as stated in the articles of incorporation, the approval of the stockholders or members shall not be necessary."

- 48. Such investment must therefore be "approved by a majority of the board of directors...and ratified...by at least two thirds (2/3) of the members in the case of non-stock corporation, at a...members' meeting duly called for the purpose. Written notice of the proposed investment and the time and place of the meeting shall be addressed to each stockholder or member at his place of residence as shown on the books of the corporation and deposited to the addressee in the post office with the postage prepaid, or served personally" [emphasis supplied] (Section 42, Corporation Code).
- 49. Given the foregoing, it is essential that the investment in the purchase of land must be ratified by at least 2/3 of the members of petitioner Club in a meeting duly called for that purpose.
- 50. Due to the non-compliance with Section 42 of the Corporation Code, the purchase of the Subject Properties is *ultra vires* and it must therefore be struck down.

THIRD CAUSE OF ACTION

Respondents are guilty of gross negligence or bad faith in directing the affairs of the corporation and they shall be liable jointly and severally for all damages resulting

- 51. Section 31 of the Corporation Code relevantly provides:
- Sec. 31. Liability of directors, trustees or officers.—Directors or trustees...who are guilty of gross negligence or bad faith in directing the affairs of the corporation...shall be liable jointly and severally for all damages resulting therefrom suffered by the corporation, its stockholders or members and other persons.
- 52. "By definition, **gross negligence** refers to negligence characterized by the want of even slight care, acting or omitting to act in a situation where there is a duty to act, not inadvertently but wilfully and intentionally with a conscious indifference to consequences in so far as other persons may be affected. It is the omission of that care which even inattentive and thoughtless men never fail to take on their own property" (De La Victoria v. Mongaya, A.M. No. P-00-1436, 19 February 2001).
- 53. Admittedly, respondents understand the financial difficulty of petitioner Club to finance the purchase of the Subject Properties as stated in the Prospectus they first disseminated to the public. Respondents admit that they pursued the purchase of the Subject Properties even if "[t]he Club in its present form would clearly never be able to raise the money, and trying to raise it through borrowing and increasing dues dramatically was not thought to be viable."

A copy of the Prospectus is attached hereto and made an integral part hereof as **Annex "N."**

- 54. Worse, having decided to pursue the said transaction, respondents did not even seek petitioner Club's members, all of whom will be greatly affected by the said decision.
- 55. Adding insult to injury, respondents decided to impose unreasonable charges on the members in order to save petitioner Club's impending financial disaster.

- 55.1. As one of the immediate recourse, respondents decided to impose a "special levy" against the members in the amount of \$\mathbb{P}\$500.00 per month, subject to the annual review of the petitioner Club's Board (p.1, Prospectus, Annex "N").
- 55.2. After members protested such levy, including petitioner Du himself, respondent realized they could not just impose additional burden to members of the Club and backtracked on this imposition.
- 55.3. Nevertheless, this totalitarian stance employed by the respondents had caused a dividing rift among its members and severely tarnished the reputation that the Club used to enjoy.
- 56. In addition, respondents' utter failure to comply with the Corporation Code and with petitioner Club's By-Laws constitute gross negligence, if not bad faith, in directing the affairs of petitioner Club. Respondents opted to instil these fundamental changes in the petitioner Club without even attempting to secure members' approval.
 - 56.1. The fact that respondents foresee the significant problems that their decision to purchase the Subject Property may bring highlights their wanton disregard of the effects of their decision on the rights of petitioner Club's members. Respondents, by their decision, unduly burdened petitioners Club's members, and unless prevented, such decision shall burden the Club with a financial liability it cannot shoulder. Respondents should have consulted the members on such fundamental change, or at the very least, provide concerned members information thereto.
 - 56.2. "As owners...the stockholders or members have residual powers over fundamental and major corporate changes...In other words, acts of management pertain to the board; and those of ownership, to the stockholders or members. In the latter case, the board cannot act alone, but must seek approval of the stockholders or members" (*Tan v. Sycip*, G.R. No. 153468, 17 August 2006).

- 57. In this case, respondents performed different acts of ownership, substantially affecting the rights of members of petitioner Club. Even when given the opportunity to seek members' approval, respondents willingly ignored petitioner Du's demands for their immediate compliance of the law. Instead, wielding their lofty positions, respondents pursued, and continue to pursue all of their contentious decisions.
- 58. As a consequence, petitioner Club is now obliged to purchase the Subject Properties in the amount of $$\mathbb{P}$114,977,460.00$ when it only earned an income of $$\mathbb{P}$80,900.00$ in 2009 and even incurred losses amounting to $$\mathbb{P}$2,550,060$.

A copy of the Financial Statements for the Years Ended 30 September 2009 and 2008 are attached hereto and made an integral part hereof as **Annex "O."**

- 59. In fact, respondents already caused the advance payment of ₱35,050,000.00 already, and there is reason to believe that it continues to make other payments pursuant to the Compromise Agreement (See Annex "J").
- 60. Respondents may likewise be deemed in bad faith in directing the affairs of the corporation. Based on the discussion above, it can be seen that petitioner Club does not have the qualification to acquire the Subject Property. Despite such fact, respondents continue to pursue the purchase and they attempt to use the corporate fiction of the petitioner Club in order to circumvent the prohibition against foreigners and foreign corporations from acquiring private land.
- 61. "Malice or bad faith implies moral obliquity or a conscious and intentional design to do a wrongful act for a dishonest purpose" (Bankard, Inc. v. Feliciano, G.R. No. 141761, 28 July 2006). Respondents are obviously guilty of bad faith as they try to circumvent the law and worse, they even conceal it from the members of petitioner Club.

62. For their manifest gross negligence and bad faith, respondents must be held liable jointly and severally for all damages resulting from the aforementioned acts suffered by the petitioner Club and its members.

APPLICATION FOR THE ISSUANCE OF A WRIT OF PRELIMINARY INJUNCTION

63. Petitioners replead all the foregoing allegations.

Petitioner seeks to enjoin the respondents from continuing with the purchase of the Subject Property from Nersan for being in violation of the applicable provisions of law and the Constitution.

The instant case falls under all of the grounds in Section 1, Rule 58 of the Rules of Court where the writ of preliminary injunction may issue.

- 64. The instant case falls under all of the grounds in Section 1, Rule 58 of the Rules of Court where the writ of preliminary injunction may issue.
 - 64.1. "The applicant is entitled to the relief demanded, and the whole or part of such relief consists in restraining the commission or continuance of the act or acts complained of, or in requiring the performance of an act or acts, either for a limited period or perpetually."
 - 64.1.1. If the purchase pushes through, petitioner Club and its members will have to shoulder a financial liability it cannot shoulder.
 - 64.1.2. In addition, it must be noted that this purchase fails to comply with specific provisions of the Corporation Code which gives the members of the petitioner

Club the right to decide whether or not they, as a collective body, agree to such decision of the respondents.

- 64.1.3. More importantly, such purchase transgresses the very provisions of the 1987 Constitution and therefore the purchase of the Subject Properties by an unqualified corporation is an affront on the rights of Filipino citizens in general.
- 64.2. "The commission, continuance or non-performance of the act or acts complained of during the litigation would probably work injustice to the applicant".
 - 64.2.1. As stated above, respondents are unlawfully investing corporate funds in the purchase of the Subject Properties to the clear prejudice of petitioners as they will shoulder a financial burden they are incapable of paying.
- 64.3. "A party...or a person is doing, threatening, or is attempting to do, or is procuring or suffering to be done, some act or acts probably in violation of the rights of the applicant respecting the subject of the action or proceeding, and tending to render the judgment ineffectual".
 - 64.3.1. Unless prevented, respondents will pursue their plans that will not only substantially prejudice the rights of the members of the Club, but more importantly, may cause the impending bankruptcy of the Club itself.

This matter is of extreme urgency as the petitioner, as well as its members, shall suffer grave and irreparable injury unless the subject acts sought to be prevented are immediately curtailed.

- 65. From the foregoing, it is clear that this matter is of extreme urgency as the petitioner, as well as its members, shall suffer grave and irreparable injury unless the subject acts sought to be prevented are immediately curtailed.
 - i. Sale is void for being in contravention with the Constitution and the Corporation Code.
 - 65.1. It must be noted that the impending purchase is in violation of a constitutional mandate that reserves to Filipinos and Filipino corporations the right to acquire private lands. Due to its non-compliance with the constitutional requirement, the sale is void.
 - 65.1.1. It seems therefore that petitioner Club is being used by respondents in their attempt to circumvent the constitutional prohibition. In the event that this transaction is continued, petitioner Club will be left with nothing to show for it but a financial obligation that it cannot bear.
 - 65.1.2. Certainly, this will cause irreparable damage to the Club as it will take part in a void sale and also to the citizens of this State as a whole as an unqualified corporation shall attempt to acquire private property reserved only to Filipinos or Filipino corporations.
 - ii. The undue financial burden will cause the eventual bankruptcy of the Club.
 - 65.2. Despite the lack of the Club's financial capacity to purchase the Subject Property, respondents are keen on pursuing the same.

- 65.2.1. Respondents were already able to pay \$\mathbb{P}35,050,000.00\$, the source of funding seem to come from the initial issuance of bonds that were subsequently stopped when petitioner Du initiated the previous complaint with the SEC.
- 65.2.2. Through certain reports gathered by petitioner Du, respondents paid another \$\mathbb{P}30,000,000.00\$ sometime in March 2010.
- 65.2.3. There are reports that respondents are going to pay another substantial instalment of the purchase price of the Subject Property.
- 65.2.4. These payments are even more precarious because the funding remains undisclosed. For all intents and purposes, the Club may be assuming a financial obligation that it cannot shoulder and that will eventually cause its bankruptcy. Thus, even the negotiation for the financing of the purchase of the Subject Property must likewise be prevented.
- 66. "Before an injunction can be issued, it is essential that the following requisites be present: (1) there must be a right in esse or the existence of a right to be protected; and (2) the act against which injunction is to be directed is a violation of such right" (Antonio v. Hon. Geronimo, G.R. No. 124779, 29 November 2005).
 - 66.1. In this case, (1) the members have a right to ratify fundamental changes in petitioner Club; and (2) respondents' act of railroading this particular transaction without the consent of the members is a clear violation of such right. Eventually, such a huge burden may lead to the bankruptcy of petitioner Club.
 - 66.2. More importantly, (1) the right to acquire land is reserved for Filipino citizens and corporations (2) and this

particular acquisition is in direct contravention of the constitutional mandate and is therefore an affront to all Filipinos.

67. Petitioner Du, on behalf of petitioner Club, is ready and willing to post a bond, in the amount to be fixed by this Honorable Court, to pay all the costs which may be adjudged in favor of the respondents, including all damages which the latter may sustain by reason of the temporary restraining order and/or writ of preliminary injunction, if this Honorable Court shall finally adjudge that herein petitioners were not entitled to the issuance of the temporary restraining order and/or writ of preliminary injunction.

PRAYER

WHEREFORE, petitioners Edward L. Du and Nomad Sports Club respectfully pray that:

- (i) After due notice and hearing, a writ of preliminary injunction be issued by this Honorable Court to restrain the respondents from purchasing the Subject Properties, including any negotiations for the financing thereof; and,
- (ii) After due consideration on the merits, a Decision be issued by this Honorable Court:
 - (a) making such injunction permanent;
 - (b) annulling all *ultra vires* acts of the respondents, including the purchase of the Subject Properties; and,
 - (c) holding respondents jointly and severally liable for all damages resulting from the aforementioned acts suffered by the petitioner Club and its members in the approximate of \$\mathbb{P}\$100,000.00 or as much as will be proven in the course of trial.
 - (d) ordering defendants to pay plaintiff the amount of at least ₽100,000.00 and/or as much as will be incurred and proven in the course of the trial as and by way of attorney's fees and litigation expenses.

Petitioners further pray for such other just and equitable relief under the premises.

Makati City for City of Manila, 30 March 2010.

BRITANICO SARMIENTO & FRANCO LAW OFFICES

Counsel for the Petitioners
Edward Du and Nomad Sports Club
7th Floor, BDO Plaza
8737 Paseo de Roxas, Makati
(632)8132837/fax (632)8132838
info@pbsflawfirm.com
By:

RÓDOLF C. BRITANICO

PTR No. 2089253/1.05.10/Makati City IBP No. 807523/1.06.10/Manila IV MCLE Compliance No. III-0009242/3.8.10/Pasig SC Roll No. 34698

GIAN ENRICO C. NAVARRO

PTR No. 2089251/1.05.10/Makati City IBP No. 807521/1.06.10/RSM MCLE Compliance No. III-0006394/11.26.09/Pasig SC Roll No. 54533

VERIFICATION AND CERTIFICATION

- I, **EDWARD L. DU**, of legal age, Filipino, with with address at 25 Regency Avenue, Citihomes Regency Subdivision, Merville, Parañaque City, Philippines, hereby depose and state:
- 1. I am one of the petitioners in the foregoing Petition, a derivative suit which I instituted for and on behalf of petitioner Nomad Sports Club.
- 2. I have caused the preparation of the present Petition and the allegations set forth therein are true and correct of my own personal knowledge or authentic records.
- 3. I certify that I have not heretofore commenced any other action or proceeding involving the same issues in the Supreme Court, Court of Appeals, Regional Trial Court, Metropolitan and Municipal Trial Courts, or any other tribunal or agency.
 - 3.1. I previously filed a complaint with the Securities and Exchange Commission ("SEC") for violation of Sections 8 and 12 of Republic Act No. 8799, otherwise known as the Securities Regulation Code. The said complaint resulted into an issuance by SEC of a Cease and Desist Order, ordering the respondents therein from offering and selling membership certificates to the general public. The issuance of the Cease and Desist Order was affirmed by the Court of Appeals but the respondents appealed the same by Petition for Review on Certiorari under Rule 45 with the Supreme Court
 - 3.2. The said complaint also became the basis for the filing of a complaint against some of the respondents by the SEC entitled "SEC v. Nomad Sports Club, et al.," currently docketed as I.S. No. XVI-INV-09E-00357 with Department of Justice.
 - 3.2. The issue in this case is different from the aforementioned cases as the latter involve the issuance of securities without the proper registration statement. On the other hand, this case is a derivative suit and an intra-corporate controversy involving the unlawful acts of the respondents herein in relation to the unauthorized purchase of the subject property and in violation of the specific provisions of the Constitution and the Corporation Code.
- 4. To the best of my knowledge, no other similar action is pending in the Supreme Court, Court of Appeals, Regional Trial Court, Metropolitan and Municipal Trial Courts, or any other tribunal or agency.



5. If I should hereafter learn that a similar action or proceeding has been filed or is pending before the Supreme Court, Court of Appeals, Regional Trial Court, Metropolitan and Municipal Trial Courts, or any other tribunal or agency, except the above-entitled case, I undertake to report that fact within five (5) days therefrom to this Honorable Court.

IN	WITNESS	WHEREOF,	I	have	hereunto	set	my	hand	this
	at						•		

EDWARD L. DU

StAh

Affiant

SUBSCRIBED AND SWORN to before me on 10 2010, affiant exhibiting to me his driver's license with No. N1778023240 expiring on July 10, 2011. Issued at Paranaque City

Doc. No. 37,6 Page No. 7,6 Book No. 61; Series of 2010.

ATTY. ROMEO B. RUIZ
NOTARY PUBLIC
APPOINTMENT NO. 31-2009
UNTIL DECEMBER 31, 2011
PTR 9004602 PQUE 1/4/2010
ROLL NO. 15953
IBP 706462 MLA IV 2010/2011
MCLE EXEMPTION III -000624



Republic of the Philippines

Securities and Exchange Commission

EDSA, Greenhills, Mandaluyong Metro-Manila

4155

S.E.C. Reg. No.

CERTIFICATE OF FILING

OF

AMENDED ARTICLES OF INCORPORATION

TO ALL TO WHOM THESE PRESENTS MAY COME, GREETINGS:

THIS IS TO CERTIFY that the amended articles of incorporation of the

NOMAD SPORTS CLUB (Amending Article IV by extending the term of its existence)

	June	22	ne	,	
copy annexed, adopted on			19		1998 N
vote of the members of the	Board of	Trustee		and at least two-	thirds
of the members of the corpora	tion, and Direct	certified und	er oath by the £	XXXXXXX December of the control of t	jority
of the Board of	August	of t	he corporation	, was filed in this (ninety-	eignt
pursuant to the provisions of					
Pambansa Blg. 68, approved to said corporation.	оп Мау	1, 1980, and	attached to the	e other pages perta	aining Batas
IN WITNESS WHEREO	F, I have	hereunto se	I my hand and	caused the real of	if this
Commissione to be affixed at	Mandalu	yang, Metro-N	Manila, Philippi	nes, this 3	igne.

of ______, in the year of our Lord nineteen hundred and _____

SONIA M. BALLO Director Corporate and Legal Department

AMENDED ARTICLES OF INCORPORATION

OF

NOMAD SPORTS CLUB

KNOW ALL MEN BY THESE PRESENTS:

That we, all of whom are residents of the Philippines, have this day voluntarily associated ourselves together for the purpose of forming a non-stock and non-profit corporation under the laws of the Philippines.

AND WE HEREBY CERTIFY THAT:

First. - That the name of said corporation shall be

"NOMAD SPORTS CLUB"

Second. - That the purposes for which said corporation is formed are:

To establish, maintain and operate a sports field and a clubhouse thereon constructed, with all necessary equipment and other appurtenances, for the promotion of social, athletic and recreational activities of its members, as well as to foster, promote and conduct legitimate athletic exercises, sports, games and entertainment of all kinds; to encourage and foster ethical standards in business and profession; and to secure the active interest of its members in the civic, commercial, moral and social welfare of the community.

Without in any particular limiting or restricting any of the objects and powers of this corporation, it is hereby declared and provided that the corporation shall have the power to enter into contracts, borrow money, issue certificates of membership, mortgage or pledge and of its property; and

To make and perform contracts of every kind and description necessary for the carrying out of the purposes and objects for which the corporation was organized; to do generally all such things as may be reasonably necessary to accomplish the purposes for which it is organized.

Third. - That the place where the prinicipal office of the corporation is to be established or located in the City of Manita.

Fourth. - That the term for which the corporation is to exist is another fifty (50) years from and after January 1999.

(AS AMENDED JUNE 22,1998)

Fifth. - That the names and residences of the incorporators of said corporation are as follows:

Name:	Nationality:	Residence:
J.M. Cleland S.H. Jaques E.F. Stewart H.V. Parker J.C.J. Dunn W.W. Donnelly M. Proulx	British British American	Manila, Philippines Manila, Philippines Manila, Philippines Manila, Philippines Manila, Philippines Manila, Philippines Manila, Philippines

(AS AMENDED DECEMBER 12, 1969)

Sixth. - That the number of directors of the corporation shall be eleven (11) and the names and residences of the directors of the corporation who are to serve until their successors are elected and qualified as provided by the by-laws are as follows:

Name:		Residence:
J.M. Cleland S.H. Jaques E.F. Stewart H.V. Parker J.C.J. Parker W.W. Donnelly M. Proulx	t and the Stay of the free	Manila, Philippines Manila, Philippines Manila, Philippines Manila, Philippines Manila, Philippines Manila, Philippines

(AS AMENDED DECEMBER 13, 1968)

Seventh. - That the corporation shall have no shares and that membership therein shall be governed by the By-Laws; provided that no members shall have any right or participation in the corporation's assets and no member shall possess any inheritable, transferable or assignable proprietary interest in the assets of the corporation; that upon the dissolution, termination or liquidation of the corporation all of its member's interests therein shall be forfeited and all corporation assets, after the payment of all of its outstanding debts and obligations shall vest automatically in the Bank of the Philippine Islands, its successor or assigns (or such other qualified bank as may be selected by a majority of all members of the corporation who are

entitled to vote at the time of such dissolution), in trust to be managed and administrated solely for the benefit of such non-profit athletic and recreational activities and organizations as the trustee in its sound and exclusive discretion may select from time to time; it being the intention of the members of the corporation that this trust shall continue in existence to the greatest extent allowed by the law, and that pending the termination of the trust the income therefrom alone is to be used for the benefit of Filipino athletes.

IN WITNESS WHEREOF, we have hereunto set our hands as the City of Manila, Philippines, this 14th day of January, 1949.

(SGD)	(SGD) S.H. JAQUES ACR# 122295-V Sept. 14/46 Renewed: 1/23/48
(SGD)	(SGD)
E.F. STEWART	H.V. PARKER
ACR# 132200-V May 8/46	ACR# 7060-V Oct. 5/45
Renewed: 1/22/48	Renewed: 1/14/49
(SGD)	(SGD)
J.C.J. DUNN	W.W. DONNELLY
ACR# 126750-v Aug. 19/46	ACR# 86315-7 Nov. 13/46
Renewed:	Renewed: 2/4/48
(SGD) M. PROUL) ACR# 1788 Renewed: 1	X 370 – July 30/47

SIGNED IN THE PRESENCE OF:

REPUBLIC OF THE PHILIPPINES) s.s CITY OF MANILA)

BEFORE ME, a notary public in and for the City of Manila, Philippines, personally appeared with their respective residence tax certificates, to wit:

Name	Res. Cert. No.	Date/Place Issued
J.M. Cleland	A 29372	Manila, 6 Jan/49
S.H. Jaques	A 25719	Manila, 15 Jan/48
E.F. Stewart	A 47889	Manila, 9 Jan/48
H.V. Parker	A 71152	Manila, 15 Jan/48
J.C.J. Dunn	A 19822	Manila, 6 Jan/48
W.W. Donnelly	A 96875	Manila, 21 Jan/48
M. Proulx	A 34780	Manila, 8 Jan/48

known to me and to me known to be the same persons who executed and signed the foregoing instrument and who acknowledged to me that they executed the same as their respective free and voluntary act and deed.

IN WITNESS WHEREOF. I have hereunto set my hand and affixed my notarial seal on this $14^{\rm th}$ day of January.

(SGD) ILLEGIBLE NOTARY PUBLIC Until December 31, 1949

Doc. No. <u>238</u>; Page No. <u>51</u>; Book No. <u>10</u>; Series of 1948

REPUBLIC OF THE PHILIPPINES DEPARTMENT OF JUSTICE Nand Registration Authority

QUEZON CITY

ANNEX "B"

REGISTRY OF DEEDS FOR THE

PARANAQUE CITY

Transfer Certificate of Title

No......176060-

IT IS HEREBY CERTIFIED that certain land situated in the City of Paranaque

Philippines bounded and described as follows:

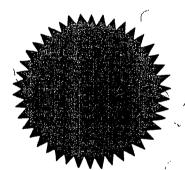
A parcel of land (Lot 4-A-2 of the subd. plan, Psd-00-073874, being a portion of Lot 4-A, (LRC) Psd-48746, LRC Record No. N-14598), situated in Brgy. of Ibayo, Parañaque. Metro Manila, Island of Luzon. Bounded on the No. along line 1-2 by Lot 4-A-3, on the E., along line 2-3 by Lot 4-A-7. (Road), on the S., & W., along lines 3-4-5 by Lot 4-A-1 and on the W., along line 5-6-1 by Lot 4-A-4, all of the subd. plan. Beginning at a point marked "1" on plan, being S. 89 deg. 46 E., 3030-31 m. from BLLM No. 1, Parañaque Cad., thence: N. 87 deg. 45 E., 43.21 m. to pt. 2; S. 03 deg. 21 E., 24.30 m to pt. 3; S. 86 deg. 53 W., 45.66 m. to pt. 4; N. 04 deg. 52 W., 13.18 m. is registered in accordance with the provisions of the Property Registration Decree in the name of

E. A. NERSAN EMPERPRISES CORPORATION, a corp. duly organized and existing under and by virtue of the Phil. laws

as owner thereof in fee simple, subject to such of the encumbrances mentioned in Section 44 of said Decree as may be subsisting, and to the provision of Sec. 4 Rule 74 of the Rules of Court and to an easement of right of way over a 3. m. strip pf Lots 4 and 5 herein described along the creek in favor of the Province of Riza. (Copied from OCT 2243)

IT IS FURTHER CERTIFIED that said land was originally registered on the 12th day of Feb. in the year nineteen hundred and sixty in the Registration Book of the Office of the Register of Deeds of 2243. Rizal Volume A=52

This certificate is a transfer fromfronofor.... Certificate of Title No. ..(.247373) 33138/IW466 is cancelled by virtue hereof in so far as the above-described land is concerned.



Paranaque City Entered at in the year two thousand and oight..... at10:44 .. am.

.0427 Quirino Ave., Dongalo Paranaque (Gitte ys postal address)

RAYMOND G. RAMOS (Register o

*State the civil status, name of spouse if married, age if a minor, citizenship registered owner. If the owner is a married woman, state also the citizenship of land is registered in the name of the conjugal partnership, state the citizenship of the BAUTISTA

SN No. 9107477

IC OF THE PHILIPPINES ARTMENT OF JUSTICE

Land Registration Authority \QUEZON CITY 4...

PARANAQUE CITY

INEX "B-1

REGISTRY OF DEEDS FOR THE

Transfer Certificate of Title

No. - 176062 -

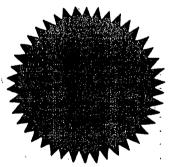
IT IS HEREBY CERTIFIED that certain land situated in the CITY OF PARAHAQUE PHILIPPINES bounded and described as follows:

A percel of land (Lot 4-A-4 of the subd. plan Pad-00-073874 being a por tion of Lot 4-A (LRC) Psd-48716, LRC Rec. No. N-13598) situated in Bgy. of Lb Paranaque, Metro Manila, Island of Luzon. Bounded on the E & S., along lines 1+2-3 by Lot 4-A-2 on the S., along lines 3-4-5 by Lot 4-A-1 both of the subd. plan, on the SW., along lines 5 to 14 by Casiano de Leon, on the N., along lines 19 by Lot 4-A-5 and on the E., along lines 19-20-21 by Lot 4-A-7 (Road) marked "1" on plan being S. 89 deg. 46 E. 3030.31 m. from BLIM No. 1, Parañace ded. thence S. 02 deg. 03 E 11.83 of the Property Registration Decker 77 ille harm 53, m.

E, A. NERSAN ENTERPRISES CORPORATION, a corp. duly organized and existing under and by virtue of the Phil. laws

as owner thereof in fee simple, subject to such of the encumbrances mentioned in Section 44 of said Decree as may be subsisting, and to the provision of Sec. 4, Rule 74 of the Rules of Court and to an easement of right of way over a 3 m. strip of Lots 4 and 5, herein described along the creek in favor of the Province of Rizal (copied from OCT No. 2243)

IT IS FURTHER CERTIFIED that said land was originally registered on the 12th day



Entered atParañaque City...... in the year two thousand andeight ai10:44-81

ATTEST:

0427 Quirino Aver Dongalo Paranaque OPtyer's postal address)

RAYMOND G.

*State the civil status, name of spouse if married, age if a minor, citizenship and recidence of the registered owner. If the owner is a married woman, state also the citizenship of her hisband. If the land is registered in the name of the conjugal partnership, state the citizenship of both/s

SN No. 9107478 Y

REPUBLIC OF THE PHILIPPINES DEPARTMENT OF JUSTICE

Nand Registration Authority
QUEZON CITY

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REGISTRY OF DEEDS FOR THE PARANAQUE CITY

Transfer Certificate of Title

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	is registered in accordance with the provisions of the Property Registration Decree in the name of*
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-	as owner thereof in fee simple, subject to such of the encumbrances mentioned in Section 44 of)
5	said Decree as may be subsisting, and to
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NEW	Registration Book of the Office of the Register of Deeds of
- A	issued in L. R. C
7	This certificate is a transfer from Apple Certificate of Title No. (1916) which is cancelled by virtue hereof in so far as the above-described land is concerned.
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	PATRID G. RANGE (Register of Dee As)
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	registered owner. If the owner is a married woman, state also the citizenship of her hasband. If the
	ARNOLD & BAUTISTA
	Pank, Ponsier of Decu
2 / W.	

*State the civil status, name of spouse if married, age if a minor, citizenship and residence of the registered owner. If the owner is a married woman, state also the citizenship of hor husband. If the land is registered in the name of the conjugal partnership, state the citizenship of both spouse.

PEPUBLIC OF THE PHILIPPINES

DEPARTMENT OF JUSTICE And Registration Authority

QUEZON CITY

PARAÑAQUE CITY

ANNEX "B-3"

RAYMOND / RAMOS

SN No. 9107479

REGISTRY OF DEEDS FOR THE

0427 Quirino Ave. Dongalo

Paranaque (Proy's postal address)

SN	No.	97	U/	4807
		/		/

REPUBLIC OF THE PHILIPPINES DEPARTMENT OF JUSTICE

Land Registration Authority QUEZON CITY

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REGISTRY OF DEEDS FOR THE PARAMAQUE CITY

Transfer Certificate of Title

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E. A. NERSAN ENTERPR				
and by vi	rtue of the F	hil. laws	A ATOMMTDAY C	tim extertife if
as owner thereof in fee si	pple, subject to	such of the encumbra	inces mentioned i	n Section 44 of
saia Decree as may be subsisti	ig, and to the p	ovision of Sec.	4, Bule 74 of	the Rules of
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This certificate is a transf	r from There are	Certificate of T	ile No	1987 DY 1.7
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registered owner. If the own	er is a married -	woman, state also the	citizenship The	Thusband. If the
land is registered in the name of	f the conjugal part	nership, state the citizen	ship of both spouses	NA

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CONTRACT OF LEASE

RANSEE RAMOS/VEGA
Until December 31, 2008
Commission No. 172 (2007-2008)
Rell No. 52851
Suite 222 Union Square Cond.

Suite 222 China Square Cond. 145 15th Avy. Cubao Q.C. PTR No. 978 % 67 1 113-08 / Q.C 18P No. 754 1 1 13-08 / Q.C

ANNEX "C"

KNOW ALL MEN BY THESE PRESENTS:

This CONTRACT OF LEASE middle and executed this _____th day of ______

2003 at Paranaque City by and between:

E.A. NERSAN ENTERPRISES CORPORATION, a domestic corporation duly organized and existing under and by virtue of the laws of the Philippines, represented in this Act by its CHAIRMAN, Board of Directors, Mr. JOSE S. NERY, with offices at No. 939 Quirino Avenue, Parañaque City, hereinafter called the NERSAN;

-and-

THE NOMAD SPORTS CLUB, PNC., a non-stock and non-profit corporation duly organized and existing under and by virtue of the laws of the Philippines, represented in this Act by its PRESENTINEST, TOWARD L. DU, with offices at Off Madrid St., Merville Park, Paramagne City, hereinafter referred to as NOMADS;

WITNESSETTL That:

WHEREAS, NERSAN, is the graintened owner of two (2) adjoining parcels of land known as Lot Nos. 4-A-1 and 4-A-2, covered by Transfer Certificate of Title No. 247373, Registry of Deeds of Regal (Parabaque Brunch).

WHEREAS, NOMADS offers to renew its lease over the above-mentioned property of NERSAN, which offer the latter accepted, subject to the terms and conditions set forth hereunder;

WHIEREAS, This contract of lease cancels, supercedes and replaces any and all existing contracts, agreements, addendion, and douds or writings of any kind or nature of whatsoever heretofore made and executed by and personn the parties hereto

El Marie Barrello

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NOW THEREFORE, above premises considered, the parties held precise of 2 years of 2 years.

The following:

Roll No. 528507-2008)

Roll No. 528507

Suite 222 Union Square Cond.

Sulfe 222 Union Square Cond.
Sulfe 222 Union Square Cond.
145 15th Ave. Cubao Q.C.
PTR.No. 9783835 / 1-93-98 / Q.C.
IBP No. 732667 / 1-93-98 / Q.C.

1. LEASED PREMISES

a) For the Purpose of accuracy, it is agreed that the area, extent and boundary of the leased premises are to be covered and delineated by a survey report and site development plan which are made integral parts of this agreement as Annexes "I" and "2" respectively.

- b) Basically, the survey and plans shall embrace the following:
- 4. The area covered by two (2) adjoining parcels of land known as Lot Nos. 4-A-1 and 4-A-2, covered by Fransfer Certificate. Title No. 247373 of the Registry of Deads of Rizal (Parañaque Branch). Provided however, that the area covered by a separate Lease Contract executed by NERSAN and MARIA MONTESSORI CHIEDRUNN SCHEAR LEASE CONTRACT. Lett NOVIDON INC. dated February 6, 2003, is excluded from the present lease constact.
- Relative to the Lawn Bowls Area, which and was not previously covered by the former lease agreement, NOMADS has the option to transfer the said Law Bowls Area to any portion of the leased premises. NERSAN also has the option after a period of five (1) years from the execution hereof, to terminate the use over such area by giving at how you great prior notice in writing to NOMADS. In such an event, in Maria shall be content the option to move to a new area covered by the new lease
- III. As additional area, the lease shall extend to the area at the bottom of the field of approximately 500 sq meturs, covered to the area at the bottom of the 247373. Registry of Deeds of Rezal (Paradiague Branch), for the purpose of affording NOMALIS, its members and quests and all occupions of the property including the areas occupied by the previous lease. Unights of Columbus, and the new tenants, family and friends of Mr. Jose 5. Nerv access telad to and from the Airport Road However, any construction plans or improvement must need the approval of NERSAN and not just City approval. All construction plans or improvement must be at the expense of NOMALIS.

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2. PERIOD

PATILEE RAMOS VEG Notary Public for Quezon City Valid December 31 2008 Commission No. 17 2007-2008 Roll No. 52851 Roll No. Square Cond.

The term of the lease is for the period of lifteen (15) years commenced that the 1st of October 2002 and expiring on the 30th of September 2017 with Notion for another five (5) years, NOMADS shall give notice in writing should it desire to exercise its option of one (1) year before date of expiration. The terms and conditions for the exercise of and enforcement of the option shall be negotiated by the parties.

3. RENTALS AND DEPOSITS

During the period of the lease, NOMADS binds it off to pay NERSAN the rentals and deposits, as described hereunder.

- a) Security Deposit: NERSAN acknowledges receipt from NOMADS the amount of Nine Hundred Thousand Peros (P 900,000,00). Philippine Currency. (i.e. 6 months x P150, 000.00), as and for security deposit, covered by NERSAN Official Receipt. No. 9352, dated September 26, 2002, to be applied in payment of unpaid back rents, if, any, and other expenses and charges billed against NOMADS for utility services then remaining unpaid. This amount and the new formed intensit, which upon the expiration of rescission of the lease shall be refunded upon the termination of the contract, to NOMADS less the necessary expenses incurred as damages to repair or restore property to its good and original condition;
- b) Advanced Rental; NIRSAN acknowledges receipt from Nomads the amount of One Millian Eight Hundred Thomand Pesos (P1, 800,000,00). Philipping Contents, the equivalent to 12 months x P150, 000:00, as and for advanced rental for the first year of the betein contract, covered by NERSAN Official Receipt, No. 1915, 1915, September 26, 2002;
- c) Monthly Reutal*: ISOMADS hereby agrees and undertakes to pay NERSAN its monthly rental for the duration of the lifteen (15) year duration:

1. *1	First Year			19150, 000 pcm:
	Second Ye		-	P150, 000 pcm.
m, T	Third Year			19150, 000 pcm;
	Fourth Yea	the second second	A.Z.	P150, 000 pcm,

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V. Filth Year	P.150; 8 80- p cm;
VI. Sixth Year	P200, 000 pcm.
VII. Seventh Year	P200, 000 pcm;
VIII. Eight Year	P200, 000 pcm,
IX Minth Year	- P200, 000 pcm,
X Tenth Year	- P200, 000 pcm;
XI. Eleventh Year	P250, 000 pcm;
XII. Twelfth Year	P250, 000 pcm
XIII Thirteenth Year	P250, 000 pcm
XIV: Fourteenth Year	P250, 000 pcm
XV _{iz} Eifteenth Year	2 P250, 000 pcm

*Exclusive of EVAT

- d) Ten Percent (10%) EVAT shall be paid by NOMADS.
- e) Both parties warrant that any and all withholding taxes will be paid monthly on a fifty-fifty percent basis with each party paying fifty percent (50%) of the withholding tax.
- (12) months in advance

4 PROPERTY TAXES

- a.) Any and all Property Taxes on the leased premises shall be at the expense of and to be paid for by the NOMADS. NOMADS shall pay the property taxes on the actual areas of the lease, the area reserved for the Nery family which includes the Lawn Bowl area of one thousand (£000) square meters and the lower portion along the creek which is more or less three thousand (3,504) sq. meters. This does not include the area previously occupied by the British International School, which is about seven thousand seven hundred thirty-two (7,500) sq. meters. NOMADS payment of the Property Taxes on behalf of the areas occupied by the Knights of Columbus is in consideration for all the improvements made on the property.
- b.) Any and all improvements introduced, and made by the Lessee that may be subject of any and all tax liability shall be should red and paid for by the Lessee.





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RAMBE RAMDS VEG Notary Public for Que 200 Until December 21, 20 Commission No. 1/2 (2007

Any and all improvements introduced and made by the Lessee shall the covered by adequate insurance against fire and shall be shouldered and paid by the Lessee.

6. ORTION TO RESCIND OR CANCEL

INSURANCE

In the great that NOMADS opts to reseind or cancel the lease of contract, it shall promptly surrender the premises to NERSAN in as good as tenantable condition as when taken ordinary wear and tear accepted. NOMADS must give at least six (6) months advance notice of its desire to rescind or cancel the lease contract. Unused advance routal payments shall be forfeited and by way of liquidated damages. As further penalty for rescinding or canceling the lease contract before its expiration date. NOMADS shall pay to NERSAN also as liquidated damages the amount equivalent to at least one (1) year rental payments or whatever rentals representing the time left before the expiration of the lease, whichever is lesser.

7. USE AND PURPOSE

The lease premises study be used exclusively to carry out social and sporting activities of NONADS;

8. WARRANTY AND UNDERTAKING

- a.) NERSAN warrants valid title to, and peaceful possession of the property herein leased; and further declares that the same is one and clear all diens and encumbrances of any kind whatsoever, except the new lease contract with MARIA MONTESSORI CHILDREN'S SCHOOL FOUND States INC:
- b) Any sale, transfer or encombinator by the LESSOR of the Leased Premises during the transfor this Contract of Lease shall be subject to the terms and conditions bereof

In the event LESSOR decides to self the property. The LESSEE has the preferential right to purchase the same from this former. If the LESSEE is not able to buy the Leased Premises at the purchase price and the LESSOR sells, transfers, or conveys its ownership over the Leased Property to a third party, the LESSOR represents and warrants to disclose to the Buyer, the fact of that the said Leased Property is

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being leased under this Contract and 'to impose on the Buyer as condition for sy sale, transfer, or conveyance to respect the herein. Contract of Lease.

Notary Public for Vintil December Commission No. K

At the end of the lease period, any and all permanent improvements unto Squar introduced by the Lessee shall be left to and for the benefit of the Lessor.

- This is an integrated contract. This means the parties entered into this Agreement recognizing each provision, terms and conditions, to be of equal importance and significance as the other provisions, terms and conditions of this contract. A breach. therefore, of any of these provisions, terms and conditions, shall be a valid ground to consider and treat this entire contract full and youd and without legal effect.
- Should a legal dispute arise between the parties on any of the issues in this contract, the parties agree to have Paranaque City as the venue of the action. Reasonable Attorney's Fees and costs, other than those and in addition to those already set forth in this Agreement shall be awarded to the prevailing party.
- The parties manifest that they have read and reviewed all the terms and conditions set forth in this Certificate of Lesse and Lesse understood the contents of this contract before attixing their signatures. From finition compare that they have had all the opportunity to consult with and obtain the advice of their respective legal counsels before signing this contract. They have therefore knowingly and voluntarily enter into this contract

IN WITNESS WHEREOn, the parties through their duly authorized officers, set their hands on the date and at the place that shows winter

E.A. NERSAN ENTERPRISES CORPORATION LESSOR

By:

NOMAD SPORTS CLUB, INC. LESSEE

WY:

IOSES, NERY Chairman

Board of Directors

President

Signed in the Presence of

JERTIFIED COPY OF

Until December/31

IBP 100

REPUBLIC OF THE PHETPPINES) CITY OF PARAMAQUE

BEFORE ME a Notary Public, for and in The Paragona on this 1 day 1003 2003, personally appeared the following persons, with their respective BEFORE ME a Notary Public, for and in The DAPARADIS. Community Tax Certificates:

Mr. JOSE S. NERY. Chairman, Board of Directors, E A MERSAN ENTERPRISES CORPORATION Community Tax Certificate No. CCLLand-1114 6 610 A Issued at faramaque city on Lora 19 care's

Mr. EDWARD L. DU. President NOMADS SPORTS CLUB INC Community Tax Certificate Say Issued at Linear Legite Labor On ELECTION H. LOOP

known to me and to me known to be the same persons who executed the foregoing and they acknowledged that the same is their true act and voluntary deed, and that of the corporations herein represented.

NOTARY SUBJECT

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Series of 2003

ADDENDUM TO THE CONTRACT OF LEASE

KNOW ALL MEN THESE PRESENTS:

This Agreement, an Addendum to the Contract of Lease dated attached herewith as Annex "A" shall hereafter be referred to as Addendum Agreement, is entered into this _____ day of January 2008 by and between:

E.A. NERSAN ENTERPRISES CORPORATION, a domestic corporation duly organized and existing under and by virtue of the laws of the Philippines, represented in this Act by its CHAIRMAN, **MR. JOSE S. NERY**, with offices at No. 939 Quirino Avenue, Parañaque City, hereinafter called the **NERSAN**;

- and -

THE NOMAD SPORTS CLUB, INC., a non-stock and non-profit corporation duly organized and existing under and by virtue of the laws of the Philippines, represented in this Act by its PRESIDENT, **MR. JONATHAN THORP,** with offices at Off Madrid Street, Merville Park, Parañaque City, hereinafter referred to as **NOMADS**;

WITNESSETH

WHEREAS, the Parties wish to add and modify the Contract of Lease (Annex "A"),

WHEREAS, the Parties hereby agree as follows:

- 1. The Lease Agreement only with respect to the Lawn Bowls Area (under the title "LEASED PREMISES", par. b. II) consisting of One Thousand square meters (1,000 sq. meter) shall be:
 - 1.a. Extended for another period of ten (10) years commencing 1 October 2007 to 30 September 2017.
 - 1.b. The rental payments shall be as follow:
 - 1.b.1) for the first five (5) years commencing 1 October 2007 to 30 September 2012, the rent shall be at Twenty Pesos (\$\frac{P}{2}0.00\$) per sq. meter, i.e., Twenty Thousand Pesos (\$\frac{P}{2}0,000.00\$) per month.

1.b.2

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for the next five (5) years coming 1 October 2012 to 30 September 2017, the rent shall be at Thirty Pesos (P30.00) per sq. meter, i.e., Thirty Thousand Pesos (P30,000.00) per month.

All rental payments shall be paid one (1) year in advance commencing on 1 October 2007 and subsequently thereafter, advance yearly payments shall be made.

1.c. The taxes including real estate property, VAT and withholding taxes shall be paid by NOMADS.

In the event the main property subject of the Lease Agreement attached as Annex "A" is sold, leased or assigned, it is understood that the property subject of this Addendum Agreement shall likewise be included in the sale, lease, assignment of the main property subject of the Lease Agreement.

IN WITNESS WHEREOF, the Parties, through their duly authorized officers, set their hands on the date and at the place first above-written.

E.A. NERSAN ENTERPRISES CORPORATION

NOMADS SPORTS CLUB, INC.

By:

JOSE S. NERY Chairman

By:

JONATHAN THOR

President

Signed in the Presence of:

ACKNOWLEDGMENT

Republic of the Philippines)
City of) s.s.

TORE ME, a Notary Public for and in the City of day of January 2008, personally appeared in the following persons with their corresponding Community Tax Certificate Nos., to wit:

NAME ISSUE

CTC

DATE/PLACE

OF

MR. JOSE S. NERY Mr. JONATHAN THORP 11474914 702744027 1/8/03 Paranaque

Known to me and to me known to be the same persons who executed the foregoing instrument consisting of three (3) pages including this page whereon this acknowledgment is written and they acknowledged to me that the same is their free and voluntary act and DEED and that of the corporation they respectively represent.

This instrument, including this page, whereon this acknowledgement is written was signed by the parties and their instrumental witness on each and every page thereof, sealed with my notarial seal, and pertains to a ADDENDUM TO THE CONTRACT OF LEASE.

WITNESS MY HAND AND SEAL on the date, year and place first above written.

Doc. No.

Page No.

Book No. _

Series of 2008.

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NOTARY PUBLIC

PTR # 6247947, 01:60/2003, Manila IBP LIFE ROLL #0419 / 01-04-94 TIN 138-811-839

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October 24, 2007



THE CHAIRMAN/PRESIDENT
The Board of Directors
NOMADS SPORTS CLUB
Off Madrid St., Merville Park Subdision
Paranague City

ATTENTION: MR. MAX DURRANT

MR. MATHEW FREESTON

SUBJECT: Notice to Exercise Option Right

Dear **GENTLEMEN**:

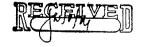
Greetings!

This is with reference to your offer to exercise your option right to purchase the property being leased by your company dated October 20, 2007. We regret to inform you that the terms and conditions discussed with our representative, Ms. Ann Cruz are no longer acceptable.

In this regard, we are sending you a Formal Notice for the exercise of your Option Right under our Contract of Lease. We are giving you a non-extendible period of five (5) days from receipt of this letter to formalize your offer to buy the leased premises and execute the necessary documents; otherwise, we shall be constrained to offer to sell the premises to other parties.

Our desired terms and conditions for the sale as contained in the draft contract we have originally sent you no longer apply considering the very long time that had elapsed. We are indicating new terms and conditions for the sale of the said property.

Our asking price for the property is now Php. 5,500.00/sq.m. This will not include the property being occupied by Knights of Columbus. We are only selling the property being covered by the lease contract. The Php. 18M worth of shares will no longer be acceptable since the company needs immediate cash to pursue its projects. All taxes, fees and expenses for the



transfer shall be on your account. Twenty (20) percent of the contract price as downpayment must be paid upon the signing of the Contact to Sell. The balance will be payable within 30 days. The Company also want lifetime membership to the club for nine (9) of our stockholders to be indicated in the contract.

If you find these new terms and conditions acceptable, please signify your conformity below.

Very truly yours,

JOSE S. NERY

Chairman

E.A. Nersan Ent. Corp.

With our conformity:

MR. MAX DURRANT

MR. MATHEW FREESTON



MEMORANDUM OF AGREEMENT

By and Between

E.A. NERSAN ENT. CORPORATION

No. 939 Quirino Ave., Parañaque City, Metro Manila, Philippines

And

KISHORE N. HEMLANI

No. 25 Vatican St., Merville Park Subdivision, Parañaque, City, Metro Manila, Philippines

Done at the City of Parañaque, Metro Manila, Philippines.

Done this (4th) day of April 2008



MEMORANDUM OF AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This Memorandum of Agreement made and entered into in Parañaque City, Metro Manila, Philippines, this 4^{th} day of April 2008 by and between:

SELLER:

E.A. NERSAN ENT. CORPORATION, a domestic corporation, duly incorporated in accordance with the laws and regulations of the Philippines, with principal place of business located at No. 939 Quirino Ave., Parañaque City, represented herein by JOSE S. NERY, SR., JOSE S. NERY, JR., JO ALBERT S. NERY, AND LIZABETH ANN N. CRUZ as evidenced by Board Resolution and Secretary Certificate, photocopy of which are attached as Annexes "A" and "B" hereof, of legal ages, Filipinos, married, with office address same as above,

and -

BUYER:

KISHORE N. HEMLANI, of legal age, married, with postal address at #25 Vatican St., Merville Park Subdivision, Paranaque, City, Metro Manila, Philippines, or his designated nominees, assigns or companies,

WITNESSETH THAT:

WHEREAS, the SELLER is the duly registered owner of parcels of land herein known as the "PROPERTIES", and more particularly described as Lot Nos. 4-A-1 and 4-A-2, covered by TCT No. 247373 of the Register of Deeds of Rizal (Parañaque Branch) with an aggregate area of THIRTY FOUR THOUSAND SEVEN HUNDRED TEN SQUARE METERS (34,710 sq.m.), more or less, and all improvements existing therein, free from all liens and encumbrances, except as stated herein and as annotated in the title (Par. V. hereof);

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WHEREAS, the SELLER is desirous to sell these PROPERTIES and enter into this MOA and subsequent Deeds of Absolute Sale and the SECOND PARTY is willing and able to buy the same and to enter into such agreements;

NOW THEREFORE, for and in consideration of the foregoing premises, the parties hereby agreed to come into an agreement subject to the following terms and conditions, to wit:

I. THE PROPERTIES

- 1. The **PROPERTIES** subject matter of this contract have a total area of THIRTY FOUR THOUSAND SEVEN HUNDRED TEN SQUARE METERS (34,710 sq.m.), more or less and all improvements existing therein;
 - 2. Excluded in the **PROPERTIES** for sale are:
 - **2.1.** The parcel of lot presently occupied by the Knights of Columbus, with an area of more or less ONE THOUSAND ONE HUNDRED SQUARE METERS (1,100 sq. m.); and
 - **2.2.** A portion of the **CREEK SIDE LOT**, presently possessed by third persons, with an aggregate area of not more than Two Hundred (200) square meters, subject to the provisions on Par. VIII hereof;

I. A. SUBDIVISION OF THE PROPERTIES

- 1. The **SELLER** hereby agrees to subdivide the property into seven (7) distinct lots, with separate titles, as follows (see Approved Survey Plan attached to this MOA as Annex "C" hereof):
 - 1.1. THE MONTESSORI LOT (7,597 SQ. MTS.);
 - **1.2.** THE OTHER LOTS: :
 - 1.2.1. THE LAWN BOWL LOT (1,559 SQ. MTS.);
 - 1.2.2. THE KNIGHTS OF COLUMBUS LOT (1,100 SQ, MTS.);
 - 1.2.3. THE NOMADS LOT (18,439 SQ. MTS.);
 - 1.2.4. THE CREEK SIDE LOT (4,005 SQ. MTS.)
 - 1.2.5. THE OCCUPIED LOT (200 SQ. MTS.); and
 - 1.2.6. THE PROPOSED RIGHT OF WAY (1,810 SQ. MTS.);
 - 2.3. The cost of subdividing THE PROPERTIES shall be on the account of the BUYER, except that of the KNIGHTS OF COLUMBUS LOT and the OCCUPIED LOT, which is subject to the provisions on Par. VIII hereof;



- 2.3.1. The amount of Two Hundred Thousand Pesos (Php. 200,000.00) is hereby acknowledged receipt by the **SELLER** to be used for the subdivision of the **PROPERTIES** and subject to liquidation report to be given by the **SELLER**. Any additional fees for the subdivision of the properties shall be on the account of the **SELLER**;
- **2.4.** Subdivision of the **PROPERTIES** shall be deemed complete when the respective Transfer Certificate of Titles shall have been issued/released by the appropriate Register of Deeds, along with the approved survey plan;

II. CONSIDERATION

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The **BUYER** shall acquire the **PROPERTIES** at these prices, to wit:

- 1. The **MONTESSORI LOT** is hereby agreed to be purchased at Four Thousand Five Hundred Pesos (Php. 4,500.00) per square meter:
- **2. THE OTHER LOTS** shall be acquired at Four Thousand Pesos (Php. 4,000.00) per square meter;

III. TERMS AND CONDITIONS FOR THE PAYMENT PLAN

A. The MONTESSORI LOT

1. The purchase price for the MONTESSORI LOT with an aggregate area of 7,597 square meters more or less, with all the improvements therein in the total amount of Php. 34,186,500.00 shall be paid in cash or any acceptable bank manager's check on THE FIRST CLOSING DATE;

B. THE OTHER LOTS

- 1. The purchase price for **THE OTHER LOTS** with an aggregate area of 26,013 square meters more or less with all the improvements thereon in the total amount of Php 104,052,000.00 shall be covered by the following terms and conditions:
 - 1.1. Php. 24,052, 000. 00, as downpayment, shall be paid by the **BUYER** to the **SELLER** on **THE SECOND CLOSING DATE**;



1.2. The balance of PHP. 80,000,000.00 shall be payable in accordance with the following schedule:

<u>Date</u>	<u>Amount</u>
July 30, 2008	Php. 10,000,000.00
August 30, 2008	Php. 10,000,000.00
September 30, 2008	Php. 10,000,000.00
October 30, 2008	Php. 10,000,000.00
November 30, 2008	Php. 10,000,000.00
December 30, 2008	Php. 10,000,000.00
January 30, 2009	Php. 20,000,000.00

- 1.3. The **BUYER** shall issue seven (7) post dated checks on **THE SECOND CLOSING DATE** for the said balance in accordance with the above schedule;
- 2. Notwithstanding the provisions herein on the period of payment, the **BUYER**, subject to his own discretion, may opt to pay the whole amount of the purchase price at any time after the **SECOND CLOSING DATE**, after the conditions and terms herein imposed shall have been fully fulfilled;
- 3. This pre-payment scheme shall be subject to a discount at 24% per annum. Pre-payment is hereto understood to be at the option of the BUYER, but only upon the acceptance by the SELLER;

IV. CONDITIONS FOR THE RELEASE OF THE PURCHASE PRICE

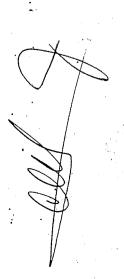
A. The MONTESSORI LOT

- 1. On THE FIRST CLOSING DATE, the purchase price shall be released to the SELLER, but only upon the fulfillment of the following by the SELLER:
 - **1.1.** The Transfer Certificate of Title for the lot shall have OK been completed;
 - 1.2. Termination of the period imposed on Maria Montessori pursuant to their option to buy the property as contained in their contract of lease. A draft copy of the Notice to be sent to Maria Montessori is hereto attached as Annex "D". Proof of the fulfillment of this Notice requirement shall be provided with the BUYER on or before the FIRST CLOSING DATE;

"RIGHT OF FIRST REFUSAL"

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- 1.2.1. As contained herein, the exercise of the right of first refusal by Montessori shall be deemed waived when any or all of the following shall occur:
 - **1.2.1.1.** A formal letter signed by its authorized or designated agent/s or officer/s to the effect that its right of first refusal is being waived;
 - **1.2.1.2.** A formal letter signed by its authorized or designated agent/s or officer/s to the effect that Montessori is willing and able to respect the sale and transfer of ownership of the **PROPERTIES**:
 - 1.2.1.3. The Termination of the period of thirty (30) days from actual receipt of its Notice to exercise the right of first refusal without any positive action to exercise said right;

C. THE OTHER LOTS

- 1. As contained in this MOA, the purchase price for the OTHER LOTS shall be released by the BUYER to SELLER upon the fulfillment of the following by the SELLER:
 - **1.1.** The Transfer Certificate of Titles for the lots shall have been completed;
 - **1.2.** Termination of the thirty day period imposed on Nomads Club pursuant to their right of first refusal to buy the property as contained in their contract of lease:
 - **1.3.** The provisions on the "RIGHT OF FIRST REFUSAL" as contained above shall be the same with Nomads Club for the **OTHER LOTS**;

V. <u>DISCLOSURES AND ACKNOWLEDGMENT OF EXISTING CONTRACTS AND CONDITIONS</u>

1. The BUYER expressly acknowledges that the PROPERTIES are presently leased and possessed by NOMADS SPORTS CLUB Inc., [Nomads Club] and MARIA MONTESSORI CHILDREN'S SCHOOL FOUNDATION, Inc. [Montessori] by way of separate contracts of lease which shall expire on 30 September 2017 and 31 May 2018, respectively;

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- 1.1. The LAWN BOWL LOT, as defined herein, is covered by a separate lease agreement in favor of Nomads Club, the period of the lease is likewise to expire on 30 September 2017;
- 2. The **BUYER** hereby expressly acknowledges the presence of third persons presently occupying the **OCCUPIED LOT**, the area of which shall not be more than 200 square meters;
- **3.** Copies of the abovementioned contracts of lease are hereto attached as Annexes "E", "F" and "G" hereof;

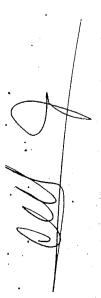
VI. ADVANCE RENTALS AND DEPOSITS

FOR THE MONTESSORI LOT

- 1. Advance rentals, deposits and any security fees in the amount to be determined in a separate accounting that has been received by the **SELLER** from Montessori shall be credited in favor of the **BUYER**;
- 2. Two weeks prior to **THE FIRST CLOSING DATE**, the separate accounting shall be made and submitted by the **SELLER** to the **BUYER** for the determination of the final purchase price. The accounting done shall be subject to verification by the **BUYER**. Any amount owing to the BUYER shall be deducted from the purchase price;

FOR THE OTHER LOTS

- **3.** Advance rentals, deposits and any security fees in the amount to be determined in a separate accounting that has been received by the **SELLER** from Nomads Club shall be credited in favor of the **BUYER**;
- 4. Two weeks prior to **THE LAST PAYMENT**, as stated in the schedule for payment above, the separate accounting shall be made and submitted by the **SELLER** to the **BUYER** for the determination of the final installment for **THE OTHER LOTS**. The accounting done shall be subject to verification by the **BUYER**. Any amount owing to the BUYER shall be deducted from the purchase price;



VII. COSTS AND EXPENSES

- 1. It is hereby mutually agreed that the **BUYER** shall bear all the expenses for the execution and registration of this agreement and all other subsequent agreements relating to the Sale of the **PROPERTIES** (e.g. Capital Gains Tax, Withholding Tax, Documentary Stamp Taxes, other taxes, other incidental expenses and fees);
- **2.** Other Legal Costs incurred shall be shouldered by the respective parties;

VIII. THE OCCUPIED LOT

- 1. Notwithstanding any other provisions to the contrary, the **BUYER** hereby agrees to the foregoing special conditions and terms imposed on the sale of the **OCCUPIED LOT**;
- 2. The **OCCUPIED LOT** forms part of the bigger **CREEK SIDE LOT**. Upon the signing of this MOA, the same shall be titled separately and shall have an area of not more than two hundred (200) square meters. The sale of the same shall be governed by the foregoing provisions, to wit:
 - **2.1.** The **SELLER** is hereby given a period of one month from **THE FIRST CLOSING DATE** to eject the persons occupying the **OCCUPIED LOT**;
 - **2.2.** Should it fail to do so, good faith negotiations shall be commenced to extend the period but the period to finally eject them shall not be later than the date of the final payment of the purchase price for **THE OTHER LOTS**;
- 3. Should the **SELLER** absolutely fail to eject the occupants, and notwithstanding all other provisions of this MOA to the contrary, again, the sale of the **MONTESSORI LOT** and the **OTHER LOTS** shall be respected and deemed valid;
- 4. Should the sale be pursued for this lot, the purchase price in the amount of Php. 800,000.00 shall be released upon the final eviction of the occupants;

IX. EXECUTION OF THE DEEDS OF ABSOLUTE SALE

- 1. The execution of the Deeds of Absolute Sale shall be subject to the fulfillment of all the conditions as contained herein, and as defined in the provisions contained on par. XXIII hereof (CLOSING DATES):
- X. <u>CONTRACTUAL IMPLICATIONS</u>, <u>PROVISIONS ON CONTRACT INTEGRITY</u>, <u>SEPARABILITY</u>, <u>AND PROVISIONS ON BREACH OR DEFAULT</u>

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- 1. It is hereby expressly provided and agreed upon by the parties that the purchase by the **BUYER** of the **PROPERTIES** subject matter of this MOA is on an "all-or-nothing" policy, subject to exceptions as provided herein. Both parties likewise agree that this agreement shall not be treated merely as a preparatory contract. This MOA shall govern the final acquisition of all the lots as defined herein and all subsequent deeds and transfers of the **PROPERTIES** as defined and included herein shall be governed by the provisions and terms of this Agreement;
- 2. It is the agreement of both parties that all of the lots, except for the Knights of Columbus Lot and the Occupied Lot, subject to the provisions in Par. VIII, will be acquired by the **BUYER**;
- 3. Likewise, this is an integrated contract. Except as herein expressly provided, the **BÚYER** agrees that all or any of the covenants and agreements herein contained shall be deemed essential conditions hereof and that in case of default or breach be made of any conditions, and upon default of the **BUYER** in performance of its obligations and the payment of the considerations expressed herein, the **SELLER** shall have the right to extra-judicially terminate and cancel this contract, with ninety (90) days grace period given to the **BUYER**;
 - **3.1.** The service of such notice to terminate the contract shall be deemed completed if such service is made on any corporate officer or member of the board of director of the **BUYER** made by personal service or otherwise by registered mail with return receipt;
 - 3.2. If the considerations herein stipulated or any part thereof, at any time shall be unpaid, or if the **BUYER** shall at any time fails or neglects to perform or comply with any of the covenants, conditions, agreements or restrictions stipulated, or if the **BUYER** shall become bankrupt or insolvent or shall abscond with their creditors, then and in any of such above cases, this MOA shall become automatically terminated and cancelled, in consonance with the ninety(90) day grace period as provided above, without prejudice on the part of the **SELLER** to exercise any and all rights from this contract and those given by law;
 - 3.3. Should any of the parties herein be compelled to seek judicial relief against the other, the party seeking relief shall, in addition to any other damages that may be awarded to it, shall be paid additional damages in the amount equivalent to twenty five (25%) percent of the amount awarded as liquidated damages as and by way of attorney's fees, excluding cost of litigation;

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3.4. The **BUYER** submits to the jurisdiction of the courts of the City of Parañaque, Metro Manila, in any action which the **SELLER** may bring against the **BUYER**, to the exclusion of other courts;

XI. PENALTIES AND FORFEITURES:

C. BREACH ON THE PART OF THE BUYER:

Should there be a breach of contract without any fault on the part of the **SELLER**, the following penalties, sanctions shall be imposed, to wit:

BREACH MADE BEFORE FIRST CLOSING DATE:

- 1. If the Breach be made before the **FIRST CLOSING DATE**, Php. 200,000.00 shall be forfeited in favor of the **SELLER**;
- 2. If the Breach be made before the **FIRST CLOSING DATE**, the earnest money shall be forfeited in favor of the **SELLER**;
- **3.** Good faith negotiations shall be immediately commenced to consummate the provisions of this MOA;

BREACH MADE AFTER FIRST AND SECOND CLOSING DATES:

- 1. Notwithstanding all other provisions in this MOA to the contrary, the Deed of Absolute Sale over the **MONTESSORI LOT** shall be honored and shall remain valid, subject to the following conditions, to wit:
 - 1.1. This MOA shall be deemed cancelled immediately without need of judicial proceedings, as contained herein, subject to the rights of the parties as contained in Par X hereof;
 - 1.2. The down payment for **THE OTHER LOTS** shall be forfeited in favor of the **SELLER**, if breach was made after **THE SECOND CLOSING DATE**;
 - **1.3.** The Php. 200,000.00 shall be forfeited in favor of the **SELLER**;
 - **1.4.** The Earnest Money shall be forfeited in favor of the **SELLER**;

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- 2. Likewise, notwithstanding all other provisions in this MOA to the contrary, the **SELLER** shall have the right to collect penalties for delayed payment of the balance at the rate of 2% per month. The payment of penalty charges shall not be a substitute for and shall be in addition to, the payment of the amounts otherwise due under this MOA, and shall not prejudice the exercise by the **SELLERS** of any other right or remedy granted to it under this MOA and under the law;
- **3.** Any single day of delay in the payment of the balance without prior arrangements shall mean breach of this contract and immediately, the **SELLER** have the prerogative to declare the property open for sale, in consonance with the ninety (90) day grace period provided herein;

C. BREACH ON THE PART OF THE SELLER:

- 1. Breach on the part of the **SELLER** of the conditions imposed herein shall be treated as follows, to wit:
 - 1.1. Return of the Down Payment for **THE OTHER LOTS**, with interest computed at 5% monthly, if breach was made after **THE SECOND CLOSING DATE**;
 - 1.2. Return of the earnest money for **THE OTHER LOTS**, with interest computed at 5% monthly;
- **2.** All causes occurring for the non-performance by each party of any or all of their respective obligations herein stipulated shall as much be possible settled through good faith negotiations;

XII. WARRANTIES

- 1. The parties warrant that they are legally capable of entering into and be bound by the terms and conditions of this MOA;
- 2. The **SELLER** warrants that it is the absolute and registered owner in fee simple of the **PROPERTIES** subject matter of this MOA;
- **3.** The **SELLER** warrants that there are no other liens and encumbrances on the property other than those registered in the TCT and as disclosed in this MOA (Par. V. hereof);
- **4.** The **SELLER** warrants that it shall transfer peaceful possession of the property to the **BUYER** under the terms and conditions of this MOA;





XIII. CLOSING DATES

C. THE FIRST CLOSING DATE as expressed in this MOA is on or before 30 APRIL 2008;

OBLIGATIONS OF THE SELLER:

- 1. The grace period given to Montessori for their right of first refusal to buy the **PROPERTIES** shall have expired, and the conditions as contained in Par. IV, "Right of First Refusal" shall have been duly accomplished by the **SELLER**;
- 2. The **SELLER** shall deliver the TRANSFER CERTIFICATE OF TITLE of the Montessori Lot;
- Signing of the Deed of Absolute Sale for the MONTESSORI LOT;
- 4. Signing of the Deed of Conditional Sale for the **OTHER LOTS**;

OBLIGATIONS OF THE BUYER:

- 5. The full payment for the **MONTESSORI LOT** shall be made;
- **6.** Signing of the Deed of Absolute Sale for the **MONTESSORI LOT**;
- 7. Signing of the Deed of Conditional Sale for the **OTHER** LOTS;

C. THE SECOND CLOSING DATE as expressed in this MOA is 30 JUNE - 2008;

OBLIGATIONS OF THE SELLER:

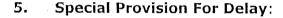


- 1. The grace period given to Nomads Club for its right of first refusal to buy the **PROPERTIES** shall have expired, and the conditions as contained in Par. IV, "Right of First Refusal" shall have been duly accomplished by the **SELLER**;
- **2.** The seller shall commence the ejectment of the third persons occupying **THE OCCUPIED LOT**;

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OBLIGATIONS OF THE BUYER:

- 3. The down payment for the **OTHER LOTS** shall be released by the **BUYER**;
- 4. The seven (7) post-dated checks shall be issued by the **BUYER**;



5.1. Reasons for delay in the registration of the Montessori Lot brought about by actions or omissions directly attributable to the **SELLER** shall move the **SECOND CLOSING DATE**, proportionate to the time caused by the said delay. Any other causes of delay shall not cause the dates as stated herein to be changed or moved;

c. THE FINAL CLOSING DATE as expressed in this MOA is 30 JANUARY 2009;

OBLIGATIONS OF THE SELLER:

- 1. The **SELLER** shall deliver the individual TRANSFER CERTIFICATE OF TITLES of **THE OTHER LOTS**;
- 2. The seller shall have finally ejected all third persons occupying **THE OCCUPIED LOT**, subject to the provisions under Par. VIII:
 - 3. Signing of the Deeds of Absolute Sale for the Other Lots;

OBLIGATIONS OF THE BUYER:

4. The final payment for the **OTHER LOTS** shall be released by the **BUYER**;



5. Signing of the Absolute Deeds of Sale for the Other Lots;

XIV. OBLIGATIONS UPON THE SIGNING OF THIS MOA

OBLIGATIONS OF THE SELLER:

- 1. Tender the Notice to Exercise Right of First Refusal to Nomads Club and Montessori by way of Registered Mail with Registry Return Receipt;
- 2. Immediately begin the process of subdividing the **PROPERTIES**;

OBLIGATIONS OF THE BUYER:

1. Release of the Php. 3,500,000.00 earnest money;

IN WITNESS WHEREOF, the parties have hereunto set their hands on the date and place above written.

For the SELLER:

JOSE S. NERY, SR.

The BUYER:

KISHORE N. HEMLANI

IDSE'S WERY JR.

JO ALBERTS. NERY

LIZABETH ANN N. CRUZ

SIGNED IN THE PRESENCE OF:

U

REPUBLIC OF THE PHILIPPINES)

METRO MANILA

) S.S.

ACKNOWLEDGMENT

BEFORE ME, a Notary Public for and in City, Metro Manila, Philippines, on this day of April 2008 personally appeared the following persons and presented valid personal Identification Cards and Community Tax Certificates, to wit:

NAME

C.T.C. NO.

ISSUED ON/AT

Jose S. Nery, Sr. Jose. S. Nery, Jr. Jo Albert S. Nery Lizabeth Ann N. Cruz Kishore N. Hemlani

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23173966		April 21,	2002-Paranaque	Cit
22173974			2008-Paranaque	
23173968		April 31,	1000-Paracaque	CITA
19911495		Jan.11, 284	Peranague	City

known to me to be the same persons who executed the foregoing instrument and acknowledged to me that the same is their free act and deed.

This instrument refers to a MEMORANDUM OF AGREEMENT, pertaining to TCT No. 247373, consisting of FOURTEEN (14) pages including this page on which the acknowledgment is written duly signed by the parties and their instrumental witnesses on each and every page thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal at the place and on the date above written.

Doc. No. 49; Page No. 75; Book No. 15; Series of 2008. RANDEE RAMOS VEGA Notary Public propingson Cit Unit December 31, 2008

Commission No. 172 (2007-2008)
Roll No. 52851
Suite 222 Union Square Cond.
145 15th Ave. Cubao Q.C.
PTR No. 9783835 / 1-03-08 / Q.C.
IBP No. 732667 / 1-03-08 / Q.C.

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PROPOSAL

ANNEX "F"

KNOW ALL MEN BY THESE PRESENTS:

This Memorandum of Agreement made and entered into in Parañaque City, Metro Manila, Philippines, this 30th day of May 2008 by and between:

FIRST PARTY

E.A. NERSAN ENT. CORPORATION, a domestic corporation, duly incorporated in accordance with the laws and regulations of the Philippines, with principal place of business located at No. 939 Quirino Ave., Parañaque City, represented herein by JOSE S. NERY, SR., JOSE S. NERY, JR., JO ALBERT S. NERY, AND LIZABETH ANN N. CRUZ as evidenced by Board Resolution and Secretary Certificate, photocopy of which are attached as Annexes "A" and "B" hereof, of legal ages, Filipinos, married, with office address same as above,

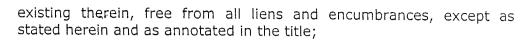
- and -

SECOND PARTY

Nomad Sports Club, a domestic corporation, duly incorporated in accordance with the laws and regulations of the Philippines, with principal place of business located at Off Madrid Street Merville Park Subdivision, Paranaque, City, Metro Manila, Philippines, represented herein by ______ as evidenced by Board Resolution and Secretary Certificate, photocopy of which are attached as Annexes "C" and "D" hereof, of legal ages, Filipinos, married, with office address same as above,

WITNESSETH THAT:

WHEREAS, the FIRST PARTY is the duly registered owner of parcels of land herein known as the "PROPERTIES", and more particularly described as Lot Nos. 4-A-1 and 4-A-2, covered by TCT No. 247373 of the Register of Deeds of Rizal (Parañaque Branch) with an aggregate area of THIRTY FOUR THOUSAND SEVEN HUNDRED TEN SQUARE METERS (34,710 sq.m.), more or less, and all improvements



WHEREAS, the parties have an existing lease agreement covering a portion of the PROPERTIES, with an area of more or less square meters, the SECOND PARTY being the lessee (LEASE AGREEMENT), copy of which is hereto attached as Annex "E" to form an integral part hereof;

WHEREAS, in the said lease agreement, a provision was agreed upon for the preferential right on the part of the SECOND PARTY to buy the leased premises in the event that the FIRST PARTY decides to sell the PROPERTIES;

WHEREAS, the FIRST PARTY is now desirous to sell these PROPERTIES and had given notice to the SECOND PARTY for the exercise of their preferential right;

WHEREAS, the SECOND PARTY had manifested their intention to exercise the said right to buy, and are desirous to enter into a Memorandum of Agreement, and subsequent Deed of Absolute Sale and likewise, said party is willing and able to buy the said property and to enter into such agreements;

NOW THEREFORE, for and in consideration of the foregoing premises, the parties hereby agreed to come into an agreement subject to the following terms and conditions, to wit:

I. THE PROPERTY

1. The LOT subject matter of this agreement forms part of a bigger parcel of land, known herein as THE PROPERTIES, and for easy reference, this now subject matter lot will be designated as the NOMADS LOT, with an aggregate area of more or less _____ square meters;

II. CONSIDERATION

The SECOND PARTY shall acquire the NOMADS LOT at the price of One Hundred Fifteen Million Pesos (PHP 115,000,000.00);

III. PERFORMANCE SECURITY

As a form of security for the total consummation of this Agreement on its due date, the parties hereto agree on the following:

A. THE EARNEST MONEY:

1. An Earnest Money in the amount of Five Million Pesos (Php. 5,000,000.00) is hereby agreed upon by the parties (to be paid by the Second Party to the First Party);



- 2. The FIRST PARTY hereto acknowledges the receipt of the said Earnest Money, and receipt thereof was made on 30 April 2008;
- **3.** The Earnest Money shall be considered as part of the consideration and shall form part of the payment of the same upon the signing of the Deed of Conditional Sale;

B. PERFORMANCE BOND

- 1. A Performance Bond in the amount of Twenty Million Pesos (Php. 20,000,000.00) is hereby agreed upon by the parties (to be submitted by the Second Party in favor to the First Party);
- **2.** The said Bond shall be in the form of a Manager's Check or a Bond issued by a reputable Bonding Company;
- **3.** The term of the Bond shall be co-terminous with period of this Agreement and shall only be cancelled within twenty (24) hours from the full payment of the consideration;

IV. TERMS AND CONDITIONS FOR THE PAYMENT PLAN

A. THE DOWNPAYMENT (First Closing Date):

- 1. On the First Closing Date, a down payment in the amount of Thirty million Pesos (PHP 30,000,000) shall be paid;
- 2. As defined herein, the First Closing Date shall be on 30 July 2008, within Ninety-day (90) period agreed upon from the signing of this MOA:

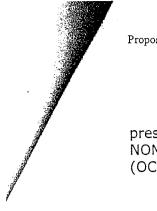
B. THE BALANCE (Stages 2, 3 and Final Closing Date)

1. The balance of PHP. 80,000,000.00 shall be payable in accordance with the following schedule:

Time frame	<u>Date</u>	Amount
Within 360 days fro First Closing Da (Stage 2)		Php. 35,000,000.00
Within 720 days fro First Closing Da (Stage 3)		Php. 35,000,000.00
Within 900 days fro First Closing Date	n 30 July 2009	Php. 10,000,000.00

2. As and by way of security, the Second Party shall issue three (3) posted checks upon the signing of this MOA for the abovementioned amounts and on for the above-mentioned dates;

C. DISCLOSURES AND ACKNOWLEDGMENT OF EXISTING CONDITIONS



1. The SECOND PARTY hereby expressly acknowledges the presence of third persons presently occupying a portion of the NOMADS LOT, with area of not more than 200 square meters (OCCUPIED LOT);

D. RENTALS

- 1. THE FIRST PARTY shall be entitled to collect full rental payments up until the FIRST CLOSING DATE. Thereafter FIRST PARTY shall be entitled to receive a proportion of 45/115 of the rental payments while THE SECOND PARTY will receive 70/115 of the rental payments;
- 2. From the date of the stage 3 payments the FIRST PARTY shall be entitled to receive a proportion of 10/115 of the rental payment while the SECOND PARTY is entitled to received 105/115 of the rental payment until the date of the final payment;

E. COSTS AND EXPENSES

- 1. It is hereby mutually agreed that the SECOND PARTY shall bear all the expenses for the execution and registration of this agreement and all other subsequent agreements relating to the Sale of the NOMADS LOT (e.g. Capital Gains Tax, Withholding Tax, Documentary Stamp Taxes, other taxes, other incidental expenses and fees);
- **2.** Other Legal Costs incurred shall be shouldered by the respective parties;

F. THE OCCUPIED LOT

- **1.** Notwithstanding any other provisions to the contrary, the SECOND PARTY hereby agrees to the foregoing special conditions and terms imposed on the sale of the OCCUPIED LOT;
- 2. Upon the signing of this MOA, the same shall be titled separately and shall have an area of not more than two hundred (200) square meters. The sale of the same shall be governed by the foregoing provisions, to wit:
 - 2.1. The FIRST PARTY is hereby given a period of UNTIL the final closing date to eject the persons occupying the OCCUPIED LOT;
 - 2.2. Should the FIRST PARTY absolutely fail to eject the occupants, and notwithstanding all other provisions of this MOA to the contrary, again, the sale of the NOMADS LOT shall be

respecte	a and d	leemed val	lid and th	ne correst	onding value	of the
OCCUPIE	ED LOT	shall be c	deducted	from the	final amount	to ho
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			Pesos ((Php.		٦٠
				· · · · · · · · · · · · · · · · · · ·		//

G. EXECUTION OF THE DEED OF ABSOLUTE SALE

- 1. The execution of the Deed of Absolute Sale shall be subject to the fulfillment of all the conditions as contained herein;
- **2.** Full ownership shall bestow upon the SECOND PARTY only upon the full payment of the consideration;

H. <u>SPECIAL PROVISIONS GOVERNING THE EXISTING LEASE AGREEMENT BETWEEN THE PARTIES</u>

- **1.** Both parties hereto acknowledge that the signing of this MOA and agreeing into the provisions as contained herein was made pursuant to the FINAL NOTICE to exercise the preferential option of the SECOND PARTY to buy the NOMADS LOT;
- **2.** It is hereto agreed upon by the parties that the LEASE AGREEMENT (Annex "E" of this MOA) shall form part of this MOA and this MOA shall form part and be deemed as an integral portion of the same;
- **3.** All other provisions of the LEASE AGREEMENT still in full force as of the signing of this agreement, the foregoing provisions, however, shall be deemed as constituting an express amendment of the LEASE AGREEMENT, to wit:
 - **3.1.** Upon default of the SECOND PARTY to fully and faithfully comply with its obligations as contained in this Agreement, the term of the LEASE AGREEMENT and its extension clause shall be deemed expressly modified and the said LEASE AGREEMENT shall be deemed terminated;
 - **3.2.** The SECOND PARTY is given a period of sixty (60) days within which to negotiate for a new lease agreement over the NOMADS LOT;
 - **3.3.** Should there be a failure to agree on the new terms and conditions of the new Lease Contract, the SECOND PARTY, is given a period of six (6) months from Notice, to peacefully vacate the Nomads Lot;
 - **3.4.** These special default provisions shall be in addition to the provisions as contained in Par. XI hereof;

I. MISCELLANEOUS PROVISIONS



CONTRACTUAL IMPLICATIONS AND PROVISIONS ON CONTRACTUAL INTEGRITY:

- 1. Time is of the essence for this Agreement and all subsequent agreements in relation to this. As such, NO EXTENSIONS of any nature and of whatever kind shall be allowed on the agreed time tables as stated in this MOA;
- 2. Both parties hereto agree that this agreement shall not be treated merely as a preparatory contract. This MOA shall govern the final acquisition of the NOMADS LOT as defined herein and any and all subsequent deeds and transfers of the property as defined and included herein shall be governed by the provisions and terms of this Agreement;
- **3.** Likewise, this is an integrated contract. Except as herein expressly provided, the SECOND PARTY agrees that all or any of the covenants and agreements herein contained shall be deemed essential conditions hereof;

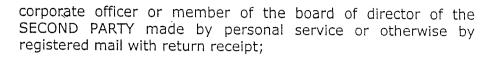
EVENTS OF DEFAULT AND BREACH:

- 4. The following shall be treated as events of default:
- **4.1.** If the considerations herein stipulated or any part thereof, at any time shall be unpaid on the time agreed upon;
- **4.2.** If the SECOND PARTY shall at any time fails or neglects to perform or comply with any of the covenants, conditions, agreements or restrictions stipulated;
- **4.3.** If the SECOND PARTY shall become bankrupt or insolvent or shall abscond with their creditors;
- **4.4.** If any misrepresentation is found on the part of the SECOND PARTY in the negotiation and execution of this MOA;

EFFECTS OF BREACH AND DEFAULT (PENALTIES AND FORFEITURES):

Should there be a breach or default, without any fault on the part of the FIRST PARTY, the following penalties and sanctions, shall be imposed, to wit:

- 1. The FIRST PARTY shall have the right to immediately extra-judicially terminate and cancel this contract;
 - 1.1. The service of such notice to terminate the contract shall be deemed completed if such service is made on any



- 2. In the event that the SECOND PARTY does not conclude the purchase for whatever reason or should there be any default as defined in this Agreement, other than a misrepresentation or default by the FIRST PARTY, the earnest money will be forfeited in the favor of the latter;
- **3.** However if such failure be directly or indirectly attributable upon any fault of the FIRST PARTY, the Earnest Money shall be fully refundable to the SECOND PARTY,;
- **4.** All payments given by the SECOND PARTY shall be forfeited in favor of the FIRST PARTY;
- **5.** The performance bond shall be proceeded against and in favor of the FIRST PARTY;
- **6.** Notwithstanding any provision in this MOA, the FIRST PARTY shall have the right to collect penalties for delayed payment of the balance at the rate of 2% per day of delay. The payment of penalty charges shall not be a substitute for and shall be in addition to, the payment of the amounts otherwise due under this MOA, and shall not prejudice the exercise by the FIRST PARTYS of any other right or remedy granted to it under this MOA and under the law;
 - **6.1.** This right to collect penalty for delayed payment SHALL NOT be interpreted to mean that grace periods are allowed in this MOA, either express or implied;
 - 6.2. Should there be delay on the payment of the consideration as agreed herein, it is on the sole and exclusive option of the First Party to accept such payment. The said delayed payment must be made within thirty (36) hours from notice given by the First Party to the Second Party that it is exercising its option to accept the said delayed payment;
 - **6.3.** For this purpose, should the Second Party delay in any payment, it is the obligation of the latter to communicate with the First Party and inquire as to the possibility of delayed payment. Should the First Party reject such an offer, a Notice of Termination of this MOA and of all subsequent deeds and contracts shall follow as a matter of course;
 - **6.4.** Acceptance of delayed payment on one occasion should not mean as guarantee to accept delayed payments subsequently incurred;
- 7. Should any of the parties herein be compelled to seek judicial relief against the other, the party seeking relief shall, in addition to any other damages that may be awarded to it, shall be paid additional damages in the amount equivalent to twenty five (25%)

percent of the amount awarded – as liquidated damages – as and by way of attorney's fees, excluding cost of litigation;

- **8.** All provisions on breach, default, and forfeiture as contained herein shall be cumulative;
- **9.** The foregoing provisions shall not prejudice the option of any party to exercise any and all rights given by law;
- **10.** The PARTIES submit to the jurisdiction of the courts of the City of Parañaque, Metro Manila, in any action regarding this agreement, to the exclusion of other courts;

J. WARRANTIES

- **1.** The parties warrant that they are legally capable of entering into and be bound by the terms and conditions of this MOA;
- 2. The FIRST PARTY warrants that it is the absolute and registered owner in fee simple of the NOMADS LOT subject matter of this MOA:
- **3.** The FIRST PARTY warrants that there are no other liens and encumbrances on the property other than those registered in the TCT and as disclosed in this MOA;
- **4.** The FIRST PARTY warrants that it shall transfer peaceful possession of the property to the SECOND PARTY under the terms and conditions of this MOA:
- **5.** The SEOND PARTY warrants that is shall convey and grant proper and sufficient rights of way to the lots presently occupied by the Knights of Columbus and Maria Montessori School;

IN WITNESS WHEREOF, the parties have hereunto set their hands on the date and place above written.

For the	FIRST	PART	/ :
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The SECOND PARTY:

SIGNED IN THE PRESENCE OF:

REPUBLIC OF THE PHILIPPINES)
PARAÑAQUE CITY) S.S.
METRO MANILA)

BEFORE ME, a Notary Public for and in Parañaque City, Metro Manila, Philippines, on this _____ day of May 2008 personally appeared the following persons and presented valid personal Identification Cards and Community Tax Certificates, to wit:

NAME

C.T.C. NO.

ISSUED ON/AT

known to me to be the same persons who executed the foregoing instrument and acknowledged to me that the same is their free act and deed.

This instrument refers to a MEMORANDUM OF AGREEMENT, pertaining to TCT No. 247373, consisting of nine (9) pages including this page on which the acknowledgment is written duly signed by the parties and their instrumental witnesses on each and every page thereof.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal at the place and on the date above written.

Doc. No. ____;
Page No. ____;
Book No. ___;
Series of 2008.

Notary Public



Nonad Sports Club



-Off Madrid Street, Merville Park Subdivisions Parahadier Metro Merila. Phillopines ● Tels. 824-7302/822-2470 Fex 821-2496 Website: www.nomadsportsclub.com ● E-mail address: nomads@pldtdsl.net

April 29, 2008

Messra EA Nersan Ent. Corporation 939 Quirino Avenue Paranaque City

Dear Sing

We refer to your letter dated 10th April 2008, subject . Final Notice to Exercise Option Right.

The Board of Nomad Sports Club have considered your offer to exercise an option to purchase the whole property and are able to make an improved offer on the following terms.

SUBJECT PROPERTY.

The whole property described as lot Nos 4-A-1 and 4-A-2 covered by TCT No 247373 of the Register of Deeds of Rizal. (Paranaque Branch) with an aggregate area of 34,710 square meters more or less including all improvements therein, free from all liens and encumbrances, except the following.

- The parcel of land presently occupied by the Knights of Columbus with an area of approximately 1,100 square meters.
- 2. The buyer expressly acknowledges the presence of third parties on an occupied lot near the creek the area of which is not more than 200 square meters.
- The offer excludes the portion of land currently occupied by Maria Montessori Children's School Foundation.

OFFER PRICE

The offer price is Philippine Pesos (PHP) 115,000,000 (One Hundred Fifteen Million)

The buyer will also pay the Capital gains tax and Documentary Stamp Tax

TERMS

Upon acceptance an immediate payment of earnest money of PHP 5,000,000 (Five million Pesos). (Acceptance date), Fully refundable should Nersan Ent Corp fail to execute the MOA. In the event that the buyer does not conclude the purchase for whatever reason, other than a misrepresentation or default by the seller, the earnest money will be forfeited in the favor of the seller.

Memorandum of Agreement to be prepared and executed within 30 days of Acceptance Date.

Deposit of PHP 30,000,000 million (Thirty million Pesos) to be paid within 90 days of MOA execution (Execution Date)

Founded 1914 and still the Philippines most versatile Sports Club.

butminton • Cricket • Croquet • Darts • Golf • Lawn Bowls • Rugby • Soccer • Softball • Squash • Swimming • Table Tennis • Tennis • Volleyball

Stage payment of P35,000,000 (Thirty Five million Pesos) to be made within 360 days of MOA execution date (Stage 2 payment date)

Stage payment of P35,000,000 (Thirty Five Million Pesos) to be made within 720 days of MOA execution date. (Stage 3 payment date)

Final Payment of P 10,000,000 (Ten Million Pesos) to be made within 900 days of MOA

Full title to pass and tax payments made upon Final payment.

RENTAL

The seller shall be entitled to collect full rental payments up until the stage 2 payment. Thereafter the seller shall be entitled to receive a proportion of 45/115 of the rental payments whilst the buyer will receive 70/115 of the rental payments.

From the date of the stage 3 payments the seller shall be entitled to receive a proportion of 10/115 of the rental payment whilst the buyers is entitled to received 105/115 of the rental payment until the date of the final payment.

The board of Nomad Sports Club Inc believe that this offer improves on the one presented in the proposal and will be simpler to execute as property subdivision is not required.

You will agree that it would be a great legacy for the Nery family if the Club; which has been in Merville since the early days of the subdivision in 1969 was able to remain in its present location. and continue to benefit the Merville Community.

We thank you for the opportunity to exercise our final option and look forward to your acceptance.

Yours truly,

On behalf of Nomad Sports Club

Jonathan D Thorp

President

Matthew P

Treasurer

CONFORME:

erms accepted by and earnest money of P 5,000,000 (Five Million Pesos) received by

ÉA NERSAN ENTERPRISE CORPORATION



BRITANICO SARMIENTO & FRANCO LAW OFFICES

(FORMERLY PANGILINAN BRITANICO SARMIENTO & FRANCO LAW OFFICES)

PARTNERS

RODOLF C BRITANICO
KENNEDY B SARMIENTO
MA ROSARIO O. FRANCO
J. HARVEY P RINGLER
ABELARDO M. TOLENTINO, JR

[Sen FRANCIS PN PANGILINAN founding Partner]

nerj

7TH FLR. SANCO DE ORO PLAZA, 8737 PASEO DE ROXAS, 1200 MAKATI CITY TEL. NOS. : [632] 813-2837 • 812-8041 • 867-4502 TO 867-4505 FAX NO.: (632) 813-2838

E-MAIL: info@pbsflawfirm.com

ASSOCIATES

MARIE HOPE S. JAMERO DEANNA MELISSA S. LORENZO RACHEL M. RECINTO-MAMAÑGUN MARIA RHONA S. VERGARA

ABEL D ALEGRE
FRITZ-ERICH J. BALDORIA
ROSA ALIA S. MENDOZA
JOEL S LLANILLO
JASMIN O DUIMSING

5 August 2008

THE BOARD OF DIRECTORS Nomad Sports Club

Off Madrid Street, Merville Park Subdivision, Paranaque City

Gentlemen:

Re: Nomads Land Corporation Prospectus

We write on behalf of our client Mr. Edward L. Du, members in good standing of Nomad Sports Club (hereafter "NSC") where you currently hold responsible positions as its principal office s and/or members of its board of directors.

We were informed that sometime in June 2008, Nomad Sports Club disseminated copies of a prospectus and advertisement, herewith attached as Annex "A".

The prospectus stated that NSC forged an agreement with the Neri Family for the purchase of the land on which NSC is situated on 30 May 2008. Pursuant to this, the NSC Board of Directors and the Land Purchase Committee decided that to raise funds for the eventual purchase of the property, a shareholding scheme in a land holding corporation, the Nomads Land Corporation (hereafter "NLC") is the best option. The prospectus then listed, among others: (a) the proposed structure of the NLC; (b) the purchase price for the land and the terms thereof; (c) the sale of NLC shares to members and the price thereof; (d) the sale of NLC shares to nonmembers and the price thereof; (e) the bond offering to raise PhP30 Million initial payment; and (f) conditions of the bond.



Also, the prospectus listed the "effect on existing and new members," to wit:

(1) the imposition of the "special levy;"

(2) the increase of the NSC joining fee to TWENTY THOUSAND PESOS (PhP20,000.00) beginning 1 July 2008;

(3) a restriction on directly joining the NSC as soon as NLC is set up; a prospective member will need to be a shareholder in NLC or buy a playing right from a shareholder

(4) existing lifetime members will be entitled to a discount of NINETY THOUSAND PESOS (PhP 90,000.00) on either "A", "B", or "C" shares; the FIVE HUNDRED PESOS (PhP 500.00) "special levy" will apply to existing lifetime members if they do not purchase a share.

Moreover, the prospectus stated: "We urgently need commitments from members interested in being an early investor by purchasing Bonds. We also need commitments from members willing to buy "A", "B" or "C" shares as soon as possible. Reservation forms will be available at the Club."

A check with the Public Reference Unit of the Securities and Exchange Commission through a Request for Records Services, disclosed that there is no record that a registration statement has been filed by the Nomad Sports Club. (Attached as Annex "B" is the Request for Records Services)

The Public Reference Unit of the Securities and Exchange Commission also disclosed in a Clearance from Records and Fees Accountability that there has been no registration statement filed by: Nomad Corporation, Nomad Sports Club and Nomads Land Corporation. (Attached as Annex "C" is the Clearance from Records and Fees Accountability)

Under the Securities Regulation Code (hereafter "SRC"), securities shall not be sold or offered for sale or distribution within the Philippines, without a registration statement duly filed with and approved with the Commission.

Any person who offers to sell or sells a security in violation of the requirement of registration of securities shall incur civil liability. Moreover, criminal prosecution and administrative sanctions may be availed of when investigation discloses a violation of the SRC.

Penalties include a fine of not less than FIFTY THOUSAND PESOS (PhP 50,000.00) nor more than FIVE HUNDRED THOUSAND PESOS (PhP 500,000.00) or imprisonment of not less than seven (7) years nor more than twenty-one (21) years, or both in the discretion of the court. If the offender is a corporation, partnership or association or other juridical

entity, the penalty may in the discretion of the court be imposed upon such juridical entity and upon the officer or officers of the corporation, partnership, association or entity responsible for the violation, and if such officer is an alien, he shall in addition to the penalties prescribed, be deported without further proceedings after service of sentence.

We therefore demand upon you to explain in writing within forty-eight (48) hours why no complaint should be filed against you for violation of the provisions of the Securities Regulation Code and other pertinent laws.

In the meantime, we demand that you do and perform the following:

Cease and desist from selling securities in the form of shares and bonds as referred to in the prospectus;

2. Withdraw the imposition of a "special levy" upon NSC members

who do not purchase shares in NLC;

3. Disclose and make available to our client and the rest of the members of the NSC all agreements, undertakings, and documents, including the minutes of the meetings in connection with the land purchase agreement with the Neri Family;

4. Explain why approving members of the NSC Board and management should not resign from their respective positions and be held liable for their illegal and unauthorized dealings, including but not limited to the restitution of any and all moneys unlawfully appropriated from the NSC funds.

Please be guided accordingly. Otherwise, we will be constrained to take appropriate legal action against you.

Yours sincerely,

BRITANICO SARMIENTO & FRANCO

Rodolf C. Britanico

Anna Marie Sosette A. Bolivar-Amoncio

Copy Furnished:

JONATHAN THORP

c/o Weather News Phil. Manila Memorial Park Bldg., Pasong Tamo, Makati City

THOMAS WHITWELL

17 Yellowstone St., South Greenpark, Paranaque City

ALFONSO CEVERO

46 Palm Spring St., Merville Subdivision Paranaque City

MATTHEW FREESTON

212 Madrid St., Merville Subdivision, Paranaque City

ANDREW YATES

8th Floor, Enterprise Center Ayala Avenue Makati City

IAIN SINCLAIR

Unit AB Lotus Tower Oriental Gardens Pasong Tamo, Makati City

KEITH WARNE

33 Hamburg Street, Merville Subdivision, Paranaque City

FAISAL DURRANI-KHAN

29-B Madrid Street, Merville Subdivision, Paranaque City

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ANNEX "|"



AM Ramos & Associates Latu Office

G/F ERLAG Bldg., 102 Esteban St., Legazpi Village, Makati City 1229 Telefax Nos.: 812-6689 / 813-6953 e-mail address: hmramlaw2004@yahoo.com

August 11, 2008

BRITANICO SARMIENTO & FRANCO LAW OFFICES

7th Flr., Banco De Oro Plaza, 8737 Paseo de Roxas, 1200 Makati City

Dear Attys. Britanico and Navarro:

BATTE POPULES FINETY

The undersigned is writing as the Legal Counsel of Nomad Sports Club (NSC).

This is in reply to your letter dated 5 August 2008 regarding the "Establishment of Nomads (sic) Land Corporation and Issuance of Bond (sic)".

On the issue of ultra vires acts.

The first ultra vires act of the corporation you have alleged is the acquisition of real properties which according to your client is different from the primary purpose of the corporation which is to 'establish, maintain and operate a sports field and a clubhouse'. Please be informed that precisely the purpose for buying the property which is presently being occupied and leased from the Neri Family (hereinafter referred to as NERI PROPERTY), is to maintain and operate a sports field. For how could NSC maintain and operate a sports field and a clubhouse without a land that will be used for its sports activities, sports structures and equipment.

Your client is well aware that NSC is only leasing the land which it is using now, and its existence is being threatened because the land is being offered for sale. Thus, if NSC does not purchase the NERI PROPERTY and the buyer decides not to renew the lease contract with NSC after its expiration, then NSC will simply cease to exist. Where can NSC find 26,013 square meters of prime property and how much will it cost to lease, and put up anew the structures, the pool and clubhouse? On the other hand, notwithstanding the purchase, NSC will remain unchanged in terms of its status and all benefits currently enjoyed by



existing members will only improve from the said acquisition.

Thus, the purchase of the NERI PROPERTY is clearly within the interest, power and right of the corporation to protect its lifetime members' investment and its almost 100 years of existence from immediate extinction.

Further, the act is not ultra vires because the same was made by an almost unanimous decision of the board. The members of the Board of Directors were elected to represent the members and as such their acts are valid without need of ratification.

Your second allegation of ultra vires act of the corporation is the issuance of bonds, which should have prior approval and registration from the SEC. Suffice it to say that NSC is still finalizing the conditions of the bonds it intends to issue and its registration and approval with the SEC will be secured before its issuance.

We regret therefore that the Board will not desist from pursuing the purchase of the NERI PROPERTY.

Now, the Board's counter demand.

The Board cannot allow your client to further make baseless allegations or take precipitate actions without cause.

The purchase of the NERI PROPERTY and the creation of the Nomad Land Corporation was announced as early as June, 2008. There were at least three (3) members' assemblies announced and held for clarification, questions and/or suggestions of the members. Your client has not written to the Board nor has he attended the assemblies to be enlightened and clarified.

To raise his protest at this late stage is thus questionable and is seen as an attempt to derail the valid and legal actions of the Board in purchasing the NERI PROPERTY,

Moreover, your client's allegation of "mismanagement made in utter bad faith" is grossly unfair and libelous, and will be actionable if circulated to members of the NSC or other third parties. Far from your client's allegation



of mismanagement, the actions of the Board are legal, prudent and laudable. The present Board has undertaken a great step to pursue the vision of the founders to perpetuate the NSC. It has also integrated its own vision of a modern NSC with willing members co-owning the land, which has been the venue of their sports and relaxation activities for years. Their actions are noble and should be appreciated not condemned.

In view of the above, demand is hereby made on your client to desist from further making allegations without basis and from taking actions that may jeopardize or delay the purchase of the NERI PROPERTY.

Should your client take further actions or make baseless and libelous allegations, the Board, on behalf of NSC, shall institute legal actions or counter-suits, if prior groundless legal action is taken, against your client and shall hold him liable for actual and consequential damages, including but not limited to "reimbursement of the monies paid by the club and the members, moral damages for the besmirched reputation of the members of the board, and the other damages the NSC will suffer if the purchase of the NERI PROPERTY is terminated due to your client's action.

Please advise your client accordingly.

Very truly yours,

HERMENEGILDO M. RAMOS, JR.

Legal Counsel
Nomad Sports Club

REPUBLIC OF THE PHILIPPINES REGIONAL TRIAL COURT NATIONAL CAPITAL JUDICIAL REGION PARAMAQUE CITY BRANCH 274



MULTI-SPHERE TRADING, INC., Plaintiff.

CIVIL CASE NO. 08-0350

versus -

FOR: SPECIFIC PERFORMANCE AND DAMAGES

E.A. NERBAN ENTERPRISES CORP., JOSE S. NERY, JR., JO ALBERT S. NERY and LIZABETH ANNE N. CRUZ,

Defendants.

NOMAD SPORTS CLUB,

Plaintiff-Intervenor.

X

ORDER

On the Motion to Approve Attached Compromise Agreement filed by the principal parties, the Compromise Agreement dated October 26, 2009 is hereby reproduced as follows:

"COMPROMISE AGREEMENT

This Compromise Agreement is entered by and among:

MULTI-SPHERE TRADING, INC., a corporation duly organized and existing under Philippine law (hereinafter, Multi-Sphere & with principal office address at No. 25 Vations Street, Merville Park Subdivision, Paranaque City, and represented herein by its Director, Kishore N. Hemlani;

E.A. NERSAN ENTERPRISES CORP., a corporation duly organized and existing under Philippine law (hereinafter, "Nersan"), with principal office address at 939 Quidno Ave., Paranaque City, represented herein by its Director, Lizabeth Ann N. Cruz;

JOSE S. NERY, JR., of legal age, Filipino, and with address at 939 Quirino Ave., Paranaque City;

JO ALBERT S. NERY, of legal age, Filipino, and with address at 939 Quirino Ave., Paranaque City;

LIZABETH ANN N. CRUZ, of legal age, Filipino, and with address at 939 Quirino Ave., Paranaque City; and

NOMAD SPORTS CLUB, a corporation duly organized and existing under Philippine law, with principal office address at Off Madrid Street, Merville Park Subdivision, Paranaque City, and represented herein by its President, Jonathan Thorp, and its Treasurer, Matthew Freeston.

A. 19. 15

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WITNESSETH, That:

WHEREAS, the parties to this Compromise Agreement, Nomad Sports Club excluded, are likewise principal parties to Civil Case No. 08-0350, entitled "Multi-Sphere Trading, Inc. vs. E.A. Nersan Enterprises, Corp., et al.," which is pending with the Regional Trial Court of Paranaque City, Branch 274.

WHEREAS, the said principal parties to Civil Case No. off-0350 have agreed to amicably settle all their respective claims and counterclaims therein, including all other issues and proceedings arising from or related to the said case.

WHEREAS, Normad Sports Club, which has a pending motion to intervene in Civil Case No. 08-0350, seeks to protect its interests in some of the properties involved in the said case, and for this purpose has agreed to be part of this Compromise Agreement where all its interests and claims shall be likewise be fully addressed and resolved along with those of all the other parties herein.

WHEREAS, the principal parties hereto waive further agreed to waive any objection against the entry of Nomad Sports Club as an intervenor in Civil Case No.

oscingo, thereby allowing said intervenor to fully submit to the jurisdiction of the trial court having cognizance thereof, and be bound by the enforcement and execution by said court of all the terms of this Compromise Agreement.

NOW THEREFORE, the parties have agreed:

Sale of the Montessori property to Multi-Sphere —

- property embraced by TCT No. 176050 with an area of 7.597 square meters, hereby agrees to sell, and by virtue hereof undertakes to sell to Multi-Sphere the said parcel of land and all improvements found therein free from all liens and ensumbrances (hereinafter the Montessori Property). The sale by Nersan of the Montessori Property bears the full and unconditional conformity of the individual parties to this Agreement Jose S. Nery, Jr., Jo Albert S. Nery, and Lizabeth Anne N. Cruz—all of whom represent to be the duly elected and incumbent members of the Board of Directors of Nersan, and who collectively own and control at least two-thirds (2/3) of its issued and outstanding shares of stock.
- Property, including all improvements found therein, as well as the right-of-way mentioned in Paragraph 2.1 harcof, shall be Php34, 86,500.00, or the same price agreed upon under the Memorandum of Agreement between Multi-Sphere and Nersan

notarized on 14 April 2008 under Doc. 480, Page 98, Book [, by Notary Public Randee Ramos Vega, which amount shall be paid by the former to the latter in cash or any acceptable Manager's Check, in the following manner:

- a) The amount of PL200,000.00, representing the security deposit made by the current lessee of the Montessori property to Neman, shall be credited in favor of, and considered payment by Multi-Sphere of part of the purchase price, thereby leaving an unpaid balance thereon in the amount of P32,986,500.00;
- The amount of P3,298,650.00, or ten (10%) of the remaining belance on the purchase price, shall be paid by Multi-Sphere to Nessan upon the signing of this Agreement, subject to the condition provided under Paragraph 5.1 hereof;
- The remaining balance of P29,687,850,00 shall be paid by Multi-Sphere in three (3) equal installments of P9,895,950.00 each, payable as follows: The first installment shall be paid within ninety (90) days from the date of receipt by Multi-Spherre of the Order or Judgment from the RTC-Paranaque City, Branch 274 approving of this Agreement;

The Second installment shall be paid within ninety (90)

days after the first installment; and

The Third and final installment shall be paid within ninety (90) days after the second installment.

All three (3) installment payments shall be covered by post-dated checks to be delivered by Multi-Sphere to Mossan within thirty (30) days after Multi-Sphere's receipt of the Order or Judgment approving this Agreement.

- 1.3 Upon the signing of this Agreement, Multi-Sphere and Nersan shall execute a Deed of Conditional Sale on the Montessori property embodying all the foregoing stipulations, which Deed shall be annotated by Multi-Sphere in TCT No. 176059.
- Upon full payment by Multi-Sphere of the total consideration as presented above, Nersan shall execute a Deed of Absolute Sale transferring and conveying full ownership of the Montessori Property, in favor of Multi-Sphere. Furthermore, simultaneous with the execution of the said Deed of Absolute Sale, Nersan shall deliver the following documents to Multi-Sphere: a) Original of Owner's Duplicate TCT No. 176059; b) Originals of the Tax declarations for both hand and improvements on the same property; d) Neman Board Resolution authorizing the sale of the Montessori property to Multi-Sphere and empowering Nersan's designated signatury to the Deed of Absolute Sale to execute the same; and e) Certificate from the Paranague City Treasurer attesting to the full payment

of all real property taxes (land and improvements) as of the date of execution hereof.

- L5 All taxes necessary to register the Deed of Absolute Sale on the Montessori property, and secure title therefor in the name of Multi-Sphere, particularly the withholding tax, documentary stamp tax, transfer tax, registration fees, notarial fees, and other incidental fees and expenses, shall be borne by Multi-Sphere. All other taxes, including any resulting income tax, shall be borne by the party against whom they are assessed.
- 1.6 Nersan and the individual parties to this Agreement all warrant that Nersan has the capacity to sell, transfer, and convey, and that they will all defend the sale, transfer and conveyance of the Montessori Property embraced by TCT No. 176059, and all improvements found therein, in favor of Multi-Sphere. Nersan and the individual parties to this Agreement further warrant that the Deed of Absolute Sale mentioned in Paragraphs 1.3 and 1.4 hereof, when so registered, shall result to a valid and complete title over the Montessori Property in the name of Multi-Sphere, free from all liens, third-party claims, and encumbrances.
- 1.7 Upon the full payment of the purchase price mentioned in Paragraph 1.2 above, Multi-Sphere shall be deemed to be the true and absolute owner of the Montessori Property. Accordingly, Multi-Sphere may immediately take full possession of the Montessori property, and substitute Newson as the lessor of any lesses or occupant found therein. In this report, Necson and the individual parties to this Agreement unconditionally warrant that the current lesses or occupant of the Montessori property, and all improvements found therein, shall honor the sale thereof to Multi-Sphere, and the latter's resulting status as the new substituting lessor of the same property, including Multi-Sphere's right to receive all accruing rent and other benefits therefrom.
- Nersan, and the individual parties herein in solidum shall return to Multi-Sphere the amount of P3.298,650.00, as provided under Paragraph 1.2(b) hereof, or any installment payments made under Paragraph 1.2(c) hereof, under any of the following circumstances: a) Any person or entity interposes an objection against any of the provisions of this Agreement; b) The RTC-Paranaque City, Branch 274 withholds the approval, or otherwise rejects in whole or in part the provisions of this Agreement; and c) When it appears that any of the provisions herein could not be enforced for reasons not attributable to Multi-Sphere. In the event Nersan and the individual parties to this Agreement fall and refuse to return any such payments made by Multi-Sphere, Nersan and the individual parties berein in solidam shall be liable to pay Multi-Sohere interest on the withheld amounts at the rate of one and a half (1,5%) percent per month, counted from the tiate of receipt of



Multi-Sphere's demand to Nersan or any of the individual parties to this Agreement.

Access road to Montessori Lot-

- 2.1 Nersan, the individual parties herein, as well as Nomad Sports Club, shall provide a permanent and perpetual right-of-way, the location, metes and bounds of which are described defined in the survey, copy of which is attached hereto and made an integral part hereof as Annex "A."
- 2.2 The area covered by the right-of-way as described in Annex "A" hereof shall constitute a permanent and perpetual servitude on the proporties diminished or in any manner affected thereby, whether the same be owned or occupied by Nersan or Nomad Sports Club. Nersan, the individual parties to this Agreement, as well as Nomad Sports Club, together with all their successors-in-interest, shall not charge or obligate Multi-Sphere and its successors-in-interest any sum by way of compensation for any improvement made and found in, as well as the unhampered use and enjoyment of, the said right-of-way, nor shall any of them impose any form of burden against Multi-Sphere that will diminish or affect its full use and enjoyment of the Nil right-of-way, including any improvements found thereon.
- 2.3 The right-of-way shall be immediately annotated in the title to the property(ics) affected thereby, and shall bind such property(ics) and whomsoever may hereinafter own, or have any interest, in the same.

Sale of other Nersan properties to Nomad Sports Club.—

3.1 Nersan hereby agrees to sell, and by virtue hereof shall sell and convey to Nomad Sports Club, to the exclusion of all other parties or entities, the properties hereinally described together with all the improvements found therein:

TETNO. Area (sqmtrs.) Description/Location

1. 176060	1,100	Lawn Bowl
2. 175062	18,439	Nomad Sports Club
3, 176063	4,005	Creek Side
4. 176064	200	Occupied Lot
5 176065	1,810	Old Right-of-Way

described properties shall be Price 77,460.00, to be paid in full by Normad Sports Club, to the exclusion of all other persons or entities, such as, but not limited to nominees, assignees or

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transferees, to and favor of Nersan, on or before 02 January

- 3.3 Should Nomad Sports Club be unable to pay the said total consideration to Nersan by 62 January 2011, Nomad Sports Club automatically loses its right to purchase any and all the properties mentioned in Paragraph 3.1 hereof, its right after the said date being limited to the reimbursement from Mersan of any partial payments it would have already made to the latter.
- 3.4 In the event of non-payment by Nomad Sports Chib to Nersan of the full purchase price of P114,977,460,00 on or before 02 January 2011, its exclusive right to purchase the properties covered thereby as mentioned in Paragraph 3.1 hereof shall automatically transfer to Multi-Sphere. Thereafter, should it elect to exercise its right to purchase the same properties, Multi-Sphere shall be obligated to pay Nersan same total consideration of PI 14,977,460,00 for the same properties in a manner or terms to be mutually agreed upon between Nersan and Multi-Sphere; provided, that the said parties shall have one (1) year from 02 January 2011 to come to terms on the said manner and terms of payment, and only after the large of the said 1-year period shall Nersan be free to offer the subject properties to third persons.

Admowledgment of validity of MOA.

4.1 Nersan and the other individual parties hereto hereby acknowledge and affirm the validity of the above-instationed Memorandum of Agreement notarized on 14 April 2008 under Doc. 480, Page 98, Book I, by Notary Public Randee Ramos Vega (also Annex "C" of Complaint in Civil Case No. 08-0350), the fact that Multi-Sphere is the principal party thereto, and that Kishore N. Hemlani signed the same as a representative of the said company and not in his personal capacity.

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4.2 The terms of the Memorandum of Agreement notarized on 14 April 2008 between Multi-Sphere and Nersan shall remain in force insofar they do not conflict the terms of this Agreement.

Waiver of all claims and counterclaims—

5.1 Conditioned on the faithful compliance with all the provisions of this Agreement, the parties hereto forever release and discharge each other from any and all manner of action or actions, cause or causes of action, sum or sums of money, accounts, damages, claims and demands whatsoever, and counterclaims arising from, or connected with Civil Case No. 08-0350, and the real properties mentioned in this Agreement.

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5.2 Upon the signing of this Agreement, Multi-Sphere shall deliver to Nersan, and the latter shall be responsible in promptly registering and enforcing, the appropriate documents withdrawing and/or cancelling the notices of Adverse Claim and Lis Pendens Multi-Sphere has caused to be annotated on the following titles:

TCTNo.	Area (sqmtrs.)	Description/Location
1. 176059	7.597	Montessori
2. 176060	1,100	Lawn Bowl
3.176062	18,439	Nomad Sports Chub
4, 176063	4,005	Creek Side
5 176064	200	Occupied Lot
6. 176065	1,830	Old Right-of-Way
7.176061	1,559	Knights of Columbus

- 5.3 Each and every party herein hereby declare that they interpose no objection whatsoever on all stipulations in this Agreement involving the others, and shall not act, or cause to be done, any act that will make prevent or delay the implementation and consummation of such stipulations.
- 5.4 This Agreement, which is binding to the parties' respective being, assigns and successors-in-interest, shall take effect from the date of its execution, and shall continue to be in effect until all the parties shall have fully compiled with and have satisfied all their respective obligations as provided in this Agreement.
- 5.5 This Agreement sets forth the entire undertaking and commitment of the parties hereto. There are no other representations, and no other warranties between the parties hereto, except those expressly set forth herein. No provision of the Agreement may be waived, changed, terminated, modified or discharged, either expressly or impliedly, except by subsequent written agreement signed by the party against whom such waiver, change, termination, modification or discharge is sought to be enforced.
- 3.6 If any provision of the Agreement shall be held unenforceable, void, invalid or contrary to law by a final judgment, the other provisions of the Agreement shall remain in full force and effect in all other respects as if said provision had not been included in the Agreement, unless such judgment affects the Agreement as a whole.

5.7 The parties hereto declare that they have consulted their respective counsel, that they fully understand the contents and consequences of this Agreement, and that they are freely voluntarily executing the same. Specifically, the representatives of the parties herein warrant that the Board Resolutions issued by their respective corporations are all authentic and validly issued, copies of which are attached hereto and made integral parts hereof as follows:

a) Board Resolution for Multi-Sphere:

Aunex "B"

b) Board Resolution for Nersan:

Annex "C"

c) Board Resolution for Nomad Sports Club: Annex "D"

The parties shall each bear the legal expenses, including any claims and charges by their respective counsel. Each party has no right to be reimbursed for any expenses that any of them may have incurred on any matter arising from or related to this Agreement.

5.9 Multi-Sphere may assign its right to purchase the Moutessori property as provided under Paragraphs 1.1 to 1.6 of this Agreement to any third person or entity. This option to assign belongs to Multi-Sphere only, and not to any other party to this Agreement.

5.10 The parties shall submit this Compromise Agreement to the Regional Trial Court of Paramaque City, Branch 274, for its approved and the readition of judgment in Civil Case No. 08onso based thereon.

IN WITNESS WHEREOF, the parties hereto have signed these presents on 26th day of October 2009, at Parafiaque City.

MULTI-SPHERE TRADING, INC.

E.A. NERSAN ENTERPRISES CORP.

(S24) KISHORI N. HEMLANI Director

(Sgd.) LIZABETH ANN IN CRUZ Director

NOMAD SPORTS CLUB

(Sgd.) JONATHAN THORP President

(Sgd.) JOSE S. NERY, JR.

(Sgd.) MATTHEW PREETON

(Sgd.) JO ALBERT S. NERY

Treasurer

(Sgd.) LIZABETH ANN C. CRUZ

Assisted by:

(Sgd.) JOSEFINA C. TIMBOL

(Sed.) SHIRLEY DENOSA"

ORDER Chill Case No. 08-0350 Multi-Sphere Trading, Inc. vs. E.A. Nersan Enterprises Corp., et. al.

- Page 9 -

the same having been signed by the parties, and it appearing that the above quoted Compromise Agreement is not contrary to law, morals, good customs, public order or public policy, the Compromise Agreement is thus accordingly approved. The parties are thus enjoined to abide by the terms thereof as they are binding on them.

Accordingly, therefore, with the approval of the compromise agreement, the present case is now considered terminated and/or disposed. All other incidents re this case is now considered mooted.

SO ORDERED.

Parafiaque City, Philippines, December 18, 2009.

FORTUNITO L. MADRONA
Presiding Judge

FLM/mmm

Copy furnished:

Atty, Jose Salvador M. Rivere, Jr.

Rivere Santos & Merenen
Counsel for the Plantallf
agon-D West Tower, Philipplac Stock Rankange Center
Exchange Road, Ortigas Center
150c Paulg City

Atty: Hermenegilde M. Ramos, Jr.

Hid Ramos and Associates

Coursel for the Picturiff in Intervention

G/F Erlas Eldg., 102 Establis Street

Legarpi Village, Makati City

Acty. Chevanni Boutists

Routing & Associates Law & Accounting Offices

Coursel for the Defendants

are Introducts Corporate Plans

Recoletos St., Intramuros, Manila



Nomad Sports Club Off Madrid Street, Merville Park Subdivision Paranaque City, Philippines

Attention: Jonathan Thorp
President

Matthew Freeston Treasurer

Re: Inquiry on the Impending Purchase of E.A. Nersan Properties

Gentlemen:

I write as member of the Nomad Sports Club (the "Club") in connection with the above-captioned matter.

As you know, I previously opposed the undue burden placed on the members when the purchase of the said properties was first proposed. In fact, I even filed a case against the officers and directors of the Club because of the unilateral decision they made and due to the lack of transparency in the transaction.

After our previous disagreement on the future plans for the Club has to a certain extent been resolved, I understand that you once again entered into an agreement with Nersan wherein the Club will be pursuing the purchase of the said property. When I made my previous complaint, I knew for a fact that the Club was financially incapable of purchasing such a huge tract of land. I believe that since that time, the financial capacity of the Club has not improved considerably, which begs the question: how does the Board of Directors ("Board") intend to finance such a significant investment?

To reiterate my stand during our previous meeting, I will support the endeavors of the Board as long as they are beneficial to the Club and its members and they are perfectly legal. As a former President and an esteemed member of the Club, I hope you will grant me the courtesy of knowing the Board's immediate plans on this purchase and informing the Club members.

I trust you will address my concerns adequately.

Very truly yours

Udward T. D

5 March 2010

Nomad Sports Club Off Madrid Street, Merville Park Subdivision Parañaque City, Philippines

Attention: Jonathan Thorp
President

Matthew Freeston Treasurer

Re: Inquiry on the Impending Purchase of E.A. Nersan Properties

Gentlemen:

I write as member of the Nomad Sports Club (the "Club") in connection with the above-captioned matter.

As per my letter dated 17 February 2010, I asked for information relating to the purchase of parcels of land covered by Transfer Certificate Title with Nos. 176060, 176062, 176063, 176064 and 176065 issued by the Register of Deeds of Parañaque City ("Subject Properties") as agreed to in the Compromise Agreement dated 26 October 2009 by and among E.A. Nersan Enterprises Corporation, Multi-Sphere Trading, Inc., Jose Nery, Jo Albert Nery, Lizabeth Ann Cruz and Nomad Sports Club as well as in the Memorandum of Agreement dated 30 May 2008 by and between E.A Nersan Enterprises Corporation and Nomad Sports Club.

Similar to the previous transaction which I opposed, this present deal is likewise shrouded in mystery. Despite my request for information on this deal, you continue to fail to be transparent in your dealings, and choose to conceal the details thereto from the members of the Club.

Please note that your decision to pursue the purchase of the Subject Properties was never presented before the members for their approval. In addition, I believe that the Club does not possess the qualification to purchase the Subject Properties because both its Board of Directors and its general

membership are mostly composed of foreigners. In fact, certain officers of the Club do not even possess the qualifications mandated by law in order for them to act as such.

To reiterate, I will support the endeavors of the Board only if they are legal and above board and if they will be beneficial to the Club and its members. In this instance, unless shown otherwise, I believe that the Club is legally and financially incapable of acquiring the Subject Properties. Consequently, I feel that the members of the Board of Directors are simply acting on their own personal interests to the detriment of the Club in pursuing this deal.

In view of the foregoing, I demand that the Board of Directors desist from the unlawful purchase of the Subject Properties and that the Club withdraw from the aforesaid Compromise Agreement. Please communicate to me such desistance and withdrawal from the purchase of the Subject Properties within 5 days from receipt of this letter. Failure on your part to comply with this just and valid demand will constrain me to refer this matter to my counsel for appropriate legal action in order to protect the Club's interests.

I trust you will give this matter your preferential attention.

Very truly yours,

Edward L. Du

00/17/10

Cc: Jonathan Thorp

c/o Howzat Sports Bar Kalayaan Avenue, Poblacion Makati City

Thomas Whitwell

15 Calcutta Street, Merville Subdivision 21 CDA DUEKO Parañaque City

Ma. Shiela Obana

5 Tokyo Street, Merville Subdivision Parañaque City

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2, 9

Jesario abas

Matthew Freeston

21 Madrid Street, Merville Subdivision

Parañaque City

Iain Sinclair

Unit 1903 LPL Manor Condominium L.P. Leviste Street, Makati City

Faisal Durrani-Khan

29B Madrid Street, Merville Subdivision

Parañaque City

Conny Dolonius

27 Vatican Street, Merville Subdivision

Parañaque City

Bradley Hannam

22 Istanbul Street, Merville Subdivision

Parañaque City

Steve Arthur

8 Vatican Street, Merville Subdivision Trabell

Parañaque City



Nomad Sports Club Membership Count by Classification November 2008

CLASSIFICATION	Count
REGULAR FILIPINO CORPORATE NON-PLAYING	162 . 6 1
REGULAR FOREIGN CORPORATE	73 8
ASSOCIATE NEW CORPORATE NON-PLAYING	146 18 0
RESTRICTED TEMPORARY RESTRICTED STUDENT	. 8 . 8
TOTAL	426
*NON-PAYING MEMBERS	
REGULAR FILIPINO LIFETIME REGULAR FOREIGN LIFETIME ASSOCIATE NEW LIFETIME HONORARY MEMBERS OVERSEAS	1 16 2 50 18 87
*members are non-paying *total number of members *total number of paying members	87 513 426



	ation in		Membes Name
	LIPINO MEN		
1.	RFI	1760	AGCAOILI, Antonio
2	RFI	1500	AGCAOILI, Jose Luis
3	RFI	1652	AGUINALDO, Alexander Emerson
4	RFI	2401	ALDIP, Alma
5	RFI :	2399	ALDIP, Janice Anne
6	RFI	2187	ALEJO, Natividad
7	RFI	2280	ALMENDRAS, Ma. Luisa Jr
8:	RFI	1037	ANGELES, Jose Virgilio
9.	RFI	1489	AQUINO, Chona
10	RFI i	2097	AQUINO, Corky
11	RFI	2096	AQUINO, Esmin
12	RFI	2359	AQUINO, Mercia Paz
13.	RFI	2051	ARANAS, Jesus Clint
14	RFI	2376	ARCEO, Reginaldo Plo
15	RFI	2310	ARIKAWA, Sheryl
16	RFI	1772	ARROYO, Randolph
17.	RFI !	1507	BALDERRAMA, Gerardo
.18	RFI :	1222	IBALUYOT, Benjamin
19	RFI	1424	BAMBROFFE, Marjorie
20	RFI	2662	BAÑEZ, Domínoe
21	RFI	847	BAUTISTA, Arthur
_22	RFI	1937	BAYONA JR, Hosplcio
23.	RFI	2341	BEAGLEY, Ma. Carla
24	RFI	1481	BEETON, Rose
25	RFI	1856	BELTRAN, Roland
26	RFI	1874	BREAKENRIDGE, Nancy
27	RFI	2325	CAEG, Enrique
28	RFI	7	CAMAHORT, Martin
29	RFI	975	CAMAHORT, Miguel
30	RFI	1884	
31	RFI	2161	CASAS, Melanie
32	RFI	2296	
33:	RFI	2059	
34	RFI	2059	
35	RFI	2239	
36.	RFI	1508	
37	RFI	129	
38.	RFI	235	
39	'RFI	192	
40	RFI		
41_	RFI	1 11	
42	RFI	172	
43	RFI	65	
44.	RFI	197	
45	RFI	234	
46:	RFI	24	
47	RFI	19	
48	RFI RFI	24	
49	RFI	22	
50 51	RFI		17 DEL ROSARIO, Barry Jay
52	RFI		64 DIRECTO, Carlo
53	RFI		DU, Edward
. 54	RFI		240 DURAN, Gecile
55			516 IDYSON, Erlinda
56			904 IENRILE, Francisco
1			848 ENRIQUEZ, Raymundo
57	BEI		
57 58			290 ESCAMIS, Carmelita

		TOTAL TOTAL CONTROL OF THE STREET
90 90	RFI !	1930 ESPALDON, Arleigh
61	RFI	2408 EVANGELISTA, Maverlok
62	RFI	2243 EVARISTO, Gerarde
63.	RFI	2141 EXCONDE, Ferdinand
64 .	RFI i	2259 FALCON, Maria Flora
65	RFI	2372 FERNANDO, Antonio Jr
66	RFI	2194 FERNANDO, Lesier Jorge
67	RFI	2309 FLORES, Glrlie
68	RFI	2256 FLORESCA, Almee
69	RFI	1425 FRANCISCO, Carlo
70	RFI :	2266 FRANCISCO, Jose Domino
71	RFI	1349 :FRANCISCO, Victor
.72	RFI I	155 [FRANCO, Noel
73	RFI :	2410 IGARCIA, Carol
74	RFI	1513 GARCIA, Ignacio
75	RFI	20 GARILAO, Ernesto
76	RFI	2258 GATMAITAN, Emmanuel
77	RFI	2257 GENERAL, Ma. Elena
78	RFI	2343 GIGATARAS, Rey
79	RFI	2375 GO, Maria Adoración
80	RFI	2377 GO-ACO, Jennivleve
81	RFI .	1328 GOITIA, Rolando
82.	RFI	2248 GONZALES, Jose M
83	RFI	2349 GONZALEZ, Ma. Mergarita
84	RFI	23 GOTAUCO, Domingo
85	RFI	2041 GUTIERREZ, Santiago
86	RFI	2090 HARDER, Ma. Jesefina Leonida
87	RFI	1741 HERMANOS, Jose Bayarii
88	RFI	2229 HSU, Eufemia
89	RFI	1880 JAVIER (JULIANO), Ma. Rosario
90 ,	RFI	1644 JAVIER, Jaime
- 91	RFI	2145 JORDANA, Joaquin
92.	RFI	1986 JUGO, Jose Juan
93	RFI	253 KARNANI, Suresh
94	RFI	1932 ¡LAPENA, Ma. Victoria
95.	RFI	1812 LAPUS, Myra
96	RFI	1962 LAWLESS, Rosel
97	RFI	2275 LEJEUNE, Maria Karla
98	RFI	2291 LIU, Milagros
99		2348 LIVETA, Romeo
100		1935 LLAMAS, Nacmi
101		1810 LONGA, Geraldine
102		34 LONGA, Jalme
103		35 LONGA, Juanito
103		1417 MAGLIPON, Andy
105		1947 MALANG, Gigle
106		1389 MANIKAN, Susan
107		1873 IMARA, Ana Marle
108	~	1360 MARIANO, Bernadette
109		i 1630 MARIANO, Francis Socrates
11		1889 MASIL, Michael
11		i 2357 MENDOZA, Juan Miguel
11		2356 MENDOZA, Virginia
11		
	4. RFI	1955 MISA, Jennifer Mäe
		2047 MONTINOLA, Rodrigo
		1452 MORADA, Noel
	17 RFI	
	18 RFI	· 1405 OLEGARIO, Raul

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				Members Name
[120	RFI :	1947 (ORENA, Ogndy
1	121	RFI	2314 İF	PASCUAL, Rudolfo
	122	RFI ;	2252 F	PISTI9, Wilma
[123	RFI	1323	QUITO, Ranlel
1.	124	RFI	1710 i	RAMCHANDANI, Kallash
\	125:	RFI	1415	RILEY, Leonor
	126	RFI	1886	RODRIGUEZ, Rafael
	127	RFI .	2327	ROMERO-SALAS, Juan Carlos
	128	RFI !	1373	ROQUE, Emerson
	129	RFI	1719	ISABALZA, Ma. Joann
	130	RFI	2350	SANCHEZ, Edgardo Jr
	131	RFI i	1380	SANTAMARIA, Jose Gerardo
	132	RFI !	1882	SANTIAGO, George
	133	RFI	2074	SANTIAGO, Kathlean
	134	RFI .	2155	SANTOS, Angelina
	135	RFI	2344	SANTOS, Eugenio
	136	RFI !	1792	SEBASTIAN, Elizabeth
	137	RFI	147	SEVERINO, Antonio
	138	RFI	2418	SINGSON, Victoria
	139	RFI	1517	TAGUE, Javelyn
	140.	RFI	1343	TAN, Roberto
	141	RFI	1744	TANINGCO, Zander
•	142	RFI	2091	TIANSAY, Ma. Carmen
	143	RFI	2237	TICZON, Ma. Theresita
	144	RFI	2116	TIMOG, Marlel
	145	RFI	1799	TIONGSON, Victor
	146	RFI	2362	TIRADOR, Ma. Angeles
	147	RFI	1419	TISON, Elizabeth
•	148	RFI	1525	TRINKLER, Arlene
	149	RFI	2212	UGARTE, Jose Mari
	150	RFI	1854	VELOSO, Roland
	151	RFI RFI	1939	VICENTE, Honeylet
	152		1720	VILLAMOR, Lorenzo
	153	RFI -	2351	
	154 155	RFI RFI	1952	VICEANOEVA, Juse Miguel
	156	RFI	1502	
	157	RFI	2333	
	158	RFI	1362	
	159	RFI	125	
:	160	RFI	2366	
	161	RFI	2046	
	162	RFI	406	1
	REGUL	AR FILIPINO	CORPOR	ATE MEMBER
•	1	RFI-CO	207	
	2	RFI-CO	241	
	3	RFI-CO	973	
	4	RFI-CO	97	
	5	RFI-CO	91	
	6	RFI-CO	1 147	
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	11	RFI-LI	27	6 O'NEILL, Fatima
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	FOREIGN		
1.	RFO	1322 B	AILEY, William
2	RFO	964 B	ARBERIS, Romain
3	RFO	577 IB	AROIN, Philippe
4	RFO		ELLO, Jullen
5·	RFO :		ERGMEIER, Dietrich
6	RFO		LECKLY, Paul
7	RFO		RECKNER, Edward
8:	RFO		SURROUGHES, Robert
9	RFO		CARMAN, Randell
10.	RFO		CHAMBERLAIN, Brent
11	RFO i		CHAPMAN, Michael
12-	RFO		CLARK, Peter
13	RFO		COCKS, Mark
14	RFO		COLECLOUGH, Robert
15	RFO		COLLIN, Bertrand
16	RFO i		COOKSON, Gareth
17	RFO		DABELL, John
18	RFO		DALISSON, Roy
19	RFO		DENISON, Michael
			DIMMELL, Roger
20	RFO RFO	2049	DOLONIUS, Conny
21	RFO	1740	DRAPER, Peter Ronald
23	RFO	1278	DURRANI-KHAN, Faisal
24	RFO	1665	DURRANT, Max
25	RFO	1248	ECHTER, Jerry
26	RFO	2078	ELLIOT, Kelth
27	RFO	71	FREESTON, Matthew
28	RFO	1911	IGEORGET, Sean
		1 .1227	GESSNER, Jeurgen
29	RFO		
30.	RFO	759	IGIBSON, Kenneth
31	RFO	995	GITTUS, Philip
32	RFO	1588	GODKIN, Dale
33	RFO	1445	HALL, Rodney
34	RFO	1607	HARMSTON, Paul
35	RFO	240	HEBEISEN, Urs
36	RFO ·	1363	HILL, David
37	RFO	1478	LAKMANI, Satish
38	RFO	1576	LAMBERT, Malcolm
39	RFO	1992	LEATHER, Jalme
40	RFO	1449	LEWIS, Brian
41		1564	LOZANO, Thomás
42		226	MAJOR, Christopher
43		1917	MAYANI, Richard
44		85	MELHUISH, Charles
45	RFO_	1615	
46		87	MIRCHANDANI, Shankar
47	RFO	1771	
48	RFO	89	MONTANO, Ernest
4	9 RFO	197	
5	0 RFO	167	1 PANEMANGLOR, Vinay
5		801	IPEABODY, David
	2 RFO	134	5 PETTERSSON, Orjan
	3 RFO	28	PULLIN Roger
1	4 RFO	109	
1 "	55 RFO	102	
1	6 RFO	11!	
1	57 RFO	1 · 14	30 ISAVINA, Eric
1	58 RFO	75	0-11-
			2 'SCHROEDER, Roll

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. 60	RF	0	. 19	95	SIN	CLAIR, Iain
61,		0	20	58	SPI	NDLOE, Bill
62	Rf	-O	30	11	STC	ONE, William
63	RI	-0	17	86	SU	JANANI, Sanju
64		FO	16			RINDER, Pal
65		FO				AKUR, Sanjay
		FO				OBURN, Philip
66						
67		FO				ORP, Jonathan
68		FO				LTER, Graham
69		FO				RNE, Keith
70		FO				HITWELL, Thomas
71		FO	$\overline{}$			NLAW, Darren
72		FO		28	•	UNG, Brian
73		FO	: 13	276	IYO	UNG, Thomas
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REGULA	AR FO	REIGN	ORP	ORA	TE	
1	RF	0-C0		966		DAM, Helnz
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3	RF	0-CO	1 1	476		ALLEY, Simon
4		:0-CO		339	M	JSTERS, Randy
5		0-CO		979	-;	CHEILE, Michael
6		0-C0	1	565		CHNEIDER, Dieter
7		-0-C0		1684	- -	ERGNES, Bruno
				:		ATES, Andrew
8.		-0-CO	+-	1038	117	ATLS, Allulew
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1		RFO-LI		702		BICHANDANI, Kamal
2		RFO-LI		-61		TKINS, Alan
3		RFO-LI		65		ERGER, Werner
4		RFO-LI	- ·	70		AVIES, Timothy
5	F	RFO-LI		72		REI, Othmar
6	i· [RFO-LI		630		IEMLANI, Kishore
7		RFO-LI		109	1	HODKINSON, Michael
8	3	RFO-LI	i_	84	11	EIGHTON, Joseph '
9)	RFO-LI	Ì	112	1	MATCHETT, Roger
10)	RFO-LI	-	37	İ	McLEOD, Mike
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ļ	4	RFO-LI		.98		WALL, Trevor
	5	RFO-LI		178		
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	1	RSTUD		233		ATANDI, Evans
	2	RSTUD		2326		BRIONES, Janice
	3	RSTUD		2340		GOGOLA, Jeremiah Dylan
	4	RSTUD		194	14	ONG, Roanne Marie
	5	RSTU		21:	31	RONQUILLO, Jackelyn
	6.	RSTUE	<u> </u>	20	05	SCHAEUFELE, Johannes
	7	RSTU)	20	61	SUHKWINDER, Singh
	8	RSTU)	. 20	68	XAVIER, Ma. Lourdes
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SSC	CIATE	MEMBER		
	1. A	SN	2218	AHUJA, Himanshu
	2. <i>F</i>	ASN	2398	AIR, Rod
	3 A	ASN	1892	AKILLIAN, Vahe
	4 /	ASN	2382	ALMOND, Graham
		ASN	2303	ANSELME, Thierry
		ASN	2387	APPLETON, John
		ASN	2126	ARTHUR, Steve
		ASN		ASHMAN, Rachel
-,		ASN	2083	ATTWOOD, Frank
		ASN	2337	AWASTHI, Ramnish
	11:	ASN .	2364	BAMPFIELD, Mark
	12:	ASN	2128	BARKER, Mike
	13:	ASN	2338	IBAUER, Christopher
	14.	ASN :	2084	BELL, David
	15	ASN	2409	IBIGANDER, Christer
	16:	ASN	1998	BIRCHENALL, David
	17	ASN	2197	BLAKE, Jeffrey
	18	ASN i	1866	BLUM, Rene
	19:	ASN .	2311	BLYTH, Damlen
	20:	ASN	2380	BODEN, Norman
	21	ASN	2115	IBRADLEY, Benjamin
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	23	NEA	2379	BROEK, WIm
	24.	ASN	2298	BRUNSWIECK, Knut
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	29.	ASN	2336	CAUCHOIS, Arnaud
	30	ASN	2307	CHEVALLEY, Alain
	31:	ASN	2321	CHITTICK, Sam
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59:	ASN	2260		NNAM, Bradley
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61	ASN	2297		LIER, Kylie
62.	ASN .	2397		NESS, Raymond
63	ASN	2318	·	L, Jeffrey
64	ASN	2277		LERSTAM, Mats
65	ASN	1757		LGATE, Clive
66	ASN	2196		LTHOUSE, Nicholas
67	ASN	2361		NER-WANET, Sabine
68	ASN	2407		RAN, Robert
69	ASN	2206		RNER Bryan
70.	ASN	2335		WETT, Tony
71:	ASN	2190		ISSAIN, Kamal
72	ASN	2269		NES, Paul
73	ASN	2273		ARRA, Dennis
74	ASN	2384		NSEN, Tamafalga.
75	ASN	2330		FRE, John
76	ASN	2151		HNSON, James
77	ASN	2221	· · · · · · · ·	AUSHIK, Gaurav
78	ASN	2305	KE	TCHER, Jay
79	ASN	2063	LF	NE, David
80:	ASN	.2130		WRENCE, Peter
81.	ASN	2327	LE	EA, Nicholas
82	ASN	2276	LI	BIHOUL, Patrick
83	ASN	1951	ļМ	ACFARLANE, Thomas
84	ASN	2235	ļΝ	ACRAE, John
85	ASN	2188	N N	IADSON, Charles
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88.	ASN	180	5 N	ARTIN, Gregory
89 -	ASN	232	2 1	MARTIN, Lawrence
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91:	ASN	223	3 1	ACATAMNEY, Gary
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94:	ASN	210		McGILL, Clive
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96:	ASN	221		MCPHEE, Brett
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98.	ASN	233		MIGNE, Jean-Pierre
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100		20		MULLER, Jorge
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102	ASN	23	54	OLSSON, Christian
103	! ASN	. 23	65	PARK, Chul
104	ASN	22	65	PHILIPPON, Jerome
105	: ASN	21	69	PHILLIPS, Steven
106	ASN	23	67	PINA, Jonas
107		. 19	949	POWELL, Gary
108		. 22	272	PRYDE, Paul
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14	ASN	2300	+	ARANGANI, Ramesh
15	ASN	2109	 -	DEEP, Singh
16	ASN	2342		RBROCK, Marc
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18.	ASN I	2373		PPARD, Gavin
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21	ASN	2315		DUGH, Matthew
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23	ASN	2202		ITH, Andrew P.
24:	ASN	2302		HAL, Danny
125 ;	ASN	2172		ADLER, Kurt
126:	ASN	1742		AUBITZ, Richard
127	ASN	2139		ED, All
128	ASN	2217		MES, Paul
129	ASN	ASN		KUBO, Toshlmasa
130	ASN	2220		YLOR, lan
131	ASN	2267		IOBURN, Ronald
132	ASN	1574		ER, Mark
133.	ASN	1849		RIACA, Carl Otto
134	ASN	2198		SCHAN, Markus
135	ASN	2378		NDERWOOD, Gary
136:	ASN	2313		EBER, Hubert
137	ASN	1961		/HITEHOUSE, John
138	ASN	2369		/HITESIDE, Corin
139	ASN	194	B !V	VHYTE, Patricla
140	ASN	238	 ··	VILLIAMS, Mark
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	4 ASN-CC			HASEGAWA, Ke'ta
	5 ASN-CC		394_	HATTORI, Daisuke
	6 ASN-CO		984	IHUG, Wilhelm
	7 ASN-CO		825	KATANO, Atsushi
	8 ASN-C		286	KHONO, Ryo
	9 ASN-C	0 2	288	KUBO, Ryoull
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	13. ASN-C		2289	OHTA, Youhei
	14 ASN-0		1822	SHIMADA, Toyonisa
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2	1679 ASTRUC, Bernard
3	1599 BEER, Wayne Ernest
4	1601 CHANDY, Alexander
5	1843 IDIAS, Richard
6	1701 FLETCHER, Nigel 2189 FOSTER, Anthony
8	1680 GRAY, Edward Roland
9	794 HARTLEY, Christopher
10	1634 iKOECHLI, Stephan
. 11	1640 LEWIS, Philippa Gail 1785 :MANTEAU, Mallette
12	1785 :MANTEAU, Mallette 1801 :MOLL, Torsten
14	1814 MONTANDON, Erio
15	1641 :PEARBE, Simon Robert
16	1804 IRAISHBROOK, Andrew 1602 IROZARIO, Lester Joseph
18	1604 ;WHITE, Bradley George
номо	RARY MEMBER
11	2016 ADAM, Salem
2.	2019 AL-HUDI, Bader Nawser
3	2009 AL-MEGHAISEEB, Ibrahlm Abdulrahman
4	2226 ALMONTE, Sharon
5	2007 : AMEEN WALI, Mohammed
6	1064 ¡ARNAIZ, Thomas
7	1085 ;ARUNDELL, Philip
<u>8</u>	62 BAKER, John
9	2034 BECKINGHAM, Peler
10	2021 :COLESANTI, Umbarlo
11.	2010 DA SILVA, Jose Gomez
12.	1329 DAYRIT, Celso
13.	1725 DEMUTH, Nick 2003 DRITIYANANDA, Asha
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	9 2004 IMARKOVIC, Annika
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	2. 2011 PITTY, Juan Fellpe
1.3	1956 IRAMOS JR, Hermenegildo
	34 2005 REKAWA, Ariya Bandara
1,	35 2036 RICCIARDONI, Francis
·	36 2032 RIITA, Rita
۵.	37 50 ROTAECHE, Ignacio
ļ	38 2006 SAGAZ, Ignacio
	39 2015 SARUNDEN, Dauttuk Iskandar
	40 2033 ISCHUFF, Marlo
	41 2029 SLAVICKY, Stanislav
[42 2035 SOCHAET, Ok
}.	43 2027 :GUTHERLAND, Peter Hanrie
. 1	44 2002 TANJU, Sumer
1.	45 2024 VEYRET, Renee
ľ	46 2017 :VILAYLACK
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- 1	48 2023 IWEISHAUPT, Axel
	49 2391 WILLES, Bernarditha
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be converted to Regular Membership after the 6 months period provided they pay the balance of Php10,000.00.

9. RESTRICTED STUDENT (R-STU)

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This classification is given to students either Filipinos or Foreigners who are not more than 24 years of age and pays the amount of Php2,500.00 (present rate) and carries no voting rights. They can convert to become regular members after becoming 25years old provided they pay the balance of the present joining fee.

10.REGULAR FILIPINO LIFETIME (RFI-LIFE)

This classification has been canceled but previously available for those who pay 72 times the monthly dues, but with voting rights.

11. REGULAR FOREIGN LIFETIME (RFOLIFE)

Same as Regular Filipino Lifetime except that they are foreign nationals,

12. ASSOCIATE NEW LIFETIME (ASN-LIFE)

This are previously Regular Foreign Lifetime members who are downgraded to Associate New Lifetime after they leave the country.

13.HONORARY MEMBER

Given to persons with special qualifications or distinctions or have rendered or still rendering services to the Club. It carries no voting rights.

14.OVERSEAS

This classification is given to foreigners living abroad who simply want to become members and are willing to pays US100.00 dollars.



NOMAD SPORTS CLUB LAND PURCHASE

HISTORY

Nomad Sports Club (NSC) has a lease which expires in 9 years' time. For the past 3 years the board has been in discussions with the Neri Family to purchase the land without success.

However, as part of the 15-year lease signed in 2002, NSC has the right of first refusal if a buyer is found.

In April 2008, we were notified by the Neri Family that they had done a deal with an investor group and gave us 7 days to exercise the right of first

We entered into negotiations with them with much longer payment terms, giving us two and a half years to pay.

The deal was finally agreed on 30 May 2008 and notarized on 13 June

RAISING THE MONEY

The NSC Board of Directors and the Land Purchase Committee looked at a number of options for raising the funds. The Club in its present form would clearly never be able to raise the money, and trying to raise it through borrowing and increasing dues dramatically was not thought to be viable.

The Board also wanted to spread the ownership of the land as widely as possible and give all members a chance to participate in the ownership of the land and the future of the Club.

A debenture scheme (common in some countries) was considered, but rejected on the grounds that it was not a common vehicle in the Philippines; and it would be difficult to get sufficient debenture holders to raise the total amount of funding required.

A shareholding scheme in a land holding corporation, hereafter called Nomads Land Corporation (NLC), was considered. The Board saw this as the best option.

STRUCTURE

The proposed structure of Nomads Land Corporation (NLC) is as follows:

Type of Share	No. of Shares	Price	Who Can Buy
"A"	360	PhP190,000	Filipino individuals only
"B"	240	"PhP200,000	Foreigners only
"C"	300° divided into 60 blocks	PhP900,000	Corporations & can carry up to 5 members each.
"OA"	60	PhP95,000	For Filipino non-residents
"OB" "	40	PhP100,000	For foreigners non-residents

- Divided into 60 blocks of 5 shares each (sold in blocks) No playing rights/no monthly dues.
- All shares in NLC are transferable.
- All new members of NSC will be required to have a share in NLC (once formed) or to have bought a playing right from an existing shareholder





- All existing members who do not become shareholders in NLC will have a "special levy" in addition to their monthly dues.
- The special levy will be set at PhP500 per month from 1 July 2008 and will be subject to review by the Board of Directors on the 1st of January each year.

PURCHASE PRICE & TERMS

The total purchase price for all the land currently occupied by NSC is PhP115,000,000 plus taxes.

The total lot area occupied by Nomads is approximately 26,000 square meters which includes the 4,000 square meters adjacent to the airport side.

The price equates to approximately PhP4,500 per square meter. We believe this is excellent value as it is approximately half the current market price.

Earnest money of PhP5 million has been paid.

- PhP10 million is due on 31 July 2008
- PhP20 million is due on 30 August 2008
- PhP35 million is due on 25 August 2009
- PhP35 million is due on 20 March 2010
- PhP10 million is due on 02 January 2011

SALE OF NLC SHARES TO MEMBERS

Lamest money	מו מטוווווו מאודים זט	as been paid.		
PhP20 milPhP35 milPhP35 mil	lion is due on 31 c lion is due on 30 A lion is due on 25 A lion is due on 20 N lion is due on 02 c	August 2008 August 2009 March 2010		
No commission	of any kind has b	een paid or is payab	le to any party.	
SALE OF N	ILC SHARE	S TO MEMB	ERS	4.5
All members wi offering price as f	ll have the right to ollows:	purchase shares in	NLC at the initial	4.54 7.56 6.57 7.56 4.56 4.57
" A" Share " B" Share " C" Share	PhP200,000	"OA" Share F "OB" Share F	PhP95,000 PhP100,000	TO THE PERSONAL PROPERTY.
Shares may be erms:	paid in cash or in	accordance with any	of the following	
		Monthly I	astallment	
1 year	0	PhP16,000	PhP17,000	
2 years	P5P20,000	PhP7,700.	PhP8,000	
5 years	PhP20,000	PhP3,600	PhP3,800	



"The purchase of the land by NLC and raising of capital should allow for major redevelopment of the Club and considerable improvement in facilities."

Other conditions:

- Members must make their commitment to purchase shares in writing on or before 30 August 2008.
- b. Members who wish to pay cash must make their commitment in writing on or before 30 September 2008.
- Two and five-year plans will be on a first-come, first-served basis.
 Only a limited number of plans are available.
- d. The *initial public offering* prices are valid only up to 30 August 2008. Thereafter, shares will only be available at the public offering price which will be significantly higher.
- e. All members will be assessed a monthly "special levy" of PhP500 starting 1 July 2008. The assessment will stop upon payment of shares purchased (down payment if on terms).
- f. ...Members who do not purchase shares in NLC will continue to pay the "special levy" in addition to their monthly dues. The "special levy" will be subject to periodic review by the NSC Board every January.
- g. Members may buy up to a maximum of 10 shares in the Club.

All, monies for share purchases will go into a separate escrow account and will be fully refunded if insufficient funds are raised to proceed with the spurchase by 30 June 2009.

SALE TO NON MEMBERS

Sales to non-members will commence as soon as NLC is set up.

Prices have yet to be set for the sales of shares to the general public but they will be significantly higher than the prices offered to members.

BOND OFFERING TO RAISE PhP30 MILLION INITIAL PAYMENT

There is an urgency to immediately raise PhP30 million to cover :

- PhP10 million on 31 July 2008 for the initial payment
- PhP20 million on 30 August 2008

To raise the money, NSC will offer bonds of PhP1 million denomination to 30 members who must express their interest to be an early investor by the hand of June 2008

Should less than 30 be found, we will allow the individuals to hold up to 5 bonds each. If this does not raise the required PhP30 million, the ceiling will the raised to 10 bonds each.

CONDITIONS OF THE BOND

- The bonds will pay interest at an annual rate of 5.5% (increasing to 6% if the interest is taken in shares of NLC rather than cash).
- The bonds are secured by the assignment of rights to the land purchase agreement.
- If sufficient shares in NLC have not been sold by the Club as of 30
 June 2009 to make the August 2009 installment; the Bondholders
 have the right to take over the agreement with the proviso that the
 existing lease remains until the end of its term.
- Bondholders may transfer/sell their bond to another party but NSC shall have the first option to redeem the bond.
- Bonds may only be sold or redeemed one year after the issuance and a 90-day notice is given.

FUTURE ASSURED

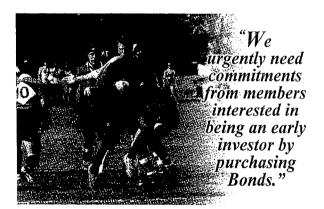
- The Bond Issuance will buy time for the Club to raise enough funds to pay the land in full.
- But it is the sale of all shares in the NLC that will ensure the Club's future. We must be able to sell shares to both existing and prospective members.
- The minimum requirement is to sell enough NLC shares to make the third payment (PhP35 million on 25 August 2009).
- However, if the PhP35 million third payment is not raised by 30 June 2009, the following will take place:
 - All buyers of NLC shares will be refunded their investment in full and their shares cancelled.
 - The Bondholders may exercise their right to take over the Purchase Agreement with the Neri Family and assume all rights and obligations of the Club.
 - So as not to disrupt Club operations until the end of the original Lease Agreement with the Neri Family, the Bondholders shall assume the remainder of the lease under the same terms and conditions as the existing lease.
 - There are no guarantees for the future of the Club once the lease expires in 2017.

PLAYING RIGHTS

- Playing rights would be available for sale to shareholders as soon as the NLC structure is set up and NSC itself is closed to new members.
- We estimate the initial value of a playing right would be in the PhP12,000 to PhP15,000 range per annum.
- Shareholders will be able to sell their playing rights to third parties; however, they will have no use of the Club or its facilities during the time the playing right is assigned.
- The shareholder selling the playing right would be responsible for ensuring that the assignee of such right pays their monthly dues.

EFFECT ON EXISTING AND NEW MEMBERS

- Other than the "special levy", there is no effect on existing members.
 NSC will remain as a non stock non profit organization; much as it is now. The land purchase will allow the Club to take a much longer-term view and there will be major improvements in facilities.
- Beginning 1 July 2008, the NSC joining fee will be increased to PhP20,000.
- Directly joining NSC will be closed as soon as the NLC is set up.
 Thereafter, to join NSC, a prospective member will need to be a shareholder in NLC or buy a playing right from a shareholder.
- Lifetime members Existing lifetime members will be entitled to a
 discount of PhP90,000 on either "A", "B", or "C" shares. The PhP500
 "special levy" will apply to the existing lifetime members if they do not
 purchase a share.



DEVELOPMENT PLANS

The purchase of the land by **NLC** and raising of capital should allow for major redevelopment of the Club and considerable improvement in facilities. The Club redevelopment committee will examine the redevelopment

options and present these to the members at a later date.

Immediate facility improvements that have been identified include:

- the construction of an access bridge to the Merville—Moonwalk road, which opens up the Club to a lot more passing traffic and reduces the perception that it is difficult to get to;
- the building of a gymnasium facility will also be a high priority and will add value to the membership.

BENEFITS OF BUYING A SHARE IN NOMADS LAND CORPORATION

- a. Lower than land value the underlying value of the land your share is purchasing is much greater than the sale price of a share. We would expect the underlying land value to continue to rise. With the Club redevelopment; we would expect significant capital appreciation in the share value.
- b. Fully transferable ownership the share is fully transferable and can be passed on through generations. It entitles the shareholder, their spouse, and all children under the age of 25 the use of the Club and its facilities.
- c. Guaranteeing the future of the Club in purchasing a share you are guaranteeing the future of the Club (formed in 1914) and is one of the oldest sports clubs in the Philippines.
- d. Your name will be immortalized all the original individual and corporate shareholders and early investors will have their name on a "roll of honor" to be put on the clubhouse wall.



PRESENTATIONS

The board will conduct a series of sessions for members to ask questions on matters relating to the land purchase.

Date	Day	Time	Venue
29 June 2008	Sunday	6 pm	Outside the Nornads Main Bar
30 June 2008	Monday	7 pm	Outside the Nomads Main Bar
1 July 2008	Tuesday	7 pm	Outside the Nomads Main Bar

Any member unable to attend at these times may request a *one-on-one* presentation by contacting the Club or any board member. Sports sections are also welcome to request specific presentations.

COMMITMENTS

We urgently need commitments from members interested in being an early investor by purchasing Bonds.

We also need commitments from members willing to buy "A", "B" or "C" shares as soon as possible. Reservation forms will be available at the Club.

Alternatively, please e-mail your interest to

- nomads@pldtdsl.net
- matt.freeston@goindustry.com

Jonathan Thorp

On behalf of NSC Board of Directors

SoundBites

for itself... if we do not make this work, I am afraid that Nomads will be no more. If that is the case we can kiss goodbye to cricket, football, rugby, the Manila 10's, lawn bowls and everything el



10's, lawn bowls and everything else that comes with Nomads. That would be a sad day indeed.

Let's support this scheme and ensure that

Nomads does not go away."

WILLIAM D. BAILEY

Partner, Global Assurance Risk & Quality
PricewaterhouseCoopers Financial Advisors,Inc.

for all concerned but
what I like the most is that it
secures the legacy of the club
and preserves it for future
generations. It's a real win-win!"



HAMISH A. MOORE

Managing Director Gennix-Pathogenesis omad Sports Club
needs to survive – and
stay, if not for me, for my son.
It's part of his life. He grew up
enjoying its playground and
facilities. I don't want it to be just
memories of a fun-filled childhood for him."

JENA F. FETALINO

Member since 1989

ne place where people from all backgrounds enjoy sports together."

TOM WHITWELL

Sales and Marketing Manager Sta. Fe



future of Nomads which is famous throughout Asia."

MATTHEW P. FREESTON

Managing Director Golndustry





NOMAD SPORTS CLUB

OFF MADRID STREET, MERVILLE PARK SUBDIVISION, PARANAQUE CITY, PHILIPPINES 828-94-58 • 828-35-96

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The home of:







MANILA 10

NOMAD SPORTS CLUB LAND PURCHASE SCHEME NAME ADDRESS CONTACT NO. : E-MAIL ADD. : BOND : I WOULD BE INTERESTED TO INVEST IN THE NLC BOND SCHEME @ Php1,000, 000.00 PER BOND @ 5.5% PA INTEREST. SHARE : I WOULD LIKE TO RESERVE A SHARE IN N.L.C. A Share □ B Share □ C Share □ SIGNED:

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NOMAD SPORTS CLUB LAND PURCHASE

Homed Sports Club (NSC) fisis a less which popuse in 9 years' time. For the past 3 years the board has been in discussions with the Nerl Family to purchase the land without success.

However, as part of the 15-year lesse signed in 2002, NSC has the right of first refusal if a buyer is found to the second seco

In April 2008, we were notified by the Next Family that they had in In April 2008, we were notified by the Nerl Family that they hap, done a deal with an investor group and gave us 7 days to exercise the right of first refusal.

We entered into negotiations with them with much longer that payment terms, giving us two and a half years to pay.

The deal was finally agreed on 30 May 2008, and notarized on a 13 June 2008

The NSC Board of Directors and the Land Purchase
Committee looked at a number of options for raising the funds.
The Club in its present form would clearly never be able to raise the money, and trying to raise it through borrowing and increasing dides dramstically was not thought to be weeks.

The Board also wanted to spread the ownership of the land as widely as mossible and nice all manhases to be the best by self-the land as widely as mossible and nice all manhases to be the land as

widely, as possible and give all members a chance to participate in the ownership of the land and the future of the Club.

A debarture scheme (common in some countries) was considered, but rejected on the grounds that it was not a common vehicle in the Philippines; and it would be difficult to get sufficient debarture holders to raise the total amount of funding required.

A shareholding scheme; inc. sind holding corporation, hereafter called Normada: Land, Corporation; (NLC), was considered. The Board saw this as the best option.

STRUCTURE

The proposed structure of Nomade Land Corporation (NLC) is as follows: The party of the transfer and the second of th

1. 8.0		1	A CONCRETE SALES OF THE SALES O
"A"	360	PhP190,900	Filipino individuals only
"8"	240	РъР200,000	Foreigners only
. i. aCarioriti	300° di 100 (10)	PhP900,000	Corporations & can carry up to 5 members each
04.1	ment of the same	PhP95,000	For Filipino son residents
OB* ••	CANCEL CONTRACT	PhP100,000	For foreigners non-residents
Tetal	1,000		

Divided into 60 blocks of 5 shares each (sold in blocks)

- All shares in NLC are transferable.
- All new members of NSC will be required to have a share man NLC (once formed) or to have bought a playing right from an existing shareholder. TIMEMENT
- All existing members who do not become shareholders in NLC will have a "special levy" in addition to their monthly rise.
- The special leny will be set at Ph2500 per month from 1.
 July 2008 and will be subject to review by the Board of Directors on the 1st of January each year.

PURCHASE PRICE & TERMS

The total purchase price for all the land currently occupied by NSC is PhP115,000,000 plus taxes.

The total lot area occupied by Nomads is approximately 26,000 square meters which includes the 4,000 square meters adjacent to the airport side. 300093

The price equates to approximately PhP4,500 per square meter.

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Earnest money of PhP5 million has been paid the

- PhP10 million la due on 31 July 2008 gg see an 22 Rh P20 million la due on 25 August 2008
 PhP35 million la due on 25 August 2008
 PhP35 million la due on 20 March 2010

 BhP 10 million la due on 02 January 2011

No commission of any kind has been paid or is payable to any party Distribution county recurred poet or a payable of party Distribution and the party of the payable of the party of the payable of the party of the payable of the paya

SALE OF NLC SHARES TO MEMBERS

- All members will have the right to purchase shares in NLC at the a Aurimembers with have the right to purchase shares in NLC initial offering price as follows:

 "A" Share PhP190,000

 "B", Share PhP200,000

 "C", Share PhP90,000

 "CA, Share PhP95,000

& Shares may be paid in cash or in accordance with any of the following terms:

State . A MERCEN

Term	Dewnpayment	#A%Share ex	begatte Share
1 year	0	PhP16.000	PhP17.000
2 years	» г., РъР20,000 ;;-,	e PhP7.700	PhP8,000
5 усжъ	PhP20,000	PhP3,600	PhP3,800

Other conditions:

- Members must make their commitment to purchase shares in writing on or before 30 August 2008.
- Members who wish to pay cash must make their commitment in writing on or before 30 September 2008.
- c. Two and five-year plans will be on a first-come, first-served
- d. The initial public offering prices are valid only up to 30 August 2008. Thereafter, shares will only be available at the public offering price which will be significantly higher.
- All members will be assessed a monthly special levy of PhP500 starting 1 July 2008. The assessment will stop upon payment of shares purchased (down payment of shares purchased (down payment of shares).
- Members who do not purchase shares in NLC will continue to pay the special levy in addition to their monthly dues. The special levy will be subject to periodic review by the NSC Board every January.
- g. Members may buy up to a maximum of 10 shares in the

All monks for share purchases will go into a separate escrow account and will be fully refunded if insufficient funds are raised to proceed with the purchase by 30 June 2009.

SALE TO NON MEMBERS WHEN HE

Sales to non-members will commence as soon as NLC is set up.

Prices have yet to be set for the sales of shares to the general public but they will be significantly higher than the prices offered to members.

BOND OFFERING TO RAISE PhP30 MILLION INITIAL PAYMENT

There is an urgency to immediately raise PhP30 million to cover:

- PhP10 million on 31 July 2008 for the initial payment PhP20 million on 30 August 2008



FERNANDEZ SANTOS & LOPEZ

Certified Public Accountants

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16th FLOOR, PACIFIC STAR BUILDING COR. SEN. GIL J. PUYAT AND MAKATI AVENUES 1200 MAKATI CITY PHILIPPINES

Independent Auditors' Report

The Board of Directors Nomad Sports Club Off Madrid Street, Merville Park Parañaque City

We have audited the accompanying financial statements of Nomad Sports Club, which comprise the balance sheets as at September 30, 2009 and 2008, and the statements of revenues and expenses and cash flows for the years then ended, and a summary of significant accounting policies and other

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis

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Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Nomad Sports Club as of September 30, 2009 and 2008, its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards.

As mentioned in Note 2 to the financial statements, the Club treats entrance fees as direct credits to members' equity instead of revenue. Generally accepted accounting principles require that entrance fees be recognized as credits to revenue in the period they are earned or realized. Entrance fees amounted to P 1,075,537 and P 785,551 in 2009 and 2008, respectively.

FERNANDEZ, SANTOS & LOPEZ

TIN 049-000-662-624

PRC-BOA Registration No. 0456

By: ELISEO A. FERNANDEZ

CPA License No. 7207

Tax Identification No. 113-417-588

PTR No. 1603240

Issued on January 30, 2009

At Makati City

BIR and SEC Accreditation in Process

Date: 26-2-2010 Times 0:50

City of Makati Philippines

December 19, 2009

(a non-stock, non-profit organization)
Balance Sheets
September 30, 2009 and 2008

	그는 이번 그는 사람이 이 어디를 모르는데	
Assets	2009	2008
Current assets		
Cash and each agriculture Dr. and		
Cash and cash equivalents [Note 3]	P 3,553,981	P 10,693,113
Receivables—net [Note 4]	350,834	,0,0,5,115
Inventories [Note 5]	753,404	718,631
Input vat	2,005,258	687,295
Prepayments and other current assets	895,464	1,137,138
	893,404	455,719
	7,558,941	13,691,896
Non-current assets		15,071,890
Advances for land purchase [Note 6]		
Property and equipment—net [Note 7]	35,050,000	35,050,000
Restricted/special funds [Note 8]	8,571,839	5,653,378
Rental and other deposits	4,056,385	3,821,397
and other deposits	1,431,906	1,415,764
	49,110,130	45,940,539
	P56,669,071	P 59,632,435
Liabilities and members' equity and funds		17,002,100
Current liabilities		
Accounts payable and accrued expenses	P 2,299,193	P 1636.044
Outstanding cash coupons	558,190	1,000,044
Due to SSS, Philhealth and Pag-ibig	34,021	138,270
ther current liabilities	61,079	44,046
lodal	61,079	18,065
otal current liabilities	2,952,483	1 027 224
A	2,752,485	1,837,325
dvances from members [Note 9]	30,223,267	27.066.000
estricted/a-a-i-le	20,223,207	37,266,382
estricted/special funds [Note 8]	4,056,385	3,821,397
lembership dues billed/gollooted in a		5,021,397
lembership dues billed/collected in advance	2-2010 2867,633	750_198
lembers' equity and funds [Note 10]		750,198 23 23
1-15 and lands [Note 10]	-3.48,569,303	15,957,133
	P 56 669 071	- - -
Φ_{ij}	No.	<u> </u>
n i kgasu ph		
*	Section 2015 (1997) The section of t	OSbasta

See accompanying Notes to Financial Statements.

(a non-stock, non-profit organization)
Statements of Revenues and Expenses
For the Years Ended September 30, 2009 and 2008

	2009	2008
Revenues		
Membership dues	P 8 750 045	D = = = = = = = = = = = = = = = = = = =
Gross profit from bar and restaurant operations	- 0,100,015	P 7,120,172
Assessments	4,153,393	3,794,467
Miscellaneous	571,677	472,200
	2,114,741	1,546,984
Total revenues	15,589,856	12,933,823
Expenses		
Personnel costs	3,818,036	4,408,546
Rent	2,640,000	2,640,000
Supplies	1,443,890	1,289,499
Depreciation	1,357,882	1,296,822
Light and water	1,319,834	1,422,127
Repairs and maintenance	1,044,835	623,206
Professional fees	872,866	786,232
Outside services	798,898	708,178
Provision for uncollectible accounts	484,495	413,289
Publication	260,220	231,985
Insurance	256,963	214,877
Communications	236,188	243,628
SSS, Philhealth, Pag-ibig and ECC premiums	184,430	198,658
Taxes and licenses	96,119	146,753
Representation	73,655	70,540
Association dues	70,700	87,650
Advertising	60,000	101,659
Subscriptions	58,494	63,830
Laundry	43,277	66,515
Transportation and travel	22,824	16,859
Retirement benefits expense [Note 12]	169,183	110,418
Miscellaneous	61,972	57,267
Total expenses	15,374,761	15,198,538
Net income (loss) from operations	-2010 215,095	(2,264,715)
Other income (charges)		
Foreign exchange gain (loss)	, j 10,549	(100,582)
Interest	105,356	45,598
Bank charges	250,100)	(230,361)
The state of the s	(134,195)	
Excess (deficiency) of revenues over expenses	P 80,900	P 2,550,060)

See accompanying Notes to Financial Statements.

Nomad Sports Club
(a non-stock, non-profit organization)
Statements of Cash Flows
For the Years Ended September 30, 2009 and 2008

Cook Some Survey of the		2009		2008
Cash flows from operating activities				
Excess (deficiency) of revenues over expenses	P.	80,900	(P	2,550,060)
Adjustments to reconcile net income (loss) to net	cash			
(used in) provided by operations Depreciation				
Doubtful accounts		1,357,882		1,296,822
		484,495		413,288
Unrealized foreign exchange gain/loss	<u>(</u>	115,904)		100,581
Changes in annually and a 131 171 1		1,807,373	(739,369)
Changes in operating assets and liabilities				
Decrease (increase) in				
Receivables	(116,698)	(353,743)
Inventories	(66,110)	(95,317)
Input tax	(868,121)	(281,927)
Prepayments and other current assets	(439,745)	(93,661)
Increase (decrease) in				, ,
Accounts payable and accrued expenses		662,249	(89,681)
Outstanding cash coupons		419,920	(29,340)
Due to SSS, Philhealth and Pag-ibig	(10,024)		5,509
Special funds		234,988	(680,885)
Other current liabilities		43,014	į (77,873)
Membership dues billed/collected in adva	nce	117,435		126,624
Markard Mark Control				
Net cash provided by (used in) operating activities		1,784,281		2,309,663)
Cash flows from insuration at the				
Cash flows from investing activities				
Advances for land purchase			(35,050,000)
Acquisition of property and equipment Other assets	(4,276,343)	(716,503)
Odici assets	(16.143)	(199,940)
Net cash used in investing activities				
ther easy used in investing activities	(4,292,486)		<u>35,966,443)</u>
Cash flows from financing activities				
Advances from members				
Restricted funds	(7,043,115)		37,266,382
Entrance fees	(234,987)		680,885
Nomad development fund		1,075,537		785,551
Date: 25-2	061m	1,455,734	<u>रुष । यः स्</u>	1,316,885
Net cash provided by (used in) financing activities	Car to de to	13 24 34 C 02 12		1:28 PM
and the stand of (about my smallering activities	ر شر	4,746,831)		40,049,703
Net increase (decrease) in cash and cash equival	lante (7.255.020		
the cash equiva	lents (7,255,036)		1,773,597
Effect of foreign differences		115.004	. ,	100 501)
	J.	115,904		100,581)
Cash and cash equivalents, beginning		10,693,113		9 020 007
		1,0,000,110		9,020,097
Cash and cash equivalents, end	p	3,553,981	. Р	10,693,113
- •	<u> </u>			THIN COLLEGE

See accompanying Notes to Financial Statements.

(a non-stock, non-profit organization) Notes to Financial Statements September 30, 2009 and 2008

1. Organization and nature of operations

The Club was originally registered with the Securities and Exchange Commission (SEC) on March 2, 1949, with its office located at Merville Park, Parañaque City, as a non-profit, non-stock membership organization, no part of the profit of which shall accrue to any individual member thereof. Its term of existence was extended for another fifty years on August 3, 1998. Its primary purpose is to promote social intercourse and to provide a place and facilities to allow members to engage in sports activities and have social gatherings, recreation and entertainment.

It is exempt from income tax as provided under Section 30 of the Tax Code.

2. Summary of significant accounting policies

Basis of Presentation

The financial statements have been prepared on the historical cost basis and are presented in Philippine pesos, the Club's functional currency. These statements comply with all presentation and disclosure requirements of the relevant Philippine Financial Reporting Standards (PFRS).

The preparation of the financial statements requires the Club to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosures of contingent assets, liabilities and revenue and expenses. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates will be reflected in the financial statements as they become reasonably determinable.

Revenue recognition

Revenue is recognized when it is probable that the economic benefits associated with the transaction will flow to the Club and the amount of the revenue can be measured reliably.

Marketable securities

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Marketable securities are carried at the lower of aggregate cost or market determined at balance sheet dates.

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(a non-stock, non-profit organization) Notes to Financial Statements September 30, 2009 and 2008

2. Summary of significant accounting policies (continuation)

Receivables

The Club provides an allowance for accounts which are doubtful of collection. These provisions are based on Club policies on delinquent accounts.

Inventories

Inventories are stated at cost determined by the first-in, first-out method.

Property and equipment

Property and equipment are carried at cost less accumulated depreciation. Depreciation of furniture, fixtures and equipment is computed on the straight-line method over the estimated useful lives of the assets. Leasehold improvements consisting of buildings and recreational facilities are amortized over the term of the lease or the life of the assets, whichever is shorter.

The useful lives and depreciation and amortization are reviewed periodically to ensure that the periods and methods of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

The cost of an asset comprises its purchase price and directly attributable costs of bringing the asset to working condition for its intended use.

The cost of maintenance and repairs is charged to revenue as incurred; significant renewals and major renewals or betterments which extend the original estimated economic life of the assets are capitalized. Upon retirement or disposal of the assets, the cost and related accumulated depreciation and amortization are eliminated from the accounts and any gain or loss is charged or credited to income.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The residual values and estimated useful lives of assets are reviewed, and adjusted, if appropriate, at each balance date.

The carrying amounts of the Club's non-current assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amount of the impaired asset is estimated. An impairment loss is recognized whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are charged to current operations.

(a non-stock, non-profit organization) Notes to Financial Statements September 30, 2009 and 2008

2. Summary of significant accounting policies (continuation)

Entrance fees

The Club recognizes entrance fees as direct credits to members' equity. Although this treatment is not in accordance with PFRS, the Board of Directors is of the opinion that it reflects the nature and purpose of entrance fees which are regarded as being for the purpose of capital expenditures and which do not form part of the Club's general operating income. (See also Note 10).

Foreign currency transactions

Transactions in foreign currencies are recorded in Philippine pesos based on the exchange rate prevailing at the date of transaction. Foreign currency balances are translated using the exchange rate prevailing at the balance sheet date. Foreign exchange gains or losses arising from restatement or settlement of foreign currency accounts are reflected in current operations.

Provisions and contingencies

Provisions are recognized when an obligation is incurred as a result of a past event which is probable to require an outflow of resources embodying economic benefits to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

Events after the balance sheet date

Post year-end events that provide additional information about the Club's position at the balance sheet date (adjusting events) are reflected in the financial statements. Post-year-end events that are not adjusting events are disclosed in the notes when material.

3. Cash and cash equivalents

Cash and cash equivalents comprise the following amounts:

2009 2008

P 35,000 P 35,000

10,658,113 P 10,693,113

Petty cash fund Cash in bank

(a non-stock, non-profit organization) Notes to Financial Statements September 30, 2009 and 2008

Cash and cash equivalents (continuation)

The Club considers all highly liquid instruments with maturity of three months or less from the date of acquisition to be cash equivalents. Cash in bank and short - term time deposits earn interest at prevailing bank deposit rates.

Receivables

Receivables consist of the following:

Monham	2009	2008
Members' accounts Others	P 626,031 179,934	P 420,768 350,576
Less: Allowance for doubtful accounts	805,965 455,131	771,344 52,713
	P 350,834	P 718.631

Inventories

Inventories consist of the following:

D 1		2009		2008
Bar and restaurant Sports Shop	P	511,398 242,006	P	533,597 153,698
	<u>P</u>	753,404	Р	687,295

Advances for land purchase

This represents mainly the earnest money of P5 million and down payment of P30,000,000 for a piece of land which is the subject of a Memorandum of Agreement (MOA) entered into by and between the Club and E. A. Nersan Ent. Corporation on May 30, 2008 pursuant to the exercise by the former of its preferential right to buy the said property granted under its existing lease agreement with the latter for the agreed consideration of P115 million.

(a non-stock, non-profit organization) Notes to Financial Statements September 30, 2009 and 2008

7. Property and equipment

Property and equipment consist of the following:

		film and the	
Cost	2008	Addition	s 2009
			2009
Fittings and equipment Clubhouse and warehouse	P 5,410,600		P 5,917,526
Building improvements	1,773,155	<u> </u>	1,773,155
Pelota squash and the	3,705,822		3,705,822
Pelota, squash and tennis courts Field and playground	1,414,931		1,414,931
Swimming pool	2,436,304		2,436,304
Bowling green	926,018		926,018
Games equipment	194,554		194,554
Kitchen equipment	543,959	44,397	588,356
Transportation system	1,358,801		1,358,801
Irrigation system	300,000		300,000
Friendship room	219,523		219,523
Dart room	65,864		65,864
Website	34,910		34,910
Parking Area		43,600	43,600
Bridge	•	355,000	355,000
Bridge		3,326,420	3,326,420
	P18,384,441	4,276,343	22,660,784
Accumulated depreciation	2008	Additions	3 2009
Fittings and equipment	4,493,449	357,573	4,851,022
Clubhouse and warehouse	1,317,131	176,417	
Building improvements	1,798,895	245,265	
Pelota, squash and tennis courts	1,067,881	131,201	
Fields and playground	1,093,798	91,417	
Swimming pool	591,847	79,854	
Bowling green	185,128	920	
Games equipment	443,302	65,717	
Kitchen equipment	1,227,822	73,322	,
Transportation equipment	299,999	, , , , , , , , , , , , , , , , , , ,	299,999
Irrigation system Friendship room	26-2-20132,718	11,447	
Dart room	44,184	13,172	
	34,909		34,909
Parking Area Bridge	<u> </u>	10,777	10,777
Ditago		100,800	
	12,731,063	1,357,882	14,088,945

P 5,653,378 P 2,918,461 P 8,571,839

(a non-stock, non-profit organization) Notes to Financial Statements September 30, 2009 and 2008

7. Property and equipment (continuation)

Total depreciation charged to operations for the years 2009 and 2008 amounted to P1,357,882 and P1,296,822, respectively.

8. Restricted/Special funds

These represent funds set aside for the following:

		2009		2008
Rugby section Employee benefit trust fund Cricket section Christmas fund Others	P	1,524,857 920,227 555,802 412,975 642,524	P	1,086,983 870,074 565,450 388,961 909,929
	<u>P</u>	4,056,385	P_	3,821,397

9. Advances from members

This represents amounts advanced by members to finance the acquisition of land covering an area of more or less 26,013 square meters which is presently occupied by the Club under an existing lease agreement which gives the Club the preferential right to buy the said property. See also Note 6 to the financial statements.

10. Members' equity and funds

These consist of the following:

		2009		2008
Balance at beginning of year	P	1,194,959	Р	2,959,468
Entrance fees [Note 2]		1,075,537		785,551
Net income (loss) from operations		215,095	(2,264,715)
Other income (charges)	_	134,195)	(285,345)
Date: 26-2-201	}	*L"	n vita o	ttal PM -
Balance at end of year		2,351,39 6 (\$\frac{1}{2}\)		1,194,959
Donated capital		4,740,749		4,740,749
Bell staff loan fund		29,193		29,193
A Robert Fund		\$50,000		50,000
Nomad Development Fund	1.3.3	11,397,965	* 4	9,942,232
	<u>P</u>	18,569,303	Р	15,957,133

(a non-stock, non-profit organization) Notes to Financial Statements September 30, 2009 and 2008

10. Members' equity and funds (continuation)

Donated capital represents donated funds and materials used in the construction of the lawn bowls rink, main gate and fence, resurfacing of tennis courts and other sports facilities.

The Nomad Development Fund represents the levy on bar tickets sold and personal donations from members for the development of the Club's sports facilities, in accordance with a decision made by the Board of Directors on April 28, 1986. Every sports facility completed which is financed from this Fund is charged to Property and Equipment and credited to Donated Capital.

11. Leases

The Club leases the land where the Clubhouse, recreational facilities and other properties are situated. The lease agreement was renewed on September 26, 2002 for a period of 15 years. Rentals due under the agreement amount to P1,800,000 a year and will increase by P50,000 per month after every 5 years.

As provided under the lease agreement, upon termination of the lease, the Clubhouse, recreational facilities and other properties constructed on the leased land become the property of the lessor.

Future minimum lease payments as of September 30, 2009 and 2008 are as follows:

		2009		2008
Due within one year After one year but not more than five years More than five years	P	2,400,000 13,800,000 6,000,000	P	2,400,000 13,200,000 9,000,000
	Р	22.200.000	P	24 600 000

12. Retirement benefits cost

As required under Philippine Accounting Standards (PAS 19), Employee Benefits, and Philippine Financial Reporting Standards (PFRS 1), First Time Adoption of Philippine Financial Reporting Standards, an entity shall determine its transitional liability based on an actuarial valuation as at that date and shall also recognize employee benefit costs that may result from the adoption of the new standards.

The Club has an informal and partially funded, non-contributory defined benefit retirement plan covering substantially all of its regular employees. Retirement cost is accrued based on the benefits provided under the Philippine Retirement Law (R.A. 7641). Provision for retirement included under personnel costs amounted to P169,183 in 2009 and P110,418 in 2008.

As at balance sheet date, the Club's retirement plan is pending registration with the Bureau of Internal Revenue.

(a non-stock, non-profit organization) Notes to Financial Statements September 30, 2009 and 2008

13. Litigation

On January 30, 2009, the Securities and Exchange Commission (SEC) issued a Cease and Desist Order (CDO) directing Nomad Sports Club (NSC) to cease and desist from further offering and selling membership certificates to the general public. Following denial of its motion to lift the CDO, NSC filed a Petition for Review with the Court of Appeals (CA) on June 15, 2009 seeking to reverse and set aside said Order, which Petition was denied by the CA Second Division in its decision dated September 30, 2009 and affirmed the said SEC Order. On November 3, 2009, NSC filed a Motion for Reconsideration of the said decision. As at report date, the case remains pending.

In relation to the above case, the SEC has threatened to impose an administrative fine of P 1.0 million.

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