

**MINUTES OF THE
ANNUAL CERTIFICATEHOLDERS' MEETING
OF
HERITAGE PARK MANAGEMENT CORPORATION**

Held on 30 March 2017, Thursday, 9:00 A.M.
at the Heritage Park, Fort Bonifacio, Taguig City

<u>PRESENT:</u>	<u>NO. OF VOTING RIGHTS</u>
Total Number of Issued and Outstanding Heritage Park Investment Certificates with Voting Rights Represented In Person and By Proxy	54,363
Total Number of Issued and Outstanding Heritage Park Investment Certificates with Voting Rights	<u>104,350</u>
Attendance Percentage to Total Issued and Outstanding Heritage Park Investment Certificates with Voting Rights	<u>52.10%</u>

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I. CALL TO ORDER

The Chairman, Mr. Gregorio D. Garcia III ("Chairman Garcia"), called the meeting to order and presided over the same. The Acting Corporate Secretary, Atty. Arsenio C. Cabrera, Jr. ("Atty. Cabrera"), recorded the minutes of the proceedings.

Chairman Garcia informed the Certificateholders that attempts to convene Certificateholders' Meeting for the past years have proved futile.

He stated that on 18 October 2016, upon the request of PhilPlans First, Inc., a Certificateholder, the Securities and Exchange Commission ("SEC") authorized the appointment of the Interim Management Committee for the Corporation for a period of six (6) months or upon the accomplishments of its specified tasks, whichever is earlier.

He likewise stated that one of the conditions of the SEC in its appointment of the Interim Management Committee for the Corporation is to convene the Annual Certificateholders' Meeting, in order to elect the members of the Board of Trustees of the Corporation, who in turn, shall elect the corporate officers thereof.

He further stated that the Corporation's Annual Certificateholders' Meeting is therefore being convened pursuant to the directive of the SEC to the Corporation's Interim Management Committee.

II. CERTIFICATION OF NOTICE AND QUORUM

Based on the certification provided by Ms. Lydia G. Hernandez ("Ms. Hernandez"), General Manager of R&H Messengerial and General Services, and in accordance with Section 2.4 of Article II of the By-Laws of the Corporation, Atty. Cabrera certified that notices for the meeting were duly sent to all certificateholders of record as of 28 February 2017 at least two (2) weeks prior to the date of this meeting.

Atty. Cabrera stated that R&H Messengerial and General Services is the courier provider, engaged by Philippine National Bank-Trust Banking Group, the Corporation's stock and transfer agent, to send out the notices for this meeting to all the certificateholders of record as of 28 February 2017.

The certification of Ms. Hernandez regarding the due sending of notices to certificateholders of record as of 28 February 2017 is attached hereto as Annex "A".

Atty. Cabrera thereafter certified that quorum consisting of 52.10% of the One Hundred Four Thousand Three Hundred Fifty (104,350) total issued and outstanding Heritage Park Investment Certificates with voting rights existed for the valid transaction of business.

III. APPROVAL OF PREVIOUS MINUTES

Upon motion made and duly seconded, the Certificateholders approved the Minutes of the Annual Certificateholders' Meeting held on 28 January 2014.

IV. REPORT OF THE CORPORATION'S INTERIM MANAGEMENT COMMITTEE

Atty. Monico V. Jacob ("Atty. Jacob"), one of the members of the Corporation's Interim Management Committee, rendered a report on the following matters:

- (a) creation of the Corporation's Interim Management Committee and its acts, resolutions, and proceedings from 18 October 2016 up to 30 March 2017;
- (b) maintenance work and improvements done by Rosehills Memorial Management Philippines, Inc. ("RMMI") at the Heritage Park; and
- (c) the Heritage Park Development Plans.

Ms. Aileen Anunciacion R. Zosa ("Ms. Zosa"), likewise one of the members of the Corporation's Interim Management Committee, rendered a report on the Perpetual Care Fund.

The highlights of the reports are as follows:

4.a Creation of the Corporation's Interim Management Committee and its acts, resolutions, and proceedings from 18 October 2016 up to today

- i. Since 2010, certificates of ownership could not be delivered to the buyers because there were no signatories. Buyers have been pursuing their proof of ownership and, in some cases, buyers could not sell their lots.
- ii. Due to the death and resignations, the members of the Board of Trustees of the Corporation had dwindled from seven (7) members to three (3) members. The remaining three (3) trustees are on hold-over capacity and cannot convene and act as one body due to lack of quorum.
- iii. Attempts to convene an Annual Certificateholders' meeting in the past years – at which the members of the Board of Trustees would be elected – have failed because of inability to muster a quorum.
- iv. The lack of quorum in the Corporation's Board of Trustees has impeded the conduct of business operations and development and improvement of the Heritage Park to required level.
- v. A request with the SEC was filed by PhilPlans First, Inc. to allow the appointment of an Interim Management Committee to ensure that day-to-day business operations of the Heritage Park are performed and executed, and to maintain, preserve, and improve the Heritage Park and its facilities.
- vi. On 18 October 2016, the SEC authorized the appointment of the Interim Management Committee for the Corporation for a period of six (6) months or upon the accomplishments of its specified tasks, whichever is earlier.
- vii. The specified tasks of the Corporation's Interim Management Committee are as follows:
 - a) Approve the release of funds from the Perpetual Care Fund administered by Philippine National Bank, in order to maintain, preserve, and improve the Heritage Park and its facilities;
 - b) Approved the Budget for the Heritage Park's security, infrastructure and general maintenance, which includes but is not limited to the construction of fences and perimeter walls, enhancement of the overall appearance, lighting, plumbing, landscaping of the Heritage Park to conform to the surrounding

terrains, and improvement of the irrigation and drainage system;

- c) Appoint an authorized representative of the Corporation as signatory to the HPICs to be issued to new buyers or transferees of memorial lots; and
- d) Convene the Annual Certificateholders' meeting in order to elect the members of the Board of Trustees of the Corporation, who in turn, shall elect the corporate officers thereof.

4.b Maintenance work and improvements done by Rosehills Memorial Management Philippines, Inc. at the Heritage Park

- i. The engagement mechanism between the Corporation and RMMI means that the Corporation provides scope of work to RMMI in terms of labor, equipment, and supplies. The Corporation pays RMMI the actual cost.

4.c Heritage Park Development Plans

- i. There will be an enhancement of the Master Plan which is intended to bring more value to the Heritage Park and improve the funding of the Perpetual Care Fund.
- ii. The Heritage Park Development Plans include the: (i) development of the Lagoon Island in accordance with the Construction and Development Agreement dated 24 May 2003 executed between the Corporation and RMMI, (ii) conversion of the Church Terraces to estate lots in accordance with the Construction and Development Agreement dated 24 May 2003 executed between the Corporation and RMMI, (iii) renovation of the Chinese Pavilion Columbarium, and (iv) lease of the portion of the Corporation's property for a Shell Gas Station.

4.d Perpetual Care Fund

- i. The status of the Perpetual Care Fund ("PCF") as of 31 January 2017 is set forth below:

Status of PCF (as of January 31, 2017)	
Cash and Investments	Php306.36 million
Other Securities (mostly HPICs)	Php250.37 million
Receivables	Php28.55 million
Property & Equipment	Php12.45 million
Other Assets	Php74.41 million
Fund Balance	Php672.14 million

4.e Cemetery Maintenance and Management Agreement

- i. Ms. Zosa briefed the Certificateholders on the Cemetery Maintenance and Management Agreement between the Corporation and RMMI.
 - (a) Beginning 2005, the Management and Maintenance Fee ("MMF") exceeded net annual earning of Perpetual Care Fund adversely affecting the financial position of the Perpetual Care Fund. In January 2010, the Corporation stopped paying the MMF.
 - (b) The Corporation and RMMI went into arbitration in 2010 to reduce the management and maintenance fee amounting to PhP42 Million or PhP3.5 Million per month. From January 2014 to present the Corporation pays RMMI a monthly fixed management fee amounting PhP700,000.00.
 - (c) From January 2014 to present, the Corporation has savings of about PhP500,000 per month in water and electricity payments due to the separate meters for RMMI.
 - (d) There is an additional income, comprised of interment share and lease income, in an average of PhP450,000 per month to the Perpetual Care Fund.
 - (e) The estimated reduced monthly budget for the Heritage Park monthly expenses is set forth below:

Budget for Heritage Park Monthly Expenses	Estimate (in Php)
1. Security	739,337.16
2. Electric Power	750,000.00
3. Water	200,000.00
4. Maintenance Labor	881,239.47
5. Management Fee	700,000.00
6. Equipment	100,000.00
7. Fuel and Supplies for Equipment	250,000.00
8. Supplies for Maintenance	20,000.00
TOTAL	3,640,576.63

Chairman Garcia, thereafter, asked the Certificateholders for any questions or points of clarification.

In reply to the queries of Dr. Amadeo Lanuza ("Dr. Lanuza") and Mr. De los Angeles, Chairman Garcia stated that Certificateholders will be provided with copies of the 2015 and 2016 audited financial statements, with notes, of the Corporation and the Perpetual Care Fund.

In reply to the queries of various Certificateholders, Atty. Jacob stated that the Lagoon Island Development Project will not affect nor encroach the surrounding memorial lots. Atty. Jacob added that the

Heritage Park Development Plans will be beneficial to sustain the operations of Heritage Park and enhance the Perpetual Care Fund.

In reply to the query of Mrs. Pacita Gonzales ("Mr. Gonzales"), Chairman Garcia instructed Management to look into the concern of Mrs. Gonzales relating to the electricity and lighting at the mausoleum of the late Senator Raul Gonzales.

In reply to the query of Mr. Renato Vilorio, Ms. Zosa stated that there are separate meters for water and electricity between the Corporation and RMMI.

In reply to the query of Mr. De los Angeles, Chairman Garcia stated that Certificateholders will be furnished with separate audited financial statements of the Corporation and the Perpetual Care Fund.

In reply to the query of Dr. Lanuza, Atty. Jacob stated that Management will ensure that the losses of the Perpetual Care Fund will be minimized and that the Heritage Park Development Plans would substantially increase the Perpetual Care Fund. Atty. Jacob also stated that Management aims that the Perpetual Care Fund be sustainable and viable.

In reply to the query of Ms. Linda, Chairman Garcia stated that Management will look into the concern of Ms. Linda pertaining to the water and electricity in the Heritage Park.

In reply to the query of a Certificateholder, Atty. Jacob stated that Management will explore alternative options of electricity such as solar power. He also stated that Management will explore the discussion with Manila Electric Company relating to the electrification and lighting at the Heritage Park.

After discussion, and upon motions duly made and seconded, the Certificateholders approved the following resolutions:

Resolution No. 2017-CH-001

"RESOLVED, That the Certificateholders of the Corporation hereby notes and approves the Report of the Interim Management Committee."

Resolution No. 2017-CH-002

"RESOLVED, That the Certificateholders hereby approves the Heritage Park Development Plans specifically on the (i) development of the Lagoon Island under the Construction and Development Agreement dated 24 May 2003 executed between the Corporation and Rosehills Memorial Management Philippines, Inc.; (ii) conversion of the Church Terraces to estate lots be implemented in accordance with the Construction and Development

Agreement dated 24 May 2003 executed between the Corporation and Rosehills Memorial Management Philippines, Inc.; (iii) renovation of the Chinese Pavilion; (iv) and lease of the portion of the Corporation's property for a Shell Gas Station, under such terms and conditions which are beneficial to the interests of the Corporation;

"RESOLVED, FINALLY, That any one (1) of the Corporation's Board of Trustees, and/or President, and/or Corporate Secretary, and/or Treasurer, be as they are hereby authorized to execute such documents, instruments, and/or deeds as may be necessary and appropriate to secure the appropriate permits and licenses from relevant local government units and regulatory government agencies."

V. ELECTION OF TRUSTEES

Atty. Cabrera explained that the Sixth Article of the Articles of Incorporation of the Corporation provides for seven (7) trustees.

Section 3.2, Article III of the By-Laws of the Corporation provides that the Board of Trustees shall have seven (7) members composed of a Chairman, who shall be the Chairman of the Board of Directors of the Bases Conversion Development Authority, and six (6) members who shall be elected by the Certificateholders.

Section 3.3, Article III of the By-Laws of the Corporation, on the other hand, provides that the six (6) elective members of the Board of Trustees shall be elected for a term of three (3) years.

After discussion and upon motion duly made and seconded, the following were elected as Trustees to serve as such for the ensuing year and until the election and qualification of their successors:

1. Chairman of the Bases Conversion Development Authority or Mr. Gregorio D. Garcia III;
2. Mr. Santiago S. Cua, Jr.;
3. Mr. Vivencio B. Dizon;
4. Atty. Monico V. Jacob;
5. Mr. Eusebio H. Tanco;
6. Ms. Annette W. Tirol; and
7. Ms. Aileen Anunciacion R. Zosa.

VI. NOTATION OF THE AUDITED FINANCIAL STATEMENTS OF THE CORPORATION AND THE PERPETUAL CARE FUND FOR THE PERIOD ENDING 31 DECEMBER 2014

Mr. Ace Bañez of Perez, Sese, Villa & Co. rendered the Report of the Audited Financial Statements of the Corporation and the Perpetual

Care Fund for the period ending 31 December 2014 to the Certificateholders.

After discussion, and upon motion duly made and seconded, the Certificateholders approved the following resolution:

Resolution No. 2017-CH-003

"RESOLVED, That the Certificateholders of the Corporation hereby notes the Report of the Audited Financial Statements of the Corporation and the Perpetual Care Fund for the period ending 31 December 2014."

VII. RATIFICATION OF ACTS, RESOLUTIONS AND PROCEEDINGS OF THE INTERIM MANAGEMENT COMMITTEE OF THE CORPORATION

Chairman Garcia stated that the acts which Management seek confirmation are contained in the Report of the Corporation's Interim Management Committee as discussed by Atty. Jacob.

Upon motion duly made and seconded, the Certificateholders approved the following resolution:

Resolution No. 2017-CH-004

"RESOLVED, That the Certificateholders of the Corporation hereby approves, confirms, and ratifies all acts, resolutions, and proceedings of the Interim Management Committee of the Corporation from 18 October 2016 to 30 March 2017."

VIII. APPOINTMENT OF EXTERNAL AUDITOR

Upon motion duly made and seconded, the Certificateholders approved the following resolution:

Resolution No. 2017-CH-005

"RESOLVED, That the Certificateholders of the Corporation hereby approves the appointment of Sese, Villa & Co. as the external auditor of the Corporation for the ensuing year."

IX. AMENDMENT OF THE ARTICLES OF INCORPORATION AND BY-LAWS

Atty. Cabrera informed the Certificateholders that in the absence of the required quorum of at least two-thirds (2/3) of the total issued and outstanding Heritage Park Investment Certificates with voting rights, the

amendment of the Articles of Incorporation and By-Laws to change the principal office address to "Corporate Building, Bayani Road, Fort Bonifacio, Taguig City will no longer be discussed during the meeting.

X. ADJOURNMENT

There being no further business to transact, and upon motion duly made and seconded, the meeting was adjourned.



ARSENIO C. CABRERA, JR.
Acting Corporate Secretary

ATTEST:



GREGORIO D. GARCIA III
Chairman

Annex "A"



R&H MESSENGERIAL AND GENERAL SERVICES

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Email add: mh_messengerial@yahoo.com

CERTIFICATION OF SERVICE RENDERED

This is to certify that R & H Messengerial and General Services picked up the notice of Certificateholder's meeting of Heritage Park Management Corporation on March 7, 2017 and started its door to door deliveries on March 8, 2017 and finished the deliveries in March 14, 2017.

I further certify that all envelopes were delivered to the certificateholders in Metro Manila except for returned deliveries for various reasons such as moved out, resigned and unknown addressee.


LYDIA C. HERNANDEZ
General Manager