

LETTER OF INTENT (LOI) TO RESERVATION CONVERSION PROCESS

A. Overview

This guideline governs the process from Letter of Intent (LOI) submission to its conversion into a Reservation Agreement and subsequently a Contract to Sell (CTS). It ensures full compliance with DHSUD regulations by strictly prohibiting any reservation before the issuance of the License to Sell (LTS) and requires bank pre-qualification prior to sale.

B. Key Definitions

LOI (Letter of Intent): Buyer's formal expression of interest to purchase a specific unit.

EOI Fee (Expression of Interest Fee): A refundable deposit applied towards the Reservation Fee upon conversion. Once LTS is issued and the client is advised, the buyer has 15 days to decide. If they proceed, the EOI automatically converts to the Reservation Fee and is no longer refundable. If they decline or fail to decide within 15 days, the EOI is fully refunded.

LTS (License to Sell): DHSUD-issued authorization allowing Starkwood Properties to accept reservations and sell units.

Reservation Fee: Non-refundable payment securing the unit once LOI is converted.

C. Process Flow

Step 1:

Submission of LOI & Expression of Interest (EOI) Fee

Buyer submits signed LOI, EOI Fee, Buyer's Information Sheet, and bank pre-qualification documents. EOI secures unit priority but does not constitute a reservation. Starkwood issues an Acknowledgment Form of the LOI submitted.

Submission of signed Buyer Info Sheet (BIS) and Pre-Qualification Requirements

Buyer submits BIS, IDs with 3 specimen signatures, proof of income, ITR/COE, pay slips, bank statements, Marriage Certificate if married, and other documents required by the accredited bank.

Step 2: Bank Pre-Qualification Evaluation

Bank assesses buyer eligibility. If qualified, buyer proceeds once LTS is issued to SPI. If not qualified, EOI Fee is refunded unless buyer opts for cash or alternate financing.

Step 3: License to Sell (LTS) Issuance & Notification

Once LTS is issued, Starkwood issues a notification to the client and their representatives informing them of the LTS issuance to SPI. SPI will send a Reservation Form by email. The buyers will then have 15 calendar days from receipt of notice to decide whether to proceed with the reservation.

Step 4: Expiry of 15-Day Decision Period

If the buyer declines or fails to decide within the 15-day period, the EOI is fully refunded within 30 days while the unit is returned to open inventory immediately after the decision to decline is confirmed.

Step 5: Conversion of LOI to Reservation

If the buyer proceeds with the reservation within 15 days, they are required to sign the Reservation Agreement and submit it to Starkwood Properties for countersigning, notarization and registration of the reservation. At this point, buyer may now choose a specific unit he/she wishes to purchase.

Upon the signing of the Reservation Agreement with payment application of the Reservation Fee, the buyers shall have 30 days to submit the other requirements and the payment of either a down payment or full payment. In case of monthly installments for equity payments, Post Dated Checks (PDCs) are required from the buyer for the entire equity amount with PDCs dated on the 15th or 30th of each month. The signing of CTS will then proceed. Please note that the Reservation Fee is non-refundable and non-transferrable.

Step 6: Contract to Sell (CTS) Signing

Starkwood prepares CTS for signing of both parties. Buyer receives a copy of the CTS after notarization as well as their Payment Schedule Form as reference to the Sale Transaction

D. Submission Channels

All forms and signed documents must be scanned and emailed to:

To: reservations@starkwood.com.ph
CC: leo.batayola@starkwood.com.ph, info@starkwood.com.ph
Subject: EWR Phase 2 LOI for <LAST NAME, FIRST NAME>

E. Key Reminders

- EOI Fee is fully refundable up to 30 days after LTS issuance if the buyer declines or fails to decide.
- Once the buyer confirms reservation within the 15-day window, EOI converts to Reservation Fee and is no longer refundable.
- Buyers have 15 days from LTS notice to decide and 30 days thereafter to complete reservation, make preferred payments and CTS signing.
- Installment plans require PDCs dated every 15th or 30th of the month.
- Incomplete documents or missed deadlines result in forfeited priority