

[PRESIDENTIAL DECREE NO. 1346, April 11, 1978]

CONVEYING THE LAND RECLAIMED IN THE FORESHORE AND OFFSHORE OF CEBU CITY, BEGINNING FROM PIER 3 AND EXTENDING TO SUBANGDAKU, AS PROPERTY OF THE PUBLIC ESTATES AUTHORITY.

WHEREAS, certain foreshore and offshore (submerged) lands bordering Cebu City, beginning from Pier 3 and extending to Subangdaku (hereinafter referred to as the "Cebu Port Development and Reclamation Project") were reclaimed, purportedly by virtue of Ordinance No. 373, Series of 1962, of the City of Cebu, as amended by Ordinance No. 474;

WHEREAS, the Civil Case No. R-10468 entitled "Republic of the Philippines versus Cebu City, et. al.", the Court of First Instance of Cebu promulgated a Decision finding null and void Ordinance Nos. 373 and 474 of the City of Cebu and any and all contracts executed pursuant thereto, or as a consequence thereby, and declaring the reclaimed land as having remained to be lands of the public domain;

WHEREAS, upon subsequent motion of the Republic of the Philippines, the Court of First Instance of Cebu found that public interests require the immediate utilization and further development of the reclaimed lands and ordered the immediate execution of its Decision pending resolution of whatever appeal the party litigants may interpose therefrom;

WHEREAS, the paramount and imperative requirements of the public necessitate the implementation of the said order of execution pending appeal and the termination of the protracted litigation;

WHEREAS, the Public Estates Authority (hereinafter referred to as the "Authority") was created pursuant to Presidential Decree No. 1084 to provide for a coordinated, economical and efficient reclamation of lands, and the administration and operation of lands belonging to, managed or operated by the government, with the object of maximizing their utilization and hastening their development consistent with the public interests;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers vested in me by the Constitution, do hereby decree and order:

SECTION 1. *Conveyance of reclaimed lands.* — Subject to the provisions hereof, the absolute ownership and administration of lands reclaimed in the foreshore and offshore areas of Cebu City under the Cebu Port Development and Reclamation Project, subject of the Decision of the Court of First Instance of Cebu in Civil Case No. R-10468, together with all the public improvements therein found such as buildings, roads, parks, community area, wharves, piers embankments, and docking and harbor facilities, are hereby transferred, conveyed and assigned to the Authority.

SEC. 2. *Cancellation and issuance of certificate/s of the title.* — The Land Registration Commission and the Register of Deeds of Cebu City shall cancel Original Certificate of Title No. 140 issued in the name of Cebu City and all Torrens Titles emanating therefrom. In lieu thereof, special land patent/s covering the above-

described parcel of reclaimed land shall be issued by the Secretary of Natural Resources in favor of the Authority and, on the basis of such Patent/s, the Land Registration Commission shall issue the corresponding certificates of title.

SEC. 3. *Recognition of Claims.* — In the interest of equity, the Authority shall recognize the claims of all person or entities who extended loans or furnished supplies, materials and technical services in the reclamation and development of the reclaimed area (the "creditors"), including those who invested in the capital stock of the Cebu Development Corporation (the "shareholders") and/or who purchased lots in the reclaimed area (the "lot buyers"). The Authority shall settle such claims under the following terms:

- a. The claims of all creditors shall be settled fully, but without interest being accrued thereon, and the amounts due to creditors shall be computed by taking into account the original nature of the transaction/s, particularly whether the said amounts were expended or incurred, by translating the same into Philippine currency at the rate of exchange prevailing on the date of settlement;
- b. The investments of shareholders shall be returned to them, without accruing any dividends or fruits thereon, and the amounts to be returned to shareholders shall be computed by considering the original nature of the investments, particularly whether the investments were contributed in foreign currency, and, if so contributed, by translating the same into Philippine currency, at the rate of exchange prevailing on the date of settlement; and
- c. Lot buyers who had fully paid, as of December 31, 1976, the purchase price originally contracted with Cebu Development Corporation shall be required to pay an additional amount equivalent to 33-1/3% of the purchase price as premium. Lot buyers who have not fully paid the said purchase price as of December 31, 1976, regardless of the amount outstanding shall be required to pay an additional amount equivalent to 50% of the purchase price as premium. The Authority shall issue the corresponding certificates of title to such lot buyers after payment of the premium and outstanding amounts of the purchase price.

SEC. 4. *Settlement of Claims.* — For the purpose of effecting the settlement of claims mentioned in the preceding Section, the Authority shall, unless otherwise subsequently authorized by the President of the Philippines upon recommendation of the Authority, undertake payment of such claims only out of funds generated from the sale, disposition or utilization of the reclaimed area by the Authority.

The Central Bank shall allow payments to foreign claimants to be fully converted into and remitted abroad in the appropriate foreign currency.

SEC. 5. *Waiver of claimants' rights.* — Persons and entities whose claims will be processed for settlement by Authority shall be deemed to have waived and abandoned all their rights and causes of action arising out of, or in connection with, the Cebu Port Development and Reclamation Project. Prior to presentation of any claim, a party litigant in Civil Case No. R-10468 must first withdraw his appeal, if any, from the Decision rendered in said case. A lot buyer, whether a party litigant or not in Civil Case No. R-10468, having failed to pay the premium authorized under Section 3 (c) above within the period allowed by the Authority, shall automatically forfeit the lot and any payment thereon in favor of the Authority.