

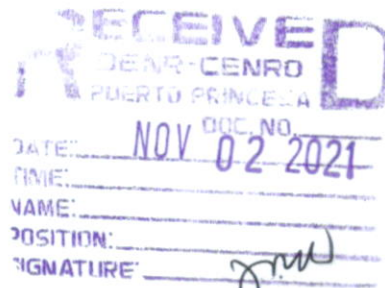


Republic of the Philippines
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
MIMAROPA Region
COMMUNITY ENVIRONMENT AND NATURAL RESOURCES OFFICE
PUERTO PRINCESA CITY
South National Highway, Bgy. Sta. Monica, Puerto Princesa City
Tel. Fax No.: (048) 433-0660
Email Address: cenropuertoprincesa@denr.gov.ph

October 28, 2021

SUBJECT: FOLLOW UP ON THE STATUS OF THE CONDUCT OF MONITORING AND DATA GATHERING ACTIVITIES OF ALL EXPIRED LEASE AGREEMENTS AND DELINQUENT LEASE HOLDERS FOR FORESHORE MANAGEMENT

The Community Environment
and Natural Resources Officer
DENR-CENRO, Bgy. Sta. Monica,
Puerto Princesa City, Palawan



Sir:

This pertains to the Memorandum from the Regional Executive Director dated June 22, 2021 anent to the Memorandum from the Acting Director, Land Management Bureau regarding the above cited subject:

Records verification disclosed that the office has three (3) Foreshore Lease Applications with approved/issued Lease Contract in the name of the following individuals/entity:

No.	Name of Lessee/Applicant	Date Issued of Lease Contract	Adjacent Lot No.	FLA/MLA No.	Date Filed	Approved Plan	Area (Sq. M.)	Location/ Barangay	Date of Expiry
1	Tan, Vicente	02/28/1995	260, 261 & 262, Cad-800-D	FLA-(IV-26)157	03/10/1993	1 & 2, Swo-045316-003324-D (Amendment of Plan FLI-(IV-26)157-D)	3,787	Tagumpay	02/27/2020 (already expired)
2	Hernandez, Nicanor (subjected for renewal of Lease Contract)	08/12/1996	3 & 4, Gss-4A-000059	FLA-(IV-26)156	06/09/1985	FLI-(IV-26)156-D	8,183	Bacungan	08/11/2021
3	Citra Mina Seafood Corp. rep. by Lu, Gerald Jeremy H. (now sold the titled property adjacent to the leased foreshore area to Premium Megastructure, Inc.)	01/05/2006	2, Psd-04-153880	FLA-045316-129	08/03/2003	FLI-045316-129-D	5,446	Sta. Lourdes	01/05/2031

Furthermore, the following additional information were gathered, to wit:

1. That the applicant Vicente Tan had passed away and did not manage to renew his Lease Contract before its expiration on February 27, 2020. However, the said foreshore area is now a reclaimed land and is now being applied at the Philippine Reclamation Authority (PRA) and subjected to investigation and ground verification for the issuance of Area Clearance for reclamation project. Likewise, considering that the foreshore land is already a reclaimed land, hence, the same is not anymore qualified to be applied with foreshore lease since per definition, foreshore land is that part of the shore which is alternately covered and uncovered by the ebb and flow of the tide"; Copy of the said Lease Contract is hereto attached;

2. That the area covered by the Lease Contract of Mr. Tan is immediately adjacent to the reclamation project of the City Government of Puerto Princesa located in Bgy. Tagumpay, Puerto Princesa City, Palawan; Geotagged photos and Satellite image is hereto attached.
3. That Mr. Tan had remitted his annual rental from year 1995-2019, however, the office has no copy of the Official Receipt (O.R.) in the year 1998 in which the secretary/representative of the applicant was already informed and further requested to provide the Office with a copy of the said receipt, if they had kept one;
4. That the second Lease Contract holder is Commodore (Ret.) Nicanor Hernandez which was already informed on the expiration date of his lease contract which was last August 11, 2021. It is likewise informed that the applicant managed to request for the renewal of the Lease Contract per letter dated December 18, 2020;
5. That Commodore Hernandez remitted his annual rental from year 1995-2021, unfortunately, he also passed away this year wherein the said application and contract will be continued by his son, John Paul R. Hernandez who actually manages the titled properties and the foreshore area;
6. That the foreshore area covered by the Lease Contract of Mr. Hernandez has no structures or any improvements considering that the proposed plan is to put up a boat docking area which did not materialize and likewise used only for bathing and swimming purposes; Geotagged photos and Drone image is hereto attached.
7. That the CSW report together with all the documentary requirements and the Re-appraisal report involving the foreshore area of Mr. Hernandez were already forwarded to the Regional Office thru the PENRO per CENRO Memorandum dated July 1, 2021.
8. That the submitted Re-appraisal report will be revised in consideration of the Regional Executive Director's instruction on the proper computation of the re-appraisal of foreshore area;
9. That the third Lease Contract holder is Citra Mina Seafood Corp. rep. by Gerald Jeremy H. Lu wherein the titled properties adjacent to the foreshore area covered by the said Lease Contract has already been waived to the Premium Megastructure, Inc.;
10. That Citra Mina Seafood Corp. remitted their annual rental from year 2005-2021, however, the office has no copy of Official Receipts (O.Rs.) for the years 2009 and 2010 in which the said company was informed and requested to furnish the office with a copy of the aforementioned O.Rs., if the same has already been settled/paid; In addition, the Premium Megastructure, Inc. is already paying the annual rental fee but still in the name of Citra Mina Seafood Corp.;
11. That Premium Megastructure, Inc. is more than willing and further requesting that the issued Lease Contract to Citra Mina Seafood Corp be transferred in their favor considering that the expiration date of the said contract is still on January 5, 2031; Copy of CENRO Memorandum requesting for clarification and/or legal opinion regarding the transfer of Foreshore Lease Application of Citra Mina Seafood Corp. to Premium Megastructure, Inc. is hereto attached.
12. That the foreshore area covered by the said application and Lease Contract is devoted for docking purposes and that the improvements that were introduced are concrete way with pier/wharf and an old open building and additional gravel fillings considering that the said existing improvements were already destroyed and washed out by the waves and current of the sea; Geotagged photos and Drone image is hereto attached.

13. That there is one applicant which has already been issued with Award in the name of Seven Seas Resorts and Leisures, Inc. rep. by Narcisa M. Villaflor (Amanpulo Resort). The foreshore land is covered by FLA-045316-122 with approved plan FLI-045316-122-D with an area of 114,336 square meters located in Pamalican Is., Bgy. Manamoc Cuyo Palawan;
14. That the said approved plan is to be subjected for amendment and now pending for approval in the MIMAROPA Regional office;
15. That Seven Seas Resorts and Leisures, Inc. remitted their annual rental from year 2004 to 2021 however, this office has no copy of O.Rs. for the years 2006 and 2007 in which the company was already informed and further requesting to furnish the office with a copy of the said O.Rs;
16. That the foreshore area covered by the said application and Award is devoted for commercial use; Geotagged photos and Satellite image is hereto attached;
17. That there are also other applicants with pending foreshore lease application/s that are delinquently paying their annual occupation fee;

Moreover, listed below are the reasons why most of the applicants are not anymore interested and/or forced to discontinue their pending foreshore/miscellaneous lease applications filed before the Office, to wit:

1. Excessive increase in the BIR Zonal Value, which is used as basis in the computation of the appraised value (if higher than the FMV) of the foreshore area subject of the application, which likewise led to a sudden excessive increase in the Annual Lease Rental;
2. Ownership over some of the titled properties adjacent to the foreshore area covered with foreshore lease applications by previous owners had already been transferred/waived to another person/entity who do not actually reside therein but merely bought it as an investment;
3. Most of the new owners reside outside the country and only their caretakers were left behind to look for the property;
4. In most cases, applicant/s filed a Foreshore Lease Application/s merely to secure their frontage from encroachment of informal settlers and some are for personal or private use as bathing/swimming area;
5. Only few applicants are using the foreshore area for commercial purposes, however, these applicants are likewise signifying that they cannot afford to pay the excessive increase in the Annual Lease Rental;
6. Some of the applicants are not fully aware of the consequences that applying for a bigger foreshore area means a bigger annual lease rental or occupational fee;
7. Some of the applicants/company who applied for a bigger foreshore area for commercial purposes verbally signified that they will be requesting for the amendment of their approved plan considering that they are not actually using the whole area (Millenium Properties & Brokerage Inc. rep. by Molina, Danilo (Astoria Palawan);
8. Some of the applicants were not really aware of the process and likewise thinking that the approval of their foreshore lease application and having an approved plan are already enough and therefore serve as a permit to occupy the same, which in reality are but mere requirements in the filing of foreshore lease application.

IN VIEW OF THE FOREGOING, the following courses of actions are hereby recommended:

1. To review the existing policy on foreshore more particularly the factor/basis used in the computation of Annual Lease Rental/Occupation Fee considering that this matter has become the biggest hindrance in encouraging individuals/entity to apply for a foreshore/miscellaneous lease;
2. To reject/cancel all pending foreshore lease applications together with their corresponding approved plans for non-compliance of documentary requirements by the applicants within the given fifteen (15) days grace period despite the years of non-compliance thereof per letter of the office dated October 11, 2021;

Very truly yours,


VALENTIN GERALD J. ALORIA II
Land Management Officer I/LIO

SUBSCRIBED AND SWORN to before me on this NOV 02 2021 at Puerto Princesa City, Palawan.


FELIZARDO B. CAYATOC
OIC-CENRO


LEASE CONTRACT
(Under Chapter IX Com. Act No. 141 as amended)

WHEREAS, VICENTE TAN, Filipino, of legal age,
married to Lily Gan, with post office address at Rizal
Avenue, Puerto Princesa City

and qualified to lease public land under Commonwealth Act
No. 141, as amended, has filed with the Department of
Environment and Natural Resources Foreshore Lease Applica-
tion No. (IV-26) 157 for a parcel of land situated in
Tagumpay, Puerto Princesa City Philippines, herein
after more particularly described on pages 8 and 9;

WHEREAS, the Regional Executive Director with
the authority of the Secretary of Environment & Nat. Resources
first had and obtained, proceeded as required by law with the
advertisement and calling for bids for the right to lease the land
applied for; and

WHEREAS, no claim having been presented nor any
objection raised to the granting of the lease, the right to
lease the land was on February 28, 1995
awarded to Vicente Tan

NOW, THEREFORE, This agreement of lease made and
entered on the
by and between Leonito C. Umali, Regional Executive Director
, acting for and on behalf of the Republic of
the Philippines under the provisions of Commonwealth Act No.
141, as amended, hereinafter known as the PARTY OF THE FIRST
PART, and the said Vicente Tan
hereinafter known as the PARTY OF THE SECOND PART,

WITNESSETH:

FIRST. - That the PARTY OF THE FIRST PART, for
and in consideration of the rents, covenants and conditions
hereinafter contained, to be paid, kept and performed by the
PARTY OF THE SECOND PART, has demised, leased and let,
and does hereby demise, lease and let unto the said PARTY OF
THE SECOND PART the land, together with the appurtenances
thereunto of right belonging, lying and being in the barrio of

Municipality of Tagumpay
Province of Puerto Princesa City Philippines, being a part
of the public domain, the property of the said Republic of the
Philippines, and more particularly described on page eight (8)
of this contract, and survey Plan No. Swc-045316-003324-D,
portion of FII (IV-26) 157-D

SECOND. - TO HAVE AND TO HOLD the said described
premises unto the said PARTY OF THE SECOND PART FOR THE
FULL TERM OF TWENTY FIVE (25) years, from and including
the 20th day of February, 1995, at a yearly rental
of Three Thousand Nine Hundred Eight and 30/100 (P3,908.30) Pesos

WITNESS

WITNESS

WITNESS

WITNESS

VICENTE TAN

PARTY OF THE SECOND PART

ANTONIO T. ALMARIO

LEONITO C. UMALI

PARTY OF THE FIRST PART

MANUEL D. GEROCHI

Philippines Currency, to be paid annually in advance on or before the 28th day of February of each and every year, during the life of this lease, at the Region Office of the Department of Environment and Natural Resources, Quezon City, which lease may be renewed for another period of twenty five (25) years at the option of the PARTY OF THE FIRST PARTY, and if the circumstances of the case would so warrant. All rents payable to the PARTY OF THE FIRST PARTY, under this lease shall draw interest at the rate of four per centum (4%) per annum from and after the date they become due as provided therein.

THIRD. - It is hereby understood and agreed that the appraised value of the land for the first ten (10) years, from February 23, 1995 to February 27, 2005 is P30.00 per sq. m. or P113,610.00 for the whole tract of 3,787 square meters, and the appraised value of the improvements existing on the land and those proposed to be introduced thereon is P 50,000.00

Provided, however, that a new appraisal of the land and improvements shall be made every ten (10) years from February 28, 1995, and the annual rental after each re-appraisal shall be not less than three per centum (3%) of the re-appraised value of the land plus one per centum (1%) of the value of the improvements; and provided, further, that said annual rental shall not be less than P3,500.00; and provided, further, that appraisals, may be made as often as new improvements and improvements are made over the area leased.

FOURTH. - It is hereby covenanted and agreed that the PARTY OF THE SECOND PARTY shall construct on the land hereby leased permanent improvements appropriate for commercial purposes, and that the plan of any building or other improvements to be erected on the premises shall first be submitted to the Secretary of Public Works and Highways for his approval, as provided in Section 43 of Commonwealth Act No. 146, as amended, and that the said PARTY OF THE SECOND PARTY shall complete such construction within eighteen (18) months from the date of the award.

FIFTH. - It is specially covenanted and agreed that the said tract of land shall be used for commercial purposes only, and should the lessee use or attempt to use the premises or permit them to be used for any purposes other than that mentioned hereby, then, and in that event this agreement shall at once terminate, and all the rights to and interests in said lease shall be forfeited and all improvements made by the PARTY OF THE SECOND PARTY on the premises shall vest in and become the property of the Republic of the Philippines, unless the PARTY OF THE FIRST PARTY shall find sufficient cause to waive the violation and forfeiture from a violation of the conditions herein prescribed.

REGIONAL OFFICE
VICENTE TAN

WINNER

REGIONAL OFFICE

LEONTO C. UMBEL
PARTY OF FIRST PARTY

MARY E. L. CAROCE

SIXTH. - That the said PARTY OF THE SECOND PART hereby covenants to and with the said PARTY OF THE FIRST PART to pay the rent herein agreed upon; to said PARTY OF THE FIRST PART, his successors or duly authorized agents, at the time and in the manner herein set forth and to pay all taxes levied on said land and on the improvements now existing and those to be introduced on the land during the period of this lease.

SEVENTH. - That the said PARTY OF THE SECOND PART shall not sublet the whole or any part of the premises herein described, or the improvements therein, assign this lease, or encumber his rights thereunder, without permission, in writing of the PARTY OF THE FIRST PART first had and obtained.

EIGHT. - That the PARTY OF THE SECOND PART hereby waives all rights to notice of demand for the payment of rent as provided in the Rules of Court as well as all other periods of grace.

NINTH. - That the PARTY OF THE SECOND PART hereby further waives any right to any reduction of rent on account of any loss or damage suffered by reason of extraordinary, unforeseen, fortuitous events.

TENTH. - It is further covenanted and agreed that for a breach of any of the covenants herein by the said PARTY OF THE SECOND PART save these covenants for breach of which special provision is made, the PARTY OF THE FIRST PART may elect to declare this agreement rescinded and void and, after having given thirty (30) days' notice, in writing, to the said PARTY OF THE SECOND PART, may enter and take possession of the said premises and all improvement actually existing thereon, and the said PARTY OF THE SECOND PART hereby covenants and agrees to give up the possession thereof.

ELEVENTH. - That in case any and all structure and improvements by this lease authorized to be constructed and made shall be let or hired for the use of the public, the PARTY OF THE SECOND PART shall annually submit to the PARTY OF THE FIRST PART for his approval, a tariff of any and all rates of fees desired to be charged to, and collected from, any and all persons for the use of such structure and improvements; and that no such rates of fees shall be charged and collected by the PARTY OF THE SECOND PART from any person or persons whatever unless said approval shall be so had and obtained, and it is agreed that said PARTY OF THE FIRST PART may regulate any and such tariffs or rates of fees.

TWELFTH. - That this lease is made subject to the easements of the coast police and other easements reserved by the law of waters now in force in the Philippines, and to the provisions of Section 41, 102, 110, 111, 112, 113 and 114 of Commonwealth Act NO. 141, amended, and to any law or laws now existing or which may hereafter be enacted by the Congress of the Philippines and to all easements and other rights acquired by owners of adjacent lands and those bordering upon the foreshore or marshy lands.

WITNESS

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PARTY OF THE SECOND PART

PARTY OF THE FIRST PART

THIRTEENTH. - That if at any time during the existence of this lease, or at any time when the leasee has obligation pending with the Government, in accordance with Commonwealth Act No. 141, as amended, it should appear that the land leased is necessary for the public interest, for the protection of any source of water, or for any work for the public benefit that the Government wishes to undertake, the PARTY OF THE FIRST PART may order the cancellation of the lease, upon payment of the value of the improvements if any, made thereon by the leasee; Provided, that in the event that only a portion or certain portions of the land are necessary for the aforesaid purposes, the lease may only be amended and modified by excluding the said portion or portions, as the case may be, in which case, the rental shall be reduced correspondingly; Provided, further that if it is shown to the satisfaction of the PARTY OF THE FIRST PART that, the exclusion of the portion or portions referred to herein, the remaining portion cannot be used by the PARTY OF THE SECOND PART for the purpose for which this contract is executed, the said PARTY OF THE FIRST PART of the value of the improvements on the land, or shall remove said improvements provided such removal cause no damage to the land.

FOURTEENTH. - That the covenants, provisions, clauses and conditions of this lease shall extend to and be binding upon, the successor or successors of the PARTY OF THE FIRST PART, and to and upon the successor or successors, assignee or assignees, or legal representatives of the PARTY OF THE SECOND PART, and they are legally bound thereby.

FIFTEENTH. - It is also agreed that the lease application filed and on which the granting of this lease is predicated, shall be considered as part of this contract and any omission and misrepresentation in, or violation of the statements in the said lease application shall give the right to the PARTY OF THE FIRST PART to rescind this contract, to recover the land and to forfeit all amounts already paid and the improvements made or existing thereon.

SIXTEENTH. - That this lease shall terminate and expire on the 27th day of February 2020 unless sooner terminated under the provisions hereof, and that no presumption of renewal or continuance beyond that day can arise, the PARTY OF THE SECOND PART hereby waiving all rights in this respect conferred by Article 1670 of the Civil Code.

SEVENTEENTH. - That upon the termination of this lease or of any extension thereof, all the improvements made by the PARTY OF THE SECOND PART, its successors or assignee, shall vest in and become the property of the Republic of the Philippines, except when the termination is due to any of the causes enumerated in Paragraph 13 of this contract.

WITNESS

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VICENTE TAN
PARTY OF THE SECOND PART

LEONTO C. JUALD
PARTY OF THE FIRST PART

THIRTEENTH. A - It shall be the obligation of the lessee to guarantee and provide the general public free access to, and full use and enjoyment of, the beach and nearby coastal water, either in the pursuit of the inhabitants' lawful occupation or their recreational needs. For this purpose, the lessee shall establish and provide a road-right-of-way of suitable size, which in no case shall be less than three meters in width, and location that will permit the public access to the beach area and sea waters without paying any toll to the lessee. Failure or refusal to comply with this condition shall be valid ground for rejection of application or revocation of the lease award or contract;

THIRTEENTH. B - That when the national interest so requires, the President of the Philippines may review, amend, modify, revise, rescind or revoke this lease contract or any condition or provision therein;

THIRTEENTH. C - That, upon recommendation of the Secretary, DENR, the President may, pending the conduct of appropriate hearing, summarily suspend and order the cessation of all activities and operations under this lease contract for violation of any of the conditions or provisions therein or of any condition prescribed in duly issued rules and regulations of the Department of Environment and Natural Resources

THIRTEENTH. D - That the land herein leased shall not be used for any purpose other than that for which the same was applied and any change in land use shall be subject to the approval of the Housing and Land Use Regulatory Board

THIRTEENTH. E - That in case the said Party of the Second Part shall sublet the whole or any part of the improvements on the land, the government shall be entitled to a share of fifty (50%) per centum of the sublease rental in excess of 10% of the assessed value of the building and other improvements on the land leased. Accordingly, out of the proceeds of the sublease, any amount in excess of ten percent (10%) of the assessed value of the improvements subleased, shall be divided equally between the government and the lessee.

VICENTE TAN
PARTY OF THE SECOND PART

WITNESSES

LEONTO C. UYAL
PARTY OF THE FIRST PART

ANTONIO C. ALVARADO

MANUEL D. BEROQUE

EIGHTEEN. - In addition to the foregoing, this shall be subject to the other provisions of Commonwealth Act No. 141, as amended.

IN WITNESS WHEREOF, the said parties have hereunto set their hands.

LEONITO C. UMALI
Regional Executive Director
For and in behalf of the
Republic of the Philippines
PARTY OF THE FIRST PART

Vicente Tan
VICENTE TAN
PARTY OF THE SECOND PART

SIGNED IN THE PRESENCE OF:

Manuel D. Gerochi
MANUEL D. GERACHI
Leonido C. Almario
LEONIDO C. ALMARIO

Benjamin E. Tan
BENJAMIN E. TAN

REPUBLIC OF THE PHILIPPINES)
CITY OF MANILA)

S.S.

On this day DEC 29 1999, before me personally appeared LEONITO C. UMALI, Regional Executive Director, with Residence Certificate No. 22098431 Issued at Quarun City on March 8, 1995, to me known to be the same person who signed the foregoing document and acknowledged to me that on behalf of the Republic of the Philippines he executed the same as his free and voluntary act.

The within contract, conveying one (1) parcel of land, and consisting of eight (8) pages, including those of which this acknowledgement and the technical description of the land are written, has been signed by him and his two (2) witnesses on the left margin of each and every page thereof.

Each and every page of the contract is sealed with my notarial seal.

Atty. Crisanto P. Alarcon
ATTY. CRISANTO P. ALARCON
NOTARY PUBLIC
COM. NO. 10000
PT. 1

Doc. No. 530
Page No. 37
Book No. 163
Series of 1995

PARTY OF THE SECOND PART

WITNESSES

PARTY OF THE FIRST PART

REPUBLIC OF THE PHILIPPINES)

NOTARY PUBLIC

S.S.

On this _____ day of _____, 19____,
before me personally appeared **VICENTE TAN**
with Residence Certificate No. **1927726** issued at
Pto. Princesa City on **January 11, 1995**
to me known to be the same person who signed the foregoing
document and acknowledged to me that he executed the
same as his free and voluntary act and of the entity he
represents.

The within contract, conveying one (1) parcel of land
and consisting of eight (8) pages, including those on which
this acknowledgement and the technical description of the
land are written, has been signed by him and his two (2)
witnesses on the left margin of each and every page thereof.

Each and every page of the contract is sealed with
my notarial seal.

ALL

NOTARY PUBLIC

Commission expires on
JAN 14-19-95

Doc. No. 14
Page No. 5
Book No. 8000
Series of 1795

Lot- 1, Swo-045316-003324-D

Beginning at a point marked "1" of Lot 1, Swo-045316-
003324-D, being N. 79-14 W., 2275.26 m. from BLLM #1, Cad 800-D,
Puerto Princesa Cadastre. Thence;

Lot- 1, Swo-045316-003324-D

Beginning at a point marked "1" of Lot 1, Swo-045316-003324-D, being N. 79-14 W., 2275.26 m. from BLLM #1, Cad 800-D, Puerto Princesa Cadastre. Thence;

- S. 72 deg. 44'E., 60.51 m. to point 2;
- S. 81 deg. 08'W., 40.58 m. to point 3;
- S. 81 deg. 18'W., 12.05 m. to point 4;
- S. 81 deg. 18'W., 8.95 m. to point 5;
- N. 8 deg. 42'W., 30.00 m. to the point of beginning.

Containing an area of NINE HUNDRED TWENTY-FOUR (924) SQUARE METERS.

All points referred to on the plan are marked on the ground as follows: points 1 & 2 by posts and the rest by PS Cyl. Conc. Mon. 15 x 60 cms.;

Bounded on the NE., along line 1-2 by Lot 3 of the subdivision plan; on the SE., along line 2-3 by Lot 262; along line 3-4 by Lot 261; along line 4-5 by Lot 260 All of Cad. 800-D, Puerto Princesa Cadastre; on the SW., along line 5-1 by Puerto Princesa Bay.

Bearings Grid

This lot was surveyed in accordance with law and existing rules and regulations promulgated thereunder by Engr. Eduardo R. Salvador on October 15, 1992 and was approved on January 19, 1993.

NOTE: This lot is covered by F.L.A. No. (IV-26) 157.

CERTIFIED CORRECT:

ANDRES L. VALENCIA
OIC-Chief, Survey Division

PARTY OF THE SECOND PART

WITNESSES

PARTY OF THE FIRST PART

MANUEL D. GEROGIN

ANTONIO P. ALVARADO

Lot- 2, Swc-045316-003324-D

Beginning at a point marked "1" of Lot 2, Swc-045316-003324-D, being N. 72-14 W., 2275.26 m. from BLLM # 1, Cad. 100-D, Puerto Princesa Cadastre. Thence;

N. 8 deg. 42'W., 50.00 m. to point 2;
N. 81 deg. 18'E., 71.58 m. to point 3;
S. 8 deg. 42'E., 30.00 m. to point 4;
S. 65 deg. 41'W., 74.32 m. to the point of

beginning. Containing an area of TWO THOUSAND EIGHT HUNDRED SIXTY-THREE (2,863) SQUARE METERS.

All points referred to on the plan are marked on the ground by posts.

Bounded on the SW., NW. and NE., along lines 1-2-3-4 by Puerto Princesa Bay; on the SE., along line 4-1 by Lot 3 of the subdivision plan.

Bearings: Grid:

This lot was surveyed in accordance with law and existing rules and regulations promulgated thereunder by Engr. Eduardo R. Salvador on October 15, 1992 and was approved on January 19, 1993.

NOTE: This lot is covered by FLA No. (IV-26) 157.

CERTIFIED CORRECT:

ANDRES L. VALENCIA
OIC-Chief, Survey Division

VICENTE TAN
CHIEF OF THE BUREAU

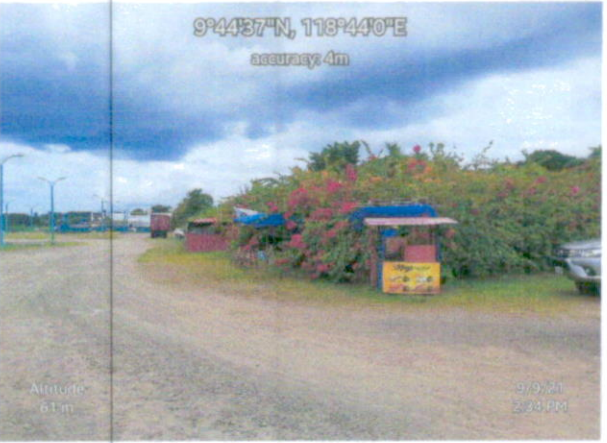
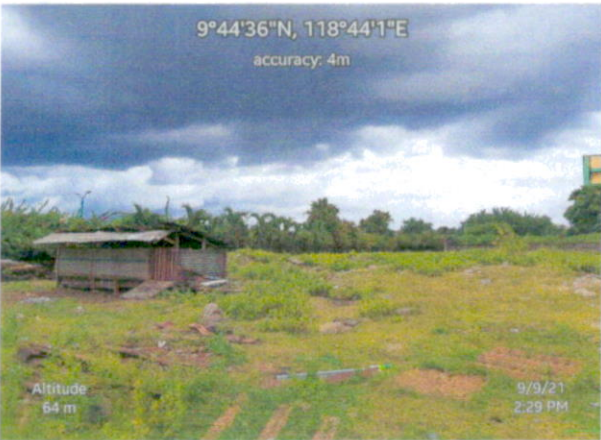
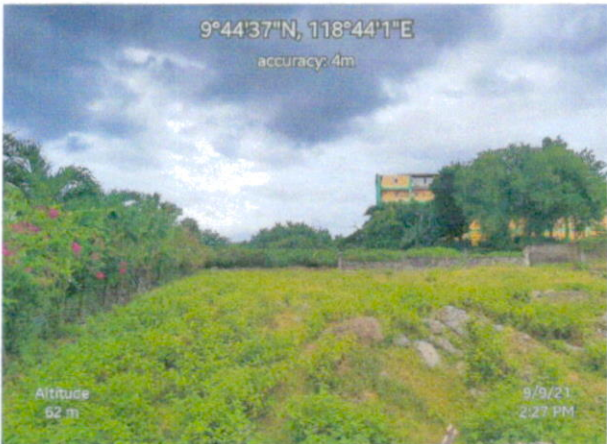
WITNESS

ANTONIO C. ALVARADO

LEONTO C. LUNA
CHIEF OF THE BUREAU

MANUEL D. PEROCCHI

GEOTAGGED PHOTOS & SATELLITE IMAGE OF THE FORESHORE AREA
COVERED BY FLI-(IV-26)157-D OF VICENTE TAN





Republic of the Philippines
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
REGION IV
1515 Roxas Boulevard, Manila

LEASE CONTRACT

(Under Chapter IX Com. Act No. 141 as amended)

WHEREAS, **NICANOR HERNANDEZ**, Filipino, of legal age, married to **Erlene Regino**, with post office address at **17-B Dahlia St., Navy Village, Fort Bonifacio, Makati City** and qualified to lease public land under Commonwealth Act No. 141, as amended, has filed with the Department of Environment and Natural Resources Foreshore Lease Application No. **(IV-26)156** for a parcel of land situated in **Bacungan, Puerto Princesa City** Philippines, herein after more particularly described;

WHEREAS, the Regional Executive Director with the authority of the Secretary of Environment and Natural Resources first had and obtained, proceeded as required by law with the advertisement and calling for bids for the right to lease the land applied for; and

WHEREAS, no claim having been presented nor any objection raised to the granting of the lease, the right to lease, the land was on **August 12, 1996** awarded to **Nicanor Hernandez**

NOW, THEREFORE, This agreement of lease made and entered on the **14th day of May 1997** by and between **Antonio G. Principe**, Regional Executive Director, DENR, Region IV, acting for and on behalf of the Republic of the Philippines under the provisions of Commonwealth Act No. 141, as amended, hereinafter known as the PARTY OF THE FIRST PART, and the said **Nicanor Hernandez** hereinafter known as the PARTY OF THE SECOND PART,

WITNESSETH:

FIRST. - That the PARTY OF THE FIRST PART, for and in consideration of the rents, covenants and conditions hereinafter contained, to be paid, kept and performed by the PARTY OF THE SECOND PART, has demised, leased and let, and does hereby demise, lease and let unto the PARTY OF THE SECOND PART the land, together with the appurtenances thereunto of right belonging, lying and being in the barrio of **Bacungan** Municipality of **Puerto Princesa City** Province of **Palawan**, Philippines, being a part of the public domain, the property of the said Republic of the Philippines, and more particularly described on page eight (8) of this contract, and survey Plan No. **Fl 1 (IV-26)156-D**

SECOND. - TO HAVE AND TO HOLD the said described premises unto the said PARTY OF THE SECOND PART FOR THE FULL TERM OF TWENTY FIVE (25) years, from and including the **12th** day of **August 1996**, at a yearly rental of **2,504.90**

PARTY OF THE SECOND PART

SEAN M. REGINO ALBERTO R. MACAPANTAY
WITNESS

PARTY OF THE FIRST PART

ANTONIO G. PRINCIPE
WITNESS

ELPIDIO P. TOLENTINO
WITNESS

Regional Executive Director

Philippines Currency, to be paid annually in advance on or before the 12th day of August of each and every year, during the life of this lease, at the Region Office of the Department of Environment and Natural Resources, Quezon City, which lease may be renewed for another period of twenty five (25) years at the option of the PARTY OF THE FIRST PART, and if the circumstances of the case would so warrant. All rents payable of the PARTY OF THE FIRST PART, under this lease shall draw interest at the rate of four per centum (4%) per annum from and after the date they become due as provided therein.

THIRD. - It is hereby understood and agreed that the appraised value of the land for the first ten years from August 12, 1996 to August 11, 2006, for the whole tract of 81,830.00 square meters and the appraised value 8,183 of the improvements existing on the land and those proposed to be introduced there on. is P5,000.00.

Provided, however, that a new appraisal of the land and improvements shall be made every ten (10) years from each August 12, 1996 shall not be less than three per centum (3%) of the reappraised value of the land plus one per centum (1%) of the value of the improvements; and provided, further, that such annual rental shall not be less than P 2,500.00; and provided, further, that appraisal 2,500.00 be made as often as new development and improvements are made over the area leased.

FOURTH. - It is hereby covenanted and agreed that the PARTY OF THE SECOND PART shall construct on the land hereby leased permanent improvements appropriate for commercial purposes, and that the plan of any commercial improvements to be erected on the premises shall first be submitted to the Secretary of Public Works and Highways for his approval, as provided in Section 66 of Commonwealth Act No. 141, as amended, and that the said PARTY OF THE SECOND PART shall complete such construction within eighteen (18) months, from the date of the award.

FIFTH. - It is specially covenanted and agreed that the said tract of land shall be used for commercial purposes only, and should the lessee use or attempt to use the premises or permit them to be used for any purposes other than that mentioned herein, then, and in that event this agreement shall at once terminate, and all the rights to and interests in said lease shall be forfeited and all improvements made by the PARTY OF THE SECOND PART on the premises shall vest in and become the property of the Republic of the Philippines, unless the PARTY OF THE FIRST PART shall find sufficient cause to waive the rescission and forfeiture from a violation of the conditions herein prescribed.

Refund
HICANOR HERNANDEZ
PARTY OF THE SECOND PART

ALBERTO R. MAGPANTAY
WITNESS

ANICHIO G. ALMARIO
WITNESS

ALFIDIO P. TOLENTINO
WITNESS

Ang
ANICHIO G. PRULIPE
Regional Executive Director
PARTY OF THE FIRST PART

PARTY OF THE SECOND PART

ALBERT R. MAGPANTAY

WITNESSES

Genom ~~sequencing~~ m. Feind

SENTENCES

~~ANTONIO G. PRINCIPE~~
~~Regional Executive Director~~

Regional Executive Director

PAGE 05 OF 05

ANTONIO C. ALLMARIO

STAPLES

CAUTION: TO IDENTIFY

SENTINEL

SIXTH. - That the said PARTY OF THE SECOND PART hereby covenants to and with the said PARTY OF THE FIRST PART to pay the rent herein agreed upon; to said PARTY OF THE FIRST PART, his successors or duly authorized agents, at the time and in the manner herein set forth and to pay all taxes levied on said land and on the improvements now existing and those to be introduced on the land during the period of this lease.

SEVENTH. - That the said PARTY OF THE SECOND PART shall not sublet the whole or any part of the premises herein described, or the improvement therein, assign this lease, or encumber his rights thereunder, without permission, in writing of the PARTY OF THE FIRST PART first had and obtained.

EIGHT. - That the PARTY OF THE SECOND PART hereby waives all rights to notice of demand for the payment of rent as provided in the Rules of Court as well as all other periods of grace.

NINTH. - That the PARTY OF THE SECOND PART hereby further waives any right to any reduction of rent on account of any loss or damage suffered by reason of extraordinary, unforeseen, fortuitous events.

TENTH. - It is further covenanted and agreed that for a breach of any of the covenants herein by the said PARTY OF THE SECOND PART save these covenants for breach of which special provision is made, the PARTY OF THE FIRST PART may elect to declare this agreement rescinded and void and, after having given thirty (30) days' notice, in writing, to the said PARTY OF THE SECOND PART, may enter and take possession of the said premises and all improvement actually existing thereon, and the said PARTY OF THE SECOND PART hereby covenants and agrees to give up the possession thereof.

ELEVENTH. - That in case any and all structures and improvements by this lease authorized to be constructed and made shall be let or hired for the use of the public, the PARTY OF THE SECOND PART shall annually submit to the Department of Finance for his approval, a tariff of any and all rates of fees desired to be charged to, and collected from any and all persons for the use of such structure and improvements; and that no such rates of fees shall be charged and collected by the PARTY OF THE SECOND PART from any person or persons whatever unless said approval, shall be so had and obtained, and it is agreed that said Department of Finance may regulate any and such tariffs or rates of fees.

TWELFTH. - That this lease is made subject to the easements of the coast police and other easements reserved by the law of waters now in force in the Philippines, and to the provisions of Sections 41, 109, 110, 111, 112, 113 and 114 of Commonwealth Act No. 141, as amended, and to any law or law now existing or

which may hereafter be enacted by Act of Congress and to all easements and other rights acquired by owners of adjacent lands and those bordering upon the foreshore or marshy lands.

THIRTEENTH. - That if at any time during the existence of this lease, or at any time when the lessee has obligation pending with the Government, in accordance with Commonwealth Act No. 141, as amended, it should appear that the land leased is necessary for the public interest, for the protection of any source of water, or for any work for the public benefit that the Government wishes to undertake, the PARTY OF THE FIRST PART may order the cancellation of the lease, upon payment of the value of the improvements if any, made thereon by the lessee; Provided, that in the event that only a portion or certain portions of the land are necessary for the aforesaid purposes, the lease may only be amended and modified by excluding the said portion or portions, as the case may be, in which case, the rental shall be reduced correspondingly; Provided, further that if it is shown to the satisfaction of the PARTY OF THE FIRST PART that, the exclusion of the portion or portions referred to herein the remaining portion cannot be used by the PARTY OF THE SECOND PART for the purpose for which this contract is executed, the said PARTY OF THE FIRST PART of the value of the improvements on the land, or shall remove said improvements provided such removal cause no damage to the land.

FOURTEENTH. - That the covenants, provisions, clauses and conditions of this lease shall extend to and be binding upon, the successor or successors of the PARTY OF THE FIRST PART, and to and upon the successor or successors, assignee or assignees, or legal representatives of the PARTY OF THE SECOND PART, and they are legally bound thereby.

FIFTEENTH. - It is also agreed that the lease application filed and on which the granting of this lease is predicated, shall be considered as part of this contract and any omission and misrepresentation in, or violation of the statements in the said lease application shall give the right to the PARTY OF THE FIRST PART to rescind this contract, to recover the land and to forfeit all amounts already paid and the improvements made or existing thereon.

SIXTEENTH. - That this lease shall terminate and expire on the 11th day of August 2021 unless sooner terminated under the provisions hereof, and that no presumption of renewal or continuance beyond that day can arise, the PARTY OF THE SECOND PART hereby waiving all rights in this respect conferred by Article 1670 of the Civil Code.

SEVENTEENTH. - That upon the termination of this lease or of any extension hereof, all the improvements made by the PARTY OF THE SECOND PART, its successors

NICANOR HERNANDEZ

PARTY OF THE SECOND PART

ZENON MARTIN M. REYNOLDO ALBERO R. ABIGRANTAY

WITNESS

ANTONIO C. ALIMARIO

WITNESS

ANTONIO G. PRINZIPE

Regional Executive Director

PARTY OF THE FIRST PART

ELPIDIO P. TOLENTINO

WITNESS

or assignee, shall vest in and become the property of the Republic of the Philippines, except when the termination is due to any of the causes enumerated in Paragraph 13 of this contract.

THIRTEENTH. A - It shall be the obligation of the lessee to guarantee and provide the general public free access to, and full use and enjoyment of, the beach and nearby coastal water, either in the pursuit of the inhabitants' lawful occupation or their recreation needs. For this purpose, the lessee shall establish and provide a road-right-of-way of suitable size, which in no case shall be less than three meter in width, and location that will permit the public access to the beach area and sea waters without paying any toll to the lessee. Failure or refusal to comply with this condition shall be valid ground for rejection of application or revocation of the lease award or contract;

THIRTEENTH. B - That when the national interest so requires, the President of the Philippines may review, amend, modify, revise, rescind or revoke this lease contract or any conditions or provision therein;

THIRTEENTH. C - That upon recommendation of the Secretary of Natural Resources, the President may, pending the conduct of appropriate hearing, summarily suspend and order the cessation of all activities and operations under this lease contract for violation of any of the conditions or provisions therein or of any condition prescribed in duly issued rules and regulations of the Department of Environment and Natural Resources;

THIRTEENTH. D - That the land herein leased shall not be used for any purpose other than that for which the same was applied and any change in land use shall be subject to the approval of the Housing and Land Use Regulatory Board;

THIRTEENTH. E - That in case the said Party of the Second Part shall sublet the whole or any part of the improvements on the land, the government shall be entitled to a share of fifty (50%) per centum of the sublease rental in excess of 10% of the assessed value of the building and other improvements on the land leased. Accordingly, out of the proceeds of the

NICANOR HERNANDEZ
PARTY OF THE SECOND PART

ALBERTO R. MARIANTAY
WITNESS

JENON MARTIN M. ZELAND
WITNESS

ANTONIO G. PRINCEPE
Regional Executive Director
PARTY OF THE FIRST PART

ANTONIO G. ALLIARIO
WITNESS

ELPIDIO T. TOLENTINO
WITNESS

sublease, any amount in excess of ten percent (10%) of the assessed value of the improvement subleased, shall be divided equally between the government and the lessee.

EIGHTEEN. - In addition to the foregoing, this lease shall be subject to the other provisions of Commonwealth Act No. 141, as amended.

IN WITNESS WHEREOF, the said parties have hereunto set their hands.


ANTONIO G. PRINCIFE

Regional Executive Director
For and in behalf of the
Republic of the Philippines
PARTY OF THE FIRST PART


NICANOR HERNANDEZ

PARTY OF THE SECOND PART

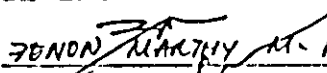
SIGNED IN THE PRESENCE OF:

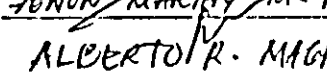

ELPIDIO P. TOLENTINO


ANTONIO V. ALVARIO

REPUBLIC OF THE PHILIPPINES)

CITY OF MANILA)


ZENON M. REGINO


ALBERTO R. MAGANTAT


: S.S.

On this 14 day of MAY 1997, before me personally appeared ANTONIO G. PRINCIFE, Regional Executive Director, with Residence Certificate No 5055596 - Issued at Manila on January 20 1997, to me known to be the same person who signed the foregoing document and acknowledged to me that on behalf of the Republic of the Philippines he executed the same as his free and voluntary act.

The within contract, conveying one (1) parcel of land, and consisting of eight (8) pages, including those of which his acknowledgement and the technical description of the land are written, has been signed by him and this two (2) witnesses on the left margin of each and every page thereof.

Each and every page of the contract sealed with my notarial seal.

Doc. No. 371
Page No. 33
Book No. 21
Series of 19 97


NOTARY PUBLIC
FELIX L. SANJEL
NOTARY PUBLIC
UNTIL DEC. 31, 1998
PTR 033772 M.A. 1-3-97
TAN 1519-928-8

REPUBLIC OF THE PHILIPPINES)
CITY OF MANILA

: S.S.
)

MAY 09 1997

On this _____ day of _____, 19____, before me personally appeared **NICANOR HERNANDEZ** with Residence Certificate No. **1179 2879** issued at **Zamboanga** on **1-2-97**, 19____ to me known to be the same person who signed the foregoing document and acknowledge to me that he executed the same as his free and voluntary act and of the entity he represents.

The within contract, conveying one (1) parcel of land and consisting of eight (8) pages, including those on which this acknowledgement and the technical description of the land are written, has been signed by him and his two (2) witnesses on the left margin of each and every page thereof.

Each and every page of the contract is sealed with my notarial seal.

Roberto A. Sangalang
ATTY ROBERTO A. SANGALANG

Notary Public

My Commission Expires on
Dec. 31, 1997

PTR No. 19 **0-33383**

JAN 02 1997

CITY OF MANILA

Doc. No. 114
Page No. 24
Book No. 00
Series of 19 97

Presented in the Register of Deeds
of PN Cor 4. 18-1998 at 2:35
Entry No 2942 Reg. No. ST Vol D Act No
Primary Entry - Book Underact 1179 2879
1997

THIS IS HEREBY CERTIFIED THIS INSTRUMENT
FILED AS 102 per entry No 2942
has been registered in the Registration Book
under Act No. 1179 2879
Proccesa City RA Appraiser - 01-7-13
at 2:35 a.m. 1/1/98

Nicanor Hernandez
NICANOR HERNANDEZ

PARTY OF THE SECOND PART

Alberto R. Magpantay
ALBERTO R. MAGPANTAY

WITNESS

Atty. Roberto A. Sangalang
ATTY ROBERTO A. SANGALANG

WITNESS

Antonio G. Almarino
ANTONIO G. ALMARINO

Regional Executive Director
OFFICE OF THE FIRST PART

WITNESS

Elpidio F. Tolentino
ELPIDIO F. TOLENTINO

WITNESS

Lot - F11 (IV-26)156-D

A Parcel of Land (F11 (IV-26) 156-D, LRG Record No.), situated in Barangay Bacungen, City of Puerto Princesa, Province of Palawan, Island of Palawan

Bounded on the NE., along line 1-2 Lot 4, Gcs-04-000059 (Tagcawayan Group Settlement Subdivision); on the SE, SW., and NW., along lines 2-3-4-5 by South China Sea; and on the NE., along line 5-1 by Lot 3, Gcs-04-000059 (Tagcawayan Group Settlement Subdivision).

Beginning at a point marked "1" on the plan, being N. 59 deg. 31'E., 5038.72 m. from U.S.C. & GS Triangulation Station (1966) RTH & CHICIGU, Island, Puerto Princesa.

thence S. 35 deg. 09'E., 149.78 m. to point 2;
thence S. 74 deg. 54'W., 25.00 m. to point 3;
thence N. 39 deg. 56'W., 270.00 m. to point 4;
thence N. 25 deg. 29'E., 25.00 m. to point 5;
thence S. 44 deg. 57'E., 142.18 m. to the point of

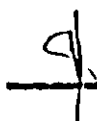
beginning. Containing an area of EIGHT THOUSAND ONE HUNDRED EIGHTY THREE (8,183) SQUARE METERS. All points referred to on the plan are marked on the ground by stakes. Bearings True; Date of Survey, February 25, 1986 and was approved on May 23, 1988

CERTIFIED CORRECT:

ANDRES L. VALENZUELA
OIC, Surveys Division

/sac

Checked by:



PARTY OF THE SECOND PART

ALBERTO R. MAGPANTAY

WITNESS

ERICK M. PEREZ

WITNESS

PARTY OF THE FIRST PART

ANTONIO C. ALVARADO

WITNESS

ELPIDIO R. TORRES

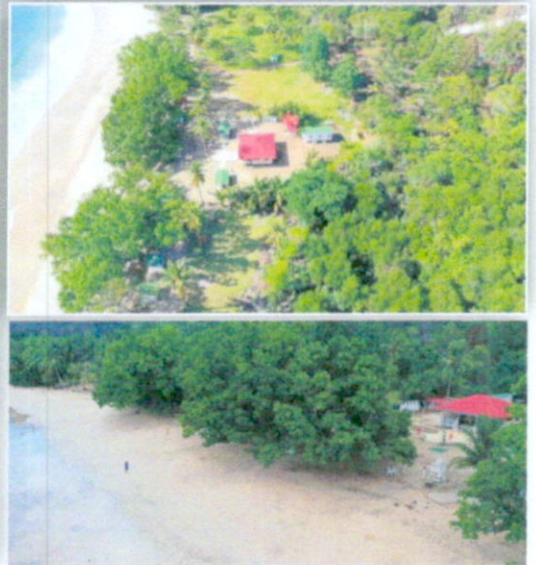
WITNESS

NICANOR HERNANDEZ

ANTONIO G. PEREZ

Regional Executive Director

GEOTAGGED PHOTOS & DRONE IMAGE OF THE FORESHORE AREA
COVERED BY FLI- (IV-26)156-D OF HERNANDEZ, NICANOR





Republic of the Philippines
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
MIMAROPA Region
COMMUNITY ENVIRONMENT AND NATURAL RESOURCES OFFICE
PUERTO PRINCESA CITY
South National Highway, Bgy. Sta. Monica, Puerto Princesa City
Tel. Fax No.: (048) 433-0660
Email Address: cenropuertoprincesa@denr.gov.ph

July 1, 2021

MEMORANDUM

FOR : The Regional Executive Director
DENR-IV, MIMAROPA Region
1515 L & S Building
Roxas Boulevard Ermita, Manila

THRU : The Provincial Environment and
Natural Resources Officer
Barangay Sta. Monica, PPC

FROM : The OIC-Community Environment and
Natural Resources Officer

SUBJECT : **RE: REPORT IN COMPLETED STAFF WORK (CSW)
FORMAT REGARDING THE REQUEST FOR RENEWAL OF
LEASE CONTRACT OF NICANOR HERNANDEZ WHICH
WILL BE EXPIRING ON AUGUST 11, 2021 AND FOR
APPROVAL OF THE RE-APPRAISAL REPORT LOCATED
AT SITIO TALAUDYONG, BGY. BACUNGAN, PUERTO
PRINCESA CITY, PALAWAN**

**DENR PENRO
PALAWAN RECORDS
RECEIVED**
LY. *[Signature]*
DATE: 17-01-2021 CN

Respectfully forwarded again is the Report in Completed Staff Work (CSW) format and all its attachments/pertinent documents regarding the above-cited subject which was returned by PENR Office on June 14, 2021 per Memorandum dated June 1, 2021.

Please be informed that the said report is mainly for the renewal of the Lease Contract issued to Nicanor Hernandez which according to the list of requirements based on the lecture of Sir Alex C. Pascua of the Land Management Bureau, it is specified that the additional requirements are **item No. 38. Letter from the Lessee signifying his intent to renew his or her Lease Contract, item No. 39. Complete Staff Work and item No. 40. Summary of Payments made** which are all complied and already included in said report in CSW format. However, it seems that office is requiring for another copy of same documents which this office has already complied and attached to the said CSW.


Be informed further that this office previously attached the draft of Re-appraisal Reports (with 2 sample of computation based on **Commercial (CR) & Seashore (A39)** per BIR Zonal Valuation Classification) of foreshore area covered by Foreshore Lease Application-(IV-26)156 with approved Plan FLI-(IV-26)156-D as an example of what would be the total computation using the (2) classification from BIR Office which are both very high in total. Moreover, the said sample of Re-appraisal report is not for approval but rather as an advance

information on the outcome of the computation using the updated BIR Zonal Valuation while this office is still awaiting on the compliance of requirements of the applicant which later on shall be covered by another Memorandum to be subjected for the approval of Re-appraisal Report.

Considering that the submitted Report in Completed Staff Work (CSW) format for the Renewal of Lease Contract/Agreement has been returned, the previous sample computation that was attached before was already removed and likewise, the **Re-appraisal Report for approval** is forwarded hereto with the required documents. Furthermore, the Report in Completed Staff Work (CSW) format will be covering the checklist of requirements for the Renewal of Lease Contract and for the approval of Re-appraisal Report considering that both have the same content.

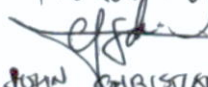
Finally, this office is recommending the approval of the Re-appraisal Report and at the same time the Renewal of the Lease Contract/Agreement issued to Nicanor Hernandez considering that he is not committing any violation in the foreshore area and likewise, continuously paying the Annual lease rental even though the payment is not on time and further, it is very beneficial to the Government in generating of revenues.

For information, evaluation and consideration.

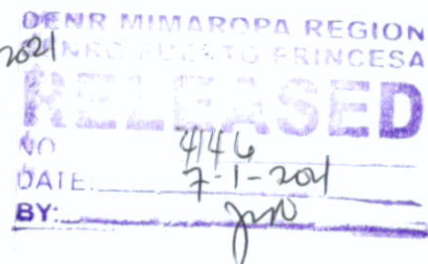

PEDRO A. VELASCO
DMO IV /In-charge
CENRO Puerto Princesa City

cc: **Mr. Nicanor Hernandez**
Bgy.Bacungan, Puerto Princesa City

CENRO PPC
RPS-vgajii

— Recd. by:

JOHN CHRISTIAN GORDIN

JULY-12-2021



Republic of the Philippines
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES
REGION IV-MIMAROPA
PROVINCIAL ENVIRONMENT AND NATURAL RESOURCES OFFICE
Sta. Monica, Puerto Princesa City

LEASE CONTRACT

(under Chapter IX Com. Act No. 141 as amended)

WHEREAS, Gerald, Jeremy H. Lu, Filipino, of legal age, single with post office address at Barangay Sta. Lourdes, Puerto Princesa City

and qualified to lease public land under Commonwealth Act No. 141, as amended, has filed with the Department of Environment and Natural Resources a Foreshore Lease Application No. 045316-129 for a parcel of land situated in Sta. Lourdes, Puerto Princesa City (Palawan) Philippines, herein after more particularly described;

WHEREAS, the Provincial Environment and Natural Resources Officer with the authority of the Secretary of Environment and Natural Resources first had and obtained, proceeded as required by law with the advertisement and calling for bids for the right to lease the land applied for; and

WHEREAS, no claim having been presented nor any objection raised to the granting of the lease, the right to lease the land conducted on July 12, 2005 and awarded to Gerald Jeremy H. Lu.

NOW, THEREFORE, This agreement of lease made and entered on the 5th day of January 2006 by and between Raymundo D. Crisostomo, Provincial Environment and Natural Resources Officer, acting for and on behalf of the Republic of the Philippines under the provisions of Commonwealth Act No. 141, as amended, hereinafter known as the PARTY OF THE FIRST PART, and the said Gerald Jeremy H. Lu hereinafter known as the PARTY OF THE SECOND PART.

WITNESSETH:

FIRST. - That the PARTY OF THE FIRST PART, for and in consideration of the rents, covenants and conditions hereinafter contained, to be paid, kept and performed by the PARTY OF THE SECOND PART, has demised, leased and let, and does hereby demise, lease and let unto the PARTY OF THE SECOND PART the land, together with the appurtenances thereunto of right belonging, lying and being in the barrio of Sta. Lourdes City of Puerto Princesa City Province of Palawan, Philippines, being a part of the public domain, the property of the said Republic of the Philippines, and more particularly described on page eight (8) of this contract, and survey Plan No. FLI 045316-129-D.

SECOND. - TO HAVE AND TO HOLD the said described premises unto the said PARTY OF THE SECOND PART for the full term of twenty five (25) years, from and including the 5th day of January 2006 at a yearly rental of P46,891.80 Philippines Currency, to be paid annually in advance

HENRI S. GONZAÑA
CHIEF ADMINISTRATIVE OFFICER
WITNESS

Witness

Witness

Witness

JOHNNY P. LILANG

FRANKLIN G. HERNANDEZ

GERALD JEREMY H. LU
Party of the Second Part

RAYMUNDO D. CRISOSTOMO
Party of the First Part

on or before the 5th day of January of each and every year, during the life of this lease, at the Department of Environment and Natural Resources, PENRO or CENRO offices, which lease may be renewed for another period of twenty five (25) years at the option of the PARTY OF THE FIRST PART, and if the circumstances of the case would so warrant. All rents payable of the PARTY OF THE FIRST PART, under this lease shall draw interest at the rate of four per centum (4%) per annum from and after the date they become due as provided therein.

THIRD. - It is hereby understood and agreed that the appraised value of the land for the first ten years from January 5, 2006 to January 4, 2016 shall not be lower than P599,060.00 for the whole tract of 5,446 square meters and on the appraise value of the improvements existing on the land and those proposed to be introduced thereon.

Provided, however, that a new appraisal of the land and improvements shall be made every five years from January 05, 2006, and the annual rental after each re-appraisal shall not be less that three per centum (3%) of the reappraised value of the land plus one per centum (1%) of the value of the improvements; and provided, further, that such annual rental shall not be less than P 46,891.80; and provided, further, *that appraisals, may be made as often as new development and improvements are made over the area leased.*

FOURTH. - It is hereby covenanted and agreed that the PARTY OF THE SECOND PART shall construct on the land hereby leased permanent improvements appropriate for commercial purposes, and that the plan of any building or other improvements to be erected on the premises shall first be submitted to the Secretary of Public Works and Highways for his approval, as provided in Section 66 of Commonwealth Act No. 141, as amended, and that the said PARTY OF THE SECOND PART shall complete such construction within eighteen (18) months, from the date of the award.

FIFTH. - It is specially covenanted and agreed that the said tract of land shall be used for commercial purposes only, and should the lessee use or attempt to use the premises or permit them to be used for any purposes other than that mentioned herein, then, and in that event this agreement shall at once terminate, and all the rights to and interests in said lease shall be forfeited and all improvements made by the PARTY OF THE SECOND PART on the premises shall vest in and become the property of the Republic of the Philippines, unless the PARTY OF THE FIRST PART shall find sufficient cause to waive the rescission and forfeiture from a violation of the conditions herein prescribed.

SIXTH. - That the said PARTY OF THE SECOND PART hereby covenants to and with the said PARTY OF THE FIRST PART to pay the rent herein agreed upon; to said PARTY OF THE FIRST PART, his successors or duly authorized agents, at the time and in the manner herein set forth and to pay all taxes levied on said land and on the improvements how existing and those to be introduced on the land during the period of this lease.

SEVENTH. - That the said PARTY OF THE SECOND PART shall not sublet the whole or any part of the premises herein described, or the improvement therein, assign this lease, or encumber his rights thereunder, without permission, in writing of the PARTY OF THE FIRST PART first had and obtained.

Gerald
GERALD JEREMY H. LU
Party of the (Second Part

[Signature]
BENITO S. GONZAGA
CHIEF, CLAIMS SERVICES

[Signature]
WITNESS
Community Environment and
Natural Resources Office

[Signature]
RAYMUNDO D. CRISOSTOMO
Party of the First Part

[Signature]
FRANKLIN G. HERNANDEZ
Witness

[Signature]
JOHNNY P. LILANG
Witness

EIGHT. - That the PARTY OF THE SECOND PART hereby waives all rights to notice of demand for the payment of rent as provided in the Rules of Court as well as all other periods of grace.

NINTH. - That the PARTY OF THE SECOND PART hereby further waives any right to any reduction of rent on account of any loss or damage suffered by reason of extraordinary, unforeseen, fortuitous events.

TENTH. - It is further covenanted and agreed that for a breach of any of the covenants herein by the said PARTY OF THE SECOND PART save these covenants for breach of which special provision is made, the PARTY OF THE FIRST PART may elect to declare this agreement rescinded and void and, after having given thirty (30) days' notice, in writing, to the said PARTY OF THE SECOND PART, may enter and take possession of the said premises and all improvement actually existing thereon, and the said PARTY OF THE SECOND PART hereby covenants and agrees to give up the possession thereof.

ELEVENTH. - That in case any and all structures and improvements by this lease authorized to be constructed and made shall be let or hired for the use of the public, the PARTY OF THE SECOND PART shall annually submit to the Department of Finance for his approval, a tariff of any and all rates of fees desired to be charged to, and collected from any and all persons for the use of such structure and improvements; and that no such rates of fees shall be charges and collected by the PARTY OF THE SECOND PART from any person or persons whatever unless said approval, shall be so had and obtained, and it is agreed that said Department of Finance may regulate any such tariffs or rates of fees.

TWELFTH. - That this lease is made subject to the easements of the coast police and other easements reserved by the law of waters now in force in the Philippines, and to the provisions of Sections 41, 109, 110, 111, 112, 113 and 114 of Commonwealth Act No. 141, as amended, and to any law or now existing or which may hereafter be enacted by Act of Congress and to all easements and other rights acquired by owners of adjacent lands and those bordering upon the foreshore or marshy lands.

THIRTEENTH. - That if at any time during the existence of this lease, or at any time when the lessee has obligation pending with the Government, in accordance with Commonwealth Act No. 141, as amended, it should appear that the land leased is necessary for the public interest, for the protection of any source of water, or for any work for the public benefit that the Government wishes to undertake, the PARTY OF THE FIRST PART may order the cancellation of the lease, upon payment of the value of the improvements if any, made thereon by the lessee; Provided, that in the event that only a portion or certain portions of the land are necessary for the aforesaid purposes, the lease may only be amended and modified by excluding the said portion or portions, as the case may be, in which case, the rental shall be reduced correspondingly; Provided, further that if it is shown to the satisfaction of the PARTY OF THE FIRST PART that, the exclusion of the portion or portions referred to herein the remaining portion cannot be used by the PARTY OF THE SECOND PART for the purpose for which this contract is executed, the said PARTY OF THE FIRST PART of the value of the improvements on the land, or shall remove said improvements provided such removal cause no damage to the land.

Gerald
GERALD JEREMY H. LU
Party of the Second Part

REYNALDO S. BONZAGA
Chief of Police
Witness

[Signature]
REYNALDO S. BONZAGA
Chief of Police
Witness

RAYMUNDO D. CRISTOSTOMO
Party of the First Part

FRANKLIN G. HERNANDEZ
Witness

JOHNNY P. LILANG
Witness

FOURTEENTH. - That the covenants, provisions, clauses and conditions of this lease shall extend to and be binding upon, the successor or successors of the PARTY OF THE FIRST PART, and to and upon the successor or successors, assignee or assignees, or legal representatives of the PARTY OF THE FIRST PART, and they are legally bound thereby.

FIFTEENTH. - It is also agreed that the lease application filed and on which the granting of this lease is predicated, shall be considered as part of this contract and any omission and misrepresentation in, or violation of the statements in the said lease application shall give the right to the PARTY OF THE FIRST PART to rescind this contract, to recover the land and to forfeit all amounts already paid and the improvements made or existing thereon.

SIXTEENTH. - That this lease shall terminate and expire on the 4th day of January 2031 unless sooner terminated under the provisions hereof, and that no presumption of renewal or continuance beyond that day can arise, the PARTY OF THE SECOND PART hereby waiving all rights in this respect conferred by Article 1670 of the Civil Code.

SEVENTEENTH. - That upon the termination of this lease or of any extension hereof, all the improvements made by the PARTY OF THE SECOND PART, its successors or assignee, shall vest in and become the property of the Republic of the Philippines, except when the termination is due to any of the causes enumerated in Paragraph 13 of this contract.

THIRTEENTH. A - It shall be the obligation of the lessee to guarantee and provide the general public free access to, and full use and enjoyment of, the beach and nearby coastal water, either in the pursuit of the inhabitants lawful occupation or their recreation needs. For this purpose, the lessee shall establish and provide a road-right-of-way suitable size, which in no case shall be less than three meter in width, and location that will permit the public access to the beach area and sea waters without paying any toll to the lessee. Failure or refusal to comply with this condition shall be valid ground for rejection of application or revocation of the lease award or contract;

THIRTEENTH. B - That when the national interest so requires, the President of the Philippines may review, amend, modify revise, rescind or revoke this lease contract or any conditions or provision therein;

THIRTEENTH. C - That upon recommendation of the Secretary of Natural Resources, the President may pending the conduct of appropriate hearing, summarily suspend and order the cessation of all activities and operations under this lease contract for violation of any of the conditions or provisions therein or of any condition prescribed in duly issued rules and regulations of the Department of Environment and Natural Resources;

THIRTEENTH. D - That the land herein leased shall not be used for any purpose other than that for which the same was applied and any change

RENITA S. RONZAGA
CHIEF, WITNESS SERVICES

WITNESS
ROGERIO C. PAULINAWAN
Community Environment and
Natural Resources Officer

Witness
FRANKLIN G. HERNANDEZ

Witness
JOHNNY P. LILANG

GERALD JEREMY H. LU
Party of the Second Part

RAYMUNDO D. CRISTOSIANO
Party of the First Part

in land use shall be subject to the approval of the Housing and Land Use Regulatory Board;

THIRTEENTH. E – That in case the said Party of the Second Part shall sublet the whole or any part of the improvements on the land, the government shall be entitled to a share of fifty (50%) per centum of the sublease rental in excess of 10% OF THE ASSESSED VALUE OF THE BUILDING AND OTHER IMPROVEMENTS ON THE LAND LEASED. Accordingly, out of the proceeds of the sublease, any amount in excess of ten percent (10%) of the assessed value of the improvement subleased, shall be divided equally between the government and the lessee.

Eighteen, - In addition to the foregoing, this lease shall be subject to the other provisions of Commonwealth Act No. 141, as amended.

IN WITNESS WHEREOF, the said parties have hereunto set their hands.

For and in behalf of the
Secretary of the DENR:


RAYMUNDO D. CRISOSTOMO

OIC-PENRO

Party of the First Part

CTC ID NO. 14274975

ISSUED ON 2/14/06

at

DENR ID NO. 297


GERALD JEREMY H. LU

Party of The Second Part

CTC # 08704474 issued on 1/27/06

at General Sanviccion

Driver License # 104-00-052471

expires on 4/24/07

SIGNED IN THE PRESENCE OF:


JOHNNY P. LILANG

FRANKLIN G. HERNANDEZ


RENATO S. GONZAGA

CHIEF, LAND MGT. SERVICE


ROGELIO D. PAGLINAWAN

Community Environment and
Natural Resources Officer

REPUBLIC OF THE PHILIPPINES)

: S.S.

CITY OF PUERTO PRINCESA)

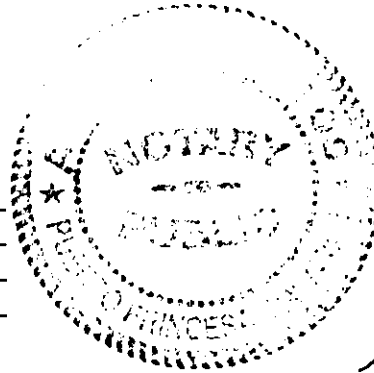
On this 8th day of August 2006, before me personally appeared Raymundo Crisostomo and Gerald Jeremy Lu with Residence Certificate No. _____ issued at _____ on _____, to me known to be the same person who signed the foregoing documents and acknowledged to me that on behalf of the Republic of the Philippines he executed the same as his free and voluntary act.

- page six -

The within contract, conveying one (1) parcel of land, and consisting of eight (8) pages, including those of which his acknowledgement and the technical description of the land are written, has been signed by him and this two (2) witnesses on the left margin of each and every page thereof.

Each and every page of the contract is sealed with my notarial seal.

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Page No. 42
Book No. XVIII
Series of 2006



NOTARY PUBLIC

ATTY. ALIEN B. CARLOS
Commissioned Notary Public for the Philippines
Until December 31, 2007, R239 Avenue, Puerto Princesa City
Adm. Office: P.O. Box 40760, PTP, P.O. 7047477, P.S. 010408
Branch Office: P.O. Box 4178, Eng. Juvencio A. A. Property

REPUBLIC OF THE PHILIPPINES)
: S.S.
CITY OF PUERTO PRINCESA)

On this _____ day of _____, before me personally appeared _____ with Residence Certificate No. _____ issued at _____ on _____ to me known to be the same person who signed the foregoing documents and acknowledge to me that he executed the same as his free and voluntary act and of the entity he represents.

The within contract, conveying one (1) parcel of land consisting of eight (8) pages, including those on which this acknowledgement and the technical description of the land are written, has been signed by him and his two (2) witnesses on the left margin of each and every page thereof.

Each and every page of the contract is sealed with my notarial seal.

NOTARY PUBLIC

Doc. No. _____
Page No. _____
Book No. _____
Series of _____

**GEOTAGGED PHOTOS, DRONE & SATELLITE IMAGE OF THE FORESHORE
AREA COVERED BY FLI-045316-129-D OF CITRA MINA SEAFOOD CORP.**





Republic of the Philippines
Department of Environment and Natural Resources
Visayas Avenue, Diliman, Quezon City
Tel Nos. 929-6626 to 29; 929-6633 to 35
926-7041 to 43; 929-6252; 929-1669
Website: <http://www.denr.gov.ph> / E-mail: web@denrgov.ph

SUBJECT:

FLA No. 045310-122
SEVEN SEAS RESORT AND
LEISURE, INC.
Rep. by Narcisa M. Villaflor
- Applicant -

X

Lot No. Flc-045310-122-D

Manamoc, Cuyo, Palawan

Area : 11.4336 hectares

X - - - - - X

ORDER : AWARD

From the records of this office it appears:

1. That the above-noted application was filed on August 27, 1998 by SEVEN SEAS RESORT AND LEISURE, INC., rep. by Narcisa M. Villaflor for a tract of land situated in the place indicated above, for beach resort purposes, more particularly described as follows:

Location : Pamalican, Manamoc, Cuyo, Palawan
Area : 11.4336 has
Description : Plan Flc-045310-122-D
Boundaries :

2. That upon investigation conducted by a representative of this office and the Department of Public Works and Highways, it was found that the land is suitable for the purpose to which it will be devoted, not needed by the Government for future improvements, and free from claims and conflicts;

3. That the appraisalment of the land at P225.00/square meter or P25,725,600.00 for the whole tract of 11,4336 has., and of the existing and/or proposed improvements thereon at P10,275,000.00, respectively having been approved by the Department of Environment and Natural Resources, notice calling for bids for the right to lease the land was duly advertised in accordance with law; and

4. That at the auction of the right to lease the land held on July 7, 2004 the only bid received was that of the applicant-corporation who offered an annual rental of P874,518.00 and deposited the said amount under Official Receipt No. 6993346-D dated July 7, 2004 which is equivalent to one year's rental.

It appearing that the proceedings had in connection with FLA-045310-122 of SEVEN SEAS RESORTS AND LEISURE, INC., were in accordance with law and existing regulations, the right to lease the land covered thereby is awarded to the applicant, SEVEN SEAS RESORTS AND LEISURE, INC., at a yearly rental of P874,518.00 to be paid annually in advance on or before the _____ day of _____ of each year during the life of this lease at the DENR-CENRO Puerto Princesa.



The deposit of the applicant in the amount ~~874,518.00~~ should be credited as full payment of the annual rental of the land and after the survey of the land, the Contract of Lease shall be executed.

All rentals payable under this lease shall draw interest at the rate of 4% per annum from and after the date they become due and payable as provided herein.

This award shall further be subject to the provisions of the Public Land Law, (Commonwealth Act 141, as amended) and particularly to the following conditions to wit;

1. The applicant shall commence the construction of the improvements appropriate for the purpose for which the land is leased within six (6) months from the date of receipt hereof and shall complete the said construction within eighteen (18) months from the said date;

2. The land shall be subject to the easements and servitudes provided for in Section 109-114 of Commonwealth Act No. 141, as amended;

3. The land shall not be subdivided, encumbered or conveyed without the previous consent of the Secretary of Environment and Natural Resources;

4. The applicant shall not permit, either by contract or otherwise, any other person, corporation, association, or partnership to have any interest in, or right to, improvements now existing or that may hereafter be introduced on the land applied for without the previous consent of the Secretary of Environment and Natural Resources.

5. The applicant shall establish and provide a road-right-of-way of suitable size, which in no case shall be less than three (3) meters in width, and location that will permit public access to beach area and sea waters without paying any toll to lessee; and .

6. The land leased herein shall not be used for any purpose other than that for which said land was applied and any change in land use shall be subject to the approval of the Housing and Land Use Regulatory Board.

Non-compliance with any of the terms and conditions hereof and/or of the rules and regulations governing the lease of public lands will result in the revocation of the lease, the cancellation of the application and the forfeiture to the Government of the Improvements introduced on the land.

The DENR CENRO at Puerto Princesa City is hereby directed to see to it that the provisions of this award regarding the construction of the improvements appropriate for the purpose for which the land is leased within the period herein stipulated are complied with and to submit it a report forthwith upon notice of non-compliance.

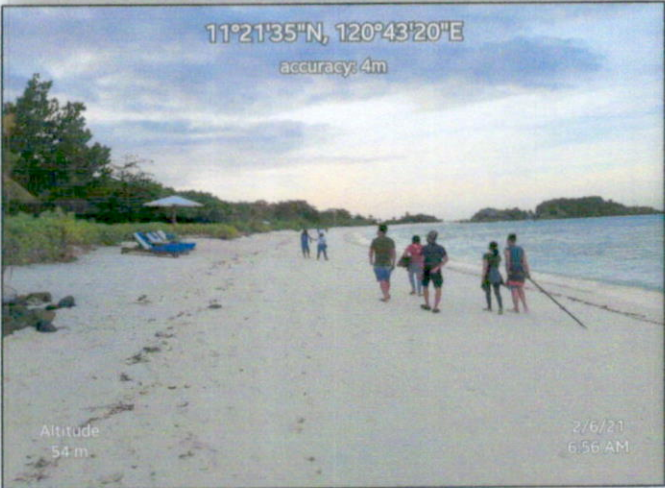
SO ORDERED.

NOV 16 2005


MICHAEL T. DEFENSOR
Secretary *mdy*



**GEOTAGGED PHOTOS & SATELLITE IMAGE OF THE FORESHORE AREA
COVERED BY FLI-045316-141-D OF SEVEN SEAS RESORTS AND LEISURES, INC.
REP. BY NARCISA M. VILLAFLO (AMANPULO RESORT)**





Data SIO, NOAA, U.S. Navy, NGA, GEBCO
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Google Earth