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\*\* ON LEAVE  
\* DECEASED

ACCRA LAW®

8 September 2021

5.9571

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**OFFICE OF THE REGIONAL EXECUTIVE DIRECTOR**  
**DENR Region IV – MIMAROPA**  
**DENR by the Bay, 1515 L&S Bldg.**  
**Roxas Boulevard, Manila**

**COMMUNITY ENVIRONMENT AND NATURAL**  
**RESOURCES OFFICE**  
**DENR Region IV-MIMAROPA**  
**National Highway, Poblacion**  
**Taytay, Palawan 5312**

Attention: **Hon. Maria Lourdes G. Ferrer**  
*Regional Executive Director*

**Engr. Mr. Alan L. Valle**  
*Officer-in-Charge, CENRO*

Re: **Forest Land Use Agreement for**  
**Tourism Purposes No. DENR IV-**  
**MIMAROPA-12302030-0010 issued**  
**on 27 December 2005**

Gentlemen:

We write on behalf of our client, **Ten Knots Philippines, Inc. (“TKPI”)**, in relation to Forest Land Use Agreement for Tourism Purposes No. DENR IV-MIMAROPA-12302030-0010 (“FLAGT”).

TKPI was previously awarded by the Department of Environment and Natural Resources (“DENR”) a Forest Land Use Agreement for Tourism Purposes No. DENR IV-MIMAROPA-12302030-0010 (“FLAGT”) covering 3.206 hectares of forest land located at Cadlao Island, Brgy. Buena Suerte, El Nido.<sup>1</sup> The FLAGT was issued on 27 December 2005 and is valid until 30 December 2030. As early 1998, TKPI has been in open, continuous, and exclusive possession of the areas covered by the FLAGT through a Special Use Permit.<sup>2</sup>

A copy of FLAGT No. DENR IV-MIMAROPA-12302030-0010 issued on 27 December 2005 is attached as Annex “A” and made an integral part hereof.

A copy of the Special Use Permit dated 6 November 1998 is attached as Annex “B” and made



TKPI discovered that one Noel Tampe and Baberlyn Gomez secured original certificates of title (“OCTs”) which cover areas that overlap with TKPI’s FLAGT. In particular, the Registry of Deeds of Palawan issued Katibayan ng Orihinal na Titulo Blg. 2015000225 to Baberlyn D. Gomez, while Katibayan ng Orihinal na Titulo Blg. 2015000222 and Katibayan ng Orihinal na Titulo Blg. 2015000223 were issued to Noel Tampe. These OCTs were issued on 27 April 2015 purportedly pursuant to Free Patent Applications.

Most recently, TKPI and the Community Environment and Natural Resources Office (“CENRO”) had the following exchange:

- a. On 26 July 2021, the CENRO wrote TKPI to facilitate the conduct of an actual ground survey to determine the metes and bounds of the area covered by its FLAGT, pursuant to a 19 May 2021 Memorandum from the Regional Executive Director. Said survey will be conducted with the assistance of TKPI’s geodetic engineer.
- b. On 10 August 2021, TKPI received the CENRO’s 6 August 2021 Third and Final Notice of Violation and Order to Vacate (“NTV”), which was also addressed to Israel and Baberlyn Gomez. In the NTV, the CENRO ordered TKPI to remove its guard house and perimeter fence which is within the 40-meter easement area. The easement area is covered by TKPI’s FLAGT.
- c. On 17 August 2021, TKPI wrote the CENRO requesting that the actual ground survey be conducted sometime between 13 to 17 September 2021 due to the availability of its geodetic engineer.
- d. On 23 August 2021, TKPI wrote the CENRO confirming receipt of the NTV, and reiterating that its occupation of the 40-meter easement area should be respected. TKPI also informed the CENRO that it is awaiting the actual ground survey pursuant to CENRO’s letter dated 26 July 2021.

TKPI is currently awaiting the schedule of the: (1) next technical conference with the DENR to discuss the overlap on TKPI’s FLAGT and Noel Tampe’s and Baberlyn Gomez’ OCTs; and (2) actual ground survey to be conducted by the CENRO.

In the meantime, TKPI requests for guidance on the implementation of its FLAGT in light of the issuance of OCTs which overlap with the timberland

---

an integral part hereof.

subject of the FLAGT. TKPI maintains its position that its FLAGT shall be respected until 30 December 2030.

We understand that the technical conference with the DENR and the actual ground survey by the CENRO are necessary for a definitive resolution of the pending issues discussed above. To facilitate such resolution, however, TKPI also respectfully requests for copies of all surveys conducted involving the areas covered by its FLAGT and the OCTs of Gomez and Tampe.

Thank you for your kind consideration and prompt attention on this matter.


Very truly yours,

**ANGARA ABELLO CONCEPCION REGALA & CRUZ**

By:

  
**SALVADOR L. PEÑA**

  
**CHRYSILLA CARISSA P. BAUTISTA**

  
**CHRISTOPHER LOUIE D. OCAMPO**

  
**JESSICA SHARLA G. BUSTAMANTE**





Republic of the Philippines  
**DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES**  
**Region IV-B – MIMAROPA**  
L & S Building, 1515 Roxas Boulevard  
Ermita, Manila

**FOREST LAND USE AGREEMENT for TOURISM PURPOSES  
(FLAgT)**

**BATHING ESTABLISHMENT**

**No. DENR IV-MIMAROPA-12302030-0010**


is

hereby awarded to

**TEN KNOTS PHILIPPINES, INC.**  
**(TEN KNOTS DEVELOPMENT CORPORATION)**  
(Lessee)

Covering Three Point Two Hundred-Six (3.206) hectares of forest land, located at Cadlao Island, Barangay Buena Suerte, El Nido, Palawan pursuant to Section 1838 of Republic Act No. 2711, as amended by E.O. 292, known as the Revised Administrative Code, as amended by Section 57 of P.D. 705, as amended and DAO No. 2004-28, for a period of twenty-five (25) years to expire on December 30, 2030.

Given this 27th day of December, in the year of our Lord Two Thousand and Five at the City of Manila, Philippines.

  
**VICENTE S. PARAGAS, CESO III**  
**OIC, ASEC for Field Operations**  
**Concurrent Regional Executive Director**  
**Region IV-B**





Republic of the Philippines  
Department of Environment and Natural Resources  
Region IV-B, MIMAROPA  
DENR By the Bay Building  
1515 Roxas Blvd., Ermita, Manila

**FOREST LAND USE AGREEMENT FOR TOURISM PURPOSES (FLAgT)**

**(BATHING ESTABLISHMENT)**

**DENR IV-MIMAROPA-12302030-0010**  
NUMBER

**TEN KNOTS PHILIPPINES INC.**  
**(TEN KNOTS DEVELOPMENT CORPORATION) (TKDC)**  
LESSEE

**CADLAO ISLAND, BARANGAY BUENA SUERTE, EL NIDO, PALAWAN**  
LOCATION OF THE AREA

This Forest Land Use Agreement for Tourism purposes (FLAgT) made and entered into by and between the OIC, ASEC for Field Operations Concurrent Regional Executive Director of DENR IV-MIMAROPA REGION, **VICENTE S. PARAGAS, CESO III**, for and in behalf of the Republic of the Philippines, hereinafter called the LESSOR, and **TEN KNOTS PHILIPPINES INC. (TEN KNOTS DEVELOPMENT CORPORATION)**, represented by **MR. ALBERTO A. LIM**, President, with Office address at 2<sup>nd</sup> Floor Builders Centre Building, 170 Salcedo Street, Legaspi Village, 1229 Makati City, as the LESSEE.

**WITNESSETH**

That the LESSOR, as Regional Executive Director of DENR IV-MIMAROPA, acting under the authority of Section 1838 of Republic Act No. 2711, as amended by E.O. 292, known as the Revised Administrative Code, as amended; Section 57 of P.D. 705, as amended and DAO 2004-28, hereby grants to the LESSEE a **FOREST LAND USE AGREEMENT FOR TOURISM (FLAgT) PURPOSES (BATHING ESTABLISHMENT)** for a period of **TWENTY-FIVE (25) years** to expire on **December 30, 2030**, covering an area of **THREE POINT TWO HUNDRED-SIX (3.206) hectares** of forest land, located at **Cadlao Island, Barangay Buena Suerte, El Nido, Palawan**, the description and boundaries shown in the attached sketch/map, which forms part of this FLAgT, subject to the following conditions:

By Authority of the Secretary  
Of the Department of Environment  
And Natural Resources

By:

**VICENTE S. PARAGAS, CESO III**  
LESSOR

Witness

By:

**ALBERTO A. LIM**  
LESSEE

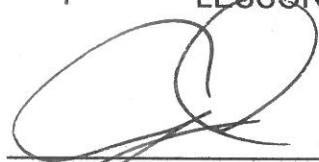
Witness

- I. Within six (6) months from the issuance of the FLAgT, the holder shall delineate and mark on the ground the boundaries of the FLAgT area and its zones, subject to verification by DENR, and shall preserve the monuments and other land marks indicating corners and outlines along the boundaries and within the confines of the area covered by the FLAgT;
- II. The holder shall submit within three (3) months from the issuance of the FLAgT, a Site Management Plan (SMP) for the protection of the environment and conservation of natural resources in the area. The SMP shall be accompanied with a performance bond determined based on procedures for special forest land uses;
- III. The holder shall immediately secure the required Environmental Compliance Certificate (ECC) and other necessary permits prior to conduct of any activity in the area;
- IV. The holder shall utilize the area for the purpose for which the FLAgT is granted. In the event that the area will be utilized for other purpose/s other than what is approved, said use is subject to the prior approval of the Secretary or his/her duly authorized representative;
- V. In all instances, cutting of trees within the FLAgT area shall be subject to prior clearance by the DENR in accordance with existing rules and regulations;
- VI. The holder shall strictly adopt ecological solid waste management and abide with the provisions of the Clean Water Act;
- VII. The FLAgT holder shall protect all biodiversity in the area, especially those unique, rare and endangered flora and fauna identified as such under existing laws, rules and regulations;
- VIII. To inform the RED or his duly authorized representative on any changes in the management, ownership or capital stock of the company or corporation or transfer of a majority of the stock or share of the company or corporation as provided for in PD 705, as amended;

By Authority of the Secretary  
Of the Department of Environment  
And Natural Resources

By:

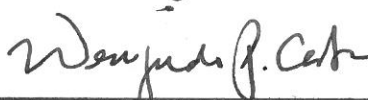
  
**VICENTE S. PARAGAS, CESO III**  
LESSOR



Witness

By:

  
**ALBERTO A. LIM**  
LESSEE



Witness

- ~~IX~~ To surrender to the RED or his duly authorized representative, the agreement if not to be renewed on the date of expiration, or if the holder is no longer interested in the area, or in case of cancellation, immediately after the effectivity of its cancellation;
- X. In case of death of individual FLaGT holder, the heir may apply for the transfer of FLaGT within ninety (90) days upon his death;
- XI. Non-Obstruction to Navigation – This FLaGT shall not be construed as permit for the holder to obstruct the free navigation of any stream, creek or river or marine coastal area adjoining or flowing through the area, or to prohibit or interfere with the passage of people along such streams, creeks or rivers or the banks thereof, or to impede the flow and ebb of the tide to and from the interior of the swamps;
- XII. The FLaGT holder shall pay the Government Share, in the amount of **P48,090.00** which is five percent (5%) of the most recent zonal value of the commercial zone within the barangay/municipality/city or province, whichever is higher and shall be paid within 30 days upon the issuance of FLaGT and annually thereafter within the same month that the FLaGT was issued. Failure to pay within the prescribed period shall be subject to surcharges of 8.33% monthly for late payment or 100% for one (1) year.
- XIII. As a guarantee of the faithful performance of and/or compliance with the Forest Laws and Regulations and the terms and conditions of the FLaGT and the payment of the government share thereof, the FLaGT holder shall post a cash bond of **P96,180.00** which is twice (2x) the amount of the government share within three (3) months from the issuance of the FLaGT.

By Authority of the Secretary  
Of the Department of Environment  
And Natural Resources

By:

  
**VICENTE S. PARAGAS, CESO III**  
LESSOR

  
Witness

By:

  
**ALBERTO A. LIM**  
LESSEE

  
Witness



### **GROUNDS FOR SSPENSION AND CANCELLATION OF FLAgT:**

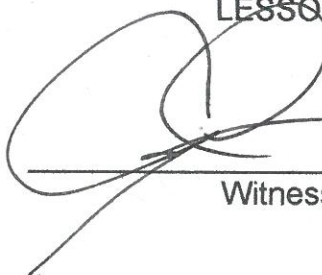
1. Failure of the FLAgT holder to settle administrative dues including government share after three (3) consecutives notices, after they become due and demandable.
2. Failure of the FLAgT holder to provide the necessary protection of the area.
3. Occupation of FLAgT holder of an area greater or other than that covered by the management agreement.
4. For allowing unauthorized person/s to use the area or any portion thereof for purposes other than what is specified in the management agreement;
5. If the privilege was obtained through fraud, misrepresentation or omission of material facts existing at the time of filing of the application.
6. Abandonment of the area or failure to exercise the privilege granted within the prescribed period of six (6) months from the issuance of the FLAgT without justifiable cause;
7. Failure to introduce improvement/development within the prescribed period as indicated in the comprehensive development/management plan.
8. Repeated violations of the provisions for cancellation.

Manila, Philippines **DEC 27 2005**, 200\_\_\_\_\_.

By Authority of the Secretary  
Of the Department of Environment  
And Natural Resources

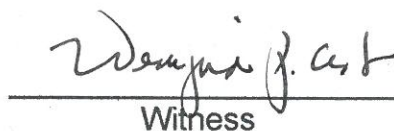
By:

**VICENTE S. PARAGAS, CESO III**  
LESSOR

  
\_\_\_\_\_  
Witness

By:

  
**ALBERTO A. LIM**  
LESSEE

  
\_\_\_\_\_  
Witness



# ACKNOWLEDGEMENT

Republic of the Philippines)  
Manila S.S.

BEFORE me, A Notary Public for and in Manila, Philippines on the JAN 04 2006 day of 20, personally appeared the following with their respective certificate opposite their names:

NAME	COM. TAX CERT. NO.	DATE/PLACE ISSUED
<u>ALBERTO A. LIM</u>	06024981	01-19-2005/Manila
<u>VICENTE S. PARAGAS, CESO III</u>	1200321705	02-02-2005 Ilo-ilo City

Known to me to be the same persons who executed the foregoing instruments and who acknowledged to me that the same is their free and voluntary act and deed, as well as the free and voluntary act and deed of the entities represented herein.

This instrument, which is the Forest Land Use Agreement for Tourism Purposes (BATHING ESTABLISHMENT) DENR IV MIMAROPA 12302030-0010, consists of FIVE (5) pages including this page when the ACKNOWLEDGEMENT is written, and is signed by the parties and their instrument on each page thereof.

**WITNESS MY HAND AND SEAL**, at the place and on the date written above.

Dennis L. Wagas  
**ATTY. DENNIS L. WAGAS**  
Notary Public NOTARY PUBLIC  
UNTIL DEC. 31, 2006  
PTR NO. 4547218 MLA. 1-2-06  
IBP NO. 656149 MLA. IV-1-6-06  
Until \_\_\_\_\_  
PTR No. ROLL NO. 48667  
Date Issued \_\_\_\_\_  
Place Issued \_\_\_\_\_

Doc. No. 4  
Page No. 2  
Book No. 111  
Series of 2006



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES  
REGION IV  
PROVINCIAL ENVIRONMENT AND NATURAL RESOURCES OFFICE  
STA. MONICA, PUERTO PRINCESA CITY

2.00030-3  
Annex "B"

## SPECIAL USE PERMIT ( BATHING ESTABLISHMENT )

November 06, 1998

NO. DENR-IV-PENRO-110699-0006

In accordance with Section 57 of Presidential Decree No. 705, otherwise known as the Revised Forestry Code of the Philippines and DENR Administrative Order No. 98-24 dated June 2, 1998, a Special Use Permit for Bathing Establishment is hereby granted to TEN KNOTS DEVELOPMENT CORPORATION to cover 5.0 hectares of public forest land situated at Cadlao Island, Brgy. Buena Suerte, El Nido, Province of Palawan as described on the attached sketch map which form part of this permit.

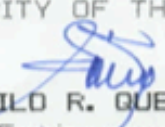
This permit is subject to the existing Forest Laws, Forestry Administrative Orders and regulations and/or those which may thereafter be promulgated including the terms and conditions embodied in Annex "B", the Environmental Compliance Certificate (ECC) which form part of this permit.

The annual rental of the area shall be payable in advance at Two Hundred Fifty Pesos ( P 250.00 ) per hectare until otherwise amended and until an appraisal or reappraisal of the land improvements therein shall have been made. Rental hereof shall eventually be based on 3% of the value of the land and 1% of the value of improvements.

The privilege granted under this permit is the use of the area by the above named permittee for BATHING ESTABLISHMENT.

This permit is NON-TRANSFERABLE AND NON-NEGOTIABLE, except as provided in Section 61 of the aforesaid Decree and expires on November 06, 1999.

BY AUTHORITY OF THE SECRETARY:

  
DANILO R. QUERIJERO  
Provincial Environment and Natural  
Resources Officer

Copy Furnished:

Secretary, DENR, Diliman, Q.C.  
RED, DENR, RIV, Roxas Blvd Manila  
Director of FMB, Diliman, Q.C.  
CENRO, Taytay  
File/angie

Condition : This permit is issued on the condition that the proponent shall comply with the requirements of P. D. 1586 ( EIA System ) prior to project implementation