

**SUBJECT : MONITORING AND ASSESSMENT RESULT ON THE
PERFORMANCE OF FOREST LAND USE AGREEMENT
FOR TOURISM PURPOSES (FLAgT) NO. 09-2010 ISSUED
ON MAY 26, 2010 LOCATED IN DIWARAN ISLAND,
BARANGAY MARCILLA, CORON, PALAWAN**

SHOW-CAUSE ORDER/NOTICE OF BREACH

TO : ALEXANDER R. REYES
Attorney-In-Fact
19 Loja St., Vista Verde Executive Village
Imelda Ave., Cainta, Rizal

Pursuant to the provisions of *DAO No. 2004-28* dated August 25, 2004 and *DAO 2009-16* dated November 25, 2009, it is the policy of the State to promote, encourage, provide equitable access to forestland and resources, and develop tourism as a major national activity in which private sector investment, effort and initiative are fostered and supported.

The government shall allow qualified persons to occupy, develop, utilize and sustainability manage forestlands for tourism purposes.

Based on the monitoring conducted on November 18, 2020 by the CENRO Coron, Palawan Monitoring and Assessment Team, their findings disclose that you failed to:

1. *Submit the required Annual Report/s to the DENR; and*
2. *Pay the required Annual Government Share since 2010.*

In FLAgT No. 09-2010 issued in the name of **Diwaran Resorts Philippines, Inc.**, as Attorney-In-Fact of said corporation, you expressly agreed to the following:

1. *Item IX-payment of an annual Government Share of Two Million Sixty Four Thousand Three Hundred Seventy Five Pesos (Php2,064,375.00);*
2. *Item No. XX- submission of an Annual Report showing developmental activities undertaken within the FLAgT Area in accordance with the approved Comprehensive Development Management Plan (CDMP); and,*
3. *Item No. XXII (a) - any violation of the terms and conditions, or failure to comply with the obligations stipulated in the contract will constitute grounds for the termination or cancellation of the FLAgT.*

In Item No. XXIII, it is provided that "*In the event the **FIRST PARTY** determines that any of the grounds in Item No. XXII exists, a **notice of breach** shall be sent to the **SECOND PARTY** giving the latter at least fifteen (15) calendar days to submit a written explanation. Before any termination is resorted to, the parties shall meet and exert best efforts to resolve the dispute, except when the grounds refer to items (b) and (c). The **SECOND PARTY** shall be given reasonable time within which to remedy the breach or to implement the agreed remedial measures.*"