

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

## FOREST LAND USE AGREEMENT for TOURISM PURPOSES (FLAGT)

### BATHING ESTABLISHMENT

NO. DENR IV-MIMAROPA-123020300-0010

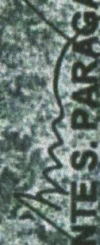
is hereby awarded to

**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



**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**


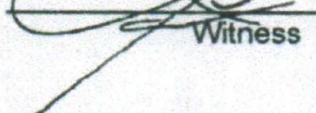
This Forest Land Use Agreement for Tourism purposes (FLAgT) made and entered into by and between the OIC, ASEC for Field Operations Concurrent Regional Executive Director of DENR IV-MIMAROPA REGION, **VICENTE S. PARAGAS, CESO III**, for and in behalf of the Republic of the Philippines, hereinafter called 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**

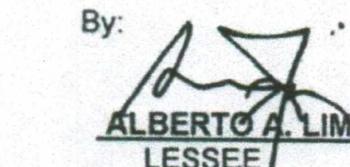
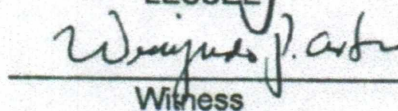
That the LESSOR, as Regional Executive Director of DENR IV-MIMAROPA, acting under the authority of Section 1838 of Republic Act No. 2711, as amended by E.O. 292, known as the Revised Administrative Code, as amended; Section 57 of P.D. 705, as amended and DAO 2004-28, hereby grants to the LESSEE a **FOREST 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:

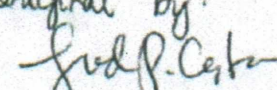
By Authority of the Secretary  
Of the Department of Environment  
And Natural Resources

By:

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

By:

  
**ALBERTO A. LIM**  
**LESSEE**  
  
**Witness**

Received Original by:  
 11/04/06



- 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



### **GROUND S FOR SUSPENSION 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 \_\_\_\_\_ day of JAN 04 2006, 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.

D. L. Wagas  
**ATTY. DENNIS L. WAGAS**

Notary Public **NOTARY PUBLIC**  
UNTIL DEC. 31, 2006

PTR NO. 4547212 MLA. 1-2-06

Until IBP NO. 656149 MLA. IV-1-6-06

PTR No. ROLL NO. 48667

Date Issued \_\_\_\_\_

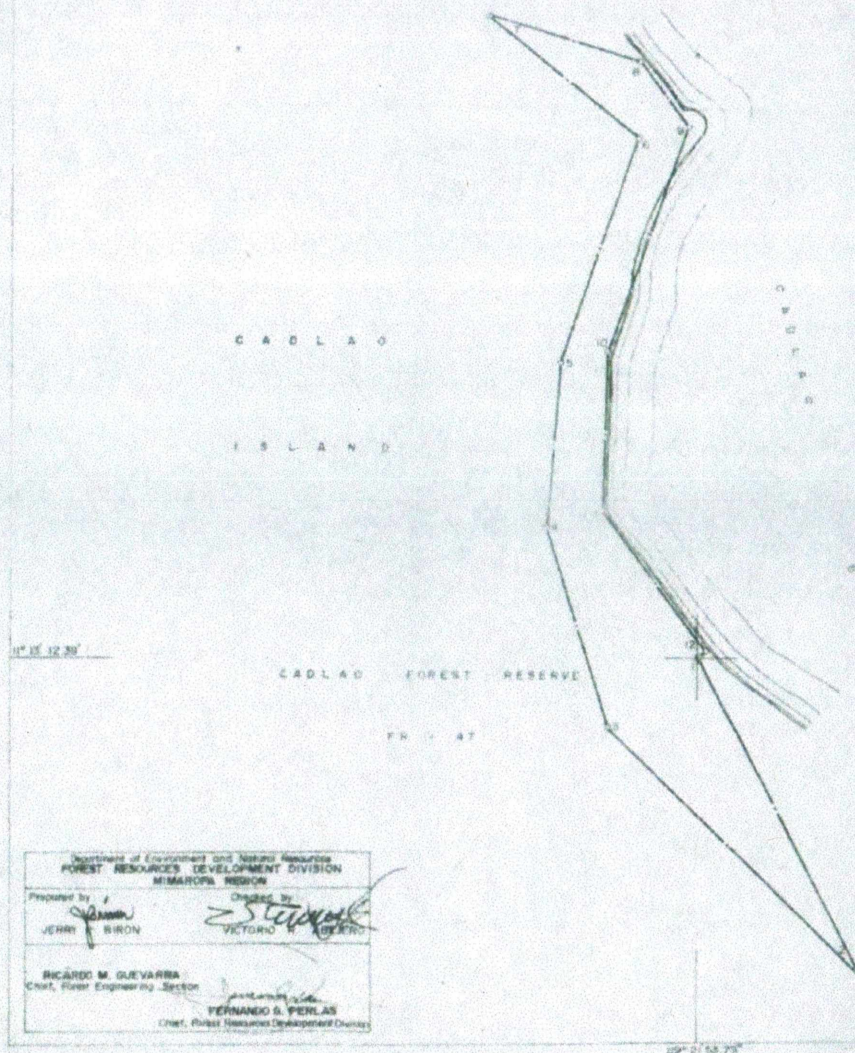
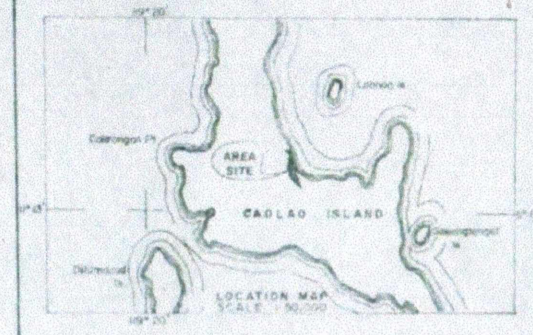
Place Issued \_\_\_\_\_

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Book No. 711  
Series of 2006



TECHNICAL DESCRIPTION		
TIE POINT: Cor 1 is N 44°00' W, 5.240 M from Cor 9 (Rock X), Pts 9-5, ABC, per LC Map No. 187.		
CDR	BEARING AND DISTANCE TO NEXT CORNER	TREE MONUMENT OR NATURAL LANDMARK
1	S 27° 00' E 244.00 M	STAKE
2	N 49° 00' W 245.00 M	IPIL 30 CM DIA
3	N 17° 00' W 145.00 M	STAKE
4	N 09° 00' E 112.00 M	IPIL 40 CM DIA
		REFERENCE OR LOCATION
		BEHIND BOULDER
		ON THE GROUND
		BOULDER
		ON THE GROUND

5	N 09° 00' E 155.00 M	KATMON 40 CM DIA	ON THE GROUND
6	N 51° 00' W 135.00 M	STAKE	
7	S 73° 00' E 110.00 M		
8	S 36° 00' E 95.00 M		ALONG SHORELINE
9	S 30° 00' W 95.00 M		ON THE GROUND
10	S 02° 00' W 108.00 M		ALONG SHORELINE
11	S 30° 00' E 120.00 M		
12	S 44° 00' W 8.00 M	IPIL 30 CM DIA	



  
**MAP**  
 SHOWING THE AREA COVERED BY  
**FOREST LAND USE AGREEMENT FOR TOURISM PURPOSES (FLAgT)**  
**No. DENR IV-MIMAROPA-12302030-0010**

OF  
**TEN KNOTS PHILIPPINES, INC.**  
**(TEN KNOTS DEVELOPMENT CORP.)**  
**CADLAO ISLAND**

LOCATED AT  
 ISLAND OF CADLAO  
 MUNICIPALITY OF EL NIDO  
 PROVINCE OF PALAWAN

APPROXIMATE AREA 3.006 HECTARES  
 SCALE 1:50,000

LEGEND  
 Boundary of the Area  
 Shoreline

Republic of the Philippines  
 DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES  
 MIMAROPA REGION  
 CERTIFICATION

This is to certify that this is the true and correct map of the area covered by FOREST LAND USE AGREEMENT FOR TOURISM PURPOSES (FLAgT) No. DENR IV-MIMAROPA-12302030-0010 of TEN KNOTS PHILIPPINES, INC. (TKDC) (CADLAO ISLAND) as described herein. This map was prepared based on the compilation map submitted and other references available in this Office.

JOSE M. DUQUENAY  
 Chief, Forest Resource Conservation Division

RECOMMENDING APPROVAL  
 ARMANDO R. RUTAGIRO  
 Regional Technical Director for Forestry

APPROVED  
 VICENTE S. PARANGAS, CESOS  
 D.C., ASST. for Field Operations,  
 Component Regional Executive Director  
 Region IV-B

Department of Environment and Natural Resources  
 FOREST RESOURCES DEVELOPMENT DIVISION  
 MIMAROPA REGION  
 Prepared by: JERRY NIRON  
 Checked by: VICTORIO N. ALBERO  
 RICARDO M. GUEVARRA  
 Chief, Forest Engineering Section  
 FERNANDO S. PERLAS  
 Chief, Forest Resources Development Division