

# EURO-PACIFIC RESORTS, INC.

29 September 2023

**FELIX S. MIRASOL, JR., CESO IV**  
**OIC-Regional Executive Director**  
DENR EMB Region IV – MIMAROPA  
1515 DENR By the Bay  
Roxas Boulevard, Ermita, Manila

**Subject: Letter of Intent for Renewal of Forest Land Use Agreement for Tourism Purposes  
(FLAGT) of Euro-Pacific Resorts, Inc. (EPRI)**


Dear RED Mirasol,

Our company, **Euro-Pacific Resorts, Inc.**, was awarded a FLAGT agreement no. DENR 4B-12312029-0001 for the Resort and Bathing Establishment Project, covering fourteen (14) hectares of the public forest located at Dimakya Island, Barangay San Jose, Coron, Palawan. This was granted on December 16, 2004 and expires on December 31, 2029.

Based on DENR Administrative Order (DAO) No. 2004-28, the FLAGT shall have a maximum duration of twenty-five (25) years and renewable for the same period. In connection with this, we would like to express our intention to renew our FLAGT for another twenty-five years.

We are seeking your kind consideration on the matter. Thank you.

Respectfully yours,



**Jerome Anthony Nocom**  
Project Administrator



Republic of the Philippines  
DEPARTMENT OF ENVIRONMENT AND NATURAL RESOURCES  
REGION IV-B, MIMAROPA  
LBB Building, 1515 Roxas Boulevard, Ermita, Manila

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

### ♣ ♣ BATHING ESTABLISHMENT ♣ ♣

No. DENR 4B-12312029-0001

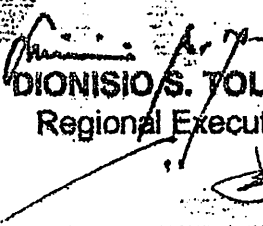
is

hereby awarded to

**EURO PACIFIC RESORTS, INC.**  
(Lessee)

Covering fourteen (14) hectares of the public forest, located at Dimakya Island, Barangay San Jose, Coron, Palawan for BATHING ESTABLISHMENT (FLAgT) 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 31, 2029.

Given this 16<sup>th</sup> day of December, in the year of our Lord Two Thousand and Four at the City of Manila.

  
DIONISIO S. TOLENTINO, JR.  
Regional Executive Director



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)  
NO. DENR 4B-12312029-0001**

of  
**EURO PACIFIC RESORTS, INC.**  
(Lessee)

Dimakya Island, Barangay San Jose, Coron, Palawan  
(Location of the Area)

This Agreement made and entered into by and between the Regional Executive Director of DENR R4-B-MIMAROPA, DIONISIO S. TOLENTINO, JR., for and in behalf of the Republic of the Philippines hereinafter called the LESSOR and EURO PACIFIC RESORTS, INC., represented by Ma. Olivia Paz P. Arle, Manager, Office of the President (EPR) with Office address at Regent Building, Malunggay Road, FTI Complex, Taguig, Metro Manila herein referred to as the LESSEE.

**WITNESSETH**

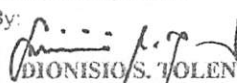
That LESSOR, as Regional Executive Director of DENR 4B-MIMAROPA, acting under the authority of Section 1838 of Republic Act No. 2711 as amended by E.O. 292, known as the Revised Administrative Code, as amended; Section 57 of P.D. 705, as amended and DAO 2004-28 hereby issue to the LESSEE FOURTEEN (14) hectares of forest lands for **FOREST LAND USE AGREEMENT FOR TOURISM PURPOSES (FLAGT)-(BATHING ESTABLISHMENT)** for a period of TWENTY FIVE (25) years to expire on **December 31, 2029** located at **Dimakya Island, Barangay San Jose, Coron, Palawan**, the description and boundaries shown in the attached sketch map which forms part of this LEASE AGREEMENT; subject to the following conditions:

- I. This LEASE AGREEMENT is subject to existing pertinent Environment and Forest Laws, Rules and Regulations, and those that may be promulgated hereafter;
- II. The LESSEE agrees to construct on the land covered by this AGREEMENT such building/s and/or accessories pertinent to the operation or purposes for which this agreement is granted;
- III. The LEASE herein granted shall be confined within the perimeter of the parcel of land described herein and no parcel of public forest land shall be utilized by the herein LESSEE without first securing therefor the prior permission of the LESSOR.

By Authority of the Secretary  
of the Department of Environment  
and Natural Resources

**EURO PACIFIC RESORTS, INC.**

By:

  
**DIONISIO S. TOLENTINO, JR.**  
LESSOR

By:

  
**MA. OLIVIA PAZ P. ARLE**  
LESSEE

  
Witness

  
Witness

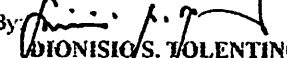
  
Witness

- IV. The area leased herein is a public forest land to the best knowledge and belief of the parties herein and accordingly, the LESSOR shall not be responsible for any loss suffered by the LESSEE in case the land is declared private property of another or otherwise reduced, modified, amended or cancelled as result of prior existing valid private claims or interest therein;
- V. The decision of the Regional Executive Director Region 4B, as to the exact location and boundaries of the area covered by this Agreement shall be final;
- VI. Before constructing any building of permanent character on the area granted, permission must be first secured from the Regional Executive Director Region 4B, who shall prescribe the conditions under which it shall be constructed;
- VII. The annual RENTAL FEE shall be P217,825.12 until December 31, 2029; THEREAFTER, and every five (5) years, the RENTAL FEE shall be based on the assessment/reappraisal of the land under lease and its improvements to be determined by the Regional Executive Director Region 4B, for the first 5-year period and every five years thereafter; PROVIDED, that the rental fee shall not be less than 3% and 1% of the assessed/reappraised value of the land and improvements therein, respectively;
- VIII. The annual RENTAL FEE shall be paid by the LESSEE without waiting for any call therefore, on or before the first week of January of each year after the execution and during the continuance of this Lease Agreement. For failure to pay annual rental fee on the date due, the LESSEE shall be penalized by additional charges as follows;
- |                                     |                   |
|-------------------------------------|-------------------|
| RENTAL FEE paid beyond to March 30  | - 10% surcharges  |
| RENTAL FEE paid beyond June 29      | - 20% surcharges  |
| RENTAL FEE paid beyond September 29 | - 30% surcharges  |
| RENTAL FEE paid beyond December 30  | - 50% surcharges  |
| RENTAL FEE paid after one year      | - 100% surcharges |
- IX. Failure to pay the RENTAL FEE and surcharges within one (1) year after the regular rental fee had become due and payable without justifiable cause shall be sufficient ground for the cancellation of this LEASE AGREEMENT.
- X. No refund of the annual user's fee paid shall be made due to its cancellation before its expiration, either through the request of the LESSEE or for violation of any of the terms and conditions of this LEASE AGREEMENT or of any forest Laws and Regulations;

By Authority of the Secretary  
of the Department of Environment  
and Natural Resources

EURO PACIFIC RESORTS, INC.

By:

By:   
DIONISIO S. TOLENTINO, JR.  
LESSOR

  
MA. OLIVIA PAZ P. ARLE  
LESSEE

  
Witness

  
Witness

  
Witness

- XI. No RENTAL FEE shall be construed as continuance of the expired LEASE AGREEMENT.
- XII. As a guarantee of the faithful performance of and/or compliance with the Forest laws and Regulations and the terms and conditions of the LEASE AGREEMENT and the payment of the RENTAL FEE charge thereof, the LESSEE shall post a cash bond in the amount of FOUR HUNDRED THIRTY-FIVE THOUSAND, SIX HUNDRED FIFTY AND TWENTY-FOUR CENTAVOS (P435,650.24). If surety bond is inevitable, post a cash bond of ONE HUNDRED THOUSAND PESOS (P100,000.00) and the balance maybe made in form of surety bond amounting to FOUR HUNDRED NINETEEN THOUSAND, FIVE HUNDRED SIXTY-TWO AND EIGHTY CENTAVOS (P419,562.80) after adding 25% to the balance of THREE HUNDRED THIRTY-FIVE THOUSAND, SIX HUNDRED FIFTY AND TWENTY-FOUR CENTAVOS (P335,650.24);
- XIII. The LESSEE shall not cut trees within the leased area specially within TWENTY (20) meters along banks of rivers/creeks;
- XIV. The LESSEE shall undertake tree planting within twenty (20) meters strip along of rivers/creeks; protect the water resources in the area from all forms of pollution and the unique and endangered species of plants and animals;
- XV. The LESSEE shall strictly observed complete sanitary measures within the leased area to ensure protection of watershed values;
- XVI. This LEASE AGREEMENT shall terminate upon the abolition of the Corporation.
- XVII. The LESSEE upon the expiration or cancellation of this lease, shall not acquire any right by virtue of the said agreement or claim of whatever kind, the lessee has introduced upon the land;
- XVIII. Upon cancellation of the LEASE AGREEMENT through fault of the LESSEE, the improvement existing thereon shall revert to, and become the property of the Government. In case the same is granted to another grantee such improvement shall be appraised accordingly and new grantee shall either rent or pay the government the corresponding price thereof;
- XIX. Upon the expiration or cancellation of this agreement the LESSEE may at the discretion of the LESSOR be allowed to hold the land for the period of not exceeding ninety (90) days, only for the purpose of removing temporary improvement and putting the land to its original conditions;
- XX. The privilege granted as well as terms and conditions thereof shall be subject to any and all modifications or alterations which Congress may adopt pursuant to Section 2, Art 12 of the 1987 Constitution;

By Authority of the Secretary  
of the Department of Environment  
and Natural Resources

EURO PACIFIC RESORTS, INC.

By:   
DIONISIO S. TOLENTINO, JR.  
LESSOR

  
MA. OLIVIA PAZ P. ARLE  
LESSEE

  
Witness

  
Witness

- XXI. In case of transfer of the agreement or any assets of the LESSEE, the provisions of Section 61 of PD 705 as amended shall be observed;
- XXII. This LEASE AGREEMENT may be terminated earlier than the date indicated herein upon violation of any of the above cited terms and conditions;
- XXIII. This LEASE AGREEMENT is non-transferable and non-negotiable except as provided in Presidential Degree No. 705 as amended.

Manila, Philippines DEC 16 2004, 200 \_\_\_\_\_

By Authority of the Secretary  
of the Department of Environment  
and Natural Resources


EURO PACIFIC RESORTS, INC.

By:

  
DIONISIO S. TOLENTINO, JR.  
LESSOR

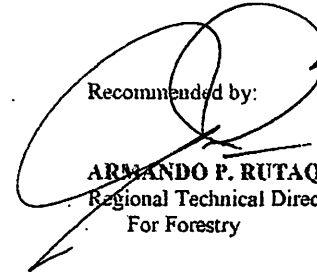
  
MA. OLIVIA PAZ P. ARLE  
LESSEE

  
Witness

  
Witness

  
Witness

Recommended by:

  
ARMANDO P. RUTAQUIO  
Regional Technical Director  
For Forestry

  
JOSE M. DIFUNTORUM  
Chief, Forest Resources Conservation  
Division

ACKNOWLEDGEMENT

Republic of the Philippines)

~~CITY OF MANILA~~ S.S.

BEFORE me, A Notary Public for and ~~CITY OF MANILA~~, Philippines, on the \_\_\_\_\_ day of 16 DEC 2004, personally appeared the following with their respective certificate opposite their names:

NAME	COM. TAX. CERT. NO.	DATE/PLACE ISSUED
MA. OLIVIA PAZ P. ARLE	05987900	09-23-04/Las Pinas City
DIONISIO S. TOLENTINO JR.,	1238940	02-03-04/Manila

Known to me to be the same persons who executed the foregoing instruments, and who acknowledge 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 instruments, which is the Forest Land Use Agreement for Tourism Purposes (BATHING ESTABLISHMENT) DENR NO.4B-12312029-0001, consist of 5 pagos 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.

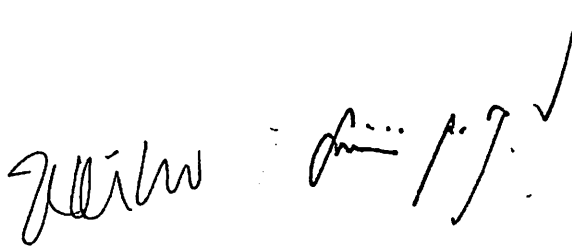
Notary Public

Until \_\_\_\_\_  
PTR No. \_\_\_\_\_  
Date Issued \_\_\_\_\_  
Place Issued \_\_\_\_\_

Doc. No. 413  
Page No. 83  
Book No. 12818  
Series of 2004

ATTY. FERNANDO T. COLDANTES  
NOTARY PUBLIC  
UNTIL DECEMBER 31, 2004  
PTR NO. 2703386/1-05-04/MLA.  
IBP NO. 607732/1-20-04-PASIG  
TIN 165-380-952





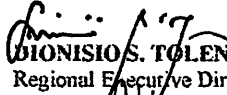
ADDITIONAL TERMS AND CONDITIONS  
OF  
FOREST LAND USE AGREEMENT FOR TOURISM PURPOSES (FLAgT)

1. 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.
2. 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.
3. The holder shall immediately secure the required Environmental Compliance Certificate (ECC) and other necessary permits prior to conduct of any activity in the area.
4. The holder shall utilize the area only 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.
5. 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.
6. The holder shall strictly adopt ecological solid waste management and abide with the provisions of the Clean Water Act.
7. 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.
8. 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 shares of the company or corporation as provided for in PD 705, as amended.
9. 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.
10. In case of death of individual FLAgT holder, the heir may apply for the transfer of FLAgT within ninety (90) days upon his death.
11. 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.

*[Handwritten signature]*



12. The government share which is five percent (5%) of the most recent value of the commercial zone within Barangay San Jose shall be paid within thirty (30) days upon the issuance of the 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% for late payment or 100% for one (1) year.

  
DIONISIO S. TOLENTINO, JR.  
Regional Executive Director