

CONTRACT OF LEASE

KNOW ALL MEN BY THESE PRESENTS:

This CONTRACT OF LEASE made and entered into by and between;

_____, a corporation duly organized and existing under the laws of the Republic of the Philippines, with office address at _____, represented in this act by its _____ hereinafter referred to as the "**LESSOR**"

and

The PHILIPPINE STATISTICS AUTHORITY (PSA), instrumentality of the Republic of the Philippines, organized and existing under the laws of the Republic of the Philippines, with principal office at CVEA Building, East Avenue, Quezon City, Philippines with **HON. LISA GRACE S. BERSALES, Ph. D.**, National Statistician, duly represented in Region No. XIII (Caraga Region), Butuan City by **ROSALINDA CELESTE-APURA, D.M.**, Interim Regional Director, of legal age, married and a resident of Barangay 5 San Francisco, Agusan del Sur, Philippines, hereinafter referred to as "**LESSEE**",

WITNESSETH:

WHEREAS, the PSA is in need of an office space of more or less 1295 square meter for the use of the Regional Statistical Service Office No. XIII –Caraga Region (RSSO XIII) and CRS Butuan Outlet;

WHEREAS, RSSO XIII has submitted the feasibility study and requested authority to transfer the office of RSSO XIII and the CRS Butuan Outlet with Approved Budget for Contract;

WHEREAS, the RSSO XIII has received approval of such request dated November 3, 2015 signed for the National Statistician by Assistant National Statistician **Maribeth C. Pilimpinas**;

WHEREAS, RSSO XIII thru its' Regional Bids and Awards Committee resolved to procure the lease of office space under Section 53. 10 of the Revised Implementing Rules and Regulations of the Republic Act No. 9184, in relation to Appendix 7 (Implementing Guidelines for Lease of Privately-Owned Real Estate and Venue) thereof;

WHEREAS, the **LESSOR** was declared as the most advantageous to the government after the completion of evaluation process;

WHEREAS, RSSO XIII, through RBAC Resolution No. _____ dated resolved to award the contract to the **LESSOR** in the amount of _____ inclusive of taxes and other fiscal levies.

NOW THEREFORE, for and in consideration of the foregoing premises and of the conditions stipulated hereunder, the **LESSOR** hereby leases unto the **LESSEE** its office space at _____, and the **LESSEE** hereby accepts the same, subject to the following terms and conditions:

I. TERM OF LEASE

The Contract of Lease will be for a period of FIVE (5) YEARS starting March 1, 2016 to February 28, 2021 and is renewable yearly upon such terms and condition as may be mutually agreed by both parties; *Provided, however,* that the **LESSEE** shall give written notice to the **LESSOR** of its' desire to renew this Contract not later than sixty (60) days prior to its' expiration;

Pre-termination of the contract will be subject to a payment of 20% of the Total Contract Duration to defray the cost of all Building Inclusion specifically made for **Philippine Statistics Authority**.

II. RENTAL RATE

The monthly rental for the office space shall be **Php 270.00 per square meter**, the total rented floor space is at **1,294.7 square meters** with a total monthly rent of **Three Hundred Forty Nine Thousand Five Hundred Sixty Nine pesos (Php 349,569.00)**, inclusive of taxes and other fiscal levies;

That the annual monthly rental fee will be subjected to an increase of **(8%) Eight Percent** per year of every year for the (5) Five years duration of the Contract.

- 1st year** – P349,569.00 as monthly rental
- 2nd year** – P377,534.52 as monthly rental
- 3rd year** – P407,737.28 as monthly rental
- 4th year** – P440,356.26 as monthly rental
- 5th year** – P475,584.77 as monthly rental

It is understood that a guaranteed 12 parking space area, which shall be for the exclusive use of the **LESSEE**, shall be free of charge.

III. OBLIGATION OF THE LESSOR

The **LESSOR** shall:

1. Provide the **LESSEE** more or less 1295 square meter office space;
2. Deliver to the **LESSEE** the Office Space in good and tenantable conditions, and must be suitable for work area and service such as lighting facilities with 50 kva Transformer Installation-Single Phase, functional fire alarm, continues water supply;
3. Provide the **LESSEE** the office space facility with complete full and partial partitions under the instruction of PSA RSSO XIII, comfort rooms, pantry, document storage room, CRS Outlet working area with six (6) window counters, application and releasing area with roll-up door and fix grills. The specification and quantity of which are provided in Annex B-Office/Room/Cubicle and Other Facility Requirements) of this Contract;
4. Provide the signage and its space free of charge at the discretion of the **LESSOR**.
5. Faithfully comply with the warranties provided under Clause VI of this Contract

6. Undertake all major repairs to the office space at its own expense after 3 years of usage, ordinary wear and tear excluded;
7. Comply with the applicable provisions of the Terms of Reference for the provision of office space which form part of this Contract, copy of which is appended as Annex "A"

IV. OBLIGATION OF THE LESSEE

The **LESSEE** shall:

1. Maintain, at its expense, the office space lease in a clean and sanitary condition, free from pests, bad obnoxious odors, disturbing noises and other nuisances;
2. Agree to comply, at its own expense, with all the requirement of the city ordinances on proper waste management and disposal of garbage, refuse and other waste matters and maintenance of the necessary receptacles for such purposes within the office premises occupied by PSA;
3. Undertake, at own expense, ordinary repairs of the office space which amount does not exceed P5,000.00;

However, the **LESSEE** shall not make any alterations, additions, removals in and/or improvement upon the office space lease without the prior consent of the **LESSOR**. All alterations, additions or improvements undertaken by the **LESSEE** shall become the property of the **LESSOR** upon termination of the lease, without obligation on the part of the **LESSOR** to reimburse the **LESSEE** for the cost thereof; *Provided, however*, that all movable fixtures and improvements such as air-conditioning units, electric fans, tables, chairs, and other removable partitions introduced or fabricated in the office space by the **LESSEE**, may be removed by the latter upon termination of the lease; *Provided further*, that such removal shall not cause damage to the office space.

4. Conduct a Structural, Mechanical, Electrical and other related integrity inspection of the building to safe and tenable condition.
5. Pay and defray all its exclusive expense, the costs of electricity, water, telephone, internet, and other utility services and the repair and maintenance of all air-conditioning units in the office space;
6. Not mortgage or sublet the office space or any thereof;
7. Promptly surrender the office space with all the keys upon termination of this lease, or cancellation of the same as herein provided, in the same conditions in which the **LESSEE** received them, ordinary wear and tear and damage beyond the **LESSEE'S** control expected, devoid of all occupants, furniture articles and effects of any kind other than such alterations, additions, or improvements which the **LESSEE** may elect to make, in accordance with the pertinent provisions of this Contract.

Pay all the utility bills and present to the **LESSOR** the proof of payments before vacating the lease premises.

V. WARRANTIES

The LESSOR warrants the:

1. Office space, including the land on which it is situated does not belong to any PSA personnel within the fourth civil degree of affinity or consanguinity;
2. Structural integrity of the office space and its' facility, its' compliance with the National Building Code and other pertinent laws, rules and regulations and ordinances;
3. Entire Building Only is insured against all risk of physical loss, destruction or damage directly or indirectly attribute to any cause, such as fire or lighting, (LESSOR sole beneficiary)
4. Continuous and peaceful use, possession, occupancy and enjoyment of the office space throughout the entire lease term and its' extension, as the case may be.

VI. INSPECTION OF PREMISES AND REPAIRS

With prior coordination and arrangement with the **LESSEE**, the **LESSOR** or its authorized representative/s, shall have the right to enter the office space only for purposes of inspecting the same to make repairs or alterations as may be necessary, and for such other purposes relative to the upkeep and maintenance of the building. The **LESSEE** shall thus allow the maintenance or repairmen of access to the office space whenever necessary.

VII. EXPENSES

Real estate taxes, licenses, government assessments and insurance charges covering the Building Only for lease shall be for the account of the **LESSOR**.

That the insurance of office equipments, materials and other related office supplies will be shouldered by the **LESSEE**, (LESSEE sole beneficiary)

All utility expenses, such as water, power supply, telephone and internet connections shall be borne by **LESSEE**.

VIII. LIABILITY AND INDEMNIFICATION

1. The **LESSOR** shall hold the **LESSEE** harmless and free, and/or otherwise indemnify the latter from any third-party claims arising from this Contract, pertinent provisions of laws, rules and regulations and/or ordinances.
2. The **LESSOR**, however, sans participation, negligence or fault, shall not be liable for:
 - (a) Failure of power and water supply, and telephone and internet connections;
 - (b) Any damage caused by fire, earthquake, strike, demonstration, riot, rebellion, typhoon, war or any unforeseen event which may render the building physically untenable or incapable of occupation.

3. In the event of legal action to enforce this Contract or any part thereof, the prevailing party shall be entitled to reasonable attorney's fees and actual costs incurred in connection therewith.

IX. POWER SUPPLY AND OTHER REQUIREMENTS

1. The **LESSEE** may install, at its own expense with prior consultation and coordination:
 - (a) a back-up generator set to ensure continuous power supply in selected office space lease;
 - (b) security mechanisms, gadget, equipment within the office space lease to ensure the safety of all occupants, visitors and properties stored therein:
2. All licenses or permits and expenses relative to the above shall be the responsibility of the **LESSEE**

X. CONTROL OF THE LEASE OFFICE SPACES

Considering that the equipment, supplies and paraphernalia and activities to be undertaken therein are all PSA related activities, the **LESSEE** shall have full control and supervision over the entire office space, ingress and egress into the premises by individuals, including the **LESSOR**, its' agents or employees. Thus, only those authorized by the **LESSEE** are allowed access to the office space, subject to its terms and conditions.

The **LESSEE** shall also deploy its own security personnel and deputize the Philippine National Police for the purpose.

XI. DISPUTES

1. Any dispute between the **LESSOR** and the **LESSEE** arising from this Contract shall be mutually and immediately resolved. Should mutual resolution be not reached by the parties, such disputes may be resolved by arbitration or other alternative modes of disputes resolution in the City of Butuan according to the provisions of Republic Act No.876, otherwise known as the " Arbitration Law", as amended by Republic Act No.9285.
2. All suits, actions and proceedings between the parties under this Contract, may be brought before the court of competent jurisdiction only in the City of Butuan.
3. The pendency of any issue, action or proceeding, as stated above, shall not suspend the exercise of rights and performance of obligations of the parties under this Contract or otherwise delay the activities being undertaken by the **LESSEE** in the office space lease.

XII. TERMINATION AND RESCISSION

1. In case the office space shall be partially destroyed or damaged due to any cause stated above or those beyond the control of the **LESSOR**, either party may cancel this Contract in order to effect the repairs or construction without incurring any liability therefor. This Contract shall likewise be rescinded in the

event that the office space should be totally destroyed or damaged due to any cause beyond the control of the **LESSEE**. In any of these cases, the **LESSEE** shall pay the rental due as of the date on which the partial or total destruction should have occurred.

2. This Contract may be pre-terminated by either party for a cause provided by law, or for failure of any party to comply with its obligation/s as specified herein; Provided that an advance notice is served to the other party sixty (60) days before pre-termination, stating therein the reason for such pre-termination. The **LESSEE**, being the government institution, may also terminate this Contract for the convenience of the Government, if there exists conditions that would make the lease impractical and/or unnecessary, such as but not limited to changes in law and national government policies.
3. In the event that the **LESSEE** should fail to surrender the office space to the **LESSOR** after the end of the term of this Contract and continues to occupy the same, in part or in whole, without any written mutual agreement as to the renewal or extension thereof, the relevant provisions of this Contract shall continue to be in full force and effect in a month-to-month basis, provided the term of an annual increase of (8%) Eight percent still effect.

XIII. CONTRACT AMENDMENTS

Any amendments to, modification of, or supplement to this Contract, or additional rules and regulations for the use of the office space lease, must be subject to the mutual agreement of the parties after prior consultations between the parties, and cannot be made by expert.

XIV. SEVERABILITY

Should any part or provision of this Contract be declared or found to be unlawful, unenforceable or void, the parties shall negotiate in good faith to agree upon a substitute lawful and enforceable provision, consistent with the underlying intentions of the parties, If the remainder of this Contract is not materially affected by such declaration or finding and is capable of substantial performance, such remainder shall be enforced to the extent permitted by law.

IN WITNESS WHEREOF, the parties have hereunto affixed their respective signature this ___ day of December 2015 at Butuan City, Philippines.

PHILIPPINE STATISTICS AUTHORITY
LESSEE

LESSOR

FOR THE NATIONAL STATISTICIAN:

By:
ROSALINDA CELETE-APURA, D.M
Interim Regional Director

By:

SIGNED IN THE PRESENCE OF:

ROWENA P. PETATE
OIC Division Chief, CRASD
(Administrative Officer V)

Witness of the LESSOR

Certified as to funds availability:

BERNADETH I. BONACHITA
Accountant II

ACKNOWLEDGEMENT

Republic of the Philippines)
City of Butuan -----) S.S.
X -----)

BEFORE ME, a Notary Public, for and in the City of Butuan and Province of Agusan del Norte, this _____ of December 2015, personally appeared the above-named persons with their Community Tax Certificates, known to me to be the same persons who executed the foregoing instrument and they acknowledged to me that the same are their free act and deed.

<u>NAME</u>	<u>CTC NO</u>	<u>ISSUED ON</u>	<u>ISSUED AT</u>
ROSALINDA C. APURA			
_____	_____	_____	_____

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

Doc. No. _____
Page No. _____
Book No. _____
Series of 2015