

CONTRACT OF LEASE

KNOW ALL MEN BY THESE PRESENTS:

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

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

and

The PHILIPPINE STATISTICS AUTHORITY (PSA), created under Republic Act 10625 with principal office at 3rd Floor CVEA Bldg., East Avenue, Quezon City, Philippines with **HON. LISA GRACE S. BERSALES, Ph.D**, National Statistician and Civil Registrar General, duly represented in Region No. XIII (Caraga Region), Lopez Jaena Extension, Butuan City by **ROSALINDA CELESTE - APURA, D.M.**, OIC-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 1,295 square meters for the use of the Regional Statistical Services Office No. XIII –Caraga Region (RSSO XIII) and CRS Butuan Outlet;

WHEREAS, RSSO XIII has submitted the corresponding feasibility study and requested the authority to transfer the office of RSSO XIII and the CRS Butuan City Outlet and the corresponding 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. _____ resolved to award the contract to the **LESSOR** in the amount of _____ pesos per month 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 _____, with a total floor area/space of 1,294.7 square meters and the **LESSEE** hereby accepts the same, subject to the following terms and conditions:

I. TERM OF LEASE

The Contract of Lease shall be for a period of _____ years starting _____ and is renewable ___ upon such terms and conditions 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;

II. RENTAL RATE

The monthly rental fee shall be _____ inclusive of taxes and other fiscal levies.

III. OBLIGATION OF THE LESSOR

The **LESSOR** shall:

1. Provide the **LESSEE** 1,294.7 square meter office space;
2. Deliver to the **LESSEE** the office space in good and tenantable conditions suitable for work and service delivery to include lighting facilities, functional fire alarm, continuous water supply and a 50 KVA Transformer;
3. Provide the **LESSEE** the office space facility with complete full and partial partitions under their instruction or specifications;
4. Provide comfort rooms, pantry, document storage room, facilities for the CRS Outlet working area like six (6) window counters, working cubicles, application and releasing area with fixed grills. Provided further that when the **LESSEE** decide later to enclose the application and releasing area, no obligation shall be added to the **LESSEE** and shall be free of charge. The specification and quantity of which are provided in Annex B (Office/Room/Cubicle and Other Facility Requirements) of this contract;
5. Provide the signage and space free of charge at his discretion;
6. Provide the **LESSEE** guaranteed parking space for twelve (12) slots for its exclusive use free of charge.
7. Undertake all major repairs to the office space at its own expense after 3 years of usage, ordinary wear and tear excluded;
8. Accountable for the real estate taxes, licenses, government assessments and insurance charges covering the building (only);
9. Comply with the Terms of Reference for the provision of office space which forms part of this contract, copy of which is appended as Annex "A" and the warranties provided under Clause V of this Contract;

IV. OBLIGATION OF THE LESSEE

The **LESSEE** shall:

1. Maintain at its expense the office space in a clean and sanitary condition, obnoxious odors, disturbing noises and other nuisances;
2. Agree to comply at its own expense with all the requirements of the city ordinances on proper waste management and disposed of garbage, refuse and other waste matters and maintenance of the necessary receptacles for such purposes within the office premises;
3. Undertake at own expense ordinary repairs of the office space with amount not exceeding Five Thousand (P5,000.00) pesos;

However, the **LESSEE** shall not make any alterations, additions, removal and/or improvement upon the office space without the prior consent of the **LESSOR**. 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 for air-conditioning units, electric fans, tables, chairs, and other removable partitions introduced or fabricated in the office space by the **LESSEE**, maybe 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 ensure 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;
6. Not mortgage or sublet the office space or any portion thereof;
7. Promptly surrender the office space with all the keys upon termination of this contract 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.
8. See to it that all utility bills are paid and present to the **LESSOR** the proof of payments before vacating the leased premises;
9. Pay the insurance of office equipment, materials and other related office supplies with the **LESSEE** as sole beneficiary.

V. WARRANTIES

The **LESSOR** warrants that the:

1. Office space including the land on which it is situated does not belong to any **LESSEE'S** personnel within the fourth civil degree of affinity or consanguinity;
2. Structural integrity of the building and its facility complied with the National Building Code and other pertinent laws, rules and regulations and ordinances;

3. Entire building is insured against all risk of physical loss, destruction or damage which can directly or indirectly attribute to any cause, such as fire or lightning with the LESSOR as sole beneficiary.
4. LESSEE will have 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. LIABILITY AND INDEMNIFICATION

1. The **LESSOR** shall not hold the **LESSEE** liable for indemnity to 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, water supply, 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.

VIII. POWER SUPPLY AND OTHER REQUIREMENTS

1. The **LESSEE** may install the following at its own expense with prior consultation and coordination:
 - (a) a back-up generator set to ensure continuous power supply in selected areas of the office;
 - (b) security mechanisms, gadgets, equipment within the office space 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**.

IX. CONTROL OF THE LEASED OFFICE SPACE

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 whenever necessary.

X. 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.

XI. 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.

XII. CONTRACT AMENDMENTS

Any amendments to, modification of, or supplement to this contract, or additional rules and regulations for the use of the office space must be subject to the mutual agreement of the parties after prior consultations.

XIII. 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 have affixed their respective signature this ____ day of January, 2016 at Butuan City, Philippines.

PHILIPPINE STATISTICS AUTHORITY
LESSEE

LESSOR

FOR THE NATIONAL STATISTICIAN:

By:

By:

ROSALINDA CELETE-APURA, D.M
OIC- Regional Director

SIGNED IN THE PRESENCE OF:

Witness

Witness of the LESSOR

Certified as to funds availability:

Accountant

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 _____ 2016, 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.

NAME

CTC NO/ID NO.

ISSUED ON

ISSUED AT

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

Doc. No. _____

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Series of 2016