

PMO

01-5092

OBLIGATION REQUEST AND STATUS**Department Of Trade & Industry**


Entity Name

Serial Number: OBR-202401-00221

Date: 01/11/2024

Fund Cluster:

Payee	004949 - Food Terminal Incorporated			
Office		TIN / Emp No.	000286-036-000	
Address	FTI Avenue, Taguig City			
RESPONSIBILITY CENTER	PARTICULARS	MFO / PAP	UACS OBJECT CODE	AMOUNT
22-001-01-00000-09-01 - RENTAL	To obligate Rental of Warehouse Space located at FTI Complex, Taguig City for the period of 01 January to 31 December 2024.	100000100001000	50299050-01	5,562,692.90
TOTAL				5,562,692.90

A Certified: Charges to appropriation/allotment are necessary, lawful and under my direct supervision; and supporting documents valid, proper and legal.	B Certified: Allotment available and obligated for the purpose/adjustment necessary as indicated above.
Signature: _____	Signature:  _____
Printed Name: _____	Printed Name: GEMMA B. MANLANGIT
Position: _____	Position: OIC, BUDGET DIVISION
	Head, Budget Division / Unit / Authorized Representative
Date: _____	Date: 1/11

C STATUS OF OBLIGATION							
Reference			Amount				
Date	Particulars	ORS/JEV/ Check/ADA/ TRA No.	Obligation	Payable	Payment	Balance	
			(a)	(b)	(c)	Not Yet Due (a-b)	Due and Demandable (b-c)

CAF No.: CAF-202401-0092

Date: 2024-01-10

I. AVAILABILITY OF FUNDS:

Pursuant to the provisions of Section 30 of PD 1445, Lot 968, and Section 46 of PD 1177, I hereby certify that funds which have been duly appropriated and allotted under Republic Act No. 11975 or FY 2024 General Appropriations Act.

FOR PAYEE: FOOD TERMINAL INCORPORATED

Address: _____

PARTICULARS:

Payment of Rental of Warehouse Space located at FTI Complex, Taguig City for the period of 01 January to 31 December 2024.

Amount in words:

***** Five Million Five Hundred Sixty-Two Thousand Six Hundred Ninety-Two Pesos and 90/100 ****
Php5,562,692.90


GEMMA B. MANLANGIT
OIC, Budget Division

DETAILS OF APPROPRIATION - ALLOTMENTS

PPA: RENTAL FUND (GMS)

(50299050-01). Rent - Building

ObR No: 202401-00221

RCAF- 202312-01322

Date: 2024-01-10

Php5,562,692.90

II. VALIDITY OF CLAIMS:

I hereby certify that the above transaction is valid as to the completeness of the supporting documents submitted and in accordance with the existing accounting and auditing procedures.

Handwritten notes:
\$440,369.15/month
268,824.62 - Adm'l
9,438.46 - DS + Sec. dep.


CRISOLOGO R. RIGUNAY, JR.
Chief, Accounting Division

Handwritten: 11. I-24

MEMORANDUM

TO : **MA. ASUNCION H. CRUZADA**
Director
Finance Service

FROM : **JOEL R. CRUZ**
Director
Human Resource and Administrative Service

DATE : 28 December 2023

SUBJECT : **Request for Certification of Availability of Funds (C. A. F.)**

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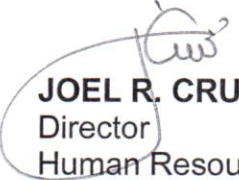
May we request for the Certification of Availability of Funds (C.A.F.) in the amount of **Six Million Four Hundred Forty-Three Thousand Four Hundred Thirty-One Pesos and Twenty Centavos (Php6,443,431.20)** payable to **Food Terminal Incorporated** chargeable against HRAS Funds for the Rental of Warehouse Space located at FTI Complex, Taguig City from January to December 2024.

Thank you.

BIDS AND AWARDS COMMITTEE

MEMORANDUM

FOR : **AGATON TEODORO O. UVERO**
Assistant Secretary
Bids and Awards Committee Chairperson

FROM :  **JOEL R. CRUZ**
Director
Human Resource and Administrative Service

DATE : 24 November 2023

SUBJECT : **Request for the adoption of Alternative Mode of Procurement for the 2024 Renewal of Contract Lease**

This is to request the Department of Trade and Industry – Bids and Awards Committee (DTI-BAC) to provide clearance to enter into an Alternative Mode of Procurement to engage the services of the following lessors for the provision of office space.

- a. BC Manila Corporation
- b. Food Terminal, Inc.
- c. HAI PIN Group Ventures Inc.
- d. National Development Company
- e. Tara Property Ventures Inc. - BIS
- f. United Philippine Realty Corporation (UPRC)
- g. Univille Development Corporation – Metro House
- h. Univille Development Corporation – Warehouse
- i. LSL Realty Development Corporation
- j. Vita Realty Corporation

Attached are the pertinent documents for your perusal:

1. Purchase Request
2. Cost-Benefit Analysis
3. Summary of Computation
4. Draft Contract of Lease

For your approval.

Thank you.

HUMAN RESOURCE AND ADMINISTRATIVE SERVICE



HRAS - PROCUREMENT

PURCHASE REQUEST - SERVICES

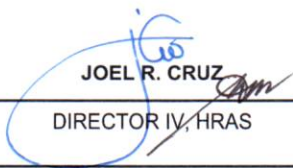

Department: <u>Department of Trade and Industry</u>	PR No.: <u>65387</u>	Date: <u>11/21/2023</u>
Bureau: <u>HRAS</u>	SAI No.: _____	Date: <u>11/21/2023</u>

Job Description	Total Cost
Rental of Office Space*** for the period of January 01, 2024 to December 31, 2024, located at FTI Complex, Taguig City with a total area of 1,240.63 sqm.	6,500,000.00

*****NOTHING FOLLOWS*****

Grand Total : 6,500,000.00

Purpose: Warehouse Rental

Signature: Printed Name: Designation	Requested by:  JOEL R. CRUZ DIRECTOR IV, HRAS	Approved By:  AGATON TEODORO OLIVER UVERO

Food Terminal Inc.

FOOD TERMINAL, INC.			
Nature of Contract	LOCATION/ BUILDING	OFFICE/ BUREAU	Address of Leased Area
WAREHOUSE RENTAL	DTI Warehouse	HRAS	FTI Complex, Taguig City

Particulars	SQM/	Rate/ SQM		Esc. Rate	NET Monthly Rate	Management Fee	Sub-Total	VAT	2024 COMPUTATION		Contract Duration	Number of Months	TOTAL AMOUNT (GROSS)
	Slot	2023	2024						GROSS MONTHLY AMOUNT				
GF	451.2	309.49	324.96	5%	146,621.95	17,594.63	164,216.59	19,705.99	183,922.58		01 Jan - 31 Dec 2024	12	2,207,070.96
2F	553.44	247.60	260.00	5%	143,894.40	17,267.33	161,161.73	19,339.41	180,501.14				2,166,013.68
Open Space	235.99	244.33	256.55	5%	60,543.23	7,285.19	67,808.42	8,137.01	75,945.43				911,345.16
					351,059.59	42,127.15	393,186.74	47,182.41	440,369.15			12	5,284,429.80

OTHER FEES:

Net Annual Fee		01 Jan - 31 Dec 2024	4,718,240.88

*2 months advance rental shall be applied at the last two months of lease term which is November and December 2025

TOTAL AMOUNT FOR OBLIGATION 6,443,431.20

Prepared by:

Ravina E. Dalumpines
Administrative Officer IV

Checked by:

Cassandra A. Mata
Chief Administrative Officer

Noted by:

Joel R. Cruz
Director

BIDS AND AWARDS COMMITTEE

RESOLUTION NO. 225, s. 2023

A RESOLUTION RECOMMENDING APPROVAL FOR THE ADOPTION OF AN ALTERNATIVE MODE OF PROCUREMENT AND AWARD OF THE CONTRACT FOR THE LEASE OF OFFICE SPACES FOR THE DEPARTMENT OF TRADE AND INDUSTRY USING ALTERNATIVE MODE OF PROCUREMENT (LEASE OF REAL PROPERTY/ VENUE) IN FAVOR OF VARIOUS OFFICES

WHEREAS, Human Resource and Administrative Service (HRAS) submitted Purchase Requests for the Lease of Office Spaces for the Department of Trade and Industry with the following details:

Office/Bureau	Location	Approved Budget for the Contract
National Capital Region Office (NCRO) Area 3	3F Lux Center, 986 Stanford St., Cor. EDSA, Mandaluyong City	PhP3,300,000.00
DTI-HRAS Warehouse	FTI Complex, Taguig City	PhP6,500,000.00
Competitiveness Bureau (CB), Bureau of Trade and Policy Research (BTIPR), and Philippine Accreditation Bureau (PAB)	Accelerando Building, 395 Senator Gil Puyat Ave., Makati City	PhP37,700,000.00
Board of Investments (BOI)	I&I Building, 385 Senator Gil Puyat Ave., Makati City	PhP18,600,000.00
Bureau of Import Services (BIS)	3F Tara Building, 389 Senator Gil Puyat Ave., Makati City	PhP17,700,000.00
Fair Trade and Enforcement Bureau (FTEB)	UPRC Building, 315 Senator Gil Puyat Ave., Makati City	PhP29,900,000.00
National Capital Region Office (NCRO)	2F Metro House Building, 345 Senator Gil Puyat Ave., Makati City	PhP10,500,000.00
Fair Trade and Enforcement Bureau (FTEB) Warehouse	2272 Chino Roces Extension, Makati City	PhP4,100,000.00

20th day of December 2023

BIDS AND AWARDS COMMITTEE

CERTIFIED TRUE COPY

KRISTINE JOY F. DACASIN

Administrative Officer IV

Department of Trade and Industry

7791-3202/3363/3367

www.dti.gov.ph

BACSecretariat@dti.gov.ph

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DTI Main Office	Trade and Industry Building, 361 Sen. Gil Puyat Ave., Makati City	PhP118,900,000.00
DTI International Building	375 Senator Gil Puyat Ave., Makati City	PhP53,400,000.00

WHEREAS, this is an Early Procurement Activity (EPA) and is included in the 2024 DTI Annual Procurement Plan (APP);

WHEREAS, as a general rule, R.A. 9184 and its Implementing Rules and Regulations (IRR) require the procuring entities to adopt public bidding as the general mode of procurement and alternative mode shall be resorted to only in the highly exceptional cases provided in the IRR of R.A. 9184;

WHEREAS, after evaluating the nature of the requirement, same may be procured through an alternative mode of procurement pursuant to Section 48.1 of the IRR of R.A. 9184 which states that "subject to the prior approval of the Head of the Procuring Entity, and whenever justified by the conditions provided in this Act, the procuring entity may, in order to promote economy and efficiency, resort to any of the alternative methods of procurement provided in this Rule. In all instances, the procuring entity shall ensure that the most advantageous price for the Government is obtained."

WHEREAS, Section 53 of the Implementing Rules and Regulations (IRR) of Republic Act No. 9184 allows procuring entities to adopt Section 53.10 (Lease of Real Property and Venue) for the lease of real property and venue for official use subject to Annex H of IRR of RA 9184;

WHEREAS, HRAS recognizes the need for office spaces that are economical to the government and located in a suitable area in relation to the mandate of the office;

WHEREAS, the existing lessors of the office spaces of DTI are:

Name of the Lessor	Office/Bureau	Location
BC Manila Corporation	National Capital Region Office (NCRO) Area 3	3F Lux Center, 986 Stanford St., Cor. EDSA, Mandaluyong City
Food Terminal Inc.	DTI-HRAS Warehouse	FTI Complex, Taguig City
Hai Pin Group Ventures Inc.	Competitiveness Bureau (CB), Bureau of Trade and Policy Research (BTIPR), and Philippine Accreditation Bureau (PAB)	Accelerando Building, 395 Senator Gil Puyat Ave., Makati City
National Development Company	Board of Investments (BOI)	I&1 Building, 385 Senator Gil Puyat Ave., Makati City

Tara Property Ventures, Inc.	Bureau of Import Services (BIS)	3F Tara Building, 389 Senator Gil Puyat Ave., Makati City
United Philippine Realty Corporation	Fair Trade and Enforcement Bureau (FTEB)	UPRC Building, 315 Senator Gil Puyat Ave., Makati City
Univille Development Corporation	National Capital Region Office (NCRO)	2F Metro House Building, 345 Senator Gil Puyat Ave., Makati City
	Fair Trade and Enforcement Bureau (FTEB) Warehouse	2272 Chino Roces Extension, Makati City
LSL Realty Development Corporation	DTI Main Office	Trade and Industry Building, 361 Senator Gil Puyat Ave., Makati City
Vita Realty Corporation	DTI International Building	375 Senator Gil Puyat Ave., Makati City

WHEREAS, HRAS provided Cost-Benefit Analysis (CBAs) between each of the existing and potential office spaces and it was proven that it will be more advantageous for the government to renew the contracts with the existing lessors;

Copies of the CBAs are hereto attached, marked as Annexes "A", "B", "C", "D", "E", "F", "G", "H", "I", and "J", and made an integral part hereof;

WHEREAS, pursuant to Annex H.9.d.ii of IRR of RA 9184, if the results of the CBA, conducted by the end-user, continue to favor the existing lessor, then the Head of the Procuring Entity (HoPE) may simply renew its lease contract.

NOW, THEREFORE, we, the Members of the Bids and Awards Committee **RESOLVE**, as it is hereby **RESOLVED** to recommend to the Head of Procuring Entity (HOPE):

1. The approval of the renewal of contract for **Lease of Office Spaces for the Department of Trade and Industry** for the period of 01 January 2023 to 31 December 2024 with the following details:


Office/Bureau	Location	Lessor	Contract Amount
National Capital Region Office (NCRO) Area 3	3F Lux Center, 986 Stanford St., Cor. EDSA, Mandaluyong City	BC Manila Corporation	PhP3,250,562.34
DTI-HRAS Warehouse	FTI Complex, Taguig City	Food Terminal Inc.	PhP6,443,431.20
Competitiveness Bureau (CB), Bureau of Trade and Policy Research (BTIPR), and Philippine Accreditation Bureau (PAB)	Accelerando Building, 395 Senator Gil Puyat Ave., Makati City	Hai Pin Group Ventures Inc.	PhP37,667,362.40


Board of Investments (BOI)	I&1 Building, 385 Senator Gil Puyat Ave., Makati City	National Development Company	PhP18,594,109.85
Bureau of Import Services (BIS)	3F Tara Building, 389 Senator Gil Puyat Ave., Makati City	Tara Property Ventures, Inc.	PhP17,654,496.34
Fair Trade and Enforcement Bureau (FTEB)	UPRC Building, 315 Senator Gil Puyat Ave., Makati City	United Philippine Realty Corporation	PhP29,858,119.85
National Capital Region (NCRO)	2F Metro House Building, 345 Senator Gil Puyat Ave., Makati City	Univille Development Corporation	PhP10,446,344.55
Fair Trade and Enforcement Bureau (FTEB) Warehouse	2272 Chino Roces Extension, Makati City		PhP4,069,899.92
DTI Main Office	Trade and Industry Building, 361 Senator Gil Puyat Ave., Makati City	LSL Realty Development Corporation	PhP118,800,521.82
DTI International Building	375 Senator Gil Puyat Ave., Makati City	Vita Realty Corporation	PhP53,308,589.14

2. This is an early procurement subject to approval and release of the approved FY 2024 GAA.

RESOLVED this 20th day of December 2023 at the City of Makati.

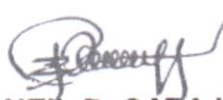

ATTY. AGATON TEODORO O. UVERO
Assistant Secretary
Chairperson


Digitally signed by Cruz Joel Reyes
JOEL R. CRUZ
Director
Vice-Chairperson


Digitally signed by Ma. AsuncionCruzada
MARIA ASUNCION H. CRUZADA
Director
Member


ROBERT ALVIN T. ARCEO

Director
Member


NEIL P. CATAJAY
Director
Member

**Catajay Neil
Pinuela**

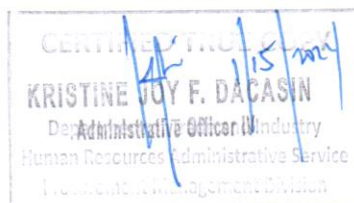
Approved by:



Digitally
signed by
Guevarra
Lydia Roxas

LYDIA R. GUEVARRA

Director
Head of Procuring Entity



COST-BENEFIT ANALYSIS FOR RENEWAL OF WAREHOUSE LEASE

	EXISTING WAREHOUSE	AVAILABLE WAREHOUSE FOR LEASE	REMARKS
Building Address	FTI Complex, Taguig City	Bagumbayan, Taguig	Available warehouse for lease was selected based on its proximity and leasable area closest to the existing warehouse.
Company Name	FOOD TERMINAL INC.		
Floor Area (Leasable)	1,240.63 SQM	1,300 SQM	
Estimated Annual Cost in Php			
Rental Rate (VAT Inc)	4,891,243.06	4,366,000.00	
Management Fee/ CUSA	393,186.74	632,835.84	
Total Annual Rental Fee (VAT Inc)	5,284,429.80	5,000,835.84	
Security Deposit	268,824.62	1,116,258.00	
DST	9,438.48	8,932.06	
Advance Rental	880,738.30	N/A	
	<i>Sub-total</i>	<i>6,126,025.90</i>	P15,000.00 per trip for 10 -wheeler trucks. The estimated # of trips is 30 trips per 1,000.00 sqm office space
Trucking/ Hauling Cost	-	450,000.00	

TOTAL ESTIMATED COST FOR 2024 (in PHP)

6,443,431.20

6,576,025.90

REMARKS:

1. Available warehouse for lease was able to meet the required SCM as it is bigger by 59.37 sqm.
2. Although the available warehouse for leases's rate per sqm is less than the existing warehouse, the overall estimated cost for 2024 shows that the prospective lessor's rate is higher than the existing lessor. This is mainly because of the trucking/hauling cost and the required initial security deposit.
3. Aside from the additional Trucking/ Hauling cost in the table above, overhead expenses for electricity and manpower services i.e. janitorial, security & OT services of DTI Employees may be incurred during relocation.

FINAL RECOMMENDATION: Retain contract with existing lessor for 2024.

Prepared by:

Checked by:

Noted by:

Approved by:

Ravina E. Dalumpines
Administrative Officer IV

Cassandra A. Mata
Chief Administrative Officer

Joel R. Cruz
Director, HRAS

ASec. Agaton Teodoro O. Uvero
Supervising Head, MSG

CONTRACT OF LEASE

KNOW ALL MEN BY THESE PRESENTS:

This Contract of Lease made and entered into by and between:

FOOD TERMINAL, INC., a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with office address at FTI Complex, Taguig City, represented in this instance by its President, **ARIEL P. BUENAVENTURA**, hereinafter referred to as the "**LESSOR**";

- AND -

DEPARTMENT OF TRADE AND INDUSTRY, duly organized and existing under the laws of the Republic of the Philippines, with principal office address at 5F Trade & Industry Building, 361 Senator Gil J. Puyat Avenue, 1200 Makati City, represented in this instance by Undersecretary for Management Services Group, **IRENEO V. VIZMONTE**, hereinafter referred to as the "**LESSEE**";

WITNESSETH:

WHEREAS, the LESSOR is the absolute owner of the FTI Complex situated at South Superhighway, Taguig City and is engaged in the leasing of land, warehouses, stalls and buildings:

WHEREAS, the LESSEE desires to lease a certain portion of the lot and buildings owned by the LESSOR inside the FTI Complex;

NOW, THEREFORE, for and in consideration of the foregoing premises and the terms and conditions herein stipulated and subject to the applicable restrictions hereinafter contained and set forth in the attached GENERAL TERMS AND CONDITIONS OF THE LEASE, hereto attached as Annex "A" and made an integral part hereof, and such other agreements as may be necessary, all of which are made integral parts hereof, the LESSOR has agreed to lease and let, as it hereby leases and lets, unto the LESSEE, and the latter has agreed to accept, as it hereby accepts the lease under the following terms and conditions:

- | | |
|--------------|------------------------------------------------------------------------------------------------------------------------|
| FTI Facility | - Portion of lot 94C1 |
| Lease Rates | - Payable monthly in advance inclusive of 12% Management Fee and 12% VAT for the account of and payable by the lessee. |

January 01 - December 31, 2021

	Area	Rate/sq.m.			Rent with		Monthly	Quarte
	(sq.m.)	/mo.	Basic Rent	Mgt. Fee	Mgt. Fee	VAT	Rent	Rent
		(Php)		12%		12%		

BASIC LEASE PROVISIONS

Open Space	235.99	160.82	37,951.91	4,554.23	42,506.14	5,100.74	47,606.88	142,820.6
Total	1,240.63		254,730.76	30,567.69	285,298.45	34,235.81	319,534.27	958,602.8

January 01 - December 31, 2022

	Area (sq.m.)	Rate/sq.m. /mo. (Php)	Basic Rent	Mgt. Fee 12%	Rent with Mgt. Fee	VAT 12%	Monthly Rent	Quarte Rent
Building G/F	451.20	294.76	132,995.71	15,959.49	148,955.20	17,874.62	166,829.82	500,489.4
Building 2nd floor	553.44	235.80	130,501.15	15,660.14	146,161.29	17,539.35	163,700.65	491,101.9
Open Space	235.99	232.70	54,914.87	6,589.78	61,504.66	7,380.56	68,885.22	206,655.6
Total	1,240.63		318,411.74	38,209.41	356,621.15	42,794.54	399,415.68	1,198,247

January 01 - December 31, 2023

	Area (sq.m.)	Rate/sq.m. /mo. (Php)	Basic Rent	Mgt. Fee 12%	Rent with Mgt. Fee	VAT 12%	Monthly Rent	Quarte Rent
Building G/F	451.20	309.49	139,641.89	16,757.03	156,398.91	18,767.87	175,166.78	525,500.3
Building 2nd floor	553.44	247.60	137,031.74	16,443.81	153,475.55	18,417.07	171,892.62	515,677.8
Open Space	235.99	244.33	57,659.44	6,919.13	64,578.57	7,749.43	72,328.00	216,983.9
Total	1,240.63		334,333.07	40,119.97	374,453.04	44,934.36	419,387.40	1,258,162

January 01 - December 31, 2024

	Area (sq.m.)	Rate/sq.m. /mo. (Php)	Basic Rent	Mgt. Fee 12%	Rent with Mgt. Fee	VAT 12%	Monthly Rent	Quarte Rent
Building G/F	451.20	324.96	146,621.95	17,594.63	164,216.59	19,705.99	183,922.58	551,767.7
Building 2nd floor	553.44	260.00	143,894.40	17,267.33	161,161.73	19,339.41	180,501.14	541,503.4
Open Space	235.99	256.55	60,543.23	7,265.19	67,808.42	8,137.01	75,945.43	227,836.3
Total	1,240.63		351,059.59	42,127.15	393,186.74	47,182.41	440,369.15	1,321,107

January 01 - December 31, 2025

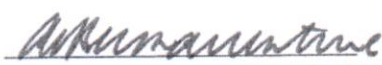
	Area (sq.m.)	Rate/sq.m. /mo. (Php)	Basic Rent	Mgt. Fee 12%	Rent with Mgt. Fee	VAT 12%	Monthly Rent	Quarte Rent
Building G/F	451.20	341.21	153,953.95	18,474.47	172,428.43	20,691.41	193,119.84	579,359.5
Building 2nd floor	553.44	273.00	151,089.12	18,130.69	169,219.81	20,306.38	189,526.19	568,578.5
Open Space	235.99	269.38	63,570.99	7,628.52	71,199.50	8,543.94	79,743.45	239,230.3
Total	1,240.63		368,614.06	44,233.69	412,847.75	49,541.73	467,389.47	1,387,169

BASIC LEASE PROVISIONS

- Period of Lease - January 01, 2021 until December 31, 2025.
- Mode of Payment - Monthly, to be paid within ten (10) days upon receipt of the statement of account.
- Advance Rental - Payment of two (2) months advance rental in the amount of P639,068.54 inclusive of management fee and VAT to be applied at the last two (2) months of the lease term.
- Deposit - Payment of deposit equivalent to two (2) months rental. Upon execution of the Contract of Lease, payment of P570,596.90.
- Insurance
1. Purchase of the insurance policy, covering the full insurable value of the equipment /facilities located and goods stored in the premises to be leased, from the accredited insurance company or agency of FTI.
 2. Submission to FTI within ten (10) working days from the start of the insurance coverage photocopies of the insurance policy and the official receipts evidencing the full payment of the required insurance premium.
 3. The insurance proceeds shall first be applied to any unpaid rental and or any other unpaid bills of the LESSEE in case of loss, destruction of the equipment, facilities, and goods during the existence of the contract.
- Other Conditions - Such other terms and conditions to be provided in the General Terms and Conditions of the Lease.

IN WITNESS WHEREOF, parties have hereunto set their hands this ____ day of _____ 20____ at Taguig City.

FOOD TERMINAL, INC.


ARIEL P. BUENAVENTURA

DEPARTMENT OF TRADE AND
INDUSTRY


IRENEO V. VIZMONTE

SIGNED IN THE PRESENCE OF:

IRAM JOEL R. CRUZ
Director, HRAS

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
TAGUIG CITY) S. S.

BEFORE ME, a Notary Public for and in Taguig City, this JUN 29 2021 day of _____, 20____ personally appeared **ARIEL P. BUENAVENTURA** with TIN 132-684-106, and **IRENEO V. VIZMONTE** with TIN 111579366, known to me and to me known to be the same persons who executed the foregoing instrument, and they acknowledged to me that the same is of their own free and voluntary act and deed.

WITNESS MY HAND AND SEAL this JUN 29 2021 day of _____, 20____.

NOTARY PUBLIC

Doc. No. 75;
Page No. 16;
Book No. VIII;
Series of 2021

RACHEL GINAYAN, COPANUT-PANGWI
NOTARY PUBLIC UNTIL DEC 31 2021
Notarial Commission Appt No 10 (2020-2021)
Dir No A-8061211/1-4-21, Taguig City
IBP OR No 137056/12-29-2020 RSM
MCLE Comp No 01-0019686/3-1-2019. ROLL No 61627

GENERAL TERMS AND CONDITIONS OF THE LEASE

In consideration of the foregoing premises, the payment of rentals and other charges therein stipulated and in compliance with the covenants, conditions and restrictions herein imposed as to the use and occupancy of the property, on the part of the LESSEE to be paid, observed and performed, the LESSOR hereby LEASES and DELIVERS unto the LESSEE in good and tenantable condition the aforesaid premises subject to the following stipulations:

1. **Term** - The term of the lease shall be for a period of five (5) years as set forth in the Basic Lease Provisions. The contract may be renewed by the mutual agreement of both parties thirty (30) days prior to its expiration. However, the end lease term shall not exceed 31 December 2025.
2. **Rental** - It is expressly agreed and understood that the payment of the rentals herein stipulated shall be made without the necessity of express demand and without delay on any ground whatsoever.
 - a. Interest at the rate of two-percent (2%) per month shall be charged on any rental not paid within twenty (20) calendar days from receipt of billing, provided, however, that this shall be without prejudice to the LESSOR's right to terminate the contract or pursue any legal remedies in order to protect its interest.
 - b. No rental shall be recognized as having been paid unless evidenced by the Official Receipt of the LESSOR and/or its agent. Neither shall payment of rental made by the LESSEE to unauthorized persons be recognized.
3. **Security Deposit**-The LESSEE shall maintain the stipulated DEPOSIT at all times during the existence of the lease, which shall answer for damages, or any other monetary obligation under, or resulting from the LESSEE's violation of any of the provisions of this Contract. However, the LESSEE's liability for breach of its obligation under this Contract shall be in no case limited to the said sum.
 - a. The LESSOR shall have the right, from time to time, to deduct from the deposit any and all damages to the property or amounts due to the LESSOR by the LESSEE under the provisions of this Contract. In the event that the deposit is reduced as a result of such deduction and/or as a result of an increase in the monthly rental, the LESSEE shall, within five (5) days from demand, make additional deposit with the LESSOR in order to maintain the amount of deposit in the sum required under this provision.
 - b. The LESSEE shall likewise pay the LESSOR the agreed ADVANCE RENTALS upon the execution of this contract.
 - c. The LESSEE shall likewise deposit with the LESSOR on the third month after the execution of this contract, an amount equivalent to LESSEE's average monthly utility consumption, as deposit for electric and water services based on the LESSOR's prevailing schedule of rates.

- d. Upon the expiration of the period of this lease and the surrender of the leased premises to the LESSOR, or as soon as all the amounts due from the LESSEE to the LESSOR under this Contract or for any breach herein shall have been fully determined and satisfied, the sum deposited and advanced or the balance thereof, if any, after deducting the amount due, shall be returned to the LESSEE without interest.
4. **Obligations of the Lessee** – The LESSEE is mandated to strictly and religiously observe and/or comply with the following:
- a. The lessee shall pay all documentary stamp taxes or other taxes accruing by reason of the execution of this contract.
 - b. The LESSEE shall not use the leased premises other than for which it was applied for and approved by the LESSOR. LESSEE is hereby strictly prohibited from using said premises for any other purpose or business without the prior written consent of the LESSOR. The purpose of the lease shall conform to the type of businesses acceptable to the present policies of the LESSOR particularly as the business or enterprise relate or conform to the master development plan of the LESSOR.
 - c. All permanent improvements, exclusive of machineries and equipment found and existing on the premises at the expiration of the term shall pertain in exclusive ownership of the LESSOR without further formality or need of reimbursement for their value.
 - d. If applicable, the LESSEE shall pay all realty and other taxes due on the improvement that may be introduced on the leased premises subject of this Contract.
 - e. The LESSEE shall not affix, inscribe or paint or cause to be affixed, inscribed or painted any notice, sign or other advertising medium on any part of the inside or outside of the leased premises or anywhere within FTI Complex except upon previous written permission from the LESSOR and only in such size, color, and style approved by the LESSOR.
 - f. The LESSEE shall not keep within the leased premises any explosive or combustible articles or substances; any damage caused, directly and indirectly, by an infringement of this prohibition shall be charged to the LESSEE.
 - g. The LESSEE shall not install any apparatus, machinery, appliances, or equipment, nor carry on, conduct or permit any trade, occupation or activity, in the leased premises which may cause noise, constitute a nuisance, disturb the other tenants, expose the leased premises to fire or thereby increase the fire hazard or rating of the leased premises and/or the FTI Complex for fire insurance or other types of insurance.
 - h. The LESSEE shall keep the leased premises clean and sanitized and shall provide all garbage receptacles conforming to LESSOR's specifications and shall allow the LESSOR free access to the leased premises for the collection

and disposal of garbage/trash wherein the LESSEE shall be charged with the corresponding garbage fee, based on LESSOR's prevailing rate.

- i. The LESSEE shall remit to the LESSOR the relevant amounts representing payments for wastewater treatment and/or conveyance fee, garbage fee, water, electricity, and other charges, whichever is applicable, within ten (10) calendar days from receipt of the invoice issued by the LESSOR. Non-compliance thereto shall make said LESSEE liable to pay interest at the rate of three percent (3%) counted from the time said charge became due, without prejudice to LESSOR's right to terminate this Contract and repossess the leased premises or to disconnect the utilities for which payment is overdue.
- j. The LESSEE shall keep the equipment/facilities and goods stored in the leased premises insured against loss and damage by fire, earthquake, and typhoon for their full insurable value and shall furnish the LESSOR within ten (10) days from demand with complete list of all such insurance coverage, and shall pay all necessary premiums thereon as they become due. Provided, that in case of loss, destruction of the equipment, facilities and goods during the existence of this Contract, the insurance proceeds shall first be applied to any unpaid rental and/or any other unpaid bills of the LESSEE. For this purpose, the LESSOR shall be designated by the LESSEE as the primary beneficiary in any and all insurance proceeds from the loss or damage of the insured properties;
- k. It is understood that any and all insurance coverage/s required under this provision shall be secured or purchased from accredited insurance agency of the LESSOR or such other insurance company acceptable to the LESSOR;
- l. The LESSEE shall promptly comply with any and all laws, ordinances, rules regulations and orders which the national, provincial, or local government or any department, bureau, commission or other agency or instrumentality thereof may promulgate; further, the LESSEE shall be subject to and shall obey the LESSOR's existing and future house, security, traffic, environmental, engineering, and other rules and regulations set forth for the leased premises and/or for the whole of the FTI Complex, for which, if the LESSOR does not elect to terminate the lease for violation of said rules, the LESSEE shall pay the fines imposed by the LESSOR. Furthermore, the LESSEE shall indemnify and hold harmless the LESSOR against all actions, suits, damages and claims by whomsoever they maybe brought or made by reason or non-observance or non-performance of said rules, regulations, ordinances, or laws.
- m. The LESSEE shall allow the LESSOR's representative to enter the leased premises at any time during reasonable hours to examine the same or for any purpose which it may deem necessary for the operation and maintenance of the leased premises or to its installation, or to exhibit the leased premises to a prospective lessee when applicable prior to expiration of non-renewable contract, or to otherwise assure the LESSOR that the LESSEE is complying with all the terms and conditions of this Contract.

- n. The LESSEE hereby expressly acknowledges that the leased premises are in good and tenantable condition and agrees to keep the same in such a good and tenantable condition. Any provision of law, present or future, or any stipulation in this agreement to the contrary notwithstanding, the LESSEE hereby agrees and binds himself to undertake at his exclusive expense, all repairs, necessary or otherwise, such as may be required to maintain the same in good state of repair.
 - o. All minor repairs caused by the ordinary wear and tear of the leased premises, such as electrical alterations and installations, and installation of additional electrical, water, telephone, and/or gas connections within the leased premises, repair of sanitary systems and like structures or conditions considered as "minor repairs"; and damages caused to the leased premises due to the fault or negligence of the LESSEE, its officers, agents, employees or visitors, or damages caused to the leased premises due to improper business operations of the LESSEE, other than ordinary wear and tear, shall be undertaken by the LESSEE for its sole account and expense, provided that the LESSEE shall provide the LESSOR with prior written advice before undertaking such repairs, alterations and installations.
5. **Obligations of the Lessor** - The LESSOR is mandated to strictly and religiously observe/comply with the following:
- a. The LESSOR shall provide, at its own expense, security services within the FTI Complex, but does not guarantee the LESSEE's property and/or goods against loss damage or destruction not caused by the LESSOR's employees or agents but due to causes beyond its control; neither does the LESSOR guarantee for losses in the leased premises.
 - b. The LESSOR shall allow the LESSEE, if LESSEE so desires, to hire the services of a Security Agency to guard the latter's property or goods within the premises; provided, however, that the security guard hired by the LESSEE shall be subject to the security and safety measures within the leased premises and the FTI Complex as a whole and should be duly registered with the LESSOR's Security and Investigation Department.
6. **Alterations and Improvements** - All partitions, alterations, additions, repairs, or improvements that the LESSEE may want to make in the leased premises shall first be submitted for the approval of the LESSOR and shall not be undertaken without the latter's prior written consent. All such alterations, additions, and improvements made by the LESSEE on, in or upon the leased premises, except the movable furniture and fixtures put in at the expense of the LESSEE and removable without defacing or injuring the leased premises or the FTI Complex, shall become the property of the LESSOR without further formality or need of reimbursement for their value and shall remain upon and be surrendered with the premises as part thereof upon the termination of the lease. If the LESSOR does not elect to retain such alterations, additions or improvements, the premises shall be restored to its original condition at LESSEE's account.
7. **Sublease or Assignment of Rights** - The LESSEE shall NOT assign or transfer its rights under this Contract nor sublet the leased premises nor allow it to be

used for any purpose other than that hereinabove specified or be occupied in whole or in part by any other person, firm or corporation, and no right, title or interest thereto or therein shall prior be conferred on or vested in anyone other than the LESSEE for any reason whatsoever.

8. **Non-Liability of the Lessor** - The LESSOR shall not be liable and the LESSEE shall make no claims against the LESSOR for any loss, damage or inconvenience due, directly or indirectly, to any of the following:
 - a. Leakage of, defect in/or destruction of, any water, gas, electrical, or plumbing installation in/or about the leased premises not otherwise caused by the negligence of the LESSOR.
 - b. Absence, failure breakdown, or insufficiency of water supply telephone service, or electric current beyond the control or without the fault of the LESSOR.
 - c. Presence of bugs, ants, termites ("*anay*"), rats, vermin, or insect of any kind or nature, in the leased premises.
 - d. Water or rain, which may come into, or flow from, any part of the leased premises not otherwise caused by negligence of the LESSOR.
 - e. Fault or negligence of the LESSEE, its agents, employees, visitors, or other persons.
 - f. Fire, or fortuitous events, theft, robbery, or other crimes and misdemeanors.
9. **Third Party Liability** - The LESSEE assumes full responsibility for any damage which may be caused to the person or property of third persons while in any part of the leased premises and further binds itself to hold the LESSOR free from any such claims for injury or damage unless such injury or damage is due to the negligence of the LESSOR.
10. **Repairs of Utilities/Extra Connections** - All electrical work to be done by the LESSEE shall be done by qualified electricians. Whenever warranted by a request for the alteration in the electrical system or any component thereof, LESSOR may require submission of electrical plans duly approved by a licensed electrical engineer at LESSEE's expense.
11. **Rental Adjustment** -- If at anytime during the term of this lease there should be a "material variation, depreciation or devaluation" in the value of the Philippine Peso due to extraordinary inflation or deflation, the rental herein stipulated shall be adjusted in favor of the LESSOR so that such rental shall correspond to the value of the currency at the time this contract was executed. It is agreed and understood that a "material variation" exists when there is a change to the extent of fifteen percent (15%) in the purchasing power of the currency compared with its value at the time of the signing of this contract and at the time of any subsequent adjustment of the rentals, as determined by a reference to the Consumer Price Index published by the Department of Economics Research of the Bangko Sentral ng Pilipinas.

12. Termination of Lease - This lease Contract shall become automatically terminated and cancelled under any of the following circumstances:

- a. Upon the expiration of the term of lease, unless otherwise agreed upon by the parties in writing to be renewed;
- b. If the rental or any financial obligations of the LESSEE to the LESSOR herein stipulated, including deposits and payment for utility charges, or any part thereof, at any time, shall be in arrears or unpaid;
- c. If the tenant shall at any time fail or neglect to perform or comply with any of the covenants, conditions, agreements or restrictions stipulated;
- d. In case of abandonment of the leased premises;
- e. If the tenant shall become bankrupt or insolvent or shall compound with his creditors

Upon termination or cancellation of this lease Contract under any of the foregoing instances, the leased premises shall be vacated peacefully by the LESSEE for the LESSOR to hold and enjoy henceforth as if these presents have not been made, and it shall be lawful for the LESSOR or any person or persons duly authorized in its behalf, without any formal notice or demand, to enter into and upon said leased premises, or any part thereof without prejudice on the part of the LESSOR to exercise any or all rights from the contract of lease and those given by law. And upon such cancellation of the contract the LESSEE hereby grants to the LESSOR the legal right to enter, and take possession of the leased premises, and disconnect any or all utilities of the LESSEE, as though the term of this Lease Contract has expired.

13. LESSOR's Right to Pre-Terminate Contract in Specified Situations - All other terms and condition to the contrary notwithstanding, the LESSOR reserves the right to pre-terminate this Contract by giving the LESSEE a thirty (30) day prior written notice under any of the following situations:

- a. When the LESSOR needs the leased premises for its redevelopment pursuant to any FTI development plan;
- b. When it becomes clear and definite that the LESSOR will be privatized and unless the eventual owner continues the contractual relation with LESSEE;
- c. When LESSOR finds it necessary to repossess the leased premises for reasons of public interest.

It is understood that LESSOR shall have the right to close or padlock the leased premises and/or physically take possession and occupy the leased premises, and/or exclude the LESSEE, its agents, representatives, guests, customers, their things and effects there from whether forcibly or otherwise, without incurring any civil, criminal and/or administrative liability.

14. Pre-Termination of Contract by LESSEE - The LESSEE may PRE-

provided, that the LESSEE has no outstanding obligations with the LESSOR. Otherwise, such termination shall be considered as a violation of the terms and conditions of this contract, which shall authorize the LESSOR to exercise its rights and remedies under this contract in the event of such breach.

15. **Surrender of Leased Premises and Failure to Surrender** - The LESSEE agrees to return and surrender the leased premises at the expiration of the term of its lease in as good condition as reasonable wear and tear will permit and without any delay whatsoever, devoid of all occupants, furniture, articles, and effect of any kind other than such alterations, installations, additions, or improvements belonging to the LESSOR in accordance with the provisions of Paragraph 7 hereof.

The LESSEE shall furthermore hold the LESSOR harmless from any liability in respect to any and all claims made by any succeeding tenant against the LESSOR, resulting from the delay by the LESSOR in delivering possession of the premises to such succeeding tenant, insofar as such delay is occasioned by the failure of the LESSEE to so surrender the premises on time.

16. **Abandonment of Leased Premises** - Should the LESSEE abandon or vacate the leased premises without prior consent of the LESSOR before expiration of this lease, all rentals covering the unexpired period shall become due and demandable immediately from the LESSEE as and by way of liquidated damages. In case of abandonment, the LESSOR, without need of any judicial action or order, shall have full authority to enter upon the leased premises, which may include the forced opening of locked doors, windows and passageway to obtain possession and custody of the leased premises and goods and other properties found therein, subject to Section 21 of this Contract, with full powers to lease the premises to any interested third party lessee. There is abandonment under the terms of this lease agreement if and when the LESSEE shall leave unattended and without activity the leased premises or default in the payment of its lease rentals for a period of two (2) consecutive months.

17. **Breach or Default** - The LESSEE agrees that all the covenants and agreement herein contained shall be deemed essential conditions hereof and that if default or breach be made by the LESSEE of any such conditions, then the LESSOR shall have the absolute right to terminate and cancel this Contract pursuant to the terms and conditions provided herein.

Upon the termination of this lease agreement as hereinabove provided, it shall be lawful for the LESSOR or any person duly authorized, and without formal notice or demand and without need for any judicial action or order, the LESSEE hereby expressly grants to the LESSOR the right to enter into upon the leased premises, or any part thereof, without prejudice on the part of the LESSOR to exercise any and all of the rights arising from this lease agreement and those given by law and the LESSOR shall have the right to repossess the leased premises and exclude the LESSEE, its agents, representatives, guests, customers, goods, things and equipment there from, without incurring any civil, criminal liability.

18. **Enforcement of Covenants** - The failure of the LESSOR to insist upon strict performance of any of the terms, conditions and covenants of this lease and/or to exercise any option herein contained shall not be construed as relinquishment or cancellation of such covenant or option nor shall it be construed as a waiver of any subsequent breach or default of the terms, conditions and covenants of this Contract, which shall continue in full force and effect. No waiver by the LESSOR of any of its rights under this Contract shall be deemed to have been made unless expressed in writing and signed by the LESSOR.
19. **Remedies Cumulative** - All remedies herein before and hereinafter conferred on the LESSOR shall be deemed cumulative and not one exclusive of the other or of any other remedy conferred by law.
20. **Rentals for Remaining Term/Satisfaction of Obligations and Damages** - In all cases where this contract is terminated or cancelled, whether judicially or extra-judicially, by reason of any default or breach committed by the LESSEE, or in case of abandonment of the leased premises, the said LESSEE, shall be fully liable to the LESSOR for the rentals corresponding to the remaining term of this lease, as well as for any and all damages, actual or consequential, including attorney's fees, resulting from such default and termination.
- a. If the leased premises are not surrendered at the expiration of the lease period, the LESSEE shall pay, by way of penalty, a sum equivalent to the amount of the rentals for the leased premises for the whole period of delay. It is hereby agreed that such penalty shall be in addition to the rental corresponding to the period of delay. Payment of said penalty shall likewise be without prejudice to attorney's fees and other liabilities provided in this contract.
 - b. In the event of cancellation or termination of this contract, or abandonment of the leased premises, the LESSOR, in addition to the rights and authority herein granted upon it, is hereby authorized to retain any or all goods, merchandise, furniture, fixtures, equipment, and similar properties of the LESSEE as security for the payment of the LESSEE's obligations under this Contract, which properties, the LESSOR may, as the duly constituted LESSEE's attorney-in fact, dispose said properties and to apply the proceeds of such sale to any damages and outstanding obligation of the LESSEE under this Contract without prejudice to any action as may be appropriate for the recovery of any deficiency.
 - c. It is further agreed that the unpaid rents and charges payable by the LESSEE to the LESSOR for at least one (1) year under this contract shall constitute a preferred lien on all personal properties of the LESSEE existing in the leased premises in accordance with Articles 2241 and 2243 of the Civil Code. For this purpose the LESSOR is hereby authorized to prevent the removal of said properties from the leased premises, or demand the return from any possessor should they have been removed without the written consent of the LESSOR.
21. **Authority** - Each of the parties hereto represents and warrants that it has full and power and authority to enter into and perform its obligations under this