

CONTRACT OF LEASE

This Contract of Lease (hereinafter referred to as the "Contract") entered into this Makati City, Metro Manila, by and between:

RECEIVED
BY: JAV 01/29/24
TIME:

HAI PIN GROUP VENTURES INC., a corporation duly organized and existing under the laws of the Republic of the Philippines, with principal office address at 395 Sen. Gil Puyat Avenue, Makati City, Metro Manila herein represented by its **Managing Director, JONATHAN C.B. T. GO, II** (hereinafter referred to as the "**LESSOR**");

- and -

DEPARTMENT OF TRADE AND INDUSTRY, a government agency created and existing under the laws of the Republic of the Philippines with principal office address at Trade and Industry Building, 361 Sen. Gil Puyat Ave., Makati City, Metro Manila, represented herein by **ASEC. AGATON TEODORO O. UVERO, Supervising Head, Management Services Group (MSG) and USEC. CEFERINO S. RODOLFO, Undersecretary** (hereinafter referred to as the "**LESSEE**");

WITNESSETH:

WHEREAS, the LESSOR is the absolute and registered owner of the office building named Accelerando Building located at 395 Sen. Gil J. Puyat Avenue, Makati City, Metro Manila;

WHEREAS, the LESSEE is a duly constituted governmental agency, organized and existing under the laws of the Republic of the Philippines, and is primarily charged with creating a business-friendly environment conducive to the growth of enterprises and supportive of fair and robust trade in goods and services, both within and outside the Philippines;

WHEREAS, there is no available publicly-owned real property or venue that complies with the requirements of the LESSEE;

WHEREAS, the LESSOR desires to lease out a Portion of the Ground Floor of the afore-described property (hereinafter referred to as the "Leased Premises"), fully furnished with its air-conditioning, electrical, elevators, generators and water facilities in favor of the LESSEE;

WHEREAS, the Leased Premises is found by the LESSEE to be more efficient and economical to the government,

WHEREAS, the location of Leased Premises has been meticulously selected by the LESSEE after taking into consideration, among others, the need for prudence and economy in government service and the suitability of the area in relation to the mandate of the LESSEE, its accessibility to its clients, or the level of security in the proposed location.

WHEREAS, the LESSEE accepts the lease subject to the terms and conditions herein set forth.

NOW THEREFORE, for and in consideration of the foregoing premises and the covenants, stipulations and undertakings set forth herein, the parties hereby agree as follows:

ARTICLE I LEASABLE SPACE

The LESSOR hereby transfers and conveys by way of LEASE in favor of the LESSEE a portion of the afore-stated property specifically described as follows:

The fully furnished Portion of the Ground Floor of the Accelerando Building or the "Gross Leasable Space / Leased Premises" shall have an aggregate area of **Six Hundred Square Meters (600 sqm.)** more or less.

The LESSOR shall transfer and convey the Leased Premises to the LESSEE in a condition fit for the LESSEE's use

**ARTICLE II
LEASE PERIOD**

Section 1. Lease Period

This Contract shall be for a period of ONE (1) year beginning on **January 01, 2024 up to December 31, 2024** ("Lease Period") renewable for THREE (3) years and shall be subject to extension of the lease after December 31, 2024, unless earlier terminated pursuant to the provisions of this Contract.

The LESSOR shall maintain the LESSEE in the peaceful and adequate enjoyment of the lease for the entire duration of this Contract.

Section 2. Extension of Lease

On the third month prior to conclusion of the Lease Period, absent termination of this Contract for any cause pursuant to the provisions hereof, and without the occurrence of any cause or instance rendering the LESSEE in default hereof, the LESSEE shall have an option to communicate to LESSOR through a written notice its intention to extend or renew the lease, which option shall be subject to the written approval of the LESSOR.

Extension and renewal of the lease beyond the Lease Period may only be effected through a written instrument duly executed and signed by the parties hereto and executed with the same formality as this Contract.

**ARTICLE III
RENTAL, FEES AND CHARGES**

Section 1. Monthly Rental

Subject to the provisions herein and subject to applicable government accounting and auditing rules and regulations, the monthly rental for the Leased Premises throughout the 1st year Lease Period shall consist of fixed and variable rent, at the following rates per month inclusive of Value Added Tax and Common Utility Service Association Charges (CUSA):

SUMMARY of RENTALS for GROUND FLOOR (Portion) - CREATIVE

For LEASE PERIOD from JANUARY 01, 2024 to DECEMBER 31, 2024

Particulars	Area in SQM	Rate/SQM	Net Monthly Rent	VAT	Gross Monthly Rent with VAT	Annual Total with VAT
OFFICE GR FL. (Creative)	600	1,860.00	1,116,000.00	133,920.00	1,249,920.00	14,999,040.00
CUSA	600	129.464	77,678.40	9,321.41	86,999.81	1,043,997.72
PARKING SPACES	5	4,840.00	24,200.00	2,904.00	27,104.00	325,248.00
TOTAL:			1,217,878.40	146,145.41	1,364,023.81	16,368,285.72

Particulars	Office Rental with VAT	CUSA with VAT	Parking with VAT	Gross Total with VAT	Annual Total with VAT
OFFICE GR FL. (Creative)	1,249,920.00	86,999.81	27,104.00	1,364,023.81	16,368,285.72

There shall be a 10% annual escalation on the Office Rental Rate. The CUSA Fees may be subject to change by the LESSOR with a 30-day prior written notice to the LESSEE.

Section 2. Parking Fees

Five (5) Parking Slots shall be provided by the LESSOR to the LESSEE at cost. The LESSEE shall pay the LESSOR the amount of **FOUR THOUSAND EIGHT HUNDRED FORTY PESOS ONLY (PhP4,840.00)** per slot per month, exclusive of the 12% VAT and shall be made payable at the same time the rental payment is due and demandable. The LESSEE shall comply with all rules and regulations that will be promulgated by the

LESSOR and shall be given the option to increase depending on availability or decrease the allocated number of parking slots.

Section 3. Advance rental

Within ten (10) working days upon signing of this Contract, LESSEE shall remit to the LESSOR advance rental equivalent to three (3) months rental amounting to **PESOS: FOUR MILLION NINETY TWO THOUSAND SEVENTY ONE and 43/100 (PhP4,092,071.43)** inclusive of the applicable 12% VAT and subject to deduction of mandatory taxes as well as subject to applicable government accounting and auditing rules and regulations. This advance rental shall be applied to the monthly rental due and corresponding to the **first three (3) months** of the Lease Period and without prejudice to the LESSOR's right to collect any and all deficiencies due under the lease.

Advance Rental shall be based as follows:

Particulars	Area in SQM	Rate/SQM	Net Monthly Rent	VAT	Gross Monthly Rent with VAT	Advance 3	
							Months' Rental
OFFICE GR FL. (Creative)	600	1,860.00	1,116,000.00	133,920.00	1,249,920.00	x3	3,749,760.00
CUSA	600	129.464	77,678.40	9,321.41	86,999.81	x3	260,999.43
PARKING SPACES	5	4,840.00	24,200.00	2,904.00	27,104.00	x3	81,312.00
TOTAL:			1,217,878.40	146,145.41	1,364,023.81	x3	4,092,071.43

Except during instances under Article X of this contract, advance rental shall be deemed forfeited in favor of the LESSOR in case of default of, or termination of the lease by the LESSEE. The advance rental deposit is subject to withholding tax.

Section 4. Fit-Out Period

Upon signing of this contract, there shall be a FIT-OUT period of **TWO MONTHS, RENT FREE**, except for the parking space if needed. The LESSEE, at this time, shall be charged for any expenses on the utilities of the unit and CUSA. FIT-OUT Period shall start November 01, 2023 to December 31, 2023.

Section 5. Payment of rental due

The monthly fixed rental on the Leased Premises, less the amount corresponding to the creditable withholding income tax with CUSA, shall be paid within the first ten (10) working days of each calendar month by the LESSEE to the LESSOR without need for notice or demand, **on a month to month basis**. All payments shall be subject to pertinent laws and applicable government, budget, accounting, and auditing rules and regulations.

Section 6. Interest and penalty for late payment

LESSEE shall pay to LESSOR interest on any amount herein provided to be paid by LESSEE that is not paid on time or after the 10th day of each calendar month at the rate of **TWO PERCENT (2%)** per month to be computed from the date of delinquency until paid in full.

Section 7. Official receipt required of LESSEE

No payment by the LESSEE shall be binding upon the LESSOR until an official receipt has been issued by the cashier of the LESSOR. When the LESSEE pays through check/s or shows proof of payment in LESSOR's bank account and upon LESSEE's submission of the BIR FORM 2306 and 2307 to the LESSOR, the LESSOR shall issue an Official Receipt to the LESSEE.

Section 8. Certificate of Availability of Funds

The LESSEE shall issue a Certificate of Availability of Funds to the LESSOR, within ten (10) working days upon signing of the Contract for the protection of the LESSOR.

Section 9. Pretermination of Lease

There shall be no pre-termination for the FIRST THREE YEARS to recover the improvements and furnishings supplied by the LESSOR based on the requirements of the LESSEE. In case of pre-termination within the said period of three (3) years, the LESSOR may forfeit the Security Deposit and the rentals for the remaining term of the lease by way of liquidated damages.

**ARTICLE IV
UTILITY AND SERVICE CHARGES, COMMON USAGE SERVICE ASSOCIATION, AND OTHER FEES**

The LESSEE shall pay all fees and charges assessed against or pertaining to the Leased Premises, in addition to the monthly rental, as hereunder provided subject to applicable government accounting and auditing rules and regulations. Any default in the payment of such fees and charges shall constitute a breach of this Contract.

- a) **Utility and Service Charges.** -- All utility and service charges pertaining to the Leased Premises, including but not limited to water, gas, telephone and electricity, as well as any interest, penalty and/or surcharge on such charges, shall be paid by the LESSEE.

- Electricity - LESSOR shall install, maintain or grant all the necessary fixtures, easements and access for the supply of utility services, including electricity, air-conditioning, water, sewer and telephone services from the utility service supply points to the individual units of the BUILDING tenants including the LESSEE. LESSEE shall apply from the utility companies under their name, and pay for all its actual consumption of electricity. Otherwise, a submeter is provided for the electrical consumption of the LESSEE which shall be charged monthly to the LESSEE.
- Water, Sewerage - This is part of the CUSA which is being charged monthly to the LESSEE.
- Cable/Telephone - This is for LESSEE'S account. LESSOR shall approve plans, suppliers / contractors (if applicable).

The LESSEE's default in prompt and full payment of any of the utility and service charges due shall be deemed a breach of this Contract and shall furnish ground for LESSOR to effect disconnection of the said utilities or services, with reasonable notice for the exercise thereof. Any and all damages that may arise as a result of, or in relation to such disconnection shall solely be for the account of LESSEE, and LESSEE hereby holds LESSOR free and harmless from any liability or responsibility for such damages.

- b) **Common Usage Services Association.** - The LESSEE shall pay common usage service association dues (hereinafter "CUSA") as described in ARTICLE IV or as determined by the LESSOR subject to applicable government accounting and auditing rules and regulations.

**ARTICLE V
SECURITY DEPOSIT**

Within ten (10) working days from the signing of this Contract, the LESSEE shall remit to the LESSOR as Security Deposit, equivalent to three (3) monthly rentals amounting to **PESOS: THREE MILLION SIX HUNDRED FIFTY THREE THOUSAND SIX HUNDRED THIRTY FIVE & 20/100 ONLY (PhP3,653,635.20).**

SECURITY DEPOSIT for GROUND FLOOR (Portion) - CREATIVE

For LEASE PERIOD from JANUARY 01, 2024 to DECEMBER 31, 2024

	GROSS MONTHLY RENT WITH VAT	GROSS MONTHLY RENT WITHOUT VAT	
GROUND FLOOR (Portion) - CREATIVE	1,364,023.81	1,217,878.40	
2024 Security Deposit equivalent to last 3 Months Rent =		1,217,878.40	× 3 = <u>3,653,635.20</u>

The Security Deposit shall answer for the faithful performance of all the stipulations of this Contract and as payment for all obligations of the LESSEE other than Rent which remain unpaid upon expiration of this Contract. This Security Deposit shall be deemed forfeited in favor of the LESSOR in case of default of, or termination of the lease by the LESSEE subject to applicable government accounting and auditing rules and regulations. Upon settlement of all such obligations, the balance, if any, of said Security Deposit, shall be returned to the LESSEE, without interest, THREE (3) months after the expiration or termination of this Lease.

Payment of the security deposit for the second and third years of the lease shall only be for the additional amount necessary to reconcile with the 10% yearly rent escalation.

An Acknowledgement Receipt shall be issued by the LESSOR to the LESSEE for the Security Deposit.

ARTICLE VI TAXES

The LESSEE shall deduct from the monthly rentals payable to the LESSOR the amount corresponding to the creditable withholding income tax, remit the said amount directly to the Bureau of Internal Revenue (hereinafter, the "BIR") pursuant to, and within the period provided in, the relevant BIR regulations. The Certificate of Creditable Withholding Tax shall be submitted to the LESSOR by the LESSEE upon payment of the Rent each month.

LESSEE shall pay for the Documentary Stamp in relation to this Contract of Lease, and shall provide the LESSOR a copy of the Official Receipt. Otherwise, upon written request from the LESSEE, LESSOR shall pay for the Documentary Stamp Tax in relation to this CONTRACT OF LEASE and request for reimbursement from the LESSEE

ARTICLE VII USE, ALTERATION AND MAINTENANCE OF LEASED PREMISES

Section 1. Use of the Leased Premises

The LESSEE hereby expressly agrees and warrants that the Leased Premises shall be used SOLELY as a site for the conduct of its operations as a duly constituted governmental agency primarily charged with creating a business-friendly environment conducive to the growth of enterprises and supportive of fair and robust trade in goods and services, both within and outside the Philippines and shall not be used in any other manner without the written consent of the LESSOR, nor shall property be used in an unlawful, improper, or offensive manner.

Section 2. Alterations, Additions and/or Improvements

a) **Prior written consent of LESSOR.** -- The LESSEE shall not make any major alterations in, additions to, or improvements upon, the Leased Premises, including the electrical and plumbing installations thereon, without the prior written consent of the LESSOR. All major alterations, additions or improvements shall be done only in accordance with the plans and specifications previously approved by the LESSOR.

Any other alteration, addition and/or improvement made on the Leased Premises without the prior written consent of the LESSOR and those not done in accordance with the plans and specifications previously approved by the LESSOR shall give the LESSOR the immediate right to terminate this Contract, without prejudice to the effects of default under this Contract and any and all rights and remedies herein.

For purposes of this Section, "**major alteration, addition or improvement**" shall mean any alteration, addition or improvement upon the Leased Premises, the construction or building of which substantially alters the form or substance of the aforementioned properties or which costs at least **Fifty Thousand Pesos (Php50,000.00)**.

b) **Fixed and permanent improvements upon termination of Contract.** -- Upon the termination of this Contract or the expiration of the Lease Period, all fixed and permanent improvements introduced, built, or installed in the Leased Premises by the LESSEE, including those items which cannot be removed or detached from the Leased Premises without defacing, injuring or causing substantial damage to the Leased Premises, shall become the property of the LESSOR without obligation on the part of the LESSOR to reimburse the LESSEE

for the cost thereof. The said transfer of ownership of property shall be subject to the applicable provisions of the Civil Code of the Philippines and applicable government accounting and auditing rules and regulations.

In case the LESSOR does not choose to retain such improvements, the same shall be removed by and at the expense of the LESSEE and the Leased Premises shall be restored to its former condition, ordinary wear and tear excepted.

Section 4. Maintenance and Repairs

- a) The LESSEE shall maintain the Leased Premises in good and in clean and sanitary condition at all times free from all types of nuisances. The LESSEE, its employees, agents or representatives shall not in any manner damage or deface any part of the Leased Premises.
- b) Repair by LESSOR. -- Subject to the provisions of this Section, and provided that the LESSOR is given prior notice thereof, the LESSOR shall make on the Leased Premises all repairs arising from Structural Defects on the Leased Premises necessary to keep the same suitable for the use to which it is intended and to maintain the LESSEE in the beneficial and adequate enjoyment of the lease during the Lease Period. All other repairs shall be for the account of the LESSEE.

For purposes of this Section, the term Structural Defects shall refer to flaws in the shell structure of the Leased Premises, such as infirmities in the roofing, building joists, lateral and subterranean support, or any similar defects on its bare structure.

In case of failure by the LESSOR to immediately undertake such repairs, the same may be effected by the LESSEE and all expenses incurred by the LESSEE therefore shall be charged against or paid for by the LESSOR subject to the following conditions:

- (1) Prior written notice to the LESSOR of the nature and extent of the Structural Defect;
 - (2) Submission by the LESSEE to the LESSOR of detailed cost estimates of undertaking said repairs; and
 - (3) Consent of the LESSOR or failure by the LESSOR to reply to the written notice within fifteen (15) working days from its receipt.
- c) Repairs for damages caused by LESSEE, its agents, employees and guests. -- The LESSEE shall be solely responsible for any and all repairs for damages to the Leased Premises caused by the fault or negligence of the LESSEE, its agents, employees and guests. All such repairs shall be undertaken by the LESSEE through qualified and/or licenced workmen or contractors at the sole expense of the LESSEE.

In case of failure of the LESSEE to undertake immediately such repairs, the same may be effected by the LESSOR and all expenses incurred by the LESSOR therefore shall be charged against or paid for by the LESSEE immediately upon receipt by the LESSEE of such request for payment, together with interest on the amount due at the rate of three percent (3%) per month or a fraction thereof computed from the time the LESSOR made the payment until the same is fully paid by the LESSEE.

- d) Any interruption or hindrance in the use by the LESSEE of the Leased Premises due to any of the aforesaid repairs, other than for causes attributable to the fault of the LESSOR, shall not entitle the LESSEE to any damages or compensation whatsoever, nor shall it be a cause for the reduction of rentals, fees and charges.

ARTICLE VIII COMPLIANCE WITH GOVERNMENT PERMITS AND LICENCES

The LESSEE shall submit to the LESSOR copies of all permits and licences from all relevant national and local government agencies that are necessary for the LESSEE's business operations in the Leased Premises prior to the commencement thereof.

The LESSEE shall be responsible for ensuring that its operations conform to all national and local government laws, ordinances and regulations, including but not limited to health and safety regulations, Fire Code, Building Code, Electrical Code and Department of Environment and Natural Resources environmental protection laws. Included also are the Barangay Policies, Guidelines, Regulations and Requirements.

**ARTICLE IX
INSURANCE ON THE PREMISES**

The LESSOR shall obtain insurance providing protection against fire, earthquake and other property damage to the Building Structure and Common Areas of the Lease Premises and maintain such insurance in effect at all times during the Lease Period.

Prior to the start of business operations by the LESSEE in the Leased Premises, the LESSEE shall, at its expense, obtain fire, earthquake, flood and other casualty insurance generally carried on in a business of such nature and maintain the said insurance effective at all times during the Lease Period. All such insurance policies to be availed of by the LESSEE shall be subject to the review of and prior approval by the LESSOR. The LESSEE shall also submit to the LESSOR copies of all insurance policies covering the Leased Premises before operating therein.

**ARTICLE X
DESTRUCTION OF LEASED PREMISES**

In the event that acts of God or force majeure or any fortuitous event shall render the Leased Premises or any portion thereof untenable, the LESSOR shall have the sole and absolute discretion to repair or not to repair the same. In case the LESSOR decides not to repair the Leased Premises or any portion thereof, it shall give the LESSEE a written notice of such decision within ten (10) calendar days from and after the occurrence of the event which rendered the Leased Premises or any portion thereof untenable. Within ten (10) working days from receipt of such written notice from the LESSOR, the LESSEE shall have the right to exercise any of the following options:

- (1) To terminate this Contract, in which case, the LESSOR shall return to the LESSEE the unused rentals advanced by the LESSEE, as well as the security deposit paid to the LESSOR without interest, subject to the deductions for unpaid obligations and damage to the Leased Premises other than those damages caused by acts of God or force majeure or fortuitous events; or
- (2) To continue with the lease with respect to the remaining usable portion of the Leased Premises and pay a proportionately reduced rental.

**ARTICLE XI
INSPECTION OF LEASED PREMISES**

Section 1. LESSOR's Right to Enter Leased Premises

The LESSOR or its authorized representatives shall have the right to enter the Leased Premises upon giving the LESSEE written notice of its intention to do so at least one (1) working day prior to such inspection and examination in the presence of witnesses; *Provided, however,* that in case of an emergency, the LESSOR or its authorized representative shall have the right to enter the Leased Premises as and when reasonably necessary.

In emergency cases, the LESSEE hereby absolves the LESSOR or its authorized representative of any liability for any injury or damage that may arise as a result of or in the course of such entry performed with reasonable care and diligence by the LESSOR or its authorized representative into the Leased Premises.

Section 2. Right to Enter to Show Leased Premises to Prospective Tenants

Absence of any written notice by the LESSEE of its intention to extend or renew the lease under Section 2 of Article II hereof, the LESSOR or its authorized representatives shall have the right to enter, in the presence of witnesses, the Leased Premises within the last three (3) months prior to the expiration of the Lease Period for the purpose of showing the Leased Premises to prospective tenants. The LESSOR shall give notice to the LESSEE at least one (1) working day prior to such entry.

**ARTICLE XII
PROMOTIONAL ACTIVITIES AND EXPENSES**

The LESSEE must coordinate with and seek the written approval of the LESSOR on all its promotional activities.

**ARTICLE XIII
RETURN OF LEASED PREMISES AND
DELIVERY OF IMPROVEMENTS**

Within seven (7) working days from and after the expiration of the Lease Period without any agreement to renew or extend the lease contract or from and after the termination of this Contract for causes other than breach by the LESSEE, the LESSEE shall peacefully and promptly vacate the Leased Premises without need for any notice or demand, and restore possession thereof to the LESSOR in the same condition as it was at the time of delivery, ordinary wear and tear excepted.

Simultaneous to return of the Leased Premises, the LESSEE shall deliver to the LESSOR the fixed and permanent improvements introduced, built or installed in the Leased Premises by the LESSEE in accordance with this Contract and subject to applicable government accounting and auditing rules and regulations.

If the Leased Premises and the fixed and permanent improvements therein are not surrendered during the said period, the LESSEE shall be responsible to the LESSOR for actual damages which the LESSOR may suffer by reason thereof, including but not limited to damages for the continued unlawful detention of the Leased Premises and such fixed and permanent improvements, at the rate double than the current rental, and shall indemnify the LESSOR against any and all claims made by any succeeding tenant for any delay occasioned by the failure of the LESSEE to surrender the Leased Premises and the fixed and permanent improvements on time.

In cases where this Contract is terminated on the ground of default or breach by the LESSEE, the provisions of Article XVI hereof shall apply.

**ARTICLE XIV
PROHIBITED ACTS BY LESSEE**

Section 1. Prohibited Acts-

The LESSEE is prohibited from doing any of the following acts:

- a) Using the Leased Premises or a portion thereof for any unlawful or immoral purpose and any other purpose contrary to public policy, or such purpose as will impair the purposes of this lease, or violate any provision of this Contract;
- b) Storing of any highly flammable, toxic, harmful, poisonous or noxious substance or material in the Leased Premises;
- c) Storing of any item or contraband, the possession, use, distribution or sale of which is prohibited by law, including but not limited to prohibited drugs, firearms, ammunition, explosives, pornographic materials, and the like;
- d) Making any alteration, partition, or change in the electrical, plumbing, lighting or sanitary systems and fixtures, or the installation of any shade, awning, blind or window guard, without the prior written consent of the LESSOR;
- e) Leasing, sub-leasing, assigning, transferring, conveying, mortgaging or encumbering of the LESSEE's rights to the Leased Premises or in and under this Contract, directly, or indirectly, in any manner whatsoever, in whole or in part, without prior written consent of LESSOR, which consent shall not be unreasonably withheld;
- f) Using or allowing the use of the Leased Premises as living or sleeping quarters without prior written consent of the LESSOR;

- g) Putting up any signboard, signage, or similar matter without the prior written consent of the LESSOR;
- h) Drilling a water well; or using an overhead water tank without the prior written consent of the LESSOR;
- i) Using liquefied petroleum gas (LPG) tanks for cooking, unless pre-approved and with written consent by the LESSOR;
- j) Discharging any toxic or non-biodegradable substance in the sewer system;
- k) Dumping any waste material in the Leased Premises or in any area within the vicinity (proper venue for garbage / waste disposal will be advised to the LESSEE);
- l) Bringing, keeping, depositing, storing or otherwise introducing into the Leased Premises any obnoxious, highly flammable or explosive goods or material, or any article which may expose the Leased Premises or the Building to fire and other hazards, or increase the risks for such, or any other article which the LESSOR may prohibit in writing;
- m) Carrying on, permitting or tolerating upon the Leased Premises any activity, trade or occupation or suffering to be done any other thing or act which may expose the Leased Premises or the Building to fire or other hazard, or thereby increasing such hazard or rendering any increase or extra premium payable against fire, earthquake and the like, or which may make void or voidable the whole or part of any policy for such insurance.

Section 2. Violations under this Article

Commission by the LESSEE of any of the foregoing Prohibited Acts shall render the LESSEE liable for any and all damages to property or injury to persons caused by or arising out of such violation, directly or indirectly, subject to the provisions of applicable laws and shall entitle the LESSOR to extra-judicially declare this Contract automatically terminated, without reimbursement to the LESSEE of any unused advance rentals or of the security deposit, in addition to such other remedies of the LESSOR under this Contract or under the law.

**ARTICLE XV
THIRD PARTY LIABILITY**

The LESSEE, during its occupancy of the Leased Premises, shall hold the LESSOR free and harmless from any and all liabilities to any person or property arising out of or as a consequence of the use of the Leased Premises by the LESSEE, by the other occupants of the Leased Premises authorized by the LESSEE, and by the guests of the LESSEE, and further agrees to indemnify the LESSOR in the event that the LESSOR is held liable thereof.

**ARTICLE XVI
TERMINATION**

Section 1. Instances of Breach or Default of LESSEE

The LESSEE shall be deemed to be in breach or default within the meaning of this Contract where:

- a) The LESSEE fails to pay on time within the period for payment agreed upon in this Contract, the full amount of any rental, utility and service charges, common usage service association, and other fees and charges or financial obligation of the LESSEE under this Contract; or
- b) The LESSEE violates any of the terms and conditions of this Contract, and such violation, if curable, is not cured or remedied by the LESSEE within thirty (30) working days from receipt of written demand by the LESSOR to remedy such breach.

Section 2. Instance of Breach or Default of LESSOR

The LESSOR shall be deemed to be in breach or default within the meaning of this Contract where:

- a) The LESSOR fails to transfer and convey the Leased Premises in such a condition as to render it fit for the use intended;
- b) The LESSOR fails to make all the necessary repairs in order to keep the Leased Premises suitable for the use to which it has been devoted;
- c) The LESSOR fails to maintain the LESSEE in the peaceful and adequate enjoyment of the lease for the entire duration of this Contract; and
- d) The LESSOR alters the form of the Leased Premises in such a way as to impair the use to which it is devoted hereunder by the LESSEE.

Section 3. Rights of LESSOR in case of Breach or Default by LESSEE

Without prejudice to any of the rights and remedies of the LESSOR under this Contract, or any supplementary or amendatory agreement thereto, the LESSOR shall have the rights hereunder stated in case of default or breach by the LESSEE.

- a) Terminate this Contract immediately, with written notice to the LESSEE, without need of any judicial action or declaration; and
- b) Accelerate the maturity of all remaining rentals, utility and service charges, common usage service association, and other fees and charges assessed or assessable against the Leased Premises for the entire Lease Period, and declare them as immediately due and payable, and to collect the same as damages for the default, without prejudice to other damages for which the LESSEE may be held liable under this Contract and under applicable laws; and
- c) Effect disconnection of utilities and services, with notice of such disconnection and discontinuance of service; and
- d) Conduct an inventory, with at least one (1) working day written notice to the LESSEE, of furniture, fixtures, equipment, and all other properties used or situated in the Leased Premises in the presence of witnesses; and

Notwithstanding termination of the Contract, the LESSEE shall be liable for the rental, utility and service charges, common usage service association, and all other financial obligations accruing on the Leased Premises until such time that the LESSEE actually vacates the Leased Premises.

Section 4. Termination by Lessor or Lessee

- a) Either party may terminate this Contract, upon thirty (30) working days' prior written notice, should the other party commit any breach of the terms and conditions of this Contract and fails to remedy the same within thirty (30) working days from receipt of written demand by the aggrieved party to remedy such breach.
- b) In the event of the termination by the LESSEE pursuant to Section 4 (a) above, the LESSOR shall refund to the LESSEE the unused portion of any and all payments made by the LESSEE to the LESSOR, within sixty (60) calendar days from the date of termination, without prejudice to the right of the LESSEE to claim damages against the LESSOR and to avail of other remedies to which it is entitled in law or equity.

Section 5. Payment of Unpaid Obligations

Upon the termination of this contract, any obligation of the LESSEE which has remained unpaid and due shall be paid by the LESSEE in full.

**ARTICLE XVII
ABANDONMENT**

In the event that the LESSEE abandons the Leased Premises or leaves the Leased premises vacant for at least ten (10) consecutive working days without securing written consent of the LESSOR prior to such abandonment

or vacancy, the LESSOR may re-let said premises or any part thereof under such terms and conditions as the LESSOR may deem proper and convenient. Such re-letting shall not operate as a waiver of the LESSOR's right to terminate this Contract at any time nor any other right of the LESSOR stipulated herein, including but not limited to its rights under Section 2 of Article XVI hereof.

**ARTICLE XVIII
EXPROPRIATION**

In the event the Leased Premises or any part thereof is made subject to expropriation during the Lease Period by an instrumentality of Government or by any other entity with authority to exercise such power, such expropriation having been adjudged to be proper pursuant to a final order of a competent court, LESSOR may rescind this Contract with written notice to the LESSEE at least thirty (30) working days prior to the date of rescission or prior to the date of execution of the order of expropriation, whichever date is earlier, without incurring any liability for damages as a result of the expropriation. The LESSEE hereby unconditionally relieves and releases the LESSOR from any and all liability arising out of the expropriation and any and all proceedings pursuant thereto.

**ARTICLE XIX
CUMULATIVE RIGHTS, STANDARDS OF PERFORMANCE, AND WAIVER**

Any and all rights or remedies conferred upon or reserved to the parties under this Contract shall be deemed to be cumulative and not alternative or exclusive of any other right or remedy given hereunder or existing at law or in equity, and may be enforced concurrently therewith or from time to time.

The parties undertake to act in good faith with respect to each other's rights and obligations under this Contract and to adopt all reasonable measures to ensure the realization of the objectives of this Contract.

The failure of any party to insist on the strict performance by the other party of any stipulation or condition of this Contract and/or to exercise any right or remedy or option herein shall not be construed as abandonment, withdrawal, waiver or cancellation of such stipulation, condition, right, remedy or option.

**ARTICLE XX
NOTICES**

Any notice or communication required to be given hereunder shall be deemed to have been given when sent by messenger, telegram or by registered mail to the addressee at its address herein indicated or such other address as the parties may subsequently designate, with notice to the other party.

**ARTICLE XXI
EXPENSES**

Expenses for the preparation and notarization of this Contract shall be for the account of the LESSEE subject to applicable government accounting and auditing rules and regulations.

**ARTICLE XXII
AMENDMENT**

This Contract shall not be amended in any manner, unless such amendment is made in writing and signed by the parties hereto.



**ARTICLE XXIII
REPRESENTATIONS AND WARRANTIES**

Section 1. General Representations and Warranties

Each party mutually warrants and represents to the other, subject to the provisions of this Article, that:

- a) it has the legal capacity to enter into this Contract, and that it has obtained any and all such necessary licenses, consents, and permits for the same, as well as for the performance of any and all of its obligations hereunder;
- b) there is and will absolutely be no conflict of interest caused or occasioned by the execution of this Contract; and
- c) this Contract constitutes its legal, valid, direct, and binding obligations, enforceable in accordance with their respective terms.

Further, it is hereby agreed and understood that this Contract constitutes the entire agreement of the parties, and that there are no oral agreements, representations, warranties or understanding between the parties, or any of their agents and/or representatives, affecting this Contract, and that no alterations or variations of the terms hereof shall be binding unless the same are confirmed in writing and signed by both parties.

**ARTICLE XXIV
VENUE**

All legal actions arising from or in connection with this Contract shall be brought exclusively before the court of proper jurisdiction in the City of Makati, Metro Manila.

**ARTICLE XXV
SEPARABILITY**

Any provision or stipulation in this Contract which may be declared void or unenforceable by final judgment of a competent court shall not affect the validity or enforceability of the other provisions or stipulations not disturbed by such declaration.

**ARTICLE XXVI
CONSENT**

If the consent of the LESSOR is required by any provision of this Agreement, such consent may be given with or without additional conditions as may be deemed necessary by the LESSOR.

**ARTICLE XXVII
SUCCESSORS AND ASSIGNS**

This contract shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors and assigns.

**ARTICLE XXVIII
DATA PRIVACY**

In the performance of their obligations under this agreement, the parties must ensure the privacy and security of any and all confidential, privileged, personal and/or sensitive personal information that the parties, their officers, employees, or agents may have access to, and shall store, use, process and dispose the said confidential, privileged, personal and/or sensitive personal information in accordance with Republic Act No. 10173 otherwise known as the "Data Privacy Act of 2012," and its Implementing Rules and Regulations and applicable issuances issued by the National Privacy Commission (NPC). This clause shall survive the termination or expiration of this agreement. Any violation of this clause and any of the provisions of the Data Privacy Act and its Implementing Rules and Regulations by the parties, their officers, employees, or agents shall be subject to the

corresponding sanctions, penalties or fines under the said law without prejudice to any other civil and/or criminal liability, as may be applicable.

IN WITNESS WHEREOF, this Contract has been signed by the respective authorized representatives of the parties on the date and in the place first above written.

LESSOR:
HAI PIN GROUP VENTURES INC.
TIN # 000-174-818-000



JONATHAN C.B. T. GO, II
Managing Director

LESSEE:
DEPARTMENT OF TRADE AND INDUSTRY
TIN # 000-532-762-0000



ASEC. AGATON TEODORO O. UVERO
Supervising Head MSG



USEC. CEFERINO S. RODOLFO
Undersecretary


JOHN-JORDAN C.B. GO, II
Director

SIGNED IN THE PRESENCE OF


JOEL R. CRUZ
Director
Human Resource and Administrative Service

ACKNOWLEDGEMENT

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

BEFORE ME, a Notary Public for and in Makati City this FEB 16 2024, 2024 personally appeared the following:

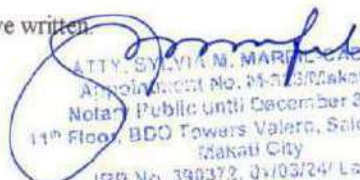
NAME	COMPETENT EVIDENCE OF IDENTITY
JONATHAN C.B. T. GO, II	TIN # 175-237-644
AGATON TEODORO O. UVERO	DL# E04-88-020208
CEFERINO S. RODOLFO	DTI EMP # 04861

known to me to be the same persons who executed the foregoing Agreement and acknowledged to me that the same is their free voluntary act and deed and of the entities they respectively represent.

This instrument consisting of THIRTEEN (13) pages including this page wherein the acknowledgement is written and signed by the parties and their witnesses on each and every page hereof.

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

Doc. No. 1167
Page No. 28
Book No. 6511X
Series of 2024.


ATTY. SYLVIA M. MARINE-CASAPAN
Appointment No. 25-713/Makati City
Notary Public until December 31, 2024
11th Floor, BDO Towers Valero, Salcedo Village
Makati City
IBP No. 390372, 01/03/24/ Laguna
PTR No. 10075639; 01/02/24; Makati City/ Roll No. 43222
MCLE Compliance No. VL-0014843; until 04/14/2025

CAF No.: 202402-0215

Date: 2-Feb-24

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 have been duly appropriated and allotted under Republic Act No. 11975 for FY2024 General Appropriations Act.

FOR PAYEE: HAI PIN GROUP VENTURES INC.

Address: 395 Sen Gil Puyat Ave., Makati

PARTICULARS:

Payment for the Lease of Space for the Creative Office Secretariat for the period 01 January to 31 December 2024.

Amount in words:

*** Twenty Million Fifty- One Thousand One Hundred Fifty -Two Pesos and 00/100**
PHP 20,051,152.00


MARIA ASUNCION H. CRUZADA
Director, Finance Service

DETAILS OF APPROPRIATION - ALLOTMENTS

PPA: OO.2.2.5 LFP
50299050-01

ObR No: 202402-00618
RCAFN: 202312-01300

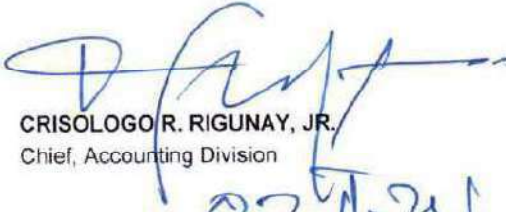
Date: 2024-02-02
PHP 20,051,152.00

Malikhaing Pinyag - Continuing Approp.

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.

*# 1,364,028.81 / MONTH
3,653,635.20 sec dep.
29,231.08 DST*


CRISOLOGO R. RIGUNAY, JR.
Chief, Accounting Division
02.11.24

MATRIX OF OFFICE SPACES AVAILABLE FOR LEASE
FOR DTI CREATIVE OFFICE
As of: 01 November 2023

MATRIX OF AVAILABLE OFFICE SPACES FOR LEASE (ABSTRACT OF PROPOSALS)

AMENITIES AND TERMS & CONDITIONS	B U I L D I N G / LESSOR DETAILS		
	HAI PIN GROUP VENTURES, INC.	FILINVEST	TARA
BIDDER'S CONTACT DETAILS	395 Sen. Gil Puyat Avenue Makati City, Metro Manila	387 Sen. Gil Puyat Avenue Makati City, Metro Manila	389 Sen. Gil Puyat Avenue Makati City, Metro Manila
CONTACT PERSON	Ms. Andrea Go Corporate Treasurer	Rachelle Ann Pangan Leasing Manager	Raquel Robles Building Administrator
BUILDING NAME/ LOCATION	HAI PIN BUILDING 395 Sen. Gil Puyat Avenue Makati City, Metro Manila	FILINVEST BUENDIA BUILDING 387 Sen. Gil Puyat Avenue Makati City, Metro Manila	TARA BUILDING 389 Sen. Gil Puyat Avenue Makati City, Metro Manila
PUBLIC TRANSPORTATION ACCESSIBILITY (DIRECT DROP-OFF POINT ONLY)	Accessible from LRT and MRT, plying the Sen. Gil Puyat Avenue stations (via jeepney ride, either the Bel-Air - Washington or Guadalupe - LRT route and vice versa)	Accessible from LRT and MRT, plying the Sen. Gil Puyat Avenue stations (via jeepney ride, either the Bel-Air - Washington or Guadalupe - LRT route and vice versa)	Accessible from LRT and MRT, plying the Sen. Gil Puyat Avenue stations (via jeepney ride, either the Bel-Air - Washington or Guadalupe - LRT route and vice versa)
FLOOR AREA (RENTABLE)	600.00 sq. m. (Ground Floor)	1,112.24 sq. m. (6th to 10th Floor)	950.00 sq. m. (Ground Floor)
RENTAL RATE (VAT-INCLUSIVE), MONTHLY	Php1,209.00 sq. m.	Php1,680.00 sq. m.	Php2,016.00 sq. m.
ESCALATION RATE	Ten Percent (10%) Per Annum, to start on the Second Year of the Lease Term	Ten Percent (10%) Per Annum, to start on the Second Year of the Lease Term	Ten Percent (10%) Per Annum, to start on the Second Year of the Lease Term
LEASE TERMS	Three (3) Years, Renewable every year as agreed by both parties	Minimum ten (10) years	Three (3) Years, Renewable every year as agreed by both parties
SECURITY DEPOSIT (VAT-EXCLUSIVE)	Three (3) Months worth of Basic Rent: Php3,653,635.20 to be applied on the last three months of the lease term	Three (3) Months worth of Basic Rent: Php8,249,964.00 to be applied on the last three months of the lease term	Three (3) Months worth of Basic Rent: Php7,856,526.00 to be applied on the last three months of the lease term
ADVANCE RENT (CUSA & VAT-INCLUSIVE)	Three (3) Months worth of Basic Rent: Php4,092,071.43 to be applied on the last three months of the lease term	Three (3) Months worth of Basic Rent: Php9,239,960.68 to be applied on the last three months of the lease term	Three (3) Months worth of Basic Rent: Php8,799,309.12 to be applied on the last three months of the lease term
FIT-OUT/RENT-FREE PERIOD	Sixty (60) days or two (2) month; tenant may be allowed to move-in and be operational even prior to the lease commencement date provided that the office renovation has been accomplished. The lessee shall pay 100% of the association dues and shall be liable for the electricity and utility charges that are incurred during the fit-out period.	Sixty (60) days or two (2) month; tenant may be allowed to move-in and be operational even prior to the lease commencement date provided that the office renovation has been accomplished. The lessee shall pay 100% of the association dues and shall be liable for the electricity and utility charges that are incurred during the fit-out period.	Sixty (60) days or two (2) month; tenant may be allowed to move-in and be operational even prior to the lease commencement date provided that the office renovation has been accomplished. The lessee shall pay 100% of the association dues and shall be liable for the electricity and utility charges that are incurred during the fit-out period.
ASSOCIATION DUES/ CUSA (VAT-INCLUSIVE)	Php145.00 per sq. m. or Php87,600.00 per mo.	Php100.40 per sq. m. or Php211,770.50 per mo.	Php188.40 per sq. m. or Php150,993.04 per mo.
PARKING SLOTS	Five (5) Parking Slots Available	Five (5) Parking Slots Available	Five (5) Parking Slots Available
PARKING FEE-MONTHLY (VAT-INCLUSIVE)	Php4,040.00 per Parking Slot or Php27,104.00 for five (5) Parking Slots	Php5,600.00 per Parking Slot or Php28,000.00 for five (5) Parking Slots	Php6,600.00 per Parking Slot or Php33,000.00 for five (5) Parking Slots
PARKING FEE FOR CLIENTS IN THE VICINITY	Parking slots available for clients in the open parking area and other nearby pay parking spaces on a first come, first served basis	Drop and pick up point slots available for clients	Drop and pick up point slots available for clients
TURN OVER CONDITION	Fully furnished with office furniture, fixture and working utilities	Fully furnished with office furniture, fixture and working utilities	Fully furnished with office furniture, fixture and working utilities
PROXIMITY TO DTI HEAD OFFICE	DTI Head Office is approximately 400mts. away from the Hai Pin Building	DTI Head Office is approximately 350mts. away from the Hai Pin Building	DTI Head Office is approximately 350mts. away from the Hai Pin Building
UTILITIES COOLING SYSTEM	With existing cooling/ AHU system in good running condition (centralized and split-type units for back-up)	With existing cooling/ AHU system in good running condition (centralized and split-type units for back-up)	With existing cooling/ AHU system in good running condition (centralized and split-type units for back-up)
COMFORT ROOMS	Common area comfort rooms available for clients; private comfort room available within the office premises for officers, employees and guests.	Common area comfort rooms available for clients; private comfort room available within the office premises for officers, employees and guests.	Common area comfort rooms available for clients; private comfort room available within the office premises for officers, employees and guests.
WATER	Pro-rated	Pro-rated	Pro-rated
ELECTRICITY	Sub-metered	Sub-metered	Sub-metered
SIGNAGE	N/A	N/A	N/A
FUMIGATION	Common areas only; Office premises may be undertaken by the Lessor for the Lessee's account.	Common areas only; Office premises may be undertaken by the Lessor for the Lessee's account.	Common areas only; Office premises may be undertaken by the Lessor for the Lessee's account.
GARBAGE FEE/ COLLECTION	Common garbage area	Common garbage area	Common garbage area
FIRE ALARM/ SECURITY	With strategic Fire Exits and Fire Alarm System	With strategic Fire Exits and Fire Alarm System	With strategic Fire Exits and Fire Alarm System
MOVING SECURITY GUARD	Available on a 24-Hour Duty/ Rotation	Available on a 24-Hour Duty/ Rotation	Available on a 24-Hour Duty/ Rotation
CABLING FOR LAN & PBX	Available	Available	Available
STANDBY GENERATOR	Available	Available	Available
ELEVATOR & ESCALATOR	Elevators available	Elevators available	Elevators available
OTHER CONSIDERATIONS	Client familiarity with the Sen. Gil J. Puyat strip, as identified with the other DTI Offices	Client familiarity with the Sen. Gil J. Puyat strip, as identified with the other DTI Offices	Client familiarity with the Sen. Gil J. Puyat strip, as identified with the other DTI Offices
PROJECTED TOTAL MONTHLY EXPENSE (RENT, CUSA, PARKING AND OTHER FEES) - VAT-INCLUSIVE	Php2,273.37/sq.m or Php1,364,023.81 per month exclusive of the monthly utility expenses, i.e. water and electricity	Php2,769.17/sq.m or Php3,079,985.56 per month	Php3,087.48/sq.m or Php2,933,103.40 per month
	GRAND TOTAL: Php2,273.37/sq.m or Php1,364,023.81 per month (RENT, PARKING, FULLY FURNISHED OFFICE SPACE AND OTHER FEES/ CHARGES)	GRAND TOTAL: Php2,769.17/sq.m or Php3,079,985.56 per month (RENT, PARKING, FULLY FURNISHED OFFICE SPACE AND OTHER FEES/ CHARGES)	GRAND TOTAL: Php3,087.48/sq.m or Php2,933,103.40 per month (RENT, PARKING, FULLY FURNISHED OFFICE SPACE AND OTHER FEES/ CHARGES)

Prepared by:

MICHAEL C. TENORIO
Administrative Officer V, GSD Renovation & Bldg. Maintenance Section

Noted by:

CASSANDRA MATA
Chief Administrative Officer, HRAS - GSD

JOEL R. CRUZ
Director IV, Human Resource and Administrative Services

October 17, 2023

Andrea W. Go
Corporate Treasurer
Hai Pin Group Ventures Inc.


Dear Ms. Go,

This letter serves as the guarantee and confirmation that the DEPARTMENT OF TRADE AND INDUSTRY – CREATIVE OFFICE SECRETARIAT will obligate and pay for the rental of furnished offices for a period of three years 2024, 2025, and 2026. The said rental/lease will be included in the DTI and Hai Pin Group Ventures Inc. contract.

The budget will be submitted to the Department of Budget and Management (DBM) accordingly.

Thank you.

Very truly yours,



ATTY. AGATON TEODORO O. UVERO
Assistant Secretary & Supervising Head, MSG

Copy: **RAFAELITA M. ALDABA**
Undersecretary, CIG

OFFICE OF THE UNDERSECRETARY FOR MANAGEMENT SERVICES GROUP