

CONTRACT OF LEASE

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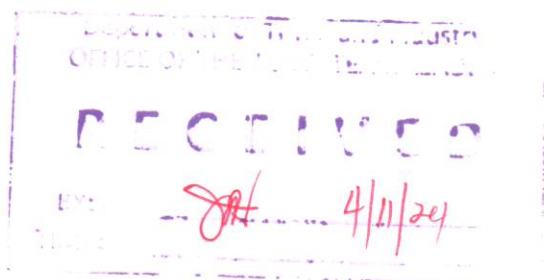
This **CONTRACT OF LEASE** made and executed this 11 AR 25 2024 in Taguig City, Philippines, by and between the **LESSOR** and the **LESSEE** named in Annex A of this Contract, and made an integral part hereof, who mutually stipulate and agree as follows:

SECTION 1 – PERIOD OF LEASE

- 1.1. This Contract of Lease ("Contract") shall be for a period indicated in Annex A (attached herein and made an integral part of this Contract), unless sooner terminated by either party for causes provided for in this Contract.
- 1.2. Unless otherwise provided in this Agreement, any renewal or extension of this Contract must be expressly agreed upon by the **LESSOR** and **LESSEE** in writing and under no circumstances can such renewal or extension be considered as having been made impliedly. For this purpose, the **LESSEE** shall notify the **LESSOR** at the latter's office and in writing, of its intent to renew or extend this Contract at least one hundred eighty (180) calendar days prior to the expiration of the Lease Term or any extension or renewal thereof; provided, however, that said notice does not in any way vest unto the **LESSEE** the right to demand for such extension or renewal of the Contract or any renewal or extension thereof. The **LESSOR** may accept or reject in writing, at its discretion, the proposal to extend or renew this Contract at least 90 days prior to the expiration of the Lease Term. Should the **LESSOR** fail to notify the **LESSEE** of its intention not to renew or extend this Contract at least 90 days prior to the expiration of the Lease Term, it shall be construed as the **LESSOR's** intention not to renew the Lease Term. If the Contract is renewed or extended, all the terms and conditions for the lease will remain the same except for the rentals for the succeeding period which will be negotiated upon and mutually agreed between **LESSOR** and **LESSEE**.

SECTION 2 – AMOUNT OF RENT AND OTHER FEES

- 2.1. The **LESSEE** shall pay a monthly rental in accordance with the schedule of payment (See Annex A) plus the additional 12% on the Expanded Value Added Tax (EVAT), if applicable, subject to mandatory withholding tax, Philippine Currency, for the use of the **LEASED PREMISES**. Notwithstanding what is written in this paragraph, any subsequent increase in rate to EVAT during the Lease Term of this Contract shall be applied on the date of its effectivity. The rental rate is subject to an escalation rate indicated in Annex A. Further, the computation of rent and other charges (when applicable) are based on the total tenantable area and not on net usable area (See Annex A).
- 2.2. Upon signing of this Contract, the **LESSEE** shall issue twelve (12) postdated checks each dated in accordance to Annex A representing the consolidated monthly rentals for the first (1st) year of the Lease Term, and thereafter, shall issue postdated checks at the beginning of each contract year for the next succeeding twelve (12) month period.
- 2.3. The **LESSEE** shall be solely responsible for the full payment of all utilities consumed within the **LEASED PREMISES**, and shall provide the **LESSOR** a proof such payment within ten (10) days from written demand of the **LESSOR** to the **LESSEE**.
- 2.4. All other utilities such as telephone and similar services used within the **LEASED PREMISES** shall be paid by and for the account of the **LESSEE** and the **LESSEE** shall directly pay to the appropriate firm providing such utility or service as stipulated in Section 12.
- 2.5. All rental payments made under this Contract shall be made on or before their respective due dates without necessity of demand or legal action. Failure to make such payment on time, or in the event of dishonor with respect to checks, shall entitle the **LESSOR** to charge interest thereon, by way of penalty, of twenty-four percent (24%) per annum to be computed daily from the date of such default or dishonor until fully paid, without prejudice to the right of the **LESSOR** to terminate this Contract and eject the **LESSEE** in accordance with Section 31 of this Contract.
- 2.6. It is hereby understood that any increase in assessment and/or tax due to improvements made by the **LESSEE** to the **LEASED PREMISES** shall be paid by the **LESSEE** for the duration of the Lease Term. Further, **LESSEE** shall be responsible for payment of Documentary Stamps collectible on this Contract.
- 2.7. In case of failure on the part of the **LESSEE** to pay the monthly rental and other fees on the due dates for two (2) consecutive months thereof, this Contract may, at the **LESSOR's** option, be terminated and rendered without further force and effect in accordance with Section 31 of this Contract and without need of judicial authorization, and the **LESSOR** shall have the right to eject the **LESSEE** from the **LEASED PREMISES** and to recover all rentals and other fees due or becoming due hereunder, with interest at the rate of twenty-four



percent (24%) per annum from the date of default and attorney's fees, as provided for hereunder, should the **LESSOR** be compelled to hire the service of any attorney for the purpose of enforcing payment of rentals and other fees.

- 2.8. Subject to the obligations in respect of which a statutory preference is established solely by operation of law, if there is any rental and/or other charges in arrears, the **LESSEE** agrees that the **LESSOR** shall have the first lien over the **LESSEE's** properties located in the **LEASED PREMISES** at the expiration of this Contract, and the **LESSOR** shall have the right to detain the said properties located in the **LEASED PREMISES** until any such rental and/or charges in arrears are fully paid.
- 2.9. No rentals and other fees shall be recognized as having been paid unless evidenced by the official receipt of the **LESSOR** and/or its authorized agents. Neither shall payment of rentals and other fees made by **LESSEE** to unauthorized persons be recognized.
- 2.10. Any payment received by the **LESSOR** shall be applied against the statement of account or billing with the earliest date irrespective of any instruction of the **LESSEE** to cause the application of such payment for a specified statement of account, purpose, nature, item or amount. In the event that the payment of interest, penalty, rent or other charges is covered by one statement of account, then the payment received by the **LESSOR** shall be applied in the payment of obligations stated therein in the following order of priority:
 - 2.10.1. against the interest and penalty due;
 - 2.10.2. against unpaid security and other deposit and bonds;
 - 2.10.3. against unpaid utility charges, if applicable;
 - 2.10.4. against unpaid CUSA charges, if applicable; and
 - 2.10.5. against unpaid rent.
- 2.11. Should the payment received be insufficient to completely settle any outstanding obligation, whether covered in one statement of account or billing, or otherwise, then subsequent payment(s) to be received from the **LESSEE** shall be applied in the payment of such unpaid amount.
- 2.12. Except when the pre-termination is for causes attributable to **LESSOR**, its agents or its representatives, if **LESSEE** terminates this Contract before the expiration of the Lease Term, the security deposit shall be forfeited in favor of the **LESSOR** and the **LESSEE** shall nevertheless pay the rent corresponding to the remainder of the Lease Term.

SECTION 3 – SECURITY DEPOSIT AND ADVANCE RENTAL

- 3.1. The **LESSEE** shall deposit to the **LESSOR** as a non-interest-bearing **Security Deposit** the amount equivalent to three (3) months basic rent, exclusive of EVAT as indicated in Annex A. The Security Deposit shall be paid upon the execution of this Contract.
- 3.2. The Security Deposit shall serve as guarantee for the **LESSEE's** full and faithful performance of each and every term, provision, covenant, and condition of this Contract except that the said deposit shall not constitute or substitute payment of any rent. If at any time during the effectivity of this Contract hereof the monthly rent is increased, the **LESSEE** shall deposit with the **LESSOR** as additional security, that amount equal to the rental increase without need of prior demand therefor, within thirty (30) days prior to the effectivity of the increase in monthly rent.
- 3.3. The non-interest-bearing Security Deposit shall remain intact during the entire Lease Term of this Contract and shall not be applied as payment for any monetary obligation of the **LESSEE** under this Contract.
- 3.4. The Security Deposit shall be forfeited in favor of **LESSOR** in any of the following events:
 - 3.4.1. **LESSEE** for any reason cancels the Contract prior to the delivery by **LESSOR** to **LESSEE** of the **LEASED PREMISES**, unless the cancellation is due to force majeure or to acts attributable to the **LESSOR**;
 - 3.4.2. **LESSEE** fails to take actual possession of the **LEASED PREMISES** within ninety (90) days from hand-over date, unless **LESSEE's** failure to take possession of the **LEASED PREMISES** is due to force majeure or to acts attributable to **LESSOR**;
 - 3.4.3. cancellation of the Contract at any time during the Lease Term at the instance of the **LESSEE**, unless the cancellation is for a reason or reasons allowed under this Contract and where forfeiture of the Security Deposit is not required;

- 3.4.4. the breach by the **LESSEE** of any obligation, or violation of any restrictions, in this Contract, provided such breach or violation is not remedied by **LESSEE** within a period of fifteen (15) days or any such extended period as may be granted by **LESSOR**, reckoned from receipt by **LESSEE** from **LESSOR** of written notice of such breach and demand to remedy the same in accordance with Section 31 of this Contract;
 - 3.4.5. the failure of **LESSEE** to occupy the **LEASED PREMISES** for the full Lease Term or any extension or renewal thereof, except when due to force majeure or to acts attributable to the **LESSOR**; and
 - 3.4.6. any other event mentioned elsewhere in this Contract.
- 3.5. The forfeiture of the Security Deposit shall be without prejudice to whatever damages may be due the **LESSOR** arising from or due to breach of contract and event of default. The forfeiture of the Security Deposit shall not be construed as a waiver by **LESSOR** of the performance by **LESSEE** of its obligations herein nor excuse **LESSEE** from complying with its obligations under this Schedule and the Contract of Lease, except in the case of pre-termination.
- 3.6. Should the **LESSEE** fully and faithfully perform every provision of this Contract, the Security Deposit shall be refunded without interest to the **LESSEE** after the expiration of the Lease Term and upon the **LESSEE**'s satisfaction of all its monetary obligations to the **LESSOR** and the applicable utility companies, as well as the proper turnover of the **LEASED PREMISES** back to the **LESSOR**, less whatever amounts which the **LESSOR** may apply against the Security Deposit as provided herein which shall be substantiated by official receipts or other documents acceptable to the **LESSEE**. The **LESSOR** shall, notwithstanding the delivery of the **LEASED PREMISES** to the **LESSOR** by the **LESSEE**, have the right to withhold any portion of the Security Deposit until the **LESSOR** shall have received statements of account from utility companies supplying public utility services to the **LEASED PREMISES**, covering the period ending on the date the **LESSEE** shall have completely vacated and delivered the **LEASED PREMISES** to the **LESSOR**. The amount withheld shall answer for such payment and the remaining amount shall be returned to the **LESSEE** without interest.
- 3.7. The **LESSEE** shall also pay an Advance Rental with the **LESSOR** equivalent to three (3) months' rent plus the additional 12% EVAT, if applicable, as indicated in Annex A. Notwithstanding what is written in this paragraph, the difference in the actual rate applicable shall be paid by the **LESSEE** when the same becomes due and payable.

SECTION 4 – USE OF THE PREMISES

- 4.1. The **LEASED PREMISES** hereby leased shall be used exclusively by the **LESSEE** for purposes indicated in Annex "A" only and the latter shall not divert the **LEASED PREMISES** to other uses without the written consent of the **LESSOR**, it being expressly agreed that if, at any time during the existence of this Contract and without the previous written consent of the **LESSOR**, the **LEASED PREMISES** is used for any other purposes, the **LESSOR** has the choice to
- 4.1.1 terminate this Contract immediately in accordance with Section 31 of this Contract; or
 - 4.1.2 to collect an increased rental from date of diversion of the use of the **LEASED PREMISES**; or
 - 4.1.3 compel the **LESSEE** to stop the new activities.


SECTION 5 – SIGNS, ADVERTISEMENTS, ETC.

The **LESSEE** shall not affix, inscribe or paint or cause to be affixed, any notice, sign or other advertising medium on any part of the interior or exterior of the **BUILDING** except on prior written permission from the **LESSOR**, and then only of such size, color and style as the latter may reasonably determine. Any license or permits required by law for putting up of such signs, advertisements, billboards, and others of similar nature shall be for the account of the **LESSEE**, a copy of which shall be furnished by the **LESSEE** to the **LESSOR**.

SECTION 6 – ALTERATIONS, ADDITIONS, IMPROVEMENTS, ETC.

- 6.1. The **LESSEE** may at its own expense, undertake any alterations, additions, improvements in or about the **LEASED PREMISES** only with the prior written consent of the **LESSOR**, whose consent shall not be unreasonably withheld, provided however, that such alterations, additions, improvements made by either party in or upon the **LEASED PREMISES**, except the movable furniture and fixtures put in or installed at the expense of the **LESSEE** and removable without defacing or damaging the **BUILDING** or **LEASED PREMISES**, shall become the properties of the **LESSOR** and shall remain upon and be surrendered with the **LEASED PREMISES** as part thereof at the end of this Contract or upon cancellation or pre-termination of this Contract as the case may be without any compensation to the **LESSEE** whatsoever. In case the **LESSOR**

waives the right to own such additions and/or improvements, the **LESSOR** shall have the right to compel the **LESSEE** to remove such additions and/or improvements and restore the **LEASED PREMISES** in its original condition at the **LESSEE**'s expense on or before the expiration and termination of this lease and prior to the refund of the Security Deposit made with the **LESSOR**.

- 6.2. Without prejudice to the **LESSOR**'s right under Section 6.1, it is hereby further agreed that should the following improvements, as listed herein, be allowed by the **LESSOR**, the same should not be removed even if it is possible to detach them without defacing the **LEASED PREMISES**:
- 6.2.1. Partition that has been fixed to the floor, wall and/or ceiling by glue, nails, rivets, etc.
 - 6.2.2. Fixtures like kitchen sink, lavatory, water closet, tiles, carpet, sun breaker and blinds.
 - 6.2.3. Doors and door knobs.
- 6.3. The right to make changes, additions or alterations is subject to the conditions that:
- 6.3.1. the strength and general structure of the **BUILDING** or the **LEASED PREMISES** are not thereby impaired or otherwise affected;
 - 6.3.2. the terms and conditions imposed by the **LESSOR** for such alterations, additions, installations and improvements are strictly complied with; and
 - 6.3.3. the other conditions of this Contract are not thereby violated.
- 6.4. The **LESSOR** reserves the right to refuse any alterations, additions or improvements requested by the **LESSEE** if, in the **LESSOR**'s reasonable opinion, there is just cause to warrant such refusal.
- 6.5. The **LESSOR** likewise reserves the right to require the **LESSEE** to use the **LESSOR**'s building contractor for any renovation of the **LEASED PREMISES** when, in the **LESSOR**'s opinion, the proposed renovation may adversely affect any of the warranties or guarantees given by any of the contractors of the **BUILDING**. However, the **LESSOR** will assist the **LESSEE** in causing the accreditation with the **LESSOR**'s contractors of the **LESSEE**'s contractors for **LESSEE**-provided improvements to ensure that the performance of their task will not affect the warranties or guarantees given by the **LESSOR**'s contractors. The approval by the **LESSOR** of such alterations, additions or improvements shall in no event relieve the **LESSEE** from the responsibility of obtaining all necessary permits and licenses pertaining to such alterations, additions, improvements, or installations or from paying the necessary taxes, insurance premium or fees as shall be necessary or appropriate in connection therewith. The **LESSEE** shall give all the notices required and shall comply with all ordinances, rules and regulations issued by governmental agencies and public utility companies having jurisdiction over the same. For purposes hereof, the **LESSEE** shall submit to the **LESSOR** such insurances as may be required under the Fit-Out Manual of the **LESSOR** prior to the start of any construction or renovation of the **LEASED PREMISES** for effecting any of the approved alteration, addition, improvement or installation.
- 6.6. The **LESSEE** must make a declaration of its maximum electrical load and enumerate the electrical fixtures, appliances, equipment, facilities, etc. which the **LESSEE** intends to use in the **LEASED PREMISES**. The **LESSEE** shall not bring, install, place or suspend any load, apparatus, equipment, article or thing into, upon or at any floor or ceiling or any part of the **LEASED PREMISES** in excess or in violation of the maximum weight and permitted locations of certain equipment, apparatus, article or thing as reasonably determined by the **LESSOR** for the floor of the **BUILDING** where the **LEASED PREMISES** are located. For this purpose, the **LESSEE** shall obtain the prior written approval of the **LESSOR** for the entry and/or removal of any load or apparatus, equipment, article or thing, into and from the **LEASED PREMISES**, which approval shall not be unreasonably withheld. The **LESSEE** shall also comply with the reasonable requirements imposed by the **LESSOR** for keeping such equipment, load or apparatus within the **LEASED PREMISES**, including the use of supports of such dimension and material to distribute the weight of such equipment, load or apparatus, as the **LESSOR** may deem necessary. Neither shall **LESSEE** install, without the prior written approval of the **LESSOR** any equipment, apparatus or machinery which requires additional wiring, or which consumes electricity not metered through the electric meter from which the **LESSEE**'s consumption of electricity is calculated, which approval shall not be unreasonably withheld. The **LESSEE** shall not permit, suffer or cause any act to be done whereby the maximum allowable voltage capacity of the **LEASED PREMISES** shall be exceeded.
- 6.7. If the **LEASED PREMISES** be handed over to the **LESSEE** with existing improvements, the **LESSEE** shall undertake the remove said improvements upon termination or pre-termination of the lease should the **LESSOR** elect not to retain said improvements and receive the **LEASED PREMISES** in its bare condition.
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SECTION 7 – LOADING ON PREMISES

No portion of the floor in the **LEASED PREMISES** shall be loaded more than **Sixty pounds (60 lbs/ft²) per square foot**.

SECTION 8 – CARE AND MAINTENANCE OF THE LEASED PREMISES

- 8.1. The **LESSEE** hereby accepts the **LEASED PREMISES** as being in good sanitary order and condition. The **LESSEE** shall, at his expense, maintain the **LEASED PREMISES** in a clean and sanitary condition, free from noxious odors and disturbing noises, and upon expiration of the Contract or upon cancellation or pre-termination of the same shall surrender and return the **LEASED PREMISES** and fixtures in as good condition as the **LEASED PREMISES** were found at the beginning of the lease, ordinary wear and tear excepted.
- 8.2. The **LESSEE** shall not bring into or store in the **LEASED PREMISES** anything poisonous, explosive, or highly inflammable in nature nor install any apparatus, machinery or equipment which may cause abnormal tremors, noise or expose the **LEASED PREMISES** to fire or increase the fire hazards of the **BUILDING** or change the insurance rate of the **BUILDING**, or bring in any other article which the **LESSOR** may reasonably prohibit, it being understood that should the **LESSEE** do so, not only shall the latter be responsible for all damage which such violations may cause the **LESSOR** and/or other tenants but the **LESSOR** shall, in addition thereto, have the right to cancel this Contract. If the **LESSEE** shall so use the **LEASED PREMISES** or deposit therein any such matter as to result in any change or increase in the rate of the insurance payable by the **LESSOR**, the increase shall be for the account of the **LESSEE** payable on demand.
- 8.3. The **LESSEE** shall provide at its own expense, receptacles and disposal garbage bags to hold and contain waste, garbage, and refuse. The **LESSEE** shall be responsible for collecting all receptacles within the **LEASED PREMISES** and placing their contents into garbage bags prior to disposal.
- 8.4. The sidewalks, entries, passages, corridors, stairways, and elevators shall not be obstructed or used by the **LESSEE** for any purposes other than ingress to and egress from the **LEASED PREMISES** or the **BUILDING**.
- 8.5. The **LESSEE** shall comply with any and all reasonable rules and safety regulations which may be promulgated from time to time by the **LESSOR** or the Administrator of the **BUILDING** pursuant to and in accordance with all the rules, regulations, ordinances, laws or orders made by the Health or other duly constituted Local or National Government authorities arising from or regarding the use, occupancy and sanitation of the **LEASED PREMISES**. Except for violations due to the willful acts, gross negligence and carelessness on the part of the **LESSOR's** officers, agents, employees, or visitors, the **LESSEE** shall indemnify and/or hold harmless the said **LESSOR** against all actions, suits, damages, and claims due to the non-observance or non-performance by the **LESSEE** of said rules, regulations, ordinances, or laws or any covenants under this Paragraph, without prejudice to the right of the **LESSOR** to cancel this Contract in accordance with the penal provision hereinafter contained.
- 8.6. The **LESSEE** shall comply with the **BUILDING's** House Rules and Regulations and Fit-Out Guidelines which shall be provided to the **LESSEE** upon turnover of the **LEASED PREMISES** or at any time during the Lease Term whenever amendments are made.
- 8.7. The **LESSEE** shall be responsible and at its own expense keep in repair the **LEASED PREMISES**, including but not limited to all glasses, fixtures and appurtenances, and make good any injury or breakage done by the **LESSEE** or any of its officers, employees, agents, or visitors as well as losses and damages caused by the overflow or escape of water resulting from the negligence of the **LESSEE** or any of its officers, employees, agents, or visitors, unless the repairs are due to the willful acts, gross negligence and carelessness on the part of the **LESSOR's** officers, agents, employees, or visitors which shall be for the account of the **LESSOR**.
- 8.8. The **LESSEE** shall service and maintain in good working condition, during the Lease Term, all electric, water, telephone, and other service facilities within the **LEASED PREMISES** as provided in this Contract and shall undertake at its own expense and for its own account the service, maintenance, electric consumption, repairs and/or replacements of the part of the facilities unless the repairs and/or replacements are due to the willful acts, gross negligence and carelessness on the part of the **LESSOR's** officers, agents, employees, or visitors which shall be for the account of the **LESSOR**. The **LESSOR** shall not be liable for any breakdown, failure, or non-performance of these facilities due to low voltage, faulty electric current, and/or any other cause beyond the control of the **LESSOR**.
- 8.9. The **LESSEE** shall not drive nails, screws, hooks or other abutments on the walls, frames, or other portions of the **BUILDING** or in any manner deface or damage any part of the premises of the **BUILDING**. Any injury or damage caused or done by the **LESSEE** shall be repaired by it at its own expense or by the **LESSOR** at the expense of the **LESSEE** recoverable on demand or chargeable against the Security Deposit.

- 8.10. The **LESSEE** shall be responsible for all the acts and omission of its officers, employees, helpers, agents, and all other persons allowed by it to have access to the **LEASED PREMISES** which may have caused damage thereto. **LESSOR**, however, shall not be responsible for any loss or damage which **LESSEE** may sustain in the **LEASED PREMISES**, due to any cause whatsoever except when caused by the fault or negligence of **LESSOR** or its agents or employees.
- 8.11. Should the **LESSEE** fail to keep and maintain the **LEASED PREMISES** and appurtenances in good state of repair, to render repair, maintenance, restoration work or make good any injury, damage, or breakage as herein provided, the **LESSOR** shall have the right to do said work and the cost thereof shall deemed to be additional charges to the **LESSEE**, due and payable to the **LESSOR** upon demand, and shall be governed by the provisions in Sections 2 and 3 with respect to payment of interest and arrears chargeable to Security Deposit.

SECTION 9 – REPAIRS IN GENERAL

- 9.1. Repairs arising from structural or hidden defects of the **BUILDING** or from acts of God or force majeure shall be for the account of the **LESSOR**. If structural or hidden defects, acts of God or force majeure shall render untenantable any portion of the **BUILDING**, the **LESSOR** reserves the right to exercise any of the following options:
- 9.1.1. The **LESSOR** may repair the untenantable portion of the **BUILDING** at its own expense and for its own account; and therefore, the **LESSEE** shall continue to pay the rentals due the affected area of the **LEASED PREMISES** after its repair.
- 9.1.2. The **LESSOR** may opt not to repair the untenantable area, and therefore, the **LESSEE** shall receive a pro-rate adjustment of the rent from the **LESSOR** in proportion to the area that cannot be effectively used by the **LESSEE**.
- 9.2. The **LESSOR** shall immediately communicate in writing to the **LESSEE** which of the foregoing options it will exercise after which the parties may, by mutual agreement, agree to cancel this Contract; provided, that if the (i) untenantable or affected area is at least fifty (50%) percent of the **LEASED PREMISES**, or (ii) the structural or hidden defects, acts of God or force majeure renders the **LEASED PREMISES** totally unfit for use or occupation for more than sixty (60) days, or (ii) the repairs required to rectify the damage resulting from the structural or hidden defects, acts of God or force majeure render the **LEASED PREMISES** fit for use and occupation are expected to last for more than ninety (90) days, or (iii) the structural or hidden defects, acts of God or force majeure prevents the **LESSEE** from conducting its business in the **LEASED PREMISES** for a period of more than sixty (60) days, the **LESSEE** shall have the right to cancel this Contract by giving at least thirty (30) days written notice to the **LESSOR**.
- 9.3. After acceptance and occupancy of the **LEASED PREMISES** by the **LESSEE**, all repairs needed within the **LEASED PREMISES** arising from ordinary wear and tear shall be solely at the expense and for the account of the **LESSEE**. Such repairs shall include but not limited to the following:
- 9.3.1. damage to or defect of water fixture, faucets, water closets, shower fixtures, valves, if any;
- 9.3.2. damage to or defect of electrical lighting and power fixture such as switches, bulbs, sockets, wiring, convenience outlets, fluorescent fixtures;
- 9.3.3. damage to or defect of non-concrete structures such as dividers, doors, door hinges, glass windows, acoustic boards, light diffusers, vinyl tiles and other of similar nature built and/or installed by the **LESSOR**;
- 9.4. All other repairs which are due to the willful acts, negligence and carelessness on the part of the **LESSEE**'s officers, agents, employees, or visitors, shall also be solely at the expense and for the account of the **LESSEE**.
- 9.5. The **LESSEE** shall allow the **LESSOR** to render repairs and/or regular building or equipment maintenance in the **LEASED PREMISES** or those necessary for the restoration, preservation, conservation, improvement or decoration of the **BUILDING** or any part of the **LEASED PREMISES**, at the latter's expense unless such necessary repair or maintenance rendered by the **LESSOR** was due to the failure of the **LESSEE** to repair or restore the damage as herein provided. The **LESSEE** shall not claim any loss or damages because of necessary work that the **LESSOR** may order to be done in the **BUILDING** which would in any way interfere in his use of the **LEASED PREMISES**; provided, however, that the **LESSOR** shall give the **LESSEE** written notice of such event as far in advance as may be possible under the circumstances.

SECTION 10 – OTHER SERVICES AND FACILITIES

10.1. The **LESSEE** shall render, provide and/or furnish the following services to the **BUILDING**:

- 10.1.1. **Janitorial Service** – Janitorial services shall be provided to those portions of the **BUILDING** such as hallways, corridors, parking spaces, etc.
- 10.1.2. **Security Service** - To protect and secure its assets within the **LEASED PREMISES**. These security forces are considered under the control and direction of the **LESSEE** and shall be solely under the **LESSEE's** responsibility. The **LESSOR** shall not be held accountable or liable for any loss or damage that may be suffered by the **LESSEE** in the **LEASED PREMISES** by reasons of theft, robbery, or other crimes caused by force majeure or fortuitous event.

SECTION 11 – COMMON UTILITIES AND SERVICE ALLOCATIONS ("CUSA")

- 11.1. Unless, the **LESSEE** is responsible for the maintenance and operating costs of common areas of the **BUILDING** and the common facilities, utilities, or services within the **BUILDING**, the **LESSEE** shall pay the **LESSOR** the **LESSEE's** share of the maintenance and operating costs of common areas of the **BUILDING** and the common facilities, utilities or services which the **LESSOR** shall solely and reasonably determine. The bill shall be included in the Statement of Account for other monthly fees as stated in Section 2.3.1. Subject to review of the actual maintenance and operating costs, the **CUSA** payable beginning the Turnover Date until the review thereof shall be the rate indicated in Annex A.
- 11.2. In general, common areas and facilities shall refer to any area or facility not devoted to the exclusive use of a particular business establishment within the **BUILDING** but is devoted or designed for common use of all tenants therein. For purposes of this subsection, the term "maintenance and operating costs", shall include, but shall not be limited to, the total costs and expenses incurred in operating, insuring, maintaining and repairing the common areas and facilities including without limitation, the cost of maintaining the air-conditioning system, electrical and plumbing fixtures in common areas, elevators and water pump, cost of running and maintaining the stand-by electric generator, cost of public liability and property damage insurance, real property taxes, association dues, telecommunications, gardening or landscaping, maintenance, supplies and materials, sanitary and pest controls, trash, rubbish or garbage collection, the cost of employing or contracting personnel to implement such services as, but without limitation, to direct parking, to police and secure the common areas and facilities, security services, traffic services, janitorial services, property management services and other reasonable overhead expenses.
- 11.3. The rate or the amount specified in Annex "A" shall be correspondingly increased periodically by either of the following events:
 - 11.3.1. the utility company or service agency increases the utility/service charges payable in connection with the service or utility provided to the Common Areas or Premises;
 - 11.3.2. the Makati Commercial Estate Association (MACEA) increases its charges for the operation, management, repair and maintenance of all areas and facilities in the Makati City which have been designated for the general use and convenience of all occupants of Makati City;
 - 11.3.3. there is an increase in the amount needed to ensure the proper maintenance and operations of the **BUILDING**; or
 - 11.3.4. approximately five percent (5%) per annum over the currently monthly **CUSA** charges,whichever is higher. In the event of an increase brought about by 11.3.1, 11.3.2 and/or 11.3.3, the amount of such increase shall be effective and demandable on or during the month in which the additional expenses shall be incurred or the increase in the charges shall have been implemented by the utility company or service agency. In case of an increase in the **CUSA** of more than ten percent (10%) of the existing rate of the **CUSA**, the **LESSOR** shall provide the **LESSEE** with a breakdown of the **CUSA** and the corresponding increase so that the **LESSEE** can verify the basis of the increase in the **CUSA** and confirm if the increase is equal to actual additional costs incurred by the **LESSOR** for the Common Areas or Premises.
- 11.4. An electric meter and water meter are installed for measuring kilowatt hours and cubic meters consumed by common electrical and water facilities in the **BUILDING**. The **LESSEE** also hereby agrees to pay to the **LESSOR**, aside from **CUSA**, a pro-rated share of the electric and water bills consumed in common facilities and areas. The pro-rated share of **LESSEE** shall be equal to the total amount of the monthly electric or water bills multiplied by the area of the **LEASED PREMISES** divided by the total tenantable area of the **BUILDING**. The bill for the pro-rated share of the electricity and water consumed shall be included in the Statement of Account for other monthly fees as stated in Section 2.3.4 and 2.3.5.

- 11.5. **THIS SECTION SHALL ONLY APPLY IN THE EVENT THAT THE LESSOR BECOMES THE APPOINTED ADMINISTRATOR OF THE BUILDING WHERE THE LEASED PREMISES IS SITUATED.**

SECTION 12 – UTILITIES & OTHER CHARGES

- 12.1. The **LESSEE** shall pay for water, electricity, telephone, garbage collection, landscaping, association due, administration fee, maintenance fee, gas, Fire Department and/or government electrician, annual inspection fee and other public services or utilities in connection with the use of the **LEASED PREMISES**. Payment for the above public services and utilities during any given month shall be payable directly to the appropriate firm or entity providing such utility or service.
- 12.2. The installation of additional electric, water, telephone, teletype and/or gas connection in the **LEASED PREMISES** shall be for the account and expense of the **LESSEE** who is hereby authorized to make or cause to be made such installations only after obtaining the prior written consent and approval of the **LESSOR** which consent and approval shall not be unreasonably withheld. Such installations should be made in such a way as to cause no injury or damage to the **LEASED PREMISES**; provided, however, that in the installation of additional electrical appliances, such as air-conditioning units, fans, etc., for which extra outlets are needed, the **LESSEE** shall employ the services of a licensed electrician acceptable to the **LESSOR** or otherwise hire the licensed electrician of the **LESSOR** so that the additional load of current shall be within the capacity of the main switch of the panel on the relevant floor, thereby minimizing fire hazards and maintaining compliance with the requirements of the fire department and/or the government electrician.
- 12.3. The **LESSOR** assumes no responsibility for the inadequacy, quality or interruption in the utilities or services consumed or supplied in or to the **LEASED PREMISES** by third parties or when the same is provided by the **LESSOR** but is ultimately sourced from third parties.

SECTION 13 – INJURY OR DAMAGE

- 13.1. The **LESSEE** shall assume full responsibility for any injury or damage, which may be caused to the persons or properties of third persons while remaining either casually or on business in any part of the **LEASED PREMISES** and further binds itself to hold the **LESSOR** free and harmless from any such claim for injury or damage unless the injury or damage is due to the willful acts, gross negligence and carelessness on the part of the **LESSOR's** officers, agents, employees, or visitors which shall be for the account of the **LESSOR**.
- 13.2. The **LESSEE** shall indemnify and hold free and harmless the **LESSOR** against all actions or claims for damages by whomsoever they may be made by reason of the non-observance or non-performance of the applicable rules, regulations, ordinances, or laws or any covenants herein stipulated without prejudice to the right of the **LESSOR** to cancel this Contract in accordance with the penal provisions herein contained.
- 13.3. Except for instances of fault, gross negligence or willful misconduct on the part of the **LESSOR**, its officers, agents, employees, or visitors, the **LESSOR** shall not be liable or responsible in any circumstance, whether tortious or otherwise for any damage or disturbance suffered, whether directly or indirectly, by the **LESSEE**, whether personally or in respect of the **LEASED PREMISES** or any contents therein, or by any of its employees, clients, customers or any other persons whomsoever provided that in case of any contributory fault, misconduct or gross negligence of the **LESSOR**, the **LESSOR** shall be proportionately liable for any such claims, demands, actions and proceedings. Without limiting the generality of the foregoing, the **LESSOR** shall not be liable for:
- 13.3.1. any loss, damage or injury sustained by the **LESSEE**, or any such other person or any of their properties, caused by or through any accident, happening or in any way owing to:
- 13.3.1.1. any failure, fluctuation, interruption, malfunction, explosion or suspension of the electricity, water, telephone, telex, facsimile, emergency power or other public utility services supplied to or intended for the **LEASED PREMISES** or the **BUILDING**;
- 13.3.1.2. any seepage, overflow or leakage of water from any pipe, drain or automatic sprinkler system or any part within the **BUILDING** or the influx of rain water into the **LEASED PREMISES** or the **BUILDING**;
- 13.3.1.3. any activity of rats, termites, pests or vermin in the **BUILDING**;
- 13.3.1.4. any failure or breakage of glass in the **LEASED PREMISES** or in the **BUILDING**;
- 13.3.1.5. any interruption, defect, mechanical breakdown, failure or need for repair, overhaul or any negligent or improper working or operation by any person whomsoever, of the services/facilities provided for the common use of the lessees and occupants of the **BUILDING** or for the **LESSEE** in respect of the **LEASED PREMISES**;

- 13.3.1.6. force majeure;
- 13.3.1.7. any escape of fumes, smoke, fire or other substances from anywhere within the **BUILDING**;
- 13.3.1.8. any escape of electric current from electric wiring or cable situated upon or in any way connected with the **BUILDING** or any part thereof, or any vibration from or of any part of the **BUILDING** or adjoining neighboring premises;
- 13.3.1.9. any act, neglect or default of the **LESSEE** or other lessees or occupants of the **BUILDING** or of adjoining neighboring premises, or of their respective employees, clients, guests or customers;
- 13.3.1.10. any defective or damaged condition of the **LEASED PREMISES** or the **BUILDING** unless the same was brought to the attention of the **LESSOR** by the **LESSEE** within fifteen (15) days from hand-over of the **LEASED PREMISES** and the **LESSOR** failed to correct the damage or defect;
- 13.3.1.11. any violation by the **LESSEE** or its officers, employees, representatives or guests, of the provisions hereof or rules and regulations adopted by the **LESSOR** or by any appropriate government agency in connection with the possession and maintenance of the **LEASED PREMISES** by the **LESSEE** and the conduct of its business operations therein; or
- 13.3.1.12. any damage resulting from the **LESSEE's** inability to conduct its business because of a labor dispute, strike, or lockout of other lessees or **LESSOR**.
- 13.3.2. the security or safekeeping of the **LEASED PREMISES** or any person or property found therein, including without limitation to all furniture, fixture, goods, chattels, samples, personal effects, contents or any article delivered or left in the **LEASED PREMISES**;
- 13.3.3. any obstruction and/or damages to the **LESSEE** by future constructions of incoming tenants/occupants of the **BUILDING**.
- 13.4. The **LESSOR** shall, to the extent possible, assist the **LESSEE** in making the proper demand or claim against the party at fault.
- 13.5. In no event shall the payment of any amount due under this Contract, whether as rent, Security Deposit, CUSA charges or utility charges abate or cease to be payable on account of the occurrence of any of the foregoing events.
- 13.6. The **LESSOR** shall indemnify and keep the **LESSEE** fully indemnified against all claims, actions, demands, and proceedings whatsoever arising out of the **LESSOR's** gross negligence and/or willful misconduct and/or the **LESSOR's** breach of its obligations under this Contract.

SECTION 14 – DAMAGE TO LEASED PREMISES

- 14.1. In case of damage to the **LEASED PREMISES** or its appurtenance caused by flood, thunderstorm, fire, earthquake, war or any other unforeseen events, the **LESSEE** shall give immediate notice hereof to the **LESSOR**. If the **LEASED PREMISES** shall be damaged by unforeseen cause without the fault or negligence of the **LESSEE**, or his employees, agents, clerks, or visitors, the damage shall be repaired at the expense of the **LESSOR**, as speedily as possible after such notice. But if the **BUILDING** or the **LEASED PREMISES** be so nearly destroyed as to make it uninhabitable, without the fault or neglect of the **LESSEE**, either party may demand the rescission of this Contract.
- 14.2. The **LESSOR** shall not be liable for any damage caused to or loss of the properties of the **LESSEE** found within the **LEASED PREMISES** as a result of the negligence or willful injury done or caused by any third person or occupant within the **BUILDING**, **LEASED PREMISES** and/or as a result of fire, flood, thunderstorm, earthquake, war or any other unforeseen events or force majeure.

SECTION 15 – PARTIAL OR TOTAL DESTRUCTION

If the **LEASED PREMISES** be partially destroyed by any cause independently of the will of the **LESSEE**, its occupants and employees, the same shall be promptly repaired by the **LESSOR** and an abatement shall be made from the rent corresponding with the time during which said **LEASED PREMISES** may not be used by the **LESSEE** after the occurrence of the aforesaid destruction and before repairs; the Contract shall be rescinded should the **LEASED PREMISES** be totally destroyed, in which case the **LESSOR** shall not be liable to the **LESSEE** for any damage which such total destruction may cause to the said **LESSEE**. In any of these cases the **LESSEE** shall pay the

rent due up to the date of which such destruction shall have occurred, provided however, that if the cause of the destruction is attributable to the fault, negligence or laxity of the **LESSEE** such as but not limited to the tolerance of combustible materials in the **LEASED PREMISES**, then the damage shall be repaired at the exclusive expense of the **LESSEE** and all rent due for the unexpired portion of the Lease Term shall also be payable to the **LESSOR**.

SECTION 16 – INSURANCE

Adequate and necessary insurance coverage shall be maintained for the **BUILDING** and equipment owned by the **LESSOR** at its own expense and the **LESSEE** shall likewise secure insurance coverage for the furniture, fixtures, and equipment used in the **LEASED PREMISES** at its own expense. In case of insurance claims on account of any loss or damage, the recovery by each shall be limited to the proceeds of each party's individual insurance policy.

SECTION 17 – INSPECTION OF PREMISES

Upon prior written notice to the **LESSEE**, the **LESSOR** or its authorized agents shall have the right to enter the **LEASED PREMISES** at any time to examine the same or make alterations or repairs as provided herein or for any purpose that it may deem necessary for the operation or maintenance of the **BUILDING** or its installations. The **LESSEE** shall also allow the **LESSOR** or its authorized agents to exhibit the **LEASED PREMISES** to prospective **LESSEES** during the last ninety (90) days of the Lease Term should the **LESSEE** opt not to renew this Contract.

SECTION 18 – SUBLEASE AND TRANSFER OF RIGHT

18.1. The **LESSEE** shall not, without the written consent of the **LESSOR**:

- 18.1.1. sublease the **LEASED PREMISES**;
- 18.1.2. transfer or assign its rights under this Contract to another or others;
- 18.1.3. encumber its rights under this Contract in whole or in part;
- 18.1.4. confer on anyone any interest it may have hereto;
- 18.1.5. mortgage, encumber or create any security interest in and to the leasehold rights granted hereunder to the **LESSEE**; or
- 18.1.6. enter directly or indirectly into any contract or agreement with any third person/s, association/s or corporation/s in joint venture, partnership or corporation, business of any kind whatsoever, whereby said third party will be allowed to occupy and transact business in the **LEASED PREMISES** under any capacity or guise whatsoever.

18.2. The **LESSEE**, in case allowed by the **LESSOR** to sublease a portion of the **LEASED PREMISES**, shall not be allowed to sublease more than 40% of the total tenantable area of the **LEASED PREMISES**.

18.3. Any contract or agreement made in violation of Section 18.1 shall be void as regards the **LESSOR** and shall entitle the **LESSOR** to exercise its rights provided under Section 32 of this Contract. The **LESSEE** hereby declares and acknowledges that it possesses no goodwill, patronage or incentive rights over the **LEASED PREMISES** and that such rights exclusively belong to the **LESSOR** and are inherent in the **LEASED PREMISES**, and as such the **LESSEE** has no right to sell, transfer, assign, encumber, or mortgage such goodwill to another person.

SECTION 19 – SALE OF LEASED PREMISES

The **LESSOR** being the owner of the said **LEASED PREMISES**, shall have all the rights in accordance with existing laws to dispose, transfer, sell, convey, and encumber the said **LEASED PREMISES** without the need of any notice to or conformity by the **LESSEE** and the latter hereby undertakes and binds itself not to interpose any objections to such conversion, disposition, transfer, sale, conveyance or encumbrance. If the sale materializes, this Contract shall be respected by the new owner.

In the event of such disposition, transfer, sale, conveyance, encumbrance or similar transactions by the **LESSOR** involving the **LEASED PREMISES**, this Contract shall not be terminated and it shall be a condition of such transactions that the **LESSEE** shall be allowed to remain in the **LEASED PREMISES** until the expiration of this Contract or any renewal or extension thereof.

SECTION 20 – EXPROPRIATION & CONDEMNATION

In the event that expropriation or condemnation proceedings are instituted against the **LEASED PREMISES** and/or **BUILDING** or any part thereof during the Lease Term by any instrumentality of the Government, or by any other entity with authority to exercise such expropriation or condemnation, either party may rescind this Contract,

upon giving the other party a thirty (30) days prior written notice. In case of such expropriation or condemnation the **LESSEE** hereby unconditionally relieves and releases the **LESSOR** from any and all liability under this Contract and **LESSEE** shall, whenever requested by the **LESSOR**, deliver and surrender peaceful possession of the **LEASED PREMISES** or any part thereof in connection with or arising out of such expropriation or condemnation proceeding and **LESSEE** shall not be entitled to compensation or indemnity from the **LESSOR**, without prejudice to whatever recourse the **LESSEE** may have against the expropriating or condemning entity on account of damage done or caused to his properties.

SECTION 21 – CURRENCY INFLATION

In case extraordinary inflation, whether official or de facto, of the currency stipulated should supervene during the effectivity of this Contract, the value of the currency at the time of the establishment of the obligation shall be the basis of payment as provided for in Article 1250 of the New Civil Code of the Philippines. Extraordinary inflation is that which is unusual or beyond common fluctuations in the value of the currency, which is manifestly beyond the contemplation at the execution of this Contract.

SECTION 22 – RETURN OF THE LEASED PREMISES

- 22.1. Upon expiration of the Lease Term of this Contract or upon cancellation or pre-termination of the same, the **LESSEE** agrees to return and surrender without any delay whatsoever the **LEASED PREMISES** in as good condition as reasonable wear and tear will permit, devoid of all occupants, furniture, articles and effects of any kind other than such alterations, additions or improvements which the **LESSOR** may elect to take, in accordance with the provisions of Section 6 thereof.
- 22.2. Surrender and turnover of the **LEASED PREMISES** back to the **LESSOR** shall be done after full restoration of the **LEASED PREMISES** in accordance with the provisions of this Contract. **LESSEE**'s liability for rent notwithstanding the expiration of the Lease Term shall only cease upon the proper and full turnover of the **LEASED PREMISES** to the **LESSOR**'s authorized representative.
- 22.3. If the **LEASED PREMISES** is not surrendered immediately upon expiration/cancellation/ pre-termination of this Contract, the **LESSEE** shall be responsible to the **LESSOR** for all damages which the latter shall suffer by reason thereof and will indemnify the **LESSOR** against any and all claims made by any succeeding tenants for the **LESSOR**'s failure or delay in delivering the possession of the **LEASED PREMISES** to such succeeding tenant without prejudice to the **LESSOR**'s right and remedies under the law against the **LESSEE**.
- 22.4. Further, the **LESSOR** shall require the **LESSEE** to pay a monthly rental equivalent to the previous rental plus a One Hundred (100%) percent surcharge for the duration that the **LESSEE** has not surrendered the **LEASED PREMISES**.

SECTION 23 – DISTURBANCE OF POSSESSION

Disturbance or discontinuance of the possession of the **LEASED PREMISES** by the **LESSEE** by cause beyond the control of the **LESSOR** shall confer no right of any kind to the **LESSEE** as against the **LESSOR**.

SECTION 24 – LEASE EXCLUDES PORTIONS OF THE BUILDING

This Contract does not extend to the outside portion of the **BUILDING** corresponding to or opposite the **LEASED PREMISES**, and the painting, putting or affixing of business notices, signs or other advertising media in accordance with Section 5 of this Contract shall not be construed as an extension of this Contract to the outside portion of the **BUILDING**. The **LESSOR** may, subject to its availability and governed by the provisions under Section 6 of this Contract, provide the **LESSEE** suitable space to suitably operate, store or house its additional air-conditioning sets whenever such equipment is so required by its business. A monthly rental charge for such additional space shall be paid by the **LESSEE**, the rate of which to be negotiated by both parties.

SECTION 25 – ABANDONMENT OF LEASED PREMISES

- 25.1. Should the **LESSEE** abandon the **LEASED PREMISES** without written notice to the **LESSOR** as provided under Section 33 of this Contract, the **LESSEE** shall be liable to the **LESSOR** for liquidated damages equivalent to the monthly rentals corresponding to the unexpired portion of the lease term and forfeiture of its Security Deposit. The payment of liquidated damages provided for herein shall be without prejudice to the exercise of other remedies available to the **LESSOR**.
- 25.2. If the **LESSEE** shall abandon or vacate the **LEASED PREMISES** or if it remains unoccupied, under the following conditions:
 - 25.2.1. without payment of the rent on the **LEASED PREMISES**,
 - 25.2.2. without official notice of the intended vacancy to the **LESSOR**, and

- 25.2.3. **LESSEE** cannot be contacted at its last known address despite efforts exerted therefore by the **LESSOR**, for a continuous period of fifteen (15) calendar days at any time during the term of this lease,

the **LESSOR** has the right to forfeit the Security Deposit, demand the rentals corresponding to the unexpired portion of the Lease Term, and lease out the **LEASED PREMISES** to other persons or entities. The **LESSOR** shall be under no obligation to exert additional efforts to contact the **LESSEE** prior to the exercise of the foregoing rights other than to send the **LESSEE** the corresponding statements of account for the amounts due from the **LESSEE** as provided under this Section.

- 25.3. Likewise, the **LESSOR** shall have the right to enter the **LEASED PREMISES** and remove the **LESSEE's** properties as may be deposited therein and have them deposited elsewhere at the expense of the **LESSEE**. However, the **LESSOR** is hereby expressly authorized to enter the same as the agent of the **LESSEE** either by force or otherwise, without being liable to any prosecution therefore, holding the **LESSEE** liable for any deficiency, to take possession of any and all furniture, fixtures, machinery, equipment, property, etc. including their contents, whatever they may be, which may be found inside the **LEASED PREMISES**, and to sell any and/or all of them whether at the public or private sales, to sign and execute for and in the name of the **LESSEE** the corresponding deed of sale, assignments, endorsement, negotiation, etc. in connection therewith; and to apply the proceeds thereof to any obligations which the **LESSEE** may then be owing to the **LESSOR**. All acts done by the **LESSOR** pursuant to the authority herein given are hereby ratified and confirmed as valid and lawful acts of the **LESSEE**, without prejudice to any action as may be appropriate for the recovery of any deficiency or other damages provided in this Contract.

SECTION 26 – ABANDONMENT AND/OR DESERTION DUE TO ARREARS

- 26.1. In the event that the **LESSEE** abandons the **LEASED PREMISES**, or otherwise leaves the same in an unoccupied condition and said **LESSEE** is in arrears in the payment of his rentals, the **LESSOR** shall have the right in its discretion:
- 26.1.1. enter the **LEASED PREMISES**, by breaking the locks and doors, if necessary;
 - 26.1.2. remove the **LESSEE's** equipment, furniture, and other effects and properties and hold the same as well as the deposit made herein to answer for the rentals due; and
 - 26.1.3. make the **LEASED PREMISES** available for occupancy to persons desiring to lease the same.
- 26.2. The right herein granted to the **LESSOR** shall be without prejudice to such other rights and remedies the **LESSOR** may have against the **LESSEE's** violation or violations of this Contract.

SECTION 27 – BANKRUPTCY

If on the date of the commencement of the Lease Term of the Contract or if at any time during the Lease Term of this Contract there will be filed by or against the **LESSEE** in any court pursuant to any statute, a petition for bankruptcy or insolvency or for reorganization or for the appointment of a receiver or trustee of all or a substantial portion of the **LESSEE's** properties, and within sixty (60) days thereafter the **LESSEE** fails to have a discharge thereof; or if the **LESSEE** makes an assignment for the benefit of creditors or petitions for or enters into such arrangement, this Contract, at the option of the **LESSOR**, exercised within a reasonable amount of time after notice of the happening of any one or more of such events, may be canceled or terminated and neither the **LESSEE** nor claiming through or under the **LESSEE** by virtue of any statute or order of any court shall be entitled to possession or to retain in possession of the **LEASED PREMISES** but shall forthwith quit and surrender said **LEASED PREMISES**, and the **LESSOR**, in addition to other rights and remedies the **LESSOR** has by virtue of any other provision herein or elsewhere contained in this Contract or by virtue of any statute or rule of law, shall retain as liquidated damages any rent, security, deposit or monies received by it from the **LESSEE** or others in behalf of the **LESSEE**. However, (in alternative), should the **LESSOR** decide to exercise the right to accept rent from the receiver, trustee, or other judicial officer in the fiduciary capacity during the term of the occupancy without affecting the **LESSOR's** rights as contained in this Contract, no receiver, trustee, or other judicial officer shall have any right, title or interest to the **LEASED PREMISES** by virtue of this Contract.

SECTION 28 – LESSOR'S OBLIGATIONS PREVENTED OR DELAYED BY WAR, ETC.

- 28.1. This Contract and the obligation of the **LESSEE** to pay rent hereunder and comply with all the other covenants and agreements contained hereunder, shall in no case be affected, impaired, or excused because the **LESSOR** is unable to supply or is delayed in supplying services, equipment and/or fixture if the **LESSOR** is prevented or delayed in so doing by reason of temporary invasions, insurrections, riots, strikes, order of the military, naval, or civil authority, or in connection with any rule or regulation of any department or subdivision thereof of any governmental agency, or by reason of the conditions of supply and demand which have been or are affected by war or national emergency.

28.2. If said event, except for strikes of **LESSEE's** employees and or laborers, should last for more than six (6) months, this Contract may then be terminated by either party without liability or penalty to each other. In case of strikes of **LESSEE's** employees and/or laborers, **LESSOR** has the right to either:

28.2.1. require the **LESSEE** to continue paying rent even beyond the Lease Term until such time as the strikers have left and the **LESSOR** can take possession of the **LEASED PREMISES**;

28.2.2. Consider the **LESSEE's** properties inside the **LEASED PREMISES** as abandoned at the expiration of the Contract and may at any time thereafter be disposed by the **LESSOR** without in any way being or becoming liable to the **LESSEE** by reason hereof. Disposal of properties of **LESSEE** by **LESSOR** shall be in accordance with the provision of Section 32.

SECTION 29 – NON-WAIVER

The failure of either the **LESSOR** or the **LESSEE** to insist upon the strict compliance with and performance of any of the terms, conditions and covenants hereof shall not be deemed as a relinquishment or waiver of any rights or remedy that the **LESSOR** or the **LESSEE** may have, nor shall it be construed as a waiver of any subsequent breach or default of the terms, conditions and covenants herein contained, but the same shall continue to be in full force and effect. No waiver by either the **LESSOR** or the **LESSEE** shall be deemed to have been made unless expressed in writing and duly signed by the **LESSOR** or the **LESSEE**. Furthermore, the **LESSOR** shall, in case of litigation or controversy concerning the **LESSOR's** right, title and interest in the **LEASED PREMISES**, defend and hold harmless the rights of the **LESSEE** under the terms and conditions of this Contract at the **LESSOR's** expense.

SECTION 30 – COMPLIANCE WITH LAWS

The **LESSEE** and the **LESSOR** shall comply with all laws, ordinances, regulations, or orders of the national or municipal government arising from or regarding the use, occupation and sanitation of the **LEASED PREMISES**. Failure to comply with said laws, ordinances, regulations or orders shall be at the exclusive risk and responsibility of the **LESSEE** unless the failure to comply is attributable to the willful acts, fault, gross negligence and carelessness on the part of the **LESSOR's** officers, agents, employees, or visitors which shall be for the exclusive risk and responsibility of the **LESSOR**.

SECTION 31 – BREACH OR DEFAULT

31.1 The parties hereby agree that all the covenants and agreements herein contained shall be deemed essential conditions as well as the covenant and that if default or breach is made by failure or neglect of any one of the parties herein to perform or observe any agreement, covenant or condition herein stipulated, the **LESSOR** or the **LESSEE**, as the case may be, shall be entitled to terminate this Contract, in accordance with Section 31.2 below, upon written notice to the other party and the party at fault shall be liable for any and all damages, actual and consequential, resulting from such default or breach.

31.2 The **LESSEE** shall have a reasonable period granted by the **LESSOR** from receipt of written notice of default or breach within which to cure or remedy its breach or non-performance of the provisions of this Contract. Upon the occurrence of breach or non-performance, the **LESSOR** may forthwith serve written notice of termination to the **LESSEE** specifying the effective date thereof; provided, that the curing period under has been granted to the **LESSEE** and **LESSEE** fails to so cure or remedy its breach.

SECTION 32 – JUDICIAL RELIEF AND PENALTY

32.1. In the event that either the **LESSOR** or the **LESSEE** be compelled to seek judicial relief for violation of or failure to comply with the terms and conditions of this Contract or for specific performance by the **LESSOR** or the **LESSEE**, the **LESSEE** or the **LESSOR** shall pay the other party a sum equivalent to 20% of the amount involved in the litigation for attorney's fee but in no event to be less than **PESOS: ONE HUNDRED THOUSAND & 00/100 (P100,000.00)**, Philippine Currency, as well as the costs of the litigation and other expenses which the laws may entitle such party.

32.2. In all cases where this Contract is terminated or canceled whether judicially or extra-judicially by reason of any default or breach committed by the **LESSEE**, the **LESSEE** shall be liable fully to the **LESSOR** for the rentals corresponding to the remaining Lease Term of this Contract as well as for any and all damages, actual or consequential, resulting from such default, termination, abandonment, pre-termination of this Contract. Likewise, **LESSOR** is automatically authorized and appointed as **LESSEE's** attorney-in-fact with the following powers and rights to:

32.2.1. open, enter, padlock, secure, enclose or fence the **LEASED PREMISES**, and/or cause the cutting-off of the supply of the public utilities and services to the **LEASED PREMISES**, or otherwise take full and complete physical possession and control of the **LEASED PREMISES** and lock-out or prevent **LESSEE** or any of its officers, employees, guests, agents, customers or business associates

from entering the **LEASED PREMISES**, unless all accounts or obligation in favor of **LESSOR** are settled in full;

- 32.2.2. assume and take control and possession of all alterations, additions, improvements or installations placed in or on the **LEASED PREMISES**;
- 32.2.3. take an inventory of the equipment, furniture, articles or merchandise found or located in the **LEASED PREMISES** which may be removed therefrom, place any of the same in storage and charge **LESSEE** the corresponding storage fees therefore;
- 32.2.4. in case **LESSEE** fails to settle in full any liability to **LESSOR** within thirty (30) days from the date **LESSOR** takes possession of the **LEASED PREMISES** or of the **LESSEE**'s personal properties, to dispose of said properties in a public or private sale and to apply the proceeds thereof to the payment of whatever liability and/or indebtedness **LESSEE** may owe **LESSOR**, including reasonable expenses incurred by **LESSOR** in removing such personal properties from the **LEASED PREMISES** and to collect the deficiency, if any. The appointment of **LESSOR** as attorney-in-fact of **LESSEE** shall be considered coupled with interest and is irrevocable.

In exercising its rights hereunder, the **LESSOR** shall not sell any data containing device such as data centers, computers, and documents, nor impede the **LESSEE**'s compliance with its regulatory obligations.

- 32.3. The venue of any action arising out or based on this Contract shall be exclusively with the proper court of Taguig City only, to the exclusion of all other courts.

SECTION 33 – NOTIFICATION

- 33.1. All notices or other communications required or permitted to be given under this Contract by the parties shall be given in writing and shall be delivered in person or sent by registered mail to the address of the parties indicated in Annex "A".
- 33.2. Notice is deemed delivered in person when the same is:
 - 33.2.1. received by the pertinent party's authorized representatives, security or office staff or
 - 33.2.2. duly tendered if it is refused to be accepted and/or received or
 - 33.2.3. with respect to the **LESSEE**, when the **LEASED PREMISES** is abandoned or unoccupied without the consent of the **LESSOR**, posted at a conspicuous space in the **LEASED PREMISES**.

SECTION 34 – MUTUAL WARRANTIES

The **LESSOR** and **LESSEE** represent and warrant in favor of each other that:

- 34.1. Each has full power, authority and legal right to execute, deliver and perform this Contract and has taken all the necessary corporate actions to authorize the foregoing;
- 34.2. This Contract constitutes the legal, valid and binding obligations of the **LESSOR** or **LESSEE**, enforceable in accordance with its term, and
- 34.3. The execution, delivery and performance of this Contract do not and will not violate any provision of or result in a breach of or constitute a default under any law, regulation or judgment, or violate any agreement binding upon either of them or any of their property.

The **LESSOR** further represents and warrants to the **LESSEE** that:

- 34.4. The peaceful and comfortable use and enjoyment by the **LESSEE** of the **LEASED PREMISES** until the expiration of this Contract.
- 34.5. The **LESSOR** shall put in place such business continuity and emergency plans and programs as are reasonable and/or necessary to ensure the safety of the tenants of the **BUILDING** and their employees, agents, customers, clients, or guests, which shall include, among others, conducting earthquake and fire drills in the Building.
- 34.6. The **LESSOR** is the owner of the **BUILDING** in which the **LEASED PREMISES** are located;
- 34.7. The **LEASED PREMISES** or **BUILDING** meets all the requirements of all statutory authorities which are necessary to enable the **LESSOR** to lease the **LEASED PREMISES** as of the lease commencement date, and such requirements will be complied with and maintained during the effectivity of the Contract;

34.8. The **LEASED PREMISES** are in good and tenantable condition as of the lease commencement date; and

34.9. The **LESSOR** shall appoint a qualified and reputable Property Manager or Administrator for the Building.

SECTION 35 – SEPARABILITY CLAUSE

Should any provision of this Contract be held invalid by any competent court, the same shall apply only to the provision involved and the remaining provisions hereof shall remain valid and enforceable.

SECTION 36 – COUNTERPARTS

This Contract may be executed in two or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same Contract.

SECTION 37 – CANCELLATION OF PREVIOUS AGREEMENT

This Contract supersedes and renders void any and all previous agreements and understanding, oral or written between the parties covering the **LEASED PREMISES** the same having been considered or merged herein.

SECTION 38 – CONTRACT MODIFICATION

No modification or alteration of this Contract shall be considered as having been made unless executed in writing and duly signed by the parties hereto.

SECTION 39 – AFFIRMATION

The **LESSEE** hereby affirms and certifies that it had read, or its duly authorized representative had read or caused to be read all the foregoing provisions of this Contract and had fully understood the terms hereof, the receipt of a complete and signed copy of which is hereby expressly acknowledged by the **LESSEE**.

IN WITNESS WHEREOF, the parties hereunto have set their hands on the date and place hereinabove mentioned.

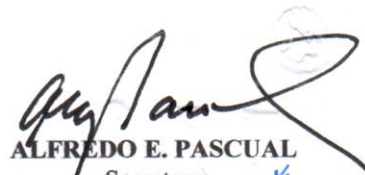
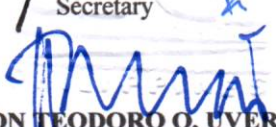
VITA REALTY CORPORATION
(Lessor)

By:


WELLINGTON S. LIM
President

DEPARTMENT OF TRADE AND INDUSTRY
(Lessee)

By:


ALFREDO E. PASCUAL
Secretary

AGATON TEODORO O. UVERO
Supervising Head, MSG

SIGNED IN THE PRESENCE OF THE FOLLOWING WITNESSES:
(Signature over Printed Name)


JOEL R. CRUZ
Director, HRAS

ANNEX “A”

ESSENTIAL PROVISIONS

TYPE OF CONTRACT		Original
LESSOR	Name	VITA REALTY CORPORATION
	Address	Lower Penthouse, Fort Legend Towers, 3 rd Avenue corner 31 st St., Fort Bonifacio, Global City, Taguig City.
	Authorized Representative	MR. WELLINGTON S. LIM President
LESSEE	Name	DEPARTMENT OF TRADE AND INDUSTRY
	Address	361 Sen. Gil Puyat Avenue, City of Makati
	Authorized Representative	SEC. ALFREDO E. PASCUAL Secretary ATTY. AGATON TEODORO O. UVERO Supervising Head, MSG
LEASED PREMISES	Property Description and Location	Five-storey office building, with basement, situated on a 2,000 sqm lot located at 375 Sen. Gil J. Puyat Avenue, Makati City
	Area	3,843.64 sqm Total Tenantable Area
	Condition	“AS IS”

COMMERCIAL TERMS

SECTION	SUBJECT	PROVISION
1.1	Lease Period	One (1) year commencing on January 1, 2024 and expiring on December 31, 2024
2.1	Escalation Rate	To be mutually agreed upon in case of renewal or extension
2.2	Date of Post-Dated Checks	In lieu of the post-dated checks, the LESSEE shall be allowed to arrange for the payment of its rent and other charges on or before the tenth (10 th) day of each calendar month.
2.6	Documentary Stamp Tax	P93,140.00
3.1	Security Deposit	P11,642,193.39
3.7	Advance Rental	P13,039,256.60, VAT-inclusive, to be applied as rental payment on the last three (3) months of the Lease Term.
4.1	Use of Leased Premises	General business office

SCHEDULE OF PAYMENT

Office Space:

CONTRACT YEAR	RATE (per sqm.)	MONTHLY RENT	12% EVAT (if applicable)	TOTAL MONTHLY RENTAL
01/01/2024 – 12/31/2024	1,009.65	3,880,731.13	465,687.74	4,346,418.87

OTHER PROVISIONS

1. Upon execution of this Contract and during its effectivity when deemed necessary, the LESSEE shall provide the LESSOR the following documents:
 - a. Valid ID of the Contract signatory with picture
 - b. Secretary’s Certificate as to Contract Signatory
 - c. SEC Registration, if applicable
 - d. Articles of Incorporation, if applicable
 - e. By-laws, if applicable
 - f. BIR Registration Form 2303
 - g. General Information Sheet, if applicable
 - h. PEZA Registration, if applicable
 - i. PEZA Incentives, if applicable
 - j. PEZA Zero-Rated Certificate, if applicable

2. The following shall be likewise payable, should there be any construction or renovation that will done on the LEASED PREMISES by the LESSEE:
 - a. CONSTRUCTION DEPOSIT: equivalent to one month's rent and shall be payable upon submission of construction plans to the Building Management. This shall be released by the LESSOR to the LESSEE, without interest and less any construction-related charges due the LESSOR, after construction and after a determination by the LESSOR of the full compliance by the LESSEE with the Fit-Out Guidelines and Building Administration requirements.
 - b. VETTING FEE: at a rate of P120.00 per square meter of total leasable area, exclusive of VAT, payable upon submission of the construction plans to the Building Management for the review of the LESSEE's Fit-Out plans by the Building's architect.
3. All payments and/or checks required under this Contract shall be made and/or delivered at the LESSOR's designated address which is Lower Penthouse, Fort Legend Towers, 3rd Avenue corner 31st Street, Bonifacio Global City, Taguig City, unless otherwise changed by the LESSOR subject to prior written notice to the LESSEE.
4. The LESSEE shall provide the LESSOR a copy of all its permits and/or licenses secured from government agencies as proof of compliance with laws, ordinances, rules and regulations of which the LESSEE is required to comply with. The LESSEE shall give such copy to the LESSOR within ten (10) days from issuance. The LESSEE shall likewise be required to provide a copy of the as-built plans, as approved by the appropriate local government unit, for its improvements and/or renovations done on the LEASED PREMISES pursuant to the provisions of this Contract. Failure to provide copies required under this provision after a written demand from the LESSOR shall be considered a substantial breach of this Contract and shall subject the LESSEE to a monthly penalty of P5,000.00 until proper submission to the LESSOR of the required documents.
5. The LESSEE shall provide the LESSOR on a monthly basis a copy of all its utility bills. Any deposit or refund applied to the respective billings and to the benefit of the LESSEE shall be reimbursed by the LESSEE to the LESSOR, without need of notice or demand, unless the LESSEE was the one who made the deposit with the concerned utility company.
6. If applicable, the LESSEE shall include in its payment the corresponding BIR Form 2307 (Certificate of Tax Withheld), the failure of which, shall entitle the LESSOR to consider the amount withheld as unpaid rent subject to a penalty of two percent (2%) per month starting from the date when payment should have been made.
7. The condition under which the LEASED PREMISES shall be restored to upon the expiration or termination of the lease is **WARM SHELL WITH ACOUSTIC CEILING, AIRCON, SPRINKLER, AND SMOKE DETECTORS.**
8. NAME OF THE BUILDING – The LESSOR hereby grants the LESSEE the option to use the name "DTI International Trade Building" during the tenure of this lease contract.
9. MAINTENANCE OF ELEVATORS, STAND-BY GENERATOR AND AIR-CONDITIONING UNITS – The maintenance and servicing requirements for elevators shall be for the account of the LESSEE. Spare parts for the repair of the elevator units shall be supplied by the LESSOR. The regular maintenance and servicing requirements of the air-conditioning units shall be for the account of the LESSOR, provided however that the cost of the spare parts and all supplies such as refrigerant, capella oil, nitrogen and other consumables shall be for the account of the LESSEE. Repairs and maintenance cost of the centralized air conditioning unit in excess of TEN THOUSAND PESOS (P10,000.00) shall be shared by the LESSEE and the LESSOR. The first TEN THOUSAND (P10,000.00) PESOS shall be for the account of the LESSEE and the amount in excess of TEN THOUSAND (P10,000.00) PESOS shall be for the account of the LESSOR. The LESSOR shall be responsible for the maintenance of the stand-by generator unit/s at all times during the term of lease.

ACKNOWLEDGMENT

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

BEFORE ME, a Notary Public, personally appeared:

Name	Competent Evidence of Identity	Date and Place of Issuance
WELLINGTON S. LIM	TIN 106-864-280	
ALFREDO E. PASCUAL	DTI 06042	
AGATON TEODORO O. UVERO	LTD E04-88-026208	

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 their free and voluntary act and deed and that of the corporations they represent.

This instrument consists of eighteen (18) pages, including two (2) pages on which Annex A and one (1) page on which this acknowledgement are written duly signed by the contracting parties and their witnesses.

IN WITNESS WHEREOF, I hereunto set my hand and affix my notarial seal this MAR 25 2024.

Doc. No. 1425 ;
Page No. 76 ;
Book No. VII ;
Series of 2024.

Nico B. Valderrama
NICO B. VALDERRAMA
Notary Public for Taguig City until Dec. 31, 2025
Appointment No. 65 (2024-2025)
Upper Penthouse, Fort Legend Towers
3rd Ave., Bonifacio Global City, Taguig City
Roll No. 61069
PTR No. A-6053206; January 5, 2024; Taguig City
IBP Lifetime Member No. 012201; RSM Chapter
MCLE Exemption No. VII-PGS003900 valid until April 14, 2025



$PIM \Delta$

Print date/time : 2024-01-03 14:00:30

Printed By : DACASIN, KRISTINE JOY F.

 $01-0105$

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Wangul / alvix

OBLIGATION REQUEST AND STATUS Department Of Trade & Industry Entity Name Serial Number: OBR-202401-00235 Date: 01/11/2024 Fund Cluster:				Payee		000108 - Vita Realty Corporation	
				Office		TIN / Emp No. 000-510-791-000	
Address		Penthouse Morning Star Center 347 Gil Puyat Ave. Makati City					
RESPONSIBILITY		CENTER		PARTICULARS		MFO / PAP	
22-001-01-000000-09-0		1 - RENTAL		To obligate Rental of Office Space located at 375 Sen. Gil Puyat Ave., Makati City for the period of 01 January to 31 December 2024. (DTI INTL)		50299050-01	
53,308,589.14		AMOUNT		53,308,589.14		TOTAL	
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:		Printed Name:		Position:		Date:	
_____		_____		_____		_____	
Head, Requesting		Office / Authorized Representative		Head, Budget Division /		Unit / Authorized Representative	
_____		_____		_____		_____	
GEMMA B. MANLANGIT		OIC, BUDGET DIVISION		11/2		_____	
STATUS OF OBLIGATION							
Reference				Amount			
Date		Particulars		Check/ADA/ORS/JEV/TRA No.		(a)	
Obligation		Payable		Payment		(b)	
Not Yet Due		Demandable		Due and		(c)	
Balance		Due and		Demandable		(b-c)	

MEMORANDUM

TO : MA. ASUNCION H. CRUZADA
Director
Finance Service

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

DATE : 29 December 2023

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

May we request for the Certification of Availability of Funds (C.A.F.) in the amount of Fifty-Three Million Three Hundred Eight Thousand Five Hundred Eighty-Nine Pesos and Fourteen Centavos (PhP53,308,589.14) payable to Vita Realty Corporation for the Rental of Office Space located at 375 Senator Gil Puyat Ave., Makati City to be occupied by various DTI Offices from January to December 2024.

Thank you.

BIDS AND AWARDS COMMITTEE

Administrative Office IV
11/15/20

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

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

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

Board of Investments (BOI)	1&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 Office (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	LSL Realty Development Corporation	PHP4,069,899.92
DTI Main Office	Trade and Industry Building, 361 Senator Gil Puyat Ave., Makati City		PHP118,800,521.82
DTI International Building	375 Senator Gil Puyat Ave., Makati City	Vita Realty Corporation	PHP53,308,589.14

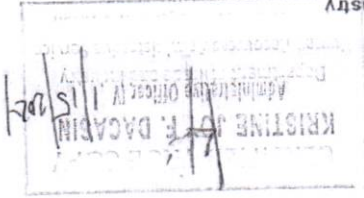
2. This is an early procurement subject to approval and release of the approved FY 2024 GAA.

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

ATTY. AGATON TEODORO O. UVERO
Assistant Secretary
Chairperson

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

MARIA ASUNCION H. CRUZADA
Director
Member
Digitally signed by Ma. Asuncion Cruz



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.

COST-BENEFIT ANALYSIS FOR RENEWAL OF OFFICE LEASE FOR ITG

	EXISTING OFFICE SPACE	POTENTIAL OFFICE SPACE	REMARKS
Building Address	375 Sen. Gil Puyat Ave., Makati City	Ayala Avenue, Makati City	Potential office space was selected based on its proximity and total leasable area closest to the existing office.
Company Name	VITA REALTY CORPORATION		
Floor Area (Leasable)	3,843.64 SQM	1,947.95 SQM	
No. of Parking Slot (Available)	41	10	
Estimate Annual Cost in PHP			
Rental Rate (VAT Inc.)	52,157,026.44	20,420,749.44	
Management Fee CUSA	N/A	4,974,285.12	
Parking Fee (VAT Inc.)	N/A	125,395.20	
Annual Rental Fee (VAT Inc.)	52,157,026.44	25,520,429.76	
Security Deposit	1,058,423.15	4,558,203.00	
DST	93,139.55	45,574.20	
Sub-total	53,308,589.14	30,124,206.96	
Estimated Fit-Out Cost (in PHP)			
Renovation Cost (in PHP)	N/A	19,479,500.00	P 10,000.00/ SQM
Dismantling/ Installation cost for office fixtures	N/A	9,410,500.00	Php29,500.00 per employee office furniture (workstation, chair, mobile pedestal, and other cost-shared furniture in an office – conference table/chair, sofa, etc.); Existing head count of employees including JOCOS is 319.
Trucking/ Hauling Cost	N/A	450,000.00	P15,000.00 per trip for 10 –wheeler trucks. The estimated # of trips is 30 trips per 1,000.00 sqm office space

TOTAL ESTIMATED COST FOR 2024 (in PHP)

53,308,589.14

59,464,206.96

REMARKS:

1. The available potential office spaces for lease did not meet the leasable area of the existing lessor. Total difference in the leasable area of the existing lessor and the bidder is 1,895.69 SQM
2. Aside from the additional Renovation, Dismantling and Trucking/Hauling costs 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:

Rayma E. Dalumpines
Administrative Officer IV

Checked by:

Cassandra A. Mata
Chief Administrative Officer

Noted by:

Joel R. Cruz
Director, HRAS

Approved by:

Asoc. Agaton Taddo O. Uvero
Supervising Head, MSG