

# CONTRACT OF LEASE

## KNOW ALL MEN BY THESE PRESENT:

This **CONTRACT OF LEASE** is made and executed this \_\_\_ day of \_\_\_\_\_, 2024 at DSWD Field Office - Cordillera Administrative Region, Baguio City between:

The **DEPARTMENT OF SOCIAL WELFARE AND DEVELOPMENT-CORDILLERA ADMINISTRATIVE REGION (DSWD-CAR)**, a government agency with principal office located at #40 North Drive, Baguio City, represented by **DIR. ENRIQUE H. GASCON, JR.** in his capacity as the Concurrent OIC Regional Director and ARD for Operations of DSWD- CAR, herein referred as the "**LESSEE**":

*and*

**TERRACE LIM BAGUIO CONDOMINIUM INC.**, an entity duly organized and existing under the laws of the Philippines, which principal office at #07 Laubach Road, Upper General Luna, Baguio City, herein represented by **MS. ROSIE O. LAM**, hereinafter referred to as the "**LESSOR**".

## WITNESSETH THAT

**WHEREAS**, the **LESSOR** is the registered owner of a building known as **TERRACE LIM BAGUIO CONDOMINIUM INC.** situated at #07 Laubach Road, Upper General Luna, Baguio City;

**WHEREAS**, the **LESSEE** desires to engage lease of contract with the **LESSOR**, and the **LESSOR** agrees to lease unto the **LESSEE**, a portion of the building referred as "Unit 402" and "G103", for the purpose of housing the Regional Program Management Office KALAHI CIDSS-NCDDP of DSWD-CAR, under the terms and conditions hereinafter set forth,

**WHEREAS**, the **LESSEE**, as a government agency operating within the region shall undergo procurement procedures under the RA 9184 and its IRR;

**WHEREAS**, in accordance with the abovementioned procurement guideline:

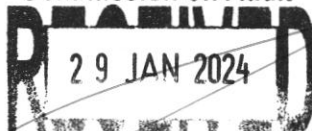
1. The **LESSEE** has issued that contract of lease with the **LESSOR** is the most efficient and economical to the government;
2. The **LESSOR** was found to be compliant to deliver the services needed;
3. The **LESSEE** owns or has access to the necessary facilities, equipment, and human resource required for the procurement at hand and;
4. The procurement at hand is supported by an approved proposal to lease an office space numbered as 2023-11-108 (2024 NEP) and is part of the project procurement plan for 2024;

**NOW, THEREFORE**, for and in consideration of the foregoing premises and the covenants hereinafter stipulated, the parties hereby agree as follows:

### 1. TERM

The lease shall be for a period of TWELVE (12) months to commence on January 1<sup>st</sup> of 2024 and will end on December 31<sup>st</sup> of 2024; renewable for the same period or more upon such terms and conditions as may be mutually agreed upon by both parties in writing, and for this purpose, the **LESSEE** shall, within Thirty (30) days before the expiration of the term, notify the **LESSOR** of the former's intention to renew/extend the lease. In case of failure of the **LESSEE** to give the requisite notice within said period, it shall be constructed as definite decision on the part of the **LESSEE** not to renew the lease, and the **LESSOR** shall be free to offer the leased premises to third parties.

Commission on Audit



Date: \_\_\_\_\_ Time: \_\_\_\_\_

## 2. RENTAL

1. **Rental Payment and Escalation Clause** – Within the first ten (10) days of each calendar month, the **LESSEE** shall pay the **LESSOR** a monthly rent at the rate of **One Hundred Fifty-One Thousand Two Hundred Fifty Pesos Only (P151,250.00)** inclusive of all Withholding Taxes. Said rental shall be paid in the form of a CHECK payable to **TERRACE LIM BAGUIO CONDOMINIUM INC.** during the entire term of this Lease, without necessity of express demand. Further, the **LESSOR** hereby authorizes the **LESSEE** to deduct the concomitant taxes for the lease rental and to remit the same to the Bureau of Internal Revenue (BIR) pursuant to Revenue Regulation No. 6-85, as amended.

Escalation Clause (applicable in contract terms exceeding one year). The monthly rent may escalate yearly by Five Percent (5%) based on the rental preceding the effectivity of the increase which is every anniversary date of the **LESSEE**.

2. **Advance Rental Payment.** – within ten (10) days from the start of each month, the **LESSEE** shall remit to the **LESSOR** an amount of **One Hundred Fifty-One Thousand Two Hundred Fifty Pesos Only (P151,250.00)** to be applied as rental payment for each respective month.

## 3. DELIVERY OF LEASED PROPERTY

1. The **LESSOR** shall deliver to the **LESSEE** the Leased Properties with all the necessary electrical outlets, ceiling, flooring, etc. and the entire Leased Property in its good sanitary and tenantable condition. The **LESSOR** shall likewise provide the Leased Property with electrical, water, and plumbing facilities such as but not limited to sub-meters, on working condition during the term of the lease.
2. The **LESSOR** hereby transfers and conveys by way of **LEASE** in favor of the **LESSEE** a portion of the afore-stated properties (hereinafter referred to as Leased Properties) specially described as follows:

Building Portion: **Unit 402 & G103**

Covered Floor Area (sq.m.):

**Unit 402: 100 sq. m**

**G103: 230sqm.**

*All provisions complied in the submitted Request for Quotation form shall likewise form part of the contract of lease.*

3. The **LESSOR** warrants the structural integrity of the office space and its facilities, its compliance with the National Building Code and other pertinent laws, rules & regulations and ordinances.
4. The **LESSOR** further warrants the continuous & peaceful use, possession, occupancy & enjoyment of the leased office space throughout the term of the contract & its extension, as the case may be.

## 4. USE OF LEASED PROPERTY

1. The Leased Premises shall be used exclusively by the **LESSEE** for office purposes in line with its operations and services, or in furtherance thereof, and shall not be diverted to any other purpose without the prior written consent of the **LESSOR**.
2. If the Leased Properties are used for other purposes, the **LESSOR** has the choice to:
  - (i) Rescind the Leased Agreement; or
  - (ii) Increase the rent; or
  - (iii) Compel **LESSEE** to stop the new activities.

In no case shall Leased Properties be used for immoral, illicit and illegal acts or purposes.

3. **Transfer or Encumbrance of Leased Right.** – The **LESSEE** shall not directly or indirectly sublease, assign, transfer, convey, mortgage, or in any way encumber his right to lease over the leased premises or any other portion thereof under any circumstances whatsoever (Double Occupancy, Partnership, Table Spacer, and circumstances analogous to the foregoing). It is