

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:

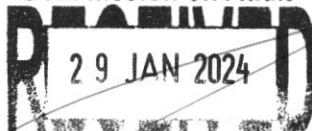
1. The **LESSEE** has issued that contract of lease with the **LESSOR** is the most efficient and economical to the government;
2. The **LESSOR** was found to be compliant to deliver the services needed;
3. The **LESSEE** owns or has access to the necessary facilities, equipment, and human resource required 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 1st of 2024 and will end on December 31st 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

expressly understood and agreed by the parties that personal character of **LESSEE** as herein below represented and the nature of the occupancy of the leased premises as above restricted, constitute and are the special consideration and inducement for granting of this lease by the **LESSOR**; consequently, any violation, direct or indirect, of any stipulations hereof shall automatically and unequivocally terminate this contract of lease from time such violations occur.

The **LESSEE** is obliged to bring to the knowledge of the **LESSOR**, within the shortest possible time, every usurpation or untoward act which any person may have committed or may be openly preparing to carry out upon the space leased.

5. IMPROVEMENT AND ALTERATIONS

1. The **LESSEE** shall not make any structural changes, electrical and plumbing installations, alterations, additions or improvements on the Leased Properties without prior written consent of the **LESSOR**. Any alteration or improvements SUCH AS, BUT NOT LIMITED TO GLASS FRONT, GLASS DOORS, ROLL UP DOORS, CEILING, LIGHTING FIXTURES, CIRCUIT BREAKERS, FIRE ALARM, SPRINKLER UNITS, FIXED CABINET/SHELVES, FLOORING, SIGNAGE FRAMING and LIGHTING, INTERIOR PARTITIONS and DOORS, PLUMBING FIXTURES, KILOWATT HOUR METER, GRILLES and SIMILAR IMPROVEMENTS, made or introduced by the **LESSEE** on the Leased Properties shall, upon the termination of this Lease Agreement, automatically be owned by the **LESSOR** without any obligation to pay or refund the value or cost thereof to the **LESSEE**. However, the **LESSEE** may remove any installed generator set and other movable furniture, fixtures and improvements which could be removed without causing damage to the Leased Premises or where the damage could be repaired and restored to the condition as when delivered upon the expiration of the lease and renewals, if any.

6. POWER CONSUMPTION AND CHARGES FOR UTILITIES

All electric consumption and charges, fees and costs for telephone, internet, water, and other utilities used by the **LESSEE** in the Leased Properties shall be for its account.

7. SIGNS AND ADVERTISEMENTS

Subject to prior written consent of the **LESSOR** to the **LESSEE** may install, erect or affix upon the Leased Properties, signs or advertisements as may be necessary to promote and/or advertise the business in which it is engaged in. In requesting the approval of the **LESSOR**, **LESSEE** should submit a description and the specifications of its proposed sign and advertisement. The **LESSOR** has the right to remove or order the destruction of any sign or advertisement installed without the **LESSOR**'S consent, including those that are indecent, immoral or offensive to public morals and the Catholic Faith.

8. CARE OF THE LEASED PREMISES

The **LESSEE** shall, at its own expense, maintain the Leased Properties in a clean sanitary condition free from noxious odors, disturbing noises or other nuisances. The **LESSEE**, its employees, agents or representatives shall not in any manner damage or deface any part of the Leased Properties. Any damage assessed by the **LESSOR** has to be repaired or restored to its original state by and at the expense of the **LESSEE** within thirty (30) days from notification by the **LESSOR**. Without the approval of the **LESSOR**, the **LESSEE** is not allowed to store in the leased premises heavy equipment, metals and other similar materials that may cause obstruction, destruction or contribute to the depreciation of the building.

9. RULES, REGULATIONS, ETC.

The **LESSEE** will comply with any and all reasonable rules and safety regulations which may be promulgated from time to time by the **LESSOR** and made known to **LESSEE**, in writing, for the administration/use/occupancy of the Leased Properties and with the rules, regulations, ordinances, and laws made by the health or other duly constituted authorities of the City or National Government arising from or regarding the use, occupancy and sanitation of the Leased Properties.

10. INSPECTION OF THE PREMISES

The LESSOR or its authorized agent shall, by previous arrangement with the LESSEE and after presenting his/her authority, have the right to enter the Leased Properties at any reasonable time to examine the same, subject to security requirements of LESSEE; and during the last month of the term of the lease, to exhibit the Leased Properties at any reasonable time to prospective tenants except when the lease has been renewed as herein provided. It is understood that such right shall be exercised by the LESSOR in such a manner that will not impair the need to maintain strict confidentiality of DSWD transactions.

11. REPAIRS

The LESSOR shall make the necessary repairs on the Leased Properties caused by normal wear and tear and including but not limited to plumbing, electrical and building structures. The LESSEE shall maintain the Leased Properties in good and tenantable condition, and no major alterations of repairs shall be undertaken without prior written approval of the LESSOR.

During the existence of the lease, the LESSEE shall pay for the replacement, and/or restoration of the damages caused on the Leased Properties by the herein LESSEE, its employees, representatives, agents, clients, and/or visitors.

It is understood that, if during the terms of this lease, it should become necessary for the LESSOR to make urgent major repair on the Leased Properties which cannot be postponed until the expiration of this lease, the LESSEE shall allow the LESSOR to make said urgent major repairs with the least disturbance and inconvenience to the LESSEE. If such urgent major repairs would deprive LESSEE of the use of the entire Leased Properties or any substantial Portion thereof for more than FIFTEEN (15) calendar days, the LESSEE may request the LESSOR for adjustment of rentals or rescind this Contract of Lease subject to the other provisions hereof.

12. TERMINATION AND RESCISSION OF LEASE

- Maie D. J.*
1. Should the LESSEE opt not to renew the lease, the LESSEE agrees to return and surrender to the LESSOR the Leased Premises at the end of the term of this Lease in good condition as reasonable wear and tear will permit and without delay whatsoever, devoid of all occupants, furniture, articles and effects of any kind other than such alterations, additions or improvements which shall be subject to the provision of paragraph 5.
 2. The LESSOR may cancel or terminate this Contract of Lease, upon the happening of any of the following events:
 - The LESSEE fails to pay any amount due under the lease.
 - The LESSEE uses the Leased properties for purposes other than those specified herein, without prejudice to the opinions available to the LESSOR under Section 1, Article IV hereof.
 - The LESSEE violates any of the other terms and conditions of this Contract of Lease or fails to get the necessary permits from the National and/or Local Government Units/agencies.

In the event the LESSEE abandons or terminates the contract before the expiration of the contract, he automatically forfeits any unused advanced rental for the month in which the abandonment occurred. Moreover, in case damage is incurred, the LESSEE must fully pay for the said damage.

Upon the failure of the LESSEE to pay the rental or any amount due or any part thereof herein stipulated, or to comply with any of the terms and conditions of this lease, or failure to vacate and return the premises as provided herein, the LESSOR or its authorized representative(s) shall have the right to do any or some or combination or all of the following, specifically:

- a. To withhold or cut-off public utilities to the leased premises;
 - b. To prevent or stop egress of items, goods or fixtures from the leased premises;
 - c. Upon five (5) day notice to the LESSEE, or upon written notice posted at the entrance of the Leased Properties for the same period, padlock the leased premises;
3. In case the office space shall be partially destroyed or damaged due to any cause beyond the control of the LESSOR, either party may cancel this contract in order to effect the repairs or construction without incurring any liability therefor. This contract shall likewise be rescinded in the event that the office space should be totally destroyed or damaged due to any cause beyond

the control of the LESSEE. In any of these, the LESSEE shall pay the rental due as of the date on which the partial or total destruction should have occurred.

4. This contract may be pre-terminated by either party for a cause provided law, provided that an advance notice is served to the other party sixty (60) days before pre-termination, starting therein the reason for such pre-termination. The LESSEE being a government institution, may also terminate this contract for the convenience of the government, if there exist conditions that would make the lease impractical and/or unnecessary, such as but not limited to changes in law and national government policies.

13. OCCUPATION OF LEASED PREMISES

After the lease has been terminated for any reason whatsoever, if the LESSEE continues the occupation of the Leased Premises with the consent of the LESSOR, said extension of the lease shall be understood as running from month to month only, under the same terms and conditions herein stipulated and may be terminated by either party by means of a written notice served upon the other party at least THIRTY (30) days prior to the date of such termination.

14. INFLAMMABLE AND EXPLOSIVE MATERIALS

The LESSEE shall not bring into or store or allow third persons to bring into or store in the Leased Premises anything of highly inflammable nature or explosive materials, nor cook or install any apparatus, machinery or equipment which may expose the Leased Premises to fire or increase the fire hazard of the Property, or change the insurance rate of the Property, or any other article which the LESSOR may reasonably prohibit without prior consent. The LESSEE shall also not install within the Leased Properties any apparatus, machinery or equipment which may cause obnoxious tremors or noises.

15. INSURANCE

The LESSOR shall insure the Property up to the extent of its insurable interest and against all perils it may choose to be covered; the LESSEE may also insure, at its expense, its property/improvement brought into the Leased Properties, against perils it may want insured against.

16. PARKING SPACE

The LESSOR shall provide at least TWO (2) parking spaces and any other manner the LESSEE sees fit for its purpose.

17. NON-WAIVER

Failure of either party to insist upon a strict performance of any of the terms, conditions and covenants herein shall not be deemed a relinquishment or waiver of any right or remedy which either party may have nor shall it be construed as a waiver of any subsequent breach or default of the terms, conditions and covenants herein contained.

18. BREACH OR DEFAULT

Both parties agree that all terms and agreements herein contained shall be deemed conditions as well as covenants and that if default or breach is made of any such covenant or conditions, then this lease may be terminated and cancelled and the defaulting party shall be liable for any and all damages resulting from such default and termination.

19. DAMAGE TO LEASED PREMISES

In the event of a fortuitous event or force majeure causing damage to the Leased Premises and rendering it, or any portion thereof, un-tenantable, this Lease shall automatically become ineffective or terminated. However, the parties herein may enter into appropriate agreement in case they decide to execute a new lease covering the dilapidated or renovated premises, as the case may be.

20. MISCELLANEOUS PROVISION

The LESSOR reserves the right to mortgage, sell or otherwise dispose of the property provided the LESSEE's rights under this lease are respected. The LESSEE may hire Janitorial and Security Services which shall only act as such within the boundaries of the Leased Premises.

21. THIRD PARTY LIABILITY

The LESSEE shall hold the LESSOR free and harmless from any claims, damages or liability to any person or property arising from or as a consequence of the use of the Leased Premises by the LESSEE, its agents, representatives, employees, guests and/or other third (3rd) persons arising out of the Leased Properties by LESSEE, its agents, representatives, employees, guests and/or other third (3rd) persons including but not limited to, claims for property damage, personal injury or wrongful death, or losses or damages occasioned by reason of any event or cause which could not foresee, or which, though foreseen, were inevitable such as but not limited to fire, earthquake, lightning, typhoons, flood, volcanic eruption, robbery, theft, or other crimes. In addition, the LESSOR shall not be liable or responsible:

- (i) For the presence of bugs, vermin, rats, insects, or other similar creatures, if any, in the Leased Properties;
- (ii) For the failure of electrical and/or water supply due to causes beyond LESSORS control;
- (iii) For any injury, loss or damage which the LESSEE, its agent or employees, might sustain while in the Leased Properties due to causes attributable to the fault of the said LESSEE, employees, agents, and/or representatives, or those of its clients, guests or customers;
- (iv) For any damage done or occasioned by, or arising from plumbing, gas, water, and/or other pipes or air-conditioning system or for bursting, leaking or destruction of any tank, cistern, washers, and water closets or water pipelines in, above, upon, or about said Leased Properties, nor for any damage arising from or attributable to acts of negligence of the LESSEE or its agents, employees, representatives, or any and all other persons over which the LESSOR has no control.

22. DISPUTES

1. Any dispute between the LESSOR and the LESSEE arising from this contract shall be mutually and immediately resolved. Should mutual resolution be not reached by the parties, such disputes may be resolved through alternative modes of disputes resolution in Baguio City.
2. All suits, actions & proceedings between the parties under this contract, maybe brought before the court of competent jurisdiction only in Baguio City.
3. The pendency of any issue, action or proceeding, as stated above, shall not suspend the exercise of rights and performance of obligations of the parties under this contract or otherwise delay the activities being undertaken by the LESSEE in the leased office space.

23. AMENDMENTS AND VENUE

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

This Contract of Lease shall take effect immediately upon signature of the representatives of the herein parties and shall remain in force unless sooner terminated in writing by concerned parties.

All suites arising from, or in connection with, this contract shall be instituted only in the courts of Baguio City which shall be considered the exclusive venue to the exclusion of all other courts.

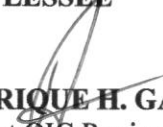
IN WITNESS WHEREOF, the parties hereto set their hands this day of JAN 23 2024, 2024, at Baguio City.


**DEPARTMENT OF SOCIAL WELFARE
AND DEVELOPMENT – CORDILLERA
ADMINISTRATIVE REGION**

**TERRACE LIM BAGUIO CONDOMINIUM
INC.**

LESSEE

LESSOR


DIR. ENRIQUE H. GASCON, JR
Concurrent OIC Regional Director and ARD
For Operations
Department of Social Welfare and Development
Cordillera Administrative Region


MS. ROSIE O. LAM
President
Terrace Lim Baguio Condominium Inc.

SIGNED IN THE PRESENCE OF:

DSWD-CAR:

LESSOR:


AMELYN P. CABRERA
Chief, Promotive Services Division



Certified as to Funds Available:


WILBOURN B. BACOLONG
Accountant III KC-ATF



ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
La Trinidad, Benguet

BEFORE ME, a Notary Public for in La Trinidad, Benguet, Philippines, personally appeared this JAN 23 2024 day of 2024.

Name	Community Tax Cert. No./ID No.	Date/Place Issued
<u>DIR. ENRIQUE H. GASCON, JR.</u>	<u>PRC 0001501</u>	<u>MAY 30, 2023/BAGUIO CITY</u>
<u>MS. ROSIE O. LAM</u>	<u>PASSPORT P7321881B</u>	<u>AUGUST 2, 2021/BAGUIO CITY</u>

Known to me to be the same persons, who executed the foregoing instruments and acknowledged that the same is free and voluntary act and deed.


This document refers to the Contract of Lease consisting of Eight (8) pages including this page signed by the parties and witnesses.

IN WITNESS WHEREOF, I have hereunto set my hands and affixed my notarial seal at the place and date above written.

Handwritten signature

Notary Public

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Page No.: 71
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Series of: 2024


NARDO CASTAÑEDA TACYO
 Notary Public for Benguet Province until December 31, 2024
 Room 306 J & F Irene Building, Km. 5, La Trinidad, Benguet
 PTR No. 7853492 / 01-02-2024 / Benguet
 IBP No. 377184 / 12-28-2023 / Baguio-Benguet
 Roll No. 73069 / 06-18-19 / Manila / TIN: 457-162-398
 Mobile no. 0930-381-5496 / Email: nardotacyo@yahoo.com

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