

CONTRACT OF LEASE

KNOW ALL MEN BY THESE PRESENTS:

The **BENGUET AGRI-PINOY TRADING CENTER**, a socio-economic enterprise and modern vegetable marketing outlet organized under a Memorandum of Understanding between and among the six different government agencies: the Department of Agriculture, Benguet State University, Benguet Congressional District Office, Office of the Benguet Provincial Governor, Office of the La Trinidad Municipal Mayor and the Farmers Leader Council, with address at Strawberry Fields, BSU, La Trinidad, Benguet, represented by its Chief Operations Officer, **JESSON Y. DEL-AMEN, Ph.D.**, hereinafter referred to as the "**LESSOR**":

and

The **OFFICE OF TRANSPORTATION COOPERATIVES (OTC)**, a government entity under the Department of Transportation (DOTR) with principal address at 5th Floor Main, Ben-Lor Building, 1184 Quezon Avenue, Brgy. Paligsahan, Quezon City 1103, duly represented by its Officer-in-Charge (OIC), **CRESENCIANA E. S. GALVEZ**, Office of the Chairperson-OTC (Main Office), hereinafter referred to as "**LESSEE**",

WITNESSETH:

WHEREAS, the Office of Transportation Cooperatives-Public Utility Vehicle Modernization Program-Project Management Office (OTC-PUVMP-PMO) is in need of office space for the OTC-PUVMP-PMO in the Cordillera Administrative Region;

WHEREAS, OTC-PUVMP-PMO thru its' OTC-BIDS AND AWARDS COMMITTEE resolved to procure the lease of office space under Section 53. 10 of the Revised Implementing Rules and Regulations of the Republic Act No. 9184, in relation to Appendix 7 (Implementing Guidelines for Lease of Privately-Owned Real Estate and Venue) thereof;

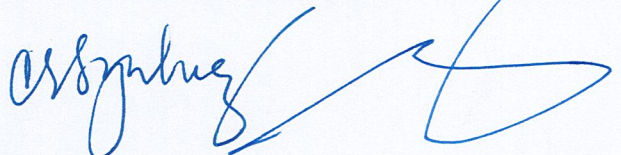
WHEREAS, the **LESSOR's** price quotation was declared as the most advantageous to the government after the completion of the evaluation process;

WHEREAS, OTC-PUVMP-PMO, through OTC-BIDS AND AWARDS COMMITTEE Resolution No.007, Series of 2022 dated September 21, 2022, resolved to award the contract to the **LESSOR** in the amount of Three Thousand Pesos (Php3,000.00) per month for three months from October 01 to December 31, 2022 exclusive of utilities:

NOW THEREFORE, for and in consideration of the foregoing premises and of the conditions stipulated hereunder, the **LESSOR** hereby leases unto the **LESSEE** Cubicle No. 06 (C #06) located at the Second Floor, STB No. 02, BAPTC, and the **LESSEE** hereby accepts the same, subject to the following terms and conditions:

TERMS AND CONDITIONS:

1. **PURPOSES:** The premises hereby leased shall be used exclusively by the **LESSEE FOR OFFICE PURPOSES ONLY** at BAPTC. It shall not be diverted to any other uses. The **LESSEE** is strictly prohibited from selling cigarettes, cigars, intoxicating drinks including beer, wine, liquor, and/or prohibited drugs within the premises. In no case shall the area be used for drinking and/or gambling or any other activities of the same nature. Neither shall the **LESSEE** use or allow the area to be used as its' sleeping quarters or residence or by any other person. It is hereby expressly agreed that if anytime the premises are used for other purposes, the **LESSOR** shall have the right to rescind this contract without prejudice to its other rights under the law;
2. **TERM:** The term of the lease is from **OCTOBER 1, 2022 to DECEMBER 31, 2022**, inclusive, renewable at the option of both parties, and under such terms and conditions as may be mutually agreed by both parties. A written notice of intention to renew the lease contract



shall be served to the **LESSOR** by the **LESSEE** not later than thirty (30) days prior to the expiry date of the period herein agreed upon to give ample time for the review of the existing Lease Contract and assessment of compliance by **LESSEE** on the terms and conditions. The review shall include a thorough inspection of the leased space for a proper assessment of its condition. The lease contract may not be renewed at the sole discretion of the **LESSOR** should there be any violation of any of the terms and conditions by the **LESSEE**;

3. **RENTAL RATE, ESCALATION RATE, AND TAXES:** Starting on the day of the commencement hereof as provided above until December 31, 2022, the monthly rental per space for the leased premises shall be at PHP 200.00 per square meters per month or **THREE THOUSAND PESOS (PHP 3,000.00)** for the Fifteen (15) square meters' cubicle, exclusive of taxes. All taxes, charges, or fees that may be imposed by the government, local or national, shall be for the exclusive account of the **LESSEE**. For this purpose, the assessment of charges issued shall be forwarded by the BAPTC to the **LESSEE** who shall ensure payment thereof within the period required by law or regulations.

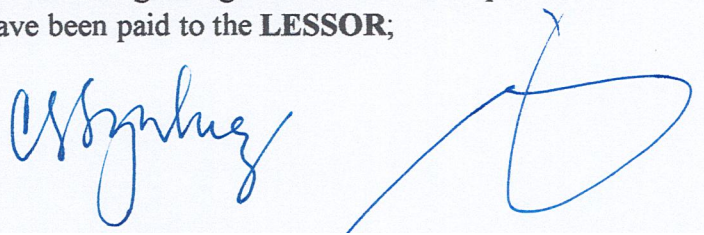
There shall be a yearly escalation of the monthly rental at the rate of 1.5 percent after renewal from the current year. In case of renewal, the escalation shall apply. The monthly rate for any renewal shall be based on the latest monthly rate (escalation included).

Payment of the rental shall be made on or before the tenth (10th) day of the succeeding month upon presentation of billing or notice of payment. The **LESSEE** shall pay the rental due through LDDAP-ADA. Should there be a failure to pay on the due date, the **LESSOR** will impose 5% surcharge, and 10% monthly penalty (on the rent due excluding the surcharge) for subsequent months where the account remains unpaid until possession is recovered;

4. **DEPOSIT AND ADVANCE RENT:** Upon signing of this contract but prior to occupation by the **LESSEE**, the **LESSEE** shall deposit to the **LESSOR** an amount of **SIX THOUSAND ONLY (PHP 6,000.00)** representing a one-month deposit and one-month advance rental, the receipt/s of the payment/s made is/are hereby attached as part of this contract as Annex/es "A" / and series. The deposit and advance shall be exhaustible in the event the **LESSEE** ceases to operate. Said deposit and advance may also be applied to answer shall answer for all damages incurred by the **LESSOR**, for any unpaid electric and water bills and other bills, or other obligations to the **LESSOR**. Any unused portion of the one month's rent as deposit and one-month rent may be used as a deposit and advance payment for the succeeding year, subject to replenishment;

5. **DEFAULT PAYMENT:** In case of default of rental/dues payment for one (1) month or more, or if the **LESSEE** shall become bankrupt or insolvent, this Agreement shall become automatically terminated and canceled and the **LESSOR** or any other person or persons duly authorized by him, without need for any formal notice or demand to the **LESSEE**, shall have the right to:

- 5.1 Demand that the leased premises be vacated peacefully by the **LESSEE**;
- 5.2 Immediately enter and take possession of the leased premises as though the lease has expired;
- 5.3 Padlock the leased premises;
- 5.4 Forcibly enter the leased premises should the same be locked and/or abandoned;
- 5.5 Conduct an inventory of all the items found therein in the presence of two disinterested persons and store the same in a place for a period of sixty (60) days. And should the same remain unclaimed for the said period, the **LESSOR** is hereby authorized to sell the inventoried items, and the proceeds of such sale shall be applied to answer for the storage fee for such items and the unpaid obligation of the **LESSEE** to the **LESSOR**;
- 5.6 To withhold or cut off public utilities to the leased premises;
- 5.7 Prevent any of the items, goods, or fixtures from being brought out of the leased premises until all unpaid rentals and charges shall have been paid to the **LESSOR**;



5.8 Remove all items found in the leased premises after the inventory taking; and

5.9 Take appropriate actions as may be necessary for the full recovery of the unpaid rentals and/or any other amounts due from the **LESSEE** pursuant to this Agreement.

6. **SUB-LEASE:** The **LESSEE** shall not, directly or indirectly, sub-lease, allow, permit or assign the leased premises to be occupied in whole or in part by any person, association, or corporation. Neither can the **LESSEE** assign its rights to any other person or entity nor can confer any right or interest therein to other persons. Should the **LESSOR** discover that the **LESSEE** subleased or transferred its' leasehold to a third person, this contract shall automatically be canceled and the **LESSEE** shall:

6.1 Immediately vacate the premises;

6.2 Immediately cause the sub-lessee or transferee to vacate the same;

6.3 Pay the **LESSOR** the amount of five thousand pesos (Php 5,000.00) as liquidated damages;

6.4 Bear all the expenses for litigation and attorney's fees should the matter be brought to court; and

6.5 Be liable solely for all damages incurred by the sub-lessee or transferee, should there be any.

7. **PUBLIC UTILITIES:** The **LESSEE** shall pay its telephone electric, cable TV, water, internet, association dues, and other public services and utilities during the duration of the lease.

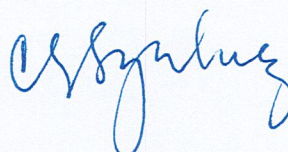
The **LESSEE** shall have the sole obligation and at their own cost to apply for and cause the installation of a sub-meter for electricity within one (1) month from the execution hereof. In the meantime, that no sub-meter/s have been installed yet, the **LESSEE** shall pay the electricity on a flat rate basis depending on the existing appliances based on inspection and inventory. In no case shall the **LESSEE** install additional equipment without the written consent of the **LESSOR**.

The **LESSEE** shall immediately cause the installation of a sub-meter for the water at their own cost upon execution hereof. The rate for the payment of water consumption shall be based on the prevailing rate or as may be hereafter approved by the Project Steering Board;

8. **FORCE MAJEURE:** If the whole or part of the leased premises shall be destroyed or damaged by any unforeseen disabling natural disaster so as to render the leased premises substantially unfit for use and occupation by the **LESSEE**, this lease contract may be terminated without compensation by the **LESSOR** or by the **LESSEE** by notice in writing to the other. The parties may opt for a commensurate suspension of the running of the contract period;

9. **LESSOR'S RIGHT OF ENTRY:** The **LESSOR** or its authorized agent shall, after giving due notice to the **LESSEE**, have the right to enter the premises in the presence of the **LESSEE** or its representative at any reasonable hour to examine the same or make repairs therein, or for the operation and maintenance of the building, or to exhibit the leased premises to prospective **LESSEE**, or for any lawful purposes which it may deem necessary;

10. **CONSTRUCTION, ALTERATIONS, AND IMPROVEMENTS:** The **LESSEE** hereby agrees and binds itself to undertake at its exclusive expense all repairs, necessary or otherwise, such as may be required to maintain the same in a good state of repair. It is expressly agreed and understood, however, that the **LESSEE** shall not start or proceed with any repair work nor in any case introduce improvements or make any alterations in the leased premises without the prior written consent and approval of the **LESSOR**. The parties further agree that **NO** fixed and permanent improvement(s) and alteration(s) shall be made thereon except necessary and permanent improvement(s) and alteration(s). All permanent improvements introduced without the consent of the **LESSOR** shall not be removed therefrom but shall belong to and become the exclusive property of the **LESSOR**. Such related expenses for necessary and



permanent improvement(s) and alteration(s) shall be substantiated by receipt(s) and payroll(s) by the **LESSEE** and may be recouped as deductions from its monthly rental. Only claims for necessary and permanent improvement(s) and alteration(s) supported by receipts and other documents shall be honored. Necessary improvement(s) and alteration(s) shall refer only to improvements that are permanent in nature and are indispensable to the operations of the business to which the space is intended as such but not limited to the fire exit and other improvements as may be required by existing laws and regulations, lavatory in relation to restaurants or eatery but shall not include vaults and steel grills even for banks for financial institutions, dividers, sheds and other similar improvements. All improvements shall require prior written approval of **LESSOR** through its technical personnel subject to the submission of the plans and specifications.

The **LESSOR** shall undertake all extraordinary and major repairs on the leased premises at its own expense. In the event that the leased premises cannot be utilized during the period of repair, the **LESSOR** grants a moratorium or waiver of rental payment for such period. The **LESSEE** shall have the right to suspend the payment of the agreed rents until such time as the leased premises shall have been restored to their former usefulness;

11. SIGNS AND ADVERTISEMENTS: Subject to the prior written consent of the **LESSOR**, 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** shall submit a description and the specification of its proposed sign or advertisement;

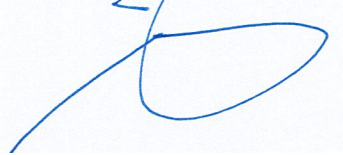
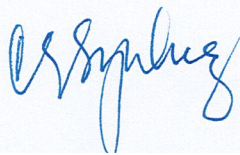
12. CARE OF LEASED PROPERTIES/ SECURITY OF LEASED PREMISES: The **LESSEE** shall, at its own expense, maintain the leased premises in a clean and sanitary condition(s) free from noxious odors, disturbing noises or other nuisances. The **LESSEE**, its employees, agents or representatives shall not in any manner damage or deface any part of the Leased Properties.

The **LESSEE** shall comply with any and all reasonable rules and safety regulations which may be promulgated from time to time by the **LESSOR**, together with all the rules, regulations, ordinances or laws made by the duly constituted authorities, either by the national or local government or any agencies or instrumentalities, arising from or regarding the use, occupancy and sanitation of the Leased Properties;

The **LESSEE** agrees that it shall be solely responsible for any damage sustained by the **LESSOR**, national and municipal governments, any of their agencies and instrumentalities or any third person arising from any improvement(s) introduced or activities conducted on the leased premises in violation of any law, ordinance, regulation or policy;

13. EXPIRATION OF LEASE: At the expiration of the term or cancellation or pre-termination hereof, as herein provided, the **LESSEE** shall promptly, peacefully, and unconditionally deliver to the **LESSOR**, the leased premises with all the corresponding keys and in as good and tenantable condition as the same is now, except for expected ordinary wear and tear, devoid of all occupants, movable furniture, articles and effects of any kind. Non-compliance with the terms of this clause by the **LESSEE** will give the **LESSOR** the right to refuse acceptance of the delivery of the premises and compel the **LESSEE** to continue paying rent at the same rate plus twenty-five percent thereof as a penalty until the **LESSEE** shall have complied with the terms hereof. The same penalty shall be imposed in case the **LESSEE** fails to leave the premises after the expiration of this Contract of Lease or termination for any reason whatsoever. This shall be without prejudice to the exercise of whatever rights the **LESSOR** has under existing laws, rules and regulations;

14. JUDICIAL RELIEF: Should the **LESSOR** be compelled to seek judicial relief against the other party, the **LESSEE** shall pay one hundred percent (100%) of the amount claimed in the complaint(s) as attorney's fees which shall in no case be less than fifty thousand pesos (Php



50,000.00) in addition to other cost and damages which the said party may be entitled to under the law;

15. AMENDMENTS OR REVISIONS: No part of this contract may be amended or be revised without the written consent of both contracting parties. All amendments or revisions made hereto shall take effect only upon signing of the amended or revised Contract. Either of the parties may propose amendments to this agreement via a formal written communication to the other party;

16. This CONTRACT OF LEASE shall be valid and binding between the parties, their successor-in-interest, and assigns. Should any of the parties herein be compelled to seek judicial relief against the other, the case shall be filed only in the appropriate courts in La Trinidad, Benguet to the exclusion of all other venues.

IN WITNESS WHEREOF, the parties have hereunto affixed their signatures on this Contract of Lease of Cubicle (C #06, 2nd Flr., STB 2, BAPTC) this 26 SEP 2022 day of QUEZON CITY, 2022 at the Municipality of La Trinidad, Benguet Province.

PSB-BAPTC Project

Rep. by:


JESSON Y. DEL-AMEN, Ph.D.
LESSOR

**OFFICE OF TRANSPORTATION
COOPERATIVES (OTC)**


Rep. by:

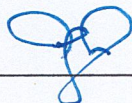

CRENCIANA E. S. GALVEZ
LESSEE

CERTIFIED FUNDS AVAILABLE:


NITA M. LOPEZ-COSARES
Accountant III

Signed in the presence of:





ACKNOWLEDGEMENT

Republic of the Philippines)
Municipality of La Trinidad, C.S.S.
Benguet Province)

26 SEP 2022

BEFORE ME, a Notary Public for and in the above jurisdiction, personally appeared this ____ day of _____, 2022, the following persons exhibiting to me their respective valid identification cards, to wit: at La Trinidad, Benguet, Philippines, personally appeared:

Name	ID No.	Issued on	Issued at
JESSON Y. DEL-AMEN	010593	January 2021	BSU
CRESENCIANA E. S. GALVEZ	N02-04-003400	17 May 2018	LTO

known to me and known to be the same persons who executed the foregoing CONTRACT OF LEASE and they acknowledged to me that the same is their free act and voluntary deed.

This instrument consisting of six (6) pages including the page on which this acknowledgment is written, has been signed on each and every page thereof by the PARTIES and their instrumental witnesses and sealed with my notarial seal.

WITNESS MY HAND AND SEAL.

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Book No. XVIII
Series of 2022

ATTY. RYAN C. CORTEZ
Notary Public
Until December 31, 2022
PTR No. 2564877, 01/27/2022 QC
IBP No. 178355/02/15/2022
Admin Matter No. NP-071
Roll No. 72112
MCLE Comp. No. VI-0030668
TIN No. 448-218-131-000

[Signature]

[Signature]