

CONTRACT OF LEASE

KNOWN ALL MEN BY THESE PRESENTS:

This **Contract of Lease**, made and executed by and between:

ERT CORPORATION, a corporation existing under and by virtue of Philippine laws, with address at Candelaria Ave., Ecoland, Matina, Davao City, represented herein by its President, **ATTY. MARIE DINAH S. TOLENTINO-FUENTES**, hereinafter referred to as the "**LESSOR**;

- and -

The **DEPARTMENT OF ENERGY (DOE)**, a government agency created by virtue of the Department of Energy Act of 1992 (RA 7638), as amended, with office address at Energy Center, Rizal Drive, Bonifacio Global City, Taguig City, represented herein by its Undersecretary, **GIOVANNI CARLO J. BACORDO**, hereinafter referred to as "**LESSEE**";

The **LESSOR** and the **LESSEE** are hereinafter collectively referred to as "**PARTIES**" and individually as "**PARTY**".

WITNESSETH: That-

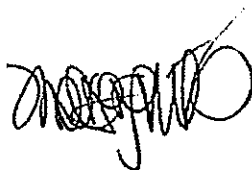
WHEREAS, the **LESSOR** is the registered owner of the subject property for lease at **TOLENTINO 2020 BUILDING**, consisting of five (5) storeys, located at Candelaria Ave., Ecoland, Davao City;

WHEREAS, the **LESSOR** agrees to lease out the entire third storey and a part of the fourth storey of its subject property, with a total floor area of **SEVEN HUNDRED FIFTEEN (715)** square meters in favor of the **LESSEE**, and the **LESSEE** is willing to accept the lease of the same;

WHEREAS, the **LESSEE**, pursuant to Sections **48.1, 53** and **53.10** of the Implementing Rules and Regulations of Republic Act No. 9184, otherwise known as the Government Procurement Reform Act, hereby adopts and authorizes the conduct of a Negotiated Procurement under the Alternative Method of Procurement relative to this Contract, in lieu of the requirements for public bidding;

NOW, THEREFORE, for and in consideration of the foregoing premises, the **LESSOR** hereby agrees to lease its property to the **LESSEE** and the **LESSEE** hereby accepts from the **LESSOR** the leased premises in good, clean, and tenantable condition, subject to the following terms and conditions:


1. **PURPOSE:** The leased premises shall be used exclusively by the **LESSEE** for office use by the DOE-Mindanao Field Office (MFO) and shall not be diverted to other uses.



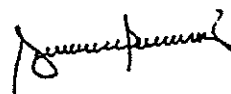
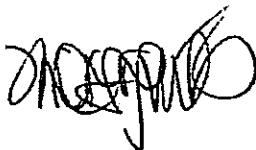
2. **RENTAL RATE:** The monthly rental rate shall be in **FIVE HUNDRED NINE THOUSAND EIGHT HUNDRED SIXTY-ONE PESOS AND 35/100 ONLY (P 509,861.35)**, Philippine Currency, inclusive of 12% VAT (**P 636.69 per sq.m x 715 sq.m**) for the month of **June 2024** and **FIVE HUNDRED THIRTY FIVE THOUSAND THREE HUNDRED FIFTY EIGHT PESOS AND 82/100 ONLY (Php 535,358.82)**, Philippine Currency, inclusive of 12% VAT (**P668.53 per sq.m x 715 sq.m**) for the month of **July to December 2024**. The total amount of **THREE MILLION SEVEN HUNDRED TWENTY-TWO THOUSAND FOURTEEN PESOS AND 27/100 ONLY (Php 3,722,014.27)**, in Philippine Currency, shall be paid by the **LESSEE** to the **LESSOR** as rent covering the period of June 1, 2024, to December 31, 2024. It is expressly agreed and understood that the payment of the rental rates herein stipulated shall be made without necessity of express demand and without delay.

In case of an extraordinary inflation or devaluation of the currency stipulated herein should supervene and be officially declared by the Central Bank of the Philippines 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, subject to negotiation and agreement of both parties hereto.

3. **TERM:** The term of this lease is for **seven (7) months, from 01 June 2024 to 31 December 2024**. The lease term is mutually renewable and extendible. A written notice of intention to renew the Lease shall be served to the **LESSOR** not later than ninety (90) days prior to the expiry date of the period herein agreed upon and the **LESSOR** shall inform the **LESSEE** whether or not the former desires to extend the Lease within one (1) week after receipt of such written notice. In case of failure to give such written notice of intention to renew within the reglementary period, the **LESSOR** shall have the freedom to offer the Leased premises for Lease to third parties.
4. **RENTAL INCREASE RATE:** A rental increase of five percent (5%) every year is hereby implemented, regardless of the signing of a new contract, starting on the second year of this Lease. The rental increase rate will be based on the last monthly rental rate of the immediately preceding year.
5. **PENALTY FOR LATE PAYMENTS:** The **LESSEE** agrees to pay the **LESSOR** a penalty on any amount due under this Contract which remains unpaid on due date thereof at the rate of two percent (2%) per month, compounded monthly, to be computed from the date of delinquency until such amount is paid in full. A fraction of a month shall be considered as one (1) month for purposes of computing said penalty.
6. **LESSEE'S TAXES:** The following taxes shall be for the account of the **LESSEE**:
- (a) taxes other than the **LESSOR'S** income taxes or taxes required to be withheld from the rentals due to the **LESSOR**, but which shall be credited against the **LESSOR'S** income taxes;



- (b) all taxes due by reason of the receipt of rentals by the **LESSOR**, including the VAT;
- (c) all other amounts which the **LESSEE** is required to pay the **LESSOR** as provided thereunder; and
- (d) the documentary stamp taxes or other taxes accruing by reason of this Contract, if deemed applicable.
7. **PARKING SLOTS:** Basement Parking Slots composed of five (5) spaces and one (1) Parking Slot for an Electric Vehicle shall be available as part of the Lease, for the exclusive use of the **LESSEE**.
8. **PRETERMINATION:** In case of pre-termination by the **LESSEE** of this Lease without any justifiable reason whatsoever, the **LESSOR** has the right to collect the remaining rentals corresponding to the unexpired portions of the lease period.
9. **TERMS OF USE:** The **LESSEE** expressly agrees and warrants that it shall use the Leased Premises exclusively for office use by the DOE-Mindanao Field Office (MFO). The **LESSEE** is strictly prohibited from using said premises for any other purpose or business without the prior written consent of the **LESSOR**. The **LESSEE** shall not use the premises in such a way as to increase the insurance rates on the building, to endanger the safety, or to disturb the peace and convenience of the building.
10. **MAINTENANCE:** The **LESSEE** shall at its expense, maintain the Leased Premises in a clean and sanitary condition, free from all obnoxious or unpleasant odors or other nuisances.
11. **SUBLEASE:** The **LESSEE** shall not directly or indirectly sublease, assign, transfer, convey, mortgage or in any way encumber its rights of Lease over the Leased Premises or any portion thereof under any circumstances, whatsoever. Any contract that may be made in violation of this clause shall be null and void.
12. **TERMINATION OF LEASE:** After this lease is terminated for any reason whatsoever, if the **LESSEE** continues the occupation of the premises with the consent of the **LESSOR**, said extension of 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 in advance prior to the date of such termination.
13. **REPAIRS:** The **LESSEE** hereby expressly acknowledges that the leased premises are in good and tenantable condition and agrees to keep the same in such good and tenantable condition. Any provision of law, present or future, or any stipulation in this agreement to the contrary notwithstanding, the **LESSEE** hereby agrees and binds himself/itself to undertake at its exclusive expense, all repairs, necessary or otherwise, such as may be required to maintain the same in good state or repair.



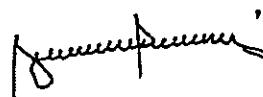
It is expressly agreed and understood, however, that the **LESSEE** shall not start or proceed with any repair work nor in any case introduce improvements or make any alterations in the leased premises without the prior written consent of the **LESSOR**; and the parties agree that all permanent improvements or alterations of whatever nature as may be made thereon shall, upon completion thereof, form integral parts of the leased premises and shall not be removed therefrom but shall belong to and become the exclusive property of the **LESSOR** without any right on the part of the **LESSEE** to the reimbursement of the cost or value thereof.

Upon termination of the lease, the **LESSEE** shall restore all modified or altered portions of the building, such as the patching up of the openings for air-conditioning units, re-welding of grills and other parts of the building, which were modified and required by the **LESSOR** to be restored to the original design thereon.

14. **INSTALLATIONS AND WIRINGS:** The **LESSEE** shall report to the **LESSOR** such parts, installations and wirings within the leased premises that need repairs but such repairs shall be for the account of the **LESSEE**.
15. **FORCE MAJEURE:** The **LESSOR**, shall not be liable to the total or partial loss or damage to the property of the **LESSEE** in the premises done or occasioned by and arising from or on account of fire, strong winds, storms, or typhoons, earthquakes or floods, expropriation, civil disturbances, war, insurrection, or any other calamity nor for the negligence of the **LESSEE** or his agents, employees, servants, or authorized representatives. Neither shall **LESSOR** be liable for the loss or damage to goods or property or for injuries to persons in, upon or about the leased premises, including the acts of the **LESSEE** therein, for any cause not attributable to **LESSOR**, or its agents, employees, servants or authorized representatives. The **LESSEE** agrees to indemnify and hold **LESSOR** harmless from any damages and/or responsibility that may be charged against **LESSOR** under the foregoing circumstances.

If the lease premises will be totally destroyed by any fortuitous event, such as earthquake, flood, typhoon, and other causes beyond the control both parties, this Agreement shall be deemed automatically terminated. However, if the destruction is partial, the **LESSOR** shall have the option to either terminate this Agreement or to renegotiate a new Agreement.

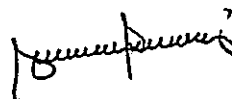
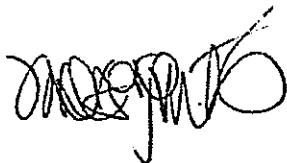
During the effectivity of this contract or any renewal thereof, should the entire leased premises or any substantial part thereof be destroyed by any cause independent of the will and without the fault of **LESSOR**, the latter may, upon reasonable notice to the **LESSEE**, rescind this contract without liability to the **LESSEE** for any damage or claim, with respect to such destruction or rescission. The **LESSEE** shall be liable to **LESSOR** for any rental due up to the date of the destruction, which may be deducted from **LESSEE**'s deposit. However, the **LESSOR** may elect to repair or to rehabilitate the premises in the condition it was in immediately before the destruction and during such period, the rental shall be suspended. The **LESSEE** shall pay for and defray at its exclusive expense, the consumption of water, electricity, light, telephone, cable, internet or other public utility services in the leased premises.



16. **SIGNAGE:** Only one (1) type of signage is allowed to be posted within the leased premises, with specifications to be supplied by the **LESSOR**. No other advertising material shall be posted in any other place within the leased premises, without the prior approval of the **LESSOR**.
17. **LESSOR'S RIGHT OF INTERRUPTION:** The **LESSEE** shall not claim any loss or damage on account of necessary work that the **LESSOR** may order to be done in the building and which, in any way, may interrupt its use of the leased premises, provided a notice of interruption shall have been provided by **LESSOR** to the **LESSEE** at least fifteen (15) days prior to the work interruption.
18. **LEGAL COMPLIANCE:** The **LESSEE** shall comply with any and all laws, ordinances, regulations or orders of the National or City Government authorities arising from 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 expense of the **LESSEE**.

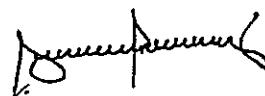
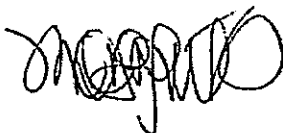
In the spirit of camaraderie among tenants, it is agreed that areas immediately outside of the rentable spaces be free from litter, including trash containers, cleaning rags and other implements, and pieces of clothing. Plants and other botanical items are allowed within the leased premises, upon the express approval of the **LESSOR**. Additionally, excessive noise that may disrupt any fellow tenants' personal and commercial activities is prohibited.

19. **LESSOR'S LIABILITY FOR LOSS OR DAMAGE:** The **LESSOR** is not liable to any occupant, customer or guest for injury, damage, or loss to person or property, from any cause not attributable to its negligence or fault.
20. **LESSOR'S RIGHT OF ENTRY:** The **LESSOR** or its duly authorized representatives shall have the right to inspect the leased premises at any reasonable hour of the day, in the presence of the **LESSEE** or its authorized representative, in order to inspect the same, undertake maintenance or repairs and/or to verify the **LESSEE'S** compliance with the terms and conditions of this lease of for any other lawful purpose which it may deem necessary.
21. **PROHIBITION AGAINST DWELLING OR SLEEPING:** The **LESSEE** shall not use the leased premises for dwelling or sleeping purposes.
22. **PROHIBITION AGAINST HAZARDOUS ITEMS:** The **LESSEE** or its designated representatives shall not bring into or store in the leased premises any inflammable or explosive goods or materials nor any article which may be expose the premises to fire or increase the fire hazard of the building or increase the rate of insurance of the building, nor any banned, smuggled or illegal goods or articles which the **LESSOR** may prohibit, without prejudice of the right of the **LESSOR** to terminate this Contract for valid cause.
23. **LESSEE'S LIABILITIES:** The **LESSEE** shall be responsible for all acts and omissions of any of its agents, employees, authorized representatives or all



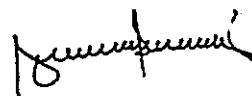
other persons allowed access by the **LESSEE** to the common areas of the building and/or its leased premises. The **LESSOR** has already insured the building, of which the leased premises for a part, against fire, theft, *force majeure*. The **LESSEE** shall therefore not participate in any insurance proceeds on the insurance taken by the **LESSOR**, *provided that* the **LESSEE** may take out its own insurance on the improvements, facilities, appliances, equipment, furniture, materials and other items on which it has insurable interest, in which case, the **LESSOR** shall not also participate in such insurance proceeds taken out by the **LESSEE**.

24. **VIOLATION OF TERMS AND CONDITIONS:** If rental herein stipulated or any part thereof, at any time, shall be in arrears or unpaid, or if the **LESSEE** shall at any time fail or neglect to perform or comply with any of the covenants, conditions or restrictions herein stipulated, the **LESSOR** has the right to do any and/or all of the following, to wit:
- a) cause the cessation of utility services;
 - b) impound/quarantine assets commensurate to **LESSEE'S** financial obligations;
 - c) terminate this contract for cause; and
 - d) commence legal eviction proceedings.
25. **EXPIRATION OF LEASE:** Upon the expiration of the term of this lease or in case of earlier termination of this lease as above-provided, the **LESSEE** hereby expressly authorizes, in advance, the **LESSOR** to enter the leased premises, remove all personal properties that may be found in the leased premises and deposit the same in a bodega and the **LESSEE** further agrees to pay all costs for transfer and storage. The **LESSEE** further agrees to pay all costs for transfer and storage in the event that **LESSOR** chooses to exercise this action, in addition to other rights granted to it under this Agreement. After seven (7) days of storage, and without communications/arrangements from the **LESSEE** for the retrieval and/or disposal of its goods/articles/property and payment of its obligations, the **LESSEE** hereby expressly authorizes in advance the **LESSOR** to dispose, sell, barter, trade, utilize the said goods/articles/property. In case of sale of the goods/articles/property of the **LESSEE**, **LESSOR** shall deduct the proceeds from all the outstanding obligations of the **LESSEE** including the storage fee.
26. **DEPOSIT:** Deposit in the leased premises of a note to vacate the premises shall constitute due and sufficient notice to the **LESSEE** as provided by law.
27. **VOLUNTARY VACATING OF PREMISES:** In the event that the **LESSEE** decides to voluntarily vacate without just cause the premises during the lifetime of this contract, the **LESSOR** has the right to collect what is due it for the entire duration of this agreement and furthermore, the deposit of the **LESSEE** as herein required shall be forfeited in favor of the **LESSOR**. This is without prejudice to the right of the **LESSOR** to the remedies available under Par. 26 above.
28. **REFUSAL TO VACATE:** The penalties imposed in Par. 26 above shall likewise be imposed in case the **LESSEE** shall refuse to leave the premises



after its right under this Contract shall have expired or terminated for any reason whatsoever.

29. **WAIVER:** The failure of the **LESSOR** to insist upon a strict performance of any of the terms, conditions and covenants hereof shall not be deemed a relinquishment or waiver of any right or remedy that said **LESSOR** may have, nor shall it be construed as a waiver of any subsequent breach or default of the terms, conditions and covenants herein contained, which shall be deemed in full force and effect. No waiver by the **LESSOR** shall be deemed to have been made unless expressed in writing and signed by the **LESSOR**.
30. **GOVERNMENT PROCESSES:** The **LESSOR** is aware that the **LESSEE** is a government agency and, as such, is subject to certain legal requirements and procedures not normally required of private corporations. The **LESSOR**, nevertheless, agrees that whenever such legal requirements and procedures apply to this Contract and affect its validity, effectivity and/or implementation, this Contract and all other allied undertakings shall be considered amended accordingly, so as to enable the **LESSEE** to comply with such requirements, provided that the **LESSOR** is informed in writing of such legal requirements and procedures at least seven (7) days prior to the implementation/effectivity of such requirements and/or procedures. For its part, the **LESSEE** undertakes to exert its best efforts to immediately comply with the requirements in a most equitable manner consistent with good faith.
31. **DISPUTE RESOLUTION:** All disputes arising between the **PARTIES** as to the interpretation, operation or effect of any clause in the Agreement or any other difference between the **PARTIES** shall first resolved amicably. In case of failure, Rules on Alternative Dispute Resolution (ADR) under R.A. No. 9285 shall apply.
32. **VENUE OF JUDICIAL RELIEF:** As much as possible, disputes shall be settled amicably between the **PARTIES**. However, in the event either **PARTY** to this Contract shall take judicial action, the **PARTIES** agree that venue for purposes thereof shall be laid exclusively with the proper courts in Taguig City, Metro Manila or Davao City to the exclusion of other courts and that writs of attachment, injunction, replevin, seizure, etc. issued thereby may be served and enforced anywhere in the Philippines.
33. **NON-IMPAIRMENT CLAUSE:** If anyone or more of the provisions or this Contract is declared invalid or unenforceable in any respect under any applicable law, the validity, legality or enforceability of the remaining provisions contained herein shall not in any way be affected or impaired.
34. This **CONTRACT OF LEASE** shall be valid and binding between the **PARTIES**, their heirs, executors, administrators, principals, successors-in-interest and assigns.



IN WITNESS WHEREOF, the PARTIES hereto and their principal witness set their hands on the date and place indicated below.

**ERT CORPORATION
(LESSOR)**

**DEPARTMENT OF ENERGY
(LESSEE)**

By:

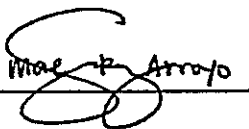
By:



**ATTY. MARIE DINAH S. TOLENTINO-FUENTES
President**

**GIOVANNI CARLO J. BACORDO
Undersecretary**

SIGNED IN THE PRESENCE OF

Jessa Mae P. Arroyo



**NILO J. GEROCHE
Director**

HELEN C. ROLDAN
**HELEN C. ROLDAN
OIC, DOE Accounting**

Off No. 01-24-09-202
Off Dkt: July 4, 2024
Fil No. 02-0101-2024-17 M002
FO, 722, 014.27

ACKNOWLEDGMENT


(REPUBLIC OF THE PHILIPPINES
~~MANILA~~ CITY) S.S

BEFORE ME, in the City of MANILA, Philippines, this 29 day of 07, 2024 personally appeared Giovanni Carlo J. Barordo, with Passport No. TIN: 194-035-674 issued in _____ on and will expire on _____ in his capacity as _____ of the **DEPARTMENT OF ENERGY**, known to me to be the person who executed the foregoing instrument and who acknowledged to me that the same is his free and voluntary act and deed of the government agency which she represents.

This instrument consists of ten (10) pages, including this page where the acknowledgement is written and signed by the parties and their instrumental witnesses on each and every page, refers to a Contract of Lease.

WITNESS MY HAND AND SEAL on the date above written.

Doc No. 201;
Page No. 42;
Book No. 81;
Series of 2024.


ATTY. ISIDRO V. ALMENTEROS
NOTARY PUBLIC
Until December 31, 2024
1626 Estrada Street, San Andres, Manila
IBP OR No. 248073(2024) 9-23-2022/MLA
PTR No. 1548744/1-15-2024/MLA
MCLE Compliance No. VII-0007108/4-14-2025
Attorney's Roll No. 34272

ACKNOWLEDGMENT

(REPUBLIC OF THE PHILIPPINES
DAVAO CITY) S.S

AUG 19 2024 BEFORE ME, in the City of Davao, Philippines, this _____ day of _____, 20____, personally appeared Atty. Marie Ann S. Talentino-Fuentes with TIN-No. 105-311-707-000 issued in DAVAO CITY and will expire on _____, in her capacity as authorized representative of **ERT CORPORATION**, known to me to be the person who executed the foregoing instrument and who acknowledged to me that the same is her free and voluntary act and deed as well as the free and voluntary act and deed of the corporation which she represent.

This instrument, consisting of ten (10) pages, including this page where the acknowledgement is written signed by parties and their instrumental witnesses on each and every page, refers to a Contract of Lease.

WITNESS MY HAND AND SEAL on the date above written.

Doc No. 355 ;
Page No. 72 ;
Book No. VII ;
Series of 2024.

ADAM DANDRO CHUA JAMBANGAN
NOTARY PUBLIC FOR DAVAO CITY
Serial No.: 2024-284-2015
until 31 December 2025
2F Tolentino 2020 Building
Candelaria Avenue, Escoland, Davao City 8000
PTR No. 9288850C / 27 December 2023; Davao City
IBP No. 390633 / 03 January 2024 / Davao City
Roll of Attorney's No. 20331
TIN: 430-071-417
MCLE Compliance No. VII-0012074 / until April 2025