

## CONTRACT OF LEASE

**KNOWN ALL MEN BY THESE PRESENTS:**

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

**PRC MARKETING** a sole proprietorship existing under and by virtue of Philippines, with office address at Sto. Niño Street, Poblacion 1, Midsayap, Cotabato, represented herein by its **Proprietor, PAUL ROBERTO S. CRUZ**, hereinafter referred to as the "**LESSOR**";

- and -

The **DEPARTMENT OF ENERGY (DOE)**, a government agency created by virtue of RA 7638, as amended, with office address at 3<sup>rd</sup> Floor, Tolentino Bldg., Ecoland, Matina, Davao 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, LESSOR** is the registered owner of subject property for lease at Purok 12, Mahayag, Davao City, with a total area of approximately 2.500 sq. meters.

**WHEREAS, LESSOR** agrees to lease-out the above-cited area to **LESSEE** and the **LESSEE** is willing to lease the same;

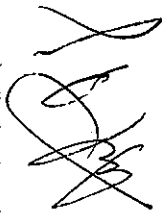
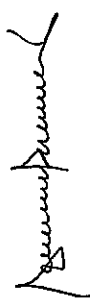
**WHEREAS, the LESSEE**, pursuant to Sections 48.1, 53 and 53.10 of the Implementing Rules and Regulations of the Republic Act (RA) No. 9184, is hereby adopting and authorizing the conduct of Negotiated Procurement under the Alternative Method of Procurement relative to this Contract in lieu of the requirements for public bidding;

**NOW, THEREFORE**, for and inconsideration of the foregoing premises, the **LESSOR** hereby agrees to lease its property unto the **LESSEE** and the **LESSEE** hereby accepts from the **LESSOR** the leased property, subject to the following:

1. The leased premises shall be used exclusively by the **LESSEE** for warehouse/storage area use by the DOE-Mindanao Field Office (MFO) and shall not be diverted to other uses;
2. That the term of this lease shall commence in January 2024 and shall continue in full force until December 2024, unless sooner terminated by either **PARTY**, subject to the issuance of a 30-day prior written notice. The lease term is renewable and extendible under such terms and conditions as may be mutually agreed upon by both **PARTIES**. Written

notice of intention to renew the lease shall be served to the LESSOR not later than thirty (30) days prior to the expiry date of the period herein agreed upon.

3. That in case of termination or expiration of the Lease Contract, in case of termination, the LESSEE shall be given a period of not exceeding fifteen (15) days from the date of termination or expiration, without additional rental or charges, for the transfer or haul of the equipment or paraphernalia in the leased property and the restoration of the same.
3. The monthly rental for the Leased Premises shall be in PESOS: **TWO MILLION SEVEN HUNDRED SIXTY PESOS ONLY (Php 2,760,000.00 or Php 230,000.00 x 12 months)**. All rental payments shall be payable to the LESSOR. It is expressly agreed and understood that the payment of the rental herein stipulated shall be made without necessity of express demand and without delay.
4. The (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 to be 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, shall be for the account of the LESSEE.
5. That the LESSOR shall, at its expense, maintain the warehouse and adjoining compound in a state suitable for the purpose for which the facility is rented; i.e., storage of Liquefied Petroleum Gas (LPG) products which refers to LPG product, cylinders, tin-canisters, seals, and as the case may be, vehicles, equipment, bulk storage tanks, and other related paraphernalia and Liquid Fuels (LF) and related equipment and paraphernalia.
6. That the LESSEE shall not directly or indirectly sublease, assign, transfer, convey, mortgage, or in any manner encumber its rights of lease over the Leased Premises or any portion thereof without the LESSOR's written, approval. Violation hereof shall automatically terminate the lease and shall entitle LESSOR to forfeit the guarantee deposit, in case, there is one.
7. That the LESSEE hereby expressly acknowledges that the Leased Premises are in good and tenantable condition and agrees to keep the same in such condition, and binds itself to undertake the necessary repairs, minor or otherwise, at its executive expense. LESSEE may not introduce any improvements, alterations or modification upon and within the leased premises **unless** there is WRITTEN and PRIOR CONSENT of LESSOR. Upon termination of the lease, LESSEE shall restore all modified or altered portions of the warehouse/storage area and required by LESSOR to be restored to original design/s thereon.
8. That the expenses for the electricity, water and other public services and utilities shall be understood to be **included** in the monthly rental amount during the duration of the lease.
9. That the security of the warehouse is the responsibility of LESSEE.



10. The **LESSOR** will insure the warehouse and surrounding compound against third-party damages (e.g., fire due to arson or an accident, damages due to water, etc.) for the duration of the contract and any subsequent renewals. The **LESSOR** shall carry, and provide proof of liability insurance for injury or damages to the **LESSEE's** personnel and /or goods due to negligence on the part of the **LESSOR**.
11. The **LESSEE** shall be solely responsible for any harm or injury as may be suffered by its employee or third person while within the leased premises, when the acts complained of were caused by its negligence.
12. **LESSEE** shall comply with any and all laws, ordinances, regulations or orders of the National or City government authorities arising from or regarding the use, occupation, and sanitation of the Leased Premises. Failure to comply shall be at the exclusive risk and expense of **LESSEE**.
13. That if the whole or any part of the Leased Premises shall be destroyed or damaged by fortuitous event, such as fire, flood, lightning, typhoon, earthquake or any other unforeseen disabling cause of acts of God, as to render the Leased Premises during the term substantially unfit for use and occupation of the **LESSEE**, then this Contract of Lease may be terminated without compensation by the **LESSOR** or by the **LESSEE** by notice in writing to the other.
14. That the **LESSOR** or its duly authorized representative after giving due notice to the **LESSEE** shall have the right to enter the Leased 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 for any other lawful purposes which it may deem necessary. Damage to the property due to the fault of **LESSEE**, its agents, employees and/or servants or other third persons who may have gained access to the Leased Premises shall be repaired promptly by **LESSEE** at its exclusive expense.
15. If **LESSEE** fails to settle its monthly rental fee to **LESSOR** within a reasonable time and/or neglect to perform or comply with any of the covenants, conditions, agreements or restrictions herein stipulated, **LESSOR** shall have the right to terminate and cancel the Contract by formally notifying **LESSEE** indicating therein the omissions and lapses committed by the latter. Provided further, that **LESSOR** shall provide one (1) month period for **LESSEE** to vacate the Leased Premises.
16. In case any third party becomes interested in buying the warehouse/storage area subject matter hereof, during the life of this Contract, the same shall be relayed or communicated to **LESSEE**, who shall signify in writing whether it will avail of the option to buy within the period and if does not manifest in writing that it will not avail of such option, thus, **LESSOR** may consummate the deal with such third party, and this Contract will automatically terminate at its expiry date, and the buyer to take over upon the termination of this Contract with **LESSEE**, provided further that in the last scenario, the **LESSOR** shall give one (1) month period to vacate the Lease Premises.
17. Failure of **LESSOR** to insist upon a strict performance of any of the terms, conditions, and covenants hereof shall not be deemed as 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 and conditions herein contained.

*[Handwritten signature]*

*[Handwritten signature]*

- 18. 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.
- 19. This Contract shall be construed, interpreted and governed by the laws of the Philippines. Each party irrevocably submits to the jurisdiction of the courts in Davao City or Taguig City exclusively, for the purpose of enforcing any right or obligation under or arising out of this Contract.
- 20. This Contract constitutes the complete understanding between the PARTIES with respect to the subject matter hereof and supersedes any prior expression of intent, representation or warranty with respect to this transaction. This Contract may be amended only with an instrument in writing signed by this PARTIES.
- 21. LESSOR is aware that the LESSEE is a government agency and as such, is subject to certain legal requirements and procedures not normally required for private corporations. LESSOR, nevertheless agrees that whenever such legal requirements and procedures apply to this Contract and affect its validity and/or implementation, this Contract and allied undertaking shall be considered amended accordingly so as to enable the LESSEE to comply with such requirements. For its part, the LESEE undertakes to exert its best efforts to immediately comply with the requirements in a most equitable manner consistent with good faith.
- 22. If any one or more of the provisions of 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.
- 23. 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 settheir hands on the date and place indicated below.

PRC MARKETING  
(LESSOR)

By:

PAUL ROBERTO S. CRUZ  
Proprietor

DEPARTMENT OF ENERGY  
(LESSEE)

By:

GIOVANNI CARLO J. BACORDO  
Undersecretary, DOE

SIGNED IN THE PRESENCE OF

NILIO J. GEROCHE  
Director, DOE-MFO

HELEN C. ROLDAN  
OIC- Accounting Division

CAF No. 01-24-02-028  
CAF Date: Feb. 26, 2024  
Regular - agency fund  
# 2,760,000.00

REPUBLIC OF THE PHILIPPINES  
DAVAO CITY) S.S

**BEFORE ME**, this \_\_\_\_\_ day of \_\_\_\_\_, 2022  
personally appeared:

Paul Roberto S. Cruz; and

Engr. Nilo J. Geroche

Both 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 are their own free and voluntary act and deed and that of the office which they represent.

This instrument consists of five (5) pages including this page on which this acknowledgement is written and all pages thereof have been signed by the parties and their witnesses and stamped with my notarial seal.

**WITNESS MY HAND AND SEAL**, this \_\_\_\_\_ day of \_\_\_\_\_ at  
\_\_\_\_\_ City.

Doc No. \_\_\_\_\_;  
Page No. \_\_\_\_\_;  
Book No. \_\_\_\_\_;  
Series of 2024.

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**WITNESSETH: That-**

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**WHEREAS, LESSOR** agrees to lease-out the above-cited area to **LESSEE** and the **LESSEE** is willing to lease the same;

**WHEREAS, the LESSEE**, pursuant to Sections 48.1, 53 and 53.10 of the Implementing Rules and Regulations of the Republic Act (RA) No. 9184, is hereby adopting and authorizing the conduct of Negotiated Procurement under the Alternative Method of Procurement relative to this Contract in lieu of the requirements for public bidding;

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*Handwritten signature*

*Handwritten signature*

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*Remuneration*



- 18. 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.
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PRC MARKETING  
(LESSOR)

DEPARTMENT OF ENERGY  
(LESSEE)

By:

By:

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Proprietor

GIOVANNI CARLO J. BACORDO  
Undersecretary, DOE

SIGNED IN THE PRESENCE OF

NILO J. GEROCHE  
Director, DOE-MFO

HELEN C. ROLDAN  
OIC- Accounting Division

CAF No. 01-24-02-028  
CAF Date: Feb. 24, 2024  
regular agency fund  
P 2,760,000.00

REPUBLIC OF THE PHILIPPINES  
DAVAO CITY) S.S

**BEFORE ME**, this \_\_\_\_\_ day of \_\_\_\_\_, 2022  
personally appeared:

Paul Roberto S. Cruz; and

Engr. Nilo J. Geroche

Both 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 are their own free and voluntary act and deed and that of the office which they represent.

This instrument consists of five (5) pages including this page on which this acknowledgement is written and all pages thereof have been signed by the parties and their witnesses and stamped with my notarial seal.

**WITNESS MY HAND AND SEAL**, this \_\_\_\_\_ day of \_\_\_\_\_ at  
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*Signature*

*Signature*

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16. In case any third party becomes interested in buying the warehouse/storage area subject matter hereof, during the life of this Contract, the same shall be relayed or communicated to LESSEE, who shall signify in writing whether it will avail of the option to buy within the period and if does not manifest in writing that it will not avail of such option, thus, LESSOR may consummate the deal with such third party, and this Contract will automatically terminate at its expiry date, and the buyer to take over upon the termination of this Contract with LESSEE, provided further that in the last scenario, the LESSOR shall give one (1) month period to vacate the Lease Premises.
17. Failure of LESSOR to insist upon a strict performance of any of the terms, conditions, and covenants hereof shall not be deemed as 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 and conditions herein contained.

*Permanently*



18. 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.
19. This Contract shall be construed, interpreted and governed by the laws of the Philippines. Each party irrevocably submits to the jurisdiction of the courts in Davao City or Taguig City exclusively, for the purpose of enforcing any right or obligation under or arising out of this Contract.
20. This Contract constitutes the complete understanding between the PARTIES with respect to the subject matter hereof and supersedes any prior expression of intent, representation or warranty with respect to this transaction. This Contract may be amended only with an instrument in writing signed by this PARTIES.
21. LESSOR is aware that the LESSEE is a government agency and as such, is subject to certain legal requirements and procedures not normally required for private corporations. LESSOR, nevertheless agrees that whenever such legal requirements and procedures apply to this Contract and affect its validity and/or implementation, this Contract and allied undertaking shall be considered amended accordingly so as to enable the LESSEE to comply with such requirements. For its part, the LESEEE undertakes to exert its best efforts to immediately comply with the requirements in a most equitable manner consistent with good faith.
22. If any one or more of the provisions of 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.
23. 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 settheir hands on the date and place indicated below.

**PRC MARKETING  
(LESSOR)**

By:

  
PAUL ROBERTO S. CRUZ  
Proprietor

**DEPARTMENT OF ENERGY  
(LESSEE)**

By:

  
GIOVANNI CARLO J. BACORDO  
Undersecretary, DOE

SIGNED IN THE PRESENCE OF

  
NILO J. GEROCHE  
Director, DOE-MFO

  
HELEN C. ROLDAN  
OIC- Accounting Division

CAF No. 01-24-02-028  
CAF Date: Feb. 26, 2024  
Regular Agency Fund  
#2 Fee, MD-V

REPUBLIC OF THE PHILIPPINES  
DAVAO CITY) S.S

**BEFORE ME**, this \_\_\_\_\_ day of \_\_\_\_\_, 2022  
personally appeared:

Paul Roberto S. Cruz; and

Engr. Nilo J. Geroche

Both 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 are their own free and voluntary act and deed and that of the office which they represent.

This instrument consists of five (5) pages including this page on which this acknowledgement is written and all pages thereof have been signed by the parties and their witnesses and stamped with my notarial seal.

**WITNESS MY HAND AND SEAL**, this \_\_\_\_\_ day of \_\_\_\_\_ at  
\_\_\_\_\_ City.

Doc No. \_\_\_\_\_;  
Page No. \_\_\_\_\_;  
Book No. \_\_\_\_\_;  
Series of 2024.

## CONTRACT OF LEASE

### KNOWN ALL MEN BY THESE PRESENTS:

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

**PRC MARKETING** a sole proprietorship existing under and by virtue of Philippines, with office address at Sto. Niño Street, Poblacion 1, Midsayap, Cotabato, represented herein by its **Proprietor, PAUL ROBERTO S. CRUZ**, hereinafter referred to as the **"LESSOR"**;

- and -

The **DEPARTMENT OF ENERGY (DOE)**, a government agency created by virtue of RA 7638, as amended, with office address at 3<sup>rd</sup> Floor, Tolentino Bldg., Ecoland, Matina, Davao 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, LESSOR** is the registered owner of subject property for lease at Purok 12, Mahayag, Davao City, with a total area of approximately 2.500 sq. meters.

**WHEREAS, LESSOR** agrees to lease-out the above-cited area to **LESSEE** and the **LESSEE** is willing to lease the same;

**WHEREAS, the LESSEE**, pursuant to Sections 48.1, 53 and 53.10 of the Implementing Rules and Regulations of the Republic Act (RA) No. 9184, is hereby adopting and authorizing the conduct of Negotiated Procurement under the Alternative Method of Procurement relative to this Contract in lieu of the requirements for public bidding;

**NOW, THEREFORE**, for and inconsideration of the foregoing premises, the **LESSOR** hereby agrees to lease its property unto the **LESSEE** and the **LESSEE** hereby accepts from the **LESSOR** the leased property, subject to the following:

1. The leased premises shall be used exclusively by the **LESSEE** for warehouse/storage area use by the DOE-Mindanao Field Office (MFO) and shall not be diverted to other uses.
2. That the term of this lease shall commence in January 2024 and shall continue in full force until December 2024, unless sooner terminated by either **PARTY**, subject to the issuance of a 30-day prior written notice. The lease term is renewable and extendible under such terms and conditions as may be mutually agreed upon by both **PARTIES**. Written



notice of intention to renew the lease shall be served to the LESSOR not later than thirty (30) days prior to the expiry date of the period herein agreed upon.

3. That in case of termination or expiration of the Lease Contract, in case of termination, the LESSEE shall be given a period of not exceeding fifteen (15) days from the date of termination or expiration, without additional rental or charges, for the transfer or haul of the equipment or paraphernalia in the leased property and the restoration of the same.
3. The monthly rental for the Leased Premises shall be in PESOS: **TWO MILLION SEVEN HUNDRED SIXTY PESOS ONLY (Php 2,760,000.00 or Php 230,000.00 x 12 months)**. All rental payments shall be payable to the LESSOR. It is expressly agreed and understood that the payment of the rental herein stipulated shall be made without necessity of express demand and without delay.
4. The (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 to be due by reason of thereceipt 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, shall be for the account of the LESSEE.
5. That the LESSOR shall, at its expense, maintain the warehouse and adjoining compound in a state suitable for the purpose for which the facility is rented; i.e., storage of Liquefied Petroleum Gas (LPG) products which refers to LPG product, cylinders, tin-canisters, seals, and as the case may be, vehicles, equipment, bulk storage tanks, and other related paraphernalia and Liquid Fuels (LF) and related equipment and paraphernalia.
6. That the LESSEE shall not directly or indirectly sublease, assign, transfer, convey, mortgage, or in any manner encumber its rights of lease over the Leased Premises or any portion thereof without the LESSOR's written, approval. Violation hereof shall automatically terminate the lease and shall entitle LESSOR to forfeit the guarantee deposit, in case, there is one.
7. That the LESSEE hereby expressly acknowledges that the Leased Premises are in good and tenantable condition and agrees to keep the same in such condition, and binds itself to undertake the necessary repairs, minor or otherwise, at its executive expense. LESSEE may not introduce any improvements, alterations or modification upon and within the leased premises **unless** there is WRITTEN and PRIOR CONSENT of LESSOR. Upon termination of the lease, LESSEE shall restore all modified or altered portions of the warehouse/storage area and required by LESSOR to be restored to original design/s thereon.
8. That the expenses for the electricity, water and other public services and utilities shall be understood to be **included** in the monthly rental amount during the duration of the lease.
9. That the security of the warehouse is the responsibility of LESSEE.

*Handwritten signature*

*Handwritten signature*

10. The **LESSOR** will insure the warehouse and surrounding compound against third-party damages (e.g., fire due to arson or an accident, damages due to water, etc.) for the duration of the contract and any subsequent renewals. The **LESSOR** shall carry, and provide proof of liability insurance for injury or damages to the **LESSEE's** personnel and /or goods due to negligence on the part of the **LESSOR**.
11. The **LESSEE** shall be solely responsible for any harm or injury as may be suffered by its employee or third person while within the leased premises, when the acts complained of were caused by its negligence.
12. **LESSEE** shall comply with any and all laws, ordinances, regulations or orders of the National or City government authorities arising from or regarding the use, occupation, and sanitation of the Leased Premises. Failure to comply shall be at the exclusive risk and expense of **LESSEE**.
13. That if the whole or any part of the Leased Premises shall be destroyed or damaged by fortuitous event, such as fire, flood, lighting, typhoon, earthquake or any other unforeseen disabling cause of acts of God, as to render the Leased Premises during the term substantially unfit for use and occupation of the **LESSEE**, then this Contract of Lease may be terminated without compensation by the **LESSOR** or by the **LESSEE** by notice in writing to the other.
14. That the **LESSOR** or its duly authorized representative after giving due notice to the **LESSEE** shall have the right to enter the Leased 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 for any other lawful purposes which it may deem necessary. Damage to the property due to the fault of **LESSEE**, its agents, employees and/or servants or other third persons who may have gained access to the Leased Premises shall be repaired promptly by **LESSEE** at its exclusive expense.
15. If **LESSEE** fails to settle its monthly rental fee to **LESSOR** within a reasonable time and/or neglect to perform or comply with any of the covenants, conditions, agreements or restrictions herein stipulated, **LESSOR** shall have the right to terminate and cancel the Contract by formally notifying **LESSEE** indicating therein the omissions and lapses committed by the latter. Provided further, that **LESSOR** shall provide one (1) month period for **LESSEE** to vacate the Leased Premises.
16. In case any third party becomes interested in buying the warehouse/storage area subject matter hereof, during the life of this Contract, the same shall be relayed or communicated to **LESSEE**, who shall signify in writing whether it will avail of the option to buy within the period and if does not manifest in writing that it will not avail of such option, thus, **LESSOR** may consummate the deal with such third party, and this Contract will automatically terminate at its expiry date, and the buyer to take over upon the termination of this Contract with **LESSEE**, provided further that in the last scenario, the **LESSOR** shall give one (1) month period to vacate the Lease Premises.
17. Failure of **LESSOR** to insist upon a strict performance of any of the terms, conditions, and covenants hereof shall not be deemed as 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 and conditions herein contained.

*Vertical signature or stamp on the right margin.*

*Large handwritten signature or mark on the right margin.*

18. 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.
19. This Contract shall be construed, interpreted and governed by the laws of the Philippines. Each party irrevocably submits to the jurisdiction of the courts in Davao City or Taguig City exclusively, for the purpose of enforcing any right or obligation under or arising out of this Contract.
20. This Contract constitutes the complete understanding between the PARTIES with respect to the subject matter hereof and supersedes any prior expression of intent, representation or warranty with respect to this transaction. This Contract may be amended only with an instrument in writing signed by this PARTIES.
21. LESSOR is aware that the LESSEE is a government agency and as such, is subject to certain legal requirements and procedures not normally required for private corporations. LESSOR, nevertheless agrees that whenever such legal requirements and procedures apply to this Contract and affect its validity and/or implementation, this Contract and allied undertaking shall be considered amended accordingly so as to enable the LESSEE to comply with such requirements. For its part, the LESEEE undertakes to exert its best efforts to immediately comply with the requirements in a most equitable manner consistent with good faith.
22. If any one or more of the provisions of 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.
23. 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 settheir hands on the date and place indicated below.

**PRC MARKETING  
(LESSOR)**

By:

  
PAUL ROBERTO S. CRUZ  
Proprietor

**DEPARTMENT OF ENERGY  
(LESSEE)**

By:

  
GIOVANNI CARLO J. BACORDO  
Undersecretary, DOE

SIGNED IN THE PRESENCE OF

  
NILO J. GEROCHE  
Director, DOE-MFO

  
HELEN C. ROLDAN  
OIC- Accounting Division

CAF No. 01-24-02-028  
CAF Date: Feb. 24, 2024  
Regular Agency Fund  
P 2,760,000.00

REPUBLIC OF THE PHILIPPINES  
SAVAO CITY) S.S

**BEFORE ME**, this \_\_\_\_\_ day of \_\_\_\_\_, 2022  
personally appeared:

Paul Roberto S. Cruz; and

Ingr. Nilo J. Geroche

Both 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 are their own free and voluntary act and deed and that of the office which they represent.

This instrument consists of five (5) pages including this page on which this acknowledgement is written and all pages thereof have been signed by the parties and their witnesses and stamped with my notarial seal.

**WITNESS MY HAND AND SEAL**, this \_\_\_\_\_ day of \_\_\_\_\_ at \_\_\_\_\_ City.

Doc No. \_\_\_\_\_;  
Page No. \_\_\_\_\_;  
Book No. \_\_\_\_\_;  
Series of 2024.

## CONTRACT OF LEASE

**KNOWN ALL MEN BY THESE PRESENTS:**

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

**PRC MARKETING** a sole proprietorship existing under and by virtue of Philippines, with office address at Sto. Niño Street, Poblacion 1, Midsayap, Cotabato, represented herein by its **Proprietor, PAUL ROBERTO S. CRUZ**, hereinafter referred to as the **"LESSOR"**;

- and -

The **DEPARTMENT OF ENERGY (DOE)**, a government agency created by virtue of RA 7638, as amended, with office address at 3<sup>rd</sup> Floor, Tolentino Bldg., Ecoland, Matina, Davao 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, LESSOR** is the registered owner of subject property for lease at Purok 12, Mahayag, Davao City, with a total area of approximately 2.500 sq. meters.

**WHEREAS, LESSOR** agrees to lease-out the above-cited area to **LESSEE** and the **LESSEE** is willing to lease the same;

**WHEREAS, the LESSEE**, pursuant to Sections 48.1, 53 and 53.10 of the Implementing Rules and Regulations of the Republic Act (RA) No. 9184, is hereby adopting and authorizing the conduct of Negotiated Procurement under the Alternative Method of Procurement relative to this Contract in lieu of the requirements for public bidding;

**NOW, THEREFORE**, for and inconsideration of the foregoing premises, the **LESSOR** hereby agrees to lease its property unto the **LESSEE** and the **LESSEE** hereby accepts from the **LESSOR** the leased property, subject to the following:

1. The leased premises shall be used exclusively by the **LESSEE** for warehouse/storage area use by the DOE-Mindanao Field Office (MFO) and shall not be diverted to other uses.
2. That the term of this lease shall commence in January 2024 and shall continue in full force until December 2024, unless sooner terminated by either **PARTY**, subject to the issuance of a 30-day prior written notice. The lease term is renewable and extendible under such terms and conditions as may be mutually agreed upon by both **PARTIES**. Written

notice of intention to renew the lease shall be served to the **LESSOR** not later than thirty (30) days prior to the expiry date of the period herein agreed upon.

3. That in case of termination or expiration of the Lease Contract, in case of termination, the **LESSEE** shall be given a period of not exceeding fifteen (15) days from the date of termination or expiration, without additional rental or charges, for the transfer or haul of the equipment or paraphernalia in the leased property and the restoration of the same.
3. The monthly rental for the Leased Premises shall be in PESOS: **TWO MILLION SEVEN HUNDRED SIXTY PESOS ONLY (Php 2,760,000.00 or Php 230,000.00 x 12 months)**. All rental payments shall be payable to the **LESSOR**. It is expressly agreed and understood that the payment of the rental herein stipulated shall be made without necessity of express demand and without delay.
4. The (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 to be due by reason of thereceipt 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, shall be for the account of the **LESSEE**.
5. That the **LESSOR** shall, at its expense, maintain the warehouse and adjoining compound in a state suitable for the purpose for which the facility is rented; i.e., storage of Liquefied Petroleum Gas (LPG) products which refers to LPG product, cylinders, tin-canisters, seals, and as the case may be, vehicles, equipment, bulk storage tanks, and other related paraphernalia and Liquid Fuels (LF) and related equipment and paraphernalia.
6. That the **LESSEE** shall not directly or indirectly sublease, assign, transfer, convey, mortgage, or in any manner encumber its rights of lease over the Leased Premises or any portion thereof without the **LESSOR's** written, approval. Violation hereof shall automatically terminate the lease and shall entitle **LESSOR** to forfeit the guarantee deposit, in case, there is one.
7. That the **LESSEE** hereby expressly acknowledges that the Leased Premises are in good and tenantable condition and agrees to keep the same in such condition, and binds itself to undertake the necessary repairs, minor or otherwise, at its executive expense. **LESSEE** may not introduce any improvements, alterations or modification upon and within the leased premises **unless** there is **WRITTEN** and **PRIOR CONSENT** of **LESSOR**. Upon termination of the lease, **LESSEE** shall restore all modified or altered portions of the warehouse/storage area and required by **LESSOR** to be restored to original design/s thereon.
8. That the expenses for the electricity, water and other public services and utilities shall be understood to be **included** in the monthly rental amount during the duration of the lease.
9. That the security of the warehouse is the responsibility of **LESSEE**.

*Summum*

10. The **LESSOR** will insure the warehouse and surrounding compound against third-party damages (e.g., fire due to arson or an accident, damages due to water, etc.) for the duration of the contract and any subsequent renewals. The **LESSOR** shall carry, and provide proof of liability insurance for injury or damages to the **LESSEE's** personnel and /or goods due to negligence on the part of the **LESSOR**.
11. The **LESSEE** shall be solely responsible for any harm or injury as may be suffered by its employee or third person while within the leased premises, when the acts complained of were caused by its negligence.
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Remuneration



- 18. 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.
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- 22. If any one or more of the provisions of 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.
- 23. 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 settheir hands on the date and place indicated below.

PRC MARKETING  
(LESSOR)

DEPARTMENT OF ENERGY  
(LESSEE)

By:

By:

PAUL ROBERTO S. CRUZ  
Proprietor

GIOVANNI CARLO J. BACORDO  
Undersecretary, DOE

SIGNED IN THE PRESENCE OF

NICO J. GEROCHE  
Director, DOE-MFO

HELEN C. ROLDAN  
OIC- Accounting Division

CAF No. 01-24-02-028  
At Date: Feb. 26, 2024  
Regular Agency Fund  
P 2760, on .01



REPUBLIC OF THE PHILIPPINES  
DAVAO CITY) S.S

**BEFORE ME**, this \_\_\_\_\_ day of \_\_\_\_\_, 2022  
personally appeared:

Paul Roberto S. Cruz; and

Engr. Nilo J. Geroche

Both 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 are their own free and voluntary act and deed and that of the office which they represent.

This instrument consists of five (5) pages including this page on which this acknowledgement is written and all pages thereof have been signed by the parties and their witnesses and stamped with my notarial seal.

**WITNESS MY HAND AND SEAL**, this \_\_\_\_\_ day of \_\_\_\_\_ at  
\_\_\_\_\_ City.

Doc No. \_\_\_\_\_;  
Page No. \_\_\_\_\_;  
Book No. \_\_\_\_\_;  
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## CONTRACT OF LEASE

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- and -

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2. That the term of this lease shall commence in January 2024 and shall continue in full force until December 2024, unless sooner terminated by either **PARTY**, subject to the issuance of a 30-day prior written notice. The lease term is renewable and extendible under such terms and conditions as may be mutually agreed upon by both **PARTIES**. Written

*Sumpong*

notice of intention to renew the lease shall be served to the **LESSOR** not later than thirty (30) days prior to the expiry date of the period herein agreed upon.

3. That in case of termination or expiration of the Lease Contract, in case of termination, the **LESSEE** shall be given a period of not exceeding fifteen (15) days from the date of termination or expiration, without additional rental or charges, for the transfer or haul of the equipment or paraphernalia in the leased property and the restoration of the same.
3. The monthly rental for the Leased Premises shall be in PESOS: **TWO MILLION SEVEN HUNDRED SIXTY PESOS ONLY (Php 2,760,000.00 or Php 230,000.00 x 12 months)**. All rental payments shall be payable to the **LESSOR**. It is expressly agreed and understood that the payment of the rental herein stipulated shall be made without necessity of express demand and without delay.
4. The (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 to be due by reason of thereceipt 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, shall be for the account of the **LESSEE**.
5. That the **LESSOR** shall, at its expense, maintain the warehouse and adjoining compound in a state suitable for the purpose for which the facility is rented; i.e., storage of Liquefied Petroleum Gas (LPG) products which refers to LPG product, cylinders, tin-canisters, seals, and as the case may be, vehicles, equipment, bulk storage tanks, and other related paraphernalia and Liquid Fuels (LF) and related equipment and paraphernalia.
6. That the **LESSEE** shall not directly or indirectly sublease, assign, transfer, convey, mortgage, or in any manner encumber its rights of lease over the Leased Premises or any portion thereof without the **LESSOR's** written, approval. Violation hereof shall automatically terminate the lease and shall entitle **LESSOR** to forfeit the guarantee deposit, in case, there is one.
7. That the **LESSEE** hereby expressly acknowledges that the Leased Premises are in good and tenantable condition and agrees to keep the same in such condition, and binds itself to undertake the necessary repairs, minor or otherwise, at its executive expense. **LESSEE** may not introduce any improvements, alterations or modification upon and within the leased premises **unless** there is **WRITTEN** and **PRIOR CONSENT** of **LESSOR**. Upon termination of the lease, **LESSEE** shall restore all modified or altered portions of the warehouse/storage area and required by **LESSOR** to be restored to original design/s thereon.
8. That the expenses for the electricity, water and other public services and utilities **shall** be understood to be **included** in the monthly rental amount during the duration of the lease.
9. That the security of the warehouse is the responsibility of **LESSEE**.

*Received*

*[Handwritten signature]*

*[Handwritten signature]*

10. The **LESSOR** will insure the warehouse and surrounding compound against third-party damages (e.g., fire due to arson or an accident, damages due to water, etc.) for the duration of the contract and any subsequent renewals. The **LESSOR** shall carry, and provide proof of liability insurance for injury or damages to the **LESSEE's** personnel and /or goods due to negligence on the part of the **LESSOR**.
11. The **LESSEE** shall be solely responsible for any harm or injury as may be suffered by its employee or third person while within the leased premises, when the acts complained of were caused by its negligence.
12. **LESSEE** shall comply with any and all laws, ordinances, regulations or orders of the National or City government authorities arising from or regarding the use, occupation, and sanitation of the Leased Premises. Failure to comply shall be at the exclusive risk and expense of **LESSEE**.
13. That if the whole or any part of the Leased Premises shall be destroyed or damaged by fortuitous event, such as fire, flood, lighting, typhoon, earthquake or any other unforeseen disabling cause of acts of God, as to render the Leased Premises during the term substantially unfit for use and occupation of the **LESSEE**, then this Contract of Lease may be terminated without compensation by the **LESSOR** or by the **LESSEE** by notice in writing to the other.
14. That the **LESSOR** or its duly authorized representative after giving due notice to the **LESSEE** shall have the right to enter the Leased 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 for any other lawful purposes which it may deem necessary. Damage to the property due to the fault of **LESSEE**, its agents, employees and/or servants or other third persons who may have gained access to the Leased Premises shall be repaired promptly by **LESSEE** at its exclusive expense.
15. If **LESSEE** fails to settle its monthly rental fee to **LESSOR** within a reasonable time and/or neglect to perform or comply with any of the covenants, conditions, agreements or restrictions herein stipulated, **LESSOR** shall have the right to terminate and cancel the Contract by formally notifying **LESSEE** indicating therein the omissions and lapses committed by the latter. Provided further, that **LESSOR** shall provide one (1) month period for **LESSEE** to vacate the Leased Premises.
16. In case any third party becomes interested in buying the warehouse/storage area subject matter hereof, during the life of this Contract, the same shall be relayed or communicated to **LESSEE**, who shall signify in writing whether it will avail of the option to buy within the period and if does not manifest in writing that it will not avail of such option, thus, **LESSOR** may consummate the deal with such third party, and this Contract will automatically terminate at its expiry date, and the buyer to take over upon the termination of this Contract with **LESSEE**, provided further that in the last scenario, the **LESSOR** shall give one (1) month period to vacate the Lease Premises.
17. Failure of **LESSOR** to insist upon a strict performance of any of the terms, conditions, and covenants hereof shall not be deemed as 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 and conditions herein contained.

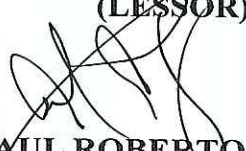
*Resubmitted*



- 18. 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.
- 19. This Contract shall be construed, interpreted and governed by the laws of the Philippines. Each party irrevocably submits to the jurisdiction of the courts in Davao City or Taguig City exclusively, for the purpose of enforcing any right or obligation under or arising out of this Contract.
- 20. This Contract constitutes the complete understanding between the PARTIES with respect to the subject matter hereof and supersedes any prior expression of intent, representation or warranty with respect to this transaction. This Contract may be amended only with an instrument in writing signed by this PARTIES.
- 21. LESSOR is aware that the LESSEE is a government agency and as such, is subject to certain legal requirements and procedures not normally required for private corporations. LESSOR, nevertheless agrees that whenever such legal requirements and procedures apply to this Contract and affect its validity and/or implementation, this Contract and allied undertaking shall be considered amended accordingly so as to enable the LESSEE to comply with such requirements. For its part, the LESEE undertakes to exert its best efforts to immediately comply with the requirements in a most equitable manner consistent with good faith.
- 22. If any one or more of the provisions of 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.
- 23. 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 settheir hands on the date and place indicated below.

**PRC MARKETING  
(LESSOR)**

By: 


**PAUL ROBERTO S. CRUZ**  
Proprietor


**DEPARTMENT OF ENERGY  
(LESSEE)**

By: 

**GIOVANNI CARLO J. BACORDO**  
Undersecretary, DOE

SIGNED IN THE PRESENCE OF

  
**NILO J. GEROCHE**  
Director, DOE-MFO

  
**HELEN C. ROLDAN**  
OIC- Accounting Division  
OAF No. 01-24-02-028  
OAF Date: Feb. 26, 2024  
Regular Agency Fund  
P 2, 700, 000.00

REPUBLIC OF THE PHILIPPINES  
DAVAO CITY) S.S

**BEFORE ME**, this \_\_\_\_\_ day of \_\_\_\_\_, 2022  
personally appeared:

Paul Roberto S. Cruz; and

Engr. Nilo J. Geroche

Both 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 are their own free and voluntary act and deed and that of the office which they represent.

This instrument consists of five (5) pages including this page on which this acknowledgement is written and all pages thereof have been signed by the parties and their witnesses and stamped with my notarial seal.

**WITNESS MY HAND AND SEAL**, this \_\_\_\_\_ day of \_\_\_\_\_ at  
\_\_\_\_\_ City.

Doc No. \_\_\_\_\_;  
Page No. \_\_\_\_\_;  
Book No. \_\_\_\_\_;  
Series of 2024.

# ROUTING SLIP

OFFICES	REMARKS
1. BUDGET DIVISION	For Obligation
2. USEC. G.C.J. BACORDO	For signature (Lease of Contracts)
3. PMD	For Preparation of NTP
THANK YOU VERY MUCH! - DOE-MFO	