

CONTRACT OF LEASE

KNOW ALL MEN BY THESE PRESENTS:

This contract of Lease made and entered into this 29<sup>th</sup> day of December, 2015 at Tuguegarao city, Cagayan, Philippines, by and between:

MR. BISMARCK TURINGAN, of legal age married and a Resident of #03 Campos Street, Caritan Centro, Tuguegarao City, Cagayan hereafter referred to as the LESSOR.

-And-

Department of Labor and Employment - Regional Office No. 02, a government entity under the office of the President of the Republic of the Philippines with office and postal address at #03 Campos Street, Caritan Centro, Tuguegarao City, Cagayan, represented in this Contract by ATTY. SIXTO T. RODRIGUEZ, JR. who is duly authorized to sign in its behalf, hereinafter referred to as LESSEE.

WITNESSETH

That the LESSOR is the Owner of four storey building including the "PREMISES" described in the object of Lease below.

That the LESSOR has agreed to lease to the LESSEE the premises more particularly described as Office Space of Bismarck Turingan Building, located along #03 Campos Street, Caritan Centro, Tuguegarao City, Cagayan with a total area of 748 square meter more or less within the Bismarck Turingan Building under the following terms and conditions:

1. This lease shall be for a period of six (6) months commencing on January 1, 2016 and ending on June 30, 2016. Thereafter, it shall be automatically renewed annually, but without escalation cost. It is understood that the term of lease is the essence of this Lease Contract and should this lease be cancelled for cause attributed to the fault of the LESSEE after being given 15 days to rectify by the LESSOR, the LESSEE shall vacate the premises prior to the expiration of this lease.

2. The monthly rental rate for the lease period starting January 1, 2016 up to June 30, 2016 shall be SIXTY SEVEN THOUSAND TWO HUNDRED PESOS (P67,200.00) EXCLUSIVE OR INCLUSIVE OF VALUE ADDED TAX broken down as follows:

RENTAL	P 67,200.00 (748sq.m.@P89.84/sq.m.)
PARKING FEE (if any)	P _____ ( _____ slot @ P _____ /slot) P _____
TOTAL	<u>P67,200.00</u> per month



The rent shall be due and payable every 30<sup>th</sup> day of every month of the leased period.

3. The PREMISES shall be used exclusively by the LESSEE as office and it shall not divert the PREMISES to other use without the prior written consent of the LESSOR, it being freely agreed that if at anytime during the existence of this lease and without the prior consent of the LESSOR, the PREMISES are used for other purposes, the LESSOR has the choice of (a) terminating this lease or (b) compelling the LESSEE to rectify the breach.

4. The LESSOR shall provide electric water pump and parking garage for the office vehicles.

5. The LESSOR shall undertake major repairs including damages due fortuitous events during the affectivity of the lease and to complete such repairs within a specified time frame.

6. The LESSEE shall withhold payment of rentals in the event the LESSOR fails to make the necessary repairs of damaged facilities or damage to any portion of the building which is its obligation to repair under the agreement within a reasonable time and to undertake such repairs applying the rentals due to cover the cost thereof.

7. The LESSEE shall at his expense, maintain the leased premises in a clean and sanitary condition, free from noxious odor, disturbing noises, or other nuisances, and upon the expiration of the lease shall surrender and return the PREMISES and fixtures in as good condition as they were actually found at the beginning of the lease, ordinary wear and tear excepted.

8. The LESSEE shall not make any alteration, addition or improvement without the prior written consent of the LESSOR, provided, however, that all such alterations, additions or improvements except the movable furniture and fixtures made at the expense of LESSEE and are removable without defacing or injuring the building or the PREMISES, shall remain upon and be surrendered with the PREMISES as part thereof at the termination of this lease without compensation to the LESSEE.

9. The LESSEE shall not affix, inscribe or paint any notices, sign or any advertising medium on any part of the inside or outside of the building except with the prior written permission from the LESSOR, which permission shall not be unreasonably withheld and then only for such size, color and style as the latter may approve.

10. The LESSEE shall not bring into the PREMISES anything of highly flammable or explosive nature, nor install therein any apparatus, machinery or equipment which may cause obnoxious vibration or noises or expose the PREMISES to fire or increase the fire hazard of the building or change the insurance rate of the building, or any article which the LESSOR may reasonably prohibit; it being understood that should the LESSEE do so, not only shall the latter be responsible for all the damages, but the LESSOR shall in addition thereto have the right to cancel the lease. If the LESSEE shall use the building, or deposit therein the above prohibited objects so as to result in any increase of premiums, such increase shall be for the account of the LESSEE.



11. The LESSEE shall comply with any and all reasonable regulations, rules and safety regulations which may be promulgated by legally constituted authorities from time to time and comply with all rules and regulations, ordinance and laws made by health or other duly constituted local or national authorities arising from or regarding the use, occupancy and sanitation of the PREMISES.

12. The LESSEE agrees that the LESSOR shall not be liable for any damage or liability of any kind or for any damage or injury to any persons or property during the term of this lease for any cause whatsoever by reason of the use, occupancy and employment of the leased premises by the LESSEE, its directors, officers, agents, employees, representatives, guests, clients or similar persons, and that the LESSEE will save harmless the LESSOR from all liability whatsoever, including all expenses incurred in defending against said claims and liability on account of such damage or injury, and from any and all liens claims, and demand of whatever kind and nature.

Unless so caused by negligence and / or willful default of the LESSOR, its employees, servants or the agents, LESSOR shall not be liable or responsible for:

- a) the presence of bugs, vermin's ants, insects, if any in the building or the leased PREMISES;
- b) the failure of water supply and/or electric current;
- c) any injury, loss or damage which the LESSEE, his agents or employees might sustain in the PREMISES; and,
- d) any damage done or occasioned by, or arising from plumbing, gas, water and/or other pipes or the bursting, leaking, or destruction of any cistern tank, wash stand, water closet, or water pipe in, above, upon or about said PREMISES.

13. If the leased PREMISES shall be destroyed or damaged by an act of GOD, Force Majeure or other cause beyond the control of the LESSEE rental shall cease to be payable until the PREMISES shall have been restored or reinstated. If the whole of the PREMISES shall have been destroyed or rendered unfit for use and occupation and shall not have been repaired or reinstated within one month from the occurrence of the damage, either party may terminate this lease by notice in writing to the other.

14. The LESSEE shall not assign or transfer its rights under this contract, or any part thereof, without the prior written consent of the LESSOR.

15. The LESSEE agrees to return and surrender the leased PREMISES at the expiration of the term of this lease in as good condition as reasonable wear and tear permits and without any delay whatsoever, devoid of any occupants, furniture, articles and effects or any kind other than such alteration, additions or improvements which shall remain in the building and become the LESSOR'S property in accordance with the provision of paragraph 8 hereof. Should the LESSEE elect not to renew this contract of lease at the termination hereof, it shall give the LESSOR two (2) months written notice in advance of such intention to vacate. Provided, however, that the LESSEE may terminate this contract anytime upon sixty (60) days notice to the LESSOR.



16. If said PREMISES are not surrendered at the expiration of the term hereof, the LESSEE shall continue to pay the LESSOR and shall indemnify the LESSOR any and all claims made by any succeeding tenant(s) against the LESSOR, for delay resulting from the failure of the LESSEE to surrender the PREMISES on time.

17. It is hereby agreed and that if the LESSEE has unpaid obligation upon the expiration or termination of this lease or in case of eviction, the LESSOR shall have a lien up to the amount of the LESSEE'S unpaid obligation over the office equipment and supplies of whatever kind and nature found in the PREMISES and the LESSOR is empowered to take custody or retain physical possession thereof until the whole obligation is fully settled. However, if after the lapse of sixty (60) days from default in payment of rentals and other obligations by the LESSEE, the LESSOR is hereby appointed as the LESSEE'S Special Attorney-In-Fact with the authority and power to sell or dispose any or all of the machinery, furniture, books and other office equipment and supplies under its custody or possession for such price or amount which LESSOR may deem reasonable and proceeds thereof shall be applied as partial or full payment of the obligations, as the case maybe.

18. The LESSEE paying the rental reserved by the lease and duly and punctually observing and performing the covenants and provisions under this contract shall and may peaceably hold and enjoy quiet possession without any interruption by the LESSOR or any person lawfully claiming under the LESSOR.

IN WITNESS WHEREOF, the parties hereunto affixed their signatures in conformity herewith this 29<sup>th</sup> day of December 2015.

(LESSOR)

  
MR. BISMARK TURINGAN

(Owner)

COA-00156731

Department of Labor and  
Employment-Regional Office No.02

(LESSEE)

  
ATTY. SIXTO T. RODRIGUEZ JR.

Regional Director

SIGNED IN THE PRESENCE OF:

  
PHEXIE A. CARONAN

Chief, Administrative Officer

  
ELPIDIO B. ATAL, JR., MNSA


Asst. Regional Director

CERTIFIED FUNDS AVAILABLE:

  
SATURNINO A. MARTINEZ

Accountant III

Approved by:

  
NICON F. FAMERONAG

Undersecretary

