

CONTRACT OF LEASE
CL-10-2019-10 dated October 28, 2019

This **CONTRACT** made and entered into by and between:

The **CITY GOVERNMENT OF PAGADIAN**, a local government unit, with principal office at the City Mayor's Office, Executive Building, City Hall Complex, Pagadian City, represented by its City Mayor, **HON. SAMUEL S. CO**, hereinafter referred to as the **LESSOR**;

-and-

The **PROFESSIONAL REGULATION COMMISSION**, an agency of the national government, with principal office address at P. Paredes St., Sampaloc, Manila, represented by its Regional Director, **SHARO B. LO**, hereinafter referred to as the **LESSEE**.

-WITNESSETH-

WHEREAS, the **LESSOR** is the registered **OWNER** of the City Commercial Center (C3) Building situated along Rizal Avenue, Santiago District, Pagadian City.

WHEREAS, the **LESSOR** offered to the **LESSEE** the lease of the 4th floor of the said building with a floor area of FIVE HUNDRED FORTY-ONE (541) square meters more or less, and the latter has accepted the offer of lease.

TERMS AND CONDITIONS:

1. **TERM.** This **CONTRACT OF LEASE** shall be for a period of **ONE (1) YEAR** which shall commence on January 1, 2020 and shall expire on December 31, 2020, renewable upon mutual agreement of the parties subject to the conditions stipulated in this Contract.
2. **RENTAL.** The monthly rental shall be **SEVENTY TWO THOUSAND FOUR HUNDRED NINETY FOUR PESOS (P72,494.00)** per month (inclusive of taxes), Philippine Currency, subject to periodic increase based on prevailing labor cost and other CUSA component cost to be paid on or before the 10th day of the succeeding month following the use of the property by the **LESSEE**. However, payment of the monthly rentals shall commence only upon actual occupancy by the **LESSEE**.

There shall be a 5% increase of the rent beginning on the fourth year and the subsequent years thereafter based on any amendment of the enabling C3 Ordinance as well as its viability and the conditions prevailing. The rental is also subject to increase as may be authorized by resolution or ordinance of the Honorable Sangguniang Panlungsod, and as may be agreed upon by both parties.

3. OBLIGATIONS OF THE LESSOR.

The **LESSOR** shall:

1. Provide the Leased Property with electric power including emergency power services and shall install the same in the leased premises, and also the necessary and sufficient lighting and power lines.
2. Keep and maintain the facilities of the area in good and useful condition and shall undertake the necessary repair of damaged and worn-out parts of the building to keep it in habitable and useful condition.
3. Warrant that it is the owner of the leased premises and shall maintain the **LESSEE** in peaceful and complete possession of the leased premises for the entire duration of this Contract.
4. Make available to the **LESSEE** the services of the elevator and escalator during office hours including overtime on weekdays, Saturdays and holidays except during brown-outs, and during the conduct of Examinations, one day before and after the scheduled examination, and upon the request of the Regional Director if there are guests from the Commission and other government entities.
5. Allow the **LESSEE** to install, erect, or affix signs or advertisements in any conspicuous place inside and outside the building as may be necessary to promote its services.
6. Construct comfort rooms for male and female exclusively for PRC executive officers and staff and provide the clients with existing comfort rooms of the building.
7. Construct or reconstruct all partition walls adequate to the space requirements and complies with the floor plan submitted by the **LESSEE**.
8. Supervise the installation of sufficient air-conditioning system to address the thermal comfort of the **LESSEE**. The installation cost and the air-conditioning units and other fan-cooling equipments shall be shouldered and provided by the **LESSEE**.

5. OBLIGATIONS OF THE LESSEE.

The **LESSEE** shall:

1. Pay and shoulder the fees and other legal charges for the consumption of water, telephone, electricity, and other utility services in the leased premises.
2. Use the leased premises as PRC Regional Office and not for any unlawful, indecent, or immoral purposes.
3. Not sublease or assign the leased premises or any portion thereof to any third party without the prior written consent of the **LESSOR**.
4. Not to bring unto the premises flammable goods, explosive objects and other articles which shall increase fire hazards.
5. Allow or permit the **LESSOR** or its representatives to enter and inspect the leased premises at any convenient or reasonable hours of any working day with prior notice.
6. Observe all rules and regulations as may be imposed by the **LESSOR** in the use of the leased premises relative to safety and sanitation of the leased premises.

6. **INSPECTION AND REPAIR OF THE PREMISES** . The **LESSOR** reserves the right to enter and inspect at reasonable working hours during workdays in the presence of the **LESSEE**'s representatives.

Useful and necessary repairs limited to structural defects shall be for the account the **LESSOR**, minor repairs shall be shouldered by the **LESSEE**. The **LESSEE** may recommend to the City Government of Pagadian for the suspension of the payment of the rental in case the **LESSOR** fails to make the necessary and useful repairs to the building's basic structure.

7. **ALTERATIONS/IMPROVEMENTS, EXCEPTION THERETO**. The **LESSOR** shall allow the **LESSEE** to introduce improvements and/or fixtures on the Leased Premises such as vault, fixtures and steel doors, partitions and any/or all other necessary movable equipment or improvements. These equipment and improvements as may be introduced may be removed by the **LESSEE** upon termination or non-renewal of the lease, provided that the premises shall be restored to its original habitable form.

8. **VENUE IN CASE OF LITIGATION**. Any or all actions or suits relative to the Contract of Lease shall be exclusively brought or filed before the proper courts sitting and functioning within the City of Pagadian with the exclusion of any or all other courts of equal jurisdiction.

9. **MODIFICATION OF TERMS AND CONDITIONS**. This Contract of Lease revokes and renders nugatory any or all previous agreements and undertakings, oral or written, by and between the parties herein, and this Contract of Lease shall not hereinafter be modified or altered except by an instrument duly executed and signed by the parties hereto.

10. **BREACH**. The **LESSOR** shall give the **LESSEE** a period of THREE (3) months to pay the stipulated rent or to comply with the conditions of the lease should the **LESSEE** fail to pay the stipulated rent or in case of breach of any of the conditions of this lease by the **LESSEE**.

11. **CANCELATION/TERMINATION OF CONTRACT**. The failure on the part of the **LESSEE** to pay or make the rental fee for at least three (3) consecutive months without justifiable reasons shall immediately cause the termination of this Contract of Lease and the **LESSOR** shall have the right to eject the **LESSEE** from the Leased Premises including any or all other persons claiming any right whatsoever on the Leased Premises and to collect the rental in arrears from the **LESSEE** plus accrued interests thereon, and to claim for any or all damages relative thereto inclusive of moral, exemplary, nominal, temperate, actual and liquidated damages and attorney's fees as evidence may warrant.

IN WITNESS WHEREOF, the Parties have hereunto set their hands this SEP 23 2019, 2019.

**CITY GOVERNMENT OF PAGADIAN
(C3 MANAGEMENT):**

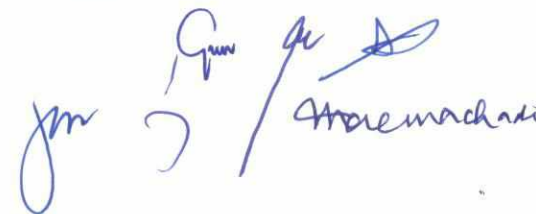
By:


SAMUEL S. CO
City Mayor
LESSOR

**PROFESSIONAL REGULATION
COMMISSION**

By:


SHARO B. LO
Regional Director
LESSEE



SIGNED IN THE PRESENCE OF:


ANTONIO P. ALMONTE
C3 Manager


GUILBERT J. CATUBAY
RBAC Chairman, PRC-Pagadian City

**CERTIFICATION AS TO THE
AVAILABILITY OF FUNDS:**


RASETES E. RAZONABE
Chief, Accounting Division, PRC Manila

FUNDS WILL BE MADE AVAILABLE UPON APPROVAL
OF THE FY 2020 GAA



ACKNOWLEDGMENT


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

BEFORE ME, a Notary Public for and in the City of Pagadian, this ____ day of _____, 2019 personally appeared **SHARO B. LO** and **SAMUEL S. CO** who exhibited to me their Employment Identification Card and Driver's license respectively, bearing their photograph and signature pursuant in Section 12, Rule II of the Rules of Notarial practice as amended by A.M. No. 02-8-13-SC, known to me and to be the same persons who executed the foregoing instrument and acknowledged to me that the same is their free and voluntary act and deed, and likewise that of the agency/ company they represent.

This instrument, a Contract of Lease, consists of five (5) pages including the page whereon this acknowledgment is written, and is signed by the parties and their instrumental witnesses.

WITNESS MY HAND AND SEAL on the date and place first above written.




LUIS A. BERSALES, JR.
Notary Public
until December 31, 2019
BP No. 0439371 1/2/19
CP No. 3006347 1/2/19
Pagadian City

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