

CONTRACT OF LEASE

KNOW ALL MEN BY THESE PRESENTS:

This CONTRACT OF LEASE (the "Contract", for brevity), made and entered into by and between:

The **LOCAL GOVERNMENT UNIT OF BANGUI, ILOCOS NORTE**, a local government unit duly constituted and existing under the laws of the Republic of the Philippines with office and postal address at the **Municipal Hall, Brgy. San Lorenzo, Bangui, Ilocos Norte**, represented in this contract by its Mayor, **HON. FIDEL A. CIMATU JR.**, who has been duly authorized to act for and its behalf as evidenced by **Municipal Resolution No. 12-48-2024**, Series of 2024, and hereinafter referred to as the **"LESSOR"**;

- and -

The **DEVELOPMENT BANK OF THE PHILIPPINES**, a government financial institution duly created and operating under Executive Order No. 81 dated December 3, 1986, as amended by Republic Act No. 8523 dated February 14, 1998, with principal office at DBP Building, Sen. Gil J. Puyat Ave. corner Makati Avenue, City of Makati, Metro Manila, Philippines, duly represented in this Contract by its **FVP MARIA DOLORES C. GUEVARA**, Head, Branch Banking Group – Northern Luzon, who has been duly authorized for this purpose as shown in the attached Secretary's Certificate for Board Resolution No. _____, and hereinafter referred to as the **"LESSEE"**.

- ANTECEDENTS -

The LESSOR is the registered owner of a two-storey commercial building, the **"Bangui Legislative Building"**;

Whereas, on May 21, 2015, the Bank executed a Memorandum of Agreement for the lease of an office space identified as **Stall No. 4** at the 1st floor of the aforesaid property with a floor area of approximately **One Hundred Fifty-Nine and 66/100 (159.66)** square meters, more or less, as per floor plan attached to this Contract as **"Annex A"**, to be used as branch site with at least two (2) parking spaces allocated for exclusive use of the Lessee for free;

Whereas, due to limited space of the existing Branch premises, the Bank requested for an additional space/portion of the aforesaid building;

Whereas, the LGU has agreed for the lease of an additional space adjacent to the Branch;

Pursuant to Section 53.10 and Annex "H" (Consolidated Guidelines for the Alternative Methods of Procurement) of the 2016 Revised Implementing Rules and Regulations of Republic Act No. 9184 otherwise known as the "Government Procurement Reform Act", the LESSEE conducted a cost-benefit analysis of the

Development Bank of the Philippines
Lessee
By: **signed**
IMEE R. VISITACION
Witness

Bangui Municipality, Ilocos Norte
Lessor
By: **signed**
ROSARIO Y. TAMAYO
Witness

Bangui Municipality, Ilocos Norte
Lessor
By: **signed**
FVP MARIA DOLORES C. GUEVARA
Head, BBG-Northern Luzon

Bangui Municipality, Ilocos Norte
Lessor
By: **signed**
HOI
Municipal Mayor

lease, and the results of such analysis continue to favor the existing LESSOR. Accordingly, the LESSEE has offered to renew the lease with additional space and the LESSOR agreed to the renewal under the terms and conditions hereinafter stipulated.

The LESSEE has agreed to lease said additional space/portion of the aforesaid building, thereby increasing the lease premises from the existing One Hundred Fifty-Nine and 66/100 (159.66) square meters to **One Hundred Seventy Two & 18/100 (172.18) square meters**, as per Floor Plan attached to this Contract as **Annex "B"** (hereinafter referred to as the "Leased Premises") under such terms and conditions hereinafter set forth.

NOW THEREFORE, the Parties agree as follows:

- 1. TERM** – This Contract shall be for a period of **Ten (10) years** commencing on **June 16, 2025**, and expiring on **June 16, 2035**, renewable under such terms as maybe mutually agreed upon in writing by both parties to this Contract.
- 2. RENTAL**- As consideration for this Contract, the LESSEE hereby agrees to pay the LESSOR a monthly rental of **PESOS: SEVENTY THOUSAND (Php70,000.00), inclusive of VAT or any other applicable taxes.**

The monthly rental shall be paid in advance within the first ten (10) days of each month to be credited to the bank account maintained by the LESSOR with the LESSEE, without the necessity of prior demand.

3. SECURITY DEPOSIT

The LESSEE shall continue to utilize its existing security deposit (the "Security Deposit") in the sum of **PESOS: TWO HUNDRED TEN THOUSAND SEVEN HUNDRED FIFTY ONE & 20/100 (Php210,751.20)** to answer for the cost of unpaid utility bills such as electricity, water, telephone as well as damage that may be caused to the Leased Premises by the LESSEE, arising from causes other than ordinary wear and tear. The said deposit or the remaining balance thereof, if any, shall be refunded by the LESSOR to the LESSEE within fifteen (15) calendar days after the expiration or termination of this Contract.

The automatic application of the deposit to the overdue rentals shall not constitute a waiver by the LESSOR of its right to terminate the lease or eject the LESSEE for the non-payment of rentals.

- 4. USE OF LEASED PREMISES**- The LESSEE expressly agrees and warrants that the Leased Premises shall be used exclusively for the office and banking activities and operations of the LESSEE's **Bangui Branch**.

The LESSEE shall not introduce, keep, deposit or store in the Leased Premises any obnoxious and hazardous substance or flammable materials or substance that might constitute a fire, safety and environmental hazard without the prior consent of the LESSOR. The LESSEE shall also not install within the Leased Property any apparatus, machinery, or equipment, which may cause obnoxious tremors or noises that might increase exposure of the building to fire hazard and therefore causing an increase in its insurance rate.

The LESSOR shall provide the necessary assistance for the LESSEE to comply with the requirements in securing permits/certification from regulatory bodies, such as building permit, fire safety/drill, "No smoking" requirement, Department of

signed

IMEE R. VISITACION
Witness

signed

ROSARIO Y. TAMAYO
Witness

Development Bank of the Philippines

Lessee

B

signed

JEVARA
Head, BBG-Northern Luzon

Bangui Municipality, Ilocos Norte

Lessor

By:

signed

HON. F. R.
Municipal Mayor

Environment and Natural Resources (DENR) certification, and others which may be required under the LESSEE's Integrated Management System (IMS).

5. CONSTRUCTION OF THE INTERIOR OFFICES IN THE LEASED PREMISES-

Upon turnover of the Leased Premises by the LESSOR to the LESSEE, the LESSEE shall not undertake any renovation/alterations or improvements in the Leased Premises without prior permission from the LESSOR.

Any and all such improvements/renovations made by LESSEE that is permanently attached to or incorporated in the Leased Premises shall be considered as an integral part of the Leased Premises to be owned by the LESSOR, provided that the LESSEE is paid one-half of the value of the improvements in accordance with Article 1678 of the Civil Code. However, the bank vault door which can be removed by the LESSEE including all movable fixtures and improvements as well as those which may be removed from the Leased Premises without damaging the latter or any part thereof, which were introduced or installed by the LESSEE in or upon the Leased Premises, shall remain the property of the LESSEE and maybe removed from the Leased Premises upon termination, expiration or pre-termination of this Contract under Sections 18 and 19 hereof, respectively.

6. CARE OF PREMISES – The LESSEE hereby agrees to keep the Leased Premises in good and tenantable condition and hereby agrees further to maintain the same in a clean and sanitary state in accordance with existing health rules and regulations, pertinent laws and city ordinances on the matter. The LESSEE further agrees to maintain the interior design of the Leased Premises aesthetically acceptable, and to replace fixtures broken or destroyed through the gross negligence or willful malfeasance of the LESSEE and, upon the expiration of the term of this Contract, to surrender and restore the Leased Premises to the LESSOR in as good and tenantable condition as they were actually found at the beginning of this Contract, reasonable wear and tear excepted. The LESSEE shall not be liable to pay any fee or charge for the maintenance of the aforesaid building.

7. SIGN/SIGNBOARDS- The LESSEE shall be provided with a space for its signage or signboards outside the Leased Premises.

8. UTILITIES- The LESSEE shall pay and defray for its own account all cost of water, telephone, electric light and power and all other utilities in the Leased Premises in addition to the agreed monthly rental. The electric meter, water meter and transformer and other related items therein to be used by the LESSEE shall be for its account and all permits for such improvements to be obtained shall be for the LESSEE's account.

9. INSURANCE- The fire insurance for the aforesaid building including that of the Leased Premises shall be for the account of the LESSOR. Insurance for the equipment, furniture and fixtures and of any other kind inside the Leased Premises shall be for the account of and in favor of the LESSEE.

10. RULES AND REGULATIONS- The LESSEE shall comply with any and all reasonable rules which may be promulgated from time to time by the LESSOR, provided that the LESSEE is properly notified thereof. The LESSEE shall also comply with all the rules and regulations, ordinances and laws made by health or other duly constituted local or national authorities arising from or regarding the use, occupancy and sanitation of the Leased Premises.

11. ACCESS TO PREMISES – The LESSEE shall, upon prior written request from the LESSOR, allow and give access to the LESSOR or its duly authorized

Development Bank of the Philippines

Lessee

By:

signed

FVL MARINA VILLARDO C. GUEVARA

Head, BBG-Northern Luzon

signed

IMEE R. VISITACION

Witness

signed

ROSARIO Y. TAMAYO

Witness

Bangui Municipality, Ilocos Norte

Lessor

By:

signed

HON. FIDEL A. CUIWATU, JR.

Municipal Mayor

representative to the Leased Premises during fairly reasonable and convenient hours for inspection, maintenance and repair purposes or undertaking any work necessary for the preservation, conservation, improvement or decoration of the Leased Premises but subject to such conditions and restrictions as the LESSEE shall reasonably impose to ensure the safety and security of the LESSEE's properties and records in keeping with banking practices and banking laws and regulations.

The LESSOR commits to make the Leased Premises accessible to the LESSEE and its customers and clients at all times, subject to the usual business hours and/or operating hours of the development/building where the Leased Premises is located.

12. LIABILITIES FOR SUITS- The LESSEE shall hold harmless the LESSOR against all actions, suits, damages, and claims whomsoever they may be brought or made by the reason of non-observance or non-performance by the LESSEE of the rules, regulations, ordinances or laws mentioned herein or any of the covenants of this Contract without prejudice to the right of the LESSOR to cancel this Contract in accordance with the provisions herein contained.

The LESSOR shall not be liable or accountable for any loss or losses that may be suffered by the LESSEE by reason of theft, robbery or any other crimes committed in or about the Leased Premises except when the LESSOR is involved in the crime as a principal, accomplice or accessory.

The LESSOR shall indemnify and hold the LESSEE free and harmless from any claim or demand by any third party for injury, loss or any damage resulting from any accident occurring in or about the Leased Premises, including fire, due to failure of the LESSOR to maintain the development in a safe, sanitary and secure condition; and by reason of the LESSOR's non-observance or violation of applicable laws, rules and regulations.

13. LOSS, INJURY OR DAMAGE TO PERSON OR PROPERTY – The LESSEE agrees to hold the LESSOR free and harmless from any and all responsibility arising from loss or damage to goods or property or injury to persons that occurred within the confines of the Leased Premises for any cause other than and except when due to the fault, or negligence of the LESSOR, its officers, employees, representatives and/or agents in which case the LESSOR shall be liable for such loss, damage and/or injury.

14. NON-WAIVER – The acceptance by the LESSOR of a monthly rental after the first ten (10) days of the month it is due and/or acquiescence of the LESSOR in any violation or failure to comply with any provisions, terms and conditions of this Contract by the LESSEE shall not be construed as a condonation of such default, violation or failure or as a waiver on the part of the LESSOR of its rights, interest or causes of action arising out of, or from such default, violation or failure. Any violation or failure to comply with this Contract shall be deemed waived by the LESSOR if such waiver is in writing and signed by the authorized representative of the LESSOR.

15. ASSIGNMENT, SUB-LEASE, TRANSFER OF RIGHTS – The LESSEE shall neither assign, sub-lease nor transfer the Leased Premises or any part thereof or any interest therein without the prior written consent of the LESSOR. Violation of this provision shall serve as a sufficient ground for the cancellation of this Contract.

signed

IMEE R. VISITACION
Witness

signed

ROSARIO Y. TAMAYO
Witness

Development Bank of the Philippines
Lessee

By: signed

FVP MARIA DOLORES C. GUEVARA
Head, BBG-Northern Luzon

Bangui Municipality, Ilocos Norte
Lessor

B) signed

HON. FIDEL A. CIMATU, JR.
Municipal Mayor

16. DEFAULT OR BREACH – Should the LESSEE fail to pay the rental stipulated in paragraph II hereof or violate any of the terms and conditions of this Contract, the LESSOR shall have the right to eject the LESSEE from the Leased Premises and to recover and collect from the LESSEE all accrued rental.

17. TRANSFER OR OWNERSHIP- If ownership of the aforesaid building and/or the Leased Premises is transferred to a third party during the term of this Contract or any renewal thereof, the LESSOR commits and undertakes to ensure that in the transfer of ownership documents, the buyer or transferee therein acknowledges and commits to honor, maintain and respect the peaceful existence and continuity of the LESSEE's occupancy of the Leased Premises for the unexpired portion of this Contract.

18. PRE-TERMINATION OF CONTRACT- The LESSEE may exercise its right to terminate this Contract for any cause or reason provided ninety (90) calendar days advance notice is served to the LESSOR.

19. TERMINATION OF CONTRACT – Upon the expiration of the term of this Contract or upon the pre-termination or cancellation of the same as provided for in Paragraph 18 hereof, the LESSEE shall promptly surrender or return the Leased Premises to the LESSOR in as good and tenantable condition as when received by it, reasonable wear and tear excepted, devoid of all occupants, furniture, articles and effects of any kind other than such alterations and/or improvements which under paragraph VI of this Contract shall belong to the LESSOR.

20. OBLIGATIONS AND WARRANTIES OF THE LESSOR

The LESSOR represents and warrants to the LESSEE that, at the time of the execution of this CONTRACT and during the Lease Period and any of its renewals:

- a. The LESSOR is the absolute owner of the Leased Premises and has an indefeasible right to lease the same;
- b. Excluding those already existing and annotated on the titles upon the signing of this Contract, the Leased Premises shall be free from any and all liens and encumbrances which are in violation or inconsistent with any right of the LESSEE under this Contract;
- c. The Leased Premises is in such condition as to render it fit for the use intended by the LESSEE, and it shall maintain the Leased Premises for the peaceful and adequate enjoyment of the LESSEE, including unhampered ingress and egress to and from thereto, based on the intended use by the LESSEE of the Leased Premises;
- d. The LESSOR shall be responsible for repairs, replacements and maintenance of the Leased Premises (with respect to common area, parking area, foundation or structural components thereof) within a reasonable time and which are necessary to keep the Leased Premises in a tenantable condition;
- e. The LESSOR shall be responsible for the payment of any real property tax on the Leased Premises. The term "real property tax" shall mean real estate taxes imposed upon the land and building by the national, provincial and/or city governments or authorities.

Development Bank of the Philippines

Lessee

By:

signed

FVP MARIA DOLORES C. GUEVARA

Head, BBG-Northern Luzon

Bangui Municipality, Ilocos Norte

Lessor

signed

HON. FIDEL A. CUIWAT, JR.

Municipal Mayor

signed

IMEE R. VISITACION

Witness

signed

ROSARIO Y. TAMAYO

Witness

In case of breach of any of the foregoing obligations and warranties, the LESSOR shall indemnify and hold the LESSEE free and harmless from any cost and damage arising from such breach, without prejudice to the exercise by the latter of any other rights and remedies available to it under this Contract and under the law.

- f. The LESSOR acknowledges that in addition to other prevailing/applicable Philippine laws, rules and regulations, the LESSEE has an existing Code of Ethics, which prohibits any gift, fee, commission or benefit in favor of any of the LESSEE's officers and/or employees and/or any other persons to be given as a condition to, or as an additional consideration for, the award of the Contract to the LESSOR. The LESSOR further acknowledges that under the LESSEE's Code of Ethics and other prevailing rules and regulations, the LESSEE's personnel have the duty to report to superior officers any possible violation of the policy. Furthermore, the LESSOR commits itself to conduct its business professionally and ethically by equally abiding by the provisions of the LESSEE's Code of Ethics, particularly the norms of conduct and the rules on conflict of interest, insofar as applicable to the LESSOR's nature of business and for the duration of its business relationship with the LESSEE.

Furthermore, in compliance with the Section 47 of R.A. 9184 or the "Government Procurement Reform Act" as well as the provisions on Conflict of Interest under LESSEE Code of Ethics, the LESSOR warrants that it is not related to any of the directors of LESSEE, members of the Bids and Awards Committee, the Technical Working Group (if any), the head of LESSEE's project management office and project consultants (if any), end-user or implementing unit, by consanguinity or affinity up to the third civil degree.

The LESSOR is aware that LESSEE is a government-owned corporation and that the receipt by any of LESSEE's officers and/or employees and/or other persons, as well as the giving by the LESSOR unless opportunely disclosed pursuant to the provisions of (Presidential Decree No. 749) of such gift, fee or commission, are crimes punishable under the provisions of the Anti-Graft and Corrupt Practices Act (R.A. No. 3019), Title VII of the Revised Penal Code on Crimes Committed by Public Officers, the Code of Conduct and Ethical Standards for Public Officers and Employees (R.A. No. 6713), the Plunder Law (R.A. No. 7080), as well as under other applicable laws and governing presidential decrees.

The LESSOR further acknowledges LESSEE's policy to refer any such violation to the proper government agency for criminal prosecution.

- 21. ANNOTATION OF THE LEASE-** The LESSEE shall have the right to annotate this Agreement in the LESSOR's title. In the exercise of such right, the duplicate original of the TCT covering the Leased Premises should be made available to the LESSEE by the LESSOR in order to facilitate such annotation.

22. GENERAL PROVISIONS

- Any agreement between the parties to this Contract as well as any and all amendments, supplements and addenda to the terms and conditions of this Contract shall be made in writing and duly signed by the parties hereto before the same may be implemented.
- The implementation of this Contract as well as any and all amendments, supplements and addenda hereto shall be subject to the applicable rules and regulations issued by the Bangko Sentral ng Pilipinas.

Development Bank of the Philippines
Lessee
By: signed
FVP MARIA DOLORES C. GUEVARA
Head, BBG-Northern Luzon

Bangui Municipality, Ilocos Norte
Lessor
By: signed
HON. FIDEL A. CIMATU, JR.
Municipal Mayor

signed
IMEE R. VISITACION
Witness

signed
ROSARIO Y. TAMAYO
Witness

- c. Any dispute or difference of opinion between the parties as to implementation of the terms and conditions of this Contract shall be settled mutually and expeditiously. A written notice of said dispute or difference of opinion shall be personally served or sent by registered mail at the address which either party indicated in this Contract. In case such dispute or difference of opinion is not settled, any of the parties hereto may terminate this Contract upon at least ninety (90) calendar days prior written notice served to the other party.
- d. In the event of litigation under this Contract, the Parties hereto agree to submit solely and exclusively to the jurisdiction of the proper court of Makati City upon agreement of the parties.

IN WITNESS WHEREOF, the parties hereto have hereunto signed this Contract on this _____ day of _____, 2024 at _____, Philippines.

**BANGUI MUNICIPALITY,
ILOCOS NORTE**

Lessor
TIN No. 003-990-515
By:

 signed
HON. FIDLE R. VISITACION
Municipal Mayor

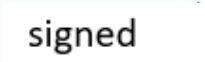
**DEVELOPMENT BANK OF THE
PHILIPPINES**

Lessee
TIN No. 000-449-609
By:

 signed
FVP MARIA DOLORES C. GUEVARA
Head, BBG NL

Signed in the Presence of:

 signed
IMEE R. VISITACION
Municipal Treasurer

 signed
ROSARIO Y. TAMAYO
Head, Bangui Branch

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES}
PAGUDPUD, ILOCOS NORTE } SS.

BEFORE ME, a Notary Public in and for the City of PAGUDPUD, ILOCOS NORTE, on this
day of 28 APR 2025 2024, personally appeared:

Table with 3 columns: Name, Proof of Identity, Date/Place Issued. Rows include DEVELOPMENT BANK OF THE PHILIPPINES, FVP MARIA DOLORES C. GUEVARA, and BANGUI MUNICIPALITY, ILOCOS NORTE.

known to me and to me known to be the same persons who executed the foregoing
CONTRACT OF LEASE which consists of TEN (10) pages including this notarial
acknowledgment and Annexes "A" and "B", all signed by them and their
instrumental witnesses and they acknowledged to me that the same is their free
and voluntary act and deed as well as that of the corporation herein represented
by FVP Guevara for the purpose stated therein.

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

Doc. No. 301;
Book No. 62;
Page No. XV;
Series of 2025.

MARIE HAZELYN T. RODOLFA
NOTARY PUBLIC
Valid until December 25, 2025
PTR No. 7442059;01-03-2025
Pagudpud, Ilocos Norte
Roll No. 81035

Handwritten signature or mark.