

CONTRACT OF LEASE

KNOW ALL MEN BY THESE PRESENTS:

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

HONORABLE BENGLIN B. ECLEO/BENFORD SPACE RENTAL duly constituted and existing under the laws of the Republic of the Philippines, and with address at Purok 7 Mabini, San Jose Dinagat Islands, Philippines hereinafter referred to as the **LESSOR**;

- and -

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. 8253 dated February 14, 1998, duly represented in this Contract by its **Vice President and Head of Branch Banking Group - Northern Mindanao, MARY JOYCE B. SALGADOS**, with principal office at 3/F DBP Building, Tirso Neri St. cor. Corrales Avenue, Cagayan de Oro City 9000 Philippines, and hereinafter referred to as the **"LESSEE"**.

- ANTECEDENTS -

The LESSOR is the registered owner of a commercial building, the "Benford Space Rental", containing a total floor area of 244 square meter on the ground floor, including documents room and a parking space situated at Purok 7 Mabini San Jose Dinagat Islands, covered by KOT 20120001283 of the Registry of Deeds for Surigao Del Norte a photocopy of which is hereto attached as Annex "A" hereof;

The LESSOR has agreed to lease to the LESSEE an office space at the ground floors of the aforesaid property with a total floor area of approximately two hundred forty four square meters including Office Space (129 sq.m.), document room (20 sq.m.) and a parking area (95 sq.m.);

Pursuant to Section 53.10 and Annex H (Consolidated Guidelines for the Alternative Methods of Procurement) of the 2016 Implementing Rules and Regulations of Republic Act No 9184 (RA 9184), the LESSEE conducted as cost-benefit analysis of the lease, and the results of such analysis continue to favor the existing LESSOR. Accordingly, the LESSEE has offered to renew the lease and the LESSOR agreed to the renewal under the terms and conditions hereinafter stipulated;

The LESSEE has agreed to lease said space/portion of the aforesaid building as per Floor Plan (hereinafter referred to as the "Leased Premises"), a photocopy of which is hereto attached as Annex "B" hereof, under such terms and conditions hereinafter set forth.

-SIGNED-

HON. BENGLIN B. ECLEO

-SIGNED-

MGR. JILLIAN RAFAEL MANDING

-SIGNED-

VP MARY JOYCE B. SALGADOS

-SIGNED-

CRISTIE LUZ O. BAUTISTA

NOW THEREFORE, the Parties agree as follows:

1. **TERM** - This Contract shall be for a period of ten (10) years, commencing on September 1, 2025 and expiring on August 31 2035, renewable under such terms as may be 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 Four Thousand pesos (Php 74,000.00), inclusive of tax. The monthly rental shall increase every two (2) years thereafter until the termination of the contract of lease.
3. **SECURITY DEPOSIT**- upon signing of this Contract, the LESSEE shall pay to the LESSOR the sum of SEVENTY FOUR THOUSAND PESOS (Php74, 000.00) equivalent to one (1) month rental, as security deposit to answer for the cost of unpaid utility bills such as electricity, water telephone, as well as any 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.
4. **ADVANCE RENTAL** - Upon signing of this contract, the LESSEE shall pay to the LESSOR the sum of ONE HUNDRED FORTY EIGHT THOUSAND PESOS (Php148, 000.00) representing two (2) months advance rentals, which may be applied to the rentals for the last two (2) months of the lease period. The remaining balance of the Advance Rental, if any, shall be refunded by the LESSOR to the LESSEE within fifteen (15) calendar days after the expiration or termination of this Contract.
5. **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 San Jose Dinagat 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 Environment and Natural Resources (DENR) certification, and others which may be required under the LESSEE's Integrated Management System (IMS).

CONSTRUCTION OF THE INTERIOR OFFICES IN THE LEASED PREMISES - 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

-SIGNED-
HON. BENJEN B. CLEO

-SIGNED-
MGR. JILLIAN R. ALINDING

-SIGNED-
VP MARY JOYCE B. BALGADOS
-SIGNED-
CRISTIE LUZ O. BAUTISTA

6. the LESSEE in or upon the Leased Premises, shall remain the property of the LESSEE and may be removed from the Leased Premises upon termination, expiration or pre-termination of this Contract under Sections 20 and 21 hereof, respectively.
7. **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.
8. **SIGN/SIGNBOARDS** - The LESSEE shall be provided with a space for its signage or signboards outside the Leased Premises.
9. **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.
10. **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.
11. **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.
12. **ACCESS TO PREMISES** - The LESSEE shall, upon prior written request from the LESSOR, allow and give access to the LESSOR or its duly authorized 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.

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 or non-performance by the LESSEE of the rules, regulations,

SIGNED
HON. BENIGNO B. ELLO
SIGNED
MGR. JILLIAN RAE TAYANING

SIGNED
VP. MARY JOYCE B. SALGADOS
SIGNED
CRISTIE LUZ O. BAUTISTA

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.

22. GENERAL PROVISIONS

- a. 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.
- b. 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.
- 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 sixty (60) 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 Dinagat Islands.

IN WITNESS WHEREOF, the parties hereto have hereunto signed this Contract on this _____ day of _____, 2025 at _____, Philippines, and 15th day of May, 2025 at Cagayan de Oro City, Philippines.

BENFORD SPACE RENTAL
Lessor

By:

-SIGNED-

HON. BENGLÉN B. ECLEO

**DEVELOPMENT BANK OF THE
PHILIPPINES**

Lessee

By:

-SIGNED-

VP MARY/JOYCE B. SALGADOS
HEAD, BBG Northern Mindanao

Signed in the presence of:

-SIGNED-

CRISTIE LUZ O. BAUTISTA

-SIGNED-

JILLIAN RAE T. INDING

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF CAGAYAN DE ORO) SS

BEFORE ME, this 05158225 in Cagayan de Oro City, personally appeared:

NAME	COMPETENT EVIDENCE OF IDENTITY	DATE ISSUED	PLACE ISSUED
DBP			
VP MARY JOYCE B. SALGADOS	DBP ID No. 0105562MAR	N/A	Makati City

known to me and to me known to be the same person who executed the foregoing instrument, and acknowledged to me that the same is his free and voluntary act and deed as well as of the *principal he represents*. This instrument, which consists of **twelve (12)** pages, including the annexes and this page wherein this Acknowledgment is written, refers to a *Contract of Lease*, signed by VP Salgados and his instrumental witness, Manager Jillian Rae T Inding, on each and every page thereof.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal at the place and on the date first above written.

-SIGNED-

ALDO R ALAMEDA

MC 2025-48, Notary Public until 31 December 2025

For El Salvador to Simungay, Misamis Oriental

Including Cagayan de Oro City

Roll of Attorneys No 49761

MCLE Compliance No VR-0000918, 23 September 2013

PTR OR No 0183818 (for 2025), 05 December 2024

DBP OR No 483864 (for 2025), 16 December 2024

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Book No 11
Series of 2025

-SIGNED-

HON. BENIGNO B. ECLEO

-SIGNED-

MGR. JILLIAN RAE T. INDING

-SIGNED-

VP MARY JOYCE B. SALGADOS

-SIGNED-

CRISTIE LUZ O. BAUTISTA

RBAC RESOLUTION NO. 2025-056

MARCH 21, 2025

**RESOLUTION DECLARING BENFORD SPACE RENTAL/
MR. BENGLIN ECLEO AS THE BIDDER WITH THE LOWEST CALCULATED
AND RESPONSIVE QUOTE THROUGH LEASE OF REAL PROPERTY**

WHEREAS, DBP, in its effort to provide financial services to the constituents of Dinagat Islands, has established a branch at San Jose, Dinagat Islands on October 28, 2016, herein referred to as DBP San Jose Dinagat Islands Branch.

WHEREAS, DBP San Jose Dinagat Islands Branch, having been in operation for eight (8) years, entered into a lease contract on September 1, 2015 which will expire on August 31, 2025.

WHEREAS, the BBG-Northern Mindanao invited three (3) prospective lessors to submit price quotation for the lease of offsite storage.

WHEREAS, the following specific criteria for the selection of the site were ascertained as relevant rating factors to subject offered space/s for branch office:

Rating Factors	Weight
Location and Site Condition	40%
Neighborhood Data	10%
Real Property	40%
Free Services & Facility	10%
Total	100%

WHEREAS, approval of the 10-year multi-year contract of lease for DBP San Jose, Dinagat Branch office space and Approved Budget of Contract (ABC) of P 10,171,136.25 was approved by the Management Committee (ManCom) under Resolution no. 0045 dated January 28, 2025.

WHEREAS, subsequent to the approval of the ManCom Resolution, San Jose, Dinagat Branch was able to haggle with the Lessor and obtained a quotation/ offer with a reduced lease expense for the parking area, from the ABC of P 10,000.00 to a monthly lease rate of only P 9,000.00.

WHEREAS, applying the above rating factors and evaluation of the survey on rental rates by the Property Appraisal and Credit Investigation Field Team (PACIFT) – Surigao, the following results were obtained in the determination of the responsiveness and reasonableness of the quotations submitted:

OFFICE SPACE	BENFORD SPACE RENTAL/ Mr. Benglen Ecleo	TONITE SPACE RENTAL	NRM SPACE RENTAL
Rental Rate	P 55,000.00 with rental rate increase of 5% every 2 years	P 35,000.00 with rental rate increase of 10% every 2 years	P 35,000.00 with rental rate increase of 5% every 3 years
Area	129 sq.m.	160 sq.m.	75 sq.m.
Rate per sqm.	P 426.36 (Tax Inclusive)	P 218.75	P 466.67
Rating	84.00%	78.90%	77.40%
Remarks	Lowest Calculated and Responsive Quotation (LCRQ)		

STORAGE AREA/ DOCUMENTS ROOM	BENFORD SPACE RENTAL/ Mr. Benglen Ecleo	MARAVELES SPACE RENTAL	SAN JOSE PENSION HOUSE
Rental Rate	₱ 10,000.00	₱ 28,000.00	₱ 20,000.00
Area	20 sq.m.	56 sq. m.	72 sq.m.
Rate per sqm.	₱ 500.00 (Tax Inclusive)	₱ 500.00	₱ 284.72
Rating	74.30%	72.70%	65%
Remarks	Lowest Calculated and Responsive Quotation (LCRQ)		

PARKING AREA	BENFORD SPACE RENTAL/ Mr. Benglen Ecleo	ECLE PARKING LOT/ Mr. Roldan Ecle	BARANGAY AREA/ Mr. Marieto Gajelioma
Rental Rate	₱ 9,000.00	₱ 8,000.00	₱ 15,000.00
Area	95 sq.m.	300 sq.m.	176 sq.m.
Rate per sqm.	₱ 94.74 (Tax Inclusive)	₱ 26.67	₱ 85.23
Rating	93%	89%	55%
Remarks	Lowest Calculated and Responsive Quotation (LCRQ)		

WHEREAS, DBP San Jose Dinagat Islands Branch has an approved Budget under Rent Expense – Bank Premises allocated for lease of branch office space amounting to ₱1,008,000.00.

NOW, THEREFORE, the members of the Regional Bids and Awards Committee (RBAC-NM), hereby RESOLVE as it is hereby RESOLVED:

- a. To award lease contract to the following Lessor with the Lowest Calculated and Responsive Quotation (LCRQ):

Lessor with the LCRQ	Location	Contract/ Rental Price (Inclusive of Branch Office Space, Storage Area/ Documents Rooms, and Parking Area)	Contract Period
Benford Space Rental/ Mr. Benglen Ecleo	Purok 7, Mabini, San Jose, Dinagat Islands	PhP 74,000.00/ month or PhP 888,000.00/ year (Tax Inclusive)	September 1, 2025 - August 31, 2035

Done this MARCH 21, 2025.

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RECOMMENDING APPROVAL:
For the Lease of Real Property for the
Multi-Year Lease of Office Space of DBP San Jose Dinagat Islands Branch

REGIONAL BIDS AND AWARDS COMMITTEE – BBG NORTHERN MINDANAO

-SIGNED-

AM DAVE CARLOS P. IYOG
Member

-SIGNED-

AM WILFRED ANTONIO P. KAAMIÑO
Member

-SIGNED-

AVP JOYCE G. ACUÑA
Member

-SIGNED-

SM ARVIN C. SIMBAJON
Vice Chairperson

-SIGNED-

AVP FRANCIS R. DONGOGAN
Chairperson

N/A

JILLIAN RAE T. INDING
Alternate Member

APPROVED:

-SIGNED-

VP MARY JOYCE B. SALGADOS
Head of Procuring Entity