

**CONTRACT
BAYOMBONG BRANCH OFFICE**

KNOW ALL MEN BY THESE PRESENTS:

This Contract is made and executed by and between:

The **NUEVA VIZCAYA STATE UNIVERSITY**, an educational institution established and owned by the Government of the Republic of the Philippines, created in accordance with Philippine laws, with location and principal office at Bayombong, Nueva Vizcaya, Philippines, now and hereinafter called NVSU, duly represented as per authority of the Board of Regents, by **DR. FLORENTINA S. DURLAO**, hereinafter referred to as the "**LESSOR**",

-and-

The **GOVERNMENT SERVICE INSURANCE SYSTEM, (GSIS)**, a social insurance institution created under Commonwealth Act. No. 186, as amended, and operating under its present Charter, R.A. No. 8291, otherwise known as "The GSIS Act of 1997", with principal address at the GSIS Headquarters Building, Financial Center Area, Pasay City, Metro Manila, represented by **EDUARDO V. FERNANDEZ**, Acting Senior Vice President for Luzon Group, hereinafter referred to as the "**LESSEE**".

RECITALS

WHEREAS:

1. The **LESSOR** is the registered and absolute owner of a building located at the Nueva Vizcaya State University Bayombong Campus, Bayombong, Nueva Vizcaya, with a floor area of three hundred seventy-eight (378) square meters (2nd floor) and eighty four (84) square meters (1st floor) hereinafter referred to as the "**PREMISES**".
2. The **LESSEE** proposes to lease its **PREMISES** to house the Bayombong Branch Office. The **LESSOR** accepts the proposal in accordance with the terms and conditions provided herein.

NOW, THEREFORE, for and in consideration of the above recitals, the parties agree as follows:

**Article I
TERM OF LEASE**

- 1.1 **Term.** The term of this Contract shall be effective for a period of **Ten (10) months**, or from **March 1 to December 31, 2015**.
- 1.2 **Renewal.** The contract may be renewed at the option of the **LESSEE** for another year provided that an advance 30-day notice is served to the **LESSOR**. In case this Contract is renewed, as may be agreed upon by both parties, the monthly rental shall be subject to a ten percent (10%) escalation.
- 1.3 **Continued Use.** If the **LESSEE** continues to occupy or use the **PREMISES** with the consent of the **LESSOR** after the termination of this Contract, said extension of lease shall run from month to month only under the same terms and conditions herein stipulated.

**Article II
LEASED PREMISES**

- 2.1 The **Leased Premises** is a portion of the Business Affairs Building (infront of Dumlao Stadium) located at the areas specified in the ground and second floors of the building, as shown in "**Annexes A-1 and A-2**", and made as integral part hereof, highlighted by black ink with a total floor area of 462 sq. m. broken down as follows:

a. Second Floor	-	378.00 sq. m
b. Ground Floor	-	84.00 sq. m.
TOTAL AREA	-	462.00 sq. m.

2.2 The **Floor Plan** of the proposed installations, improvements, lighting fixtures, and other installation required by the nature and purpose of the **LESSEE's** business is hereto attached and made an integral part of this Contract as "**Annexes B-1 and B-2**". Upon receipt of the **LESSOR'S** written approval, the **LESSEE** may make installations and improvements provided that the strength and general structure of the premises are not affected or impaired, and provided further that the other provisions of this Contract are not violated hereby. It is understood, however, that improvement of main doors and installation of the necessary lighting and electrical fixtures shall be for the account of the **LESSOR**;

Any change in plan or lay-out shall need the written approval of the **LESSOR**. The **LESSOR** reserves the right to refuse any alteration on the Leased Premises, unless said alterations are required and specified by a government agency;

2.3 The **LESSEE** shall declare the maximum **Electrical Load** to be used in the Leased Premises. The maximum load shall not exceed _____ amperes. Any increase in the electrical load shall be with the express written consent and approval of the **LESSOR** so as not to make the building a fire hazard;

The **LESSEE** shall at all times allow the **LESSOR** or any of its authorized representatives to conduct regular inspection of the electrical load used in the Leased Premises;

Article III RENTALS AND PAYMENT

3.1 **Monthly Rental.** The **LESSEE** agrees to pay the **LESSOR**, for the use and occupancy of the property, a monthly rental of **FIFTY -ONE THOUSAND PESOS (Php 51,000.00)** within five (5) days of the applicable month.

It is understood that all applicable taxes shall be borne by the **LESSOR**.

For this purpose, the **LESSOR** acknowledges that the **GSIS** is not a withholding agent for DST and hereby undertakes and commits itself to make direct payments to the BIR of any DST that maybe imposed on the execution and /or performance of this Contract.

3.2 **Payment.** The payment of the monthly billing shall be made promptly and without necessity of demand or notice.

3.3 **Security Deposit.** Upon the signing of this Contract, an advance payment of two months and a deposit of one month shall be paid to the **LESSOR**. The security deposit will be applied as payment for damages to the **PREMISES**, if any, upon the termination of this Contract and other expenses and charges billed against the **LESSEE** for water, electricity, telephone and other utility services then remaining unpaid. This deposit shall be returned to the **LESSEE** after the termination of this Contract without interest, less whatever amount that might be owed to the **LESSOR** under this Contract.

Article IV USE OF PREMISES

4.1 **Proper Use of Premises.** The **LESSEE** shall use the **PREMISES** exclusively for the conduct of operations of its Bayombong Branch Office pursuant to its Charter. This includes storage of records as well as the operation of equipment and facilities.

4.2 **Improvements.** The **LESSEE** may make substantial alterations, additions or improvements which the **LESSEE** may deem necessary to conduct its business upon prior written approval of the **LESSOR**. Provided, however, that the building structure of the

PREMISES shall not be impaired except with the written consent of the **LESSOR**. The **LESSOR** shall not unreasonably withhold its consent. Such alterations, additions or improvements introduced by the **LESSEE** shall remain the property of the **LESSEE**, and shall be removed upon the termination of this Contract. Provided further that said improvements shall be removed without breaking or impairing the object or structure to which they are attached.

- 4.3 **Security and Safety Regulations.** If the **LESSEE** shall deem it necessary, it may provide and assign its own security personnel to safeguard and secure the **PREMISES**, its officers, employees, agents and guests. Provided, however that such security personnel shall closely coordinate with the **LESSOR**'s security force, if any.
- 4.4 **Housekeeping and Sanitation.** Good housekeeping and sanitation shall be observed at all times. The **LESSEE** shall guarantee and maintain a satisfactory degree of cleanliness of the **PREMISES** and common areas.
- 4.5 **Undertaking.** The **LESSEE** shall be responsible at all times for all acts done by its officers, agents and employees insofar as the enforcement of this Contract is concerned. Pursuant hereof, any damage or injury to the **PREMISES** due to the fault of the **LESSEE**, its agents and employees shall be restored or repaired promptly at its exclusive expenses.
- 4.6 **Inspection.** The **LESSOR** shall have the right to inspect the **PREMISES** to monitor compliance with this contract, during reasonable hours of the day and upon prior notice to the **LESSEE**.
- 4.7 **Inventory.** The parties shall undertake joint physical inspection of the **PREMISES** to include an inventory of facilities and fixtures at the start of and immediately upon termination of this Contract.

Article V REPAIRS AND MAINTENANCE

- 5.1 **Minor Repairs.** Expenses of minor repairs and maintenance of the **PREMISES** in order to keep the same in good and tenable condition for the duration of this Contract shall be for the account of the **LESSEE**. Major repairs, however shall be for the account of the **LESSOR**. For purposes of classifying repairs, major repairs are those costing more than P5,000.00 while minor repairs are those costing P5,000.00 or less per particular kind of repair in question.
- 5.2 **Fixtures.** Replacement of light fixtures, bulbs, starters, ballasts and other similar articles placed in the **PREMISES** shall be for the account of the **LESSEE** and shall be removed by the **LESSEE** upon the termination of this Contract.
- 5.3 **Signage.** The **LESSEE** shall be allowed to put up its institution logo and/or institution name on the **PREMISES**.
- 5.4 **Damage to Property.** In case of damage to the **PREMISES** or its appurtenances by fire, conflagration, flood, earthquake, war or other fortuitous events, the **LESSEE** shall give due notice of the damage to the **LESSOR** within three (3) days from its occurrence. If the **PREMISES** be substantially damaged by fire or other cause, or become unsuitable for occupaney, without the fault of the **LESSEE**, the **LESSEE**, at its option, may deem this Contract terminated.

Article VI UTILITIES and OTHER SERVICES

- 6.1 **Utilities and Other Services.** Bills for electricity, water, telephone, and other utilities concomitant to the **LESSEE**'s office business or operation shall be at the at the expense of the **LESSEE**. The **LESSEE** may likewise operate a back-up generator located at the **PREMISES** when necessary.

- 6.2 **Parking Spaces.** Parking spaces shall be provided by the LESSOR, free of charges, during the term of this Contract;
- 6.3 **Appliances.** The LESSEE shall provide its own air-conditioning units or system, or other necessary appliances in the PREMISES. These air-conditioning units and other appliances shall be removed by the LESSEE upon the termination of this Contract.
- 6.4 **Additional Installations.** The installation of additional electrical, water, cable, and telephone units/s in the PREMISES shall be for the account and expense of the LESSEE, which is hereby authorized to make.

**Article VII
TRANSFER OF RIGHTS**

- 7.1 **Non-Assignment.** The LESSEE shall not assign or transfer its rights in this Contract nor sublease any or all parts of the PREMISES without the prior written consent of the LESSOR, and no right, title or interest thereto shall be conferred or vested in anyone other than the LESSEE without such written consent.
- 7.2 **Transfer of Rights or Ownership.** In the event of sale, transfer, mortgage or encumbrance of the PREMISES, the LESSOR shall incorporate in the corresponding legal document that all the terms and conditions of this Contract shall be respected, including the provisions for renewal thereof.
- 7.3 **Annotation.** The LESSOR agrees that this Contract shall be annotated at the back of LESSOR's title over the PREMISES to ensure the LESSEE's continuous right to occupy and carry on its functions for the duration of the Contract in the event of sale or encumbrance of the PREMISES to any third party.

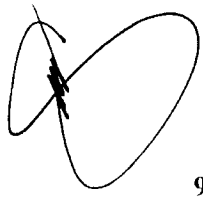
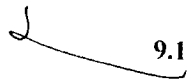
**Article VIII
TERMINATION**

- 8.1 **Violation of the Provisions.** The violation of any term or condition of this Contract shall be sufficient for its pre-termination.
- 8.2 **Termination.** The LESSEE may pre-terminate this Contract by giving a sixty (60)-day written notice to the LESSOR. The LESSOR may pre-terminate this lease by giving a prior six (6)-month written notice to the LESSEE.
- 8.3 **Surrender of the Premises.** The LESSEE agrees to surrender the PREMISES and return the possession thereof to the LESSOR at the expiration of the term or pre-termination of this Contract by the LESSOR in as good condition as reasonable wear and tear, and fortuitous event will permit, without unreasonable delay, and devoid of all occupants, furniture articles and effects of any kind including all alterations and improvements which the LESSEE may have done in accordance with the provisions of this Contract.

**Article IX
MISCELLANEOUS PROVISIONS**

- 9.1 **Insurance Premium.** The premiums for property insurance on the PREMISES shall be for the account of the LESSOR. Provided, however, that any additional amount of insurance premiums that correspond to the added value of the insured property of the LESSEE shall be for the latter's own account.
- 9.3 **Successors-in-Interest.** This Contract shall be binding and enforceable on the parties and their respective assigns and successors-in-interest.
- 9.4 **Non-Disclosure.** The LESSOR shall not use or disclose to any person, firm or corporation any information concerning the affairs of the LESSEE which it may have acquired in the course of or as an incident to this Contract for its own benefit to the detriment of the GSIS.

- 9.5 **Non-Adverse Witness.** In no case shall the **LESSOR** and its personnel assist another person in any action, suit or proceeding against the **LESSEE**, or any of its officials and employees sued or prosecuted in the conduct of its operations as branch office.
- 9.6 **Non-Waiver of Rights.** The failure of the parties to insist upon a strict performance of any of the terms and conditions of this Contract shall not be deemed a waiver of any right or remedy that a party may have, nor shall it be construed as a waiver of any subsequent breach or default of the terms, conditions and covenants thereof, which terms and conditions shall continue to be in full force and effect. No waiver by either party of any of the rights under this Contract shall be deemed to have been made unless expressed in writing and signed by either party.
- 9.7 **Amendments.** No modifications of, or amendment to, the terms and conditions of this Contract shall be valid unless set out in writing and signed by the authorized representative of each party.
- 9.8 **Notices.** All notices, statements and requests hereunder shall be in writing and shall be personally delivered or transmitted by registered mail, electronic mail or facsimile to the other party.
- 9.9 **Separability.** If any term or condition of this Contract is held to be invalid or contrary to law, the validity of the other terms and conditions shall not be affected.
- 9.10 **Survival of Obligations.** The obligations and undertaking of the parties which by their nature should continue beyond the expiration and termination of this Contract shall survive the expiration or termination hereof.
- 9.11 **Dispute Resolution.** In the event of any dispute or controversy arising out of or relating to this Contract, the parties may agree to exercise their best efforts to resolve the dispute as soon as possible. In the event that the parties cannot by exercise of their best effort resolve the dispute, they shall submit their differences for Administrative Settlement pursuant to E. O. 292, the Revised Administrative Code of 1987.
- 9.12 **Venue of Action.** Any action arising from arbitration or other modes of dispute settlement as agreed upon by the parties pursuant to Section 8.11 of this Contract shall be brought by the aggrieved party exclusively before the proper Court in the City of Pasay.
- 9.13 **Anti-Graft Practices.** The **LESSOR** warrants that he has not given or promised to give money or gift to any official or employee, of the GSIS to secure this Contract. Any violation of this warranty shall be sufficient ground for the GSIS to revoke or cancel this Contract without the necessity of judicial action, by giving written notice to that effect to the **LESSOR**.

IN WITNESS WHEREOF, the parties hereto have signed the Agreement in _____, Philippines on the _____ day of _____, 2015.

NUEVA VIZCAYA STATE UNIVERSITY
LESSOR
 TIN No. 278-185-267-000

BY:


DR. FLORENTINA S. Dumlao

GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS)
LESSEE
 TIN No. 119-342-370-000

BY:

EDUARDO V. FERNANDEZ
Acting Senior Vice President, North Luzon Group

SIGNED IN THE PRESENCE OF:

MAYBELLE E. CHOMMOG
BRANCH MANAGER

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILLIPINES)
CITY OF _____) S.S.

BEFORE ME, a Notary Public, for and in the City of _____, Philippines, this _____ day of _____, 2015 personally appeared the following persons with their valid IDs:

Name	Valid IDs	Date/Place of Issue
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DR. FLORENTINA S. DURLAO

EDUARDO V. FERNANDEZ

Known to me to be the same persons who executed the foregoing instrument and they acknowledged to me they executed the same as their free act and deed.

This instrument consisting of six (6) pages, including this Acknowledgement, has been signed by the parties and their instrumental witnesses on each and every pages hereof and sealed with my notarial seal.

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

DOC NO. 254
PAGE NO. 57
BOOK NO. 1
Series of 15


HOWARD B. FABRO
Notary Public
Notarial Commission No. 23-13
Until ~~December 31, 2015~~
Roll No. 63314
PTR No. NV1506453; 12-03-14 for 2015
BP OR No. 0987279; 01-14-15
MCLE Compliance No. _____
#23 Burgos Steert, Bayombong, Nueva Vizcaya

CERTIFIED FUNDS AVAILABLE:

GL Accounts: 5102121000
Php **510,000.00** (10 months)
March 1 to December 31, 2015

Certified Included in the 2015 APP:

Negotiated Procurement – Agency to Agency


MANUEL P. ANG
VP, FISMOASO


ROMEO G. DE LUNA, JR.
Head, GBAC Secretariat