



BOY SCOUTS OF THE PHILIPPINES

National Office

Manila

PRO-FORMA TERMS OF REFERENCE FOR THE LEASE OF Commercial Space located at BSP-National Office Property

FEBRUARY 2021

FOREWORD AND COVERAGE

Following the issuance of BSP Office Order 120-09-2020 constituting the Special Offers and Awards Committee (SBAC) for the Leasing of Boy Scouts of the Philippines-owned buildings or spaces for private use, there is a need to develop a template of Terms of Reference (TOR) for the leasing operations of its Investment Properties portfolio. This Terms of Reference (TOR) provides the terms and procedures that will be uniformly applied/followed in connection with the leasing of applicable Investment Properties, which are owned and registered under the name of the Boy Scouts of the Philippines (BSP) for a lease period of AT LEAST ONE YEAR. Prospective Lessees are invited to submit their proposal to the BSP National Office through its Special Offers and Awards Committee (SBAC) in response to the INVITATION TO OFFER as published from time to time when a vacancy exists.

Contents of the Terms of Reference (TOR):

The TOR consists of Sections I to III which include all the Sections indicated below and shall be downloaded for free at <http://scouts.org.ph/> or upon request through e-mail at sbac.bsp@gmail.com, provided that the amount of Three Thousand pesos (Php 3,000.00) as participation/filing fee shall be paid to the BSP Cashier prior to submission of proposal/offer.

- Section I. Background and Rationale
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SECTION I.
BACKGROUND and RATIONALE

The **BOY SCOUTS OF THE PHILIPPINES (BSP)** herein referred to as "**Owner**", has an investment property (IP) portfolio consisting of parcels of land, buildings, condominium units, and commercial spaces. This IP portfolio is envisioned to generate a sustainable revenue for use of the organization in pursuit of its mission of youth development, specifically to fund programs, projects, and activities (PPAs).

Included in this IP portfolio is **the commercial space with an estimated area of 47.25 square meters at the ground floor and 29.43 square meters at the mezzanine** of the **BSP National Building Office** located at the Ground Floor, 181 Natividad Almeda-Lopez Street, Ermita, Manila (in front of SM City Manila).

This Terms of Reference (TOR) is provided for guidance in the conduct of public bidding as prescribed by the Commission on Audit (COA) in the exercise of its audit jurisdiction in accordance with Executive Order 301 issued on July 26, 1987(Guidelines for Lease Contracts and Jurisdiction over Lease Contracts).

The prospective proponent must be in possession of legal, technical, and financial capability or qualifications. The winning proponent, herein referred to as the "**Lessee**", shall lease the property on an "as- it-is" and shall bear any additional cost necessary to improve or prepare the space ready and suitable for its intended use. Any improvement or alteration of the space(s) shall be presented to the Owner for approval before such work(s) is/are commenced.

The owner reserves the right to amend or supplement the TOR at any time prior to the deadline of submission of proposals, in order to generate proposals advantageous to the organization. Any amendment/supplement shall be communicated to all interested proponents by way of an Offer Bulletin(s).

SECTION II. **INSTRUCTIONS TO PROPONENTS**

1. Subject, Scope and Minimum Offer Price

The owner desires to receive proposals from interested entities for the lease of the BSP owned Commercial Space with Mezzanine which is located at 181 Natividad Almeda-Lopez Street, Ermita Manila (In front of SM City Manila).

As the winning proponent, herein referred to as the "**Lessee**", leases the property on an "as-it-is", he/she shall bear any additional cost necessary to improve or prepare the space ready and suitable for the intended use. However, any improvement or alteration of the space(s) shall be presented to the Owner for its approval before such work(s) is/are commenced. The pertinent government standards such as but not limited to the National Building Code, the Fire Code and other relevant laws, rules, regulations and issuances of the agencies of the National Government and of the Local Government, both existing and in the future are mandatory for the Lessees' compliance. Other than the Building Standards demanded of the same class of property, to maintain and to preserve its value are likewise mandatory. The improvements will not be removed at the end of the term of lease; improvements shall become the property of the owner and the lessee has no right to detach/deface them but must turn-over the property in good condition and free from defects at the end of lease.

The real property taxes (RPT) and insurance are for the account of the owner. The lessee is responsible for all utilities, membership dues in relation to the use of the space/association dues if any, and other regular maintenance expenses.

The space shall be leased out to the proponent who proposes the most advantageous offer to the government. **The floor price of monthly rent shall be: ONE THOUSAND FOUR HUNDRED TWENTY-FOUR AND 64/100 PESOS per Square Meter (₱ 1,424.64/sqm) of the GROUND FLOOR area estimated at 47.25 square meters and SEVEN HUNDRED TWELVE PESOS and 32/100 per square meters (₱ 712.32/sqm) of the MEZZANINE estimated at 29.43 square meters; OR, a total of EIGHTY-EIGHT THOUSAND TWO HUNDRED SEVENTY-SEVEN AND 82/100 PESOS (₱ 88,277.82), inclusive of VAT, net of any agent's commission if the lessee(s) has engaged the services of an agent. The annual escalation rate shall be five percent (5%) of the contract rate starting from the second year.**

A rent-free period of thirty calendar days (30 CD) is allowed to the proponent-lessee, in consideration of the improvement works necessary to prepare the space for its intended use, reckoned from the date of turn-over. Such period may be shortened or extended if justified by the nature of works to be introduced.

The usual industry practice on rental deposits and prepayments are likewise adopted and shall form part of contractual stipulations. The amount of rental deposit shall be equivalent to ONE MONTH regular rent which will serve as security for any damage to the leased area at the end of contract period. The amount of rental advance shall be equivalent to ONE MONTH of the regular rent. Rent shall be paid in advance every 5th day of the month. The

owner does not impose any restriction on nationality, race or ethnic background of the potential tenant.

2. Contents of the Proponent's Proposal.

There shall be TWO ENVELOPES (A & B) FOR THE PROCESS. Each proponent shall submit TWO COPIES, ORIGINAL AND COPY, of its ENVELOPE A-Financial Offer and Proponent's Statement, DURING THE OPENING OF PROPOSALS, and ENVELOPE B- Legal and Technical Documents, WHEN NOTIFIED BY THE SBAC. The proposal envelope shall be addressed to the Special Bids and Awards Committee (SBAC), Boy Scouts of the Philippines, 181 Natividad Almeda Lopez St, Ermita, Manila.

In particular, the contents of each envelope are the following:

ENVELOPE A: Financial Offer and Proponent's Statement (To be submitted during opening of proposals)

- 2.1.1. OFFER FORM wherein the amount of offer is expressed in Philippine Peso value (Annex D);
- 2.1.2. Duly notarized Proponent's Eligibility Statement (See Annex A);
- 2.1.3. Proponent's Profile (Annex B);
- 2.1.4. Work and Financial Plan (Annex E)
- 2.1.5. For Corporations: a Board Resolution or Secretary's Certificate of the Proponent Corporation (or all members, in case of a Consortium),
For Partnerships: A Managing Partner's Certificate,
For Sole Proprietorship: Special Power of Attorney by the sole proprietor-proponent authorizing a signatory to sign and represent the proponent if the signatory of the proposal is not the proprietor/proponent himself/herself, expressly authorizing their intention to lease, and appointing their authorized signatory/ies and representative/s for this purpose.
- 2.1.6 Official Receipt/Deposit Slip as proof of payment of Participation/Filing Fee of Three Thousand pesos (Php 3,000.00).

ENVELOPE B: Legal and Technical Documents (To be submitted upon notice by the SBAC)

- 2.1.6. Summary of Previous and Current Contracts of lease that the Proponent has entered into. (Annex C);
- 2.1.7. Certified true copies of bank statements/passbook for the previous three months
- 2.1.8. If the proponent is a Corporation/Partnership, Certificate of Incorporation/Registration from the Philippine Securities and Exchange Commission (SEC) and the General Information Sheet (GIS) for the latest applicable calendar or fiscal year, or the foreign equivalent documents; **OR** Registration Certificate with the Department of Trade and Industry for Sole Proprietorships **OR** PRC/IBP Certificate of Registration for professionals in practice;
- 2.1.9. Articles of Incorporation/Partnership and By-Laws, or the foreign equivalent documents for foreign entities, of applicable;

2.1.10. For Commercial Lease: Business Permit or Professional Tax Receipt; For residential lease: Signatory's Competent Evidence of Identity, Alien Certificate of Registration with passport or Valid Identification Document;

2.1.11. BIR VAT/NON-VAT Registration Certificate and Tax Clearance Certificate **or** an undertaking to comply with the procurement and the subsequent submission of Tax Clearance Certificate with a waiver of offer proposal incase such clearance is not presented when demanded by the owner, supported with a duly accomplished Tax Compliance Verification Sheet. (This is not applicable for lease of residential condominium units).

2.1.12. Audited Financial Statements for the last 2 fiscal years or from the date of its operation; (This is not applicable for lease of residential condominium units).

2.1.13. Income Tax Returns for the last 2 years or from the date of its operation;

2.1.14. Latest interim Financial Statements (unaudited); (This is not applicable for lease of residential condominium units).

2.1.15. Biodata or curriculum vitae of all key officers / incorporators for a corporation OR the proprietor for a sole proprietorship.

2.1.16 Terms of Reference (TOR) signed by the proponent on each and every page.

3. Process to be Confidential - The Members of the SBAC are prohibited from making or accepting any kind of communication with any proponent regarding the evaluation of their proposal until the issuance of the Contract Agreement.

4. Offer Submission

- a. The Proponent shall submit their Offers personally or through their authorized representative using the appropriate Offer Forms not later than the deadline for the Submission and Opening of Offers addressed to the SBAC;
- b. The Proponent shall bear all costs associated with the preparation and submission of its Offer and BSP shall not be responsible or liable for those costs, regardless of the conduct or outcome of the process.

5. Sealing and Marking of Offers

The offer proposal shall be placed inside a single expanding envelope addressed to the:

***The Chairman, Special Bids and Awards Committee,
Boy Scouts of the Philippines,
181 Natividad Almeda Lopez St, Ermita, Manila.***

The inside envelopes shall likewise be addressed as such and must all bear the warning "DO NOT OPEN BEFORE March 04, 2021 AT 10:00 A.M. All the envelopes must be properly marked and sealed to forestall loss, misplacement premature opening."

6. Deadline for Submission of Offers

Proposals must be delivered in a sealed envelope to the SBAC at the BSP National Office Manila on March 04, 2021, not later than 09:00 am.

7. Process of Evaluation of Offers.

7.1. On the date and time specified in the timetable of activities as published in the invitation to offer, the sealed envelope containing the offers shall be opened by the SBAC in front of proponents who opt to attend and observers.

The SBAC shall open the envelope CONTAINING THE FINANCIAL OFFER AND PROPONENT'S STATEMENT to reveal the amount offered, in public or in the presence of proponents. The financial offers shall be ranked based on the hierarchy of the proposed amount of rental from highest to lowest. The Highest Rated Offer shall be the proponent who offers BSP the highest rent throughout the duration of the contract.

7.2. The SBAC shall then require the submission of the, ENVELOPE B to the proponents based on hierarchy of proposals. In any event that only one proponent has submitted or complied with the requirements, such offer shall continue to be processed until a decision is made.

Upon notice, the proponent submits ENVELOPE B to determine the proponent's documentary compliance with legal and technical requirements the of the lease. Envelope B containing the requirements as listed in 2.1.6 to 2.1.16 shall be called for submission within five (5) days from the opening of offers in Envelope A. For this purpose, the SBAC shall check the submitted documents of the proponent against a checklist of required documents to ascertain if they are sufficient to form a decision on the legal and technical capability and financial capability of the proponents. Submission of all the documents listed in Section II, 2.1.6 to 2.1.16 ensures the sufficiency of the requirements to allow the SBAC form a decision on the compliance of the proponent. The SBAC may outrightly disqualify a proponent if based on documents submitted, the submission is patently insufficient or the proponent has not satisfactorily proved and shown his legal, technical or financial capability. On the other hand, the SBAC may, at its option, require additional documents to further support or supplement the proponent's legal, technical and financial capability provided the proponent's earlier submittals have sufficiently complied and shown that he possesses such minimum capability.

7.3. Post Evaluation of Proposals. The SBAC shall conduct post-qualification procedures to the offers starting from the highest to the lowest. The post-qualification process shall include verification, validation and detailed examination of the proposal in its entirety to determine the offer most advantageous to the Owner.

If the proponent with the Highest Rated Offer passes all the criteria for post-qualification, his Offer shall be considered the "Highest Rated Responsive Offer." However, if a proponent fails to meet any of the requirements or conditions placed under post-qualification, he/she shall be "post-disqualified" and the SBAC shall conduct the post-qualification on the proponent with the second Highest Rated Offer. If the proponent with the second Highest Rated Offer is post-disqualified, the same procedure shall be repeated until the Highest Rated Responsive Offer is finally determined. In all cases, the contract shall be awarded only to the proponent with the Highest Rated Responsive Offer."

In case of a tie or in the event that two or more have been post-qualified as Highest Rated Responsive Proponents, the SBAC shall determine a non-discretionary/non-discriminatory measures based on sheer luck or chance to break the same. The SBAC may use "draw lots" or similar methods of chance. It may opt to bring the concerned proponents to agree on a better selection criteria which should also be non-discretionary/ non-discriminatory and should be similarly based on sheer luck or chance.

In case of failure, the provisions laid out in Number 7.7 shall govern.

7.4. Notice of Award. Prior to the expiration of the period of Offer validity, BSP shall notify the successful Proponent in writing that its Offer has been accepted, through a Notice of Award (NOA) received personally or sent by registered mail or electronically, receipt of which must be confirmed in writing within five (5) days from receipt by the successful Proponent and to be submitted personally or sent by registered mail or electronically to BSP.

Upon the issuance of the NOA to the successful Proponent, BSP shall promptly notify each unsuccessful Proponent of the fact of award to the successful Proponent.

7.5. Signing of the Contract Agreement. The winning proponent shall post the required Security Deposit, which is equivalent to one month rental as deposit plus one month advance rent, within ten (10) calendar days from receipt by the winning proponent of the Notice of Award. BSP shall enter into a contract with the winning proponent within the same ten (10) day period provided that all the documentary requirements are complied with.

7.6. The following documents shall form part of the contract:

- a. Contract Agreement;
- b. Terms of Reference;
- c. Winning proponent's offer including all other documents/statements submitted; and
- d. Notice of Award and Contract.
- e. Security Deposit covered with BSP Official Receipt
- f. Other contract documents that may be required by existing laws and/or by the BSP.

7.7. Failure to Offer and Negotiation

The SBAC may likewise declare a failure when:

- a. No offers are received;
- b. No award is made such that proponent refuses or is unable to submit the required documents or post the required Performance Security within the period stipulated except where such failure, refusal or inability is through no fault of the said proponent.

In the event failure of offer has been declared twice consecutively, the SBAC may proceed to negotiate the lease with any one of the previous proponents OR ANY ONE WHOSE LINE OF BUSINESS IS ALIGNED WITH THE REGULAR USE OF SPACE TO OBTAIN THE offer most advantageous to BSP.

7.8. Clarification of Offers

To assist in the evaluation, comparison, and qualification of the offers, the SBAC may ask in writing any proponent for a clarification of its offer. All responses to request for clarification shall be in writing. Any clarification submitted by a proponent in respect to its offer and that is not in response to a request by the SBAC shall not be considered.

8. Duration of Lease Agreement. The period/duration of the Lease Contract is **TWO (2) YEARS** with option to renew for another Two (2) years upon mutual agreement of the parties thereof. The effectivity (Commencement) date and termination date will be as stipulated in the Contract of Lease.

9. Conflict of Interest

All proponents found to have conflicting interest shall be disqualified to participate in the bidding at hand, without prejudice to the imposition of appropriate administrative, civil, and criminal sanctions. A proponent may be considered to have conflicting interests with another proponent in any of the following events:

- a. A proponent has a relationship to the Head of SBAC and its members by consanguinity or affinity up to the third civil degree;
- b. A proponent receives or has received any direct or indirect subsidy from any other proponent;
- c. A proponent has a relationship, directly or through third parties, that puts them in a position to have access to information about or influence on the offer of another proponent or influence the decisions of the SBAC regarding this bidding process; and
- d. A proponent submits more than one offer for the same space in this bidding process.

10. Reservation Clause

Notwithstanding the eligibility and the submission of the documents of a proponent and relative to the herein Conflict of Interest, the SBAC-BSP reserves the right to review its qualifications at any stage of the bidding process if it has reasonable grounds to believe that a misinterpretation has been made by the said proponent, or that there has been a change in the proponent's capacity to undertake the proposal from the time it submitted its eligibility requirements and documents. This, if proven after due deliberation, may prevent the proponent from obtaining the award or may warrant the cancellation of the contract, if already executed.

The SBAC likewise reserves the right to reject any and all offers, declare a failure of bidding at any time prior to the contract award, or not to award the contract, without thereby incurring any liability, and make no assurance that a contract shall be entered into as a result of the bidding:

- a. If there is a prima facie evidence of misrepresentation and/or collusion between members of the SBAC with any employee of the BSP, or between the SBAC and any of the proponents, or if the collusion is between or among the proponents themselves, or between a proponent and a third party, including any act which restricts, suppresses or nullifies or tends to restrict, suppress or nullify competition;
- b. If SBAC is found to have failed in following the prescribed bidding procedures; or
- c. For any justifiable and reasonable ground where the award of the contract will not redound to the benefit of the BSP;
- d. The circumstances have significantly rendered the proposal no longer economically, financially or technically feasible as determined as the head of the SBAC; and
- e. The award of the contract is so difficult as to be manifestly beyond the contemplation of the SBAC.

SECTION III.
GENERAL TERMS AND CONDITIONS

I. TERM OF LEASE

- 1. Term of Lease.** The term of the lease agreement shall be for a period of Two (2) years, commencing from the date of execution of the contract of lease.
- 2. Renewal or Extension of Contract.** To renew or extend the lease contract, the LESSEE must secure prior written approval from the BSP to renew the contract for another Two (2) years WITHIN ninety (90) days prior to the lease Termination Date stated on the Fundamental Lease Provisions of this contract. The BSP may allow the LESSEE to extend the term of the contract on a monthly basis subject to the same conditions, covenants, stipulations, and restrictions specified in this contract.
 - a. Termination of Lease.** The LESSEE agrees to return and surrender the leased premises on the Termination Date specified on the Lease contract in as good condition as reasonable wear and tear will permit and without any delay whatsoever, devoid of all occupants, furniture, articles and movable effects of any kind. It is expressly understood that all other permanent improvements and fixtures not removable without defacing or causing damage to the premises shall be surrendered with the premises to the BSP in good condition without compensation to the LESSEE. Should the LESSEE hold over and remain in possession of the premises after the Termination Date without the benefit of the BSP'S written consent on renewal or extension of the contract, such holdover or continuous possession shall not be deemed or considered as a renewal or extension of this lease. The LESSEE shall be obliged to pay a monthly rent equivalent to two hundred percent (200%) of the Fixed Rent specified on the Lease contract, without prejudice to any right of the BSP to file eviction suit to compel recovery of the premises and recover whatever damages it may suffer because of the unlawful detainment.
 - b. Abandonment of Leased Premises.** If the LESSEE shall abandon and/or vacate the premises, or if the premises should remain unoccupied for a continuous period of five (5) days at any time during the term of this lease, the BSP may lease out the premises to other persons or entities; and in any event, the LESSEE shall continue to be liable for the payment of the regular monthly rent for the remaining unexpired portion of the lease. The LESSEE shall also forfeit, in favor of the BSP, the deposits made as and by way of damages. In such case, LESSEE hereby appoints the BSP or its duly authorized representative/s as attorney-in-fact with full power and authority to padlock, break open if necessary, enter the premises, inventory the LESSEE'S properties and have them deposited elsewhere. Furthermore, the BSP shall have the right to retain the said properties as security for the payment of the LESSEE'S obligations under this contract, which properties the BSP may, as the LESSEE'S duly constituted attorney-in-fact, dispose at public auction and the proceeds thereof applied to satisfy the LESSEE'S unpaid obligations without prejudice to the BSP'S right to avail of any and all other available legal remedies as may be appropriate for the recovery of any deficiency.
 - c. Expropriation or Condemnation.** If at any time during the term of this lease, the Government or any of its instrumentalities or political subdivisions or any public service company, shall expropriate or condemn the leased premises or any part thereof or interest therein for any public use or purpose, then the LESSEE, shall whenever requested by the BSP, peaceably deliver the possession of such portion or portions of

the premises thereon as may be affected or taken by such expropriation or condemnation. The LESSEE shall not, by reason of such expropriation or condemnation, be entitled to any claim against the BSP for compensation or indemnity, without prejudice to the rights of the LESSEE to claim from the expropriating or condemning authority whatever compensation it may be entitled to for whatever damage it may have sustained by reason of the said expropriation or condemnation.

2. SECURITY DEPOSIT

- a. **Amount of Security Deposit.** Upon execution of this contract the LESSEE shall deposit with the BSP the Security Deposit in the amount commensurate to one (1) month of rent.
- b. **Increases in the Security Deposit.** The amount of the security deposit shall increase every year with the corresponding annual rental increase to serve as security for the full and faithful compliance of each and every term, provision, covenant and condition of this lease and not as any prepayment of rent. If at any time, during the effectivity of the lease hereof, the Fixed/Minimum Monthly Rent, as specified on the Fundamental Lease Provisions of this contract, is increased, the LESSEE shall deposit with the BSP, on demand, as additional security, that amount equal to the rental increase.
- c. **Disposition of Security Deposit.** The BSP shall not be required to keep the security deposit from its general funds and the LESSEE shall not be entitled to interest on such deposit. The deposit shall remain intact during the entire term of this lease and shall not be applied by the LESSEE as payment for any debt or monetary obligation of the LESSEE under this contract.
- d. **Refund of Security Deposit.** If the LESSEE had fully and faithfully performed every provision of this lease, the security deposit shall be refunded to the LESSEE after the expiration of the Lease term, as specified on the Fundamental Lease Provisions of this contract, upon the LESSEE'S settlement of all monetary obligations to the BSP and after the LESSEE would have completely and satisfactorily vacated and delivered the leased premises to the BSP.
- e. **Forfeiture of the Security Deposit.** In the event that the LESSEE terminates this contract, for whatever reason such as pre-termination upon ninety (90) days written notice, before the Termination Date specified on the Fundamental Lease Provisions of this contract, the security deposit shall be deemed automatically forfeited in favor of the BSP. However, the LESSEE'S liability for any breach of this contract or for any other obligation under this lease contract shall not be limited to the amount of the said security deposit.

3. RENT AND PAYMENTS

- a. **Basic/Fixed Rent.** The LESSEE shall pay a Basic/Fixed Monthly Rent as specified on the Lease Contract. The monthly rental of the LEASED PREMISES is inclusive of Value-Added Tax (VAT), shall be payable within the first five (5) days of each month. Payment shall be made through postdated checks issued by the LESSEE to the OWNER upon signing of the Contract of Lease.

- b. **Extraordinary Inflation / Deflation.** The BSP shall have the option to adjust rental rates in case an extraordinary inflation or deflation of the Philippine Peso should supervene. The term "Extraordinary Inflation or Deflation" shall be conclusively presumed to have supervened if the prevailing Exchange Rate of the Philippine Peso to the US Dollar at the time of the execution of this contract as specified on the Fundamental Lease Provisions of this contract should increase by more than Twenty Five Percent (25%). The Exchange Rate of the Philippine Peso to the US Dollar as determined by Bangko Sentral ng Pilipinas Reference shall be conclusive upon the parties. The BSP shall exercise this option by giving written notice to the LESSEE of the occurrence of the Extraordinary Inflation or Deflation coupled with the demand to pay the adjusted rate on the succeeding calendar month after receipt of notice, which in no case shall be less than Fifteen Days (15). If the LESSEE does not accept the new minimum rate, the lease shall be deemed automatically terminated upon the effectivity of the minimum rate. The Security Deposit of the LESSEE shall be forfeited in favor of the BSP if the lease contract shall have been terminated under Section III-e hereof.
- c. **Contested Statement of Account.** In case the LESSEE shall have determined that there exists an error in the BSP's Statement of Account, the LESSEE shall pay the full amount as indicated in the statement and notify the BSP, in writing, regarding the perceived error within the next ten (10) days upon receipt of the Statement of Account. Should the BSP acknowledge the error, the correction or adjustment thereof shall be applied in the succeeding Statement of Account. Should the LESSEE fail to file the written complaint within the stipulated period of ten (10) days, the Statement of Account shall be deemed correct and payable in full by the LESSEE.

4. GOVERNMENT PERMITS AND TAX PAYMENTS

- a. **Business Licenses and Permits.** The LESSEE shall be responsible for securing all necessary government business operation and construction permits and licenses as well as pay all fees necessary for obtaining these permits and/or licenses. The LESSEE shall furnish the BSP the copies of the said permits and licenses or any renewal thereof within fifteen (15) days from the starting date of the LESSEE'S business operations and every renewal date thereafter as required by law.
- b. **Compliance with Tax Laws.** The LESSEE hereby guarantees faithful compliance with all government laws and regulations relative to its business in the leased premises, particularly the payment of taxes, such as, but not limited to, the payment of withholding tax on rentals, the corresponding documentary stamp tax, and the value added tax (VAT) on rentals, if any.
- c. **Submission of Proof of Tax Payments.** The LESSEE hereby undertakes to regularly submit to the BSP, the Bureau of Internal Revenue (BIR) Certification of Withholding Tax Payment pertinent to rentals paid to the BSP for each quarter (duly certified by the LESSEE'S Accountant) within twenty (20) days after the end of each quarter, and to submit to the BSP proof of the LESSEE'S payment of documentary stamp tax and Value Added Tax (VAT), if any, within twenty (20) days from the date of payment of said taxes. Failure to submit said certification or the proof of payment of said taxes shall be construed as a material breach of this lease and a ground for termination of this contract.

5. PAYMENTS AND DEFAULT ON PAYMENTS

- a. **Rental Payment Deadlines.** The BSP shall deliver or send the monthly Statement of Account for the rent of the following month on the twenty-fifth (25th) day of the current month. The LESSEE shall pay the amount due at the BSP office within the first five (5) calendar days of the month to which the rental statement of account corresponds without need of demand. In case of delay by the BSP in delivering or sending the monthly rental Statement of Account, it shall be the responsibility of the LESSEE to immediately verify his monthly rental Statement of Account from the BSP and promptly make the corresponding payment as billed within the payment period.
- b. **Default on rent.** In the fulfillment of all obligations wherein the payment of money is involved, the LESSEE is hereby given a period of thirty (30) days from date of default within which to make the necessary payment before the BSP can exercise its right to recover against the LESSEE and/or exercise other available remedies, including its right to rescind this Contract. Failure of the LESSEE to meet the Rental Payment Deadline is deemed a default. In this event, the BSP, without prejudice to any and all other available legal remedies and after due notice, shall be authorized to padlock, close and take immediate possession of the leased premises. The LESSEE hereby constitutes the BSP as his attorney-in-fact to sell or dispose in whatever manner as the BSP shall deem fit, all properties found within the premises, whether belonging to the LESSEE, unauthorized sub-lessees or a third person, the proceeds of which, if any, shall be applied to all outstanding obligations of the LESSEE to the BSP, subject to the right of the BSP to collect from the LESSEE the remaining balance, if any, of the LESSEE's liability and/or indebtedness to the BSP. The appointment of the BSP as attorney-in-fact of the LESSEE under the circumstances described in this paragraph shall be considered coupled with an interest, and hence shall be irrevocable.
- c. **Default on Non-Rental Payments.** In the fulfillment of all monetary obligations other than rental payments including, but not limited to, taxes, assessments, reimbursements, fees, costs, and other charges, the LESSEE is given a period of thirty (30) days from the date of default within which to make the necessary payments otherwise the BSP shall have the right to file suit of recovery against the LESSEE or exercise its right to rescind the contract.
- d. **Bouncing and Returned Checks.** Where a check issued by the LESSEE in payment of rental or any other monetary obligation under this agreement is returned unpaid by the payee bank for whatever reason, the LESSEE shall be deemed in default. Should it be the first occurrence that the LESSEE'S check payment has been returned unpaid, the LESSEE shall be given a period of twenty-four (24) hours from notice within which to deliver to the BSP the CASH equivalent of the bounced check and the corresponding penalty or interest, as provided under Section 6.5 hereof. The BSP, without prejudice to all other remedies in the contract and under the law, shall be entitled to terminate this contract at any time after the second occurrence of a bouncing check payment made by the LESSEE.
- e. **Overdue and Delinquent Payments.** Without prejudice of the right of the BSP under the penal provisions of the lease contract, all rental payments overdue shall be subject to a penalty charge at the rate of three percent (3%) per month or equivalent to the maximum prevailing interest rate set by law or commercial parties, if any, whichever is higher, as determined by the BSP, from the first day of the month of delinquency until full payment thereof. Any delinquent payments and penalty charge

received by the BSP shall be applied to any and all arrears in the following priority: (1) firstly, against any deficiency in additional security deposits; (2) secondly, against any unpaid utility charges, interests, and penalties; and (3) thirdly, against unpaid rent.

- f. **Acceptance of Payment of Arrears.** The acceptance by the BSP of arrears in rent or of the penalty/ies for late payment, extensions of payment, or of the performance of one or more obligations by the LESSEE shall not by itself be deemed a waiver by the BSP of any and all other available remedies for the LESSEE'S breach of any covenant or condition contained in this contract.
- g. **Remedy of Breach.** Unless otherwise provided elsewhere in this contract, default shall automatically take place upon the failure of the LESSEE to pay or perform any of its obligation during the time fixed herein for the payment or performance of such obligations without necessity of demand or, if time is not fixed, after ten (10) days from receipt of notice or demand from the BSP. The PARTIES hereby expressly agree that notice, in writing, delivered personally or by registered mail to the other at their herein stated address or to such other address designated by the party in writing shall be considered as sufficient compliance with the notice or demand required hereunder or by law. Notice sent by registered mail shall be deemed complete five (5) days from receipt of the first notice of the postmaster even if the party fails to claim his mail from the post office. The breach stated in the notice may be remedied by the LESSEE within thirty (30) days from notice thereof, provided the LESSEE shall compensate the BSP for all damages that the latter may have suffered by reason of such breach.

6. NATURE AND USE OF THE LEASED PREMISES

- a. **Nature of Use of the Premises.** The leased premises shall be used exclusively as specified/stated in the Lease contract and no other. The LESSEE shall warehouse in the leased premises only such goods as are necessary and in line with the approved purpose of business. No auction, fire, bankruptcy, or closing out sale may be conducted in the leased premises without the prior written consent of the BSP. The LESSEE shall, prior to or at the commencement of its occupancy of the premises and at any time thereafter, take preventive measures as may be deemed necessary to forestall any damage to the leased premises. The use of the leased premises other than what has been previously agreed upon, whether temporarily or permanently must be with the prior written consent of the BSP. Otherwise, the BSP may at its option, (1) consider this contract rescinded, (2) increase the rent, or (3) compel the LESSEE to stop the new activities.
- b. **Non-exclusivity.** The BSP reserves the right to permit identical or similar uses, as the stated use of the Leased Premises under this agreement, by other tenants of other spaces within the commercial complex.
- c. **Adjoining Premises.** The LESSEE recognizes the right of the BSP to erect, alter, or consent to the erection or alteration of any wall located or to be located on any adjoining or neighboring space to the leased premises within the vicinity area of the leased area, notwithstanding that such erection or alteration may diminish the access of light, view, or air enjoyed by the leased premises, or to deal with such neighboring or adjoining property as the BSP shall see fit. The LESSEE shall not hold the BSP liable for any resulting disturbance or discomfort arising from such development work of improvement.

7. CONSTRUCTION REQUIREMENTS

- a. **Submission of Construction Plans.** Upon signing of the Award Notice by the LESSEE, the BSP shall specify the time frame for the submission of the LESSEE'S construction plans, business sign plans, maximum electrical load declaration and building permits.
- b. **Construction Plans.** The LESSEE shall submit the construction plans for the proposed installations, improvements, lighting fixtures, floor covering and other installations, required by the nature and purpose of its business following the Construction and Renovation Guidelines hereto attached.
- c. **Business Sign Plans.** The LESSEE shall submit to the BSP plans for proposed business sign(s), specifying the size, color, design, placement on the premises, and technical and electrical requirements of such signage for written approval by the BSP. The LESSEE shall install and maintain at its own expense the required business sign(s). The same shall be installed by LESSEE at the designated place(s) upon the commencement date of LESSEE'S business.
- d. **Electrical Load Declaration.** The LESSEE must take a declaration of its maximum electrical load and enumerate thereat the electrical fixtures, appliances, equipment, facilities, etc. The LESSEE shall use only duly licensed electricians who must ensure that the additional load of current will be within the capacity of the main switch of the panel on the corresponding floor.
- e. **Building Permits.** The LESSEE shall be also responsible for securing all necessary government building and operation permits and licenses necessary for construction as well as pay all fees necessary for obtaining these. The LESSEE shall submit these permits to the BSP prior to commencement of construction.
- f. **Commencement of Construction.** Only after receipt of BSP'S prior written approval of the said construction plans and upon obtaining a building permit from the local government shall the LESSEE, at its own expense, commence installation and maintenance of said installations and improvements required by its business, provided the strength and general structure of the building or the premises are not thereby altered or otherwise adversely affected and, provided further, that the other conditions of this contract are not thereby violated.
- g. **Inspection of Premises.** The BSP or its representative shall have the right to enter the premises at all reasonable times, in order to inspect or examine the premises to determine compliance with contract terms, or to show the premises to prospective lessees. If the LESSEE is not personally present to open and permit entry into the premises at any time when for safety or security an entry therein shall be immediately necessary, the BSP or its representatives may enter the premises without rendering the BSP or its representatives liable therefore, and without in any manner affecting the obligations and covenants of the LESSEE under this lease. The BSP'S right to entry shall not be deemed to impose upon the BSP any obligation, responsibility, or liability for the care, supervision, and repair of the premises other than as herein otherwise provided.
- h. **Compliance with Regulations and Laws.** The LESSEE shall comply with any and all supplementary rules and regulations set down by the BSP and those which may

hereafter be promulgated from time to time by the BSP, as well as with all the laws, ordinances rules and regulations, promulgated by the duly constituted authorities of the national and/or local government regarding the use, occupancy, security, and sanitation of the premises. All works of temporary character which may be ordained by the national and/or local authorities to be placed or done on the premises and shall be for the account and expense of the LESSEE. Any violation of these provisions shall make the LESSEE liable for damages, which may result directly or indirectly from the said violation.

8. ALTERATIONS, ADDITIONS AND IMPROVEMENTS

- a. **Revisions to Construction Plans and Electrical Load.** Any changes or revisions to the approved constructions plans or the installation of additional plumbing, electrical appliances/equipment, telephone and teletype in the premises shall be for the account and expense of the LESSEE, and only after submitting revised construction plans and electrical load declaration and obtaining the prior written consent and approval of the BSP. Such installation(s) should not deface, adversely affect, or cause damage to the strength and the general structure of the building or the premises and provided further, that the other conditions of this contract are not thereby violated.
- b. **Alterations, Additions, or Renovations.** The LESSEE shall not make any alterations, additions, renovations, or improvements to the premises without the prior written consent of the BSP. After written approval of the BSP, any alteration, addition or improvement shall be covered by appropriate Construction Plans showing the possible effect on the existing structure and the electrical load of the building. The lessee shall comply with the appropriate permits required by the local government unit, the Building Official or any regulatory National Government agency. The LESSEE undertakes to continue paying its monthly rent to the BSP, while any alterations, additions, improvements, installations or repairs within the premises are undertaken at any time during the term of this lease. The BSP reserves the right to refuse any alterations, additions, and improvements requested by the LESSEE, if in the BSP's opinion, there is just cause to warrant such refusal.
- c. **Affixed Installations.** It is further agreed that all such installations and affixed improvements, except the movable furniture put in at the expense of the LESSEE shall remain upon and be surrendered with the premises as part thereof at the termination of the lease without compensation to the LESSEE, and without prejudice to the right of the BSP to require the LESSEE to restore the premises to its original tenantable condition. The LESSEE further agrees to aoffere by the Construction and Renovation Guidelines issued by the BSP.
- d. **Required Renovation.** Should the lease be renewed, LESSEE shall, at his own expense, undertake renovation of the leased premises at least once every five (5) years.

9. COMMON USAGE AND SERVICE AREA (CUSA)

- a. **Use of Common Areas.** The use and occupancy by the LESSEE of the leased premises shall include, jointly with other lessees, the use of common areas adjacent to the leased premises and portions thereof, necessary as entrance to and exit from the leased premises, public toilet, and other facilities as may be designated from time to time by the BSP, subject to reasonable fees/charges, rules and regulations for the

use thereof as prescribed from time to time by the BSP. The lease does not extend to the outside portion of the leased area, nor to the corridors, walkways and hallways within the building, and no merchandise or property of the LESSEE shall be placed therein. Without prejudice to any and all other rights of the BSP in this contract, the BSP may remove or cause the removal of any object placed outside of the leased premises as described herein with costs chargeable to the LESSEE.

- b. **Administration of Public and Common Use Areas.** The BSP has the right to appoint, ratify or confirm any person of firm to manage and administer the leasing operations, use of public and common areas, and to delegate to such person or firm the power to adopt and implement rules and regulations as it shall deem necessary for the management, maintenance, or operation of the space.
- c. **Common Use and Service Area Charges.** The owner may impose Common Use and Service Area Charges which shall cover but not be limited to the administrative and overhead expenses, sanitation, garbage fees, security services, cost of repair and maintenance of equipment and facilities, lighting and air-conditioning of common areas, as well as such other expenses as the realty may deem necessary.
- d. **Payment of CUSA Charges.** The CUSA is not included in the MONTHLY RENT which the lessee shall pay the BSP within the same period for payment of monthly rentals.
- e. **Interruption of CUSA Services.** Any temporary interruption in the facilities or services mentioned shall not be deemed as an eviction of the LESSEE, neither shall it relieve the LESSEE from any obligation under this contract including the payment or rental or the abatement thereof, nor subject the BSP to any liability arising therefrom. However, the BSP shall endeavor to use every effort and diligence to restore promptly the facilities and services to their functions.

10. INDIVIDUAL SERVICES/UTILITIES

- a. **Electricity and Water.** The LESSEE shall pay to the BSP its electricity and water consumption monthly, based on sub-meter reading, within the same period for payment of monthly rentals OR the LESSEE shall pay directly to the utility provider its electricity and water consumption monthly when individually metered. . Should the LESSEE fail to pay any assessed electricity or water bill, the BSP shall have the right to discontinue the supply of electricity or water supply to the LESSEE, in addition to the three percent (3%) penalty per month on any arrears incurred, until fully paid. Reconnection fee, in case of disconnection, shall be for the LESSEE'S account. A refundable deposit equivalent to three (3) months estimated or average power or water consumption of the LESSEE shall be required, which deposit shall not earn interest. Should the LESSEE's subsequent monthly power or water bill increase, the bill deposit shall be correspondingly increased. LESSEE is absolutely prohibited from redistributing electric current or water supply to other LESSEES.
- b. **Utilities Charges.** All costs of utilities and services provided by or through the BSP shall be allocated to the LESSEE as in a reasonable manner. Delinquency in payment shall be understood to have occurred if in case of sub-metered utilities or utilities charged on a per square meter basis, the LESSEE fails to pay the obligations due within the same period for the payment of monthly rental.

- c. **Interruption of Service.** Any temporary interruption in the delivery of water, air-conditioning, or electricity to the premises occasioned by accident, strike, force majeure, or any other causes beyond the BSP's control, or incident to the BSP undertaking of repairs, alterations, improvements in or about the leased area, shall not relieve LESSEE of its obligations under this contract or be a basis for the abandonment of the LESSEE'S obligation to pay rent or its share in the payment for utility services.
- d. **Emergency Power Service.** The lessee shall be responsible for the operation of a power generator for its use incase of power emergency.
- e. **Water Shortage Option.** The lessee has the option to purchase water for its use from outside sources in case of short supply of water. The purchase cost thereof shall be to the LESSEE'S account based on its actual consumption.
- f. **Contracting Outside Utility Services.** The LESSEE shall pay or cause to be paid, prior to delinquency, all necessary and applicable charges and any assessment of surcharges for telephone, cable or satellite TV, internet, or other services or utilities used, rendered or supplied by outside contractors in connection with the LESSEE'S possession of the premises. The LESSEE shall contract for the same in its own name and hereby holds the BSP free from any claims or charges arising from such other contracts of utility services.

11. PARKING AND OTHER JOINT-USE AREAS

- a. **Parking Regulation.** It is expressly understood that the LESSEE'S privilege to use parking and other areas dedicated to common use is not included in the lease as the owner may charge service fees for such. The privilege of such use by the LESSEE, his employees, and customer(s) is not an integral part of this lease. The BSP OR ITS AUTHORIZED REPRESENTATIVE shall have the sole and exclusive jurisdiction and right to demand parking fees, police, control traffic, regulate, and promulgate reasonable rules and regulations governing the use of the parking areas, private roads, sidewalks, malls, common driveways, entrances, exits and other common use areas included within the boundaries of the leased premises.
- b. **LESSEE Parking.** The LESSEE shall park his vehicle only in the authorized parking areas. It may opt to lease parking spaces from the BSP, which will be another contract.
- c. **Parking Fees.** The building parking administrator will collect parking fees from the lessees and the general public for the use of parking spaces not exclusively assigned to or contracted the LESSEE.
- d. **Access and Parking Patterns.** The BSP or its REPRESENTATIVE shall have the sole and exclusive right at any time to relocate driveways, entrances, and exits common to the building, change the boundaries or locations of the various automobile parking areas, diminish or rearrange the parking pattern therein, or designate additional or relegated parking spaces.
- e. **Obstruction of Access.** The LESSEE shall not allow parking and other areas for common use to be obstructed by his operations, except as may be normally carried or in connection with the needs of the business.

- f. **Diggings and Excavations.** The BSP reserves the right to conduct, perform, do maintenance/repairs works such as diggings and excavations on streets, sidewalks and other common areas, and no compensation or claim shall be allowed against the BSP by reason of inconvenience, annoyance or injury to the LESSEE'S business as result thereof.

12. OPERATION OF THE LESSEE

- a. **Adherence to House Rules and Regulations.** The operation of the LESSEE shall be subject to and be governed by the House Rules and Regulations issued by the BSP.
- b. **Strikes and Lock-Outs.** In case there is a strike, lock-out or other labor dispute in the leased premises and there is a substantial interference with the operation of the LESSEE'S business by reason thereof, requiring the LESSEE to temporarily close its business to the public or as result thereof the business of the other lessees or tenants in the premises likewise affected, then the BSP shall have the option to terminate the lease to protect the business of the other lessees or tenants in the premises, and to forfeit the security deposit. Without prejudice to the obligation of the LESSEE to keep the leased premises safe and secure, the LESSEE shall also be required to pay the BSP any incidental cost or expense in hiring security guards or in contracting other needed services for the security and welfare of the lessees.
- c. **Noise.** The LESSEE shall not install any loudspeaker or device on the ceiling or exterior walls of the building or on any part of the leased premises, nor, allow disturbing or noisy activities be carried on therein.
- d. **Illegal Activities.** The LESSEE agrees that it will not engage in the sale of pirated tapes, CDs, VCDs, DVDs, computer software, and other prohibited, smuggled, or illegal goods or merchandise or engage in ANY ILLEGAL ACTIVITIES. The LESSEE agrees that it will not conduct or permit to be conducted in or about the premises anything or any act which will be illegal or unlawful, or which will be dangerous to life, limb, or property. The owner has the right to unilaterally terminate the contract and preserve the use pf the space for legal undertakings only.

13. PROMOTIONS AND ADVERTISING

- a. **Promotional Signage.** The LESSEE shall not affix, hang, inscribe, or paint any promotional notice, sign, streamer, or other medium within or outside the premises without prior written approval of the BSP. The BSP may remove and/or dismantle any unauthorized or inappropriate signs or promotional materials, whether the same is located within or outside the premises in violation of this provision without incurring any liability whatsoever.
- b. **Trade Name.** The LESSEE'S business trade name as specified on Lease contract shall not be changed without the BSP's prior written consent. The LESSEE shall use for its advertised business address **ONLY**, the name and the address of the BSP Property. The LESSEE agrees that the name of BSP shall not be used in any confusing, detrimental, or misleading manner other than as its business address, and upon termination of this lease, the LESSEE shall cease to use the BSP as its address in any manner.

- c. **Sales and Promotional Activities.** The LESSEE shall not permit, allow or cause any public or private auction sales or adopt or use any sales promotion devices or practices which shall tend to mislead or deceive the public or which directly or indirectly would tend to detract from or impair the reputation or dignity of its business and consequently the prestige and good business reputation of BSP.
- d. **Advertising and Promotions.** The LESSEE shall adhere by the policies, rules and regulations regarding sales promotions as may be promulgated by the BSP. In order to promote the business where the leased premises are located, the BSP may conduct from time-to-time advertising and promotional activities, including inaugural activities, which it may consider appropriate, and the LESSEE agrees to share, with all the other lessees in the costs and expenses of such advertising and promotional activities. The LESSEE'S share shall be paid on the date specified in the applicable Statement of Account.

14. CARE OF THE LEASED PREMISES

- a. **Level of Care.** The LESSEE shall at its expense, maintain the leased premises in a clean and sanitary condition, free from noxious odors, disturbing noises, or other nuisances. The LESSEE shall be responsible for the maintenance and repair of the leased premises including plumbing, mechanical, and electrical fixtures, within the leased premises or those serving the same. Upon the expiration of the lease, the LESSEE shall return the premises and fixtures in as good condition as that in which they were actually found at the beginning of the lease, ordinary wear and tear accepted.
- b. **Obnoxious and Hazardous Materials.** The LESSEE shall not bring into or store in the leased premises anything of highly flammable nature, explosive material or install therein any apparatus, machinery or equipment which may cause obnoxious odor, vibration, or noise, or expose the leased premises to fire or increase the fire hazard of the building, or any other article which the BSP may reasonably prohibit. It is understood that should the LESSEE do so, not only shall the latter be responsible for all damage which such violation may cause the BSP, but should the LESSEE so use the building or deposit therein any such matter, as to result in any increase in the rate of the insurance payable by the BSP, the payment of such increase shall be for the account of the LESSEE.
- c. **Damage to Premises.** The LESSEE must notify the BSP immediately of any damage to the leased premises, their appurtenances, as well as any occupation, usurpation, or untoward act being committed or threatened to be committed within the leased premises. The LESSEE shall not drive nails, screws, hooks, or other abutments on or into the walls, frames or other structural portions of the premises or in any manner deface or damage any part thereof. In case the leased premises and/or permanent improvements placed on the premises shall be partially damaged or destroyed, by any cause not covered by insurance, the LESSEE shall immediately repair, restore, or reconstruct or cause to be repaired, restored, or reconstructed said damage or destruction regardless of who is at fault or who caused such damage, unless such was clearly caused by the BSP or its agents. The failure of the LESSEE to complete the repair, reconstruction or restoration of the leased premises to its original condition within thirty (30) calendar days from the occurrence of the loss/damage shall be a material breach of this agreement, which will entitle the BSP to terminate this lease, unless the BSP grants, in writing, an extension thereof. Any damage caused by the

LESSEE or its agents may be repaired by the BSP OR ITS AGENT for the account of the LESSEE.

- d. **Destruction of Premises.** If without any fault or negligence on the part of the parties, the leased area is damaged to such an extent as to amount to the total destruction of the premises or the permanent improvements thereon, the lease shall be deemed terminated and the LESSEE shall pay the accrued proportionate rent up to the occurrence of the damage. Notwithstanding the above provisions, if the Leased Premises or the building is damaged by fire or other casualty due to the fault or negligence of the LESSEE or its employees, agents, visitors, or licensees, then, without prejudice to any other rights, remedies or cause of action the BSP may have against the LESSEE, the damage shall be repaired by the LESSEE or by BSP at LESSEE'S expense and the LESSEE shall be liable to pay the rent while the premises are under repair.
- e. **Structural Repairs and improvements.** After the delivery to the lessee of the space for lease, the BSP shall be responsible for all repairs and improvements that affect the structure of the leased premises of the building, **except for those repairs and improvements which are proposed by lessee and approved by BSP to be undertaken or introduced by the former during the course of the lease.** The LESSEE shall allow access to the BSP on the premises for the purposes of repair or remodeling or such other works as may be necessary for the preservation, conservation, improvement, or decoration of the building or any part thereof. No compensation or claims shall be allowed against the BSP by reason of any inconvenience, annoyance, or injury to the LESSEE'S business that may arise by reason thereof.
- f. **Pest Control Services.** The LESSEE is required to avail of a qualified contractor to carry out pest control program within its leased premises twice a month. A copy of the pest control service contract should be submitted to the BSP prior to the operation of the establishment.
- g. **Disposal of Garbage.** The LESSEE shall further maintain the leased premises in a clean condition by utilizing plastic bags for the disposal of both dry and wet garbage, which shall then be deposited in the authorized depository for collections. The LESSEE shall likewise aoffere by the color scheme of the local government unit in the disposal of garbage.

15. INSURANCE AND INDEMNITIES

- a. **Insurance Coverage of Premises.** The LESSEE shall, at its sole cost and expense, and during the entire term of this lease, keep and maintain any and all improvements, equipment, and appurtenances on said leased premises insured against destruction or damage by fire, earthquake, war, and extended coverage risks with such insurance company. The policy shall include the BSP AS A BENEFICIARY and a copy be delivered to the BSP upon formal acceptance of the BSP of the completed construction of all improvements of the area not later than thirty (30) days after completion date. In case the initial policy of the said insurance coverage is only for one year, the LESSEE hereby agrees to pay the premiums thereon on the dates, at the places and at the time the same are payable to ensure continuous coverage. In case of loss or damage, all insurance proceeds shall be used for the purpose of the restoration or reconstruction of the improvements on the leased premises and the BSP liability shall

be limited to such insurance proceeds except when complete loss or destruction shall occur during the last year of the lease in which event the BSP shall have the option to call for a renegotiation of the terms of this contract.

- b. **Personal Injury or Damage of Property.** The LESSEE hereby assumes full responsibility for any damage which may be caused to the person or property of third persons while remaining either casually or on business in any part of the leased premises and further binds himself to hold the BSP free and harmless from any such claim for injury or damage unless injury or damage is due to the gross negligence of the BSP.
- c. **Liability Exemptions.** The BSP shall not be liable or responsible (a) for the presence of bugs, vermin, ants, termites, or any other insects or pests in the leased premises, (b) for the interruption or failure of water supply and/or electric current, (c) for any article delivered or left with any of its employees, (d) for any loss or losses that may be suffered by the LESSEE, its agents or customers in the leased premises occasioned by theft, robbery or other crimes, (e) for any damage done or occasioned by, arising from plumbing, gas, water and/or other kinds of pipes, or the bursting, leaking, or destruction of any cistern, tank, wash stand, water closet, waste pipe, or drainage or downspout failure in, above upon or about said leased premises, or (f) for any damages arising from acts of negligence of the LESSEE or his agents or any and all other persons. The BSP shall likewise be exempted from liability for any injury that may be caused to the LESSEE, his employee, or personnel while inside the building, whether due to the facilities of the BSP or otherwise, provided there is no negligence on the part of the BSP.

16. OTHER PROVISIONS

- a. **Transfer of Rights.** The LESSEE may assign or transfer its rights in this contract or sublease any part of the leased premises WITH the prior written information and consent of the BSP. WITHOUT THE WRITTEN CONSENT OF THE OWNER, the lessee shall not enter directly or indirectly into any contract or agreement with any third person, association or corporation for the use and occupation of the premises, whatsoever. Any violation of this paragraph shall cause a termination of the contract.
- b. **Incapacity of LESSEE.** In the event of default or breach of any of the conditions of this contract and after the lapse of the period specified in this section, or even without such breach or defaults, if the LESSEE shall be dissolved, become bankrupt, insolvent or make an assignment for the benefit of the creditors or file any proceeding seeking any adjustment, arrangement, postponement or condonation or reduction of the LESSEE'S debts, liabilities, or obligations, or if the LESSEE abandons the premises and the improvements thereon as defined in this contract, the BSP may, in its absolute discretion, declare this contract cancelled or terminated and require the LESSEE to vacate the premises. Delay in recovery of possession shall not be deemed as a waiver of the right of the BSP to recover possession of the premises.
- c. **Goodwill.** It is expressly understood that the LESSEE has no goodwill or patronage rights over the leased premises but that such rights belong exclusively to the BSP, being the owner of the leased premises, which forms part of the building and that the LESSEE has absolutely no right whatsoever to sell or otherwise dispose of said goodwill or patronage rights to any person or entity.

- d. **Assignment of Right or Mortgage Encumbrance.** The BSP reserves the right to assign and convey or mortgage or otherwise encumber its rights to this lease in favor of any affiliate or subsidiary or any other party after notice in writing to the LESEE.

- e. **Waiver.** No waiver by the BSP of any of its rights under this contract shall be deemed to have been made unless expressed in writing and signed by the BSP. The BSP's failure to insist in one or more instances on the strict performance of any of the terms, conditions or covenants of this contract, or to exercise any right or option hereunder, shall not be construed as a waiver of any such term, condition, covenant, right or option, which shall remain in full force and effect. The BSP's acceptance of rent in arrears or its granting of an extension of time to pay such rent shall not be deemed a waiver by the BSP of the breach by the LESSEE of any other terms, condition or covenant of the Lease Contract. It shall be understood that the LESSEE, its agents or assigns shall not hold the BSP, its agents or assigns liable for any actions of the BSP, its agents or assigns done or caused to be done in pursuance of all the provisions of this contract.

ANNEX A

REPUBLIC OF THE PHILIPPINES
CITY OF _____) s.s.

ELIGIBILITY STATEMENT

I, _____, of legal age, (*nationality*), and with office address at _____, under oath, hereby depose and say THAT:

1. The (*name of Corporation*) (Proponent) is interested in the bidding for the lease of the Boy Scouts of the Philippines commercial space located at _____.
2. I am the (*designation*) of the Proponent, the duly authorized representative and granted full power and authority to do, execute and perform any and all acts necessary to participate, submit the offer, and to sign and execute the ensuing contract accompanied by the duly notarized Special Power of Attorney, Board/Partnership Resolution, or Secretary's Certificate, (*whichever is applicable*);
3. The relevant information of about the proponent is provided in the Proponent's Profile and made part of the Offer;
4. The Proponent accepts the Terms of Reference, qualification criteria and the terms and conditions set by the Boy Scouts of the Philippines (BSP);
5. The Proponent, if awarded the contract of lease, commits to comply with: (1) the restrictions for the use of the Property; (2) all other pertinent government standards such as, but not limited to, the National Building Code, the Fire Code, and other relevant laws, rules, regulations and issuances of the agencies of the National Government and of the Local Government, for the duration of the contract period;
6. The Proponent is not barred from bidding by the Government of the Philippines or any of its agencies, offices, corporations, or LGUs, nor is the proponent a party to any breach of a lease contract with any entity;
7. The Proponent complies with the disclosure provisions in relation to R.A. 3019;
8. The Proponent complies with the responsibilities of a prospective or eligible proponent provided in the TOR;
9. The Proponent commits to abide by the decision of the SBAC, waives its right to seek legal remedies against BSP, and holds its Board of Directors, Officers and staff, consultants and authorized representatives/personnel free and harmless from any liability, costs, and expenses, suit or allegation arising from its participation in this bidding process;
10. All information in this statement, including attachments and enclosures thereof, are true and correct and/or exact reproduction of the original. Any falsity, error, or misrepresentation shall constitute ground for disqualification from this bidding or revocation of award as determined by BSP;
11. The Proponent, its Directors, Officers and staff or any representative thereof, shall not attempt to establish any contact with any of BSP's Directors, Officers, staff, consultants, and authorized representatives/personnel on matters concerning the bidding from the date of the submission of their offers up to the conclusion of the bidding process, except for clarifications on Proposal which must be in writing and addressed to the SBAC, through its Chairperson. The Proponent, its Directors and Officers have neither given nor offered, nor will it give nor offer, directly or indirectly, any bribe or other improper payment or advantage to any Directors, Officers, staff, consultants and authorized representatives/personnel of the BSP, or engage in any of the acts prohibited under R.A. 3019, otherwise known as the "Anti-Graft and Corrupt Practices Act", as amended. Violation of any of the foregoing shall be a ground for the disqualification from

the bidding or revocation of the award, if any, without prejudice to damages that BSP may recover for any loss or damage that may result therefrom.

12. The Proponent is not involved in any money laundering activity as defined by the Anti-Money Laundering Act of 2001 (RA 9160) and as further governed by RA 10365.
13. The Proponent authorizes BSP or its authorized representatives to conduct investigation and verification of the statements, documents and information submitted relative to our offer. For this purpose, the Proponent hereby authorizes any public office, or any person or firm to furnish pertinent information deemed necessary and requested by BSP to verify statements and information provided in this statement.

IN FAITH WHEREOF, I have hereunto affixed my signature this _____ day of _____ at _____, Philippines.

Affiant

SUBSCRIBED AND SWORN TO before me this _____ day of _____, affiant exhibiting to me his competent evidence of identity (e.g. Passport, Driver's License, etc.) _____ issued at _____, Philippines on _____.

NOTARY PUBLIC

Doc. No. _____
Page No. _____
Book No. _____
Series of 2019.

ANNEX B**PROPONENT'S PROFILE****I. GENERAL INFORMATION**

Business Name:	
Address: Contact No/s.: E-mail Address:	
Year Established/Registered: Place of Registration:	
Brief Description of Business: Include Products/Services offered; Target Market	
Lines of Business:	
Ownership Structure: % owned by Filipino: % owned by Foreign:	
Business Permit: Issuing Unit: Validity Dates: Lines of Business:	
BIR Registration: Date of Issue: Place of Issue:	

II. OWNERSHIP AND MANAGEMENT

Owners/Shareholders			
Name	Subscribed Capital(Corporation)/Authorized or Allotted Capital_	Paid-up Capital/Amount of Capital Infusion	Extent of Financial Control

Governing Board/Management Team	
Name	Designation

Key Officers/Decision Makers	
Name	Position/Nationality

(use additional sheets if necessary)

III. FINANCIAL CAPACITY

Key Banking Relations			
Bank Name	Location	Bank Deposit	Credit Facility

Financial Documents	
Audited Financial Statements for the last 2 fiscal years or from the date of its operation.	
Income Tax Returns for the last 2 years or from the date of its operation.	
Latest interim Financial Statements (unaudited) or from the date of its operation.	

IV. SUBSIDIARIES AND AFFILIATES

Subsidiaries and Affiliates	
Business Name	Percentage (%) of Ownership

I hereby certify that the above statements are true and correct and I am duly authorized to make this statement for and in behalf of _____ (*Business Name*):

(*Signature*)

Authorized Representative

Name:

Position:

ANNEX "C"

Date: _____

NAME OF PROPONENT:

(If a Consortium, indicate the name of the Member with the required experience as a lessee.)

Years of experience as a Lessee: _____ *(Write N/A if not applicable.)*

SUMMARY OF PREVIOUS/CURRENT LEASE CONTRACTS

The following Completed Projects/Contracts are in the nature of property management services.

	(Contract) 1	(Contract) 2
Owner		
Location/Country		
Nature of use of the space leased:		
Cost of rent per month:		
Date Started		
Date Contract Ended or Until When does the contract end		

(NOTE: Attach copies of contracts and proofs -Use additional sheets if necessary)

I hereby certify that the above statements are true and correct and I am duly authorized to make this statement for and in behalf of _____ *(Business Name):*

(Signature)

Authorized Representative

Name:

Position:

Date

ANNEX "D"**BID OFFER FORM**

Date _____

THE CHAIRPERSON

Special Offers and Awards Committee
 Boy Scouts of the Philippines
 181 Natividad Almeda Lopez Street,
 Ermita, Manila

Sir:

In connection with the competitive offer/bidding for the lease of _____ owned by the Boy Scouts of the Philippines (BSP) located at _____, our Company (*State the name of the Corporation/Lead Member Corporation/Sole Proprietorship*), hereby, formally proposes the following Fees to be paid in the manner provided hereunder:

	Philippine Peso per unit of measure (Peso/sqm OR Peso/unit)	Total Bid Amount (Rate per sqm x area leased) Or Bid Amount in PhP (in words and in figures)
Offer Amount		
Other Offers:		

We understand that, should I/we/our Company be declared the Winning Proponent, we shall furnish the security deposit within ten (10) days upon receipt of Notice of Award before the signing of the Contract and issuance of Notice to Occupy.

The undersigned, hereby, affirms that I am duly authorized by the Corporation/Entity to make this proposal for and on its behalf.

Submitted by:
 (*Signature*)

Name of Authorized Representative

 Position

"ANNEX E"

WORK AND FINANCIAL PLAN														
		YEAR 1												
I.	Activities	Amount	1	2	3	4	5	6	7	8	9	10	11	12
	e.g. Improvements, etc													
	Total													
II	Working Capital													