

## CONTRACT OF LEASE

### KNOW ALL MEN BY THESE PRESENTS:

This Contract of Lease, made and executed into this 20 day of December, 2023 at City of Manila, Philippines, by and between:

**DY INTERNATIONAL BUILDING MATERIALS CORPORATION**, a Corporation duly organized and existing under the laws of the Republic of the Philippines with office and postal address at DY International Building, #1011 Gen. Malvar cor San Marcelino St., Malate, Manila represented by its President, **ANTONIO S. DY**, who is duly authorized to sign in its behalf, hereinafter referred to as "**LESSOR**".

-and-

**NATIONAL WAGES AND PRODUCTIVITY COMMISSION (NWPC)**, a government entity attached under the Department of Labor and Employment of the Republic of the Philippines with office and postal address at 3<sup>rd</sup> Floor, DY International Building, #1011 Gen. Malvar cor San Marcelino St., Malate, Manila, represented herein by its Executive Director, **MARIA CRISELDA R. SY** hereinafter referred to as "**LESSEE**".

### WITNESSETH:

That for and in consideration of the payment of the rent and the compliance of all the terms and conditions contained in this contract, the LESSOR has agreed to lease, unto the LESSEE, the second (2<sup>nd</sup>) and third (3<sup>rd</sup>) floors with a total area of 1,860.40 sq. meters (930.20 sq. meters each floor) and known and designated as office spaces; and nine (9) basement parking slots of the DY International Building owned by DY International Building Materials Corporation and located at #1011 Gen. Malvar cor. San Marcelino St., Malate, Manila.

The Lease Contract shall be rendered effective under the following covenants and conditions;

1. **AMOUNT OF MONTHLY RENT.** The LESSEE shall pay, within the First (1st) Ten (10) days of each calendar month, at the Office of the LESSOR or to its duly authorize collector, a total amount of Eight Hundred Ninety Three Thousand Eight Hundred Ninety Two and 34/100 Pesos (P893,892.34), EVAT excluded, broken down as follows;

P 866,667.34 - for the 1,860.40 square meters office spaces 2<sup>nd</sup> and 3<sup>rd</sup> floors) at P 465.85 per square meter.

P 27,225.00 - for a minimum of nine (9) basement parking slots at P3,025.00 per parking slot

1.1 There shall be no another dues or assessments to be charged to the LESSEE during the period of lease except as herein agreed upon.

1.2 There shall be no escalation of the rental during the lease period without mutual acceptance by both parties.

1.3 If any check(s) of the LESSEE is dishonored by the Bank for whatever reason(s) and should the LESSEE fail to pay the rental upon demand, the LESSEE hereby authorizes and empowers the LESSOR to cut off all connections on light and water within the leased premises. Further, the LESSOR shall also have the right, without incurring any civil or criminal liability, to prohibit the agents, employees or guests of the LESSEE from entering the premises as well as the building itself until such time as the account shall have been fully paid and/or updated. Consequently, any

arrearages incurred by the LESSEE shall create a LESSOR's lien over the properties of the LESSEE situated at the leased premises. LESSOR will exercise this right only for a delinquency of at least three (3) months. Provided further in addition to all of the above, the LESSOR retains the right to take whatever over legal remedies it may have under the laws of the Philippines.

2. **PENALTY FOR LATE PAYMENT.** Without prejudice to the exercise of the LESSOR of its right established in this contract, the LESSEE shall pay to the LESSOR an interest at the rate of two and a half (2.5%) percent per month of any monthly rental not paid within the payment period specified above.

3. **TERM OF LEASE.** This lease shall be for a period of 12 months commencing on January 1, 2024 and ending on December 31, 2024 subject to renewal thereof.

4. **SECURITY DEPOSIT AND ADVANCE RENTAL.**

The LESSOR recognizes that a total amount of **TWO MILLION SEVEN HUNDRED EIGHTY-EIGHT THOUSAND NINE HUNDRED FORTY-FOUR & 10/100 PESOS (Php 2,788,944.10)**, has already been remitted to the LESSOR representing a non-interest bearing security deposit equivalent to two (2) months rental and one (1) month advance rental, EVAT included, computed as follows;

Php 1,787,784.68 - 2 months security deposit for office and parking  
 Php 1,001,159.42 - 1 month advance rental inclusive of EVAT

Php 2,788,944.10 - TOTAL  
 =====

| Particulars          | Security Deposit    |                  |                     | Advance Rental      |                  |                   | Total               |                   |                     |
|----------------------|---------------------|------------------|---------------------|---------------------|------------------|-------------------|---------------------|-------------------|---------------------|
|                      | Gross               | Tax              | Net                 | Gross               | Tax              | Net               | Gross               | Tax               | Net                 |
| 2023                 | 1,787,784.68        | 28,837.39        | 1,758,947.29        | 1,001,159.42        | 89,389.23        | 911,770.19        | 2,788,944.10        | 118,226.62        | 2,670,717.48        |
| <b>Payments Made</b> |                     |                  |                     |                     |                  |                   |                     |                   |                     |
| Jul 14, 2010         | 1,302,280.00        |                  | 1,302,280.00        | 729,276.80          | 65,114.00        | 664,162.80        | 2,031,556.80        | 65,114.00         | 1,966,442.80        |
| Mar 5, 2020          |                     |                  |                     | 180,868.13          | 16,148.94        | 164,719.19        | 180,868.13          | 16,148.94         | 164,719.19          |
| Sep 9, 2020          | 322,978.80          | 28,837.39        | 294,141.41          |                     |                  |                   | 322,978.80          | 28,837.39         | 294,141.41          |
| March 2023           | 162,525.88          |                  | 162,525.88          | 91,014.49           | 8,126.29         | 82,888.20         | 253,540.37          | 8,126.29          | 245,414.08          |
| <b>Total</b>         | <b>1,787,784.68</b> | <b>28,837.39</b> | <b>1,758,947.29</b> | <b>1,001,159.42</b> | <b>89,389.23</b> | <b>911,770.19</b> | <b>2,788,944.10</b> | <b>118,226.62</b> | <b>2,670,717.48</b> |

4.1 The above mentioned security deposit shall answer for and be forfeited as liquidated damages for any violation by the LESSEE on any of the terms and conditions of this CONTRACT.

4.2 The security deposit once made cannot be withdrawn or recovered until the expiration of the lease and the surrender of the premises to the LESSOR and/or after all the amounts due from the LESSEE to the LESSOR under this contract or breach thereof, shall have been fully determined and liquidated.

4.3 Said deposit shall be returned to the LESSEE within thirty (30) days after the expiry of the Lease, provided that LESSEE shall have vacated and surrendered the premises

to the LESSOR, all and any obligations of the LESSEE under the lease including that of any utility changes shall have been settled to the satisfaction of the LESSOR.

4.4 The one (1) month advance rental shall be applied on the last month of the lease period in case of non-renewal of the lease. Application of last month rental shall be recomputed based on the prevailing escalated rate at that time.

4.5 The applicable withholding tax, as prescribed under the Philippines Laws and/or the rules and regulations of the Bureau of Internal Revenue, shall be deducted from the rental amount for which LESSEE shall issue a certificate of creditable withholding tax at source.

5. **RENEWAL PROVISION.** The renewal of the lease shall be agreed upon by the parties herein within two (2) months prior to expiration of this contract, the terms and conditions of which shall not substantially deviate from the terms and condition contained herein. The LESSOR agrees that there shall be no rental increase up to the third (3) year of occupancy should the lease contract be renewed. However, there shall be a ten (10) percent increase in rental on the fourth (4<sup>th</sup>), tenth (10<sup>th</sup>), Thirteenth(13<sup>th</sup>), Sixteenth (16<sup>th</sup>), nineteenth (19<sup>th</sup>) year of occupancy should there be yearly renewal of the lease contract. The original start of lease was in September 2010.

5.1 The LESSEE shall notify the LESSOR of its intention to renew this LEASE CONTRACT two (2) months prior to the expiration of this Lease Contract in which case, the LESSOR shall within one (1) month of such notification decide whether to renew or not such Lease Contract. In case of any disagreement to the proposed terms and conditions, the LESSEE shall have no right to insist on the renewal of the lease and shall peacefully vacate the premises upon the expiration of this Lease Contract.

5.2 Should the LESSEE not vacate the premises upon the expiration of this Lease Contract, the rental of the leased premises shall be treated as being on a month-to month basis terminable upon a thirty (30) day notice.

6. **USE OF PREMISES.** The PREMISES shall be used exclusively by the LESSEE as office except for the one (1) room on the third floor to be used as guest rooms for NWPC regional employees. It shall not divert the PREMISES to other use without the prior written notice consent of the LESSOR. Should the premises during the existence of this lease and without the prior consent of the LESSOR, be used for other purposes, the LESSOR shall have the following choices: (a) terminate this lease or (b) compel the LESSEE to rectify the breach.

7. **UTILITY CHARGES.** During the existence of the lease, the LESSEE shall pay for its own water, electricity, telephone, telex consumption and for the installation of other utilities or services.

7.1 The LESSEE shall be assigned its own sub-meters for electricity and water fixed to the main meters of the building from where utility services like MERALCO base their billings to DY International Building.

7.2 The LESSEE agrees to pay the LESSOR the cost of electricity and water according to the reading of the sub-meters assigned to the LESSEE, within ten (10) days from the presentation of the bills by the LESSOR. Failure of the LESSEE to settle utility accounts within one (1) month for whatever reason, shall give the LESSOR the right without being held liable for any special or consequential damages to automatically disconnect the utility service(s), until full settlement of the account shall have been made by the LESSEE at the LESSOR'S office.

8. **EXTRA FIXTURES.** The installation of and usage of additional water, air-conditioning units, telephone, teletype, and other connections in the leased premises shall be for the account and expenses of the LESSEE, and shall be made only after obtaining the written consent and approval of the LESSOR. In case of extra fixtures, the LESSEE shall employ

only the services of licensed electrician of the LESSOR so that additional load of current shall be within the capacity of the main switch of the panel to avoid or to minimize fire hazards, and shall further comply with the requirements of the Fire Department and or government electrician.

8.1 The LESSEE may, upon written consent from the LESSOR install other necessary installations required by its business provided that the strength and general structure of the leased premises particularly the building are not thereby impaired or otherwise adversely affected and provided further, that the other conditions of this lease are not hereby violated.

9. CARE OF LEASED PREMISES AND IMPROVEMENTS. The LESSEE shall at its expenses, maintain the leased premises in a clean and sanitary condition, free from noxious odor, disturbing noises, or other nuisances, and upon the expiration of the lease shall surrender and return the PREMISES and fixtures in as good condition as they were actually found at the beginning of the lease, ordinary wear and tear excepted.

9.1 Unless prior written consent is obtained from the LESSOR, the LESSEE shall not drive nails, screws, hooks and other abutments of the walls, frame nor in any manner deface or damage any part of the PREMISES of the building. Any injury or damage caused or done by the LESSEE may be repaired by the LESSOR for the account of the LESSEE. No Equipment or machineries shall be anchored at the floor of the entire rented area.

9.2 The LESSOR shall furnish at its own expense, janitorial service to those portions of the building which are of common public use only.

10. ALTERATIONS, ADDITIONS AND IMPROVEMENTS. The LESSEE shall not make any repair work, alteration, addition or improvement on the leased premises without the prior written consent of the LESSOR. All movable alterations, additions or improvements, made at the expense of the LESSEE and are removable without defacing or injuring the building of the PREMISES, shall remain the property of the LESSEE which cannot be removed without defacing or injuring the leased premises shall become part of the property of the LESSOR without right on the part of the LESSEE to ask for reimbursement for the cost/value thereof.

10.1 No shades, awning, blinds, curtains or window guards shall be installed or used in the PREMISES without the prior written consent of the LESSOR. Such permission shall not be unreasonably withheld.

10.2 The LESSOR commits that all the repair/improvements needed for the flooring, ceiling, electrical/water connections and other concerns shall be made at the expense of the LESSOR.

11. INSPECTION, REPAIRS ON THE LEASED PREMISES. The LESSOR or its authorized agent shall by previous arrangement with the LESSEE have the right to enter the leased premises at anytime during office hours to examine the same or to make alterations or repair, or for any purpose which it may deem necessary, for the operation or maintenance of the building or its installations therein or to exhibit the leased premises to prospective tenants. Minor repairs of the premises shall be for the account of the LESSEE.

12. ADVERTISEMENT, SIGNS, ETC. The LESSEE shall not affix, inscribe or paint any notice, sign or any advertising medium on any part of the building both inside and outside parts, except with the prior written permission from the LESSOR, which permission shall not be unreasonably withheld and only for such size, color and style as the latter may approve.

13. PROHIBITIONS. The LESSEE shall not bring into the PREMISES anything of flammable or explosive nature, nor install therein any apparatus, machinery or equipment which may cause obnoxious vibration or noises or expose the PREMISES to fire or increase the fire

hazard of the building or change the insurance rate of the building, or any article which the LESSOR may reasonably prohibit. Should the LESSEE do so, not only shall the latter be responsible for all the damages, but the LESSOR shall in addition thereto have the right to cancel the lease. If the LESSEE shall use the building, or deposit therein the above prohibited objects so as to result in any increase in premiums, such increase shall be for the account of the LESSEE.

**14. RULES/REGULATIONS.** The LESSEE shall comply with all regulations, rules, safety regulations which may be promulgated from time to time by legally constituted authorities and comply with all the rules and regulations, ordinances and laws made by health or other duly constituted local or national authorities arising from or regarding the use, occupancy and sanitation of the PREMISES.

14.1 Fees to be charged by the City/Municipal Electrician in accordance with the applicable ordinance for the inspection of electrical appliances installed by the LESSEE within the leased PREMISES shall be for the account of the LESSEE.

14.2 **Building Identification.** To ensure the smooth passage of the tenants into the building by the security guards, the LESSEE's employees shall visibly wear the current office ID at all times within the premises. Visitors and/or clients of the LESSEE shall be allowed access within the building only after they shall have secured a visitor's pass to be provided by the LESSOR.

**15. LAWSUITS AND LIABILITIES.** The LESSEE shall hold free the LESSOR against all actions, lawsuits, damages and claims by whosoever that may be brought or made by reason of the non-observance and/or non-performance of the covenants of this contract, without prejudice to the right of LESSOR to cancel this lease in accordance with the provisions herein contained.

15.1 The LESSEE likewise assumes full responsibility for any damages which maybe caused without the fault or negligence of the LESSOR, to the person or property of third persons while remaining either casually or on business in any part of the premises leased to the LESSEE and further binds itself to hold the LESSOR free and harmless from such claims for injury or damages.

15.2 The LESSOR shall not be liable or responsible for the following:

- Any article delivered or left by any of the LESSEE's employees in the premises; or
- Any injury, loss or damages which the LESSEE, his agents, employees, guests or visitors might sustain in the leased premises due to any cause beyond the control of the LESSOR; or
- Fire or fortuitous events, theft, robbery, or other crimes and misdemeanor without the fault or negligence of the LESSOR; or
- Failure of water supply and/or electric current beyond the LESSOR's control; or
- Any damages done, occasioned by or arising from water and/or pipes, the bursting, leaking destruction, upon or about said leased premises nor for any damages arising from acts or without the negligence of LESSOR or agents, employees, representatives, or any and all other persons.

**16. DAMAGES TO LEASED PREMISES.** In case of damage to the leased premises or its appurtenances by fire, earthquake, war or any other unforeseen cause, the LESSEE shall give immediate notice thereof to the LESSOR.

16.1 Any ordinary repair and/or damage, including repairs due to ordinary wear and tear and those due to the fault and/or negligent use of the leased premises by the

**LESSEE**, shall be for the account of the **LESSEE**. Extraordinary repairs shall be for the account of the **LESSOR**.

16.2 Above provision notwithstanding, any and all repairs noted under structural (windows, flooring, and the like) and/or centralized services (provision of electrical power, central air-conditioning, elevator and the like) shall be for the account of the **LESSOR**, provided said repairs are not caused by the fault and/or negligence of the **LESSEE** or its agent, clerks, servants, or visitors. If so found, then such repairs shall be for the account of the **LESSEE**.

16.3 If the leased premises shall be damaged by fire or other cause without fault or negligence of the **LESSEE** or its agent, clerks, servants or visitors, the damage shall be repaired at the expense of the **LESSOR** as speedily as possible after such notice, but if the building or leased premises be so destroyed as to make it un-tenantable without the fault or negligence of the **LESSEE**, either party may demand the rescission of the contract.

16.4 A reduction of the monthly rental or whenever proper, a suspension of payment shall ensue as a result of the disturbance arising from the repairs being done in or about the premises which in one way or the other considerably affect the business of the **LESSEE** where such repairs are being undertaken by reason of the foregoing causes. No compensation or claim shall be allowed against the **LESSOR** by reason of inconvenience, annoyance or injury to the **LESSEE**'s business arising out of the necessity of repairing any portion of the building or immediate area however it may arise.

 17. **SUBLEASE, TRANSFER OF RIGHT.** The **LESSEE** shall not assign or transfer its rights under this contract nor sub-lease or sublet all or any part of the leased premises in any way except to the RTWPB-NCR which is part of the NWPC official organizational structure without the prior written consent of the **LESSOR**. If at any time the **LESSOR** shall consent in writing to the sub-lease in whole or in part of the leased premises, the **LESSEE** shall be responsible for all acts of such sub-lease, and the **LESSEE** shall not be released from any obligation herein contained, and all property of any sub-lease whether subject to legal exemption or not shall be bound and subject to the lien given as contained elsewhere in this agreement for all payments to be made under the lease. And no right, title or interest thereto or therein shall be conferred on or vested in anyone other than the **LESSEE**. In this regard, the **LESSEE** shall submit to the **LESSOR** at the inception of the lease and from time to time as may be requested by the **LESSOR** the names of the employees and officials of the **LESSEE**, who will be holding office in the leased premises and who may not conduct their own personal business in the premises.

 18. **TERMINATION OF LEASE.** **LESSEE** agrees to return and surrender the leased PREMISES at the expiration of the term of this lease in as good condition as reasonable wear and tear will permit and without any delay whatsoever, devoid of any occupants, furniture's articles and effects or any kind other than such alteration, additions or improvements which shall remain in the building and become the **LESSOR**'s property in accordance with the other provision of this contract.

 19. **EXCLUDED PORTION.** This lease shall not extend to the outside portion on the putting or affixing of business notices, signs, or other advertising medium.

## 20. OTHER OBLIGATIONS OF THE LESSOR

20.1 To keep the common areas, toilets and other common parts of the Building clean and in proper condition.

20.2 To use its best endeavors to maintain any lift escalators, fire and security equipment, air-conditioning plant and other facilities of the Building in proper working order. Should there be a need for cleaning or repair of the centralized air conditioning equipment, this shall be for the account of the **LESSOR** except that the



IN WITNESS WHEREOF, the parties hereto affixed their signature this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

**DY International Building  
Materials Corporation  
(LESSOR)**

**National Wages and Productivity  
Commission  
(LESSEE)**

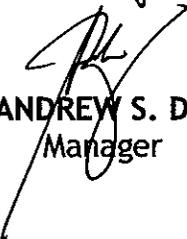
By:

  
**ANTONIO S. DY**  
President

By:

  
**MARIA CRISELDA R. SY**  
Executive Director IV *MS*

Signed in the presence of:

  
**ANDREW S. DY**  
Manager

  
**ELVIRA P. JOTA**  
OIC, Deputy Executive Director

Certified Funds Available By:

  
**APRIL JAMATCHAN JOIE C. ESTOQUE**

ROA #: 021011012024-01-000006

Date: January 10, 2024

Amount: 12,013,913.04

**ACKNOWLEDGEMENT**

Republic of the Philippines )  
City of Manila )

**BEFORE ME**, this \_\_\_\_\_ day of \_\_\_\_\_ in the City of  
Manila personally appeared:

|    | <u>Names</u>         | <u>Evidence of Identity</u> | <u>Date/Place Issued</u> |
|----|----------------------|-----------------------------|--------------------------|
| 1. | MARIA CRISELDA R. SY | Passport No. s0011997A      | Sept 8, 2017 / Manila    |
| 2. | ANTONIO S. DY        | Passport No. P5095724A      | Nov 20, 2017 / Manila    |

known to me the same persons who executed the foregoing instrument, and they acknowledged to me that the same is their free act and deed.

This Contract of Lease, consisting of eight (8) pages including the page on which this acknowledgement is written, has been signed by the parties and their witnesses on each and every page thereof.

**IN WITNESS WHEREOF**, I have hereunto set my hand and affix my notary seal on the date and place first above written.

DOC. NO. \_\_\_\_\_  
PAGENO. \_\_\_\_\_  
BOOKNO. \_\_\_\_\_  
Series of \_\_\_\_\_.