



Republic of the Philippines  
**Office of the Solicitor General**

**TERMS OF REFERENCE**

PROVISION FOR LEGAL OFFICE SPACE RENTAL OF 800.00 SQ.M. PREFERABLY CONTIGUOUS SPACE FOR FOUR (4) LEGAL DIVISIONS

The **OFFICE OF THE SOLICITOR GENERAL (OSG)** intends to extend the office to house the four (4) additional legal division with an area of eight hundred square meter (800 sq. meter) which is located nearby the OSG Building with address at 134 Amorsolo St. Legaspi Village, Makati City.

1. The Approved Budget for the Contract (ABC) of the aforesaid lease is Four Million Seven Hundred Thousand Pesos (Php4,700,000.00) which comprises the following:

1. Space Rental for one year  
inclusive of all applicable taxes)
2. Security Deposit  
(equivalent to 3 months rental)
3. Common Use Service Area (CUSA)

**Total Approved Budget for the Contract Php 4,700,000.00**

2. The LESSOR shall have an area of approximately eight hundred (800) square meters and should be nearby OSG Building.

3. The lease period shall be for five (5) years, which shall be renewable at the option of the LESSEE.

3.1 Should the LESSEE exercise at least this option to renew the Contract, it must give written notice to the LESSOR one (1) month prior to the expiration of the Lease Period; otherwise, the LESSEE shall be deemed to have waived its option to renew the Contract and the LESSOR shall be free to lease the Leased Premises to another. In such event, the LESSOR shall have the right to exhibit the Leased Premises to prospective lessees during the last one (1) month of the Lease Period, provided that prior written notice shall be made at least three (3) business days to the LESSEE before the intended date of the visit and that the same be conducted within reasonable business hours of a working day.

3.2 The LESSEE may exercise the right of pre-termination by giving the LESSOR at least thirty (30) days advance written notice provided, however, that if pre-termination happens within one (1) year from the start of the Lease Period, the Security Deposit made by the LESSEE shall be forfeited. However, if pre-termination is made after the two (2) years from the start of the Lease Period, there will be no pre-termination penalty and the Security Deposit will be returned without interest within two (2) months from the actual turn-over of the Leased Premises or after all obligations of the LESSEE shall have been paid in full, whichever comes later.

4. The LESSEE shall pay the rent on or before the 15<sup>th</sup> day of every month at the address of the LESSOR, or with prior arrangement with the LESSOR, by crediting or depositing to the LESSOR's bank account, without necessity of demand.

4.1 The LESSEE shall pay an advance rental of Eight Hundred Forty Thousand Pesos (Php840,000.00) which advance rental shall be applied to the payment of the first three (3) months of the Lease Period, upon signing of Contract of Lease.

4.2 The LESSEE shall pay the basic monthly fee of Two Hundred Eighty Thousand

Pesos (Php 280,000.00), inclusive of all applicable taxes.

4.3 The LESSEE shall pay the LESSOR a monthly fee of Forty Thousand Pesos (Php40,000.00) or P50.00/sq. meter, as payment for the maintenance and operating cost of the common areas and the common facilities, utilities or service inclusive of all applicable taxes.

4.4. The LESSOR hereby grants the LESSEE a rent-free renovation period (the "Rent-Free Period") of five (5) months to enable the LESSEE to make all necessary, proper and useful improvements on the Leased Premises. The LESSEE shall submit to the LESSOR all renovation plans for prior approval of the LESSOR, which approval shall not be unreasonably withheld. The commencement date of renovation shall reckon after the date of turnover of the Leased Premises to the Lessee, which date shall be acceptable to both parties. The liability of the LESSEE as provided in Section 16 of this Terms of Reference shall begin to attach as soon as the Rent-Free Period therein provided has commenced.

4.5 The LESSEE shall secure the appropriate building renovation permits for its account and shall be liable for any penalties that may be assessed by the city/concerned government agency for his failure to do so.

5. The LESSEE shall, upon signing of Contract, make a non-interest bearing deposit with the LESSOR equivalent to three (3) months rental in the amount of Eight Hundred Forty Thousand Pesos (Php840,000.00), to be applied and retained as Security Deposit during the Lease Period, to answer for unpaid bills such as water, electricity, telecommunication and other utilities and for damages on the Leased Premises, ordinary wear and tear excepted, and for the faithful compliance by the LESSEE of the terms and conditions of this Terms of Reference (TOR). The Security Deposit shall, unless forfeited under Section 5.1, be refundable to the LESSEE, without any interest thereon, within sixty (60) days from the expiration of the Lease Period or the termination of the Contract, and only after the LESSEE shall have vacated the Leased Premises, deducting therefrom (i) the amount of any damage to the Leased Premises due to the fault of the LESSEE and (ii) all other amount that may be payable by the LESSEE under the Terms of Reference (TOR).

5.1. The Security Deposit shall be forfeited in favor of the LESSOR: if the LESSEE deserts or abandons the Leased Premises for thirty (30) successive days during the Lease Period, without any valid reason, under the conditions stipulated in Paragraph 13.

6. The LESSEE shall, with the assistance of the LESSOR, contract for and obtain in its name all utilities and services required by the LESSEE on the Leased Premises the LESSOR. The LESSEE shall pay for all charges for these services and utilities as they become due.

7. The LESSEE shall use the Leased Premises exclusively for its business and operations and shall not use the same for any illegal or unlawful activity.

8. The LESSEE agrees and undertakes to keep and maintain the Leased Premises in a clean and sanitary condition as required by applicable rules and regulations as may be promulgated by the duly constituted authorities.

8.1 All repairs in the Leased Premises necessary to preserve and maintain the Leased Premises in such good and tenantable condition during the Leased Period, shall be for the sole account of the LESSEE unless the need for such repair arise due to any fault or negligence on the part of the LESSOR or its agents and employees. All repairs outside the Leased Premises, including structural repairs, shall be for the account of the LESSOR.

8.2 The LESSOR or its authorized agent/s or employee/s may enter the Leased Premises to examine the same, and, with at least three (3) business days prior written notice to the LESSEE, to make the necessary works and repairs for the preservation, maintenance and

improvement of the Building, as long as it will be done at such time and in a manner least prejudicial to the interest of the business of the LESSEE.

8.3 The LESSEE shall not bring into the Leased Premises any inflammable or explosive goods or materials, or any article which the LESSOR may reasonably prohibit, or any article which may expose the Leased Premises to fire or thereby increase the fire hazard of the Building or increase the rates of insurance of the Building. The LESSEE shall be held liable for damages which the LESSOR may suffer as a result of a violation of this section.

9. The LESSEE may, at its own expense, make alterations, additions and improvements on the Leased Premises, as it may find necessary or beneficial in the conduct of its business, subject to prior written consent of the LESSOR which shall not unreasonably be withheld. Any and all permanent and fixed improvements made by the LESSEE in the Leased Premises shall become the property of the LESSOR at the end of the Lease Period, without any compensation whatsoever to the LESSEE. The LESSEE shall be allowed to put up and maintain, without additional compensation to the LESSOR, its own business and advertising signage/s in or outside the Leased Premises of such design as the LESSEE may determine.

9.1 All improvements and installations which are not attached or fixed to the Leased Premises, such as but not limited to movable fixtures, furniture, aircon units and signage shall remain the property of the LESSEE and may be removed by the LESSEE upon expiration and/or termination of the Contract, provided that the LESSEE is not in default in the performance of its obligations under the Contract and that the LESSEE shall repair any damage incurred as a result of the removal and shall return the Leased Premises to the LESSOR in the tenantable condition, ordinary wear and tear excepted.

9.2 The LESSEE shall secure on its own account all permits and licenses as may be required by the national and/or local authorities in connection with its business and the use of and the making or additions, alteration and improvements in the Leased Premises. The LESSEE shall comply with any and all supplementary rules that may hereafter be promulgated by the duly constituted authorities of the national and/or local government regarding the use, occupancy, security and sanitation of the Leased Premises.

10. The LESSEE may sublease, assign or transfer its rights under the Contract to any of its affiliates provided that prior written consent is given by the LESSOR at least fifteen (15) days prior to the commencement of the sublease. For purposes of this Section 10, the term "affiliates", shall mean with respect the LESSEE, any person which either directly or indirectly controls, or which is controlled by or is under common control with the LESSEE.

11. The Leased Premises and the Building shall always be adequately insured against fire by the LESSOR at its own expense, with a reputable insurance company. In case of occurrence of fire and the subsequent damage to the Building, including the Leased Premises, the LESSOR shall use the insurance proceeds to immediately repair/construct the Building and/or Leased Premises to restore the same at its condition prior to the fire.

However, if the LESSEE, its agents, employees, or visitors are determined by competent court, after final judgment, to be the direct cause of such fire, the LESSEE shall reimburse to the LESSOR the fair market value of the leased premises at the time of the occurrence of fire, except if already indemnified by the insurance.

11.1. The LESSEE, at its sole expense, shall adequately insure its improvements in the Leased Premises and the content therein with a reputable insurance company during the term of the Lease Contract.

12. In the event that the Leased Premises are totally destroyed or rendered wholly untenable for the purpose intended, due to force majeure or fortuitous event, whether insured against or not, the Contract shall be deemed ipso facto extinguished, the obligation of the

LESSEE to pay the rentals shall immediately cease, and the advance rentals and Security Deposit paid by the LESSEE shall be immediately returned to it by the LESSOR.

12.1 If the destruction or untenantability of the Leased Premises is partial and/or temporary, the LESSEE shall have the right to choose between a proportionate reduction of the rental, to be negotiated by the Parties, or the termination of the Contract. Should the LESSEE elect to terminate the Contract, the lessor shall return to the LESSEE all advance rentals and Security Deposit paid to and received by it upon demand by the LESSEE.

12.2 If the destruction of untenantability, whether total or partial, is determined by a competent court after final judgment to be caused by the gross negligence of the LESSEE, its employees, agents, or customers, the LESSOR shall be indemnified by the LESSEE, the total cost of rebuilding such structures without prejudice to the continued payment of rentals due until such time that the Leased Premises is restored to its original state.

13. The LESSEE shall be considered in default upon its failure to: (a) pay at least two (2) consecutive Monthly Rents, on their due dates; (b) comply with any of its other obligations under the Lease Agreement; or (c) breaches or violates any provision of this Term of Reference; or (d) if the LESSEE abandoned the Lease Premises.

In the event of LESSEE's default, as stated above, the LESSOR shall have the option to consider this Terms of Reference terminated and without further force and effect, to be exercised by written notice to the LESSEE. Upon such termination, the LESSEE shall immediately vacates and deliver possession of the Leased Premises to the LESSOR. The LESSOR shall apply the Security Deposit provided herein in full or partial settlement first, of any unpaid utilities, second, any damage caused to the Leased Premises other than ordinary wear and tear, and last, any arrears on rentals or other amount that may be due from the LESSEE to the LESSOR pursuant to this Terms of Reference, or under the contract.

The LESSEE, upon the LESSOR's default, shall also have the option, to be exercised by written notice to the LESSOR, to consider the Terms of Reference terminated and the LESSOR shall allow the LESSEE to peaceably vacate the Leased Premises. The LESSOR shall return the LESSEE's security deposits, upon settlement of the LESSEE's unpaid utility and charges.

15. The LESSOR represents and warrants that:

15.1 It has full power, right and authority to lease and to deliver unto the LESSEE the Leased Premises and to execute the Contract and, when executed, the Contract shall be legal, valid and binding obligation, enforceable in accordance with its terms and conditions;

15.2 The Leased Premises are under good and tenantable condition, fit for the use and purpose under which the Contract is entered into; that the Building and the Leased Premises do not suffer from any structural defects and deficiencies as to render them unfit for their intended purpose; that they shall be preserved, maintained and kept in good and tenantable condition during the entire Lease Period;

15.3 The Property and the Leased Premises are free and clear of any liens and/or encumbrances of whatever nature and are not subject of and/or involved in any suit before any court or administrative body;

15.4 The Property and the Leased Premises are devoid and free of all squatters and illegal occupants; that the LESSOR shall maintain the Property and the Leased Premises to be so free and clear of such squatters and illegal occupants during the entire Lease Period;

15.5 The Building and the Leased Premises conform to the principles of safe construction; are suited to the purposes for which the Leased Premises are designed and for which they are leased; and comply with prevailing laws and regulations, including the National

Building Code of the Philippines.

16. The LESSOR shall not be liable for any defect or change in condition in the Leased Premises or the Building or Property for any flaw in the electrical connections or for damage due to water or rain leaking into any part of the Leased Premises, unless such defect, change of conditions, flaw or damage may have arisen from the willful act, fault or negligence of the LESSOR or their agents or any such defect, change of conditions or damage is attributable to Property or the Building. In the event that the Leased Premises shall become untenable or unsuitable for normal conduct of business of the LESSEE due to such defect, flaw or damage, the LESSEE shall have the right to terminate the Contract and the LESSOR shall return all amounts owing to the LESSEE, including the security deposit and advance rental, subject to Section 5.1 of the Terms of Reference (TOR). If such damage shall have occurred by reason of negligence or willful act of the LESSEE or any of its officers, employees, agents or visitors, clients or customers, the LESSEE shall repair such damage or in default thereof, LESSOR shall cause the repair of such damage for account of and at the expense of the LESSEE subject to prior written notice to the LESSEE, and provided further that a reasonable period to remedy the defect, flaw or damage shall be provided to the LESSEE.

16.1 The LESSOR shall not be responsible or liable in case of any accident or injury to the LESSEE, its officials, employees, visitors or any persons or person enter into the Leased Premises unless such accident or injury shall be attributable to the fault or negligence of the LESSOR, its employee/s or agent/s or any such accident or injury is attributable to the Property or even the Building. The LESSEE shall indemnify and save harmless the LESSOR from all fines, suits, proceedings, claims, demands and actions of any kind or nature brought or imposed against the LESSOR in connection with the occupation or use of the said Leased Premises or any part thereof by reason of any breach, violation, or non-performance of any covenant or condition imposed upon the LESSEE pursuant thereto.

16.2 The LESSOR shall not be liable for any damage nor shall this Terms of Reference be affected nor shall there be any abatement in the payment of rental by reason of any failure of water supply, electrical current or other services equipment unless such failure shall arise from the fault or negligence of the LESSOR, its agent or employees; provided however, that the LESSEE shall have the option to rescind this Terms of Reference (TOR) in the event that such failure shall make the Leased Premises unsuitable or un-tenantable for the normal conduct of business of the LESSEE.

16.3 Subject to the same provision, the LESSOR shall not be liable for any damage, nor shall this TOR be affected nor shall there be any abatement in the payment of rental by reason of any curtailment of or interference with utility facilities by anyone other than the government agency in the construction of any public or quasi-public work.

16.4 The LESSEE shall indemnify and hold the LESSOR free and harmless from, any claim or demand by third persons for injury, loss or damage, including claims for property damage resulting from any accident on the Leased Premises or occasioned by any nuisance made or suffered on the Leased Premises, or by fire hereon or growing out of or caused by failure on the part of the LESSEE to maintain the Leased Premises in safe, sanitary and secure condition or by reason of the LESSEE's violation, non-observance or non-performance of the rules, regulations, ordinance or laws issued by a government instrumentality and other conditions of this Terms of Reference concerning or affecting the Leased Premises.

17. If the Leased Premises or any part thereof is expropriated or condemned for public use or purpose by the government or any of its instrumentalities or by any public service company, the LESSEE shall have the right to terminate the Contract, without any liability, upon written notice to the LESSOR. The LESSEE shall pay rent up to the time it vacates and surrenders possession of the Leased Premises. Any excess rental paid by the LESSEE in advance and the Security Deposit shall be returned by the LESSOR to the LESSEE immediately upon demand. If the expropriation is partial, the LESSEE may elect to continue possession of part of the Leased

Premises which is not so expropriated and LESSEE may elect to continue possession of part of the Leased Premises which is not so expropriated and LESSEE shall be entitled to a proportionate reduction of rent, to be mutually agreed upon by Parties.

18. The LESSEE shall have an exclusive right to use at least four (4) parking slots of the Leased Premises, free of charge.

19. Upon the expiration of the Lease Period or upon the termination of the Contract as herein provided, the LESSEE shall immediately and peacefully return to the LESSOR the possession of the Leased Premises in good, clean and tenantable condition as when the LESSEE received it from the LESSOR, except reasonable and ordinary wear and tear. If the Leased Premises are not surrendered at the expiration of the Lease Period or upon the termination of the Contract, the LESSEE shall be responsible to the LESSOR for actual damages which the LESSOR may suffer by reason thereof.

20. The parties shall be excused for the period of any delay and shall not be deemed in default with respect to the performance of any of the terms, covenants, and conditions of the Lease Agreement when prevented from so doing by causes beyond their control, which shall include, but not be limited to governmental regulations or controls, fire or other casualty, absolute inability to obtain any material or services, or acts of God.

21. No alleged waiver of rights by any party shall be binding on the other unless expressed in writing and duly signed by the party's duly authorized representative. No amendment of the provisions of the Lease Agreement shall be effective, unless expressed in writing and duly signed by the party's duly authorized representatives.

22. Expenses for the preparation, notarization and registration of the Lease Agreement shall be equally shared by the parties. However, the documentary stamp tax due on the Lease-Agreement shall be for the account of the LESSEE.

23. For purposes of the Lease Agreement, all instruction, notices, requests and other communications required or permitted to be given hereunder shall be in writing and shall be deemed to have been fully given on the date of actual receipt if delivered personally, sent by registered mail, confirmed fax or through reputable courier service to the authorized representatives of the LESSOR and the LESSEE, as follows:

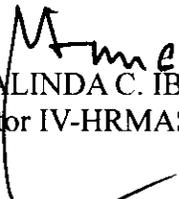
LESSEE: OFFICE OF THE SOLICITOR GENERAL

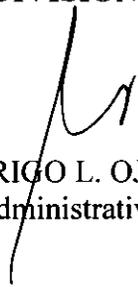
134 Amorsolo Street  
Legaspi Village  
Makati City  
Tel. Nos.: 988-1690 to 91  
Fax No. 813-1174; 813-095  
Attention: HON. JOSE C. CALIDA  
Solicitor General

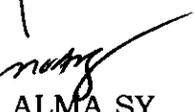
The LESSOR and the LESSEE may change their authorized representatives and their mailing addresses and other details by written notice to the other party.

Prepared by:

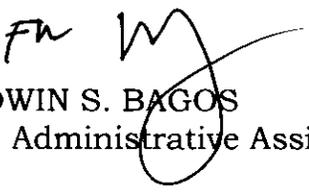
**THE ADMINISTRATIVE DIVISION**

  
ROSALINDA C. IBARRA  
Director IV-HRMAS

  
RODRIGO L. OJENAL  
Supervising Administrative Officer

  
MA. ALMA SY  
Administrative Officer V

  
ANGELITO F. FRIAS  
Security Officer I

  
EDWIN S. BAGOS  
Sr. Administrative Assistant III

P