



Office of the Sangguniang Panlungsod

DISTRICT I

HON. CATHERINE SARINO-EVARISTO
City Councilor

HON. MICHAEL E. SOLIS
City Councilor

HON. ADRIELITO G. GAWARAN
City Councilor

HON. VICTORIO L. GUERRERO, JR.
City Councilor

HON. ALEJANDRO F. GUTIERREZ
City Councilor

HON. LEVY M. TELA
City Councilor

DISTRICT II

HON. ROBERTO L. ADVINCULA
City Councilor

HON. REYNALDO D. PALABRICA
City Councilor

HON. REYNALDO M. FABIAN
City Councilor

HON. ROGELIO M. NOLASCO
City Councilor

HON. ALDE JOSELITO F. PAGULAYAN
City Councilor

HON. SIMPLICIO G. DOMINGUEZ
City Councilor

ON-LEAVE
HON. RAMON N. BAUTISTA
Liga ng mga Barangay President

HON. MAC RAVEN ESPIRITU
SK Federation President

Attested by:
ATTY. KHALID A. AJEGA, JR.
Sangguniang Panlungsod Secretary

Certified by:
HON. ROWENA BAUTISTA-MENDIOLA
City Vice Mayor

Noted by:
HON. STRIKE B. REVILLA
City Mayor

CITY RESOLUTION NO. 2023-384-A
Series of 2023

A RESOLUTION AUTHORIZING THE CITY MAYOR, HON. STRIKE B. REVILLA, TO SIGN THE LEASE AGREEMENT WITH THE CAVITE MERCHANTS PROPERTY MANAGEMENT AND DEVELOPMENT CORPORATION ON BEHALF OF THE CITY GOVERNMENT OF BACOR REGARDING THE MANAGEMENT, OPERATION AND MAINTENANCE OF BACOR PUBLIC MARKET AND ITS FACILITIES.

Sponsored by:

Hon. Rogelio M. Nolasco

Co-sponsored by:

Hon. Roberto L. Advincula, Hon. Simplicio G. Dominguez, Hon. Mac Raven Espiritu, Hon. Catherine Sarino-Evaristo, Hon. Reynaldo M. Fabian, Hon. Adrielito G. Gawaran, Hon. Alejandro F. Gutierrez, Hon. Reynaldo D. Palabrica, Hon. Michael E. Solis and Hon. Levy M. Tela.

WHEREAS, the Office of the City Mayor requested the Sangguniang Panlungsod to pass a resolution authorizing the Hon. Strike B. Revilla to sign the Lease Agreement with Cavite Merchants Property Management and Development Corporation regarding the management, operation and maintenance of Bacoor Public Market and its facilities.

WHEREAS, the city government is incurring substantial expenses and maintaining cost in managing, operating and maintaining the public market.

WHEREAS, the private sector is more capable of operating public market profitably so that it can generate more income to service the loans and sustain its operation.

WHEREAS, a copy of the draft Lease Agreement was sent to the Sangguniang Panlungsod by the Office of the City Mayor for its review and consideration. The proposed Lease Agreement is incorporated hereto and will be made an integral part of this Resolution.

WHEREAS, the Sangguniang Panlungsod deliberated on the said request and found it beneficial to the city government and its constituents.



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Attested by:

ATTY. KHALID A. ATEGA, JR.
Sangguniang Panlungsod Secretary

Certified by:

HON. ROWENA BAUTISTA-MENDIOLA
City Vice Mayor

Noted by:

HON. STRIKE B. REVILLA
City Mayor

NOW THEREFORE, upon the motion of Hon. Rogelio M. Nolasco, unanimously seconded by the Body, **BE IT RESOLVED AS IT IS HEREBY RESOLVED** by the 5th Sangguniang Panlungsod in regular session assembled to authorize the City Mayor, Hon. Strike B. Revilla, to sign the proposed Lease Agreement with the Cavite Merchants Property Management and Development Corp. on behalf of the City Government of Bacoor regarding the management, operation and maintenance of Bacoor Public Market and its facilities.

RESOLVED LASTLY, to furnish the Office of the City Mayor, Cavite Merchants Property Management and Development Corp., the University of the Philippines-Office of the National Administrative Register (UP-ONAR) and other government agencies concerned with copies of this resolution.

APPROVED this 20th day of November 2023 at the City of Bacoor, Cavite by the 5th Sangguniang Panlungsod of the City of Bacoor, Cavite.

I hereby certify that the foregoing resolution was passed by the Sangguniang Panlungsod of Bacoor, Cavite on the 20th day of November 2023.

Certified by:

HON. ROWENA BAUTISTA-MENDIOLA
Vice Mayor/Presiding Officer

Attested by:

ATTY. KHALID A. ATEGA, JR.
Sangguniang Panlungsod Secretary

Noted by:

HON. STRIKE B. REVILLA
City Mayor

LEASE AGREEMENT

with
Management, Operation and Maintenance Provisions

KNOW ALL MEN BY THESE PRESENTS:

This Lease Agreement with Management, Operation, and Maintenance Provisions Lease Agreement made and entered into this ____ day of ____, 20__ (the "Effective Date" in the City of Bacoor, Province of Cavite, Philippines, by and between:

The **CITY GOVERNMENT OF BACOOR**, a local government unit duly organized and existing under the laws of the Republic of the Philippines, with office address at Bacoor Government Center, Bacoor Boulevard, Barangay Bayanan, Bacoor City, Province of Cavite, represented herein by its City Mayor, **Hon. STRIKE B. REVILLA**, pursuant to his authority conferred and embodied in City Resolution No. _____, Series of _____, approved by the City Council of Bacoor dated _____, and hereinafter referred to as the "**LESSOR**".

-and-

CAVITE MERCHANTS PROPERTY MANAGEMENT AND DEVELOPMENT CORP., a corporation duly established and existing under by virtue of the laws of the Republic of the Philippines, with principal office at Bacoor Public Market, Zapote IV, Bacoor City, Cavite, and represented herein by its General Manager, **MS. VIOLA PILIPINA S. TAN**, pursuant to the authority conferred upon her as evidenced by the Board Resolution dated 26 June 2023 hereinafter referred to as the "**LESSEE**";

The term "Party" shall mean either the LESSOR or LESSEE, while the term "Parties" shall mean the LESSOR and the LESSEE, collectively.

WITNESSETH THAT:

WHEREAS, the LESSOR is the owner and operator of the Bacoor Public Market ("Public Market") located in Barangay Zapote IV, Zapote Road, Bacoor City, Cavite, situated in parcels of land owned by the LESSOR covered by Transfer Certificate of Title Nos. T-26119 and T-308513 with a total lot area of 6,394 square meters;

WHEREAS, the LESSOR is incurring substantial expenses and costs in managing, operating, and maintaining the Public Market, including paying off the loan earlier obtained by the LESSOR from the GSIS Family Savings Bank to finance the construction thereof. Further, it is acknowledged the private sector is more capable of operating the public market profitably so that it can generate sufficient revenues to service the loan and sustain its operations;

WHEREAS, Section 3, Subsection (f) of Republic Act No. 7610, otherwise known as the Local Government Code of 1991, provides that the participation of the private sector in local governance, particularly in the delivery of basic services, shall be

encouraged to ensure the viability of local autonomy as an alternative for sustainable development;

WHEREAS, Cavite Merchants Property Management and Development Corporation (CMPMDC) submitted an unsolicited proposal to the City Government on 15 August 2023 for the management of the Bacoor Public Market;

WHEREAS, the LESSOR's Public and Private Partnership – Selection Committee was tasked to conduct a review of the unsolicited proposal of CMPMDC pursuant to the relevant provisions of City Ordinance No. 7-2017 as amended by City Ordinance No. 249-2022 (the "City of Bacoor PPP Code") including the various terms and conditions for the lease, including the management, operation, maintenance, of the Public Market and its facilities under a long-term lease contract ("Project").

WHEREAS, after conducting a thorough review of the unsolicited proposal of CMPMDC, the said proposal was recommended for approval by the PPP-SC on 13 October 2023 through PPP-SC Resolution No. _____.

WHEREAS, the Public-Private Partnership Regulatory Authority (PPP-RA) approved the proposal of CMPMDC based on the recommendation of the PPP-SC on 19 October 2023 through PPP-RA Resolution No. _____.

WHEREAS, on 20 October 2023, the PPP-RA through the Office of the City Administrator, requested the Sangguniang Panlungsod to review the proposed Lease Agreement between CMPMDC (the "LESSEE") and the City Government (the "LESSOR").

WHEREAS, on 20 November 2023, the Sangguniang Panlungsod unanimously passed City Resolution No. _____ authorizing the City mayor to sign the instant Lease Agreement for and on behalf of the City Government.

NOW THEREFORE, for and in consideration of the foregoing premises, and by virtue of the obligations and undertakings herein stated, the Parties hereto agree as follows:

ARTICLE 1 LEASE AND LEASED PREMISES

SECTION 1.1 Through this Lease Agreement, the management, operation, and maintenance of the Public Market shall be turned over to the LESSEE upon the occurrence of all the events herein below enumerated. The Parties hereby agree that the non-occurrence of any or all of the said events shall render this Lease Agreement void and ineffective.

- a. The signing of this Lease Agreement by the parties;
- b. Issuance of a Resolution by the Sangguniang Panlungsod authorizing City Mayor, Hon. Strike B. Revilla, to execute this Lease Agreement for and on behalf of the Municipality of Bacoor, Cavite, and

All checks issued by the LESSEE in favor of the LESSOR pursuant to Section 3.3 hereof must be cleared, and the amounts corresponding thereto must actually enter the coffers of the LESSOR within five (5) banking days from the date when such checks become

due and demandable. Otherwise, such checks shall not be considered paid and delivered, and this Lease Agreement shall be considered terminated upon receipt by the LESSEE of a written notice from the LESSOR.

SECTION 1.2 Upon the occurrence of the events mentioned in the immediately preceding paragraph, the LESSOR shall issue a certificate of Turn-Over to the LESSEE, which shall indicate the exact date when the management, operation, and maintenance of the Public Market has been formally turned over to the LESSEE (the "Turn-Over Date")

SECTION 1.3 Beginning on the Turn-Over-Date, the cost of managing, operating, and maintaining the Public Market shall be at the sole expense of the LESSEE.

SECTION 1.4 The Public Market shall consist of the following to wit:

- a. Parcels of land covered by the Transfer Certificate of Title Nos. T-26119 and T-308513 issued by the Register of Deeds for the Province of Cavite in the name of the LESSOR, with a total area of 6,394 square meters, more or less;
- b. The building and stalls erected on the parcels of land covered by the Transfer Certificate of Title Nos. T-26119 and T-308513; and
- c. All other existing facilities and improvements in the Public Market, including the cold storage plant, etc.

SECTION 1.5 There are thirteen (13) main sections in the Public Market, namely:

Section	No. of Occupied Stalls
Meat	113
Fish	114
Grocery/Dry Goods	142
Fruits/Vegetables	168
BPM Ext. (Ocampo lot)	<u>72</u>
Rice	48
Coconut/Carinderia	50
Prime Building	16
Flower Shops	29
Frozen Foods	25
Greenhills	28
BPM	30
GSIS Foodcourt	14
TOTAL	849

The LESSEE confirms that there are 849 occupied and 151 unoccupied stalls at the time of execution of this Agreement.

ARTICLE 2 LEASE TERM

SECTION 2.1. The term of this Lease Agreement shall be for a period of TWENTY-FIVE (25) years commencing on the Turn Over Date ("the Lease Term") and shall not be deemed renewed or extended except by written agreement of the parties subject to the approval of the Sangguniang Panlungsod unless sooner terminated in accordance with the provisions below. The parties agree to commence negotiations on the possible extension or renewal of this Lease Agreement on the 20th year of the Lease Term. Provided that if the parties fail to agree to renew or extend this Agreement despite such said negotiations, which shall be terminated before the expiration of this Lease Agreement, the LESSEE commits to voluntarily and peacefully vacate the Public Market upon the expiration of the Lease Term.

SECTION 2.2 Should the LESSEE hold over and remain in possession of the Public Market after the expiration of the Lease Term without the LESSOR's express written consent, it shall not be deemed or considered a renewal or extension of the Lease, and the LESSEE shall be obliged to **pay the monthly lease rentals plus liquidated damages in the amount of 25% per day of delay** in the turn-over of possession of the Public Market to the LESSOR. This is without prejudice to the right of the LESSOR to recover physical possession of the Public Market and recover whatever damages it may suffer because of such unlawful detainer.

SECTION 2.3 The Parties entered into a Compromise Agreement in 2017 whereby the LESSEE agreed to pay the LESSOR Php31,152,000.00 in installments. In compliance with the said Compromise Agreement, the LESSEE shall deliver a manager's check to the City Treasurer of the LESSOR for the sum of Php 7,500,000.00 on or before 30 September 2024. The balance of Php 23,652,000.00 shall be paid by the LESSOR in ten (10) equal annual installments in the amount of Php 2,365,200.00 by way of manager's check drawn in the name of the "City Government of Bacoor City" every 15th day of January beginning on 15 January 2025. If the 15th day of January falls on a weekend or a holiday, the said manager's check shall be delivered by the LESSEE to the City Treasurer of the LESSOR on the next business day.

SECTION 2.4 In case the LESSOR fails to fulfill its obligations in Section 2.3 above, the LESSOR, through its City Administrator shall demand in writing that the LESSEE Pay the unpaid amount/s in cash or through manager's check not later than thirty (30) calendar from the date of receipt of the said letter.

ARTICLE 3 RENTAL AND MANNER OF PAYMENT

SECTION 3.1 **Amount of Monthly Rental.** During the Lease Term, the LESSEE shall pay to the LESSOR a Monthly Rental in the amount of **TWO**

MILLION FIVE HUNDRED THOUSAND PESOS (PHP2,500,000.00), which amount shall be exclusive of all taxes and fees due to the local and national government.

SECTION 3.2 **Increase in Rent.** Every five (5) years from the Turn-Over Date, the Monthly Rental shall be automatically increased by **seven percent (7%)** until the end of the Lease Term. Thus, the Monthly Rental shall be exclusive of all taxes and fees due to the local and national government and shall be as follows:

YEAR	Monthly Rental
1-5	PHP 2,500,000.00
6-10	PHP 2,675,000.00
11-15	PHP 2,862,250.50
16-20	PHP 3,062,607.50
21-25	PHP 3,276,990.00

SECTION 3.3 **Time/Mode of Payments.** To ensure the LESSEE's timely payment of the Monthly Rentals, the LESSEE shall voluntarily issue in favor of the LESSOR during the first year ten (10) postdated checks bearing the amounts due to the LESSOR as indicated above and shall issue twelve (12) post-dated checks per succeeding year. The said checks shall be drawn in favor of the City Government of Bacoor and placed in the safekeeping of the City Treasurer. Each check should become due on the 30th day of every month following the Turn-Over Date. The Office of the City Treasurer shall then issue an official receipt in favor of the LESSEE within three (3) working days after a particular check has been encashed.

ARTICLE 4 ADVANCE RENTAL AND SECURITY DEPOSIT

SECTION 4.1 **Advance Rental.** The LESSEE shall pay the LESSOR an advance rental corresponding to two (2) months' worth of rental payments or **FIVE MILLION PESOS (Php 5,000,000.00)**, which will be paid by the LESSEE by way of a postdated check dated 30 April 2024 which will be delivered by the LESSEE to the City Treasurer of the LESSOR not later than 30 April 2024.

SECTION 4.2. **Security Deposit.** The LESSEE shall pay a security deposit amounting to **TWO MILLION FIVE HUNDRED THOUSAND PESOS (Php 2,500,000.00)** by way of a postdated check drawn in the name of the City Government of Bacoor City to be delivered to the City Treasurer of the LESSOR not later than 30 May 2024. The said security deposit shall be used by the LESSOR to pay for any unpaid public utility bills of the LESSEES. In case the said unpaid utility bills exceed Php2,500,000.00, the LESSOR shall have the right to demand additional payment from the LESSEE in order to settle the said bills in full.

SECTION 4.3. **Strict Compliance with Section 1.1 of the Lease Agreement.** The LESSEE hereby undertakes to strictly comply with Section 1.1 hereof and ensure that the checks it will issue in favor of the LESSOR under this Section shall be fully funded and shall not be dishonored for any reason on the date when each of the said checks become due and demandable. Should any of the said checks be dishonored for any reason, or should the LESSEE order that payment thereof be stopped with no justifiable reason, and the LESSEE fails to deliver to the LESSOR the corresponding amount appearing in the dishonored check/s within five (5) banking days period mentioned in Section 1.1 hereof, this Lease Agreement shall be terminated by the LESSOR and any and all improvements made by the LESSEE in the Public Market as well as amounts already paid by the LESSEE in favor of the LESSOR shall be forfeited in favor of the latter.

**SECTION 5
USED OF LEASED PREMISES**

SECTION 5.1 The LESSEE hereby expressly agrees and warrants that the Public Market shall be exclusively used and occupied for market operations to generate revenues and charges, including but not limited to leasing out of the following:

- a. Stalls, food, and sales outlets;
- b. Cold storage spaces;
- c. Open spaces to third parties for advertising properties;
- d. Parking slots and
- e. Other spaces for commercial purposes.

SECTION 5.2 The LESSEE is strictly prohibited from using the Public Market to violate law, public policy, and public morals.

SECTION 5.3 The LESSEE shall allow the LESSOR to erect public service billboards within the Public Market free of charge in areas to be designated by the LESSEE.

**ARTICLE 6
SPECIAL CONDITIONS**

SECTION 6.1 The LESSEE shall not cause the removal, replacement, and ejection nor in any manner prevent any tenant at the Public Market from conducting business therein unless such tenant has failed to pay at least two (2) consecutive months' rent or is in material breach of any of the terms or condition of such lease contracts.

After the expiration of the lease contracts with existing stall tenants, the LESSEE may enter into new lease contracts with the affected

stall tenants. The LESSEE shall give preference to the renewal of the lease of stall tenants who has no unpaid rentals under their original lease contracts. The lease terms between the LESSEE and the stall tenants shall be subject to negotiation between the parties at rates allowing the LESSEE to recover all costs incurred in managing, operating, and maintaining the public market and introducing improvements thereon. The terms and conditions of the renewed lease contracts with stall tenants shall comply with all existing City ordinances. Otherwise, the said renewed lease contracts shall be deemed void.

The names of current stall tenants and the current rate of rentals of each tenant are summarized and attached hereto as **Annex "A"**.

SECTION 6.2 Monthly rentals payable under the existing lease contracts adverted to in paragraph 6.1 above shall not be increased except with the approval of LESSOR's Sangguniang Panlungsod.

SECTION 6.3 The LESSEE shall operate the Public Market in a manner that complies with all existing and future national laws and city ordinances related to environmental protection, sanitation, public health, and fair business practices.

SECTION 6.4 The LESSEE shall not be held jointly nor severally liable for the payment of any loan obtained by the LESSOR in connection with the construction or improvement of the Public Market.

SECTION 6.5 LESSEE may increase stall rates provided that such increase shall comply with an Ordinance to be passed by the Sangguniang Panlungsod after the execution of this Lease Agreement empowering the City Mayor to authorize such increases if the said increase shall not exceed an increase of Php 50.00 rent per stall. However, if the proposed increase exceeds Php 50.00, the said increase must be approved by the Sangguniang Panlungsod by way of a City Ordinance before it can take effect.

ARTICLE 7 ASSIGNMENT AND SUBLEASE

SECTION 7.1 The LESSEE is authorized to sublease portions of the Public Market, including its stalls and spaces (not covered by existing lease contracts adverted to in paragraph 6.1 hereof) mentioned above to any sub-lessee at such terms and conditions as may be agreed upon by the LESSEE and sub-lessee concerned but the LESSEE may not assign, transfer, convey, or in any way encumber its rights and obligations under this Lease Agreement over the Public Market or any portion thereof under any circumstances whatsoever, unless with the express written conformity of the LESSOR. Provided that the terms and conditions of the lease contracts with stall tenants shall comply with all existing municipal ordinances.

SECTION 7.2

The failure of any sub-lessee to pay his/her obligations to the LESSEE, including the payment of sub-rent, shall not in any way be considered as an excuse or justification on the part of the LESSEE not to comply with his obligations to the LESSOR under this Lease Agreement.

**ARTICLE 8
CONSTRUCTION OF IMPROVEMENTS**

SECTION 8.1

The LESSEE may, at its own expense, introduce improvements to the Public Market that are in accordance with the provisions of the National Building Code and its implementing guidelines as well as existing city ordinances, resolutions, policies, regulations, and executive orders of the LESSOR. The ownership of these improvements shall be conveyed to the LESSOR at the end of the Term of this Lease Agreement, subject to a Transfer Agreement to be agreed upon by the parties.

SECTION 8.2.

As embodied in the Bid Form submitted by the LESSEE, it commits to the following developments, improvements, and modifications, to wit:

- a. Aesthetical modification of the public market;
- b. Construction of additional stalls;
- c. Upgrade the public comfort rooms and improve on existing ones;
- d. Modification of the current parking areas;
- e. Construction of a new sewage/drainage treatment facility;
- f. Construction of a new garbage disposal system or material recovery facility;
- g. Round-the-clock-high-tech security system, which shall include closed-circuit (CCTV) cameras;
- h. Additional lighting facilities;
- i. Modification/repair of current drainage system;
- j. Modification/repair of current water line system;
- k. Modification/repair of current water electrical system;
- l. Improvement/modification of entrance/exit gate; and
- m. Proposed expansion areas for additional stalls.

Attached as **Annex "B"** is the Schedule of Delivery of Improvements, which the LESSEE must strictly comply with. Non-

compliance, in addition to that, shall be sufficient cause for the termination of this Lease Agreement.

ARTICLE 9 UTILITIES/FACILITIES

SECTION 9.1 The LESSOR shall allow the installation of electricity, water, telecommunications facilities, and other value-added services such as, but not limited to, cable/satellite TV and other utilities and the construction of facilities such as public toilets at the Public Market. The cost of maintaining such facilities or utilities, as well as the charges for their consumption, shall be for the account of the LESSEE.

SECTION 9.2 Any and all charges that may arise from all utilities such as, but not limited to, water, electricity, and telephone, used in the Public Market, as well as the cost of installation of wires, pipes, and electrical appliances, meters and any and all interest, penalty and/or surcharge on such charges imposed on by the utility companies, shall be for the account of the LESSEE. In turn, the LESSEE may collect from stall tenants for specific utilities consumed by the latter in their respective stalls.

SECTION 9.3 The LESSOR shall not be liable for the fault or negligence of water, electrical, and other utility suppliers that result in any injury, loss, or damage which the LESSEE, its employees, agents, tenants, and patrons might sustain due to such fault or negligence. Neither shall the LESSOR be held liable for any injury, damage, or loss that any third party may suffer as a consequence of the fault or negligence of the LESSEE, its employees, agents, or representatives.

ARTICLE 10 COMPLIANCE WITH GOVERNMENT REGULATIONS, PROCUREMENT OF PERMITS AND LICENSES, AND PAYMENT OF FEES/TAXES/INSURANCE PREMIUMS MONTHLY RENTAL TO OCAMPO FAMILY

SECTION 10.1 The LESSEE shall secure the appropriate government permit, license, or authority for its operation and management of the Public Market as well as for the construction or alteration thereof prior to such construction and during its operations. The LESSEE shall provide copies of the said permit, license, and authority, or other similar fees in connection with or relative to the aforementioned, which shall be for the LESSEE's sole expense and account.

SECTION 10.2 The LESSEE shall comply 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 Public Market.

SECTION 10.3 The LESSEE shall pay the LESSOR's monthly rentals, excluding all taxes and fees due to the Local and National Government authorities. Further, the LESSEE shall shoulder the taxes, fees, and charges, such as but not limited to documentary stamp taxes, in connection with this Lease Agreement.

SECTION 10.4 Since ownership of the Public Market is not being transferred to the LESSEE under the Lease Agreement, payment of the insurance premium for the Public Market and all existing buildings, equipment, and facilities therein shall be the continued responsibility of the LESSOR.

However, the insurance premiums on all improvements to be introduced by the LESSEE shall be borne by the LESSEE. In this case, the LESSEE shall reimburse the LESSOR for all insurance premium payments made by the latter to the Government Service Insurance System to ensure said improvements. Provided that the LESSEE shall make no such reimbursement unless the LESSOR provides written proof that the LESSOR had indeed made such insurance premium payments.

LESSEE hereby warrants that it has not done, omitted to do anything, or will not do anything and that no event or circumstance has made or could make any insurance policy void, voidable, or subject to any restriction or limitation. The LESSEE further warrants that it has not received any notification from its insurers that its liability under any insurance policy has been reduced or avoided.

ARTICLE 11 SANITATION, DAMAGES, REPAIR AND SECURITY

SECTION 11.1 The LESSEE shall, at its own cost, maintain the Public Market in clean, good, sanitary, and tenantable condition at all times, free from litter, pests, health hazards, obnoxious fumes, and odors, noise, and other nuisances which would cause undue discomfort or inconvenience to the public, and for such purpose manage, and dispose of its own wastes and garbage in a timely, sanitary and regular manner so as not to unduly burden the LESSOR of such duties. The LESSEE shall provide at its own cost the necessary trucks and personnel for the collection, hauling, and disposal of wastes and garbage as designated by the LESSOR. Moreover, the LESSEE shall implement such measures and install such facilities within the Public Market that will ensure the segregation of solid waste generated by the Public Market. The LESSEE further irrevocably agrees that it will hold the LESSOR free from any liability arising from any violation of the pertinent provisions of Republic Act No. 9003.

SECTION 11.2 The LESSEE shall submit a Solid Waste Management Plan to the LESSOR within sixty (60) calendar days from the execution hereof. Provided that the said LESSEE shall not implement the Solid Waste

Management Plan without the prior formal approval of the LESSOR. Further, the LESSEE shall observe and strictly implement the above-mentioned approved Solid Waste Management Plan during the Lease Term. Provided, lastly, that the said Solid Waste Management Plan may be revised by the parties herein in case such revision is made necessary by any future changes in the applicable environmental laws.

SECTION 11.3 The LESSEE further undertakes to comply with all governmental regulations, such as sanitary, plumbing, fire, and electrical regulations, and pay all fees in connection therewith.

SECTION 11.4 The LESSEE shall institute all measures necessary to maintain security within the Public Market, and all expenses in connection therewith shall be the sole responsibility of the LESSEE. This notwithstanding, the LESSOR shall not be prevented from instituting additional security measures within the Public Market.

SECTION 11.5 In case the Public Market or any of the stalls, buildings, or facilities therein be damaged or completely destroyed for reasons attributable to the fault or negligence of the LESSEE which is not covered by the insurance policy adverted to in paragraph 10.4 hereof, the repair of such damage or the reconstruction of the Public Market or any portion thereof shall be charged to the sole expense of the LESSEE. In case such damage is attributable to force majeure, such as earthquake, flooding, or other similar natural calamities not covered by the insurance policy adverted to in paragraph 10.4 hereof, the cost of repairing such damage shall be equally borne by the parties herein. Failure of the LESSEE to comply with this provision shall be deemed a violation of this Lease Agreement and shall give the LESSOR the right to forfeit all rentals and deposits already in its possession and hold the LESSEE liable for damages.

ARTICLE 12 PROHIBITIONS

SECTION 12.1 The LESSEE shall not use the Public Market or any portion thereof for any unlawful or immoral purpose or any other purpose contrary to public policy or which will be dangerous to life, limb, or property.

SECTION 12.2 Except as may be useful or necessary for the regular operation of the LESSEE's business, the LESSEE shall not store any flammable, toxic, harmful, poisonous, or noxious substance or material in the Public Market.

SECTION 12.3 The LESSEE shall not store any item or contraband, the possession, use, distribution, or sale of which is prohibited by law, including but not limited to prohibited drugs, firearms, ammunition, explosives, pornographic materials, and the like.

SECTION 12.4 The LESSEE shall not bring into or store nor allow the bringing or storing in the Public Market any of the following: (i) anything highly flammable or explosive; (ii) any apparatus, machinery or equipment which may cause obnoxious odors, tremors or noises, or which may expose the Public Market to fire or increase risk of fire hazard of the building or increase the insurance rate of the building; (iii) any other article which the LESSOR may reasonably prohibit. It is understood that should the LESSEE violate this provision, the LESSEE shall be liable for all damages that may be caused to the LESSOR, the LESSEE's tenants, and the Public Market.

**ARTICLE 13
RETURN OF THE LEASED PREMISES AND IMPROVEMENTS**

SECTION 13.1 Upon the termination of this Lease Agreement or the expiration of the Lease Term, the LESSEE shall peacefully vacate and promptly turn over to the LESSOR the Public Market, including the keys appertaining thereto and to all facilities therein in the same condition as it was at the time LESSOR certifies the completion of the constructed improvements upon the Public Market, ordinary wear and tear excepted.

SECTION 13.2 All fixed or immovable installations, additions, and improvements, except the movable furniture, partitions, decorations, and fixtures installed at the expense of the LESSEE that may be removed without defacing or damaging the Public Market, shall become the property of the LESSOR and shall remain upon and be surrendered with the Public Market as part thereof at the termination of the Lease Agreement subject to Section 8.1. above.

**ARTICLE 14
LESSOR'S RIGHT OF ENTRY**

SECTION 14.1 The LESSOR and/or its duly authorized representatives shall have free access to the Public Market at all times and in a manner not inconvenient to the LESSEE's business operations to examine or inspect the same or make additions, repairs, or alterations in accordance with this Lease Agreement.

**ARTICLE 15
INDEMNITIES**

SECTION 15.1 The LESSEE shall indemnify and hold the LESSOR free and harmless from any claims or demands by third persons for injury, loss, or damages, including claims for property damage resulting from the negligence of the LESSEE, its agents, employees, and sub-lessees and patrons, or because of the LESSEE's violation, non-observance or non-performance of concerning or affecting the Public Market or the improvements thereon.

**ARTICLE 16
DAMAGE AND INJURY**

SECTION 16.1 The LESSEE shall be responsible for any acts committed or omitted by its representatives, agents, or employees that may cause danger or loss or prove detrimental to the interest of the LESSEE, LESSOR, and/or the other parties within the Public Market.

**ARTICLE 17
ABANDONMENT**

SECTION 17.1 If the LESSEE shall abandon, close or vacate the Public Market or, if it remains unoccupied or non-operational for a continuous period of thirty (30) calendar days at any time during the Lease Term of this Lease Agreement without the LESSOR's prior written consent, the LESSOR may lease the Public Market to other persons or entities; and in any event, the LESSEE shall continue to be liable for the monthly rent for this period of and during LESSEE's abandonment, and/or the unexpired portion of the Lease Term. The LESSOR shall also forfeit the above-mentioned Advance Rental and Security Deposit in its favor.

Likewise, the LESSOR shall have the right to enter the Public Market and remove the LESSEE's properties as may be deposited therein and have them deposited elsewhere at the expense of the LESSEE. However, the LESSOR shall have the right to retain said properties as security for the payment of LESSEE's obligation under this Lease Agreement, which properties the LESSOR may, as LESSEE's duly constituted attorney-in-fact dispose of at private sale and proceeds applied to satisfy LESSEE's unpaid obligations without prejudice to any action as may be appropriate for the recovery of any deficiency or other damages provided for this Lease Agreement. Furthermore, the said abandonment by the LESSEE shall constitute a breach of this Lease Agreement.

**ARTICLE 18
BREACH OR DEFAULT**

SECTION 18.1 Each of the matters listed hereunder is considered an Event of Default, to wit:

- a. The LESSEE fails to pay any amount payable by it under this Lease Agreement in the manner stipulated therein;
- b. The LESSEE breaches any other provision of the Lease Agreement;
- c. The LESSEE becomes insolvent or is dissolved or enters into liquidation, receivership, judicial management, receivership, insolvency, winding up, conservatorship, or if the LESSEE files for a petition for rehabilitation or suspension of payments or any analogous or similar procedure in any jurisdiction other

than the Philippines or any other form of procedure relating to insolvency, restructuring, scheme of arrangement, rehabilitation, dissolution, or rehabilitation in any jurisdiction, or a petition or application is presented or filed, or any person takes another step to initiate any of those things in any court, agency, tribunal, or any similar body in any part of the world; and

- d. It is, or it becomes, unlawful for the LESSEE to perform any of its material obligations under the Lease Agreement, and such unlawfulness could reasonably be expected to have a material adverse effect on the operation of the Public Market.

SECTION 18.2

If an Event of Default has occurred and is continuing, the LESSOR may at any time by giving notice to the LESSEE through its duly authorized representative at the Public Market, such as its Manager, Supervisor, or any such person who holds a position that is managerial in nature:

- a. Terminate the Lease Agreement;
- b. Demand payment of all or any part of the Lease Rentals and payment of any other amounts secured under this Lease Agreement; and,
- c. Take any steps to exercise any or all of its rights, remedies, powers, or discretions.

**ARTICLE 19
TERMINATION AND CANCELLATION**

SECTION 19.1

The LESSOR shall have the right to pre-terminate this Lease Agreement when the LESSEE fails or refuses to pay the Monthly Rental for two (2) consecutive months. This should not be construed as giving the LESSEE the grace period of sixty (60) within which to pay the Monthly Rental and thus should not be abused. In the event that the LESSEE habitually fails to pay on time, the LESSOR shall still have the right to pre-terminate this Lease Agreement pursuant to Article 18 hereof. It is hereby understood that the LESSEE shall be deemed to have habitually failed to pay rent on time if it fails to pay rent for at least four (4) months, which may or may not be consecutive in order.

SECTION 19.2

The LESSOR shall have the right to pre-terminate this Lease Agreement when the LESSEE fails or refuses to fully comply with any of the terms and conditions of this Lease Agreement or by virtue of a material breach of any provision hereof by the LESSEE.

SECTION 19.3

Should the LESSEE fail to settle its obligations, it shall be held liable for collection costs, litigation fees, attorney's fees, and the like.

**ARTICLE 20
CUMULATIVE RIGHTS**

SECTION 20.1 Unless otherwise provided, any and all rights or remedies conferred upon or reserved to the Parties under this Lease Agreement shall be deemed to be cumulative and not alternative nor exclusive of any other right or remedy given hereunder or existing at law or in equity, and may be enforced concurrently therewith or from time to time.

**ARTICLE 21
NON-WAIVER OF RIGHTS**

SECTION 21.1 The failure of a party to insist on the strict performance by the other party of any stipulation or condition under this Lease Agreement and/or exercise any right remedy or option granted herein shall not be construed as abandonment, withdrawal, waiver, or cancellation of such stipulation, condition, right, remedy or option, but the same shall continue in full force and effect. The acceptance by the LESSOR of arrears in rent or extension of time of payment shall not be deemed a waiver by the LESSOR of any breach by the LESSEE of any other covenant or condition contained in this Lease Agreement. Likewise, the acceptance payment or performance of one or more obligations by a party shall not be deemed a waiver by the other party of any breach by the former of any other covenant or condonation contained herein. Silence on the party of a party shall not be considered as a condonation or waiver of any breach or default by the other party of any covenant or condition herein provided. No waiver shall be deemed to have been made by any of the parties unless such waiver is reduced in writing by the duly authorized representatives of each party, which shall be the duly elected City Mayor of Bacoor, Cavite, in the case of the LESSOR and the President of the Cavite Merchants Property Management and Development Corporation in the case of the LESSEE.

**ARTICLE 22
VENUE**

SECTION 22.1 In case of a suit arising from or related to this Lease Agreement, the same shall be filed in the proper court of Bacoor City, Cavite, excluding any other court, tribunal, or office.

**ARTICLE 23
MISCELLANEOUS PROVISIONS**

SECTION 23.1 Repairs and maintenance costs arising from the normal wear and tear of usage, including maintenance of water, electrical, and sewage systems, shall be for the sole account of the LESSEE. Repairs and maintenance arising from the structural or hidden defects of the PUBLIC MARKET shall be for the account of the LESSEE. The CORPORATION shall not start nor proceed with any major repair work, demolition, or renovation, particularly works or repairs of electrical, plumbing, painting, or any case introduce new

permanent improvements, alterations, or fixtures thereon, without the written consent of LGU BACCOOR.

SECTION 23.2 This Agreement contains the full and complete agreement among the Parties on the subject matter, and the same shall supersede any and all representations, understandings, or agreements, verbal or written, implied or express, previously made or entered into by them. This Agreement may only be amended upon the written mutual agreement of the Parties. It is understood that all terms and conditions herein provided are subject to and subordinate to the existing laws, rules, and regulations of the LESSOR. In case of conflict, the pertinent provisions of the law, rules, and regulations shall prevail.

SECTION 23.3 This Agreement may be executed simultaneously in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute the same instrument.

SECTION 23.4 In complying with and implementing the terms of this Agreement, the Parties shall exercise good faith and cooperation to fulfill their common objective of providing an adequate, environment-friendly, affordable, and inclusive marketplace to the Filipinos.

SECTION 24.5 This Agreement shall inure to the benefit of and be binding upon the Parties hereto and their respective successors-in-interest and assigns.

SECTION 24.6 This Agreement shall not be altered, changed, supplanted, or amended except by a written instrument signed by the duly authorized representatives of the Parties. All amendments to this Agreement shall be deemed valid and binding upon contracted Parties only if made by the mutual consent in writing of the Party and signed by the original signatories of both Parties to this Agreement. This Agreement shall be legally acceptable after being signed and stamped with the corporate seals by the authorized representatives of the contracted Parties with full corporate power vested to them by their respective Parties. After signing this Agreement, all previous verbal and/or written arrangements about the subject of this Agreement shall be considered null and void.

SECTION 24.7 The Parties' relationship under and in relation to this Agreement shall be limited to the matters contained herein. Nothing herein provided shall be considered or interpreted as constituting the relationship of the Parties or any of them as a partnership in which any one or more of the Parties may be liable for the acts or omissions of any other Party or Parties, nor shall anything herein contained be considered or interpreted as constituting any Party as the general agent of any other Party.

SECTION 24.8 The failure of a Party to insist upon strict performance of any of the terms, conditions, and covenants under this Agreement shall not be deemed a relinquishment or waiver of any right/remedy that the aforesaid Party may have, nor shall it be construed as a waiver of any subsequent breach of the same or other terms, conditions, and covenants. Any waiver, extension, or forbearance of any of the terms, conditions, and covenants of this Agreement by any Party shall be in writing and limited to the particular instance only and shall not in any manner whatsoever be construed as a waiver, extension, or forbearance of any other term, condition, and/or covenant of this Agreement.

SECTION 24.9 No Party shall be liable for any failure or delay in performing its respective obligations as herein provided if any force majeure event shall be the proximate cause of the same. For purposes of this Agreement, a "Force Majeure Event" shall include, but not be limited to (i) declared or undeclared war, armed hostilities, revolution, rebellion, insurrection, riot, public disorder, and the like; (ii) unforeseen rock formations in the geodetic layers of the identified deep well sites; and (iii) extreme and unforeseen weather conditions, fire, unusual flood, earthquake, and similar calamities or acts of God, and Government's, local or national, declaration of community quarantines and other restrictions; and (iv) expropriation on any part of the site on which the Project will be located. The Party invoking the existence of a Force Majeure Event shall immediately notify the other Party, specifying the nature and details of the Force Majeure Event, how it affects the Party's ability to comply with its obligations hereunder, and a proposed mitigating action to address the same. Upon the cessation of such Force Majeure Event, the Parties shall immediately resume the performance of their obligations hereunder. However, if the Force Majeure Event extends for a period in excess of 180 continuous days, the Parties hereto shall meet to discuss the basis and terms upon which this Agreement be continued or mutually terminated.

SECTION 24.10 The Parties also agree that both shall exert utmost effort in settling any dispute amicably and peacefully. Any conflict or dispute arising out of this Agreement on the interpretation or implementation of any provision hereof shall be settled amicably within thirty (30) days through the Parties' authorized representatives. Either Party may initiate amicable discussions by sending written notice to the other Party, specifying the alleged dispute, and proposing a schedule for the amicable settlement thereof. In the event that the parties are unable to settle the dispute amicably and resort to any judicial relief be made to enforce any of the Parties' rights and/or the terms and conditions of the Agreement, the Aggrieved Party shall be entitled to recover ATTORNEY'S FEES from the Defaulting Party in the amount equivalent to TWENTY-FIVE PERCENT (25%) of the amount claimed in addition to the Cost of Suit and other litigation expenses, which the law and the court may deem reasonable to award.

SECTION 24.11 If any part of this Memorandum of Agreement shall for any reason be declared invalid and unenforceable, the remaining portions not affected thereby shall remain in full force and effect as if this

Memorandum of Agreement was executed with such invalid portion eliminated or as if the parties would not have executed this Memorandum of Agreement had they known the invalidity or unenforceability thereof.

SECTION 24.12 This Agreement shall be governed by and interpreted in accordance with the laws of the Republic of the Philippines. Execution, delivery, and performance of this Agreement shall not violate any provision of applicable laws or constitute a breach of any contracts it has entered into.

SECTION 24.13 Except as may be otherwise specifically provided in this Agreement, all notices required or permitted shall be in writing and shall be deemed to be delivered when deposited in the postal office mail postage prepaid, certified or registered mail, return receipt requested, addressed to the Parties at their respective address outlined in this Agreement, or at such other addresses as may be subsequently specified by written notice.

IN WITNESS WHEREOF, the parties hereunto affixed their hands in signature together with their instrumental witnesses this ____ day of _____ 20____, in the City of Bacoor, Province of Cavite.

CITY GOVERNMENT OF BACOOR

**CAVITE MERCHANTS PROPERTY
MANAGEMENT AND DEVELOPMENT
CORP.**

By:

By:

Hon. STRIKE B. REVILLA
City Mayor
City Resolution No. _____
Series of 20__

Ms. VIOLA PILIPINA S. TAN
General Manager

SIGNED IN THE PRESENCE OF:

ATTY. AIMEE TORREFRANCA-NERI
City Administrator
Office of the City Administrator

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
City of Bacoor, Cavite) S.S.

BEFORE ME, a Notary Public for and in the City of Bacoor, Province of Cavite, this ____ day of _____ 202__, personally appeared the following persons:

NAME	ID	ID NUMBER / PLACE OF ISSUANCE	VALIDITY
HON. STRIKE B. REVILLA			
Ms. VIOLA PILIPINA S. TAN			

Known to me, and to me known to be the same persons who executed the foregoing Memorandum of Agreement and acknowledged to me that they executed the same as their free and voluntary act and deed as well as those of the entities they represent. The foregoing Agreement consisting of _____ () pages, including this page where the acknowledgment appears, has been signed by the parties and their instrumental witnesses on each page hereof.

WITNESS MY HAND SEAL on the date and at the place above written.

Doc. No. ____
Page No. ____
Book No. ____
Series of ____