

RENEWAL OF CONTRACT OF LEASE

KNOW ALL MEN BY THESE PRESENTS:

This Contract of Lease is made and entered into this JUN 06 2024 day of _____ 2024, by and between:

APPLEONE PROPERTIES INC., a domestic corporation duly organized and existing under the laws of the Philippines, with business address at AppleOne Equicom Tower, Mindanao Avenue cor. Biliran Road, Business Park, Cebu City, represented by **RAY G. MANIGSACA**, hereinafter referred to as the "**LESSOR**",

-and-

the **SECURITIES AND EXCHANGE COMMISSION**, a government agency created and operating by virtue of the laws of the Republic of the Philippines with office address at The SEC Headquarters, 7907 Makati Avenue Salcedo Village, Bel-Air 1209 Makati City, represented herein by its Management Services Department (MSD) Director, **VHINCENT G. CAÑARES**, who is duly authorized by virtue of SEC Resolution No. 374 series of 2022, marked as Annex A hereinafter referred to as the "**LESSEE**".

The Lessor and the Lessee are collectively called Parties and individually as Party.

WITNESSETH that:

WHEREAS, the Parties have an existing contract of lease, copy is attached and made integral part hereof (Annex B), covering the real property located at Mindanao Avenue cor. Biliran Road, Business Park, Cebu City, Philippines, which contract shall expire on 30 June 2024;

WHEREAS, Section 10 of the Implementing Rules and Regulations (IRR) of Republic Act No. 9184 (RA 9184) provides that all procurement shall be done through competitive bidding, except as provided in Rule XVI of the IRR;

WHEREAS, Rule XVI of the IRR provides:

Section 53. Negotiated Procurement is a method of procurement of Goods, Infrastructure Projects and Consulting services, whereby the Procuring Entity directly negotiates a contract with a technically, legally and financially capable supplier, contractor or consultant in any of the following cases:

xxx

53.10. Lease of Real Property and Venue. Lease of real property and venue for official use, subject to Annex "H" of this IRR.

xxx



i. Prior to the expiration of the lease contract, the end-user of the procuring entity must conduct a cost-benefit analysis of the lease. For instance, it must compare the rental rated charged by its lessor against other lessors in the area. It must also analyze whether entering into a new contract will be more expensive taking into consideration the cost of transfer and accessibility to the public. In assessing the existing lease, PEs are encouraged to consult relevant government agencies regarding any new policy or directive in the lease of real property.

ii. If the results of the CBA, conducted by the end-user, continue to favor the existing lessor, then the Head of Procuring Entity (HOPE) may simply renew its lease contract. If it does not, then the PE should procure a new lease contract in accordance with Section 53.10 of the IRR of RA 9184 and these guidelines.

WHEREAS, the Lessee has complied with the requirements as above-stated and has determined that renewing the existing contract of lease is most beneficial to the Lessee and the government as a whole;

WHEREAS, the Parties agree for the renewal of the contract of lease with the same terms and conditions of the original contract of lease, except those provided below, and subject to existing auditing rules and regulations;

WHEREAS, the Parties warrant that they have full authority to enter into this Renewal of Contract of Lease;

NOW THEREFORE, for and in consideration of the foregoing, the Parties hereto agree as follows:

- 1. Period:** This Renewal of Contract of Lease shall be for a period of one (1) year, effective **July 01, 2024** and shall end on **June 30, 2025**. This contract is automatically extended on a monthly basis, but shall not exceed one (1) year, unless the LESSEE decides otherwise in writing.
- 2. Rental:** That for the use and occupancy of the said area, the LESSEE shall pay monthly rental in the amount of **Seven Hundred Eighty-Two Thousand Eight Hundred Twelve and 80/100 Pesos (₱782,812.80)** inclusive of applicable taxes, *e.g. Value Added Tax (VAT)*, payable without necessity of demand on or before the 15th of each month at the LESSOR's office. Payment shall be in the form of cash or check and shall commence upon the signing of this Agreement.
- 3. ADVANCE PAYMENT AND SECURITY DEPOSIT:** An advance rent in the amount of **Two Million Ninety-Five Thousand Six Hundred Thirty-Two Pesos (Php 2,095,632.00)** inclusive VAT shall be paid by the LESSEE. The advance rent shall be applied as payment for the last three (3) months.
- 4. Termination:** Any violation of the terms and/or conditions provided in this Contract by either party shall be sufficient ground for the termination of this Contract by the party not at default, without any prejudice to any claim for damages arising therefrom.



or otherwise declared invalid, such shall not affect the other paragraphs, subparagraphs or part of this Renewal of Lease Contract.

IN WITNESS WHEREOF, parties herein affixed their signatures on the date and place above written.

LESSEE:

LESSOR:

SECURITIES AND EXCHANGE COMMISSION
T.I.N.: 000-190-308-000
Signing for and on behalf of the Chairperson,
under SEC Office Order No. 374, Series of
2022

APPLEONE PROPERTIES INC.
T.I.N.: 286-146-261-000

By:



VHINCENT G. CAÑARES
Director, MSD

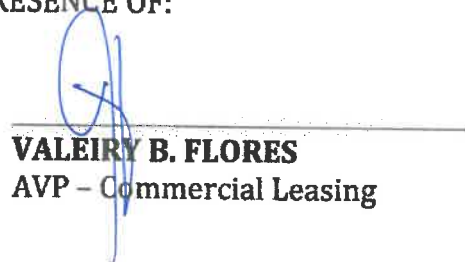


RAY G. MANIGSACA
President & CEO

SIGNED IN THE PRESENCE OF:



SHEARA L. LUPANGO-TAMAYO
Director, SEC Cebu Extension Office



VALEIRY B. FLORES
AVP – Commercial Leasing

Certified on Availability of Funds:

DONDIE Q. ESGUERRA
Director, Financial Management Department

ACKNOWLEDGEMENT

Republic of the Philippines)
Makati City) S.S.


BEFORE ME, a Notary Public for and in above jurisdiction, on this _____ personally appeared the following:

Name	Competent Evidence of Identity
VHINCENT G. CAÑARES	SEC ID NO. 1740

known to me and to be known to be the same persons who executed the foregoing instrument consisting of 5 pages including the page on which this Acknowledgment is written and duly signed by them and their witnesses on each and every page hereof, and that the same is their free and voluntary act, as well as that of the corporations/agencies which they represent.

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

Doc. No. ;
Page No. ;
Book No. ;
Series of 2024.


ATTY. JENNY LOU F. DECANO
 Administering Officer
 SEC Chief Counsel
 Securities and Exchange Commission
 Republic of the Philippines

ACKNOWLEDGEMENT

Republic of the Philippines)
Cebu City) S.S.

BEFORE ME, a Notary Public for and in above jurisdiction, on this
JUN 06 2024 personally appeared the following:

Name	Competent Evidence of Identity
RAY G. MANIGSACA	<u>Dri. Licence No. 606-91-014299</u>

known to me and to be known to be the same persons who executed the foregoing instrument consisting of 5 pages including the page on which this Acknowledgment is written and duly signed by them and their witnesses on each and every page hereof, and that the same is their free and voluntary act, as well as that of the corporations/agencies which they represent.

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

Doc. No. 116 ;
Page No. 28 ;
Book No. 7 ;
Series of 2024.

ATTY. CERERANZ A. BONIEL
 NOTARY PUBLIC
 NOTARIAL COMMISSION NO. 00722
 NOTARIAL COMMISSION UNTIL DECEMBER 2025
 PTR NO. 1198130-11/14/2023 FOR 2024 (CEBU PROVINCE)
 IBP NO. 360543 09/19/2023 FOR 2024 CEBU CITY
 ATTORNEY ROLL NO. 75527
 MTC COMPLIANCE NO. MTC0029829 VALID UNTIL APRIL 14, 2025