

**PORO POINT MANAGEMENT CORPORATION**

A Member of the Bases Conversion and Development Authority Group



**TERMS OF REFERENCE FOR THE LEASE OF  
PORO POINT BAYWALK STRUCTURE – ALFRESCO BUILDING  
AND OPEN SPACE  
PORO POINT BAYWALK  
PORO POINT FREEPORT ZONE  
CITY OF SAN FERNANDO, LA UNION**

**TERMS OF REFERENCE (TOR) FOR THE LEASE OF PORO POINT  
BAYWALK STRUCTURE - ALFRESCO BUILDING AND OPEN SPACE  
WITHIN THE PORO POINT BAYWALK AREA, PORO POINT  
FREEPORT ZONE, CITY OF SAN FERNANDO, LA UNION**

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**ARTICLE I  
PROJECT RATIONALE**

- Section 1 Republic Act No. 7227, as amended, mandates the Bases Conversion and Development Authority (BCDA) to accelerate the sound and balanced conversion into alternative productive uses of the former Clark and Subic military reservations and their extensions, including the Wallace Air Station, to raise funds through the sale or lease of portions of Metro Manila, and to apply said funds for the development and conversion of the said reverted military base lands.
- Section 2 Poro Point Management Corporation (PPMC), a wholly-owned subsidiary of BCDA and its operating and implementing arm for the administration and development of the Poro Point Freeport Zone (PPFZ) located in Poro, City of San Fernando, La Union, Philippines, wishes to consider Offers for the lease of the Poro Point Baywalk Structure – Alfresco Building and Open Space (hereinafter referred to as the “**Property**”) located inside the PPFZ. The location map of the Property is attached as *Annex A*.
- Section 3 The disposition is to be carried out pursuant to the provisions of Republic Act (RA) No. 7227 (The Bases Conversion and Development Act of 1992) as amended, Executive Order No. 62 prescribing the policies and guidelines to implement R.A. 7227, the BCDA Lease Guidelines, The Term Sheet for the lease of the Poro Point Baywalk Commercial Area and other relevant laws, Executive Orders, and rules and regulations, to the extent applicable.
- Section 4 This Sealed Canvass is being administered by the Asset Disposition Program Committee (ADP Com) of PPMC.

**ARTICLE II  
PROPERTY FOR DISPOSITION**

- Section 1 **Description of the Property.** The Property is a **400 square meters** lot consisting of the Poro Point Baywalk Structure – Alfresco Building, a one-storey alfresco-type structure, with a building footprint of **140 square meters** and an Open Space of **260 square meters**, located on Baywalk Cut Lot No. 7, Poro Point Baywalk, Poro Point Freeport Zone.

<b>Structure/Space</b>	<b>Existing Area (sqm)</b>
Alfresco Building	140
Open Space	260
<b>TOTAL AREA TO BE LEASED</b>	<b>400</b>

For reference, a site development plan illustrating the foregoing information is attached as *Annex B*.

Section 2 **Status of the Property.** The Poro Point Baywalk Structure – Alfresco Building situated within the Property has the following features and amenities:

- a. Alfresco Dining Area – 93.20 square meters
- b. Kitchen – 26.80 square meters
- c. Stock Room – 6.80 square meters
- d. Comfort Rooms (Male and Female) – 13.20 square meters
- e. Light Bulbs – 29 pieces installed
- f. Emergency Lights – 2 pieces installed
- g. Aircon-ready (with ACU outlet) and range-ready (with range outlet)

For reference, a floor plan illustrating the foregoing information is attached as **Annex C**.

The Winning Participant shall undertake, at its sole cost and assume all responsibilities and expenses for the materials, construction, installation and connection of utilities such as electricity, water and telecom and for such other services not required to be provided by PPMC.

The Winning Participant shall construct its own Water System within the Property to include electric motor pump, pressure tank and water tank, among others, subject to securing the requisite written permit(s) and clearance(s) from PPMC. The capacity of the water tank should be equivalent to at least two (2) days projected water consumption of the Winning Participant and the water tank should be concealed to complement the aesthetics of the Alfresco Building and the Poro Point Baywalk.

Section 3 **Open Space.** The Open Space of the Property with an area of **260 square meters** is allotted for alfresco dining expansion, landscaping provision and/or for other improvements on the Property. The Winning Participant's option to introduce developments and improvements on the Property shall be subject to review and written approval of PPMC.

Section 4 **Option to Lease Additional Cut Lots.** The Winning Participant has an option to lease and develop an additional baywalk cut lots beside the subject Property for future expansion or new business. The Winning Participant's option to lease the additional cut lots may be exercised through the submission of a letter of intent and a proposal and is subject to review and written approval of PPMC.

Section 5 **Use of the Property.** The Property shall be used for **retail commercial use**. The Proponent shall not be allowed to sublease the property without prior written notice and approval of PPMC.

Section 6 **Restrictions on the Property.** The Property shall be governed by the Comprehensive Master Development Plan (CMDP) of PPFZ and the Design Standards and Guidelines (DSG) for Baywalk Commercial Strip, all pertinent government standards such as, but not limited to, the National Building Code, the Fire Code, and other relevant laws, rules, regulations, and issuances of the agencies of the National Government and the Local Government, both existing and subsequent issuances.

Section 7 **Repairs and Maintenance of the Property.** The Property is being leased on an **AS-IS, WHERE-IS** basis. The repairs and maintenance of the property after contract signing shall be for the sole account of the Winning Participant, without reimbursement from PPMC. Any repair, maintenance, and improvement work on the Property shall be with the prior written approval of PPMC and

securing of requisite permit(s) from the PPMC before commencing the work. In no case can the Winning Participant conduct improvement works beyond the boundaries of the Property and the cut lot area specified in Section 1 of this Article.

For this purpose, **AS-IS, WHERE-IS** shall mean the condition of the leased property during the joint inspection and inventory of PPMC representatives and the Winning Participant prior to contract signing. A **Certificate of Turnover and Acceptance** shall be issued and signed as part of the Contract of Lease.

**ARTICLE III  
SUBJECT OF THE CANVASS AND THE MINIMUM OFFER PRICE**

Section 1 **Subject of the Canvass.** The subject of the canvass for the Property is **the Beginning Monthly Lease Rate of the Property, plus Value Added Tax (VAT), which shall be applied to the first (1<sup>st</sup>) month of the lease.**

Section 2 **Minimum Offer Price.** The Minimum Offer Price shall not be less than **PESOS: TWENTY FIVE THOUSAND PESOS (PHP25,000.00), plus 12% VAT.** This amount shall be paid beginning the first month of the Contract of Lease.

**ARTICLE IV  
LEASE PAYMENTS, TERMS AND RENEWAL**

Section 1 The Winning Participant agrees to pay PPMC of the following:

1.1 **Advance Lease Rental.** Upon signing of the Contract of Lease, the Winning Participants shall pay PPMC an Advance Lease Rental equivalent to beginning three (3) months lease of the Property plus 12% VAT, in the form of Cash, Manager’s Check or Cashier’s Check, which shall be applied to the last three (3) months of the Lease subject to additional payment based on actual lease rental for the last three (3) months.

1.2 **Lease Rental.** The Winning Participant shall pay PPMC, without delay or need for demand, a fixed monthly lease rental equivalent to the **Winning Offer, plus 12 % VAT.** The first fixed monthly lease shall be paid upon signing of the contract. A lease payment schedule shall be incorporated as an integral part of the Contract of Lease.

1.3 **Common Use Service Area (CUSA) Fee.** The Winning Participant shall pay PPMC a monthly CUSA fee for the Property based on the baywalk cut lot area at the following rate:

<b>Property</b>	<b>Area (sqm)</b>	<b>Beginning Rate (PHP/sqm/month)</b>
Structure and Open Space	400 square meters	PHP33.00/square meter/month, plus 12% VAT

Section 2 **Escalation Rate.** The monthly lease rental rate shall be subject to is subject to an escalation of ten percent (10%) every three (3) years for the duration of the lease.

The CUSA fee shall likewise be subject to ten percent (10%) escalation every three (3) years for the duration of the lease.

Section 3 **Manner and Schedule of Payment.** The Lease Rental of the Property and CUSA Fee shall be payable to PPMC on a monthly basis. CUSA fee shall be computed as provided in Article XI Section 1.7 of this TOR. All payments shall be in the form of Cash, Cashier's or Manager's Check.

Section 4 **Penalty for Default Payment/Dishonored Checks.** In case of default in the payment of the lease and/or CUSA fee on the day it falls due, or when any of the checks are dishonored, PPMC shall charge an interest equivalent to one percent (1%) of the monthly rental rate for every calendar day of delay and one percent (1%) penalty charge from date of delay, which shall be compounded until full payment is remitted, in addition to other remedies available to PPMC as stated in the Contract of Lease.

Section 5 **Lease Term and Renewal.** PPMC is offering the Property for lease for a period of six (6) years, commencing on the signing of the Contract of Lease (draft attached as *Annex D*).

The lease may be renewed for another six (6) years subject to terms and conditions mutually agreed upon in writing by the parties.

In the event the Winning Participant exercises its option to renew its lease over the Property, the new lease rate for the extension period shall be subject to the re-evaluation of PPMC and which shall not be lower than the lease rate of the Property on the sixth (6th) year plus ten percent (10%) escalation.

Section 6 **CUSA Fee-Free Period.** The Winning Participant shall be entitled to three (3) years CUSA Fee-free period reckoned from the date of the signing of the Contract of Lease. The CUSA Fee-Free Period shall be for the purpose of getting the Property ready and for any improvements to be introduced by the Winning Participant in the Property. The CUSA Fee-Free Period shall not be diminished notwithstanding the actual commencement of its operation.

## ARTICLE V SECURITIES

Section 1 **Security Deposit.** Upon execution of the Contract of Lease, the Winning Participant shall remit to PPMC a non-interest bearing security deposit equivalent to **three (3) months beginning lease rental of the Property plus 12% VAT**, subject to replenishment, if necessary, to answer for any damage to the leased premises, common utility facility (i.e. water pipes, power lines, etc.) used by the Winning Participant, unpaid utilities, or any accountabilities of the Winning Participant on the account of its lease of the Property in the form of cash, cashier's or manager's check, paid upon signing of the Contract of Lease.

## ARTICLE VI EXPIRATION OF LEASE

Section 1 **Expiration.** Upon termination of the lease, BCDA as the owner of the property, through PPMC as its operating and implementing arm, shall immediately take over the premises. Take-over of the Property shall be guided by the

provisions in Article XV of this TOR.

## **ARTICLE VII PRETERMINATION**

Section 1 The Contract of Lease may be pre-terminated by mutual written agreement signed by all the Parties. It may likewise be pre-terminated upon the instance of any Party by service of a thirty (30)-day written Notice of Intent to Terminate upon the other Parties.

If the pre-termination is caused by PPMC, it shall return to the Winning Participant, within a period of thirty (30) calendar days from pre-termination date, the proportionate value that the Winning Participant had paid covering the period after the pre-termination date.

If the pre-termination is at the instance of the Winning Participant, any and all payments made shall be forfeited automatically in favor of PPMC. The Winning Participant shall, within a period of thirty (30) calendar days from pre-termination date, return and surrender the Property to PPMC in good and tenable condition.

## **ARTICLE VIII EVENTS OF DEFAULT**

Section 1. The occurrence of any of the following events shall constitute an Event of Default by the Winning Participant and shall be a ground for Termination:

- 1.1 Delay or failure of the Winning Participant to pay the monthly lease rental or monthly CUSA fee as it falls due, or any penalty interest thereof after the lapse of the Curing Period as specified herein and in the Contract of Lease;
- 1.2 Failure of the Winning Participant to comply with any of its financial commitments under the Contract of Lease;
- 1.3 Failure of the Winning Participant to comply with any of its covenants, warranties and undertakings under the Contract of Lease;
- 1.4 The Winning Participant devotes the whole or a portion of the Leased Property, to any use/s or purpose/s different from that for which it has been leased without PPMC's prior written consent which shall result in the automatic termination of the Contract, without need of judicial action. PPMC's consent, however, shall not be unreasonably withheld.

## **ARTICLE IX CONSEQUENCES OF EVENTS OF DEFAULT**

Section 1. Upon the occurrence of any Event of Default, the lease may be terminated in the manner provided herein.

Section 2. Procedure for Termination due to an Event of Default

- a. PPMC shall provide a written notice of default specifying in reasonable detail the event of default to the Winning Participant within thirty (30) calendar days from occurrence of the event of default.
- b. The Winning Participant shall have thirty (30) calendar days from its receipt of the written notice within which to cure such an event of default (the “*Curing Period*”).
- c. If the event of default is not cured within the thirty (30)-day curing period, PPMC may terminate the Contract of Lease without need of judicial action by delivering a Termination Notice to the Winning Participant effective on the date specified by PPMC in the Termination Notice, which shall not be less than thirty (30) calendar days from the date the Winning Participant received the Notice of the Event of Default.

PPMC, as BCDA’s operating and implementing arm, shall immediately take possession of the leased property after conducting a joint inspection between PPMC and Winning Participant upon the expiration or termination of the Contract.

## **ARTICLE X RETURN OF THE LEASED PROPERTY**

Section 1      Upon the expiration or termination of the Contract of Lease, the Winning Participant shall peacefully and immediately vacate the PROPERTY and return possession thereof to PPMC, together with the permanent improvements and fixtures therein, in good and tenantable condition, ordinary wear and tear excepted, and devoid of all occupants. A joint inspection shall be conducted between the PPMC and Winning Participant immediately upon the expiration or termination of the Contract.

Should the Winning Participant continue to occupy the Leased Property or any part thereof after the expiration of the Contract of Lease, with the consent of PPMC, the Winning Participant shall pay monthly lease rentals until such time that a Notice/Demand to Vacate is issued by PPMC.

## **ARTICLE XI RIGHTS AND RESPONSIBILITIES OF THE PARTIES**

Section 1      **Rights and Responsibilities of the Winning Participant and Penalties for Violation**

The Winning Participant shall:

- 1.1 Strictly comply with the terms and conditions of this TOR and the Contract of Lease (COL) to be executed between PPMC and the Winning Participant, and maintain all warranties and representations in good standing for the duration of the contract of lease.
- 1.2 Undertake the repair and maintenance of the Property during the period of the Contract of Lease in compliance with PPFZ CMDP and DSG.
- 1.3 Pay to PPMC an acceptable form and amount of Advance Rental and Security

Deposit.

- 1.4 Not later than three (3) months after the completion of any improvement on the Property, obtain, at its own cost, an all-risk insurance coverage from the Government Service Insurance System (GSIS) an amount equivalent to its replacement value with BCDA/PPMC as the beneficiary, and submit to PPMC the original insurance policy and the corresponding Official Receipt within five (5) days from the issuance of said insurance policy.
- 1.5 Pay, at its sole account, all applicable taxes, licenses, fees, and charges due on the lease transaction, the Property and their improvements, and those that may be imposed by law during the entire term of the Contract of Lease. Where any taxes are required by law to be withheld from the payment to BCDA/PPMC, the Winning Participant shall submit certification of taxes withheld at the time of payment to BCDA/PPMC, otherwise, any such taxes withheld will not be considered as authorized deductions.
- 1.6 Comply with all PPFZ pertinent rules and regulations such as securing the requisite permit(s) and clearances from the PPMC.
- 1.7 Upon expiration or termination of the lease term, turn over the leased premises to PPMC in a good and tenantable condition, including permanent facilities and other improvements introduced on the Property. A joint inspection will be conducted at least **one (1) month before the turn-over/expiration** of the leased premises to PPMC.
- 1.8 Pay to PPMC the required monthly Common Use Service Area (CUSA) Fee for maintenance of common areas and facilities. The CUSA fee shall be computed as follows:
  - 1.8.1 For Structure and Open Space - Thirty Three Pesos (PhP33.00) plus 12% VAT multiplied by the total area at 400 square meters.
- 1.9 Be solely liable and responsible for injury of person/persons and property damage suffered by PPMC or third parties arising out of the Winning Participant's operation of its business and all operations which are necessary or incidental to the Winning Participant's business activities and use of the PROPERTY. The Winning Participant's shall likewise indemnify and hold harmless PPMC and its officers, directors, trustees, employees, shareholders or agents from and against any liability, damages, claims, suits or proceedings arising from or in relation to any act or omission of the Winning Participant in the performance of the Contract of Lease.

Should the Winning Participant fail to perform its responsibilities stipulated in Sections 1.3, 1.4 and 1.5 above, the Winning Participant shall be liable to pay PPMC the amount of **Ten Thousand Pesos (PhP10,000.00)** for every day of delay of the payment of Advance Rental and Security Deposit and submission of Creditable Withholding Tax (CWT) and the original insurance policy.

## Section 2 **Rights and Responsibilities of PPMC**

The PPMC shall:



- 2.1 Give the Winning Participant the sole right to lease, and manage the Property, subject to the restrictions and terms and conditions of this TOR and the Contract of Lease to be entered into between PPMC and the Winning Participant.
- 2.2 Deliver the Property on an “**as-is-where-is**” basis, upon signing of the Contract of Lease.

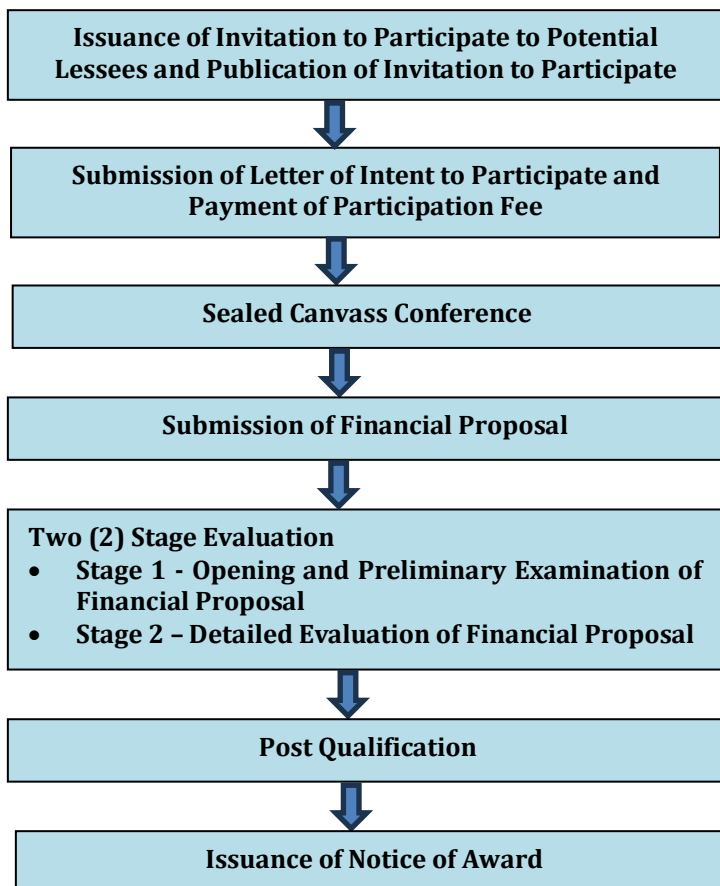
For this purpose, **AS-IS, WHERE-IS** shall mean the condition of the Property during the joint inspection of PPMC representatives and the Winning Participant before contract signing. A **Certificate of Turnover and Acceptance** shall be issued and signed as part of the Contract of Lease.

Section 3 **Transfer or Assignment of Right.** The Winning Participant shall not be allowed to assign, transfer or convey to a third party, its rights, interests, or obligations in the Contract of Lease with PPMC. Should the Winning Participant intend to transfer/assign its rights over the Property, automatic recovery of the property by PPMC shall be conducted. In the event of default by the Winning Participant, Article IX of the TOR shall be applied.

Section 4 The rights and responsibilities of PPMC and the Winning Participant shall be governed by the provisions of this TOR and the Contract of Lease to be signed between the Parties. In case of conflict or inconsistency between the two (2) documents, this TOR shall prevail over the Contract of Lease.

## ARTICLE XII SEALED CANVASS PROCEDURE

Section 1 **Process Flow.** The sealed canvass process shall proceed as follows:



- Section 2 **Issuance and Publication of Invitation to Participate in the Sealed Canvass.** PPMC Joint Asset Disposition Committee shall issue *Invitation to Participate* to parties who have initially expressed their interest to lease the Baywalk Structure – Alfresco Building and shall publish the *Invitation to Participate* in the PPMC website ([www.poropointfreeport.gov.ph](http://www.poropointfreeport.gov.ph)) and PPMC Facebook Page (<https://www.facebook.com/PPMCofficial>). This shall serve to inform and invite prospective Participants to the subject Canvass.
- Section 3 **Submission of Letter of Intent to Participate and Payment of Participation Fee.** Participants interested to join this Sealed Canvass shall submit to PPMC a **Letter of Intent to Participate** signifying its interest to participate and shall pay the corresponding **Participation Fee** in the amount specified in Article XIII Section 2.6 *Participation Fee* not later than the deadline specified in Article XIV *Timetable of Activities*. Only those Participants who submitted a **Letter of Intent to Participate** and paid the **Participation Fee** before the specified deadline shall be entitled to participate in the Sealed Canvass Conference and submit a Financial Proposal.
- Section 4 **Submission of Financial Proposal.** Participants shall submit their Offer consisting of the *Final Offer Letter* not later than the deadline specified in Article XIV *Timetable of Activities*. The *Financial Proposal* shall be submitted in a sealed envelope.

**ARTICLE XIII  
ELIGIBILITY, EVALUATION OF OFFERS AND  
SELECTION OF WINNING PARTICIPANT**

- Section 1 PPMC Joint ADP Committee shall adopt a two (2)-stage evaluation process.
- Stage 1** involves the opening and preliminary examination of the *Financial Proposal* to determine the completeness of documents submitted by the Participant and the sufficiency of data/information provided therein.
- Stage 2** involves the detailed evaluation of the *Financial Proposal* to determine compliance with the financial offer requirements specified under this *TOR*.
- Section 2 **Eligibility**
- 2.1 **Eligibility Criteria.** A Participant shall be considered eligible if it satisfies all of the following requirements:
- a. **Legal Capacity.** The Participant may be a business entity duly registered with the Department of Trade and Industry (DTI), cooperative duly registered with the Cooperative Development Authority (CDA), partnership, or corporation duly-registered with the Philippine Securities and Exchange Commission (SEC).
  - b. **Compliance Commitment.** The Participant must commit to comply with (a) Contract of Lease, (b) PPFZ Comprehensive Master Development Plan and Design Standards and Guidelines, and (c) all other pertinent government standards such as, but not limited to, the National Building Code of the Philippines, the Comprehensive Fire Code of the Philippines, and other relevant laws, rules, regulations, and issuances of the agencies

of the National Government for the entire duration of the lease.

- c. **Financial Capacity.** The Participant must have adequate capability to enter into a lease for the Property and meet all of its financial obligations to PPMC, which shall be measured in terms of the audited cash bank balance or credit line facility. The Participant should have an Average Daily Balance for the last six (6) months and/or Credit Line in the amount equivalent to the **Beginning Annual Lease and Annual CUSA Fee plus 12% VAT of the Property amounting to at least PhP513,408.00.**
- 2.3 **No Default.** The Participant is not considered in default of its financial or other obligations, in any past or current project being undertaken with PPMC, BCDA or any of its subsidiaries at the day of submission of offers, as determined by the PPMC Board.
- 2.4 **No Pending Case.** The Participant should not be involved in any case against PPMC, BCDA and/or their affiliates and subsidiaries.
- 2.5 **Timely and Complete Payment of Taxes.** The Participant should have no tax liabilities in the Philippines. A valid Tax Clearance Certificate issued by the Bureau of Internal Revenue (BIR) shall be required as part of the post-qualification process. In the event the participant is a new business owner, the Tax Clearance Certificate shall be submitted, when applicable.
- 2.6 **Participation Fee.** The Participant must pay a non-refundable participation fee of **Five Hundred Pesos (PhP500.00)**. Only those who have paid the participation fee shall be entitled to participate in the Sealed Canvass Conference and submit a Financial Proposal and receive Canvass Bulletins or official responses from the PPMC ADP-Com.
- 2.7 **Eligibility Documents.** Participants are required to submit the following documents during Post Qualification described in the attached Checklist (Annex E):
- a. Duly notarized Eligibility Statement (**Form 1** attached as **Annex F**) which shall include the following information in support of the Participant's eligibility:
- i. Participant's Profile (**Form 2** attached as **Annex G**) which contains general organization and financial information about the Participant;
- ii. Certificate of Registration from relevant regulatory government agencies (SEC Registration together with Articles of Incorporation, By-Laws and the General Information Sheet (GIS) of the Participant for the latest applicable calendar or fiscal year (2023) or, Cooperative Development Authority (CDA) or Department of Trade and Industry (DTI).
- iii. Bank Certificate with Average Daily Balance for the last six (6) months and/or Credit facilities with reputable banks of the Participant;
- iv. Valid Tax Clearance Certificate for the immediately preceding calendar year, duly stamped and issued by the Bureau of Internal Revenue (BIR) to be checked during the post-qualification process.

- v. Audited Financial Statement for the past three (3) years, if applicable, stamped “Received” by the Bureau of Internal Revenue (BIR), otherwise, Audited Financial Statement based on previous years of operation;
- vi. Board Resolution/Secretary's Certificate/Special Power of Attorney of the Participant, expressly authorizing their participation in the sealed canvass process, and appointing their authorized representative/s for this purpose. For sole proprietorships, a valid government-issued identification card of the proprietor with photo.
- vii. A statement of Commitment to comply with the: (1) Contract of Lease, (2) PPFZ Comprehensive Master Development Plan and Design Standards and Guidelines and (3) all other pertinent government standards;
- viii. A statement of no-default on its financial or other obligations to PPMC, BCDA or any of its subsidiaries;
- ix. A statement of no pending or unpaid tax liabilities in the Philippines;
- x. A statement of acceptance of the qualification criteria established by the PPMC, commitment to abide by the decision of the PPMC Board, and waiver of its rights to seek legal remedies against PPMC, its Board of Directors, Officers, staff, consultants and authorized representatives/personnel in connection with this selection process;
- xi. A statement attesting to the veracity of all information presented and authenticity of all documents submitted;
- xii. A statement of affirmation of PPMC’s anti-corrupt practices policy;

Section 3      **Financial Proposal.** The *Financial Proposal* shall consist of the following:

- 3.1 **Final Offer Letter.** The Participant should submit its Offer proposal (**Form 3** attached as **Annex H**), stating its Offer for **Beginning Monthly Lease Rate of the Property** duly signed by the Participant or its duly authorized representative, which amount shall not be less than the amount stated in Article III, Section 2.

Section 4      **Evaluation of Financial Offers**

- 4.1 **Preliminary Examination of Financial Offers.** On the date and time specified in Article XIV *Timetable of Activities*, the sealed envelopes containing the *Financial Proposal* shall be opened by the PPMC ADP-Com to determine the completeness of the document and sufficiency of data/information provided therein. Only those Financial Proposal submitted on time will be opened and examined. Late Financial Proposal (Offers submitted after the cut-off time) will not be accepted and shall automatically be returned to the Participant/s unopened, but will be stamped with the date and time it was received by PPMC for the submission of the Offer.

Financial Proposals that are found to be non-complying shall be

automatically rejected.

- 4.2 **Detailed Evaluation of Financial Offers.** Within the period specified in Article XIV *Timetable of Activities*, the PPMC ADP-Com shall conduct a detailed evaluation of the *Financial Proposals* submitted. Offers that have satisfied all the requirements of this *TOR* shall be ranked based on the **Beginning Monthly Lease Rate for the Property**, and the highest proposed amount shall be declared as the **Highest Ranked Offer**.
- 4.3 **Single/Lone Qualified Offer.** A single/lone qualified offer shall be considered for post-qualification if it falls under any of the following circumstances:
- (a) If, after issuance of invitations, only one (1) prospective Participant submits a Letter of Intent to Participate and pays the Participation Fee, after which it submits a Financial Proposal, which is found to be responsive to the sealed canvass requirements;
  - (b) If, after issuance of invitations, more than one (1) prospective Participant submits a Letter of Intent to Participate and pays the Participation Fee, but only one (1) Participant submits a Financial Proposal which is found to be responsive to the sealed canvass requirements; or
  - (c) If, after the submission of Financial Proposals, more than one (1) prospective Participant submits a Financial Proposal, but only one (1) Participant's offer is responsive to the sealed canvass requirements.

In all instances, the PPMC ADP Committee shall ensure that the Final Offer reflects the most advantageous offer for PPMC.

## Section 5 **Post-qualification**

- 5.1 The Participant with the Highest Ranked Offer or Single/Lone Qualified Offer must pass a post-qualification process including submission of Eligibility Documents specified in Article XIII Section 2.7 *Eligibility Documents*. Failure to submit and comply with any and all Eligibility Documents shall invalidate the Offer of the Participant and shall be declared as post-disqualified.
- 5.2 If the Participant with the Highest Ranked Offer or Single/Lone Qualified Offer passes post-qualification, its proposal shall be declared as the **Highest Ranked and Responsive Offer or Single/Lone Qualified and Responsive Offer**. The PPMC ADP-Com shall recommend the award of the contract to said (Winning Participant) to the PPMC Board of the results of the post-qualification.
- 5.3 If the Participant with the Highest Ranked Offer or Single/Lone Qualified Offer fails post-qualification, the PPMC ADP-Com shall notify the Participant of the results thereof. The PPMC ADP-Com shall subject the Participant with the Second Highest Ranked Offer to post-qualification.
- 5.4 If the Participant with the Second Highest Ranked Offer passes post-qualification, it shall be declared as the Winning Participant. If, however, the Participant with the Second Highest Ranked Offer fails post-qualification, the post-qualification process shall be repeated for the Participant with the next highest-ranked offer, and so on until a Winning

Participant is determined.

5.5 If the Participant with the Single/Lone Qualified Offer fails post-qualification, the PPMC ADP-Com shall notify the Participant of the results thereof. The PPMC ADP-Com shall then declare a failure of sealed canvass.

Section 6 **Award.** A Notice of Award (NOA) shall be issued to the Winning Participant, inviting the Winning Participant to execute the *Contract of Lease* within thirty (30) calendar days from receipt thereof.

**ARTICLE XIV  
 TIMETABLE OF ACTIVITIES**

Tab. 4. Timetable of Activities

<b>Activities</b>	<b>Schedule</b>
Publication of Invitation to Participate in PPMC website and Facebook Page	<b>July 17, 2024</b>
Issuance of Invitation to Participate to Prospective Lessees	<b>July 17-19, 2024</b>
Deadline of Submission of Letter of Intent to Participate and Payment of Participation Fee	<b>July 31, 2024</b>
Sealed Canvass Conference	<b>August 1, 2024 at 10:00 AM</b> PPMC Administration Office, Poro Point Freeport Zone, City of San Fernando, La Union
Deadline of Submission of Requests for Clarification	<b>August 5, 2024</b>
Deadline for Submission of Financial Proposals	<b>August 12, 2024 at 10:00 AM</b> PPMC Administration Office, Poro Point Freeport Zone, City of San Fernando, La Union
Opening and Preliminary Examination of Financial Proposals	<b>August 12, 2024 immediately after the deadline for submission of Financial Proposals</b> PPMC Administration Office, Poro Point Freeport Zone, City of San Fernando, La Union
Detailed Evaluation of Proposals and Determination of Highest Ranked Offer or Single/Lone Qualified Offer	<b>August 13, 2024</b>
Post-qualification/Submission of Post-qualification Documents	<b>August 14-28, 2024</b>
Approval of the Results	Nearest PPMC Board Meeting
Announcement of the Winning Participant and Issuance of Notice of Award	Upon approval by PPMC Board
Signing of Contract	Within thirty (30) calendar days from receipt of the Notice of Award

The above is an indicative timetable which may change at the discretion of the PPMC ADP-Com.

## **ARTICLE XV TAKE-OVER OF THE PROPERTY**

Section 1      The Winning Participant authorizes PPMC to enter the Property as the agent or attorney-in-fact of the Winning Participant, without the need of any judicial action, in the following instances:

- 1.1      The Property is abandoned, deserted, or vacated within the duration of the Contract of Lease;
- 1.2      Violation of any terms in the Contract of Lease by the Winning Participant; or
- 1.3      Non-payment of the lease and CUSA fee in full for a period of three (3) months from the date it fell due by the Winning Participant.

PPMC shall further have the option to dispose the same to other parties as the agent of the Winning Participant, to receive the payments thereof, and to apply the same under the Contract of Lease, holding the Winning Participant liable for any deficiency, without prejudice to any right of action against the Winning Participant.

For purposes of this Section, the Property is considered to be abandoned, deserted, or vacated if the Winning Participant or its authorized representatives or beneficiaries has not, within the lease period, used or entered the Property for three (3) consecutive months without prior written notification to PPMC; or the Winning Participant has not been paying the lease and CUSA for the property for the same period.

This section shall also not preclude PPMC from exercising its right/remedies that shall be set out anywhere else in this *TOR* or in the *Contract of Lease* for the Property.

## **ARTICLE XVI OTHER MATTERS**

Section 1      **Amendments.** The material terms, provisions, and procedures contained in this *TOR* may be amended or replaced at any time, subject to the approval of the PPMC Board, without giving prior notice or providing any reasons thereof. Should any of the information and/or procedures contained in this *TOR* be amended or replaced, the PPMC ADP-Com shall inform all Participants of such amendments by way of a Canvass Bulletin. To ensure that all Participants are informed of any amendments to this *TOR*, all Participants are requested to inform PPMC of their contact persons as well as contact telephone numbers and e-mail addresses. In addition, receipt of all Canvass Bulletin shall be duly acknowledged by each Participant prior to the submission of Offers and shall be so indicated therein.

Section 2      **Requests for Clarifications.** Participants are enjoined not to contact any employee or officer of PPMC, whether personally or through phone calls. All relevant inquiries and concerns shall be raised in writing and addressed only to the PPMC Asset Disposition Program Committee as follows:

**PPMC ASSET DISPOSITION PROGRAM COMMITTEE**

Poro Point Management Corporation (PPMC)  
PPMC Administration Building  
Gov. Joaquin L. Ortega Avenue  
Poro Point Freeport Zone  
City of San Fernando, La Union

All clarifications and inquiries on the submissions of Offers should be received by the PPMC ADP-Com on or before the date specified in this *TOR*.

Section 3 **Due Diligence.** Each prospective Participant shall be solely responsible to conduct its own due diligence on all matters relating to this *TOR* and the Property which may affect its valuation of the Property or the nature of its proposal. PPMC shall not be responsible for any erroneous interpretation or conclusion of the Participant out of data furnished or indicated in this *TOR* and official eligibility and proposal forms, including any addenda, amendments, or Offer Bulletins issued by the PPMC ADP-Com.

No verbal agreement or conversation with, nor any verbal clarification from, any officer or employee of PPMC, the PPMC ADP-Com, or any of their advisers shall affect or modify any of the terms and conditions contained in this *TOR*. Only amendments, supplements, or clarifications to this *TOR* that are set down in writing and circulated to proponents, via a Canvass Bulletin, by the PPMC ADP-Com shall be relied upon as authorized. Neither the BCDA, PPMC, its Directors, Officers, staff, consultants, and authorized representatives/personnel may make any representation or warranty concerning any matter affecting this Sealed Canvass except for the representations and warranties of BCDA and PPMC that shall be set out in the Contract of Lease for the Property.

Section 4 **Failure of Sealed Canvass.** The PPMC ADP Committee, upon approval of the PPMC Board, shall declare a failure of sealed canvass in any of the following instances:

- 4.1 No Offer is received;
- 4.2 No Participant passed the preliminary examination of Offers;
- 4.3 No Participant qualified during the detailed evaluation of Offers;
- 4.4 No Participant passed post-qualification;
- 4.5 The Winning Participant refused to accept the award or enter into a contract with PPMC; and
- 4.6 The happening of a fortuitous event or any reason beyond the control of PPMC, including but not limited to change in government policy, which prevents the completion of the contract or unduly delays its conclusion.

Section 5 **Appeal.** A Participant determined as disqualified and/or whose Offer has been found non-complying may file an appeal in writing (Notice of Appeal) to the PPMC Board of Directors. The appeal must be filed within three (3) calendar days from receipt of the notice containing the questioned resolution.

The Sealed Canvass process will be suspended for a maximum period of thirty (30) calendar days while the appeal is being evaluated. The decision of the PPMC Board on the appeal shall be final and immediately executory. If the appeal is not resolved within the said period, the appeal is deemed denied, and the sealed canvass process will proceed.



Section 6      **Confidentiality of Offers.** All Offers and accompanying documents shall be treated as confidential. Both parties shall hold any and all confidential information in strict adherence and will not disclose or use any confidential information or any part of it except for the proper performance of the party's obligations under the *TOR*.

Section 7      **Waiver of Right to Seek Legal Remedies.** BCDA and PPMC, its Board of Directors, Officers, staff, consultants, and authorized representatives/personnel shall be held free and harmless from any liability, costs, and expenses arising from the participation by the Participants in this sealed canvass process. All Participants, in participating in the sealed canvass, waive all rights to seek legal action (e.g. Temporary Restraining Order, lawsuits, etc.) to prevent PPMC from awarding and executing a contract with the Winning Participant or against any decision of PPMC in connection with the evaluation, award, suspension or termination of the sealed canvass process.

Section 8      **Integrity Initiative.** The Participants, their Directors, and Officers are prohibited from communicating with or contacting, directly or indirectly, any of the PPMC Directors, Officers, staff, consultants, and other authorized representatives/personnel on matters concerning the sealed canvass for the entire duration of the sealed canvass process except for queries and clarifications of proposals which must be in writing and addressed to the PPMC ADP-Com Chairperson.

The Participants shall not offer or give, directly or indirectly, any amount, benefit or advantage to any Director, Officer, employee, consultant, or authorized representative/personnel of PPMC. Violation of this policy shall be a ground for disqualification or revocation of the award, if any, without prejudice to damages that PPMC may recover for any loss or damage that may result therefrom.

Section 9      **Qualifications and Waivers.** The PPMC Board reserves the right to reject any or all Offers and its decision shall be final. PPMC reserves the right to review all relevant information affecting the Participant or the proposal before the execution of the Contract of Lease. PPMC may disqualify the Participant or suspend/terminate the sealed canvass process or declare a failure of sealed canvass should such review uncover any misrepresentation, error, mistake, or fraud in any of the submitted documents or information or evaluation which affects the substance of its proposal.

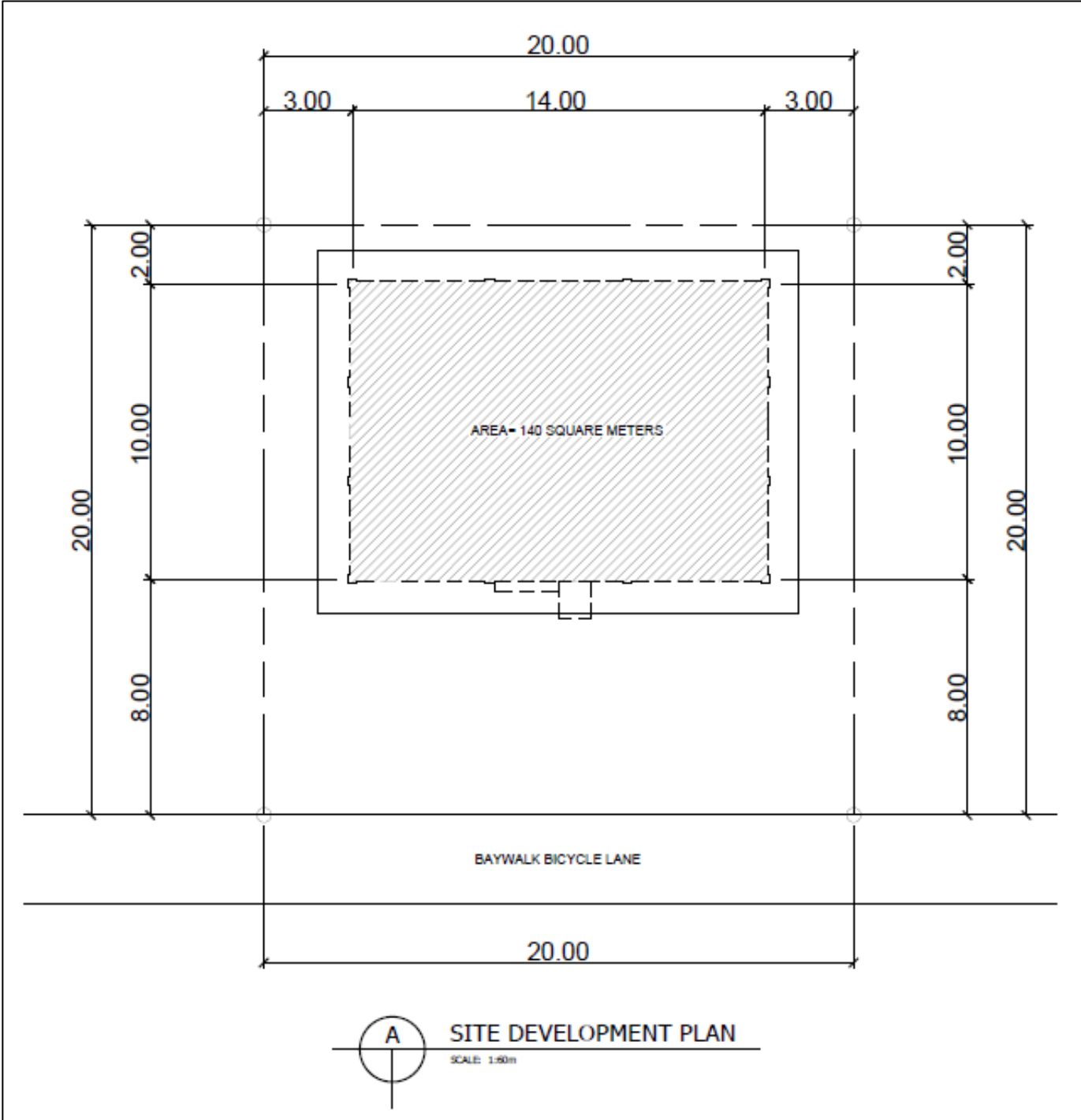
The PPMC Board further reserves the right to call off the sealed canvass at any stage prior to the signing of the Contract of Lease and call for new sealed canvass under amended rules, without any liability whatsoever to any and all the Participants.

Section 10     **Interpretation of Documents.** The *TOR* and all its Annexes have been crafted with a view toward fair, transparent, and competitive sealed canvass of the Subject Property. Any ambiguity in, or conflict between, the *TOR* and its Annexes shall be resolved toward fulfilling the intent of this privatization, as determined by PPMC.

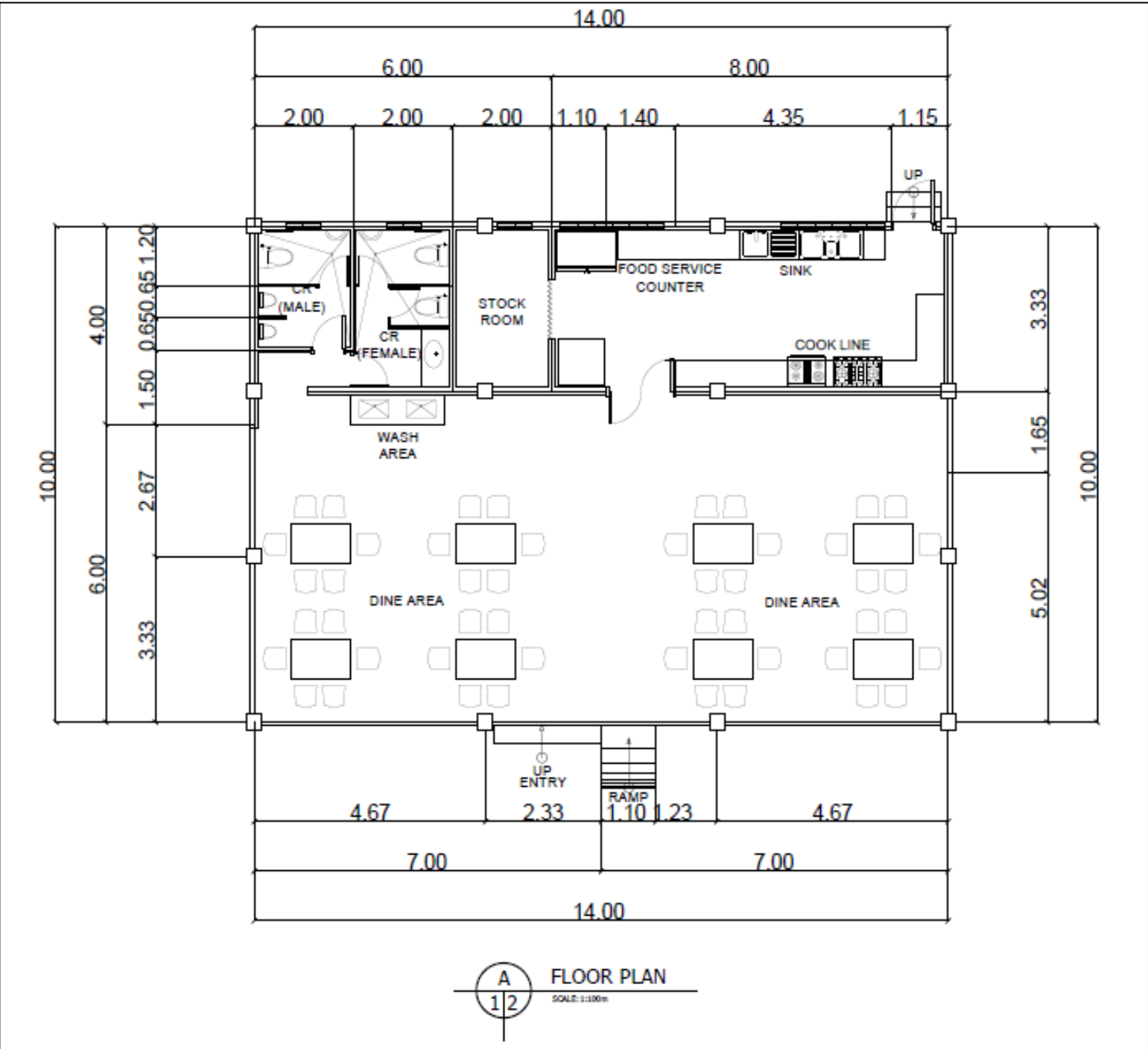
**ANNEX A (Location Map of the Baywalk Structure)**



**ANNEX B (Lot Plan)**



**ANNEX C (Floor Plan)**



**ANNEX D**

**DRAFT CONTRACT OF LEASE**

**CONTRACT OF LEASE**

This Contract of Lease ("**Contract**") is entered by and between:

**PORO POINT MANAGEMENT CORPORATION**, a government-owned-and-controlled corporation (GOCC) created pursuant to the Corporation Code of the Philippines and duly registered with the Securities and Exchange Commission (SEC) with principal office address at Gov. Joaquin L. Ortega Avenue, Poro Point Freeport Zone, Poro, City of San Fernando, La Union, represented herein by its President and CEO, **ATTY. FELIX S. RACADIO**, duly authorized for this purpose as evidenced by Secretary's Certificate hereto attached as **Annex "A"** and made an integral part hereof and hereafter referred to as "**LESSOR.**"

- and -

( \_\_\_\_\_ ), a business organized and existing under Philippine laws, with principal office address at \_\_\_\_\_, represented herein by its \_\_\_\_\_, \_\_\_\_\_, duly authorized for this purpose by the \_\_\_\_\_ as evidenced by \_\_\_\_\_ hereto attached as **Annex "B"** and made an integral part hereof and hereafter referred to as the "**LESSEE.**"

**LESSOR** and **LESSEE** shall be referred individually as "**Party**" and collectively as "**Parties.**"

**ANTECEDENTS:**

Republic Act No. 7227, as amended, mandates the Bases Conversion and Development Authority (**BCDA**) to accelerate the sound and balanced conversion into alternative productive uses of the former Clark and Subic military reservations and their extensions, including the Wallace Air Station, to raise funds through the sale or lease of portions of Metro Manila, and to apply said funds for the development and conversion of the said reverted military base lands.

Proclamation No. 216, series of 1993, created and designated the area covered by the former Wallace Air Station and its contiguous areas as the Poro Point Special Economic and Freeport Zone (PPSEFZ). In 2007, Republic Act No. 9400 affirmed the Freeport status of the PPSEFZ thereby amending the PPSEFZ to Poro Point Freeport Zone (PPFZ).

Executive Order (EO) No. 132, series of 2002, authorized the establishment of Poro Point Management Corporation (PPMC) as BCDA's operating and implementing arm to manage the PPFZ.

Pursuant to its mandate, PPMC conducted a competitive selection through sealed canvass, for the lease of the Baywalk Structure – Alfresco Building and Open Space (*hereafter referred to as the **Leased Premises***) with an area of approximately 400 square meters consisting of a 140 square meter building footprint and a 260 square meter open space, located within the PPFZ (hereinafter the "**Project**").

The disposition of the Baywalk Structure – Alfresco Building and Open Space was carried out pursuant to the provisions of RA No. 7227, as amended, Executive Order No. 62, series of 1993, as amended, which prescribes the policies and guidelines to implement RA No. 7227, the BCDA Revised Guidelines for the Sale and Lease of BCDA Properties, the PPMC Term Sheet for the Lease of Poro Point Baywalk Commercial Area and other relevant laws, executive orders, and rules and regulations, to the extent applicable.

On \_\_\_\_\_, the PPMC Asset Disposition Program (ADP) Committee (hereinafter, the “**PPMC ADP Committee**”) for the disposition of the Baywalk Structure – Alfresco Building and Open Space, published the Invitation to Participate and issued the Invitation to Participate to all interested private sector proponents who have expressed their interest to lease the Baywalk Structure – Alfresco Building and its Open Space within the PPFZ.

On \_\_\_\_\_, X (X) interested private sector proponents, namely (1) \_\_\_\_\_; and (2) \_\_\_\_\_ submitted their Offers for the **Project** containing their Financial Proposals.

Out of the X (X) prospective private sector proponents that submitted the Offers, only the (\_\_\_\_\_), the Participant that submitted its Offer on time, has qualified and was subjected to the detailed evaluation/examination of the Offer.

After the detailed offer evaluation conducted by the PPMC ADP Committee, the \_\_\_\_\_, who was declared as the Participant with the **HIGHEST RANKED OFFER**, underwent the post-qualification stage to verify the accuracy and authenticity of all its submitted documents and information and to determine its compliance with the requirements of the **Project** pursuant to the Terms of Reference (TOR).

The **LESSOR**, in the exercise of its powers defined by law, Executive Order No. 62, Executive Order No. 132 and the Implementing Rules and Regulations governing the Poro Point Freeport Zone, among others, approved the award of the lease of Baywalk Structure – Alfresco Building and Open Space to the Winning Participant. The **LESSOR**’s Board of Directors during its Board Meeting held on \_\_\_\_\_, has approved the award of the lease to \_\_\_\_\_. A copy of the Secretary’s Certificate showing the **LESSOR**’s Board Approval of the lease application is hereto attached as **Annex “C”** and formed part hereof.

**ACCORDINGLY**, the **PARTIES** agree as follows:

**1. LEASED PREMISES**

- 1.1. **LESSEE** agrees to lease the **LEASED PREMISES** on an “*as-is, where-is*” basis.
- 1.2. The **LEASED PREMISES** shall be used solely and exclusively by the **LESSEE** for its retail commercial business.
- 1.3. The total area of the **LEASED PREMISES** is **Four Hundred (400) square meters (sqm)** located on Baywalk Cut Lot No. 7, Poro Point Baywalk, Poro Point Freeport Zone, comprising of the following:

<b>Structure/Space</b>	<b>Existing Area (sqm)</b>
Alfresco Building	140
Open Space	260
<b>TOTAL AREA</b>	<b>400</b>

- 1.4 **Open Space.** A portion of the baywalk cut lot surrounding the Baywalk Structure with an area of **260 square meters** is allotted for alfresco

dining expansion, landscaping provision and/or for other improvements on the **LEASED PREMISES**. The **LESSEE**'s option to introduce developments and improvements on the **LEASED PREMISES** shall be subject to review and written approval of PPMC.

The location map and site development map of the **LEASED PREMISES** are herein attached as *Annexes "D"* and *"E,"* respectively.

- 1.5 **Option to Lease Additional Cut Lot.** The **LESSEE** has an option to lease and develop an additional baywalk cut lots beside the **LEASED PREMISES** for future expansion or new business. The **LESSEE**'s option to lease the additional cut lots may be exercised through the submission of a letter of intent and subject to review and written approval of the **LESSOR**.
2. **TERM.** The term of this Contract shall be for six (6) years to commence upon signing of this Contract, which may be renewed for another six (6) years subject to terms and conditions mutually agreed upon in writing by the **PARTIES**.
3. **LEASE RENTAL.** The **LESSEE** shall pay to the **LESSOR**, without delay nor need for demand, a fixed monthly lease rental in the total amount of \_\_\_\_\_ **Pesos and 00/100 (PhP\_\_\_\_\_)**, exclusive of Value Added Tax (VAT), for the lease of the **LEASED PREMISES**.
4. **ADVANCE RENTAL.** Upon execution of this **Contract**, the **LESSEE** shall pay to the **LESSOR** an Advance Rental in the amount of \_\_\_\_\_ **(PhP\_\_\_\_\_)**, plus 12% VAT, or equivalent to the beginning three (3) months' lease rental, plus 12% VAT, in the form of Cash, Manager's Check or Cashier's Check, to be applied as lease rentals for the last three (3) months of this **Contract** subject to additional payment based on the actual lease rental for the last three (3) months.
5. **RENEWAL**
  - 5.1. There shall be no tacit renewal of this **Contract** notwithstanding **LESSEE's** continuous possession of the **LEASED PREMISES** for any period of time after the expiration of the term of this **Contract**.
  - 5.2. To open negotiations for the renewal of this **Contract**, the **LESSEE** shall notify the **LESSOR** of its intention to renew this **Contract**, which notice must be made in writing at least six (6) months prior to the expiration of this **Contract**. This notice shall be without prejudice to the **LESSOR's** right to evaluate the advisability of renewing the lease and the **LESSOR's** continued suitability as a Party to the renewal of the **Contract**.
  - 5.3. Negotiations for the renewal of the **Contract** shall continue until otherwise declared by either Party to be terminated. During this period, this **Contract** shall automatically be extended on a month-to-month basis to govern the rights and interests of the Parties pending the conclusion of the negotiations for renewal.
  - 5.4. In the event the **LESSEE** exercises its option to renew its lease over the **LEASED PREMISES**, the new lease rate for the extension period shall be subject to the re-evaluation of the **LESSOR** and which shall not be lower than the lease rate of the Property on the sixth (6<sup>th</sup>) year plus ten percent (10%) escalation.



**6. SECURITY DEPOSIT**

- 6.1. Upon execution of this **Contract**, the **LESSE** shall remit to the **LESSOR** a non-interest bearing security deposit equivalent to three (3) months beginning lease rental, or the total amount of \_\_\_\_\_ **Pesos (PhP\_\_\_\_\_)**, plus 12% VAT.
- 6.2. This amount shall be maintained at all times for the duration of this **Contract**, subject to replenishment by the **LESSEE**, if necessary, to answer for any damage to the **LEASED PREMISES**, unpaid utilities, or any accountabilities of the **LESSEE**.
- 6.3. This amount, net of deductions for the purposes stated above, shall be released to the **LESSEE**, free of any interest, within ninety (90) days from the termination or expiration of the **Contract**.
- 6.4. The Security Deposit shall be forfeited by the **LESSOR** upon termination of the **Contract** due to a breach or violation of its terms and conditions by the **LESSEE**.

**7. COMMON USE SERVICE AREA (CUSA) FEES**

- 7.1. The Beginning CUSA fee for the **LEASED PREMISES** based on the building footprint and open space is in the total amount of **Fourteen Thousand Seven Hundred Eighty-Four Pesos (PhP14,784.00)**, inclusive of 12% VAT, broken down as follows:

<b>Property</b>	<b>Area (sqm)</b>	<b>Beginning Rate (PhP/sqm/month)</b>	<b>Total Amount (in PhP)</b>
Structure and Open Space	400 square meters	PHP33.00/square meter/month, plus 12% VAT	PhP14,784.00

- 7.2. The CUSA fee shall cover the **LESSOR**'s maintenance costs for the common areas and facilities.
- 7.3. The CUSA fee does not cover expenses for electricity, water, sewerage, and telephone/internet services for the operation of **LESSEE**'s business which costs shall be for the sole account of the **LESSEE** and paid directly to the utility providers.

**8. UTILITY CHARGES**

- 8.1. The **LESSEE** shall undertake, at its sole cost and assume all responsibilities and expenses for the materials, construction, installation and connection of utilities such as electricity, water and telecom and for such other services not required to be provided by the **LESSOR**.
- 8.2. The **LESSEE** shall construct its own Water System within the **LEASED PREMISES** to include electric motor pump, pressure tank and water tank, among others, subject to securing the requisite written permit(s) and clearance(s) from the **LESSOR**. The capacity of the water tank should be equivalent to at least two (2) days projected water consumption of the **LESSEE** and the water tank should be concealed to complement the aesthetics of the Alfresco Building and the Poro Point

Baywalk.

- 8.3. Electricity, water, telephone/internet services and other utility charges due or becoming due by reason of, in relation or incident to the **LESSEE's** operations or use of the **LEASED PREMISES**, or in the performance of its obligations under this **Contract**, shall be for the exclusive account of the **LESSEE**.

## 9. **ESCALATION RATE**

- 9.1. The monthly lease rental rate shall be subject to is subject to an escalation of ten percent (10%) every three (3) years for the duration of the lease for the **LEASED PREMISES**.
- 9.2. The CUSA fees shall be subject to an escalation of ten percent (10%) every three (3) years for the duration of the lease.

## 10. **COMPREHENSIVE ALL-RISK INSURANCE**

- 10.1. For the duration of this **Contract**, the **LESSEE** shall procure and obtain, at its own cost and with **BCDA/PPMC** as the sole beneficiary thereof, an all-risk insurance coverage from the Government Service Insurance System (GSIS) in an amount equivalent to the replacement value of the improvements introduced in the **LEASED PREMISES**.
- 10.2. The **LESSEE** shall have the obligation to update the amount insured, as may be necessitated by additional constructions or an increase in the value of existing improvements.
- 10.3. The **LESSEE** shall submit to **PPMC** the copy of the original and current insurance policy and the official receipt of payments within five (5) days from obtaining the insurance coverage.
- 10.4. In case of an occurrence of an insurable event, the **LESSEE** shall, automatically and without need of demand, assign the insurance proceeds to **BCDA/PPMC** for purposes of reconstruction or rehabilitation of the damaged or lost improvements or structures.
- 10.5. In case the amount received by **BCDA/PPMC** is not sufficient to restore the damaged or lost improvements or structures, the **LESSEE** shall assume the deficiency and the additional costs thereof without reimbursement from **BCDA/PPMC**.
- 10.6. In the alternative and only in case of total destruction of improvements or structures found in the **LEASED PREMISES**, **PPMC** and the **LESSEE** may agree on terminating this **Contract**. In which case, **BCDA/PPMC** shall retain the insurance proceeds.

## 11. **MANNER AND SCHEDULE OF PAYMENT**

### 11.1. **Lease Rental**

- a. The first fixed monthly lease rental shall be paid upon signing of this **Contract**. The **LESSEE** shall pay to the **LESSOR** its succeeding monthly lease rental on or before the 5<sup>th</sup> day of each month. Any delay in payment shall be subject to penalty as herein provided.

- b. In case the 5<sup>th</sup> day falls on a non-banking day, payment shall be made on the next banking day. The **LESSEE** shall pay the lease rentals according to the schedule of payment without the necessity of notice or demand from the **LESSOR**.

#### 11.2. CUSA Fees

- a. After the **CUSA Fee-Free Period** of three (3) years upon signing of the Contract, the **LESSEE** shall pay the CUSA fees to the **LESSOR** on or before the 5<sup>th</sup> day of each month. Any delay in payment shall be subject to penalty as herein provided.
- b. In case the 5<sup>th</sup> day falls on a non-banking day, payment shall be made on the next banking day. The **LESSEE** shall pay the CUSA fees according to the schedule of payment without the necessity of notice or demand from the **LESSOR**.

#### 12. LATE PAYMENTS

- 12.1. Should the **LESSEE** fail to pay the monthly lease rental and/or CUSA fees on the day it is due, the **LESSEE** shall pay **PPMC** an interest equivalent to one percent (1%) of the monthly rental rate for every calendar day of delay and one percent (1%) penalty charge from date of delay, which shall be compounded until full payment is remitted, in addition to other remedies available to **PPMC** as stated in this **Contract**.
- 12.2. Without prejudice to **PPMC's** right to collect interest and penalty above, failure of the **LESSEE** to pay the rentals and fees on time for at least one (1) quarter shall be sufficient ground for **PPMC** to terminate this **Contract**.

#### 13. WITHHOLDING OF TAXES

- 13.1. The **LESSEE** shall pay, at its sole account, all applicable taxes, licenses, fees and charges due on the lease transaction, the **LEASED PREMISES** and its improvements, and those that may be imposed by law during the entire term of this **CONTRACT**.
- 13.2. Any amount that, pursuant to any law, executive order, rule, ordinance or regulation, is now, or may in the future be, required to be withheld or retained by the **LESSEE** as withholding tax on any rental or other payments due to the **LESSOR** under this **Contract** shall be retained by the **LESSEE** and remitted directly to the appropriate taxing authority.
- 13.3. The **LESEE** shall provide to the **LESSOR** proof of such remittance in such manner as may be prescribed by applicable laws and regulations.

#### 14. DEVELOPMENT PLAN

- 14.1. The **LESSEE** shall submit for written approval of the **LESSOR** its Development Plan for its proposed improvements on the baywalk structure and open space within one (1) month from the execution of this **Contract**.
- 14.2. The Development Plan shall comply with the following minimum requirements:

- a. Any development, construction and/or improvements to be undertaken shall strictly comply with the existing and subsequent restrictions under all pertinent government regulations such as, but not limited to, the National Building Code, the Fire Code of the Philippines and other relevant laws, rules, regulations and issuances of the agencies of the National Government.
  - b. The required easements on the **LEASED PREMISES** are as follows:
    - i. Allot 5 meters setback for front (beach front). Allot 2 meters setback for back and sides. No permanent structures shall be constructed within the setback.
    - ii. No fence allowed to be constructed
    - iii. Landscaping should define lot boundaries
  - c. The **LESSEE** shall be responsible for the maintenance and upkeep of any structure within the **LEASED PREMISES**.
- 14.3. Repair works, as determined by **PPMC**, shall be implemented by the **LESSEE** six (6) months before the end of this **Contract** to ensure that said structure will be in good and tenantable condition upon the expiration of the **Contract**; otherwise, the Security Deposit may be used to defray the cost of repair.
- 14.4. Any deviations, modifications or alterations in the Development Plan shall be subject to prior written approval of the **LESSOR**.
- 14.5. The **LESSEE** shall secure the prior written consent of the **LESSOR** for any construction or renovation work that will be made on the **LEASED PREMISES**. Any development, construction and/or improvements on the **LEASED PREMISES** shall have prior written consent and approval of the **LESSOR** one (1) month prior to the commencement of any construction or renovation work.

## 15. **FIXTURES, EQUIPMENT AND IMPROVEMENTS**

- 15.1. All trade and professional fixtures, equipment and improvements introduced by the **LESSEE** for the duration of this **Contract** and are not originally part of the Baywalk Structure – Alfresco Building shall exclusively belong to the **LESSEE**.
- 15.2. The **LESSEE** shall shoulder all expenses in connection with the installation and maintenance of all equipment and facilities necessary, incidental, or in connection with this **Contract**.
- 15.3. The **LESSEE** shall seek the **LESSOR's** approval in writing on any improvement, repair and/or maintenance of the **LEASED PREMISES**.
- 15.4. The **LESSEE** shall not sublease the **LEASED PREMISES** or any part thereof without the prior written consent of the **LESSOR**.
- 15.5. The **LESSEE** shall neither create any lien nor commit any act tending to or causing the creation of any lien on the **LEASED PREMISES** or on any structure or improvement found therein. Neither shall it cause the annotation of any lien or encumbrance on the **LEASED PREMISES**.

- 15.6. Upon expiration or termination of this **Contract**, the **LESSEE** shall surrender and return to the **LESSOR** the **LEASED PREMISES**, together with any structure, civil works and permanent improvements found therein, free from any lien or encumbrance. The **LESSEE** may, however, remove its fixtures, equipment and improvements, without seeking reimbursement from the **LESSOR**, upon expiration or pre-termination of this **Contract** provided that, no damage will be caused on the **LEASED PREMISES**.
- 15.7. The **LESSEE** shall submit to the **LESSOR** its annual corporate tax filings not later than five (5) days after the filing thereof with the Bureau of Internal Revenue (BIR);
- 15.8. The **LESSEE** shall not assign or transfer, or otherwise dispose of its rights and interests under this **Contract** without the prior written consent of the **LESSOR**; and,
- 15.9. The **LESSEE** shall not effect any major change in its corporate makeup without the prior written consent of the **LESSOR**. A major change in the corporate makeup of the **LESSEE** shall refer to a change in ownership, whether beneficial or otherwise, of a majority of the **LESSEE's** current shareholders.

Without prejudice to other remedies available to the **LESSOR**, a violation of any of the **LESSEE's** warranties and/or obligations shall be a ground for the termination of this **Contract**. The termination of this **Contract** is effected by sending a written notice, without the need for judicial action.

## 16. COMPLIANCE WITH POLICIES, RULES AND REGULATIONS

### 16.1. PPMC POLICIES AND PPFZ RULES AND REGULATIONS

- a. The **LESSEE** hereby expressly acknowledges the jurisdiction, power and authority of the **LESSOR** as **BCDA's** Administrator within the Poro Point Freeport Zone (PPFZ) to enforce the rules and regulations governing the PPFZ.
- b. The **LESSEE** agrees to abide by all the rules and regulations of the PPFZ and other applicable policies that will be implemented by the **LESSOR** in connection with this **Contract**.
- c. Any material violation of such policies, rules and regulations and the failure to remedy such violation within thirty (30) days from receipt of written notice thereof shall be a cause for the termination of this **Contract**.

### 16.2. ENVIRONMENTAL COMPLIANCE

- a. The **LESSEE** shall, by itself, ensure that its agents, representatives, employees, contractors, sub-contractors, and all persons possessing or using, or coming into possession or use, of the **LEASED PREMISES**, use and maintain the **LEASED PREMISES** in compliance with existing national environmental laws, rules and regulations, including the specific environmental rules and regulations being implemented by the appropriate authority.

- b. The **LESSEE** shall file and obtain the necessary application for Environmental Compliance Certificate (ECC) or Certificate of Non-Coverage (CNC), as applicable. The **LESSEE** shall submit to the **LESSOR** a copy of such ECC or CNC prior to the commencement of any new construction works.
- c. The **LESSEE** shall comply with **the LESSOR's** requirements for its Environmental Management System.

## 17. CARE OF PROPERTY AND IMPROVEMENTS

- 17.1 Throughout the duration of this **Contract**, the **LESSEE** is obliged to take care of the **LEASED PREMISES** and the improvements found therein with the proper diligence of a good father of a family, the costs for which shall be for its sole account.
- 17.2 The **LESSEE** shall, at its own expense, keep and maintain the **LEASED PREMISES** in a clean and sanitary condition, free from offensive odors, disturbing noises, or other nuisances, and dispose of all waste only through the means and places indicated by the **LESSOR**.
- 17.3 The **LESSEE** shall, at its own expense, maintain and repair all developments, improvements, and fixtures on the **LEASED PREMISES** in good and tenantable condition.
- 17.4 The **LESSEE** shall be liable for any damage or deterioration caused by its employees, visitors, guests, suppliers or clients to the **LEASED PREMISES**. The **LESSEE** shall repair any damage promptly within ten (10) days from the occurrence of the event causing the damage. At its sole option, the **LESSOR** may cause such repairs to be made at the expense and for the account of the **LESSEE**.

## 18. INSPECTION OF THE LEASED PREMISES

- 18.1 The **LESSEE** shall permit the **LESSOR** or any of its authorized representatives to enter and inspect the **LEASED PREMISES** at reasonable hours to conduct verifications of the **LESSEE 's** compliance with this **Contract** and all applicable laws; respond to emergency situations; or exhibit the **LEASED PREMISES** to prospective lessee/s during the last sixty (60) days of the term of this **Contract**; Provided that, the **LESSOR** shall not unreasonably interfere with the **LESSEE 's** use of the **LEASED PREMISES**.
- 18.2 The **LESSOR** reserves the right to make documentation, including but not limited to, photographs or video documentaries of the **LEASED PREMISES** at reasonable times during hours of operation with prior written notice to the **LESSEE**.

## 19. PRE-TERMINATION

- 19.1 This **Contract** may be pre-terminated by mutual agreement of the Parties. It may likewise be terminated upon the instance of any Party by service of a thirty (30)-day prior written Notice of Intent to Terminate upon the other.
- 19.2 If the pre-termination is at the instance of the **LESSEE**, all unpaid rentals shall be paid and any advance payments made shall be forfeited automatically in favor of the **LESSOR**.

- 19.3 If the pre-termination is caused by the **LESSOR**, it shall return to the **LESSEE**, within a period of thirty (30) calendar days from pre-termination date, the lease rentals that the **LESSEE** had paid covering the period after the pre-termination date.
- 19.4 This **Contract** shall be deemed terminated only after (a) The **LESSEE** has settled in full any and all amounts due and owing to the **LESSOR** under this **Contract**; and, (b) The **LESSEE** has returned and surrendered the **LEASED PREMISES** to the **LESSOR**.

## 20. BREACH OR DEFAULT

- 20.1 The **LESSEE** agrees that all the terms, conditions, covenants and stipulations herein contained shall be deemed essential conditions hereof and that if default or breach be made of any such condition, the **LESSEE** shall be notified of such fact in writing by the **LESSOR** in the manner provided in Section 21 hereof.
- 20.2 Within thirty (30) calendar days from receipt of such Notice of Breach or Default, the **LESSEE** shall remedy the breach, if curable, otherwise the **LESSOR** may consider this **Contract** terminated and without further force and effect.
- 20.3 In case of termination, the relevant provisions in Section 22 shall be applied.

## 21. TERMINATION OF CONTRACT FOR CAUSE

- 21.1 The **Contract** may be terminated by the **LESSOR** by serving a written Notice of Termination with Order to Vacate upon the **LESSEE** or in the manner provided under this Section, upon the occurrence of any of the following events:
- a. Abandonment or non-use of the **LEASED PREMISES** for a continuous period of thirty (30) consecutive days without written notice to the **LESSOR**;
  - b. Breach or default by the **LESSEE** of any of the provisions of the **Contract** where such breach or default continues unabated for a period of thirty (30) calendar days from receipt of a written Notice of Breach from the **LESSOR**;
  - c. Repetitive breach or default by the **LESSEE**, upon the occurrence of three (3) instances of breach or default within the term of this **Contract**;
  - d. Delay, lack of payment or failure by the **LESSEE** to pay rentals as it falls due, causing arrearage of at least three (3) month's rent;
  - e. The **LESSEE** devotes the whole or a portion of the **LEASED PREMISES** to any purpose different from that for which it has been leased without the **LESSOR's** prior written consent, which consent shall not be unreasonably withheld;
  - f. The **LESSEE's** fault or negligence that prevents the **LESSOR**

from fully exercising its rights under this **Contract**;

- g. Insolvency of a Party, or the application by a Party for insolvency, rehabilitation or suspension of payments, or a Party is adjudged bankrupt, disposes or assigns all or substantially all of its assets for the benefit of creditors, or where a Party is subjected to voluntary or involuntary dissolution;
- h. Merger, consolidation or change of ownership of the **LESSEE** without the prior written consent of the **LESSOR**, which consent shall not be unreasonably withheld; and
- i. Any other cause due to the fault or negligence of either Party shall prevent it from fully exercising its rights under this **Contract**.

21.2 Upon the occurrence of any event of default, the non-defaulting party shall, in addition to such other rights and remedies available under other provisions of this **Contract** and pertinent laws, call on the Advance Rental and Security Deposit.

22. **RIGHTS AND REMEDIES AVAILABLE TO THE LESSOR IN CASE OF TERMINATION.** The **LESSOR** shall be entitled to exercise cumulatively or separately, at its discretion, any of the following remedies upon the termination of the lease:

- a. Take over the **LEASED PREMISES** effective as of the termination date without the need for an order from the court;
- b. Open, enter, repossess, occupy, padlock, secure, enclose, fence, or otherwise take full and complete physical possession and control of the **LEASED PREMISES** and all its contents without resorting to court action and eject all persons occupying the **LEASED PREMISES** or found thereon, without the necessity of the process of law, but with the use of all necessary force therefore. For this purpose, the **LESSEE** hereby irrevocably empowers the **LESSOR**, its authorized agent/s, employees and/or representative/s as the **LESSEE** 's duly authorized attorneys-in-fact with full power and authority to perform such acts;
- c. To summarily disconnect and discontinue electric, water, telephone and other utility services to the **LEASED PREMISES**;
- d. The **LESSEE** further agrees to pay the **LESSOR** the rent, utilities and miscellaneous dues and all other sums payable under this **Contract** until such time that the **LESSEE** actually vacates the **LEASED PREMISES** regardless of the date of termination of this **Contract** by the **LESSOR**; acceptance by the **LESSOR** of such sums should not be deemed a waiver by the **LESSOR** of any breach or default;
- e. The **LESSEE** furthermore irrevocably empowers the **LESSOR**, its authorized agents, employees and representatives to take inventory and possession of whatever equipment, furniture, fixtures, articles, merchandise, and personal effects that may be found in the **LEASED PREMISES** and to place the same in the custody of the **LESSOR**. Such inventory shall be done in the presence of the **LESSEE** or its agent/s or representative/s, and all items in said inventory shall not be taken out of the **LEASED PREMISES** by the **LESSEE** without the prior written consent or clearance from the **LESSOR**.



- f. In case the **LESSEE** fails to pay any amount due or owing to the **LESSOR**, the **LESSOR** is likewise hereby expressly authorized and empowered by the **LESSEE**, to dispose of said property/ies in a public sale of the **LESSOR's** choice and to apply the proceeds thereof to the payment of such liability or indebtedness due, plus reasonable expenses incurred by the **LESSOR** in connection with such auction, including, without limitation, storage fees, without prejudice to the **LESSOR's** right to collect any deficiency. The balance of the proceeds of the sale, if any, shall be turned over to the **LESSEE**;
- g. Collect liquidated damages in the amount of five percent (5%) of the total amount of the lease; and,
- h. If the **LESSOR** is compelled to take legal action to enforce any of its rights and remedies under this **Contract**, the **LESSOR** shall be entitled to collect attorney's fees equivalent to twenty-five percent (25%) of the amount of the claim.

### 23. SURRENDER OF PROPERTY

- 23.1. Upon the expiration or termination of this **Contract**, the **LESSEE** shall surrender and return the **LEASED PREMISES** together with improvements and permanent fixtures therein to the **LESSOR** in as good and tenantable condition, in all respects, devoid of all occupants, articles and effects. Provided, however, that non-compliance on the part of the **LESSEE** with the terms of this clause will give the **LESSOR** the right at its option, to refuse to accept the delivery of the premises.
- 23.2. Should the **LESSEE** continue to occupy the **LEASED PREMISES** or any part thereof, or should the **LEASED PREMISES** be not surrendered after the expiration or termination of this **Contract**, whether with or without the consent of the **LESSOR**, the **LESSEE** shall pay lease rentals for the duration of the delay. Provided that the same shall not constitute automatic renewal nor extension of the lease.

### 24. ABANDONMENT OF THE LEASED PREMISES

- 24.1. In case the **LEASED PREMISES** or any portion thereof shall be deserted or abandoned by the **LESSEE** before the expiration of this **Contract** as provided herein, the **LESSOR** shall have the right to enter the **LEASED PREMISES** as the agent or attorney-in-fact of the **LESSEE**, take immediate possession thereof, and execute all necessary actions to protect its rights and interest over the **LEASED PREMISES**, without being liable to any prosecution therefore.
- 24.2. The **LESSOR** shall have the option of re-letting the **LEASED PREMISES** as the agent of the **LESSEE**, to receive the rentals thereof and to apply such rentals to the payment due from the **LESSEE**.

### 25. FORCE MAJEURE

- 25.1. Force Majeure or Fortuitous Event as these terms are used in this **Contract** shall mean all events which could not have been foreseen or although foreseen were inevitable and beyond the control of the Parties, and which materially affect the ability of the affected Party to comply with any of its obligations under this **Contract**, and shall include:
  - a. Acts of war or the public enemy whether war be declared or

- not;
  - b. Public disorders, insurrection, rebellion, sabotage or violent demonstrations;
  - c. Fires, earthquakes, volcanic eruption, or other destructive natural calamities;
  - d. Subsequently promulgated laws, decrees, executive orders, and other governmental rules and regulations;
  - e. Passage of a local ordinance or any unreasonable delay by any regulatory agency or any act of any person or entity that effectively prevents the **LESSEE** from pursuing and/or implementing its development plans;
  - f. Strikes, lockouts and other labor disputes affecting either party hereto; and,
  - g. Any other event that under Philippine law is defined as force majeure and/or fortuitous event.
- 25.2. Any Party shall be excused from the performance of any of its obligations under this **Contract**, and shall not be construed to be in delay or in default in respect of any obligation hereunder for so long as the failure to perform such obligation shall be due to force majeure or fortuitous event.
- When a Party desires to be excused due to force majeure or fortuitous event, it shall serve notice to the other Party in writing within five (5) days after the termination of the event of Force Majeure or Fortuitous Event, including sufficient information as to the cause.
- 25.3. Any Party's failure to comply with the notice requirement shall bar it from raising said ground for force majeure or fortuitous events.
26. **DISPUTE RESOLUTION.** Except as specifically otherwise provided in this **Contract**, any and all actions and controversies between the **LESSOR** and the **LESSEE** and any claim by either Party that cannot be amicably settled, after thirty (30) days from serving a written notice of dispute to the other Party, may be filed only before the proper courts located in the City of San Fernando, La Union to the exclusion of other courts.
27. **RELIEF.** Should the **LESSOR** be compelled to seek relief against the **LESSEE** to recover unpaid rentals and damages or enforce its rights, the latter shall, in addition to damages that may be awarded to the **LESSOR**, pay the **LESSOR** attorney's fees in an amount equivalent to twenty-five (25%) of the amount claimed in the complaint aside from costs and expenses of litigation.
28. **AUTHORITY.** Each of the Parties represents and warrants that it has full power and authority to enter into and perform its obligations under this **Contract**. All necessary actions, consents and approvals for the execution of this **Contract** have been taken and/or obtained. This **Contract** constitutes the legal, valid and binding obligations of each of the parties enforceable in accordance with its terms.
29. **COMMUNICATION.** Any notice or communication by any party to this **Contract** shall be made to the following:

If to the **LESSOR**:

**PORO POINT MANAGEMENT CORPORATION**

or

**ATTY. FELIX S. RACADIO**

President and CEO

Poro Point Management Corporation  
Gov. Joaquin L. Ortega Avenue  
Poro Point Freeport Zone  
City of San Fernando, La Union  
Fax No. (072) 242-0683  
Email: poropointfreeportzone@gmail.com

If to the **LESSEE**:

\_\_\_\_\_  
or  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- 30. **CONFIDENTIALITY.** The Parties agree that any exchange of information or documents between the parties in connection with this **Contract** shall be treated with strict confidentiality and no such information or document shall be released to third parties without the prior written consent of the other party unless such information is required to be divulged or produced by law, court order, or other competent authority.
- 31. **ENTIRE AGREEMENT.** This **Contract** constitutes the entire agreement among the Parties with respect to the subject matter of this **Contract**, and supersedes and renders void any and all agreements and undertakings, oral and/or written, previously entered among the Parties, covering the **LEASED PREMISES**. This **Contract** may not hereafter be modified or altered except by an instrument in writing duly signed by the Parties hereto.
- 32. **AMENDMENTS.** Any agreement or additional terms and conditions to this **Contract** must be done in writing. The Parties shall negotiate any item or issue which has not been provided in this **Contract**.
- 33. **SEPARABILITY.** The invalidity or unenforceability of a provision hereof shall not affect or impair the other provisions, which shall be given full force and effect.
- 34. **NON-WAIVER OF RIGHTS.** The failure of one Party to insist upon strict performance of the terms, conditions, and covenants hereof shall not be deemed a relinquishment or waiver of any subsequent breach of the same or other terms, conditions, or covenants. No waiver by one Party of any of its rights under this **Contract** shall be deemed to have been made unless expressed in writing and signed by the Party concerned.
- 35. **OGCC REVIEW.** This **Contract** shall be subject to the review by the Office of the Government Corporate Counsel ("**OGCC**") whose comments, suggestions and recommendations shall form an integral part of this **Contract**.
- 36. **GENDER AND DEVELOPMENT.** The **LESSOR** hereby encourages the **LESSEE** to promote Gender Mainstreaming in the **LESSEE**'s Areas of Operations and to consider Gender and Development (GAD) principles in the formulation of its internal policies, development plans, programs and activities.

**SIGNED** by the parties on \_\_\_\_ day of \_\_\_\_\_ 2024 at the City of San Fernando, La Union.

**PORO POINT MANAGEMENT CORPORATION (LESSOR)**

**WINNING PARTICIPANT (LESSEE)**

By:

By:

**ATTY. FELIX S. RACADIO**  
President & CEO

\_\_\_\_\_

**SIGNED IN THE PRESENCE OF:**

**PORO POINT MANAGEMENT CORPORATION**

**WINNING PARTICIPANT**

\_\_\_\_\_  
**LENIMA B. JUDAN**  
Finance Manager

\_\_\_\_\_

**ACKNOWLEDGEMENT**

REPUBLIC OF THE PHILIPPINES )  
 CITY OF SAN FERNANDO ) SS.  
 PROVINCE OF LA UNION )

**BEFORE ME**, a Notary Public for and in City of San Fernando, La Union, personally appeared the following persons with their Government Issued ID, to wit;

Name	Identification Document	Date/Place Issued
<b>PORO POINT MANAGEMENT CORPORATION</b>  <b>ATTY. FELIX S. RACADIO</b>		
<b>WINNING PARTICIPANT AUTHORIZED SIGNATORY</b>		

All known to me and to me known to be the same persons who executed the foregoing **Contract of Lease** and that they acknowledged to me that the same is the product of their own free and voluntary acts and deed and that of the corporations that they represent.

This **Contract of Lease**, consisting of sixteen (16) pages, including the page on which this acknowledgment is written, has been signed on each and every page thereof by the concerned parties and their witnesses, and sealed with my notarial seal.

**WITNESS MY HAND AND SEAL**, this \_\_\_\_ day of \_\_\_\_\_, 2024, at City of San Fernando, La Union, Philippines.

**NOTARY PUBLIC**

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 Series of 2024

**ANNEX E**

**CHECKLIST OF DOCUMENTS**

Reference in the TOR	Document	Remarks
<b><u>ELIGIBILITY DOCUMENTS TO BE SUBMITTED DURING POSTQUALIFICATION</u></b>		
Annex F	<b>Duly Notarized Eligibility Statement</b>	<b>FORM 1</b>
Annex G	<b>Participant’s Profile</b>	<b>FORM 2</b>
	<b>Certificate of Registration</b> from relevant regulatory government agencies ( <b>SEC Registration together with the General Information Sheet (GIS) of the Participant for the latest applicable calendar or fiscal year (2023) or, Cooperative Development Authority (CDA) or Department of Trade and Industry (DTI).</b>	
	<b>Articles of Incorporation and By-Laws of the Participant</b> , if applicable.	
	<b>Valid Tax Clearance Certificate</b> for the immediately preceding calendar year, duly stamped and issued by the Bureau of Internal Revenue (BIR).	
	<b>Audited Financial Statements for the past three (3) calendar (fiscal) years</b> , if applicable, stamped “Received” by the Bureau of Internal Revenue (BIR) when applicable, otherwise, Audited Financial Statement based on previous years of operation.	
	<b>Certification</b> from the bank/s reflecting the Participant’s Average Daily Balance for the last six (6) months and/or Approved Credit Facilities.	
	<b>Board Resolution/Secretary’s Certificate/Special Power of Attorney of the Participant</b> , expressly authorizing their participation in the sealed canvass process, and appointing their authorized representative/s for this purpose. <b>For sole proprietorships, a valid government-issued identification card of the proprietor with photo.</b>	
<b>FINANCIAL PROPOSAL</b>		
Annex H	<b>Final Offer Letter</b>	<b>FORM 3</b>

**ANNEX F**

**FORM 1**

**REPUBLIC OF THE PHILIPPINES**  
**CITY OF \_\_\_\_\_) s. s.**

**ELIGIBILITY STATEMENT**

I, (name of the Participant/authorized representative), of legal age, (*nationality*), and with office address at \_\_\_\_\_, under oath, hereby depose and say THAT:

1. The (*Name of Corporation/ Cooperative/ Partnership/ DTI Registered Entity*) (Participant) intends to participate in the sealed canvass conducted by Poro Point Management Corporation (PPMC) for the lease of Baywalk Structure – Alfresco Building and Open Space located within the Poro Point Freeport Zone, City of San Fernando, La Union, Philippines for retail commercial use.
2. I am the (*designation*) of the Participant, duly authorized to make this Statement for and on its behalf;
3. In compliance with the Eligibility Requirements, the Participant's Profile is hereto attached and marked as Annex **A-1**;
4. In compliance with the Documentary Requirements, the following documents are hereto attached:
  - a. Department of Trade and Industry (DTI) business name registration, or Securities and Exchange Commission (SEC) Registration Certificate, or Certificate of Registration from the Cooperative Development Authority (CDA), whichever is applicable and the corresponding Articles of Incorporation, By-Laws and General Information Sheet (GIS) for the latest applicable calendar or fiscal year (2023), if applicable.
  - b. Audited Financial Statements for the past three (3) calendar (fiscal) years, stamped "Received" by the Bureau of Internal Revenue (BIR) when applicable, otherwise, Audited Financial Statement based on previous years of operation;
  - c. Certification from the bank/s reflecting the Participant's Average Daily Balance for the last six (6) months and/or Approved Credit Facilities; and
  - d. Board Resolution/Secretary's Certificate /Special Power of Attorney authorizing its participation in the sealed canvass process, and appointing its authorized representative for this purpose, or, for sole proprietorships, a valid government-issued identification card of the proprietor with photo, whichever of the aforementioned is applicable.
5. The Participant, its parent company or subsidiaries or affiliates with common controlling shareholdings, if any, is not considered in default of its financial or other obligations, in any past or current project being undertaken with PPMC, BCDA or its subsidiaries, at the day of submission of offers, as determined by PPMC;
6. The Participant, its parent company or subsidiaries or affiliates with common controlling shareholdings, if any, has not filed any case impinging on PPMC, BCDA and/or their affiliates and subsidiaries' performance of their mandate;

7. The Participant has no pending or unpaid tax liabilities in the Philippines;
8. The Participant accepts the Terms of Reference, qualification criteria and the terms and conditions set by PPMC;
9. The Participant, if awarded the Contract of Lease, commits to comply with the: (1) Contract of Lease, (2) PPFZ Comprehensive Master Development Plan and Design Standards and Guidelines, and (3) all other pertinent government standards such as, but not limited to the National Building Code, the Fire Code, and other relevant laws, rules, regulations and issuances of the agencies of the National Government and of the Local Government, for the duration of the contract period;
10. The Participant commits to abide by the decision of the PPMC ADP-Com, waives its right to seek legal remedies against PPMC, BCDA and its subsidiaries, and holds its Board of Directors, Officers and staff, consultants and authorized representatives/personnel free and harmless from any liability, costs, and expenses, suit or allegation arising from its participation in this sealed canvass process;
11. All information in this statement, including attachments and enclosures thereof, are true and correct. Any falsity, error, or misrepresentation shall constitute ground for disqualification from this sealed canvass or revocation of award as determined by PPMC;
12. The Participant, its Directors, Officers and staff or any representative thereof, shall not attempt to establish any contact with any of PPMC's Directors, Officers, staff, consultants, and authorized representatives/personnel on matters concerning the sealed canvass from the date of the submission of their offers up to the conclusion of the sealed canvass process, except for clarifications on Proposal which must be in writing and addressed to the PPMC ADP-Com, through its Chairperson.

The Participant, its Directors and Officers have neither given nor offered, nor will it give nor offer, directly or indirectly, any bribe or other improper payment or advantage to any Directors, Officers, staff, consultants and authorized representatives/personnel of the PPMC, or engage in any of the acts prohibited under R.A. 3019, otherwise known as the Anti-Graft and Corrupt Practices Act, as amended.

Violation of any of the foregoing shall be a ground for the disqualification from the sealed canvass or revocation of the award, if any, without prejudice to damages that PPMC may recover for any loss or damage that may result therefrom.

13. The Participant is not involved in any money laundering activity as defined by the Anti-Money Laundering Act of 2001 (RA 9160) and as further governed by RA 10365.
14. The Participant authorizes PPMC or its authorized representatives to conduct investigation and verification of the statements, documents and information submitted relative to our Offer.

For this purpose, the Participant hereby authorizes any public office, or any person or firm to furnish pertinent information deemed necessary and requested by PPMC to verify statements and information provided in this statement.



**IN FAITH WHEREOF**, I have hereunto affixed my signature this \_\_\_\_\_ day of \_\_\_\_\_  
2024 at \_\_\_\_\_, Philippines.

\_\_\_\_\_  
**Affiant**

**SUBSCRIBED AND SWORN TO** before me this \_\_\_\_\_ day of \_\_\_\_\_ 2024, affiant  
exhibiting to me his competent evidence of identity (e.g. Passport, Driver’s License, etc.)  
\_\_\_\_\_ issued at \_\_\_\_\_, Philippines on \_\_\_\_\_,  
2024.

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**ANNEX G**

**FORM 2**

**Participant’s PROFILE**

**I. GENERAL INFORMATION**

Business Name:	
Brief Description of Business:	
Address:  Contact No/s.: E-mail Address:	
Year Established/Registered:	Place of Registration:

<b>Ownership Structure</b>	
% owned by Filipino:	% owned by Foreign:

**II. OWNERSHIP AND MANAGEMENT**

Shareholders ( <i>write N/A, if not applicable</i> )			
Name	Authorized Capital	Paid-up Capital	Extent of Financial Control

Governing Board <i>(write N/A if not applicable)</i>	
Name	Designation

Key Officers	
Name	Position/Nationality

**III. FINANCIAL CAPACITY**

Key Banking Relations			
Bank Name	Location	Average Daily Balance	Credit Facility

**IV. SUBSIDIARIES AND AFFILIATES**

Subsidiaries and Affiliates <i>(write N/A if not applicable)</i>	
Business Name	Nature of Affiliation and/or Percentage (%) of Ownership


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

\_\_\_\_\_ (*Signature*)  
**Authorized Representative**

Name:  
Position:  
Date:

**ANNEX H**

**FORM 3**

**FINAL Offer LETTER  
(Pro- Forma)**

(Date)

**THE CHAIRPERSON**

PPMC Asset Disposition Program Committee  
Poro Point Management Corporation (PPMC)  
PPMC Administration Building  
Gov. Joaquin L. Ortega Avenue  
Poro Point Freeport Zone  
City of San Fernando, La Union

**Madam/Sir:**

In connection with the sealed canvass for the lease of the Poro Point Baywalk Structure – Alfresco Building and Open Space located inside the Poro Point Freeport Zone, City of San Fernando, La Union, I/We (State the name of the Participant/Participants), formally proposes to lease the Property at the indicated offer price, exclusive of 12% Value Added Tax (VAT):

<b>Offer in Words</b>	<b>PESOS:</b> _____ _____
<b>Offer in Numbers</b>	<b>PHP</b>

I/We understand that, should I/we be declared the Winning Participant, we shall, upon signing of the Contract of Lease with Poro Point Management Corporation (PPMC), fulfill all responsibilities and obligations as indicated in the Terms of Reference and Contract of Lease.

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

Submitted by:

\_\_\_\_\_  
(Signature)  
Name of Participant or its Authorized Representative

\_\_\_\_\_  
Position