



Terms of Reference

Competitive Challenge

for the Long-term Lease and Development of the
Mile-HI Property within the John Hay Special Economic Zone

TERMS OF REFERENCE

COMPETITIVE CHALLENGE

FOR THE LONG-TERM LEASE AND DEVELOPMENT OF THE 6,647-SQUARE METER MILE HI PROPERTY
IN JOHN HAY SPECIAL ECONOMIC ZONE, BAGUIO CITY, PHILIPPINES

ARTICLE I PROJECT RATIONALE

- Section 1 Republic Act No. 7227 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, to raise funds through the sale, lease, and joint venture of portions of Metro Manila camps, and to apply said funds for the development and conversion to productive civilian use of said reverted military base lands.
- Section 2 Proclamation No. 198, series of 1993 transferred to BCDA the ownership, administration, and control over the John Hay Air Station (now the Camp John Hay), which was declared for tourism, human resource development center, and multiple-use forest watershed reservation purposes.
- Section 3 Executive Order (EO) No. 103, series of 1993, authorized the establishment of the John Hay Development Corporation (JHDC), now John Hay Management Corporation (JHMC), as BCDA's operating and implementing arm to manage Camp John Hay.
- Section 4 BCDA received an unsolicited proposal to lease and develop the six thousand six hundred forty-seven (6,647)-square meter Mile Hi Property in Camp John Hay from the Consortium of Istana Development Corporation (IDC) and Meridian Commercial Centers, Inc. (MCCI), both companies registered with the Philippine Securities and Exchange Commission (SEC) and are authorized to engage in the real estate business, hereinafter referred to as the "Original Proponent".
- Section 5 In compliance with Section III.B of the Revised Guidelines on the Privatization and Disposition of BCDA Properties (or the 2018 *Revised Sale and Lease Guidelines of BCDA*), the negotiated terms of the lease with the Original Proponent shall be subjected to a Competitive Challenge, wherein other Private Sector Entities (PSEs) shall be allowed to submit comparative proposals.
- Section 6 BCDA wishes to consider bids for the long-term lease and development of the 6,647-square meter Mile Hi Property (the Property). Thus, the BCDA published the Invitation to Bid on May 06, 08, and 10, 2025 to generate interest from other PSEs for this purpose.
- Section 7 This disposition is to be carried out pursuant to the provisions of the Republic Act (R.A.) No. 7227 (The Bases Conversion and Development Act of 1992), as amended, Executive Order (E.O.) No. 62, prescribing the policies and guidelines to implement R.A. 7227, E.O. No. 429, s. 1997 amending E.O. No. 62 s. 1993, R.A. 7652 (Investors'



Lease Act), R.A. No. 7042 (The Foreign Investments Act), other relevant laws, executive orders, and rules and regulations, to the extent applicable.

Section 7 This bidding is being administered by the Joint Asset Disposition Program Committee (Joint ADP-Com) of the BCDA and the JHMC for the John Hay Special Economic Zone (JHSEZ) development. The decisions or actions of the Joint ADP-Com shall be subject to the approval of the respective Board of Directors of the BCDA and JHMC.

ARTICLE II BACKGROUND OF THE PROPERTY

Section 1 **Description of the Property.** The Property has a total land area of six thousand six hundred forty-seven (6,647) square meters, more or less. It is located along Sheridan Drive and across the Manor Hotel in JHSEZ. The Location Map and the Lot Information Plan of the Property are attached as **Annexes A** and **B**. The subject Property may be reduced due to the reconfiguration of portions of Sheridan Drive.

Section 2 **Status of the Property.** The Property has an existing structure with an approximate floor area of 2,785 square meters. Photos of the existing structures on the Property are attached as **Annex C**.

Section 3 **Land Uses for the Property.** Consistent with the Comprehensive Integrated Master Development Plan (CIMDP) for Camp John Hay and its accompanying Design Standards and Guidelines (DSG), the Property is to be developed for eco-hostel accommodations with an activated retail and dining frontage along Sheridan Drive. The proposed development will involve restoration, renovation and upgrading of Mile Hi into an upscale commercial center to preserve its historical identity and preserve and enhance the surrounding environment, with the following allowable uses:

- a. Office
- b. Retail shops and convenience stores
- c. Restaurants and cafés
- d. Inn/Transient Rooms
- e. Support amenity
- f. Utilities

The overall development of the Property shall adhere to the CIMDP and DSG for Camp John Hay and other parameters set by BCDA.

Should the Winning Proponent intend to use and/or devote the Property, or a portion or portion/s thereof, to a use or purpose other than the allowable land uses and in its submitted Development Plan, it shall secure the written approval of the BCDA prior to making any changes in the intended use of the Property. Failure to secure the written approval of BCDA shall be a ground for the immediate termination of this Contract without need of a judicial termination.

Section 4 **Restrictions on the Property.** As advocated in the CIMDP, the Property is to be developed in accordance with the overarching vision for Camp John Hay to be a world-class eco-tourism destination for attracting local and international visitors to



the Cordillera. Hence, in developing the Leased Property, the Winning Proponent must strictly comply with the CIMDP and the DSG of Camp John Hay, as well as all pertinent government standards, such as but not limited to, the National Building Code, the Comprehensive Fire Code of the Philippines, and other relevant laws, rules, regulations and issuances of the concerned government agencies, which include both existing and subsequent issuances.

The Winning Proponent shall likewise comply with the following restrictions:

a. **Maximum Gross Floor Area and Open Spaces**

Under the Camp John Hay CIMDP, the maximum allowable gross floor area for the Property shall be **5,982 square meters at FAR 0.9**. The Property shall have a minimum Open Space requirement of thirty-percent (30%) of the total area of the Property. The thirty-percent (30%) open space requirement shall include internal roads, walkways/pathways, open parking and parks.

b. **Maximum Number of Storeys**

The development to be introduced on the Property shall not exceed **three (3) storeys**. At any rate, the structure must not be higher than the tallest pine tree in the area. Building height shall conform to the restrictions set by the Civil Aviation Authority of the Philippines and the National Building Code.

c. **Completion of the Development of the Property**

The Winning Proponent is required to complete the development of the Leased Property and commence commercial operations within a period of **two (2) years** from the signing of the Contract. Moreover, it is required that at least **fifty percent (50%)** of the proposed development is completed and partially open for commercial operations **one (1) year** after contract signing, subject to actual ground verification.

d. **Parking**

The provisions for the parking must conform to the requirements set forth in the National Building Code of the Philippines, and of the development policy and guidelines prescribed in the Camp John Hay CIMDP and DSG.

e. **Cutting of Trees**

The required permits from the Department of Environment and Natural Resources (DENR) shall be secured by the Winning Proponent, with the assistance from the JHMC. Moreover, the cutting and earth-balling of trees within the Property shall be the responsibility of the Winning Proponent and all costs related thereto, including the costs for securing the permits, shall be for the account of the Winning Proponent.



f. **Green Development Principles**

In the development of the Leased Property, the LESSEE must consider sustainable design features with overall objectives of reducing greenhouse gas emissions, water and power use and waste generation. The sustainable design features may include the following:

- i. maximized natural light access
- ii. maximized natural ventilation opportunities
- iii. thermally efficient building design and shell
- iv. passive solar building design
- v. inclusion of green roofs/walls
- vi. water sensitive urban design
- vii. low water demand plant species in landscape design
- viii. no water and chemical-intensive uses (e.g. swimming pools)

The LESSEE should explore opportunities for sustainability excellence and cultural and environmental preservation by following best practice environmental benchmarks for building and development.

g. **Design and Visual Impact**

The development of the Property should enhance the physical fabric of its vicinity. Building and landscape designs should be compatible with the prominent character and architectural style of Camp John Hay. To ensure that the buildings and structures to be erected shall not have a negative impact on the visual amenity and view corridors of the Property, the design and landscape of the Property should be coordinated and approved by BCDA.

The assessment shall consider the following: (1) suitability of the building with the landscape's natural contour; (2) sustainability of the building's colors, forms, textures, and materials; (3) visibility of natural/landscape resources from interior and exterior observation points.

h. **Government Development Plans**

The Camp John Hay CIMDP and the DSG shall serve as the Winning Proponent's guide in the development of the Property. BCDA/JHMC shall provide the Winning Proponent with copies of the Camp John Hay CIMDP and DSG immediately after signing of the Contract.

i. **Connection to Water Utilities**

The connection of the Property to water supply and wastewater disposal services shall be made exclusively through the facilities and infrastructure provided by JHMC and/or BCDA, as applicable. The Winning Proponent shall not establish or connect to any alternative or independent water utility system without the prior written consent of JHMC/BCDA.

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j. **Natural Resources and Artifacts of Historical and Economic Significance**

In the event that any natural resources, including but not limited to, water sources, mineral deposits, artifacts, or materials or historical or economic significance, are discovered within the leased property during the term of the lease, full ownership and rights to such resources shall belong exclusively to BCDA. The Lessee shall immediately notify BCDA in writing upon discovery of such resources and shall take all necessary steps to preserve the integrity of the discovery until further instructions are provided by BCDA. No exploration, extraction, or exploitation of such resources may be conducted by the Lessee or any third party without the express written consent of BCDA.

ARTICLE III

MODE OF DISPOSITION, MINIMUM BID PARAMETER, AND MINIMUM INVESTMENT

- Section 1 BCDA is offering the Property on an "*as is, where is*" basis for long-term lease and development for a period of twenty-five (25) years (Initial Lease Period), commencing on the signing of the Contract of Lease (draft attached as **Annex D**), renewable for a maximum period of twenty-five (25) years, upon mutual agreement of the Parties. For this purpose, any negotiation for renewal may not start earlier than two (2) years prior to the expiration of the existing lease term, unless a strong reason justifies an early renewal, subject to the approval of BCDA.
- Section 2 **Bid Parameter.** BCDA shall have a minimum Annual Fixed Lease Payment equivalent to **Two Thousand One Hundred Pesos** per square meter per annum (**Php2,100.00/sq.m./annum**), inclusive of 12% value-added tax (VAT), starting from Year 1 of the lease and subject to an escalation rate as set in this Terms of Reference (TOR). The Annual Fixed Lease Payment shall be the minimum bid subject of the Competitive Challenge.
- Section 3 **Escalation Rate.** The Annual Fixed Lease Payment shall be subject to an annual escalation rate of **three percent (3%)**, beginning on the third (3rd) year from the signing of the Contract of Lease.
- Section 4 **Share on the Gross Revenues.** In addition to the Annual Lease Payment, BCDA shall be entitled to **five percent (5%)** share in gross rental revenues (Variable Lease Payment). The Variable Lease Payment shall be remitted to BCDA quarterly. For this purpose, the Winning Proponent shall provide relevant documents and information reasonably necessary to determine compliance with the remittance of the share in the gross revenues i.e. submission of quarterly reports summarizing the Winning Proponent's revenues/financial performance including relevant financial statements and documents, and a certification on the completeness and authenticity of the reports generated and submitted. The Winning Proponent shall submit quarterly reports to BCDA within fifteen (15) days from the end of each quarter, without the necessity of a demand.
- Section 6 **Minimum Investment Commitment and Target Employment in the Project.** The Winning Proponent should commit a minimum investment in the amount of **Two Hundred Five Million Pesos (Php205,000,000.00)** for the restoration, renovation and redevelopment of the Property.

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In relation to the project development and implementation, the Winning Proponent shall submit to BCDA quarterly investment reports supported by relevant documents fifteen (15) days after the ensuing quarter.

Section 7 **Ownership and Return of the Leased Property.** The Winning Proponent shall turnover and automatically transfer to BCDA, in good and operating condition, the ownership of all permanent structures, facilities, and improvements introduced by the Winning Proponent on the Leased Property, at no cost to BCDA, at the:

- a. expiration of the initial lease period, regardless of any exercise by the Winning Proponent of the option to renew the lease period; or
- b. termination of the Contract of Lease.

ARTICLE IV LEASE PAYMENTS, TERM, AND RENEWAL

Section 1 **Advance Lease.** Upon signing of the Contract of Lease, the Winning Proponent shall remit to BCDA a non-refundable Advance Lease equivalent to **two (2) years' lease**, in the form of manager's check or cashier's check. The Advance Lease shall be applied as lease payments for the 24th and 25th years of the lease period.

Section 2 **Grace Period.** The Winning Proponent shall have a grace period for **two (2) years** reckoned from the signing of the Contract of Lease (hereinafter referred to as the Anniversary Date) within which, no lease payment shall be paid to BCDA. In relation to Article II, Section 4.c hereof, the Winning Proponent shall complete the development of the Property and establish its operations within two (2) years from the signing of the Contract of Lease.

Section 3 **Schedule of Payments.**

- a. **Fixed Lease Payment.** On or before thirty (30) calendar days prior to the second (2nd) anniversary of contract signing, the Winning Proponent shall pay BCDA the lease for the 3rd year equivalent to the bid with the escalation applied. Succeeding payments for the Lease shall be made every year thereafter, on or before thirty (30) calendar days prior to the start of each of the lease years for the duration of the lease period, subject to the escalation rate prescribed in Article III Section 3 hereof, without need of demand from BCDA.
- b. **Share in the Actual Gross Revenues.** The Winning Bidder shall pay BCDA the share in the Actual Gross Rental Revenues on or before fifteen (15) calendar days prior to the start of each quarter, without need of any demand from BCDA.

Section 4 **Lease Term.** The Lease of the Property shall be for a period of twenty-five (25) years, reckoned from the date of the signing of the Contract of Lease (hereinafter referred to as the Initial Lease Period), renewable for a maximum period of twenty-five (25) years upon the mutual agreement of BCDA and the Winning Proponent.

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Section 5 **Lease Renewal.** The Parties, upon mutual agreement, may opt to renew the lease subject to submission by the Winning Proponent of a Letter of Intent to renew the lease at least two (2) years prior to the expiration of the Initial Lease Period.

The Lease Renewal of twenty-five (25) years shall have a new lease rate equivalent to the fair rental value of the land based on a third-party appraisal by two (2) independent appraisal companies acceptable to BCDA and the Winning Proponent.

Section 6 **Late Payment of Lease and Share in the Actual Gross Revenues.** The Winning Proponent shall pay interest on late payment equivalent to six percent (6%) per annum until the relevant payment is paid in full. Without prejudice to BCDA's right to collect the aforementioned interest, failure of the Winning Proponent to pay the rentals on time for at least one quarter shall be a sufficient ground for BCDA to terminate the Contract of Lease.

Section 7 **Taxes.** The Winning Proponent shall be responsible for the payment of Creditable Withholding Tax (CWT) and Documentary Stamp Tax (DST) for the execution of the Contract of Lease for the Leased Property, permanent structures and improvements, as well as any applicable taxes and fees related to the Contract of Lease, and its renewal, if any, and the lease payments to BCDA.

ARTICLE V RIGHTS AND RESPONSIBILITIES OF THE PARTIES

Section 1 **Rights and Responsibilities of the Winning Proponent**

The Winning Proponent shall:

- a. Strictly comply with the terms and conditions of the Contract and shall maintain all warranties and representations in good standing for the duration of the Lease Term;
- b. Fulfill all its financial obligations to the BCDA/JHMC as specified in the Contract;
- c. Undertake planning, construction, financing, development, and operation and maintenance of the Leased Property upon signing of the Contract;
- d. Submit to BCDA, for approval, its Development Plan for the Leased Property within six (6) months from the signing of the Contract which shall take into consideration the LESSEE's Minimum Investment Commitment for the Mile Hi Property. The BCDA-approved Development Plan, CMDP and DSG of JHSEZ shall be made integral parts of this Contract. In case of conflict between the CMDP and the DSG of JHSEZ, the CMDP shall prevail.

The Development Plan shall, at the minimum, contain the following information:

- i. proposed development and corresponding GFA;
- ii. conceptual design, features and amenities;



- iii. the timetable, including major development milestones;
 - iv. schedule of capital investments/disbursement plan; and
 - v. estimated total development cost
- e. Commit to invest no less than **Pesos: Two Hundred Five Million (Php205,000,000.00) (Minimum Investment Commitment)** in the renovation, restoration and redevelopment of the Leased Property;
 - f. Strictly comply with the allowable land use/s and the restrictions pertaining to the development for the Leased Property as set forth herein, specifically under Article II, Sections 3 and 4 hereof;
 - g. Commence the development on the Leased Property within six (6) months from the approval of the Development Plan and complete the development of the Leased Property in accordance with the prescribed Development Plan;
 - h. Submit to BCDA a continuing Security Deposit equivalent to one (1) year- lease in the form of a manager's check or cashier's check;
 - i. Submit to BCDA a Performance Security in the form of a bank guarantee / an escrow account within thirty (30) days from the BCDA Board's approval of the Development Plan with an amount equivalent to at least sixty percent (60%) of the Project Cost or the minimum amount of **Pesos: One Hundred Twenty-three Million (Php123,000,000.00)** to guarantee availability of funds for the construction and development of the Project;
 - j. Not later than three (3) months after the completion of the construction, obtain, at its own cost, an all-risk insurance policy from the Government Service Insurance System (GSIS) or any reputable insurance company for all the constructions and improvements introduced during the term of the lease against all risks of loss or damage to the leased premises in an amount equivalent to its replacement value, with BCDA as the co-beneficiary, and submit to BCDA the original insurance policy and the corresponding Official Receipt within five (5) calendar days from the issuance of said insurance policy;
 - k. Pay, at its sole account, all applicable taxes, license fees, and other charges due on this Contract and/or the lease transaction, including but not limited to the payment for notarization thereof and of the Documentary Stamp Tax on due date, and those that may be imposed by law during the entire lease term;
 - l. Secure, as necessary, all Tree-Cutting, Pruning, or Earth-Balling Permit from the DENR and undertake the clearing, cutting, pruning or balling of such trees within the Leased Property. All costs appurtenant to the clearing, cutting, pruning or balling of trees within the Leased Property, including the expenses for securing the Tree-Cutting, Pruning or Earth-Balling Permit from the DENR shall be for the account of the LESSEE;

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- m. Undertake the removal of Asbestos from the existing structures following DENR Administrative Order No. 2000 - 02, otherwise known as the Chemical Control Order for Asbestos and DENR Administrative Order No. 2013 - 22 or the Revised Procedures and Standards for Hazardous Waste Management and its subsequent revisions, should there be any.
- n. **Environmental Permits.** The Winning Proponent shall be responsible in securing necessary environmental permits, such as, but not limited to, Environmental Compliance Certificate (ECC) for the Project from the DENR Environmental Management Bureau (EMB) and other related agencies.
- o. In case development permits from other National Government Agencies need to be secured, JHMC will endorse/assist the Winning Proponent in its applications with the concerned agencies.
- p. Undertake, at its own cost, on-site development, and provide utilities, access roads to, and internal road networks within the Leased Property;
- q. Throughout the duration of the lease, keep and maintain the Leased Property, at its own expense, in clean and sanitary conditions, free from offensive odor, disturbing noises or other nuisances, and dispose all the waste only through the means and places provided by the BCDA/JHMC;
- r. Comply with pertinent environmental laws, rules and regulations in force during contract implementation;
- s. Upon the expiration or termination of the lease term, turn-over and transfer to the BCDA the ownership of the permanent structure/s, facilities and other improvements introduced by the Winning Proponent on the Leased Property; and
- t. Pay the CUSA Fees corresponding to the Leased Property to be assessed by JHMC.

Section 2

Rights and Responsibilities of BCDA and JHMC

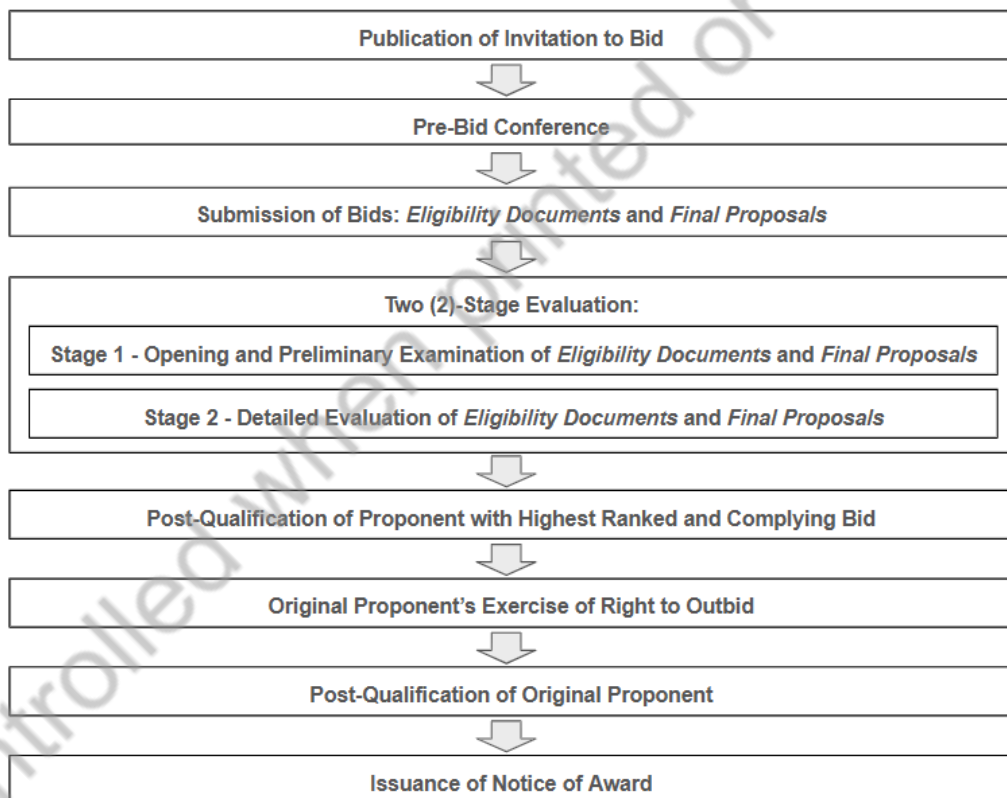
- a. Grant the Winning Proponent the exclusive right to lease and develop the Leased Property, including access to utilities, subject to the restrictions and terms and conditions specified herein;
- b. Upon the signing of the Contract, deliver to the Winning Proponent the Leased Property on an **"as-is, where-is"** basis;
- c. Assist the LESSEE in its application for Tree-Cutting, Earth-Balling and Pruning Permits, as may be necessary, for trees located within the subject Property;
- d. Ensure the Winning Bidder's peaceful and continuous occupation and enjoyment of the Leased Property during the entire duration and/or effectivity of the Contract;

- e. Exercise the right to terminate the Contract of Lease in the event that the Winning Proponent fails to complete the development and establish commercial operations within two (2) years from contract signing, or fulfill its financial obligations under the contract, without the need to reimburse the actual expenses incurred, should there be any.

Section 3 The rights and responsibilities of BCDA and the Winning Bidder 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 inconsistencies between the two documents, the TOR shall prevail over the Contract of Lease.

ARTICLE VI BIDDING PROCEDURE

Section 1 **Process Flow.** The bidding follows the following process flow:



Section 2 **Publication of Invitation to Bid.** BCDA shall publish the "Invitation to Bid" in three (3) newspapers or publications of general circulation, three (3) times within a week, as well as on the BCDA and JHMC website (www.bcdg.gov.ph or www.jhmc.com.ph). This shall serve to inform and invite prospective Bidders to the subject bidding.

Section 3 **Submission of Bids.** Bidders shall submit their bids consisting of their Eligibility Documents and Financial Proposals no later than the deadline specified in Article XIII. Timetable of Activities. The Eligibility Documents and Financial Proposals shall be submitted simultaneously in two (2) separate sealed envelopes. The two (2) envelopes should be appropriately marked as follows:

- a. **Eligibility Documents.** This envelope should contain two (2) sets of the Eligibility Documents, as listed in Article VII Section 2.2. Each set should be properly marked as: "First Set: Eligibility Documents" and "Second Set: Eligibility Documents"; and
- b. **Financial Proposal.** This envelope should contain two (2) sets of the Financial Proposal, as described in Article VII Section 3.3. Each set should be appropriately marked as: "First Set: Financial Proposal", and "Second Set: Financial Proposal".

Both envelopes containing the Eligibility Documents and the Financial Proposal must be sealed in an outer envelope (i.e., enclosed in one package), which must be properly marked with the following information:

- i. the title of the bidding for which the bid proposal is being offered; and
- ii. the name and address of the Bidder.

ARTICLE VII ELIGIBILITY CHECK, EVALUATION OF BIDS, AND SELECTION OF THE WINNING BIDDER

Section 1 BCDA shall adopt a two (2)-stage evaluation process.

- 1.1 **Stage 1** involves the opening and preliminary examination of the *Eligibility Documents* and the *Final Proposal* to determine the completeness of the documents submitted and the sufficiency of data/information provided therein. The preliminary evaluation or examination shall involve a "pass or fail" criteria to determine the presence or absence of the documents required and the information stated thereon; and
- 1.2 **Stage 2** involves the detailed evaluation of the *Eligibility Documents* and the *Final Proposal* to determine compliance with all the requirements specified under this *TOR*.

Section 2 **Eligibility**

- 2.1 **Eligibility Criteria.** To be eligible, the Proponent must satisfy all of the following requirements:

- a. **Legal Capacity.** The Bidder must be any of the following:
 - i. a corporation duly registered with the Philippine Securities and Exchange Commission (SEC) or its equivalent in the country of incorporation; or
 - ii. an unincorporated joint venture or consortium.

If the Proponent is a joint venture/consortium, it must submit a copy of the duly executed joint venture agreement/consortium agreement among all members of such joint venture/consortium showing the principal rights and obligations of the members, the extent of



participation of each member, and their commitment to be jointly and severally liable to BCDA for their responsibilities under this TOR and the contract involving the Property.

- b. **Technical Capability.** The Proponent (or, in case of a joint venture/consortium, any member thereof) should have been in the business of developing retail and/or commercial establishments for at least **ten (10) years**, and must have completed similar development projects with a total gross floor area of at least **three thousand (3,000) square meters**, and project cost of not less than **One Hundred Thirty-five Million Pesos (Php135,000,000.00)**, adjusted to current prices, excluding the cost of the land.
- c. **Financial Capacity.** The Proponent must have adequate capability to finance the proposed development of the Property and meet all of its financial obligations to BCDA, which shall be measured in terms of its paid-up capital and its net worth. The Proponent should have a **paid-up capital** of at least **One Hundred Twenty-five Million Pesos (Php125,000,000.00)** and a net worth of at least **One Hundred Forty Million Pesos (Php140,000,000.00)**, or in the case of a consortium the combined paid-up capital and combined net worth, respectively, of the members of the consortium, as evidenced by the latest General Information Sheet certified by the Securities and Exchange Commission (SEC) and Audited Financial Statements as submitted to the Bureau of Internal Revenue (BIR).
- d. **Compliance Commitment.** The Proponent must commit to comply with (1) the terms and conditions set in this TOR; (2) the Contract of Lease to be executed; (3) the development restrictions of the Property; and (4) 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 the Local Government, whether currently in force or hereafter enacted.
- e. **No Default.** The Proponent (and all its joint venture/consortium members), its parent company, its 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 BCDA, or its subsidiaries, at the day of the submission of bids.
- f. **No Pending Case.** The Proponent (and all its consortium members or joint venture partners/nominated firm or assignee, in case of consortium or joint venture), its parent company, its subsidiaries, or affiliates with common controlling shareholdings, if any, should not be involved in any case against BCDA and/or its affiliates and subsidiaries.
- g. **Timely and Complete Payment of Taxes.** The Proponent (and all its joint venture/consortium members) should have no tax liabilities in the Philippines. A Tax Clearance Certificate issued by the Bureau of Internal

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Revenue (BIR) National Office or, for foreign corporations, the equivalent document duly authenticated by the Philippine Consulate based in the foreign company's domicile, shall be required as part of the post qualification process.

- h. **Bid Documents.** The Proponent must purchase the TOR (including bid forms and pertinent documents) for a non-refundable fee of **Fifty Thousand Pesos (Php50,000.00)**. Only those who have purchased the TOR (including bid forms and pertinent documents) shall be entitled to participate in this bidding and receive Bid Bulletins or official responses from the Joint ADP-Com. The payment for the TOR must be rendered in the form of a manager's check.
- i. **No Misrepresentation.** Any misrepresentation in the submitted documents of the Proponent shall result in disqualification and/or blacklisting. Subject to the approval of the BCDA Board of Directors, a blacklisted proponent not only bars them from participating in future investment opportunities with BCDA but also tarnishes their reputation, making it difficult to secure future contracts or partnerships elsewhere in the government. It serves as a critical reminder of the importance of honesty and transparency in all professional dealings, especially with BCDA.

2.2 **Eligibility Documents.** To be eligible, Proponents must submit the following documents described in the attached Checklist (**Annex E-1** and **Annex E-2**):

- a. Duly notarized Eligibility Statement or Joint Eligibility Statement (format attached as **Annex F-1** or **Annex F-2**, as applicable) which shall include the following information in support of the Bidder's eligibility;
- b. Proponent's Profile (format attached as **Annex G-1** or **Annex G-2**, as applicable), which contains general organization and financial information about the Bidder. This should be accomplished by all members, in case of a joint venture/consortium;
- c. A summary of the Proponent's (or in the case of a joint venture/consortium, of the member which meets the Technical Capability requirement) completed projects which are in the nature of similar development, including description, area of development, nature of the entity's participation, status of the project and the project cost;
- d. A statement of "no-default" on its financial or other obligations to BCDA or any of its subsidiaries;
- e. A statement of not having filed any case impinging on BCDA's performance of its mandate;
- f. A statement of no pending or unpaid tax liabilities in the Philippines;
- g. A statement of acceptance of the qualification criteria established by BCDA, commitment to abide by the decision of the BCDA Board, and waiver of its right to seek legal remedies against BCDA, its Board of

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Directors, Officers, staff, consultants, and authorized representatives/personnel in connection with this selection process;

- h. A statement attesting to the veracity of all information presented and authenticity of all documents submitted;
- i. A statement of affirmation of BCDA's anti-corruption policy; and
- j. If the Proponent is a joint venture/consortium, the Bidder must also submit a Joint Venture Agreement/ Consortium Agreement, which will include the following information:
 - i. brief description of the joint venture/consortium, the individual members of the joint venture/consortium, and the nature and extent of the participation (capital of each member in relation to the whole capital);
 - ii. the authorized representative/lead member of the joint venture/consortium who is authorized by all the members to represent and sign any and all documents related to this bidding including the Contract of Lease with BCDA; and
 - iii. agreement of all members to be jointly and severally liable for the obligations of the consortium under the award/contract.
- k. SEC Registration together with the General Information Sheet (GIS) of the Proponent for the latest applicable calendar or fiscal year (or all members in case of joint venture/consortium), or for foreign corporations, the equivalent document duly authenticated by the Philippine Consulate based in the foreign company's domicile.
- l. Articles of Incorporation and By-Laws of the Proponent (or all members, in case of joint venture/consortium), and any amendments. For foreign corporations, the certified copies of the original Articles of Incorporation duly filed in the country of incorporation and duly authenticated by the Philippine Consulate based in the foreign company's domicile, and translated into English, if necessary.
- m. A Board Resolution or Secretary's Certificate of the Proponent (or all members, in case of a joint venture/consortium) expressly authorizing their participation in the bidding process, and appointing their authorized representative/s for this purpose. For foreign corporations, the required document should be duly authenticated by the Philippine Consulate based in the foreign company's domicile, and translated in English, if necessary.

BCDA requires that each and every joint venture/consortium member shall, as may be applicable, submit all of the above Eligibility Documents and shall be subject to the Eligibility Requirements.

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

- 3.1 **Final Bid Letter.** The Bidder shall submit a bid proposal in the form of **Annex H-1** or **Annex H-2**, as applicable, duly signed by its authorized representative, stating its bid for the Annual Lease Rate for the Property, which shall not be less than the amount stated in Article III Section 2. In addition, there shall be no pre-conditions to the payment of said sum, otherwise, the proposal shall automatically be declared non-complying and shall therefore be rejected outright.
- 3.2 **Bid Security** in the amount equivalent to **ten percent (10%)** of the Bid offered shall be submitted by the Proponent, which shall be in the form of a bank manager's check or cashier's check issued by any universal and/or commercial bank duly registered and authorized by the *Bangko Sentral ng Pilipinas* (BSP). The Bid Security of all other Proponents shall be returned without interest upon signing of the Contract of Lease between BCDA and the Winning Proponent unless otherwise forfeited under Article X Section 9.

Section 4 **Evaluation of Bids**

- 4.1 **Preliminary Examination of Bids.** On the date and time specified in the Timetable of Activities, the sealed envelopes containing the Eligibility Documents shall be opened by the Joint ADP-Com to determine the completeness of the documents and the sufficiency of data/information provided therein.

Only those Proponents determined by the Joint ADP-Com during the preliminary examination to have submitted complete Eligibility Documents under this TOR shall be qualified for the opening of their Financial Proposals. Those Proponents determined by the Joint ADP-Com to have failed to submit complete Eligibility Requirements shall automatically have their Financial Proposals returned to them unopened.

The Joint ADP-Com shall open the Financial Proposals to determine compliance with the requirements under Article VII Section 3 of this TOR. Financial Proposals that are found to be non-complying shall be automatically rejected, and the Bid Security shall be immediately returned to the concerned Proponent.

- 4.2 **Detailed Evaluation of Bids.** Within the period specified in the Timetable of Activities, the Joint ADP-Com shall conduct a detailed evaluation of the Eligibility Documents and Financial Proposals submitted. The Bids that have satisfied all the requirements of this TOR shall be ranked based on the bid amount for the Annual Fixed Lease Rate of the Property and the highest bid amount shall be declared the Highest Ranked Bid.

Section 5 BCDA reserves the right to review other relevant information affecting the proponent or the proposal at any time during the bidding and before the approval of the contract. Should such review uncover any misrepresentations made in the proposal documents, or any change in the situation of the Proponent, which affects

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the substance of his proposal, BCDA may disqualify the Proponent from obtaining any award/contract.

Section 6 BCDA further reserves the right to call off the bidding prior to acceptance of the bids and call for a new bidding under amended rules, and without any liability whatsoever to any or all the proponents, except the obligation to return the Bid Security.

Section 7 **Post-qualification**

7.1 The Proponent with the Highest Ranked Bid must pass a post-qualification process to verify the accuracy, veracity, and authenticity of all submitted documents and information, including submission of a *valid Tax Clearance Certificate* issued by the BIR, if the Proponent is a Partnership or a Corporation. If the Proponent is an Individual, the Proponent's Income Tax Return (ITR) for the immediately preceding calendar year. Any material inconsistencies, errors, or misrepresentations in the submitted documents shall be grounds for disqualification and forfeiture of the Proponent's Bid Security.

7.2 If the Proponent with the Highest Ranked Bid passes post-qualification, the said Proponent's Bid shall be declared as the Highest Ranked and Complying Bid.

7.3 If the Proponent with the Highest Ranked Bid fails post-qualification, the Joint ADP Committee shall notify the Proponent of the results thereof. As a matter of procedure, the Joint ADP Committee shall subject the Proponent with the Second Highest Ranked Bid to a post-qualification process.

7.4 If the Proponent with the Second Highest Ranked Bid passes post-qualification, the said Proponent's Bid shall be declared as the Highest Ranked and Complying Bid. However, if the Proponent with the Second Highest Ranked Bid fails post-qualification, the post-qualification process shall be repeated for the Proponent with the next highest ranked bid and so on, until the Highest Ranked and Complying Bid is determined.

Section 8 **Right to Outbid.** Upon declaration of the Highest Ranked and Complying Bid, the Original Proponent shall be given a right to outbid or give a better offer with a minimum premium of **ten percent (10%)** from the Highest Ranked and Complying Bid. The Right to Outbid must be exercised by the Original Proponent within **fifteen (15)** days from the declaration of the Highest Ranked and Complying Bid. If the Original Proponent submits a better offer than the Highest Ranked and Complying Bid, the Property shall be awarded to the Original Proponent, provided that it passes the post-qualification process. However, should there be no better offer received from the Original Proponent within the prescribed period, the Property shall be awarded to the Highest Ranked and Complying Bid.

Section 9 **Award.** A Notice of Award (NOA) shall be issued to the Winning Bidder, inviting the Winning Bidder to execute the Contract of Lease with BCDA no later than the date specified in the Timetable of Activities.

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**ARTICLE VIII
TIMETABLE OF ACTIVITIES**

Activities	Timetable
Publication of Invitation to Bid	06, 08, and 10 May 2025
Issuance of TOR and Bid Documents	14 May 2025
Pre-Bid Conference	19 May 2025 <i>(BCDA Corporate Office on the 2nd Floor, Bonifacio Technology Center 31st St., cor. 2nd Ave. Bonifacio Global City, Taguig City, Philippines)</i>
Guided Site Visits/Inspections, if necessary	21 and 23 May 2025
Deadline of Submission of Request for Clarification and Queries	06 June 2025
Last day of Issuance of Bid Bulletin	13 June 2025
Deadline for Submission: Eligibility Documents and Financial Proposal	19 June 2025, 12:00 noon <i>(BCDA Corporate Office on the 2nd Floor, Bonifacio Technology Center 31st St., cor. 2nd Ave. Bonifacio Global City, Taguig City, Philippines)</i>
Opening and Preliminary Examination of Bid Documents: Eligibility Documents and Financial Proposal	19 June 2025, 1:00 PM <i>(BCDA Corporate Office on the 2nd Floor, Bonifacio Technology Center 31st St., cor. 2nd Ave. Bonifacio Global City, Taguig City, Philippines)</i>
Detailed Evaluation of Bids	19 to 23 June 2025
Announcement of Results of the Evaluation of Bids	24 June 2025
Right to Outbid by the Original Proponent, if applicable	25 June to 10 July 2025
Post-qualification	11 to 15 July 2025
BCDA Board Approval of the results of the Competitive Challenge	23 July 2025
Announcement of the Winning Proponent and Issuance of the Notice of Award (NOA)	28 July 2025
Signing of the Contract of Lease	Within 30 days after issuance of the NOA

The above is an indicative timetable which may change at the discretion of the Joint ADP Committee for JHSEZ or depending on the actual date of the BCDA Board meetings wherein the required approval shall be secured.

BCDA reserves the right to reset the date of the prequalification/bidding conference, the deadline for the submission of the prequalification documents, the date of the bidding or other pertinent activities, or otherwise revise the timetable for the bidding or the date of announcement of the Winning Proponent at least two (2) calendar days prior to the respective deadlines/targets.

**ARTICLE IX
TAKE-OVER OF THE PROPERTY**

Section 1 The Winning Proponent shall authorize BCDA to enter the Property as the agent or attorney-in-fact of the Winning Proponent, 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 of the terms of the Contract of Lease by the Winning Proponent; or
- 1.3 Non-payment of annual lease and variable percentage share of BCDA from the Gross Annual Revenues of the Winning Bidder.

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

For purposes of this Section, the Property is considered to be abandoned, deserted or vacated if the Winning Proponent or its authorized representatives or beneficiaries has not within the lease period used or entered the Property for three (3) consecutive months without prior due notification to BCDA.

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

**ARTICLE X
OTHER MATTERS**

Section 1 **Amendments.** The information and/or procedures contained in this TOR may be amended or replaced at any time, at the discretion of the Joint ADP Committee for JHSEZ, subject to the approval of the BCDA Board, without giving prior notice or providing any reasons therefore. Should any of the information and/or procedures contained in this TOR be amended or replaced, the Joint ADP Committee for JHSEZ shall inform all Proponents of such amendments by way of a Bid Bulletin. To ensure that all Proponents are informed of any amendments to this TOR, all Proponents are requested to inform BCDA of their contact persons as well as contact telephone numbers and email addresses. In addition, receipt of all Bid Bulletins shall be duly acknowledged by each Bidder prior to the submission of bids and shall be so indicated therein.

Section 2 **Pre-Bid Conference.** Interested bidders are invited to attend a Pre-Bid Conference to discuss this TOR and other possible questions. The Conference shall be held in person and/or virtually on the date and time specified in the Timetable of Activities. In-person Conference, if the situation permits, shall be subject to the health and

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safety protocols, limited attendees, and prior registration on a first-come, first-served basis. Any change in the Timetable of Activities, as well as resolutions and actions on the issues raised by the Bidders, shall be embodied in a Bid Bulletin.

Section 3 **Requests for Clarification.** Bidders are enjoined not to contact any employee or officer of BCDA, whether personally or through phone calls. All relevant inquiries and concerns shall be raised in writing and addressed only to the Joint ADP Committee for JHSEZ Chairperson at:

THE CHAIRPERSON

Joint Asset Disposition Program Committee for JHSEZ
Bases Conversion and Development Authority
BCDA Corporate Center, 2/F Bonifacio Technology Center
31st Street, Crescent Park West, Bonifacio Global City
Taguig City, 1634, Metro Manila, Philippines

All clarifications and inquiries on the submission of Bids should be received by the Joint ADP Committee for JHSEZ on or before the date specified in this TOR.

Section 4 **Due Diligence.** BCDA is disposing of the Property on an “As-is, Where-is” basis. Each prospective Proponent shall be solely responsible for its own due diligence of all matters relating to this TOR and the Property which may affect its valuation of the Property or the nature of its proposal. BCDA shall not be responsible for any erroneous interpretation or conclusion of the Proponent out of data furnished or indicated in this TOR and official eligibility and proposal forms, including any addenda, amendments or Bid Bulletins issued by the Joint ADP Committee for JHSEZ.

No verbal agreement or conversation with, nor any verbal clarification from any officer or employee of BCDA and JHMC, the Joint ADP Committee for JHSEZ, 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 by the Joint ADP Committee for JHSEZ shall be relied upon as authorized. Neither the BCDA and the JHMC, their Directors, Officers, staff, consultants, and authorized representatives/ personnel may make any representation or warranty concerning any matter affecting this bidding except for the representations and warranties of BCDA that shall be set out in the Contract of Lease for the Property.

Section 5 **Failure of Bidding.** BCDA shall declare a failure of bidding in any of the following instances:

- 5.1 No bid is received;
- 5.2 No Proponent passed the preliminary examination of bids;
- 5.3 No Proponent qualified during the detailed evaluation of bids;
- 5.4 No Proponent passed post-qualification;
- 5.5 The Winning Proponent refused to accept the award or enter into a contract with BCDA; and

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- 5.6 The happening of a fortuitous event or any reason beyond the control of BCDA, including but not limited to a change in government policy, which prevents the completion of the contract or unduly delays its conclusion.

In the occurrence of any of the events described in Subsections 5.1, 5.2, 5.3, and 5.4 hereof, BCDA shall award the contract to the Original Proponent subject to their passing the post-qualification process.

Section 6 Appeal. A Proponent determined as disqualified and/or whose bid has been found non-complying may file an appeal in writing (Notice of Appeal) to the BCDA Board of Directors. The appeal must be filed within seven (7) calendar days from receipt of the bid bulletin containing the questioned resolution. The Notice of Appeal shall be accompanied by a sworn statement and corresponding payment of a non-refundable appeal fee of **Ten Million Pesos (PhP10,000,000.00)**, in the form of a manager's check.

The bidding process will be suspended for a maximum period of thirty (30) calendar days while the appeal is being evaluated. The decision of the BCDA Board on the appeal shall be final and immediately executory.

Section 7 Confidentiality of Bids. All bids 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 8 Waiver of Right to Seek Legal Remedies. BCDA and JHMC, their 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 of the Proponents in this bidding process. All Proponents, in participating in the bidding, waive all rights to seek legal action (e.g. Temporary Restraining Order, lawsuits, etc.) to prevent BCDA from awarding and executing a contract with the Winning Proponent or against any decision of the BCDA in connection with the evaluation, award, suspension or termination of the bidding process.

Section 9 Forfeiture of Bid Security. Any of the following shall be ground for the forfeiture of the Bid Security in favor of BCDA upon certification by the Joint ADP-Com:

- 9.1 Any material misrepresentation, error, and/or fraudulent declaration made by the Bidder in the bid documents or any of the required attachments discovered at any time after the preliminary examination of bids;
- 9.2 Withdrawal or modification, whether conditional or otherwise, of the proposal after the deadline for the submission of bids;
- 9.3 Failure or refusal of a Winning Proponent to enter into a Contract of Lease with BCDA within the prescribed period;

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- 9.4 Any judicial or extrajudicial action by the Winning Proponent that shall delay the execution of the Contract of Lease and/or its compliance with its obligations as set out in this TOR; and
- 9.5 Any circumstance or reason that provides BCDA reasonable and valid basis to believe that the Proponent is or has been rendered incapable of completing its obligation, as proposed.

The decision of the BCDA Board shall be final.

Section 10 Anti-corruption Policy. The Proponents, their Directors, and Officers are prohibited from communicating with or contacting, directly or indirectly, any of BCDA's or JHMC's Directors, Officers, staff, consultants, and authorized representatives/personnel on matters concerning the bidding for the entire duration of the bidding process except for queries and clarifications of proposal which must be in writing and addressed to the Joint ADP-Com Chairperson.

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

Section 11 Qualifications and Waivers. BCDA reserves the right to reject any or all bids and its decision shall be final. BCDA reserves the right to review all relevant information affecting the Proponent or the proposal before the execution of the Contract of Lease. BCDA may disqualify the Proponent or suspend/terminate the bidding process or declare a failure of bidding 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.

BCDA further reserves the right to call off the bidding at any stage prior to the signing of the Contract of Lease and call for new bidding under amended rules, without any liability whatsoever to any and all the Proponents. In such a case, the Bid Security shall be returned to the Proponent/s.

Section 12 Interpretation of Documents. This TOR and all its Annexes have been crafted with a view toward a fair, transparent, and competitive bidding to dispose of the Property through lease. Any ambiguity or conflict between the TOR, its Annexes, and the Contract of Lease, shall be resolved toward fulfilling the intent of this privatization and interpreted in the following order:

1. Term of Reference
2. Annexes of the Terms of Reference
3. Contract of Lease

- End -

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ANNEX A (Location Map of the Property)



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ANNEX B (Lot Information Plan)



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ANNEX C (Photos of existing structures on the Property)



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**CONTRACT OF LEASE
(SUBJECT TO LEGAL REVIEW)**

THE PUBLIC IS INFORMED:

This Contract of Lease (**Contract**) is made and entered into by and among:

BASES CONVERSION AND DEVELOPMENT AUTHORITY (BCDA), a government instrumentality vested with corporate powers created under and by virtue of Republic Act (RA) No. 7227, as amended, with principal office address at the BCDA Corporate Center, 2/F Bonifacio Technology Center, 31st Street corner 2nd Avenue, Bonifacio Global City, Taguig City, Metro Manila, Philippines, represented by its President and Chief Executive Officer, **JOSHUA M. BINGCANG**, who is authorized for this purpose by the BCDA Board of Directors through Board Resolution No. _____, as evidenced by Secretary's Certificate¹ dated _____, a copy of which is attached as *Annex "A"*, and hereinafter referred to as "**BCDA**";

- and -

The _____, a a corporation duly registered and authorized to engage in real estate by virtue of Philippine Laws, with principal office address at _____, and represented herein by its _____, who is authorized for this purpose by its Board of Directors through Board Resolution No. _____, as evidenced by Secretary's Certificate² dated _____, a copy of which is attached as *Annex "C"*, hereinafter referred to as "**LESSEE**".

(**BCDA and LESSEE** are individually referred to as a "**Party**" and collectively as the "**Parties**".)

ANTECEDENTS:

Republic Act (RA) No. 7227, as amended, mandates **BCDA** to accelerate the sound and balanced conversion into alternative productive uses of the former Clark and Subic military

¹ Annex A - BCDA Secretary's Certificate dated _____

² Annex C - SEC Secretary's Certificate dated _____



reservations and their extensions, to raise funds from the sale or disposition of portions of Metro Manila military camps, and to apply said funds for the development and conversion to productive civilian use of said reverted military base lands.

Proclamation No. 198, series of 1993 transferred to **BCDA** the ownership, administration, and control over the John Hay Air Station (now the **Camp John Hay**), which was declared for tourism, human resource development center, and multiple-use forest watershed reservation purposes.

Executive Order (EO) No. 103, series of 1993, authorized the establishment of the John Hay Development Corporation (JHDC) now John Hay Management Corporation (JHMC) as BCDA's operating and implementing arm to manage Camp John Hay.

BCDA received an unsolicited proposal to lease and develop the six thousand six hundred forty-seven (6,647)-square meter Mile Hi Property in Camp John Hay from the Consortium of Meridian Commercial Centers, Inc. (MCCI) and Istana Development Corporation (IDC), both companies registered with the Philippine Securities and Exchange Commission (SEC) and are authorized to engage in the real estate business, hereinafter referred to as the "Original Proponent".

In compliance with Section III.B.4 of the Revised Guidelines on the Privatization and Disposition of BCDA Properties (or the 2018 *Revised Sale and Lease Guidelines of BCDA*), the negotiated terms of the lease with the Original Proponent shall be subjected to a Competitive Challenge and other Private Sector Entities (PSEs) shall be allowed to submit comparative proposals.

[in case Winning Proponent is Challenger]

In response to BCDA's invitation to submit comparative proposals published on May 06, 08, and 10, 2025, the LESSEE was determined to have submitted the highest comparative proposal. Additionally, in view of the failure of the Original Proponent's Right to Outbid, the LESSEE was declared to be the Winning Proponent and was consequently issued a Notice of Award on _____.

[in case Winning Proponent is the Original Proponent]

After the conduct of a Competitive Challenge process, the Original Proponent exercised its Right to Outbid and was eventually declared as the Winning Proponent and was consequently issued a Notice of Award on _____.

NOW THEREFORE, the Parties hereto agree to the following undertakings to ensure the realization of the Mile-Hi Commercial Centers Property that would be established within Camp John Hay, as follows:



ARTICLE I GENERAL AGREEMENTS

Section 1. Leased Property

The BCDA/JHMC convey, by way of lease on *"AS-IS, WHERE-IS"* basis to the LESSEE, a parcel of land with a total area of approximately **six thousand six hundred forty-seven (6,647) square meters**, more or less, the metes and bounds of which is subject to actual survey to be jointly conducted by the Parties, (Leased Property), and subject to the provisions of this Contract.

The Parties shall sign the Final Joint Survey Report, which must be accomplished within thirty (30) calendar days from the signing of this Contract, and such report shall be deemed incorporated in this Contract as an integral part hereof and controlling as regards the metes and bounds of the Leased Property.

The Leased Property, as shown in the attached map³ and the actual metes and bounds of which are contained in the Final Joint Survey⁴, is located along Sheridan Drive within the John Hay Special Economic Zone, Baguio City.

Section 2. Use of the Property

Consistent with the Comprehensive Integrated Master Development Plan (CIMDP) for Camp John Hay and its accompanying Design Standards and Guidelines (DSG), the Property is to be developed for eco-hostel accommodations with an activated retail and dining frontage along Sheridan Drive, John Hay Special Economic Zone. The proposed development will involve restoration, renovation and upgrading of Mile Hi into an upscale commercial center to preserve its historical identity and preserve and enhance the surrounding environment, with the following allowable uses:

- a. Office
- b. Retail shops and convenience stores
- c. Restaurants and cafés
- d. Inn/Transient Rooms
- e. Support amenity
- f. Utilities

The overall development of the Property shall adhere to the CIMDP and DSG for Camp John Hay and other parameters set by BCDA.

Should the Winning Proponent intend to use and/or devote the Property, or a portion or portion/s thereof, to a use or purpose other than the allowable land uses and in its submitted Development Plan, it shall secure the written approval of the BCDA prior to making any

³ Annex D – Location Map as of _____

⁴ Annex E – Final Joint Survey Report dated _____

changes in the intended use of the Property. Failure to secure the written approval of BCDA shall be a ground for the immediate termination of this Contract without need of a judicial termination.

Section 3. Restrictions on the Property

In developing the Leased Property, the LESSEE must strictly comply with the CIMDP and the DSG of JHSEZ, as well as all pertinent government standards, such as but not limited to, the National Building Code, the Comprehensive Fire Code of the Philippines, and other relevant laws, rules, regulations and issuances of the concerned government agencies, which include both existing and subsequent issuances.

The LESSEE shall likewise observe the following restrictions:

a. Maximum Gross Floor Area and Open Spaces

Under the Camp John Hay CIMDP, the maximum allowable gross floor area for the Property shall be **5,982 square meters at FAR 0.9**. The Property shall have a minimum Open Space requirement of thirty-percent (30%) of the total area of the Property. The thirty-percent (30%) open space requirement shall include internal roads, walkways/pathways, open parking and parks.

b. Maximum Number of Storeys

The development to be introduced on the Property shall not exceed **three (3) storeys**. At any rate, the structure must not be higher than the tallest pine tree in the area. Building height shall conform to the restrictions set by the Civil Aviation Authority of the Philippines and the National Building Code.

c. Completion of the Development of the Property

The Winning Proponent is required to complete the development of the Leased Property and commence commercial operations within a period of **two (2) years** from the signing of the Contract.

d. Parking

The provisions for the parking must conform to the requirements set forth in the National Building Code of the Philippines, and of the development policy and guidelines prescribed in the Camp John Hay CIMDP and DSG.

e. Cutting of Trees

The required permits from the Department of Environment and Natural Resources (DENR) shall be secured by the Winning Proponent, with the assistance of JHMC. Moreover, the cutting and earth-balling of trees within the Property shall be the

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responsibility of the Winning Proponent and all costs related thereto, including the costs for securing the permits, shall be for the account of the Winning Proponent.

f. Green Development Principles

In the development of the Leased Property, the LESSEE must consider sustainable design features with overall objectives of reducing greenhouse gas emissions, water and power use and waste generation. The sustainable design features may include the following:

- i. maximized natural light access
- ii. maximized natural ventilation opportunities
- iii. thermally efficient building design and shell
- iv. passive solar building design
- v. inclusion of green roofs/walls
- vi. water sensitive urban design
- vii. low water demand plant species in landscape design
- viii. no water and chemical-intensive uses (e.g. swimming pools)

The LESSEE should explore opportunities for sustainability excellence and cultural and environmental preservation by following best practice environmental benchmarks for building and development.

g. Design and Visual Impact

The development of the Property should enhance the physical fabric of its vicinity. Building and landscape designs should be compatible with the prominent character and architectural style of Camp John Hay. To ensure that the buildings and structures to be erected shall not have a negative impact on the visual amenity and view corridors of the Property, the design and landscape of the Property should be coordinated and approved by BCDA.

The assessment shall consider the following: (1) suitability of the building with the landscape's natural contour; (2) sustainability of the building's colors, forms, textures, and materials; (3) visibility of natural/landscape resources from interior and exterior observation points.

h. Government Development Plans

The Camp John Hay CIMDP and the DSG shall serve as the Winning Proponent's guide in the development of the Property. BCDA/JHMC shall provide the Winning Proponent with copies of the Camp John Hay CIMDP and DSG immediately after signing of the Contract.

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i. **Connection to Water Utilities**

The connection of the Property to water supply and wastewater disposal services shall be made exclusively through the facilities and infrastructure provided by JHMC and/or BCDA, as applicable. The Winning Proponent shall not establish or connect to any alternative or independent water utility system without the prior written consent of JHMC/BCDA.

j. **Natural Resources and Artifacts of Historical and Economic Significance**

In the event that any natural resources, including but not limited to, water sources, mineral deposits, artifacts, or materials of historical or economic significance, are discovered within the leased property during the term of the lease, full ownership and rights to such resources shall belong exclusively to BCDA. The Lessee shall immediately notify BCDA in writing upon discovery of such resources and shall take all necessary steps to preserve the integrity of the discovery until further instructions are provided by BCDA. No exploration, extraction, or exploitation of such resources may be conducted by the Lessee or any third party without the express written consent of BCDA.

Section 4. Term and Renewal of Lease

Subject to the provisions of Article I. Section 6 and Article XIX. Section 19 hereof, this Contract is valid for a period of twenty-five (25) years from the date of contract signing (Lease Term).

The Parties, upon their mutual written consent, may opt to renew this Contract for another 25 years, provided that the LESSEE shall submit a Letter of Intent to BCDA/JHMC at least two (2) years prior to the expiration of the Lease Term. The Parties agree that in renewing the Contract, the extended Lease Term shall be subject to a new lease rental/rate which will be the higher of the lease rate prevailing on the 26th year from the signing of the Contract and the fair rental value of the land based on a third-party appraisal to be conducted on the 25th year of the Lease Term, to be engaged by BCDA following the New Government Procurement Law or RA 12009 and its Implementing Rules and Regulations.

For purposes of lease renewal, no negotiations shall take place between the Parties earlier than two (2) years prior to the initial expiration of this Contract.

Section 5. Lease Rental/Rate

In consideration for the use of the Leased Property, the starting lease rate shall be at **Pesos:** _____ (**Php** _____) per square meter per annum, inclusive of value-added tax. The LESSEE shall pay the lease rental on an annual basis beginning Year 3 of the Lease Term or the amount of **Pesos:** _____ & ____/100 (**PhP** _____) inclusive of value-added tax (VAT) and subject to creditable withholding tax (CWT), and subject to Section 6, 7 and 8 (escalation rate) under Article I of this Contract. All other taxes, including Real Property Tax and Documentary Stamp Tax assessed during the validity of

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this Contract, if any, shall be for the account of the LESSEE. The LESSEE commits to pay the lease rental to BCDA, without need of any demand, in accordance with the attached Schedule of Payments⁵.

All payments for the lease rental shall be in the form of manager's check or cashier's check.

Section 6. Advance Lease

Upon the signing of the Contract, the LESSEE shall pay to BCDA an advance lease in the total amount of **Pesos:** _____ & ____ /100 (PhP _____), inclusive of VAT, and subject to creditable withholding tax, representing and applicable to the lease rentals for the 24th and 25th years of this Contract.

The Parties agreed that failure by the LESSEE to pay the advance lease rentals shall not render this Contract binding and effective. In such a case, the LESSEE shall not be allowed to occupy and possess any portion of the Leased Property; or start the development on any portion of the Leased Property; and the LESSEE has no authority to commence any related activity on the Leased Property.

Section 7. Rent-Free and Development Period

The LESSEE shall be entitled to occupy and use the Leased Property for the first two (2) years of the lease term, free of rent (Rent-Free Period) provided that the LESSEE must start and complete its development on the Leased Property and establish its operations therein during the rent-free period; Provided further that, the LESSEE shall pay the cost of utilities to the service providers during the rent-free period; and provided finally that, any expenses it incurred for its operations during the rent-free period shall be for its own account.

During the rent-free period, the LESSEE is still bound by the terms and conditions of this Contract. Further, any delay in the development of the Leased Property during the rent-free period shall not in any way release the LESSEE from its obligation to pay the annual lease and other obligations due and stipulated in this Contract.

Section 8. Escalation Rate

The annual lease rental/rate for the Leased Property shall be subject to a **three percent (3%)** annual escalation beginning on the third (3rd) year from the signing of the Contract of Lease, as per the attached Schedule of Lease Payments.

Section 9. Option for Prepayment

The LESSEE may opt to prepay the lease rental, in whole or in part, at any time during the Lease Period at the rate equivalent to the lease rental due to BCDA on the year when such

⁵ Annex F – Schedule of Lease Payments

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prepayment will be effected multiplied by the number of years agreed upon by BCDA and the LESSEE. The exercise of such right shall be communicated in writing to BCDA.

Section 10. BCDA's Share on the Gross Revenues

In addition to the Annual Lease Payment, BCDA shall be entitled to **five percent (5%)** share in gross rental revenues (Variable Lease Payment). The Variable Lease Payment shall be remitted to BCDA quarterly, with each payment due within fifteen (15) calendar days from the end of each quarter. For this purpose, the LESSEE shall provide relevant documents and information reasonably necessary to determine compliance with the remittance of the share in the gross revenues i.e. submission of quarterly reports summarizing the LESSEE's revenues/financial performance including relevant financial statements and documents, and a certification on the completeness and authenticity of the reports generated and submitted. The LESSEE shall submit quarterly reports to BCDA within fifteen (15) days from the end of each quarter, without the necessity of a demand.

Section 11. Common Usage Service Area Fee

The LESSEE shall pay JHMC a CUSA Fee for the Leased Property at the rate of PhP36.00 per square meter per month (for raw land) and PhP89.60 per square meter per month based on the building's footprint which are actually built with Certificate/Notice of Occupancy, regardless whether or not such building footprint is operational, both rates are inclusive of 12% value added tax. The CUSA Fee will cover the expenses for the road maintenance and maintenance of other common areas, external security and fire protection, solid waste collection and disposal requirements of the Leased Property. However, it excludes fees and charges for utilities, such as water, power and telecommunications and/or fire insurance for the structure, which shall be paid by the LESSEE directly to the utility service and insurance provider.

The CUSA Fee shall be subject to an escalation of five percent (5%) every two (2) years taking into consideration the adjustments in service fees and inflation costs related to the provision of services covered under the CUSA Fee.

The LESSEE shall pay the CUSA Fee to JHMC beginning on the second anniversary of the signing of this Contract without need of prior notice or demand, and on or before each anniversary thereafter. Any delay in payment shall be subject to penalty as herein provided.

Should there be any adjustments on the CUSA Fees, except for the escalation rate, the same shall be communicated by Estate Manager to all locators in the JHSEZ.

The CUSA rate may be adjusted depending on the services that will be provided by the Estate Manager of JHSEZ.

Section 11. Late Payments

The LESSEE shall pay interest on late payment equivalent to six percent (6%) per annum of the amount due for the lease and three percent (3%) of the amount due per month of delay



for the CUSA Fees, computed from due date until the date of full payment thereof. Without prejudice to BCDA's right to collect interest above, failure of the LESSEE to pay the rentals on time for at least one quarter shall be sufficient grounds for BCDA to terminate the Contract of Lease.

ARTICLE II CONDUCT OF CONSTRUCTION

Section 1. Building Standards

All construction works in the Mile Hi Property shall subscribe to the minimum building standards of the National Building Code of the Philippines and other pertinent laws, the Development Plan submitted by the LESSEE, and the requirements set by the LESSOR

Section 2. Easements within the Property

The Leased Property, shall be subject to thirty-percent (30%) open space requirements, inclusive of setbacks and easements, pursuant to the National Building Code of the Philippines, the DSG of JHSEZ and other pertinent laws.

Should the LESSEE fail to remedy any material easement requirement within a reasonable period following notice thereof from BCDA/JHMC, the BCDA/JHMC, acting reasonably may, without the necessity of a court order, remove and/or demolish or cause the removal or demolition of any structure built or constructed in violation of the specific easements or any other restrictions specified herein at the expense of the LESSEE. The LESSEE shall reimburse the BCDA/JHMC for the cost of such removal/demolition within five (5) calendar days upon receipt of proof of the BCDA/JHMC incurring such cost. The LESSEE hereby voluntarily submits and agrees that the BCDA/JHMC shall not incur any civil or criminal liability for the said action.

Section 3. Damage to Infrastructure

The LESSEE shall immediately undertake the repair of any material damages caused by the entry and/or exit of any of its equipment and personnel to existing infrastructure in the Property, including but not limited to roads, curbs, gutters and other public utility facilities.

Should the LESSEE fail or refuse to undertake the repairs required despite demand, BCDA/JHMC may perform the same for the exclusive account of the LESSEE. The LESSEE may use or apply a portion of the Security Deposit being maintained by the LESSEE during the duration of the Lease Term to pay for the cost of repairs of the damaged infrastructure. If the BCDA/JHMC uses or applies a portion of the Security Deposit, the LESSEE shall deposit monies with BCDA sufficient to restore said Security Deposit to the full amount required by this lease within ten (10) calendar days after written request therefor and receipt of proof that the BCDA/JHMC has incurred such cost. For this purpose, the LESSEE shall grant the BCDA/JHMC unimpeded access to the Leased Property and utility systems within the

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Leased Property. The LESSEE shall hold BCDA/JHMC free and harmless from any disruption or losses that its operations may suffer occasioned by such repairs.

The LESSEE and its contractors are required to adopt measures that will ensure the cleanliness, sanitation and safety of the area as mandated by applicable and relevant laws, rules and regulations.

ARTICLE III RIGHTS AND RESPONSIBILITIES OF THE PARTIES

Section 1. BCDA shall have the following rights and responsibilities:

- 1.1 Grant the LESSEE the exclusive right to lease and develop the Leased Property, including the perpetual access to utilities, subject to the restrictions and terms and conditions specified herein;
- 1.2 Upon the signing of the Contract, deliver to the LESSEE the Leased Property on an *"as-is, where-is"* basis.
- 1.3 Assist the LESSEE in its application for Tree-Cutting, Earth-Balling and Pruning Permits, as may be necessary, for trees located within the subject Property;
- 1.4 Ensure the LESSEE's peaceful and continuous occupation and enjoyment of the Leased Property during the entire duration and/or effectivity of this contract.
- 1.5 Retain the option to terminate the Contract of Lease in the event that the LESSEE fails to complete the development and establish commercial operations within two (2) years from contract signing, or fulfill its financial obligations

Section 2. The LESSEE shall have the following rights and responsibilities:

- 2.1 Strictly comply with the terms and conditions of this Contract and shall maintain all warranties and representations in good standing for the duration of the Lease Term;
- 2.2 Fulfill all its financial obligations to the BCDA and/or JHMC as specified in this Contract;
- 2.3 Undertake planning, construction, financing, development, and operation and maintenance of the Leased Property upon signing of the Contract;



- 2.4. Submit to BCDA, for approval, its Development Plan for the Leased Property within six (6) months from the signing of this Contract which shall take into consideration the LESSEE's Minimum Investment Commitment for the Mile Hi Property. The BCDA-approved Development Plan, CIMDP and DSG of JHSEZ shall be made integral parts of this Contract. In case of conflict between the CIMDP and the DSG of JHSEZ, the CIMDP shall prevail.

The Development Plan shall, at the minimum, contain the following information:

- a. proposed development and corresponding GFA;
 - b. conceptual design, features and amenities;
 - c. the timetable, including major development milestones;
 - d. schedule of capital investments/disbursement plan; and
 - e. estimated total development cost
- 2.5 Commit to invest no less than Pesos: **TWO HUNDRED FIVE MILLION (Php205,000,000.00) ("MINIMUM INVESTMENT COMMITMENT")** in the renovation, restoration and redevelopment of the Mile Hi Property;
- 2.6 Strictly comply with the allowable land use/s and the restrictions pertaining to the development for the Leased Property as set forth herein, specifically under Article I, Sections 2 and 3;
- 2.7 Commence the development on the Leased Property within six (6) months from the approval of the Development Plan and complete the development of the Leased Property in accordance with the prescribed Development Plan;
- 2.8 Submit to BCDA a continuing Security Deposit in any of the prescribed forms as provided under Article XV, Section 1 of this Contract, which shall be automatically renewed annually until the end of the lease term;
- 2.9 Submit to BCDA a Performance Security in the form of a bank guarantee / an escrow account within thirty (30) calendar days from the BCDA Board's approval of the Development Plan with an amount equivalent to at least sixty percent (60%) of the Project Cost or the minimum amount of Pesos: **One Hundred Twenty-three Million (Php123,000,000.00)** to guarantee availability of funds for the construction and development of the Mile Hi Property;
- 2.10 Not later than three (3) months after the completion of the construction, obtain, at its own cost, an all-risk insurance policy with the Government Service Insurance System (GSIS) or any reputable insurance company for all the constructions and improvements introduced during the term of the lease against all risks of loss or damage to the leased premises in an amount equivalent to its replacement value, with BCDA as the co-beneficiary, and submit to BCDA the original insurance policy and the corresponding Official

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Receipt within five (5) calendar days from the issuance of said insurance policy;

- 2.11 Should the LESSEE fail to perform its responsibilities stipulated Section 2.10 (as it refers to All-Risk Insurance) hereof, it shall be liable to pay the BCDA/JHMC the amount of **Fifty Thousand Pesos (PhP50,000.00)** for every day of delay in the submission of the original insurance policy;
- 2.12 Pay, at its sole account, all applicable taxes, license fees, and other charges due on this Contract and/or the lease transaction, including but not limited to the payment for notarization thereof and of the Documentary Stamp Tax on due date, and those that may be imposed by law during the entire lease term. If payment for taxes is required by law to be withheld from the lease payments to the BCDA/JHMC, the LESSEE shall submit to the BCDA/JHMC a certification of the taxes withheld at the time of payment, otherwise any such taxes withheld shall not be considered as authorized deductions. Should BCDA/JHMC be required or constrained to pay taxes and charges as provided herein arising from the failure of the LESSEE to pay them on due date, the LESSEE shall pay BCDA/JHMC the amount of taxes and/or charges paid including interest and penalty surcharges, if any, within thirty (30) calendar days from BCDA/JHMC's payment plus interest of twelve percent (12%). Should the LESSEE refuse to pay or reimburse BCDA/JHMC despite demand, BCDA/JHMC may terminate this Contract without need of judicial determination;
- 2.13 Secure, as necessary, all Tree-Cutting, Pruning, or Earth-Balling Permit from the DENR and undertake the clearing, cutting, pruning or balling of such trees within the Leased Property. All costs appurtenant to the clearing, cutting, pruning or balling of trees within the Leased Property, including the expenses for securing the Tree-Cutting, Pruning or Earth-Balling Permit from the DENR shall be for the account of the LESSEE;
- 2.14 Undertake the removal of Asbestos from the existing structures following DENR Administrative Order No. 2000-02 otherwise known as the Chemical Control Order for Asbestos, and DENR Administrative Order No. 2013-22 or the Revised Procedures and Standards for Hazardous Waste Management and its subsequent revisions, should there be any.
- 2.15 Secure the necessary environmental permits, such as, but not limited to, Environmental Compliance Certificate (ECC) for the Project from the DENR Environmental Management Bureau (EMB) and other related agencies.
- 2.16 In case development permits from other national government agencies need to be secured, BCDA and/or JHMC will endorse/assist the LESSEE in its applications with the concerned agencies

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- 2.17 Undertake, at its own cost, on-site development, and provide utilities, access roads to, and internal road networks within the Leased Property;
- 2.16 Throughout the duration of the lease, keep and maintain the Leased Property, at its own expense, in clean and sanitary conditions, free from offensive odor, disturbing noises or other nuisances, and dispose all the waste only through the means and places provided by the BCDA and/or JHMC;
- 2.17 Comply with pertinent environmental laws, rules and regulations in force during contract implementation;
- 2.18 Upon the expiration or termination of the lease term, turn-over and transfer to the LESSOR the ownership of the permanent structure/s, facilities and other improvements introduced by the LESSEE on the Leased Property; and
- 2.19 Pay the CUSA Fees corresponding to the Leased Property to be assessed by JHMC.

ARTICLE IV WARRANTIES AND REPRESENTATIONS

Section 1. BCDA hereby warrants and represents the following:

- 1.1 BCDA is a government instrumentality vested with corporate powers duly created under Republic Act No. 7227, as amended, and is the bona fide owner of the Leased Property, which is free from all liens and encumbrances;
- 1.2 JHMC is the operating and implementing arm of BCDA to manage the Camp John Hay;
- 1.3 BCDA is authorized by their respective Boards of Directors to enter into this Contract;
- 1.4 BCDA shall deliver physical possession of the Leased Property, on an "*as-is, where-is*" basis upon the execution of the Contract;
- 1.5 BCDA shall ensure the LESSEE's sole and exclusive right to use the Leased Property, its peaceful and continuous occupation and enjoyment for the duration of the Lease Term; Provided that, this right is exercised in accordance with the terms and conditions of this Contract and applicable laws and regulations;

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Section 2. The LESSEE hereby warrants and represents the following:

- 2.1 It has been authorized by its Board of Directors to enter into this Contract of Lease with BCDA;
- 2.2 It shall strictly comply with the restrictions and terms and conditions specified herein for the development of the Leased Property;
- 2.3 It has conducted due diligence on the Leased Property, and knowingly undertakes the lease and development of the Leased Property, with the knowledge of existing circumstances on the same and accepts it on an *as-is, where-is* basis;
- 2.4 Unless consented to in writing by the BCDA, the Leased Property, shall be used solely and exclusively for the purpose/s for which it was leased out to in accordance with the terms and conditions as provided under this Contract;
- 2.5 It shall indemnify and hold free and harmless BCDA and JHMC, their directors, officers, employees, agents and representatives from and against any claim or liability in connection with the use of the Leased Property, including the injury or death of third persons, or damage to Property; and
- 2.6 It shall be accountable for and shall indemnify BCDA and JHMC for any liability, damage or cost it may incur due to the LESSEE's failure or refusal to vacate the Leased Property, upon the expiration or termination of the Contract, whichever comes first.

**ARTICLE V
RETURN OF THE LEASED PROPERTY**

Upon the expiration or termination of the Contract, whichever comes first, the LESSEE shall promptly deliver the Leased Property, inclusive of all the permanent structures and improvements introduced during the term of the lease, to the LESSOR, in good and tenantable condition, except for normal wear and tear

The LESSEE shall, however, have the right to remove any fixtures it has installed within the Leased Property; Provided that, such removal is carried out in a manner that does not cause any damage to the Leased Property.

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ARTICLE VI PRE-TERMINATION

This Contract may be pre-terminated by mutual written agreement signed by all the Parties.

It may likewise be pre-terminated upon the instance of the LESSEE through a service of a thirty (30)-day written Notice of Intent to Terminate, upon the other Party. In such a case, all unpaid rentals shall be paid and any rental payments made for the current year shall be forfeited in favor of BCDA. The LESSEE shall, within a period of thirty (30) calendar days from pre-termination date, immediately return and surrender the Leased Property to BCDA. It may likewise be pre-terminated by BCDA should the LESSEE voluntarily or through gross negligence violate the following provisions:

- a. Article I Sections 2 and 3;
- b. Article III Section 2.1; and
- c. Article IV Section 2.2

If the pre-termination is caused by BCDA, 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.

ARTICLE VII EVENTS OF DEFAULT

Section 1. The occurrence of any of the following events shall constitute an Event of Default by the LESSEE:

- 1.1 Delay or failure to pay any annual rental or monthly CUSA within the grace period provided in Section 11, Article I herein, or any penalty interest thereof after lapse of the Curing Period under Article VIII, Section 2.1(b) and 2.1(c) of this Contract;
- 1.2 Failure to comply with all its financial commitments under this Contract;
- 1.3 Failure to comply with any of its covenants, warranties and undertakings under this Contract;
- 1.4 Devotes the whole or a portion or portions of the Leased Property, to any use/s or purpose/s different from that for which it has been leased without BCDA's prior written consent or approval, which shall result in the immediate termination of this Contract without need of judicial determination. The BCDA's consent, however, shall not be unreasonably withheld; and
- 1.5 Failure to perform its responsibilities specified in Sections 2.3 (Planning, Development and Operation of the Leased Property), 2.4 (Submission of a

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Development Plan) and 2.6 (Compliance with the Allowable Land Use) of Article III of this Contract.

Section 2. The occurrence of any of the following events shall constitute an Event of Default by BCDA:

- 2.1 Failure to comply with any of its covenants, warranties and undertakings under this Contract; and
- 2.2 Failure to comply with any of its obligations under this Contract.

ARTICLE VIII 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

- 2.1 If the Event of Default by the LESSEE occurs:
 - a. BCDA shall provide a written notice of default specifying in reasonable detail the event of default to the LESSEE within thirty (30) calendar days from occurrence of the event of default.
 - b. The LESSEE 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, BCDA may terminate this Contract without need of judicial action by delivering a Termination Notice to the LESSEE effective on the date specified by BCDA in the Termination Notice, which shall not be less than thirty (30) calendar days from the date the LESSEE received the Notice of the Event of Default.
- 2.2 If the Event of Default by the LESSOR occurs:
 - a. The LESSEE shall provide the BCDA a written notice of default specifying in reasonable detail the event of default within thirty (30) calendar days from occurrence of the event of default.
 - b. The BCDA shall have thirty (30) calendar days from its receipt of the Notice of the Event of Default within which to cure such default.

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- c. If the Event of Default by BCDA are not cured within the thirty (30)-day curing period, the LESSEE may terminate this Contract without need of judicial action by delivering a Termination Notice to BCDA, which termination shall be effective as of the date specified by the LESSEE in the Termination Notice, which shall be not less than thirty (30) calendar days from the date BCDA/JHMC receive the Notice of the Event of Default.

Section 3. Rights and Remedies Available to the Parties in case of Termination due to an Event of Default

3.1 On the Part of BCDA:

- a. BCDA shall have the right to take-over the Leased Property and all improvements, facilities and utilities thereon, and dispose the Leased Property in accordance with its existing policy guidelines and/or relevant laws, rules and regulations;
- b. BCDA shall be entitled to a payment of liquidated damages in the amount equivalent to three percent (3%) of the annual lease for every day of delay should the LESSEE fail or refuse to vacate and turnover the full possession of the entire, including all improvements, facilities and utilities thereon;
- c. BCDA shall be entitled to draw on the Security Deposit to the extent of any liabilities owing to the LESSOR as a result of the breach.
- d. Any and all payments that have been remitted so far by the LESSEE to BCDA/JHMC in relation to the lease of the Property shall automatically be forfeited in favor of BCDA.

3.2 On the Part of the LESSEE:

- a. BCDA shall immediately return to the LESSEE the available balance of Security Deposit; and
- b. The LESSEE shall be entitled to payment of liquidated damages equivalent to three percent (3%) of the annual lease for every day of delay in the return of the available balance of Security Deposit.

This shall not however preclude the Parties from amicably settling their dispute or from exercising their other legal rights and remedies provided for in this Contract and under the pertinent laws.

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ARTICLE IX
TAKE-OVER OF THE LEASED PROPERTY

Section 1. The LESSEE hereby authorizes BCDA to enter the Leased Property, and take-over all of its improvements, facilities and utilities, as its agent or attorney-in-fact, without the need of any judicial action, in the following instances:

- a. The Leased Property, is totally abandoned, deserted or vacated within the period under Section 3 hereof;
- b. Upon the termination of the lease due to causes specified herein; and
- c. Delay or failure to pay annual lease in full, CUSA, or penalty interest and other charges due by the LESSEE, subject to the Curing Period as provided under Article VIII, Section 2.1 (b) and 2.1 (c) of this Contract.

Section 2. The BCDA shall likewise have the option to dispose the same to other parties as the agent of the LESSEE, in case of non-payment of the annual lease; to receive the payments thereof, and to apply the same to the emoluments due under the Contract, holding the LESSEE liable for any deficiency, without prejudice to any right of action against the LESSEE.

Section 3. For purposes of this Article, Abandonment shall refer to cases where the LESSEE, its assignee/s or successors-in-interest, during the effectivity of the lease, voluntarily and intentionally relinquishes all its rights to lease, occupy, and use the Leased Property pursuant to this Contract without prior due notification to BCDA/JHMC for a period of three (3) consecutive months.

Section 4. This shall not, however, preclude the BCDA from exercising its rights/remedies set out anywhere else in the Contract, and under the pertinent laws.

ARTICLE X
SUBLEASE

Section 1. Except for facilities and improvements which by their very nature are intended to be sublet such as offices, commercial/retail spaces, accommodations, and other analogous or related uses, the LESSEE shall not sublease the Leased Property and its improvements without the prior written consent of the LESSOR; provided that, in case of sublease, the provisions of this Agreement shall be incorporated by reference in, and made an integral part of, the proposed sublease agreement; and provided finally that the purpose of the sublease will be consistent with the parameters and guidelines set by the CIMDP for Camp John Hay and the Board-approved Development Plan for the Leased Property.

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ARTICLE XI TRANSFER OR ASSIGNMENT

The LESSEE is prohibited from assigning or transferring its rights and interests under this Contract at any time during the effectivity of the lease. In the event that the LESSEE seeks to assign or transfer its rights to a third party due to default, the provisions outlined in Article VIII of this Contract shall be applied.

This Contract shall be binding upon and inure to the benefit of both Parties and their respective successors and assignees. However, neither Party may assign or delegate its rights and duties hereunder without the prior written consent of the other Party.

ARTICLE XII INSPECTION OF PREMISES

BCDA and JHMC, in the exercise of its rights as owner and as estate manager of Camp John Hay respectively, reserves the right to enter and inspect the Leased Property at reasonable times and with prior notice and approval by the LESSEE which approval shall not be unreasonably withheld by the LESSEE.

The conduct of regular inspection shall be for the purpose of ensuring that the property is maintained in good and tenantable condition and that the LESSEE complies with its obligations under the Contract.

ARTICLE XIII COMPLIANCE WITH HEALTH AND SANITATION STANDARDS

The LESSEE shall ensure a safe, clean and healthful environment within the Leased Property. The LESSEE must at all times comply with all health and sanitary standards and protocols prescribed by local and national government authorities, especially during the outbreak of a disease, or when there is epidemic or pandemic.

The LESSEE shall maintain, at its own expense, all areas of the leased premises in clean and sanitary condition, free from debris, garbage and physical hazards. The LESSEE shall perform routine cleaning throughout the leased premises on a regular basis.

ARTICLE XIV ENVIRONMENTAL COMPLIANCE

The LESSEE shall ensure that all processes and operations in the Leased Property, comply with existing environmental standards set forth under applicable laws, rules and regulations, including specific environmental rules and regulations being implemented by the appropriate authority. The BCDA and JHMC shall have the right to inspect the Leased Property, to ascertain environmental compliance.



ARTICLE XV SECURITIES

Section 1. Security Deposit

In addition to the Advance Lease under Section 6, Article I of this Contract, the LESSEE shall pay BCDA, upon contract signing, a Security Deposit equivalent to one (1) year lease of the Property with an amount of Pesos: _____ & __/100 (PhP _____), updated annually to be equivalent to the Fixed lease Payment due for the respective year, and shall be maintained at all times for the duration of the lease, subject to replenishment, if necessary, to answer for any damage to the Leased Property, or common utility facilities (i.e. water pipes, power lines, etc.) being used by the LESSEE; unpaid lease rentals; unpaid utilities; or any accountabilities of the LESSEE. The Security Deposit shall be in cash, or cashier's check or manager's check.

After charging the appropriate amounts as provided above, the balance of the Security Deposit shall be returned to the LESSEE without interest after termination or expiration of this Contract, whichever comes first, subject to forfeiture provision thereof under this Contract, if applicable.

This Contract shall not be deemed effective despite the execution of the Parties in case of failure of the LESSEE to provide the Security Deposit as provided herein. In such a case, the LESSEE shall not be allowed occupation or possession of any portion of the Leased Property or start development on any portion of the Leased Property, and the LESSEE shall not be allowed to conduct any activity in relation to the Leased Property.

ARTICLE XVI FORCE MAJEURE

Section 1. Definition

For purposes of this Contract, the term *force majeure* shall mean any and all events which could not have been foreseen, were inevitable and beyond the control of either party or which are foreseen but could not have been avoided and which materially affect the ability of either party to comply with any of its obligations under this Contract. It may include but not limited to the following:

- a) Acts of war or the public enemy, whether war be declared or not;
- b) Public disorders, riots, insurrection, rebellion, sabotage or violent demonstrations;
- c) Strikes and other labor disputes;

A series of handwritten signatures and initials in blue ink, including a large stylized 'S', a signature that appears to be 'J. S.', a signature that appears to be 'L.', a signature that appears to be 'M.', a signature that appears to be 'H.', a signature that appears to be 'B.', and a signature that appears to be 'M. F. L. J. R.'.

- d) Fires, typhoons, earthquakes, volcanic eruptions or other destructive catastrophes or natural calamities;
- e) National emergencies;
- f) Subsequently promulgated laws, resolutions, decrees, executive orders and other governmental rules and regulations which effectively prevent the parties from fulfilling their respective obligations under this Contract;
- g) Failure of Relevant Consent;
- h) Any other event which under Philippine laws or court interpretations is defined as force majeure and/or fortuitous event; or
- i) Other circumstances beyond the control of the Parties or other analogous cases.

For this purpose, "Failure of Relevant Consent" means the denial of, or the refusal to renew, or an unreasonable delay in the granting or renewal of or the imposition of any onerous conditions on the grant or renewal of any Relevant Consent by any Government Authority (including, for this purpose, BCDA) provided in each case: (i) that the LESSEE has made due application therefor in accordance with Legal Requirements; (ii) that the refusal to grant or renew or delay in granting or renewing or the imposition of onerous conditions is not attributable to any breach of any Legal Requirement on the part of the LESSEE ; and (iii) the refusal or delay to grant or renew any such Relevant Consent has persisted for thirty (30) calendar days or the period provided by applicable Legal Requirements from the date of the LESSEE 's due application therefor and complete submission of all requirements therefor.

Section 2. Applicability

Any Party shall be excused from the partial or total performance of any of its obligations under this Contract, and shall not be construed as in delay or in default in the performance of any obligation hereunder for as long as the failure to perform such obligation shall be due to an event constituting *force majeure*. A Party shall be excused from complying with its obligations under this Contract by reason of *force majeure*, provided such party serves notice to the other parties in writing within fifteen (15) calendar days from the occurrence of the *force majeure*, including therein sufficient information as to the cause and actions done to contain and/or mitigate the effect of *force majeure*. Failure to comply with the notice requirement shall bar such party from raising *force majeure*. With the exception of Article XVII Section 1.f, upon the cessation of the event constituting the *force majeure*, the parties shall resume the performance of its obligations which were suspended by the same event.

Either of the Parties may however opt to pre-terminate this Contract, upon written concurrence of the other party/ies, without incurring any penalty or consequence whatsoever, if the *force majeure* continues to exist for a period of at least six (6) months from the occurrence of the *force majeure* or the declaration by the national government or local

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authority, as the case may be, of such existence. The Party who shall cause the pre-termination of this Contract by reason of *force majeure* may serve to the other Party a written Notice of Intent to Pre-terminate.

Any unused portion of the advance rentals or securities given by the LESSEE shall be returned by the LESSOR to the LESSEE.

Section 3. Non-Applicability

Force Majeure shall not excuse the failure of any Party to exercise due diligence or undertake reasonable measures to contain the effects of *force majeure*.

ARTICLE XVII DISPUTE RESOLUTION

"Dispute" means any disagreement, dispute, controversy or claim arising out of or in connection with, or the breach, termination, invalidity or interpretation of this Contract and succeeding contracts, including amendments or supplemental thereto, if any, or agreements to be agreed by the Parties for the purpose of, or in connection with this Contract or giving effect thereto or to any of its provisions, if any, after the Signing Date.

All disputes, controversies or claims arising out of or relating to this Contract, including any question regarding the breach, validity, or termination thereof, must be resolved amicably by the Parties through negotiations between the authorized representatives of the Parties.

Any dispute or controversy not resolved within thirty (30) calendar days from receipt by a Party of a written "Invitation/Notice to Negotiate" from the other Party shall be finally settled by arbitration in accordance with Book IV, Chapter 14 of Executive Order (EO) 292.

ARTICLE XVIII NOTICES

Any notice, request or consent required or permitted to be given or made pursuant to this Contract shall be in writing. Any such notice, request or consent shall be deemed to have been given or made when received by the concerned party, either in person or through an authorized representative of the Party to whom the communication is addressed, or when sent by registered mail, telegram or facsimile to such party at the following addresses:

For BCDA:

President and Chief Executive Officer

BCDA Corporate Center, 2/F Bonifacio
Technology Center, 31st Street corner 2nd Avenue
Bonifacio Global City, Taguig City, Metro Manila



For the LESSEE:

President and Chief Executive Officer

For notice sent via registered mail, the date of actual receipt as indicated in the registry return card shall be considered as the date of receipt. Any change in the address of any of the Parties must be made in writing by giving the other Parties a written notice of such change.

ARTICLE XIX MISCELLANEOUS PROVISIONS

Section 1. Rules of Interpretation

Unless the context otherwise requires:

- (a) In case of ambiguities or discrepancies within this Contract, the following rules of interpretation shall apply:
 - (i) Between two or more Sections of this Contract, the provisions of a specific Section relevant to the issue under consideration shall prevail over those in other Sections;
 - (ii) Between the Sections of this Contract and the Schedules, the Section shall prevail;
 - (iii) Between any two Schedules, the Schedules relevant to the issue shall prevail;
 - (iv) Between the Sections of this Contract and its schedules and amendments, the stipulations in this Contract and its schedules and amendments, in this respective order, shall prevail;
 - (v) Between any value written in numerals and that in words, the latter shall prevail; and
 - (vi) In case the ambiguities or discrepancies are not resolved by the foregoing rules, it should be resolved to give effect to the further assurances and good faith of the Parties as contained in Section 17, Article XX of this Contract.

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- (b) "Include", "includes", and "including" are deemed to be followed by "without limitation" or "but not limited to" whether or not actually followed by such words or words of like import.
- (c) References to any document or agreement shall be deemed to include references to such document or agreement as amended, supplemented, novated, varied or replaced from time to time.
- (d) References to any gender include all genders, and references to the singular include the plural, and vice versa.
- (e) References to Sections are references to the Sections of this Contract, unless expressly provided otherwise.
- (f) References to Schedules, which do not specify which document they are annexed to, are references to Schedules of this Contract.
- (g) Headings are for convenience only and shall not affect the interpretation or construction of any provision of this Contract.
- (h) Reference to a "day" refers to a calendar day, unless expressly provided otherwise, reference to a "month" refers to a calendar month, and a "year" as a period of time commencing on a particular date and ending on the day before the anniversary of such date.
- (i) Reference to a "person" shall be construed as a reference to any individual, firm, company, corporation, society, or trust, as well as his/her/its successors-in-interest and permitted assigns.
- (j) Where there is any conflict or inconsistency between the provisions of the body of this Contract and any Schedule thereto, the former shall prevail.
- (k) Where any party is required under this Contract to give a consent, approval or acceptance, make any determination or be satisfied or find a matter acceptable or satisfactory, then unless words "in its absolute discretion" or words of similar import appear in reference to the Relevant Consent, approval, acceptance, determination, or expression of satisfaction, the Relevant Consent, approval, acceptance, determination, or expression of satisfaction shall not be unreasonably withheld.
- (l) The following documents hereby comprise, and shall be read and construed as integral parts of this Contract, which, in case of any conflict or inconsistency with its terms, shall be interpreted using the following order of preference:

- (a) This Contract, and

A series of handwritten signatures and initials in blue ink, arranged horizontally across the bottom of the page. From left to right, there are approximately ten distinct marks, including full signatures and various initials.

(b) Schedules, amendments/supplements and annexes to this Contract.

Section 2. Severability and Construction

Each paragraph, part, term and/or provision of this Contract shall be considered severable, and if, for any reason, any paragraph, part, term and/or provision herein is determined to be invalid or contrary to, or in conflict with, any existing or future law or regulation, such shall not impair the operation of or affect the remaining portions, sections, parts, terms and/or provisions of this Contract, and the latter shall continue to be given full force and effect and bind the Parties hereto; and said invalid sections, parts, terms and/or provisions shall be deemed not part of this Contract; provided, however, that if the Parties determine that said finding of illegality adversely affect the basic consideration of this Contract, the Parties, may, at their option, reform or terminate the Contract.

Section 3. Amendments

Any amendments, modification or supplement to the terms and conditions of this Contract shall be effective only if made in writing and mutually agreed upon by the parties. The Parties shall negotiate any item or issue which has not been provided in this Contract.

Section 4. Governing Law

The Contract shall be governed by and interpreted under the laws of the Republic of the Philippines.

Section 5. Entire Agreement

The Contract and its annexes/attachments contains the entire agreement between the Parties with respect to the Leased Property, and supersedes and renders void any and all agreements and undertakings, oral and/or written, previously entered between the parties covering the Property. This Contract may not hereafter be modified or altered except by instrument in writing duly signed by the parties hereto.

Section 6. Binding Effect

This Contract shall be binding upon, and inure to the benefit of the Parties and their lawful successors and assigns.

Section 7. 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 signing of this Contract have been taken and/or obtained. This Contract constitutes the legal, valid and binding obligations of each of the Parties which are enforceable in accordance with its terms.

A series of handwritten signatures in blue ink, likely representing the parties to the contract. The signatures are arranged horizontally across the bottom of the page.

Section 8. Counterparts

This Contract may be executed in multiple counterparts, each of which shall constitute an original and all of which shall constitute one agreement/contract.

Section 9. No Fiduciary Relationship

Except as specifically otherwise provided in this Contract, this Contract does not create a fiduciary relationship between the Parties, nor does it constitute the LESSEE as an agent, legal representative, joint venture partner, employer or employee of the BCDA for any purpose whatsoever; and it is understood between the Parties hereto that the LESSEE shall in no way be authorized to make any contract, agreement, warranty or representation on behalf of BCDA to incur any debt, to create any obligation or to assume any obligation, express or implied, on behalf of BCDA.

Section 10. Employer-Employee Relationship

There is no employer-employee relationship between the Parties. All personnel and/or employees to be assigned by BCDA in the development, management and operation and maintenance of the Leased Property, are understood to be the employees of the LESSEE, and no employer-employee relationship is created between such assigned personnel and/or employees of the LESSEE and the BCDA for the lease and development of the Leased Property. A Party shall hold the other Party free and harmless against any and all claims made by the personnel and/or employees of the former against the latter on the basis that they are employees of the other Party.

In addition, the LESSEE shall indemnify and hold the BCDA free and harmless from any and all losses, claims, demands, payment, suits, action, recoveries and judgments of every nature brought by the LESSEE's creditors, subcontractors, government agencies, or any other claimants by reason of the non-payment of compensation or due to injury or death to the LESSEE's employees, by reason of any indebtedness or obligation contracted by the LESSEE in connection with the performance of its obligations under this Contract.

Section 11. Indemnity

The LESSEE shall hold the BCDA, its subsidiaries, affiliates, directors, officers, employees and agents, free and harmless from any claim or demand by third persons for any loss or damages arising out of the use of the Leased Property, by the LESSEE.

Section 12. Non-waiver of Rights

The failure of one party to insist upon the strict performance of the terms, conditions and covenants hereof shall not be deemed a relinquishment or waiver of any right/remedy that the said party may have nor shall it be construed as a waiver of any subsequent breach of the same or other terms, conditions, or covenants. No waiver by one party of any of its rights

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under this Contract shall be deemed to have been made unless expressed in writing and signed by the party concerned.

Section 13. Anti-bribery

Neither the BCDA nor the LESSEE has made or will make any offer, promise to pay or authorization of the payment of any money, gift or any other inducement to any official, political party, employee of Government or any other person, in contravention with applicable laws in connection with the execution of this Contract and performance of its obligations thereunder. Violation of this provision shall be a ground for immediate termination of this Contract.

Section 14. Environmental Compliance

The LESSEE shall, by itself, ensure that its agents, representatives, employees, contractors, sub-contractors, and all its persons possessing or using, or coming into possession or use, of the Leased Property, use and maintain the Leased Property, if applicable in compliance with existing and future national environmental, health and sanitation laws, rules and regulations, including the specific environmental, health and sanitation rules and regulations being implemented by the appropriate authority in the JHSEZ. The LESSEE shall further file the necessary application for Environmental Compliance Certificate (ECC), which should be issued in favor of both the LESSEE as developer, and the LESSOR as the landowner. The LESSEE shall submit to the LESSOR a copy of such ECC prior to commencement of construction works.

Section 15. Headings

The descriptive headings contained in this Contract are for convenience or reference only and shall not affect in any way the meaning or interpretation of this Contract.

All captions herein are intended solely for the convenience of the Parties, and none shall be deemed to affect the meaning or construction of any provision hereof.

Section 16. Confidentiality

The Parties agree that any exchange of information or documents between the Parties in connection with this Contract and the Leased Property 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, the rules of any regulated stock exchange, or other competent authority. Confidential Information may be disclosed to each Party's officers, employees, agents, shareholders, funders and subcontractors, provided such persons have agreed to maintain the confidentiality of this Contract on terms no less strict than the present clause.

A series of handwritten signatures in blue ink, likely representing the various parties mentioned in the contract, such as the Lessor, Lessee, and their respective agents or representatives.

Confidential Information means all business-related information, written or oral, whether or not is marked, that is disclosed or made available to the receiving Party, directly or indirectly, through any means of communication or observation, and shall include information that is not generally known outside the Parties or their subsidiaries or affiliates, information not otherwise available to the general public at the time of such disclosure, or information that under the circumstances surrounding disclosure, ought to be treated as confidential.

This confidentiality agreement shall survive the termination of the contract.

Section 17. Further Assurances; Good Faith

- (a) Each Party shall at its expense do any further act or thing that any other Party may reasonably request to carry out the intent and purposes of the transactions contemplated by this Contract.
- (b) Notwithstanding any other provision of this Contract, the Parties shall at all times act reasonably and in good faith in relation to each other, this Contract, the Project and all matters in connection therewith.
- (c) Without limiting the general requirement of reasonableness and good faith provided under this Section, a Party must respond within a reasonable time after any request for giving its consent, approval or acceptance for any matter, or making any determination or finding a matter acceptable or satisfactory. If a Party withholds its consent for any matter, it shall provide a written notice of the reasons for objections in reasonable detail.

Section 18. OGCC Review

This Contract is subject to the review of the Office of the Government Corporate Counsel (OGCC), whose comments, suggestions, and recommendations shall form an integral part of this Contract.

Section 19. Effectivity

This Contract shall take effect on the date of signing thereof, subject to the LESSEE's full payment to BCDA of the Advance Lease and/or provision/posting of the Security Deposit as provided for under this Contract.

A series of handwritten signatures and initials in blue ink, including a large signature on the left, several smaller initials in the middle, and a signature on the right that appears to be 'M. F. ...'.

SIGNED BY THE PARTIES on _____ in _____.

**BASES CONVERSION AND
DEVELOPMENT AUTHORITY**

By:

[LESSEE'S COMPANY NAME]

By:

JOSHUA M. BINGCANG

President and Chief Executive Officer

[Name of Authorized Signatory]

President and Chief Executive Officer

Signed in the Presence of:

GISELA Z. KALALO

Executive Vice President, BCDA

[NAME OF LESSEE'S WITNESS]

[Designation], [Company Name]

MANJIT T. SINGH REANDI

President and Chief Executive Officer, JHMC



ACKNOWLEDGMENT

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

BEFORE ME, a Notary Public for an in Taguig City, Metro Manila, personally appeared the following:

NAME	IDENTIFICATION DOCUMENT	DATE AND PLACE OF ISSUE
JOSHUA M. BINGCANG		
[LESSEE'S AUTHORIZED SIGNATORY]		

known to me to be the same persons who executed the foregoing instrument and they acknowledge to me that the signatures they affixed confirm their own free acts and the entities they represent.

This Contract, consisting of twenty-nine (29) pages including the page where the acknowledgment is stated, pertains to the Contract of Lease of 6,647 square meter parcel of land along Sheridan Drive in Camp John Hay, Baguio City by and between BCDA and [Company Name]. The Parties and their witnesses signed in the proper spaces and the left margin of every page.

SIGNED AND SEALED on _____ in _____.

Doc No. _____;
Page No. _____;
Book No. _____;
Series of 2025.



ANNEX E-1

For Corporation, Cooperative, Partnership or Sole Proprietorship

CHECKLIST OF DOCUMENTS

Reference in the TOR	Document	Remarks
Eligibility Documents		
Annex F-1	Duly Notarized Eligibility Statement for Cooperative, Corporation, Partnership, or Sole Proprietorship	Mark as A
Annex G-1	Bidder's Profile	Mark as A-1
	Certificate of Registration from relevant regulatory government agencies (SEC Registration together with the General Information Sheet (GIS) of the Bidder for the latest applicable calendar or fiscal year or, for foreign corporations, the equivalent document duly authenticated by the Philippine Consulate based in the foreign company's domicile, Cooperative Development Authority (CDA) or Department of Trade and Industry (DTI).	Mark as B
	Articles of Incorporation and By-Laws of the Bidder, for foreign corporations, the certified copies of the original Articles of Incorporation duly filed in the country of incorporation and duly authenticated by the Philippine Consulate based in the foreign company's domicile, and translated in English, if necessary.	Mark as C
	Audited Financial Statements for the past three (3) calendar (fiscal) years, stamped "Received" by the Bureau of Internal Revenue (BIR) when applicable, and its Income Tax Return for the last calendar (fiscal) year, or for foreign corporations, the equivalent documents duly authenticated by the Philippine Consulate based in the foreign company's domicile.	Mark as D
	A Board Resolution or Secretary's Certificate of the Bidder), expressly authorizing their participation in the bidding process, and appointing their authorized representative/s for this purpose. For foreign corporations, the required document should be duly authenticated by the Philippine Consulate based in the foreign company's domicile, and translated in English, if necessary.	Mark as E
Financial Proposal		
Annex H-1	Final Bid Letter	Mark as F
	Proof of Payment for the Bid Security	Mark as G

CHECKLIST OF DOCUMENTS

Reference in the TOR	Document	Remarks
Eligibility Documents		
Annex F-2	Duly Notarized Eligibility Statement for Individuals	Mark as A
Annex G-2	Bidder's Profile for Individuals	Mark as A-2
	Valid government-issued identification card with photo, whichever of the aforementioned is applicable.	Mark as B
	Income Tax Return for the immediately preceding calendar year duly stamped by the Bureau of Internal Revenue (BIR)	Mark as C
Financial Proposal		
Annex H-2	Final Bid Letter	Mark as D
	Proof of Payment for the Bid Security	Mark as E



ANNEX F-1

For Corporation, Cooperative, Partnership or Sole Proprietorship

REPUBLIC OF THE PHILIPPINES
CITY OF _____) s.s.

ELIGIBILITY STATEMENT

I, (name of the Proponent/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*) (Proponent) intends to participate in the Competitive Challenge conducted by the Bases Conversion and Development Authority (BCDA) for the long-term lease of the 6,647-square meter Mile Hi Property located within Camp John Hay, Baguio City.
2. I am the (*designation*) of the Proponent, duly authorized to make this Statement for and on its behalf;
3. In compliance with the Eligibility Requirements, the Proponent'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;
 - b. Tax Clearance Certificate; and
 - c. Board Resolution/Secretary's Certificate /Special Power of Attorney authorizing its participation in the bidding 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 Proponent, 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 BCDA or its subsidiaries, at the day of submission of bids, as determined by BCDA;
6. The Proponent, its parent company or subsidiaries or affiliates with common controlling shareholdings, if any, has not filed any case impinging on BCDA, and/or their affiliates and subsidiaries' performance of their mandate;

A series of handwritten signatures and initials in blue ink, arranged horizontally across the bottom of the page. The signatures vary in style, with some being more formal and others more abbreviated. There are approximately 10-12 distinct marks.

7. The Proponent has no pending or unpaid tax liabilities in the Philippines;
8. The Proponent accepts the Terms of Reference, qualification criteria, and the terms and conditions set by BCDA;
9. The Proponent, if awarded the Contract of Lease, commits to comply with the: (1) Contract of Lease, (2) Development Plan, and (3) all other pertinent government standards such as, but not limited to, the Comprehensive Integrated Master Development Plan (CIMDP) for Camp John Hay and subsequent amendments thereto, 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, for the duration of the contract period;
10. The Proponent commits to abide by the decision of the Joint ADP Committee for JHSEZ, waives its right to seek legal remedies against 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 bidding process;
11. All information in this statement, including attachments and enclosures thereof, is true and correct. Any falsity, error, or misrepresentation shall constitute grounds for disqualification from this bidding or revocation of the award as determined by BCDA;
12. The Proponent, its Directors, Officers, and staff or any representative thereof, shall not attempt to establish any contact with any of BCDA Directors, Officers, staff, consultants, and authorized representatives/personnel on matters concerning the bidding from the date of the submission of their bids up to the conclusion of the bidding process, except for clarifications on Proposal which must be in writing and addressed to the Joint ADP Committee for JHSEZ, through its Chairperson.

The Proponent, 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 BCDA and JHMC, 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 bidding or revocation of the award, if any, without prejudice to damages that BCDA may recover for any loss or damage that may result therefrom.

13. The Proponent is not involved in any money laundering activity as defined by the Anti-Money Laundering Act of 2001 (R.A. 9160) and as further governed by RA 10365.

A series of handwritten signatures and initials in blue ink, arranged horizontally across the bottom of the page. From left to right, there are approximately ten distinct marks, including some that appear to be full signatures and others that are initials or abbreviated names.

14. The Proponent authorizes BCDA or its authorized representatives to conduct investigation and verification of the statements, documents and information submitted relative to our bid.

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

IN FAITH WHEREOF, I have hereunto affixed my signature this ____ day of _____ 2025 at _____, Philippines.

Affiant

SUBSCRIBED AND SWORN TO before me this ____ day of _____ 2025, affiant exhibiting to me his competent evidence of identity (e.g. Passport, Driver's License, etc.) _____ issued at _____, Philippines on _____, 2025.

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Book No. _____
Series of 2025.



REPUBLIC OF THE PHILIPPINES
CITY OF _____) S.S.

ELIGIBILITY STATEMENT

I, (Name of the Proponent), of legal age, (*nationality*), and with office/ residence address at _____, under oath, hereby depose and say THAT:

1. I intend to participate in the public bidding conducted by the Bases Conversion and Development Authority (BCDA) for the long-term lease of the 6,647-square meter Mile Hi Property located within Camp John Hay, Baguio City.
2. I am making this Statement on my behalf;
3. In compliance with the Eligibility Requirements, my profile is hereto attached and marked as Annex **A-2**;
4. In compliance with the Documentary Requirements, copies of the following documents are hereto attached:
 - a. One (1) valid Government Issued Identification Card with photo; and
 - b. Income Tax Return for the immediately preceding calendar year duly stamped received by the BIR
5. I have no pending or unpaid tax liabilities in the Philippines;
6. I accept the Terms of Reference, qualification criteria and the terms and conditions set by BCDA;
7. I, if awarded the, commits to comply with the: (1) Contract of Lease, (2) Development Plan, and (3) all other pertinent government standards such as, but not limited to, the Comprehensive Integrated Master Development Plan (CIMDP) for Camp John Hay and subsequent amendments thereto, 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;
8. I commit to abide by the decision of the Joint ADP Committee for JHSEZ, waives its right to seek legal remedies against 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 bidding process;
9. All information in this statement, including attachments and enclosures thereof, are true and correct. Any falsity, error, or misrepresentation shall constitute ground for my disqualification from this bidding or revocation of award as determined by BCDA;
10. I or any of my representatives, shall not attempt to establish any contact with any of BCDA or JHMC Directors, Officers, staff, consultants, and authorized representatives/personnel on matters concerning the bidding from the date of the submission of their bids up to the conclusion of the bidding process, except for



clarifications on Proposal which must be in writing and addressed to the Joint ADP Committee for JHSEZ through its Chairperson.

I have neither given nor offered, nor will I 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 BCDA or JHMC, 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 my disqualification from the bidding or revocation of the award, if any, without prejudice to damages that BCDA may recover for any loss or damage that may result therefrom.

11. I am 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.
12. I authorize BCDA or its authorized representatives to conduct investigation and verification of the statements, documents and information submitted relative to our bid.

For this purpose, I hereby authorize BCDA to verify statements and information provided in this statement and other pertinent information deemed necessary and requested from any public office, or any person or firm and to furnish BCDA copies thereof.

IN FAITH WHEREOF, I have hereunto affixed my signature this ____ day of _____ 2025 at _____, Philippines.

Affiant

SUBSCRIBED AND SWORN TO before me this ____ day of _____ 2025, affiant exhibiting to me his competent evidence of identity (e.g. Passport, Driver's License, etc.) _____ issued at _____, Philippines on _____, 2025.

NOTARY PUBLIC

Doc. No. _____
Page No. _____
Book No. _____
Series of 2025.

For Corporation, Cooperative, Partnership or Sole Proprietorship

PROPONENT'S PROFILE**I. GENERAL INFORMATION**

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

Ownership Structure	
% owned by Filipino:	% owned by Foreign:

II. OWNERSHIP AND MANAGEMENT

Shareholders			
Name	Authorized Capital	Paid-up Capital	Extent of Financial Control

Governing Board	
Name	Designation

Key Officers	
Name	Position/Nationality

III. FINANCIAL CAPACITY

Key Banking Relations (at least 3)			
as of 31 December 2024			
Bank Name	Location	Bank Deposit	Credit Facility
Net Worth as of 31 December 2024			

IV. SUBSIDIARIES AND AFFILIATES

Subsidiaries and Affiliates	
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:

BIDDER'S PROFILE

I. GENERAL INFORMATION

Bidder Name:
Brief Description of Source of Income:
Address:
Contact No/s.:
E-mail Address:

II. FINANCIAL CAPACITY

Key Banking Relations (at least 3)			
as of 31 December 2024			
Bank Name	Location	Bank Deposit	Credit Facility
Net Worth as of 31 December 2024			

(Signature)
Authorized Representative

Name:
Position:
Date:

Uncontrolled when printed or emailed



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

(Date)

THE CHAIRPERSON

BCDA-JHMC Joint Asset Disposition Committee
Bases Conversion and Development Authority
BCDA Corporate Center, 2/F Bonifacio Technology Center
31st Street, Crescent Park West, Bonifacio Global City
Taguig City, 1634, Metro Manila, Philippines

Madam/ Sir:

In connection with the public bidding for the long-term lease of the 6,647-square meter Mile Hi Property in Camp John Hay, Baguio City, I/We (State the name of the Proponent/Proponents), formally proposes to lease the subject Property at the indicated bid price/s, inclusive of 12% Value Added Tax (VAT):

Bid Price: _____

I/We understand that, should I/we be declared the Winning Proponent, we shall, upon signing of the Contract of Lease with the BCDA, fulfill all responsibilities and obligations as indicated in the Terms of Reference.

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 Bidder or its Authorized Representative

Position






Bases Conversion and Development Authority

MANILA

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