



Republic of the Philippines
Tourism Infrastructure & Enterprise Zone Authority

Memorandum

FOR : THE ASSISTANT CHIEF OPERATING OFFICER
Assets Management Sector

FROM : THE LEGAL DEPARTMENT

SUBJECT : Updates on Baguio Benguet Chamber of Commerce Inc. (BBCCI)

DATE : 19 October 2021

noted
for 10/20

for ASSET
subcom
info.

This refers to your request for updates relative to the Baguio Benguet Chamber of Commerce, Inc. (BBCCI).

The case was endorsed to the Office of the Government Corporate Counsel (OGCC), for legal guidance and representation as regards the filing of the appropriate legal action against BBCCI.

It is worthy to note that OGCC was already in the process of preparing the Complaint for *Accion Publiciana* against BBCCI and the sub-lessees and last 17 August 2021, they issued a Final Notice of Termination and Demand to Pay and Vacate.¹ Nonetheless, through the help and assistance of the Baguio City LGU, BBCCI has already vacated the leased premises last 04 October 2021.

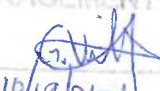
The Legal Department has notified the OGCC regarding the matter and upon discussion with the assigned lawyer, they will issue another demand letter to BBCCI requesting for payment of its outstanding obligation and if the request remains unheeded, they will file the corresponding civil case for collection of sum of money against BBCCI.

We have already coordinated with the project officer regarding the final computation of the monthly rental arrears to be collected and currently in the process of identifying the new office address of BBCCI where the demand letter will be sent.

For your consideration. Thank you.


ATTY. NIÑO RUPERTO F. AQUINO
OIC, Legal Department

¹ Attached as Annex "A"

TOURISM INFRASTRUCTURE & ENTERPRISE ZONE AUTHORITY	
ASSETS MANAGEMENT SECTOR	
RECEIVED BY :	
DATE :	10/19/2021
TIME :	1:55pm

Post Office

Letter/

RE 474 772 888 ZZ

Posted

Preserve this receipt for reference in case of inquiry

Postmaster/Teller



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF JUSTICE
OFFICE OF THE GOVERNMENT CORPORATE COUNSEL
3rd Floor MWSS Administration Building, Katipunan Avenue
Balara, Quezon City
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08-107

17 August 2021

ATTY. ZOSIMO M. ABRATIQUE

President

Baguio Benguet Chamber of Commerce and Industry, Inc
Governor Pack Road, Baguio City

**RE: FINAL NOTICE OF TERMINATION AND DEMAND TO
PAY AND VACATE THE LOT WITH ONE-STOREY
BUILDING FORMERLY KNOWN AS THE PHILIPPINE
TOURISM AUTHORITY (PTA) TOURISM CENTER
LOCATED AT GOVERNOR PACK ROAD, BAGUIO CITY**

Dear President/Atty. Abratique:

We write on behalf of our client, Tourism Infrastructure and Enterprise Zone Authority (TIEZA) formerly Philippine Tourism Authority (PTA) in connection with your Contract of Lease (dated 01 May 2007, as amended on 19 December 2007) with them covering a lot with a One-Storey Building formerly known as the Philippine Tourism Authority (PTA) center located at Governor Pack Road, Baguio City (Subject Building).

Records showed that during a site inspection conducted by the Commission on Audit on 14 December 2015, it was discovered that the Subject Building was being subleased to several third party entities without the notice and written approval of TIEZA. The said action is a direct violation of Paragraph IV (3) of the Contract of Lease which provision reads:

.....committed to uphold justice
under the rule of law



"3. The LESSEE shall not under any circumstances or for any reason, sublet, assign, transfer, mortgage, or encumber this lease or any right thereto or let, sublet, the subject premises in whole or in part without written notice to and approval of the LESSOR. Violation of the provision shall be automatically a ground for the cancellation of this contract."

Your act of subleasing the Subject building to several third party entities without prior approval of our client is a material breach of the contract which has given rise to the exercise of the right in favor of our client to automatically terminate your contract of lease as stipulated under Paragraph II (3) of the Contract of Lease reading as follows:

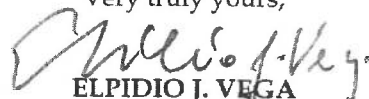
"3. It is hereby understood that the LESSOR shall have the right to terminate this Contract for any just cause whatsoever, without need of Judicial action by giving at least thirty (30) days written notice in advance to the LESSEE. The LESSOR's decision on the notice shall be final and binding."

Previous demands to vacate the Subject Building with notice of our client's termination of your lease were made by our client through several letters and communication, however, said demands and letters went unheeded. This constrained our client to refer this matter to our Office for the appropriate legal action.

We are serving you this LAST and FINAL DEMAND to vacate the premises subject matter of the lease within thirty (30) days from receipt of this letter and pay your unpaid rentals and other charges due under your Contract of Lease. Failure on your part to heed on this demand will constrain us to file the appropriate legal action to protect the interest of TIEZA.

We trust that you will give this matter your preferential attention to avoid the cost and embarrassment of court litigation.

Very truly yours,


ELPIDIO J. VEGA
Government Corporate Counsel

*..... committed to uphold justice
under the rule of law*

BAGUIO BENGUET CHAMBER OF COMMERCE AND INDUSTRY (BBCCI)

Unpaid Rent @ P 28,000.00 per month (inclusive of P 3,000.00 VAT)

As of August 2021

<u>Year</u>	<u>Months</u>	<u>Amount</u>
2017	April to December	252,000.00
2018	January to December	336,000.00
2019	January to December	336,000.00
2020	January to December	336,000.00
2021	January to August	224,000.00
TOTAL		<u>1,484,000.00</u>

Prepared by:


Irwin T. Daguito
Sr. Financial Planning Specialist

Noted by:


Mr. Rodolfo E. Ancheta
Manager, Financial Services Department