

USUFRUCT AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This Usufruct Agreement made and entered into on **1 October 2019**, by and between:

The **PHILIPPINE OVERSEAS EMPLOYMENT ADMINISTRATION (POEA)**, an attached agency of the Department of Labor and Employment tasked to promote the welfare and protection of overseas Filipino workers, duly organized and existing by virtue of P.D. 797, as amended, by E. O. No. 247, with principal office at the Blas F. Ople Building, Ortigas Avenue corner EDSA, Mandaluyong City, Philippines, represented herein by **Administrator BERNARD P. OLALIA** and referred to as "**Landowner**".

-and-

The **NATIONAL LABOR RELATIONS COMMISSION (NLRC)**, a quasi-judicial agency attached to the Department of Labor and Employment, with principal office located at PPSTA Bldg. No. 5 Banawe Avenue corner P. Florentino Street, Quezon City, Philippines, herein represented by **Chairman GERARDO C. NOGRALES**, referred to as "**Usufructuary**".

WITNESSETH:

WHEREAS, the NLRC is a primary quasi-judicial agency tasked to promote and maintain industrial peace by resolving, in the fairest, quickest, least expensive and most effective way possible, labor and management disputes involving both local and overseas workers through compulsory arbitration and alternative modes of dispute resolution;

WHEREAS, the NLRC aims to implement the Construction of the NLRC Office Building ("**Project**") to address the inadequate space of its existing office and in order to promote access to and provide better services to its clientele;

WHEREAS, the Philippine Overseas Employment Administration (POEA) owns a parcel of land located at North Avenue corner Agham Road, Quezon City (Quezon City property referred hereinafter) where the office of the Occupational Safety and Health Center (OSHC) is located;

WHEREAS, the NLRC requested the Secretary of Labor and Employment and concurrent Chairman of the POEA Governing Board, Secretary Silvestre H. Bello III, to allow the former to use a portion of the POEA property, measuring at least 3,000 square meters, for the construction of its proposed office building;

WHEREAS, the POEA Governing Board, in its **Resolution No. 08**, series of 2019, authorized the POEA Administrator to negotiate with the NLRC regarding its request for space allocation in the Quezon City property;

WHEREAS, the POEA Governing Board, in its **Resolution No. 09**, series of 2019, authorized the POEA Administrator to enter into a Usufruct Agreement with the NLRC;

NOW, THEREFORE, the foregoing premises considered, the NLRC and POEA hereby enter into this **USUFRUCT AGREEMENT (Agreement)** and bind themselves, as follows:

I. RESPONSIBILITIES OF THE PARTIES

A. The POEA, as landowner, shall:

1. Allocate 3,000 square meters of the Quezon City property which shall be used exclusively for the construction of the NLRC building to house the Main Office and the National Capital Regional Arbitration Branch (NCRAB);
2. Allow the NLRC to use the property under usufruct for a period of twenty (20) years commencing year 2019 until 2039, subject to possible extension upon mutual agreement of the parties;
3. Retain ownership and title over the property, and exercise all the rights of ownership over the property subject of the usufruct; and
4. Authorize the NLRC to apply, sign, obtain, secure, and submit documents necessary for securing the necessary permits, including but not limited to building, development, and occupancy permits.

B. The NLRC, as usufructuary, shall:

1. Use the property under usufruct solely and exclusively as the site in which to construct the NLRC building and its facilities;
2. Defray all expenses to be incurred in securing the necessary permits, including but not limited to building, development and occupancy permits;
3. Pay the real property tax which may be imposed upon the land allocated to the NLRC and its improvements ;
4. Allocate ten percent (10%) of the total floor area of the proposed building for the use of DOLE and other attached agencies as may be determined by the Secretary of the Department of Labor and Employment, free of rent; and another ten percent (10%) of the total floor area for the exclusive use of POEA as office space and ten percent (10%) of the parking space for POEA, both free of rent;
5. Undertake not to alienate, transfer or enter into any agreement which would alter its usufructuary right or do any act which may be prejudicial to the rights of the POEA as landowner;
6. Notify the POEA of any act of a third person, of which it may have knowledge, that may be prejudicial to the rights of ownership. In case of failure to report such prejudicial act of a third person, the NLRC shall be liable for damages;
7. Introduce, provide and maintain, at its own expense, proper infrastructures, perimeter fences, other facilities and future improvements that shall make the property subject of the usufruct sustainable and viable for use;
8. Exercise its usufructuary rights in full, including the right to sublease a portion of the proposed building, provided that the same is not prejudicial to the rights of the POEA as landowner;

9. Maintain the cleanliness of the property subject of the usufruct and shall not use it for any unlawful or illegal act; and
10. Should the Department of Overseas Filipinos be created and it requests for the need to utilize the property occupied by NLRC, both parties shall agree on a mutually acceptable terms for their benefit.

II. WARRANTIES

The Parties represent that they have the requisite powers, authority and capacity to enter into this Agreement and perform their obligations and undertaking in accordance with the terms and conditions set herein. The Parties likewise agree to sign, execute, and deliver such other agreement and documents in furtherance of or for the effective implementation of this Agreement.

III. MODIFICATION

This Agreement may be revised, amended, or supplemented, in writing, only through the mutual consent of both Parties.

IV. EFFECTIVITY

This Agreement shall take effect upon signing hereof and shall remain in full force and effect unless revoked by mutual consent of all parties.

IN WITNESS WHEREOF, we have hereunto affixed our signature to this Agreement this ~~day of~~ ~~OCTOBER~~ ~~2019~~, 2019, Philippines.

NATIONAL LABOR RELATIONS
COMMISSION

PHILIPPINE OVERSEAS EMPLOYMENT
ADMINISTRATION

By:

By:


GERARDO J. NOGRALES
Chairman


BERNARD P. OLALIA
Administrator


Signed in the presence of:


For:

For:

NATIONAL LABOR RELATIONS
COMMISSION

PHILIPPINE OVERSEAS EMPLOYMENT
ADMINISTRATION


ELENITA F. CRUZ
Labor Arbiter
Acting Executive Clerk of Court IV


VILLAMOR VENTURA S. PLAN
Deputy Administrator
Employment and Welfare

ACKNOWLEDGMENT

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

BEFORE ME, a Notary Public in and for the above jurisdiction, personally appeared:

Name	Government-Issued ID	Date and Place of Issuance
GERARDO C. NOGRALES	SENIOR CITIZEN ID 972	31 MAY 2016 / QUEZON CITY
BERNARD P. OLALIA	PHIL. PASSPORT 80070A	30 NOV 2017 / MANILA

known to me to be the same person who executed the foregoing instrument, which instrument consists of four (4) pages including the page on which this acknowledgment appears and signed on the left margin of each and every page by the parties executing this instrument and their witnesses. Said parties acknowledge to me that the same is their voluntary act and deed.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal at Quezon City on 06/03/2019

[Signature]
NOTARY PUBLIC

ATTY. ROGELIO J. BELANDIER
NOTARY PUBLIC IN QUEZON CITY
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PHILIPPINES
REGISTRATION NO. 1000, QUEZON CITY
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Doc. No. 411;
Page No. 31;
Book No. XIII;
Series of 2019.