

UNIVERSITY's property and adjoining property which may arise from operations pursuant to this Agreement. The adequacy of protection and reliability of the insurance company shall be subject to the approval of the UNIVERSITY. The cost of such insurance shall be borne by the CONTRACTOR and the policy therefore shall be delivered to the UNIVERSITY as beneficiary.

**ARTICLE X
CERTIFICATE OF FINAL ACCEPTANCE**

- 10.1. The UNIVERSITY shall issue to the CONTRACTOR a Certificate of Final Acceptance upon satisfactory completion of the PROJECT. Acceptance shall not be implied from any other act of the UNIVERSITY.
- 10.2. Minor defects discovered in the final inspection must be corrected by the CONTRACTOR within sixty (60) days from the date of Certificate of Final Acceptance. Otherwise, the Guarantee Bond shall be forfeited.
- 10.3. Before issuance of the Certificate of Final Acceptance, the CONTRACTOR must submit a sworn statement that all payrolls, materials, bills and other indebtedness and obligations for the PROJECT have been fully and duly paid. Any claim submitted to the UNIVERSITY at any time by any party arising from this Agreement shall be sufficient reason for the UNIVERSITY to withhold any payment due to the CONTRACTOR.
- 10.4. The issuance of a Certificate of Final Acceptance by the UNIVERSITY shall not relieve the CONTRACTOR of any liability for any defect in the work or from Article 1723 of the New Civil Code.

**ARTICLE XI
ASSIGNMENT AND SUB-CONTRACTING**

- 11.1. The CONTRACTOR cannot assign, transfer, pledge, sub-contract or otherwise dispose of this Agreement or any part or interest herein without the prior written approval of the UNIVERSITY. Any such approval shall not relieve the CONTRACTOR from any liability or obligation under the law or this Agreement, nor shall it create any contractual relation between the sub-contractor, pledge, transferee, or assignee and the UNIVERSITY.
- 11.2. In case of sub-contracting, the CONTRACTOR shall incorporate or cause to be incorporated in any contract or Agreement with the sub-contractor or third parties a provision of its assignability by the UNIVERSITY, at the option of the UNIVERSITY.

**ARTICLE XII
NO EMPLOYER-EMPLOYEE RELATIONSHIP**

- 12.1 The relationship of the UNIVERSITY to the CONTRACTOR is that of an independent contractor. Nothing in this Agreement shall be construed as creating an employer-employee relationship between the UNIVERSITY

and the CONTRACTOR, its sub-contractors, employees, agents or workers.

ARTICLE XIII INDEMNIFICATION

- 13.1 The CONTRACTOR shall indemnify, hold free and harmless and defend its own expense the UNIVERSITY and its officials, agents, employees or workers from and against all suits, claims, demands and liabilities of any nature or kind, including costs and expenses associated therewith, arising out of acts or omissions of the CONTRACTOR, its employees, workers, or sub-contractors in the performance of any activity in connection with the PROJECT, including those that may be initiated by its employees, workers, agents, sub-contractors or by any other entity against the UNIVERSITY by reason of or in connection with the PROJECT.

ARTICLE XIV TERMINATION

- 14.1 Any provision to the contrary notwithstanding, the UNIVERSITY has the right to terminate, cancel, or rescind this Agreement without need of judicial intervention by giving at least thirty (30) days prior written notice to the CONTRACTOR. This section shall not diminish or affect the immediate takeover provided in Section 4.8 above. Such notice shall be final and binding upon the parties.
- 14.2 Upon notice of termination, the UNIVERSITY may takeover and continue the PROJECT, and any contract or agreement of the CONTRACTOR with sub-contractors or third parties that the UNIVERSITY, in its discretion, may want to assume. In such eventuality, such sub-contracts or agreements are hereby assigned to the UNIVERSITY.
- 14.3 Within thirty (30) days after termination, cancellation or rescission of this Agreement, the parties shall settle their respective obligations as of the date of termination, cancellation or rescission, including the refund of any and all advances made plus legal interest from the date of receipt of the amount so advanced.

ARTICLE XV MISCELLANEOUS PROVISIONS

- 15.1. The Office of the Campus Architect of the UNIVERSITY shall have the following functions and responsibilities:
- Supervise all phases of the construction work covered under this Agreement. This provision shall not relieve the CONTRACTOR of its duties and responsibilities under Article I hereof.
 - Conduct regular inspection of the ongoing construction works, its premises, including the inspection of the materials and supplies being used for the construction.
 - Recommend to the UNIVERSITY or its proper authorities, any work changes, suspension or stoppage of the works.

- d. Certify as to the percentage of completion of the construction works.
- 15.2. All rights or remedies available to the UNIVERSITY under this Agreement or by law are separate and cumulative. No right or remedy whether or not exercised, shall exclude any other right or remedy shall be construed as a waiver or breach or default by the CONTRACTOR. Any waiver, permit, consent or approval of any kind or character by the UNIVERSITY in connection with this Agreement shall be specified in writing and shall be effective only to the extent that such writing sets forth.
- 15.3. Failure of the UNIVERSITY to require performance by the CONTRACTOR of any provision hereof shall not affect the right of the UNIVERSITY to enforce the same.
- 15.4. Should it be rendered necessary for the UNIVERSITY to institute any proceeding to enforce any provision of this Agreement, the CONTRACTOR shall be liable to pay ten percent (10%) of the Contract Price as liquidated damages. The damages provided under this section are in addition to those that may be adjudged as damages plus twenty five percent (25%) of the total amount of damages sought as attorney's fees.
- 15.5. The damages provided under the immediately preceding section are without prejudice to such other damages provided herein and under applicable laws.

ARTICLE XVI SETTLEMENT OF DISPUTES

- 16.1 Should there be any conflict with respect to the interpretation or operation of any of the provisions of this Agreement, the parties shall exert best efforts to amicably settle such dispute. Should no settlement be reached within a reasonable period, the dispute shall be settled through arbitration or the courts in accordance with RA 9285 and the provisions hereunder.
- 16.2 Disputes with respect to the following matters shall be submitted to arbitration:
- a. Matters with respect to the Contract Documents and the Incorporation of their provisions under Article II.
 - b. Matters with respect to the payment of taxes and other fees referred to in section 3.2.
 - c. Matters with respect to contract adjustment under Article III.
 - d. Matters with respect to time completion, liquidated damages for delay, and takeover under Article IV.
 - e. Matters with respect to the Performance Bond under Article V.
 - f. Matters under Article VII.
 - g. Matters with respect to the Guarantee Bond under Article VIII.
 - h. Matters with respect to acceptance under Article X.
 - i. Matters with respect to termination under Article XIV.
 - j. Matters with respect to the duties of the Office of the Campus Architect under section 15.1.

16.3 Disputes with respect to any other legal matter shall be submitted to the jurisdiction of the courts of Davao City, to the exclusion of all others.

IN WITNESS WHEREOF, the parties have affixed their signatures this ___ day of JUN 03 2014 2014 at Davao City, Philippines.


**UNIVERSITY OF THE PHILIPPINES
MINDANAO**


By:


PROF. SYLVIA B. CONCEPCION, Ph. D.
Chancellor *mw*


ENGR. EACO BUEN J. PONDOC
Contractor

 **SIGNED IN THE PRESENCE OF**


PROF. ANTONIO R. OBSIOMA
Vice Chancellor for Administration


ZENAIDA G. CALATRAVA, CPA
Accountant

ACKNOWLEDGMENT

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

BEFORE ME, a Notary Public for and in the City of Davao, this
JUN 03 2014 personally appeared with their government issued identification:

Dr. Sylvia B. Concepcion
Engr. Eaco Buen J. Pondoc

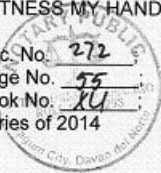
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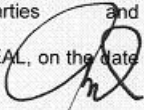
known to me to be the same persons who executed the foregoing instruments and acknowledged to me that the same are their free and voluntarily act and deed and that of the entities they respectively represent in this instance.

The foregoing contract, including the page on which this acknowledgment is written, has been signed by the parties and their witnesses.

WITNESS MY HAND AND NOTARIAL SEAL, on the date and place first above-written.

Doc. No. 272
Page No. 75
Book No. 24
Series of 2014




ATTY. CONNIE G. DEL RIO
Notary Public
Until December 31, 2015
IBP No. 151475 DATED 12/31/13
PTR No. 1504684 DATED 01/03/14
ROLL No. 53890/TIN 919-920-165

Sylvia

Eaco