

CONTRACT OF LEASE

This Contract is made and executed on this _____ day of _____ 2017 at Pasig City, Philippines, by and between:

DHONDUP HOLDINGS INC., a domestic corporation duly organized and existing under Philippine laws with address at 867 Samat St, Barangay Highway Hills, Mandaluyong City 1550, represented by **GILBERT LI CHUA**, and hereinafter referred to as the "**LESSOR**";

-and-

The **GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS)**, a social insurance institution created under Commonwealth Act No. 186, as amended, and operating under its present Charter, Republic Act No.8291, otherwise known as "The GSIS Act of 1997", with principal address at the GSIS Headquarters Building, Financial Center Area, Pasay City, Metro Manila, represented by **ERLINDA D. BAÑARES**, Vice President, NCR Operations Area II, hereinafter referred to as the "**LESSEE**".

RECITALS

WHEREAS:

1. The **LESSOR** is the registered and absolute owner of a parcel of land located at 3F Elements @ Rosemarie Bldg Pasig Boulevard corner Rosemarie Lane Pasig City, including the building and other improvements thereon, covered by TCT No. PT-115968 of the Registry of Deeds of Pasig City.
2. The **LESSEE** proposes to lease the Rosemarie Building with a total area of Five Hundred Seventy (570) square meters, hereinafter referred to as the **PREMISES**, to house its Pasig Extension Office. The **LESSOR** accepts the proposal in accordance with the terms and conditions provided herein.

NOW, THEREFORE, for and in consideration of the above Recitals, the parties agree as follows:

Article I TERM OF LEASE

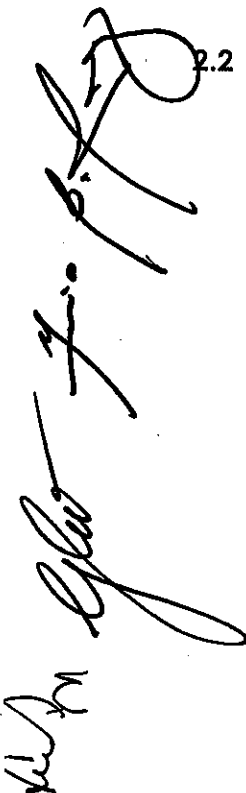
- 1.1. **Term.** The term of this Contract shall be effective for a period of ten (10) months or from March 1, 2017 to December 31, 2017, renewable upon mutual agreement of the parties.
- 1.2. **Renewal.** This Contract may be renewed at the option of the **LESSEE** provided that an advance 30-day notice is served to the **LESSOR**.

- 1.3. **Continued Use.** If the **LESSEE** continues to occupy or use the **PREMISES** with the consent of the **LESSOR** after the termination of this Contract, said extension of lease shall run from month to month only under the same terms and conditions herein stipulated.


Article II RENTALS AND PAYMENT

- 2.1 **Lease Rental.** The **LESSEE** shall pay the **LESSOR**, for the use and occupancy of the **PREMISES**, a gross monthly rental of **Three Hundred Ninety Three Thousand Three Hundred Pesos (Php393,300.00)**, payable within the first fifteen (15) days of the applicable month and every month thereafter without the necessity of demand or notice. It is understood that all applicable taxes, including Documentary Stamp Tax (DST), if any, shall be borne by the **LESSOR**.

For this purpose, the **LESSOR** acknowledges that the **LESSEE** is not a withholding agent for DST and hereby undertakes and commits itself to make direct payments to the BIR of any DST that may be imposed on the execution and/or performance of this Contract.

-  2.2 **Security Deposit.** Upon execution of this Contract, an amount equivalent to THREE (3) MONTHLY Rentals or the sum of **One Million One Hundred Seventy Nine Thousand Nine Hundred, Philippine Currency (Php1,179,900.00)** shall be deposited by the **LESSEE** as fixed Security Deposit. The Security Deposit shall be non-interest bearing and shall serve as a guarantee for the faithful compliance by the **LESSEE** of all terms and conditions of this Contract and to answer for any damages which may be suffered by **LESSOR** and other monetary liabilities or obligations of **LESSEE** under this Contract at the expiration or termination thereof. The Security Deposit cannot be applied by **LESSEE** to unpaid rent and charges and shall be kept intact throughout the life of this Contract.

The Security Deposit shall be returned to **LESSEE** upon the termination or expiration or non-renewal of this Contract and only after the **LESSEE** shall have completely and satisfactorily vacated, restored and redelivered the **PREMISES** to the **LESSOR**, less whatever amounts the **LESSEE** may owe the **LESSOR**. Provided, however, that should the **LESSEE** terminate this Contract prior to its expiration or that this Contract be terminated due to any violation by the **LESSEE** of any of the terms and conditions hereof, the Security Deposit shall be automatically forfeited by the **LESSOR**, without prejudice to the remedies or reliefs the **LESSOR** may take to pursue and enforce its claim for damages.

-  2.3 **Payment.** The payment of the monthly billing shall be made promptly and without the necessity of demand or notice.

Article III USE OF PREMISES

- 3.1 **Proper Use of Premises.** The **LESSEE** shall use the **PREMISES** exclusively for the conduct of operations of its Pasig Extension Office pursuant to its

Charter. This includes storage of records as well as the operation of the necessary equipment and facilities.

- 3.2 **Improvements.** The **LESSEE** may make substantial alterations, additions or improvements which the **LESSEE** may deem necessary to conduct its business upon prior written approval of the **LESSOR**; provided, however, that the building structure of the **PREMISES** shall not be impaired except with the written consent of the **LESSOR**. The **LESSOR** shall not unreasonably withhold its consent. Such alterations, additions or improvements introduced by the **LESSEE** shall remain the property of the **LESSEE**, and shall be removed upon the termination of this Contract; provided further that said improvements shall be removed without breaking or impairing the object or structure to which they are attached.
- 3.3 **Security and Safety Regulations.** If the **LESSEE** shall deem it necessary, it may provide and assign its own security personnel to safeguard and secure the **PREMISES**, its officers, employees, agents and guests; provided, however, that such security personnel shall closely coordinate with the **LESSOR's** security force, if any.
- 3.4 **Housekeeping and Sanitation.** Good housekeeping and sanitation shall be observed at all times. The **LESSEE** shall guarantee and maintain a satisfactory degree of cleanliness of the **PREMISES** and common areas.
- 3.5 **Undertaking.** The **LESSEE** shall be responsible at all times for all acts done by its officers, agents and employees insofar as the enforcement of this Contract is concerned. Pursuant hereof, any damage or injury to the **PREMISES** due to the fault of the **LESSEE**, its agents and employees shall be restored or repaired promptly at its exclusive expense.
- 3.6 **Inspection.** The **LESSOR** shall have the right to inspect the **PREMISES** to monitor compliance with this Contract, during reasonable hours of the day and upon prior notice to the **LESSEE**.
- 3.7 **Inventory.** The parties shall undertake joint physical inspection of the **PREMISES** to include an inventory of facilities and fixtures at the start and immediately upon termination of this Contract.

**Article IV
REPAIRS AND MAINTENANCE**

- 4.1 **Minor Repairs.** Expenses for minor repairs and maintenance of the **PREMISES** in order to keep the same in good and tenantable condition for the duration of this Contract shall be for the account of the **LESSEE**. Major repairs, however, shall be for the account of the **LESSOR**. For purposes of classifying repairs, major repairs are those costing more than P5,000.00 while minor repairs are those costing P5,000.00 or less per particular kind of repair in question.

Repairs of the air-conditioning system of the building costing Ten Thousand Pesos and below shall be for the account of the **LESSEE** while repairs of the air-conditioning system costing above Ten Thousand Pesos shall be for the account of the **LESSOR**, subject to a second and third appraisal of the **LESSOR**.

- 4.2 **Fixtures.** Replacement of light fixtures, bulbs, starters, ballasts and other similar articles placed in the **PREMISES** shall be for the account of the **LESSEE** and shall be removed by the **LESSEE** upon the termination of this Contract.
- 4.3 **Signage.** The **LESSEE** shall be allowed to put up its institution logo and/or institution name on the **PREMISES**.
- 4.4 **Damage to Property.** In case of damage to the **PREMISES** or its appurtenances by fire, conflagration, flood, earthquake, war or other fortuitous events, the **LESSEE** shall give due notice of the damage to the **LESSOR** within three (3) days from its occurrence. If the **PREMISES** be substantially damaged by fire or other cause, or become unsuitable for occupancy, without the fault of the **LESSEE**, the **LESSEE**, at its option, may deem this Contract terminated.

**Article V
UTILITIES AND OTHER SERVICES**

- 5.1 **Utilities and Other Services.** Bills for electricity, water, and other utilities concomitant to the **LESSEE's** office business or operation shall be at the expense of the **LESSEE**.
- 5.2 **Appliances.** If the **LESSEE** shall provide its own air-conditioning units or system, or other necessary appliances in the **PREMISES**. These air-conditioning units and other appliances shall be removed by the **LESSEE** upon the termination of this Contract.
- 5.3 **Additional Installations.** The installation of additional electrical and water in the **PREMISES** shall be for the account and expense of the **LESSEE**, which it is hereby authorized to make.

**Article VI
TRANSFER OF RIGHTS**

- 6.1 **Non-Assignment.** The **LESSEE** shall not assign or transfer its rights in this Contract nor sublease any or all parts of the **PREMISES** without the prior written consent of the **LESSOR**, and no right, title or interest thereto shall be conferred or vested in anyone other than the **LESSEE** without such written consent.
- 6.2 **Transfer of Rights or Ownership.** In the event of sale, transfer, mortgage or encumbrance of the **PREMISES**, the **LESSOR** shall incorporate in the corresponding legal document that all the terms and conditions of this Contract shall be respected, including the provisions for renewal thereof.

**Article VII
TERMINATION**

- 7.1 **Violation of the Provisions.** The violation of any term or condition of this Contract shall be sufficient ground for its pre-termination.

- 7.2 **Termination.** The **LESSEE** may pre-terminate this Contract by giving a sixty (60)-day written notice to the **LESSOR**. The **LESSOR** may pre-terminate this lease by giving a prior six (6)-month written notice to the **LESSEE**.
- 7.3 **Surrender of the Premises.** The **LESSEE** agrees to surrender the **PREMISES** and return the possession thereof to the **LESSOR** at the expiration of the term or pre-termination of this Contract by the **LESSOR** in as good condition as reasonable wear and tear, and fortuitous event will permit, without unreasonable delay, and devoid of all occupants, furniture articles and effects of any kind including all alterations and improvements which the **LESSEE** may have done in accordance with the provisions of this Contract.

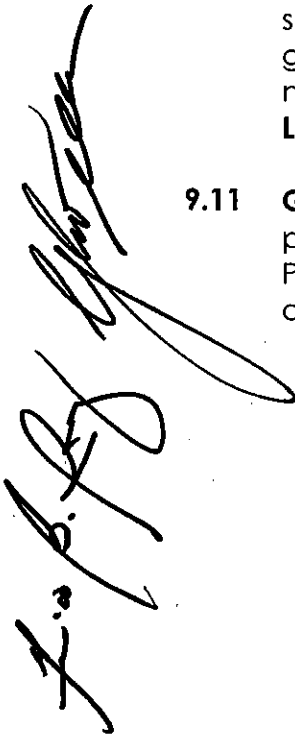
**Article VIII
CONFLICT RESOLUTION**

- 8.1 **Amicable Settlement.** If any dispute of any kind whatsoever should arise between the parties in connection with or arising out of this Contract, the parties shall make every effort to resolve amicably such dispute.
- 8.2 **Arbitration.** If after ten (10) days, the parties have failed to resolve their dispute, the matter shall be submitted for arbitration pursuant to RA No. 9285, otherwise known as the Alternative Dispute Resolution Act of 2004; provided, however, that the parties may agree in writing to resort to other alternative modes of dispute resolution.
- 8.3 **Non-Suspension of Obligations.** Notwithstanding any reference to the settlement of disputes or arbitration herein, the parties shall continue to perform their respective obligations under this Contract unless they otherwise agree in writing.

**Article IX
MISCELLANEOUS PROVISIONS**

- 9.1 **Insurance Premium.** The premiums for property insurance on the **PREMISES** shall be for the account of the **LESSOR**; provided, however, that any additional amount of insurance premiums that correspond to the added value of the insured property of the **LESSEE** shall be for the latter's own account.
- 9.2 **Successors-in-Interest.** This Contract shall be binding and enforceable on the parties and their respective assigns and successors-in-interest.
- 9.3 **Non-Disclosure.** The **LESSOR** shall not use or disclose to any person, firm or corporation any information concerning the affairs of the **LESSEE** which it may have acquired in the course of or as an incident to this Contract for its own benefit to the detriment of the **LESSEE**.
- 9.4 **Non-Adverse Witness.** In no case shall the **LESSOR** and its personnel assist any party in any action, suit or proceeding against the **GSIS**, the members of its Board of Trustees, or any of its officials and employees in connection with the performance of its undertakings under this Contract of Lease.

- 9.5 **Non-Waiver of Rights.** The failure of the parties to insist upon a strict performance of any of the terms and conditions of this Contract shall not be deemed a waiver of any right or remedy that a party may have, nor shall it be construed as a waiver of any subsequent breach or default of the terms, conditions and covenants thereof, which terms and conditions shall continue to be in full force and effect. No waiver by either party of any of the rights under this Contract shall be deemed to have been made unless expressed in writing and signed by either party.
- 9.6 **Amendments.** No modification of, or amendment to, the terms and conditions of this Contract shall be valid unless set out in writing and signed by the authorized representative of each party.
- 9.7 **Notices.** All notices, statements and requests hereunder shall be in writing and shall be personally delivered or transmitted by registered mail, electronic mail or facsimile, to the other party.
- 9.8 **Separability.** If any term or condition of this Contract is held to be invalid or contrary to law, the validity of the other terms and conditions shall not be affected.
- 9.9 **Venue of Action.** Any and all actions arising from this Contract, which any party may institute, shall be brought exclusively before the proper court in the City of Pasay.
- 9.10 **Anti-Graft Practices.** The **LESSOR** warrants that he has not given or promised to give money or gift to any official or employee of the **LESSEE** to secure this Contract. Any violation of this warranty shall be sufficient ground for the **LESSEE** to revoke or cancel this Contract without the necessity of judicial action, by giving written notice to that effect to the **LESSOR**.
- 9.11 **Governing Laws.** This Contract of Lease shall be subject to the pertinent provisions of RA No. 9184, otherwise known as the Government Procurement Reform Act, its Revised Implementing Rules and Regulations, and other related laws, rules and regulations.



IN WITNESS WHEREOF, the parties have signed and executed this Contract at the time and place above-mentioned.

DHONDUP HOLDINGS, INC.

By:

GILBERT LI CHUA
President

**GOVERNMENT SERVICE
INSURANCE SYSTEM**

By:

ERLINDA D. BAÑARES
VP NCR AREA II
NCR Operations Group

SIGNED IN THE PRESENCE OF

FRANCIS B. RAMIREZ

LOLITA M. PURÉZA

Certified Funds Available : 3,933,000 Php
March - December 2017 @ 393,300 per month
FC CODE: 1702100062
GL ACCT: 510212000

Certified included in the 2017 APP

MR. MANUEL P. ANG
Vice President - FISMOASO

MR. ROMEO G. DE LUNA
Head, GBAC Secretariat

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES
Pasig City

QUEZON CITY

QUEZON CITY

BEFORE ME, a Notary Public for and in Pasig City, Personally appeared on this
___ day of FEB 07 2017, the following:

NAME	Valid/ Government Issued ID	Date and Place of Issue
Gilbert Li Chua		
Erlinda D. Bañares	GSIS ID NO. 6219	Pasay City

Known to me and to me known to be the same _____ in representation of the LESSOR as a juridical person, and ERLINDA D. BAÑARES in representation of the GSIS as a juridical person, who executed the foregoing instrument and acknowledged to me that the same is their free and voluntary act and deed.

This instrument refers to the Contract of Lease and consists of eight (8) pages including the last page where the Acknowledgment is written, signed by the parties and their witnesses on each and every page thereof, and sealed with my notarial seal.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal at place and date above-mentioned.

Doc. No. 301
Page No. 61
Book No. 60A
Series of 2017.

Benjamin S. Alfonso
 ATTY. BENJAMIN S. ALFONSO
 NOTARY PUBLIC
 UNTIL DECEMBER 31, 2017
 PTR. NO. 3806846 - 1/16/2017 QUEZON CITY
 IBP NO. 1038379 - 11/24/2016 QUEZON CITY
 ROLL NO. 13296
 ADM. MATTER NO. NP-046 (2017-2018)
 ADD.: NO.34 ASSET'S ST. GSIS VILL., PROJ. O.M.C.
 MCLE NO. II-0020276- OCT. 29,2011

Handwritten signatures and notes on the left margin.