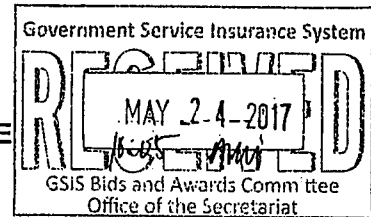


**CONTRACT OF LEASE
OF GSIS BASILAN EXTENSION OFFICE**



This Contract of Lease made and executed by and between:

PATRICK NEIL TAN, CLYDE BRITZ TAN, NIANDRA TERESITA TAN, JOCELYN TAN LING, JAKE HUBERT C. TAN, HARLEY C. TAN, JOHANN C TAN and HENNIE C TAN all of legal age, Filipino citizen, with postal address at Isabela City, Basilan, Philippines hereby represented by **HELEN C. TAN** by virtue of a Special Power of Attorney duly issued in her favor and made an integral part of this Lease Contract as **ANNEX "A"**, hereinafter referred to as the "**LESSOR**";

-and-

GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS), a social insurance institution, created under Commonwealth Act No. 186, as amended, and operating under its present Charter, R.A. No. 8291, otherwise known as the GSIS Act of 1997, with principal office address at Financial Center Area, Roxas Boulevard, Pasay City, represented by **ATTY. JASON C. TENG**, Vice President for Mindanao, hereinafter referred to as the "**LESSEE**".

RECITALS

WHEREAS:

1. The **LESSOR** is the absolute and registered owner of a lot with a three-storey commercial building (TAN Building) situated at Valderroza St., Isabela, Basilan.
2. The **LESSOR** hereby leases unto the **LESSEE** and the latter accepts to lease the office space situated at the ground floor of the said three (3) story building, with a total floor area of 110 sq. m. (more or less), hereinafter referred to as the **Leased Premises**.

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 of Lease shall be effective for the period April 1, 2017 to December 31, 2017.
- 1.2 **Renewal.** This Contract may be renewed at the option of the **LESSEE** provided that an advance 30-day notice is served on the **LESSOR**.
- 1.3 **Continued Use.** If the **LESSEE** continues to occupy or use the **Leased 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 & PAYMENT**

- 2.1 **Monthly Rental.** The **LESSEE** agrees to pay the **LESSOR**, for the use and occupancy of the **Leased Premises**, a gross monthly rental of **TWENTY FIVE THOUSAND PESOS (P25,000.00)**, payable within the first 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 (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.

Article III USE OF PREMISES

3.1 Proper Use of Premises. The LESSEE hereby agrees and warrants that the **Leased Premises** shall be used exclusively for office purposes, and is prohibited to use said premises for any other purposes without the written consent of the LESSOR. This includes storage of records as well as the operation of 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 **Leased 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 Safety and Security Regulations. If the LESSEE shall deem it necessary, it may provide and assign its own security personnel to safeguard and secure the **Leased 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 **Leased Premises** and common areas.

3.5 Undertaking. The LESSEE shall be responsible at all times for all acts done by its officer, agents and employees insofar as the enforcement of this Contract is concerned. Pursuant hereof, any damage or injury to the **Leased 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 **Leased 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 **Leased Premises** to include 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 **Leased 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.

- 4.2 Fixtures.** Replacement of light fixtures, bulbs, starters, ballasts and other similar articles placed in the **Leased Premises** shall be for the account of the **LESSEE** and shall be removed by the **LESSEE** upon termination of this Contract.
- 4.3 Signage.** The **LESSEE** shall be allowed to put up its institution logo and/or institution name on the **Leased Premises**.
- 4.4 Damage to Property.** In case of damage to the **Leased 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 **Leased 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 water, telephone, and other utilities concomitant to the **LESSEE's** office business or operation shall be at the expense of the **LESSEE**. The **LESSEE** may likewise operate a back-up generator to be located at the **Leased Premises** when necessary.
- 5.2 Equipment, Furniture and Fixtures.** The **LESSEE** shall provide its own air-conditioning units or system, or other necessary furniture and fixtures in the **Leased Premises**. These air-conditioning units and other fixtures shall be removed by the **LESSEE** upon the termination of this Contract.
- 5.3 Additional Installations.** The installation of additional electrical, water, and LAN/online system in the **Leased Premises** shall be for the account and expense of the **LESSOR**, which is part and parcel in the execution of this Contract, and shall remain the property of the **LESSOR** upon the termination of this Contract.

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 **Leased Premises** without the prior 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 **Leased 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.
- 6.3 Annotation.** The **LESSOR** agrees that this Contract shall be annotated at the back of the **LESSOR'S** title over the the **Leased Premises** to ensure the **LESSEE'S** continuous right to occupy and carry on its functions for the duration of the Contract in the event of sale or encumbrance of the **Leased Premises** to any third party.



**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**.
- 7.3 Surrender of the Premises.** The **LESSEE** agrees to surrender the **Leased 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
MISCELLANEOUS PROVISIONS**

- 8.1 Insurance Premium.** The premium for property insurance on the **Leased 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.
- 8.2 Taxes.** It is understood that all applicable taxes shall be borne by the **LESSOR**. As set forth under Section 27(c) of the Tax Reform Act of 1997, and Section 39 of RA No. 8291, the **LESSEE** is exempt from paying taxes in connection with this Contract.
- 8.3 Successors-in-Interest.** This Contract shall be binding and enforceable on the parties and their respective assigns and successors-in-interest.
- 8.4 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 **GSIS**.
- 8.5 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, agents and employees in connection with the performance of its undertakings under this Contract of Lease.
- 8.6 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 unless expressed in writing and signed by either party.



8.7 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.

8.8 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.

8.9 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.

8.10 Survival of Obligations. The obligations and undertaking of the parties which by their nature should not continue beyond the expiration and termination of this Contract shall survive the expiration and termination hereof.

8.11 Dispute Resolution. If any dispute of any kind whatsoever should arise between the **LESSOR** and the **LESSEE** in connection with arising out of this Contract, the parties shall make every effort to resolve amicably such dispute.

8.12 Venue of Action. Any action arising from arbitration or other modes of dispute settlement as agreed upon by the parties pursuant to Section 8.11 of this Contract shall be brought by the aggrieved party exclusively before the proper Court in the City of Pasay.

8.13 Anti-Graft Practices. The **LESSOR** warrants that she has not given or promised to give money or gift, directly or indirectly, 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**.

8.14 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 hereto have signed the Agreement in _____, Philippines on the ___ day of _____ 2017.

LESSOR

LESSEE

PATRICK NEIL TAN, CLYDE BRITZ TAN,
NIANDRA TERESITA TAN, JOCELYN TAN LING,
JAKE HUBERT C TAN, HARLEY C TAN, JOHANN
C TAN and HENNIE C TAN

GOVERNMENT SERVICE INSURANCE
SYSTEM
TIN NO. _____

By:

HELEN C. TAN
Attorney-in-fact

ATTY. JASON C. TENG
Vice president, Mindanao Office

SIGNED IN THE PRESENCE OF:

ELIZABETH T. CHUA
Mayor Jaldon St., Zamboanga City

MA. MELISSA R. ESPAÑO
Branch Manager, GSIS Zamboanga

Certified Funds Available:
GL Account: 5102121000
P 225,000.00 (April-December 2017)

Certified Included in the 2017 APP:
Negotiated-Lease of Private Properties

MA. CORAZON G. MAGDURULAN
Manager, BASSAD

ROMELO G. DE LUNA, JR.
Officer-in-Charge, GBAC Secretariat

ACKNOWLEDGMENT

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

BEFORE ME, a Notary Public, for and in the City of _____, Philippines, this ___ day of _____, 2017 personally appeared the following persons with their valid IDs:

Name	Valid IDs	Date/Place of Issue
HELEN C TAN	Prof driv license# J04-83-020454	issued 01/24/14 Cebu City
ATTY. JASON C. TENG	GSIS Employee ID No. _____	GSIS, Pasay City

known to me and to me known to be the same persons who executed the foregoing instrument and they acknowledged to me that they executed the same as their free act and deed.

This instrument consisting of six (6) pages, including this Acknowledgment, has been signed by the parties and their instrumental witnesses on each and every page hereof and sealed with my notarial seal.

WITNESS MY HAND AND NOTARIAL SEAL on this place and on the date above written.

NOTARY PUBLIC

ATTY. GIOVANNAE LYNN QUICOY-MARIN
GSIS, Financial Center, Pasay City
NOTARY PUBLIC (Renewed) Dec 13, 2017
Commission No. 2002-118-1-0000-0000-0000
I.B.F. License No. 00000000000000000000; 2002-07
P.T.R. No. 00000000000000000000
Roll of A...

Doc No. 67
Page No. 15
Book No. [Signature]
Series of 2016 [Signature]

[Handwritten signatures and marks on the left margin]

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
Pasay City) S.S
Cebu


Cebu

BEFORE ME, a Notary Public for and in Pasay City, personally appeared on this day of 02 MAY 2017 2017 the following:

NAME	Valid IDs	Date/Place of Issue
HELEN C. TAN	Prof driv license #J04-83-020454	Cebu City


known to me and to me known to be the same Helen C. Tan, in representation of the LESSOR 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 six (6) pages including the 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.



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Book No. 644111
Series of 2017



MICHELLE THERESE D. ARIAS-BAGANG
Notary Public
Commission No. 15,000 / Exp. Dec. 31, 2017
PTR No. 13262130 / Prov. of Cebu / Jan. 4, 2017
IBP Lifetime No. 04615
Roll No. 45892
GSIS - Cebu Branch, Leon Kilat St., Cebu City