

**CONTRACT OF LEASE**

This contract of Lease is made and executed by and between:

**JTP REALTY**, a sole proprietorship, duly organized and existing under Philippine laws with office address at National Highway, Mabua, Tandag City, Surigao del Sur, represented by **JOHNNY TY PIMENTEL**, its owner, evidenced by DTI Certificate No. 04194714, made an integral part of this Contract as Annex "A", 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 **ATTY. JASON C. TENG**, Vice President for Mindanao Operations, herein after referred to as the "**LESSEE**".

**RECITALS**

**WHEREAS:**

*Handwritten signature*

1. The **LESSOR** is the absolute and registered owner of JTP REALTY building located at Provincial Capitol Road, Telaje, Tandag City, Surigao del Sur.
2. The **LESSOR** hereby lease unto the **LESSEE** and the latter accepts to lease the building with a total floor area of One Hundred Ninety Seven square meters (197 sq.m. ), hereinafter referred to as the **Leased Premises**.

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

**Article I  
TERMS OF LEASE**

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- 1.1 **Term.** The term of this Contract shall be for a period of NINE (9) months, or from 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.

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**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 monthly rental of Fifty Five Thousand Pesos (Php55,000.00) within the first fifteen (15) days of the applicable month and every month thereafter without

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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.

- 2.2 **Security Deposit.** Upon execution of this Contract, the LESSEE shall pay to the LESSOR, a security deposit equivalent to two (2) months rental of One Hundred Ten Thousand (Php 110,000.00), the same to be applied as payment for damages to the Leased Premises and other expense and charges billed against the LESSEE for water, electricity, telephone and other utility services then remaining unpaid, if any, upon the termination of this Contract. This deposit shall be returned to the LESSEE after the termination of this Contract without interest, less whatever amount that might be owed to the LESSOR under 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 purpose, and is prohibited to use 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 **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 Leased premises, its officers, employees, agents and guest. Provided, however that such security personnel shall closely coordinated 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.** Expense for minor repairs and maintenance of the **Leased Premises** in order to keep the same in good and tenable 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 P 5, 000.00 while minor repairs are those costing P 5, 00.00 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 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 **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 damage 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.

*And*

**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 **LESLEE** upon the termination of this Contract.
- 5.3 **Additional Installations.** The installation of additional electrical, water, cable, and telephone unit/s in the **Leased Premises** shall be for the account and expense of the **LESSEE**, which it is hereby authorized to make.

*And*

**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 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.

*And*

*And*

- 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 **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.

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**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 **Successors-in-Interest.** This Contract shall be binding and enforceable on the parties and their respective assigns and successors-in-interest.
- 8.3 **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.
- 8.4 **Non-Adverse Witness.** In no case shall the **LESSOR** and its personnel assist any party or any action, suit or proceedings 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.
- 8.5 **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 unless expressed in writing and signed by either party.

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*[Handwritten signature]*

*[Handwritten signature]*

- 8.6 **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.
- 8.7 **Notices.** All notices, statements and request hereunder shall be in writing and shall be personally delivered or transmitted by registered mail, electronic mail or facsimile, to the other party.
- 8.8 **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.
- 8.9 **Survival of obligations.** The obligations and undertaking and undertaking of the parties which by their nature should not continue beyond the expiration and termination of this Contract shall survive the expiration of termination hereof.
- 8.10 **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.
- 8.11 **Venue of Action.** Any action arising from arbitration or other modes of dispute settlement as agreed upon by the parties pursuant to Section 8.10 of this Contract shall be brought by the aggrieved party exclusively before the proper Court in the City of Pasay.
- 8.12 **Anti-Graft Practices.** The LESSOR warrants that it 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.
- 8.13 **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 law, rules and regulations.

IN WITNESS WHEREOF, the parties hereto have signed the Agreement  
 In \_\_\_\_\_, Philippines on the \_\_\_\_ day of \_\_\_\_\_, 2017.

LESSOR

LESSEE

JTP REALTY  
 INSURANCE SYSTEM

GOVERNMENT SERVICE

BY:

BY:

*Belmont*  
 \_\_\_\_\_  
 JOHNNY T. PIMENTEL

\_\_\_\_\_

ATTY. JASON C. TENG

SIGNED IN THE PRESENCE OF:

*[Handwritten Signature]*

BELEN E. TALITA  
Branch Manager, GSIS Surigao BO

Certified Funds Available:  
P 495,000.00 (April - Dec 2017)  
5102-11111

Certified Included in the 2017 APP:

Ma. Corazon G. Magdurulan  
Controller Officer IV  
BASSAD, Controller Group

*m - mm*

ROMEO G. DE LUNA JR.  
OIC-HEAD, GBAC SECRETARIAT

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**ACKNOWLEDGMENT**

REPUBLIC OF THE PHILIPPINES ) MAY 24 2017  
CITY OF PASAY CITY ) S.S. PASAY CITY

BEFORE ME, a Notary Public, for and in the City of \_\_\_\_\_, Philippines, this \_\_\_\_ day of \_\_\_\_\_, 2017 personally appeared ATTY. JASON C. TENG with 291 ID Number, issued on \_\_\_\_ at GSIS, Pasay City known to me and to me known to be the same person who executed the foregoing instrument and he acknowledged to me that he executed the same as his free act and deed.

This instrument consisting of ten (10) pages, including this Acknowledgement page, has been signed by Atty. Teng and his instrumental witness on each page hereof and sealed with my notarial seal.

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

*[Handwritten Signature]*  
ATTY. GIOVANNA E LYN M. QUICOY-MARIN  
GSIS, Financial Center, Pasay City  
NOTARY PUBLIC, 2017  
Commission No. 36-02-1/12/16 Pasay City  
I.B.P. Lifetime No. 05415; O.R. No. 710621; 2-28-07  
P.T.R. No. PC5340482; 1/31/17, Pasay City  
Roll of Attorneys No. 50506

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Book No. 26  
Series of 2017

*[Handwritten Signature]*

**ACKNOWLEDGEMENT**

REPUBLIC OF THE PHILIPPINES.)  
CITY OF \_\_\_\_\_ ) S.S

BEFORE ME, a Notary Public, for and in the City of \_\_\_\_\_, Philippines, this MAY day 08 2017, 2017 personally appeared the following persons with their valid IDs:

| Name                | Valid IDs                   | Date/Place of Issue |
|---------------------|-----------------------------|---------------------|
| JOHNNY T. PIMENTEL  | <u>SNS ID # E-2112388-7</u> | <u>Tandag City</u>  |
| ATTY. JASON C. TENG | _____                       | _____               |

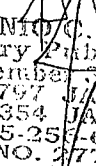
Known to me and to me known to be the same person who executed the forgoing instrument and they acknowledge to me that they executed the same as their free act and deed.

This instrument consisting of six (6) pages, including this Acknowledgement, 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

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ATTY. ANTONIO C. AZARCON  
Notary Public  
Until December 31, 2017  
PTR NO. 661797 JAN. 3, 2017  
IBP NO. 1063354 JAN. 3, 2017  
TIN 105-258-602  
ROLL NO. 27757  
MCLE Compliance No. V-0006813

*Recd*