

CONTRACT OF LEASE OF PRIVATELY-OWNED REAL ESTATE

KNOW ALL MEN BY THESE PRESENTS:

This CONTRACT OF LEASE OF PRIVATELY-OWNED REAL ESTATE made and entered into by and between:

SUNNYMEDE LAND CORPORATION, a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines with principal office address at 150 Panay Avenue, Brgy. South Triangle, Quezon City, represented in this act by its Executive Vice President, **MR. MARTIN S. CO**, herein after referred to as the "**LESSOR**"

and

FIBER INDUSTRY DEVELOPMENT AUTHORITY, an attached Agency of the Department of Agriculture, Republic of the Philippines, represented herein by its Administrator, **CECILIA GLORIA J. SORIANO** hereinafter referred to as the "**LESSEE**"

WITNESSETH:

WHEREAS, the LESSOR is the developer of the Sunnymede IT Center building at 1614 Quezon Avenue, Quezon City covered by TCT No. 254404 issued by the register of Deeds for Quezon City, with an improvement thereon consisting of a 10 storey concrete building with multi-level parking.

WHEREAS, the LESSEE desires and the LESSOR is willing to lease a portion of the building under the terms and condition hereinafter set forth.

NOW, THEREFORE, for and in consideration of the foregoing premises, the LESSOR hereby leases unto the LESSEE and the latter hereby accepts to lease the Leased Premises subject to the following terms and conditions:

1. LEASE PREMISES - The leased premises consist of **TWO HUNDRED EIGHTY FIVE SQUARE METERS (285 sq.m.)** located at the 8th floor area more particularly identified in the attached sketch which is made an integral part hereof as Annex "A" (the Leased Premises).
2. LEASE TERM - The lease shall be for a period of three (03) years, to begin on April 01, 2013, and shall expire on the midnight of March 31, 2016 and renewable for another period subject to the terms and conditions as may be mutually agreed upon by the Parties. The LESSEE, however, shall have the right to pre-terminate the lease but will incur a penalty for such pre-termination and a ninety (90) day prior written notice is given by the LESSEE To the LESSOR.
3. LEASE RENTAL - The LESSEE shall pay to the LESSOR for the use and occupancy of the Leased Premises a monthly rental of Ninety One Thousand Two Hundred Pesos at Php320.00 per square meter and Building Association Dues of Fourteen Thousand Two Hundred Fifty Pesos at Php50.00 per square meter or a total of **ONE HUNDRED FIVE THOUSAND FOUR HUNDRED FIFTY PESOS (Php105,450.00) Philippine Currency**, payable not later than the 10th day of each month and every month thereafter. The rent shall not be increased, adjusted or revised by the LESSOR for any reason whatsoever during the period of this lease.

All rental payments including advance rental shall be subject to a five percent (5%) expanded withholding tax and five percent (5%) withholding tax on government money payment (GMP) as shown in the attached computations, the applicable Value Added Tax (VAT) shall be for the

account of the LESSEE. The LESSOR shall issue Official Receipts for all payments made by the LESSEE. The Official Receipts shall specify the payment made, including VAT.

4. SECURITY DEPOSIT - Upon execution of this Contract of Lease, the LESSEE agrees to deposit with the LESSOR the sum of Pesos : **ONE HUNDRED EIGHTY TWO THOUSAND FOUR HUNDRED PESOS & 00/100 Only (Php182,400.00) Philippine Currency**, as fixed security deposit equivalent to two (02) months' rent, which shall be applied to whatever obligation the LESSEE may have against the LESSOR at the expiration or termination of the lease term, or in the absence thereof, such or whatever remainder shall be returned to the LESSEE without need of any demand within thirty (30) days from the expiration or termination of the lease term.

5. IMPROVEMENTS AND ALTERATIONS - The LESSEE may during the existence of the lease make renovations, alterations, additions, installations and improvements on the Leased Premises as may be necessary for LESSEE's purpose. All such renovations, alterations, additions, installations and movable improvements which may be removed by the Lessee upon the expiration or termination of the Lease Contract.

The LESSEE agrees to return and surrender the Leased Premises at the expiration or termination of the lease term without delay whatsoever, devoid of all occupants, equipment, furniture, fixtures, articles, etc. Restoration charges to return the unit to the typical floors shall be for the account of the LESSEE.

6. DAMAGED TO THE LEASED PREMISES - In case of damage to the building, the Leased Premises or its appurtenances by the fire, earthquake, war or any other unforeseen cause, the LESSEE shall give immediate notice thereof to the LESSOR. The damage shall be repaired according to the original plans of the building at the expense of the LESSOR, within a reasonable time after notice. Provided, however, that the Lessee may rescind the Lease Contract if the Lease Premises be destroyed to such an extent as to make it incapable of meeting the needs of the Lessee upon its own determination.

7. EXAMINATION, REPAIR AND MAINTENANCE OF THE LEASED PREMISES - The LESSOR or its authorized representative shall, by previous arrangement with the Lessee, have the right to enter the Leased Premises during reasonable office hours to enable the LESSOR to examine the same or conduct activities for purposes of making repairs and/or maintenance of the Leased Premises or the installation found thereon belonging to the LESSOR, and during the last month prior to the expiration of the lease, to exhibit the Leased Premises to prospective tenants, provided that such inspection, examination or maintenance shall not cause unnecessary disturbance to the business of the LESSEE.

8. PARKING - The LESSEE's occupants will have two (02) parking slots according to their requirement.

9. CLEAN AND SANITARY CONDITION OF THE LEASED PREMISES - The LESSEE shall at its expense, maintain the Leased Premises in a clean and sanitary condition, free from noxious odors, disturbing noises or other nuisances. Upon the termination and expiration of the lease, the LESSEE shall return the Leased Premises to the LESSOR in a clean and sanitary condition, wear and tear excepted.

10. EXPENSES AND TAXES - The LESSEE shall pay for its water & electricity based on sub-meter reading, telephone services and other public services or utilities. Realty taxes on the land and the building shall be for the account of the LESSOR. Documentary Stamp Tax on the Contract of Lease and/or any other tax on this lease/Contract of Lease shall for the account of the LESSOR.

11. EXPROPRIATION - In the event of expropriation proceedings are instituted during the period of this lease by any instrumentality of the Government or any other entity with authority to exercise such power, the LESSEE may rescind this Contract of Lease should in its opinion the Leased

Premises become no longer useful for the purpose for which it is being leased, and the LESSOR shall be obligated to return or to reimburse to the Lessee all amounts corresponding to the security deposit and any unapplied advance rental payments.

12. SALE OF THE LEASED PREMISES - During the term of this lease, the LESSOR hereby gives the LESSEE the first option to purchase in case of the sale of the Leased Premises under the same terms and conditions as those offered to or by a third party. If the LESSEE is not able to buy the property under said terms and conditions, the LESSOR shall make the necessary provision in the sale to the effect that the new owner shall recognize and respect the rights of the LESSEE under this lease.
13. LESSOR'S WARRANTIES - The LESSOR warrants valid title and developer of the property and the Leased Premises and that the same as free from all liens and encumbrances of any kind whatsoever. The LESSOR warrants that the LESSEE shall enjoy full, continuous and peaceful possession of the Leased Premises for the entire period of lease including any renewal thereof. The LESSOR warrants to forever defend the property/Leased Premises in favor of the LESSEE, its successors and assigns against any and all claims, demand or suits that may be instituted against the LESSEE, its successors and assigns by whomsoever, judicially or extra judicially. The LESSOR further warrants that it shall not, during the term and any renewal or extension of this Contract of Lease, allow any portion of the Building to be used by any person or entity whose business there at shall be in competition with of the Lessee.
14. REGISTRATION - The LESSEE, if so desires, may require the annotation of its rights under this Contract of Lease on the appropriate certificate(s) of title and the registration of this lease with the appropriate Register of Deeds. In said events of registration and annotation, all expenses hereto shall be for the account of the LESSEE.
15. BINDING EFFECT - This Contract of Lease and any extension or renewal thereof shall be binding not only between the Parties hereto but also their respective successors, transferees and assigns.

IN WITNESS WHEREOF, the Parties have signed this Contract of Lease on the date and at the place first written above.

SUNNYMEDE LAND CORPORATION
(LESSOR)

FIBER INDUSTRY DEVELOPMENT
AUTHORITY
(LESSEE)

By: _____

MARTIN S. CO

By: _____

CECILIA GLORIA J. SORIANO

SIGNED IN THE PRESENCE OF:

LILY CHENG

HONESTO S. TABUZO, JR.
Chief Accountant

ACKNOWLEDGMENT

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

MANILA


BEFORE ME, Notary Public, in and for the City of _____, personally came and appeared:

NAME	COMM. TAX CERT. NO.	DATE/PLACE ISSUED
Sunnymede Land Corporation		
Martin S. Co	13905755	01/14/13 Quezon City -
Fiber Industry Development Authority		
Cecilia Gloria J. Soriano	14016153	2-7-13 Quezon City

Known, to me and to me known to be the same persons who executed the forgoing Contract of Lease, consisting of four (04) pages including the Acknowledgment, and they acknowledged and made oath to me that the same is their own free and voluntary act and deed, as well as that of the corporation he/she represents.

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

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Series of 2013


ATTY. DELFIN R. AGCAOILI, JR.,
NOTARY PUBLIC
UNTIL DECEMBER 31, 2013
PTR NO 0203834/1-7-13/MILA.
IRP NO 873692/1-4-13/MILA.
ROLL NO . 24685/TIN-44519986
MCLE COMPLIANCE M-0013521



