

**CONTRACT OF LEASE OF OFFICE SPACE
(FOR THE PMS SUPPORT GROUP)**

KNOW ALL MEN BY THESE PRESENTS:

This Contract of Lease made and entered into this 15th day of December 2015 at Manila, Philippines, by and between:

PRESIDENTIAL MANAGEMENT STAFF, a national government agency with office address at Arlegui St., Malacañang Complex, Manila, represented herein by its Assistant Secretary, GUILLERMA E. FLORES, hereafter referred to as the "LESSEE";

-and-

FIRST RESIDENCES CORP., a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office address at 1557 J.P. Laurel St., San Miguel, Manila, represented herein by its President, Mr. VICTOR A. CO, hereafter referred to as the "LESSOR";

WITNESSETH: That

WHEREAS, the LESSOR is the absolute owner of First Residences Condominium, a seven-storey building located at 1557 J.P. Laurel corner Matienza Streets, San Miguel, Manila;

WHEREAS, the LESSEE desires to lease the premises at the above stated building, to be used as office space, and the LESSOR is willing to lease the same unto the LESSEE subject to the terms and conditions stipulated hereunder:

1. **LEASED PREMISES** - The leasable areas are as follows:

LOCATION	LEASABLE AREA (in square meter)
Fifth Floor Tower A	850
TOTAL	850

2. **PERIOD OF LEASE** – This lease shall be for a period of one (1) year beginning on the date first above-written until December 14, 2016 renewable at the option of the LESSOR and the LESSEE;

3. **MONTHLY RENT** – The PARTIES herein agree that the monthly rental of the leased premises shall be **Seven Hundred Ninety Two Thousand Philippine Pesos (Php792,000.00)**.

The above rental rates are inclusive of the Common Usage and Service Area (CUSA) charges and twelve (12%) percent Expanded Value Added Tax (EVAT), subject to an escalation rate of TEN PERCENT (10%) per annum upon renewal. The monthly rental shall be payable on the fifteenth day of each month;

4. **SECURITY DEPOSIT**

A. Upon signing of this Contract, the LESSEE shall remit to the LESSOR a Security Deposit equivalent to two (2) months not subject to EVAT and withholding tax in the amount of One Million Five Hundred Eighty Four Thousand Pesos

Manila
Victor A. Co

[Signature]

(Php1,584,000.00) Philippine Currency, to answer for the faithful compliance by the LESSEE of all its obligations under this Contract. This amount shall be returned to the LESSEE, without interest or need of demand, upon the expiration of this Contract or its termination for any cause, less whatever obligation, which may be then due from the LESSEE to the LESSOR. The Security Deposit shall answer for whatever damages the Leased Premises may suffer due to the fault or negligence of the LESSEE during the term of this Contract. Such damages shall be ascertained through a joint inspection conducted by representatives of both the LESSOR and the LESSEE. It shall also answer for whatever bills for electricity, water, telephone and other utilities that may be installed in the Leased Premises should the same remain unpaid at the expiration or termination of this Contract. The said deposit shall not during the lease be used to offset rental due to the LESSOR from the LESSEE under Paragraph 3, hereof;

- B. The Security Deposit is to be refunded to the LESSEE sixty (60) calendar days from expiry date of contract less whatever damages that were incurred by the LESSEE during its occupancy of the LEASABLE AREA or any outstanding accounts as of termination date.
- C. The Security Deposit shall be adjusted in the succeeding terms depending on the escalation rates of the office rent as agreed upon in the renewal of the Contract.

5. **PARKING ALLOTMENT** – The LESSEE shall be given five (5) parking slots located at the following:

LOCATION	PARKING ALLOTMENT
Basement Parking	5 (B67, B70, B71, B72, B73)
TOTAL	5

6. **MAINTENANCE AND UTILITIES** – Payment of all utilities bills including electric bills, water bills, telephone bills, and damages to the property leased, shall be for the account of the LESSEE;

7. **TAXES** – The LESSEE hereby agrees to pay all the charges, taxes, public charges, imposts fees and other legal assessments and impositions which at any time during the lease period may be imposed or charged by any government authority in respect to the operation of the business of the LESSEE on the lease premises. Real estate taxes on the land and improvement shall be for the sole account of the LESSOR, except for real estate taxes on the improvements that may be introduced by the LESSEE, if any, which shall be exclusively for the latter's account;

8. **EXPANDED WITHHOLDING TAX** – The LESSEE shall deduct from the monthly rental the amount corresponding to the expanded withholding tax, which the LESSEE shall remit to the Bureau of Internal Revenue (BIR) as required by law for the credit of the LESSOR. The LESSEE shall furnish the LESSOR a duly certified written statement showing the payment made by the LESSEE to the LESSOR during the month and the amount of taxes withheld therefrom together with a copy of the Remittance Return (Certificate of Creditable Tax Withheld at Source Return) and the corresponding tax receipts;

9. **FIXED IMPROVEMENTS** – The LESSEE shall not make any major structural changes, alterations or improvements in the leased premises without the prior written consent of the LESSOR. However, any major alterations or improvements made or introduced by the LESSEE in the leased premises as permitted by the LESSOR shall, upon termination of the lease contract, automatically inure to the benefit of the said

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premises and become the property of the LESSOR without any obligation on the latter's part to refund its value or cost to the LESSOR;

10. RENOVATION IMPROVEMENTS AND CONDITIONS TO THE PREMISES –

With the prior written consent of LESSOR, LESSEE may renovate and also make alterations, additions, installations and improvements on the leased premises, as may be necessary. However, at the termination of the lease, the same not having been renewed by the parties, the LESSOR may opt to require LESSEE to restore the leased premises in its original state existing at the commencement of this Contract of Lease. Restoration of the leased premises shall be for the exclusive account of the LESSEE. Any improvement existing after the lease is terminated and upon vacation of the premises by the LESSEE, shall belong to the LESSOR except those that can be removed without defacing the original structure of the unit.

Within reasonable time, the LESSOR shall install a door separating the fifth floor elevator lobby from the PMS wing of Tower A. The costs for said improvement shall be wholly shouldered by the LESSOR;

11. MOVABLE IMPROVEMENTS – The LESSEE may install air conditioning units and other movable furnishings, appliances and decorative items within the leased premises. The LESSEE shall take care of the removal of these items and shall not cause any damage to the leased premises, otherwise, LESSOR may charge any such damages to the LESSEE;

12. SIGNAGES AND ADVERTISING – The LESSEE, with the consent of the LESSOR, may post signages or distribute promotional materials;

13. FIRE HAZARD, OBNOXIOUS SUBSTANCES, FIREARMS AND DEADLY WEAPONS – The LESSEE shall not keep, deposit or store in the leased premises any obnoxious substances or highly inflammable materials or substance that constitute a fire hazard. For the security of all occupants of the building, the LESSEE is prohibited from bringing inside the building any firearm or deadly weapon, other than those in the person of security personnel it hires for securing the leased premises;

14. COMPLIANCE WITH LAWS AND REGULATIONS - The PARTIES shall promptly comply with any or all laws, ordinances, rules, regulations and orders which the national, provincial or local government, or any department, bureau, board, commission or other agency or instrumentalities thereof might promulgate as well as, all regulations that the same might from time to time adopt and enforce regarding the use, occupation, sanitation and safety of the leased premises;

15. COMPLIANCE WITH HOUSE RULES AND REGULATIONS – The LESSEE shall promptly comply with the house rules and regulations set by the LESSOR in maintaining the aesthetic design, cleanliness, security and order in the building (**Annex A**);

16. THIRD PARTY LIABILITY – The LESSEE during its occupancy of the leased premises shall hold the LESSOR free and harmless from any damage or responsibility to any person or property arising out of negligence by the LESSEE, its agents, employees and domestic help and guests;

17. INSPECTION OF PREMISES – The LESSEE shall maintain the leased premises in good and tenantable condition and for such purpose, the LESSOR or its authorized representative, reserves the right at reasonable times, and with prior consent of the LESSEE, to enter and inspect the premises and to make the necessary repairs thereof. The LESSEE likewise agrees to cooperate with the LESSOR in keeping the said premises in good and tenantable condition;

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18. **SUBLEASE AND ASSIGNMENTS** – The LESSEE shall not sublet or allow the leased premises to be occupied in whole or in part by any other person or entity;

19. **ENCUMBRANCES OF PREMISES** – In the event of sale, transfer or mortgage, or any encumbrances of the same, the LESSOR shall advise the purchaser, mortgagor or encumbrance that all the terms and conditions of this Contract of Lease including the provisions for renewal thereof shall be respected;

20. **TERMINATION OF CONTRACT**- Either party may upon gross violation of any of the terms and conditions of this Contract, terminate the same after written notice from the aggrieved party to the offending party, without prejudice to the legal remedies that the aggrieved party may avail under the circumstances. Effectivity of the termination shall be 60 days after written notice pursuant to Paragraph 23 hereof;

21. **FORFEITURE CLAUSE** – The LESSEE is bound by the agreed period of lease, and in case of its pre-termination by reason not attributable to the LESSOR, the two (2) months security deposit shall be forfeited in favor of the LESSOR. LESSEE shall also be liable to pay the LESSOR all the remaining utilities bills such as electricity, water, telephone, and damages to the premises before clearance and release from this contract could be granted to the LESSEE by the LESSOR;

22. **RETURN OF PREMISES** – Upon termination of this Contract of Lease, the LESSEE shall immediately vacate the premises and return possession thereof including all the keys of the premises there in the same and good and tenable condition. The LESSOR shall grant clearance to and release the LESSEE from this Lease Contract after full payment of all obligations concerning the leased premises (i.e., rents, utility bills, etc.);

23. **60-DAY WRITTEN NOTICE** – LESSEE is required to give at least sixty (60) days written notice to LESSOR of its desire to renew this contract for another term or to vacate the premises and terminate this Lease Contract;

24. **ENTIRE AGREEMENT: BINDING EFFECT** – This Contract constitutes the complete and exclusive statement of the terms and conditions of the Contract of Lease between the parties with respect to the subject matter referred herein. No statement or agreement, oral or written, made prior to the execution hereof and no prior conduct or practice of either party shall vary or modify the written terms and conditions of this contract shall be valid unless made in writing and signed by both parties hereto;

25. **VENUE** – All actions arising from or in connection with this Contract shall be exclusively filed before the proper courts of Manila, all other venues are expressly waived.

IN WITNESS WHEREOF, the parties have hereto affixed their hands in signature together with their instrumental witnesses on the date and place first above-written.

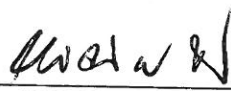
PRESIDENTIAL MANAGEMENT STAFF FIRST RESIDENCES CORP. (LESSOR):
(LESSEE):

BY:

BY:

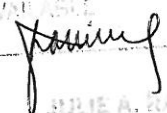


ASEC. GUILLERMA E. FLORES

VICTOR A. CO



FUNDS AVAILABLE


JULIE A. RAMIREZ
Chief Accountant



SIGNED IN THE PRESENCE OF:

ACKNOWLEDGEMENT

Republic of the Philippines)
City of Manila)
X-----X

BEFORE ME, Notary Public for and in the City of **MANILA** personally appeared the following:

Name	ID No.	Date of Issue	Place of Issue
Asec. Guillerma E. Flores	PMS ID 693		
Victor A. Co	LTO ID N08-001558	Feb. 2, 2014	Quezon City

all known to me and to me known to be the same persons who executed the foregoing contract of lease, consisting of five (5) pages including this page where the acknowledgment is written signed by the parties and their witnesses on each and every page thereof and that they acknowledged to me that the same is their true and voluntary act and deed.

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DEC 17 2015

WITNESS MY HAND AND SEAL this _____ day of _____, 2015 at Manila, Philippines.

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Page No. *86*
Book No. *TD*
Series of 2015

[Signature]
ATTY. AGUSTIN B. CABREDO
 Notary Public for Manila
 Notarial Commission No. 2015-109
 Until December 31, 2016
 Rm. 409, First United Bldg. Co.,
 Ecomis, Manila
 Roll No. 26047
 PTR. No. 3837662/ 1-5-15/ Manila
 IBP Life Member 05607
 MCLE No. V-0003133/ 7-26-14

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FIRST RESIDENCES CONDOMINIUM HOUSE RULES

1. MAINTENANCE OF UNITS

- 1.1 All improvements or additional enhancement to the existing units shall be informed ahead to the Admin Office.
- 1.2 All alteration that affects the exterior or façade of the condominium building is prohibited without prior consent from the Admin Office.
- 1.3 Putting tint on windows and doors are strictly prohibited without permission from the Admin, only tenants at the Ground Floor are allowed to install tint.
- 1.4 Only white plain curtain can be use to maintain the façade of the condominium building.
- 1.5 No charcoal cooker, brazier, grill, gasoline, propane or other flammable liquid and liquefied petroleum gas fired stove or similar devices shall be ignited or used on all units. Only induction cooker or electric stove is allowed.

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1.6 All aluminum panels or grills that will be installed on the windows must follow a standard layout issued by the management. In no case shall aluminum panels be visible outside the window, unit owners must follow the proper installation instruction stated at the said layout.

2. GUEST, VISITORS AND FIREARMS

2.1 All guests, visitors and security personnel or guards, must deposit their firearms upon entering into the condominium building. If any, Unit Owner must refrain from carrying or brandishing firearms in areas outside their respective units.

2.2 All guest or visitors must present I.D. to the reception lobby upon entering the condominium premises.

3. PETS

3.1 Strictly NO PETS allowed inside the condominium building.

4. PARKING AND TRAFFIC RULES

4.1 All cars / vehicles of the Unit Owners and Tenants must be registered to the Admin Office and a condominium car pass will be issued upon registration. The issued car pass will be presented upon entering the condominium premises. Strictly NO CARPASS, NO ENTRY is observed.

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4.2 Parking spaces are exclusively assigned to its designated owner, therefore all cars / vehicles shall be parked only on the slots assigned to them.

4.3 Unit Owners and Tenants shall observe traffic flow in the designated parking areas and ground.

4.4 All vehicles shall be parked "head in" only and must be parked entirely within the parking space lines painted on the floor.

5. NOISE

5.1 Unit Owners and Tenants shall maintain their respective units in a peaceful and reasonably quiet manner and shall refrain from any noise or boisterous or loud activities such as loud parties, jam sessions and turning on at full blast of any audio equipment, which will disturb the peace and quietness of the condominium and its residents.

6. ELEVATOR

6.1 Elevators are designated only for passengers, heavy equipment or any furniture is not allowed to be transported through this.

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6.2 In no case shall garbage be allowed to be transported on the passenger elevator.

6.3 To maintain the good condition of the elevator only selected appliances such as refrigerator, air conditioner, washing machine and electrical stove that are brand new or properly placed in its box are allowed to be transported through this.

7. BALCONY

7.1 Throwing or sweeping any items such as cigarette, water or dirt off the balcony is strictly prohibited.

7.2 In no case shall laundry including clothes, clotheslines, clothes drying racks and rugs allowed to be hung on the balcony. Installing of faucet is also highly prohibited.

7.3 No balcony shall be used as a storage area for items such as boxes, storage chests, appliances, bicycles or similar articles.

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