

## CONTRACT OF LEASE

### KNOW ALL MEN BY THESE PRESENTS:

This CONTRACT OF LEASE made and entered this 18<sup>th</sup> day of April 2006, by and between:

**FREDERICK R. CHIONG & LENIE L. CHIONG**, both of legal ages, Filipino citizens and with postal address at 219 unit 10 Makaturing St., corner Biak na Bato St., Quezon City hereinafter referred to as the LESSOR;

- a n d -

**GOOD VOYAGE SHIPPING LINES, INC.**, a legally registered Philippine corporation with postal address at UG- 11 Pioneer Tower 1, Pioneer St., Mandaluyong, City, hereinafter referred to as the LESSEE and represented by its President, **ALEXANDER A. TAN**;

### WITNESSETH THAT:

WHEREAS, the LESSOR is the lawful owner of a newly contracted commercial office building located on a 316 sq.m. lot with T-84,572 LOT 1 BLOCK 4 located along Calle Corcuera corner Madrid Valderosa St., Zamboanga City.

WHEREAS, the LESSEE desires to lease the corner unit measuring 4.90 meters x 4.00 meters of the above-mentioned premises and the LESSOR is willing to lease the same unto the LESSEE subject to the following terms and conditions herein specified:

NOW, THEREFORE, for and in consideration of the foregoing and mutual covenants herein contained, the LESSEE by these presents does hereby lease from the LESSOR said premises under the following terms and conditions:

#### 1. TERM:

The term of this lease shall be for a period of Five (5) years commencing on June 1, 2006 and expiring on May 30, 2011. Any renewal of this lease shall be at the LESSOR's discretion; provided the LESSEE must signify his/her intention to renew this contract by serving written notice to the LESSOR at least thirty (30) days prior to the expiration of this lease. Renewal is subject to a ten (10%) percent increase on the monthly rental;

#### 2. RENTALS AND DEPOSIT AS SECURITY FOR LIQUIDATED DAMAGES:

The LESSEE shall pay a monthly rental of Six Thousand Two Hundred Forty Pesos (P6,240.00) per month for the first year, Seven Thousand Pesos (P7,000.00) per month for the second and third year, and Seven Thousand Seven Hundred Pesos (P7,700.00) per month for the fourth and fifth years, Philippine Currency.

Prior to or upon the commencement of this Contract of Lease, the LESSEE agrees to pay the sum of Twelve Thousand Four Hundred Eighty Pesos (P12,480.00), Phil. Currency, as advance rental for Two (2) months and

to tender Twelve (12) Postdated Checks as monthly rental for the remaining months of the lease contract each amounting to Seventy Four Thousand Eight Hundred Eighty Pesos (P74,880.00), Phil. Currency;

**3. PAYMENT OF UTILITIES AND ASSOCIATION DUES:**

The LESSEE shall be responsible for the monthly payment of utilities charges such as electricity, water telephone and any repair and services rendered in his/her favor, up to the date when the LESSEE vacates the leased premises in accordance with the terms and conditions of this leased contract;

**4. SECURITY SERVICES:**

The LESSOR shall not be held liable or accountable for any loss or losses that may be suffered by the LESSEE in the leased premises by reasons of theft, robbery and other crimes;

**5. BUSINESS PURPOSES / USE OF PREMISES:**

The leased premises shall be used only and exclusively for business purposes only.

**6. IMPROVEMENTS, ALTERATIONS, ADDITIONS, ETC.:**

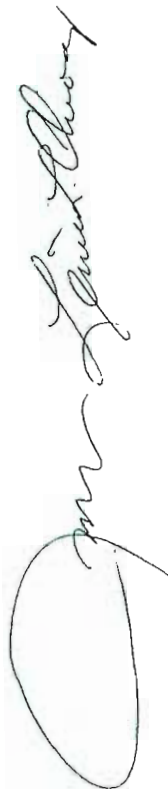
The LESSEE shall not make any major structural changes, alteration, additions or improvements in the leased premises without the written consent of the LESSOR. However, any major alteration or improvements made or introduced by the LESSEE, without defacing or damaging the building, in the leased premises, and with the written consent of the LESSOR shall, upon the termination of this contract automatically insure to the said premises and become property of the LESSOR without any obligation on the latter's part to refund its value or cost to the LESSEE;

**7. SANITATION AND REPAIRS:**

The LESSEE shall keep the LEASED PREMISES clean and in sanitary condition and keep it all times at his/her expense in good condition free from obnoxious odors and disturbing noises, and upon expiration of this lease, shall surrender and return them in as good condition as the premises were actually found at the beginning of the lease. The LESSEE shall not drive nails, screws, hooks, or other abutments on the walls, doors, windows, frames or other portions of the building or any manner deface or damage any part of the premises of the building. The LESSOR shall be responsible for all major repairs on electrical, water and sewage installations caused by ordinary wear and tear amounting to more than Ten Thousand Pesos (P10,000.00), Phil. Currency, except for repairs due to the fault or negligence of the LESSEE, members of his/her household, guests or visitors. Minor repairs of One Thousand Pesos (P1,000.00), Phil. Currency, and below for each occurrence shall be for the account of the LESSEE. The LESSEE shall allow the LESSOR or his representative access to the premises routine inspection at reasonable hours.

**8. REPLACEMENTS:**

The LESSEE shall bear the replacement of light bulbs, fuses, locks or broken handles, lost keys and any equipment owned and installed by the LESSOR, replacement or restoration of any damage or breakage due to the LESSEE's personnel, guests and any other items of repair which, as a result, is due to the LESSEE's negligence. In making repairs and replacements, the LESSEE shall maintain the quality of the fixtures and appurtenances of the leased premises;



**9. FIRE HAZARD AND OBNOXIOUS SUBSTANCE:**

The LESSEE shall not keep, deposit or store in the leased premises any obnoxious or flammable, explosive materials or substance that might constitute a fire hazard, except those necessary for ordinary household use.

In case of damage to the leased premises or its appurtenance by fire, earthquake, war or other related unforeseen cause, the LESSEE will give immediate notice hereof to the LESSOR. If the building or leased premises be so nearly destroyed as to make it uninhabitable without the fault or neglect of the LESSEE, either party may demand for the rescission of this contract;

No compensation or claim shall be allowed against the LESSOR by reason of the inconvenience, annoyance or injury arising out of the necessary repair to any portion of the building whenever the necessity may arise.

If the cause of the destruction is attributable to the LESSEE, then the damage shall be repaired at the exclusive expense of the LESSEE.

**10. TAXES AND INSURANCE:**

Real estate taxes, government assessments and fire insurance charges shall be for the account of the LESSOR.

**11. THIRD PARTY LIABILITY:**

The LESSEE during its occupancy of the leased premises shall hold the LESSOR free and harmless from any damage or liability or responsibility to any person or property arising out of, or as a consequence of the use of the property by the LESSEE, his/her employees or guests;

**12. GUARANTEED LEASE:**

The LESSEE hereby warrants a guaranteed FIVE (5) leased period and no amount of the Security Deposit shall be refundable to the LESSEE should pretermination take place at this time without prejudice to other damages and claims that may be due to the LESSOR to protect his rights and/or enforce any terms hereof, and for which the LESSEE shall also be liable.

**13. SALE, TRANSFER AND MORTGAGE:**

The LESSOR reserves the right to mortgage, sell, transfer or otherwise dispose of the leased premises, provided the LESSEE's rights under this lease are respected. The LESSEE binds himself/herself to allow the LESSOR or his authorized representative to enter the premises together with prospective buyers at reasonable hours and with prior notice;

**14. INSPECTION OF THE PREMISES:**

The LESSEE shall maintain the leased premises in good tenantable conditions, ordinary wear and tear excepted, and for such purpose the LESSOR reserves the right at reasonable time and with prior notice to enter and inspect the leased premises and to make necessary repair thereof, and during the last two (2) weeks of the terms of lease, the LESSOR has the right to inspect the leased premises.

**15. RETURN OF THE PREMISES:**

Upon termination of the period of the lease, except upon renewal or extension at the LESSOR's option, the LESSEE shall peacefully vacate the leased premises without delay whatsoever and restore possession thereof to the LESSOR with the complete set of keys and in as good condition as when it was first occupied (ordinary wear and tear expected), and in a clean and orderly manner. The LESSOR shall have the right to show the leased premises

to prospective tenants at reasonable hours and with notice during the sixty (60) days prior notice to termination of this Contract of Lease.

**16. RULES AND REGULATIONS:**

In the event of any case of breach of any of the terms and conditions of this lease, the LESSOR is entitled to collect damages to the leased premises, cost of collection, expenses of any litigation and reasonable attorney's fees.

**17. VIOLATIONS:**

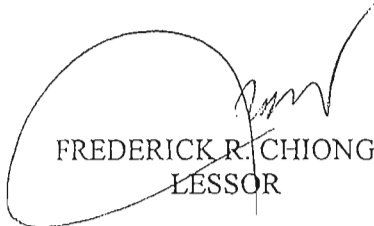
Any violations of the terms and conditions provided for in this contract on the part of the LESSEE or LESSOR shall be sufficient grounds for the termination of this Contract of Lease by the aggrieved party.

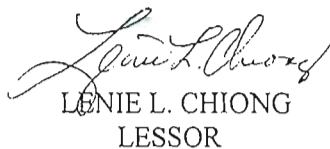
**18. VENUE OF ACTIONS:**

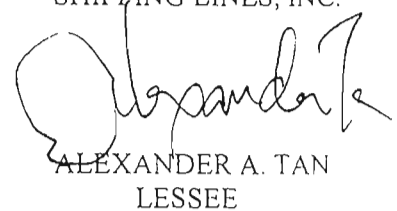
In the event of litigation hereon, the parties mutually submit themselves to the jurisdiction of the courts of the City of Mandaluyong to the exclusion of all other courts.

IN WITNESS WHEREOF, we have hereunto affixed our signatures, this 11<sup>th</sup> day of April, 2006 at Mandaluyong City.

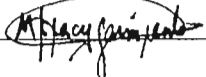
GOOD VOYAGE  
SHIPPING LINES, INC.

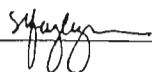
  
FREDERICK R. CHIONG  
LESSOR

  
LENIE L. CHIONG  
LESSOR

  
ALEXANDER A. TAN  
LESSEE

SIGNED IN THE PRESENCE OF:

1.  \_\_\_\_\_

2.  \_\_\_\_\_

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES )  
QUEZON CITY S.S.

BEFORE ME, a Notary Public for and in the City of QUEZON, personally appeared the following persons, to with:

*Alexander Tan*

<u>NAME</u>	<u>COMM. CERT. NO.</u>	<u>DATE &amp; PLACE ISSUED</u>
FREDERICK R. CHIONG	10180212	Jan. 16, 2006 / Zamboanga City
LENIE L. CHIONG	10019711	Jan. 18 2006 / Zamboanga City
ALEXANDER A. TAN	12310619	Jan. 4, 2006 / Quezon City

All known to me and to me known to be the same persons who executed the foregoing instrument consisting of Five (5) pages and they acknowledged to me that they executed the same freely and voluntarily.

WITNESS MY HAND AND SEAL, this 11<sup>th</sup> day of April 2006 at Mandaluyong City.

QUEZON CITY

*Rafael*  
ATTY. RAFAEL ESTABILL, JR.  
NOTARY PUBLIC

NOTARY PUBLIC  
Until December 31, 2006  
DATE ISSUED JAN. 27 2006  
ISSUED BY QUEZON CITY  
VALID UNTIL DEC. 31, 2006  
TIN NO. 144-519-066

Doc. No. 277 ;  
Page No. 77 ;  
Book No. 77 ;  
Series of 2006.

*Lenie L. Chiong*

*Alexander Tan*