

CONTRACT OF LEASE

KNOW ALL MEN BY THESE PRESENTS:

This CONTRACT OF LEASE (the “Contract”), is made and entered into this 1st day of November, 2013 by and between:

NEWWAVEOFFICES INC, a Corporation duly registered under the laws of the Republic of the Philippines, with office address at the 7th and 15th Floor, BA Lepanto Building, 8747 Paseo de Roxas, Makati CBD, Makati City, represented herein by James Murdoch (hereinafter referred to as the “BUSINESS CENTER”),

- And -

ADEPT GROUP INTERNATIONAL PTE. LTD., a Corporation duly organized under the laws of the Philippines, with headquarters address at on behalf of its representative office in **Office 10**, 7th floor, BA Lepanto Building **8747 Paseo de Roxas, Makati City**, represented here by **Doug Wilson** (hereinafter referred to as the “GUEST”).

WITNESSETH, That:

WHEREAS, the BUSINESS CENTER is a tenant of BA Lepanto Condominium Corporation, which is the owner of the BA Lepanto Building situated at 8747 Paseo de Roxas, Makati CBD, Makati City (the “Building”);

WHEREAS, the BUSINESS CENTER is engaged in the business of operating a business center in certain floors of the Building and offers space/offices for lease, and the GUEST is interested in leasing the unit as described in Annex “A” hereof (the “LEASED PREMISES”):

NOW, THEREFORE, the parties hereto have agreed, and they hereby agree, to enter into the lease of the LEASED PREMISES, subject to the terms and conditions provided in this Contract, as follows:

- 1. INCLUSIONS TO THE LEASED PREMISES.** The BUSINESS CENTER hereby leases the LEASED PREMISES, with the inclusions (which shall be free of charge), as listed in Annex “B” hereof.
- 2. TERM OF LEASE.** This Contract shall have a primary term of **12 months**, but the option to relocate to bigger office within the facility during the lease period and subject to any extension as may be agreed upon by the parties. This Contract shall be effective upon execution of this Contract by the parties and payment of the Initial Payment by the GUEST as provided in Annex “A” hereof.

3. **EXTENSION OF TERM OF CONTRACT.** The parties may agree on an extension of the term specified in paragraph (2) above.
- (a) If upon the expiration of the Lease the period or terms and conditions of the extension have not been agreed upon, and the GUEST is allowed to remain in the LEASED PREMISES pending the agreement of the parties, the terms and conditions of this Contract shall remain in full force, and the Lease shall continue on a month-to-month basis, as provided in Article 1687 of the Civil Code of the Philippines.
 - (b) If upon the expiration of the Lease, and the period or terms and conditions of the extension have not been agreed upon, and the GUEST is not permitted to remain in the LEASED PREMISES but nonetheless remains in the LEASED PREMISES, the GUEST shall be required to pay Rental Charges as follows, depending on the length of occupancy: (i) Up to twenty-four (24) hours: twenty-five (25%) of the Rental Charge; (ii) Up to thirty-six (36) hours: fifty percent (50%) of the Rental Charge; and (iii) More than thirty-six (36) hours: one hundred percent (100%) of the Rental Charge.
4. **RENTAL CHARGE AND OTHER CHARGES.**
- (a) **Rental Charge.** The GUEST shall pay monthly rent in the amount of **PHP 30000, exclusive of VAT.** Rental charges for the succeeding month shall be paid by the GUEST to the BUSINESS CENTER on or before the last day of each month. Should the GUEST fail to pay the Rental Charge by the last day of each month, the BUSINESS CENTER shall have the option to remove the GUEST'S key card access to the LEASED PREMISES.
 - (b) **Other Charges.** The GUEST shall pay Additional Internet Charges, Additional Air-Conditioning Charges, Additional Electricity Charges, Additional Employee Charges, and/or Security Camera Charges in the amounts specified in Annex "B" hereof. The other charges shall be paid by the GUEST to the BUSINESS CENTER, on or before last day of the month in which such other charges were incurred.
 - (c) **Mode of Payment.** Payment of Rental Charges and other charges shall be in Philippine currency, by cash or check in favor of the BUSINESS CENTER, or bank transfer to an account specified by the BUSINESS CENTER, or by any such method specified by the BUSINESS CENTER.
5. **SECURITY DEPOSIT.** The GUEST shall pay to the BUSINESS CENTER **Two (2) months** security deposit in the aggregate amount of **PHP 60000** on or before the execution of this Contract, as part of the Initial Payment in Annex "A" hereof. The Security Deposit shall be applied to any unpaid charges for electricity, water, telephone or other utility charges, association dues, or any damage to the LEASED PREMISES attributable to the fault or gross negligence of the GUEST. The Security Deposit shall not earn interest nor is it intended to be a measure of damages that the BUSINESS CENTER may collect from the GUEST under this Contract. Subject to other provisions in this Contract, this amount is refundable to the GUEST, free of any interest sixty (60) days after termination of this Contract, subject to applicable deduction for whatever utility bills, monthly rental, association dues, and such other charges that have remained unpaid or damages that may

have been incurred; Provided, that the GUEST shall still be liable for any and all bills, rentals, unpaid charges, damages that may exceed the Security Deposit.

6. **AVAILABILITY OF SERVICES.** The inclusions to this Contract are listed in Annex “B” hereof. Normal business hours of the BUSINESS CENTER are from 8 A.M. to 5 P.M. on weekdays only and exclude any holiday as may be determined by law, however, access to the LEASED PREMISES shall be allowed twenty-four (24) hours a day, and seven (7) days a week. During normal business hours, a receptionist may be available to support the GUEST, and air-conditioning is available free of charge (Additional Air-conditioning Charges shall be incurred for use outside of normal business hours). Internet services and electrical power in the LEASED PREMISES shall be available twenty-four (24) hours a day, and seven (7) days a week.
7. **USE OF LEASED PREMISES/ENTRY INTO LEASED PREMISES.** The LEASED PREMISES shall be used by the GUEST only for its lawful business activity. Subject to forty-eight (48) hours’ prior written notice, the BUSINESS CENTER and its duly authorized representatives shall have the right to enter the LEASED PREMISES during reasonable business hours for cleaning, investigation, security checking, or other authorized purposes.
8. **RELOCATION/INCREASE OR DECREASE OF LEASED PREMISES.** Subject to forty-eight (48) hours’ prior written notice, the BUSINESS CENTER may relocate the GUEST in cases of extraordinary repair or maintenance and other valid causes. In addition to the right of first refusal that may be granted to the GUEST to specified units, if any, the parties may agree to increase or decrease the size of the LEASED PREMISES, subject to the availability of space and the needs of either party and subject to an increase or decrease in Rental Charges.
9. **PRE-TERMINATION/TERMINATION.**
 - (a) This Contract may be terminated upon mutual agreement of the parties.
 - (b) Either party may terminate this Contract, by giving written notice of termination, if the other party breaches a material obligation under this Contract, and such breach, if remediable, is not remedied within fifteen (15) days from written notice. The Security Deposit shall be refunded to the GUEST if it is not the breaching party.
 - (c) The GUEST may pre-terminate the Contract, by giving at least thirty (30) days’ written notice to BUSINESS CENTER. The security deposit shall be forfeited in favor of the BUSINESS CENTER.

10. **ABANDONMENT.** If Rental Charges and/or other charges remain unpaid for a continuous period of five (5) days from written demand by the BUSINESS CENTER, the GUEST is deemed to have abandoned the LEASED PREMISES and the BUSINESS CENTER can immediately repossess the same and the personal properties located within the LEASED PREMISES. The keycards accessing LEASED PREMISES shall automatically expire, and no entry to the LEASED PREMISES shall be allowed until all outstanding or overdue balance is paid with the BUSINESS CENTER. Once all outstanding payments are made, the BUSINESS CENTER will renew the keycards. In the event that personal properties of the GUEST are repossessed by the BUSINESS CENTER such properties will be relocated to a suitable storage area at the cost of the GUEST for a period of thirty (30) calendar days, and if still unclaimed thereafter, will be automatically forfeited to the Business Center.
11. **TAXES.** The BUSINESS CENTER shall pay be responsible for all real estate taxes imposed on the LEASED PREMISES. The BUSINESS CENTER shall withhold value added tax on the Rental Charges and other charges, as applicable. The GUEST shall be responsible for the documentary stamp taxes in relation to this Contract.
12. **REPAIRS AND MAINTENANCE.** The BUSINESS CENTER agrees to maintain in good repair the structural soundness of the LEASED PREMISES. The GUEST shall at its own expense, maintain the LEASED PREMISES in a sanitary condition, and upon expiration of the lease, surrender and return the same in the same condition as it was actually found at the beginning of the term of the lease, ordinary wear and tear excepted
13. **INDEMNITY.** Either party shall indemnify and hold the other party harmless against any damage(s) caused to the LEASED PREMISES or the BUSINESS CENTER's facilities that is not due to normal wear and tear, or to any third party, if such damage is the result of any willful act or gross negligence, or the breach of this Contract by a party.
 - (a) The GUEST agrees to indemnify the BUSINESS CENTER against any liability arising from or connected with the use of the Leased Premises due to any breach of violation by the GUEST of the stipulations of this Contract and/or the house rules and regulations of the BUSINESS CENTER and/or Building. The GUEST shall be liable for its use of network computers, communication services, and wireless and wired telecommunications within the BUSINESS CENTER. The GUEST may be required to compensate the BUSINESS CENTER and third parties for any damage caused by hacking, pirating, or otherwise harming the telecommunications and Internet systems caused by the willful act or gross negligence of the GUEST.
 - (b) The BUSINESS CENTER agrees to indemnify the GUEST against any liability arising from or connected with the use of the Leased Premises due to any breach of violation by the BUSINESS CENTER of the stipulations of this Contract and/or the house rules and regulations of the BUSINESS CENTER and/or Building. The BUSINESS CENTER shall not be liable to the GUEST for any stoppage, outages, or failures in services from third party vendors such as telecommunications, internet, housekeeping, electricity, water, or suppliers which were not a direct result of the BUSINESS CENTER's willful act, gross negligence or breach of this Contract.

- 14. ASSIGNMENT AND SUBLETTING.** The GUEST shall not be allowed to assign this Contract or sub-lease the entire or part of the Leased Premises, without the written consent of the BUSINESS CENTER.
- 15. REPRESENTATIONS AND WARRANTIES OF THE GUEST.** The GUEST hereby warrants the following:
- (a) It has the requisite power and authority, as owner, to enter into this Contract and to carry out its obligations hereunder.
 - (b) All the necessary legal actions for the execution, delivery and performance of this Contract have been duly taken and this Contract constitutes its valid and binding obligation, enforceable against it in accordance with the terms hereof.
 - (c) It has correctly and truthfully registered all information in the Contract, particularly the name of the organization and its authorized signatory. This shall be considered an essential obligation of the GUEST under this Contract.
 - (d) It shall comply with all the required approvals, permits, licenses, and other documentary requirements by any and all Philippines government authorities.
 - (e) It shall comply with all Philippine government regulations, laws, and requirements to operate and do business in the Philippines.
 - (f) It shall comply with the house rules and regulations of the BUSINESS CENTER and the Building.
 - (g) It is fully capable of and able to pay for all of the Rental Charges and other charges hereunder.
- 16. REPRESENTATIONS AND WARRANTIES OF THE BUSINESS CENTER.** The BUSINESS CENTER warrants the following:
- (a) It has the requisite power and authority, as owner, to enter into this Contract and to carry out its obligations hereunder.
 - (b) All the necessary legal actions for the execution, delivery and performance of this Contract have been duly taken and this Contract constitutes its valid and binding obligation, enforceable against it in accordance with the terms hereof.
 - (c) Nothing will adversely affect the GUEST's peaceful occupation and full enjoyment of the Leased Units during the term of this Contract.
 - (d) It has a valid and current lease agreement with Zamcore Realty Development Corporation for the BUSINESS CENTER's entire premises, and is authorized to sub-lease the LEASED PREMISES, and the foregoing shall remain valid for the entire period of this Contract.
 - (e) It is operating with all valid and authorized licenses, permits and approvals from the national and local government of the Philippines.
 - (f) It shall be covered by general liability insurance at all times in order to address fire, earthquakes and other natural disasters.
- 17. COMPLETE AGREEMENT.** This Contract contains a complete expression of the agreement between the parties and there are no promises, representations or inducements except such as are herein provided. This Contract shall inure to the benefit of and be binding upon the parties hereto and their respective heirs, legal representatives, successors and assigns.

18. **GOVERNING LAW AND DISPUTE RESOLUTION.** This Contract shall be governed and construed in accordance with the laws of the Philippines. To the fullest extent permitted by applicable law, any legal action or proceeding with respect to this agreement shall be subject to arbitration in accordance with Republic Act No. 9285 or the Alternative Dispute Resolution Act of 2004.

IN WITNESS WHEREOF, the parties hereto have hereunto set their signatures on this **25th day of October, 2013 at Makati City.**

James R. Murdoch
President
NEWWAVEOFFICES, INC

Doug Wilson
ADEPT GROUP INTERNATIONAL PTE. LTD.

**ANNEX A
LEASED PREMISES AND RENTAL CHARGES**

Leased Premises

Description : Office Number 10
12 square meter office

Number of Employees

Number of Employees : 5 employees

Internet Bandwidth : Tenant is granted 2Mbit connection complimentary

Telephone Lines : Tenant is granted 0 telephone lines

Telephone Numbers : Tenant is granted 0 telephone number

Rental Charges

Rental Charge : PHP 30000 per month

Additional Internet Charges : PHP per month

24/7 Operation Electricity : PHP per month

Telephone Charges : PHP per month

Parking : PHP per month

VAT : PHP 3600 per month

Total Initial Payment

Security Deposit : PHP 60000
Consisting of Two (2) Months of Rental Charge

Advance Rent : PHP 30000 (EX Vat)

Additional Charges : PHP 0

VAT on Advance Rent : PHP 3600

Total Initial Payment : PHP 93600