

MULTI-YEAR CONTRACT OF LEASE

KNOW ALL MEN BY THESE PRESENTS:

This **CONTRACT OF LEASE** made and entered into by and between:

MR. VICTOR T. ASTUDILLO, of legal age, Filipino, married and duly registered owner of **VP SKYVIEW BUILDING** with postal address at Magallanes Street, Zone 5, Bangued, Abra, represented herein by **MR. LESTER I. ASTUDILLO** by virtue of a Special Power of Attorney (Annex "A"), referred to as the "**LESSOR**";

-and-

The **PHILIPPINE HEALTH INSURANCE CORPORATION**, a government owned and controlled corporation duly created, organized and existing by virtue of Republic Act No. 7875, as amended, with principal office at the 4th Floor, SSS Building, Harrison Road, Baguio City, represented herein by its Regional Vice President, **ELVIRA C. VER**, referred to as the "**LESSEE**".

WITNESSETH THAT:

WHEREAS, the **LESSOR** is the registered and absolute owner of the **VP SKYVIEW Building**, located at Magallanes Street, Zone 5, Bangued, Abra and made available certain area therein for lease to the **LESSEE**;

WHEREAS, the **LESSOR** has agreed to lease and let as it hereby leases unto the **LESSEE**, and the latter agreed to accept, as it does hereby accept under lease, a portion of the above described covered property measuring **ONE HUNDRED SEVENTY TWO Square Meters (172 Sq. M)** hereinafter referred to as the "**LEASED PREMISES**";

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

1. **SUBJECT OF LEASE.** **ONE HUNDRED SEVENTY TWO Square Meters (172 Sq.M.)** located at Magallanes Street, Zone 5, Bangued, Abra.
2. **TERM OF LEASE.** This Multi-Year Contract of Lease shall commence on **October 1, 2012** and ends on **September 30, 2015**.
3. **LEASE RATE.** The total contract price is **NINE HUNDRED SEVENTY TWO THOUSAND PESOS (P 972,000.00)** equivalent to **TWENTY SEVEN THOUSAND PESOS (P 27,000.00)** per month inclusive of VAT and all government required fees, taxes and maintenance cost, to be paid on or before the tenth (10th) day of the succeeding month upon presentation of a billing or notice for payment. The withholding tax shall be remitted by the **LESSEE** who shall provide the **LESSOR** the certificate of taxes withheld.

4. TECHNICAL SPECIFICATIONS

4.1. Location

The office space should be situated at the ground level of the building and must be accessible to public transport. It must have adequate and properly installed drainage system and must not be located at the flood prone area.

8

9

9

4.2. Space Requirement

The property should have available office space at the ground floor, at least 172 sq.m. for lease. It should be understood that spaces of external and internal walls within the perimeter whether permanent or temporary, as well as fire exits, common corridors, common hallways, common restrooms are not considered in the computation of total office floor area.

4.3. Parking Requirement

The lessor shall provide for free at least four (4) parking slots for the exclusive use of the LHIO vehicles, employees, clients and visitors of PhilHealth aside from non-exclusive privilege to use common parking space/area.

4.4. Building Equipment and Facilities

The office building's over all façade and architectural design is appropriate for an office building; it must be structurally safe and shall be made of reinforced concrete, structural steel or combination of both.

The building must have the following facilities/ amenities, viz:

- a. Main separate meter/ or sub-meter for electric and water supply exclusively for the use of the lessee;
- b. Sufficient electrical fixtures, lighting fixtures and convenience outlets. There should also be a provision for electrical system single phase or three phases for air-conditioning units and other office equipment to be installed.
- c. Fire/ emergency exits;
- d. Electrical facilities / Requirements:
 - a. With electric power connection and own meter capable of handling at least 50KW power requirement;
 - b. All electrical fixtures , convenience outlets, switches, and telephone jacks / terminals shall be in good working condition;
 - c. All electrical components within the building shall meet the electrical load requirements provided by PhilHealth.
- e. The building should be ready for the installation of telephone lines.
- f. The lessor shall provide separate restrooms for PhilHealth clientele, stakeholders and visitors.
- g. The building owner should provide for free and adequate space for the installation of the horizontal / vertical signage.
- h. Electrical outlet / systems for the sufficient lighting of the PhilHealth signage must be provided.
- i. PhilHealth should be allowed to improve and/or renovate walls, windows and floors for the installation of air conditioning units and other equipment;

4.5. I.T. Requirements

The building must have the following:

- a. Provision on the installation of horizontal and vertical network cabling (Structures cabling Infrastructure)
- b. The ceiling should have at least 2.4 meters clear space from the bottom of the beams and slab, etc, for the installation of horizontal cabling of data cables; -
- c. PhilHealth should be allowed to renovate/improve portion of wall and floors for the installation of data cables;
- d. The ceiling must have enough space for the installation of network cables and wiring harness; and
- e. With facility for cable entry (service entrance) for the possible installation of network cables from telecommunications Room/Server Room/ IT Room.

4.6. Other Provisions

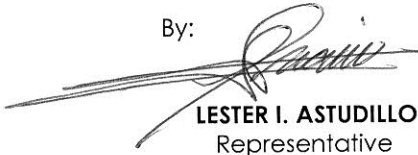
- a. The lessor shall apply pest control and rodent control on all areas occupied by PhilHealth at least once a year.
 - b. The lessor shall undertake major external repairs and maintenance of the premises, civil, electrical, and sanitary components such that all expenses for the aforementioned shall be shouldered by the owner/ administrator of the building.
 - c. Leasehold improvement and PhilHealth signage installation (plan to be presented after ocular inspection of the facility being offered for lease) must be allowed.
5. **DEPOSIT.** Upon execution of this contract, the amount of **FIFTY FOUR THOUSAND PESOS (P 54,000.00)** or equivalent to two months rental shall be paid to the **LESSOR** as security deposit. The **LESSOR** shall return the deposit without need of prior demand to the **LESSEE** within ten (10) calendar days at the end of the term there being no renewal entered into by the parties, less expenses for the repair of the premises and unpaid utility bills, if any.
6. **PRE-TERMINATION.** Any party may terminate this Contract of Lease for any cause at any time before the expiration of the term agreed upon by giving the other party thirty (30) day written notice of termination prior to the intended date without incurring any liability as to damages.
7. **CONTRACT EXTENSION.** Within thirty (30) days prior to the expiration of this contract of lease, the **LESSEE** will make formal notice to the **LESSOR** of its intention to extend and within which period the parties will negotiate and enter into such term or condition as may then be mutually agreed upon.

IN WITNESS WHEREOF, the parties hereto have signed this **CONTRACT OF LEASE** this 25 SEP 2012 day of September, 2012 at **BAGUIO CITY**, Philippines.

VICTOR T. ASTUDILLO
(Lessor)

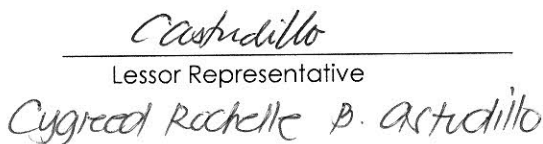
PHILIPPINE HEALTH INSURANCE CORPORATION
(Lessee)

By:


LESTER I. ASTUDILLO
Representative


ELVIRA C. VER
Regional Vice President

Signed In the presence of:


Lessor Representative


IMELDA CRISTETA D. VILLAMAR
Management Services Division Chief



ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
Baguio City) S.S.

BEFORE ME, personally appeared:

NAME	CTC NO.	DATE / PLACE OF ISSUE
ELVIRA C. VER	03509670	January 2, 2012, Dagupan City
LESTER I. ASTUDILLO	19306566	march 20, 2012 Baguio, Abra

Known to me and to me known to be the same persons who executed the foregoing instruments and acknowledged that the same is their free act and deed.

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

Doc No. 082
Page No. 077
Book No. 11
Series of 2012

Melita Amylesha D. Macaraeg
MELITA AMYLESHA D. MACARAEG
Notary Public
Until December 31, 2012
N.A. No. 78-NC-11-R
Roll No. 50761
IBP Lifetime ID No. 06946
PTR No. 0793713/02-Jan 2012/Baguio City

[Signature]

SPECIAL POWER OF ATTORNEY


KNOW ALL MEN BY THESE PRESENTS:


WE, **SPOUSES VICTOR GEORGE T. ASTUDILLO and PERLA I. ASTUDILLO**, both of legal age, Filipinos, and residents at No. 8 Gomez St., Zone 5, Bangued, Abra, hereby name, appoint and constitute our son – **LESTER I. ASTUDILLO**, of legal age, Filipino, married, and a resident of the same address, to be our true and lawful attorney in fact to do the following acts, to wit:

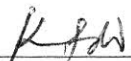
1. To act as **ADMINISTRATOR** and to manage the commercial building referred to as **VP Bldg.**, covered by Tax Declaration No. 14546 located at Magallanes St. Bangued, Abra.
2. To enter into contracts of lease over the property with third persons;
3. To sign any document in relation thereto.

HEREBY GIVING AND GRANTING unto our said attorney-in-fact full power and authority whatsoever requisite or necessary or proper to be done in the exercise of any of the foregoing acts, and hereby ratifying and confirming all that our said attorney shall lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, we hereunto set our hands this 24th day of July 2012 at Baguio City.


VICTOR GEORGE T. ASTUDILLO
OSCA ID No. 10187 issued on December 8,
2008


PERLA I. ASTUDILLO
OSCA ID No. 10647 issued on January 30,
2009

 **WITNESSES**

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

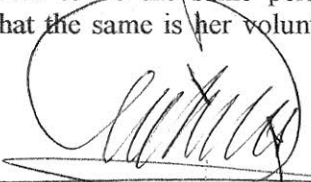
ACKNOWLEDGMENT

BEFORE ME, this 24th day of July 2012 at Baguio City personally appeared **VICTOR GEORGE T. ASTUDILLO and PERLA I. ASTUDILLO** with their competent evidence of identities as indicated above below their names, to me known to be the same person who executed the foregoing instrument and acknowledged to me that the same is her voluntary acts and deeds.

WITNESS MY HAND AND SEAL.

Doc No. 238
Page No. 04
Book No. 26
Series of 2012


CERTIFIED TRUE COPY


LIBERATO V. TADEO
N.A. NO. 07-NC-12-R
Notary Public for Baguio City
Until Dec. 31, 2013
Room B-207 Lopez Bldg.
Session Road, Baguio City
Tel. No. (074)442-6542
Roll No. 33597
PTR 0793008/12.27.11/B.C.
IBP 863403/12.27.11/B.C.