

CONTRACT OF LEASE

KNOW ALL MEN BY THESE PRESENTS:

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

MB 8 CORPORATION, a Corporation duly organized and existing under the laws of the Republic of the Philippines, with principal office address at BINGO VILLA INN, # 32 Mystical Rose Hamada Subdivision, Baguio City, represented in this act by its **OWNER, BETTY L. RILLORAZA**, hereinafter referred to as the "**LESSOR**",

-and-

PHILIPPINE HEALTH INSURANCE CORPORATION, a Government Owned and Controlled Corporation duly created, organized and existing under the Philippine Laws with principal office address at 4/F SSS Building, Harrison Road, Baguio City, represented herein by its **REGIONAL VICE PRESIDENT, ELVIRA C. VER**, referred to as the "**LESSEE**".

-Witnesseth-

WHEREAS, the **LESSOR** is the registered and absolute owner of **MB 8 CORPORATION-BINGO VILLA INN** located at # 32 Mystical Rose Hamada Subdivision, Baguio City.

WHEREAS, the **LESSOR** has agreed to lease and let as it hereby leases unto the **LESSEE**, and the latter has agreed to accept, as it does hereby accept under lease, a portion of the above described covered property measuring **THREE HUNDRED EIGHTY ONE and 40/100 Square Meters (381.4 Sq.M.)** with additional free space of **SEVENTY Square Meters (70 Sq. M.)**, hereinafter referred to as the "**LEASED PREMISES**";

NOW, THEREFORE, for and in consideration of the above stipulations, 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.** **Three Hundred Eighty One and 40/100 Square Meters (381.40 Sq.M)** located at Bingo Villa Inn, # 32 Mystical Rose Hamada Subdivision, Baguio City.

2. **TERM OF LEASE.** This Contract of Lease shall commence on **September 8, 2012** and ends on **December 31, 2012**.

3. **LEASE RATE.** The total contract price is **THREE HUNDRED FIFTY FIVE THOUSAND NINE HUNDRED SIXTY PESOS (P355,960.00)** or **EIGHTY EIGHT THOUSAND NINE HUNDRED NINETY PESOS (P88,990.00)** inclusive of all government required fees and taxes, to be paid on or before the fifth (5th) day of the following 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. The LESSOR agrees to comply with the following technical specifications:

SPACE REQUIREMENT

The total space requirement (useable) shall be **THREE HUNDRED EIGHTY ONE AND 40/100 Square Meters (381.4 Sq. M.)** with additional free space of **SEVENTY Square Meters (70 Sq. M.)**

The area to be provided should be located higher than the ground / road level.

PARKING REQUIREMENT

The LESSOR shall provide a free parking area for at least two (2) vehicles exclusive for PhilHealth.

BUILDING EQUIPMENT & FACILITIES

The warehouse shall be made of reinforced concrete, structural steel or combination of both that will retard fire.

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

1. Electrical and water consumption shall be inclusive of the rental fee.
 - a. Sufficient electrical fixtures, lighting fixtures and convenience outlets.
 - b. All electrical fixtures, convenience outlets, switches and telephone jacks / terminals (if available) shall be in good working condition;
2. Electrical power connection shall be capable of handling at least 30 kilowatts.
3. Construction of fire exit within one month from execution of lease contract.
4. Provision of personnel comfort room for male and female.
5. Provision of exhaust fan for ventilation.
6. Floor to ceiling clearance must be at least 3.0 meters.
7. Ceilings and wall must be properly covered, plastered and free from leaks, seepages, drippings and trickles.
8. Flooring must be cemented slab.

OTHER TECHNICAL SPECIFICATIONS

1. Area to be leased should be clean;
2. Surroundings must be safe and secure;
3. Area must be free from rodents or other animals that may infest the area.

5. 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.

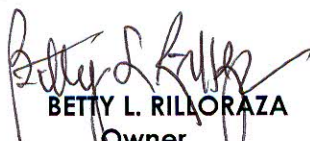
6. CONTRACT EXTENSION. Within thirty (30) days prior to end of contract, the **LESSEE** shall make formal notice of its intention to **EXTEND** with the **LESSOR** and within which period the parties will negotiate and enter into such term or condition as may then be mutually agreed upon.

5. DEPOSIT. Upon execution of this contract, the amount of **ONE HUNDRED SEVENTY SEVEN THOUSAND NINE HUNDRED EIGHTY PESOS (P177,980.00)** or equivalent to **TWO (2)** months rental as security deposit to be deducted from the amount of **TWO HUNDRED FIFTEEN THOUSAND PESOS (P 215,000.00)** which was previously constituted by the **LESSEE** by virtue of a Contract of Lease executed on January 12, 2012. The difference of **THIRTY SEVEN THOUSAND AND TWENTY PESOS (P 37,020.00)** shall be taken up as partial advance payment for September 2012. 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 the expenses for the repair of the premises and unpaid utilities bill, if any.

6. All other terms, stipulations, covenants and conditions set forth in the previous contract of lease, which are not inconsistent therewith, are hereby incorporated therein and form an integral part thereof and shall remain valid and effective.

IN WITNESS WHEREOF, the parties have signed this contract in representation of their respective principal on this _____ day of 05 SEP 2012 2012 at Baguio City, Philippines.

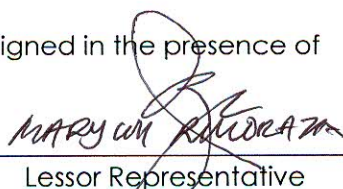
**MB 8 CORPORATION
(LESSOR)**


BETTY L. RILLORAZA
Owner

**PHILIPPINE HEALTH INSURANCE CORPORATION
(LESSEE)**


ELVIRA C. VER
Regional Vice President

Signed in the presence of


MARY C. RILLORAZA
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
BETTY L. RILLORAZA	17238084	FEBRUARY 3, 2012

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.


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. 0793713/03-Jan 2012/Baguio City

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