

CONTRACT OF LEASE

KNOW ALL MEN BY THESE PRESENTS:

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

EDUCATIONAL AND MEDICAL DEVELOPMENT CORPORATION, a duly registered corporation, organized and existing under Philippine laws with principal office at Tapuac District, Dagupan City represented herein by its President, **ATTY. GONZALO T. DUQUE**, hereinafter referred to as the "**LESSOR**";

- and -

PHILIPPINE HEALTH INSURANCE CORPORATION, a government owned and controlled corporation duly registered, organized and existing under Philippine laws with principal office at City State Center Building, 709 Shaw Blvd., cor. Oranbo Drive, Pasig City, represented herein by its Regional Vice President, **ELVIRA C. VER**, hereinafter referred to as the "**LESSEE**".

-Witnesseth-

WHEREAS, the **LESSOR** is the registered and absolute owner of **EMDC BUILDING** situated at Francisco Q. Duque, Jr. Road, Tapuac District, Dagupan City and made available certain areas therein for lease to the **LESSEE**;

WHEREAS, the **LESSEE** is in need of an office building/space that will meet its requirements and conditions for its Regional Office, specifically intended to serve the populace of Region 1 and nearby environs;

WHEREAS, the **LESSOR** and the **LESSEE** have agreed to execute a contract of lease covering the **First, Second, and Third Levels** of the leased building with an area of 1,853.00 square meters;

WHEREAS, by virtue of Office Order No.37 s. 2008 dated May 30, 2008, the President and CEO has the authority in approving/signing for the lease contracts of office space.

WHEREAS, the PRO 1 Bids and Awards Committee (PRO1-BAC) resolved and recommended through BAC Resolution No. 51 s. 2013 dated September 30, 2013 the Award of Contract for the Negotiated Procurement of the Three-Year Lease of Office Space for Regional Office under BAC-RFQ No. 2013-012 to Educational and Medical Development Corporation;

NOW, THEREFORE, for and in consideration of the above premises, the **LESSOR** and the **LESSEE** have mutually agreed, as they hereby agree, to execute this **CONTRACT OF LEASE**, subject to the following terms and conditions, to wit:

RAMON F. ARISTOZA, JR.
CIC Executive Vice President &
Chief Operating Officer

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provided that such advertising medium be of such size and style allowed by law and other local ordinance. The **LESSEE** may put up and maintain at its own expense the required business sign(s).

10. RESPONSIBILITIES OF THE PARTIES –

- A. The **LESSEE** hereby agrees to keep the leased premises in clean, good and sanitary condition at all times in accordance with the quality standards of the building.
- B. The **LESSEE** or his **representative** shall have the right to take out from the building at any time of the day, any of its office furniture, office machine, or any type of office equipment and accessories of any kind.
- C. The **LESSEE** shall be allowed to undertake leasehold improvements but these should not cause the exterior façade of the building to be changed or altered in any way, without the prior written consent of the **LESSOR**.
- D. The **LESSEE** shall see to it that the leased premises are free from annoying sound, disturbing noises, free from obnoxious odors and other nuisances, and that it be used in a manner that will not disturb the peace and tranquility of the other building occupants.
- E. Nothing shall be brought into and stored in the leased premises, on a more or less permanent basis, articles that are fire hazards or will unduly cause the occurrence of fire or explosions, such as explosives of any kind or type, pyrotechnic articles, gasoline or flammable fluids, among others. When this condition is violated and results in damage or destruction to the leased premises, the **LESSEE** shall be conjunctively held responsible for claims from all damages and any action against it for ordinance violation.
- F. The **LESSOR** shall see to it that the premises are rendered in tenantable condition. In the event certain damage or destruction is caused by the occurrence of natural events, repair or restoration within 45 days shall be undertaken by the **LESSOR** granting a proportionate waiver of rental payment for the period of time needed for such repair or restoration. The **LESSEE** may undertake major repairs in the event the **LESSOR** fails to do so within the above stated period of time with the **LESSEE** having the right to be reimbursed of the total cost of repair made or a proportionate waiver of the rental payment, whichever is agreed upon by both parties.
- G. The **LESSOR** shall provide an adequate space free of charge for the installation of the **LESSEE's** horizontal and/or vertical signage. The **LESSOR** shall provide for the post or pole where such corporate logo or signage shall be placed, when needed.
- H. The **LESSOR** shall undertake all major repairs and maintenance on the leased premises such as damage to civil, electrical, sanitary and mechanical

WITNESSES:
Name & Signature
Witness for Lessor

APRY. GONZALO T. DUQUE
President

CYNTHIA S. SANTOS
Chief, Management
Services Division

ELVIRA C. VER
Regional Vice President

DANIEL F. DE LEON
Area Vice President
NCR and Luzon Areas

ATTY. EDGAR JULIO S. ASUNCION
Senior Vice President
Legal Sector

RAMON F. ARISTOZA, JR.
Chief Executive Vice President &
Chief Operating Officer

equipment caused by natural or man-made calamities at his own expense within 24 hours from the time the **LESSEE** has reported the matter to the **LESSOR**. In the event that the leased premises cannot be utilized during the period of repair, the **LESSOR** grants a proportionate waiver of rental payment for such period. The **LESSEE** may undertake major repairs in the event the **LESSOR** fails to do so within the above stated period of time with the **LESSEE** having the right to be reimbursed of the total cost of repair made or a proportionate waiver of the rental payment, whichever is agreed upon by both parties.

- I. The **LESSOR** warrants that the **LESSEE** shall have peaceful possession of the leased premises for the duration of term agreed upon except when the disturbance is caused by natural calamities or acts outside **LESSOR'S** control.

11. LAWS AND ORDINANCES. The **LESSEE** shall comply and abide with the ordinances of the city regarding the use of the premises, comply with health regulations and secure permits or license for its business operations.

12. INSPECTION OF PREMISES. The **LESSOR** or his/its representative, with the proper notice to the **LESSEE** and at reasonable hour of any working day, shall be allowed entry to the leased premises to conduct inspection for repairs or improvements. Subsequent access to the leased premises shall be given to the authorized person/s who will undertake the repair or improvements. The **LESSEE** may designate the time when such repair or improvement will be undertaken in order to lessen inconvenience to the employees and clients, or to avoid disruption of office work or activities.

13. REALTY TAX. The real estate taxes and other payments imposed on the leased property shall be for the exclusive account of the **LESSOR**.

14. VIOLATION. A violation by one of the parties of any of the terms and conditions set forth herein results as a right or basis for the termination of this contract. In such event, the aggrieved party will make a formal notice to the other party of the term and condition violated. However, despite the right to terminate then obtaining, the parties shall endeavor to amicably or extra-judicially settle the matter. Furthermore, if amicable or extra-judicial settlement cannot be arrived at and termination of the contract is the only solution, then the conditions set forth under Section 18 will be applied and the procedures expressed shall be followed.

15. TERMINATION.

- A. This contract of lease shall end on the terminal date agreed upon.
- B. It may also be terminated due to the violation or breach by one of the parties of any of the agreed terms and conditions and amicable settlement cannot be reached by the parties.

Name & Signature
Witness for EN

ATTY. GONZALO T. DUQUE
President


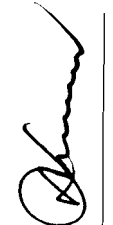
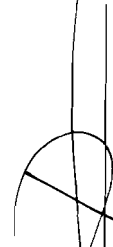

CYNTHIA S. SANTOS
Chief Management

ELVIRA C. VER
Regional Vice President

DANIEL F. DE LEON
Area Vice President
NCR and Luzon Areas

EDUARDO JULIO S. ASUNCION
Senior Vice President
Legal Sector

RAMON F. ARISTOZA, JR.
Executive Vice President &
Chief Operating Officer


ATTY. GONZALO T. DUQUE
President
CYNTHIA S. SANTOS
Chief, Management Services
Division
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Senior Vice President
Legal Sector
RAMON F. ARISTOZA, JR.
OIC, Executive Vice President &
Legal Sector

C. The same shall also be terminated when as a result of the occurrence of natural calamities, the leased premises is rendered unfit for occupancy.

In case the termination occurs due to the expiration of the lease contract, then the **LESSEE** shall peacefully vacate the leased premises and return the same in the condition it was first entered into, except for the effects of ordinary wear and tear. Any movable structures installed by the **LESSEE** may be removed if the office space is vacated. The **LESSEE** should be reimbursed or indemnified by the **LESSOR** of the total cost of improvements made by the **LESSEE** which are suitable to the use for which the lease is intended. Within fifteen (15) days from the expiration of the term of the Lease, the deposit constituted shall be returned by the **LESSOR** to the **LESSEE** without need of demand in accordance with Section 4. In case the termination occurs as a result of the **LESSEE's** breach or violation of any of the terms or conditions agreed upon, the **LESSEE** shall peacefully vacate the premises and return the same to the **LESSOR**. A moving-out period of fifteen (15) days without rental charge shall be allowed by the **LESSOR**.

If termination ensues due to the destruction of the leased premises, the **LESSOR** shall return the deposit constituted within the same period as above-mentioned. The **LESSOR** shall not be answerable or responsible for any damage or injury to the properties or personalities of the **LESSEE** caused by the destruction of the leased premises due to natural events.

16. DELAY IN VACATION OF THE PREMISES. Except as provided for in the immediately preceding paragraph, if the premises are not vacated within the fifteen (15) days grace period allowed by the **LESSOR**, then the **LESSEE** shall be charged with the corresponding proportionate daily rentals of the premises to be effected from the lapse of the grace period. The daily rental payment is without prejudice to the claim for damage caused by the **LESSEE's** delay in vacating the premises.

17. MISCELLANEOUS PROVISIONS. The Technical Specifications, the Bid documents, the Bid Bulletin, and other related issuances on the bid proposal shall form an integral part of this Contract.

18. LITIGATION AND VENUE. The **LESSOR** and the **LESSEE** shall use their best efforts to settle amicably all disputes arising out of or in connection with this Contract or the interpretation thereof.

Any dispute between the above parties as to matters arising pursuant to this Contract which cannot be settled amicably within thirty (30) days after receipt by one party of the other party's request for such amicable settlement may be submitted by either party for arbitration in accordance with the provisions of Republic Act 9285, otherwise known as the "Alternative Dispute Resolution Act of 2004".

The arbitral award and any decision rendered in accordance with the foregoing shall be appealable by way of a petition for review to the Court of Appeals.

- 19. LIQUIDATED DAMAGES.** In case of breach or delay in the performance of obligation by either party, the defaulting party pay liquidated damages of one-tenth (.1%) of one percent (1%) of the cost of unperformed obligation for everyday of delay. The maximum amount of liquidated damages that may be collected shall be ten percent (10%). Once the cumulative amount of the liquidated damages reaches the said limit, the aggrieved party shall have the right to rescind the contract without prejudice to other courses of action and remedies open to it.
- 20. SEPARABILITY CLAUSE.** If any paragraph, sub-paragraph or part of this contract is declared contrary to law, public policy or otherwise declared invalid, such shall not affect the other paragraphs, sub-paragraphs or parts of this contract.
- 21. SUPERSEDING CLAUSE.** This contract of lease supersedes and renders void any and all agreements and undertakings, oral or written, which may have been entered into by and between the parties, the same being considered as having been merged herein. Any changes or alterations in this contract shall be valid if made in writing and duly signed by the parties.

IN WITNESS WHEREOF, the parties hereto have signed this contract in representation of their respective principals this ____ day of _____, 2013 Dagupan City, Philippines.

**EDUCATIONAL AND MEDICAL
DEVELOPMENT CORPORATION**
(Lessor)

By:

ATTY. GONZALO T. DUQUE
President

**PHILIPPINE HEALTH INSURANCE
CORPORATION**
(Lessee)

By:


ELVIRA C. VER
Regional Vice President

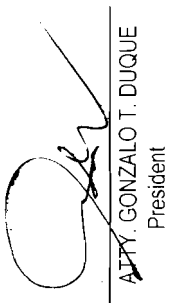
Recommended by:

DANIEL F. DE LEON

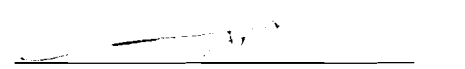
Vice President, NCR and Luzon Areas

ATTY. EDGAR JULIO S. ASUNCION
Senior Vice President
Legal Sector

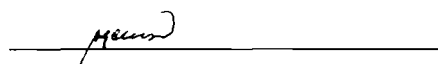

CYNTHIA S. SANTOS
Chief, Management Services
Division


ATTY. GONZALO T. DUQUE
President

Approved by:


RAMON F. ARISTOZA, JR.
OIC, Executive Vice President &
Chief Operating Officer

Signed in the presence of:


Name and Signature
WITNESS for EMDC


CYNTHIA S. SANTOS
Chief, Management Services Division

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
Province of Pangasinan)
City of Dagupan) S. S.

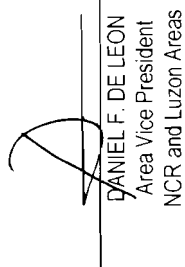
BEFORE ME, this ____ day of MAY 14 2014, 2014, personally appeared the following:

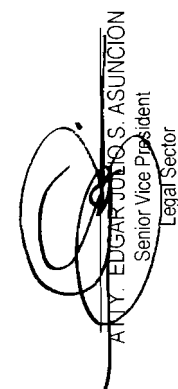
Name	ID No.	Type of ID
<u>ATTY. GONZALO T. DUQUE</u>	<u>XX3799177</u> <u>(until 05/24/2014)</u>	<u>Passport</u>
<u>ELVIRA C. VER</u>	<u>10027098</u>	<u>PhilHealth Company ID</u>

known to me and to me known to be the same persons who executed the foregoing Contract of Lease and acknowledged that the same is their free act and deed. This instrument consisting of seven (7) pages including the page on which this acknowledgement is written has been signed on the left margin of each and every page hereof by the parties and their instrumental witnesses and sealed with my notarial seal.

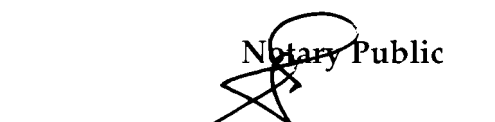
WITNESS MY HAND AND SEAL on the date and place first above written.


ELVIRA C. VER
Regional Vice President


DANIEL F. DE LEON
Area Vice President
NCR and Luzon Areas


ATTY. EDGAR JULIO S. ASUNCION
Senior Vice President
Legal Sector

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Notary Public
ATTY. ALEX NORMAN B. LOMBOY
Notary Public
until December 31, 2015
SRO 2014-06-Dagupan
IDP Life No. 08010 - Ref No. 58072
124 A B Fernandez Ave., Dagupan City
PUN No. 0470001, Dagupan City 1-02-14