

CONTRACT OF LEASE

KNOW ALL MEN BY THESE PRESENTS:

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

PHILIPPINE HEALTH INSURANCE CORPORATION, a government owned and controlled corporation created and existing by virtue of RA 7875 as amended by R.A. 10606, otherwise known as the "National Health Insurance Act of 2013", with regional office address at the Builders Place, Del Rosario St., Tuguegarao City, Cagayan, represented by its Regional Vice President **MR. OSCAR B. ABADU, JR.** hereinafter referred to as the "**LESSEE**",

-and-

MS. MADELYN R. MAMAUAG, of legal age, Filipino, married and with postal address at ATI Building, Don Domingo, Tuguegarao City, Cagayan, hereinafter referred to as the "**LESSOR**",

-Witnesseth:

WHEREAS, the **LESSOR** is the registered and absolute owner of the Golden A.K. located at ATI Building, Don Domingo, Tuguegarao City and made available said space/room for lease to the **LESSEE**;

WHEREAS, the **LESSEE** has formally intended to lease the said space/room from the **LESSOR**,

NOW, THEREFORE, for and in consideration of the above stipulations, the **LESSOR** hereby leases unto the **LESSEE** the abovementioned space/room, subject to the following terms and conditions, to wit;

1. SUBJECT OF LEASE

Golden A.K. room/space, 2nd floor, with a total floor area of **five hundred thirty four (534) square meters**.

2. DURATION OF THE LEASE

- a. This contract of lease shall commence on February 1, 2016 to January 31, 2017, unless sooner terminated in accordance with the provisions hereof.
- b. After expiration of this contract and no new contract has been entered into by the parties, this contract shall be deemed extended on a month to month basis up to such period as may be allowed by law, rules and regulations.

3. LEASE RATE

The lease rate is **Thirty Nine Thousand Nine Hundred Twenty One Pesos and Eighty Four Centavos (Php 39,921.84)** per month inclusive of all government-required fees and taxes and maintenance cost. Rental payment of the leased premises shall be in Philippine Pesos, payable on the tenth (10th) calendar day of the ensuing month upon presentation of a billing or notice of payment. The withholding tax shall be paid by the **LESSEE** who shall provide the **LESSOR** the withholding tax certificate. The **LESSEE** shall pay one (1) month security deposit and one (1) month advance.

Ms. Mamauag

Mr. Abadu

4. BUILDING EQUIPMENT AND FACILITIES

- a. Office building shall be structurally sound and made of reinforced concrete, structural steel or combination of both.
- b. The building must have the following facilities/amenities:
 - i. Main meter and/or sub-meter for electrical and water supply exclusively for the use of PhilHealth;
 - ii. Sufficient supply of water in the building;
 - iii. Sufficient and in good working condition electrical fixtures such as lighting fixtures and convenience outlets.
 - iv. Well ventilated Comfort Rooms (CRs) with working fixtures such as lavatory, hose bib and water closet in each floor for both males and females.
 - v. Ceiling height shall not be less than 3.00 meters.
 - vi. The property is accessible by public transport and emergency vehicle (fire trucks);
 - vii. Preferably there is an available office space for future expansion.

5. TERM OF LEASE

The basic term of contract shall be a period of one (1) year.

6. DOCUMENTARY REQUIREMENTS

- a. Floor plan, Electrical plan (as built), Sanitary plan (as built)
- b. Latest Annual Inspection Permits/Certificates from LGU: Fire Safety Inspection Certificate and Electrical Inspection Certificate;
- c. Occupancy Permit

7. PARKING SPACE

The **Lessor** shall provide for free at least two (2) parking lots for the exclusive use of the RP vehicles, employees, clients and visitors.

8. RESPONSIBILITIES OF THE PARTIES

- A. The **LESSEE** hereby agrees to keep the leased premises clean, and in good condition at all times in accordance with the quality standards set by competent authorities.
- B. The **LESSOR** shall apply pest and rodent control on all the areas occupied by PhilHealth at least once every three (3) months;
- C. The **LESSOR** shall see to it that the premises are in tenable condition. In the event certain damage or destruction is caused by the occurrence of natural events or man-made calamities in the premises such as civil, electrical, sanitary and mechanical equipments/systems/components, an immediate repair or restoration shall be undertaken by the **LESSOR** granting waiver of rental payment for the period of time

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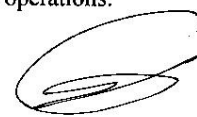
needed for such repair or restoration. The expenses for the aforementioned shall be shouldered by the **LESSOR**.

- D. Busted lighting fixtures may be replaced by PhilHealth;
- E. To lessen inconvenience, minor leasehold improvements shall be allowed prior to written approval of the **LESSOR**.
- F. The **LESSEE** shall have the right to remove from the building any movable structures installed by the **LESSEE** if the office space is vacated.
- G. The common corridors, hallways, and lobbies of the building are destined as passageway for ingress to and egress from the leased premises and no obstruction shall be caused therein by either party.
- H. The **LESSEE** shall not cause the exterior façade of the building to be changed or altered in any way, without the prior written consent of the **LESSOR**.
- I. 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 is used in a manner that will not disturb the peace and tranquility of the building occupants.
- J. 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 of the leased premises, the **LESSEE** shall be held responsible for claims from all damages and any action against it for ordinance violation.
- K. The **LESSEE** shall undertake all ordinary repairs on the leased premises at his own expense. In the event that the leased premises cannot be utilized during the period of the repair, the **LESSOR** grants a waiver of rental payment for such period.
- L. The **LESSOR** shall undertake all major and extraordinary repairs on the leased premises at his own expense. In the event that the leased premises cannot be utilized during the period of repair, the **LESSOR** grants a waiver of rental payment for such period.
- M. 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.
- N. Rental Payment of the leased premises shall be in Philippine Peso and will be based on the agreed amount per square meter, per month, inclusive of VAT, payable within the 10th day of the month.

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9. LAW 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.



10. INSPECTION OF PREMISES

The LESSOR or his representatives, with the proper notice to the LESSEE and at a 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 the inconvenience to the employees and clients, or to avoid disruption of office work or activities.

11. REALTY TAX

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

12. SUBLEASE, TRANSFER OF RIGHTS

The transfer of rights of the LESSEE under this contract and / or the sublease of any part or portion of the leased premises shall not be made unless a written notice to the LESSOR is given and approval of the latter is secured. Any violation of this condition will be basis for the termination of the contract.

13. MORTGAGE AND ENCUMBRANCE

The LESSOR reserves the right to mortgage the property including the leased premises or to sell the property with a prior notice to or consent from the LESSEE, provided further that the terms and conditions in this contract and the rights acquired therefrom by the LESSEE are protected in its entirety.

14. VIOLATION

Any violation by one of the parties 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 guilty party of the term/s and condition/s 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 21 will be applied and the procedures expressed shall be followed.

15. TERMINATION

- A. This contract of lease shall end at the terminal date agreed upon there being no renewal or extension agreed upon by the parties.
- B. It shall 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.
- C. The same shall also be terminated when as a result of the occurrence of natural calamities, the leased premises is rendered in a condition unfit for occupancy.
- D. In case termination occurs due to the expiration of the lease contract and no renewal or extension is agreed upon, 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. Damage or injury to the leased premises caused by the removal of articles or improvements by the LESSEE shall be allowed by the LESSOR, without cost/expense to the former. **PROVIDED HOWEVER,** that all permanent alterations or improvements of whatever nature that was made or introduced thereon with prior written consent by the LESSOR shall, upon completion thereof, form an integral part/s of the leased premises and shall not be removed therefrom, but shall belong to and become the exclusive property of the LESSOR without any right of reimbursement of the cost or value therefrom on the part of the LESSEE, save for the movable improvements that the LESSEE may remove if the same will not destroy the building or any part thereof. In case the termination occurs as a result of the LESSEE's breach or violation of any of the terms and conditions agreed upon, the LESSEE shall peacefully vacate the premises and return the same free of its effects and improvements. Except for ordinary wear and tear, any damage or injury to the leased premises shall be repaired and restored by the LESSEE. A moving out period of five (5) working days without rental charge shall be allowed by the LESSOR. In case the LESSOR is a guilty party, the latter shall also pay damages equivalent to one (1) month rental to the LESSEE before the actual vacation of the premises, without prejudice to the other remedies as provided for by law.

- E. 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 a five (5) days written notice of termination prior to the intended date without incurring any liability as to damages, *subject to the terms and conditions set forth in the preceding sub-paragraphs.*

16. DELAY VACATION OF THE PREMISES

Except as provided for in the immediately preceding paragraph, if the premises is not vacated within the five (5) days grace period allowed by the LESSOR, then the LESSEE shall be charged with the corresponding daily rentals of the premises only to be effected from the terminal date when the premises is totally vacated.

17. LITIGATION AND VENUE

In the event judicial relief against the guilty party is filed before regular courts for the enforcement of the terms and conditions in the contract, the guilty party, in addition to any other damages that may be awarded by the court, is duty bound to pay ten (10%) percent of the amount claimed but in no case less than ten thousand pesos (P10, 000.00) as attorney's fees aside from the cost of litigation and other expenses which the law entitles the aggrieved party to recover. The parties agree that the venue of litigation is in the proper courts of Tuguegarao City, Province of Cagayan.

18. SEPARABILITY CLAUSE

If any paragraph, sub-paragraph or any part of this contract is declared contrary to law, public policy, or otherwise declared invalid, the same shall not affect the validity of the other paragraphs, and of the contract as a whole.



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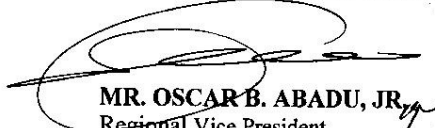
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IN WITNESS WHEREOF, the parties hereto have signed this contract in representation of their respective principals this FEB 02 2016 of _____ 2016, at Tuguegarao City, Cagayan.


GOLDEN A.K.


PHILIPPINE HEALTH
INSURANCE CORPORATION


MS. MADELYN R. MAMAUAG
Lessor


MR. OSCAR B. ABADU, JR.
Regional Vice President

Signed in the presence of:


MS. KELLY MAE D. CALIMAG
Fiscal Controller IV, PRO 02


MR. JOSUE M. ANOG
Official Canvasser, PRO 2

ACKNOWLEDGEMENT

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

BEFORE ME, personally appeared this 02 day of FEB 02 2016
at TUGUEGARAO CITY Philippines.

NAME

MR. OSCAR B. ABADU, JR.
MS. MADELYN R. MAMAUAG

VALID IDENTIFICATION

N02-95-270119 (Drivers License)
PHILHEALTH CARD

Known to me and to me known to be the same persons who executed the foregoing instrument and they acknowledged that the same is their free and voluntary act and deed and that of the institution they represent.

This **CONTRACT OF LEASE** consists of six (6) pages including this, whereon this acknowledgment is written signed by the parties and their witnesses on the left margin of every page.

IN TESTIMONY WHEREOF, I have hereunto signed and affixed my notarial seal on the date and place first above-written.


ATTY. RAYMOND P. GUZMAN
NOTARY PUBLIC

UNTIL DECEMBER 31, 2016
PTR #1778993 ISSUED ON JUNE 04, 2016 AT TUGUEGARAO CITY
ROLL OF ATTORNEY #34044
MCLE COMPLIANCE ISSUED JULY 28, 2013
TUGUEGARAO CITY, CAGAYAN
JULY 28, 2013

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