

CONTRACT OF LEASE

KNOW ALL MEN BY THESE PRESENTS:

This Contract of Lease is made and entered into by and between:

JAMES L. UY, owner of a building for lease, of legal age, Filipino and with business address at A. Flores St., San Pablo City, Laguna, herein referred to as the **"LESSOR"**.

- and -

PHILIPPINE HEALTH INSURANCE CORPORATION REGIONAL OFFICE IVA, a government owned and controlled corporation duly organized and existing by virtue of Republic Act No. 7875, as amended, with Regional Office at Lucena Grand Central Terminal, Brgy. Ilayang Dupay Lucena City, represented herein by its Acting Regional Vice President **ARLAN M. GRANALI**, who is authorized for this purpose through Corporate Order No. 2018-0026 New Delegation and Signing Authority (DSA), a copy of which is attached as Annex A, hereinafter referred as the **"LESSEE"**

- Witnesseth -

The **LESSOR**, is the registered owner of a building for lease located at Cosico Avenue, Brgy. Del Remedio, San Pablo City, Laguna.

The **LESSEE** desired to rent, occupy, and make use of an office space and the **LESSOR** has offered to lease out to the **LESSEE** an office space located at Cosico Avenue, Brgy. Del Remedio, San Pablo City, Laguna with an area of **Four Hundred (400) Square Meters**.

After examination, validation and verification of all the eligibility requirements of the **LESSOR** pursuant to applicable government rules and regulations, the **LESSEE** has accepted the **LESSOR's** offer.

NOW, THEREFORE, for and in consideration of the foregoing premises, the parties agree to the following terms and conditions:

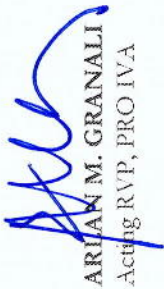
1. **SUBJECT OF LEASE.** An office space of a commercial building located at Cosico Avenue, Brgy. Del Remedio, San Pablo City with a total area of **Four Hundred (400) Square Meters** to be used by PhilHealth as its Local Health Insurance Office (LHIO) in San Pablo City, Laguna.
2. **TERM OF LEASE.** This Contract of Lease is for Nine (9) months, from **April 1, 2022** to **December 31, 2022**.

Upon its expiration, the **LESSEE** has the option to extend this lease on a monthly basis, based on the rental rate and on the same terms and conditions as agreed upon by the parties. Extension of contract shall not exceed one (1) year. The **LESSEE** shall give a written notice of its intention to extend the lease to the **LESSOR** not later than fifteen (15) days prior to the expiry of the period herein agreed upon.

3. **LEASE RATE.** The total lease rate for nine-month period is **One Million Eighty Thousand Pesos only (P1,080,000.00)** inclusive of all government-required fees, applicable taxes and the cost of maintaining the leased premises for regular wear and tear.

The lease rate shall be paid on a monthly basis on or before the tenth (10th) day of the succeeding months upon presentation of a billing or notice for payment seven (7) working days before this deadline. Otherwise payment shall be made within five (5) working days after receipt of the billing from the **LESSOR**. The withholding tax shall be deducted by the


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Owner


ARLAN M. GRANALI
Acting RVP, PRO IVA


BENJIE A. CUVINAR
Division Chief, MSD


Witness


ARON R. RIANO
Witness

LESSEE who shall provide the **LESSOR** the withholding tax certificate. All rental payments shall be payable to the **LESSOR**.

4. **DEPOSIT.** The **LESSEE** shall deposit to the **LESSOR** upon signing of the contract an amount equivalent to the rent for three (3) months or the sum of **Three Hundred Sixty Thousand Pesos only (P360,000.00)**. The deposit shall be applied to the rental payment for the last three (3) months of the contract.
5. **USE OF THE FACILITY/PREMISES.** The leased area shall be used by the **LESSEE** for office purposes and shall not be converted into any other use without prior authority from the **LESSOR**. The use of premises shall be subject to the uniformly applicable building rules and regulations which the **LESSOR** may subsequently provide to all lessees and/or occupants with the objective of safeguarding their persons and properties and fostering a harmonious relationship among the **LESSOR**, the lessees/occupants and the building administrator.
6. **PARKING AND OTHER JOINT-USE AREAS.** The **LESSOR** shall provide for free at least two (2) parking slots/spaces for frontage for the exclusive use of the **LESSEE** for the term of this lease. Likewise, **LESSEE** shall be granted non-exclusive privilege to use the parking areas dedicated for common use on a first come first serve basis.
7. **CORPORATE SIGNAGE.** The **LESSEE** shall have the right to install its corporate/company signage at appropriate location on/at the entrance leading to the leased premises/facility and at suitable place outside the building/premises.
8. **IMPROVEMENTS.** If need arises during the course of this contract, **LESSEE** may make major improvements on the leased facility subject to approval of plan by the **LESSOR/OWNER**. Acquisition of services and materials needed for its implementation shall be done, with charges borne by **LESSEE**, in accordance with existing laws.

Improvements done by and paid for by the **LESSEE** shall remain its property and could be removed at its discretion or at the **LESSOR'S** request upon expiration/termination of this contract when a renewal or award of a new contract is no longer possible.
9. **UTILITIES.** The subject building/facility will be provided with:
 - a. Exclusive electric power supply and facilities capable of handling the **LESSEE's** power requirements. The **LESSEE** shall pay for the electric consumption it will incur based on the monthly meter reading and the electric bill to be sent by the electric company supplier. The **LESSEE** shall be responsible for the consequences of non-payment thereof.
 - b. Daily water supply (preferably from public water service provider) and facilities. The **LESSEE** shall have its own water meter and shall pay the bills it incurred based on its monthly usage. The **LESSEE** shall be responsible for the consequences of non-payment thereof.
 - c. The subject building/facility shall be readily available for installation of telephone lines and communication facilities, which are already registered under the name of the **LESSEE**. All telephone bills and tolls incurred from these lines/facilities shall be paid by the **LESSEE**. The **LESSEE** shall be responsible for the consequences of non-payment thereof.
10. **LIGHTS AND LIGHTING FIXTURES.** The leased area shall be provided with lights, lighting fixtures with fluorescent tubes and diffusers, or equivalent. The **LESSEE** shall be responsible for replacement of these gadgets/materials when damaged or broken. The **LESSOR** is not obligated to provide additional lights and/or lighting fixtures, but the **LESSEE** may provide at its own expense.


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Acting RVP, PRO I/A


BENJIE A. CUVINAR
Division Chief, MSD

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Witness

11. RESPONSIBILITIES OF THE PARTIES

- a. The **LESSEE** shall keep the leased premises/property in clean, good condition. However, repairs and periodic repainting, if necessary, shall be at the expense of the **LESSOR**, unless the need has been brought about by the **LESSEE's** negligence or unreasonable act/s.

In the event certain damage or destruction is caused by occurrence of natural events, immediate repair or restoration shall be undertaken by the **LESSOR**. A moratorium or waiver of rental payment shall be granted to the **LESSEE** for the period of time the facility had been rendered unfit for full operation of **LESSEE**, before and during repair/restoration.

- b. The **LESSOR** shall apply pest control and rodent control on all areas occupied by PhilHealth at least twice a year or once every six (6) months.
- c. The **LESSOR** or its representative/s 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 improvement/s. The **LESSEE** shall 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.
- d. **LESSOR** shall warrant that the **LESSEE** shall have peaceful possession of the leased premises for the duration of this contract as agreed upon except when the disturbance is caused by natural calamities or acts outside the **LESSOR's** control.

12. **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 licenses for its business operations.

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

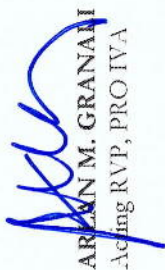
14. **SUBLEASE, TRANSFER OF RIGHTS.** The transfer of rights of the **LESSEE** under this contract and/or the sublease of any part or portion of the leased premises shall not be made unless a written notice to the **LESSOR** is given and the approval of the latter is secured. Any violation of this condition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

15. **MORTGAGE AND ENCUMBRANCE.** The right of the **LESSOR** to mortgage the property including the leased premises or to sell the property shall not be exercised unless a written notice to the **LESSEE** is given. The **LESSOR** shall see to it that the terms and conditions of this contract and the acquired right there from by the **LESSEE** are protected and considered in the preparation of the Contract to Sell or Mortgage. Or if there is an existing contract, that the same is amended to make sure that the rights of the **LESSEE** under this contract are protected.

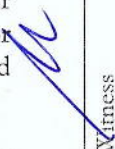
16. **VIOLATION.** A violation by one of the parties of any of the terms and conditions set forth herein results as a right or basis for the termination of this contract. In such event, the aggrieved party will make a formal notice to the guilty party of the term and condition violated. However, despite the right to tax 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, the termination of the contract is the only solution, then the conditions set forth under section 16 will be applied and the procedures expressed therein shall be followed.

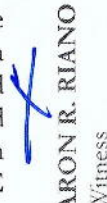
17. **AUTHORITY TO ENTER INTO AGREEMENT.** The **LESSOR** and **LESSEE** represent and warrant to and covenant with each other that they have full power to enter into and perform their obligations under this Agreement and that this Agreement constitutes valid and binding obligations on the **PARTIES** respectively enforceable in accordance with its terms.


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BENJIE A. CUVINAR
Division Chief, MSD


Witness


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18. **TERMINATION.**

- a. This contract of lease shall end on 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 unfit for use and occupation.

In case the termination occurs due to the expiration of the lease contract and no re-execution of the lease agreement is done by the parties, the **LESSEE** shall peacefully vacate the premises. The **LESSEE** shall not be liable for any damage or injury to the leased premises, except when the same is brought about by the negligence of the **LESSEE**.

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 free of its effects and improvements. Any damage or injury to the leased premises shall be repaired and restored by the **LESSEE**.

In case the **LESSOR** is the guilty party, the latter shall pay damages equivalent to **one (1) month rental** to the **LESSEE** before the actual vacation of the premises, without prejudice to other remedies as provided by law.

If termination ensues due to the destruction of the leased premises leaving the premises not fit for its purpose due to natural events or to any cause that is beyond the **LESSOR's** control, the **LESSEE** shall notify the **LESSOR** in writing of the termination. Termination in this case is effective immediately. The **LESSOR** shall not be answerable 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 or to any cause that is beyond the **LESSOR's** control.

- d. Damage or injury to the leased premises caused by the removal of articles or improvements by the **LESSEE** shall be allowed and shall be of no charge by the **LESSOR**.
- e. A moving out period of seven (7) working days without rental charges shall be allowed by the **LESSOR**.
- f. In the event that there are necessary repairs to be done on the leased premises after the termination of the contract and the leased premises is vacated, the **LESSOR** shall undertake such repair at its own.
- g. The **LESSEE** reserves the right to terminate this Contract of Lease for valid and reasonable causes at any time before the expiration of the term agreed upon by giving the other party a written notice of termination sixty (60) days prior to the intended date without incurring any liability as to damages, subject to the terms and conditions set forth in the preceding paragraphs.

19. **DELAY IN VACATION OF THE PREMISES.** If the premises are not vacated within the grace period of seven (7) days allowed by the **LESSOR**, then the **LESSEE** shall be charged with the corresponding daily rentals of the premises from the terminal date to the date when the premises is totally vacated.

20. **NON-WAIVER.** The failure of the **LESSOR** to insist upon the strict performance of any of the terms, conditions and covenants hereof shall not be deemed a relinquishment or waiver of any subsequent breach or default of such terms and conditions and covenants.

21. **LITIGATION AND VENUE.** In the event judicial relief against the guilty party is filed before the regular courts, for the enforcement of the terms and conditions of the contract, the guilty party, in addition to any other damages that may be awarded by the court, agrees to pay ten percent (10%) 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 to


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Acting RVP, PRO IVA


BENJIE A. CUVINAR
Division Chief, MSD


Witness


ARON R. RIANO
Witness

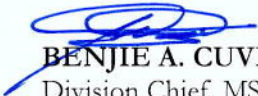
which the law entitles the aggrieved party to recover. The parties agree that the venue of court action is in the proper courts of **Pasig City & Lucena City**.

22. **SEPARABILITY CLAUSE.** If any paragraph, subparagraph or part of this contract is declared contrary to law, public policy or otherwise declared invalid, such shall not affect the validity of other paragraphs, subparagraphs or other parts of this contract.
23. **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 and 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 on this 1st day of April, 2022 at Lucena City.

PHILHEALTH REGIONAL OFFICE IVA

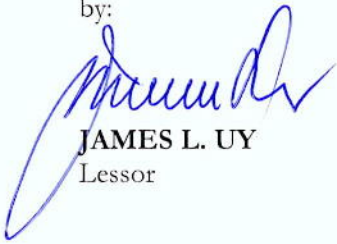
Recommended by:


BENJIE A. CUVINAR
Division Chief, MSD
PRO IVA

Approved by:

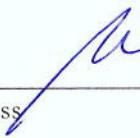

ARLAN M. GRANALI
Acting Regional Vice President
PRO IVA

by:


JAMES L. UY
Lessor

SIGNED IN THE PRESENCE OF:


ARON R. RIANO
Witness



Witness

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
City of SAN PABLO CITY S.S.

BEFORE ME, personally appeared:

Name

I.D. No.

Issued By:

ARLAN M. GRANALI
Philippine Health Insurance Corporation

Pre Registration No. 0047655 12/12/2022

JAMES L. UY

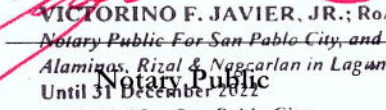
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Known to me and to me known to be the same persons who executed the foregoing Contract of Lease and acknowledged that the same is their free acts and deeds.

This instrument consisting of ____ pages, including the page on which this acknowledgment is written, has been signed on each and every page thereof by the concerned parties and their witnesses, and sealed with my notarial seal.

APR 29 2022

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


VICTORINO F. JAVIER, JR.; RoA#32998
~~Notary Public For San Pablo City, and~~
~~Alaminos, Rizal & Nagcarlan in Laguna Province~~
~~Notary Public~~
Until 31 December 2022
At Mabini St., San Pablo City
Until IBP OR#171986, 04 Jan '22, Pasig City
PTB No. 177191, 03 Jan '22 San Pablo City
Issued on _____
_____ City

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