



Republic of the Philippines  
**PHILIPPINE HEALTH INSURANCE CORPORATION**  
**PhilHealth Regional Office III**  
 PhilHealth Bldg., Lazatin Blvd., San Agustin,  
 City of San Fernando, Pampanga  
 ☎ (045) 963-0299 🌐 www.philhealth.gov.ph  
 📱 PhilHealthRegionIII 📧 teamphilhealth

## CONTRACT OF LEASE OF OFFICE SPACE OF LHIO MALOLOS OF PRO III

### KNOW ALL MEN BY THESE PRESENTS:

This **CONTRACT OF LEASE** is made and entered into this NOV 26 2024 day of \_\_\_\_\_, \_\_\_\_\_ by and between:

**PHILIPPINE HEALTH INSURANCE CORPORATION**, a government owned and controlled corporation created and existing by virtue of Republic Act No. 7875, as amended by R.A. 9241 and R.A. 10606 or the "*National Health Insurance Act of 2013*" and R.A. 11223 or the "*Universal Health Care Act*", with office address at 19<sup>th</sup> Floor, City State Center Building, 709 Shaw Blvd., Barangay Oranbo, Pasig City, represented herein by its, **Acting Vice President of PhilHealth Regional Office III (PRO III) HENRY V. ALMANON**, with office address at PhilHealth Bldg., No. 168 Lazatin Blvd., San Agustin, City of San Fernando, Pampanga, duly authorized to enter into this contract, as evidenced by Corporate Order No. 2018-0026 on *New Delegation and Signing Authority (DSA) in the Head Office and Regional Offices* dated April 10, 2018, which is attached hereto as Annex "A", hereinafter referred to as the "**LESSEE**";

-and-

**OUR BUILDERS WAREHOUSE, INC.**, a private corporation duly registered, organized and existing under the laws of Republic of the Philippines and registered with Securities and Exchange Commission (SEC) with Company Reg. No. CS201817856 and with business address at 157 Mc Arthur Highway, Lolomboy, Bocaue, Bulacan, represented herein by its **Representative, JAKE T. RACAL** hereinafter referred to as the "**LESSOR**".

The **LESSOR** and **LESSEE** shall be individually referred to as "Party" and collectively referred to as "Parties."

-WITNESSETH-

**WHEREAS**, the **LESSOR** is a registered and absolute owner of the building located at **Mc Arthur Highway, Barangay Bulihan, City of Malolos, Bulacan**.

**WHEREAS**, the **LESSEE** desires to lease a portion of the above-mentioned **LEASED PREMISES** for the operation of its **Local Health Insurance Office (LHIO)-Malolos** and the **LESSOR** is willing to offer the same to the **LESSEE**;

**WHEREAS**, in a negotiated procurement concluded on **July 31, 2024**, the **LESSOR** was declared as the bidder with the **Single/Lowest Calculated Responsive Bid**;



WHEREAS, the award of the contract to the LESSOR was recommended by the PRO III Bids and Awards Committee and thereafter approved by the Head of the Procuring Entity through BAC Resolution 220 s, 2024 dated July 31, 2024;

NOW, THEREFORE, in consideration of the foregoing premises, the parties hereto have agreed to be bound under the following terms and conditions:

## TERMS AND CONDITIONS

**1. SUBJECT OF THE LEASE:** The LESSEE intends to lease an office space in a commercial building situated and located at Mc Arthur Highway, Barangay Bulihan, City of Malolos, Bulacan with an area of 822 Square Meters of its available office space to the LESSEE for its LHIO MALOLOS;

**2. TERM OF THE LEASE:** The term shall be for a period of four (4) months from September 1, 2024 to December 31, 2024.

**3. MOVING-IN PERIOD:** The LESSOR shall allow the LESSEE to move-in before the effectivity of the contract, without additional expense/rental charges to the LESSEE. The LESSEE shall notify in writing the LESSOR when the moving-in period shall commence.

**4. CONTRACT PRICE:** The total contract price for the lease of office space is ONE MILLION NINE HUNDRED SEVENTY-TWO THOUSAND EIGHT HUNDRED PESOS ONLY (PhP 1,972,800.00) only for a period of four (4) months as per approved COB.

**5. RENTAL PAYMENTS:** The parties agree to a monthly rental payment of FOUR HUNDRED NINETY-THREE THOUSAND TWO HUNDRED PESOS ONLY (PhP 493,200.00) inclusive of VAT which shall be paid within 15 days of the succeeding month, upon presentation of billing statement.

**6. DEPOSIT:** The LESSEE shall make a deposit payment to the LESSOR in the amount of NINE HUNDRED EIGHTY-SIX THOUSAND FOUR HUNDRED PESOS ONLY (PhP 986,400.00) equivalent to TWO (2) MONTHS lease rental which shall be held in trust by the LESSOR. The security deposit shall answer for the damages and for any violation of the LESSEE's obligation under this Contract of Lease subject to return without interest within ten (10) days upon termination of this contract should there be no renewal entered into by parties and after the leased premises shall have been surrender to the LESSOR, less whatever account which the LESSEE might then be owing to the LESSOR. Said security shall in no case be used or offset against any monthly rental due during the Terms of this Contract of Lease.

**7. USE OF PREMISES:** The leased area shall be used by the LESSEE as an office space for its LHIO Malolos and shall not be converted into another use without prior authority from the LESSOR. The use of the 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 the person and personalities, and the common safety and welfare.

**8. ELECTRIC SERVICES:** All electrical components within the building shall meet the electrical load requirements of LESSEE. The LESSOR may make modification thereof where correct tapping of electric services and other utilities is considered necessary.

HENRY V. ALMANON  
Acting Vice President, PRO III

JAKE T. RACAL



**9. UTILITIES:** The subject building will be provided with electric power and water supply facilities. All bills for the power and water consumed by the **LESSEE** shall be paid by it.

**10. TELEPHONE AND COMMUNICATION:** The subject building will be provided with telephone line facilities such as fiber optics connection. All bills for the telephone and communication consumed by the **LESSEE** shall be paid by it.

**11. LIGHT AND LIGHTING FIXTURES:** The building shall be provided by light, in good condition lighting fixtures with fluorescent tube and diffuser and convenience outlets by the **LESSOR**. However, the lighting supplies will be replaced when busted or damaged with the cost shouldered by the **LESSEE**.

**12. COMFORT / REST ROOMS:** The subject building should have well-ventilated Comfort Rooms (CR) with working fixtures such as lavatory, bidet and water closet in each floor for both male and females. A separate CR is preferred exclusively for PhilHealth employees, clientele/stakeholders and visitors.

**13. PARKING:** The **LESSOR** shall provide a minimum of nine (9) parking slots free of charge and for the exclusive use of the **LESSEE**, its officers, employees, agents, and clients during the term of this lease. Likewise, **LESSEE**, its officers, employees, agents, and clients shall be granted non-exclusive privilege to use the parking areas dedicated for common use.

**14. RESPONSIBILITIES OF BOTH PARTIES:**

- A. The **LESSEE** hereby agrees to keep the leased premises in clean, good and in sanitary condition at all times in accordance with quality standard of the building.
- B. The **LESSOR** shall not be liable for the presence in the leased premises of bugs, vermin, rats, ants, termites, insects and other pests of any kind of nature. However, the **LESSOR** shall apply pest and rodent control on all the areas occupied by the **LESSEE** at least every quarter.
- C. The **LESSOR** reserves the right to prescribe or limit the weight of any machinery, equipment and similar article that may be brought and placed in the leased premises.
- D. 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.
- E. 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**.
- F. The **LESSEE** shall not cause the emission of obnoxious odor and other nuisances, and that it shall not be used in a manner that will not disturb the peace and tranquility of the other building occupants.
- G. The **LESSOR** shall see to it that the premises are rendered in a tenable condition. In the event that destruction is caused by the occurrence of natural events, immediate repair or restoration shall be undertaken by the **LESSOR**, granting moratorium or waiver for payment for the period of time needed for such repair or restoration.

HENRY V. ALMANON  
Acting Vice President, PRO III

JAKE T. BACAL



- H. The **LESSEE** shall undertake all ordinary repairs on the leased premises at its own cost. Repair on the electric outlets, telephone, switchboxes, air conditioning facilities, electrical wiring and other similar ordinary repairs shall likewise be for the account of **LESSEE**.
- I. The **LESSOR** shall undertake all major and extraordinary repairs on the leased premises at his/its own expense. In the event that the leased premises cannot be utilized during the period of repair, the **LESSOR** grants a moratorium or waiver of rental payment for such period.
- J. The **LESSOR** warrants that the **LESSEE** shall have the peaceful possession of the leased premises for the duration of the term agreed upon except when the disturbance is caused by natural calamities or acts outside **LESSOR'S** control.

**15. LAWS AND GOVERNANCE.** The **LESSEE** shall comply and abide with the ordinance of the city regarding the use of premises, comply with health regulations secure permits and license for its own business operations.

**16. INJURY TO THIRD PERSONS.** The **LESSEE** shall be solely responsible for any harm or injury as may be suffered by its employee or third person while within the leased premises, when the acts complained of were caused by its negligence.

**17. INSPECTION OF PREMISES:** The **LESSOR** or his / its representatives 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. Immediate access to the leased premises shall be given to the authorized person/s who will undertake the repair or improvement in order to lessen inconvenience to the employee and clients, or avoid disruption of office work or activities.

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

**19. DOCUMENTARY STAMP TAX.** The **LESSEE** agrees to pay the Documentary Stamp Tax which shall be affixed on this contract pursuant to section 194 of the R.A. No. 8424 or the "National Internal Revenue Code" as amended by R.A. 7660 which took effect on January 13, 1994.

**20. SUB-LEASE.** The **LESSEE** shall neither sublet, allow, or permit the leased premises to be occupied in whole nor in part by any person, firm or corporation, neither shall the **LESSEE** assign its right hereunder to any other person or entity, and no right of interest thereto shall be conferred on or vested in anyone by the **LESSEE** without the **LESSOR'S** approval.

**21. MORTGAGE, ENCUMBRANCE AND / OR DISPOSITION OF THE PROPERTY BY THE LESSOR.** In the event that the **LESSOR** should sell, mortgage, or encumber the subject property without prior notice to the **LESSEE**, the **LESSOR** warrants that the rights of the **LESSEE** under the contract are protected and upheld.



**22. TERMINATION:**

- a. This Contract shall be deemed terminated upon the expiration of its term unless the parties agreed to renew the Contract upon compliance with the requirement for the Renewal of Contracts of Lease Property as stated under Section V, Part D(9)(d), Annex "H" of the 2016 RIRR or Government Procurement Policy Board (GPPB) Resolution No. 06-2018.
- b. The Contract shall be terminated if any of the parties violates or breaches any of the agreed terms and conditions set forth herein and amicable settlement cannot be reached by the parties.
- c. The Contract shall also be terminated when, as a result of the occurrence of natural calamities, the Leased Premises is rendered unfit for occupancy.

**23. DELAYING IN VACATION OF THE PREMISES.** The LESSOR shall grant the LESSEE fifteen (15) days from the termination of this contract to vacate the leased premises. If the premises is not vacated within fifteen (15) day grace period allowed by the LESSOR, then the LESSEE shall be charged with the corresponding daily rentals of the premises to be effected from the terminal date when the premises is totally vacated.

**24. DATA PRIVACY:** Neither Party hereto shall in anyway or in any form disclose, publicize, or advertise in any manner the discussions that gave rise to this Agreement nor the discussions or negotiations covered by this agreement without prior written consent on other Party.

**25. NON-WAIVER.** The failure of the PARTIES 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.

**26. DISPUTE RESOLUTION AND VENUE OF ACTION.** If any dispute or difference of any kind whatsoever shall arise between the parties in connection with the implementation of the Contract, the parties shall make every effort to resolve amicably such dispute or difference by mutual consultation.

In the event that amicable settlement is not feasible, the Parties agree that any and all disputes arising out of or relating to this contract shall be submitted to arbitration in the Philippines according to the provisions of R.A. 876 otherwise known as the "Arbitration Law" and R.A. 9285, otherwise known as the "Alternative Resolution Act of 2004.

Whenever necessary to seek judicial relief as allowed by the Arbitration Law, ADR Act and Special ADR Rules, the Parties agree that such proceedings to be instituted in any competent court in the City of San Fernando, Pampanga to the exclusion of all other courts of equal jurisdiction. 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 & 00/100 (P10,000.00)** as the attorney's fees, aside from the cost of litigation and other expenses which the law entitles the aggrieved party to recover.


HENRY V. ALMANON  
Acting Vice President, PRO III

**27. SEPARABILITY CLAUSE.** If any paragraph, sub-paragraph or part of the contract is declared invalid, such shall not affect the other paragraph, sub-paragraphs or parts of this contract.

**28. 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 incorporated herein. Any changes or alterations in this contract shall be valid if made in writing and duly signed by the parties.

IN WITNESS WHEREOF, parties hereto have signed this contract this NOV 26 2024 day of \_\_\_\_\_, \_\_\_\_\_ at \_\_\_\_\_, Philippines.  
City of San Fernando, Pampanga

**PHILIPPINE HEALTH INSURANCE CORPORATION**

  
**HENRY V. ALMANON**  
Acting Vice President, PRO III

**OUR BUILDER'S WAREHOUS INC.**

  
**JAKE T. RACAL**  
Representative

*Signed in the Presence of:*

**RUBY M. VITUG**  
Division Chief IV  
Management Services Division

\_\_\_\_\_  
Witness

**ACKNOWLEDGEMENT**

**REPUBLIC OF THE PHILIPPINES**  
Province of City of San Fernando, Pampanga

S.S.

BEFORE ME, a Notary Public for and in the City of City of San Fernando, Pampanga, Philippines this \_\_\_\_\_ day of NOV 26 2024, personally appeared the parties abovementioned and who presented to me the following forms of identification:

Name of Party	Type of ID Presented	ID Number
HENRY V. ALMANON		



Acting Vice President – PRO III		
JAKE T. RACAL Representative		

known to be the same persons who executed the foregoing instrument and acknowledged to me that they executed the same of their own free will.


This document consisting of six (6) pages, including this page where the acknowledgement is written pertains to the aforementioned **Contract of Lease**.

I certify that the parties and their witnesses on each and every page thereof have signed the foregoing instrument.

WITNESS MY HAND AND NOTARIAL SEAL

Doc. No. 244  
Page No. 70  
Book No. W0  
Series of W0

NOTARY



**CARLOTA DELA CRUZ-MANALO**  
Notary Public  
Notarial Commission 08-24  
Until December 31, 2025  
IBP No. 327819 / 12-13-2023 / Pampanga  
PTR No. PAM-5275450 / 01-02-2024 / Pampanga  
ROA 37808  
MCLE VIII-0003702 / 09-08-23  
2nd Floor Jomafer BLDG., Dolores,  
City of San Fernando, Pampanga