

## CONTRACT OF LEASE

### KNOW ALL MEN BY THIS CONTRACT:

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

**F. RAMOS BUILDING**, a private and business establishment duly organized and existing under Philippine laws, represented by **MS. IMELDA R. CHAVEZ**, of legal age, Filipino, married and a resident of Mankilam, Tagum City, Davao del Norte, Philippines, 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 address at Valgosons Building, Bolton Extension, Davao City, Philippines, represented herein by **MR. DENNIS B. ADRE**, Regional Vice President – Philhealth Regional Office XI, hereinafter referred to as the **LESSEE**.

- witnesseth -

WHEREAS, the LESSOR is the registered and absolute owner of a four (4) storey concrete and commercial building with an area of approximately 1,516 square meters more or less situated along Arellano Street, Tagum City;

WHEREAS, the LESSEE has formally intended to lease an office space owned by the LESSOR, **F. RAMOS BUILDING**, for PRO XI Local Health Insurance Office (LHIO) in the City of Tagum, with an area of approximately 379 square meters more or less;

1. **SUBJECT OF LEASE.** Four (4) storey commercial building with an area of 379 square meters more or less in the ground floor located along Arellano Street, Tagum City;
2. **TERM OF LEASE.** This contract of lease commence from December 1, 2012 and end on December 31, 2012;
3. **RENEWAL.** Within thirty (30) days prior to the expiration of this contract of lease, the LESSEE will make a formal notice of its intention to renew the lease with the LESSOR for another year and for such any or all other terms and conditions as may then be mutually agreed upon;
4. **LEASE RATE.** The lease rate is **FIFTY THOUSAND PESOS ONLY (P 50,000.00)** per month inclusive of all government required fees and taxes, to be paid on or before the tenth (10<sup>th</sup>) day of the succeeding month upon presentation of a billing or notice for payment. The withholding tax shall be paid by the LESSEE who shall provide the LESSOR the withholding tax certificate;
5. **DEPOSIT.** Upon signing of this contract, the LESSEE shall deposit the sum of **One Hundred Thousand Pesos (P 100,000.00)**, equivalent to two (2) months deposit. This deposit rental shall pay for unpaid electric bills, telephone, water and other utility bills and other liquidated damages in case the LESSEE fail to settle the said utilities bills. The deposit shall

be returned to the **LESSEE** without interest within ten (10) days at the end of the terms being no renewal being entered into by the parties, less expenses for the repair of the premises, if any;

6. **USE OF THE PREMISES.** The leased area shall be used by the **LESSEE** for office purposes 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 their persons and personalities, the common safety and welfare and more important, fostering a desirable relationship among and between the lessee's occupants and building administration;

7. **ELECTRIC SERVICES.** The **LESSOR** may require any amendment thereof where correct tapping of electric service and other utilities is considered necessary. The **LESSEE** may avail of the building electrician and handyman for the purpose, with charges shouldered by it. Where portions or parts of the improvements affect portion or parts of the structure, the **LESSOR** will require necessary correction of submitted plans. Any subsequent alterations, addition or further improvements on the leased premises will require the submission of the plan and for the approval of the **LESSOR**;

8. **UTILITIES.** The subject building will be provided with electric power and facilities. All electric bills for the power used by the **LESSEE** shall be paid by it and the **LESSOR** shall be rendered free from the non payment or cut-off for non payment by the **LESSEE** and this connection applies despite the same electricity bills used by the **LESSEE** are registered in the name of the **LESSOR**;

9. **TELEPHONE AND COMMUNICATION.** The subject building will be provided with telephone lines facilities. All telephone bills and tolls for the lines used by **LESSEE** shall be paid by it and the **LESSOR** shall be rendered free from the non payment or cut-off for the non payment by the **LESSEE** and this connection applies despite the same telephone number and lines used by the **LESSEE** are registered in the name of the **LESSOR**;

10. **LIGHT AND LIGTHING FIXTURES.** The subjects building are provided with lights, lighting fixtures with fluorescent tubes and diffusers. The lighting supplies will be replaced when busted or damaged with cost shouldered by the **LESSEE**. The **LESSOR** is not obligated to provide at its own expense;

#### 11. RESPONSIBILITIES OF BOTH PARTIES:

A. The **LESSEE** hereby agrees to keep the leased premises in clean, good and sanitary condition at all times in accordance with quality standards of the building;

B. The **LESSOR** shall not be liable for the presence in the leased premises of bugs, vermin, rats, ant, termites, insects and other pest of any kind or nature whatsoever. However, upon request by the **LESSEE** or the **LESSOR'S** own volition, regular pest control

service shall be undertaken by the **LESSOR** of the leased premises;

- C. The **LESSOR** reserves the right to prescribe or limit the weight of any machinery, safe equipment and similar article that may be brought and placed in the leased premises;
- D. To lessen inconvenience, the **LESSEE** shall make delivery of furniture, equipment, or his representative who may immediately conduct inspection of said item;
- E. The **LESSEE** shall, have the right to make out from the building at anytime of the day any of its office furniture, office machine, or any type of office equipment and accessories of any kind, provided that a prior notice shall have been given to the **LESSOR** or his representative;
- F. 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;
- G. The **LESSEE** shall not caused the exterior façade of the building to be changed or altered in any way, without the prior written consent of **the LESSOR**;
- H. The **LESSEE** shall see to it that the leased premises are free from obnoxious odor and other nuisances, and that it be used in a manner that will not disturb the peace and tranquility of the other building occupants;
- I. Occurrence of fire and 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 for ordinance violation;
- J. The **LESSOR** shall see to it that the premises are rendered in a tenable condition. In the event certain or destruction is caused by the occurrence or natural events, immediate repair or restoration shall be undertaken by the **LESSOR** granting moratorium or waiver of rental payment for the period of time needed for such repair or restoration;
- K. 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 plumbing fixtures shall likewise be for the account of the **LESSEE**;
- L. 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;
- M. 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;

12. **LAWS AND ORDINANCES.** The **LESSEE** shall comply and abide with the ordinance of the city regarding the cause of the premises, comply with health regulations and secure permits or license business operations;

13. **INJURY TO THIRD PERSON.** 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;

14. **INSPECTION OF PREMISES.** The **LESSOR** or his/its 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 improvement in order to lessen inconvenience to the employee and clients, or avoid disruption of office work or activities;

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

16. **SUBLEASE, TRANSFER OR RIGHTS.** The transfer of rights of the **LESSEE** under this contract and /or the sublease of any part or portion of the leased premises or to sell the property without need of a prior 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;

17. **MORTGAGE AND ENCUMBRANCE.** The **LESSOR** reserves his/its right to mortgage the property including the leased premises or to sell the property without need of a prior and conditions in this contract and the right acquired there from by the **LESSEE** are protected in its entirety;

18. **VIOLATION.** A violation by one of the parties of any of the terms and conditions set forth herein result as a right or basis for the termination of this contract. In such event, the aggrieved party will make a formal notice to terminate then obtaining the parties shall endeavor to amicably or extra judicial settlement cannot be arrived at the termination of the contract if the only solution;

## 19. **TERMINATION**

A. This contract of lease shall end on the terminal date agreed upon there being no renewal or 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 reach 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;

In case the termination occurs due to the expiration of the lease contract and no renewal or extension is agreed upon, the **LESSEE**



shall peacefully vacate the leased premises and return the same in condition it was first entered into, except for the effects of ordinary wear and tear. Damage or any injury to the leased premises caused by the removal or articles or improvements by the **LESSEE** shall be allowed by the **LESSOR**, without cost/expenses to the former. Within ten (10) calendar days after the leased premises are vacated, the deposit constituted shall be returned by the **LESSOR** to the **LESSEE** without need of demand in accordance with Section 5. In case the termination occurs as a result of the **LESSEE'S** breach or violation of any of the terms or condition agreed upon, the **LESSEE** shall peacefully of its effect and improvements. Except for ordinary wear and tear, any damage or injury to the leased premises shall be repaid and restored by the **LESSEE**. A moving out period of five (5) working days without rental charge shall be allowed by the **LESSOR**. Within ten (10) days after the premises are vacated, the **LESSOR** shall return the deposit rentals constituted less the amount mentioned in Section 5 and 20 thereof. In case the **LESSOR** is the 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 other remedies as provided for by the law;

If termination ensure due to 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 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. 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) days written notice of termination prior to the intended date without incurring any liability as to the damages, subject to the terms and conditions set forth in the proceeding sub paragraphs;

20. **DELAY IN VACATION OF THE PREMISES.** Except as provided for in the immediately paragraph, if the premises is not vacated within five (5) days grace period allowed by the **LESSOR**, then the **LESSOR**, then the **LESSEE** shall be charged with the corresponding daily rentals of the premises to be affected from the terminal to the date when the premises is totally vacated;

21. **NON-WAIVER.** The failure of the **LESSOR** to insist upon the strict performances 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;

22. **LITIGATION AND VENUE.** In the event judicial relief against the guilty party if filed before the 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, agrees to pay ten percent (10%) of the amount claimed but in no case less than ten thousand pesos (10,000.00) 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 the venue of court action is in the proper courts of Tagum City;

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

24. **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 of this \_\_\_\_\_ day of DEC 14 2012, 2012 at City of Tagum, and Davao City, Philippines.

**PHILIPPINE HEALTH INSURANCE CORP.**

Lessee

**F. RAMOS BUILDING**

Lessor

By:


By:


  
**DENNIS B. ADRE**  
Regional Vice President

  
**IMELDA R. CHAVEZ**  
Attorney-In-Fact

Signed in the Presence

  
**PATRICK ANGELO L. UY**  
Chief Social Insurance Officer

  
**JERSON R. PANTUA**  
Attorney-In-Fact

  
**GARY S. VELAYO**  
Administrative Officer IV

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REPUBLIC OF THE PHILIPPINES)  
City \_\_\_\_\_ OF TAGUM) S.S  
X-----/


### ACKNOWLEDGEMENT

**BEFORE ME**, a Notary Public for and in City of Tagum, Philippines, this DEC 14 2012 day of \_\_\_\_\_, 2012, personally appeared **MS. IMELDA R. CHAVEZ**, exhibiting his/her ID No. L 06-03-001901 as competent proof of identity, known to me and to me known to be the same person who executed the foregoing Instrument, and she acknowledged to me that the same is his/her free and voluntary act and deed.

This Instrument consists of \_\_\_\_ pages including the page hereof whereon this Acknowledgement is written, is signed by the parties and the witnesses.

**IN TESTIMONY WHEREOF**, I have hereunto signed and affixed my Notarial seal on the date and place first abovewritten.

Doc. No. 121;  
Page No. 25;  
Book No. 14;  
Series of 2012.

  
**VITALIANO A. VALMORIA**  
Notary Public  
Until December 31, 2012  
Roll No. 41698  
PTR No. 1165702/ 01-06-12  
IBP No. 851363/ 01-09-12  
TIN: 260-084-807  
MCLE Compl. No. IV-0000058/12-09-12

REPUBLIC OF THE PHILIPPINES)  
CITY \_\_\_\_\_ OF DAVAO) S.S  
X-----/


### ACKNOWLEDGEMENT

**BEFORE ME**, a Notary Public for and in City of Davao, Philippines, this \_\_\_\_\_ day of DEC 27 2012, 2012, personally appeared **MR. DENNIS B. ADRE**, exhibiting his BIR T.I.N 118-141-276 as competent proof of identity, known to me and to me known to be the same person who executed the foregoing Instrument, and he acknowledged to me that the same is his free and voluntary act and deed.

This Instrument consists of \_\_\_\_ pages including the page hereof whereon this Acknowledgement is written, is signed by the parties and the witnesses.

**IN TESTIMONY WHEREOF**, I have hereunto signed and affixed my Notarial seal on the date and place first abovewritten.

Doc. No. 348;  
Page No. 70;  
Book No. \_\_\_\_\_;  
Series of 2012.

  
**ARNEIL B. SUBIBI**  
Notary Public  
Notarial Commission expires on December 31, 2012  
Notarial Commission Serial No. 206-2011  
Roll of Attorneys No. 56215  
PTR No. 1135290 dtd Jan. 05, 2012 Davao City  
IBP No. 870886 dtd Jan. 10, 2012 Davao City  
Door 1, Jones Bldg., Quimpo Blvd., Davao City