

KNOW ALL MEN BY THIS PRESENTS

This Contract is entered into and executed on this _____, in Malita Davao Occidental, by and between: LDLU REALTY & DEVELOPMENT CORPORATION at 941-B Aklan St. Davao City, referred to as the LESSOR;

and

_____, Filipino, of legal age, single/married, a resident of _____,¹ (_____, a corporation, duly organized and existing under Philippine laws with principal place of business at _____, represented in this instance by _____, as per Secretary's Certificate hereto attached as Annex "A")² and hereinafter referred to as the LESSEE;

WITNESSETH:

WHEREAS, the LESSOR is the registered owner of a TWO (2) STOREY commercial building located in Malita Davao Occidental, covered by TCT No. 144-2022002395 and Tax Declaration No. _____; (WHEREAS, the LESSOR is the registered owner of a parcel of land located in Malita Davao Occidental, and covered by TCT No. 144-2022002395 and Tax Declaration No. _____)³;

WHEREAS, the LESSEE desires to lease the above-mentioned property from the LESSOR and the PARTIES for the purpose of _____.

NOW THEREFORE and in consideration of the foregoing, the parties enter in this Contract of Lease over the above-mentioned property under the following terms and conditions:

I. **LEASE PREMISES** - 1. The LESSOR hereby leases unto the LESSEE and the latter hereby accepts to lease from the former and the following premises owned by the LESSOR specifically:

(_____ floor portion of the commercial building located in Malita Davao Occidental, specifically Davao City, _____) containing an area of 4.65mx10m, more or less.)

II. **TERM** - This agreement shall be for a period of 2 years starting _____ until _____ unless sooner terminated by any of the parties for just or authorized cause.

In the event that the LESSEE desires to introduce any improvements to the leased premises before the start of the lease period, the LESSEE must first secure the written approval of the LESSOR and introduce such improvements under such terms and conditions as the LESSOR may impose. In this case, the LESSEE is given a period of one (1) month from _____ until _____ within which it may introduce such improvements without payment of the rentals. Upon the expiration of the one-month grace period, the LESSEE agrees to pay the monthly rental as provided for in this agreement.

¹ If sole proprietor or unincorporated entity

² If corporation

³ If land only

III. RENTAL - Monthly rental for the leased premises shall be as follows:

First year - ₱ 20,000.00 Ground floor, ₱18,000.00 Pesos Second floor;
Second year - ₱ 20,000.00 Ground floor, ₱18,000.00 Pesos Second floor;

It is understood that the foregoing rentals shall be net of all applicable withholding taxes and Value Added Taxes.

The LESSEE shall issue twelve (12) post-dated checks representing the twelve (12) monthly rentals. The LESSEE warrants that all such check payments shall be honored when they fall due. In the event that the Post-dated Check(s) is dishonored for any reason other than the fault of the LESSOR, the LESSEE shall be considered in default without need of demand. In this case, in addition to all other rights available to the LESSOR, the LESSEE shall pay liquidated interest compounded at two (2%) percent per month from the time of due date until the rental and all other interests, penalties and charges covered by the dishonored check/s has been fully paid.

IV. SECURITY DEPOSIT ADVANCE RENTAL - Upon signing of this agreement, the LESSEE shall make a security deposit equivalent to two (2) months rental and one (1) month advanced rental or a total amount of ₱60,000.00. On the following years, the LESSEE shall make additional deposits and advanced rental corresponding to the increase in the monthly rentals so that total deposits and advanced rental shall correspond to the increased monthly rent.

The security deposit shall remain with the LESSOR until the end of the term of this Contract of Lease to cover payment of any unpaid bills for water, electricity, telephone or other utilities or any damage to the premises, wear and tear excepted. The balance if any shall be refunded to the LESSEE within sixty (60) days, interest free, upon termination of this agreement and the settlement of all amounts due to the LESSOR. Likewise, the two (2) months advance rental shall be applied to the rent for the last one (1) month of this Agreement.

It is understood that the security deposit and advanced rental shall not be applied to overdue rentals and common expenses while this agreement has not expired or terminated.

V. ELECTRICAL, WATER, OTHER UTILITIES - The LESSEE shall be responsible for the payment of the electrical, water, telephone, internet connection and other utility bills and janitorial services.

VI. USE OF THE PREMISES - The LESSEE WARRANTS that the lease premises shall be used exclusively as a (BUSINESS OF THE LESSEE) and shall not utilize the leased premises for another purpose except with the written express consent of the LESSOR. In no case shall the Leased Property be used for immoral or illicit purposes, and illegal acts or purposes. The LESSEE shall not use the premises for lodging or overnight stay beyond normal hours of operation unless there is express written consent given by the LESSOR.

The LESSEE further warrants that it has complied with all applicable laws, rules, regulations promulgated by the competent authority for the exercise of its business. It is understood that in the event that any competent authority may close the leased premises or

order the cessation of the operation of the business of the LESSEE, for any cause whatsoever other than those attributable to the fault of the LESSOR, the LESSEE shall continue payment of rental until the expiration of termination of this Agreement, notwithstanding the aforesaid closure of the leased premises or stoppage of the LESSEE's operations.

VII. CARE OF THE LEASED PREMISES - The LESSEE acknowledges that it was given all opportunities to examine the leased premises, and it is satisfied that it is in good order, satisfactory, tenantable condition and suitable for the purpose for which it is leased. The LESSEE therefore warrants to keep and maintain the same in such good tenantable condition, ordinary wear and tear excepted. The LESSEE shall, at its own expense, maintain the leased premises clean and free from rubbish, dirt or other undesirable articles at all times. The LESSEE shall further keep the leased premises clean and free of insects, bugs and vermin and at the request of the LESSOR, participate clean and cooperate in carrying out any program of extermination that the LESSOR may direct and the LESSEE shall bear the cost thereof. The LESSOR is prohibited from installing banners, streamers and other advertising materials outside of the immediate leased premises.

The LESSEE shall not bring or store in the leased premises any inflammable or explosive goods, or materials nor any articles which may expose the leased premises to fire or increase the fire hazard of the building or increase the rate of insurance of the building, or any similar activity which the LESSOR may prohibit. The LESSEE shall not do or cause any act or thing to be done which will likely increase the hazard or fire insurance rate of the building. The LESSEE at its own expense must secure appropriate insurance over its assets found in the leased premises. The LESSEE shall not use the corridor, patios, or walkways of the building except as a passage to go in and out of the leased premises.

VIII. ALTERATIONS, MODIFICATIONS, IMPROVEMENTS, ETC. - The LESSEE shall not introduce any alteration or improvements to the leased property without the express written consent of the LESSOR. Upon expiration of this agreement, the LESSEE shall have the right to remove any temporary modification, additions, alterations, repairs, replace or improvements it has introduced and/or undertaken in the leased premises, provided that the removal shall not cause damage to the original appearance of the leased premises and also to the entire structural strength of the building. All immovable/permanent improvement shall become the property of the LESSOR upon expiration or termination of the contract without any obligation on the part of the LESSOR to reimburse its cost to the LESSEE.

IX. INJURY OR DAMAGE - The LESSEE assumes full responsibility for any damage which may be caused to any person or property of any third persons. The LESSEE further binds themselves to hold the LESSOR and its agents, free and harmless from any such claim for injury or damages, unless such injury or damage is due to the act of gross negligence of the LESSOR, such as when damage or injury is attributable to the structural defect of the leased premises.

X. INSPECTION AND REPAIRS - The LESSEE shall permit the LESSOR at any reasonable time of the day to inspect the leased premises or to make such necessary repairs for the protection and preservation of the premises. The LESSEE shall not claim any loss or damages on account of the necessary work that the LESSOR may order to be done on the leased premises and which would in any way interrupt his/her use of the leased premises.

XI. SUBLEASE OR TRANSFER OF RIGHTS - The LESSEE shall not directly or indirectly sublease, assign, transfer, convey, mortgage or any way encumber its rights over the leased premises.

XII. ASSIGNMENT - The LESSOR reserves the right to assign, transfer or encumber any of his/her rights and interests under this Contract to any entity without the need of obtaining the consent of the LESSEE except to notify the latter of the same. In the case of sale or transfer of rights or ownership of the leased premises, all rights and obligations of this contract shall remain valid and subsisting and shall be respected by the transferee until the expiration of the contract.

XIII. PRE-TERMINATION - It is understood and agreed that the term of this agreement is for the benefit of both parties. In the event that the LESSEE shall vacate the leased premises or terminate this agreement before the expiration thereof, the LESSEE shall compensate the LESSOR by paying all corresponding rent until the termination of this agreement.

XIV. TURN-OVER OF THE LEASED PREMISES - Upon the expiration of the term of the lease or termination/cancellation of this agreement, the LESSEE warrants to promptly surrender and turn-over possession of the leased premises to the LESSOR in as good and tenantable condition in all respects, except for the normal wear and tear excepted, devoid of all occupant's furniture, articles and effects of any kind.

XV. REFUSAL TO TURN-OVER OR VACATE - In the event that the LESSEE refuses or fails to immediately vacate and turn-over possession of the leased premises upon the expiration or termination of this agreement of the LESSEE abandons the leased premises, the LESSOR, in addition to his or her available rights under the law or this agreement, may enter and take over possession of the leased premises, cause its closing or padlocking, eject all individuals within the leased premises and take possession of all the LESSEE's property found therein for their storage in the LESSOR's bodega, WITHOUT THE NECESSITY OF INSTITUTING JUDICIAL ACTION, provided, however, that the LESSOR give the LESSEE five (5) days prior notice of its intention to invoke its right under this provision by any of the following methods:

- A. By personally serving such written notice to the LESSEE or any of its representatives, employees or agents at the leased premises, provided that in the event that the LESSEE, its representatives, employees or agents, refused to receive the notice or refuse to acknowledge receipt of the notice, posting to the said notice at the entrance of the leased premises shall constitute sufficient notice; or
- B. By sending such notice by registered mail or reputable commercial courier at the LESSEE's address indicated in this contract.

In the event that the LESSOR shall exercise its right under this provision, the LESSOR shall make an inventory of all the LESSEE's properties in the presence of any of the following: (1) Peace Officer or (2) Barangay Captain or Any Responsible Barangay Officials in the area where the leased premises is located before removing all the LESSEE's properties from the leased premises for storage. All expenses incurred by the LESSOR in connection with the

exercise of its rights under this provision, including storage fees until these properties are claimed by the LESSEE shall be chargeable to the LESSEE.

Failure of the LESSEE to claim the foregoing stored articles within fifteen (15) days from the date of storage shall give the LESSOR the right to apply the foregoing property as liquidated damages to cover all the LESSOR's expenses and damages under this Section.

XVI. DOUBLE RENTAL - In addition to all the rights available to the LESSOR under this contract, in the event that the LESSEE refuses or fails to vacate and turn-over possession of the leased premises to the LESSOR upon the expiration or termination of this contract, the LESSEE shall be liable to pay double rentals until the LESSEE shall have vacated or turned-over the leased premises to the LESSOR.

XVII. NO AUTOMATIC RENEWAL - Two (2) months before the expiration of this contract, the LESSEE shall give written notice to the LESSOR at the latter's place of business, of its intention to negotiate for the renewal of this contract. In the event that a mutual agreement is arrived upon the expiration of this lease contract, the LESSEE shall voluntarily vacate the leased premises, as provided for under this contract.

XVIII. ENTIRE AGREEMENT - This Agreement constitutes the entire Agreement of the Parties. All previous agreements, representations, warranties and commitments not embodied in this Agreement are considered abandoned, waived and superseded by this Agreement. No part of this Agreement shall be amended, modified, novated or amended unless in writing and signed by the parties. Should any provision contained herein be declared invalid by the courts, the other provisions shall remain valid and binding and effective between the parties.

XIX. WAIVER - The failure or delay of any party to exercise any right, authority, power or privilege under this Agreement or any other document executed in connection herewith, shall not operate as a waiver thereof, nor shall any single or partial exercise of any right or privilege preclude any other or further exercise thereof, or the exercise of any other right or power. The rights and remedies herein provided shall be cumulative, may be exercised concurrently and shall not be exclusive of any rights or other remedies available to any party under this agreement or applicable law, rules or regulations.

XX. NOTICES - All notices, demands, requests, or any other communications permitted or required to be given under this Agreement shall be sent to the parties at the addresses indicated on the first page of this Agreement and shall be deemed to have been validly effected if sent by registered mail to each of the parties at such address. No change of address shall bind the other party unless made in writing and received by the other party.

XXI. JUDICIAL RELIEF AND PENALTIES - Should an aggrieved party be compelled to seek judicial relief against the erring party, the guilty party shall, in addition to the damages provided for under the law and this contract, pay the aggrieved party an amount equivalent to twenty-five (25%) percent of the amount awarded by the court as attorney's fees in addition to the costs of litigation and other expenses incurred by the aggrieved party. The venue of any actions that may arise in connection with this contract shall exclusively be in the courts of appropriate jurisdiction in the City of Davao to the exclusion of other venues.

IN WITNESS WHEREOF, the parties hereby affixed their signatures on the day and place first above written.

Davao City, _____, 20__

LESSOR

LESSEE

By:⁴

Signed in the Presence of:

ACKNOWLEDGEMENT⁵

REPUBLIC OF THE PHILIPPINES (CITY OF DAVAO) S.S

BEFORE ME, a Notary Public for and in the City of Davao, this ____ day of _____, at Davao City, Philippines personally appeared the following persons with their corresponding proof of identities:

NAME

PROOF OF IDENTITY

Known to me to be the same persons who have executed the foregoing Contract of Lease, and they acknowledged to me that the same is of their own free and voluntary acts and deeds and that of the Corporation they represent.

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

DOC. NO. ____;
PAGE NO. ____;
BOOK NO. ____;
SERIES OF 20__.

⁴ If a corporation

⁵ There is no need to notarize it unless the LESSEE requests. Notarized contracts have the same validity as unnotarized contracts.