

# LAND/GROUND LEASE AGREEMENT

This Land/Ground Lease Agreement (this "Agreement") is entered into as of **MAY 07, 2023** (the "Start Date") by and among/between:

Lessor: **NATHANIEL CABUAL TIEMPO**, ("Lessor") and

Lessee: **ALLAIN ZENITH NUÑEZ SABANDAL**, ("Lessee").

Each Lessor and Lessee may be referred to in this Agreement individually as a "Party" and collectively as the "Parties."

For good and valuable consideration stated herein, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Agreement to Lease. Lessor agrees to lease to Lessee and Lessee agrees to lease from Lessor, according to the terms and conditions set forth herein, the following real estate (the "Site"): **LOTS 6, 7, AND THE SOUTH ½ OF LOT 3, WEST 60 FEET OF SOUTH ½ OF LOT 4, WEST 60 FEET OF LOT**

**5 AND LOT 8, BLOCK 20, OLD SURVEY, JARDIN**

2. Purpose. The Site may be used and occupied only for the following purpose (the "Permitted Use"): **LEASING**. Nothing herein shall give Lessee the right to use the Site for any other purpose without the prior written consent of Lessor. Lessor makes no representation or warranty regarding the legality of the Permitted Use, and Lessee will bear all risk of any adverse change in applicable laws.

3. Term. This Agreement will be for a term **BEGINNING ON MAY 20, 2023 AND ENDING ON OCTOBER 20, 2024** (the "Term"). The Parties hereto may elect to extend this Agreement upon such terms and conditions as may be agreed upon in writing and signed by the Parties at the time of any such extension.

4. Rent. Lessee will pay Lessor rent in total of Php **12500**:

☐ On the Start Date.

☒ In monthly installments due on the **20TH** day of each month during the Term.

## Late Fee

Due monthly lease rental paid after the **20TH** day of each month will be deemed as late; and if rent is not paid within 15 days after such due date, Lessee agrees to pay a late charge of 5% of the balance due per day for each day that rent is late.

☐ In annual installments due on each year during the Term.

## Late Fee

Due annual lease rental paid after \_\_\_\_ each year will be deemed as late; and if rent is not paid within 15 days after such due date, Lessee agrees to pay a late charge of 10% of the balance due per day for each day that rent is late.

☐ In quarterly installments due on the \_\_\_\_ day of the ending month for each quarter during the Term.

**5. Additional Rent.** There may be instances under this Agreement where Lessee may be required to pay additional charges to Lessor. All such charges are considered additional rent under this Agreement and will be paid with the next regularly scheduled rent payment. Lessor has the same rights and Lessee has the same obligations with respect to additional rent as they do with rent.

**6. Security Deposit.**

☐ Lessee is NOT required to pay a security deposit.

☒ Upon signing this Agreement, Lessee will pay a security deposit in the amount of not more than the amount of two-months' worth of rental to Lessor. The security deposit will be retained by Lessor as security for Lessee's performance of its obligations under this Agreement. If Lessee does not comply with any of the terms of this Agreement, Lessor may apply any or all of the security deposit to remedy the breach, including to cover any amount owed by Lessee and/or any damages or costs incurred by Lessor due to Lessee's failure to comply. Within 15 days after the termination of this Agreement, Lessor will return the security deposit to Lessee (minus any amount applied by Lessor in accordance with this section). Any reason for retaining a portion of the security deposit will be explained in writing.

Interest

The security deposit will NOT bear interest.

**7. Taxes.** Lessee shall pay all taxes or assessments which are levied or charged on the Site during the Term. The lease rentals collected by the Lessor shall include the payments for the said taxes or assessments.

**8. Utilities.** Lessee shall pay the cost of all utility services during the Term, including but not limited to gas, water, and electricity used on the Site.

**9. Delivery of Possession.** Lessor will deliver exclusive and lawful possession of the Site to Lessee on the start date of the Term. In the event Lessor is unable to give possession of the Site to Lessee on such date, Lessor will not be subject to any liability for such failure, the validity of this Agreement will not be affected, and the Term will not be extended. Lessee will not be liable for rent until Lessor gives possession of the Site to Lessee.

**10. Holdover Tenancy.** Unless this Agreement has been extended by mutual written agreement of the Parties, there will be no holding over past the Term under the terms of this Agreement under any circumstances. If Lessee does retain possession past the Term, Lessee shall pay **80%** of the then applicable rent computed on a monthly basis for each month or portion thereof during such holdover. In addition, Lessee shall be liable for any damages incurred by Lessor as a result of the holdover.

**11. Condition of the Site.** Lessee has examined the Site and accepts the Site in its current condition "AS IS" and "WITH ALL FAULTS." except as expressly set forth herein, Lessor makes no representation OR warranty, express or implied, or arising by operation of law, including but not limited to, any warranty of fitness for a particular purpose, merchantability, habitability, SUITABILITY, or condition. Lessee acknowledges that Lessee has not relied on any representations or warranties by Lessor in entering this Agreement.

**12. Use of the Site.** Lessee agrees to use the Site only for the Permitted Use and will not commit waste upon the Site. Lessee will, at its sole expense, maintain the Site in good repair and make all necessary repairs thereto. Lessee will not use the Site for any unlawful purpose or in any manner that will materially harm Lessor's interest in the Site.

13. Improvements and Alterations. Lessee ☐ may not ☒ may make improvements, alterations, additions, or other changes to the Site without the written approval of the Lessor. Lessee agrees that any construction will be performed in a good and workmanlike manner and will comply with all applicable laws. All improvements, alterations, additions, or other changes to the Site shall become the property of Lessor upon the termination of this Agreement.

#### Signs

☒ Lessee shall have the right to erect any sign related to its business, on the condition that such signs comply with the law.

☐ Lessee shall NOT have the right to erect any sign related to its business.

**14. Leasehold Mortgage.** Lessee does not have the right to grant a mortgage, deed of trust, or other security instrument in Lessee's interest to the Site created by this Agreement (the "Leasehold Mortgage") to secure repayment of a loan made to Lessee to finance construction of any improvements made to the Site during the Term.

**15. No Mechanics Lien.** Lessee will not permit any mechanics or other liens to be filed against Lessor's interest to the Site as a result of any work performed for or obligations incurred by Lessee. Lessee will indemnify Lessor for any liability, cost, or expense, including attorney's fees, in the event any such lien is filed.

**16. Permits and Approvals.** Lessee will be responsible for obtaining all licenses, permits, and approvals required by any federal, state or local authority in connection with its use of the Site. Lessor will cooperate with Lessee and provide the necessary documents to obtain such licenses, permits, and approvals.

**17. Compliance with Laws.** Lessee covenants and agrees to comply with all federal, state and local laws, regulations and ordinances affecting the Site and use of the Site, including applicable environmental laws. In addition, Lessee will comply with all requirements necessary to keep in force fire and liability insurance covering the Site.

**18. Hazardous Substances.** Lessee will not keep or store on the Site any item of a dangerous, flammable, or explosive character that might unreasonably increase the danger of fire or explosion on the Site or that might be considered hazardous or extra hazardous by any responsible insurance company.

**19. Insurance.** At all times during the Term, Lessee will maintain insurance for the Site covering:

**I. Property Insurance.** Property insurance covering all of Lessee's improvements, equipment, and other personal property located on the Site.

**II. General Liability.** Commercial liability insurance covering bodily injury, death, or property damage in an amount not less than **Php 2,500** per occurrence.

**III. Workers' Compensation.** Workers' compensation and employee insurance in an amount not less than **Php 2,500**, or as required by law.

All insurance policies, shall name Lessor as an additional insured or interested party. Lessee will provide Lessor certificates evidencing the required insurance policies prior to the start date of the Term.

**20. Waiver of Subrogation.** Lessor and Lessee each waive any and all claims or rights to recovery against the other Party for any loss or damage to the extent such loss or damage is covered by insurance or would be covered by insurance as required under this Agreement. Lessor and Lessee will cause each insurance policy carried by Lessor or Lessee relating to the Site to include or allow a full waiver of any subrogation claims.

**21. Indemnification.** To the extent permitted by law, Lessee agrees to indemnify, defend, and hold harmless Lessor from any and all claims, actions, liabilities, suits, demands, damages, losses, or expenses, including attorneys' fees, arising out of or relating to (i) Lessee's use and occupancy of the Site, (ii) any work done by or on behalf of Lessee on the Site, (iii) Lessee's negligence or willful misconduct, and/or (iv) Lessee's breach or default of any of the terms of this Agreement, provided however, Lessee's obligations under this section shall not extend to any claims actions, liabilities, suits, demands, damages, losses, or expenses arising from the sole negligence or willful misconduct of Lessor.

**22. Access to Site.** Lessor or its agents may have access to the Site at reasonable times to inspect the Site, to make any necessary repairs, to show the Site to prospecting lenders or buyers, and as otherwise needed to perform its obligations under this Agreement.

**23. Default.** The following shall each constitute an "Event of Default" by Lessee:

- A. Lessee fails to make any required payment due under this Agreement.
- B. Lessee fails to perform any obligation or condition or to comply with any term or provision of this Agreement.
- C. Lessee files a petition for bankruptcy, reorganization or similar relief, or makes an assignment for the benefit of creditors.

**24. Termination by Lessor.** Upon the occurrence of an Event of Default by Lessee which continues for a period of **15** days after receiving written notice of the default from Lessor, Lessor has the right to terminate this Agreement and take possession of the Site. Lessor's rights hereunder shall be in addition to any other right or remedy now or hereafter existing at law or equity.

**25. Termination by Lessee.** In the event of a breach by Lessor of any of its obligations, covenants, or agreements under this Agreement which continues for a period of **15** days after receiving written notice of the breach from Lessee, Lessee has the right to terminate this Agreement, upon written notice to Lessor, without penalty. Lessor shall return to Lessee any prepaid or prorated rent if Lessee terminates this Agreement pursuant to this section.

**26. Surrender of the Site.** Lessee shall return the Site to Lessor upon termination of this Agreement in good condition and repair, ordinary wear and tear excepted. Within **10** days following the termination of this Agreement, Lessee will remove all equipment, materials, fixtures and other personal property belonging to Lessee from the Site. Any property left on the Site after **15** days following the termination of this Agreement will be deemed to have been abandoned by Lessee and may be retained by Lessor.

**27. Registration of the Lease.** The parties shall, to the extent required by law and practice, properly register this Lease Agreement with the relevant Land Registry Office, and any other relevant government office that may serve as a place for registering or recording leases, within **45** days from the date that this Lease Agreement is executed.

**28. Subordination.** This Agreement and Lessee's right hereunder shall be subject and subordinate in all respects to any mortgage, deed of trust, or other lien now or hereinafter incurred by Lessor. Upon request of Lessor, Lessee will enter into a subordination agreement or other customary form as required by the lien holder.

**29. No Partnership.** Nothing contained in this Agreement shall be deemed or construed to create a partnership, joint venture or any other fiduciary relationship between the Parties other than that of Lessor and Lessee. Neither Party is authorized to act as an agent or on behalf of the other Party.

**30. Condemnation.** In the event that all or a material portion of the Site necessary for Lessee's Permitted Use of the Site is taken for any public or quasi-public use under any governmental law, ordinance or regulation or by the right of eminent domain, this Agreement shall terminate on the date of such taking, and all rent under this Agreement shall be prorated

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and paid to such date. In the event such taking is less than a material portion of the Site, this Agreement shall remain in full force and effect; provided however, the rent due under this Agreement shall be reduced to such extent as may be fair and reasonable under the circumstances. Lessor and Lessee shall each be entitled to receive and retain such separate awards and portions of lump sum awards as may be allocated to their respective interests in any condemnation proceedings.

**31. Limitation of Liability.** Lessor is not responsible or liable for any loss, claim, damage or expense as a result of any accident, injury or damage to any person or property occurring anywhere on the Premises, unless resulting from the negligence or willful misconduct of Lessor.

**32. Assignment and Subletting.** Lessee will not assign this Agreement as to all of or any portion of the Site or make or permit any total or partial sublease or other transfer of all of or any portion of the Site without Lessor's consent.

**33. Quiet Enjoyment.** If Lessee pays the rent and performs all other obligations under this Agreement, Lessee may peaceably and quietly hold and enjoy the Site during the Term.

**34. Force Majeure.** In the event that Lessor or Lessee shall be delayed or hindered in or prevented from the performance of any act other than Lessee's obligation to make payments of rent, additional rent, and other charges required hereunder, by reason of strikes, lockouts, unavailability of materials, failure of power, restrictive governmental laws or regulations, riots, insurrections, the act, failure to act, or default of the other Party, war or other reason beyond its control, then performance of such act shall be excused for the period of the delay and the period for the performance of such act shall be extended for a period equivalent to the period of such delay.

**35. Notices.** All notices given under this Agreement must be in writing. A notice is effective upon receipt and shall be delivered in person, sent by overnight courier service or sent via certified or registered mail, addressed to Lessor or Lessee at the address stated above, or to another address that either Party may designate upon reasonable notice to the other Party.

**36. Further Assurances.** Each Party hereto agrees to execute and deliver any additional documents and to do all such other acts as may be necessary to carry out this Agreement and each Party's rights and interests in this Agreement.

**37. No Waiver.** No Party shall be deemed to have waived any provision of this Agreement or the exercise of any rights held under this Agreement unless such waiver is made expressly in writing.

**38. Severability.** If any provision of the Agreement is held to be invalid, illegal, or unenforceable in whole or in part, the remaining provisions shall not be affected and shall continue to be valid, legal, and enforceable as though the invalid or unenforceable parts had not been included in this Agreement.

**39. Successors and Assignees.** This Agreement will inure to the benefit of and be binding upon the Parties and their respective permitted successor and assigns.

**40. Governing Law.** The terms of this Agreement shall be governed exclusively by the laws of the Republic of the Philippines, without regard to its conflicts of laws rules.

**41. Disputes.** Any dispute arising from this Agreement shall be resolved through **mediation**, then **binding arbitration**. If the dispute cannot be resolved through mediation, then the dispute will be resolved through binding arbitration conducted in accordance with the Civil Code of the Philippines (Civil Code). If the dispute cannot be resolved through mediation and binding arbitration and if either Party decides to bring legal action, then the dispute will be resolved through **court litigation**. Disputes shall be resolved in the courts of the Republic of the Philippines. If either Party brings legal action to

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enforce its rights under this Agreement, the prevailing party will be entitled to recover from the other Party its expenses (including reasonable attorneys' fees) incurred in connection with the action and any appeal.

**43. Amendments.** This Agreement may not be modified except in writing signed and acknowledged by both Parties.

**44. Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, and all of which together, shall constitute one and the same document.

**45. Headings.** The section heading herein are for reference purposes only and shall not otherwise affect the meaning, construction, or interpretation of any provision in this Agreement.

**46. Entire Agreement.** This Agreement constitutes the entire understanding between the Parties and supersedes and cancels all prior agreements of the Parties, whether oral or written, with respect to the Site.

**47. Miscellaneous Agreements and Conditions.** No contract entered into or that may be subsequently entered into by Lessor with Lessee, relative to any alterations, additions, improvements or repairs, nor the failure of Lessor to make such alterations, additions, improvements or repairs as required by any such contract, nor the making by Lessor or his agents or contractors of such alterations, additions, improvements or repairs shall in any way affect the payment of the rent or said other charges at the time specified in this Lease, except to the extent and in the manner herein before provided.

IN WITNESS WHEREOF, the Parties hereto, individually or by their duly authorized representatives have executed this Agreement as of the Effective Date.

**Lessor signature:**

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A handwritten signature in black ink, appearing to be "C. King", written in a cursive style.

**Lessee signature:**

