

CONTRACT OF LEASE

KNOW ALL MEN BY THESE PRESENTS:

This **CONTRACT OF LEASE** is made and executed by and between:

ADAM ARIS U. MORALES, of legal age, Filipino, married and a resident of Purok 1, General Luna, Surigao del Norte, hereinafter referred to as the "**LESSOR**"

-and-

ROLEN ECHAVEZ BINATERO, of legal age, Filipino, Baranagy Catangnan General Luna, Surigao del Norte, hereinafter referred to as the "**LESSEE**";

-WITNESSETH-

WHEREAS, the LESSOR is the lawful owner of a portion or an area of 341 sqm of Lot No. 9213, covered under Tax Declaration No. 2017-07-0005-000919, located at Barangay Cinco, General Luna, Surigao del Norte, which the LESSOR acquired by way of Extrajudicial Settlement of Estate with Sale;

WHEREAS, The LESSOR leases to the LESSEE a portion of Lot No. 9213, covered under Tax Declaration No. 2017-07-0005-000919, with an area of 341 square meters, located at Barangay Cinco, General Luna, Surigao del Norte (hereinafter referred to as the "Leased Premises").

NOW, THEREFORE, for and in consideration of the foregoing premises and the covenants hereinafter stipulated, the parties hereby agree as follows:

ARTICLE I PROPERTY FOR LEASE

1. The Lessor hereby transfers and conveys by way of LEASE in favor of the LESSEE the above-stated property (hereinafter referred to as the Leased Property)

Inspection; No Warranty. – The LESSOR leases the Leased Property to the LESSEE on a "as is, where is" basis. The LESSEE hereby declares that it has inspected the leased property prior to the execution of this Lease Agreement, and acknowledges that it is fully satisfied with the conditions thereof. The LESSOR makes no warranty as to the condition, operational or structural capability, or as to any hidden defects of the property which the LESSEE warrants to know by the virtue of the LESSEE'S duty to inspect.

ARTICLE II TERM OF LEASE

1. **Term.** – The lease shall be for a period of five (5) years, commencing on 4th day of February 2025 and ending on 4th day February 2030, renewable every five (5) years upon mutual agreement of the parties.

ARTICLE III CONSIDERATION

1. **Rent.** – . The LESSEE agrees to pay the LESSOR a monthly rental fee of Ten Thousand Pesos (₱10,000.00).
2. The rent shall be paid on or before the 5th day of each month without need of demand.

ARTICLE IV PURPOSE OF THE LEASE

1. **Use of the Leased Properties.** - The LESSEE shall use the Leased Property as residential, commercial or any lawful venture. If the Leased Property is used for other purposes, the LESSOR has the right to:
 1. Rescind the Lease Agreement; or
 2. Increase the rent; or
 3. Compel the LESSEE to stop the new activities.

In no case shall the Leased Property be used for immoral, illicit and illegal acts or purposes.

2. **Sub-Lease.** - The Lessee shall not sub-lease the Leased Property;
3. **Non-Sale of Improvements.** - The Lessee agrees that any structures, improvements, or fixtures **constructed or installed** on the leased property, **shall not be sold, donated, or mortgaged to any third person**. Such structures or improvements upon the termination of this Lease Agreement, shall automatically be owned by the LESSOR **without** any obligation on the part of the LESSOR to pay or refund its value or cost to the LESSEE. However, the Lessee has the right to remove any ornamental improvements in the premises.

ARTICLE V DEFAULT

1. In case of default in the monthly payment thereof, the LESSOR shall give the LESSEE a grace period of Thirty (30) days within which to pay the same. Failure to pay within the Thirty (30) days grace period the LESSOR shall impose five percent (5%) of the monthly rental as penalty for each month of delay until the monthly rent is fully paid.
2. It is hereby agreed that should the LESSEE fail to pay monthly rentals for **Two (2) months**, this lease agreement shall be automatically revoked and the LESSEE agrees to forfeit all the rights and advance payments covered by this contract agreement and the structures or improvements constructed or built in the leased property shall be owned by the Lessor without any obligation on the part of the LESSOR to pay or refund its value or cost to the LESSEE, except ornamental improvements.

ARTICLE VI ALTERATIONS, INSTALLATIONS, ADDITIONS, RENOVATIONS AND IMPROVEMENTS.

1. The LESSEE shall be allowed to construct or make any repairs, alterations, installations, additions, renovations and improvements on the leased property with or without the approval of the LESSOR.
2. In so doing, all constructions, repairs, alterations, installations, additions, renovations and improvements on the leased property shall be at the expense of the LESSEE.
3. All electrical, plumbing, septic tank and other property maintenance shall be at the expense of the LESSEE.
4. All necessary permits clearances and licenses required for by law or needed to be secured from any government agency prior to the implementation and/or construction, repairs, alterations, additions, renovations or improvements on the leased property shall be the responsibility of the LESSEE.

5. Any Alterations or improvements made or introduced by the LESSEE with or without the consent of the LESSOR shall, upon the termination of this Lease Agreement, automatically be owned by the LESSOR without any obligation on the part of the LESSOR to pay or refund its value or cost to the LESSEE, except for the ornamental improvements wherein the Lessee may remove the same.
6. The Lessor shall allow the Lessee to install CCTV cameras and other security equipment. The Lessee will provide his own security guard (if required).
7. The Lessor shall allow the Lessee to install a separate electric line from the local Electrical Cooperative in order to carry the full load needed for the business operation. The Lessor also will allow installation of water line connected to a local or private water provider.

ARTICLE VII WARRANTIES

1. Lessor warrants the soundness of this leased agreement and it shall not introduce modifications that may affect the intent and purpose of the Lessee over the leased property.
2. Lessor warrants that it has a title or right over the property and undertakes to defend the said title to any claims. Lessor likewise guarantees the peaceful possession and use of the property by the Lessee. The Lessee on the other hand hereby expressly recognizes the absolute right of the Lessor to sell or mortgage the property. In the event that the leased property is sold or mortgage by the Lessor, this contract shall be respected by the new owner and the Lessor shall cause the annotation of this contract on the title of the property.
3. In the event that the peaceful possession and the use of the property of Lessee is interrupted due to the factors outside the Lessee's control, such as but not limited to the foreclosure of the leased property, the Lessor shall pay the Lessee damages. Payment shall be made within 30 days from the receipt of the written demand.
4. the Lessor further warrants that;
 - a. the Lessor has not entered into any undertaking in favor of any person granting ownership, use or possession, or any other rights over the leased property and has not been exposed for sale or sold at public or private auction for an obligation to any person or government.
 - b. The Lessor hereby grants the Lessee the privilege to use areas/ easement if applicable.
 - c. The Real estate taxes of the leased property have been fully paid as of the signing of this contract and future real estate taxes of the leased property (**land**) shall be regularly paid by the Lessor. The Lessee shall be responsible for paying the taxes related to any buildings or improvements on the premises.

ARTICLE VIII CANCELLATION

1. The LESSOR may cancel or terminate this lease agreement, upon the happening of any of the following events:
 - 1.1. Non-payment of the two (2) months' rent under Section 2, Article V of this contract.

- 1.2. The LESSEE uses leased premises for purposes other than those specified herein, without prejudice to the options available to LESSOR under Section 1, Article IV hereof.
- 1.3. The LESSEE violates any of the terms and conditions of the Lease Agreement or fails to get the necessary permits from the national and/or local government units/agencies.

ARTICLE IX FORCE MAJEURE CLAUSE

In the event that either party is unable to perform any of their obligations under this Lease Agreement due to a force majeure event, the following provisions shall apply:

- 1. Definition of Force Majeure:** For the purposes of this Agreement, a "force majeure event" refers to any event or circumstance beyond the control of the parties, which may include, but is not limited to, acts of God, natural disasters, strikes, lockouts, acts of war or terrorism, government regulations, and any other unforeseen events that prevent the party from fulfilling their obligations under this Agreement.
- 2. Suspension of Obligations:** If a force majeure event occurs, the affected party's obligations under this Agreement shall be temporarily suspended for the duration of the force majeure event.
- 3. Notice:** The affected party shall promptly notify the other party of the force majeure event and its expected duration. Both parties shall work in good faith to minimize the impact of the force majeure event on the lease.
- 4. Extension or Termination:** If the force majeure event continues for one (1) year, either party may have the option to terminate this Lease Agreement without penalty. Alternatively, both parties may agree to extend the lease term to make up for the lost time.
- 5. No Liability:** Neither party shall be liable for any damages, losses, or penalties resulting from a force majeure event. This clause will govern the rights and obligations of the parties during such events.

ARTICLE X MISCELLANEOUS

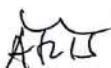
- 1. Other Taxes or Permits.** - The Taxes related to any improvements therein shall be paid by the Lessee during the term of this agreement, including the payments for the business permit or various permits and licenses that are necessary to the business of the Lessee.
- 2. Care of Leased Property.** - The LESSEE shall at its own expense, maintain the Leased Property in a clean and sanitary condition free from obnoxious substances or inflammable materials or substances, noxious odors, disturbing noises or other nuisances. The LESSEE, its employees, agents or representatives shall not in any manner damage or deface the Leased Property. The LESSEE shall comply with any and all reasonable rules and safety regulations which may be promulgated from time to time by the LESSOR, together with all the rules, regulations, ordinances or laws made by duly constituted authorities.
- 3. Inspection of Property.** - The LESSOR reserves the right to enter and inspect the Leased Property at reasonable times during business hours and with prior notice. The LESSEE agrees to cooperate with the LESSOR in keeping the Leased Property in good tenable conditions.

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4. **Assignment.** - The LESSOR reserves the right to assign, transfer or encumber any of its rights and interests under this Lease Agreement to any entity without the need of obtaining consent of the LESSEE except to notify the latter of the same. In the event of such transfer, assignment or encumbrance, the rights and interest of the LESSEE under this Lease Agreement shall be respected and observed in its entirety by such assignee, transferee or mortgagee, and for the entire term hereof unless otherwise mutually agreed upon by the parties including the LESSEE.
 5. **Return of Property.** - Upon the termination of this Lease Agreement for any reason whatsoever, the LESSEE shall peacefully and immediately vacate the Leased Property and return possession thereof to the LESSOR in good and tenable condition, devoid of all occupants, equipment and effects of any kind. Failure of the LESSEE to return the Leased Property as provided herein shall make it liable to pay liquidated damages to the LESSOR in an amount equivalent to six (6) months rent without prejudice to such other amounts as may be due to the LESSOR and/or other remedies available to the LESSOR under this Lease Agreement and/or under the law.
 6. **Right to Enter the Property to Recover Actual Possession.** - Upon the failure of the LESSEE, or the sub-lessee as the case may be, to comply with any of the terms and conditions of this lease and failure to vacate and return the property as provided herein, the LESSOR or his Authorized representative/s shall have the right, upon five (5) days written notice to the LESSEE, or upon written notice posted at the entrance of the Leased Property for the same period, to enter and take possessions of the said property, without need of resorting to any court action, holding, taking custody and impounding such possessions and belongings of the LESSEE found therein after conducting an inventory of the same in the presence of witnesses, until such time all the rentals, interest penalties, unpaid utility bills, damages or any other amounts due to the LESSOR has been fully satisfied by the LESSEE. All these acts being hereby agreed to by the LESSEE as tantamount to her voluntary vacation of the Leased Property without necessity of the suit in court and authorizing the LESSOR to use all necessary and reasonable force to break open doors and to enter the premises and take actual possession thereof, and such entry and use of reasonable force should not be regarded as trespass, nor be sued as such or in any ways be considered as unlawful.
 7. **Indemnity.** - the LESSEE shall hold the LESSOR free and harmless from any loss, damage, injury suffered by the LESSEE, its agents or employees, clients, guests or customers or other third person arising out of the use the leased property by LESSEE, its agents, clients, guests or customers for any injuries, losses or damages occasioned by reason of any event or cause which could not be foreseen, or which, though foreseen, were inevitable such as but not limited to fire, earthquake, lightning, typhoons, flood, volcanic eruption, robbery, theft or other crimes. In addition, the LESSOR shall not be liable or responsible:
 - a. For the presence of bugs, vermin, rats, insects or other similar creatures, if any, in the Leased Property.
 - b. For Failure of electrical and/or water supply due to the causes beyond LESSOR'S control.
 - c. For any injury, loss or damages which the LESSEE, its agents or employees, might sustain while in the leased Property due to causes attributable to their own acts or negligence.
 8. **Expropriation.** - If the leased property is expropriated by the government or any of its agencies, the Lessor may lease out another property of equal value to the Lessee or terminate this contract without any indemnification to the latter for all
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the improvements made on the leased property. For the reason that expropriation is beyond the control of the Lessor.

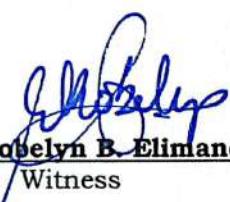
9. **Non-waiver.** – The failure of the LESSOR to insist upon the strict performance of any of the terms, conditions and covenants hereof shall not be deemed a relinquishment or waiver of any of the rights or remedies that the LESSOR may have, nor shall it be construed as a waiver of any subsequent breach or default of its terms, conditions and covenants which shall continue to be in full force and effect. No waiver by the LESSOR of her rights under this Lease Agreement shall be deemed to have been made unless expressed in writing and signed by the LESSOR.
10. **Amendments.** – Any amendments or additional terms and conditions to this lease agreement must be in writing.
11. **Venue.** – In case of any dispute arising in connection with this Lease Agreement, the parties hereby agree that the venue for the settlement of the dispute shall be exclusively within the jurisdiction of the proper court in Siargao Islands, Philippines

IN WITNESS WHEREOF, the parties have hereunto signed this contract this 4th day of February 2025 at General Luna, Surigao del Norte, Philippines.


ADAM ARIS U. MORALES
Lessor
Driver's License No. K07-06-001403


ROLEN ECHAVEZ BINATER
Lessee
TIN. 602-650-629

Signed in the presence of:


Robelyn B. Elimanco
Witness

Witness

ACKNOWLEDGMENT

Republic of the Philippines
Province of Surigao del Norte) S.S.

BEFORE ME, personally came and appeared the above-named persons with their competent pieces of evidence of identity as above-indicated, known to me and to me known to be the same persons who executed the foregoing Contract of Lease and they acknowledged to me that the same is their voluntary act and deed.

This instrument which consists of Seven (7) pages including this acknowledgment has been signed by the parties and their instrumental witnesses on each and every page thereof.

WITNESS MY HAND AND SEAL on this 04 day of FEB 2025 at General Luna, Surigao del Norte, Philippines

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Series of 2025

ATTY. VENCHO LIM GOPICO
NOTARY PUBLIC
FOR AND IN THE ISLAND OF SIARGAO
SURIGAO DEL NORTE
FEB 2024-05
VALID UNTIL DEC. 31, 2025
ROLL NO. 05910
MCLE compliance until 2025 (Recently Admitted: May 2, 2023)
IBP NO. 45036301 JANUARY 2, 2025 SURIGAO DEL NORTE
PTR NO. 7087751 JANUARY 6, 2025 SURIGAO DEL NORTE
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