**CONTRACT OF LEASE**

**KNOW ALL MEN BY THESE PRESENTS:**

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

**(NAME OF PROPERTY),** with office address at (ADDRESS OF PROPERTY) hereinafter referred to as the **LESSOR;**

-and-

**(NAME OF LESSEE) ,** (CITIZENSHIP) Citizen,

married to (NAME OF LESSEE’S SPOUSE IF MARRIED, IF NONE THEN NOT APPLICABLE) with postal address at (ADDRESS OF LESSEE), hereinafter referred as the **LESSEE.**

**WITNESSETH THAT:**

**WHEREAS,** the **LESSOR** is renting out (ROOM TYPE: COMMERCIAL OR RESIDENTIAL) spaces in (PROPERTY NAME), (PROPERTY ADDRESS),

**WHEREAS,** the **LESSEE** desires to lease from the **LESSOR the (UNIT NO.) with more or less (AREA OF THE UNIT/ROOM) sqm floor area referred to as** the **LEASED PREMISES** to be used by the former and the latter agrees with the same subject however to the terms and conditions provided herein.

**NOW, THEREFORE**, for and in consideration of the foregoing premises and in consideration of the payment of rents and the fruitful compliance with all the conditions and covenants herein contained, the **LESSOR** has agreed to lease, let and demise unto the **LESSEE** and the latter does hereby accept under lease the **LEASED PREMISES** subject to the following terms, covenants, condition and restrictions:

**1. PERIOD LEASE**

    This Contract of Lease shall to be for a period of **(PERIOD OF LEASE) months** starting (DATE OF MOVE IN**\_\_\_\_\_, 2022)** up to end of midnight of (DATE OF MOVE OUT**\_\_\_\_\_\_\_, 2022**) and may be renewable upon mutual agreement between the parties.

**2. RENTAL RATE**

The agreed monthly rental of the **LEASED PREMISES,** shall be **(RENT AMOUNT ), withholding tax not included** and exclusive of city services such as electricity, internet, and water services. Rent for each month is payable by **(MODE OF PAYMENT: CASH/ BANK DEPOSIT OR ONLINE FUND TRANSFER/ POST DATED CHECKS) every (DUE DAY OF PAYMENT )of the month covering the period of lease.**

Without prejudice to the exercise by the**LESSOR** of its right under the penal provision herein the **LESSEE** shall pay to this **LESSOR** interest of any amount herein provided tobe paid by the **LESSEE** that is not paid or tendered on time, at the rate of (PENALTY RATE ) per month to be computed from the date ofdelinquency until fully paid.

The penalty charges shall apply to any and all arrears in the amount herein provided to be paid by the **LESSEE**, including but not limited to rents, utility charges, dues and deposits.

In case of cancellation or termination of this contract due to default or breach of its terms, the **LESSEE** shall still pay the **LESSOR** all unpaid rents, fees, charges assessments and reimbursements to which the **LESSOR** may be entitled.

In the event the delinquency is settled prior to the extension of a full month, the interest charges shall be computed on the basis of the monthly rent that was already expired.

**3. DEPOSIT**

Upon the execution of this contract, the **LESSEE** shall pay the **LESSOR** the amount of **(AMOUNT OF SECURITY DEPOSIT)** as **(NUMBER OF MONTHS) months security deposit** which shall be non-interest bearing and this will answer for any unpaid bill for electricity, water and other utilities, and/or damages to the leased premises for which the **LESSEE** is responsible. However, if said **Security deposit** is not sufficient to cover for the obligation left by the **LESSEE**, the **LESSEE** shall still be liable for the difference. At the end of this Lease, such amount will be deducted from the **Security Deposit** and the remaining balance, if any shall be refunded by the **LESSEE** without interest upon presentation of pertinent receipts and settlement account, but not later than Sixty (60) days from termination of the lease. It is also further understood that Security **Deposit** is considered Separate and distinct from the monthly rental and therefore it cannot be applied in payment of any monthly rental currently due and and/or in arrears. More over **Security Deposit** shall be considered forfeited in favor of the **LESSOR** or in case the contract is earlier terminated, rescinded or cancelled for violation of any of the provisions hereof.

**4. ARREARGES**

Without prejudice to the exercise by the **LESSOR** of its rights established elsewhere in this contract, and in the event that the **LESSEE** should occur a delay in the payment of the monthly rental, or in case of any breach of any of the covenants herein on the **LESSEE`S** part the **LESSOR** shall terminate this contract of lease, enter the **LEASE PREMISES**, and without need of demand or resort to judicial proceedings expel or lock out the **LESSEE** and their effects from the **LEASED PREMISES.**

It is likewise agreed that should eviction from the **LEASED PREMISES** become necessary, the **LESSOR** is hereby constituted as the **LESSEE`S SPECIAL ATORNEY-IN-FACT** with the power to sell or otherwise dispose of, for value, or retain such portion of the **LESSEE’S** aforesaid properties sufficient to secure funds to answer for the arrearages and/ or other property from the **LEASED PREMISES**, handling freight and other charges of said **LESSEE’S** properties

The **SPECIAL POWER OF ATTORNEY** shall continue to subsist for so long as the **LESSEE** has unpaid obligation arising out of this contract, it being and integral party hereof, and the **LESSEE** hereby expressly ratifies any and all acts performed by the **LESSOR** in the exercise of this power

**5. USE OF LEASED PREMISES**

The **LEASED PREMISES** shall only be used by the **LESSEE** for its **(RESIDENTIAL OR COMMERCIAL)** use for its (TYPE OF BUSINESS IF COMMERCIAL OR NA IF RESIDENTIAL)

**6. RENOVATION, ALTERATIONS, ADDITIONS, IMPROVEMENTS**

**LESSEE** shall make any alterations, additions, or improvements inside of the **LEASED PREMISES** without prior written consent of the **LESSOR**. Such alterations, additions or improvements made by the either party in or upon the **LEASED PREMISES**, except the movable furniture and fixture put in by the **LESSEE** and removable without defacing or injuring the building or the **LEASED PREMISES**, shall become the property of the **LESSOR** and remain upon and be surrendered with the **LEASED PREMISES** as part thereof, at the termination of this lease, without compensation to the **LESSEE**.

**7. CARE OF THE LEASED PREMISES**

The **LESSEE** shall, at its expense, maintain the **LEASED PREMISES** in clean and sanitary condition, free from noxious odors, disturbing noises and other nuisance. Upon the expiration of the lease, the **LESSEE** shall surrender and return the **LEASED PREMISES** and fixtures in good condition, ordinary wear and tear excepted. The **LESSEE** shall exercise extra care in its conduct of business in using fire or explosion.

**8. REPAIRS**

**LESSEE** shall at its own expense, maintain the **LEASED PREMISES** in good order and repair. All expenses for replacement of electrical bulbs and for the repair of locks, electrical switches and other items for **LESSEE’S** use including damages resulting from structural defects in the building, shall be for the account of the **LESSEE.**

Existing electric, plumbing or other service installation shall not be tampered with, changed, altered or new installation made without previous written consent of the **LESSOR.**

If the **LEASED PREMISES** is destroyed in whole or in substantial part by fire, or any cause not attributed to the negligence of the **LESSEE**, its employees, clients and visitors; or by earthquake, floods or other force majeure, the **LESSEE** shall have the option to either terminate this lease agreement or continue the same after the lease premises are repaired and made tenantable by the **LESSOR**, it being understood that no rental and additional charges shall be due from the **LESSEE** during the period of repair. No compensation or claim will be allowed to be paid by the **LESSOR** by reason of inconvenience, annoyance, or injury to the **LESSEE**, arising out of the necessity to repair any portion of the **LEASED PREMISES.**

**9. GARBAGE RECEPTACLES**

The **LESSEE** shall provide itself at its own expense with receptacles which the Municipal Ordinance and or other Government or non-government agency require to hold and contain waste matter or refuse and shall deposit them within its own premises or designated disposal area.

**10. INFLAMMABLE AND EXPLOSIVE MATERIALS**

**LESSEE** shall not bring into the **LEASED PREMISES** anything of highly flammable or explosive in nature nor shall install therein any apparatus, machinery or equipment which may cause obnoxious vibration or noise, or expose the **LEASED PREMISES** to fire or increase the hazard of the Building, or change the insurance rate of the building, or any article which the **LESSOR** may reasonably prohibit; it being understood that should the **LESSEE** do so, not only shall the latter be responsible for all the damage, which the violation may cause the **LESSOR** and/or other tenants, but the **LESSOR** shall, in addition thereto have the right to cancel this lease. If the **LESSEE** shall do use the **LEASED PREMISES**, or deposit therein any such matter as to result in any increase in the rate of insurance, said increase shall be for the account of the **LESSEE**, with the same option to terminate the Lease.

No machinery, furniture and fixture or other office equipment may be brought into or out of the **LEASED PREMISES** at any time without the prior written approval of the **LESSOR** or any of its authorized representatives.

**11. RULES AND REGULATIONS, ETC.**

The **LESSEE** shall comply with any and all reasonable rules and safety regulations, and ordinances and laws made by the duly constituted authorities of the local and national government arising from or regarding the use, occupancy and sanitation of the **LEASED** **PREMISES** and the Building.

Fire extinguishers shall be provided by the **LESSEE** in all areas of the **LEASED PREMISES** in quantities, as may be necessary.

Fees to be charged by the City electrician in accordance with the applicable ordinances for the inspection of electrical appliances installed by the **LESSEE** within the **LEASED PREMISES** shall be for the account of the **LESSEE**.

**12. LIABILITY FOR SUITS, ETC.**

The **LESSEE** shall indemnify and hold harmless the **LESSOR** against all actions, suits, damages claim whatsoever that may be brought or made by reason of the non-performance or non-compliance by the **LESSEE** or any of its agents of the applicable existing rules, regulations, ordinances or laws referred to in paragraph 11 without prejudice to the right of the **LESSOR** to cancel this lease in accordance with the penal provision herein contained in case of serious or repeated violation.

**13. INSURANCE**

The **LESSEE** shall have insurable interest on the improvements and equipment that it may introduce into the **LEASED PREMISES**. To this end, it is authorized to procure such insurance against damage to its improvement and equipment in such amount or values as it may deem necessary to protect its interest.

**14. EXPROPRIATION**

In the event that expropriation proceedings are instituted during the period of this lease by any instrumentality of the Government or by any other entity with authority to exercise such power, either party may rescind this contract should the **LEASED PREMISES**, become no longer useful for the purpose of this lease, upon giving the other party thirty (30) days previous written notice thereof. In case of such expropriation, the **LESSEE** hereby unconditionally relieves and releases the **LESSOR** from any and all liability under this Contract in connection with or arising out of such expropriation proceeding, without prejudice to whatever recourse the **LESSEE** may have against expropriation entity on account of damage done or caused to it or its properties.

**15. SUBLEASE**

The **LESSEE** cannot sublease the **LEASED PREMISES** or any part thereof, without the prior written consent of the **LESSOR**. [The sublease](https://www.lawinsider.com/clause/right-to-sublet) shall require that each sub-lessee and the sublease associated with such sub-lessee is subordinate to the terms of this Lease. In the event of any conflict between this Lease and any sublease of **LESSEE**, the provisions of this Lease shall prevail.

**16. UTILITIES**

The installation of electrical connection and sub-meter shall be for the account of the **LESSOR**. The **LESSEE** shall pay the internet, electric consumption, water, and other facilities/utilities consumed/used by it in the **LEASED PREMISES** including all adjustments/increases appearing in the billing statement.

**17. EXTRA ELECTRICAL OUTLETS, TRANSFORMERS, ETC.**

The installation of and usage of additional electric, water, telephone, internet connection in the premises, shall be for the account and expense of the **LESSEE**, who is hereby authorized to make the same only after obtaining the prior written consent and approval of the **LESSOR**. Such installation should be made in such a way as to cause no injury or damage to the leased premises, provided however, that if the installation of extra outlets, meters, transformers, etc. will be needed, the lessee shall first furnish the **LESSOR** with the plan of such additional electrical requirements for its approval and the **LESSEE** shall employ on the service of a licensed electrician so that additional load of current shall be within capacity of the main switch to avoid fire hazards.

**18. INJURY AND DAMAGE TO THIRD PARTY**

The **LESSEE** agrees that the **LESSOR** shall not be liable for any damage or liability of any kind or for any damage or injury to any persons or property during term of this lease from any cause whatsoever by reason of the use, occupancy and enjoyment of the premises by the **LESSEE**, its employees, representatives, guests, clients and customers, and that the **LESSEE** will save harmless the **LESSOR** from all liability whatsoever, including all expenses incurred in defending against said claims and liability on account of such damage or injury and from any all liens, claims and demands or whatsoever in nature.

If not attributable to its fault or negligence, the **LESSOR** shall not be liable nor be responsible for the following:

1. The presence of bugs, vermin, ants, insects or any kind in the **LEASED PREMISES** and building, or
2. The failure of water supply and/or electric current, or
3. Any injury, loss, or damage which the **LESSEE**, his agents or employees sustain in the **LEASED PREMISES**, or
4. Any damage done occasioned by, or arising from plumbing, gas, water, and/or other pipes, or busting, leaking or destruction of water tank, wash stand, water closet, or water pipe in said **LEASED PREMISES** of for any damage arising from acts or negligence of the **LESSEE** or its agents, employees, clients to any and all other persons.
5. Any article delivered to or left with any of its employees.
6. Lack of any telephone line facilities.

**19. FIRE**

In case of damage to the **LEASED PREMISES** or its appurtenances by fire, earthquake, war or any other unforeseen cause, the **LESSEE** shall give immediate notice thereof to the **LESSOR**. If the **LEASED PREMISES** shall be damaged by fire or other cause without the fault or negligence of the **LESSEE,** or its agents, employees, guests and customers, the damage or injury shall be repaired at the expense of the **LESSOR**, as speedily as possible, after such notice, but if the **LEASED PREMISES** be so nearly destroyed as to make it not tenantable, without the fault or negligence of the **LESSEE**, either party may demand the rescission of this contract.

No compensation or claim shall be allowed against the **LESSOR** by reason of inconvenience or injury to business arising out of the necessity or repairing any portion of the leased premises whenever the necessity may arise.

**20. INSPECTION OF PREMISES**

The **LESSOR** or its authorized agent shall, by previous arrangement with the **LESSEE**, have the right to enter the **LEASED PREMISES** at any time to examine the same or make alterations or repairs, or for any purposes which it may deem necessary for the operation or maintenance of the leased premises, and during the last month of the term of the lease, unless arrangement for the renewal of this agreement have been previously made and as provided in paragraph 1 of this contract, to exhibit the **LEASED PREMISES** to prospective tenants.

**21. ACCESS FOR REPAIRS, IMPROVEMENT WORKS ETC.**

The **LESSEE** shall at all times upon prior notice from the **LESSOR**, allow and give access to the **LEASED PREMISES** for the purpose of making repairs, remodeling, repainting, improving or to undertake all works necessary for the preservation, conservation, improvement works or decoration of the **LEASED PREMISES** or any part thereof. No compensation or claim shall be allowed against the **LESSOR** by reason of inconvenience, annoyance, or injury to the **LESSEE’S** business that may arise by virtue of undertaking any work under this provision.

**22. PRETERMINATION/ TERMINATION CLAUSE**

This contract of lease may not be terminated during the lease period by the **LESSEE**. Should the **LESSEE** terminated this contract prematurely, all unused rentals shall be forfeited in favor of the **LESSOR**. The (NUMBER OF MONTHS) months **Security Deposit** shall also be forfeited in favor of the **LESSOR** as liquidated damages and all unpaid bills should be settled by the **LESSEE.**

**LESSEE** agrees to return and surrender the **LEASED PREMISES** at the termination /expiration of the term of this lease in as good condition and reasonable wear and tear will permit without any delay whatsoever, devoid of all occupants, furniture, articles except those which cannot be removed without causing injury to the **LEASED PREMISES** which shall remain in the **LEASED PREMISES** and become the **LESSOR’S** property in accordance with the provisions of paragraph 6 hereof.

If the said **LEASED PREMISES** is not surrendered at the expiration of the term hereof, the LESSEE shall be responsible to the **LESSOR** for all damages which the **LESSOR** shall suffer by reason thereof and will indemnify the **LESSOR** against any claims made by any succeeding tenant against the **LESSOR**, resulting from delay by the failure of the **LESSEE** to surrender the **LEASED PREMISES** on time.

**23. DISTURBANCE OF POSSESSION**

Disturbance or discontinuance of the possession by the **LESSEE** of the **LEASED** **PREMISES** by causes beyond control of the LESSOR shall confer no right of any kind to the **LESSEE** as against the **LESSOR.**

**24. ABANDONMENT OF LEASED PREMISES**

In case the **LEASED PREMISES** shall be deserted or vacated or locked or padlocked by the LESSEE for any reason whatsoever before the expiration of this lease, the **LESSOR** shall have the right to break the padlock and to enter the same as agent of the **LESSEE**, either by force or otherwise, without being liable for any prosecution, and to relate the same as agent to the **LESSEE,** and to receive the rent due hereunder, holding the **LESSEE** liable for any deficiency. Absence or abandonment of the **LEASED PREMISES** shall relieve the **LESSEE** from his obligations under this lease. Failure on the part of the **LESSEE** to use the **LEASED** premises for a period of one (1) week shall constitute desertion or abandonment.

**25. NON WAIVER**

The failure of the **LESSOR** to insist upon a strict performance of any of the terms, conditions and covenants hereof shall not be deemed a relinquishment or waiver of the rights or remedy that the **LESSOR** may have, nor shall it be construed as a waiver of any subsequent breach or default of the terms, conditions and covenants hereof which term and conditions and covenants shall continue to be in full force and effect. No waiver by the **LESSOR** or any of its rights under this contract shall be deemed to have been made unless expressed in writing and signed by the **LESSOR.**

**26. BREACH OR DEFAULT**

The **LESSEE** agrees that all the covenants and agreements herein contained shall be deemed conditions as well as covenants and that if default or breach be made or any such covenants and conditions then, this lease at the discretion of the **LESSOR**, may be terminated and cancelled and the **LESSEE** shall be liable for any and all damages, actual and consequential resulting from such default and termination.

1. **JUDICIAL RELIEF**- Should the **LESSOR** be compelled to seek judicial relief against the **LESSEE**, the latter shall in addition to the damages mentioned in the preceding paragraph, pay an amount equivalent to 20% of the amount claimed in the complaint, as attorney’s fees with minimum of P50,000.00 aside from the cost of the litigation and other expenses which the law may entitle the **LESSOR** to recover from the **LESSEE.**

Provisions of a penal character in the sections of this contract shall be considered as cumulative to the relief granted by this section.

1. **TERMINATION OF OBLIGATION**- In case this contract is terminated or cancelled, whether judicially or extra-judicially, by reason of any default or breach committed by the **LESSEE**, the said **LESSEE** shall be fully liable to the **LESSOR** for the damages that may be sustained by the latter, actual or consequential, resulting from such default or termination. In the event of cancellation or termination of this contract under the above circumstances the **LESSOR** is hereby authorized and designated as the attorney-in-fact of the **LESSEE**, to sell at public or private sale, upon five (5) days notice to the **LESSEE** any and all machineries, goods, merchandise, furniture, fixtures and equipment located at the **LEASED PREMISES**, and to apply the proceeds of such sale to any damages and outstanding obligation of the **LESSEE** under this Contract.

**27. CONCLUSIVE TERMS**

It is hereby understood that all the terms, conditions and provisions contained in this instrument constitute the entire agreement between the parties and is deemed to include any and all representation, promise and, commitments made by the parties, verbal or otherwise prior to the execution hereof.

**28. SEPARABILITY**

The invalidity or unenforceability of a provision hereof shall not effect or impair the other provision which otherwise can be given full force and effect.

29 …. (ADD SPECIAL PROPERTY PROVISIONS TO BE ADDED BY MANAGER)

**NOTICES**

Whenever in this lease it shall be required, permitted or desired that notice or demand be given by either party to or on the other, such notice or demand shall be in writing and shall be served by delivering personally the said notice to the party or by leaving it in his office with a person having charge thereof or to a person with sufficient discretion to receive the same, or by registered mail by depositing the notice in the Post Office, in sealed envelope, plainly addressed to the party with postage fully paid.

For the purpose hereof, the addresses of the parties hereof (until notice of a change thereof is given as provided in this paragraph) shall be as follows:

**(NAME OF THE TENANT)**

**(PERMANENT ADDRESS OF THE TENANT)**

**(EMAIL ADDRESS OF THE TENANT)**

**IN WITNESS WHEREOF,** the parties hereto have caused this instrument to be duly executed on this (DATE OF EXECUTION OF CONTRACT) at (CITY LOCATION OF THE PROPERTY).

**(NAME OF PROPERTY MANAGER) (TENANT NAME)**

**Lessor Lessee**