

SAMPLE CONTRACT

LEASE CONTRACT

KNOW ALL MEN BY THESE PRESENTS:

This Contract of Lease made and entered into this ____ day of _____, at the City of Makati, Philippines, by and between:

PROMAX REALTY CORPORATION, a corporation duly organized and existing under the laws of the Philippines with office address at Promax Place, 1672 Dian St., Makati City, hereinafter referred to as the **LESSOR**, and represented in this act by its Director, **EUGENE R. CASTILLO**:

- and -

_____, of legal age, Filipino, with postal address at _____ and hereinafter referred to as the **LESSEE**.

- WITNESSETH -

THAT the LESSOR is the absolute and registered owner of the premises located at the following address and described as follows:

UNIT NO. M01
PROMAX PLACE, 1672 Dian St., Makati City

THAT the LESSEE henceforth in this contract to include his immediate family, his agent, guest, servants and employees since LESSEE shall be responsible for all their acts and omissions) desires to lease the above described premises and the LESSOR is willing to lease the same unto the LESSEE under the following terms and conditions:

1. **TERM** - This lease shall be for a period of **one (1) years** to commence on _____ and shall expire at midnight of _____, renewable thereafter upon mutual consent of both parties, with ninety (90) days notice of renewal or termination to the LESSOR.

If the lease is not renewed in writing by both parties upon the expiration of the lease, and the LESSEE lawfully continues to occupy the premises, the lease shall be understood as running on a month-to-month basis only, under the same terms, except as to increase in rentals to at least 20% every year thereafter (based on the last rentals) cumulatively, subject to termination by either party upon written notice to the other party at least thirty (30) days prior to the date of such termination.

The Lease may be renewed for another period of one (1) year subject to annual increase in rental, which in no case shall be less than ten percent (10%) of the current rental. A corresponding increase in the deposit required in Par. 4 shall be paid by the LESSEE on renewal of the lease.

2. **TERMINATION OR CANCELLATION OF LEASE** – This lease shall be automatically terminated if any of the following supervene:
- a) Upon termination of the lease period of the original contract, unless the lease relationship shall be extended or renewed in the manner provided in this contract;
 - b) Failure to comply with any condition of this Contract;
 - c) Abandonment of the leased premises as defined in Paragraph 20;
 - d) Use of the premises other than that for which it was agreed upon.

3. **RENTAL** - The LESSEE hereby agrees to pay the LESSOR the monthly rental of **Pesos: _____** Philippine Currency, for the whole term of this contract in the form of postdated checks.

Upon execution of this Contract, the LESSEE shall pay to the LESSOR the sum of **Pesos: _____** as payment for the first month of LESSEE's occupancy of the unit. Succeeding rental payment is strictly on or before the 10th day of each applicable month.

4. **DEPOSIT** – Upon execution of this Contract, the LESSEE shall deposit (without interest) to the LESSOR the sum of **Pesos: _____** which is equivalent to two (2) months rental and which shall be kept intact throughout the existence of this Contract. This deposit shall guarantee the faithful compliance by LESSEE of all the covenants and conditions of this Contract and shall answer for any damages and monetary obligations of the LESSEE under this Contract. The balance after deducting such obligations shall be returned to the LESSEE sixty (60) days after the LESSEE has completely and satisfactorily vacated and surrendered the premises at the expiration of this contract. Should LESSEE vacate the premises or terminate this contract prior to the lapse of the first year of lease, said deposit shall be automatically forfeited in favor of the LESSOR, without prejudice to the other rights that LESSOR may have under this contract.

It is understood that this deposit shall not be applied against overdue rentals and other outstanding accounts owing to the LESSOR, and that the LESSEE's liability for any breach of this Contract or any

obligation for the leased premises shall in no manner be limited to the amount of said deposit. If the deposit is forfeited, then the LESSEE agrees to pay all accounts payable which would have been charged against said deposit.

5. **USE OF PREMISES** – the LESSEE hereby expressly agrees and warrants that the leased premises shall be occupied and used exclusively by the LESSEE for **residential purposes** and for no other purposes without the prior written consent of the LESSOR.

Whenever applicable, the LESSEE further agrees and warrants that a residential single bedroom unit shall have no more than three (3) occupants and not more than six (6) occupants for a two-bedroom unit.

LESSEE shall not use the premises for any immoral or illegal activities nor divert the premises to other uses. The leased units shall not be used to hold funeral services or to be used as a funeral parlor, manpower and security guard recruiting agencies, karaoke bar or music lounge, promotion agency, gambling den, sauna/massage parlor, prostitution den, drug den nor shall the same be used for any and all activities prohibited by law. Neither shall the unit be used in activities that may disturb peace and cause disturbances of whatever nature to other tenants.

6. **SUBLEASE AND TRANSFER OF RIGHTS** – The LESSEE shall not assign, transfer, or encumber his right in this Contract nor sublease or sublet all or any part of the leased premises, without the prior written consent of the LESSOR. Any sublease of said premises or assignment of this contract without consent of the LESSOR shall be null and void, and the LESSOR shall have the right to extra-judicially terminate this contract at once and all rental deposit and unused advanced rentals shall be forfeited as penalty thereof.
7. **PUBLIC UTILITIES** – The LESSEE shall, during the existence of this lease, pay for and defray all his expenses for water, electricity, telephone and other utility services as well as such amounts as may be billed by LESSOR for utilities used by the LESSEE other than those billed directly by the utility companies. All billings shall be payable within three (3) days from receipt of Statement. All said billings not paid on time shall bear interest at the rate of three percent (3%) per month plus penalty charges likewise at the rate of three percent (3%) per month.
8. **RULES, REGULATIONS, ETC.** - The LESSEE shall not use or store in any part of the leased premises anything prohibited by any law, whether local or national, without prejudice to the criminal liability therefore under the Revised Penal Code. The LESSEE shall comply strictly with any and all rules and safety regulations which may be promulgated from time to time by the LESSOR and with all the laws made by duly constituted authorities of the City of National Government arising from or regarding the use, occupancy and sanitation of the leased premises.
9. **SIGNS AND ADVERTISEMENT** – the LESSEE shall not cause to be affixed, inscribed or painted, any notice, sign or other advertising medium on any part of the inside or outside of the building except upon written permission from the LESSOR, and only upon such size, color and style as the LESSOR may determine.
10. **IMPROVEMENTS, REPAIRS AND MAINTENANCE** – The LESSEE hereby acknowledge the leased premises to be in good and tenantable condition, hence the LESSEE shall at its own exclusive expense, keep and maintain the leased premises and every part thereof in clean, safe and sanitary condition; free from obnoxious odors, disturbing tremors or noises coming from noisy apparatus, equipment, machineries or other nuisances which would disturb the neighbors. LESSEE shall at his own expense provide himself with receptacles to hold and contain waste matter, garbage and refuse and shall deposit them within his premises or at such places as may be designated by the LESSOR or the building administrator.

The LESSEE further agrees to undertake at his exclusive expense, repair of all damages resulting from LESSEE's use of the premises, within five (5) days from its occurrence; otherwise, LESSOR may cause said repairs to be made at the expense and for the account of the LESSEE. LESSEE must notify LESSOR within the shortest possible time any damage to the leased premises or its appurtenances; as well as any occupation, usurpation or untoward acts which any third person may have committed or may be committing or threatening to do upon the leased premises. LESSOR shall have the right to make such repairs for the preservation, and/or ornamentation of the leased premises as it may deem necessary; provided that the LESSOR shall not be liable for any inconvenience or injury to the LESSEE, or any other person, arising from the undertaking of any of such work. Only major repairs necessary for the preservation of the leased premises, including those necessitated by structural defect if any, are for the account of the LESSOR.

The LESSEE shall not install additional locksets, deadlocks or any other type of locks on the main door and all the other doors of the leased premises. The LESSEE shall not make any alteration or improvement on the leased premises without prior written approval of the LESSOR. It is however, expressly understood that all such alterations or improvements shall, if the LESSOR so elects, become the latter's property without necessity of reimbursement to the LESSEE. If the LESSOR does not elect to retain such installations or improvements, the premises shall be restored to their original condition by the LESSEE, or in the latter's default, by the LESSOR itself at the expense of the LESSEE. The LESSEE, upon expiration of the lease, shall restore and surrender the premises to the LESSOR in as good a condition as they were actually found at the beginning of the lease, reasonable wear and tear excepted.

11. **PROHIBITIONS**- The LESSEE shall not bring or store in the leased premises any inherently flammable or explosive materials including materials subject to spontaneous combustion, nor bring into the premises any article nor conduct within the premises any operation that will materially and unusually increase the exposure of the building to fire and/or explosion.

If the LESSEE would store anything which may expose the leased premises to fire or change the insurance rate of the building, the LESSOR will hold said LESSEE responsible for all damages which such violation may cause and any increase in the rate of the insurance payable by the LESSOR shall be for the account of the LESSEE.

- 12. LIEN ON FURNITURE, ETC.** – By way of security for the compliance by the LESSEE of all his obligations during occupancy of the leased premises, the LESSEE hereby grants in favor of the LESSOR a lien over articles located on the leased premises. In the absence of any written notice to the LESSOR as to the ownership of any furniture, equipments or article installed or brought in the leased premises, the LESSOR has the right to consider the same as belonging to the LESSEE and subject to the lien therein.
- 13. LIABILITY FOR SUITS, ETC.** – The LESSEE shall indemnify and hold harmless the said LESSOR against all claims, damages, liability or responsibility by whomsoever they may be brought or made arising out of or as a consequence of the use of the leased premises by the LESSEE, without prejudice to the right of the LESSOR to cancel this lease in accordance with the penal provisions hereinafter contained.
- 14. INJURY OR DAMAGE TO PERSONS AND/OR PROPERTY** – the LESSOR shall not be liable nor responsible for the following:
- (a) Injury, loss or damage which maybe caused to the persons or property of all third persons while remaining either casually or on business in any part of the leased premises.
 - (b) Injury, loss or damages which LESSEE, his agents or employees might sustain in the leased premises due to any cause whatsoever beyond the control of the LESSOR or due to acts of third parties, accidents or similar causes.
 - (c) For the presence of bugs, vermin, ants, anay, insects if any, in the leased premises;
 - (d) Failure or disruption of water supply, electric current and other utilities for whatever cause;
 - (e) Leakage of water or the elements from the roof or any part of the building due to rain, typhoon, flood, earthquake, repairs, or other construction works, etc.;
 - (f) Acts of negligence and/or vandalism of LESSEE or any cause whatsoever not directly due to the fault or negligence of the LESSEE;
 - (g) Any damage done, occasioned by, or arising from plumbing, gas, water and/or other lines or the bursting, leaking or destruction of any cistern tank, wash stand, water closet, or waste pipes in, above, upon or about the leased premises nor for any damage arising from acts of negligence of the LESSEE or its guests, agents, employees, representative or any and all other personnel.
 - (h) Any article left or delivered to the LESSEE.
- 15. DAMAGE TO THE LEASED PREMISES** –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 unforeseen cause without the fault or negligence of the LESSEE or his agents, employees, or visitors, the damage shall be repaired at the expense of the LESSOR, within a reasonable time after such notice; however if the building or the leased premises be destroyed to such an extent to make it untenable without the fault or neglect of the LESSEE, either party may demand the rescission of this contract.
- LESSOR shall not be liable to the LESSEE, for any damage which such destruction may cause to LESSEE and no compensation or claim shall be allowed against the LESSOR by reason of any inconvenience, annoyance or injury to the LESSEE's business arising out of the necessity of repairing any portion of the building, however, the necessity may arise.
- In case of damage to the leased premises or its appurtenances by fire or any unforeseen cause and which was caused by LESSEE's negligence or fault or caused by his agents, employees, or visitors, then the damage shall be repaired at the expense of LESSEE, and the leased premises to be brought back to its original condition.
- 16. ACCESS TO 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, to make repairs or for any purpose which it may deem necessary for the operation or maintenance of the building and during the last month of the lease term to exhibit the leased premises to prospective tenants.
- No compensation or claim shall be made against the LESSOR by reason of any inconvenience, annoyance or injury to the LESSEE's business that may arise by virtue of undertaking any work under this provision.
- 17. MORTGAGE OR SALE OF PROPERTY** – The LESSOR reserves the right to mortgage, sell or otherwise dispose of the property, provided that the LESSEE's right and interest under this lease are respected. The LESSEE has the first option to buy the property at a predetermined price agreed upon by both parties. Should the LESSEE waive his right on this option to purchase the property, the LESSOR hereby binds and obligates itself to stipulate as one of the conditions of the sale that the purchaser of the property shall respect the terms and conditions of this Contract of Lease. In the event the purchaser of such property chooses not to respect and abide with the provisions of this Contract of Lease, the LESSOR shall pay LESSEE's one month's rent as penalty and this lease contract is thereby terminated and LESSEE will vacate the leased premises, same as if this contract has been fully completed and complied with.
- 18. RENEWAL** – the LESSEE shall inform the LESSOR in writing at least ninety (90) days before the expiration of this contract of his intention to renew or extend said contract. Otherwise, it shall be understood that the LESSEE is not interested in renewing the lease and the LESSOR may affix a "FOR RENT" sign on the leased premises and may show the premises to prospective tenants during the last thirty (30) days.
- 19. VIOLATIONS** – Any violation, direct or indirect of any of the provisions herein stipulated shall be sufficient ground for the termination of this Contract and the LESSEE moreover, agrees to pay as penalty the amount equivalent to 1/10th of 1% of the rental amount per day until the violation has been corrected or the premises surrendered.

20. DEFAULT AND BREACH OF COVENANTS, ABANDONMENT OF THE LEASED PREMISES – the Leased Premises shall be conclusively presumed to have been abandoned upon the occurrence of any of the following events:

- (a) The leased premises is vacated, deserted or abandoned continuously for a period of at least thirty (30) days, without prior notice to the LESSOR, before the expiration or termination of the Lease;
- (b) LESSEE is in arrear of one (1) month's rental or his arrears for telephone, water, electricity and/or other utilities amount to one (1) month's rental;
- (c) When the LESSEE is in default in the performance of any of his other obligations under this contract and the LESSOR's demand for compliance by the LESSEE of such obligations, duly sent by registered mail to his unit's address has been returned unclaimed within thirty (30) days;

In case any of the above-stated should occur, the LESSOR shall have the right, at its sole discretion, and without being liable to any prosecution therefor, or incurring any civil, criminal or administrative liability to (a) enter the leased premises either by force or otherwise; (b) make the premises available for occupancy to prospective tenants; (c) remove LESSEE's equipment, furniture, merchandise and other properties and hold the same for safekeeping for thirty (30) days within which period, the LESSEE is given the chance to settle his/her accounts and retrieve all said belongings. Thereafter, the LESSOR is given the right to dispose of said items in a private sale and to apply the proceeds thereof to whatever indebtedness LESSEE has to the LESSOR in connection therewith and the balance, if any, shall be given to the LESSEE. However, should proceeds be insufficient to cover all accounts, LESSEE shall be liable for such deficiency. For the foregoing purposes, LESSEE hereby appoints LESSOR or any person LESSOR may designate as LESSEE's attorney-in-fact to exercise any or all of the foregoing hereby ratifying and confirming all that said attorney-in-fact may do or cause to be done by virtue hereof.

The LESSEE shall furthermore hold the LESSOR harmless from any liability in respect to any and all claims made by succeeding tenant against the LESSOR resulting from the delay by the LESSOR in delivering possession of the premises to such succeeding tenant, insofar as such delay is occasioned by the failure of the LESSEE to surrender the premises on time.

The LESSEE shall further be fully liable to the LESSOR for the rentals corresponding to the remaining term of the lease, as well as for any and all damages, actual or consequential, resulting from such default or termination.

21. RETURN OF PREMISES – Upon the expiration of the term of lease or upon the cancellation of this lease as provided in Paragraph 20, the LESSEE, agrees to promptly return and surrender the leased premises without further notice, in good condition as reasonable wear and tear will permit and without any delay whatsoever, devoid of all occupants, furniture, articles and effects of any kind other such alterations, installation, additions or improvements which the LESSOR may elect to take in accordance with the provisions of paragraph 10 hereof.

22. DISTURBANCE - Disturbance or discontinuance of the possession of the leased premises by the LESSEE by causes beyond the control of the LESSOR shall confer no right of any kind to the LESSEE as against the LESSOR.

23. NON-WAIVER - The failure of the LESSOR to insist upon LESSEE a strict performance of any of the conditions hereof shall not be deemed as a relinquishment or waiver of any right or remedy that said LESSOR may have, nor shall it be construed as a waiver of any subsequent breach or default of the conditions hereof, which conditions shall continue to be in full force and effect, unless such waiver shall have been expressed in writing and signed by the LESSOR.

24. NOTICES – For all intents and purposes, notices, correspondences shall be directed to the LESSEE at its address by registered mail or by posting at the premises, any or which manner or services shall be deemed complete service and notice to the LESSEE, regardless of whether such notice or process is refused acceptance or that there is no person found on the said premises.

25. RIGHT TO TAKE OVER POSSESSION – Upon failure of LESSEE to comply with the terms and conditions of the lease, the LESSOR shall have the right, upon FIVE (5) days written notice to the LESSEE, or on his absence upon written notice posted at the entrance of the premises leased, to enter and take possession of the premises.

26. JUDICIAL RELIEF OR PENALTY – Should the LESSOR be compelled to seek judicial relief against the LESSEE, the latter shall, in addition to any other damages that may be awarded to the LESSOR, pay an amount equivalent to 25% of the amount claimed in the complaint, as and by way of attorney's fees(with a minimum of P5,000.00) aside from the costs of litigation and other expenses which the laws may entitle the LESSOR to recover from the LESSEE.

27. DELINQUENCY CLAUSE - If the LESSEE fails to pay the agreed monthly rental on its due date (dishonored/returned checks included), the LESSEE agrees to pay a penalty of three percent (3%) of rental due per month plus interest likewise at the rate of three percent (3%) per month. And if after due notice, rental is not paid within one week, the LESSOR shall forfeit the rental deposit as penalty without prejudice to all rights of the LESSOR to terminate this contract and eject the LESSEE as hereinafter set forth.

LESSEE's failure in the payment of his monthly rentals and/or utility bills shall entitle the LESSOR, without incurring criminal or civil liability, to cut electricity, telephone, water and other utilities on the leased premises and/or to padlock the said leased premises until such time that said dues are fully settled.

28. VENUE – Any action arising out of or in connection with this Contract may be brought before the court of jurisdiction of the City of Makati. Any other venue is hereby being expressly waived.

29. OTHER PROVISIONS - All remedies granted to the LESSOR under this Contract or elsewhere shall be cumulative.

IN WITNESS WHEREOF, the parties hereto have signed these presents on the date and place first above written.

PROMAX REALTY CORPORATION

EUGENE R. CASTILLO
(LESSOR)

(LESSEE)

SIGNED IN THE PRESENCE OF:

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF _____) S.S.

BEFORE ME, a Notary Public for and in the City of _____, Philippines, this _____ day of _____, 20____, personally appeared the following:

Name	CTC No.:	Issued On:	Issued at:
_____	_____	_____	_____
_____	_____	_____	_____

Known to me and to me known to be the same persons who executed the foregoing instrument and they acknowledged to me that the same is their free act and deed and that of the corporation represented herein.

The foregoing refers to a Contract of Lease, consisting of Five (5) pages including this page to which this acknowledgement is written.

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

Doc. No. _____
Page No. _____
Book No. _____
Series of 20____