

CONTRACT OF LEASE

KNOW ALL MEN BY THESE PRESENTS:

This Contract of Lease made and entered into this day of _____, in the City of Cagayan de Oro by and between:

CATHERINE SY LIM, of legal age, Filipino, and with residence address at Block 5 Lot 10, Zone 2, Kauswagan, Cagayan de Oro City, hereinafter referred to as the "**LESSOR**";

-and-

_____, of legal age, Filipino, and a resident of _____, hereinafter referred to as the "**LESSEE**";

W I T N E S S E T H : That

WHEREAS, the **LESSOR** is an owner of the lot and building located at *Pueblo Business Park, St. P. Neri-Gomez St., Carmen, Cagayan de Oro City* of an estimated land area of fifty (50) square meters;

WHEREAS, the **LESSEE** intends to lease a portion of space of the above-described building (hereinafter called the **Leased Premises**); owned by the **LESSOR** for commercial or business purposes;

NOW THEREFORE, for and in consideration of the foregoing premises and the covenants, stipulations and agreements hereinafter set forth, the **LESSOR**, as the owners of the Leased Premises, do hereby lease and demise, unto the **LESSEE**, and **LESSEE**, by and she does hereby lease, and demise, unto the **LESSEE**, a portion of the space and building located at the above-described premises upon the following terms and conditions:

1. LEASE PERIOD

The term of the lease is for **ONE (1) YEAR** commencing _____ which is renewable at the end of the term, provided a new Contract of Lease shall be executed/renewed at the sole option of the **LESSOR** upon the written request of the **LESSEE** which must be submitted to the **LESSOR** at least sixty (60) days prior to its expiration. Provided however, the **LESSOR** may also serve notice of her decision not to renew the lease sixty (60) days from its expiration.

2. MONTHLY RENTAL

The monthly rental for the use and occupancy of the Leased Premises stated above shall be _____ Philippine Currency, exclusive of all government taxes which shall be shouldered by the **LESSEE**.

3. TIME OF PAYMENT AND PENALTY FOR LATE PAYMENT

Payment of the monthly rental is herein stipulated shall be made in advance on or before the **10th day** of each month.

4. SECURITY DEPOSIT

The **LESSEE** shall deposit in cash the sum of _____ Philippine Currency upon the signing of this Contract as **SECURITY DEPOSIT**, which shall be retained by the **LESSOR**, as guaranty for the faithful compliance of the **LESSEE** of all the covenants and conditions of this Contract and to answer for any damages which may be suffered by the **LESSOR** and other expenses which the **LESSOR** may incur due to the **LESSEE** under this Contract. Said security deposit shall not bear interest, cannot be applied to the payment of rent, and shall be kept intact throughout the life of this Contract. The amount of the security deposit shall only be refunded upon the expiration of this Contract and after the **LESSEE** shall have vacated and peaceably and satisfactorily turned over/delivered the Leased Premises to the **LESSOR**, less whatever amount is due from the **LESSEE** or any damage the **LESSEE** may owe the **LESSOR** at the time of said expiration.

5. USE OF THE LEASED PREMISES

The Premises herein leased shall be used exclusively for commercial or business purposes of the **LESSEE**. The **LESSEE** shall not make any change or deviation from such purpose, shall be allowed to do so only with the written consent of the **LESSOR**, it being understood that if, at any time during the existence of this Lease, the Leased Premises are used for other purposes without the written consent of the **LESSOR**: (a) the **LESSEE** will be liable for the breach of this contract; (b) increasing the rent; or (c) expelling the **LESSEE** through proper judicial remedies; in any case shall the leased premises be used for illegal, immoral, or illicit purposes.

6. CARE OF LEASED PREMISES

The **LESSEE** expressly acknowledges that the Leased Premises are in tenantable and good physical condition when she took possession and agrees to keep, maintain, and return the Leased Premises in good condition, ordinary wear and tear expected. The **LESSEE** shall, at his own expense, maintain the Leased Premises in clean and sanitary condition, free from obnoxious odors, disturbing noises, or other nuisances or activities. She shall not make or permit anything to be done or to exist therein which will prejudice health, fire, safety, comfort, and conveniences of other tenants in the building. Any structural repair (except those inherent to the Leased Premises) may be repaired by the **LESSOR**, but for the account of the **LESSEE**.

Before the termination of the contract, the **LESSEE** shall return the said lot in good condition and to its original state, and to clean, clean and remove any materials or things that are set or place in the said lot.

7. DAMAGE TO THE LEASED PREMISES

The **LESSEE** agrees that any damage to the Leased Premises and its appurtenances caused by said **LESSEE** or her employees, agents, customers, or any other person shall be the **LESSEE**'s

sole responsibility, which repair shall be made at the expense and for the account of **LESSEE** without any interruption in the running of this Contract.

8. ACCESS TO LEASED PREMISES

The **LESSEE** shall allow the **LESSOR** or his/her/their representative to enter the Leased Premises on any reasonable hour of the day and inspect and examine the same or make alterations or repair, or any purpose which they may deem necessary. The **LESSEE** shall allow the maintenance of all existing installations and during the last thirty (30) days of the lease, to exhibit the Leased Premises to possible new tenants.

9. RULES AND REGULATIONS

The **LESSEE** shall comply with all the rules, orders, ordinances, and regulations promulgated by duly constituted authorities and which in any manner relate to the operation, use, occupancy, sanitation and/or security of the Leased Premises, the surrounding areas, and shall secure all permits and licenses required by the National/City authorities.

The **LESSEE** shall indemnify and hold the **LESSOR** harmless and free from any and all actions, suits, damages and all types of judicial and extra-judicial suits commenced, by reason of the non-observance and non-compliance by the said **LESSEE** of the said rules and regulations or the covenants in this section, without prejudice to the right of the **LESSOR** to cancel this contract.

10. INJURY OR DAMAGE TO THIRD PERSONS

The **LESSEE** undertakes all responsibility for any damage or injury which may be caused to the person and property of third parties while in the exercise of their casually or on business in any part of the Leased Premises. All such damages shall be borne by the **LESSEE** and hold harmless from any such claim for injury or damage.

11. REPAIRS/ALTERATIONS/IMPROVEMENTS

Any provision of law or common law jurisprudence stipulation in this contract to the contrary notwithstanding, the **LESSEE** hereby binds herself/himself to maintain and, at his/her/their own exclusive expense, all repairs necessary to maintain the Leased Premises in good, tenantable and operable condition. It is expressly agreed and understood, however, that the **LESSEE** shall not construct, make or introduce any structural, major or introduction improvements on the Leased Premises, of whatever kind or nature, without the prior written consent and approval of the **LESSOR**, and the parties agree that all such improvement, alteration, modification which shall be made, shall form integral parts of the Leased Premises and shall not be exclusive there from but shall belong to and remain on the Leased Premises of the **LESSOR** without any right on the part of the **LESSEE** to reimbursement of the cost of value of the same unless the **LESSOR** elect to have them removed at the **LESSEE**'s expense, or unless previously agreed upon, in writing, to the contrary. However, movable furniture and fixtures put in the Leased Premises shall remain the property of the **LESSEE** and may be removed by him/her upon the termination of this contract. **Minor repairs**, including repairs due to **ordinary wear and tear** incident to the normal and proper use of the leased premises shall be borne solely by the **LESSEE**.

12. UTILITY CHARGES

All the bills or charges of water, electricity, telephone and other utilities in the Leased Premises shall be for the account of the **LESSEE** up to the actual date when the **LESSOR** receives the Leased Premises in accordance with the covenants and conditions of this lease.

13. SUBLEASE/ASSIGNMENT OF RIGHTS

The personal character of this Contract of Lease and the nature of the occupancy of the Leased Premises by the **LESSEE** is hereby declared a fundamental and inducement for granting this lease by the **LESSOR**. Consequently, the **LESSEE** shall not directly or indirectly sell, assign, transfer, convey, encumber or in any manner dispose of or mortgage her right under this Contract, in whole or in part nor sublet or lease the Leased Premises without the written consent of the **LESSOR**.

14. TERMINATION OR EXPIRATION OF THE LEASED PREMISES

Upon the sooner of the termination or expiration of this contract, as the case may be, the **LESSEE** shall immediately and peacefully vacate and yield the physical possession of the Leased Premises to the **LESSOR** together with improvements, upon receiving the Leased Premises in good and tenantable condition, ordinary wear and tear expected, excepting all movable furniture, fixtures and articles and effects.

15. JUDICIAL RELIEF AND PENALTY

In the event of any breach of the terms and conditions of this contract by the **LESSEE** and the **LESSOR** was compelled to seek judicial assistance or a counsel, an additional penalty of ten percent (10%) of the fees shall be charged based on the amount involved thereof. The **LESSEE** will shoulder all litigation expenses against the **LESSOR**, therefore, in addition to the other damages that may be recovered to the **LESSOR** for the said breach thereof, equivalent to twenty five percent (25%) of the amount due the **LESSOR** by the **LESSEE**, and the **LESSEE** shall pay the reasonable attorney's fees which shall not be less than fifty thousand pesos (**Php50,000.00**).

For purpose of commencing an ejectment case against the **LESSEE**, the **LESSOR** can file and vacate in the leased premises without the need of court order or without the filing of an action, and pursuing a case in compliance of purposes of filing or pursuing a case in relation of this contract of lease, the venue is exclusively and solely in **Cagayan de Oro City**.

16. CUMULATIVE RIGHTS OF THE LESSOR

All the rights and remedies granted to the **LESSOR** under this Contract or otherwise by law, shall be deemed cumulative.

The **LESSEE** hereby agrees and admits that the filing and pendency of any action or suit on part by or against the **LESSEE** under this contract of Lease shall not deprive the **LESSOR** of his rights under nor preclude him from enforcing the provisions of this contract hereof even without previous judicial authority, but without prejudice to any final decision that may be.

17. INCREASE OF RENTALS

That it is hereby agreed upon that in case of renewal of this said contract, there will be an increase of **5 (five) percent**.

18. FINAL PROVISION

The payment of taxes shall be for the **LESSEE**'s account and she undertakes to provide the **LESSOR** the certificate of payment thereof. Furthermore, the existing real property tax of the entire lot and building where the Leased Premises is being deducted from the monthly rental as above-stated.

IN WITNESS WHEREOF, the parties have set their hands on this _____ at **Cagayan de Oro City**, Philippines.

CATHERINE SY LIM
Lessor

Rey Anthony Yap
Property Manager

Lessee