

CONTRACT TO SELL



KNOW ALL MEN BY THESE PRESENTS:

This Agreement is entered and executed into by and between the following:

PARTIES

ST. RAFAEL DEVELOPMENT CORPORATION, a domestic corporation duly organized and existing under Philippine laws, with principal place of business at Malibay, Pasay City, and with branch office at the Ground Floor, Insular Life Building, Gen. Luna Street, Iloilo City, and herein represented by its General Manager, **MARY ROSALIND T. MAGALONA**, and hereinafter referred to as the "SELLER";

-and-

_____ hereinafter referred to as the "BUYER"

WITNESSETH That:

WHEREAS, the SELLER is the absolute owner and developer of a subdivision project known as PALISADES-ILOILO located at Brgy. Jibao-an, Pavia, Iloilo;

WHEREAS, in the said subdivision project, a subdivision lot known as Lot No. _____ is located at Block No. _____ thereof, and herein specifically described as follows:

TECHNICAL DESCRIPTION

WHEREAS, the BUYER is interested and is offering to buy the aforementioned subdivision lot from the SELLER, and the latter agrees;

NOW THEREFORE, for and in consideration of the foregoing premises, the parties hereby agree to enter into this agreement under the following

TERMS AND CONDITIONS

1. **COST/PURCHASE PRICE** – The parties agree as they hereby agree that the cost/purchase price of the Lot subject of this agreement is Pesos: _____ (P_____), Philippine Currency, payable as follows:

a. The amount of Pesos: _____
(P_____) as down payment shall be paid as follows and secured by Post-Dated Checks:

Please see Annex " A "

b. The balance of Pesos: _____ (P_____) shall be payable in _____ (____) consecutive monthly installments starting _____ and every _____ of the month thereafter in the amount of Pesos: _____ (P_____) for each installment, with an interest rate of _____ (____%) per annum, which interests are compounded daily. Non-delivery of a copy of this Contract to Sell to the BUYER shall not delay the commencement of the payment of the monthly installments as herein provided.

c. It is expressly understood and agreed by the parties herein that should there be any official or de facto devaluation or depreciation or loss of value of the Philippine Peso, for any cause or reason whatsoever during the term of this agreement, any amount unpaid on the date of such devaluation or depreciation or loss of value shall be adjusted in proportion to the devalued or depreciated rate of the Philippine Peso;

d. There shall be a surcharge of _____ percent (____%) on the amortization due for each month of amortization in arrears or amortization unpaid on its due date;

e. All payments should be made/delivered at the office of the SELLER located at the address herein above-stated. It is hereby expressly understood that payments made to agents or real estate brokers **SHALL BE UNDER THE SOLE AND EXCLUSIVE RESPONSIBILITY AND RISK OF THE BUYER** and any receipt thereof shall not be recognized by the SELLER as valid payment unless the same have been duly signed and issued by the SELLER'S duly authorized officer and/or cashier.

f. All payments by the BUYER shall be applied in the following order:

1. To the surcharge and/or penalties due and outstanding;
2. To the interest due and outstanding;
3. To other assessments on the lot as provided herein;
4. To the outstanding balance of the principal amount due;

2. **OTHER MONETARY OBLIGATIONS OF THE BUYER** – The BUYER further agrees to pay, in addition to the purchase price and interest(s) mentioned in Section 1 hereof, the following:

a. *Taxes and Other Assessments by the Government* – Real Estate Taxes assessed on the property after the BUYER is allowed the possession of the lot subject of this agreement, shall be the responsibility of the BUYER;

b. After full payment of the purchase price, all expenses required for the registration of the Deed of Sale in the Registry of Deeds in favor of the BUYER;

c. Relocation fee and location plan of the lot(s) subject of this contract;

d. Other fees as provided in the Deed of Restrictions and expenses for water service connection such as but not limited to cost of water meter and water tapping;

e. The additional cost/purchase price in case there is an increase or addition in the actual area of the lot subject of this contract. The additional cost shall be based on the re-computation of the purchase price under the provisions of this agreement. Provided that should there be a decrease in actual lot area of the lot subject of this contract, a corresponding rebate on the purchase price shall be made;

f. Such other charges as may be imposed by the SELLER from time to time to cover expenses for certified copies of this contract and for any amendment thereto;

3. **DEED OF ABSOLUTE SALE** – Upon the complete payment of the BUYER of all obligations/amortizations herein stipulated, the SELLER agrees to execute a DEED OF ABSOLUTE SALE in favor of the BUYER and deliver the duplicate the owner's duplicate copy of the Transfer Certificate of Title covering the lot subject of this agreement, free from any lien or encumbrance except those as may be provided in the Land Registration Act, those imposed by the authorities, those contained in the Deed of Restrictions, and existing subdivision project rules. Registration and transfer of the title from the SELLER to BUYER shall be the liability and responsibility of the BUYER; Provided that should there be a need to execute the Deed of Absolute Sale in order to facilitate the transfer of the certificate of title for purposes of outside financing, the BUYER shall first pay any remaining balance on the equity; Provided that should the BUYER is unable to pay the balance of the equity, he/she shall issue in favor of the SELLER a Post-Dated Check in the amount equivalent to the unpaid equity. Should the buyer fail to pay the value of his/her checks as aforementioned on its due date, he/she shall, aside from being held liable for the violation of Batas Pambansa Blg. 22, be held liable to pay the value of his/her checks plus

interest at the rate of _____ percent (____%) per month and penalty at the rate of _____ percent (____%) per month;

4. **POSSESSION** – The BUYER may be allowed to enter into and take possession of the property prior to the full payment of the purchase price but his possession shall only be temporary and shall be subject to restrictions which are made integral parts of this agreement. Should the BUYER violate any provision of this contract giving rise to its cancellation or termination, his possession of the property shall become unlawful and he shall vacate the property and return the possession thereof to the SELLER, subject to existing provisions of law.

5. **RESTRICTIONS** – The parties agree as they hereby agree that the lot subject of this agreement shall be subject to that Deed of Restrictions and conditions as stated therein, a machine copy of which is herein attached as Annex " **B** " and to form an integral part of this contract.

6. **IMPROVEMENTS REQUIRED BY THE GOVERNMENT** – Should there be specific improvements of the subdivision project required by the government affecting the subdivision lot(s) subject of this agreement, the following shall be the provisions governing the same, to wit:

a. Should there be any filling or other improvement(s) on the subdivision lot required by the proper government agency or other competent authority and the SELLER is compelled to make such improvement(s) by reason of the BUYER'S inability to effect the same, the latter shall reimburse the SELLER of the cost and expenses incurred in doing the same, by paying an initial payment of the amount equivalent to 50% of the total cost. The balance of the cost shall be paid in equal monthly installments for a period of one (1) year from date the SELLER commenced the compliance with the requirement of improvement. The balance shall be subject to an interest rate of _____ (____%) per annum, which rate shall be compounded to the principal balance;

b. Should this agreement be cancelled or terminated for failure of the BUYER to comply with any of the conditions/requirements imposed by the government, its agencies or competent authorities, any improvement(s) or filling made by the SELLER on the subdivision lot subject of this agreement, the subdivision lot shall become the property of the SELLER, without any obligation on its part to reimburse the BUYER of whatever amount he paid to the SELLER;

7. **PERPETUAL EASEMENT** – The subdivision lot subject of this contract is subject to a perpetual easement for the purpose of inspection, measurement, relocation, survey, laying of monuments or of necessary lines for water, gas, electric power, telephones and other public services and the SELLER or its representatives or representatives of public utility companies shall have the right to enter the property at any time for the construction or repair of the above-mentioned utilities, and for such other purpose(s) for which the easement under this agreement was constituted. Any inconvenience or disturbance caused by the afore-mentioned ground works shall not be a ground for the rescission or cancellation of this contract, or a ground for an action for damages against the SELLER.

8. **AMENDMENTS TO THE SUBDIVISION PLAN** – Whenever the government of any of its instrumentalities empowered by law, shall cause or authorize an amendment (in accordance with Section 22 of P.D. 957) to the subdivision plan of the subdivision project where the lot subject of this agreement is located, appropriate adjustments shall accordingly be made with the view of having the lot areas in the original plan conform to the amended plan. In such event, there shall be no change in the rights and obligations of the parties under this contract, except only to those which was caused as a result of the adjustment on the area and proportionate increase or decrease in the purchase cost computed at the same price per unit square meter.

9. **EXPROPRIATION PROCEEDINGS** - If at any time prior to the full payment of the purchase price, the government or any of its political subdivisions or instrumentalities or any public company shall condemn or expropriate the property subject of this contract, the BUYER'S obligation herein, specifically the payment of installments, shall not be affected, as the BUYER shall bear the consequences of such expropriation. This notwithstanding, the SELLER shall have authority to deal, negotiate and receive the proceeds of expropriation or resist the expropriation of the condemning authority in behalf of the BUYER, if the latter shall have paid the full purchase price. Otherwise, the SELLER may apply the said proceeds in the payment of whatever balance is outstanding on the account of the BUYER and return to the latter any residue;

10. **JOINT AND SOLIDARITY OBLIGATION** – If there are two or more BUYERS under this contract, the obligations mentioned herein are deemed contracted jointly and severally by the BUYERS and any reference of the singular shall refer to all of them.

11. **BREACH OF CONTRACT; EFFECTS** – The parties agree that the following are considered a Breach of Contract, to wit:

- (1.) Failure to pay _____ (____) monthly amortization/installments;
- (2.) Violation of the provisions, terms and conditions of this Contract and its attachments or amendments or supplements;

- (3.) Misrepresentation in the application/reservation, and or execution of this contract, its terms and conditions and attachments;

Any Breach of Contract shall result in the rescission or cancellation of this contract after thirty (30) days from receipt by the BUYER of the notice of cancellation or demand for the cancellation of the contract by Notarial Act as provided for in Republic Act No. 6552, in which case, the amounts paid in accordance with this contract shall be disposed of in accordance with the provisions of R.A. No. 6552.

In case the SELLER cancels the contract as above provided, the BUYER obliges himself to voluntarily vacate the premises without delay and to peacefully return the possession thereof, including all improvements that may be found thereon, to the SELLER, without need of reimbursement.

Further, in case of Breach of Contract, the parties agree that the party at fault shall pay liquidated damages in the amount of Pesos: Twenty Five Thousand (P 25,000.00), Philippine Currency.

12. PROHIBITION ON USE OF LOT AS RIGHT-OF-WAY – The parties hereby further agree that the roads in the subdivision are made available only to the BUYER and members of his family who shall utilize and make use of the House and Lot or lots so acquired for residential purposes, and not otherwise as to gain entrance to and/or exit from the subdivision in such manner that the BUYER shall create of right-of-way through the roads of the subdivision to have access to the properties within, beyond, or adjoining the subdivision. Should the BUYER be found to have purposely purchased a Lot(s) in the subdivision to gain access to properties within beyond or adjoining the subdivision, be it belonging to said BUYER or other persons, the SELLER shall have the right to cancel this contract and reimburse sixty percent (60%) of whatever the BUYER has paid on account of the principal of the purchase price of the House and Lot for breach of this contract. In case title over the property has already conveyed to the BUYER, the SELLER may compel the BUYER to re-convey the same subject to reimbursement to the BUYER of sixty percent (60%) of whatever he/she paid on account of the principal. This shall not bar the SELLER from expanding its development to adjacent areas of the subdivision and from using road lots of the subdivision.

13. TRANSFER OF RIGHTS – Should the BUYER desire to assign his rights under this contract, the account must first be updated, and that a processing fee of P_____ be paid. All transfer of rights should have the prior written consent of the SELLER.

14. INVESTIGATION OF PREMISES – That the BUYER hereby makes manifest and represent that he has investigated the premises, subject matter of this contract, and that he has found the same to be satisfactory, and further that he has found no squatters whatsoever therein.

15. VENUE OF LITIGATION – In the event of suit arising from this Contract, the parties hereto agree that the venue of the action shall be in the court of Justice of Iloilo City, Philippines.

16. INDEMNITY AND ATTORNEY'S FEES – Should the SELLER resort to the Court of Justice in order to enforce the foregoing covenants and or for the protection of its rights or redress of its grievances relative to this land or the use thereof, the BUYER of this House and Lot or his successor-in-interest is obliged to pay to the SELLER by way of attorney's fees, a reasonable sum which in no case shall be less than Pesos: Thirty Thousand (P 30,000.00), Philippine Currency, if the case in the Metropolitan Trial Court, and an additional Pesos: Forty Thousand (P 40,000.00), Philippine Currency, if the case reaches or is originally instituted in the Regional Trial Court, and a further sum of Pesos: Fifty Thousand (P 50,000.00), Philippine Currency, if it reaches the Court of Appeals, plus another Pesos: Seventy Five Thousand (P 75,000.00), Philippine Currency, if the case goes to the Supreme Court. The term court includes the Housing and Land Use Regulatory Board (HLURB).

17. NOTICES/CORRESPONDENCE – All notices and correspondences of any nature sent to the BUYER at the above address shall bind him, unless written notice of change of address has been received by the SELLER;

18. ALTERATION OF CONTRACT – This contract cancels and supersedes all previous contracts or agreements between the parties herein. No provisions herein shall be changed, modified, altered or amended if not in writing and signed by the parties to this contract. Furthermore, any representations or warranty made by the agent who handled this sale not embodied herein shall not be binding on the company unless incorporated in this contract and confirmed by the authorized officer of the SELLER;

19. INCORPORATION OF THE PROVISIONS OF PD 957 – The parties agree to incorporate and comply with the provisions of PD 957 as follows:

Section 17. Registration- All contract to sell, deed of sale and other similar instrument relative to the sale or conveyance of the subdivision lots and condominium units whether or not the purchase price is paid in full, shall be registered by the seller in the office of the Register of Deeds of the Province or City where the property is situated.

Section 18. Mortgages- No mortgages of any unit or lot shall be made by the owner without prior written approval of the Housing and Land Use Regulatory Board (HLURB). Such approval shall not be granted unless it is shown that the proceeds of the mortgage loan shall be used for the development of the subdivision project and effective measures have been provided to insure such utilization. The loan value of each lot or unit covered by the mortgage shall be determined and the buyer thereof, if any, shall be notified before the release of the loan. The buyer may, at its option, pay his installment for the lot or unit directly to the mortgagee who shall apply the payments to the corresponding mortgage indebtedness secured by the particular lot or unit being paid, with the view of enabling said buyer to obtain title over the lot or unit promptly after full payment thereof.

- Section 20. Time of Completion - Every owner or developer shall construct and provide the facilities, improvements, infrastructures and other forms of developments, including water supply and lighting facilities, which are offered and indicated in the approved subdivision or condominium plans, brochures, prospectus, printed matters, letters or in any form of advertisement, within one year from the date of the issuance of the license for the subdivision or condominium and project or such other period of time as may be fixed by the Authority.
- Section 23. Non-Forfeiture of Payments - No installments payment made by a buyer in a subdivision or condominium project for the lot or unit he contracted, to buy shall be forfeited in favor of the owner or developer, desist from further payment due to the failure of the owner or developer to develop the subdivision or condominium project according to the approved plans and within the time limit for complying with the same. Such buyer may, at his option, be reimbursed the total amount paid including amortization interests but excluding delinquency interests, with interest thereon at the legal rate.
- Section 24. Failure to Pay Installments - The rights of the buyer in the event of his failure to pay the installments due for reasons other than the failure of the owner to develop the project shall be governed by Republic Act No. 6552. Where the contract was entered into prior to the effectivity of Republic Act No. 652 on August 26, 1972, the defaulting buyer shall be entitled to the corresponding refund based on the installment paid after the effectivity of the law in the contract to the contrary.
- Section 25. Issuance of Title - The owner or developers shall deliver the title of the lot or unit to the buyer upon full payment of the lot or unit No fee, except those required for the registration of the deed of sale in the Registry of Deeds, shall be collected for the issuance of such title. In the event a mortgage over the lot or unit is outstanding at the time of the issuance of the title to the buyer, the owner or developer shall redeem the mortgage or the corresponding portion thereof with six months from such issuance in order that the title over any fully paid lot or unit may be secured and delivered to the buyer in accordance herewith.
- Section 26. Realty Tax - Real Estate Tax and assessment on a lot or unit shall be paid by the owner or developer without recourse to the buyer for as long as the title has not passed the buyer; *Provided, however,* That if the buyer has actually taken possession of and occupied the lot or unit, he shall be liable to the owner or developer for such tax and assessment effective the year following such taking possession and occupancy.
- Section 27. Other Charges - No owner or developer shall levy upon any lot or unit buyer a fee for an alleged community benefit. Fees to finance services for common comfort, security and sanitation may be collected only by a properly organized homeowners association and only with the consent of the majority of the lot or unit buyers actually residing in the subdivision or condominium.
- Section 28. Organization of Homeowners Association - The Owner shall initiate the organization among the buyers and residents of the project for the purpose of promoting and protecting their mutual interest and assist in their community development.

And Rules and Regulations Implementing Presidential Decree No. 957 as follows:

- Section 24. Registration of Conveyances - Sales or conveyances of the subdivision lots and condominium units shall be registered within 180 days from execution thereof by the SELLER with the Register of Deeds of the Province of the City where the property is situated pursuant to Section 17 of the Decree. Excepts as many otherwise be provided for by law the Commission may be appropriate case cause the Registration, entries annotations on titled made on this regard.
- Section 30. Identification of Lot Subject of Sale - The owner or dealer of subdivision project shall attach to and which shall form part of the sales document of any lot, sketch plan clearly showing the area, boundaries and dimensions of the lot in relation to with the block and the whole project, as well as the location of the project in relation with public roads and other land marks, to be certified by a licensed geodetic engineer and signed by the SELLER and BUYER.
- Section 31. Broker/Salesman as Witnesses to Sale - The broker or salesman who negotiated the sale of a subdivision lot or condominium unit shall act as one of the witnesses to the sales document with an indication of his Certificate of Registration number and renewal date. If the sale was directly made by the owner or dealer, the fact must so stated in the sales document.

20. **SEPARABILITY CLAUSE** - Should any provisions of this contract be declared by the courts or the Housing and Land Use Regulatory Board to be null and void, the nullity shall not affect the validity of this transactions or any other provisions herein not so declared as void which provisions shall then be considered as valid and binding between the parties herein;

21. **ENTIRE CONTRACT** - This Contract states the entire agreement between the parties. The parties shall not be bound by any other stipulations or provisions which are not reduced into writing and made as an

Addendum to this Contract. The BUYER hereby acknowledges that this Agreement as well as any attachments hereto, has been read or translated to him/her in a language or dialect known to and understood of him/her.

IN WITNESS WHEREOF, the parties have hereunto signed this _____ day of _____, 200__ in Iloilo City, Philippines.

ST. RAFAEL DEVELOPMENT CORP.

By:

MARY ROSALIND T. MAGALONA
General Manager

Buyer
With my marital consent:

Spouse

Signed in the presence of:

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
_____) S.S.
X-----X

BEFORE ME, a Notary Public for and in Iloilo City, personally appeared the following:

Name	Community Tax Certificate No.	Date & Place Issued
_____	_____	_____
_____	_____	_____
_____	_____	_____

who are personally known to me, and to me known to be the same persons who executed the foregoing Contract To Sell and who acknowledged to me that the same is their own free and voluntary act and deed as well as that the corporation herein represented for the purpose herein set forth.

I further certify that the foregoing instrument consisting of Two (2) pages, including this page where this Acknowledgment is found, refers to a Contract to Sell of a registered subdivision land together with the house and improvements thereon and was signed by the parties and the witnesses on each and every pages hereof.

WITNESS MY HAND AND SEAL on this _____ day of _____, 200__ at Iloilo City, Philippines..

NOTARY PUBLIC

Doc. No. _____ ;
Page No. _____ ;
Book No. _____ ;
Series of _____ .