

CONTRACT TO SELL

KNOW ALL MEN BY THESE PRESENTS:

That [EDUARDO M. VILLAR], of legal age, Filipino, married, and a resident of [9 Acacia Street, Barangay Sto. Domingo, Cabanatuan City], hereinafter referred to as the SELLER,

— and —

[GRACE L. TAN], of legal age, Filipino, single, and a resident of [33 Burgos Street, Barangay Zulueta, Cabanatuan City], hereinafter referred to as the BUYER,

WITNESSETH: That —

WHEREAS, the SELLER is the absolute and registered owner of a residential house and lot situated at [Lot 12, Block 4, Villa Alegre Subdivision, Barangay Sto. Niño, Cabanatuan City], covered by [Transfer Certificate of Title No. 98765] of the Registry of Deeds for [Nueva Ecija];

WHEREAS, the SELLER has agreed to sell, and the BUYER has agreed to buy, the said property on instalment under the terms set out below;

NOW THEREFORE, the parties agree as follows:

1. PURCHASE PRICE. The total contract price is ONE MILLION EIGHT HUNDRED THOUSAND PESOS ([P1,800,000.00]), Philippine currency, payable as follows:
 - (a) A down payment of THREE HUNDRED THOUSAND PESOS ([P300,000.00]), receipt of which is hereby acknowledged by the SELLER; and
 - (b) The balance of ONE MILLION FIVE HUNDRED THOUSAND PESOS ([P1,500,000.00]) payable in [sixty (60)] equal monthly instalments of [TWENTY-FIVE THOUSAND PESOS (P25,000.00)] each, without interest, due on the [fifth (5th)] day of each month beginning [January 2027].
2. RESERVATION OF OWNERSHIP. Ownership of the property shall remain with the SELLER and shall not pass to the BUYER until the full purchase price has been paid. This instrument is a contract to sell and not a contract of sale.
3. DEED OF ABSOLUTE SALE. Upon full payment of the purchase price, the SELLER shall execute and deliver to the BUYER a Deed of Absolute Sale over the property, free from all liens and encumbrances, and shall surrender the owner's duplicate certificate of title for transfer.
4. POSSESSION. The BUYER may take possession of the property upon payment of the down payment, and shall from then on pay the real property taxes, association dues and utilities accruing on the property.

5. DEFAULT. Should the BUYER fail to pay [two (2)] successive monthly instalments, the SELLER may, after written notice and the lapse of the grace period provided by law, cancel this contract, subject to the BUYER's rights under Republic Act No. 6552 (the Realty Instalment Buyer Protection Act).

6. MACEDA LAW RIGHTS. The parties acknowledge that this contract involves the sale of real estate on instalment payments and is therefore governed by Republic Act No. 6552; that where the BUYER has paid at least two (2) years of instalments, the BUYER is entitled to a grace period of one (1) month for every year of instalment payments made, exercisable once every five (5) years, and, in the event of cancellation, to the cash surrender value of the payments made, being fifty per cent (50%) of the total payments made and, after five (5) years of instalments, an additional five per cent (5%) every year but not exceeding ninety per cent (90%) of the total payments made; that where the BUYER has paid less than two (2) years of instalments, the BUYER is entitled to a grace period of not less than sixty (60) days from the date the instalment became due; and that in either case the SELLER may cancel this contract only after thirty (30) days from the BUYER's receipt of a notice of cancellation or a demand for rescission by notarial act, and, where a cash surrender value is due, only upon its full payment to the BUYER. Any stipulation contrary to sections 3 to 6 of Republic Act No. 6552 is void.

7. TAXES AND EXPENSES. The capital gains tax on the eventual sale, or where the property is an ordinary asset the creditable withholding tax and income tax on that sale, shall be for the account of the [SELLER]. The documentary stamp tax, transfer tax, registration fees and all other expenses of transfer shall be for the account of the [BUYER]. This allocation governs as between the parties only and does not affect the liability of the taxpayer designated by law.

8. ANNOTATION. The BUYER may, at their own expense, cause this Contract to Sell to be annotated on the certificate of title.

9. WARRANTIES. The SELLER warrants that they are the absolute owner of the property, that they have full authority to sell it, and that it is free from all liens, encumbrances and adverse claims; and undertakes not to sell, mortgage or otherwise encumber the property during the term of this contract.

IN WITNESS WHEREOF, the parties have hereunto set their hands this ____ day of _____, 20____, at [Cabanatuan City], Philippines.

[EDUARDO M. VILLAR]

Seller

[GRACE L. TAN]

Buyer

WITH MY MARITAL CONSENT:

[Spouse of the Seller]

SIGNED IN THE PRESENCE OF:

Witness

Witness

REPUBLIC OF THE PHILIPPINES)
CITY OF [CABANATUAN CITY]) S.S.

X-----X

ACKNOWLEDGMENT

BEFORE ME, a Notary Public for and in [Cabanatuan City], this ____ day of _____, 20____, personally appeared the above-named parties, exhibiting to me their competent evidence of identity, known to me and to me known to be the same persons who executed the foregoing Contract to Sell, and they acknowledged to me that the same is their free and voluntary act and deed.

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

Notary Public

Doc. No. _____;

Page No. _____;

Book No. _____;

Series of 20____.