

LEASEBACK POOL AGREEMENT

This LEASEBACK POOL AGREEMENT ("Agreement") is made and entered into this ___ day of _____ in _____ by and between:

_____, _____ and of legal age, with permanent home address at _____ (hereinafter referred to as the "MEMBER")

- and -

Widus International Leisure Inc., a corporation duly organized under the Securities and Exchange Commission of the Republic of the Philippines, whose corporate business address is at Bldg. 5400 M.A. Roxas Highway, Clark Freeport Zone, Pampanga, herein represented by _____, ("RESORT OWNER"),

WITNESSETH:

WHEREAS, MEMBER holds a long-term lease over Unit _____ of _____ (the "Unit") located at the Widus Vacation Resort Complex Clark Freeport Zone, Pampanga (the "Resort Complex"),

WHEREAS, RESORT OWNER is the owner-developer of the Resort Complex and has provided a LEASEBACK POOL wherein lessees residential units within the Resort under long-term leases who have already paid fifty per cent (50%) of the total rentals for the entire duration of the lease may opt to have their units leased by the RESORT OWNER to be included in the pool of units available for transient sub-rental;

WHEREAS, MEMBER desires to participate in the LEASEBACK POOL;

NOW THEREFORE, in consideration of the foregoing and the terms and conditions hereunder set forth, the parties agree as follows:

1. PARTICIPATION IN THE LEASEBACK POOL.

MEMBER hereby participates in the LEASEBACK POOL and, pursuant thereto, exclusively engages RESORT OWNER as MEMBER's sole and exclusive agent to let, operate, maintain and manage the Unit.

For the purpose of this Agreement, reference to the RESORT OWNER includes any duly designated agent or representative (including the Hotel Manager) appointed from time to time by the RESORT OWNER.

The Unit shall be let as part of a Resort's Hotel operations and as such will be rented out to resort guests exclusively.

MEMBER acknowledges that he shall not be entitled to interfere in any way whatsoever with the control and management of the LEASEBACK POOL. MEMBER also acknowledges that RESORT OWNER may promulgate such Rules and Regulations to govern the LEASEBACK POOL and MEMBER agrees to be bound by such LEASEBACK POOL Rules and Regulations.

2. TERM.

This Agreement shall be for an initial period of five (5) years commencing on _____ and expiring five years thereafter, automatically renewable for another five (5) years unless sooner terminated as provided elsewhere herein

3. FURNISHING OF UNIT

When participating in the LEASEBACK POOL, the interior and exterior of the Unit should comply with the Resort Complex's Design Concept. Thus, MEMBER must furnish and fit the Unit in accordance with the Resort Complex's Design Concept and standards prevailing at the time of the execution of this Agreement which are applicable to similar units. MEMBER may not interfere with or vary the layout, décor and any aspect of the Unit while the same is participating in the LEASEBACK POOL.

The Resort Complex's Design Concept may change from time from time to time and MEMBER is obliged to comply with such design changes and, at his own cost, shall undertake the necessary improvements, refurbishments or renovation of the Unit as may be required by the changes in Design Concept. Failure of the MEMBER to comply with the Resort Complex's Design Concept and standards shall give RESORT OWNER the right to suspend the renting out of the Unit as well as provision of services thereto.

Prior to the execution of this Agreement, MEMBER has provided to RESORT OWNER a complete inventory of any and all furniture, fixtures, furnishings, appliances and other movables in the Unit. RESORT OWNER acknowledges that as of date hereof, said inventory is complete and satisfactory and that the Unit is acceptable for inclusion in the LEASEBACK POOL.

4. RENTAL RATES.

4.1. Terms and Conditions of Rental. RESORT OWNER shall in its sole discretion determine the terms and conditions upon which the Unit is let. The MEMBER is aware that the LEASEBACK POOL will provide for a rotation of Unit within the Resort Complex. However, MEMBER acknowledges that the system of rotation is subject to among others (a) guests requests and preferences i.e. certain sites or location in the Resort Complex may command higher ratio of occupation, (b) factors of differentiation such as Unit size and type of Unit, (c) personal use by MEMBER, and (d) length of term of rent. Subject to the foregoing, RESORT OWNER shall use its best efforts to obtain renters for the Unit.

4.2 Rental Rates and Collections. Rental rates for the Unit shall be established by the RESORT OWNER, at its sole discretion, in accordance with its judgment of market acceptability, and may change such rates from time to time as necessary to meet competition. RESORT OWNER will endeavour to apply a reasonably consistent pricing structure and policy for all comparable units within the Resort Complex. At its sole discretion, RESORT OWNER may grant reasonable discounts or group or convention rates which may vary from the published rate.

MEMBER agrees that in the event of a failure of the air conditioning systems or of a major appliance in the Unit that cannot be repaired (or replaced) within a reasonable time (as determined in RESORT OWNER's sole judgment) of notification of failure, the RESORT OWNER may offer the guest a reduction in the applicable rental rate or, if such reduction in rental rate is not acceptable to the guest, transfer said guest to another unit. The RESORT OWNER makes no representation that major repairs can be made within any given time and hereby advises MEMBER, and MEMBER understands and agrees, that failure of the type herein discussed may periodically cause a loss of rental income.

4.3. No Guarantee of Occupancy or Rental Revenues. MEMBER acknowledges and agrees that the RESORT OWNER has not and shall not guarantee, under any circumstances, the level of occupancy of the Unit, the rates to be achieved from renters and/or the amount of rental income to be earned.

MEMBER also acknowledges that despite the efforts of RESORT OWNER, the Unit may not be rented for the same or substantially the same number of nights and may not receive the same or substantially the same net rental income, for any time period. Also, MEMBER acknowledged that rental income is not guaranteed to exceed the fees, costs and expenses associated with the Unit.

5. RENTAL INCOME

RESORT OWNER shall pay the MEMBER rental equivalent to MEMBER'S percentage interest on the seventy percent (70%) of the net room profits earned by all the units made available by the hotel for paying guests.

RENTAL INCOME = (percentage interest of MEMBER) X (70% of Net Room Profit) X (Time Factor)

The percentage interest of the MEMBER shall be equal to the percentage of their respective units to the total floor area of the hotel.

$$\frac{\text{Floor Area of Leased Unit}}{\text{Total Floor Area of Hotel}} = \text{Percentage Interest of } (\%)$$

Net Room Profits shall mean profits earned by the rooms of Hotel Vida made available as hotel rooms for paying guests less:

- a. all direct and indirect expenses related to operating a hotel, and;
- b. all project assessments which include but shall not be limited to
 - i. association fees;
 - ii. real estate taxes and assessments on land if any;
 - iii. management fees;
 - iv. maintenance expenses such as maintenance for generators, pumps, tanks, transformers and other similar facilities;
 - v. expenses for administrative, security, janitorial, messengerial and collection services;
 - vi. professional fees such as legal and accounting services;
 - vii. interests; and
 - viii. insurance premiums.

Time Factor shall be relative to the number of nights allocated for personal use as indicated elsewhere in this Agreement. The following Time Factors shall be used as guide:

- i. Thirty (30) nights per calendar year - $365/365 = 1.0$
- ii. Sixty (60) nights per calendar year - $335/365 = 0.9178$
- iii. Ninety (90) nights per calendar year - $305/365 = 0.8356$

The Net Room Revenues or Net Rental Income of MEMBER shall be remitted to the MEMBER on or before May 15th of the following year, together with a statement of account.

6. MEMBER'S PERSONAL USE.

"Personal Use" is the use of the Unit by MEMBER himself and/or by members of his immediate family.

Personal Use rights shall be limited to any ONE (1) of the following options:

- a. Thirty (30) nights per calendar year - this option may be availed on a staggered basis.
- b. Sixty (60) nights per calendar year - the MEMBER may opt to extend his personal use to up to a maximum of 60 nights per calendar year on a staggered basis, HOWEVER, accommodation charges shall be collected by the RESORT OWNER for the additional thirty (30) nights in excess of the first thirty (30) nights to cover for direct accommodation expenses and other related expenses associated with the MEMBER's usage, such as but shall not be limited to utilities, guest amenities and laundry.
- c. Ninety (90) nights per calendar year - the MEMBER may opt to extend his personal use to up to a maximum of 90 nights per calendar year on a staggered basis, HOWEVER, accommodation charges shall be collected by the RESORT OWNER for the additional sixty (60) nights in excess of the first thirty (30) nights to cover for direct accommodation expenses and other related expenses associated with the MEMBER's usage, such as but shall not be limited to utilities, guest amenities and laundry.

MEMBER hereby agrees that his Personal Use rights, which he chooses to be _____ nights per year, shall also be subject to the following:

- (i) The Personal Use option shall be valid for the duration of this Agreement. MEMBER may change his Personal Use option without cause upon one hundred eighty (180) days written notice to the RESORT OWNER. In the event that there is already a confirmed reservation with which the change in Personal Use option may affect, the MEMBER agrees to postpone the change to the nearest available time where the change is more feasible. Effectivity of such change in Personal Use option shall have prior approval of RESORT OWNER.
- (ii) The MEMBER shall use his room nights anytime, subject to availability and in accordance to Serviced Residences and Rental Program Rules & Regulations. In the event there is already a confirmed reservation over the Unit on the dates chosen, MEMBER has absolutely no right to require the RESORT OWNER to cancel any confirmed reservation or relocate or evict guests on the Unit. MEMBER may either (a)

choose another date/s or (b) occupy a similar unit in the Resort on the dates initially chosen.

- (iii) Failure of MEMBER to cancel a reservation for Personal Use thirty (30) days prior to the intended date of arrival will result in forfeiture of the personal use rights to the extent of the number of days reserved.
- (iv) During periods of Personal Use, hotel services may be availed of subject to regular hotel rates, fees or charges.
- (v) MEMBER guarantees payment of any and all incidental fees and charges incurred during Personal Use upon check-out.
- (vi) MEMBER or his family, relatives or invitees may not enter the Unit without prior coordination with RESORT OWNER.
- (vii) Friends, guests, employees, relatives and other invitees of the MEMBER are not allowed to occupy the unit during MEMBER's Personal Use period unless accompanied by the MEMBER or anyone of the registered dependents.

Personal Use Rights conferred under this provision are not capable of being accumulated. Accordingly to the extent that such rights are not exercised during any calendar year such rights shall lapse.

7. MEMBER'S OBLIGATIONS

7.1. Personal items and movable. The MEMBER undertakes to remove his personal items and movables from the Unit or grants permission for the RESORT OWNER to remove such items and movables if found upon inspection and to store the same whereby storage fees shall be billed to, and risk of loss assumed solely by, the MEMBER.

The MEMBER further undertakes not to remove from the Unit any of the movables supplied by RESORT OWNER pursuant to this Agreement.

7.2. Keys and locks. Upon enrollment in the LEASEBACK POOL, MEMBER shall surrender all keys to the Unit. The RESORT OWNER is authorized, at MEMBER's expense, to install new locks on any doors in the Unit. MEMBER may not alter any lock or install any new lock on any doors within the Unit, nor make any alterations thereto while the same is in the LEASEBACK POOL.

7.3. Payment of charges. MEMBER shall pay on due date indicated all charges, billings or assessments in relation to or arising from this LEASEBACK POOL, and in the event MEMBER fails to effect timely payment, the MEMBER acknowledges that he shall be liable for penalty interest thereon at the rate of twenty four per cent (24%) per annum until paid, and RESORT OWNER may suspend rentals of the Unit as well the provision of other services to the Unit.

7.4. Exclusivity. MEMBER shall not let or in any other way make available to any person the Unit or employ or engage any other party or entity to act as rental agent or rental manager of the Unit. Any advertising of the Unit as available for rent shall be deemed to be a breach of this Agreement. Any violation of this clause shall entitle the RESORT OWNER to ignore any reservation made and to deny the MEMBER or his guest occupation of the Unit or any other unit within the Resort Complex. Moreover, the parties agree that as liquidated damages for such breach or violation, the RESORT OWNER shall be entitled to fifty per cent (50%) of the published rates for comparable units at the Resort Complex for the period of the violation, without prejudice to the exercise by RESORT OWNER of any other rights provided to it under this Agreement and by law.

8. WAIVER OF LIABILITY AND INDEMNITY

The MEMBER shall indemnify, defend and hold free and harmless RESORT OWNER, its directors, officers, agents, employees, successors and assigns, for any and all liabilities (including damages, costs, and attorney's fees) arising in whole or in part from the performance of this Agreement or the administration of the LEASEBACK POOL, except to the extent that such liabilities are directly caused by gross negligence, willful misconduct or illegal acts of the RESORT OWNER.

The provisions of the Lease Agreement on Waiver of Liability and indemnities apply to this Agreement.

9. TERMINATION

9.1. Termination. This Agreement automatically terminates upon expiration or termination of MEMBER's lease over the Unit;

RESORT OWNER may terminate this Agreement on thirty (30) days written notice should it deem the Unit to be unsatisfactory for rental, such decision to be in the sole discretion of the RESORT OWNER.

MEMBER may terminate this Agreement without cause upon ninety (90 days) days prior written notice to the RESORT OWNER.

Any termination by the MEMBER or RESORT OWNER shall not affect the rent of the Unit pursuant to any reservations made prior to the date of termination and MEMBER remains obliged to pay RESORT OWNER's and Hotel Manager's fees and the operating costs and expenses arising from such confirmed reservation. MEMBER shall indemnify, defend and hold RESORT OWNER harmless from and against any and all liabilities, fines, suits, claims, obligations, damages, actions, costs and expenses of any kind or nature (including legal fees and costs) arising out of or caused by MEMBER's failure to comply with the terms of this section, and such indemnification shall survive any termination of this Agreement.

9.2. Suspension. This Agreement may be suspended in case of partial destruction or damage to the Unit, during the time that repairs thereon are being made.

10. FORCE MAJURE/FORTUITOUS EVENT

Neither party to this Agreement shall be liable, except for the payment of amounts due hereunder, to the other party for any loss or damage of any nature whatsoever incurred or suffered by such other party due to omissions, delays or defaults in performance under this Agreement caused by circumstances beyond a party's reasonable control and occurring without his fault or negligence, including, but not restricted to, acts of God, hostilities, war, sabotage, insurrection, riot, acts of public enemy, reasonably unanticipated acts or restraint of any de jure or de facto government, impossibility or hindrance of performance arising from the application of any law or regulation, or strikes or other labor disturbances.

11. MISCELLANEOUS.

11.1. Non-Waiver. The failure of the RESORT OWNER to insist in one or more instances upon the strict performance of any of the terms and conditions of this Agreement, or to exercise any right or option herein contained, shall not be construed as a waiver of said term, condition, right or option, but the same shall continue in full force and effect. The acceptance by the RESORT OWNER of arrears or extension of time of payment shall not be deemed a waiver by the RESORT OWNER of any breach by the MEMBER of any other term and condition herein. Silence on the part of the RESORT OWNER shall not be considered as condonation or waiver of any breach or default by the MEMBER of any term or condition herein provided. No waiver shall be deemed to have been made by the RESORT OWNER unless reduced in writing.

11.2. Assignment. This Agreement and the MEMBER's rights and obligations hereunder, may not be transferred, assigned or encumbered, in whole or in part, by MEMBER. Any such agreement made in violation of this paragraph shall be void as regards the RESORT OWNER and shall be cause for RESORT OWNER's termination of this Agreement. However, if an assignment or transfer of the Lease be allowed, this Agreement shall be binding upon the new lessee and MEMBER shall ensure that the new LESSEE abide by the terms and condition of this Agreement.

11.3. Cumulative remedies. The remedies afforded in this Agreement are cumulative and the exercise of any remedy shall not be taken to exclude or waive the right to exercise any other right or remedy provided in this Agreement or by law.

11.4. Governing Law and Dispute Resolution. This Agreement shall be governed by, construed and enforced in accordance with the laws of the Republic of the Philippines. Should the RESORT OWNER be compelled to employ legal counsel to enforce all or any part of this Agreement, the MEMBER in addition to the damages and money claims mentioned in the

preceding sections, hereby agrees to indemnify the RESORT OWNER all its legal expenses including costs of suit and attorney's fees.

Any dispute, controversy or claim arising out of or relating to this Agreement, or the breach, termination or invalidity thereof, shall first be attempted to be settled by mutual agreement of the parties. In the event that such dispute cannot be resolved amicably by the parties within thirty (30) days from notice by one party to the other of the existence of such dispute, such dispute shall be settled in first and final instance by arbitration. The arbitration process shall commence with the service by either party on the other party of a written demand for arbitration, which shall state in detail the issue to be arbitrated and the relief demanded. The parties shall agree on a single arbitrator, who shall be independent and shall have experience in the hospitality industry. In case of any failure or refusal by the parties to select an arbitrator, the proper Regional Trial Court shall make such selection in accordance with the Philippine Arbitration Law. If no arbitration rules are designated, the rules of the Philippine Arbitration Law shall govern. The decision of the arbitrator so selected shall be the final decision. Such arbitration shall be conducted in the City of Angeles, Pampanga, Republic of the Philippines and in the English language. Any monetary award made by the arbitrator shall be enforceable in the courts of the Republic of the Philippines. The party or parties as determined by the arbitrator shall pay in an amount and including reasonable counsel fees of the parties the costs of the arbitration.

The arbitration provided for herein shall be the sole exclusive remedy for the settlement of any disputes or claims that may arise under this Agreement. Once arbitration proceedings have been commenced, recourse to the courts shall only be sought for enforcement of the arbitral award or for specific questions of law that the arbitrator himself deem necessary to refer to a court of law.

11.5. Binding Effect. Except as otherwise provided in this Agreement, all of the covenants, terms, conditions and provisions of this Agreement shall apply to and bind the parties, their agents and representatives, assigns, and heirs and successors-in-interest.

11.6. Headings and Gender References. Captions and headings are inserted for convenience and ease of reference and are not to be considered as limiting in any manner the content of any paragraph, section or provision of this Agreement. Reference to the male gender includes the female as may be applicable.

11.7 No agency of employer-employee relationship. Nothing contained in this Agreement shall be deemed or construed to create an employer-employee relationship, a partnership nor joint venture between the parties herein.

11.8. Entire Agreement/Amendment. This Agreement constitutes the entire agreement between the parties and supersedes any prior written or oral covenants or representations relating thereto. Any amendment or modification of this Agreement or additional obligation assumed by either party in connection with this Agreement will only be binding if evidenced in writing signed by both parties. RESORT OWNER has made no representation or warranty to MEMBER except as herein expressly set forth.

Should any conflicts arise between any part of this Agreement and the applicable law, such provisions of the Agreement will be amended or deleted as necessary in order to comply with the law. Furthermore, any provisions required by law may be subsequently incorporated into this Agreement.

11.9 Severability. In the event any of the provisions of this Agreement are held to be invalid or unenforceable in whole or in part, by final judgment or decree of any competent court, those provisions to the extent enforceable and all other provisions will nevertheless continue to be valid and enforceable as though the invalid or unenforceable parts had not been included in this Agreement.

11.10 Confidentiality. MEMBER shall keep this Agreement and all information and documents relating to or connected with this Agreement as well as any incidents arising herefrom entirely confidential, and shall not make any disclosures without the prior written consent of RESORT OWNER

11.11. Affirmation. The MEMBER hereby affirms and certifies that it has read all the foregoing provisions of this Agreement and has fully understood the covenants, terms and conditions hereof.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by them or their authorized representative on the ____ day of _____, ____ at _____.

WIDUS INTERNATIONAL LEISURE INC.
RESORT OWNER

MEMBER

By:

Signed in the presence of:

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
_____)

BEFORE ME, personally appeared the following:

	CTC No.	Issued On	Issued At

Representing			
WIDUS INTERNATIONAL LEISURE, INC.			

known to me to be the same persons who executed the foregoing LEASEBACK POOL Agreement, and they acknowledged to me that the same is their free and voluntary act and deed and that of the corporation represented.

The LEASEBACK POOL Agreement consists of nine (9) pages including the page on which this Acknowledgment is written, signed on each and every page by the parties and their instrumental witnesses.

WITNESS MY HAND AND SEAL this ____ day of _____ in _____.

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