



Republic of the Philippines
DEPARTMENT of AGRARIAN REFORM

ADMINISTRATIVE ORDER NO. 5
Series of 1993

SUBJECT: RULES AND PROCEDURES GOVERNING AGRICULTURAL LEASEHOLD AND THE DETERMINATION OF LEASE RENTAL FOR TENANTED LANDS

I. PREFATORY STATEMENT

The history of the law on leasehold tenancy could be seen as a progression from one of election and limited operation to one of compulsion and comprehensive application.

Under Section 14 of R.A. 1199, which became operative as early as 30 August 1954, the tenant already had the right to choose a leasehold tenancy arrangement.

By virtue of R.A. 3844 which took effect on 8 August 1963, agricultural share tenancy was declared to be contrary to public policy and was, thereby, abolished. This was further strengthened in Sec. 4 of R.A. 6389 which provided that agricultural share tenancy throughout the country shall be automatically converted to agricultural leasehold.

Under Sec. 35 of R.A. 3844, however, certain landholdings were exempted such as fishponds, saltbeds, and lands principally planted to citrus, coconuts, cacao, coffee, durian, and other similar permanent trees. This provision of the law was expressly repealed by the Comprehensive Agrarian Reform Law or R.A. 6657 which took effect on 15 June 1988.

The significant implications of this evolution of the law are thus: (1) the abolition of share tenancy now covers all agricultural landholdings without exception; (2) leasehold tenancy is no longer just an option which exists by election, it exists by operation of law, and (3) agricultural leasehold can be a preliminary step to land ownership. Hence, all share-crop tenants were automatically converted into agricultural lessees as of 15 June 1988, whether or not a leasehold agreement has been executed.

In accordance with these developments of the law, Sec. 12 of R.A. 6657 mandates the Department of Agrarian Reform (DAR) to determine and fix the lease rentals within retained areas and areas not yet acquired for agrarian reform in accordance with Sec. 34 of R.A. 3844.

II. DEFINITION OF TERMS

- A. **AGRICULTURAL LESSEE** - a person who, by himself and with the aid available from within his immediate farm household, cultivates the land belonging to, or possessed by, another with the latter's consent for purposes of production, for a price certain in money or in produce or both. It is distinguished from civil law lessee as understood in the Civil Code of the Philippines.

All references to the lessee in the masculine gender form (him or his) shall also be construed to refer to lessees in the feminine gender form (her).

- B. **AGRICULTURAL YEAR** - the period of time required for raising a particular product, including the preparation of the land, sowing, planting and harvesting of crops and, whenever applicable, threshing of said crops: Provided, however, That in case of crops yielding more than one harvest from one planting, "agricultural year" shall be the period from the preparation of the land to the first harvest and thereafter from harvest to harvest. In both cases, the period may be shorter or longer than a calendar year.
- C. **IMMEDIATE FARM HOUSEHOLD** - the members of the family of the lessee and other persons who are dependent upon him for support and who usually help him in his activities.
- D. **PROVEN FARM PRACTICES** - sound farming practices generally accepted through usage or officially recommended by the Department of Agriculture for a particular type of farm.
- E. **NORMAL HARVEST** - the usual or regular produce obtained from the land when it is not affected by any fortuitous event like drought, earthquake, volcanic eruption, and the like.
- F. **INDISCRIMINATE CUTTING** - the felling of trees that tend to materially affect the productivity of the farm.

III. POLICIES AND GOVERNING PRINCIPLES

Pursuant to Sec. 12 of R.A. 6657, and in order to fully implement the provisions of R.A. 3844, as amended, on agricultural leasehold, the following policies and principles are hereby issued:



A. Agricultural leasehold shall be based on a tenancy relationship. Such relationship exists when the following requisites are all present:

1. The parties are the landowner and the tenant;
2. There is consent by the landowner for the tenant to work on the land--either conveyed verbally or in writing, expressly or impliedly;
3. The subject land is agricultural in nature;
4. The purpose is agricultural production;
5. There is personal cultivation on the part of the tenant, when he does it in person and/or with the aid of labor within his immediate farm household; and
6. There is sharing of harvests or there is a consideration for the lease of the land in an amount certain in money or in produce, or both.

[Rafael Gelos vs. The Honorable Court of Appeals and Ernesto Alzona G.R. No. 861860, May 8, 1992; Yolanda Caballes vs. DAR et. al., G.R. No. 78214, December 5, 1988, 168 SCRA 247].

B. Cultivation is not limited to the plowing and harrowing of the land, but also the husbanding of the ground to forward the products of the earth by general industry, the taking care of the land and fruits growing thereon, fencing of certain areas, and the clearing thereof by gathering dried leaves and cutting of grasses. In coconut lands, cultivation includes the clearing of the landholding, the gathering of the coconuts, their piling, husking and handling as well as the processing thereof into copra, although at times with the aid of hired laborers.

[Coconut Cooperative Marketing Association, Inc., (COCOMA) vs. Court of Appeals, Nos. L-46281-83, August 19, 1988, 164 SCRA 568; Wenceslao Hernandez vs. Hon. Intermediate Appellate Court et. al., G.R. No. 74323, September 21, 1990, 189 SCRA 758].

C. Under agricultural leasehold, the lessee shall have physical possession and enjoyment as well as management of the farm (c.f. Sec. 23, RA 3844)

D. The lease rental to be paid by all agricultural lessees shall not be more than the equivalent of twenty-five percent (25%) of the average normal harvest during the three (3) agricultural years immediately preceding 15 June 1988, after deducting the amount used for seeds and the cost of harvesting, threshing, loading, hauling

and processing, whichever is applicable. (see Annex "A-1", Lease Rental Worksheet)

- E. If the land has been cultivated for a period of less than three (3) agricultural years prior to 15 June 1988, the initial rental shall be based on the average normal harvest during the preceding agricultural years when the land was actually cultivated.

After the lapse of the first three (3) normal harvests, the final rental shall be based on the average normal harvest during these three (3) preceding agricultural years.

If there had been no normal harvest, the estimated normal harvest during the three (3) preceding agricultural years shall be considered as the normal harvest.

- F. The lease rental shall cover the whole farmholding attended to by the lessee. Computation of lease rental shall include both primary and secondary crops existing as of 15 June 1988. Secondary crops which are planted to an aggregate area of half a hectare or less shall not be included in the computation of the lease rental.

Where there are two or more tenants on the same lot, each producing a different crop, they may decide to have a joint leasehold agreement or execute separate leasehold agreements, with the owner of the land, whichever is feasible.

- G. Where the rental has been fixed, whether in cash or in kind, such rental shall constitute the consideration for the use of the land and the lessee may diversify and/or plant secondary crops, provided that all the expenses are shouldered by him/her.

- H. The lessor may propose a change in the use of the landholding, from one agricultural use to another, in which case the change shall be agreed upon by the landowner and the lessee.

In case of disagreement, as to the proposed diversification or change from one agricultural use to another, the matter shall be settled by the (Provincial Agrarian Reform Adjudicator (PARAD), or in his absence the Regional Agrarian Reform Adjudicator (RARAD), according to the best interest of the parties concerned.

- I. An agricultural lessee shall continue in the enjoyment and possession of his landholding except when his dispossession has been authorized by the proper tribunal in a judgment that is final and executory for causes provided by law. However, the non-payment of the rental due to crop failure to the extent of seventy-five percent as a result of a fortuitous event, shall not be a ground for



dispossession, although the obligation to pay the rental due that particular crop is not thereby extinguished. [Sec. 36(6), R.A. 3844]

- J. If capital improvements are introduced on the farm not by the lessee to increase its productivity, the rental shall be increased proportionately to the consequent increase in production due to said improvements. The cost of the capital improvement, including interest thereon, will be determined, and the number of years shall be fixed within which the increase in rental shall be paid.
- K. The leasehold agreement shall be in writing, preferably using the attached leasehold agreement form (Annex "A") duly notarized and registered with the Municipal Treasurer's Office and annotated at the back of the Transfer Certificate of Title on file with the Register of Deeds. Refusal of any party to sign a leasehold contract shall not affect the tenant's status as lessee.
- L. Existing leasehold agreements shall be respected provided that the agreed lease rental do not exceed the maximum provided by law. For the purpose of determining compliance, these agreements shall be subject to the Municipal Agrarian Reform Officer's (MARO) periodic review.
- M. At all times, the lessor shall respect the rights of the lessee to have peaceful possession and enjoyment of the land and to deal with millers and processors and attend to the issuance of quedans and warehouse receipts for the produce due him (Sec. 23(4), RA 3844). Any act by the landowner or any person representing him in violation hereof shall be prima facie evidence of dispossessing the lessee of the landholding.
- N. If the landowner refuses to accept the provisional lease rental on account of disagreement, the lessee shall deposit the contested lease rental with the nearest Land Bank of the Philippines (LBP) Office in a trust account in the name of the landowner if the payment is in cash, or in a designated bonded warehouse if the payment is in kind, with written notice given to the MARO and the landowner.

IV. COVERAGE

These Rules shall apply to all tenanted agricultural lands including but not limited to the following:

- A. Retained areas under R.A. 6657 and P.D. 27; and
- B. Tenanted agricultural lands not yet acquired for distribution under CARP pursuant to R.A. 6657.



V. EFFECTIVITY OF LEASEHOLD

- A. Leasehold arrangements covered by this order took effect on the first agricultural year immediately following the conversion to leasehold, as follows:
1. Tenanted rice and corn lands, as of 10 September 1971, the effectivity of RA 6389;
 2. Tenanted sugar lands, upon the election by the tenant, or as of 15 June 1988, by operation of R.A. 6657, whichever is sooner; and
 3. All other tenanted agricultural lands by agreement of the parties or as of 15 June 1988, whichever is sooner.
- B. The agricultural leasehold relationship shall be valid until it is extinguished on the following grounds:
1. Abandonment of the lessee without the lessor's knowledge;
 2. The lessee voluntarily surrenders the landholding after giving notice to the lessor three months in advance. (Sec. 8, R.A. 3844); or
 3. The lessee has no successors pursuant to Section 9, R.A. 3844, as amended in the event he dies or becomes permanently incapacitated.

VI. SPECIFIC POLICIES FOR LANDS PRIMARILY DEVOTED TO SUGARCANE AND COCONUT

A. SUGARCANE LANDS

1. In order to improve progressively the condition of the lessee, and as part of the leasehold arrangement, the lessee shall have the following rights to be exercised by him personally or through a duly registered cooperative/farmers' association of which he is a bonafide member:
 - a) To enter into a contract with the sugar central/millers for the milling of the sugarcane grown on the leased property.
 - b) To be issued a warehouse receipt (quedan) or molasses storage certificate by the sugar central for the manufactured sugar, molasses and other by-products.
 - c) To have free access to the sugar central's factory, facilities, and laboratory for purposes of checking and/or verifying records and

procedures in the processing of sugarcane through professional representation.

- d) To be furnished a weekly statement of cane and sugar account showing, among other things, the tonnage of the delivered cane and analysis of the crusher juice.
 - e) To be given thirty (30) days notice in writing before the sugar and other by- products are sold through public auction.
 - f) To be provided with the standard tonnage allocation by the miller/sugar central.
2. The determination of the average normal harvest to be used in computing the lease rental in sugarcane lands shall be based on the following:
- a) If the leasehold relationship existed before 15 June 1988, the effectivity of R.A. 6657, the average normal harvests of the three agricultural years immediately before the date the leasehold relationship was established shall be used.
 - b) If the leasehold relationship was established on 15 June 1988 by operation of R.A. 6657, the average normal harvest of the three (3) agricultural years immediately preceding the said date shall be used.
 - c) If the land has been cultivated for less than three years prior to June 15, 1988, the provisions of Section III (E) shall apply.
3. An agricultural year for sugarcane shall be understood to mean the period from land preparation to harvesting. Ratooning (from trash burning to harvesting) shall likewise be considered as one agricultural year.
4. The leasehold agreement (see Annex "B") shall include both the sugarcane products (sugar) and by-products (molasses), and the lease rental shall be computed based on VI (6) hereof.
5. The lease rental of the land shall be paid in an amount certain in money or in produce, or both, as may be agreed upon by the parties. Such rental shall be paid after the exact produce shall have been determined using the Certificate of Quedan and molasses storage certificate issued by the sugar central/miller.



6. The lease rental for sugarcane lands shall be not more than twenty five (25%) percent of the average normal harvest less the value of the cost for seeds/cane points, harvesting (cutting), loading, hauling and/or trucking fee, and cost of processing, pursuant to Sec. 34 of R.A. 3844. (See Annex "C", Sample Computation)
7. The agricultural lessee shall not be required to assume, directly or indirectly, any part of the rent, or other considerations which the agricultural lessor is under obligation to pay third persons for the use of the land. (Sec. 31, R.A. 3844)

Any contract by which the agricultural lessee is required to accept a loan or to make payment(s) in kind shall be contrary to law, morals or public policy. (Sec. 15, R.A. 3844)

The agricultural lessor may mortgage expected rentals. (Sec. 29, R.A. 3844)

8. Notwithstanding the above provisions of the law and any contract of mortgage existing between the landowner-planter and financial institutions to the contrary, it is unlawful for the landowner-planter to mortgage to any entity (e.g., banks or any financial institution) that part of the produce which is due to the agricultural lessee.

If the landowner incurred loans from a bank or any financial institution, such bank can only attach the fixed lease rental due to the landowner. It shall be unlawful for the bank or any financial institution to withhold the quedan covering the portion of the crop due to the lessee.

9. The DAR shall encourage the sugarcane farmer-lessee to establish associations or cooperatives which shall assist them or directly deal with the millers, processors, transport operators, and financial and banking institutions. The DAR shall likewise assist farmer-lessees to secure milling accommodations and/or membership in sugar planters associations.

B. COCONUT LANDS

1. The indiscriminate cutting of coconut trees shall be deemed a prima facie evidence to dispossess the tenant of his landholding.

In order to rebut this presumption, the following are required:

- a) written consent of the tenant; and



- b) certification by the Philippine Coconut Authority (PCA) or a resolution from the Municipal Board, allowing the cutting for valid reasons.
2. The application of the allowable deductible items in coconut shall depend on the final product. If the final product is copra, the deductible items are:
 - a) The cost of harvesting, which shall include picking and piling;
 - b) The cost of loading and hauling; and
 - c) The cost of processing, which shall include husking, splitting, scooping, and drying.

If the final product is green nuts, the deductible items above shall be used except for the cost of processing. If the final product is husked nuts, the costs in items 2.a and 2.b and the cost of husking shall be used.
3. The lease rental for coconut lands shall not be more than twenty five (25) percent of the average normal harvest for the preceding three (3) calendar years less the value of the deductible items pursuant to Sec. VI-B (2) of this Administrative Order. (see Sample Computation, Annex "D")
4. In case there is large-scale replanting in the coconut area initiated by the lessor which may affect the normal coconut production in particular and the leasehold arrangement in general, a new lease rental may be computed proportionate to the decrease in production.

VII. PROCEDURES

A. Identification Phase

The MARO shall identify all landholdings still under share tenancy as of the effectivity of R.A. 6657, and list the landowner and the share tenants thereon, with the assistance of the Barangay Agrarian Reform Committee (BARC), and people's organizations/non-government organizations (POs/NGOs) that are present in the area.

B. Determination and Fixing of Rental

The MARO shall schedule the mediation conference and formally invite the landowner and the lessee(s), using the prescribed forms contained in Annexes "E"



and "E-1" with notice to the BARC. Priority shall be given to those represented by peasants' organizations. The voluntary application by any lessor or lessee for the fixing of the rental shall likewise be immediately acted upon.

The MARO with the assistance of the BARC or in the absence thereof, the Barangay Council concerned, shall jointly conduct the mediation conference between the landowner and the lessee(s) for the purpose of fixing the lease rental. The MARO shall, within thirty (30) days from application, fix the lease rental in accordance with these rules and regulation. For this purpose the following steps shall be undertaken:

1. Both parties shall be required to submit production data or any evidence as proof of the average normal harvest, including the cost of deductible item(s), during the three (3) agricultural years immediately preceding. In the absence of the foregoing production data or documents, the production data released by the proper government agency (e.g., the Philippine Coconut Authority in the case of coconut production) may be accepted as basis.
2. Notice for the mediation conference shall be given to the lessee and to the lessor or his administrator or overseer for the farm. On the basis of the documents and/or evidence presented or as gathered by them, the MARO, with the assistance of the BARC, shall proceed with the computation of the lease rental applying the formula prescribed under these rules.
3. In the event any party fails to appear during the scheduled conference despite notice, the MARO, in addition to mailing the notice at the last known address of the parties, shall cause the posting of two successive notices (seven days apart) at the Municipal Hall, the Barangay Hall and the place where the land is located. The second notice shall be posted at least ten (10) days prior to the scheduled conference. Compliance with these requirements is sufficient for the MARO to fix the rental on data gathered by him/her or presented by the other party.

C. Documentation Phase

1. In case of agreement, the rental to be paid as consideration for the lease of land shall be embodied in the prescribed leasehold agreement form which shall be drawn up in five copies in the language or dialect known to the agricultural lessee and signed or thumbmarked by the parties or their duly authorized representatives before two witnesses. In no case shall the rental agreed by the parties exceed the fixed lease rental computed according to the foregoing rules.



2. Before the parties affix their signatures to the document denominated as Leasehold Agreement, the MARO or any member of the BARC shall explain to the parties the contents thereof, and the policies herein prescribed.
 3. The parties shall acknowledge the execution of the documents before the Municipal Trial Court Judge where the land is situated or before a DAR lawyer commissioned as Notary Public. The MARO shall register the Leasehold Agreement with the Municipal Treasurer. Each party shall be furnished a copy of the registered Leasehold Agreement. The Provincial Agrarian Reform Officer (PARO) shall cause the annotation of the leasehold agreement at the back of the Transfer Certificate of Title on file with the Register of Deeds.
- D. In case of disagreement or non-approval by any of the parties involved in the determination of the lease rental, the MARO shall compute and fix the provisional lease rental in accordance with these rules. The MARO shall comply with the following requirements:
1. The MARO shall prepare a corresponding Leasehold Documentation Folder which shall contain the following:
 - a) Documents or evidence presented or gathered by the tenant-tiller, landowner, MARO and other parties involved relative to tenurial relationship as well as production data, deductible item(s) provided by law, and other relevant information;
 - b) Minutes of conferences/meetings held for the purpose of establishing tenurial relationship, determining and fixing rental, and resolving conflicts, if any;
 - c) Worksheet forms used in the computation of lease rentals; and
 - d) Investigation Report, if any. A copy of the order for the provisional lease rental shall be sent to the landowner, the lessee, the MARO and the PARO.
 2. On the basis of the documents submitted by the MARO, the PARAD, or in his absence, the RARAD, shall review the provisional lease rental within thirty (30) days from receipt of the leasehold document folder.
 3. Upon motion of the landowner and by order of the PARAD, the lessee shall be required to deposit the provisional lease rental with the nearest LBP Office in a trust account in the name of the landowner if the payment



is in cash or in a designated bonded warehouse if the payment is in kind, with written notice given to the MARO.

4. This provisional lease rental shall continue in force until the matter has been finally resolved.
- E. For immediate and effective implementation on leasehold operation, the PARO and the MARO shall undertake a massive information dissemination campaign.

VIII. RESOLUTION OF PROTEST

Any party who disagrees with the Order of the PARAD fixing the rental may bring the matter to the Adjudication Board at the DAR Central Office within fifteen (15) days from receipt thereof otherwise the Order becomes final and executory.

IX. PERIODIC REVIEW

The DAR shall immediately and periodically review and adjust the rental structure for all leasehold arrangements regardless of crops, in all regions, taking into account the following considerations:

- A. The effect of the use of fertilizer and other related expenses as a cost of production, and its impact on the rental structure;
- B. The rate of compliance with the leasehold arrangements; and
- C. The impact of leasehold on the quality of life of the beneficiaries and agricultural productivity.

X. TRANSITORY PROVISIONS

Immediately upon the effectivity of this administrative order:

- A. The DAR-Field Operations Group (DAR-FOG) shall make an inventory of existing sugar milling contracts and review the same for compliance with these rules and regulations. The DAR-FOG shall also exert best efforts in effecting an orderly transition from tenancy to leasehold, specially in the sugar areas, with respect to amendment, revision or phaseout of existing milling contracts, provision of credit support and the like.
- B. The DAR Adjudication Board, its Provincial and Regional Adjudicators shall act expeditiously on all pending motions for the release of the proceeds of milling operations, which have been deposited in trust for the landowner and tenant, in order to increase the productivity of the sugar areas.



XI. EFFECTIVITY

This Administrative Order shall take effect ten (10) days after its publication in two (2) national newspapers of general circulation. All other Orders, Circulars, Memoranda and Rules and Regulations, or portions thereof inconsistent herewith are hereby revoked, canceled, or modified accordingly.

Quezon City, 3 May, 1993.


ERNESTO D. GARILAO
Secretary

AGRICULTURAL LEASEHOLD AGREEMENT

KNOW ALL MEN BY THESE PRESENTS:

This Agricultural Leasehold Agreement, entered into by and between _____, Filipino, of legal age, _____ (civil status), a resident of _____, hereinafter referred to as AGRICULTURAL LESSOR, and _____, Filipino, also of legal age, _____ (civil status) and a resident of _____ and hereinafter referred to as AGRICULTURAL LESSEE.

WITNESSETH:

1. That effective 15 June 1988, upon the effectivity of R.A. 6657, an agricultural leasehold relation was created by operation of law between the AGRICULTURAL LESSEE and the AGRICULTURAL LESSOR over a farm lot which is a portion of a parcel of land situated at Barrio _____, Municipality of _____, Province of _____, owned or legally possessed by the AGRICULTURAL LESSOR and covered by Transfer Certificate of Title No. _____, which farm lot, consisting of _____ hectares, is bounded on the:

- North - land owned or cultivated by: _____
South - land owned or cultivated by: _____
East - land owned or cultivated by: _____
West - land owned or cultivated by: _____

2. That said leasehold relation shall continue every agricultural year thereafter until terminated or modified in accordance with law;

3. That the average normal harvest during the three agricultural years immediately preceding the effectivity of this agreement are as follows:

Table with 3 rows and 4 columns: Year, Unit, Quantity, and Weight. Row 1: 19, cavans, _____, kilos. Row 2: 19, cavans, _____, kilos. Row 3: 19, cavans, _____, kilos.

4. That per agreement of the parties and approved by the DAR, the rental for said land shall be _____ (P_____)(if in cash) per annum or _____ (if in kind, indicate applicable unit of measure) of _____ (kind of crop) of _____ (variety), said rentals representing not more than the equivalent of 25% of the average normal net harvest during the agricultural years 19____, 19____, and 19____, after subtracting from the gross harvest the deductible items as reflected in the attached Lease Rental Worksheet which forms an integral part of this agreement (Annex A-1);
5. That the said rental shall be paid to the AGRICULTURAL LESSOR or his/her duly authorized representative at the _____ (specified place as agreed upon);
6. Non-payment of the rental due to crop failure to the extent of seventy-five per centum as a result of a fortuitous event, shall not be a ground for dispossession, although the obligation to pay the rental due that particular crop is not thereby extinguished;
7. That once the rental is fixed, such rental shall be deemed consideration for the use of the land, and the AGRICULTURAL LESSEE may diversify and/or plant secondary crops, provided he/she shoulders all the expenses;
8. That the AGRICULTURAL LESSEE shall not employ a sub-lessee on his/her landholding: provided, that in case of illness or temporary capacity, he/she may employ laborers whose services on his/her landholding shall be paid on his/her account;
9. That the AGRICULTURAL LESSEE shall not cause undue erosion of the soil or impair its fertility;
10. That it shall be unlawful for the AGRICULTURAL LESSEE to mortgage/sell his/her leasehold rights over the landholding;
11. That the AGRICULTURAL LESSOR shall not, without the AGRICULTURAL LESSEE'S written consent, destroy crops and trees in the farmholding; and
12. That any change or modification of the terms and conditions of this agreement or the sale or transfer of the land to another shall not in any way affect the right of the AGRICULTURAL LESSEE to the peaceful possession and cultivation of the landholding.

IN WITNESS WHEREOF, the parties hereunto set their hands
this ____ day of _____, 19 ____, in the Municipality of
_____, Province of _____, Philippines.

Agricultural Lessor

Agricultural Lessee

Witness

Witness

APPROVED

(Municipal Agrarian Reform Officer)

A C K N O W L E D G M E N T

REPUBLIC OF THE PHILIPPINES)
PROVINCE/CITY) S.S.

At the Municipality of _____, Province of _____
in this day of _____ 19_____
appeared the following persons:

Name	Res. Cert. No.	Date	Place
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known to me to be the persons who executed the foregoing Agricultural Leasehold Agreement and acknowledged to me that the same is their free act and deed.

Municipal Trial Judge/Duly Authorized DAR Lawyer

ANNOTATION OF REGISTRATION

Office of the Municipal Treasurer

City/Municipality

Province

On this _____ day of _____ 19____ at _____
o'clock (AM/PM) the parties to the foregoing instrument appeared
before me and presented four copies of this Agreement of Agricul-
tural Leasehold for registration. This Agreement is hereby
registered and entered in the Registry of Agricultural Leasehold
Agreement of this Municipality/City at the time and date men-
tioned above, as Agricultural Leasehold Agreement
No. _____.

Municipal/City Treasurer

Municipality/City

Province

- Note:
- a) This form may be modified to suit local conditions and peculiarities, but should substantially contain the above provisions.
 - b) This agreement should preferably be translated into the local dialect for easier understanding, especially by the farmer-beneficiaries.

LEASE RENTAL WORKSHEET

I. NORMAL GROSS HARVEST/PRODUCTION

1ST CROP (AGRICULTURAL YEAR)

19 _____
 19 _____
 19 _____

TOTAL _____

2ND CROP (AGRICULTURAL YEAR)

19 _____
 19 _____
 19 _____

TOTAL _____

II. APPLICABLE DEDUCTIBLE ITEM(S) :

(R.A. 3844, AS AMENDED) SPECIFY UNIT OF MEASURE

	1ST CROP			2ND CROP		
1. AMOUNT USED FOR SEEDS	_____	_____	_____	_____	_____	_____
2. HARVESTING	_____	_____	_____	_____	_____	_____
3. THRESHING	_____	_____	_____	_____	_____	_____
4. LOADING	_____	_____	_____	_____	_____	_____
5. HAULING	_____	_____	_____	_____	_____	_____
6. PROCESSING	_____	_____	_____	_____	_____	_____

III. ACTUAL TOTAL AMOUNT DEDUCTIBLE

	1ST CROP			2ND CROP		
19	_____	_____	_____	_____	_____	_____
19	_____	_____	_____	_____	_____	_____
19	_____	_____	_____	_____	_____	_____
TOTAL	_____	_____	_____	_____	_____	_____

IV. COMPUTATION OF LEASE RENTAL(S)

	1ST CROP	2ND CROP
1. TOTAL NORMAL GROSS HARVEST	_____	_____
2. LESS ACTUAL TOTAL AMOUNT DEDUCTIBLE	_____	_____
3. TOTAL NET NORMAL HARVEST	_____	_____
4. AVERAGE NET HARVEST (TOTAL NET HARVEST DIVIDED BY 3)	_____	_____
5. LEASE RENTAL (25 % OF AVERAGE NET HARVEST PRODUCTION)	_____	_____

Prepared by: _____

Approved by: _____

AGRICULTURAL LEASEHOLD AGREEMENT
(For Sugarcane Lands)

KNOW ALL MEN BY THESE PRESENTS:

This Agricultural Leasehold Agreement, entered into by and between _____, Filipino, of legal age, _____ (civil status), a resident of _____, hereinafter referred to as AGRICULTURAL LESSOR, and _____, Filipino, also of legal age, _____ (civil status) and a resident of _____ and hereinafter referred to as AGRICULTURAL LESSEE.

W I T N E S S E T H:

1. That effective 15 June 1988, upon the effectivity of R.A. 6657, an agricultural leasehold relation was created by operation of law between the AGRICULTURAL LESSEE and the AGRICULTURAL LESSOR over a farm lot which is a portion of a parcel of land situated at Barrio _____, Municipality of _____, Province of _____, owned or legally possessed by the AGRICULTURAL LESSOR and covered by Transfer Certificate of Title No. _____, which farm lot, consisting of _____ hectares, is bounded on the:

North - land owned or cultivated by: _____

South - land owned or cultivated by: _____

East - land owned or cultivated by: _____

West - land owned or cultivated by: _____

2. That said leasehold relation shall continue every agricultural year thereafter until terminated or modified in accordance with law;

3. That the average normal harvest during the three agricultural years immediately preceding the effectivity of this agreement are as follows:

19__ ____ tons piculs ____ (1st Agr'l. year)

19__ ____ tons piculs ____ (2nd Agr'l. year-1st ratoon)

19__ ____ tons piculs ____ (3rd Agr'l. year-2nd ratoon)

4. That per agreement of the parties and approved by the DAR, the rental for said land shall be _____ (P _____) (if in cash) per harvest or _____ piculs (if in kind), said rentals representing not more than the equivalent of 25% of the average normal net harvest during the agricultural years 19 _____, 19 _____, and 19 _____, after subtracting from the gross harvest the deductible items as reflected in the attached lease Rental Worksheet which forms an integral part of this agreement (Annex B-1);

5. That the said rental shall be paid to the AGRICULTURAL LESSOR or his/her duly authorized representative at the milling site of _____ (name of the sugar central) located at _____ (specify place as agreed upon);

6. Non-payment of the rental due to crop failure to the extent of seventy-five per centum as a result of a fortuitous event, shall not be a ground for dispossession, although the obligation to pay the rental due that particular crop is not thereby extinguished;

7. That once the rental is fixed, such rental shall be deemed consideration for the AGRICULTURAL LESSEE may diversify and/or plant secondary crops, provided he/she shoulders all the the expenses.

8. That the AGRICULTURAL LESSEE shall not employ a sub-lessee on his/her landholding: provided, that in case of illness or temporary capacity, he/she may employ laborers whose services on his/her landholding shall be paid on his account;

9. That the AGRICULTURAL LESSEE shall not cause undue erosion of the soil or impair its fertility;

10. That it shall be unlawful for the AGRICULTURAL LESSEE to mortgage/sell his/her leasehold rights over the landholding;

11. That the AGRICULTURAL LESSOR shall not, without the AGRICULTURAL LESSEE'S written consent, destroy the sugarcane crops and trees in the farmholding;

12. That the AGRICULTURAL LESSEE shall have the following rights to be exercised by him personally or through a duly registered cooperative/farmers associations of which he is a bona-fide member: a. to enter into a contract with the sugar central/miller for the milling of the sugar cane grown on the leased property;

b. to be issued a warehouse receipt (QUEDAN) or molasses storage certificate by the sugar central for the manufactured sugar molasses and other by-products;

c. to have free access to the sugar central factory facilities and laboratory for purposes of checking and/or verifying records and procedure in the processing of sugarcane by himself/herself or through professional representation;

d. to be furnished a weekly statement of cane and sugar account showing, among other things, the tonnage of the delivered cane and analysis of the crusher juice;

e. to be given thirty-day written notice before the sugar and other by-products are sold through public auction; and

f. to be provided with the standard tonnage allocation by the miller/sugar central.

13. That any change or modification of the terms and conditions of this agreement or the sale or transfer of the land to another shall not in any way affect the right of the AGRICULTURAL LESSEE to the peaceful possession and cultivation of the landholding.

IN WITNESS HEREOF, the parties hereunto set their hands this ____ day of _____, 19 ____, in the Municipality of _____, Province of _____, Philippines.

Agricultural Lessor

Agricultural Lessee

WITNESSES

APPROVED:

Municipal Agrarian Reform Officer

LEASE RENTAL WORKSHEET
(For Sugarcane Land)

I. NORMAL GROSS HARVEST/PRODUCTION (Per Hectare)

1. First Agricultural Year - First Crop

Year 19 ____, ____ Tons of Sugarcane equivalent to
____ piculs and ____ kilograms of Molasses

2. Second Agricultural Year - First Ratoon

Year 19 ____, ____ Tons of Sugarcane equivalent to
____ piculs and ____ kilograms of Molasses

3. Third Agricultural Year - Second Ratoon

Year 19 ____, ____ Tons of Sugarcane equivalent to
____ piculs and ____ kilograms of Molasses

II. COMPUTE FOR THE NET INCOME OF EVERY AGRICULTURAL YEAR
(Average Gross Income Less Allowable Deductible Costs)

1. First agricultural year (gross income)

____ piculs x P ____ (price per picul) = P ____

____ kg. of molasses x P ____ (price per kg.) = P ____

Gross Income P ____

Less: Allowable Deductible Costs

a. Cost of seeds (cane points) = P ____

b. Cost of harvesting/cutting = P ____

c. Cost of loading and handling = P ____

d. Cost of processing/milling = P ____ P ____

Net Income P ____

2. Second Agricultural Year - 1st ratoon (Gross Income)

_____ piculs x P_____ (price per picul) = P_____

_____ kg. of molasses x P_____ (price per kg.) = P_____

Gross Income P_____

Less: Allowable Deductible Costs

a. Cost of seeds (if any) = P_____

b. Cost of harvesting/cutting = P_____

c. Cost of loading and handling = P_____

d. Cost of processing/milling = P_____ P_____

Net Income P_____

Note: Cost of seeds during ratooning, if any, may be variable.

3. Third Agricultural Year - Second Ratoon (Gross Income)

_____ piculs x P_____ (price per picul) = P_____

_____ kg. of molasses x P_____ (price per kg.) = P_____

Gross Income = P_____

Less: Allowable Deductible Costs

a. Cost of seeds (if any) = P_____

b. Cost of harvesting/cutting = P_____

c. Cost of loading and handling = P_____

d. Cost of processing/milling = P_____ P_____

Net Income P_____

Note: Cost of seeds during ratooning, if any, may be variable.

III. COMPUTE FOR THE LEASE RENTAL

a. Net income - First Crop P_____

b. Net income - Second Crop (1st Ratoon) P_____

c. Net income - Third Crop (2nd Ratoon) P_____

Total Net Income P_____

Average Net Income (Total Net
Income/3) P_____

Average Lease Rental for 1 hectare
(Average Net Income x 25%) P_____

**SAMPLE COMPUTATION FOR LEASE RENTAL IN TENANTED
SUGAR LAND
(Canlubang, Laguna Case)**

GIVEN:

Area	- 1 hectare
Frequency of harvest	- 1st (new) harvest (10 to 12 mos.) - 1st ratoon and 2nd ratoon (9 to 10 mos. per ratoon)
Production per hectare	- 88.5 tons for the 1st harvest equivalent to 86.26 piculs and 3,416 kg. of molasses - 77 tons for the 1st ratoon equivalent to 81.3 piculs and 3,191 kg. of molasses - 68 tons for the 2nd ratoon equivalent to 74 piculs and 2,195 kg. of molasses
Price per picul	- P569 as of 1988 P645 as of 1989 P650 as of 1990
Price of Molasses per kg.	- P1.00/kg. as of 1988 P1.00/kg. as of 1989 P1.20/kg. as of 1990

COMPUTATION:

- A. Compute for the net income of every agricultural year
(average gross income less allowable deductible cost).

First Agricultural Year

Gross Income

86.26 piculs x P569 per picul	P49,081.94	
3,416 kg. of molasses x 1.00 kg.	3,416.00	P52,497.94
	<hr/>	

Less: allowable deductible cost

Cost of seeds P30/1000 cane points at 50,000 cane points/ha.)	P 1,500.00	
Harvesting/cutting (P65/ton x 88.5 tons)	5,752.50	
Loading and handling/ trucking (P75/ton x 88.5 tons)	6,637.50	
Processing/milling (32% of produce)	15,706.00	P29,596.00
Net Income	<hr/>	<hr/> P22,901.94

Second Agricultural Year (First Ratoon)

Gross Income

81.3 piculs x P645 per picul	P52,438.50	
3,191 kg. of molasses x 1.00 kg.	3,191.00	P55,629.50

Less: allowable deductible cost

Cost of Seeds (if any)		
Harvesting/cutting (P65/ ton x 77 tons	P 5,005.00	
Loading and hauling/trucking (P75 x 77 tons)	5,775.00	
Processing/milling (32% of produce)	16,780.32	P27,560.32
Net Income	<hr/>	<hr/> P28,069.18

Note: Cost of seeds during ratooning, if any, may be variable.

Third Agricultural Year (Second Ratoon)

Gross Income

74 piculs x P650/ picul	P48,100.00	
2,195 kg. of molasses x 1.20/kg.	2,634.00	P50,734.00

Less: allowable deductible cost

Cost of Seeds (if any)		
Harvesting/cutting (P80/ton x 68 tons)	P 5,440.00	
Loading and hauling/ trucking (P120/ton x 68 tons)	8,160.00	
Processing/milling (32% of produce)	15,392.00	P28,992.00
Net Income	<hr/>	<hr/> P21,742.00

Note: Cost of seeds during ratooning, if any, may be variable.

B. Compute for the lease rental

First year	P22,901.94
Second Year	28,069.18
Third Year	21,742.00

Total Net Income	P72,713.12

$$\begin{aligned}\text{Average Net Income} &= \text{Total Net Income} / 3 \\ &= P72,713.12 / 3 \\ &= P24,237.706\end{aligned}$$

$$\begin{aligned}\text{Average Lease Rental} &= \text{Average Net Income} \times 0.25 \\ \text{for 1 hectare} &= P24,237.706 \times 0.25 \\ &= P 6,059.43\end{aligned}$$

**SAMPLE COMPUTATION FOR LEASE RENTAL
IN COCONUT**

GIVEN:

Area	- 7 hectares
No. of tree/hectare	- 70 to 100 coconut trees
No. of harvests/year	- 8 harvests
Frequency of harvest	- Every 30 to 45 days
Age of coconut trees	- 20 to 50 years old
Buying price	- P=806 per 1,000 husked nuts

Cost of labor (final product is husked nut)

A. Harvesting	
Picking (pagkawit/pag-akyat)	P90 per 1,000 nuts
Piling (pag-iipon)	P35 per 1,000 nuts
B. Hauling/Loading (paghakot/pagkarga)	P70 per 1,000 nuts
C. Processing	
Husking (pagtatapas)	P80 per 1,000 nuts

COMPUTATION:

- Get the average normal harvest and gross income of the three agricultural years immediately before the date the leasehold relationship was established.

May-June	(1st agri. year)	3,000 nuts
July-August	(2nd agri. year)	6,000 nuts
September-October	(3rd agri. year)	4,000 nuts
Total		13,000 nuts
Average normal harvest (13,000/3)		4,333 nuts
Average gross income (4,333 nuts at P806 per 1,000 nuts)		P3,492.40

- Get the average deductible cost for the three agricultural years using the applicable deductible items.

1st agricultural year

Picking	(3,000 nuts at P90 per 1,000 nuts)	P 270.00
Piling	(3,000 nuts at P35 per 1,000 nuts)	105.00
Hauling	(3,000 nuts at P70 per 1,000 nuts)	210.00
Husking	(3,000 nuts at P60 per 1,000 nuts)	180.00
Total cost for the 1st agricultural year		765.00

2nd agricultural year

Picking	(6,000 nuts at P90 per 1,000 nuts)	P 540.00
Piling	(6,000 nuts at P35 per 1,000 nuts)	210.00
Hauling	(6,000 nuts at P70 per 1,000 nuts)	420.00
Husking	(6,000 nuts at P60 per 1,000 nuts)	360.00

Total cost for the 2nd agricultural year 1,530.00

3rd agricultural year

Picking	(4,000 nuts at P90 per 1,000 nuts)	P 360.00
Piling	(4,000 nuts at P35 per 1,000 nuts)	140.00
Hauling	(4,000 nuts at P70 per 1,000 nuts)	280.00
Husking	(4,000 nuts at P60 per 1,000 nuts)	240.00

Total cost for the 3rd agricultural year 1,020.00

Average deductible cost
(765 + P1,530 + P1,020)/3 1,105.00

3. Compute for the net income.

Net income (Average gross income less average deductible costs or P3,492.40 - P1,105.00) 2,387.40

4. Compute for the lease rental.

Lease rental for the 7 hectares per harvest (25% of P2,387.40) 596.85

Lease rental for one year (rental per harvest multiplied by the no. of harvest per year or P596.85 x 8 harvests) P4,774.60

FORMAL INVITATION TO THE LESSOR

_____ Date

_____ (Name of Landowner)
_____ (Address)

Sir/Madam:

Pursuant to AO 5 Series of 1993, we wish to invite you to a conference on

Date: _____
Time: _____
Place: _____

in order to determine and fix the lease rental for the landholding tenanted by _____, situated at _____, which is covered by agricultural leasehold.

Very truly yours,

_____ (Signature of MARO)

_____ (Printed Name)

_____ (Designation)
_____ (Station)

copy furnished:
Barangay Agrarian Reform Committee (BARC)

FORMAL INVITATION TO THE LESSEE

_____ Date

_____ (Name of Lessee)

_____ (Address)

Sir/Madam:

Pursuant to AO 5, Series of 1993, we wish to invite you to a conference on:

Date: _____
Time: _____
Place: _____

in order to determine and fix the lease rental for the land which you are cultivating as tenant of _____ (Name of landowner) and which is covered by agricultural leasehold.

Sincerely yours,
Very truly yours,

_____ (Signature of MARO)

_____ (Printed Name)

_____ (Designation)

_____ (Station)

copy furnished:
Barangay Agrarian Reform Committee (BARC)

DEPARTMENT OF AGRARIAN REFORM
MUNICIPAL AGRARIAN REFORM OFFICE

(Name)
(Address)

RE: FIXING OF RENTAL CONTROL NO. _____
BY THE DAR
X-----X

ORDER FOR THE FIXING OF
PROVISIONAL LEASE RENTAL

Pursuant to Section 12 of R.A. 6657, the DAR is mandated to determine and fix immediately the lease rental of the subject hereof in accordance with Section 34 of R.A. 3844, as amended. The subject land which has an area of _____ is situated at _____ owned by _____ and tenanted by _____.

On the basis of the data and other relevant information gathered by the MARO and verified by the PARO, an agricultural tenancy relation has been established in accordance with the law and by virtue of this Order, shall now be governed by an agricultural leasehold relation under the terms and conditions hereunder specified.

On the basis of production data available, it is shown that the average gross normal harvest during the three (3) preceding agricultural years from (e.g. 15 June 1988) is _____, broken down as follows:

YEAR	NORMAL GROSS PRODUCTION
_____	_____
_____	_____
_____	_____

The applicable deductible item(s) in the area as determined by the DAR amounted to P _____ broken down as follows:

YEAR	DEDUCTIBLE ITEM(S)	AMOUNT
_____	_____	_____
_____	_____	_____
_____	_____	_____

The average normal gross production and the allowable deductions having been established, the average normal production thereof for three (3) normal crop years is multiplied by 25% to arrive at the provisional lease rental to be paid by the lessee, which in this case is _____, or _____ (if in kind, indicate applicable unit of measure) of _____ (kind of crop). o7 3

Due to the disagreement of the parties over this provisional lease rental, Order is hereby issued:

Fixing the provisional lease rental in favor of the landowner in the amount of _____ (P) per year (if in cash) or _____ if in kind, until such time that the PARAD or the courts are able to finally resolve the matter;

Directing the AGRICULTURAL LESSEE to pay said rental direct to the landowner, at _____ (place) on _____ (date), or deposit the rental with the Land Bank of the Philippines or a designated bonded warehouse, at the option of the landowner;

Directing that the records of the case be forwarded to the Provincial Adjudicator of the province of _____ for further proceedings and resolution.

SO ORDERED.

_____ (Place), _____ (Date)

Signature and Name of MARO

LIST OF DOCUMENTS REQUIRED UNDER RA 6657
UNDER DIFFERENT SITUATIONS
(To be given to landowners)

A. COMMON TO ALL LANDOWNERS

1. DOCUMENTS TO PROVE OWNERSHIP OF PROPERTY

TITLES for titled properties; or

TAX DECLARATIONS and

DEEDS OF ACQUISITIONS for untitled properties;

NOTE: For details, please see below.

2. TAX DECLARATION/S

1. FOR THE LAND - must be based on the unit value implemented before August 29, 1989; issued before August 29, 1987.

2. FOR PERMANENT IMPROVEMENTS (if any) - pertinent data like dates and costs of constructions, etc. must be indicated.

COMMON TO BOTH TAX DECLARATIONS:

- must be in the name of the registered owner; and
- must be duly certified by the Assessor concerned

3. BOUNDARY OR PERIMETER SKETCH PLAN - if the whole property is offered/covered, plan must be certified by a licensed geodetic engineer; or

SEGREGATION SURVEY PLAN - if the property is partly offered by only a co-owner or if the property is partly covered, plan must be approved by the DENR.

4. CURRENT RESIDENCE CERTIFICATE OF THE LANDOWNER-OFFEROR OR CLAIMANT

5. LISTASAKA I or II or Certification by the MARO if none.

6. LETTER-OFFER, if under VDS

7. REGISTER OF DEEDS CERTIFICATION stating that the property is free from all liens and encumbrances.

NOTE: Existing entries appearing on the title must be duly cancelled before property will be acquired and paid by the government.

B. REAL ESTATE TAXES ON THE PROPERTY

STATEMENT OF TAX DELINQUENCY - if taxes are not fully paid, years unpaid and total amounts of delinquency must be indicated; or

REAL ESTATE TAX CLEARANCE - if taxes are fully paid up to the current/present year, years paid must be indicated.

NOTE: Cut-off date of tax payment is the date of issuance of new title in the name of the Republic of the Philippines.

B. WHERE THE PROPERTY IS TITLED

1. TITLE

For preliminary identification of the property, copy of the title must be:

- a. duly certified by the Register of Deeds;
- b. clear and legible, complete in pages; and
- c. in the name of the landowner/offeror or claimant, or if not yet in the name of the offeror, copy of deed of transfer, donation, or others, must be submitted, subject to the provisions of Paragraph 4, Section 6 of RA 6657.

For purposes of payment, the owner's duplicate copy of the title must be:

- a. free from all liens and encumbrances;
- b. must be registered in the name of the offeror or claimant; and
- c. must be surrendered to the LBP.

C. WHERE THE PROPERTY IS UNTITLED

1. Survey plan of the property/ies duly approved by the Lands Management Bureau, and if not available, a sketch plan certified to by said office, and Technical Description thereof;

2. Certified copy of the present Tax Declaration in the name of claimant with correct lot number/s and area per approved plan;
3. Instruments of acquisition covering the subject property, such as Deed of Sale, donation, transfer, etc. in favor of claimant and those of his predecessor/s in interest;
4. A certification of the Assessor concerned showing the Tax Declaration issued, the declarant/s, the area covered, and the basis for the issuances and cancellations thereof pertaining to the property/ies from the first declaration up to the tax declaration issued in the name of the claimant;
5. Certification from the Clerk of Court concerned whether or not the property/ies identified in the plan is/are covered by land registration proceedings or civil case, and if the same is used as bond or bail in other court actions;
6. Certification of the DENR-LMS stating the year the property/ies identified in the plan may already be considered as private agricultural land, and the persons having the best claim of ownership thereof.
7. Certification from the Office of the Register of Deeds and Assessor concerned to the effect that as per their records, the property/ies as appearing in the approved survey plan is/are free from all liens and encumbrances.

D. WHERE THERE ARE PERMANENT IMPROVEMENTS IN PROPERTY

1. AUDITED FINANCIAL STATEMENTS OF LANDOWNERS, if available.
2. STATISTICS FROM GOVERNMENT/OTHER ACCREDITED PRIVATE AGENCIES
3. INTERVIEWS/CERTIFICATIONS FROM FARMER-BENEFICIARIES ON PRODUCTION - must be duly verified/validated from the neighborhood or from disinterested parties.

NOTE: Only Document 1 is submitted by the landowner.

Documents 2 or 3 are secured by the LBP.

E. WHERE THE LANDOWNER IS A MINOR (Applicable only when the estate exceeds P50,000.00) or WHERE THE LANDOWNER IS AN INCAPACITATED PERSON

1. LETTERS OF GUARDIANSHIP issued by a competent court;
2. OATH OF OFFICE of the guardian; and
3. COURT OF AUTHORITY for the guardian to dispose of the subject property pursuant to RA 6657 and to sign all land transfer documents and registration thereof.

F. WHERE THE LANDOWNER IS A CORPORATION OR PARTNERSHIP

1. Authenticated copies of the ARTICLES OF INCORPORATION & BY-LAWS of the Corporation or Partnership with Certificate of Registration from the Securities and Exchange Commission (SEC);
2. BOARD RESOLUTION - in case of a Corporation, duly authenticated or an appropriate Secretary's certificate duly notarized, appointing a particular person to dispose the subject property and to sign land transfer documents; and
3. CURRENT RESIDENCE CERTIFICATES of the authorized representative and the Corporation.

G. WHERE THE PROPERTY IS MORTGAGED

1. UPDATED STATEMENT OF ACCOUNT from creditors, if loan or mortgage obligation is not yet fully paid or released;
2. UPDATED/MORTGAGE LOAN VALUE or APPRAISAL VALUE OF THE PROPERTY AS OF JUNE 15, 1988
3. RELEASE OR MORTGAGE from creditors, if loan or mortgage is already paid but not yet cancelled in title; or when loan shall be deducted from proceeds of claim; must be registered.

H. WHERE THE PROPERTY IS FORECLOSED

1. If the property is foreclosed and the redemption period has not yet lapsed and the title has not yet been consolidated in the name of the mortgagee-bank, the latter's conformity to have the landowner re-acquire the property; and

2. Copy of the DEED OF RECONVEYANCE issued by the mortgagee-bank duly registered and annotated in the title.

I. WHERE THE LANDOWNER IS DECEASED

1. EXTRA-JUDICIAL SETTLEMENT OF ESTATE

a. DEED OF EXTRA-JUDICIAL SETTLEMENT OF ESTATE must be:

- executed by all the heirs concerned;
- published in a newspaper of general circulation for at least three (3) consecutive weeks; and
- registered with the Register of Deeds concerned and annotated in the title (if titled).

b. BIR TAX CLEARANCE as to payment of estate taxes.

c. CERTIFICATION OF PUBLICATION of the Deed of Extra-Judicial Settlement of Estate by the Publisher.

NOTE: Documents b and c are requirements of the Register of Deeds (not of the DAR or LBP) before the Deed of Extra-Judicial Settlement is registered.

2. JUDICIAL SETTLEMENT OF ESTATE

a. SPECIAL PROCEEDINGS STILL PENDING

- a.1 LETTERS OF ADMINISTRATION/LETTERS OF TESTAMENTARY issued by a competent court;
- a.2 OATH OF OFFICE of the Administrator or Executor;
- a.3 COURT OF AUTHORITY for the Administrator or Executor to dispose subject property under RA 6657 and registration thereof.

b. SPECIAL PROCEEDINGS ALREADY TERMINATED

- b.1 PROJECT OF PARTITION of the estate of the deceased duly approved by a competent court and registered.

3. CONFORMITY OF ALL THE HEIRS to the partition/settlement of the estate of the deceased.

4. DEATH CERTIFICATE OF THE DECEASED certified by the Local Civil Registrar.

J. WHERE THE PROPERTY IS CO-OWNED BY SEVERAL CO-OWNERS

1. Under VOS, if co-owner voluntarily offers his share only or under CA, the portion under coverage --
 - a. SEGREGATION SURVEY PLAN showing portion of his share offered, if under VOS; if under CA, portion showing area covered (after determining share per co-owner);
 - b. TECHNICAL DESCRIPTION/S OF THE LOT/S SURVEYED - must be in narrative form; duly approved by the DENR;
 - c. PARTITION AGREEMENT regarding property's subdivision among all registered co-owners; must be duly registered and annotated in the title.
2. Under VOS, if the whole property is voluntarily offered -
 - a. CONFORMITY BY ALL THE REGISTERED OWNERS to offer or to sell the property under RA 6657 (VOS); or in lieu of this document, all the registered owners must sign the letter-offer and the Deed of Transfer in favor of the government.