

# SERVICE CONTRACT

This Service Contract (this "Contract") is entered into and executed by and between:

**PHILIPPINE AMUSEMENT AND GAMING CORPORATION (PAGCOR)**, a government-owned and controlled corporation created and existing by virtue of *Presidential Decree 1869*, as amended, with office address at the PAGCOR Executive Office, Fifth (5<sup>th</sup>) Floor New Coast Hotel Manila, M.H Del Pilar cor. Pedro Gil Sts. Malate, Manila, represented in this act by its Officer-In-Charge for Casino Filipino-Cebu, **MA. CONSOLACION A. PASION** hereinafter referred to as "**PAGCOR**"

-and-

**CROWNLIFESTYLE.NET, INC.**, a corporation duly organized and existing under the laws of the Republic of the Philippines OR duly registered with the Securities and Exchange Commission (SEC) with SEC Certificate Number CS201111154 with office address at Fuente Osmena, Cebu City represented in this act by its Chief Operating Officer, **SUSAN K. BERNARDO**, duly authorized for this purpose by a Secretary Certificate dated January 12, 2021, hereto attached as Annex "A", hereinafter referred to as the "**CONTRACTOR**".

Each of **PAGCOR** and **CONTRACTOR** may be referred to herein as a "**PARTY**", and collectively as "**PARTIES**".

The parties warrant that they are duly organized, registered, validly existing and in good standing under the laws of the Republic of the Philippines, and that the parties and their representatives are capable and have the requisite power, authority, permits, clearances and licenses, to enter into this Contract and to perform the Services and all of their obligations as set forth herein.

## RECITALS:

WHEREAS, PAGCOR requires the **Supply and delivery of Food and Beverage for CF-Cebu Crown Regency Satellite (Three Years) under ITB No. DC20-12-013CEB** ("hereinafter referred to as "the Services");

  
End User

  
BBAC Chairman



WHEREAS, pursuant to Section 50 (c) of the Implementing Rules and Regulations (IRR) of Republic Act 9184, the CONTRACTOR has submitted a responsive proposal to undertake the said Services, and PAGCOR has accepted the proposal of the CONTRACTOR subject to the terms and conditions hereunder stipulated;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements hereunder specified by these presents, PAGCOR and the CONTRACTOR hereby enter into this Contract under the following terms, conditions and stipulations:

### I. SCOPE OF SERVICES

The CONTRACTOR shall provide the Services, specifically, the provision of meals and/or snacks and the incidental services for sanitation and cleaning, including all necessary labor, materials, supplies and equipment to PAGCOR in its Casino Filipino-Cebu Crown Satellite in accordance with the menu attached herein as Annex B, and the following technical specifications:

- i. The restaurant of the CONTRACTOR should be able to serve various international cuisines, to include, but not limited to, Filipino, American, Chinese, Japanese, Korean and Italian to cater to different nationalities & food preferences, including options for healthy meals/beverages.
- ii. The menu price shall be VAT-Exclusive and zero-rated, and shall already include all applicable fees and charges.
- iii. The CONTRACTOR shall not amend the menu without the prior written consent of PAGCOR. The prices herein agreed shall not be subject to any increase or upward adjustment for any reason or cause whatsoever for the duration of the Contract.
- iv. The CONTRACTOR shall have sufficient manpower to provide the Services and shall own, legally possess and/or have access to all the necessary kitchen and restaurant supplies, utensils, equipment necessary for the delivery of the Service, such as, but not limited to:
  - a. Spoons, forks, knives and chopping boards;
  - b. Plates, glasses, cups and saucers;
  - c. Various cookwares;
  - d. Various tablecloths and napkins;
  - e. Stoves, ovens, microwave ovens; and
  - f. Spices and clean containers for the different food ingredients

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- v. The CONTRACTOR has good title to the items/goods/services being offered and full authority to sell and transfer the same, and that the items/goods/services are sold free and clear of all liens, encumbrances, liabilities and adverse claims of every nature and description.
- vi. To ensure the safety and convenience of the Players, Officers and other guests of the casino, the food and beverage area shall be located within the premises of CROWNLIFESTYLE.NET, INC. However, it shall be outside the leased areas of PAGCOR.
- vii. The CONTRACTOR shall have proven track record in the restaurant industry for at least three (3) years.
- viii. The CONTRACTOR shall provide food and beverage in all its food outlets and fine dining outlets for Casino Filipino Cebu Mactan Satellite at a discount of twenty percent (20%) of its published prices to Players, Officers and other guests of the casino.
- ix. The CONTRACTOR shall accommodate requests for meals of PAGCOR, for its special events and/or meetings held within the premises.
- x. The CONTRACTOR shall promptly serve all food and beverage orders.
- xi. The CONTRACTOR shall ensure that the quality of food, either raw or processed, complies with all sanitation standards.
- xii. The CONTRACTOR shall ensure utmost cleanliness and proper hygiene in the preparation, handling and serving of food. Spoiled food shall be disposed of, and shall never be served by the CONTRACTOR.
- xiii. The CONTRACTOR's utensils shall be sterilized, kept clean and dried properly.
- xiv. The CONTRACTOR shall provide the Services twenty-four (24) hours a day, seven (7) days a week, or in accordance with the gaming operations of CF-Cebu Crown Satellite.
- xv. In addition to the foregoing, the CONTRACTOR shall also comply with the specifications and requirements stated in the duly accomplished Request for Quotation (RFQ), hereto attached as Annex C.

   
Eg. Officer BBAC Chairman



- xvi. The goods and services provided by the CONTRACTOR shall comply with PAGCOR's standards, and shall always take into consideration the special preferences of PAGCOR, its customers / clientele and / or guests.
- xvii. The CONTRACTOR shall ensure that its personnel are always well-mannered, courteous, polite, efficient and shall conduct themselves, at all times, in a professional manner towards PAGCOR, its directors, officers, agents, customers and guests.
- xviii. The CONTRACTOR's personnel shall secure from the responsible government agency a health / sanitary permit / clearance and submit the same to PAGCOR. The CONTRACTOR shall not field any of its personnel without the requisite government health / sanitary permit / clearance.
- xix. The CONTRACTOR shall ensure that its personnel exercise good personal hygiene, particularly, but not limited to:
- a) Regular and proper hand washing;
  - b) Clean and well trimmed fingernails without nail polish;
  - c) Hair should be neat and tidy. All personnel shall wear a headdress / hair net; and
  - d) Personnel with wounds / sores shall not be allowed to work.
- xx. The CONTRACTOR's personnel shall, at all times, wear their prescribed uniform including, but not limited to, aprons, headdress / haircaps / hairnets and gloves, which shall be provided by the CONTRACTOR.
- xxi. PAGCOR may require the replacement of any of the CONTRACTOR's personnel who is not performing his/her duties and responsibilities to PAGCOR's satisfaction. The CONTRACTOR shall not unilaterally pull out any of its personnel without the conformity of PAGCOR.
- xxii. In the event that the CONTRACTOR fails to comply with any of its undertakings, as set forth in this Contract, PAGCOR shall be released from its obligations under this Service Contract, without prejudice to PAGCOR's rights of restitution, recovery and damages.
- xxiii. This Service Contract, and all the rights and interest herein, may not be assigned or subcontracted to another without the consent of the other party.
- xxiv. In the event that facts and circumstances arise or are discovered which render this Contract disadvantageous to the Government, as determined by PAGCOR, the

 End User       BBAC Chairman

parties hereto agree to immediately renegotiate its terms and conditions, or at the option of PAGCOR, terminate the same.

- xxv. This Contract constitutes the entire agreement between the parties pertaining to the subject matter contained in it and supersedes all prior and contemporaneous contracts, representations, warranties and undertakings of the parties. No supplement, variation or amendment to this Contract shall be binding unless executed in writing by all the parties hereto.

## **II. F&B BUDGET and SCHEDULE OF PAYMENT**

The total budget for this Contract shall be Fourteen Million Pesos (Php 14,000,000.00) VAT Exclusive, Zero Rated Transaction for Three (3) Years (the "Budget").

1. Payment shall be based on actual consumption and billing, and shall be subject to the appropriate withholding taxes.
2. PAGCOR shall not be under any obligation to pay the CONTRACTOR the entire amount of the Budget. Moreover, the aggregate billings under this Contract shall not exceed the total budget.
3. The CONTRACTOR shall submit a VAT exclusive and zero rated billing statement to PAGCOR every month together with the corresponding coupons/invoices duly signed by a qualified guest of PAGCOR and countersigned by a duly authorized PAGCOR representative. However, F&B items / billings found unsatisfactory and / or not conformed to by PAGCOR shall not be paid. PAGCOR shall pay the billing statement within thirty (30) calendar days from receipt of the billing statement provided that any additional, necessary and / or required supporting documents are submitted by the CONTRACTOR and are verified by PAGCOR.
4. All electricity, water, and other utility charges shall be for the CONTRACTOR's account. PAGCOR shall not be liable for any other costs except as provided for under this Contra

## **II. CONTRACT TERM**

1. This Contract shall be effective for a period of three (3) years commencing on the effectivity date provided in the Notice to Proceed. However, this Contract shall be automatically terminated if the Budget is exhausted before the termination date.
2. PAGCOR may terminate this Contract with or without cause, without need for judicial intervention, and without incurring any obligation whatsoever, upon thirty

   
End User BBAC Chairman



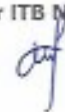
(30) days written notice to the CONTRACTOR.

3. Should the CONTRACTOR incur delay in the performance of its obligations, the CONTRACTOR shall pay a penalty of one-tenth of one percent (1/10 of 1%) of the total cost of the Contract for each day of delay, including Sundays and Holidays, beyond the specific period. The maximum deduction shall be ten percent (10%) of the amount of the Contract. Once the cumulative amount of liquidated damages reaches ten percent (10%) of the amount of the Agreement, PAGCOR shall have the option to rescind the Contract without prejudice to other courses of action and remedies open to it.
4. In case the CONTRACTOR still fails to deliver the Services after the lapse of thirty (30) days from the supposed date of implementation as provided for in this Contract, PAGCOR shall have the option to terminate the Contract without prejudice to other courses of action and remedies open to it.

### III. NO EMPLOYER-EMPLOYEE OR AGENCY/PARTNERSHIP RELATIONSHIP

1. There shall be no employer-employee relationship between PAGCOR and the employees of the CONTRACTOR. The CONTRACTOR shall have the entire charge, control and supervision of the Services herein agreed upon. The CONTRACTOR shall be responsible for all acts and omissions of its agents, personnel and all persons allowed by it to have access to PAGCOR's premises, for any injury which may be caused to any person or property while remaining either casually or in business in any part of PAGCOR's premises. Any accident, injury or sickness of any kind, or death that may occur to any agent, personnel of the CONTRACTOR consequent to the performance of the Services under this Service Contract shall be the CONTRACTOR's sole responsibility. The CONTRACTOR further binds itself to indemnify and hold PAGCOR free and harmless from any claim on account of the aforementioned injuries or damages.
2. Any offense committed by any of the CONTRACTOR's personnel shall constitute a breach of this Service Contract. PAGCOR shall communicate to the CONTRACTOR all instances of such breach for immediate and appropriate action by the CONTRACTOR.
3. The CONTRACTOR shall comply with all obligations as an employer under the *Labor Code*, its implementing rules and regulations and all other applicable laws and regulations. Non-compliance therewith shall be for its exclusive risk and responsibility, and shall constitute a violation of and a ground for the termination of this Service Contract.

   
Engr. User BBAC Chairman



4. The relationship between the parties shall be limited to the performance of the Services as stipulated under this Service Contract. Nothing herein shall be construed to create a general partnership between the parties, or to authorize any party to bind the other, except as set forth in this Service Contract, or to borrow money on behalf of another party, or to use the credit of any party for any purpose.

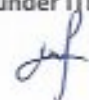
#### **IV. WARRANTIES, CLEARANCES, PERMITS, LICENSES and TAXES**

1. The CONTRACTOR warrants that there are no actions, suits or proceedings pending or threatened, which may have a material adverse effect on its ability to fulfil its obligations under this Contract or on its operations, business, properties, assets or business condition.
2. All taxes, amounts, claims, and expenses pertaining to clearances, licenses, permits, registrations or renewals thereof, required by PAGCOR or the appropriate government entities for the Services to be performed under this Service Contract shall be for the exclusive account of the CONTRACTOR.
3. The CONTRACTOR shall pay its taxes in full and on time. The CONTRACTOR shall also present a tax clearance from the Bureau of Internal Revenue (BIR) and a copy of its income and business tax returns, duly stamped, received and validated by the BIR, indicating the tax payments made thereon. Its failure to do so shall entitle PAGCOR to suspend payment for services rendered by the CONTRACTOR.

#### **V. INDEMNIFICATION**

1. The CONTRACTOR will defend, protect, indemnify, and hold PAGCOR harmless from any and all adverse claims that may be made by any party in connection with this Contract. The indemnification is limited to the services delivered to PAGCOR by the CONTRACTOR and does not cover third party claims not authorized by the CONTRACTOR.
2. The CONTRACTOR hereby holds PAGCOR its guests, corporate affiliates, directors, officers, employees and agents free and harmless from any and all actions or liabilities arising out of this Service Contract, including, without being limited to, claims for unpaid and back wages, regularization, and other terms and conditions of employment, as well as civil and criminal liabilities that the

   
End-user BBAC Chairman



CONTRACTOR and / or PAGCOR may incur as a result of, or arising out of the conduct and / or pursuit of Services and to indemnify the PAGCOR from and against the costs of defending any action, suit or proceedings, including legal fees or other expenses incurred in relation to any such claims mentioned above.

3. The CONTRACTOR shall indemnify and shall hold PAGCOR, its directors, officers, employees, agents, customers and guests and corporate affiliates and any employee or agent thereof (each of the foregoing, being hereinafter referred to individually as the "Indemnified Party") free and harmless against any and all liability to third parties (other than liability solely the fault of the indemnified party) arising from the negligence of the CONTRACTOR or its agents including, but not limited to, the violation of any third party's trade secret, proprietary information, trademark, copyright or patent rights in connection with the use of PAGCOR of the CONTRACTOR's services.
4. The CONTRACTOR agrees to protect and to exercise due care and proper handling of the properties of PAGCOR during the performance of the Services. The CONTRACTOR shall be jointly and severally liable with its personnel and shall indemnify and hold PAGCOR free and harmless for any death, injury or damage to PAGCOR and to third person or loss, breakage, or destruction of properties, as a consequence of the CONTRACTOR's acts or omissions, wilful intent or negligence, during the performance of the Services or its obligations under this Contract.
5. The CONTRACTOR shall be liable in case of theft, robbery or any loss to PAGCOR's premises serviced by the CONTRACTOR's personnel. The CONTRACTOR hereby agrees to replace, repair or restitute any loss involving its personnel.

#### VI. WARRANTY SECURITY

To guarantee the faithful performance of the CONTRACTOR of all of its obligations under this Service Contract, PAGCOR shall deduct from its monthly payments to the CONTRACTOR an amount equal to one percent (1%) of its monthly payments. However, the total deductions shall not exceed the total amount of **ONE HUNDRED FORTY THOUSAND PESOS (P 140,000.00)**.

The Warranty Security shall be retained by PAGCOR, without interest, during the pendency of this Service Contract and any extension thereof. The Performance Security shall only be released after the termination of this Service Contract and/or the issuance by PAGCOR of the final Certificate of Acceptance and after deducting any and all claims that PAGCOR may have against the CONTRACTOR.

   
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**VII. CLAIMS AND DISPUTES**

All claims and disputes relating to or arising out of this Contract, shall as much as possible, be settled amicably by the parties before resorting to any judicial action.

If the parties fail to settle their difference or disputes, the parties waiving for the purpose any other venue, hereby agree that the courts of the City of Manila shall be the exclusive venue of any or all actions or suits between the parties to the exclusion of all other courts and venues. This exclusive venue provision shall apply even in cases for declaration of nullity of this Contract in its entirety or in part.


IN WITNESS WHEREOF, the Parties hereto have signed these presents on this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_ at \_\_\_\_\_.

FEB 18 2021

**PHILIPPINE AMUSEMENT AND GAMING CORPORATION**

TIN: 033-000-887-972


Represented by:

  
MA. CONSOLACION A. PASION  
Officer-In-Charge  
TIN: 102-017-029-0000

**CROWNLIFESTYLE.NET, INC**

TIN: 003-978-246-000

Represented by:

  
SUSAN K. BERNARDO  
Chief Operating Officer  
TIN: \_\_\_\_\_

Signed in the presence of:

  
Faith Layson  
7-Layer

   
Enduser BBAC Chairman



ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)  
CEBU CITY ) S.S.

BEFORE ME, a Notary Public for and in City of CEBU CITY, Philippines, this  
day of FEB 18 2021, 20, personally appeared:

Name	Identification Document Presented
MA. CONSOLACION A. PASION (In her Capacity as Officer-In-Charge of Casino Filipino-Cebu)	SSS ID No: 03-9772404-4
SUSAN K. BERNARDO Chief Operating Officer	

known to me and known to be the same person who executed the foregoing instrument consisting of ten (10) pages, including the page whereon the acknowledgment is written and acknowledged before me that the same are their free and voluntary acts and deeds and that of the entities they represent.

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

Doc No. 331 ;  
Page No. 46 ;  
Book No. 4 ;  
Series of 20 21



ATTY. MELANIO G. FERNANDEZ  
NOTARY PUBLIC  
Rm. 6 Grnd. Floor, Legason Bldg. 26 D. Jakosalem St. C.C.  
NOTARIAL COMMISSION NO. 11-08  
UNTIL DECEMBER 2021  
PTR NO. 084193 - 12/18/20 CEBU PROVINCE  
IBP NO. AR42712529 - 12/18/20 CEBU PROVINCE  
ATTORNEY ROLL NO. 30442  
MCLE COMPLIANCE NO. VI-0016433, UNTIL April 24, 22

Eng User BBAC Chairman