

SERVICE CONTRACT

This SERVICE CONTRACT ("Contract") is entered into by and between:

PHILIPPINE AMUSEMENT AND GAMING CORPORATION (PAGCOR), a government-owned and controlled corporation, created and existing by virtue of Presidential Decree No. 1869, as amended, with office address at PAGCOR Executive Office, 1558 New World Manila Bay Hotel, M.H. del Pilar corner Pedro Gil Sts., Malate, Manila, represented by its Chairman and Chief Executive Officer, CRISTINO L. NAGUIAT JR., hereinafter referred to as "**PAGCOR**";

- and -

GENERAL ELEVATOR AND ESCALATOR CORPORATION (GEEC), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines with office address at 3 Mabolo St., Verdant Acres Subdivision, Pamplona III, Las Piñas City, duly represented by its President and General Manager, EDGARDO B. LIMCACO, JR., duly authorized for this purpose by Secretary's Certificate dated July 20, 2015 hereto attached as Annex "A" hereinafter referred to as the "**CONTRACTOR**".

Collectively referred to as the "Parties"

WITNESSETH: THAT -

WHEREAS, PAGCOR requires the Preventive Maintenance of Two (2) FUJI Elevator Units at PAGCOR Corporate for Two (2) Years under ITB no. 07-13-2015 ("Services");

WHEREAS, considering that all requisites were met, PAGCOR procured the Services thru Direct Contracting under Section 50 of the Revised Implementing Rules and Regulations (IRR) of Republic Act (R.A.) No. 9184;

WHEREAS, the **CONTRACTOR** has submitted the Single Calculated Responsive Quotation to undertake the maintenance of said Services;


WHEREAS, **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 a Contract under the following terms, conditions and stipulations;

ARTICLE I DESCRIPTION OF WORK

The **CONTRACTOR** undertakes to provide the Services in accordance with the following technical specifications:

1. The **CONTRACTOR** shall examine, adjust and lubricate all appropriate parts of all motors, controllers, brakes, door operators, rail guides and lift cars. The Contractor shall likewise inspect the wear and tear condition of the equipment.


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2. The CONTRACTOR shall clean and adjust, as necessary, all machinery, ropes, sheaves fixing, controllers, gates, doors, locks, wirings, motors and safety devices of the equipment.
3. The CONTRACTOR shall check all machines and components of the equipment for abnormal temperature rise, oil leaks vibrations and noise.
4. The CONTRACTOR shall provide the necessary grease oil, cotton waste and fuse elements for control signals and transformers, as well as the necessary tools in carrying out the said work.
5. The CONTRACTOR shall conduct inspection on the following and provide the necessary repair/adjustments as needed, to wit:
 - Indicator lamps, bulbs, buzzers and car lights
 - Leveling differences, brake slippage, acceleration, deceleration and riding comfort
 - All load wires, termination and the operation of relays, contacts, push buttons and safety switches
6. The CONTRACTOR shall clean the machine room, hoist way, car top, car pit and guide rails.
7. The CONTRACTOR shall conduct a once-a-month examination and testing of all safety devices and governors during regular visits.
8. The CONTRACTOR shall provide, upon immediate notification from PAGCOR, an emergency minor adjustment callback service in case of breakdown, disorderly operation, or malfunctioning of the equipment, without extra charge to PAGCOR. CONTRACTOR shall immediately send competent technician/s on the site for emergency action and on-the-spot repair.
9. The CONTRACTOR shall advise PAGCOR on any defective and worn out parts that needs to be replaced, the cost of the new replacements and details of the repair work to be done, including the specified down time to be undertaken until the equipment is brought to its normal running condition.
10. The CONTRACTOR shall at once dispatch competent and sufficient number of manpower to perform its obligation under this Contract
11. For extra services requested by PAGCOR beyond the regular maintenance service covered by this Contract and beyond the CONTRACTOR's regular working days and hours, overtime rates incurred by the Contractor's assigned personnel in the performance of the said service shall be charged to PAGCOR. However, payment of the overtime rates charged to PAGCOR shall be done only upon verification and confirmation of the services performed. Overtime rates to be charged by the CONTRACTOR shall be in accordance with the prevailing rates.
12. The CONTRACTOR shall be responsible for the regular maintenance work, once-a-month, of the two (2) units FUJI passenger elevators, in order to maintain the equipment's good running condition. As services Contractor to PAGCOR, it is obligated to inform PAGCOR of the necessity for major repairs. If the CONTRACTOR fails to do so, it shall be liable for all damages this may cause PAGCOR or to third parties. And the CONTRACTOR shall indemnify PAGCOR for whatever expenses is incurred by reason, or a result of, such failure to detect the need for major repairs.
13. The CONTRACTOR warrants that during the service contract, the elevators shall be maintained in good working condition to ensure its safety and reliability.

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14. The CONTRACTOR will not be liable for any loss, damage or delay due to any cause beyond CONTRACTOR's reasonable control including, but not limited to acts of government, strikes, lockouts, fire, theft, flood, typhoon, earthquakes, riot, civil commotion, war, malicious mischief, acts of GOD or any other factors beyond CONTRACTOR's control.
15. In consideration of the nature of services rendered by the CONTRACTOR, it is understood that the CONTRACTOR's responsibility is to restore the original condition of the equipment, thus making sure that elevators are safe for use.
16. The CONTRACTOR shall be regularly apprised by PAGCOR of any action done to the subject elevators. During emergency situations, the CONTRACTOR acknowledges that PAGCOR has all the legal right to do any and all acts it deems best and necessary to preserve life and property. Damages brought about by such circumstances shall still be covered by this maintenance Contract with no extra cost on the part of PAGCOR.

ARTICLE II **CONTRACT PRICE AND SCHEDULE OF PAYMENT**

The Contract price for the services shall be in the total amount of **Two Hundred Forty Thousand Pesos (PhP240,000.00), VAT Exclusive, Zero-Rated Transaction**, for a period of two (2) years.

PAGCOR shall pay the **CONTRACTOR** a monthly service fee in the amount of **Ten Thousand Pesos (PhP10,000.00), VAT-Exclusive, Zero-Rated transaction**.

Both parties agree that the total price stated herein is inclusive of all applicable taxes, fees and charges required by the Government. The **CONTRACTOR** holds PAGCOR free from liability for any or all taxes arising out of this transaction.

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 entire Contract.

ARTICLE III **CONTRACT TERM**

This Service Contract shall be effective for a period of two (2) years which shall commence from the effectivity date specified in the Notice to Proceed. During this period, PAGCOR may terminate this Contract with or without cause, without need of judicial intervention upon thirty (30) days written notice to the **CONTRACTOR**.

ARTICLE IV **WARRANTIES**

The **CONTRACTOR** hereby warrants and represents that:

1. It is an entity duly organized, validly existing, and in good standing under the laws of the Republic of the Philippines, and it has the requisite power and authority to enter into and perform its obligations under this Contract.

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2. There are no actions, suits or proceedings pending or, to the best of its knowledge, threatened which may have a material adverse effect on its ability to fulfill its obligations under this Contract or on its operations, business, properties, assets or business condition.

3. That the Services to be rendered shall be as described under Article I of this Contract. The CONTRACTOR warrants that it has secured all the necessary government licenses and permits to allow it to render the Services agreed upon and that it is free from any liability or adverse claims, of every nature and description that would prevent or hinder it from rendering the said Services.

4. The CONTRACTOR warrants that is the owner of all equipment to be used for any maintenance services covered under this Contract, or, if not, the CONTRACTOR has the authority from the owner to use such equipment.

ARTICLE V
PERFORMANCE SECURITY

The CONTRACTOR shall post a Performance Security (the "Security") for the benefit of PAGCOR as guarantee for former's compliance with its obligations under this contract. The Security shall be posted prior to the signing of the Contract, in accordance with any of the following schedule:

Form of Security	Amount in Percentage of Total Contract Price
Cash or cashier's/manager's check issued by a Universal or Commercial Bank.	Five Percent (5%)
Bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank: <i>Provided, however,</i> that it shall be confirmed or authenticated by a Universal or Commercial Bank, if issued by a foreign bank.	Twelve Thousand Pesos (PhP 12,000.00)
Surety Bond (which is acceptable to PAGCOR) callable upon demand issued by a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security specific for the contract awarded.	Thirty Percent (30%) Seventy-Two Thousand Pesos (PhP 72,000.00)

The Performance Security shall be retained by PAGCOR, without interest, during the pendency of this Contract and any extension thereof. The Performance Security shall only be released after the termination of this 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.

The CONTRACTOR shall cause the extension of the validity of the Performance Security to cover approved contract time extensions.

The Performance Security shall guarantee the complete and satisfactory performance of the agreed upon Services, the delivery of the items enumerated in Article I, and the full compliance of its warranties under Article IV.

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ARTICLE VI
CLAIMS AND DISPUTES

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

In case PAGCOR and CONTRACTOR fail to amicably settle their differences or disputes, PAGCOR and CONTRACTOR hereby agree that the courts of the City of Manila shall be the exclusive venue of any action or suit arising from this Contract. This exclusive venue provision shall also apply even in cases for declaration of nullity of this Contract its entirety or in part, and in cases arising after or by reason of the declaration of nullity of this Contract in its entirety or in part.

ARTICLE VII
DAMAGES FOR DELAY

Should CONTRACTOR incur delay in the performance of the Services as scheduled, the CONTRACTOR shall pay a penalty of one-tenth of one percent (1/10 of 1%) of the total cost of the unperformed portion of the Service to be rendered for each day of delay, including Sundays and Holidays, beyond the specific period.

In case the CONTRACTOR still fails to render the required Services after the lapse of thirty (30) days from the date provided by PAGCOR, in addition to the penalties agreed upon, PAGCOR shall have the option to terminate this Contract.

ARTICLE VIII
NO EMPLOYER-EMPLOYEE RELATIONSHIP

There shall be no employer-employee relationship between PAGCOR and the employees of the CONTRACTOR. The CONTRACTOR shall have exclusive control and supervision of its employees in the performance of the Services herein agreed upon. The CONTRACTOR shall be solely responsible for all acts and/or omissions of its personnel and of all persons allowed by it to have access to the PAGCOR's premises for any damage which may be caused to persons or property while remaining either casually or in business in any part of said premises. Any accident, injury or sickness of any kind, or death that may occur to any employee of the CONTRACTOR during the time and consequent to the performance of the services under this Contract shall likewise be the CONTRACTOR's sole responsibility.

The CONTRACTOR further binds itself to hold PAGCOR free and harmless from any claim on account of the aforementioned injury or damage.

ARTICLE IX
CONFIDENTIALITY

All information disclosed to the CONTRACTOR arising out of or as a result of this Contract shall be confidential in nature. The CONTRACTOR shall be solidarily liable to PAGCOR for unauthorized disclosures made by its officers, employees, agents and other persons acting on the CONTRACTOR's behalf.

ARTICLE X
FORCE MAJEURE

The CONTRACTOR is responsible for the implementation of the Services provided in Article I hereof. In the event that such project cannot be completed within the prescribed period because of fortuitous events and/or force majeure, as defined by prevailing laws and such other causes not attributable to the CONTRACTOR, PAGCOR

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shall have no cause for action against the CONTRACTOR and shall only pay the value of the Service already delivered and accepted.

ARTICLE XI **DEFAULTS**

In the event that any of the parties fail to comply in good faith with their undertakings, as set forth in this Contract, within the periods provided herein, the non-defaulting parties shall be released from their obligations under this Contract, without prejudice to the rights of restitution, recovery and damages.

In the event of breach by either party, the parties agree to amicably settle the same under the provisions of Article VI hereof prior to judicial action.

In the event settlement cannot be made, the parties shall abide by the provisions of law with respect to default.

ARTICLE XII **INDEMNIFICATION**

The CONTRACTOR shall be liable for any loss, damage, or injury of any kind to PAGCOR and its officers and/or personnel, and shall hold them free and harmless against all actions, proceedings, claims and demands, which may be made by any person in respect of any loss, death, damage or injury arising by reason of the Services under this Contract. The CONTRACTOR shall indemnify PAGCOR, its officers, and personnel on account of the costs of defending or settling any such action, proceeding claim or demand, including but not limited to reasonable legal costs.

ARTICLE XIII **TAXES AND LICENSES**

All amounts, claims and expenses pertaining to applicable licenses, permits, registrations or renewals thereof, required by the appropriate government entities for the Services performed under this Contract shall be for the exclusive account of CONTRACTOR.

The CONTRACTOR shall pay taxes in full and on time, failure to do so will entitle PAGCOR to suspend payment for Services rendered by the CONTRACTOR.

ARTICLE XIV **MISCELLANEOUS**

1. In the event that the facts and circumstances arise or are discovered which render this Contract disadvantageous to the Government, the parties hereto agree to immediately re-negotiate its terms and conditions, or at the option of PAGCOR, terminate the same.
2. No terms or conditions of this Contract shall be deemed waived and no breach or default excused unless such waiver or excuse shall be in writing and signed by the party affected.

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3. This Contract may not be assigned or sub-contracted to another without the prior written consent of the other party.
4. All notices and other communications provided for or permitted hereunder shall be in writing and sent to the parties to whom the notice is addressed at their respective addresses as indicated in this Contract.
5. If any provision hereof is prohibited or made unenforceable under any applicable law by a competent court or authority, the same shall not affect any other provision of this Contract, which are otherwise valid and enforceable.
6. This Contract contains all the covenants and stipulations agreed upon by the parties and shall be modified, revised or amended only upon written agreement of both parties.
7. The parties agree to abide by these terms and conditions in good faith.
8. The relationship between the parties shall be limited to the performance of the terms and conditions of the Contract. Nothing in this Contract 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 Contract, or to borrow money on behalf of another party, or to use the credit of any party for any purpose other than what has been set forth herein.
9. Any right or remedy conferred by this Contract upon PAGCOR shall not be exclusive of any other right or remedy of PAGCOR, whether under this Contract or provided or permitted to PAGCOR at law or in equity, but each right or remedy shall be cumulative of every other right or remedy available to it.
10. This Contract constitutes the entire agreement between the parties pertaining to the subject matter contained in it, and supersedes all prior and contemporaneous agreements, representations, warranties and understandings of the parties. No supplement, variation or amendment of this Contract shall be binding unless executed in writing by all parties thereto.

IN WITNESS WHEREOF, the parties hereto have signed these presents on this _____ day of _____, 2016 at the City of Manila, Philippines.

PHILIPPINE AMUSEMENT AND GAMING CORPORATION
TIN: 033-000-887-972

Represented by:

CRISTINO L. NAGUIAT JR.
Chairman and Chief Executive Officer
TIN: 102-013-832

GENERAL ELEVATOR AND ESCALATOR CORPORATION
TIN: 000-347-090

Represented by:

EDGARDO B. LIMCACO, JR.
President and General Manager
TIN: 100-910-166-000

Signed in the presence of:

NORBERTO P. ORIAS

RICARDO S. CALIMLIM, JR.

ALMA S. LIM

ACKNOWLEDGMENT

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

BEFORE ME, a Notary Public for and in the City of CITY OF MANILA and on this day of FEB 26 2016 2016, personally appeared:

Name	Identification Document Presented	Issue and Expiry Date
CRISTINO L. NAGUIAT JR	PASSPORT NO. DE0004583	January 7, 2014 to January 6, 2019


known to me to be the same person who executed the foregoing Service Contract consisting of nine (9) pages, and who acknowledged to me that the same is his own free and voluntary act and deed as well as the free and voluntary act and deed of the entity he represents, he being duly authorized for this purpose.

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

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 Page No. 83
 Book No. I
 Series of 2016



CANDY U. EZPELETA
 NOTARY PUBLIC
 AT-LARGE FOR THE CITY OF MANILA
 6TH FLR, NEW WORLD MANILA BAY HOTEL & CASINO
 M.H. DEL PILAR ST., MALATE, MANILA
 COMM. NO. 2615-15B, UNTIL DEC. 31, 2016
 ROLL NO. 63454 / IBP LIFETIME NO. 012055
 CAPIZ CHAPTER
 PTR NO. 430923211-8-10/MANILA


 ALMA S. LIM

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)

LAS PINAS CITY

) S.S.

BEFORE ME, a Notary Public for and in the City of **LAS PINAS CITY** and on this 1st day of February 2016, personally appeared:

EEC 1st 2016

Name	Identification Document Presented	Issue Date
EDGARDO B. LIMCACO JR.	Senior Citizen's ID no. 5952	January 2, 2006

known to me to be the same person who executed the foregoing Service Contract consisting of nine (9) pages, and who acknowledged to me that the same is his own free and voluntary act and deed as well as the free and voluntary act and deed of the entity he represents, he being duly authorized for this purpose.

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

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 Page No. 7
 Book No. XVIII
 Series of 2016

Edgardo B. Limcaco Jr.
ATTY. EDGARDO B. LIMCACO JR.
NOTARY PUBLIC
 UNTIL 01-04-16
 ROLL NO. 01345
PTR NO. 10090904J-01-04-16
PETITION NO. LP 15002
MCLE EXEMPTED

Alma S. Lim
 ALMA S. LIM

SECRETARY'S CERTIFICATE

I, Ma. Cecilia O. Limcaco, Filipino, of legal age, with address at c/o General Elevator & Escalator Corporation, No. 3 Mabolo St., Verdant Acres Subdivision Pamplona 111, Las Pinas City, subscribing under oath, depose and say:


1. I am the appointed and incumbent Corporate Secretary of General Elevator & Escalator Corporation ("GEEC"), a duly registered juridical person with address at No. 3 Mabolo St., Verdant Acres Subdivision Pamplona 111, Las Pinas City.

2. In such capacity, I hereby certify that in a meeting of the Board of Directors of GEEC on 26 June 2015, wherein a majority of the members thereof were present and/or duly represented, the following resolution was unanimously approved and adopted:

"RESOLVED, as it is herein resolved, that the President and General Manager of General Elevator & Escalator Corporation (GEEC), MR. EDGARDO B. LIMCACO, JR., or in his absence, GEEC's OIC, MS. MARIA PAZ I. DIOKNO jointly with GEEC's Service Department Head, MR. RICARDO S. CALIMLIM, JR., are hereby authorized to sign all documents with respect to any contracts/agreements with the Philippine Amusement and Gaming Corporation (PAGCOR) on behalf of GEEC.

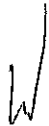
3. I further certify that the foregoing designation has not been amended, modified, nor repealed and may be relied upon until written notice to the contrary is received from GEEC.

IN WITNESS WHEREOF, I set my hand on the 26 day of JULY ~~2015~~ 2015 Las Piñas City.


MA. CECILIA O. LIMCACO
Corporate Secretary
Philippine Passport No. 5640819 issued at DFA Batangas on 13 June 2012 to expire in 2017

SUBSCRIBED AND SWORN TO before me JULY 20, 2015 day of 2015; affiant exhibited to me her Philippine passport, as indicated below her signature.

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Page No. 4 ;
Book No. 101 ;
Series of 2015.


PABLO U. DOMINGO JR.
Notary Public Until Dec. 31, 2016
254 Alabang Zapote Rd. Pamplona 2 LPO
MCLE V 0006840 - 3/16/15 - Pasig
PTR OR No. 10006082 - 1/5/15 - LPC
IBP LIFETIME NO. 06530 ROLL NO. 52656
CONTACT No. 4048994 / 09165464886

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