

SERVICE CONTRACT

This SERVICE 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 No. 1869, as amended, with office address at the PAGCOR Executive Office, New World Manila Bay Hotel, M.H. Del Pilar cor. Pedro Gil Sts., Malate, Manila, represented in this act by its Casino Filipino-Manila Bay **Officer-In-Charge, ENRILE DJ. ESGUERRA**, hereinafter referred to as "**PAGCOR**";

-and-

OCEANVILLE HOTEL & SPA CORPORATION, a corporation duly organized and existing under the laws of the Republic of the Philippines, with office address at Third (3rd) Floor, JYV Building, 213 Banawe St. Manresa, Quezon City, represented in this act by its **Director of Sales & Marketing, PETER MICHAEL C. QUIENG**, duly authorized for this purpose, as per Secretary's Certificate dated February 15, 2018, hereto attached as Annex "A", herein 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 Service Contract and to perform the Services and all of their obligations under this Service Contract.

RECITALS:

WHEREAS, **PAGCOR** requires hotel room accommodations for casino guests of Casino Filipino- Manila Bay for one (1) year under ITB No. DC18-01-002MAB (the "Service");

WHEREAS, pursuant to Section 50 (c) of the Implementing Rules and Regulations (IRR) of Republic Act (R.A) 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 Service Contract under the following terms, conditions and stipulations:

Enrile D. Esguerra

Peter Michael C. Quieng

[Handwritten signature]

[Handwritten signature]

I. SCOPE OF SERVICES

The **CONTRACTOR** undertakes to provide the Services, specifically, the provision of room accommodations, in accordance with the technical specifications provided in the Request for Quotation attached herein as "Annex B".

QUALIFICATIONS:

1. The **CONTRACTOR** should be at least a 30-minute drive from the International and Domestic airports, a factor highly considered so as to provide the Casino customers and guests a hassle free stay.
2. The **CONTRACTOR** should be in close proximity where a casino is located. For accessibility it should be at least a minute away from the casino gaming area thus making it a very comfortable place to stay for the casino players once billeted.
3. The **CONTRACTOR** is preferably a prestigious lodging establishment in the locality and is considered a boutique hotel strategically situated in nearby restaurants, historical sites and parks.
4. The **CONTRACTOR** shall provide room accommodation complete with facilities as approved by PAGCOR or as stated in the Bidding and Contract Documents and be able to meet all other correlated requirements in accordance with its standard.
5. The **CONTRACTOR** shall provide special discounted room rates to **PAGCOR** and its authorized representatives, as follows:

PAGCOR SPECIAL RATES

Room Category	Published Rate	PAGCOR SPECIAL RATES (NET)
Deluxe room	PhP 12,000.00	PhP 5,400.00
Junior Suite	PhP 15,000.00	PhP 6,750.00
Premiere Suite	PhP 18,000.00	PhP 9,000.00

Amenities for all types of rooms:

- Buffet breakfast for two at the hotel's Coffee Shop
- Welcome Fruits for suites only
- Daily Complimentary bottled water
- Complimentary Daily Local Newspaper
- Complimentary in-room Wifi
- Complimentary Use of gym and Infinity pool
- 38" LCD TV
- Individually controlled air-conditioning
- Mini bar set up and individual refrigerator
- Safety Deposit Box
- Complimentary coffee and Tea Maker set
- NDD and IDD Telephone
- Hot and Cold Shower
- Bath tub for suites only

- Work Desk

Additional Hotel Services and Facilities for in house guests:

- Concierge
- Business Center
- Valet Service
- Laundry Service
- Currency Exchange
- Clinic
- Travel and Tours
- ATM
- Ample Parking Area
- Spa and Wellness Center
- Turn Down Services

Food Outlets inside the hotel and their specialties:

Coffee Shop/All Day Dining

- To offer International Buffet for Breakfast, Lunch and Dinner and an Ala Carte menu, open for 24 hours.

Chinese Restaurant

- A fine dining serving authentic Chinese food

6. The **CONTRACTOR** shall exercise the required diligence in providing accommodation to the clientele of **PAGCOR**.

ADDITIONAL TERMS AND CONDITIONS

1. Grant of room category should correspond to the request as stated in the Letter of Authority (LOA). Any changes thereof should always be coursed thru the Casino Filipino Concierge Section.
2. Supply of room accommodation will only commence as requested by Casino Filipino and as needed through a Letter of Authority to be forwarded to the hotel's Finance Officer by the Casino Concierge.
3. Casino Filipino concierge staff shall always be informed of the daily check-in and the check-out of guests.
4. Casino Filipino concierge office shall always be informed regarding concerns of casino customers and guests on matters that need immediate actions and/or final decisions.

II. BUDGET and SCHEDULE OF PAYMENT

1. The total budget for this Service Contract shall be **TWELVE MILLION PESOS (PhP12,000,000.00), VAT Exclusive, Zero Rated Transaction for One (1) year** (the "Budget").
2. Payment shall be based on actual consumption and billing and shall be subject to the appropriate withholding taxes.

3. **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.
4. The **CONTRACTOR** shall submit Statement of Account or billing every end of the month.
5. All bills/charges must be settled within thirty (30) days upon receipt of the Hotels Statement of Account with attached documents duly signed by the registered guest/s.

III. CONTRACT TERM

1. This Contract shall be for a period of one (1) year, commencing from the date of receipt by the winning supplier of 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 (30) days written notice to the **CONTRACTOR**.
3. Should the **CONTRACTOR** incur delay in the performance of its obligations, **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.

IV. 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 bids 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

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the **CONTRACTOR** all instances of such breach for immediate and appropriate action by the **CONTRACTOR**.

3. The **CONTRACTOR** shall comply with all of 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.
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.

V. 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 fulfill its obligations under this Contract or on its operations, business, properties, assets or business conditions.
2. All taxes, amounts, claims and expenses pertaining to clearances, licenses, permits, registrations or renewal 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 **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**.

VI. 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 Service 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 **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 willful intent or negligence, during performance of the Services or its obligations under this Service 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.

IV. WARRANTY SECURITY

1. A Warranty Security shall be required from the **CONTRACTOR** for a period of one (1) year. The obligation therefore shall be covered by a retention money in the amount equivalent to one percent (1%) of the monthly payments. The total deductions, however, shall not exceed the total amount of One Hundred Twenty Thousand Pesos (PhP 120,000.00).
2. The Warranty Security shall be retained by **PAGCOR**, without interest, during the effectivity of this Service Contract. The same shall only be released after the termination of this Service Contract, provided all conditions under this Service Contract have been fully met.


VII. CLAIMS AND DISPUTES

1. 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.
2. If the **PARTIES** fail to settle their differences 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. The exclusive venue provision shall apply even in cases for declaration of nullity of this Contract in its entirety or in part.
3. In the event that facts and circumstances arise or be discovered which render this agreement disadvantageous to the government, the **PARTIES** hereto agreed to immediately negotiate its terms and conditions.

IN WITNESS WHEREOF, the Parties hereto have signed these presents on this _____ day of _____, 20____ at _____,

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

Represented by:



ENRILE D. ESGUERRA
Officer-in-Charge
Casino Filipino – Manila Bay
TIN: 101-998-457



OCEANVILLE HOTEL & SPA CORP.
TIN: 244-926-874-000

Represented by:


PETER MICHAEL C. QUIENG
Director of Sales & Marketing
Oceanville Hotel & Spa Corp.
TIN: 154-939-656

Signed in the presence of:


GEMINA DE TAZA



A. MONTEJUDO

ACKNOWLEDGEMENT

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

BEFORE ME, this MAR 27 2018 in CITY OF MANILA,
personally appeared the following persons, each of whom exhibited his/her
competent evidence of identity, to wit:


NAME	Identification Document Presented	Issue and Expiry Date
ENRILE DJ. ESGUERRA	PAGCOR ID No.86-0918	Issued on January 15, 2018

and represented to me an integrally complete document/instrument for acknowledgement. They all represented and declared to me that they voluntarily affixed the signatures appearing on the instrument/document for the purposes stated therein and that they executed the instrument/document as their free and voluntary act and deed (and if they acted in representative capacity they have the authority to sign in that capacity).

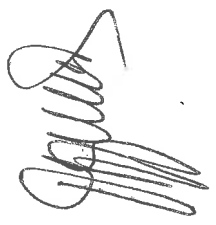
The instrument/document referred to is a Service Contract consisting of nine (9) pages including the page on which this Acknowledgement is written duly signed by the parties and their instrumental witnesses.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal on the date and place first above written.

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ALIAH M. DOMAGUL
NOTARY PUBLIC
IN AND FOR THE CITY OF MANILA
6TH FLR, NEW WORLD MANILA BAY HOTEL & CASINO
M.H. DEL PILAR ST. MALATE, MANILA
COMM. NO. 2817 - 12R, UNTIL DEC. 31, 2018
ROLL NO. 86523 /SP NO. 1071948
MCLE COMPLIANCE: (MIA Amended 2016)
PPLR CHAPTER
PTR NO. 7003424/JAN 05 2018/MANILA

cc



ACKNOWLEDGEMENT

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

BEFORE ME, this MAR 19 2018 in CITY OF MANILA,
personally appeared the following persons, each of whom exhibited his/her
competent evidence of identify, to wit:


NAME	Identification Document Presented
PETER MICHAEL C. QUIENG	Driver's License N04-92-233305 Issued on June 4, 2016 Expiration Date: June 4, 2019

and represented to me an integrally complete document/instrument for
acknowledgement. They all represented and declared to me that they voluntarily
affixed the signatures appearing on the instrument/document for the purposes stated
therein and that they executed the instrument/document as their free and voluntary
act and deed (and if they acted in representative capacity they have the authority to
sign in that capacity).

The instrument/document referred to is a Service Contract consisting of nine
(9) pages including the page on which this Acknowledgement is written duly signed
by the parties and their instrumental witnesses.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my
Notarial Seal on the date and place first above written.

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ATTY. HENRY D. ADASA
NOTARY PUBLIC CITY OF PASAY
UNTIL DECEMBER 31, 2018
NOTARIAL COMMISSION 17-23
FRONT OF RIZAL BLDG.,
GROUND FLOOR BESIDE PASAY CITY HALL
ICP NO. 022311 / 01/03/2018 PASIG
PTR NO. 5826667 / 01/03/2018 P.C.
MCLE COMPLIANCE NO. VI-0002830 - 4/14/2022
ROLL OF ATTORNEYS NO. 29679
TIN: 172-528-620-000

