



Philippine Amusement and Gaming Corporation.
A Sure Bet for Progress in Gaming, Entertainment and Nation Building

PURCHASE ORDER

Page # 1

Supplier : ARUZE ARUZE GAMING MACAU LIMITED

Address : ALAMEDA DR. CARLOS D ASSUMPCAO NO 181-187 JARDIM BRILHANTISMO MP AND N

TIN : 82131579

VAT : All Items are VAT Exclusive / Zero Rated

P.O. No. 96

SEQ.# 1

PO Date : 3 APR 2012

ITB Number : 12-02-2011

Buyer Code : JAC

Gentlemen :

Please furnish this Office the following articles subject to the terms and conditions contained herein;

Place of Delivery : PAGCOR IMUS, WAREHOUSE

Payment Term : PER ANNEX A

Itemcode :	Description	Quantity	Unit	Unit Cost	Amount
PHD#56393	SLOT MACHINE DEPARTMENT				
1 202013005	SLOT MACHINE	60.00		22,500.00	1,350,000.00

--- NOTHING FOLLOWS ---

Attachment: BUDGET, RV, CASF, AWARD OF CONTRACT, NOTICE OF AWARD.

SUB-TOTAL :	1,350,000.00
TOTAL :	1,350,000.00
LESS DISCOUNT :	
CHARGE :	
GRAND TOTAL :	1,350,000.00

Remarks : TRANSACTION IN US DOLLAR CURRENCY

Total Amount in Words: ONE MILLION THREE HUNDRED FIFTY THOUSAND US DOLLARS ONLY

TERMS AND CONDITIONS OF PURCHASE

- > Delivery must be in accordance with the date specified in the Notice to Proceed.
- > 1/10 of 1% of the amount of the goods not delivered on the stipulated date will be deducted from the total amount involved for each day of delayed delivery.
- > Items delivered are subject to inspection and acceptance by Property Management Unit.
- > Please attach original copy of Sales Invoice, Delivery Receipt, Warranty Certificate and Purchase Order upon delivery.

"This is to certify that the procurement for the items contained in this Purchase Order is in accordance with Republic Act No. 9184, its Implementing Rules and Regulations and other applicable laws".

- Limited Source Bidding (Selective Bidding) Public Bidding
- Direct Contracting (Single Source Procurement) Negotiated Procurement Shopping

Signature Over Printed Name of Supplier

Recommended by:

JORGE V. SANTIAGO
 PRESIDENT & COO

Funds Available

VIDAL T. CARRIGON JR.

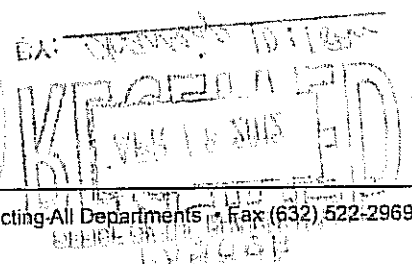
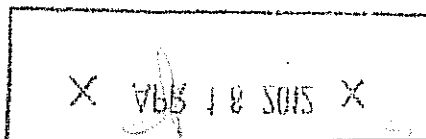
AVP/SA Acctg Dept/Section:

Budget Authorization No. 11070242

Amount \$1,350,000.00

Approved By:

CRISTINO L. NAGUIAT, JR.
 OFFICER-IN-CHARGE, PD



Annex A – Terms and Conditions

1. The total price stated in the PO already includes all applicable taxes, fees and charges required by the government. **ARUZE GAMING MACAU LIMITED** 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.

2. **ARUZE GAMING MACAU LIMITED** shall complete the supply and delivery of the goods within the time prescribed in the PO. Should **ARUZE GAMING MACAU LIMITED** incur delay in its performance, it shall pay a penalty of one-tenth of one percent (1/10 of 1%) of the total cost of the undelivered goods for each day of delay. 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 contract, PAGCOR shall have the option to rescind the contract, without prejudice to other courses of action and remedies open to it.

In case **ARUZE GAMING MACAU LIMITED** still fails to deliver the item after the lapse of 30 days from the supposed date of delivery, in addition to the forfeiture of the bond and the penalties agreed upon, PAGCOR shall have the option to terminate the purchase.

3. In the event that **ARUZE GAMING MACAU LIMITED** fails to comply with its undertakings under this PO, PAGCOR shall be released from its obligations without prejudice to its rights of restitution, recovery and damages.
4. In the event that the facts and circumstances arise or are discovered which renders this PO disadvantageous to the Government, the parties hereto agree immediately to re-negotiate its terms and conditions, or at the option of PAGCOR terminate the same.
5. No terms or conditions of this PO 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.
6. The rights or obligations under this PO are of a personal nature and compliance thereof may not be assigned or subcontracted to another without the written consent of the other party. This PO or any interest in it may not be assigned without the prior written consent of the other party.
7. This PO 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.
8. This PO constitutes the entire contract 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 PO shall be binding UNLESS executed in writing by the parties. No waiver of any of the provisions of this PO shall be deemed, or shall constitute, a waiver of any other provision, whether similar or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding UNLESS in writing and signed by the party making the waiver.

Signature over printed Name of Supplier

9. The relationship between the parties shall be limited to the performance of the terms and conditions of this PO. Nothing herein shall be construed to create a general partnership/agency/employer-employee or any other relationship between the parties, or to authorize any party to bind the other except as set forth in herein, 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.
10. The parties, waiving for this purpose any other venue, hereby agree that the courts of the City of Manila shall be the exclusive venue of any and all actions or suits between the parties relative to this PO, to the exclusion of all other courts and venues. This exclusive venue provision shall apply even in cases for declaration of nullity of this PO in its entirety or in part and in cases arising after or by reason of the declaration of nullity of this PO in its entirety or in part.
11. **ARUZE GAMING MACAU LIMITED** hereby further warrants and represents that:

- a. The goods and specifications shall be as described under the PO as follows:

Quantity	Technical Description
10 units	Manny Pacquiao/Wild Hunter Tiger
10 units	Manny Pacquiao/Wild Hunter Shark
10 units	Manny Pacquiao/Dragons Fortune
10 units	Manny Pacquiao/Tokyo Rose
10 units	Manny Pacquiao/Red Hot Chili
10 units	Manny Pacquiao
5 units	<i>Manny Pacquiao System Controller*</i>
5 units	<i>Manny Pacquiao Double Sided Display Signage*</i>
10 units	<i>Manny Pacquiao 32" LCD Display Kit*</i>
10 units	<i>Manny Pacquiao Signage Pole*</i>
	Note: All units are brand new. *Signages

- b. It has good title to the goods described in the PO, full authority to sell and transfer the same and that the items are sold free and clear of all liens, encumbrances, liabilities and adverse claims, of every nature and description.
- c. It will fully defend, protect, indemnify, and hold PAGCOR harmless from any and all adverse claims that may be made by any party for the possession and/or the use of the goods.
- d. The defective items shall be replaced within thirty (30) calendar days from the date of return. Failure to replace the defective items within the same period shall make the supplier liable for a penalty of one-tenth of one percent (1/10 of 1%) of the total cost of the undelivered item for each day of delay, including Sundays and Holidays.
- e. PAGCOR accepts no liability for the damage of the goods during transit, risk and title will be deemed to have passed to PAGCOR only upon receipt and final acceptance of the Goods.
- f. It shall pay taxes in full and on time, failure to do so will entitle PAGCOR to suspend payment.

Signature over-printed Name of Supplier

- g. Without prejudice to manufacturer's warranty, in order to assure that manufacturing defects shall be corrected by **ARUZE GAMING MACAU LIMITED**, a warranty shall be required from it for a minimum period of one (1) year after delivery and acceptance of the machines, as specified and described above.
- h. The obligation for the warranty shall be covered by either Retention Money equivalent to at least ten percent (10%) of every progress payment or a special bank guarantee equivalent to at least ten percent (10%) of the total contract price.
- i. The said amounts shall only be released after the lapse of the warranty period provided, however that the goods supplied are free from patent and latent defects and all conditions imposed under the contract have been fully met.
- j. In addition, the slot machines shall have a warranty of one (1) year from the date of acceptance, without prejudice to foregoing warranties. **ARUZE GAMING MACAU LIMITED** shall carry sufficient inventories to assure supply of spares for the goods for a period of four (4) years. Spares shall be supplied within one (1) month from notice by PAGCOR.

12. Contract Amount: The total price for the Procurement of Electronic Gaming Machines subject of this PO shall be in the amount of **US DOLLARS ONE MILLION THREE HUNDRED FIFTY THOUSAND AND 00/100 (US\$1,350,000.00)**. The break-down are as follows:

Description	Qty	Unit Price	Total Price
Manny Pacquiao/Wild Hunter Tiger	10	US\$22,500.00	US\$225,000.00
Manny Pacquiao/Wild Hunter Shark	10	US\$22,500.00	US\$225,000.00
Manny Pacquiao/Dragons Fortune	10	US\$22,500.00	US\$225,000.00
Manny Pacquiao/Tokyo Rose	10	US\$22,500.00	US\$225,000.00
Manny Pacquiao/Red Hot Chili	10	US\$22,500.00	US\$225,000.00
Manny Pacquiao	10	US\$22,500.00	US\$225,000.00
Manny Pacquiao System Controller*	5*	0.00	0.00
Manny Pacquiao Double Sided Display Signage*	5*	0.00	0.00
Manny Pacquiao 32" LCD Display Kit*	10*	0.00	0.00
Manny Pacquiao Signage Pole*	10*	0.00	0.00
TOTAL	60		US\$1,350,000.00

*Free Signages

13. Schedule of payment: Payment of the purchase price, in US Dollars, shall be based on the following schedule:

a. 90% of the total contract price subject to PAGCOR's acceptance in writing of the items described in the PO.	US\$1,215,000.00
10% Retention of the total contract price to be paid after one (1) year from the acceptance, if and when no patent and latent defects are noted.	US\$135,000.00

Or;

b. 100% of the total contract price to be paid after performance of the contract, provided that the goods supplied are free from patent and latent defects and all conditions imposed under this annex have been fully met; subject to PAGCOR's acceptance in writing and upon submission of a Special Bank Guarantee equivalent to at least ten percent (10%) of the total price of the delivered machines valid for one (1) year from the acceptance thereof	US\$1,350,000.00
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Signature over printed Name of Supplier



Payment via Telegraphic Transfer shall be made to **ARUZE GAMING MACAU LIMITED** upon presentation of the receipt and certificate of acceptance by PAGCOR's authorized representative. PAGCOR shall have a maximum period of fifteen (15) working days upon receipt of the items within which to determine to its satisfaction the condition of the Slot Machines with signages and to acknowledge receipt.

The bank details are as follows:

Bank Name: HSBC Hong Kong
Address: 1 Queen's Road Central, Hongkong
Account Name: Aruze Gaming Macau Limited
Account Number: 023071517838
Swift Code: HSBCHKHHHKH

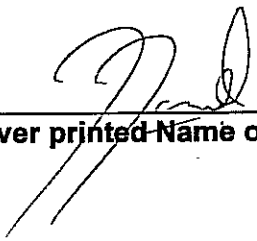
14. No intellectual or industrial property rights, whether registered or not, including copyright, trade marks, patents, designs, circuit layouts, confidential information, know-how or inventions, that subsists in the goods subject of this PO (hereinafter referred to as "Intellectual Property") is conveyed to or vests in PAGCOR or any other person pursuant to this PO.

15. **ARUZE GAMING MACAU LIMITED** grants to PAGCOR a non-exclusive and personal license of the Intellectual Property in each copy of the game provided by **ARUZE GAMING MACAU LIMITED** to PAGCOR to do only those acts that are necessary to permit PAGCOR to operate the games lawfully at the licensed gaming venues owned or operated by PAGCOR. PAGCOR cannot modify, adapt, supply, reverse engineer, sub-license, transfer the license or rights under the license in any way or otherwise deal with the Intellectual Property in the game.

The license granted automatically terminates when:

- a) The copy of the game or storage device is returned to **ARUZE GAMING MACAU LIMITED** in satisfactory and reasonably functional condition; or
- b) The copy of the game ceases to be in PAGCOR's possession, custody or control.

16. This Annex shall consist of four (4) pages and shall form part of PO #96.



Signature over printed Name of Supplier/Date