



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

PURCHASE ORDER

Page # 1
 Supplier : PGI PERCEPTION GAMING, INC.
 Address : 24TH FLOOR, 6750 AYALA OFFICE TOWER, AYALA AVE., MAKATI CITY
 TIN : 006-582-145-000
 VAT : All Items are VAT Exclusive / Zero Rated

F.O. No. 113
 SEQ.# 1
 PD Date : 15 MAY 2012
 ITB Number : 03-11-2012
 Buyer Code : SCH *rf*

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

Place of Delivery : PAGCOR INUS WAREHOUSE

Payment Term : PER ANNEX A

Itemcode :	Description	Quantity	Unit	Unit Cost	Amount
FMD#61543	SLOT MACHINE DEPARTMENT				
1 103007318	SIGNAGE VIDEO BACCARAT MAIN FRAME WITH TABLE CONTROLLER	10.00	PC	35,000.00	350,000.00
2 202013005	SLOT MACHINE	30.00		18,960.00	568,800.00
3 202013705	JUMBO ADVANCE SN DUAL SCREEN SLOT MACHINE	5.00		210,696.00	1,053,480.00
4 202013725	ELECTRONIC ROULETTE ROULETTE 5X8-SEATER/TERMINALS	5.00	UNIT	210,696.00	1,053,480.00
5 202013710	ELECTRONIC SICBO SICBO 5X8-SEATER/TERMINALS	40.00	UNIT	21,500.00	860,000.00
	ELECTRONIC MULTIPLAYER BACCARAT QUEEN TYPE TERMINALS				

--- NOTHING FOLLOWS ---

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

SUB-TOTAL : 3,885,760.00
 TOTAL : 3,885,760.00
 LESS DISCOUNT :
 CHARGE :
 GRAND TOTAL : 3,885,760.00

Remarks :

Total Amount in Words: THREE MILLION EIGHT HUNDRED EIGHTY FIVE THOUSAND SEVEN HUNDRED SIXTY US DOLLARS *rf*



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 Address : 24TH FLOOR, 6750 AYALA OFFICE TOWER, AYALA AVE., MAKATI CITY
 TIN : 006-582-145-000
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SEQ.# 1
 FO Date : 15 MAY 2012
 ITB Number : 03-11-2012
 Buyer Code : SCM *26*

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".
- | | |
|--|---|
| <input type="checkbox"/> Limited Source Bidding (Selective Bidding) | <input type="checkbox"/> Public Bidding |
| <input checked="" type="checkbox"/> Direct Contracting (Single Source Procurement) | <input type="checkbox"/> Negotiated Procurement |
| | <input type="checkbox"/> Shopping |

From Mr. Cabigon 5/15
 Signature Over Printed Name of Supplier

Recommended by: *[Signature]*
 JORGE V. SARMIENTO
 PRESIDENT & COO

: Funds Available
 :
 : VIDAL T. CABIGON JR. *5/15*
 : AVP/SA Acctg Dept/Section:
 : Budget Authorization No. *1200051* Amount *83,333.766-*

Approved by: *[Signature]*
 CRISTINO L. WALIAT, JR.
 CHAIRMAN & CEO

Purchase Order No. 00113
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. PERCEPTION GAMING INC. 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. PERCEPTION GAMING INC. shall complete the supply and delivery of the goods within the time agreed by both parties prescribed in the PO. Should PERCEPTION GAMING INC. 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 PERCEPTION GAMING INC. 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 PERCEPTION GAMING INC. 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.
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


Signature over printed Name of Supplier / Date

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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. PERCEPTION GAMING INC., hereby further warrants and represents that:

a. The goods and specifications shall be as described under the P.O. as follows:

Quantity	Technical Description
30	JUMBO Advanced Slot Machines Dual Screen (12-24 units/bank) dual screen upright cabinet (standalone) w/bill acceptor + ticket printer
5	Roulette (5x8-seater/ terminals)
5	Sicbo (5x8-seater/ terminals)
10	Video Baccarat Main Frame with table controller
40	Queen Type Terminals

Specifications:

1. All units are brand new.
 2. All compatible with SAS6.01 (TITO ready) and GLI certificated.
 3. All machines equipped with MEI bill acceptor and Futurelogic ticket printer. All cashbox are 500 notes capacity with one more extra for replacement.
 4. Free 3% of total cost recommended spare parts.
 5. 5 sets of server cabinet for TITO functionality included.
 6. Free maintenance of the machines during the 2 years period.
 7. Consumable items shall be shouldered by PAGCOR (e.g. TITO ticket, ink of printer, etc.)
- 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. 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.

Signature over printed Name of Supplier / Date
 [Signature] / 5/24/12

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- f. It shall pay taxes in full and on time, failure to do so will entitle PAGCOR to suspend payment.
- g. In cases wherein an additional expense is to be incurred due to delivery of sub standard quality items that are non compliant with the agreed specifications, such expense to reproduce items to agreed specifications and quality shall be at the expense of the PERCEPTION GAMING INC..
- h. Without prejudice to manufacturer's warranty, in order to assure that manufacturing defects shall be corrected by PERCEPTION GAMING INC., a warranty shall be required from it for a minimum period of one (1) year from delivery.

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 10% of the total contract price.


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.

- i. In addition, the goods shall have a warranty of one (1) year from the date of acceptance, without prejudice to foregoing warranties.
- j. PERCEPTION GAMING INC. shall carry sufficient inventories to assure supply of spares for the goods for a period of 4 years. Spares shall be supplied within forty five (45) days 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 THREE MILLION EIGHT HUNDRED EIGHTY FIVE THOUSAND SEVEN HUNDRED SIXTY AND 00/100 (US\$3,885,760.00). The breakdown are as follows:

Description	Qty	Unit Price	Total Price
Advanced Slot Machines Dual Screen (12-24 units/bank) dual screen upright cabinet (standalone) w/bill acceptor + ticket printer	30	\$ 18,960.00	\$ 568,800.00
Roulette (5x8-seater/ terminals)	5	\$ 210,696.00	\$ 1,053,480.00
Sicbo (5x8-seater/ terminals)	5	\$ 210,696.00	\$ 1,053,480.00
Video Baccarat Main Frame with table controller	10	\$ 35,000.00	\$ 350,000.00
Queen Type Terminals	40	\$21,500.00	\$ 860,000.00
TOTAL			\$ 3,885,760.00 CIF-MANILA

If PAGCOR decides to change any of the items specified under this Purchased Order to an item of greater value or purchase additional quantities of the said items, the prices herein shall not apply. The change in the items and/or the purchase of additional items shall be subject to a separate purchase order.


 Signature over printed Name of Supplier / Date
 Leo H. Maresca 5/22/12

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13. Delivery Period: The items shall be delivered on staggered basis. PERCEPTION GAMING INC. shall deliver the items required within forty-five (45) to sixty (60) calendar days from receipt of advice from PAGCOR.

The machines shall only be delivered upon the advice of PAGCOR. PAGCOR shall have the right to refuse further deliveries and/or terminate the sale without incurring any liability whatsoever.

The Jumbo standalone machines and fifteen (15) sets of Multi-player E-tables (with latest Advance Resolution Platform (ARP Series)) with 8 terminals per set (total of 120 terminals) including accessories shall be delivered at the PAGCOR Imus Warehouse.

14. Schedule of payment: Payment of the purchase price, in US Dollars, via Telegraphic Transfer, shall be based on the following schedule:

1. Payable in 24 month installments.
2. PAGCOR shall pay monthly the amount equivalent to 15% of PAGCOR's net income/win from operations of the delivered machines, based on the following schedules:

a. 90% of the monthly due of the delivered machines subject to PAGCOR's acceptance in writing of the items described in the PO.
10% Retention of the monthly due of the delivered machines to be paid after one (1) year from the formal acceptance, if and when no patent and latent defects are noted.

Or;

b. 100% of the monthly due of the delivered machines 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 10% of the total price of the delivered machines valid for one (1) year

3. The first monthly payment shall be due forty-five (45) days after installation.
4. At the end of the 24 months, if the accumulated payment to PERCEPTION GAMING INC. has not reached to the total contract price/sales amount, PAGCOR shall pay in full the remaining balance, if and when no patent and latent defects are noted.

Payment via Telegraphic Transfer shall be made to PERCEPTION GAMING INC. 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.

Bank details are as follows:

A/C Name: Perception Gaming Inc.
Bank A/C: 0551-386046-203
Bank Name: Security Bank (Salcedo Branch)
Address: Ground Floor, 124 LPL Plaza, LP Leviste St., Salcedo Village
Makati City
Swift Code: SETCPHMM

[Handwritten Signature]
Perception Gaming Inc. 5/24/12
Signature over printed Name of Supplier / Date

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15. Performance Security: To guarantee the faithful performance of PERCEPTION GAMING INC.'s obligations under this annex, it shall post a Performance Security prior to the execution of the PO, 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 in the Philippines	Five Percent (5%) US\$194,288.00
Bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank in the Philippines If issued by a foreign bank, this shall be confirmed or authenticated by a Universal or Commercial Bank in the Philippines	
Surety Bond (which is acceptable to PAGCOR) callable upon demand issued by a surety or insurance company duly certified by the Insurance Commission in the Philippines.	Thirty Percent (30%) US\$1,165,728.00
Any combination of the foregoing.	Proportionate to share of form with respect to total amount of security

The performance security shall remain valid for a period of two (2) years from receipt of the Notice to Proceed.

16. PAGCOR shall pay for the Brokerage/Local Delivery Charges from Port Manila to its designated warehouse/ delivery place.

A Philippine flag vessel and/or air carrier shall be used in the shipment of the goods in compliance with P.D. 1466. Otherwise, PERCEPTION GAMING INC. shall seek PAGCOR's approval prior to its application for a waiver from the Civil Aeronautics Board or the Freight Booking & Cargo Consolidated Center of the Philippine Shipper's Council, for any related waiver fees/charges to be reimbursed by PAGCOR.

17. 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.

18. PERCEPTION GAMING INC. grants to PAGCOR a non-exclusive and personal license of the Intellectual Property in each copy of the game provided by PERCEPTION GAMING INC. 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.

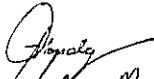
The license granted automatically terminates when:


- The copy of the game or storage device is returned to PERCEPTION GAMING INC. in satisfactory and reasonably functional condition; or
- The copy of the game ceases to be in PAGCOR's possession, custody or control.


 Signature over printed Name of Supplier / Date
 Sam A. Magsalaya 5/23/12

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19. PERCEPTION GAMING INC. shall provide training for five (5) PAGCOR personnel for seven (7) days at the manufacturer's facility, inclusive of airfare and hotel accommodations.
20. PERCEPTION GAMING INC. shall provide free spare parts of the electronic gaming machines, including link signages, equivalent to three percent (3%) of the total contract price/sales amount, upon full payment of PAGCOR of the contract price
22. This Annex A, consisting of six (6) pages, shall form part of PO # 00113.


Lora A. Mansaray 5/24/12
Signature over printed Name of Supplier/Date

 p. 6/6