

CONSULTANCY CONTRACT

KNOW ALL MEN BY THESE PRESENTS:

This Consultancy Contract (the "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 Corporate Office, 5TH Floor Hyatt Hotel and Casino Manila, M.H. Del Pilar corner Pedro Gil Streets, Malate, Manila**, represented in this act by its **PRESIDENT AND CHIEF OPERATING OFFICER, JORGE V. SARMIENTO**, hereinafter referred to as "**PAGCOR**";

- and -

EDMUND BACASON TALLE, Filipino, of legal age and is a resident of Block 4 Lot 10 Palo Housing, Brgy. Baras, Palo, Leyte, hereinafter referred to as "**CONSULTANT**".

Collectively referred to as the "**PARTIES**";

WITNESSETH: THAT -

WHEREAS, PAGCOR has a requirement for technical and professional expertise that are beyond the capability and/or capacity of PAGCOR to undertake;

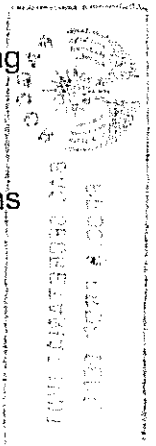
WHEREAS, PAGCOR, as approved by its President and Chief Operating Officer on September 24, 2012, has resorted to Negotiated Procurement for the hiring of the services of a highly technical consultant for the Procurement Department, whose scope of work is highly technical, primarily confidential, and policy determining, and where trust and confidence are the primary consideration for the hiring of the consultant, pursuant to Section 53.7 of the Revised Implementing Rules and Regulations of Republic Act No. 9184;

WHEREAS, the **CONSULTANT** has the technical and professional expertise required by PAGCOR for the implementation of the Project;

WHEREAS, the **CONSULTANT** has offered his services and expertise to PAGCOR;

WHEREAS, PAGCOR has accepted the offer of the **CONSULTANT** after finding the same to be in order, valid, and responsive;

NOW, THEREFORE, for and in consideration of the foregoing premises, PAGCOR hereby engages the services of the **CONSULTANT**, under the following terms and conditions:



Jorge V. Sarmiento
Witness for the Consultant

Edmund B. Talle
Consultant

Jorge V. Sarmiento
Witness for PAGCOR

JORGE V. SARMIENTO
Pres. & COO, PAGCOR

ARTICLE I
SCOPE OF UNDERTAKING

The **CONSULTANT** shall report directly to the Assistant Vice President of the Procurement Department, and shall provide **PAGCOR** with the following Services:

1. Develop of a training program for eleven (11) batches [one (1) batch per Branch and one (1) batch for the Corporate Office];
2. Conduct eleven (11) training sessions/workshops.

Each training session/workshop shall be for a period of two (2) days and shall be held on **PAGCOR's** Angeles, Bacolod, Cebu, Davao, Heritage, Hyatt, Olongapo, Pavilion, Parañaque and Tagaytay branches as well as its Corporate Office in accordance with a schedule to be provided by **PAGCOR**;

3. During the training sessions/workshops the Consultant shall provide answers to any query that may be raised concerning R.A. 9184 ;
4. Discuss the application of R.A. 9184 in the context of **PAGCOR's** unique operations and projects;
5. Provide updates on the recent amendments to R.A. 9184 as well as the latest issuances of the Government Procurement and Policy Board (the "GPPB").
6. Perform such other services and work assignments that **PAGCOR** may require.

ARTICLE II
CONTRACT AMOUNT

The **CONSULTANT** shall receive a consultancy fee in the amount of **TWENTY SIX THOUSAND FIVE HUNDRED AND 00/100 PESOS (Php 26,500.00)**, for each of the eleven (11) batches to be trained for a total of **TWO HUNDRED NINETY ONE THUOSAND FIVE HUNDRED AND 00/100 PESOS (Php 291,500.00)** less mandated government taxes, VAT-Exclusive, Zero-Rated transaction over the entire two (2) month period.

PAGCOR may, upon written notice, suspend all payments to the **CONSULTANT** should he fail to perform any of his obligations either due to his own fault, to *force majeure* or any other circumstance beyond the control of either party.

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.

ARTICLE III
CONTRACT TERM

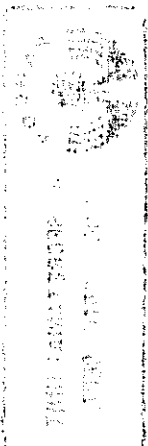
This Contract shall be for a period of two (2) months, which shall commence on the effectivity date provided for in the Notice to Proceed, renewable at the option of **PAGCOR**, in accordance with law. Within this period, **PAGCOR** may terminate this Contract with or without cause, without need of judicial intervention upon written notice to the **CONSULTANT**.

Witness for the Consultant

Consultant

Witness for PAGCOR

JORGE V. SARMIENTO
Pres. & COO, PAGCOR



**ARTICLE IV
WARRANTIES**

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

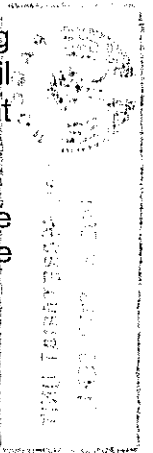
1. He has the requisite power and authority to enter into and perform his obligations under this Contract.
2. There are no actions, suits or proceedings pending or, to the best of his knowledge, threatened, which may have a material adverse effect on his ability to fulfill his obligations under this Contract or on his operations, business, properties, assets or business condition.
3. The specifications of the Services shall be as described under Article I of the Contract.
4. The **CONSULTANT** warrants that he has secured all the necessary government licenses and permits to allow him to render the Services agreed upon and that he is free from any liability or adverse claims, of every nature and description that would prevent or hinder him from rendering the said Services.
5. The **CONSULTANT** will defend, protect, indemnify, and hold **PAGCOR** harmless from any and all adverse claims that may be made by any party arising from the rendition of the Services under this Contract.
6. The **CONSULTANT** warrants that any "**works-made-for-hire**", as detailed in Article VII herein, that he will furnish hereunder will be original, or duly licensed, and no part of the same will infringe upon or violate the rights of any person or entity, including without limitation, any copyrights, trademarks or rights of privacy or publicity. For this purpose, the **CONSULTANT** shall hold **PAGCOR** free and harmless from any claim, liability and against any cost for defending any action, suit or proceedings, including legal fees or other expenses, relating to any infringement or violation of the rights of any person or entity, including without limitation, any copyrights, trademarks or rights of privacy or publicity relative to the said "**works -made-for-hire.**"

**ARTICLE V
PERFORMANCE SECURITY**

To guarantee the faithful performance of the **CONSULTANT's** obligations under the Contract, a Performance security equivalent to five percent (5%) of the total contract amount shall be deducted *pro rata* or **ONE THOUSAND THREE HUNDRED TWENTY FIVE and 00/100 PESOS (Php 1,325.00)** on each payment made to the **CONSULTANT** for a total of **FOURTEEN THOUSAND FIVE HUNDRED SEVENTY FIVE and 00/100 PESOS (Php14,575.00)**.

The Performance Security shall be retained by **PAGCOR**, without interest, during the subsistence of this Contract and any extension thereof. It shall remain valid until issuance of the final Certificate of Acceptance subject to any and all claims that **PAGCOR** may have against the **CONSULTANT**.

Should the Contract be extended an additional Performance Security shall be deducted from any payments made to the **CONSULTANT** in accordance with the aforementioned provisions.



[Signature]
Witness for the Consultant

[Signature]
EDMUND B. TALLE
Consultant

[Signature]
Witness for PAGCOR

JORGE V. SARMIENTO
Pres. & COO, PAGCOR

ARTICLE VI
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 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. This exclusive venue provision shall apply even in cases for declaration of nullity of this Contract in 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

The **CONSULTANT** shall complete performance of the Services within the time prescribed in Article III hereof or of any duly granted time extensions. Should the **CONSULTANT** incur delay in his performance, the **CONSULTANT** shall pay a penalty of one-tenth of one percent (1/10 of 1%) of the total cost of the services not rendered 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 contract, **PAGCOR** shall have the option to rescind the contract, without prejudice to other courses of action and remedies open to it.

ARTICLE VIII
WORKS MADE FOR HIRE

All ideas, plans, and materials prepared by the **CONSULTANT** are “works-made-for-hire” and shall be the sole and exclusive property of **PAGCOR**. The **CONSULTANT** hereby assigns all right, title and interest to said “works-made-for-hire” to **PAGCOR**. It is specifically understood and agreed that the **CONSULTANT** shall retain no ownership rights whatsoever to said “works-made-for-hire”,

ARTICLE IX
CONFIDENTIALITY

All information disclosed to the **CONSULTANT** arising out of or as a result of this Contract shall be confidential in nature and shall be used only for the purposes specifically related to this Contract. The **CONSULTANT** will not, at any time, disclose such confidential information to any third party without **PAGCOR's** prior written consent. The **CONSULTANT** shall likewise be solidarily liable to **PAGCOR** for any unauthorized disclosures made by his officers, employees, agents and other persons acting on the **CONSULTANT's** behalf.

ARTICLE X
NO EMPLOYER-EMPLOYEE RELATIONSHIP

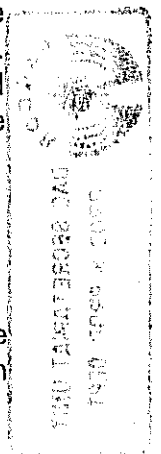
There shall be no employer-employee relationship between **PAGCOR** and the employees of the **CONSULTANT**. The **CONSULTANT** being hereby deemed an independent contractor.

[Signature]
Witness for the Consultant

[Signature]
EDMUND B. TALLE
Consultant

[Signature]
Witness for PAGCOR

JORGE V. SARMIENTO
Pres. & COO, PAGCOR



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 V 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
NON-COMPETITION

During the subsistence of this Contract and one (1) year thereafter, the **CONSULTANT** shall not be employed or engaged as an independent contractor, joint venture partner, collaborator, agent, director, shareholder or in any other capacity or manner whatsoever, for profit or otherwise by any individual, entity or corporation, engaged in a similar business as **PAGCOR**.

ARTICLE XIII
INDEMNIFICATION

The **CONSULTANT** shall indemnify and shall hold **PAGCOR**, its guests, 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 **CONSULTANT** 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 **CONSULTANT**'s services.


The indemnification is limited to the services delivered to **PAGCOR** by the **CONSULTANT** and does not cover third party claims not authorized by the **CONSULTANT**.


The **CONSULTANT** shall be liable to **PAGCOR**, for any damage to property or injury to or death of persons occasioned by services rendered by the **CONSULTANT** under this Contract, or by reason of the gross neglect or willful misconduct of the **CONSULTANT**, or any of its agents or employees.

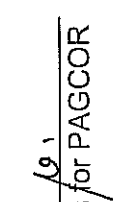
The **CONSULTANT** assumes all liability due to his fault or negligence, in connection with this Contract, including theft and disappearance, or any damage or injury to goods, wares or merchandise or property of any kind of **PAGCOR**.


ARTICLE XIV
TAXES AND LICENSES


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


Witness for the Consultant


EDMUNDO B. FALLE
Consultant


Witness for PAGCOR


JORGE V. SARMIENTO
Pres. & COO, PAGCOR


PAGCOR
PAGCOR GENERAL CORP.
PAGCOR 4000

The **CONSULTANT** shall regularly present, within the duration of the Contract, a tax clearance from the BIR as well as a copy of his income and business tax returns duly stamped and received by the BIR and duly validated with the tax payments made thereon.

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

ARTICLE XV
MISCELLANEOUS PROVISIONS

The **CONSULTANT**, his spouse and dependants, shall, during the term of this Contract, be prohibited from playing in any **PAGCOR** event and/or casino's and/or any **PAGCOR** franchised/licensed event and/or establishment.

In the event that facts and circumstances arise or are discovered which render this Contract 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.

No terms or conditions of this Contract shall be waived and no breach or default excused unless such waiver or excuse shall be in writing and signed by the party affected.

This Contract, and the interests therein, may not be assigned or sub-contracted to another without prior consent of **PAGCOR**.

Any and all notices to be given pursuant to, or under this Contract, shall be sent to the party to whom the notice is addressed at the address of the party indicated in this Contract.

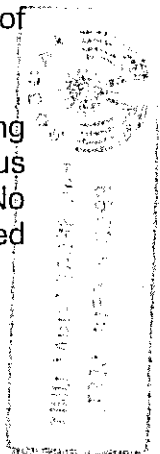
If any provision hereof is prohibited or made unenforceable under any applicable law or by a competent court or authority, the same shall not affect any other provision of this Contract, which are otherwise valid and enforceable.

The **PARTIES** agree to abide by these terms and conditions in good faith.

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.

Any right or remedy conferred by this Contract upon the **PARTIES** shall not be exclusive of any other right or remedy of each party, whether under this Contract or provided or permitted at law or in equity, but each right or remedy shall be cumulative of every other right or remedy available to it.

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 the **PARTIES**.



[Signature]
Witness for the Consultant

[Signature]
EDMUND B. TALLE
Consultant

[Signature]
Witness for PAGCOR


JORGE V. SARMIENTO
Pres. & COO, PAGCOR

This Contract may be executed in any number of counterparts, each of which when so executed and delivered shall be considered as an original and all together shall constitute one Contract.

IN WITNESS WHEREOF, the **PARTIES** hereto have signed these presents on this ____ day of _____, 20__ at the City of _____, Philippines.

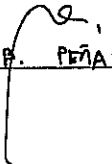
**PHILIPPINE AMUSEMENT AND
GAMING CORPORATION**
TIN: 033-000-887-972

Represented by:

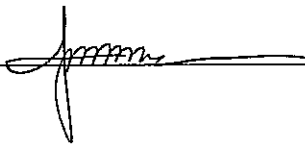

JORGE V. SARMIENTO
Chief Operating Officer
TIN No. 122-841-833

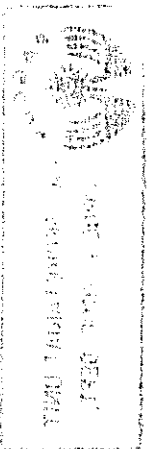

EDMUND BACASON TALLE
Consultant
TIN No.: 142-311-924

Signed in the presence of:



MELDA P. PENARABUNDO





ACKNOWLEDGMENT

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

BEFORE ME, a Notary Public for and in the City of CITY OF MANILA, on this OCT 25 day of _____, 2012, personally appeared:

NAME

GOVERNMENT ID NO.

JORGE V. SARMIENTO

Passport No. EB1763201

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 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.

Doc. No.: 151
Page No.: 32
Book No.: 10
Series of 2012

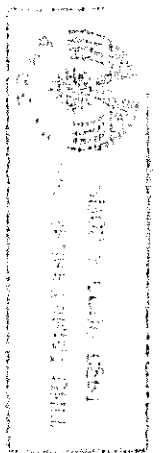
[Signature]
PRIMO ELVIN L. SIOSANA
NOTARY PUBLIC
6TH FLR. HYATT HOTEL & CASINO
M.H. DEL PILAR ST., MALATE, MANILA.
APPT. NO. 2011-143 UNTIL DEC. 31, 2012.
ROLL NO. 49810, IBP LIFETIME NO. 06749
MANILA IV CHAPTER
PTR NO. 0393171 DTD 01-17-12 AT MANILA
MCLE COMPLIANCE NO. III-0003498

[Signature]
Witness for the Consultant

[Signature]
EDMUND B. TALLE
Consultant

[Signature]
Witness for PAGCOR

[Signature]
JORGE V. SARMIENTO
Pres. & COO, PAGCOR



ACKNOWLEDGMENT

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

BEFORE ME, a Notary Public for and in the City of _____, on this OCT 25 2012 day of _____, 2012, personally appeared:

NAME

GOVERNMENT ID NO.

EDMUND B. TALLE

Driver's License No. H02-94-034876

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 voluntary act and deed of the entity he represents, he being duly authorized for this purpose.

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Doc. No.: 151
Page No.: 32
Book No.: 10
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Consultant

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Witness for PAGCOR

JORGE V. SARMIENTO
Pres. & COO, PAGCOR

