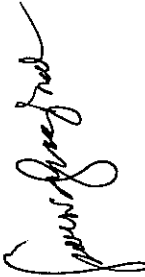



SERVICE CONTRACT

This Service 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, 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 -


AMERICAN TECHNOLOGIES, INC., a corporation duly organized and existing under the laws of the Republic of the Philippines, with office address at No. 5 Ideal corner Mc Collough St., Brgy. Addition Hills, Mandaluyong City, represented in this act by its Junior Account Executive, **MS. KAREZIA R. FRAGINAL**, duly authorized for the purpose pursuant to the Resolution of the Board of Directors of AMERICAN TECHNOLOGIES, INC., attached hereto as Annex "A" and made an integral part hereof, hereinafter referred to as the "**CONTRACTOR**".


WHEREAS, PAGCOR has a requirement for the Lease/Rental of a High Definition Video Conference System for the National Cash or Car Raffle Promo (NCCRP) 3 with Fifteen (15) Endpoints and with One (1) Multi-Point Control Unit for Ten (10) Casino Filipino (CF) Branches, four (4) Satellite Sites and One (1) Corporate Office under ITB No.: 03-06-2013 (the "Services");

WHEREAS, considering that all legal requisites have been met, PAGCOR, as approved by its President and Chief Operating Officer on March 13, 2013, sought to procure the Services through Negotiated Procurement (Small Value Procurement) under Section 53.9 of the Revised Implementing Rules and Regulations of Republic Act No. 9184 and Appendix 18 for the Guidelines for Shopping and Small Value Procurement;

WHEREAS, the CONTRACTOR has submitted the lowest quotation, which complies with the technical specifications and other terms and conditions required by PAGCOR;

NOW, THEREFORE, for and in consideration of the mutual covenants and agreements hereunder specified, PAGCOR and the CONTRACTOR hereby enter into a contract under the following terms, conditions and stipulations:

ARTICLE I
DESCRIPTION OF WORK/SERVICES

The CONTRACTOR shall allow PAGCOR to use its High Definition Video Conference System for the National Cash or Car Raffle Promo (NCCRP) 3 with Fifteen (15) Endpoints and with One (1) Multi-Point Control Unit for Ten (10) Casino Filipino (CF) Branches, four (4) Satellite Sites and One (1) Corporate, with the following technical specifications:

<i>Fifteen (15) units HDX Videocon Endpoint HDX Codec, Eagle Eye Camera, HDX Mic Array, Eng Rmt Cables, (2) component video (DVI-RCA), Audio (RCA-RCA), LAN, NA PWR. NTSC; (1) RMX 2000 – RMX 2000 IP only capable of up to 30 resources configured and licensed system equipped with (1) MPMX-S media processing module with the following inclusion:</i>	
FOR THE MAIN CONTROL OFFICE:	
1 unit Recording and Streamlining Server	
1 unit VBP Video Border Proxy (Firewall Traversal)	
FOR THE HOST BRANCH:	
2 units 3CCD Camera with Tripod	
1 unit Video Mixer and Video Switcher	
1 unit Audio Mixer	
Description of Fifteen (15) High Definition Endpoint Codecs with One (1) Multipoint Control Unit inclusive of the following:	
Interoperability Standard for IP H.323 SIP	
Video Standards H.261 H.263 H.264 H.264 (High Profile)	
Frame Rates Minimum thirty (30) frames per second	

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<p>Video Input Integrated main camera Easy integration with video mixer (s-video I/O interfaces) Document camera support (s-video interface)</p>
<p>Video output For Primary Display: Multimedia Projector/LCD TV For Secondary Display: Multimedia Projector/LCD TV</p>
<p>Video Format NTSC Graphics: VGA, SVGA, XGA, SXGA Integrated Main Camera High Definition Camera with pan/tilt/zoom 7x optical zoom or better</p>
<p>Audio Input One (1) Microphone Easy integration with audio mixer (RCA I/O interfaces)</p>
<p>Audio Output Primary audio output</p>
<p>Secondary Audio Output Digital Tabletop Microphone Array Sensitive voice pick with acoustic echo cancellers Mic mute capability</p>
<p>Network Interface Support Ethernet port:10/100 Mbps for communications link Ethernet port for content sharing</p>
<p>Security Secure password authentication Administrative password Encryption supporting AES or any other One Hundred Twenty-Eight (128) bit standard encryption algorithm over IP SNMP security alerts</p>
<p>IP Quality of Service Packet Loss Recovery and Jitter Control IP DiffServ IP Precedence</p>
<p>Multipoint Control Unit (MCU) Multipoint Conferencing Solution that can support fifteen (15) simultaneous conference</p>
<p>Video Standards H.261 H.263 H.264 H.264 (High Profile)</p>

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Interoperability Standard for IP H.323 (Multisite support enabled)
Video Resolution 4CIF CIF QCIF SD 720p 30/60 fps
IP Quality of Service IP Packet Loss Recovery and Jitter Control IP DiffServ IP Precedence
Security AES Encryption
Interoperability The system must be able to connect to our existing codec
System must have message overlay capability.
System must accommodate at least two (2) separate networks, i.e., Private and Public (IPVPN & IDS/DSL)
System must be capable of allowing additional participant to take part in video conference using video conferencing software installed in a computer.
The software of the video conferencing system should have no license requirement and can be installed to any authorized endpoints.

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In addition to the use of the foregoing System, the CONTRACTOR shall carry out the following allied installation and commissioning services:

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1. Carry out pre-installation activities, supply and delivery of Video Conference equipment including endpoint codecs, Multipoint Control Unit (MCU), Software, Recording Server, Network Address Translation (NAT) & Firewall Traversal, Lighting Solution and Integration with Audio and Video Equipment.
2. Install, test, configure and commission the system along with the collaborative tools/equipment at the sites at least one day before the event so as to make fully functional integrated video conference operational for the following locations (see Schedule of Requirements).
3. Provide, as a part of the project, proper guidance about the infrastructure (like lighting arrangement, audio system, power supply, network points including audio and video mixer integration and backup audio) required to prepare the sites.
4. To have at least one (1) Principal Vendor's certified, qualified and experienced technical support personnel per site that will provide assistance to PAGCOR staff on Video Conferencing System which will cover installation, implementation, administration, usage and Network Address Translation during the duration of the entire event.

Note: PAGCOR shall shoulder the transportation, accommodation, food & beverage expenses of the authorized representative/engineer(s) of the CONTRACTOR.
5. Provide security and Network Address Translation (NAT) / Firewall Solution.
6. Provide recording device for video content recording at the command center (PAGCOR CORPORATE OFFICE) during the whole duration of the event.
7. The system must provide phone patch device that can be integrated in the videoconference system as audio backup for communications link.
8. Vendor must be at least a Tier 2 partner of the proposed solution. Provide certificate of its partnership.

The CONTRACTOR shall install and allow the use of the System in accordance with the following delivery schedule:

<p>Delivery Schedule:</p> <p>Ingress: April 29, 2013 Actual Delivery Date: April 30, 2013 Egress: Immediately after the event</p> <p>Date of Event: April 30, 2013 Host Venue: Casino Filipino Cebu Address: Waterfront Cebu City Hotel, Salinas Drive, Lahug, Cebu City</p>
<p align="center">Complete Address of the Project / Delivery Site:</p>
<p>1. PAGCOR HOUSE (Main Control Office) 1330 Roxas Boulevard, Ermita , Manila</p>
<p align="center">BRANCHES:</p>
<p>2. AIRPORT CASINO FILIPINO PIRC Bldg. Ninoy Aquino Ave., Sto. Nino, Paranaque City</p>
<p>3. CF PAVILION Manila Pavilion Hotel, United Nations Ave., Ermita, Manila</p>
<p>4. CF HERITAGE Heritage Hotel, EDSA Cor. Roxas Blvd., Pasay City</p>
<p>5. CF HYATT Hyatt Hotel & Casino Manila, A. Mabini cor. Pedro Gil Sts., Malate, Manila</p>
<p>6. CF ANGELES Mc Arthur Highway, Balibago, Angeles City</p>

Signature

Signature

7.	CF OLONGAPO 30 Magsaysay Ave., Olongapo City, Zambales
8.	CF TAGAYTAY E. Aguinaldo Highway, Tagaytay City
9.	CF CEBU Waterfront Cebu City Hotel, Salinas Drive, Lahug, Cebu City (Host Branch)
10.	CF DAVAO Grand Regal Hotel, Davao Km 7, Lanang, Davao City
11.	CF BACOLOD Golden Fields Commercial Complex, Singkang, Bacolod City, Negros Occidental
SATELLITES/ARCADES:	
12.	CF MIMOSA 2059 Mimosa Leisure Estate, Clarkfield, Pampanga
13.	CF MACTAN Waterfront Airport Hotel, #1 Airport Road, Lapu-Lapu City
14.	RONQUILLO ARCADE Ronquillo Street and Avenida Street, Manila
15.	CITY STATE ARCADE 1315 A.Mabini Street, Ermita, Manila

Note:

1. PAGCOR shall have the right to inspect and / or to test the system to confirm their conformity to the technical specifications.

ARTICLE II
CONTRACT AMOUNT

The contract price for the Services shall be in the total amount of **Four Hundred Ninety Thousand Pesos (PhP 490,000.00)**.

Both parties agree that the total price stated herein already includes 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 Contract.

ARTICLE III
SCHEDULE OF PAYMENT

The CONTRACTOR shall furnish PAGCOR with a billing statement on the event date. PAGCOR shall pay the amount stated therein within thirty (30) days from the date of receipt of the billing statement.

ARTICLE IV
WARRANTIES AND RESPONSIBILITIES

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.
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 System to be used and the allied 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 supply 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 supplying the said services.
4. The CONTRACTOR has good title and/or full authority to supply the Services in this Contract, and that the Services are supplied free and clear of all liens, encumbrances, liabilities and adverse claims, of every nature and description.
5. The CONTRACTOR shall pay taxes in full and on time, failure to do so will entitle PAGCOR to suspend payment for any goods delivered or services rendered by the CONTRACTOR.

ARTICLE V
CLAIMS AND DISPUTES

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

In case PAGCOR and the CONTRACTOR fail to amicably settle their differences or disputes, PAGCOR and the CONTRACTOR, 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 PAGCOR and the CONTRACTOR, 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 VI
DAMAGES FOR DELAY

The CONTRACTOR shall pay a penalty of one-tenth of one percent (1/10 of 1%) of the total contract price for each day of delay, including Sundays and Holidays, beyond the specific period for the delay in the delivery of the System to PAGCOR and/or in the performance of the allied Services in Article I.

Once the cumulative amount of penalty 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 the CONTRACTOR still fails to provide the System and the Services after the lapse of thirty (30) days from the supposed date scheduled by PAGCOR, in addition to the penalties agreed upon, PAGCOR shall have the option to terminate the Contract.

ARTICLE VII
DEFAULTS

In the event that any of the parties fail to comply in good faith with their undertakings, within the periods provided herein, the non-defaulting party shall be released from its 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 VIII
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 any unauthorized disclosure made by its officers, employees, agents, and other persons acting on the CONTRACTOR's behalf.

ARTICLE IX
INDEMNIFICATION

The CONTRACTOR shall indemnify and shall hold PAGCOR, its directors, officers, employees and agents (each of the foregoing, being hereinafter referred to individually as the "Indemnified Party") free and harmless against all liability to third parties (other than liability solely attributable to 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 System.

The indemnification is limited to the System and Services delivered to PAGCOR by the CONTRACTOR and do not cover third party claims not authorized by the CONTRACTOR.

ARTICLE X
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 this Contract shall be for the exclusive account of CONTRACTOR.

Upon the request of PAGCOR, the CONTRACTOR shall regularly present within the duration of the Contract, its current year's business permit and a tax clearance from the Bureau of Internal Revenue ("BIR") together with a copy of its income and business tax returns duly stamped and received and duly validated with the tax payments made thereon.

ARTICLE XI
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 personnel in the performance of the obligations 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 premises of PAGCOR for any damage which may be caused to persons or property while remaining either casually or in business in any part therein. 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 XII
MISCELLANEOUS PROVISIONS

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.

This Contract, and all the rights and interests herein, may not be assigned or sub-contracted to another without the prior written consent of the other party.

All notices and other communications provided for or permitted hereunder shall be in writing and sent to the parties at their respective addresses as 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 this 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, whether under this Contract or provided or permitted to the parties at law or in equity, but each right or remedy shall be cumulative of every other right or remedy available to them.

This Contract constitutes the entire agreement between the parties pertaining to the subject matter contained herein, 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 the parties hereto.

No waiver of any of the provisions of this Contract shall be deemed, or shall constitute a waiver of any other provision, whether similar or otherwise, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless in writing and signed by the party making the waiver.

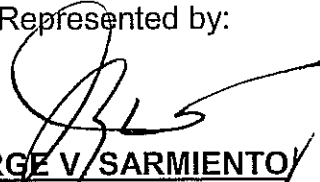
This Contract may be executed in any number of counterparts, each of which when so executed and delivered shall be considered as an original and all together shall constitute one agreement.

IN WITNESS WHEREOF, the parties hereto have signed these presents on this ____ day of _____, 2013 at the City of Manila, Philippines.

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

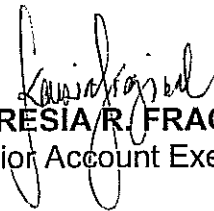
AMERICAN TECHNOLOGIES, INC.
TIN: 000-329-993-000

Represented by:




JORGE V. SARMIENTO
President and Chief Operating Officer
TIN: 122-841-833

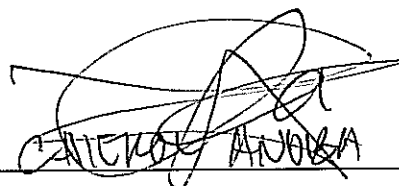
Represented by:



KARESIA R. FRIGINAL
Junior Account Executive
TIN: 287-012-545

Signed in the presence of:


NORBERTO L. ORIAS


VICTOR ANORA

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ACKNOWLEDGMENT

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

BEFORE ME, a Notary Public for and in the City of Manila, on this JUN 06 2013, 2013, personally appeared the following with his Government ID Number, to wit:


<u>NAME</u>	<u>Government ID No.</u>
JORGE V. SARMIENTO	PASSPORT NO. EB1763201 Issue Date: January 20, 2011 Place of Issue : DFA-Manila Validity Period: January 19, 2016

known to me to be the same person who executed the foregoing Service Contract consisting of twelve (12) 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 is duly authorized to represent.

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

Handwritten signature

Doc. No. 464
Page No. 94
Book No. I
Series of 2013.


 ATTY. GLENN CEASAR T. DE GUZMAN, JR.
 NOTARY PUBLIC
 6TH FLR. HYATT HOTEL & CASINO
 M.H. DEL PILAR ST., MALATE, MANILA
 APPT. NO. 2012-025, UNTIL DEC. 31, 2014
 ROLL NO. 55385, ISP LIFETIME NO. 08437
 RSM CHAPTER
 PTR NO. 1404911/01-03-13/MANILA

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ACKNOWLEDGMENT

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

BEFORE ME, a Notary Public for and in the City of Manila, on this MAY 21 2013 2013, personally appeared the following with his Government ID Number, to wit:

<u>NAME</u>	<u>Government ID No.</u>
KAREZIA R. FRAGINAL	Postal ID No. 9672675 Place of Issue : Manila Validity Period: August 16, 2013

known to me to be the same person who executed the foregoing Service Contract consisting of twelve (12) 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 is duly authorized to represent.

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

Doc. No. 240
Page No. 24
Book No. SKL
Series of 2013.

ATTY. DELFIN R. AGCUBID
NOTARY PUBLIC
UNTIL DECEMBER 31, 2013
PTR NO. 0285334 / 2012-2013 M.L.A.
IBP NO. 873692 / 2013 M.L.A.
ROLL NO. 24655 / TIN -144-519-066
MCLE III-0013521

ANNEX A

SECRETARY'S CERTIFICATE

I, Norbert Co Shu Suenn, duly elected and qualified Board Secretary and Vice President of AMERICAN TECHNOLOGIES, INC., a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office or place of business at #5 Ideal St. Cor. McCollough, Addition Hills Mandaluyong City, DO HEREBY CERTIFY THAT:

I am familiar with the facts herein certified and duly authorized to certify the same;

At the Special/Regular Meeting of the Board of Directors of the Corporation/Cooperative duly convened and held on March 26, 2013 at Mandaluyong City, at which meeting a quorum was present and acting throughout, the following resolutions were unanimously approved and adopted, and the same have not been annulled, revoked and amended in any way whatever and are in full force and effect on the date hereof:

RESOLVED, that American Technologies, Inc ba, as it hereby is, authorized to participate in the bidding of ONE TIME LEASE/RENTAL OF A HIGH DEFINITION VIDEO CONFERENCE SYSTEM FOR NCCRP3 UNDER ITB NO. 03-06-2013 the Philippine Amusement and Gaming Corporation (PAGCOR); and that if awarded the project shall enter into a contract with Philippine Amusement and Gaming Corporation (PAGCOR); and in connection therewith hereby appoint Karesia R. Freginal, acting as duly authorized and designated representatives of American Technologies Inc., are granted full power and authority to do, execute and perform any and all acts necessary and/or to represent American Technologies Inc. in the bidding as fully and effectively as the corporation might do if personally present with full power of substitution and revocation and hereby satisfying and confirming all that my said representative shall lawfully do or cause to be done by virtue hereof;

RESOLVED Further That, the corporation/cooperative hereby authorizes by its President to:

1. execute a waiver of jurisdiction whereby the corporation/cooperative hereby submits itself to the jurisdiction of the Philippine government and hereby waives its right to question the jurisdiction of the Philippine courts;
2. execute a waiver that the corporation/cooperative shall not seek and obtain a writ of injunction or prohibition or restraining order against any other agency in connection with this project to prevent and restrain the bidding procedures related thereto, the negotiating of and award of the contract to a successful bidder, and the carrying out of the awarded contract.

APR 02 2013

IN WITNESS WHEREOF, I hereby hereunto set my hand this ___ day of ___, 2012 at

MANILA

Norbert Co Shu Suenn
Vice President/Corporate Secretary

ACKNOWLEDGMENT

APR 02 2013

SUBSCRIBED AND SWORN to before me this ___ day of ___, 20___ affiant exhibited to me his/her Driver's License No. No4-87-045252 issued by LTO on August 26, 2010 valid until June 13, 2013, at Quezon City, Philippines.

Doc No. 70
Page No. 1
Book No. 180
Series of 2012

NOTARY PUBLIC
DELFIN R. ESCOBAR, JR.
NOTARY PUBLIC
UNTIL DECEMBER 31, 2013
PTR NO. 0285334 / 2012-2013 MLA
IBP NO. 873692 / 2013 MLA
ROLL NO. 24555 / TIN -144-510-080
MCLE_III-0013521