

**SERVICE CONTRACT**

**KNOW ALL MEN BY THESE PRESENTS:**

This Service Contract (the "Contract") is entered into and executed by and between:

**PHILIPPINE AMUSEMENT AND GAMING CORPORATION**, a government-owned and -controlled corporation, created and existing by virtue of Presidential Decree No. 1869, as amended, with office address at PAGCOR Corporate Office, 1588 Hyatt Hotel & 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 -

**INNOVE COMMUNICATIONS, INCORPORATED**, a corporation duly organized and existing under the laws of the Republic of the Philippines, with office address at 111 Valero St., Valero Telepark Building, Salcedo Village, Makati City, represented in this act by its Head-Enterprise Segment Group, Business Customer Facing Unit, **CECILIA GRACE J. CASTILLO** hereinafter referred to as the "**CONTRACTOR**".

**WITNESSETH: THAT -**

**WHEREAS, PAGCOR** has a requirement for the one (1) year upgrade of existing L3 MPLS / IPVPN subscription and connectivity services across all PAGCOR branches under ITB No.: 06-03-2012;

**WHEREAS**, considering all requisites were met, **PAGCOR**, pursuant to the Bids and Awards Committee Recommendation dated 05 June 2012, and approved by its Chairman and Chief Executive Officer on 07 June 2012, resolved to directly contract with the **CONTRACTOR** in order to secure its services pursuant to Section 50 (c) of the Revised Implementing Rules and Regulations of R.A. 9184 (IRR);

**WHEREAS, 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 a contract under the following terms, conditions and stipulations:

**ARTICLE I**  
**DESCRIPTION OF WORK**

The **CONTRACTOR** shall undertake to upgrade the existing L3 MPLS/IPVPN subscription across the various **PAGCOR** branches in accordance with following technical specifications:

Network shall be Domestic Layer 3 MPLS IPVPN over a completely private and secure infrastructure.

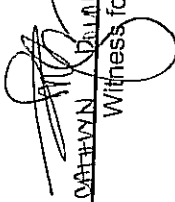
The IP infrastructure backbone shall be redundantly configured and have nationwide coverage with details of bandwidth alongside the sites as follows:

*[Signature]*  
WITNESS FOR CONTRACTOR

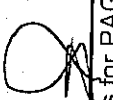
*[Signature]*  
CECILIA GRACE J. CASTILLO

*[Signature]*  
WITNESS FOR PAGCOR

*[Signature]*  
JORGE V. SARMIENTO

  
MATHYAN DELAR M. PANLA  
Witness for Contractor

  
CECILIA GRACE J. CASTILLO

  
Witness for PAGCOR

  
JORGE V. SARMIENTO

<ul style="list-style-type: none"><li>• <b>PAGCOR HOUSE</b> – 1330 Roxas Boulevard, Ermita, Manila <b>from fifty to one hundred (50 to 100) Mbps</b></li></ul>
<ul style="list-style-type: none"><li>• <b>AIRPORT CASINO FILIPINO</b> – PIRC Building, Ninoy Aquino Avenue, Sto. Niño, Parañaque City <b>from two to four (2 to 4) Mbps</b></li></ul>
<ul style="list-style-type: none"><li>• <b>CF ANGELES</b> – McArthur Highway, Balibago, Angeles City <b>from two to four (2 to 4) Mbps</b></li></ul>
<ul style="list-style-type: none"><li>• <b>CF BACOLOD</b> – Golden Fields Commercial Complex, Singkang, Bacolod City <b>from two to four (2 to 4) Mbps</b></li></ul>
<ul style="list-style-type: none"><li>• <b>CF CEBU</b> – Waterfront Cebu City Hotel, Salinas Drive, Lahug, Cebu City <b>from two to four (2 to 4) Mbps</b></li></ul>
<ul style="list-style-type: none"><li>• <b>CF DAVAO</b> – Grand Regal Hotel Davao, Km 7, Lanang, Davao City <b>from two to four (2 to 4) Mbps</b></li></ul>
<ul style="list-style-type: none"><li>• <b>CF HERITAGE</b> – Heritage Hotel, EDSA cor. Roxas Boulevard, Pasay City <b>from two to four (2 to 4) Mbps</b></li></ul>
<ul style="list-style-type: none"><li>• <b>CF HYATT</b> – Hyatt Hotel &amp; Casino Manila, A. Mabini cor. Pedro Gil St., Malate, Manila – <b>ten (10) Mbps</b></li></ul>
<ul style="list-style-type: none"><li>• <b>CF LAOAG</b> – Fort Ilocandia Resort Hotel, Laoag City, Ilocos Norte <b>from two to four (2 to 4) Mbps</b></li></ul>
<ul style="list-style-type: none"><li>• <b>MACTAN</b> – Waterfront Airport Hotel, #1 Airport Road, Lapu Lapu City <b>from two to four (2 to 4) Mbps</b></li></ul>
<ul style="list-style-type: none"><li>• <b>CF MIMOSA</b> – Mimosa Drive, Clark Field Pampanga <b>from two to four (2 to 4) Mbps</b></li></ul>
<ul style="list-style-type: none"><li>• <b>CF OLONGAPO</b> – 30 Magsaysay Avenue, Olongapo City, Zambales <b>from two to four (2 to 4) Mbps</b></li></ul>
<ul style="list-style-type: none"><li>• <b>CF PAVILION</b> – Manila Pavilion Hotel, United Nations Avenue, Ermita, Manila <b>from two to four (2 to 4) Mbps</b></li></ul>
<ul style="list-style-type: none"><li>• <b>CF TAGAYTAY</b> – E. Aguinaldo Highway, Tagaytay City <b>from two to four (2 to 4) Mbps</b></li></ul>
<ul style="list-style-type: none"><li>• <b>IMUS COMPLEX</b> – Bayan Luma, Purok 6, Imus, Cavite <b>from two to four (2 to 4) Mbps</b></li></ul>
<ul style="list-style-type: none"><li>• <b>RONQUILLO ARCADE</b> – Gold City Square Building, Ronquillo St., Sta. Cruz, Manila <b>from one to two (1 to 2) Mbps</b></li></ul>
<ul style="list-style-type: none"><li>• <b>CITYSTATE</b> – Citystate Tower Hotel, 1315 A. Mabini St., Ermita, Manila <b>from one to two (1 to 2) Mbps</b></li></ul>
<ul style="list-style-type: none"><li>• <b>BACOR</b> – Malumot, Aguinaldo Highway, Bacoor, Cavite <b>from one to two (1 to 2) Mbps</b></li></ul>
<ul style="list-style-type: none"><li>• <b>CARMONA</b> – Governor's Drive, Barangay Lantic, Carmona, Bacoor, Cavite <b>from one to two (1 to 2) Mbps</b></li></ul>
<ul style="list-style-type: none"><li>• <b>NETWORLD</b> – Networld Hotel, Jipang Building, Roxas Boulevard cor. Buendia, Pasay <b>from one to two (1 to 2) Mbps</b></li></ul>

**Additional Technical Requirements:**

IPVPN Solution should be able to support CE to CE IPsec and Qos of **PAGCOR**.

**ARTICLE II  
CONTRACT AMOUNT**

For and in consideration of the **CONTRACTOR's** services, **PAGCOR** agrees to pay the contract price in the total amount of **Two Million Seven Hundred Twenty-One Thousand One Hundred Twenty Pesos (PhP 2,721,120.00)**, VAT Exclusive, Zero-Rated Transaction.

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 price herein agreed shall not be subject to any increase or upward adjustment for any reason or cause whatsoever.

**ARTICLE III  
SCHEDULE OF PAYMENT**

The **CONTRACTOR** shall submit to **PAGCOR** a monthly billing statement. **PAGCOR** shall pay the **CONTRACTOR** a monthly service fee in the amount of **Two Hundred Twenty-Six Thousand Seven Hundred Sixty Pesos (PhP 226,760.00)**, VAT Exclusive, Zero-Rated Transaction within thirty (30) calendar days from receipt of the monthly billing statement with breakdown as follows:

	Sites	Bandwidth	Monthly Recurring Cost (MRC)
1	PAGCOR House	50 to 100 Mbps	PhP 16,010.00
2	Airport Casino Filipino	2 to 4 Mbps	PhP 12,500.00
3	Casino Filipino Angeles	2 to 4 Mbps	PhP 12,500.00
4	Casino Filipino Bacolod	2 to 4 Mbps	PhP 12,500.00
5	Casino Filipino Cebu	2 to 4 Mbps	PhP 12,500.00
6	Casino Filipino Davao	2 to 4 Mbps	PhP 12,500.00
7	Casino Filipino Heritage	2 to 4 Mbps	PhP 12,500.00
8	Casino Filipino Hyatt	10 Mbps	PhP 0.00
9	Casino Filipino Laoag	2 to 4 Mbps	PhP 12,500.00
10	Mactan	2 to 4 Mbps	PhP 12,500.00
11	Casino Filipino Mimosa	2 to 4 Mbps	PhP 12,500.00
12	Casino Filipino Olongapo	2 to 4 Mbps	PhP 12,500.00
13	Casino Filipino Pavilion	2 to 4 Mbps	PhP 12,500.00
14	Casino Filipino Tagaytay	2 to 4 Mbps	PhP 12,500.00
15	Imus Complex	2 to 4 Mbps	PhP 12,500.00
16	Ronquillo Arcade	2 Mbps	PhP 9,650.00
17	Citystate	1 to 2 Mbps	PhP 9,650.00
18	Bacoor	1 to 2 Mbps	PhP 9,650.00
19	Carmona	1 to 2 Mbps	PhP 9,650.00
20	Networld	1 to 2 Mbps	PhP 9,650.00
	<b>Total Monthly Recurring Cost</b>		PhP 226,760.00
	<b>Total Annual Cost</b>		PhP 2,721,120.00

*[Signature]*  
M. PANA  
Witness for Contractor

*[Signature]*  
GRACE J. CASTILLO

*[Signature]*  
Witness for PAGCOR

JORGE V. SARMIENTO

*[Handwritten mark]*

**ARTICLE IV  
CONTRACT TIME**

Unless otherwise earlier terminated, this Contract shall be for a period of one (1) year, commencing from the effectivity date stated in the Notice to Proceed. During said period, **PAGCOR** may terminate the Contract with or without cause, without need of judicial intervention, upon thirty (30) days written notice to the **CONTRACTOR**.

**ARTICLE V  
WARRANTIES AND RESPONSIBILITIES**

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

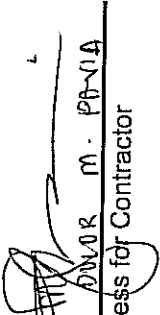
1. It is an entity duly organized, validly existing, and in good standing under the laws of the Republic of the Philippines, and it has the requisite power and authority to enter into and perform its obligations under this Contract.
2. There are no actions, suits or proceedings pending or, to the best 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 services to be supplied to **PAGCOR** 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 been commercially operating an MPLS network and delivering true IPVPN for at least five (5) years. A certification that the **CONTRACTOR** has been commercially operating and MPLS network and delivering true IPVPN for at least five (5) years should be duly attached to the implementation plan hereunder.
5. The **CONTRACTOR** will fully defend, protect, indemnify, and hold **PAGCOR** harmless from any and all adverse claims that may be made by any party for the use of the connectivity services.

The **CONTRACTOR** further undertakes the following responsibilities:

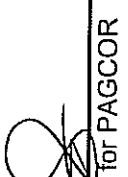
1. The **CONTRACTOR** shall make the services available twenty four (24) hours daily, seven (7) days a week.
2. The **CONTRACTOR** must be able to deploy copper or fiber optic cable last mile access.
3. The **CONTRACTOR** must be able to deliver high bandwidth host MPLS connectivity (via Fast Ethernet handoff) and seamlessly interconnect it with other remote sites.
4. The **CONTRACTOR** should own the core network running over its own nationwide fiber-optic backbone network. Fiber network diversity should be available.

**PAGCOR** agrees to provide the following to the **CONTRACTOR**:

1. Endorsement or certification allowing the **CONTRACTOR** personnel to conduct site survey or installation at each **PAGCOR** site;
2. Necessary access to the building premises, as well as service entrance conduits and in-house wiring if such are not readily available;
3. Required power supply including UPS or AVR units to ensure continuous link operations; and

  
EVELYN DVOR M. PAVIA  
Witness for Contractor

  
CECILIA GRACE J. CASTILLO

  
Witness for PAGCOR

  
JORGE V. SARMIENTO

4. Interface cables to **PAGCOR**-owned Customer Premise Equipment (CPE).

**ARTICLE VI**  
**GROUND FOR TERMINATION**

Subject to due process, the occurrence of any of the following events shall give **PAGCOR** cause to terminate this Contract:

- 1) Unavailability of 24-hour support hotline;
- 2) Failure to respond to reported trouble within two (2) hours;
- 3) Monthly service availability is less than 99.80%;
- 4) Failure to provide service availability within twenty four (24) hours in case of downtime;
- 5) Failure to provide service unit/s within two (2) hours in case of equipment breakdown/failure;
- 6) Failure to access information/reports about the operational status of any part of the service that could affect the service received by **PAGCOR**;
- 7) Failure to report major failure or some important change in the operational status of the service;

Upon termination of the Contract based on any of the above grounds, **PAGCOR** shall have the option to take over and negotiate the contract with another carrier/provider, subject to Section 53 (c) of Republic Act No. 9184, its Revised Implementing Rules and Regulations, and other applicable government procurement laws on take-over of contracts.

**ARTICLE VII**  
**DOWNGRADE CHARGE**

If a service downgrade is requested within the term of this Contract, **PAGCOR** shall pay **CONTRACTOR** a penalty charge equivalent to one hundred percent (100%) of the difference between the MRC of the existing and downgraded service multiplied by the unexpired portion of the applicable term.

$$P = 100\% (M_E - M_D) \times U$$

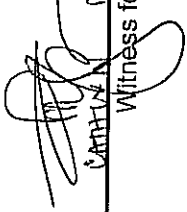
Where: P – penalty charge  
M<sub>E</sub> – MRC of existing Service  
M<sub>D</sub> – MRC of downgraded Service  
U – unexpired portion in number of months

**ARTICLE VIII**  
**CANCELLATION CHARGE**

In case of cancellation of order:

- a. When installation works have been started before turnover of the Service, **PAGCOR** shall pay the installation fee quoted or the actual charges incurred during the installation, whichever is higher.
- b. If Service has been turned over but not formally accepted, **PAGCOR** shall pay the cancellation charges consisting of the following:
  - Installation fee quoted or actual expenses incurred (whichever is higher),
  - One month's bill of the Service,
  - Dismantling charges equivalent to the installation fee.

If installation fee is waived, actual expenses shall apply.

  
MARIA M. PAVIA  
Witness for Contractor

  
CECILIA GRACE J. CASTILLO

  
Witness for PAGCOR

  
JORGE V. SARMIENTO

**ARTICLE VIX  
BY-PASS CLAUSE**

**PAGCOR** shall use the **CONTRACTOR's** facilities and/or services provided only for the purpose herein stated and shall not use the same to conduct any service such as callback, unauthorized audiotex, International Simple Resale (ISR), and other analogous services which are prohibited in the Philippines, or which operation or service constitutes a bypass defrauding **CONTRACTOR** and/or its interconnect partners of the rightful access/termination charges due them.

In the event that **PAGCOR** uses the **CONTRACTOR's** facilities and service for any illegal or unauthorized services including but not limited to those enumerated above, **PAGCOR** shall immediately compensate **CONTRACTOR** an amount equivalent to the rightful access or termination charge prevailing at the time the bypass was committed for the type of traffic passed via the bypass service or practice committed by **PAGCOR** to the applicable Philippine network (including without limitation, a **CONTRACTOR** network, or the network of any other carrier with whom **CONTRACTOR** has an interconnect agreement, whether mobile or landline) plus fifty percent (50%) of such access or termination charge (the "Bypass Compensation").

Such Bypass Compensation shall be payable, without limitation, from the time the bypass activity was conducted by **PAGCOR** until complete payment thereof by **PAGCOR**, and such Bypass Compensation shall be computed from the time the bypass occurred until the actual cessation of bypass. **CONTRACTOR** shall likewise pass on, and **PAGCOR** agrees to accept and immediately pay, all other claims and damages demanded by any of **CONTRACTOR's** interconnect partners who may have been affected, directly or indirectly, by the unauthorized service. This shall not be subject to any limitation of liability provided in this Contract.

**ARTICLE X  
ACCEPTANCE PROVISION**

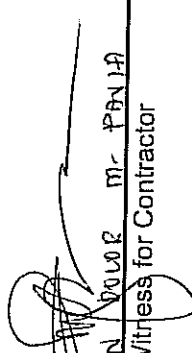
Billing of **PAGCOR** by **CONTRACTOR** for the services rendered shall commence upon **PAGCOR's** acceptance.

**PAGCOR** shall deliver its written acceptance of the services to **CONTRACTOR** within seven (7) days from the date of **CONTRACTOR's** turnover of the service to **PAGCOR**, for acceptance. **PAGCOR** should send a written notice within the seven-day period if it accepts or rejects the services. If, however, **PAGCOR** fails or refuses to either accept or reject the services within the seven-day period, **PAGCOR** shall be considered conclusively to have accepted the said services as of the end of the seven-day period. In such case, the service commencement date shall start on the very first day from and after the lapse of the above period.


Any **PAGCOR** provided equipment and/or facilities not installed, operational or otherwise available for use shall not be a sufficient ground for **PAGCOR** not to accept the services.

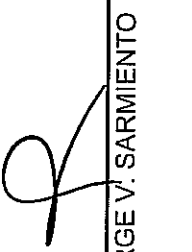
**ARTICLE XI  
PERFORMANCE SECURITY**

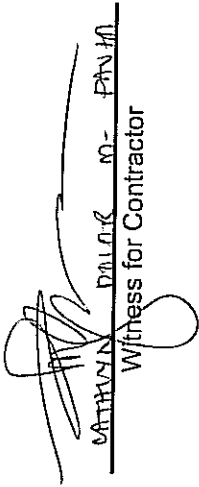
To guarantee the faithful performance of the **CONTRACTOR** of its obligations, it shall post a Performance Security prior to the signing of the contract, in accordance with any of the following schedule:

  
CATHRYN DOUR m- PDA  
Witness for Contractor

  
CECILIA CASTILLO

  
Witness for PAGCOR

  
JORGE V. SARMIENTO

  
 MATTHEW DALLOS  
 Witness for Contractor

Form of Security	Amount in Percentage of Total Contract Price
Cash, cashier's/manager's check, bank draft/guarantee issued by a Universal or Commercial Bank.	Five Percent (5%) (PhP 51,300.00)
Bank draft/guarantee or irrevocable letter of credit issued by a Universal or Commercial Bank, Provided that if issued by a foreign Bank it shall be confirmed by a Universal or Commercial Bank	
Surety Bond (which is acceptable to PAGCOR) callable upon demand issued by a surety or insurance company duly certified by the Insurance Commission as authorized to issue such security.	Thirty Percent (30%) (PhP 307,800.00)
Any combination of the foregoing.	Proportionate to share of form with respect to total amount of security

The Performance Security shall guarantee the full and complete supply, delivery, installation, testing and commissioning of the services under Article I and the full compliance with its warranties and responsibilities under Article V.

The Performance Security shall remain valid until issuance of the final Certificate of Acceptance. The same may be released only after the issuance of the Certificate of Acceptance of the services, provided that there are no claims filed against the surety company of the **CONTRACTOR**.

**ARTICLE XII  
 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, a tax clearance from the Bureau of Internal Revenue as well as a copy of its income and business tax returns duly stamped and received and duly validated with the tax payments made thereon.


**ARTICLE XIII  
 CONFIDENTIALITY / NON-DISCLOSURE CLAUSE**

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 of information made by its officers, employees, agents, and other persons acting on the **CONTRACTOR'S** behalf.

**ARTICLE XIV  
 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.

  
 CECILIA GRACE J. CASTILLO  
 Witness for PAGCOR

  
 JORGE V. SARMIENTO  
 Witness for PAGCOR

In case **PAGCOR** and **CONTRACTOR** fail to amicably settle their differences or disputes, the parties hereby agree that courts of the City of Manila shall be the exclusive venue of any action or suit between them. This exclusive venue provision shall also apply 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.

In the event that a dispute arises with respect to this Contract, the party prevailing in such dispute shall be entitled to recover all expenses, including, without limitation, reasonable attorneys' fees and expenses incurred in ascertaining such party's rights or in preparing to enforce, or in enforcing, such party's rights under this Contract, whether or not it was necessary for such party to institute suit.

**ARTICLE XV  
DAMAGES FOR DELAY**

The **CONTRACTOR** shall complete the performance of the services within the time prescribed in Article IV hereof. Should **CONTRACTOR** incur delay in its performance, **CONTRACTOR** shall pay a penalty of one-tenth of one percent (1/10 of 1%) of the total cost of the undelivered services 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.

In case **CONTRACTOR** still fails to deliver the services after the lapse of thirty (30) days from the supposed date of delivery as provided for by **PAGCOR**, in addition to the forfeiture of the Performance Security and the penalties agreed upon, **PAGCOR** shall have the option to terminate the Contract.

**ARTICLE XVI  
FORCE MAJEURE**

The **CONTRACTOR** is responsible for the services provided in Article I hereof. In the event that such project cannot be completed within the prescribed period because of fortuitous event and/or force majeure, as defined by prevailing laws and such other causes not attributable to the **CONTRACTOR**, **PAGCOR** shall have no cause for action against the **CONTRACTOR** and shall pay the value of the item already delivered and accepted.

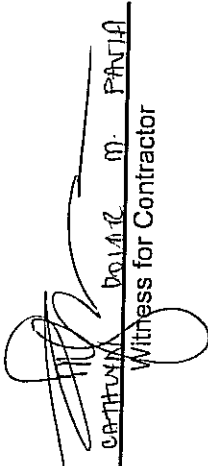
Without limiting the applicability of prevailing laws, an event shall not be considered fortuitous event unless it presents all of the following characteristics:

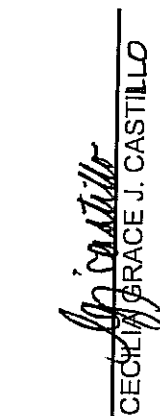
- A. The event must be independent of the **CONTRACTOR**'s or its employee's will;
- B. The event could not be foreseen, or if it could be foreseen, it must have been impossible to avoid;
- C. The event must be of such character as to render it impossible for the **CONTRACTOR** to comply with its obligation in a normal manner. Mere difficulty in the performance shall not excuse the **CONTRACTOR**; and
- D. The **CONTRACTOR** or its employees must be free from any participation in the aggravation of the injury to **PAGCOR**.

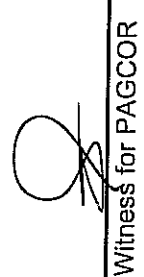
**ARTICLE XVII  
DEFAULTS**

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 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 XIII hereof prior to judicial action.

  
WITNESS  
DOLAN M. PANLA  
Witness for Contractor

  
CECILIA GRACE J. CASTILLO

  
Witness for PAGCOR

  
JORGE V. SARMIENTO



**ARTICLE XVIII**  
**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 service 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 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 XIX**  
**MISCELLANEOUS PROVISIONS**

In the event that facts and circumstances arise or are discovered which render this Contract disadvantageous to the Government, the parties agree to 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 the other party.

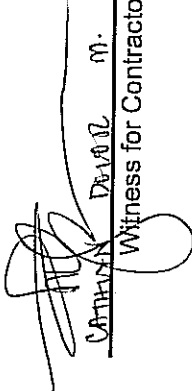
Any and all notices to be given pursuant to, or under this Contract, shall be sent to the party to whom the notice is addressed at the address of the party indicated in this Contract.

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.

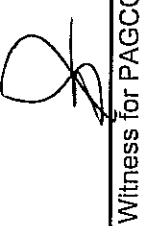
The parties agree to abide by these terms and conditions in good faith.

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.

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.

  
CATHERINE DEVAOL M. PINA  
Witness for Contractor

  
CECILIA GRACE J. CASTILLO

  
Witness for PAGCOR

  
JORGE V. SARMIENTO

IN WITNESS WHEREOF, the parties hereto have signed these presents on this \_\_\_\_\_ day of \_\_\_\_\_, 2012 at the City of Manila, Philippines.


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

**INNOVE COMMUNICATIONS,  
INCORPORATED**  
TIN: 000-360-196-000


Represented by:

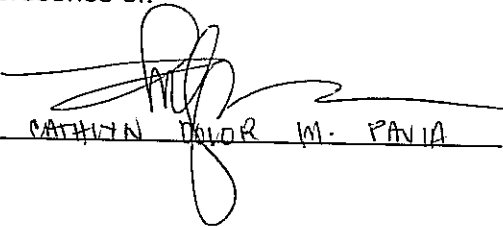
Represented by:

  
**JORGE V. SARMIENTO**  
President and Chief Operating Officer  
TIN No. 122841833

  
**CECILIA GRACE J. CASTILLO**  
Head-Enterprise Segment Group,  
Business Customer Facing Unit  
TIN No.

Signed in the presence of:

  
NORBERTO L. OBLAS

  
CATHLYN DALOR M. PANIA

ACKNOWLEDGMENT

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

BEFORE ME, a Notary Public for and in the City of Manila, on this  
FEB 01 2013, 2012, personally appeared the following with his Government ID, to  
wit:

NAME

Government ID No.


**JORGE V. SARMIENTO**

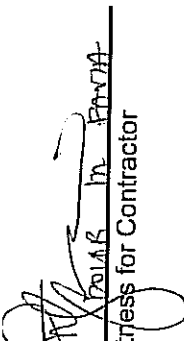
Philippine Passport No.:  
EB 1763201  
(Expiry date: 19 January 2016)


known to me to be the same person who executed the foregoing Service Contract consisting of thirteen (13) pages, and who acknowledged to me that the same is his own free and voluntary act and deed as well as the 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. 6  
Page No. 3  
Book No. I  
Series of 2013

  
ATTY. GLENN CAESAR T. DE GUZMAN, JR.  
NOTARY PUBLIC  
6TH FLR. HYATT HOTEL & CASINO  
M.H. DEL PILAR ST., MALATE, MANILA  
APPT. NO. 2013-025, UNTIL DEC. 31, 2014  
ROLL NO. 55385, IBP LIFETIME NO. 08437  
RSM CHAPTER  
PTR NO. 1404911/01-08-13/MANILA

  
CECELIA GRACE J. CASTILLO  
Witness for Contractor

  
CECELIA GRACE J. CASTILLO  
Witness for PAGCOR

  
JORGE V. SARMIENTO

ACKNOWLEDGMENT

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

BEFORE ME, a Notary Public for and in the City of Manila, on this \_\_\_\_\_, 2012, personally appeared the following with his Government ID, to wit:

*[Signature]*  
DANLOR M. PAVIA  
Witness for Contractor

NAME  
CECILIA GRACE J. CASTILLO

Government ID No.  
PASSPORT ID XX 4632160  
(EXPIRATION DATE : SEPT. 22, 2014)

known to me to be the same person who executed the foregoing Service Contract consisting of thirteen (13) 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. 91  
Page No. 20  
Book No. LX  
Series of 2012.

*[Signature]*  
ATTY. GERVAZIO B. ORTIZ JR.  
Until December 31, 2012  
Notary Public City of Makati  
IBP NO. 656155-Lifetime Member  
MCLE Compliance No. IH-0014282  
Appointment No. M-149-(2012-2012)  
PTR No. 3173160 Jan. 2, 2012  
Makati City, Roll No. 40091  
101 Urban Ave., Brgy. Pio del Pilar, Makati City

*[Signature]*  
CECILIA GRACE J. CASTILLO  
  
*[Signature]*  
Witness for PAGCOR  
  
*[Signature]*  
JORGE V. SARMIENTO