

**SERVICE CONTRACT**

This SERVICE CONTRACT ("Contract") is entered into 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 PAGCOR Executive Office, Hyatt Hotel and Casino Manila, M.H. Del Pilar cor. Pedro Gil Sts., Malate, Manila, represented by its President and Chief Operating Officer, **JORGE V. SARMIENTO**, hereinafter referred to as "**PAGCOR**";

- and -

**LIVE ARTISTS PRODUCTION, INC.**, a corporation duly organized and existing under the laws of the Republic of the Philippines, with office address at 4071 R. Magsaysay Boulevard Sta. Mesa, Manila represented by its President, **MA. PURITA D. RAPINAN**, hereinafter referred to as the "**CONTRACTOR**".

Collectively referred to as the "Parties"

**WITNESSETH: THAT -**

**WHEREAS**, PAGCOR requires the procurement of "**Services of Two (2) Celebrity Hosts & One (1) Celebrity Performer for the National Cash or Car Raffle Promo (NCCRP) 3 Grand Draw**" under ITB No. 11-01-2013 ("Services");

**WHEREAS**, considering that all the requisites were met, **PAGCOR**, resolved to directly contract with the **CONTRACTOR** pursuant to Section 50 of the Revised Implementing Rules and Regulations (IRR) of Republic Act (R.A.) No. 9184;

**WHEREAS**, the **CONTRACTOR** has submitted the Single Calculated Responsive Quotation to undertake the supply and delivery of said Services;

**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 provide the Services according to the following technical specifications:

<b>TECHNICAL SPECIFICATIONS/SCOPE OF WORK</b>
<b>THEME:</b> 1. "MONITO MONITA, PANALO!"

CELEBRITY HOST:

MR. CALVIN MILLADO & MS. JENNIFER LEE

PERFORMANCE DURATION:

"MONITO MONITA, PANALO!" – 120 minutes

DATE & TIME OF PERFORMANCE :

DECEMBER 17, 2013 at 8:00 PM

VENUE :

PAGCOR GRAND THEATER, PIRC Building, Ninoy Aquino Ave., Paranaque City

THEME:

2. "MACHO GWAPITA NIGHT!"

CELEBRITY PERFORMER:

MR. RICO PUNO & LIVE BAND

SPECIAL GUEST:

MS. KATYA SANTOS

PERFORMANCE DURATION:

"MACHO GWAPITA NIGHT!" – 60 to 90 minutes

DATE & TIME OF PERFORMANCE :

DECEMBER 17, 2013 at 10:00 PM

VENUE :

PAGCOR GRAND THEATER, PIRC Building, Ninoy Aquino Ave., Paranaque City

**ADDITIONAL TERMS AND CONDITIONS:**

1) Musical and Production Requirement:

Musical arrangement and/or cd materials shall be provided by the supplier

2) Quotation shall include all costs for the following:

- Land transportation and F&B

- Hotel Accommodation
- Talent fees of the celebrity hosts and celebrity performers

3) The Venue with basic technical equipment shall be provided by PAGCOR.

4) The artists/entertainers, branch assignments and date of performances shall not be replaced by the CONTRACTOR without express written consent from PAGCOR.

If, for any cause, any or all of artist(s)/entertainer(s)/performer(s) shall become indisposed on the day of the show, the CONTRACTOR shall promptly retain the services of back-up artist(s)/entertainer(s)/performer(s) of the same caliber, who shall perform in lieu of the original artist(s)/entertainer(s)/performer(s), subject to the approval of PAGCOR.

The CONTRACTOR shall inform PAGCOR beforehand of any cancellation or non-performance.

5) The CONTRACTOR guarantees that its artist(s)/entertainer(s)/performer(s) shall perform to the best of their ability and in the manner expected of professionals and shall strictly follow the house rules and regulations set by PAGCOR.

The CONTRACTOR shall ensure that artist(s)/entertainer(s)/performer(s) is/are of legal age. Otherwise, the CONTRACTOR shall secure the written consent of the parent(s)/guardian(s) of minor artist(s)/entertainer(s)/performer(s).

6) The CONTRACTOR, its artist(s)/entertainer(s)/performer(s) employee(s) and agent(s) shall adhere to the dress code to be imposed by PAGCOR.

7) As much as possible, the CONTRACTOR's Services shall render and provide clean, decent and wholesome entertainment of the highest class and best taste and shall be conducted in a proper, dignified, courteous and professional manner.

PAGCOR reserves the right to prohibit and disallow any performance or number which it finds to be lewd, indecent, filthy, obscene, grossly immoral, offensive, libelous, malicious, violent or contrary to the generally accepted standard of morality.

PAGCOR likewise reserves the right to prohibit any performance, number, equipment, pyrotechnic, music, lights, smoke or other effects which may endanger the venue or the people therein or expose them to undue risks, harm, injury or damage.

The CONTRACTOR shall undertake to deliver the Services in strict conformity with the agreed specifications. In the event the CONTRACTOR fails to comply with any aspect of the approved final concept, storyboard, script and items as described in the Contract, PAGCOR may implement necessary changes or adjustments in order to achieve the desired results.

**ARTICLE II**  
**NO EMPLOYER-EMPLOYEE RELATIONSHIP**

There shall be no employer-employee relationship between **PAGCOR** and the artist(s)/entertainer(s)/performer(s) and employees of the **CONTRACTOR**. The **CONTRACTOR** shall have the entire charge, control and supervision of the performance of the Services herein agreed upon. Any damage, accident, injury, or sickness of any kind, or death that may occur to any artist(s)/entertainer(s)/performer(s) or employee of the **CONTRACTOR** during the time and consequent to the performance of the Services under this Contract shall likewise be the **CONTRACTOR's** responsibility.

The **CONTRACTOR** further binds itself to hold **PAGCOR** free and harmless from any claim on account of the aforementioned injury or damage.

**ARTICLE III**  
**CONTRACT TIME**

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This Contract shall commence on the effectivity date provided in the Notice to Proceed. Within this period, **PAGCOR** may terminate this Contract with or without cause, without incurring any liability whatsoever, such as, but not limited to, the payment of any unpaid and unperformed Service(s), without need for judicial intervention, upon thirty (30) days written notice to the **CONTRACTOR**.

**ARTICLE IV**  
**DAMAGES FOR DELAY**

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The **CONTRACTOR** shall complete/deliver the Services within the time prescribed in this Contract. Should **CONTRACTOR** incur delay in its performance, the **CONTRACTOR** shall pay a penalty of one-tenth of one percent (1/10 of 1%) of the total cost of the unperformed portion 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.

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In case **CONTRACTOR** still fails to deliver the item after the lapse of thirty (30) calendar days from the stipulated date of delivery, in addition to the penalties agreed upon, **PAGCOR** shall have the option to terminate the Contract

**ARTICLE V**  
**CONTRACT PRICE**

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The Contract Price for the Services shall be in the total amount of **ONE MILLION FOURHUNDREDTHOUSANDPESOS (PhP 1,400,000.00), VAT Exclusive, Zero-Rated Transaction.**

THEME/PROGRAM	COST PER ARTISTS/PROGRAM
	<i>ppmida</i>

<b>1. "MONITO MONITA, PANALO!"</b> MR. CALVIN MILLADO & MS. JENNIFER LEE	PhP 405,172.41
<b>2. "MACHO GWAPITA NIGHT!"</b> MR. RICO PUNO & LIVE BAND SPECIAL GUEST: MS. KATYA SANTOS	PhP 994,827.59

Both parties agree that the Contract Price stated herein includes all applicable taxes, fees licenses, permits and charges required by the Philippine Government. The **CONTRACTOR** holds **PAGCOR** free from liability for any or all taxes, fees, licenses, permits and charges arising out of this Contract.

The price herein agreed shall not be subject to any increase or upward adjustment for any reason or cause whatsoever for the duration of the Contract.

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 the **CONTRACTOR**.

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**ARTICLE VI**  
**SCHEDULE OF PAYMENT**

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Payment of the Contract Price of **ONE MILLION FOUR HUNDRED THOUSAND PESOS (PhP 1,400,000.00), VAT-Exclusive, Zero-Rated Transaction**, shall be made after the delivery and acceptance of the Services according to the schedule stated in this Contract.

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**ARTICLE VII**  
**WARRANTIES AND RESPONSIBILITIES**

The **CONTRACTOR** hereby warrants that:

1. There are no actions, suits or proceedings pending or, to the best of its knowledge, threatened, which may have any adverse material effects on its ability to fulfill its obligations under this Contract or on its operations, business, properties, assets or business condition.
2. The **CONTRACTOR** further warrants that it is fully authorized to render the Services and has secured all the necessary government licenses and permits to allow it to render 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 rendering the said Services.
3. The **CONTRACTOR** shall fully defend, protect, indemnify, and shall hold **PAGCOR** harmless from any and all adverse claims that may be made by any party by reason of the Contract.

*J*

*J*

**ARTICLE VIII**

**PERFORMANCE SECURITY**

To guarantee the faithful performance of the **CONTRACTOR** of all of its obligations under this Contract, **PAGCOR** shall deduct five percent (5%) retention

money from the service fee per cost, per artists and program not to exceed the total amount of **Seventy Thousand Pesos (PHP 70,000.00)**<sup>1</sup> as Performance Security.

The Performance Security shall be retained by **PAGCOR**, without interest, during the pendency of this Contract and any extension thereof. The Performance Security shall only be released after the termination of this Contract and/or the issuance by **PAGCOR** of the final Certificate of Acceptance and after deducting any and all claims that **PAGCOR** may have against the **CONTRACTOR**.

The **CONTRACTOR** shall cause the extension of the validity of the Performance Security to cover approved contract time extensions.

The Performance Security shall guarantee the complete and satisfactory performance of the agreed upon Services, the delivery of the items enumerated in Article I, and the full compliance of its warranties under Article VII.

## ARTICLE IX

### INTELLECTUAL PROPERTY

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All new materials, compilations, data and information produced hereunder, from the inception of the Contract until its final completion, including all other reproductions made therefrom, together with the performances embodied therein and all copyrights therein and thereto, and all renewals and extensions thereof shall entirely be the property of **PAGCOR**, free from any claims whatsoever by the **CONTRACTOR**, its employees or any other person.

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The **CONTRACTOR** shall be responsible for securing the necessary licenses, permits or authorization from the owners of the copyright of the songs or pieces to be performed in accordance with the relevant and applicable statutes as well as provisions of other laws, ordinances and decrees and hereby holds **PAGCOR** free and harmless from whatever liability or damage suits that may be filed against the latter for violation of said laws and ordinances as well as suits or claims by third parties.

## ARTICLE X

### CLAIMS AND DISPUTES

*R*  
All claims and disputes relating to or arising out of this Contract shall be settled amicably by the parties before resorting to any judicial action.

*D*  
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 XI

### INDEMNIFICATION

The **CONTRACTOR** shall indemnify and shall hold **PAGCOR**, its directors, employees, guests, agents corporate affiliates free and harmless against any and all liability to third parties arising from this Service Contract 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 services.

<sup>1</sup> The total amount of the Performance Security shall be equal to five percent (5%) of the total amount of the service fee.

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

The **CONTRACTOR** assumes all liability due to its 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 XII**  
**CONFIDENTIALITY/NON-DISCLOSURE**

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 unauthorized disclosures made by its artist(s)/entertainer(s)/performer(s), officers, employees, agents and other persons acting on the **CONTRACTOR's** behalf.

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The obligations stated in this Confidentiality Clause shall also apply to confidential information negligently, unintentionally or inadvertently disclosed by **PAGCOR** (its officers, employees, agents, and any other persons acting on its behalf) and to disclosures made by a **PAGCOR** officer, employee, agent, and other persons ordinarily acting on its behalf, in breach of his/her obligation or duty to **PAGCOR**.

**ARTICLE XIII**  
**MISCELLANEOUS PROVISIONS**

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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.

*[Signature]*

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.

*[Signature]*

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 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.

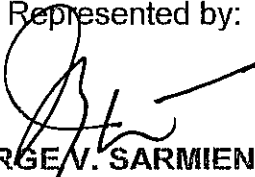
This Contract may be executed in any number of counterparts, each of which when so executed and delivered shall be considered as an original and all together shall constitute one Contract.

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

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

**LIVE ARTISTS PRODUCTION, INC.**  
TIN: 241-538-848-000

Represented by:



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

Represented by:



**MA PURITA D. RAPINAN**  
President  
TIN No. 203-520-973-000

Signed in the presence of:



NORBERTO L. OMBIAS





**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 DEC 13 2013 day of \_\_\_\_\_, 2013, personally appeared:

NAME

GOVERNMENT ID NO.

JORGE V. SARMIENTO

PASSPORT NO. EB1763201  
Issue Date: January 20, 2011  
Place of Issue: DFA-Manila  
Validity Period: January 19, 2016

*J. Sarmiento*

known to me to be the same persons who executed the foregoing Service Contract consisting of ten (10) pages including this page, 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 represents, he being duly authorized for this purpose.

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

Doc. No.: 333  
Page No.: 68  
Book No.: 111  
Series of 2013

*J*

*[Signature]*

ATTY. GLENN CEASAR 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

ACKNOWLEDGMENT

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

DEC 10 2013

BEFORE ME, a Notary Public for and in the City of CITY OF MANILA, on this \_\_\_\_\_ day of \_\_\_\_\_, 2013, personally appeared:

<b>NAME</b>	<b>GOVERNMENT ID NO.</b>
MA. PURITA D. RAPINAN	PASSPORT NO. EB3168621 Issue Date: July 26, 2011 Place of Issue: DFA-Manila Validity Period: July 25, 2016

known to me to be the same persons who executed the foregoing Service Contract consisting of ten (10) pages including this page, 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 represents, he being duly authorized for this purpose.

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

Doc. No.: 471  
Page No.: 25  
Book No.: XVIII  
Series of 2013

*[Signature]*  
**ATTY. ANTONIO M. SORIANO**  
 Notary Public for Manila  
 Notarial Commission No. 2013-109  
 Until December 31, 2014  
 Rm 409, First United Bldg. Co.  
 Escolta, Manila  
 Roll No. 26047  
 PTR No. 1413383 / MLA. / JAN. 2, 2013  
 IBP Life Member 05097