

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 (PAGCOR), a government-owned and controlled corporation created and existing by virtue of Presidential Decree 1869, as amended, with office address at the PAGCOR Executive Office, Fifth (5th) Floor, New World Manila Bay Hotel, 1588 M.H Del Pilar cor. Pedro Gil Sts. Malate, Manila, represented in this act by its Chairman and Chief Executive Officer, **ANDREA D. DOMINGO**, hereinafter referred to as "**PAGCOR**";

-and-

JESELIA P. REYNON CUSTOM BROKERAGE, a sole proprietorship duly organized and existing under the laws of the Republic of the Philippines, with office address at Rm. 104 The Mercantile Insurance Building, General Luna cor. Beaterio Sts., Intramuros, Manila, represented in this act by its Owner/General Manager, **JESELIA P. REYNON**, hereinafter referred to as the "**CONTRACTOR**".

Each referred to as a "**PARTY**" and collectively as the "**PARTIES**"

The parties warrant that they are duly organized, registered, validly existing and in good standing under the laws of the Republic of the Philippines, and that the parties and their representatives are capable and have the requisite power, authority, permits, clearances and licenses, to enter into this Service Contract and to perform the Services and all of their obligations under this Service Contract.

WITNESSETH: THAT

WHEREAS, PAGCOR has a requirement for the Procurement of Brokerage and Delivery Services for Playing Cards under ITB No. FB19-07-016COR (hereinafter referred to as "**SERVICES**");

WHEREAS, PAGCOR conducted a Negotiated Procurement (Two-Failed Biddings) in accordance with the Republic Act 9184 (Government Procurement Reform Act) and its Revised Implementing Rules and Regulations on August 7, 2019 for the procurement of the Project;

WHEREAS, the **CONTRACTOR** has submitted the Single Calculated Responsive Quotation for the 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 foregoing premises, the PARTIES agree as follows:

ARTICLE I
DESCRIPTION OF WORKS/SERVICES

The CONTRACTOR shall undertake to provide the Services, in accordance with the following technical specifications:

I. Description and Quantity	
Brokerage and Delivery Service:	Processing, release, handling and delivery of Tropicalized Brand New Playing Cards from Port of Manila to PAGCOR Imus Complex
Rates:	Rates are VAT Exclusive, Zero-Rated Transaction
Pick-up point:	Port of Manila (CIF-Manila)
Delivery Address:	PAGCOR Imus Complex 363 Bayan Luma VI, Imus, Cavite, 4103
Delivery Schedule	The Brokerage and Delivery services for 1,596,672 decks of Tropicalized Brand New Playing Cards for PAGCOR use shall commence from receipt by the CONTRACTOR of the Notice to Proceed based on the following schedule: <ul style="list-style-type: none"> • Upon PAGCOR's request • During PAGCOR Corporate Working days and time, Monday to Friday, 9:00 a.m. to 5:00 p.m. • Three (3) deliveries within one (1) year for seven (7) containers
Quantity	Seven (7) containers (1 st delivery: 2 containers, 2 nd delivery: 2 containers, 3 rd delivery: 3 containers)
Delivery Time:	During PAGCOR Corporate working days and time, Monday to Friday from 9am to 5pm.
Frequency:	Three (3) deliveries within one (1) year
Vehicle type:	Low-bed goose neck truck to transport 40 footer container
Details of Cargo/ Shipment	<ol style="list-style-type: none"> 1. A total of seven (7) 40-footer containers containing 1,596,672 decks of playing cards. Total amount of playing cards is US\$1,181,537.28. 2. Point of Origin: Vienna, Austria / Hamburg, Germany. 3. The seven (7) containers of playing cards shall have three (3) separate deliveries. 4. Each container will have an estimated weight from 23,980 kgs. To 24,235 kgs. Estimated number of cartons will be from 1,584 to 1,601 to be contained in 44 pallets. <p>Note: Inclusive of six (6) cartons of Joker Cards and sixty (60) cartons of White Card indicator.</p>

Schedule of delivery will be upon PAGCOR's request.

II. Brokerage Services

Processing of documentary requirements necessary for the release of cargo to PAGCOR as follows:

A. Import Releasing

1. Brokerage Fee
2. Customs Clearance
3. Documentation
4. Processing
5. Handling
6. Examination Fee
7. DOF Processing
8. TEC Processing
9. Trucking

Note: All required documents to be submitted to the Department of Finance (DOF) to facilitate the release of the shipment from the Bureau of Customs (BOC) shall be provided by PAGCOR, through the Logistics Management Department (LMD)

B. Port/Customs Receipted Charges

1. Import Processing Fee
2. Arrastre
3. Wharfage
4. Demurrage (if any)
5. Storage (if any)
6. Forwarding Charges (if any)
7. Shipping Line Charges (if any)

III. Delivery Services

1. Loading of cargo containing playing cards to a low-bed goose neck truck at Port of Manila.
2. Delivery of cargo containing playing cards from Port of Manila to PAGCOR Imus Complex.
3. Unloading of cargo containing playing cards at PAGCOR Imus Complex.

IV. Other Conditions/Requirements

1. All deliveries shall be escorted by PAGCOR representatives.
2. Coordination shall be made among PAGCOR Internal Gaming Operations Department (IGOD), LMD and playing cards CONTRACTOR representatives prior to release of cargo at Customs/Port of Manila.
3. All pertinent shipping documents required to process the exemption from payment of Customs Duties and Taxes shall be coordinated with PAGCOR IGOD and playing cards CONTRACTOR representatives.
4. The CONTRACTOR shall provide PAGCOR with a contact person with contact numbers and e-mail address who shall always be available to answer call regarding request for pick-up/delivery, status of shipment and other matters related to the shipment.

5. The **CONTRACTOR** shall prepare an Incident Report in case of delays, loss or non-arrival of documents. Said report must be submitted to PAGCOR within twenty-four (24) hours.
6. In the event that the **CONTRACTOR** incurred delays in its performance, which resulted to payment of incidental charges, it shall pay for the charges/penalties.
7. The **CONTRACTOR** shall shoulder the repair/restoration cost of any public/private installation/property that may be damaged/destroyed in the course of pick-up/delivery from/to **PAGCOR**.

Any damage/restoration cost as determined by PAGCOR Facilities Management and Engineering Department (FMED) shall be deducted from the payment for the particular service rendered.
8. **PAGCOR** will secure from GSIS a Marine Insurance Coverage (from Port of Manila to PAGCOR Imus Complex) for the items being transported/shipped. A copy of the Request for Insurance Coverage shall be provided to the **CONTRACTOR** for reference

ARTICLE II **CONTRACT TIME**

This Service Contract shall be for a period of one (1) year commencing from the date of receipt by the **CONTRACTOR** of the Notice to Proceed based on the following schedule:

- Upon **PAGCOR**'s request
- During **PAGCOR** Corporate Working days and time, Monday to Friday, 9:00 a.m. to 5:00 p.m.
- Three (3) deliveries within one (1) year for seven (7) containers.

ARTICLE III **CONTRACT AMOUNT**

The Contract Price for the Service shall be in the total amount of Six Hundred Seventy-Four Thousand Four Hundred Ninety-Five Pesos (PhP674,495.00), VAT Exclusive, Zero-Rated Transaction.

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

Both parties agree that the Contract Price stated herein already includes all applicable taxes, fees and charges required by the government.

All additional amounts, claims, and expenses pertaining to clearances, licenses, permits, registrations or renewals thereof, required by **PAGCOR** or the appropriate government entities for the Services to be performed under this Service Contract shall be for the exclusive account of the **CONTRACTOR**.

The **CONTRACTOR** holds **PAGCOR** free from liability for any or all taxes, fees and charges arising out of this Service Contract.

The **CONTRACTOR** holds **PAGCOR** free from liability for any or all taxes, fees and charges arising out of this Service Contract.

The **CONTRACTOR** shall pay its 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 IV **SCHEDULE OF PAYMENT**

The **CONTRACTOR** shall present to **PAGCOR's** Internal Gaming Operations Department of delivery report and service invoice for signature upon completion of every delivery by the **CONTRACTOR**.

The **CONTRACTOR** shall attach the signed delivery service of delivery report and service invoice/s to a billing statement which it shall submit to **PAGCOR** for every delivery.

PAGCOR shall pay the **CONTRACTOR** the delivery service fee of Six Hundred Seventy-Four Thousand Four Hundred Ninety-Five Pesos (PhP674,495.00), VAT Exclusive, Zero-Rated Transaction within thirty (30) calendar days from receipt of the **CONTRACTOR's** delivery billing statement.

ARTICLE V **CONTRACTOR'S WARRANTIES AND RESPONSIBILITIES**

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

1. 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 rendered herein 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 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.
4. The **CONTRACTOR** hereby represents and warrants that it has sufficiently experienced and competent personnel able to perform the Services under this Contract. It is understood that the **CONTRACTOR** shall exercise complete and unequivocal control and supervision over its staff in the performance of their respective functions and duties;
5. The **CONTRACTOR** warrants that it shall protect and exercise due care and proper handling of the properties belonging to or is in the possession of **PAGCOR** during the performance of its Services.
6. The **CONTRACTOR** will defend, protect, indemnify, and hold **PAGCOR** harmless from any and all adverse claims that may be made by any party in connection with the rendition of the Services in Article I herein.

ARTICLE VI
INTELLECTUAL PROPERTY

No intellectual or industrial property rights, whether registered or not, including copyright, trademarks, patents, designs, circuit layouts, confidential information, know-how or inventions, that subsists in the goods subject of this Contract (hereinafter referred to as "Intellectual Property") is conveyed to or vests in PAGCOR or any other person pursuant to this Contract.

PAGCOR cannot modify, adapt, supply, reverse engineer, sub-license, transfer the license or rights under the license in any way or otherwise deal with the Intellectual Property in the requirement.

ARTICLE VII
INDEMNIFICATION

The **CONTRACTOR** will fully defend, protect and hold **PAGCOR**, its guests, corporate affiliates and any director, officer, employee or agent, free and harmless from any and all actions or liabilities arising out of this Service Contract, including, without being limited to, claims for unpaid and back wages, regularization, and other terms and conditions of employment, as well as civil and criminal liabilities that the **CONTRACTOR** and/or **PAGCOR** may incur as a result of, or arising out of, the conduct and/or pursuit of Services and to indemnify **PAGCOR** from and against the costs of defending any action, suit or proceedings, including legal fees or other expenses incurred in relation to any such claims mentioned above.

The **CONTRACTOR** and its personnel shall be jointly and severally liable and shall indemnify and hold **PAGCOR** free and harmless for any death, injury or damage to **PAGCOR** and to third persons, loss, breakage, or destruction of properties, as a consequence of the **CONTRACTOR's** acts or omissions, willful intent or negligence, during the performance of the Services or its obligation under this Service Contract.

The **CONTRACTOR** shall be liable in case of theft, robbery or any loss to **PAGCOR's** premises treated by the **CONTRACTOR**. The **CONTRACTOR** hereby agrees to replace, repair or restitute any loss involving its employees.

ARTICLE VIII
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.

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 IX
DAMAGES FOR DELAY

The **CONTRACTOR** shall complete the performance of the Services within the time prescribed in Article II hereof. Should the **CONTRACTOR** incur delay in the performance of the Services, 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.

In case the **CONTRACTOR** still fails to deliver the Services after the lapse of thirty (30) days from the supposed date of implementation as provided for in Article II, **PAGCOR** shall likewise have the option to terminate the Contract, without prejudice to other courses of action and remedies open to it.

PAGCOR may terminate this Service Contract, with or without cause, without need for judicial intervention, upon thirty (30) calendar days written notice to the **CONTRACTOR**.

ARTICLE X
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 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 XI
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.

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 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 Contract shall be for the exclusive account of the **CONTRACTOR**.

The **CONTRACTOR** shall regularly present, within the duration of the Contract, a tax clearance from the Bureau of Internal Revenue (BIR) as well as a copy of its income and business tax returns duly stamped and received by the BIR and duly validated with the tax payments made thereon.

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

ARTICLE XIII
NO EMPLOYER-EMPLOYEE RELATIONSHIP

There shall be no employer-employee relationship between **PAGCOR** and the 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 employee of the **CONTRACTOR** during the time and consequent to the performance of the work under this Contract shall likewise be the **CONTRACTOR's** responsibility.

The **CONTRACTOR** shall be responsible for all acts and omissions of its agents, personnel and all persons allowed by it to have access to **PAGCOR's** premises, for any injury which may be caused to persons or property while remaining in any part of **PAGCOR's** premises.

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

ARTICLE XIV
PERFORMANCE SECURITY

The **CONTRACTOR** shall post a Performance Security (the "Security") for the benefit of **PAGCOR** as a guarantee for former's compliance with its obligations under this Contract. The Security shall be posted prior to the signing of the Contract, in accordance with any of the following schedule:

Form of Security	Amount in the Required Percentage of the Total Contract Price
Cash, cashier's/manager's check issued by a Universal or Commercial Bank.	Five Percent (5%) Thirty-Three Thousand Seven Hundred Twenty-Four Pesos and 75/100 (PhP33,724.75)
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 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%)
Two Hundred Two Thousand Three
Hundred Forty-Eight Pesos and
50/100 (PhP202,348.50)

The Security shall remain valid until issuance of the final Certificate of Acceptance, provided that there are no claims filed against the Contract awardee or the surety company.

ARTICLE XV
MISCELLANEOUS PROVISIONS

1. In the event that the 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.
2. This Contract, and all the rights and interests herein, may not be assigned or sub-Contracted to another without the consent of the other party.
3. 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.
4. 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.
5. The **PARTIES** agree to abide by these terms and conditions in good faith.
6. 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.
7. 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.
8. This Contract constitutes the entire agreement between the **PARTIES** pertaining to the subject matter contained in it, and supersedes all prior and contemporaneous Contracts, 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** thereto.
9. 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 not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless in writing and signed by the party making the waiver.



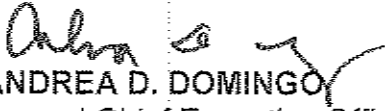
IN WITNESS WHEREOF, the PARTIES hereto have signed these presents on this _____ day of _____, 2019 at the City of Manila, Philippines.


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

JESELIA P. REYNON CUSTOM BROKERAGE
TIN: 130-191-949-000

Represented by:

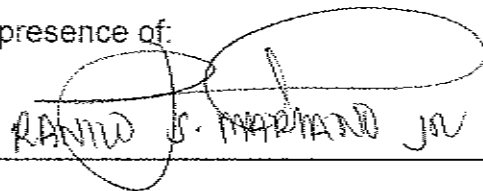
Represented by:


ANDREA D. DOMINGO
Chairman and Chief Executive Officer
TIN No. 118-684-814


JESELIA P. REYNON
Owner/General Manager
TIN: 130-191-949-000

Signed in the presence of:


WITNESS
PHILIPPINE AMUSEMENT AND GAMING CORPORATION


RANILLO S. MARICANO JR

PROCUREMENT
DEPARTMENT
OCT 31 11:23 AM



ACKNOWLEDGEMENT

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

BEFORE ME, this OCT 30 2019 in CITY OF MANILA,
personally appeared the following persons, each of whom exhibited her competent
evidence of identity, to wit:

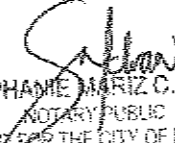
Name	Identification Document Presented	Issue Date
ANDREA D. DOMINGO	PAGCOR ID No. 16-0110	June 30, 2016

and presented to me an integrally complete document / instrument for
acknowledgement. She represented and declared to me that she voluntarily affixed her
signature appearing on the instrument / document for the purposes stated therein and
that she executed the instrument / document as her free and voluntary act and deed
(and if she acted in representative capacity, she has the authority to sign in that
capacity).

The instrument / document referred to is a Service Contract consisting of twelve (12)
pages including the page on which this Acknowledgement is written duly signed by the
parties and their instrumental witnesses.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal on
the date and place first above written.

Doc No. 03
Page No. 02
Book No. III
Series of 2019.


STEPHANIE MARIZ C. KHAN
NOTARY PUBLIC
IN AND FOR THE CITY OF MANILA
6TH FLR, NEW WORLD MANILA BAY HOTEL & CASINO
M.H. DEL PILAR ST. MALATE, MANILA
COMMAND 2016 -- 054 (UNTIL DEC.31, 2019)
ROLL NO. 70318 (BP CHAPTER MANILA IV
MCLE COMPLIANCE) -- UNTIL 2022
MANILA IV - CHAPTER
P.Y. NO. 8040549 (JAN. 14, 2019) MANILA

ACKNOWLEDGMENT

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

BEFORE ME, this OCT 23 2019 in CITY OF MANILA, personally appeared the following persons, each of whom exhibited her competent evidence of identity, to wit:

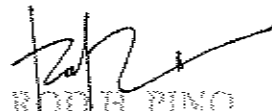
Name	Identification Document Presented	Expiry Date
JESLIA P. REYNON	PRC Professional Identification Card Registration No. 0002169	June 30, 2021

and presented to me an integrally complete document / instrument for acknowledgement. She represented and declared to me that she voluntarily affixed her signature appearing on the instrument / document for the purposes stated therein and that she executed the instrument / document as her and voluntary act and deed (and if she acted in representative capacity, she has the authority to sign in that capacity).

The instrument / document referred to is a Service Contract consisting of twelve (12) pages including the page on which this Acknowledgement is written duly signed by the parties and their instrumental witnesses.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my Notarial Seal on the date and place first above written.

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Page No. 73
Book No. 1
Series of 2019.


ROD H. PINO
 Notary Public for the City of Manila
 Notarial Commission No. 3019-007
 Expires on December 31, 2019
 301 Mercantile Insurance Bldg., Intramuros, Manila
 PTR No. 0073009-01/14/19; City of Manila
 IBT No. 009143-01/13/19; Quezon City
 Roll No. 67965 (15-05-17)



