

SERVICE CONTRACT

This SERVICE 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 Casino Filipino-Cebu, Waterfront Hotel & Casino, Salinas Drive, Lahug, Cebu City**, represented in this act by its General Manager, **RICARDO L. UY**, hereinafter referred to as "PAGCOR";

and

JJI BUILDING APPLICATION TRADING, a sole proprietorship existing under the laws of the Republic of the Philippines, with principal office address **Villarcayo, Carmen, Bohol**, represented in this act by its General Manager, **DULCE L. BORJA**, hereinafter referred to as "CONTRACTOR";

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 any and all their obligations under the contract.

Each of PAGCOR and CONTRACTOR may be referred to herein as a "PARTY" and collectively as "PARTIES"

ANTECEDENTS

WHEREAS, PAGCOR has a requirement for a Two (2) Years Preventive Maintenance Services of the Existing Forty Three (43) Units x 10 KVA UPS of Mactan Satellite Casino under ITB No. SV19-07-032CEB, hereinafter referred to as the "Services";

WHEREAS, considering that all the requisites were met, PAGCOR procured the Services through Public Bidding of the *Revised Implementing Rules and Regulation (IRR) of Republic Act 9184*;

WHEREAS, the CONTRACTOR has submitted the lowest calculated and responsive quotation compliant with the specifications, terms and conditions of PAGCOR 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 mutual covenants and agreement hereunder specified, PAGCOR and the CONTRACTOR hereby enter into this Service Contract, under the following terms conditions and specifications

ARTICLE I
DESCRIPTION OF WORK/SERVICES

The CONTRACTOR shall conduct a schedule condition and performance monitoring on the Forty Three (43) Units x 10 KVA UPS Phoenix Brand, Tower Type, On-Line, Model No. TTN-V 10000 plus, 230V Single Phase, 60hz, located at Mactan Satellite Casino

A. SCOPE OF WORKS:

The quarterly preventive maintenance services provider shall cover the following.

1. Environmental Check/Inspection
 - a. Inspection of surrounding environment and measurement of UPS room temperature
 - b. Connect laptop with UPS Explorer Software if available.
 - c. Download UPS parameters, configuration and history logs if available.
2. Mechanical Check/Inspection
 - a. Tightness of screw, connections, etc.
 - b. Check welded and soldered joints.
 - c. Visual inspection of all UPS parts and components for possible early break down
 - d. Visual inspection of main upstream and downstream circuit breakers
 - e. Cleaning and clearing of dust on all UPS parts.
 - f. Check-up all cooling fans for all bearing noise
3. Check on Battery / Rectifier / Charger
 - a. Check tightness of each individual battery terminal
 - b. Check sign of oxidation at terminals, spillage and casing distortion.
 - c. Cleaning of battery and battery racks from corrosion
 - d. Measurement and recording of battery float voltage.
 - e. Measurement and recording of battery internal resistance.
 - f. Visual check on filter capacitor's bank.
4. Check on Inverter Unit
 - a. Measurement and recording of output voltage, output load current, output power, load power factor, output frequency and wave form
 - b. Compare the readings from the mimic panel, calibrate if necessary.
 - c. Visual check on the capacitor's bank.
5. Preparation of Report
 - a. Preparation and submission of report within three (3) business day from the maintenance.
 - b. Maintain a complete list of reports and intervention to update Slot Machine technicians and others on the history of the customer's unit.
 - c. Scheduled Quarterly Preventive Maintenance check-up shall be rendered during regular business hours, which is from 8:00am to 5:00pm (Monday to Saturday).
 - d. Emergency remedial service shall be provided outside regular working

- hours
- e. On-site intervention within six (6) hours after receipt of emergency service call. Emergency/corrective on-site assistance or call min. of 4 visits per year shall be free of charge.
 - f. Services should be rendered by skilled technicians.
 - g. Telephone support availability.
- B. Contractor to immediately provide qualified technicians/servicemen to service abnormal operations and/or emergency calls reported by PAGCOR.
- C. PAGCOR to shoulder all replacement parts/consumables supplied by the Service Provider after presentation of service reports, replaceable spare parts description and with prior approval of PAGCOR, provided also that the cost of labor and spare parts submitted as reasonable and acceptable. Should PAGCOR opt to purchase replacement parts from other suppliers, such may be installed by the Service Provider at PAGCOR's cost.
- D. Warranty for parts and services shall be three (3) Months from the acceptance of the items/services. However, any warranties, representations and obligations of the Service Provider under this Agreement shall not extend to such replacement parts and materials including batteries supplied by other supplier.
- E. The Service Contract to be undertaken quarterly shall be for a period of two (2) years commencing from the receipt of Notice to Proceed (NTP). Within the said period, PAGCOR may terminate the service contract with or without cause, without need of judicial intervention upon thirty (30) days written notice to the CONTRACTOR.

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 FIVE HUNDRED FIFTY THOUSAND PESOS (PHP 550,000.00), VAT Exclusive, Zero-Rated Transaction.

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

ARTICLE III SCHEDULE OF PAYMENT

PAGCOR shall pay the CONTRACTOR, for every completed service, a service fee in the amount of SIXTY-EIGHT THOUSAND SEVEN HUNDRED FIFTY PESOS (PHP 68,750.00), VAT Exclusive, Zero Rated Transaction, within thirty (30) calendar days from receipt of the CONTRACTOR's billing statement.

ARTICLE IV
CONTRACT TIME

Unless otherwise earlier terminated, this Service Contract shall be for a period of two (2) years, commencing from the receipt of 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. 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 Service Contract or on its operations, business, properties, assets or business condition.
2. 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 and hinder it from supplying the said services.

In addition to the responsibilities of the CONTRACTOR described under Article I, the CONTRACTOR further undertakes to perform the following responsibilities:

1. The CONTRACTOR shall conduct the services on a regular quarterly basis for two (2) years, as determined by PAGCOR, and it shall be performed during ordinary working hours and at times to be mutually agreed upon by the parties herein. The CONTRACTOR shall ensure that the conduct of its work shall not disrupt the operations of PAGCOR.
2. The CONTRACTOR shall pay taxes due to the Philippine Government in full and on time. Failure to do so entitles PAGCOR to suspend payment for any goods delivered or services rendered by the CONTRACTOR under this Service Contract.
3. The CONTRACTOR shall be liable in case of theft, robbery or any loss to PAGCOR caused by the CONTRACTOR's personnel. The CONTRACTOR hereby agrees to replace, repair, restitute any loss caused by its personnel. In this connection, PAGCOR shall forward to the CONTRACTOR the relevant proof/evidence in connection with the theft, robbery, or loss. It is understood that this provision shall not apply in cases where the theft, robbery or loss is found to have been caused by PAGCOR employees.

ARTICLE VI
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 the 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 by the BIR and duly validated with the tax payments made thereon.

ARTICLE VII
INDEMNIFICATION

The CONTRACTOR shall indemnify and shall hold PAGCOR, its directors, officers, employees, agents or guests, corporate affiliates and any of its director, officer, employee or agent thereof (each of the foregoing, shall hereinafter individually be referred as the "Indemnified Party") free and harmless against any and all liability to third parties (other than liability solely the fault of the indemnified party) arising from 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 by PAGCOR of the CONTRACTOR's services.

The CONTRACTOR shall be liable to PAGCOR for any damage to property or injury to or death of persons occasioned by 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 VIII
CLAIMS AND DISPUTE

All claims and disputes relating to or arising out of this Service Contract shall as much as possible, be settled amicably by the parties before resorting to any judicial action. Any and all disputes arising from the implementation of this Service Contract shall be submitted to arbitration in the Philippines according to the provisions of Republic Act 876, otherwise known as the "Arbitration Law" and Republic Act 9285, otherwise known as the "Alternative Dispute Resolution Act of 2004".

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.

In the event that a dispute arises with respect to this Service 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
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 X
DAMAGES FOR DELAY

Should the CONTRACTOR incur delay in the performance of the Services, the CONTRACTOR shall pay a penalty of one-tenth of one (1/10 of 1%) of the cost of the undelivered/unperformed portion of the Services for each day of delay, including Sundays and Holidays. The maximum deduction shall be ten percent (10%) of the Contract price of the Service Contract. Once the cumulative amount of liquidated damages reaches ten percent (10%) of the Contract Price, 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 fifteen (15) days from the supposed date of implementation, PAGCOR shall have the option to terminate the contract.

ARTICLE XI
DEFAULTS

In the event that any of the parties fail to comply in good faith with their undertakings, as set forth in this Service Contract, within the periods provided herein, the non-defaulting parties shall be released from their obligations under this Service 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 prior to judicial action.

ARTICLE XII
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 herein. Any accident, injury or sickness of any kind, or death that may occur to any of the CONTRACTOR's employees or agents during the time and consequent to the performance of the services under this Contract shall 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 XIII
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. No terms or conditions of this Contract shall be deemed waived and no breach or default excused unless such waiver or excuse shall be in writing and signed by the party affected.
3. This Contract, and all the rights and interests herein, may not be assigned or sub-contracted to another without prior consent of the other party.
4. 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.
5. If any provision hereof is prohibited or made unenforceable under any applicable law of by a competent court or authority, the same shall not affect any other provision of this Contract, which are otherwise valid and enforceable.
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 of each party, 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/or contemporaneous agreements, representations, warranties and understandings of the parties.
9. No supplement, variation or amendment of this Contract shall be binding unless executed by the Parties in writing.

IN WITNESS WHEREOF, the parties hereto have signed these presents on this 05 SEP 2019 day of SEP 2019, 2019 at the City of Cebu, Philippines

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

Represented by

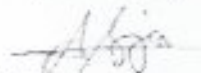


RICARDO L. UY
General Manager
TIN No. 102-028-683-000

**JJI BUILDING APPLICATION
TRADING**

TIN: 440-961-337-000

Represented by

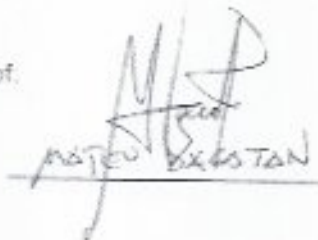


DULCE L. BORJA
General Manager
TIN: 440-961-337

Signed in the presence of



DENNIS V. VICHARA



ASTOR EXISTAN



BNSC Chairman/Chairman



ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
CITY OF **CEBU CITY**) S.S.

BEFORE **25 SEP 2019** in **CEBU CITY** personally appeared the following persons, each of whom exhibited his/her competent evidence of identity, to wit:

NAME	GOVERNMENT ID NO.
RICARDO L. UY	PAG-IBIG LOYALTY CARD MID NO. 1040-0250-5198
DULCE L. BORJA	UMID ID NO. 0006-2276850-0

known to me to be the same person who executed the foregoing Service Contract consisting of nine (9) pages, and who acknowledged to me that the same are their own free and voluntary act and deed as well as the free voluntary act and deed of the entity they are duly authorized to represent.

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

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Series of 2019

MR. CRITO S. PANTALEON
NOTARY PUBLIC
UNTIL DEC. 31, 2019
PTR# 166/208-12/27-2018, CEBU CT
MCLE# 0023007-12/10-19
R#LL #46969 IBP #1018148-1/5/2007
COMMISSION NO. 64-16
D. JAKOSALEN ST., CEBU CITY
PROVINCE OF CEBU