



[Signature]
Witness - Lessor

CONTRACT OF LEASE

This **CONTRACT OF LEASE** is made and entered into this _____ by _____ and between:

THE PARTIES:

LA FILIPINA UY GONGCO CORPORATION, a corporation duly organized and existing under the laws of the Republic of the Philippines, with principal business address at Quarantine Road, Brgy. Progreso, Lapuz, Iloilo City, duly represented herein by its General Manager, **SUSAN MERCEDES F. ROMERO**, duly authorized for this purpose, as per Secretary's Certificate dated February 9, 2021, hereto attached as Annex "A", herein referred to as the "**LESSOR**";

-and-

PHILIPPINE AMUSEMENT AND GAMING CORPORATION (PAGCOR), a government owned and controlled corporation organized and existing pursuant to Presidential Decree 1869, as amended, with office address at the PAGCOR Executive Office, 5th Floor, New Coast Manila Hotel, 1588 M.H. Del Pilar cor. Pedro Gil Sts., Malate, Manila, duly represented herein by its Branch Manager, **JOSE MARCIANO C. BAUTISTA**, herein after referred to as the "**LESSEE**";

[Signature]
LESSOR

Each of **LESSOR** and **LESSEE** may be referred to herein as a "**PARTY**" and collectively as "**PARTIES**".

The parties hereto represent that they possess the capacity and authority to enter into this Contract of Lease.

[Signature]
Witness - PAGCOR

RECITALS:

WHEREAS, the **LESSEE** has a requirement for Lease of Real Property for the CF-Iloilo Gaming Facilities for Ten (10) Years, for its Casino Filipino Iloilo Branch;

WHEREAS, the **LESSEE** has resorted to Negotiated Procurement for the Lease of Real Property pursuant to Sec.53.10 of the 2016 Revised Implementing Rules and Regulations of Republic Act 9184 (Government Procurement Reform Act) and the Consolidated Guidelines for the Alternative Methods of Procurement under ITB No. LR21-04-001BACa-07;

WHEREAS, the **LESSOR** has offered for lease to the **LESSEE** a serviceable area of at least 3,000 square meters for gaming and slot machine areas including lobby, offices, locker rooms, server room, stock rooms and employees' cafeteria for use of PAGCOR at Casino Filipino Iloilo;

WHEREAS, considering that all of the legal requisites have been met, the **LESSEE** has accepted the offer of the **LESSOR**, after finding the same to be in order, valid and responsive, subject to the terms and conditions stipulated hereunder;

[Signature]
JOSE MARCIANO C. BAUTISTA
Branch Manager, CF- Bacolod


NOW, THEREFORE, for and in consideration of the foregoing premises and the mutual covenants set forth hereunder, the parties herein hereby enter into this Contract of Lease as follows:

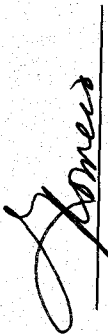
I. SUBJECT OF THE LEASE

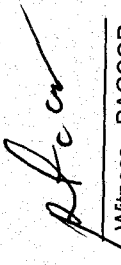
1. This Contract of Lease shall cover all the items found in the Request for Quotation (RFQ) and Technical Specifications (TS) attached to this Contract as Annex "B", including:
 - a. **DETAILED BREAKDOWN OF AREA** (Annex A of the RFQ/TS);
 - b. **CIVIL & ARCHITECTURAL WORKS** (Annex B of the RFQ/TS);
 - c. **MINIMUM REQUIREMENTS FOR SURVEILLANCE SYSTEM** (Annex C of the RFQ/TS);
 - d. **DESIGN REQUIREMENTS FOR STRUCTURED CABLING** (Annex D of the RFQ/TS);
2. A copy of the submitted Floor Plan/Layout is attached as Annex "C".
3. The **LESSOR** hereby warrants the peaceful and undisturbed possession and occupancy by the **LESSEE** of the Leased Premises during the period of the lease.
4. The Lease Premises shall be suitable for the **LESSEE's** gaming operations and related services.
5. The Lease Premises shall conform to the **LESSEE's** requirement on structural stability. For verification of the Leased Premises' structural stability, the **LESSOR** shall be required to submit the appropriate certification from an independent and licensed structural engineer. It shall be the responsibility of the **LESSOR** to make the necessary adjustments and retrofitting to comply with the relevant structural standard at the **LESSOR's** own expense. The **LESSEE** may make the necessary adjustments and retrofitting to comply with the said standard at the **LESSOR's** expense.


II. ADDITIONAL PROVISIONS

1. The **LESSEE** may require the **LESSOR** to rehabilitate the Lease Premises in accordance with the **LESSEE's** specifications.
2. The **LESSOR** shall provide at least two (2) officers room within the premises free of charge;
3. The **LESSEE** shall have the authority to sublease the leased premises;
4. The **LESSEE** or any of its designated concessionaire shall operate and supply its own VIP snack and beverage bar within the casino premises;
5. The **LESSEE** or any of its designated concessionaire shall operate and supply its own employees' cafeteria equipment in the space provided for;
6. The **LESSOR** shall provide its own security and janitorial services for areas outside the leased premises;


Witness - Lessor


LESSOR


Witness - PAGCOR


JOSE MARCIANO C. BAUTISTA
Branch Manager, CF-Bacolod

7. This contract and the rights or obligations of the parties shall be construed and interpreted in accordance with and shall be governed by the laws of the Republic of the Philippines.

III. ELECTRICAL AND OTHER UTILITIES


1. The **LESSEE** has the option to install its own back-up generator unit/s to ensure uninterrupted and continuous power supply to the Leased Premises, in the event of breakdown of **LESSOR's** back-up generator. For this purpose, **LESSOR** shall provide adequate spaces with the Leased Premises for such installation, as well as adequate ventilation and exhaust vents for said generator, at the expense of the **LESSEE**. The **LESSEE** shall provide the **LESSOR** with all the required specifications for this purpose.
2. The **LESSOR** shall be responsible for securing all necessary electrical, mechanical, building, and other permits required by the city and the national government.


IV. LEASE PERIOD

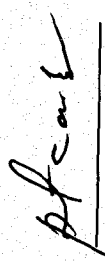
1. The Contract shall commence from the time of delivery of the **LESSOR** of the Leased Premises and its acceptance in writing by the **LESSEE**, as indicated in the Certificate of Acceptance to be issued by **LESSEE**, for a period of **TEN (10) YEARS** in the amount of **Seven Hundred Seventeen Million Five Hundred Fifty-Nine Thousand & Two Hundred Pesos (PhP717,559,200.00)**, VAT Exclusive, Zero-Rated Transaction.
2. A Party may pre-terminate the lease for any material breach of the provisions of this Contract by the other Party.
3. This Contract of Lease may be renewed by the parties upon mutual agreement in writing and upon such other terms as may be agreed upon by both parties, in accordance with law and the applicable government procurement rules and regulations. In case of a renewal, a written notice to renew the Contract of Lease shall be served by the **LESSEE** to the **LESSOR** at least six (6) months prior to the expiration of the original term of the lease.
4. Unless the parties agree to an extension of the period of the lease, in accordance with law, the **LESSEE** shall peacefully vacate the Leased Premises and return the same to the **LESSOR** within sixty (60) days from the date of termination/ expiration of this Contract of Lease in as good condition as reasonable wear and tear will permit and without delay whatsoever, devoid of all occupants, furniture, articles and effects of any kind other than such alterations, additions, installations or improvements that the **LESSEE** may elect to remove, without causing damage to the Leased Premises and permanent improvements.

V. RENTALS

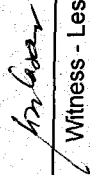
1. During the term and period of the lease, the **LESSEE** shall pay the **LESSOR** a monthly rental fee in the amount of **FIVE MILLION NINE HUNDRED SEVENTY-NINE THOUSAND SIX HUNDRED SIXTY PESOS (P5,979,660.00)**, Vat-Exclusive, Zero Rated Transaction. The **LESSEE** shall remit the monthly rent due to the **LESSOR** every fifteenth (15th) day of the following month.


Witness - Lessor



LESSOR


Witness - PAGCOR


JOSE MARCIANO C. BAUTISTA
Branch Manager, CF-Bacolod

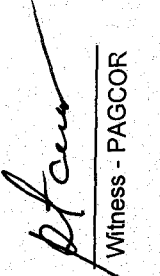

Witness - Lessor

2. Upon the execution of this Contract of Lease, **LESSEE** agrees to pay **THIRTY-FIVE MILLION EIGHT HUNDRED SEVENTY-SEVEN THOUSAND NINE HUNDRED SIXTY PESOS (P35,877,960.00)**, Value Added Tax (VAT) exclusive, zero-rated transaction, representing six (6) months' advance rentals of the Leased Premises which shall be applied to the payment of the last six (6) months of the lease term.
3. The **LESSEE** likewise agrees to pay a security deposit in the amount of **THIRTY-FIVE MILLION EIGHT HUNDRED SEVENTY-SEVEN THOUSAND NINE HUNDRED SIXTY PESOS (P35,877,960.00)** equivalent to six (6) months' rentals as security for the faithful compliance by the **LESSEE** of all terms and conditions of this Contract of Lease and for the return of the Leased Premises in good and proper condition, save in case of reasonable wear and tear, and to answer for any and all repairs or damages to the property and other liabilities of the **LESSEE** under this Contract of Lease. The security deposit shall be returned to the **LESSEE**, without any interest thereon, not more than sixty (60) days after the expiration of the lease or after the extension of the lease term, if any.
4. Should the **LESSEE** terminate this Contract of Lease before the end of the lease period for reasons other than material breach by the **LESSOR** of its obligations under this Contract of Lease, the security deposit mentioned in the preceding paragraph or any balance thereof shall automatically be forfeited in favor of the **LESSOR**. However, the **LESSEE's** liability for any breach of this Contract or for any obligation for the leased premises shall not be limited to the amount of said security deposit.
5. Except as provided for under this Contract of Lease, the **LESSEE** shall not be liable for any other rentals, costs, charges, dues, fees, assessments, taxes and the like, including, but not limited to, common use of service area (CUSA) fees.


LESSOR

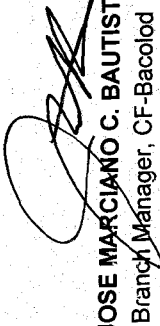
VI. TAXES

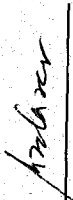
1. The **LESSOR** shall hold the **LESSEE** absolutely free and harmless from any tax assessment, claim or liability which may arise from this Contract of Lease, the Leased Premises and the gaming operations and ancillary services therein.
2. Real estate taxes and other assessments, fees, and charges, which may be due on the Leased Premises, shall be for the account of the **LESSOR**.
3. The **LESSEE** may suspend the payment of rentals if the **LESSOR** becomes remiss in the payment of its taxes.


Witness - PAGCOR

VII. USE OF, ALTERATION AND ADDITIONS TO THE LEASED PREMISES


1. The Leased Premises shall be used during the term hereof for the purpose of conducting gaming operations and ancillary services related thereto.
2. The **LESSOR** shall shoulder the cost of the Casino Filipino Signage which design shall be provided by **LESSEE**;
3. The **LESSEE** may put or make any additional advertisements or signs as it may deem necessary or appropriate for the proper conduct of and to publicize its business, on the exterior of the Leased Premises. The **LESSEE** may also introduce alterations or improvements on the Leased Premises.


JOSE MARCIANO C. BAUTISTA
Branch Manager, CF-Bacolod


Witness - Lessor

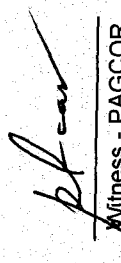
4. All expenses for the advertisements/ signs or alterations/ improvements, as well as expenses for any and all special installation and fixtures therein, shall be for the account of the **LESSEE**. However, permanent improvements shall become property of the **LESSOR** upon the expiration of the contract, except vault doors, iron grille doors, burglar alarms, safety and protective devices, locks and other improvements, which may be removed without causing damage to the Leased Premises.

VIII. CARE OF LEASE PREMISES


LESSOR

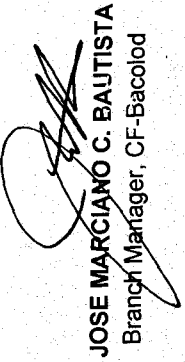
1. All expenses not related to the **LESSEE**'s particular use of the Leased Premises, including all improvements or changes on the building that are required by the Building Code, shall be allowed by the **LESSOR**. All natural wear and tear shall also be for the account of the **LESSOR**.
2. Any and all restoration costs that may be required by the Leased Premises after the termination of this contract shall be for the account of the **LESSOR**.
3. Minor repairs and maintenance may be undertaken by the **LESSEE** after prior notice to and with the consent of the **LESSOR**, which consent shall not be unreasonably withheld. The cost of such repairs shall be charged to the **LESSOR**.
4. The **LESSOR** shall undertake, for its own account, all repairs and preventive maintenance of the surrounding areas outside of the leased premises within the vicinity of the building slot machines, online system and accessories, escalators, elevators, and other major structural repairs, including damages due to fortuitous events, during the effectivity of the lease. The **LESSOR** shall complete such repairs and preventive maintenance with a reasonable time frame.

IX. DAMAGES AND PENALTIES


Witness - PAGCOR

1. The site should be ready for occupancy and should be turned over to the **LESSEE** within six (6) months from the date of the notice to proceed;
2. Should the **LESSOR** incur delay in its performance and delivery of the Leased Premises, the **LESSOR** 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 beyond the specified period, including Sundays and holidays. Once the maximum amount of liquidation damages reaches **TEN PERCENT (10%)** of the contract price, PAGCOR may rescind or terminate the contract without prejudice to other courses of action and remedies open to it;

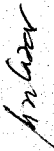
X. SECURITY AND OTHER PERSONNEL


JOSE MARCIANO C. BAUTISTA
Branch Manager, CF-Bacolod

1. The **LESSEE** shall engage its own security personnel for the purpose of guarding and protecting the Leased Premises and its properties. The **LESSEE** agrees to provide its security staff with proper uniforms and should be properly identified with the exception of plain clothes security personnel. However, the **LESSEE** shall coordinate with the **LESSOR**'s security personnel for the proper guarding of common areas.
2. The **LESSEE** shall also have the right to post other personnel at the Leased Premises to regulate, administer and maintain the same and to enforce the rules and regulations that the **LESSEE** may adopt in the conduct of its gaming operations and ancillary services in the Leased Premises.

XI. LIABILITY AND INDEMNIFICATION

The LESSOR shall be liable to the LESSEE for any damages to property (including fixture, fitting, equipment and merchandise and other property of the LESSEE) or injury to or death of persons (including persons employed by LESSEE) resulting from the repair and/ or construction of the Leased Premises, or arising, directly or indirectly, out of or in connection with the condition and/or defect in or of the Leased Premises attributable to the LESSOR, or by reason of the neglect or misconduct of the LESSOR, or any of its agents or employees. The LESSOR shall indemnify and hold the LESSEE free and harmless from third party claims relative to the foregoing and costs of defending any action, suit or proceedings, including legal fees or other expenses, incurred in relation to such third party claims.


Witness - Lessor

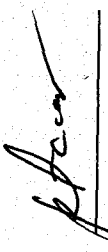
XII. AMENDMENT AND EXCLUSIVITY

1. This Contract of Lease constitutes the entire agreement between the parties hereto and all previous agreements between the parties relative to the Leased Premises and the gaming operations and ancillary services therein, are hereby superseded by this Contract of Lease.
2. The relationship of the parties shall be limited to the performance of the terms and conditions of this Contract of Lease. Nothing in this Contract of Lease shall be construed as to create general partnership, joint venture, or agency between the parties, or to authorize any party to act as a general agent for another, or permit any party to bind the other, or to borrow money on behalf of another party, or to use credit of any party, for any purpose.
3. The Contract of Lease shall not be deemed amended or otherwise in any manner, unless such amendment or alteration is made in writing and signed by both parties.


LESSOR

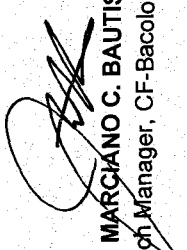
XIII. NON-WAIVER

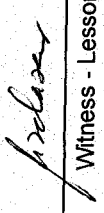
1. The failure or delay on the part of any party to insist upon strict performance of any of the terms, conditions, and covenants hereof, or to exercise any of its rights under this Contract of Lease, shall not be deemed a relinquishment or waiver of the enforcement of any right or remedy that said party may have nor shall it be construed as a waiver of any subsequent breach or default of the terms, conditions, and covenants herein contained, which shall be deemed in full force and effect. No waiver by a party shall be deemed to have been made unless expressed in writing and signed by the said party.
2. Any right or remedy conferred by this Contract of Lease shall not be exclusive of any other right or remedy of each party, whether under this contract or provided by or permitted by law or in equity, but each right or remedy shall be cumulative of every right or remedy available.


Witness - PAGCOR

XIV. TRANSFER OF OWNERSHIP

1. The LESSOR shall not assign its interest under this Contract of Lease to any other person or entity without the express written consent of the LESSEE.
2. In the event of the transfer of the ownership of the Leased Premises, or any interest thereto, the LESSOR warrants that the transferee will respect the period, terms and conditions of this Contract of Lease or that the transferee shall execute a contract of lease with the LESSEE under the same terms and conditions as this Contract of Lease or any extension or renewal thereof.


JOSE MARCIANO C. BAUTISTA
Branch Manager, CF-Bacolod

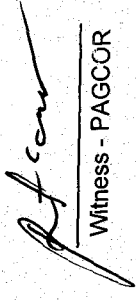

Witness - Lessor

3. Except with respect to transfer of nominal shares to the directors of the **LESSOR**, the **LESSOR** shall not sell, transfer or assign share/s of stock, interest, share/s of ownership or ownership of the **LESSOR**, without the express written approval of the **LESSEE**. The **LESSOR** shall also not (i) encumber, sell, assign (by operation of law or otherwise) or otherwise dispose of, or grant any option with respect to any of the share/s of stock, interests, share/s of ownership or ownership of its company; or (ii) enter in to any other contractual relationships which, in the estimation of the **LESSEE**, could restrict or inhibit the **LESSEE**'s rights or interests, without the express written approval of the **LESSEE**
4. The **LESSEE** is allowed to sub-lease all or any part of the Leased Premises. The **LESSEE** warrants that it shall continue to comply with all of its obligations to the **LESSOR** in the event that all or part of the Leased Premises is sub-leased. The **LESSEE** shall also ensure that the sub-lessee complies with the applicable terms and conditions of this Contract of Lease.


LESSOR

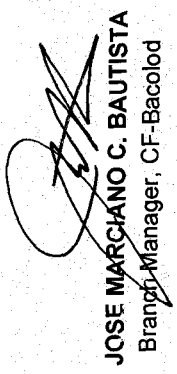
XV. EXPROPRIATION AND OCCURRENCE OF FIRE OR FORTUITOUS EVENT/ FORCE MAJEURE

1. In the event that a final and executory judgment of expropriation is rendered by a court of competent jurisdiction on the Leased Premises, or in case of fire or fortuitous event, the **LESSEE** may rescind this agreement, should the Leased Premises become no longer useful for the purpose of this lease, by giving the **LESSOR** thirty (30) days prior written notice.
2. In case of expropriation, the **LESSOR** and the **LESSEE** hereby unconditionally relieves and releases each other from any and all liability under this Contract, in connection with or arising out of such expropriation proceedings.
3. Force majeure and natural wear and tear of the Leased Premises shall be for the account of the **LESSOR**. Force majeure shall include, but is not limited to, acts of God, fire, floods, storms, riots, civil commotion, acts of war, general chaos, landslides/slips and earthquakes


Witness - PAGCOR

XVI. SETTLEMENT OF DISPUTES AND RE-NEGOTIATION

1. The parties hereby manifest that they shall first meet, confer and sit down together for the purpose of exploring all avenues and/or possibilities of amicably settling whatever are their differences, disputes and/or controversies that may arise in connection with any of the terms and conditions of this Contract of Lease.
2. In the event that facts and circumstances arise or are discovered which render this Contract of Lease manifestly and grossly disadvantageous to the government, as determined by the **LESSEE**, the parties hereto agree to immediately renegotiate its terms and conditions, or at the option of the **LESSEE**, terminate the same.
3. If the parties fail to amicably settle their difference, disputes, and/or controversies, the parties, waiving for this purpose any other venue, hereby agree that the courts of City of Manila shall be the sole and exclusive venue of any and 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 arising from the declaration of nullity of this Contract of Lease in part or in its


JOSE MARCHANO C. BAUTISTA
Branch Manager, CF-Bacolod

entirety and in cases arising after or by reason of the declaration of nullity of this contract, whether in part or in its entirety.

IN WITNESS WHEREOF, the **PARTIES** have hereunto set their signatures in
_____ on _____.


**LA FILIPINA UY GONGCO
CORPORATION
LESSOR
TIN: 000-250-269**

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

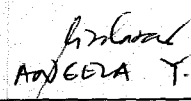
Represented by:

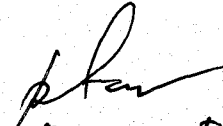
Represented by:


SUSAN MERCEDES F. ROMERO
General Manager
TIN: 157-436-324-000


JOSE MARCIANO C. BAUTISTA
Branch Manager
TIN: 000-887-972-000

Signed in the presence of:


MARIA ANGELO Y. ZALAZAR


Ramon J. Carlos

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
City of Iloilo)

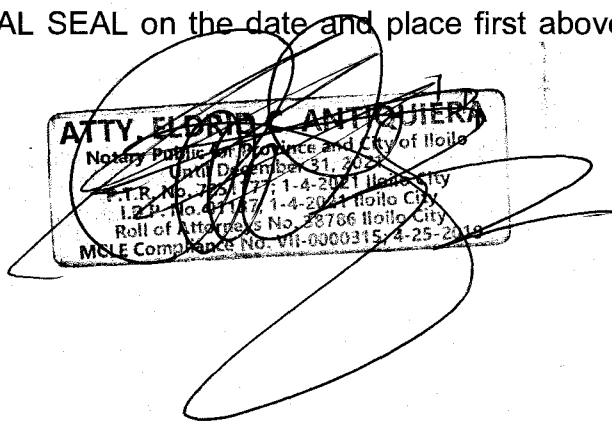
BEFORE ME, this DEC 01 2021 day of _____
2021, in the Iloilo City, Philippines, personally appeared:

NAME	GOVERNMENT ID
JOSE MARCIANO C. BAUTISTA	UNIFIED MULTI-PURPOSE ID CRN 0111-2756709-8

known to me to be the same person who executed the foregoing Lease of Contract, consisting of TEN (10) pages and who acknowledged to me that the same is his 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. 218 ;
Page No. 45 ;
Book No. V ;
Series of 2021.



ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
City of ILOILO CITY) S.S.

NOV 26 2021, 2021, personally appeared: BEFORE ME, a Notary Public for and in the City of ILOILO CITY, on this day of

Name	Government ID	Date Issued
SUSAN MERCEDES F. ROMERO	DRIVERS LICENSE NO.N19-78-003001	Date issued: March 26, 2018 Valid Until: March 26, 2023

Susan Mercedes F. Romero

known to me to be the same person who executed the foregoing Lease of Contract consisting of TEN (10) pages, and who acknowledged to me that the same are his own free and voluntary acts and deeds 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. 202
Page No. 42
Book No. ✓
Series of 2021.

ATTY. ELDRID C. ANTOQUIERA
Notary Public for Province and City of Iloilo
Until December 31, 2021
P.T.R. No. 725777, 1-4-2021 Iloilo City
L.P. No. 91137, 1-4-2021 Iloilo City
Roll of Attorneys No. 56786 Iloilo City
MCLE Compliance No. VII-0000315/4-25-2019