



Sangguniang Panglungsod

RESOLUTION NO. 08-214

A RESOLUTION AUTHORIZING THE CITY MAYOR HON. ALDRIN L. SAN PEDRO TO WITHDRAW/DRAWDOWN FROM THE LAND BANK OF THE PHILIPPINES (LBP) THE AMOUNT OF TWO HUNDRED TWENTY EIGHT MILLION PESOS (PHP228,000,000.00) AND RATIFYING THE TERMS AND CONDITIONS OF THE PRE-RELEASE REQUIREMENTS OF THE LOAN AGREEMENT AND OTHER TERMS AND CONDITIONS OF THE SAID LOAN.

- Sponsored by: *Hon. Coun. Atty. Icasiano M. dela Rea*
- Co-sponsored: Hon. Coun. Allan Rey A. Camilon
- Hon. Coun. Ma. Luisa Babaran-Echavez, MD
- Hon. Coun. Melchor R. Teves
- Hon. Coun. Marita Deang-Calalang, DMD
- Hon. Coun. Francis Ian T. Bagatsing
- Hon. Coun. Joselito V. Arevalo
- Hon. Coun. Luvi P. Constantino
- Hon. Coun. Engr. Mamerto T. Sevilla, Jr.
- Hon. Coun. Vergel C. Ulanday
- Hon. Coun. Robert A. Abas
- Hon. Coun. Atty. Rey E. Bulay
- Hon. Coun. Cezar V. Pagkalinawan
- Hon. Coun. Dann Henry G. Teves

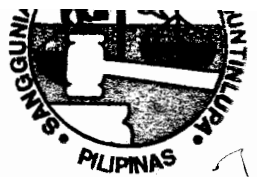
WHEREAS, on March 31, 2008, the 5th Sangguniang Panlungsod approved ordinance No. 08-036, entitled, "*an ordinance appropriating the amount of One Billion Pesos (Php1,000,000,000.00) as Supplemental Budget No. 1 for Calendar Year 2008 of the City of Muntinlupa, which shall be funded from the total amount duly certified by the City Treasurer as funds available for appropriation amounting to One Billion Pesos (Php1,000,000,000.00);*

WHEREAS, the Land Bank of the Philippines Investment and Loan Executive Committee, approved the city's request for drawdown for the approved Omnibus Term Loan Facility amounting to **TWO HUNDRED TWENTY EIGHT MILLION PESOS (PHP228,000,000.00);**

WHEREAS, the Land Bank of the Philippines offered the terms and conditions of the **Term Loan 12, 13 and 14** to the City Government, to wit:



**PAMAHALAANG LUNGSOD NG MUNTINLUPA
KALAKHANG MAYNILA**



Sangguniang Panglungsod

Page 2
Resolution No. 08-214

LOAN	AMOUNT	PURPOSE
Term Loan 12	Php39,000,000.00	To reimburse the cost advanced by the City Government for various infrastructure projects and its acquisition/installation of deep wells and generator sets which are provided for in its approved local development plan/public investment program.
Term Loan 13	Php24,000,000.00	To reimburse the cost advanced by the City Government of Muntinlupa for the acquisition of vehicles, cargo trucks and other equipment which are provided for in its approved local development plan/public investment program.
Term Loan 14	Whichever is lower between Php165,000,000.00 or an amount equivalent to the appraised value for vertical projects or the actual cost for horizontal projects as validated by the Land Bank of the Philippines based on its estimated construction cost ranges, and the Department of Public Works and Highways (DPWH's) cost ranges, whenever applicable.	To finance the construction and/or renovation of the following projects of the City Government of Muntinlupa: <ul style="list-style-type: none"> a) Third (3rd) and fourth (4th) floors of the Pamantasan ng Lungsod ng Muntinlupa (PLMUN) building. b) The People's Park at Alabang Muntinlupa City. c) Daycare and Multi-Purpose Building at Sikatville. d) People's Center Building. e) Installation of Streetlights; f) Roads, drainage, school facilities and other infrastructure projects within the City Government approved local development plan/public investment program.

A. Terms and Conditions:

- 1) **Interest rate.** The loan shall earn interest at a rate equivalent to Land Bank of the Philippines prevailing prime rate plus a minimum spread of one percent (1%) at the time of availment subject to quarterly re-pricing.
- 2) **Fees and Charges.** The City Government shall pay and be liable for the following cost and charges:

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**PAMAHALAANG LUNGSOD NG MUNTINLUPA
KALAKHANG MAYNILA**



Sangguniang Panglungsod

Page 3
Resolution No. 08-214

- Handling fee equivalent to one-half percent (1/2%) of Loan amount;
- Documentary stamp tax on the promissory notes;
- Gross receipts tax on the loan transaction; and
- Pre-termination fee of three percent (3%) based on outstanding balance of the loan or at such rate as may be imposed under applicable special financing program if loan is finance under said program. If the loan is taken out by another bank.

WHEREAS, the re-payment of the loan shall be paid respectively as follows:

LOAN	REPAYMENT TERM
Term Loan 12	In forty (40) quarterly amortization to start at the end of the first (1 st) quarter from date of initial release.
Term Loan 13	In twenty (20) quarterly amortization to start at the end of the first (1 st) quarter from date of initial release.
Term Loan 14	Principal: In thirty six (36) quarterly amortizations to start at the end of the fifth quarter from date of initial release. Interest: In forty (40) at the end of the first quarter from date of initial release.

WHEREAS, the Modes of Release of the loan shall be released as follows:

LOAN	MODES OF RELEASE		
Term Loan 12	Lumpsum, payable directly to the City Government		
Term Loan 13	Lumpsum, payable directly to the City Government		
Term Loan 14	In Tranches on a per contract/project basis, based on the following drawdown schedule and conditions:		
	Releases	Amount	Pre-Release Conditions
	1 st	Php 24.75	Compliance of City Government pre-release requirements
	2 nd	Php 41.25	40% completion, as validated by the Land Bank of the Philippines
	3 rd	Php 57.75	75% completion as validated by the Land Bank of the Philippines.



Sangguniang Panglungsod

Memo for file

Page 4
Resolution No. 08-214

	4 th	Php 24.75	90% completion as the validated by the the Land Bank of the Philippines
	5 th	Php 16.50	100% completion, as validated by the the Land Bank of the Philippines
	Total:	Php165,000,000.00	

WHEREAS, page 3 of the Loan Agreement states that, the **Collateral** of the City Government is the assigned Internal Revenue Allotment (IRA) and other revenues and income;

WHEREAS, the pre-release requirements for term loan are the following:

A. Pre-release requirements:

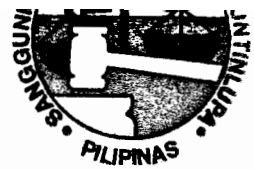
1) Sanggunian Panlungsod Resolution;

- a) Confirming, approving and ratifying all previous representations and warranties and all the terms and conditions of the loan;
- b) Authorizing the Chief Executive to negotiate and enter into this Agreement with the Land Bank of the Philippines and amendments pertinent thereto, and to sign, execute, endorse and deliver any and all promissory notes and deed of assignments and other necessary documents;
- c) Committing not to contract other loans/credits with other creditors/banks as to impair the City Government paying capacity for the duration of the loan;
- d) Directing the City Government's Treasurer and Accountant to enter the loan in the appropriate books of the City Government;
- e) Authorizing the assignment of the City Government IRA and other revenues as security for the loan;
- f) Designating the LBP as the City Government's official depository bank for its IRA and major depository bank for its other deposits, which designation shall not be revoked while the loan remains outstanding, and directing the Secretary to the Sanggunian to provide a copy of such resolution to the Department of Budget and Management (DBM) and other IRA-Administering Office;
- g) Appropriating the following amounts for the repayment of the Loan, interests and other charges in the annual budget of the City Government, until full payment thereof;

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Sangguniang Panglungsod

Page 5
Resolution No. 08-214

- I. Loan repayment until the principal, interest and other charges are fully paid;
- II. The required City Government's equity;
- III. The repair and maintenance of the projects and equipment;
- IV. The insurance premium payments; and
- V. Other statutory and contractual obligations.

h) Authorizing the LBP to set-off and/or deduct amounts from any deposits or funds of the City Government with the LBP and apply the same to the payment of the loan, interests and other amounts due thereon.

2. Budget appropriation issued by the Budget Officer and Local Treasurer noted by the Local Chief Executive that:

a. The LGU's equity, amount of repairs and maintenance of the sub-project and equipment, insurance premium and the principal and interest repayments on the loan will be fully appropriated, and

b. Full provision will be appropriated by the LGU for its loan obligation.

3. Certification by the City Government Treasurer, noted by the Local Chief Executive that the proposed sources of repayment are available and not restricted by law or its other obligations.

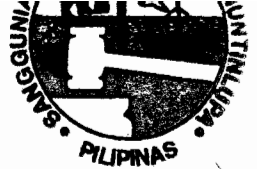
4. Certification by the LGU Treasurer, and accountant, noted by the Local Chief Executive that the loan shall be entered or has been entered, as the case may be, in the City Government books of account.

5. Certification by all members of the City Government Bids and Awards Committee (BAC) duly noted by the Local Chief Executive on due compliance with R.A 9184, otherwise known as the Government Procurement Reform Act and related rules and regulations of the Commission on Audit.

WHEREAS, before the loan is released from the bank there is a need for the City Council to pass a resolution **ratifying** the Terms and Conditions of the Loan Agreement of the following Term Loan 12, 13 and 14 to finance various projects; acquisition of vehicles and equipment; to finance various infrastructure projects and that the City Mayor is **authorized** to drawdown said amount;



**PAMAHALAANG LUNGSOD NG MUNTINLUPA
KALAKHANG MAYNILA**



Sangguniang Panglungsod

**Page 6
Resolution No. 08-214**

WHEREAS, copy of the Loan Agreement consisting of thirteen (13) pages including acknowledgement hereto attached as Annex A and forms part of this resolution;

NOW THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, by the 5th Sangguniang Panlungsod of Muntinlupa, to authorize the City Mayor Hon. Aldrin L. San Pedro to withdraw/drawdown from the Land Bank of the Philippines (LBP) the amount of Two Hundred Twenty Eight Million Pesos (Php228,000,000.00) and ratifying the Terms and Conditions of the pre-release requirements of the Loan Agreement and other terms and conditions of the said loan.

APPROVED, by the 5th *Sangguniang Panlungsod of Muntinlupa* this 13th day of November, 2008, on its 18th Special Session.

CONCURRED:

DISTRICT I:


COUN. ALLAN REY A. CAMILON
Member


COUN. MA. LUISA BABARAN-ECHAVEZ, MD
Member


COUN. MELCHOR R. TEVES
Member


COUN. ATTY. ICASIANO M. DELA REA
Member

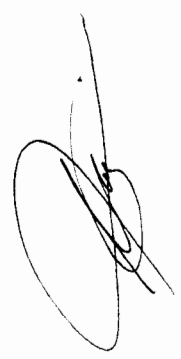

COUN. MARITA DEANG-CALALANG, DMD
Member

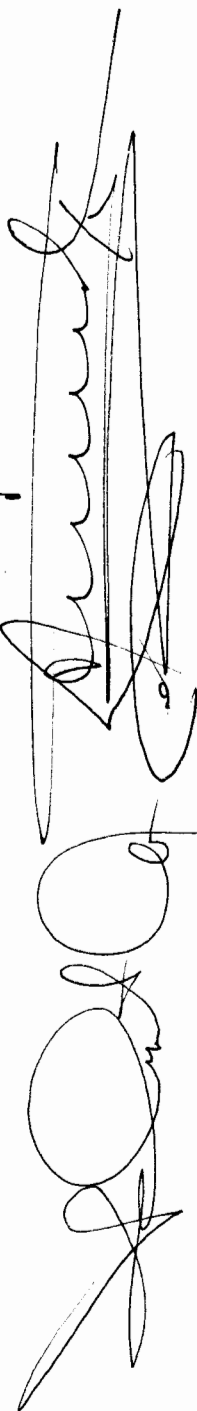
DISTRICT II:

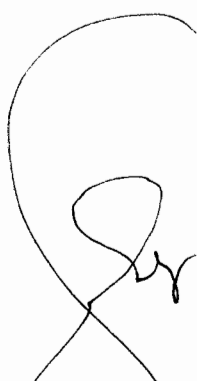

COUN. FRANCIS IAN T. BAGATSING
Member


COUN. JOSELITO V. AREVALO
Member

Maria San Pedro











**PAMAHALAANG LUNGSOD NG MUNTINLUPA
KALAKHANG MAYNILA**



Sangguniang Panglungsod

Page 7
Resolution No. 08-214


COUN. LUVI P. CONSTANTINO
Member


COUN. ENGR. MAMERTO T. SEVILLA, JR.
Member


COUN. VERGEL C. ULANDAY
Member


COUN. ROBERT A. ABAS
Member


COUN. ATTY. REY E. BULAY
Member

ABSENT:

COUN. ALLEN F. AMPAYA
Member

COUN. MARGARITA AMYTHYST PATDU-LABIOS, MD
Member


COUN. ERMIE S. ESPELETA
Member


COUN. ENGR. MARISSA COLE-RONGAVILLA
Member

COUN. CEZAR V. PAGKALINAWAN
Sectoral Representative
President
Association of Barangay Captains

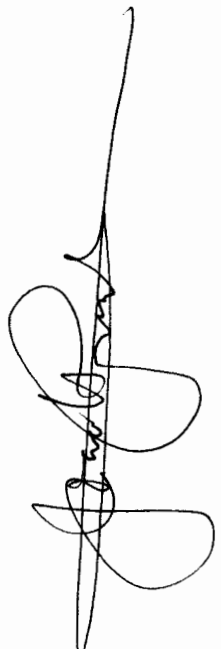
COUN. DANN HENRY G. TEVES
Sectoral Representative
President
Federation of Sangguniang Kabataan

I HEREBY CERTIFY, as to the correctness of the foregoing Resolution.


LEONORA M. MARCELO
Legislative Staff Officer IV











REPUBLIKA NG PILIPINAS
PAMAHALAANG LUNGSOD NG MUNTINLUPA
KALAKHANG MAYNILA



Sangguniang Panglungsod

M. Noriel

Page 8
Resolution No. 08-214

ATTESTED:

ARTEMIO A. SIMUNDAC
City Vice-Mayor/Presiding Officer

APPROVED:

ALDRIN L. SAN PEDRO
City Mayor
Date: _____

Noriel

[Handwritten signatures]