



**PAMAHALAANG LUNGSOD NG MUNTINLUPA
KALAKHANG MAYNILA**



Sangguniang Panglungsod

RESOLUTION NO. 09-266

A RESOLUTION RATIFYING AND CONFIRMING THE TERM LOAN AGREEMENT, DEED OF ASSIGNMENT WITH HOLD OUT AND PROMISSORY NOTE DULY SIGNED BETWEEN THE CITY GOVERNMENT OF MUNTINLUPA REPRESENTED BY THE CITY MAYOR HON. ALDRIN L. SAN PEDRO AND THE DEVELOPMENT BANK OF THE PHILIPPINES (DBP) REPRESENTED BY VICE PRESIDENT MA. TERESA S. TOLENTINO HEAD RMC METRO MANILA.

- *****
- Sponsored by:**
- Hon. Coun. Atty. Icasiano M. Dela Rea*
 - Hon. Coun. Allan Rey A. Camilon*
 - Hon. Coun. Margarita Amythyst Patdu-Labios, 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. Engr. Marissa Cole-Rongavilla*
 - 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. Dann Henry G. Teves*
- *****

WHEREAS, on December 8, 2008, the 5th Sangguniang Panlungsod approved Resolution No. 08-242, entitled, "a resolution authorizing the City Mayor Hon. Aldrin L. San Pedro, in behalf of the city government of Muntinlupa to execute and sign the terms and conditions of the loan agreement with the Development Bank of the Philippines (DBP) amounting to One Hundred Fifty Million Pesos to finance the relocation site and establishment of new and modern government centers at National Road, Tunasan, Muntinlupa City";

WHEREAS, the Term Loan Agreement (TLA), Deed of Assignment (DA) with hold out and Promissory Note (PN) were signed between the City Government of Muntinlupa represented by the City Mayor Hon. Aldrin L. San Pedro and the Development Bank of the Philippines (DBP) represented herein by VP Ma. Teresita S. Tolentino, Head, RMC Metro Manila;

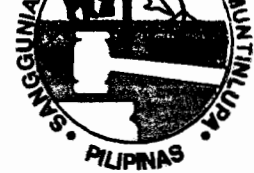
WHEREAS, the proceeds of the loan shall be used for payment of the land that will serve as the site for Justice Hall of Muntinlupa City and other modern government centers;

WHEREAS, said Term Loan Agreement (TLA), Deed of Assignment (DA) with hold out and Promissory Note (PN) duly signed as described above are hereby ratified and confirmed by the 5th Sangguniang Panlungsod;

WHEREAS, the Term Loan Agreement (TLA), Deed of Assignment (DA) with hold out and Promissory Note (PN) shall be an integral part of this Resolution;



**PAMAHALAANG LUNGSOD NG MUNTINLUPA
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Sangguniang Panglungsod

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NOW, THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED, by the 5th Sangguniang Panlungsod of Muntinlupa, to ratify and confirm the **Term Loan Agreement, Deed of Assignment with Hold Out and Promissory Note** duly signed between the City Government of Muntinlupa represented by the **City Mayor Hon. Aldrin L. San Pedro** and the Development Bank of the Philippines (DBP) represented herein by **VP Ma. Teresa S. Tolentino**, head RMC Metro Manila.

APPROVED, by the 5th Sangguniang Panlungsod of Muntinlupa this 9th day of March, 2009 on its 69th Regular Session.

CONCURRED:

DISTRICT I:


COUN. ALLAN REY A. CAMILON
Member


COUN. MARGARITA AMYTHYST PATDU-LABIOS, MD
Member


COUN. MELCHOR R. TEVES
Member


COUN. ATTY. ICASIANO M. DELA REA
Member


COUN. MARITA DEANG GALALANG, DMD
Member

DISTRICT II:

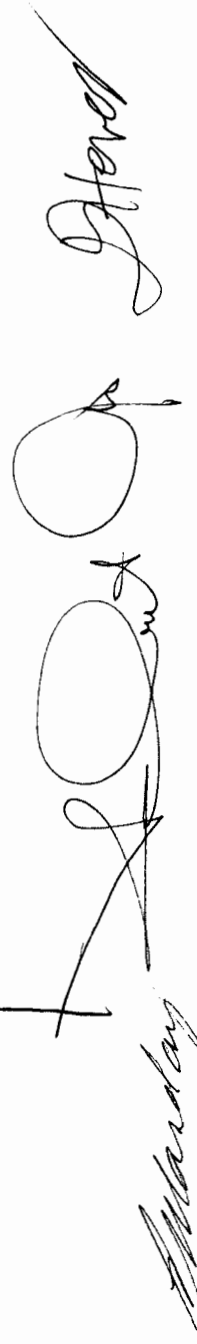

COUN. FRANCIS IAN T. BAGATSING
Member


COUN. JOSELITO V. AREVALO
Member


COUN. ENGR. MARISSA COLE-RONGAVILLA
Member

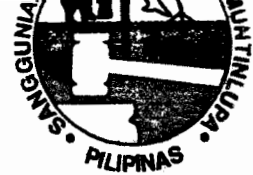

COUN. ENGR. MAMERTO T. SEVILLA, JR.
Member








PAMAHALAANG LUNGSOD NG MUNTINLUPA
KALAKHANG MAYNILA



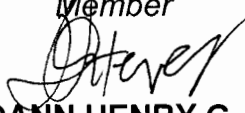
Sangguniang Panglungsod

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COUN. VERGEL C. ULANDAY
Member


COUN. ROBERT A. ABAS
Member


COUN. ATTY. REY E. BULAY
Member


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

ABSTAIN:

COUN. ALLEN F. AMPAYA
Member

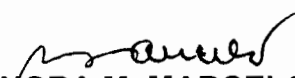
ABSENT:

COUN. MA. LUISA BABARAN-ECHAVEZ, MD.
Member

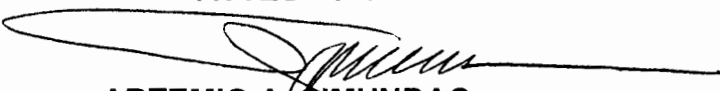
COUN. LUVI P. CONSTANTINO
Member

COUN. ERMIE S. ESPELETA
Member


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


LEONORA M. MARCELO
Legislative Staff Officer IV

ATTESTED:


ARTEMIO A. SIMUNDAC
City Vice-Mayor/Presiding Officer


APPROVED:


ALDRIN L. SAN PEDRO
City Mayor
Date: _____

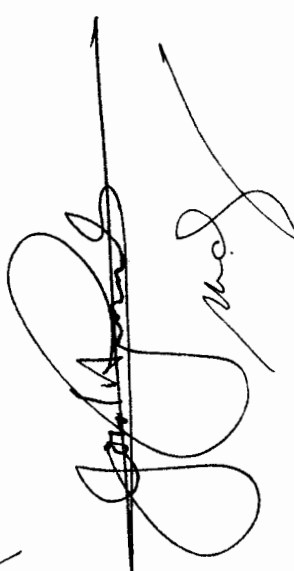

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Development Bank of the Philippines

TERM LOAN AGREEMENT

This TERM LOAN AGREEMENT (the "Agreement"), made and executed, by and between:

The DEVELOPMENT BANK OF THE PHILIPPINES, a government financial institution created and operating pursuant to the provisions of Executive Order No. 81 dated December 3, 1986, otherwise known as the 1986 Revised Charter of the Development Bank of the Philippines, as amended by Republic Act No. 8523 dated February 14, 1998, with principal office at DBP Building, Sen. Gil J. Puyat Avenue, Makati City, Philippines, represented herein by VP Ma. Teresita S. Tolentino, Head, RMC Metro Manila, hereinafter referred to as the "Lender" ;

- and -

The CITY OF MUNTINLUPA, a local government unit created and operating pursuant to Republic Act No. 8526 with address at City Hall of Muntinlupa, National Road, Putatan, Muntinlupa City, represented by HON. ALDRIN L. SAN PEDRO, City Mayor, duly authorized under City Council Resolution No. 08-242 (Series of 2008) dated December 8, 2008, hereinafter referred to as the "Borrower".

WITNESSETH THAT

WHEREAS:

- 1. The Borrower has requested the Lender to assist in the financing of the Project as defined in this Agreement.
2. The Lender, having been satisfied as to the feasibility and priority of the Project, has agreed to extend the Loan to the Borrower on the terms and conditions set forth in this Agreement.

NOW, THEREFORE, the parties hereto hereby agree, as follows:

ARTICLE I Definitions; References, Headings

Section 1.01. Definitions

The terms which are not expressly defined herein shall have the meanings ascribed to them in the "General Conditions Applicable to Term Loan Agreement under the DBP Retail Lending" (the "General Conditions"), incorporated herein as Annex "A", and the following additional terms shall have the following meanings:

(i) "Advance" shall mean the advance by the Lender to the Borrower pursuant to Section 2.01 or, as the context may require, the amount of such advance from time to time outstanding.

(ii) "Commitment" shall mean the principal amount of PESOS: up to ONE HUNDRED FIFTY MILLION PESOS (P150,000,000.00) or 90% of the total project cost whichever is lower, as the context may require, the obligation of the Lender to lend up to such amount in accordance with the terms of this Agreement.

Handwritten signature of Romeo M. Pucyutan and vertical text: ROMEO M. PUCYUTAN

Handwritten signature of VP Ma. Teresita S. Tolentino and vertical text: VP MA. TERESITA S. TOLENTINO

Handwritten signature of Hon. Aldrin L. San Pedro and vertical text: HON. ALDRIN L. SAN PEDRO

(iii) "Commitment Period" shall mean the period from the date hereof to and including the earliest of (a) the date the Commitment is fully availed of by the Borrower, or (b) the date the Commitment is terminated or cancelled in accordance with the terms of this Agreement or (c) within one (1) year from the date of signing of loan documents.

(iv) "Interest Payment Date" shall mean the last day of an Interest Period.

(v) "Interest Period" shall mean the period commencing on the date of the initial Borrowing and having a duration of one quarter, and each period thereafter commencing upon the expiry of the immediately preceding Interest Period and having a duration of one quarter, provided, that (a) the first Interest Period with respect to a Borrowing subsequent to the initial Borrowing shall commence on the date of such subsequent Borrowing and shall end on the last day of the then current Interest Period as established above, and (b) if any Interest Period would otherwise end on a day which is not a Banking Day, that Interest Period shall be extended to the next succeeding day which is a Banking Day.

(vi) "Loan" shall mean: (i) the aggregate principal amount of the Advances made by the Lender to the Borrower, (ii) all interests due on the Advances, including Capitalized Interests and Other Charges (CIOC), (iii) all fees, costs and expenses payable by the Borrower under the terms of this Agreement and such other agreements of the Borrower with the Lender, and (iv) all other obligations and liabilities of the Borrower to the Lender now existing or hereafter incurred either as a new loan or are extension, renewal or restructuring of the existing loan/s. The term shall include all advances made by the Mortgagee for insurance premiums and realty taxes

Section 1.02. *References*

Except where the context otherwise requires, references in this Agreement to Article or Section are to Article or Section of this Agreement.

Section 1.03. *Headings*

The headings of the Articles and Sections hereof are inserted for convenience of reference only and are not to be construed as modifying the substance of this Agreement.

ARTICLE II The Loan

Section 2.01. *Advance*

(a) The Lender agrees, upon the terms and subject to the conditions hereinafter set forth, to make the Advance to the Borrower during the Commitment Period in the aggregate principal amount up to, but not in excess of, its Commitment.

(b) The Advance shall be denominated in Philippine Pesos, and Philippine Pesos shall be the currency of account, disbursement, and any payment to be made by the Borrower under this Agreement.

(c) The Loan shall be funded under DBP Funds.

Section 2.02. *Procedure for Borrowing*

(a) The Borrower shall deliver a Notice of Borrowing and a Certificate of Borrowing, substantially in the form of Exhibit "A" and Exhibit "B", respectively, at least five (5) Banking Days (or such shorter period as may be agreed upon) prior to the date of any proposed Borrowing hereunder. Such Notice of Borrowing, once delivered to the Lender, shall be irrevocable and shall commit the Borrower to avail of the amount stated therein on the proposed date of Borrowing.

(b) Subject to the fulfillment of all applicable conditions set forth in this Agreement, the Lender shall make available the amount of the Advance not later than 11:00 a.m. on the proposed date of Borrowing specified in the Notice of Borrowing. All releases shall be subject to the Lender's Operating Guidelines (OP).

ROMEO M. PUCYUTAN

VP

VP MA. TERESITA S. TOLENTINO

HON. ALDWIN L. SAN PEDRO

Section 2.03. *Use of Loan Proceeds*

The Borrower agrees that the proceeds of the Loan will be used to partially finance the acquisition of a Lot which shall be the site of the Government Centers of LGU-Muntinlupa City.

Section 2.04. *Note*

Each Advance by the Lender shall be evidenced by a Note dated on the date on which such Advance is made and payable to the order of the Lender in the amount of such Advance.

Section 2.05. *Repayment*

The Borrower shall repay the Loan in ten (10) years inclusive of two (2) years grace period on the principal, payable in 32 equal quarterly amortizations and shall commence at the end of the 9th quarter from initial drawdown, .

Section 2.06 *Prepayment*


(a) Provided that the Borrower is not in default in payment of any sum due under this Agreement or under the Note, the Borrower may, at its option, prepay the Loan in part or in full, together with accrued interest thereon to the date of prepayment, and, if so required by the Lender under its approval, subject to the payment of prepayment penalty as provided in Section 2.06 (b) and to the following conditions: (i) each prepayment shall be made on an Interest Payment Date, (ii) the Borrower shall give the Lender written notice not less than thirty (30) days prior to such proposed prepayment, which notice shall be irrevocable and binding on the Borrower; (iii) each partial prepayment shall be applied against the repayment installments of the Loan in the inverse order of their maturity; and (iv) any amount prepaid may not be reborrowed hereunder.

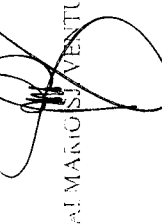
(b) In addition to the conditions specified in Section 2.06 (a), the Borrower shall pay to the Lender a prepayment penalty equal to three percent (3%) of the amount prepaid or the breakfunding cost, whichever is higher with sixty days advance notice; provided, that in case of partial prepayment, the prepayment penalty shall be based on the portion of the outstanding principal prepaid. The breakfunding cost shall mean the amount calculated as the present value of the remaining principal amortizations and payments of interest on the Loans discounted at the yield of the comparable benchmark tenor (for peso loans) or applicable term of LIBOR/IRS + CDS (for US dollar loans) page of Bloomberg (or, if such page is not available, on such successor Bloomberg page or similar page provided by another information supplier) at 11:30 a.m. on the Banking Day immediately preceding the prepayment date, less the nominal sum of principal payments due, but in no case less than zero.

(c) In the event of prepayment, the Gross Receipt Tax (GRT) shall be recomputed and the corresponding Statement of Account shall be issued and furnished the Borrower within one (1) week from date of full payment. The Borrower shall be billed separately for any deficiency tax or any applicable taxes computed on the pre-terminated accounts after the actual full payment, in view of changed in tax rates (GRT) when the repayment schedule is shortened.

Section 2.07. *Interest*

The Borrower agrees to pay interest on the Advance in the following manner:


ROMEÓ M. PURAYUTAN


AL MANGOS-AVENTI


VP MA. TERESITA S. TOLENTINO


HON. ALDRIN I. SAN PEDRO

(a) It shall be payable quarterly in arrears to commence at the end of the first quarter from initial drawdown. After the grace period, the interest will coincide with the principal payments.

(b) It shall (i) initially be based on the Lender's prevailing rate under the relevant program applied for determined on the date of initial Advance, (ii) be subject to adjustment by the Lender at such rate as it may determine (the "Adjusted Interest Rate") monthly, after the date hereof (the "Adjustment Date") until maturity of the Note, such Adjusted Interest Rate to be payable on or before the Interest Payment Date pertaining to the next Interest Period. Each Adjusted Interest Rate shall be promptly communicated in writing by the Lender to the Borrower and shall become effective as of each Interest Period. If the Adjusted Interest Rate is not acceptable to the Borrower, the Borrower shall notify in writing the Lender of such fact and shall prepay the entire sum of principal and interest due without premium or penalty at the rate existing as of the last Interest Period if prepayment is made prior to the effectivity date of the relevant Adjusted Interest Rate as stated in the notice thereof, or if prepayment is made on or after the effectivity date of the relevant Adjusted Interest Rate, the interest shall be at a composite rate equivalent to the then prevailing 91-days Treasury Bills Rate plus six percent (6%) or the then prevailing Philippine Interbank Offer Rate (PHIBOR) plus six percent (6%), whichever is higher, all within thirty (30) days from receipt by the Borrower of the written notice of the relevant Adjusted Interest Rate. If the Borrower fails or refuses to notify the Lender and to prepay as herein provided, the Lender shall have the right to declare the Loan due and demandable.

The Borrower hereby authorizes the Lender to record on the grid at the back of the Note the Adjustment Date and the Adjusted Interest Rate relevant thereto and such entries shall constitute conclusive evidence, in the absence of manifest error, of the existence of the obligation of the Borrower under the Note, but failure to record any adjustment thereunder shall not affect the obligation of the Borrower to pay the Lender.

(c) If the Borrower fails to pay any principal or interest payable under the Note when due, or any sum payable by the Borrower under this Agreement (including, but without limitation, fees, charges, costs, and expenses), the Borrower shall, on demand by the Lender, pay a default charge at the rate of twenty four percent (24%) per annum on the advances, past due principal and interest.


(d) All payments of interest pursuant to this Section shall be computed on the basis of a year of 360 days for the actual number of days elapsed (including the first day but excluding the last day) accruing in the period for which payable.

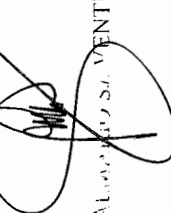
(e) Gross Receipt Tax (GRT) or any applicable tax shall be for the account of the Borrower.

Section 2.08. *Payment*

(a) All payments to be made by the Borrower hereunder or under the Note shall be made in immediately available funds at the office of the Lender, not later than 11:00 a.m., Philippine time, on the relevant date when they are due (each such payment made after such time on such due date to be deemed to have been made on the next succeeding Banking Day).

(b) Any payment made to the Lender hereunder or under the Note shall be applied in accordance with the following order: (i) against costs, expenses and indemnities due hereunder; (ii) against default charge on advances; (iii) against advances; (iv) against default charge on past due interest and/or past due principal; (v) against past due interest; (vi) against past due principal; (vii) against current interest; and (viii) against current principal.


ROMEO M. PUOYUTAN


ALVIN S. TOLENTINO


VP MA. TERESITA S. TOLENTINO


HON. ALDRIN S. SAN PEDRO

(c) Notwithstanding anything in this Agreement to the contrary, the Lender may apply any payment received from the Borrower or for its account to the payment of any or all existing accounts of the Borrower in the order of priority that the Lender may prescribe from time to time.

ARTICLE III General Conditions

Section 3.01. *Integration of General Conditions; Modifications*

The General Conditions herein incorporated as Annex "A" constitute an integral part of this Agreement. Additional conditions and modifications are set forth below.

- (a) Article VII, Section 7.01(i) of the General Conditions shall be modified by the following:

“(i) The Borrower shall make DBP its major depository bank by maintaining a deposit account for its IRA with an average daily balance (ADB) equivalent to at least three monthly amortizations while the loan is outstanding which the Borrower, by this Agreement, fully authorizes the Lender to debit the deposit account in payment of the Note unpaid at maturity, including accrued interests thereon as well as any and all outstanding Advances, costs, expenses, fees and charges, if any.

In case the Borrower fails to maintain the required ADB, the Borrower shall be charged an additional service fee of one (1%) per cent per annum based on outstanding Loan.”

ARTICLE IV Particular Covenants

Section 4.01. *Additional Conditions*

The following are specified as additional conditions of Borrowing for the purpose of Section 9.01 (d) of the General Conditions.

- (a) Submission of latest Debt Service Ceiling Cover certified by DOF-BLGF.
(b) Borrower's equity contribution to the project in the amount of at least ten percent (10%) of the total project cost.
(c) Sangguniang Panglungsod Ratifying Resolution approving and ratifying all the terms and conditions of the Loan Agreement, Deed of Assignment with Hold Out, the Real Estate Chattel Mortgage, if applicable, and other documents contemplated.

Section 4.02. *Security Document*

The following are specified to constitute the Security Document for the purpose of Section 5.01 of the General Conditions:

- (a) Deed of Continuing Assignment of (i) applicable portion of the Borrower's/LGU's Internal Revenue Allotment (IRA), realty tax and/or other revenue with Hold Out provision to cover a minimum amount equivalent to two (2) quarterly loan amortizations (principal and interest), and (ii) local revenues and revenue generated from the financed project.
(b) Duly approved (a) Sangguniang Panglungsod Resolution authorizing the City Mayor to negotiate and enter into a loan contract with the Lender for the proposed projects, (b) Sangguniang Panglungsod Ratifying Resolution approving and ratifying all the terms and conditions of the Loan Agreement, Deed of Assignment with Hold Out and other documents contemplated.
(c) Insurance coverage for all insurable assets on project partially financed by the Bank based on sound value to be placed by the Lender with its accredited insurance

ROMEOM. PUCYUTAN

VP MA. TERESITA S. TOLENTINO

HON. ALDRIN E. SAN PEDRO

company through its appointed broker, with the policy to be endorsed in favor of the Lender.

- (d) A Contractor's All Risk Insurance coverage for applicable project components during construction to be converted to full insurance upon completion.

Section 4.03. Effectiveness of Agreement

The following are specified as additional conditions precedent to the effectiveness of this Agreement for the purpose of Section 8.01 (g) of the General Conditions:

Due execution and perfection of the following loan documents:

- Deed of Continuing Assignment of (applicable portion of the Borrower's/LGU's Internal Revenue Allotment (IRA), realty tax and/or other revenue with Hold Out of Deposit equivalent to two (2) quarterly loan (principal and interest) amortizations, and (ii) of local revenues including the income generated from the financed project in favor of DBP until the loan is fully paid.
- Term Loan Agreement with the General Conditions
- Promissory Note

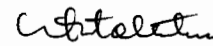
Section 4.04 Other Conditions

- (a) Documentation period shall be within 180 days from the date of Notice of Approval. Extension shall be allowed up to 45 days and the extension fee is waived.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on _____ day of _____ at _____.

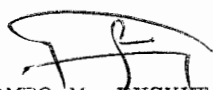
DEVELOPMENT BANK OF THE PHILIPPINES by:

CITY OF MUNTINLUPA by: TIN: _____


 VP MA. TERESITA S. TOLENTINO
 HEAD, RMC METRO MANILA


 HON. ALDRIN L. SAN PEDRO
 City Mayor

SIGNED IN THE PRESENCE OF:

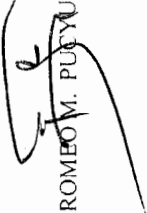

 AT: ROMEO M. PUCYUTAN
 City Treasurer

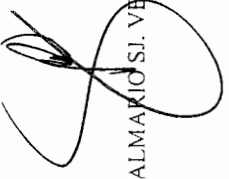

 SEVP ROLANDO S.C. GERONIMO
 Development Bank of the Philippines

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES) _____) S.S.

BEFORE ME, this _____ at _____ personally appeared:


 ROMEO M. PUCYUTAN


 ALMARINO S. VENTURA


 VP MA. TERESITA S. TOLENTINO


 HON. ALDRIN L. SAN PEDRO

Name

Competent
Proof of
Identity

CTC No./Date/Place Issued

DBP

00128060/ 01-07-2009/Makati City

SEVP Roland SC Geronimo


City of Muntinlupa

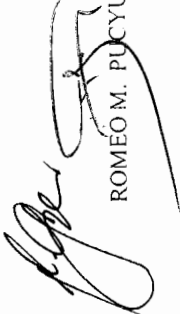
Hon. Aldrin L. San Pedro

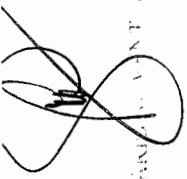
known to me and to me known to be the same persons who executed the foregoing instrument, and acknowledged to me that the same is their free and voluntary acts and deeds as well as those of the principals they represent. This instrument, which consists of _____ (____) pages including the Annex and Exhibits, refers to a Term Loan Agreement providing for a loan in the aggregate principal amount of Pesos: One Hundred Fifty Million Pesos (₱150,000,000.00), signed by the parties and their instrumental witnesses on each and every page thereof.


IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal at the place and on the date first above written.

Doc. No. 428
Page No. 84
Book No. 14
Series of 2009.


ATTY. MICHAEL M. RACELIS
NOTARY PUBLIC FOR THE CITY OF MUNTINLUPA
UNTIL DECEMBER 31, 2010
MCLF COMPLIANCE NO. II - 0004526
PTR NO. 0308402/01.05.09/MUNT. CITY
IBP LIFETIME NO. 07258/QUEZON PROVINCE
ROLL NO. 47212


ROMEO M. PUCYUTAN


ALMAYNO S. VALENTE, JR.


VP MA. TERESITA S. TOLENTINO


HON. ALDRIN L. SAN PEDRO



Development Bank of the Philippines

DEED OF ASSIGNMENT WITH HOLD-OUT

KNOW ALL MEN BY THESE PRESENTS:

This Deed of Assignment with Hold-Out (the "Deed of Assignment") made and executed by:

THE CITY OF MUNTINLUPA, a local government unit created and operating under the provisions of R.A, 8526 dated February 14, 1998, with office address at City Hall of Muntinlupa, National Road, Putatan, Muntinlupa City, represented by **HON. ALDRIN L. SAN PEDRO**, City Mayor, hereinafter referred to as the "**ASSIGNOR**",

- in favor of -

The **DEVELOPMENT BANK OF THE PHILIPPINES**, a financial institution created and operating pursuant to the provisions of Executive Order No. 81 dated December 3, 1986, as amended by Republic Act No. 8523 dated February 14, 1998, with principal office at DBP Building, Gen. Gil J. Puyat Avenue, Makati City, hereinafter referred to as the "**ASSIGNEE**";

WITNESSETH: THAT

WHEREAS, the **ASSIGNOR** has been granted by the **ASSIGNEE** a loan in the principal sum of **PESOS: ONE HUNDRED FIFTY MILLION (P150,000,000.00)**, Philippine Currency (the "Loan") upon the terms and conditions of the Term Loan Agreement dated _____ signed by the parties (the "Loan Agreement"); and

WHEREAS, the **ASSIGNOR** shall open a CASA account with Muntinlupa Branch of the **ASSIGNEE** under CA No. 168-430-2;

WHEREAS, under the Loan Agreement, the Loan shall be secured by, among others, a continuing assignment in favor of the **ASSIGNEE** of the applicable portion of the **ASSIGNOR's** Internal Revenue Allotment ("**Assigned IRA**") and/or other local revenues of the LGU with hold-out provision to cover a minimum amount equivalent to at least two (2) quarterly amortizations, and revenue generated from financed projects to the extent of the total amount due and payable under the Loan Agreement and other related documents.

NOW, THEREFORE, for and in consideration of the foregoing, and as security for the prompt payment of the Loan including interest and other amounts due and payable under the Loan Agreement and other related documents, the **ASSIGNOR**, by these presents, does hereby **ASSIGN, TRANSFER CONVEY and SET OVER** unto the **ASSIGNEE**, its successors and assigns, all its rights, title to and interests in and to the **IRA** due it from the National Government to the extent of the amount due and payable under the Loan Agreement and other related documents (the "**ASSIGNED IRA**."), free and clear of and all liens, encumbrances and other security interests whatsoever, and subject to the following terms and conditions:

1. The assignment contemplated hereby shall be on a continuing basis and shall subject the **ASSIGNOR's IRA** to the extent of the amount due and payable to the **ASSIGNEE** under the Loan Agreement and other related documents.

Signature

Signature

Witness

2. By this Deed of Assignment, the **ASSIGNEE** is hereby subrogated to all the rights, title and interest of the **ASSIGNOR** in and to the **ASSIGNED IRA**, upon the terms and conditions of the Loan Agreement and other related documents.

3. The **ASSIGNOR** hereby undertakes to: (a) authorize its IRA depository bank to directly remit to the **ASSIGNOR's** account with the **ASSIGNEE** the applicable portion of its IRA as payment to the loan amortization (principal and interest) with the **ASSIGNEE**; and (b) maintain its said deposit account with the **ASSIGNEE** while the Loan is outstanding.

4. The **ASSIGNED IRA** and its interest earnings shall be subject to a hold-out for the benefit of the **ASSIGNEE** in an amount equivalent the sum of two (2) quarterly principal amortizations (principal and interest) on the Loan, and shall not be withdrawn by the **ASSIGNOR** without the prior written consent of the **ASSIGNEE**, it being understood that the **ASSIGNEE** has full control of the **ASSIGNED IRA** and the interest earnings thereof for as long as any amount due and payable to the **ASSIGNEE** under the Loan Agreement and other related documents remains unpaid.

5. In case an Event of Default, as defined in the Loan Agreement, shall occur, the **ASSIGNOR** hereby constitutes and appoints the **ASSIGNEE**, in an irrevocable and unconditional manner, as its lawful attorney-in-fact coupled with an interest, with full authority to deal with, withdraw, and apply the **ASSIGNED IRA** and its interest earnings to the payment of the **ASSIGNOR's** obligations due and outstanding under the Loan Agreement, reckoned from the date of default. This irrevocable power of attorney shall remain in full force and effect for as long as any amount due and payable to the **ASSIGNEE** under the Loan Agreement and other related documents remains unpaid.

6. The **ASSIGNOR** hereby represents that it has full power, authority and legal right to execute, deliver and perform this Deed of Assignment and that all necessary legal actions and resolutions have been taken by it to authorize this Deed of Assignment and the transactions contemplated hereby.

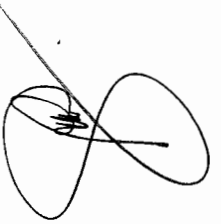
7. The **ASSIGNOR** represents and warrants to the **ASSIGNEE** that: (a) this Deed of Assignment and all documents pertaining thereto, are authentic, valid, subsisting and in all respects what they purport to be and the signatures appearing therein are genuine; (b) the **ASSIGNOR** has the title and right to assign, transfer, convey and set over the **ASSIGNED IRA** and that no prior transfer or assignment has been made with respect to the same; and (c) the **ASSIGNOR** will immediately advise the **ASSIGNEE** of any occurrence that in any way will impair the validity and /or enforceability of the **ASSIGNED IRA** or tend to reduce the amount thereof.

8. The **ASSIGNOR** further agrees to execute and deliver to the **ASSIGNEE** such other additional documents and instruments and do all other acts necessary to enable the **ASSIGNEE** to effectively exercise the rights granted to it by virtue of this Deed of Assignment.

9. The **ASSIGNEE** hereby agrees that no modification or waiver of any provision of this Deed of Assignment and no consent by the **ASSIGNEE** to any departure by the **ASSIGNOR** therefrom, shall in any event be effective unless the same shall be in writing, and that such waiver or consent shall be effective only in the specific instance and for the purpose for which it was given.

10. It is hereby understood and agreed that the assignment contemplated hereby shall not in any way release the **ASSIGNOR** from its obligations to the **ASSIGNEE** under the Loan Agreement except only to the extent of any amount actually collected and paid to the **ASSIGNEE** by virtue of this Deed of Assignment and/or the Loan Agreement.

11. The **ASSIGNOR** further waives its rights under existing laws to the confidentiality of the **ASSIGNOR's IRA** deposited with the **ASSIGNEE** in favor of the **ASSIGNEE** and the Bangko Sentral Ng Pilipinas.



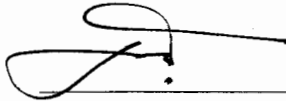
IN WITNESS WHEREOF, the parties have hereunto set their hands this day of MAR 09 2009, 2009 at CITY OF MUNTINLUPA, Philippines.


CITY OF MUNTINLUPA

By:


HON. ALDRIN L. SAN PEDRO
Mayor

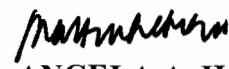
SIGNED IN THE PRESENCE OF:





ROMEO M. BUCYTAN

Acknowledged by DBP BRANCH:


AM MA. ANGELA A. HOMBREBUENO
Branch Head, DBP Muntinlupa

ACKNOWLEDGMENT

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


Before me, this day of MAR 09 2009, at CITY OF MUNTINLUPA, personally appeared:

Name	Competent Proof of Identity	CTC NO. / Date & Place Issued
Hon. Aldrin L. San Pedro Mayor Muntinlupa City		07252570/1-07-09 Muntinlupa City

known to me and by me known to be the same person who executed the foregoing instrument and acknowledged to me that the same is his free and voluntary act and deed as well as that of the City of Manila. This instrument, which consists of three (3) pages, refers to a Deed of Assignment with Hold-Out, and signed by the party and two (2) witnesses on each and every page thereof.

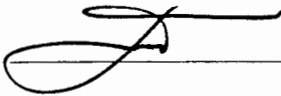
IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal at the place and on the date first written above.

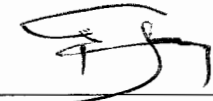
Doc. No. 426
Page No. 86
Book No. 14
Series of 2009.


ATTY. MICHAEL M. RACELIS
NOTARY PUBLIC FOR THE CITY OF MUNTINLUPA
UNTIL DECEMBER 31, 2010
MCLE COMPLIANCE NO. II - 0006526
PTR NO. 0308402/01.05.09/MUNT. CITY
BP LIFETIME NO. 07258/QUEZON PROVINCE
ROLL NO. 47212



SIGNED IN THE PRESENCE OF:





Acknowledged by DBP BRANCH:



AM MA. ANGELA A. HOMBREBUENO
Branch Head, DBP Muntinlupa

ACKNOWLEDGMENT

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


Before me, this day of MAR 09 2009 2009 CITY OF MUNTINLUPA, personally appeared:

Name	Competent Proof of Identity	CTC NO. / Date & Place Issued
Hon. Aldrin L. San Pedro Mayor Muntinlupa City		07252570/1-07-09 Muntinlupa City

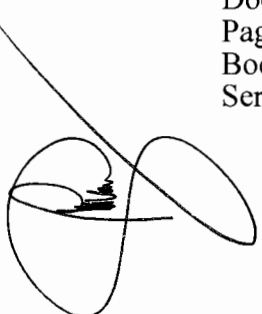
known to me and by me known to be the same person who executed the foregoing instrument and acknowledged to me that the same is his free and voluntary act and deed as well as that of the City of Manila. This instrument, which consists of three (3) pages, refers to a Deed of Assignment with Hold-Out, and signed by the party and two (2) witnesses on each and every page thereof.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal at the place and on the date first written above.

Doc. No. 927
Page No. 86;
Book No. 74;
Series of 2009.


ATTY. MICHAEL M. RACELIS
 NOTARY PUBLIC FOR THE CITY OF MUNTINLUPA
 UNTIL DECEMBER 31, 2010
 MCLE COMPLIANCE NO. II-0006526
 PTR NO. 0308402/01.05.09/MUNT. CITY
 BP LIFETIME NO. 07256/QUEZON PROVINCE
ROLL NO. 97278







FORM OF PROMISSORY NOTE
(Applicable to Term Loan Agreement with Variable Interest Rate)

Pesos: P _____
(Other Currency: _____)

PN (CLA) No. _____

(Date)

FOR VALUE RECEIVED, the undersigned (the "Borrower") unconditionally promise/s to pay (jointly and severally in case of more than one Borrower) to the order of the **DEVELOPMENT BANK OF THE PHILIPPINES** (the "Lender") the principal sum of PESOS (Other Currency) : ONE HUNDRED FIFTY MILLION (₱ 150,000,000.00) payable in the manner and at times provided in the Loan Agreement (the "Agreement") dated as of ____ entered into by and between the Lender and the Borrower.

This Note is the promissory note referred to, and is entitled to the benefits provided in, the Agreement, to which reference is hereby made and which is incorporated herein by reference. Unless otherwise defined in this Note, terms used herein shall have their respective meanings ascribed to them in the Agreement.

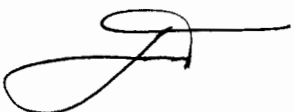
The Borrower further promises to pay interest on this Note at the rate, at the times, and in the manner set forth in the Agreement.

The interest on this Note shall be payable in arrears computed " [] every ___ days/ [] monthly/ [X] quarterly, [] semi-annually/ [] annually/ [] others". It shall (i) initially be ___ percent (___%), (ii) be subject to adjustment by the Lender at such rate as it may determine (the "Adjusted Interest Rate") [] every ___ days/ [X] monthly/ [] quarterly/ [] semi-annually/ [] annually/ [] others" after the date hereof (the "Interest Period") until the maturity of this Note, and (iii) be payable on or before the Interest Payment Date pertaining to the next Interest Period (the "Adjustment Date"). Each Adjusted Interest Rate shall be promptly communicated in writing by the Lender to the Borrower and shall become effective as of each Interest Period. If the Adjusted Interest Rate is not acceptable to the Borrower, the Borrower shall notify in writing the Lender of such fact and shall prepay the entire sum of principal and interest due at the rate existing as of the last Interest Period if prepayment is made prior to the effectivity date of the relevant Adjusted Interest Rate as stated in the notice thereof, or if prepayment is made on or after the effectivity date of the relevant Adjusted Interest Rate, the interest shall be at a composite rate equivalent to the then prevailing 91-days Treasury Bills Rate plus six percent (6%) or the then prevailing Manila Reference Rate (MRR) plus six percent (6%) or the then prevailing Philippine Interbank Offer Rate (PHIBOR) plus six per cent (6%), whichever is higher, all within thirty (30) days from receipt by the Borrower of the written notice of the relevant Adjusted Interest Rate. If the Borrower fails or refuses to notify the Lender and to prepay as herein provided, the Lender shall have the right to declare the Loan due and demandable.

If the Borrower fails to pay any principal and/or interest payable under this Note when due, the Borrower shall, on demand by the Lender, pay a default charge at the rate of TWENTY FOUR (24%) per annum, computed from the due date thereof until full payment.

The principal of, and interest on, as well as other amounts due under, this Note are payable to the Bank at its Head Office in Makati City, Philippines or at its branch office in COMMONWEALTH, QUEZON CITY, Philippines, in the currency in which the Advance is made, in immediately available funds.

The Borrower hereby authorizes the Lender to record on the grid hereunder the Adjustment Date and the Adjusted Interest Rate relevant thereto and such entries shall constitute conclusive evidence, in the absence of manifest error, of the existence of the obligation of the Borrower under this Note, but failure to record any disbursements hereunder shall not affect the obligation of the Borrower to pay the Lender.



In case an Event of Default shall occur, the principal of, and accrued interest on, this Note shall be declared due and payable in the manner and with the effect provided in the Agreement, presentment, demand, protest or notice of any kind being hereby expressly waived.

The Borrower acknowledges that under existing Lender's policy, no gift, fee, commission or benefit in favor of any of the Lender's officers and/or employees and/or any other persons is required as a condition to, or as an additional consideration for, the approval of the Borrower's loan/credit facility or its renewal/extension/restructuring. The Borrower further acknowledges that under the Lender's Code of Ethics, Lender's personnel have the duty to report to superior officers possible violation of the policy.

The Borrower is aware that the Lender is a government-owned corporation and that the receipt by any of the Lender's officers and/or employees and/or other persons, as well as the giving by the Borrower (unless opportunely disclosed pursuant to the provisions of Presidential Decree No. 749) of such gift, fee or commission, are crimes punishable under the provisions of the Anti-Graft and Corrupt Practices Act (R.A. No. 3019), Title VII of the Revised Penal Code on Crimes Committed by Public Officers, the Code of Conduct and Ethical Standards for Public Officers and Employees (R.A. No. 6713), the Plunder Law (R.A. No. 7080), as well as under other applicable laws and governing presidential decrees.


The Borrower agrees that a violation by the Borrower of the Lender's policy prohibiting the giving of such gift, fee, commission or benefit shall be considered an Event of Default of all the Borrower's outstanding loan/s and credit facility/ies with the Lender.

The Borrower further acknowledges the Lender's policy to refer any such violation to the proper government agency for criminal prosecution.

In case this Note is referred to legal counsel for collection, the Borrower agree/s to pay attorney's fees in the sum equivalent to ten percent (10%) of the total amount due, but in no case less than P1,000.00, as well as costs and other judicial and extrajudicial expenses.

This Note shall be governed by and construed in accordance with the laws of the Republic of the Philippines.


This Note is executed by the Borrower and delivered to the Lender this _____ day of _____ at _____, Philippines.



HON. ALDRIN L. SAN PEDRO
Mayor
City of Muntinlupa



ROMEO M. PUCYUTAN
City Treasurer

Witnesses to the Signature/s


ALMARIO S.J. VENTURA
DBP -Head, AMU IV, RMC-MM

GRID

Name of Borrower
PN No.:

Ref. No.:
Amount:

OUTSTANDING PRINCIPAL	ADJUSTMENT DATE	ADJUSTED INTEREST RATE	DBP AUTHORIZED SIGNATORY

DISCLOSURE STATEMENT ON LOAN/CREDIT TRANSACTION
(As Required under R.A. 3765, Truth in Lending Act)

NAME OF BORROWER _____

ADDRESS _____

1. LOAN GRANTED (Amount to be financed)

..... P _____

(A)

2. FINANCE CHARGES:

Proceeds of Loan

		<u>Not Deducted From</u>		<u>Deducted From</u>
a. Interest _____ % p.a. from _____ to _____	P		P	
<input type="checkbox"/> Simple <input type="checkbox"/> Monthly <input type="checkbox"/> Compound <input type="checkbox"/> Quarterly <input type="checkbox"/> Semi-Annual <input type="checkbox"/> Annual				
b. Non-Interest Charges				
c. Commitment Fee				
d. Guarantee Fee				
e. Other charges incidental to the extension of credit (Specify): _____				
Total Finance Charges	P		P	
				(B)

3. NON-FINANCE CHARGES

a. Insurance Premium	P		P	
b. Taxes				
c. Documentary/Science Stamps				
d. Notarial Fees				
e. Others (Specify): _____				
Total Non-Finance Charges	P		P	
				(C)

4. TOTAL DEDUCTIONS FROM PROCEEDS OF LOAN (B plus C)

..... P _____ (D) 5. NET PROCEEDS OF
LOAN (A less D) P

6. PERCENTAGE OF FINANCE CHARGES TO TOTAL AMOUNT FINANCED
_____ %

7. EFFECTIVE INTEREST RATE

_____%

8. SCHEDULE OF PAYMENT

a. Single payment due on _____ P _____

(Date)

b. Total Installment Payments P _____
Payable in _____ months/year at P _____ each installment

9. COLLATERAL

This loan is wholly/partly secured by (please check)

- real estate chattels
- government securities UNSECURED

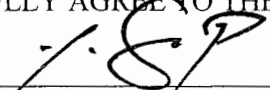
10.. ADDITIONAL CHARGES IN CASE CERTAIN STIPULATIONS ARE NOT MET BY THE BORROWER

<u>Nature</u>	<u>Amount</u>

CERTIFIED CORRECT:

(Signature of	Position
Creditor/Authorized Name)	Representative over Printed

I ACKNOWLEDGE RECEIPT OF A COPY OF THIS STATEMENT PRIOR TO THE CONSUMMATION OF THE CREDIT TRANSACTION AND THAT I UNDERSTAND AND FULLY AGREE TO THE TERMS AND CONDITIONS THEREOF:



 Signature of Borrower over Printed Name)

Date



