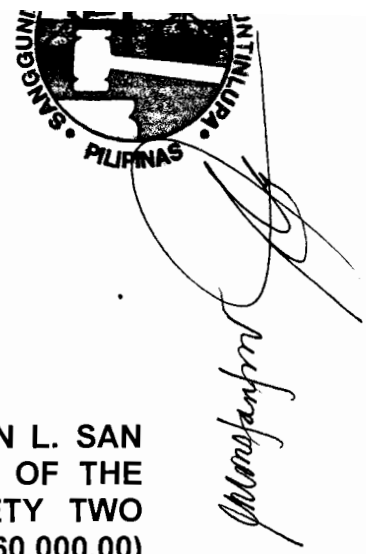




**PAMAHALAANG LUNGSOD NG MUNTINLUPA  
KALAKHANG MAYNILA**



Sangguniang Panglungsod

**RESOLUTION NO. 09-278**

**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 ONE HUNDRED NINETY TWO MILLION NINE HUNDRED SIXTY THOUSAND PESOS (PHP192,960,000.00) 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. Margarita Amythyst Patdu-Labios, MD*  
*Hon. Coun. Melchor R. Teves*  
*Hon. Coun. Ermie S. Espeleta*  
*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*

\*\*\*\*\*

**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 **ONE HUNDRED NINETY TWO MILLION NINE HUNDRED SIXTY THOUSAND PESOS (PHP192,960,000.00)**;

**WHEREAS**, the Land Bank of the Philippines offered the terms and conditions of the **Term Loan 15** to the City Government, to wit:

**A. Terms and Conditions:**

- 1) **Amount.** One Hundred Ninety Two Million Nine Hundred Sixty Thousand Pesos (Php192,960,000.00) the appraised value for vertical projects and validated amount for horizontal projects whichever is lower, provided amount shall be within the LBP's estimated Construction Cost Ranges (ECCR) and DPWH cost ranges for roads and drainage projects.
- 2) **To finance the following projects:**
  - ✓ Construction of Fire Station and Police Station;
  - ✓ Upgrading/installation of street lights and;
  - ✓ Construction/improvement of road, sidewalks, footbridge, and perimeter fence, etc.



REPUBLIKA NG PILIPINAS  
**PAMAHALAANG LUNGSOD NG MUNTINLUPA**  
KALAKHANG MAYNILA



Sangguniang Panglungsod

Page 2  
Resolution No. 09-278

- 3) **Interest rate.** At prevailing prime rate plus minimum spread of 1% at the time of availment, subject to quarterly repricing or at special financing rate if funded under special funds.
- 4) **Tenor:** Ten (10) years with one (1) year grace period on principal.
- 5) **Repayment:**
  - **Principal:** Payable in thirty six (36) quarterly payments to start at the end of the 5<sup>th</sup> quarter from date of initial release.
  - **Interest:** Payable in forty (40) quarterly payments to start at the end of the first quarter from the date of initial release.
- 6) **Releases:** To be released in lump sum or trenches on a per project/contract basis, payable directly to the LGU, as validated and appraised by LBP Appraiser for horizontal and vertical projects. Each release shall be based on the following drawdown schedule:

RELEASE	PRE-RELEASE REQUIREMENTS
1 <sup>ST</sup> Release	15% of the total loan amount per project/contract basis, upon completion of documents.
Succeeding releases	Shall be based on the percentage completion on a per project/contract basis.
Final release	10% of the total loan amount per project/contract basis, upon 100% project completion.

- 7) **Penalty** - Twenty Four percent (24%) per annum in case of non-payment, shall be charged to start on the date after due date of loan amortization up to date settlement.
- 8) **Collateral** - Assignment of IRA and other revenues and income.

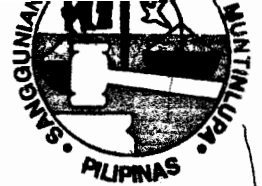
**WHEREAS,** the pre-release requirements for term loan are the following:

**Pre-release requirements:**

- 1) The Local Government Unit (LGU) shall submit a Sanggunian Resolution confirming, approving and ratifying the authority or the Local Chief Executive to:



**PAMAHALAANG LUNGSOD NG MUNTINLUPA  
KALAKHANG MAYNILA**



Sangguniang Panglungsod

**Page 3  
Resolution No. 09-278**

- 1.1. Negotiate and enter into a loan agreement with LBP, including sub-loan agreements and amendments pertinent thereto;
- 1.2. Maintain LBP as the LGU's official IRA and major depository bank;
- 1.3. Assign its Internal Revenue Allotment (IRA) and other revenues and income to secure the proposed Term Loan.
- 1.4. Approve the various projects specified on the purpose of Term Loan, under its approved Local Development Plan or Annual Investment Plan.

2) Certification by the Bids and Awards Committee (BAC) duly noted by the Local Chief Executive that the LGU has complied with R.A 9184 or the Harmonized Procurement Guidelines as well as COA rules and regulations;

3) The LGU shall appropriate annually in its budget such amounts sufficient to pay the loans and other indebtedness or contractual obligations. For this purpose, the LGU shall submit to LBP the above certifications annually:

a) Budget appropriations issued by the budget officer and local treasurer noted by the Local Chief Executive that:

- o The LGU 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
- o Full provision will be appropriated by the LGU for its loan obligation.

b) Certification by the LGU Treasurer and Accountant, noted by the Local Chief Executive that the contractual obligation/loan shall be entered or has been entered (as may be applicable), in the LGU books of accounts.

c) Certification by the LGU Treasurer, noted by the Local Chief Executive that the proposed sources of repayments are available and not restricted by law or its other obligations.

**OTHER TERMS AND CONDITIONS:**

- 1) Reimbursement of expenses shall be allowed within six (6) months prior to loan approval or financed projects.
- 2) Availability of loan shall be one (1) year from date of approval.



PAMAHALAANG LUNGSOD NG MUNTINLUPA  
KALAKHANG MAYNILA



Sangguniang Panglungsod

Page 4  
Resolution No. 09-278

- 3) Any cost overruns shall be for the account of the LGU.
- 4) Gross Receipts Tax (GRT), shall be shouldered by the LGU.
- 5) Advance payments, if any shall be applied on the succeeding amortization of the loan.
- 6) Object of financing shall not be included in the collateral pool but the LGU shall not dispose, sell or encumber the same while the loan is outstanding.
- 7) LBP shall be maintained as the official IRA and major depository bank of the LGU.
- 8) All insurable assets financed by the loan with LBP shall be insured by the LGU at full appraised value through Land Bank Insurance Brokerage, Inc. (LIBI). Insurance premium shall be for the account of the LGU.
- 9) All applicable fees shall be waived except ½% handling fee and pre-termination arising from loan take-out by another financial institution, wherein 3% of the outstanding balance shall be imposed or as required by special financing.
- 10) HDMF, PHIC, BOC and BIR payments shall be coursed through LBP.
- 11) The Bank reserves the right to withhold loan released should there be:
  - ❖ A case filed against the LGU or its officials involving the projects to be financed.
  - ❖ An adverse finding on the project or object of financing.
  - ❖ Withdrawal of the Sanggunian on the authority of the Mayor to contract a loan.
- 12) The bank shall be authorized to debit clients depository account with LBP for maturing obligations whenever applicable.
- 13) Subject to other Terms and Conditions of the special financing program if applicable.

**WHEREAS**, before the loan is released from the bank there is a need for the City Council to pass a resolution **ratifying/confirming** the **Terms and Conditions of the Loan Agreement of Term Loan 15** to finance various projects; to finance various infrastructure projects and that the City Mayor is **authorized** to drawdown said amount;

**WHEREAS**, copy of the **Loan Agreement of Term Loan 15** hereto attached as Annex A and forms part of this resolution;

**NOW THEREFORE, BE IT RESOLVED, AS IT IS HEREBY RESOLVED**, by the 5<sup>th</sup> Sangguniang Panglungsod 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 **One Hundred Ninety Two Million Nine Hundred Sixty Pesos (Php192,960,000.00)** and **ratifying** the Terms and Conditions of the pre-release requirements of the Loan Agreement and other terms and conditions of the said loan.



Sangguniang Panglungsod

Page 5

Resolution No. 09-278

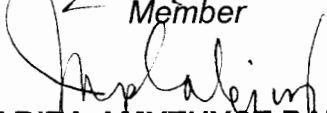
**ADOPTED**, by the 5<sup>th</sup> Sangguniang Panglungsod of Muntinlupa this 29<sup>th</sup> day of April 2009 on its 27<sup>th</sup> Special Session.

**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 RERA**

Member

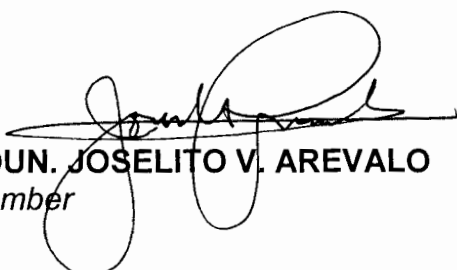
  
**COUN. ERMIE S. ESPELETA**

Member


**DISTRICT II:**

  
**COUN. FRANCIS IAN T. BAGATSING**

Member

  
**COUN. JOSELITO V. AREVALO**

Member

  
**COUN. LUVI P. CONSTANTINO**

Member

  
**COUN. MAMERTO T. SEVILLA, JR.**

Member

  
**COUN. VERGEL C. ULANDAY**

Member

  
**COUN. ROBERT A. ABAS**

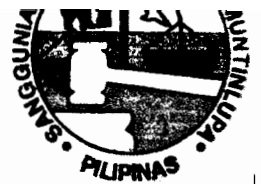
Member

  
**COUN. ATTY. REY E. BULAY**

Member



**PAMAHALAANG LUNGSOD NG MUNTINLUPA  
KALAKHANG MAYNILA**



**Sangguniang Panglungsod**

**Page 6  
Resolution No. 09-278**

**NO:**

**COUN. ALLEN F. AMPAYA**  
*Member*

**ABSENT:**

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

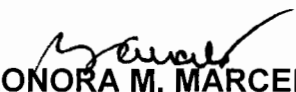
**COUN. ENGR. MARISSA COLE-RONGAVILLA**  
*Member*

**COUN. MARITA DEANG-CALALANG, MD**  
*Member*

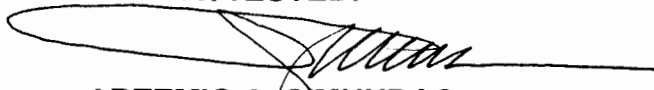
**COUN. DANN HENRY G. TEVES**  
*Sectoral Representative  
President  
Federation of Sangguniang Kabataan*

**COUN. RENETO R. SO**  
*Sectoral Representative  
President  
Association of Barangay Captains*

**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:**

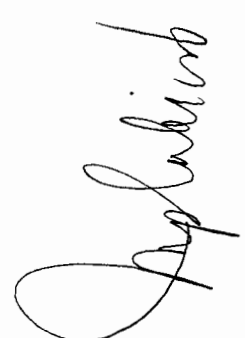
  
**ALDRIN L. SAN PEDRO**  
*City Mayor*

Date: \_\_\_\_\_

  
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