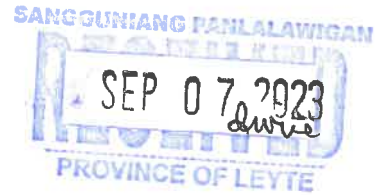


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Item No.: 26

Date: 12 SEP 2023



Republic of the Philippines  
**SANGGUNIANG BAYAN**  
Bato, Leyte

September 6, 2023

**THE HONORABLE MEMBERS OF THE  
SANGGUNIANG PANLALAWIGAN**

Province of Leyte  
Tacloban City

Gentlemen and ladies:

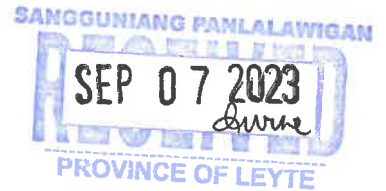
Respectfully transmitting to the Leyte Provincial Board the herein **Ordinance No. 2023-02-A re: Authorizing the proposed borrowing of the municipality in the amount of ₱25,200,000.00 to finance the acquisition of four units brand new 6x4 10-wheeler dump trucks, ratifying the terms and conditions of the loan agreement and other documents related thereto, and for other purposes** of this municipality for perusal and review by the august body.

It is sincerely prayed that the Provincial Board could pass a resolution stipulating your action on the matter and furnish this Sanggunian with the same.

I thank you in advance and look forward to your granting this request.

Respectfully,

**PORFERIO M. PITOGO II**  
Secretary to the Sanggunian



Republic of the Philippines  
**SANGGUNIANG BAYAN**  
Bato, Leyte

Ordinance No. 2023-02-A

**AUTHORIZING THE PROPOSED BORROWING OF THE MUNICIPALITY OF BATO, LEYTE IN THE AMOUNT OF PESOS: TWENTY-FIVE MILLION, TWO HUNDRED THOUSAND ONLY (PHP25,200,000.00) TO FINANCE THE ACQUISITION OF FOUR (4) UNITS BRAND-NEW 6X4 10-WHEELER DUMP TRUCK, RATIFYING THE TERMS AND CONDITIONS OF THE LOAN AGREEMENT AND OTHER DOCUMENTS RELATED THERETO, AND FOR OTHER PURPOSES**

*Sponsored by:*  
**HON. ARNULFO B. TANE0**  
*SB Committee Chair on Laws and Ordinances*

BE IT ENACTED by the Sangguniang Bayan of Bato, Leyte in session duly assembled that:

**Section 1.** The Municipal Mayor, in representation of the Municipality, hereinafter referred to as the "Municipality", is hereby authorized to enter into a term loan with the DEVELOPMENT BANK OF THE PHILIPPINES in accordance with Section 297 of Republic Act No. 7160, or the Local Government Code, in the amount of **Twenty-Five Million, Two Hundred Thousand Pesos (PHP25,200,000.00)** or 100% of the winning bid price whichever is lower, under the terms and conditions herein set forth and such other terms and conditions as may be agreed upon with any person, corporation or entity for the purpose of funding priority project/s, and subject to the requirements under Section 123 of Republic Act No. 7653 as implemented by the Bangko Sentral ng Pilipinas Circular No. 402. In this connection, the Mayor shall have full power and authority to represent the Municipality in negotiating the terms and conditions for the said borrowing and in signing, executing and delivering such agreements, contracts, deeds, papers, and documents as may be necessary and proper for the full and total implementation of the authority herein granted.

**Section 2.** The said priority project herein specified, namely the: **(1) to finance the acquisition of four (4) units brand-new 6x4 10-wheeler dump trucks in the amount of ₱25,200,000.00 or 100% of the actual acquisition cost or winning bid price whichever is lower** is hereby certified to be local infrastructure and socio-economic development projects in accordance with the approved local development plan and public investment program for the year **2023** of the LGU.

**Section 3.** Consistent with the covering loan contract, deeds and assignment, and such other agreements as maybe entered into by the Municipality in connection with the borrowing, the features, terms and conditions shall be as follows and are hereby approved:



3.1 Project Name

Borrower	: BATO MUNICIPALITY, LEYTE
Loan Amount	: TWENTY-FIVE MILLION TWO HUNDRED THOUSAND (Php25,200,000.00) or 100% of the winning bid price whichever is lower
Purpose	: To finance the acquisition of four (4) units brand-new 6x4 10-wheeler dump trucks
Tenor	: Seven (7) years, payable in eighty-four (84) equal monthly amortizations on principal to commence at the end of the 1st month from date of initial drawdown.
Manner of Payment	: Principal and interest payable monthly
Principal	: Seven (7) years, payable in eighty-four (84) equal monthly amortizations on principal to commence at the end of the 1st month from date of initial drawdown.
Funding	: DBP Funds
Interest	: Fixed for one (1) year based on existing market rate at the time of drawdown p.a., payable monthly, subject to a floor rate of 5.00% p.a., commencing at the end of the 1st month from date of initial drawdown. Interest shall be reviewed annually based on the relevant benchmark rate plus applicable credit spread subject to a floor rate equivalent to the existing rate. GRT for the account of the LGU.
Fees	: <ol style="list-style-type: none"> <li>1. Front-end fee is waived.</li> <li>2. Commitment fee is waived.</li> <li>3. Extension Fee – waived</li> <li>4. Default charge – 24% p.a.</li> <li>5. Prepayment penalty – 3% of the amount to be prepaid.</li> <li>6. GRT and other applicable taxes shall be for the account of the LGU.</li> </ol>
Security	: <ol style="list-style-type: none"> <li>1. Continuing Deed of Assignment of the LGU's deposit with hold-out and control agreement equivalent to at least three (3) monthly amortizations based on total maturing obligation of the term loan.</li> <li>2. Continuing insurance coverage on all insurable financed projects by the Bank placed through GSIS and the policy endorsed in favor of the Bank.</li> </ol>



**Section 4.** The Municipality hereby appropriates the entire proceeds of the borrowing exclusively to finance the (1) to finance the acquisition of four (4) units brand-new 6x4 10-



wheeler dump trucks in the amount of **₱25,200,000.00** and other financial obligations relative thereto.

**Section 5.** The Municipality hereby grants its Mayor authority to execute a letter waiving the right to confidentiality of information by authorizing DBP, our trustee bank and all banks or financial institutions with which we have transactions to disclose to the Bangko Sentral ng Pilipinas (BSP) all information pertaining to the deposits, investments, loans, or other transactions including the history or status of our dealings with said banks or financial institutions and for the BSP to make all inquiries as may be necessary regarding the same.

Furthermore, the BSP is likewise authorized to disclose and share any such information furnished or obtained from said banks or financial institutions to the Department of Finance in relation to the performance by said Department of its functions.

**Section 6.** The Term Loan Agreement, Deed of Assignment with Hold-Out Agreement and other collateral loan documents are now before the Sanggunian for its perusal, study, ratification and approval and the same are found fair, just, legal and in order.

**Section 7.** The Municipality is hereby authorized the following:

1. To open and maintain with DBP a Deposit Account where the proceeds of the loan shall be maintained during the term of the loan, and for the Municipal Mayor to execute the covering Deed of Assignment;
2. To undertake not to incur additional obligations/indebtedness without the prior written consent of DBP which consent will not be unreasonably withheld; and
3. To authorize DBP to debit the LGU's deposit account to cover loan payments of its obligation with the Bank.

**Section 8.** The Sanggunian undertakes, as it hereby undertakes, to appropriate in the LGU's Annual Budget for the years 2023 to 2030 an amount sufficient to pay its loan with DBP including interest thereon and other charges.

**Section 9.** Any Ordinance or parts thereof, inconsistent with this enactment is hereby repealed or amended accordingly.

**Section 10.** The obligation shall not be subject to recall by the Sanggunian concerned for the whole term of the loan, regardless of any change in the composition of the Sanggunian. This ratification includes any and all subsequent requests by the Municipality concerned for modification, revision, reallocation, and/or amendment to be made on the project as well as on its approved terms and conditions.

**Section 11.** This Ordinance shall take effect upon its publication and compliance with all procedures required under Republic Act No. 7160 of an ordinance for its validity, including the affixation of signatures of the Sanggunian Bayan members, in concurrence thereto, composing at least a majority thereof, out of the total of 11 members, **on all the pages** of this Ordinance.

ENACTED this 13<sup>th</sup> day of March, 2023 during the Sangguniang Bayan's regular session held at the SB Session Hall, Bato, Leyte as such with notice that copies of this Ordinance be furnished to the Honorable Municipal Mayor and the Municipal Auditor, all of this Municipality of Bato.





Resolution No. 2013-02-5, Authorizing Borrowing up to P21,200,000.00  
March 13, 2013

Leyte including the Bangko Sentral ng Pilipinas and the Development Bank of the Philippines,  
for their information and appropriate action.

**The Honorable Members of the Sangguniang Bayan**

  
**ANTHONY S. ECHEVARRE**

  
**DANILO A. PITOGO**

  
**PEPE B. DIAO**

  
**RAUL M. ACENAS**

  
**GERRY E. AUREO**

  
**MARK S. SALVATIERRA**

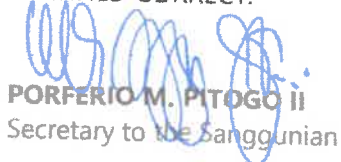
  
**HERBERT B. SALAZAR**

  
**ARNULFO B. Taneo**

  
**MARISSA C. GERTOS**

  
**DORMAN P. SUAREZ**

.....  
CERTIFIED CORRECT:

  
**PORFERIO M. PITOGO II**  
Secretary to the Sanggunian

ATTESTED TO BE ADOPTED:

  
**BRYAN NILE A. GERTOS**  
Presiding Officer

APPROVED:

  
**NATHANIEL B. GERTOS**  
Municipal Mayor