

Item No.: 20

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Republic of the Philippines  
PROVINCE OF LEYTE  
Palo, Leyte  
-oOo-

## PROVINCIAL BUDGET OFFICE

December 22, 2023

Hon. LEONARDO M. JAVIER, JR,  
Vice-Governor and Presiding Officer, and  
**THE HONORABLE MEMBERS**  
Sangguniang Panlalawigan  
Province of Leyte

**Gentlemen and Ladies:**

RELEASED  
DATE 12-22-23  
NO. # 248  
BY: [Signature]  
FBO

Pursuant to the provisions of the Local Government Code of 1991 (Republic Act No. 7160), our preliminary review of the **General Fund Supplemental Budget No. 02 FY 2023** of the **Municipality of Tabontabon, Leyte** duly enacted by the Sangguniang Bayan through **Appropriation Ordinance No. 02 Series 2023**, with a total appropriation in the amount of **P144,600,000.00** reveals compliance with the same law and its implementing Rules and Regulations.

It is therefore recommended for approval subject to the following conditions:

1. That the procurement of Goods, Supplies, Equipment, Civil Works and other related services shall be made in accordance with the provisions of RA 9184 and its Implementing Rules and Regulations;
2. That the Loan proceeds from Land Bank shall fund the project or procurement in which the loan was being applied for and shall be in accordance with the terms and conditions stipulated in the contract;
3. That the procurement of Motor Vehicles under Capital Outlay will be made pursuant to the guidelines on the requisition and use of Government Vehicles under Budget Circular No. 2022-1 dated February 11, 2022;
4. That the purchase of lot shall conform with the provisions of RA 8974; and
5. That funds are actually available to pay these proposed expenditures and shall be disbursed for the specific purpose(s) for which they have been appropriated pursuant to Sections 335 & 336 of RA 7160.

Compliance with DBM issuances, and accounting and auditing rules and regulations and all other existing laws shall be the responsibility of the implementing Local Government Unit.

Very truly yours,

**LOCAL FINANCE COMMITTEE:**

**MARIA GINA P. HIPE**  
Provincial Budget Officer

**RUTH Y. SURPIA**  
Provincial Treasurer

**AGNES C. RAFON**  
Provincial Planning and Development  
Coordinator - Designate  
**On Official Leave**

Republic of the Philippines  
PROVINCE OF LEYTE  
Palo, Leyte



**OFFICE OF THE SANGGUNIANG PANLALAWIGAN**

**2<sup>ND</sup> INDORSEMENT**  
18 December 2023

The Local Finance Committee is respectfully requested to review and submit recommendations on the herein enclosed **APPROPRIATION ORDINANCE NO. 02, S. 2023 OF THE MUNICIPALITY OF TABONTABON, LEYTE, ENTITLED: AN ORDINANCE APPROVING/AUTHORIZING SUPPLEMENTAL BUDGET NO. 02, CY 2023 INVOLVING AN AMOUNT OF ONE HUNDRED FORTY FOUR MILLION SIX HUNDRED THOUSAND PESOS ONLY (PHP144,600,000.00).**

  
**FLORINDA JILL S. UYVICO**  
Secretary to the Sanggunian

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Republic of the Philippines  
Province of Leyte  
Municipality of Tabontabon  
-oOo-

## OFFICE OF THE SANGGUNIANG BAYAN

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### INDORSEMENT

December 15, 2023

Respectfully submitted to the Honorable Sangguniang Panlalawigan, the herein Appropriation Ordinance No. 02 CY2023 which embodies the Supplemental Budget No. 02 CY 2023 of the Municipality of Tabontabon, Leyte for appropriate action.

Hope you find it in order.

  
MARIA CORAZON E. BAUTISTA  
*Secretary to the Sangguniang Bayan*

**NOTED:**

  
HON. PONCIANO R. JUSTIMBASTE, Jr.  
*Presiding Officer*



**14<sup>th</sup> SANGGUNIANG BAYAN**

**HON. PONCIANO R. JUSTIMBASTE, JR.**  
Municipal Vice Mayor/Presiding Officer

**MEMBERS OF THE  
SANGGUNIANG BAYAN**

**HON. HERMAN I. BIBAR**  
SB Member

**HON. FRANCISCO M. FERNANDEZ**  
SB Member

**HON. DAN JERIC S. REDOÑA**  
SB Member

**HON. JERRY GWEN L. CONDE**  
SB Member

**HON. DANILO E. BALAIS**  
SB Member

**HON. MERVIN M. LOBRIGO**  
SB Member

**HON. JINKY E. GAMEZ**  
SB Member

**HON. DENNIS L. BALDERIAN**  
SB Member

**HON. MYLENE B. LADAN**  
Ex-Officio Member/ABC Pres

**HON. THEA JASMINE A. PRISNO**  
Ex-Officio Member/SK Pres.

email: tabontabon.legislative2016@gmail.com

**APPROPRIATION ORDINANCE NO. 02 SERIES 2023**

**AN APPROPRIATION ORDINANCE  
APPROVING/AUTHORIZING SUPPLEMENTAL BUDGET NO.  
02 CY 2023 INVOLVING AN AMOUNT OF ONE HUNDRED  
FORTY FOUR MILLION SIX HUNDRED THOUSAND PESOS  
(₱ 144,600,000.00) ONLY.**

**WHEREAS**, the Draft of the proposed Supplemental Budget No. 02 of this municipality had been submitted and considered by the Sangguniang Bayan;

**WHEREAS**, after a thorough deliberation on the submitted documents, the sanggunian agreed to pass and authorize said Supplemental Budget;

**NOW THEREFORE**, on motion by Hon. Jerry Gwen L. Conde and duly seconded by all SB Members present except Hon. Dennis L. Balderian;

**BE IT RESOLVE AS IT IS HEREBY RESOLVED**, to approve/authorize the Appropriation Ordinance No. 02 CY2023 which embodies the Supplemental Budget No. 02 CY2023 of the Local Government of Tabontabon, Leyte with a total appropriation of One Hundred Forty Four Million Six Hundred Thousand Pesos (₱144,600,000.00) Only;

**BE IT ORDAINED** by the Honorable Sangguniang Bayan, in its Regular Session assembled:

**Section 1:** The Supplemental Budget of the Local Government Unit of Tabontabon, Leyte for Fiscal Year 2023 in the total amount of One Hundred Forty Four Million Six Hundred Thousand Pesos (₱144,600,000.00) Only is hereby approved.

The budget documents consisting of the following are incorporated herein and made integral part of this Ordinance:

1. Statement of Funding Sources (LBP Form No. 8);

**Section 2: Sources of Funds.** The sources of funds for the Supplemental Budget in the total amount of One Hundred Forty-Four Million Six Hundred Thousand Pesos (₱144,600,000.00) Only shall be from the loan proceeds:

**Section 3: Use of Funds.** The amount of One Hundred Forty-Four Million Six Hundred Thousand Pesos (₱144,600,000.00) Only is hereby appropriated for the Supplemental Budget of the Local Government Unit of Tabontabon, as follows:

**New Appropriations by  
Program/Activity/Project ('000)**

Program/Project/ Activity	Current Expenditures	Operating	Capital Outlay	Financial Expenses	Total
	Personal Services	Maintenance and Other Operating Expenses			
A. Programs					
I. General Administration Services					
a. General Administrative and Support Services					
b.					
Sub-total					
II. Operations					
a.					
b.					
c.					
Sub-total					
Total, Programs					
B. Projects					
I. Locally-funded Project	144,600,000.00				
a.					
b.					
Sub-total					
Total, Projects					
<b>Total New Appropriations</b>	<b>144,600,000.00</b>				<b>144,600,000.00</b>

HON. FRANCISCO M. FERNANDEZ  
SB Member/Temp. Presiding Officer

-over-

Maria Corazon E. Bautista  
Secretary to the Sangguniang Bayan

HON. DANILO E. BALAIS  
SB Member

HON. JERRY GIVEN L. CONDE  
SB Member

HON. DAN JERIC S. REDOÑA  
SB Member

HON. HERMAN L. FABAR  
SB Member

HON. MERVIN L. LOBRIGO  
SB Member

HON. JINKY G. GAMEZ  
SB Member

HON. DENNIS L. BALDERIAN  
SB Member

Program Appropriation and Obligation by Object ('000)

Object of Expenditure	Account Code	Past Year	Current Year	Budget Year
Personal Services				
<b>Total PS</b>				
Maintenance and Other Operating Expenses (MOOE)				
<b>Total MOOE</b>				
Capital Outlay (CO)	1-07-05-080			21,000,000.00
	1-07-05-010			30,000,000.00
	1-07-01-010			19,000,000.00
	1-07-03-010			28,600,000.00
	1-07-04-990			15,000,000.00
	1-07-05-030			7,000,000.00
1-07-05-090			24,000,000.00	
<b>Total CO</b>				
Financial Expenses				
<b>Total Financial Expenses</b>				
<b>TOTAL APPROPRIATIONS</b>				144,600,000.00

HON. DANILLO E. BALAIS  
SB Member

HON. JIMMY GAYE L. CONDE  
SB Member

HON. DAN JEM C. S. REDONA  
SB Member

HON. MERVIN M. LOBRICO  
SB Member

HON. JINKY B. RAMEZ  
SB Member

HON. DENNIS L. BALDERIAN  
SB Member

HON. HERMAN I. BABAR  
SB Member

**Section 4. Separability Clause.** If, for any reason, any section or provision of this Ordinance is declared invalid or unconstitutional, other section or provisions thereof which are not affected thereby shall continue to be in full force and effect.

**Section 5. Effectivity.** The provisions of this Ordinance shall take effect upon its approval.

**ENACTED** – This 04<sup>th</sup> day of December, 2023 at Legislative Session Hall.

HON. FRANCISCO M. FERNANDEZ  
SB Member / Temp. Presiding Officer


—over—

MARIA CORAZON E. BAUTISTA  
Secretary to the Sangguniang Bayan



Republic of the Philippines  
Province of Leyte  
Municipality of Tabontabon

I HEREBY CERTIFY to the correctness of the foregoing resolution.

  
MARIA CORAZON E. BAUTISTA  
Secretary to the Sangguniang Bayan


ATTESTED:

  
HON. HERMAN I. HIBAR  
SB Member

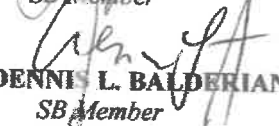
  
HON. DAN JERIC S. REDOÑA  
SB Member

  
HON. DANILO E. BALAIS  
SB Member

  
HON. JINKY E. GAMEZ  
SB Member

  
HON. JERRY GWEN L. CONDE  
SB Member

  
HON. MERVIN M. LOBRIGO  
SB Member

  
HON. DENNIS L. BALDERIAN  
SB Member

  
HON. FRANCISCO M. FERNANDEZ  
SB Member/Temp. Presiding Officer

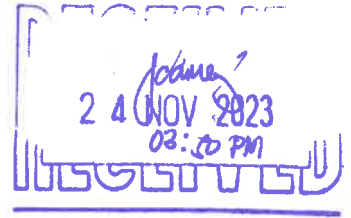
APPROVED:

  
HON. EFREN D. REDOÑA  
Municipal Mayor

Date: December 12, 2023



Republic of the Philippines  
Province of Leyte  
**MUNICIPALITY OF TABONTABON**  
oOo



**OFFICE OF THE MUNICIPAL BUDGET OFFICER**

November 24, 2023

**The Honorable Sangguniang Bayan**  
Thru the Presiding Officer  
Municipality of Tabontabon, Leyte

Sir:

Greetings!

Respectfully submitting herewith to the Honourable Sangguniang Bayan the herein Supplemental Budget No. 02 CY 2023 of the Local Government Unit of Tabontabon, Leyte for your favourable action. Please ~~see attached sheet.~~

Please acknowledge receipt.

Very truly yours,

  
**EMETERIO D. MALUPING**  
Municipal Budget Officer

**Noted:**

  
**EFREN D. REDONA**  
Local Chief Executive

Local Budget Preparation Form No. 8

**STATEMENT OF FUNDING SOURCES**  
(Supplemental Budget No. 02)  
Fiscal Year 2023

TABONTABON, LEYTE  
Municipality/Province

GENERAL FUND  
Fund/Special Account

Particulars 1	Account Classification 2	Amount 3
<b>1.0 New Revenue Sources</b>		
Tax Revenue		
Loan Proceeds	Loans Payable-Domestic 2-01-02-040	144,600,000.00
<b>2.0 Actual Collections in Excess of the Estimated Income</b>		
<b>3.0 Savings</b>		
<b>4.0 Realignment</b>		
<b>5.0 Reversion</b>		
<b>TOTAL</b>		<b>144,600,000.00</b>

Certified Correct:

  
LUCAS DONDON B. BIBAR III  
Municipal Treasurer

  
LEONARDO M. ENCINA  
Municipal Accountant

**STATEMENT OF SUPPLEMENTAL APPROPRIATION**

Tabontabon, Leyte


Supplemental Budget No. 02 CY 2023

Implementing Office	Particulars/Purpose	AIP REF. CODE	Object of Expenditure	Account Code	Total
	<b>CAPITAL OUTLAY (20% EDF)</b>				
<b>Municipal Engineering Office</b>	<b>Acquisition of Various Brand New Heavy Equipment</b>				
	Purchased of 1 unit Backhoe(w/Loader&Bulldozer)	8000-3-01-010-001-031	Construction and Heavy Equipment	1-07-05-080	11,000,000.00
	Purchased of 2 units Dump Truck (5.0 Cu.m.)	8000-3-01-010-001-032	Construction and Heavy Equipment	1-07-05-080	7,000,000.00
	Purchased of 1 unit stake Truck	8000-3-01-010-001-033	Construction and Heavy Equipment	1-07-05-080	3,000,000.00
	<b>Sub-Total</b>				<b>21,000,000.00</b>
	<b>Establishment of Solid Waste Management System</b>				
	Purchase of Thermal Decomposition Machine for Customize Waste Processing System Facility	8000-3-01-010-001-038	Machinery	1-07-05-010	30,000,000.00
	Purchase of lot for Customize Waste Processing System Facility	8000-3-01-010-001-034	Land	1-07-01-010	1,700,000.00
	Site Development of Lot for Customize Waste Processing System Facility	8000-3-01-010-001-041	Land	1-07-01-010	2,150,000.00
	<b>Sub-Total</b>				<b>33,850,000.00</b>
	<b>Acquisition of Lot and Site Development for the Proposed Public Cemetery (Phase 1)</b>				
	Purchase of 5 Ha. Lot for Public Cemetery	8000-3-01-010-001-029	Land	1-07-01-010	7,500,000.00
	Site Development Public Cemetery (Phase 1)	8000-3-01-010-001-045	Land	1-07-01-010	3,500,000.00
	<b>Sub-Total</b>				<b>11,000,000.00</b>
	Acquisition/Purchase and Installation of Solar Street Lights	8000-3-01-010-001-035	Other Structures	1-07-04-990	5,000,000.00
	Upgrading of Gravel road to PCCP (San Antonio-Bellsong Road)	8000-3-01-010-001-040	Road Network	1-07-03-010	28,600,000.00
	Land Development and Construction of Public Market (Phase 1)	8000-3-01-010-001-043	Markets	1-07-01-010	4,150,000.00
<b>Municipal Treasurer's Office</b>	Revenue Generation and Financial Management System	8000-3-01-010-001-027	Information and Communication Technology Equipment	1-07-05-030	7,000,000.00
<b>MDRRM Office</b>	Supply & Installation of Municipality Security Command Center Control and Disaster Monitoring Facility	8000-3-01-010-001-037	Disaster Response and Rescue Equipment	1-07-05-090	24,000,000.00
<b>Sangguniang Bayan Office</b>	Construction of Multi-Purpose Building (Annex)	8000-3-01-010-001-028	Other Structures	1-07-04-990	10,000,000.00
	<b>GRAND TOTAL</b>				<b>144,600,000.00</b>

Prepared by:

  
**EMETERIO D. MALUPING**  
Municipal Budget Officer

Approved by:

  
**HON. EFREN D. REDONA**  
Municipal Mayor

Republic of the Philippines  
Province of Leyte  
**MUNICIPALITY OF TABONTABON**  
oOo

**CERTIFICATION**

**WE HEREBY CERTIFY** that the funds in the amount of Php 144,600,000.00 to pay the proposed expenditures under Supplemental Budget No. 2 CY 2023 of the Local Government Unit of Tabontabon, Leyte for various projects are to be charged from the loans availed of by the Local Government Unit of Tabontabon, Leyte from the Land Bank of the Philippines.

Jointly issued this 19th day September, 2023 at Tabontabon, Leyte.

  
**LUCAS DONDON B. BIBAR III**  
Municipal Treasurer

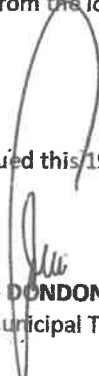
  
**LEONARDO M. ENCINA**  
Municipal Accountant

Republic of the Philippines  
Province of Leyte  
**MUNICIPALITY OF TABONTABON**  
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Jointly issued this 19th day September, 2023 at Tabontabon, Leyte.

  
**LUCAS DONDON B. BIBAR III**  
Municipal Treasurer

  
**LEONARDO M. ENCINA**  
Municipal Accountant

## LOAN AGREEMENT

This Loan Agreement is made and executed by and between **LAND BANK OF THE PHILIPPINES**, a government financial institution created and existing under and by virtue of the provisions of Republic Act No. 3844, as amended, with principal office at LandBank Plaza 1598, M.H. del Pilar corner Quintos Streets, Malate, Manila (the "Lender") and the Borrower as specified in the Special Conditions.

### PART I – GENERAL CONDITIONS

#### Article 1. DEFINITIONS

##### 1.1 Defined Terms

"Agreement" means this Loan Agreement inclusive of the General Conditions and Special Conditions, respectively.

"Assignment" means the assignment by the Borrower of its IRA as may be delivered pursuant to Section 5.1.

"Availability Period" means the period when the Loan may be availed by the Borrower as specified in this Agreement, which begins on the date of approval of the Loan by the Lender and ending on the earliest of (i) the date the Loan is initially drawn by the Borrower, or (ii) the date the Loan is cancelled or terminated in accordance with the provisions of this Agreement.

"Banking Day" means a day, other a Saturday, Sunday or non-working legal holiday, on which banks and other financial institutions are open for business in Metro Manila.

"BIR" means the Bureau of Internal Revenue.

"COA" means the Commission on Audit.

"Event of Default" means an event specified as such in Section 8.1.

"IRA" means the Internal revenue allotment of a local government unit.

"Loan" means the aggregate principal amount of the drawdowns granted by the Lender to the Borrower hereunder, or as the context may require, the amount thereof then outstanding;

"Loan Documents" means collectively its Agreement, the Notes, the Assignment and all other agreements or documents required or contemplated hereunder, as the same may be amended from time to time.

"Note" means the promissory note of the Borrower evidencing the borrowing.

"Project" means the project or object of financing to which the loan proceeds shall be used as indicated in the Special Conditions.

"Special Conditions" means the Special Conditions of Contract constituting Part II of this Agreement.

"Taxes" means any and all present and future taxes (including, but not limited to documentary stamp or value added taxes), fees or charges, of any kind and nature, imposed by the Republic of the Philippines or any political subdivision or taxing authority thereof.

##### 1.2 Construction

Unless the context otherwise requires, the capitalized terms in this Agreement shall have the meaning ascribed to them in the General Conditions or in the Special Conditions. The headings in this Agreement are inserted for convenience of reference only and shall not limit or affect the interpretation of the provisions hereof. Unless the context otherwise requires, words denoting the singular shall include the plural and vice versa, words denoting the masculine gender shall include the feminine gender and words denoting persons shall

include individuals and juridical entities. Unless otherwise provided therein, all terms of accounting used herein shall be construed in accordance with generally accepted accounting principles in the Republic of the Philippines on the date applied. Any reference to "days" shall mean calendar days, unless the term "Banking Days" is used.

## ARTICLE 2. LOAN AMOUNT AND TERMS

### 2.1 Loan Amount:

The Lender agrees to grant the Loan to the Borrower in the aggregate principal amount as specified in the Special Conditions.

### 2.2 Availability

The Loan shall be available for drawdown by the Borrower within the Availability Period. The obligation of the Lender to allow drawdown shall terminate upon expiration of the Availability Period without any drawdown being made.

### 2.3 Use of Proceeds

The Borrower agrees that the proceeds of the Loan shall be used exclusively for the purpose of financing the Project as specified in the Special Conditions.

### 2.4 Release of Proceeds

The Loan shall be released in the manner prescribed in the Special Conditions.

### 2.5 Notes

Each drawdown shall be evidenced by a Note which, once executed, shall be complemented by the terms and conditions of this Agreement.

### 2.6 Term; Repayment

- (a) The Borrower shall repay the Loan over a term and under such number and frequency of instalments as specified in the Special Conditions.
- (b) If any payment hereunder or under the Notes would otherwise be due on a day that is not a Banking Day, such payment shall be made on the next immediately succeeding day that is a Banking Day.

### 2.7 Voluntary Prepayment

The Borrower may, at its option, prepay, in whole or in part the Loan, together with accrued interest thereon to the date of prepayment; provided, that:

- (a) Prepayment shall be made on a date required for the payment of the interest;
- (b) In case of partial prepayments, the amount prepaid shall be applied in the inverse order of maturity;
- (c) Any amount prepaid may not be reborrowed hereunder;
- (d) Where the prepayment is a result of the loan being taken out by another bank, the Borrower shall pay to the Lender a prepayment penalty of two percent (2.0%) based on the amount of the principal prepaid.

### 2.8 Interest

- (a) The Borrower shall pay interest on the outstanding principal amount of the Loan in arrears on the last day of each Interest Period at the rate as specified in the Special Conditions.



HON. EFREN D. REDONA

- (b) The determination by the Lender of the amount of interest due and payable hereunder shall be conclusive and binding on the Borrower in the absence of manifest error and bad faith in the computation thereof.
- (c) The interest shall be subject to upward or downward adjustment if, during the term of the Loan, any law, rule or regulation is issued which has the effect of increasing or decreasing the Lender's cost of funds or intermediation cost, including reserve requirements, taxes, salaries or wages. Such adjustment in interest rate shall be effective upon a thirty (30)-day written notice to the Borrower and each advice shall form part of this Agreement by reference.

**2.9 Automatic Debit Authorization**

The Borrower authorizes the Lender to debit, without need of notice, from any deposit account being maintained with it for all such amounts that may be due the Lender under this Agreement, including those that may result from acceleration.

**2.10 Application of Payments**

Any payment made to the Lender shall be applied first against any advances made by the Lender, then against penalty, then against fees and other charges, then against interest due on the Loan, then against the Loan due and payable.

**2.11 No Counterclaim; Taxes**

All payments due to the Lender shall be made by the Borrower without any deduction, including those for set-off, counterclaim or Tax.

**ARTICLE 3. FEES AND CHARGES**

**3.1 Payment of Fees**

The Borrower shall pay to the Lender the following fees and charges:

- (a) A commitment fee computed at the rate of one-half (1/2) of one percent (1.0%) per annum of the undrawn amount of the Loan. The commitment fee shall be applicable from the approval of the Loan by the Lender until the expiration of the Availability Period, in each case calculated on the daily undrawn balance of the Loan on the basis of the actual number of days elapsed.
- (b) All others fees and charges as may be provided in the Special Conditions.

**3.2 Expenses**

Within thirty (30) Banking Days from date of receipt by the Borrower of the statement of account submitted by the Lender, the Borrower shall pay to the Lender the costs and expenses in connection with the preparation, negotiation, execution, delivery and administration of the Loan Documents, as well as costs and expenses, if any, in connection with the notarization thereof, or its amendment, and the issuance of any consents or waivers in connection therewith, and any and all fees, stamps and other taxes. The Borrower shall hold the Lender free from any liability with respect to or resulting from any delay or omission to pay any such cost, expenses, fees or Taxes which may be payable or determined to be payable in connection with the execution and delivery of the Loan Documents.

**3.3 Non-Reimbursable Nature**

The obligation of the Borrower to pay fees and charges is absolute and unconditional. The fees, expenses and other amounts payable by the Borrower under this Section shall be payable, and, if already paid, shall not be reimbursable by the Lender, notwithstanding the failure by the Borrower to make any drawdown under this Agreement or any other failure of the transactions contemplated herein. However, if the Lender fails to allow drawdowns after the conditions for borrowing under Article 4 have been complied with, the Borrower shall no longer be liable to the Lender for the fees, expenses and other amounts payable under Section 3.1,



HON. EFREN D. REDONA



and any such fees, expenses and other amounts already paid by the Borrower to such Lender shall be reimbursable by the latter.

#### ARTICLE 4. CONDITIONS FOR BORROWING

##### 4.1 Conditions for First Drawdown

The obligation of the Lender to allow the release of the initial drawdown shall be subject to the prior fulfillment of the following conditions in addition to those that may be provided in the Special Conditions:

- (a) Unless otherwise already existing as of this Agreement, the Borrower shall have established a deposit account with a branch office of the Lender through which the proceeds of drawdown shall be credited;
- (b) The Lender shall have received the following documents each in form and substance satisfactory to the Lender at least three (3) Banking Days (or such shorter period as may be acceptable to the Lender) prior to the intended date of initial drawdown:
  - (i) Certificate of the Secretary to the Sanggunian certifying to the ordinance of the Borrower's Sanggunian approving the terms and conditions of the Loan and specifically providing for the following:
    1. Authorizing the local chief executive to negotiate and enter into this Agreement with the Lender, and to execute and deliver any and all promissory notes, deed of assignment and other necessary documents;
    2. Directing the Borrower's Treasurer and Accountant to enter the Loan in the appropriate books of the Borrower;
    3. Authorizing the assignment by the Borrower of its IRA, or any other specified collateral, as security for the Loan;
    4. Appropriating the amounts for the repayment of the Loan, interests and other charges in the annual budget of the Borrower, until full payment thereof; and
    5. Authorizing the Lender to set off or deduct amounts from any deposits or funds of the Borrower with the Lender and apply the same to the payment of the Loan, interests and other amounts due thereon.
  - (ii) Certification by the Budget Officer, Accountant and Treasurer, as the case may be, of the Borrower, noted by its local chief executive, that:
    1. The Borrower's equity, amount for repairs and maintenance of the Project, insurance premium and the principal and interest payments on the loan have been fully appropriated and that full provision has been made by the Borrower's for all its obligations;
    2. The amount required for the Borrower's equity, the repair and maintenance of the Project, insurance premium, the repayment of the principal, interest and other charges will be fully appropriated;
    3. That the proposed sources of repayment are available and not restricted by law or its other obligations; and
    4. That the Loan shall be entered or has been entered, as the case may be, in the Borrower's books of account.
  - (iii) Certificate of the Bureau of Local Government Finance showing favorable borrowing and debt servicing capacities for the Borrower.
  - (iv) Opinion of the Monetary Board of the Bangko Sentral issued pursuant to Section 123 of Republic Act 7653, otherwise known as The New Central Bank Act.

##### 4.2 Conditions for All Drawdowns

The obligation of the Lender to allow the release of the proceeds of all drawdowns shall be subject to the prior fulfillment of the following conditions in addition to those that may be provided in the Special Conditions:

- (a) The Borrower shall be in compliance with all terms and conditions set forth herein on its part to be observed or performed, and no Event of Default or any event which, with due notice or lapse of time or both, would become an Event of Default shall have occurred and be continuing;
- (b) The representations and warranties contained in Section 6.1 shall be true and correct on the date of drawdown as if made on and as of such date;
- (c) The Lender shall have received the Note and the Disclosure Statement duly executed and signed by the Borrower at least three (3) Banking Days (or such shorter period as may be acceptable to the Lender) prior to the intended date of initial drawdown; and
- (d) The Borrower shall have paid the fees and charges specified in Article 3 hereof.

**4.3 Right of Lender to Refuse Drawdowns**

Without prejudice to the Lender's remedies as provided in Section 8.2 in case of an Event of Default, the Lender reserves the right to refuse drawdowns, and for which the Lender is held free and harmless from any and all consequences as a result of its inability to make funds available, in any of the following cases:

- (a) A case is filed against the Borrower or any of its officials involving the Project;
- (b) Any adverse finding on the Project; and
- (c) Withdrawal by the Borrower's Sanggunian of the authority given to its local chief executive to contract the Loan.

**ARTICLE 5. ASSIGNMENT OF INTERNAL REVENUE ALLOTMENT**

**5.1 Assignment**

As a source of repayment and by way of security, the payment of the Loan, interest, advances, fees, penalties and other charges thereon, including those may be due to the amendment, extension or restructuring of the Loan, shall be secured by the Borrower's assignment of its internal revenue allotment.

**ARTICLE 6. REPRESENTATIONS AND WARRANTIES**

**6.1 Representations and Warranties**

Except as otherwise disclosed to the Lender, the Borrower represents and warrants to the Lender that:

- (a) This Agreement will constitute its legal, valid and binding obligation, enforceable in accordance with their respective terms; there is no judgment, decree or order of any court or agency applicable to it which would be contravened by the execution and delivery of this Agreement, or by the performance of any provision of this Agreement.
- (b) The Project is within a duly approved local development plan or public investment program of the Borrower.
- (c) All procurements relevant to the Project have been made in accordance with applicable laws.
- (d) The audited financial statements of the Borrower as of its immediately preceding fiscal year covering and all other data furnished by it to the Lender are complete and correct, in all material respects, and such financial statements, have been prepared in accordance with government accounting and auditing standards. Since such date, there has been no change in its financial condition or results of operations sufficient to impair its ability to perform its obligations under this Agreement in accordance with the terms thereof. Except as disclosed to the Lender in writing, the Borrower has no contingent obligations, liabilities for Taxes, or other outstanding financial obligations which are material in the aggregate.



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- (e) There is no litigation, arbitration proceeding or dispute pending, or to its knowledge threatened against or affecting it or its properties, the adverse determination of which might have a material and adverse effect on its capacity to perform its obligations in this Agreement.
- (f) No event has occurred and is continuing, or would result from the making of this Agreement, which constitutes an Event of Default or which, upon the lapse of time or notice or both, would become such an Event of Default.

## 6.2 Survival of Representations and Warranties

The representations and warranties contained herein are true and correct as of the date of this Agreement and shall remain true and correct as long as the Loan is outstanding.

## ARTICLE 7. COVENANTS

### 7.1 Affirmative Covenants

The Borrower covenants and agrees that during the term of the Loan and until payment in full of all amounts due hereunder, unless the Lender shall otherwise consent in writing, which consent shall not be unreasonably withheld, the Borrower shall:

- (a) Use the proceeds from the Loan exclusively for the purpose as specified in the Special Conditions;
- (b) Keep its properties and business in good working condition, insured to their full insurable value with the Government Service Insurance System or such insurer as may be allowed by law against loss or damage in such manner and to the same extent as are required under existing rules and regulations applicable to local government units;
- (c) Within thirty (30) days after the COA's issuance of its report, furnish the Lender with a copy of its audited financial statements duly certified by the treasurer or equivalent officer of the Borrower as having been prepared in accordance with generally accepted accounting principles in the Philippines and the relevant regulations of the COA, including therein a balance sheet of the Borrower as of the end of such fiscal year and statements of income and retained earnings and cash flows of the Borrower for such fiscal year.
- (d) Regularly appropriate in its annual budget full provision for the payment of the Loan or any portion thereof as they become due and all other statutory and contractual obligations of the Borrower and for its required equity, including the cost for overruns that may arise on the Project; duly pay and discharge all Taxes, assessments and governmental charges or levies imposed upon it, or against it, or against its properties and business prior to the date on which penalties are assessed thereto, unless and to the extent only that the same shall be contested in good faith and by proper proceedings diligently conducted, and take such steps as may be necessary in order to prevent its properties or any part thereof from being subjected to the possibilities of loss, forfeiture or sale;
- (e) Promptly, and in no case more than five (5) Banking Days after the occurrence of an Event of Default, give written notice to the Lender of any Event of Default or other event which, upon a lapse of time or giving of notice or both, would become an Event of Default, specifying the details thereof and the steps which the Borrower is taking or proposes to take for the purpose of curing the occurrence or preventing the occurrence of such an Event of Default; and
- (f) Execute and deliver such instruments, documents and reports as the Lender may reasonably request to give full force and effect to this Agreement.

### 7.2 Negative Covenant

The Borrower covenants and agrees that during the term of the Loan and until payment in full of all amounts due hereunder, unless the Lender shall otherwise consent in writing, which consent shall not be unreasonably withheld, the Borrower shall not permit its appropriations for debt servicing to exceed twenty percent (20%) of its annual regular income.

**ARTICLE 8. EVENTS OF DEFAULT**

**8.1 Events of Default**

Each of the following events shall constitute an Event of Default under this Agreement:

- (a) The Borrower defaults in the payment of any of the principal, interest or any other sum payable under this Agreement, as the same becomes due and payable, whether at maturity, by acceleration or otherwise.
- (b) Any representation or warranty in this Agreement, the loan application or in any writing at any time furnished the Lender in connection with this Agreement becomes false or misleading in any material respect.
- (c) The Borrower fails to perform or observe any covenant or other provision of this Agreement or in any other document delivered to the Lender in connection with this Agreement, or if any such document shall terminate or become void or unenforceable without the written consent of the Lender.
- (d) The Borrower defaults in the payment of any of the principal, interest or other amount due with respect to any other indebtedness for borrowed money with the Lender or a third party, whether executed prior to or after this Agreement.
- (e) The Assignment or any portion thereof shall become ineffective or ceases to be in full force and effect.
- (f) A material change in the financial circumstances or condition of the Borrower occurs which, in the reasonable opinion of the Lender, would materially and adversely affect the ability of the Borrower to perform its obligations under this Agreement.
- (g) A judgment against the Borrower or any attachment or execution against the Borrower in any litigation, the contingent or accrued liability of which would materially and adversely affect the Borrower's financial conditions or the Borrower's ability to perform its obligations under this Agreement is issued.

**8.2 Consequences of Default**

- (a) If an Event of Default has occurred and is continuing pursuant to this Agreement, the Lender may, by written notice to the Borrower, declare all or part of the Loan, together with interest accrued and unpaid thereon, and all other unpaid sums be forthwith due and payable, whereupon the same shall become immediately due and payable, without need of demand which is hereby expressly waived by the Borrower.
- (b) A declaration of default under this Section shall further result into the following consequences:
  - (i) As to any undrawn portion of the Loan, the Lender's obligation to allow drawdowns shall forthwith terminate;
  - (ii) The Lender shall have the right to exercise and enforce all rights and remedies now or hereafter available to it under the Loan Documents.

**8.3 Default Interest**

- (a) Without prejudice to the provisions of Section 8.2, if the Borrower fails to make payment when due of any sum payable hereunder (whether at stated maturity, by acceleration or otherwise and whether for principal, interest or otherwise), the Borrower shall pay penalty fees equivalent to twenty-four percent (24%) *per annum* computed from due date up to full payment, based on the total amount due.
- (b) The Borrower shall likewise indemnify the Lender against any actual, reasonable and documented loss or expense which it may sustain or incur as a direct consequence of the default by the Borrower in payment of the principal amount of the Loan held by the Lender or interest thereon.

**ARTICLE 9. MISCELLANEOUS PROVISIONS**

**9.1 Waiver; Cumulative Rights**

No failure or delay on the part of any party in exercising any right or remedy under its Agreement and no course of dealing between them shall operate as a waiver thereof, nor shall any single or partial exercise of any right or remedy preclude the exercise of any other right under this Agreement. The rights and remedies expressly provided are cumulative.

**9.2 Governing Law; Submission to Jurisdiction**

- (a) This Agreement shall be governed by, and construed in accordance with, the laws of the Republic of the Philippines.
- (b) The Borrower irrevocably agrees that any legal action, suit or proceeding arising out of or relating to the Loan Documents shall be instituted in any competent court of the city or municipality where the concerned lending center or department, as the case may be, of the Lender as provided in the Special Conditions is located, to the exclusion of all other courts.
- (c) If any legal action or other proceeding is brought in connection with any provision of the Loan Documents, the prevailing party shall be entitled to recover reasonable attorney's fees and other costs incurred in such action or proceedings.

**9.3 Severability of Provisions**

If any one or more of the provisions contained in the Loan Documents or any document executed in connection therewith shall be declared by any court of competent jurisdiction as invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions contained therein or such document executed in connection therewith shall not in any way be affected or impaired.

**9.4 Entire Agreement**

This Agreement and the documents referred to herein constitute the entire agreement of the parties with respect to the subject matter in this Agreement and shall supersede any prior expressions of intent or understanding with respect to this transaction.

**9.5 Amendments and Waivers**

The written consent of the parties shall be required for an amendment or any waiver of any of the provisions of this Agreement.

**9.6 Successors and Assigns**

- (a) This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and permitted assigns.
- (b) The Borrower may not assign its rights or obligations hereunder without the prior written consent of the Lender.

**9.7 Notices**

- (a) All communications and notices provided for herein shall be in writing and shall be personally delivered or transmitted by postage prepaid registered mail or facsimile transmission addressed to the other party at the addresses set forth below in the Special Conditions (or such other address, contact details or contact person as shall be designated by a party in a notice to the other party in accordance herewith):
- (b) Except as otherwise specified herein, all notices shall be deemed duly given (i) on the date of receipt, if personally delivered, (ii) seven (7) days after posting, if by registered mail, or (iii) upon receipt of

the written confirmation of the facsimile, if by facsimile transmission. Any party hereto may change its address for purposes hereof by written notice to the other party.

**9.8 Liability for Taxes**

The Borrower agrees to pay any Taxes imposed on or with regard to the execution and notarization, of this Agreement or any other document delivered pursuant to this Agreement. In the event that the Borrower fails to pay, and the Lender is required by law to pay any such Taxes, the Borrower shall, upon demand, reimburse the Lender for such Taxes paid, including penalty and other charges imposed thereon, if any.

**9.9 Set-Off**

The Lender shall have the right to set off and apply any credit balance on any account of the Borrower with the Lender or any of the Lender's branches, subsidiaries or affiliates, and any other indebtedness due and owing by the Lender to the Borrower, against the liabilities of the Borrower due and owing under the Loan Documents, in reduction of amounts past due thereunder.

**9.9 Waiver of Confidentiality**

The Borrower hereby waives its rights under applicable laws on bank secrecy and information security and issues to the Lender the following authorizations:

- (a) Pursuant to Bangko Sentral Circular No. 472, Series of 2005; and BIR Revenue Regulation No. 4-2005, as the same may be amended from time to time, to verify with the BIR in order to establish the authenticity of the tax returns and any accompanying financial statement and documents or information submitted by the Borrower;
- (b) To inquire into any of the deposit accounts or properties maintained by the Borrower with the Lender for the purpose of implementing the automatic debit authorization or the set-off provisions under this Agreement;
- (c) To inquire into any credit and financial data or information on the Borrower and the relevant documents and updates or corrections thereof, necessary and compatible with the purposes stated herein, and to transfer, disclose or submit the same, and share or communicate it with:
  - i. Any of the Lender's offices, branches, subsidiaries or affiliates;
  - ii. The Lender's agents, counsels, representatives, services providers and third parties selected by any of them;
  - iii. Program or tie-up partners;
  - iv. Any credit information bureau, banking or credit industry association, or credit information service provider and credit/loan provider, including the Credit Information Corporation (CIC) and other financial institutions;
  - v. Other lenders as authorized by CIC and credit reporting agencies duly accredited by the CIC;
  - vi. Any subrogee, assignee, or transferee of the Lender in relation to the Loan; and
  - vii. Any person or entity authorized by law or regulation to receive such data or information.
- (d) To disclose to program or tie-up partner agencies any credit and financial data or information of the Borrower for purposes of fulfilling the obligations of the Lender under such tie up, if applicable.
- (e) To disclose to credit reference agencies, and in the event of default, to debt collection agencies any credit and financial data or information of the Borrower for purposes of determining and collecting the amounts owed by the Borrower that are due and outstanding.

  
  
HON. EFREN D. REDONA  
  


To the limited extent and for as long as necessary for the Lender (or its successors, subrogees, assignees, or transferees) and the data and Information recipients to: (a) exercise the above rights and to discharge the functions and responsibilities of the inquiring or disclosing parties in connection with the Loan; (b) fulfill the above purposes for which these were obtained; (c) exercise or defend their respective legal rights and claims; and, (d) comply with the requirements of existing laws, rules and regulations, the Borrower hereby waives its rights under applicable laws on bank secrecy, confidentiality of data and Information (such as, but not limited to, Republic Act Nos. 1405 (Law on Secrecy of Bank Deposits ), 6426 (The Foreign Currency Deposit Act), 8791 (The General Banking Law of 2000), 9510 (The Credit Information System Act), and 10173 (The Data Privacy Act of 2012) and BSP Circular No. 622, series of 2008 and BSP Circular No. 855, series of 2014 and their amendatory and similar laws or regulations. For purposes of Republic Act No. 9510 and its Implementing Rules and Regulations, the Borrower acknowledges that this Agreement, when signed, serves as notice duly received by the Borrower from the Lender that the Borrower's basic credit data defined as under said laws and regulations shall be disclosed as required thereunder.

The Borrower hereby agrees to hold the Lender, its directors, officers, employees, stockholders and agents free and harmless, from any liability arising from the authority and waiver herein granted.

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**PART II - SPECIAL CONDITIONS OF CONTRACT**

**Name of Borrower : MUNICIPAL GOVERNMENT OF TABONTABON, LEYTE**

**Principal Office Address: Municipal Hall Tabontabon Leyte**

<p><b>Section 2.1 (Amount)</b></p>	<p>Term Loan 1 – P21,000,000.00                  Term Loan 2 – P33,850,000.00                  Term Loan 3 – P4,150,000.00                  Term Loan 4 – P7,000,000.00                  Term Loan 5 – P24,000,000.00                  Term Loan 6 – P11,000,000.00                  Term Loan 7 – P28,600,000.00                  Term Loan 8 – P10,000,000.00                  Term Loan 9 – P5,000,000.00  <b>TOTAL: P144,600,000.00</b></p>
<p><b>Section 2.2 (Availability Period)</b></p>	<p>One (1) year from date of loan signing. If no availment is made during the one (1) year period, the Bank has the option to terminate the loan.</p>
<p><b>Section 2.3 (Project to be Financed)</b></p>	<p>Term Loan 1 – Acquisition of various brand new heavy equipment                  Term Loan 2 – Establishment of Solid Waste Management System                  Term Loan 3 – Land Development for the proposed Public Market (Phase 1)                  Term Loan 4 – Computerization/Digitization Project                  Term Loan 5 – Resiliency, Disaster Management and Public Safety                  Term Loan 6 – Acquisition of Lot and Site Development for the proposed Public Cemetery (Phase 1)                  Term Loan 7 – Road Upgrading Project                  Term Loan 8 – Construction of Multi-Purpose Building (Annex)                  Term Loan 9 – Acquisition/Purchase and Installation of Solar Street Lights</p>
<p><b>Section 2.6 (Repayment)</b></p>	<ul style="list-style-type: none"> <li>• <b>TERM LOAN 1</b>                      Principal shall be payable in twenty-eight (28) equal quarterly amortizations to start at the end of the first (1st) quarter from the date of initial loan drawdown.                      Interest shall be payable quarterly in arrears to start at the end of the first (1st) quarter from date of initial release.</li> <li>• <b>TERM LOAN 2</b>  <b>a) For Lot Acquisition/Construction Project:</b>                      Principal - Payable in Forty-eight (48) equal quarterly amortizations to commence at the end of the thirteenth (13th) quarter from date of initial release.  <b>b) For acquisition of Machinery:</b>                      Principal - Payable in Twenty-four (24) equal quarterly amortizations to commence at the end of the fifth (5th) quarter from date of initial release.                      Interest - Payable quarterly in arrears to start at the end of the first (1st) quarter from date of initial release</li> <li>• <b>TERM LOAN 3</b>                      Principal shall be payable in forty-eight (48) equal quarterly amortizations to start at the end of the thirteenth (13th) quarter from the date of initial loan drawdown.                      Interest shall be payable quarterly in arrears to start at the end of the first (1st) quarter from date of initial release.</li> <li>• <b>TERM LOAN 4</b>                      Principal shall be payable in sixteen (16) equal quarterly amortizations to start at the end of the fifth (5th) quarter from the date of initial loan drawdown.                      Interest shall be payable quarterly in arrears to start at the end of the first (1st) quarter from date of initial release.</li> <li>• <b>TERM LOAN 5</b>                      Principal shall be payable in twenty-four (24) equal quarterly amortizations to start at the end of the fifth (5th) quarter from the date of initial loan drawdown.</li> </ul>



**HON. EFREN D. REDONA**

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	<p><b>Interest</b> shall be payable quarterly in arrears to start at the end of the first (1st) quarter from date of initial release.</p> <ul style="list-style-type: none"> <li>• <b>TERM LOAN 6</b>  <b>Principal</b> shall be payable in forty-eight (48) equal quarterly amortizations to commence at the end of the thirteenth (13th) quarter from date of initial release.  <b>Interest</b> shall be payable quarterly in arrears to start at the end of the first (1st) quarter from date of initial release.</li> <li>• <b>TERM LOAN 7</b>  <b>Principal</b> shall be payable in forty-eight (48) equal quarterly amortizations to commence at the end of the thirteenth (13th) quarter from date of initial release.  <b>Interest</b> shall be payable quarterly in arrears to start at the end of the first (1st) quarter from date of initial release.</li> <li>• <b>TERM LOAN 8</b>  <b>Principal</b> shall be payable in forty-eight (48) equal quarterly amortizations to commence at the end of the thirteenth (13th) quarter from date of initial release.  <b>Interest</b> shall be payable quarterly in arrears to start at the end of the first (1st) quarter from date of initial release.</li> <li>• <b>TERM LOAN 9</b>  <b>Principal</b> shall be payable in sixteen (16) equal quarterly amortizations to start at the end of the fifth (5th) quarter from the date of initial loan drawdown.  <b>Interest</b> shall be payable quarterly in arrears to start at the end of the first (1st) quarter from date of initial release.</li> </ul>
<p><b>Section 2.8 (Interest)</b></p>	<p>3M BVAL + 1% minimum spread per annum or 6.5% per annum, whichever is higher</p>
<p><b>Collateral</b></p>	<p>Assignment of the 20% National Tax Allotment</p>
<p><b>Facility Terms &amp; Conditions</b></p>	<ul style="list-style-type: none"> <li>• <b>TERM LOAN 1</b> <ol style="list-style-type: none"> <li>1. Maximum Term of Seven (7) years from date of initial release/drawdown.</li> <li>2. Repricing of the interest rate shall be on a quarterly basis.</li> <li>3. The loanable amount shall be up to P21.00M or contract price whichever is lower, but not to exceed the NBC as certified by the BLGF.</li> <li>4. Mode of Release: Loan Release/s shall be in lump-sum or in staggered amount/s per submitted Purchase Order/s, subject to the following:                     <ol style="list-style-type: none"> <li>i. FSSC inspection report indicating the Estimated Useful Life (EUL) of equipment and that the same are in good running condition and in accordance with the submitted P.O. and;</li> <li>ii. Proof of delivery and a certificate of acceptance duly signed by the LCE.</li> </ol> </li> </ol> </li> <li>• <b>TERM LOAN 2</b> <ol style="list-style-type: none"> <li>1. The loanable amount shall be up to P33.85M or contract price whichever is lower, but not to exceed the NBC as certified by the BLGF.</li> <li>2. Term/Tenor:                     <ol style="list-style-type: none"> <li>a) For Lot Acquisition/Construction Project: Fifteen (15) years reckoned from the date of initial drawdown, inclusive of three (3) years grace period on principal.</li> <li>b) For Acquisition of Machinery: Seven (7) years inclusive of one (1) year grace period on principal.</li> </ol> </li> <li>3. Mode of Release: Loan releases shall be credited to the LGU's deposit account with LANDBANK and shall be on a per project component basis.                     <ol style="list-style-type: none"> <li>a) <b>For Lot Acquisition:</b>                              In Lump sum or staggered basis and shall be directly credited to the LGU's account maintained with the Bank, subject to</li> </ol> </li> </ol> </li> </ul>

  
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to pre-release conditions.

**b) For Construction Project:**

**First Release:** 15% based on approved loan amount or contract price whichever is lower, upon completion and submission of the pre-release requirements.

**Succeeding releases** up to six (6) tranches shall be via progress billing based on the project completion as duly supported by the LGU's accomplishment report and approved by the Local Chief Executive.

**Final Release:** 10% of the contract amount upon 100% project completion, subject to validation by the FSSC and submission of a Certificate of Acceptance by the LGU and further signifying that the project is fully completed.

**c) For the acquisition of Thermal Decomposition Machine:**

i. Loan release/s shall be in lump-sum or in staggered amount/s per submitted Purchase Order/s, subject to the following:

i.i. FSSC inspection report as to specifications of machinery;

i.ii. Proof of delivery and a certificate of acceptance duly signed by the LCE.

ii. Separate amortization shall be allowed for each drawdown/release

• **TERM LOAN 3**

1. Maximum Term of Fifteen (15) years from date of initial release/drawdown, with Three (3) years grace period.

2. Repricing of the interest rate shall be on a quarterly basis.

3. The loanable amount shall be up to P4.15M or contract price whichever is lower, but not to exceed the NBC as certified by the BLGF.

4. Mode of Release: Loan Releases shall be in tranches to be credited to the LGUs deposit account maintained at LANDBANK Tacloban Branch, as follows:

**First Release:** 15% based on approved loan amount or contract price whichever is lower, upon completion and submission of the pre-release requirements.

**Succeeding releases** up to six (6) tranches shall be via progress billing based on the project completion as duly supported by the LGU's accomplishment report and approved by the Local Chief Executive.

**Final Release:** 10% of the contract amount upon 100% project completion, subject to validation by the FSSC and submission of a Certificate of Acceptance by the LGU and further signifying that the project is fully completed.

• **TERM LOAN 4**

1. Maximum Term Five (5) years from date of initial release/drawdown, with One (1) year grace period.

2. Repricing of the interest rate shall be on a quarterly basis.

3. The loanable amount shall be up to P7.00M or contract price whichever is lower, but not to exceed the NBC as certified by the BLGF.

4. Mode of Release: Loan Releases shall be in tranches to be credited to the LGUs deposit account maintained at LANDBANK Tacloban Branch, as follows:

**First Release:** 15% based on approved loan amount or contract price whichever is lower, upon completion and submission of the pre-release requirements.

**Succeeding releases** up to six (6) tranches shall be via progress billing based on the project completion as duly supported by the LGU's accomplishment report and approved by the Local Chief Executive.

**Final Release:** 10% of the contract amount upon 100% project completion, subject to validation by the FSSC and

  
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submission of a Certificate of Acceptance by the LGU and further signifying that the project is fully completed.

• **TERM LOAN 5**

1. Maximum Term of Seven (7) years from date of initial release/drawdown, with One (1) year grace period.
2. The loanable amount shall be up to P24.00M or contract price whichever is lower, but not to exceed the NBC as certified by the BLGF.
3. **Mode of Release:** Loan Releases shall be in tranches to be credited to the LGUs deposit account maintained at LANDBANK Tacloban Branch, as follows:  
First Release: 15% based on approved loan amount or contract price whichever is lower, upon completion and submission of the pre-release requirements.  
Succeeding releases up to six (6) tranches shall be via progress billing based on the project completion as duly supported by the LGU's accomplishment report and approved by the Local Chief Executive.  
Final Release: 10% of the contract amount upon 100% project completion, subject to validation by the FSSC and submission of a Certificate of Acceptance by the LGU and further signifying that the project is fully completed.

• **TERM LOAN 6**

1. Maximum Term Fifteen (15) years from date of initial release/drawdown, with Three (3) years grace period.
2. Repricing of the interest rate shall be on a quarterly basis.
3. The loanable amount shall be up to P11.00M or contract price whichever is lower, but not to exceed the NBC as certified by the BLGF.
4. **Mode of Release:** Loan releases shall be credited to the LGU's deposit account with LANDBANK and shall be on a per project component basis.  
**a) For Lot Acquisition:**  
In Lump sum or staggered basis, subject to completion of all documentary requirements and compliance to pre-release conditions.

**b) For Construction/Site Development Project:**

Loan Releases shall be in tranches, as follows:  
First Release: 15% based on approved loan amount or contract price whichever is lower, upon completion and submission of the pre-release requirements.  
Succeeding releases up to six (6) tranches shall be via progress billing based on the project completion as duly supported by the LGU's accomplishment report and approved by the Local Chief Executive.  
Final Release: 10% of the contract amount upon 100% project completion, subject to validation by the FSSC and submission of a Certificate of Acceptance by the LGU and further signifying that the project is fully completed.

• **TERM LOAN 7**

1. Maximum Term Fifteen (15) years from date of initial release/drawdown, with Three (3) years grace period.
2. The loanable amount shall be up to P28.60M or contract price whichever is lower, but not to exceed the NBC as certified by the BLGF.
3. **Mode of Release:** Loan Releases shall be in tranches to be credited to the LGUs deposit account maintained at LANDBANK Tacloban Branch, as follows:  
**First Release:** 15% based on approved loan amount or contract price whichever is lower, upon completion and submission of the pre-release requirements.  
**Succeeding releases** up to six (6) tranches shall be via progress billing based on the project completion as duly

	<p>supported by the LGU's accomplishment report and approved by the Local Chief Executive.  <b>Final Release:</b> 10% of the contract amount upon 100% project completion, subject to validation by the FSSC and submission of a Certificate of Acceptance by the LGU and further signifying that the project is fully completed.</p> <ul style="list-style-type: none"> <li>• <b>TERM LOAN 8</b> <ol style="list-style-type: none"> <li>1. Maximum Term of Fifteen (15) years from date of initial release/drawdown, with Three (3) years grace period.</li> <li>2. Repricing of the interest rate shall be on a quarterly basis.</li> <li>3. The loanable amount shall be up to P10.00M or contract price whichever is lower, but not to exceed the NBC as certified by the BLGF.</li> <li>4. <b>Mode of Release:</b> Loan Releases shall be in tranches to be credited to the LGUs deposit account maintained at LANDBANK Tacloban Branch, as follows:  <b>First Release:</b> 15% based on approved loan amount or contract price whichever is lower, upon completion and submission of the pre-release requirements.  <b>Succeeding releases</b> up to six (6) tranches shall be via progress billing based on the project completion as duly supported by the LGU's accomplishment report and approved by the Local Chief Executive.  <b>Final Release:</b> 10% of the contract amount upon 100% project completion, subject to validation by the FSSC and submission of a Certificate of Acceptance by the LGU and further signifying that the project is fully completed.</li> </ol> </li> <li>• <b>TERM LOAN 9</b> <ol style="list-style-type: none"> <li>1. Maximum Term Five (5) years from date of initial release/drawdown, with One (1) year grace period.</li> <li>2. Repricing of the interest rate shall be on a quarterly basis.</li> <li>3. The loanable amount shall be up to P5.00M or contract price whichever is lower, but not to exceed the NBC as certified by the BLGF.</li> <li>4. <b>Mode of Release:</b> Loan Releases shall be in tranches to be credited to the LGUs deposit account maintained at LANDBANK Tacloban Branch, as follows:  <b>First Release:</b> 15% based on approved loan amount or contract price whichever is lower, upon completion and submission of the pre-release requirements.  <b>Succeeding releases</b> up to six (6) tranches shall be via progress billing based on the project completion as duly supported by the LGU's accomplishment report and approved by the Local Chief Executive.  <b>Final Release:</b> 10% of the contract amount upon 100% project completion, subject to validation by the FSSC and submission of a Certificate of Acceptance by the LGU and further signifying that the project is fully completed.</li> </ol> </li> </ul>
<p><b>Common Terms and Conditions</b></p>	<ol style="list-style-type: none"> <li>1. Fees and Charges:             <ol style="list-style-type: none"> <li>a. Gross Receipt Tax (GRT) shall be for the account of the LGU.</li> <li>b. Prepayment fee is waived, except when taken out by other banks in which case a prepayment fee of 2.00% based on outstanding loan balance will be charged.</li> <li>c. Handling fee shall be 1/16 of 1%, based on the availed amount;</li> <li>d. Commitment fee shall be P150,000.00.</li> <li>e. Other fees and charges shall be based on standard rate.</li> </ol> </li> <li>2. Cost of overruns shall be for the account of the borrower.</li> <li>3. For legal purposes, it is required that the borrower shall execute an authorization for LANDBANK to debit its deposit account to cover any loan payment as they fall due.</li> <li>4. The Bank has the option to debit the borrower's deposit account to cover any loan payment as they fall due.</li> <li>5. Loan proceeds for the acquisition of fixed assets shall be credited to the account of the borrower with LANDBANK. In case of imported</li> </ol>



*[Signature]*  
**HON. EFREN D. REDOÑA**

*[Signature]*

*[Signature]*

items, opening of Letters of Credit shall be coursed through LANDBANK.

6. All applicable government regulations and requirements (such as the Environmental Compliance Certificate) should be complied with prior to loan release, whenever applicable.
7. The Bank reserves the right to withhold loan releases should there be:
  - a) A case filed against the LGU or its officials involving the projects to be financed;
  - b) An adverse findings on the project or object of financing; or
  - c) Withdrawal of the Sanggunian on the authority of the Local Chief Executive to contract this loan.
8. The Borrower shall give consent to LANDBANK to disclose credit information about the Borrower to other financial institutions, the Bankers Association of the Philippines-Credit Bureau (BAP-CB) and other credit bureaus or institutions.
9. The borrower will designate LANDBANK as the LGU's official depository bank for NTA and major depository bank for its other deposits, revenue and collections which designation shall not be revoked while the loan obligations remain outstanding and directing the LGU Secretary to provide a copy of this Resolution to DBM or other NTA administering office.
10. Penalty of 24% per annum, in case of non-payment, to commence on the day immediately after the due date of the loan amortization up to the date of actual settlement.
11. Advance payment on the principal shall be applied in the order of maturity with-out prepayment fee.
12. The LGU shall be exempted from the endorsement and submission of insurance contracts to LANDBANK.
13. Contractor's all risk insurance for construction projects shall no longer be endorsed and submitted to LandBank.

**PRE-RELEASE REQUIREMENTS:**

14. Submission of Certificate of the Secretary to the Sanggunian certifying to the Ordinance of the LGUs Sanggunian approving the terms and conditions of the loan and specifically providing for the following:
  - a) Authorizing the LCE to negotiate and enter into a Loan Agreement with LANDBANK, and to execute and deliver any and all promissory notes, deed of assignments and other necessary documents;
  - b) Directing the LGU Treasurer and Accountant to enter the loan in the appropriate books of the LGU;
  - c) Authorizing the assignment by the LGU of its NTA, or any other specified collateral, as security for the loan
  - d) Appropriating the amounts for the repayment of the loan, interests and other charges in the annual budget of the LGU, until full payment thereof; and
  - e) Authorizing LANDBANK to set-off or deduct amounts from any deposits or funds of the LGU with LANDBANK and apply the same to the payment of the loan, interest and other amounts due thereon.
15. Latest BLGF Certificate of Net Borrowing Capacity.
16. Seal of Good Financial Housekeeping.
17. Monetary Board Opinion on the LGU borrowings.
18. Provincial validation of the municipality/city ordinance or municipality/city validation of the barangay ordinance, if applicable.
19. Certification by the Budget Officer, Accountant and Treasurer, as the case may be, of the LGU, noted by the LCE that:
  - a) The LGU's equity, amount for repairs and maintenance of the project, insurance premium and the principal and interest payments of the loan, to the extent that these are due for the present year, have been fully appropriated and that full provision has been made by the LGU for all its other obligations;
  - b) That the proposed sources of repayment are available and not



HON. EFREN D. REDONA



**HON. EBERN D. REDONA**

	<p>restricted by law or its other obligations, and;</p> <p>c) That the loan shall be entered or has been entered, as the case may be, in the LGUs book of account.</p> <p>20. Except for the lot acquisition, the LGU shall submit a joint certification by the BAC Chair and by the LCE that the LGU has complied with R.A. 9184 (Government Procurement Reform Act) as well as COA rules and regulations.</p> <p>21. Certification from concerned agencies (e.g., DPWH, DA, DepEd, etc.) that the object of financing is not included in their budget.</p> <p>22. Promissory Note with Deed of Assignment of the NTA.</p> <p>23. For acquisition of machineries and equipment: Guarantee from the dealer/supplier as to the availability of spare parts in the local market.</p> <p>24. For Term Loan 2 and 6 (Lot Acquisition): Submission of the following documents:</p> <ul style="list-style-type: none"> <li>i. Approved survey plan and/ or vicinity map, establishing the technical description of the lot for acquisition, duly provided with legal access to and from the public road;</li> <li>ii. Submission of duly executed Conditional Deed of Sale between the LGU and the Seller/s; and</li> <li>iii. Submission of Certification/ Property Appraisal Report from the Provincial Appraisal Committee;</li> <li>iv. Updated Tax Declaration and Certified True Copy (CTC) of title of the lot for acquisition.</li> </ul> <p><b>POST RELEASE REQUIREMENT:</b></p> <p>25. The LGU shall submit annually certification that the proposed sources of repayment are available and not restricted by law and its obligations are appropriated in their respective budget.</p>
<p><b>Address For Notices:</b></p> <p><b>To the Borrower</b> Address Email Facsimile</p> <p><b>To the Lender</b> Address Email Facsimile</p>	<p><b>MUNICIPAL GOVERNMENT OF TABONTABON, LEYTE</b> Municipal Hall Tabontabon Leyte lgutabontabon2019@yahoo.com N/A</p> <p><b>LAND BANK OF THE PHILIPPINES -LEYTE LENDING CENTER</b> Real St. Sagkahan District, Tacoban City lbpleytc@gmail.com (053) 325-6795</p>

*[Handwritten signature]*

*[Handwritten signature]*

*[Handwritten signature]*

IN WITNESS WHEREOF, its Agreement is signed at \_\_\_\_\_, Philippines, on its  
14 NOV 2023.


**LAND BANK OF THE PHILIPPINES**  
Lender

**MUNICIPAL GOVERNMENT OF  
TABONTABON, LEYTE**  
Borrower

By:


By:


  
**DM RESTITUTA C. ILAGAN**  
Signature over printed name

  
**HON. EPREN D. REDOÑA**  
Signature over printed name



Signed in the presence of:

  
**LUCAS DONJON B. BIKAN JR.**  
Witness  
Signature over printed name

  
**LYNN N. PEÑARANDA**  
Witness  
Signature over printed name

  
**JANET C. FABI**  
Witness  
Signature over printed name

**ACKNOWLEDGMENT**

REPUBLIC OF THE PHILIPPINES )  
Tacloban City ) S.S.

14 NOV 2023 BEFORE ME, a Notary Public for and in the above jurisdiction on its of personally appeared:

**Name**  
RESTITUTA C. ILAGAN  
EFREN D. REDOÑA


**Competent Evidence of Identity**  
LBP ID No. 5303  
TIN: 154-825-125

personally known to or identified by me to be the same person/s who executed the foregoing instrument, and he/she/they acknowledged to me that its/her/their signatures, that the same is its/her/their own free and voluntary act and deed.

The instrument, which consists of nineteen [19] pages, refers to a Loan Agreement signed by the parties and the instrumental witnesses on each and every page.

14 NOV 2023 IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal on, in the above jurisdiction.

Doc. No. 156 ;  
Page No. 37 ;  
Book No. 89 ;  
Series of 20m .

  
**ATTY. LORELEE ANNE Y. RAMA**  
NOTARY PUBLIC  
N.C. 2019-02-117, Tacloban City/Leyte, until 12/31/2024  
2/F LBP Bldg., Real St., Sagkahan Dist., Tacloban City  
Roll of Attorneys No. 49416; IBP No. 252568; 12/22/2021  
JPLP-EXEMPT (B.M. No. 2889), MCLE Comp. No. NR-1012  
11/2/21



  
MON. EFREN D. REDONA













Republic of the Philippines  
Province of Leyte  
Municipality of Tabontabon

## OFFICE OF THE SANGGUNIANG BAYAN

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### CERTIFICATION

TO WHOM IT MAY CONCERN:

**THIS IS TO CERTIFY** that the Appropriation Ordinance No. 02 CY2023 which embodies the Supplemental Budget No. 02 CY 2023 of the Municipality of Tabontabon, Leyte had been posted in conspicuous places in the municipality, and all the bulletin areas in the barangays.

ISSUED this 11<sup>th</sup> day of December, 2023 at Tabontabon, Leyte.

  
**MARIA CORAZON E. BAUTISTA**  
*Secretary to the Sangguniang Bayan*