



Republic of the Philippines  
 PROVINCE OF LEYTE  
 Municipality of Palo  
 -oOo-



Item No.: 02  
 Date: 1.9 2024 JUN

**PROVINCIAL BUDGET OFFICE**

June 10, 2024

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

RELEASED  
 DATE: 6-10-24  
 NO. #018  
 BY. J.  
 PBO

**Gentlemen and Ladies:**

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 2024** of the **Municipality Burauen, Leyte** duly enacted by the Sangguniang Bayan through **Appropriation Ordinance No. 2024-02** with a total appropriation in the amount of **P48,700,000.00** 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 Loan proceeds from Land Bank Of The Philippines 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;
2. 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;
3. That disbursement of funds shall be for the specific purpose(s) for which they have been appropriated pursuant to Sections 335 & 336 of RA 7160.

Compliance with DBM issuances, and all other accounting and auditing rules and regulations 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


Republic of the Philippines  
PROVINCE OF LEYTE  
Palo, Leyte



**OFFICE OF THE SANGGUNIANG PANLALAWIGAN**

1<sup>ST</sup> INDORSEMENT  
29 May 2024

The Local Finance Committee is respectfully requested to review and submit recommendations on the herein enclosed **Appropriation Ordinance No. 2024-02** of the Municipality of **BURAUEN, LEYTE**, entitled: **An Appropriation Ordinance Authorizing the Supplemental General Fund Budget No. 02 of the Municipality of Burauen, Leyte, for CY 2024 with Total Amount of Forty-Eight Million Seven Hundred Thousand Pesos (P48,700,000.00)**, together with the Supplemental Annual Investment Program (SAIP) CY 2023 in the amount of **P100,947.974.00**.

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



Republic of the Philippines  
**PROVINCE OF LEYTE**  
**MUNICIPALITY OF BURAUEN**



\*\*\*

*Office of the Sangguniang Bayan Secretary*

May 29, 2024

**THE HONORABLE MEMBERS**  
**Sangguniang Panlalawigan**  
**Province of Leyte**

**ATTENTION: FLORINDA JILL S. UYVICO**  
**Secretary to the Sanggunian**  
**Province of Leyte**  
**Palo, Leyte**

Ladies/Gentlemen:

We are forwarding herewith 15 copies of **Appropriation Ordinance No. 2024-02, Series of 2024**, embodying the **Supplemental Fund Budget No. 02 for Calendar Year 2024** of the LGU of Burauen, Leyte, with total amount of **₱ 48,700,000.00**, for approval of the Honorable Sangguniang Panlalawigan.

Attached are the following documents for your perusal:

1. Appropriation Ordinance No. 2024-02, Series of 2024;
2. Copy of the Supplemental Fund Budget No. 02, CY 2024; and
3. Copy of Resolution approving and adopting the Supplemental Annual Investment Program (AIP) No. 02 for CY 2023 as embodied in MDC Resolution No. 2023-01;
4. Notice of Loan Approval dated April 5, 2024; and
5. Approved Loan Agreement dated April 17, 2024.

Thank you and please acknowledge receipt hereof.

Respectfully yours,

  
**CHARLY C. BARBOSA**  
*Board Secretary II*



Republic of the Philippines  
 Province of Leyte  
 Municipality of Burauen  
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**OFFICE OF THE SANGGUNIANG BAYAN**

**SANGGUNIANG PANLALAWIGAN**  
**RECEIVED**  
 MAY 29 2024  
**PROVINCE OF LEYTE**

**APPROPRIATION ORDINANCE NO. 2024-02**  
 Series of 2024

**AN APPROPRIATION ORDINANCE AUTHORIZING THE SUPPLEMENTAL GENERAL FUND BUDGET NO. 2 OF THE MUNICIPALITY OF BURAUEN, LEYTE FOR CY 2024 WITH TOTAL AMOUNT OF FORTY-EIGHT MILLION SEVEN HUNDRED THOUSAND PESOS (₱ 48,700,000.00) FOR PURPOSES AS STATED IN THE STATEMENT OF SUPPLEMENTAL APPROPRIATION**

Introduced by:  
 Hon. DEXTER R. SENO  
 Sangguniang Bayan Member  
 Member, Committee on Budget, Appropriation and Finance

**BE IT ORDAINED**, by the Members of the Sangguniang Bayan in regular session assembled, that:

**SECTION 1** - The *Supplemental Fund Budget No. 2* of the Municipality of Burauen, Leyte, for *Calendar Year 2024* in the total amount of *Forty-eight Million Seven Hundred Thousand Pesos (₱ 48,700,000.00)*, intended for programs, projects and activities of the municipal government, as stated in the Statement of Supplemental Appropriation, *is hereby APPROVED*;

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

1. Local Budget Preparation Form No. 8 (Statement of Funding Source)
2. Local Budget Preparation Form No. 9 (Statement of Supplemental Appropriation)

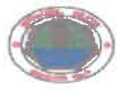
**SECTION 2 – Use of Funds.** The amount of *Forty-eight Million Seven Hundred Thousand Pesos (₱ 48,700,000.00)*, intended for programs, projects and activities of the Local Government Unit of Burauen is hereby appropriated for the *Supplemental Budget No. 02* of the Municipality of Burauen, *Calendar Year 2024*, as follows:

**STATEMENT OF FUNDING SOURCE**

Supplemental Budget No. 02  
Fiscal Year 2024

Burauen, Leyte  
Province/City/Municipality/Barangay  
**General Fund**  
Fund/Special Account

PARTICULARS	Account Classification (PGCA)	Amount
1	2	3
1.0 New Revenue Sources Loan Proceeds from the Land Bank of the Philippines	Loans Payable – Domestic 2-01-02-040	₱ 48,700,000.00
2.0 Actual Collections in Excess of the Estimated Income		
3.0 Savings		
4.0 Realignment		
5.0 Reversion		
Available		₱ 48,700,000.00



**STATEMENT OF SUPPLEMENTAL APPROPRIATION  
MUNICIPALITY OF BURAUEN**

**SUPPLEMENTAL BUDGET NO. 02 CY 2024**

*[Handwritten signature]*

Implementing Office	Particular/Purpose	AIP REF. CODE	Object of Expenditure	Acct. Code	Amount
1	2	3	4	5	6
	<b>PS</b>				
	<b>Total PS</b>				
	<b>MOOE</b>				
Municipal Health Office	Acquisition of Hemodialysis machines and other medical equipment for LGU Burauen Diagnostic Center	3000-200-1-12-4	Medical Equipment	1-07-05-110	48,700,000.00
	<b>Total C/O</b>				<b>48,700,000.00</b>
	<b>Total Appropriations</b>				<b>P 48,700,000.00</b>

**SECTION 3 - Separability Clause.** If, for any reason, any section or provision of this Ordinance is declared invalid or unconstitutional, other sections or provisions thereof which are not affected shall continue to be in full force and effect.

**SECTION 4 - Effectivity.** The provisions of this ordinance shall take effect upon approval.

**ENACTED and APPROVED** this 27<sup>th</sup> day of May 2024 at Burauen, Leyte.

**I HEREBY CERTIFY THAT THIS IS A TRUE AND ACCURATE COPY OF THE ORDINANCE DULY ENACTED BY THE SANGGUNIAN ON MAY 27, 2024.**

*[Signature]*  
**HON. HERMENIA C. CAMASIN**  
*Secretary Pro Tempore*

*[Handwritten signature]*

*[Handwritten signature]*

*[Handwritten signature]*


*[Handwritten signature]*

*[Handwritten signature]*

**ATTESTED:**

(absent)

**HON. NOEL P. ALPINO**  
*Vice-Mayor*



**HON. VINCENT G. ENERLAN**  
*Sangguniang Bayan Member*  
*Presiding Officer*

(absent)

**HON. CIPRIANO R. RELATORRES, JR.**  
*Sangguniang Bayan Member*

(Secretary Pre Tempore)  
**HON. HERMENIA C. CAMASIN**  
*Sangguniang Bayan Member*



**HON. BRYAN R. CINCO**  
*Sangguniang Bayan Member*

**HON. DEXTER R. SENO**  
*Sangguniang Bayan Member*



**HON. ROBERT G. DEL PILAR**  
*Sangguniang Bayan Member*



**HON. EVAFE A. CORAL**  
*Sangguniang Bayan Member*



**HON. OSCAR A. CAGARA**  
*Sangguniang Bayan Member*

(force leave)

**HON. FE S. RENOMERON**  
*LnB President/Ex-Officio SB Member*



**HON. JUSTIN MERP G. ANDRADE**  
*SK Federation President/Ex-Officio SB Member*

**APPROVED:**



**HON. JUANITO E. RENOMERON**  
*Mayor*

Republic of the Philippines  
PROVINCE OF LEYTE  
Burauen  
\*  
**Office of the Mayor**

May 16, 2024

Hon. Noel P. Alpino  
Vice-Mayor and Presiding Officer, and  
THE HONORABLE MEMBERS  
Sangguniang Bayan  
Municipality of Burauen  
Burauen, Leyte

Thru: Hon. Hermenia C. Camasin  
Chairperson, Committee on Appropriations

Gentlemen and ladies:

I am hereby submitting Supplemental Budget No. 02 of the Municipality of Burauen, Leyte for Calendar Year 2024, in the amount of \*\*\* Forty-Eight Million Seven Hundred Thousand Pesos\*\* (P48,700,000.00).

In line with this kindly locate the original copies of the following documents:

1. Notice of Loan Approval dated April 5, 2024
2. Approved Loan Agreement dated April 17, 2024

The aforementioned documents are integral parts of the Supplemental Budget.

Kindly acknowledge receipt hereof.

Thank You.

OFFICE OF THE SANGGUNIANG BAYAN  
BURAUEN, LEYTE

**RECEIVED**

DATE: 5/17/24  
NAME: CHARITO C. BARBOSA  
Board Secretary II

  
**JUANITO E. RENOMERON**  
Municipal Chief Executive



**STATEMENT OF FUNDING SOURCE**  
 Supplemental Budget No. 02  
 Fiscal Year 2024

**Burauen, Leyte**  
 Province/City/Municipality/Barangay  
Special Account  
 Fund/Special Account

PARTICULARS	Account Classification (PGCA)	Amount
1	2	3
1.0 New Revenue Sources		
Loan Proceeds from the Land Bank of the Philippines	Loans Payable - Domestic 2-01-02-040	P 48,700,000.00
2.0 Actual Collections in Excess of Estimated Income		
3.0 Savings		
Unappropriated Balance/Surplus		
4.0 Realignment		
5.0 Reversion		
Available		P 48,700,000.00

Certified Correct:

  
**HARRIET I. FLORENCIO**  
 Municipal Treasurer

  
**MAURICIO I. DURIGÜE, JR.**  
 Municipal Accountant

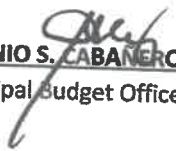
Local Budget Preparation Form No. 9



**STATEMENT OF SUPPLEMENTAL APPROPRIATION  
SUPPLEMENTAL BUDGET NO. 02 CY 2024  
MUNICIPALITY OF BURAUE**

Implementing Office	Particular/Purpose	AIP REF. CODE	Object of Expenditure	Acct. Code	Amount
1	2	3	4	5	6
	<b>PS</b>				
	<b>Total PS</b>				
	<b>MOOE</b>				-
	<b>Total MOOE</b>				
	<b>C/O</b>				
Mun. Health Office	Acquisition of Hemodialysis machines and other medical equipments for LGU Bureau Diagnostic Center	3000-200-1-12-4	Medical Equipment	1-07-05-110	48,700,000.00
	<b>Total C/O</b>				48,700,000.00
<b>Total Appropriations</b>					<b>48,700,000.00</b>

Prepared by:

  
**GORGONIO S. CABANERO, JR.**  
Municipal Budget Officer

Approved by:

  
**JUANITO E. RENOMERON**  
Municipal Mayor



	e.) Purchase of Chemicals for Chemistry Laboratory							36,031.90		36,031.90
	f.) Purchase of 10-Tarpaulin (5x6 FT) for signages							7,000.00		7,000.00
	g.) Purchase of 1-Hospital Bed	Mayor's Office/B CC	Jan. 2023	Dec. 2023	Supplies and Equipment Purchased	G.F			100,000.00	100,000.00
	h.) Purchased of 1-Oxygen Tank							11,000.00		11,000.00
	Cultural and Arts i.) Purchase of Band Instrument							90,900.00		90,900.00
	j.) Purchase of 583-Wooden Rifles							349,800.00		349,800.00
	k.) Purchase of First Aide kit							30,000.00		30,000.00
	l.) Purchase of 5 3 in 1 Continuous printer							130,000.00		130,000.00
	m.) Purchase of 5-Unit Die cutter with PVC and ink							80,000.00		80,000.00
8000-1-13-1-1	Wages of 14 Buchers hired	MAO	Jan. 2023	Dec. 2023	Wages Paid	G.F		1,533,000.00		1,533,000.00
8000-5-4-12	Fabrication of 288-Unit (1Mx2M) Market tables	MEO	Jan. 2023	Dec. 2023	Market table Fabricated	G.F			2,340,000.00	2,340,000.00
8000-5-4-13	Fabrication of 30-Units Tent	MEO	Jan. 2023	Dec. 2023	Tent Fabricated	G.F			600,000.00	600,000.00
8000-5-4-14	Construction of Bureau South Central School Fence	MEO	Jan. 2023	Dec. 2023	Fence Constructed	G.F			900,000.00	900,000.00
8000-5-4-15	Provision of Canopy at the Rear Portion of the Municipal Building	MEO	Jan. 2023	Dec. 2023	Canopy Constructed	G.F			457,380.00	457,380.00
8000-5-2-1	Improvement of PNP Building (Kitchen)	MEO	Jan. 2023	Dec. 2023	PNP Building Improve	G.F		556,000.00		556,000.00
9000-2-2-2-3	Purchased of Lawn Mower (riding mower with cab)	GSO	Jan. 2023	Dec. 2023	Lawn Mower Purchased	G.F			600,000.00	600,000.00
8000-5-4-15	Construction of health and wellness Building	MEO	Jan. 2023	Dec. 2023	Building Constructed	G.F			10,600,000.00	10,600,000.00
8000-5-4-16	Improvement of Building #1 (3rd Floor Level) @ Bureau Community College	MEO	Jan. 2023	Dec. 2023	Improved Building	External Fund (loan)			2,860,856.25	2,860,856.25

8000-5-4-17	Improvement of Building #2 (3rd Floor Level) @ Burauen Community College	MEO	Jan. 2023	Dec. 2023	Improved Building	External Fund (loan)		2,860,856.25	2,860,856.25
8000-5-4-18	Construction of One (1) Unit 3-CL School Building for Armasen National High School	MEO	Jan. 2023	Dec. 2023	School Building Constructed	External Fund		4,500,000.00	4,500,000.00
8000-5-4-19	Construction of One (1) Unit 3-CL School Building for Buraburon National High School	MEO	Jan. 2023	Dec. 2023	School Building Constructed	External Fund		4,500,000.00	4,500,000.00
3000-200-1-12-4	Establishment of LGU Burauen Diagnostic Center a. Dialysis complete Set up	MHO	Jan. 2023	Dec. 2023	Establishment of Diagnostic Center. Includes purchase of Hemodialysis machines, ultrasound and Xray	External Fund		31,500,000.00	31,500,000.00
	External Fund						17,200,000.00	17,200,000.00	
1000-1-1-4	Loan Amortization	Mayor's Office	Jan. 2023	Dec. 2023	1st year Loan Amortization	G.F		3,000,000.00	3,000,000.00
1000-3-2-2	CBMS Data Processing a. Validation	MPDO	Jan. 2023	Dec. 2023	CBMS Data Processed	G.F		50,000.00	50,000.00
	b. Publication							50,000.00	50,000.00
	c. Honorarium of Trainor/Speaker							50,000.00	50,000.00
3000-500-1-26	Enhancement of the Physical Structure of Drop-in center for CAR and CICL	MEO/MSWDO	Jan. 2023	Dec. 2023	Physical Structure enhanced	G.F		216,000.00	216,000.00
3000-500-1-27	Enhancement of Physical Structure of Womens and Children Crisis Center	MEO/MSWDO	Jan. 2023	Dec. 2023	Physical Structure enhanced	G.F		76,200.00	76,200.00
3000-500-1-2-4	Enhancement of the Physical Structure of 4Ps Office	MEO/MSWDO	Jan. 2023	Dec. 2023	Physical Structure enhanced	G.F		126,000.00	126,000.00
3000-500-1-7-4	Enhancement of the Physical Structure of the Pre-Marriage and Orientation Counselling (PMOC) room	MEO/MSWDO	Jan. 2023	Dec. 2023	Physical Structure enhanced	G.F		74,700.00	74,700.00
9000-2-1-2	Establishment of: Property Management and Information System	GSO	Jan. 2023	Dec. 2023	Property and Mgt. Information System Established	G.F		350,000.00	350,000.00
	Supplies and Inventory System				Supplies and Inventory System Established			350,000.00	350,000.00


1000-1-2-2	Establishment of Human Resources Management and Information System	Office of the Mayor/H R	Jan. 2023	Dec. 2023	Human Resources Management and Information System	G.F			500,000.00	500,000.00		
1000-2-2-5	Establishment of Legislative Management and Information System	SB	Jan. 2023	Dec. 2023	Legislative Management and Information System	G.F			500,000.00	500,000.00		
9000-1-1-14	LGU Disaster Management and Information System	MDRRM O	Jan. 2023	Dec. 2023	Disaster Management and Information System Established	G.F			500,000.00	500,000.00		
8000-5-1	Engineering Office Operation	MEO	Jan. 2023	Dec. 2023				957,250.00		957,250.00		
<b>TOTAL</b>									2,550,000.00	17,178,881.90	81,219,092.50	100,947,974.40

**NOW, THEREFORE**, on motion of Hon. Hermenia C. Camasin, duly seconded by all members of the Sangguniang Bayan present, **BE IT:**

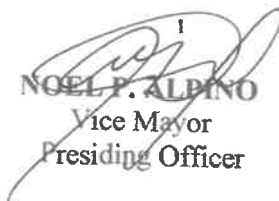
**RESOLVED**, as it is hereby **RESOLVED**, to adopt the Supplemental Annual Investment Program No. 02, of the Municipality of Burauen, Leyte, for Calendar Year 2023, the herein mentioned projects of the municipality, as embodied in MDC Resolution No. 2023-01, Series of 2023, of the Municipal Development Council, with the total amount of to One Hundred Million Nine Hundred Forty-seven Thousand Nine Hundred Seventy-four Pesos and 40/100 Only (₱ 100,947,974.40).

Carried and approved, January 30, 2023, in regular session assembled.

**I HEREBY CERTIFY** to the correctness of the foregoing resolution.

  
**HERMENIA C. CAMASIN**  
 Sangguniang Bayan Member  
 Sangguniang Bayan Secretary Pro Tempore

**ATTESTED:**

  
**NOEL F. ALBINO**  
 Vice Mayor  
 Presiding Officer



**LAND BANK OF THE PHILIPPINES**  
**LEYTE LENDING CENTER**  
**TACLOBAN CITY**

April 5, 2024

**HON. JUANITO E. RENOMERON**  
**Municipal Mayor**  
Municipality of Burauen  
Poblacion, District VII, Burauen, Leyte

Dear Mayor Renomeron,

We are pleased to inform you that Land Bank of the Philippines has approved your request for a Term Loan amounting to **PESOS: FORTY EIGHT MILLION & SEVEN HUNDRED THOUSAND ONLY (₱ 48,700,000.00)**. The loan is subject to Bank's standard terms and conditions and to the following specific terms and conditions:

Facility	Term Loan
Amount	P 48,700,000.00
Purpose	To finance acquisition of hemodialysis machine and other laboratory equipment.
Interest Rate	Interest Rate: At 6.5% per annum fixed for three (3) years provided the ADB on Deposit is equivalent to 1.1x of the LGU's ADB Loans and cost of fund is 0.05%, and subject to quarterly repricing thereafter (Reference: Applicable previous day's 3M BVAL rate plus a minimum spread of 0.5% or 6.5% per annum, whichever is higher)
Tenor	Seven (7) years inclusive of one (1) year grace period on principal.
Repayment	Principal shall be payable in twenty-four (24) equal quarterly amortizations to start at the end of the 5th quarter from date of initial release. Interest shall be payable quarterly in arrears.
Mode of Release	Loan Release/s for the acquisition of fixed assets shall be in lump-sum or in staggered amount/s per submitted Purchase Order/s, and shall be credited to the account of the LGU with Land Bank

**Special Terms & Conditions:**

1. The proposed Term Loan of the Municipal Government of Burauen, Leyte, is subject to LANDBANK's standard terms and conditions per E.O. No. 010, Series of 2022, and from the latest Credit Manual, those stipulated in the loan agreement, and to the specific terms and conditions applicable to the facility.
  2. The loanable amount shall be up to P48.70M or contract price, whichever is lower, but not to exceed the NBC as certified by the BLGF.
  3. Term/Tenor: Seven (7) years inclusive of one (1) year grace period on principal.
  4. Loan Release/s for the acquisition of fixed assets shall be in lump-sum or in staggered amount/s per submitted Purchase Order/s, and shall be credited to the account of the LGU with Land Bank.
- Post-Release Requirements:**
1. 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.

**Pre-Release Requirements:**

2. For acquisition of machineries and equipment, guarantee, from the dealer/supplier as to the availability of spare parts in the local market.
3. Submission of Certificate of the Secretary to the Sanggunian certifying to the ordinance of:
  - 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.
4. Latest BLGF Certificate of Net Borrowing Capacity;
5. Seal of Good Financial Housekeeping.
6. Monetary Board Opinion on the LGU borrowings.
7. Provincial validation of the municipality/city ordinance or municipality/city validation of the barangay ordinance, if applicable.
8. 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 restricted by law or its other obligations, and;
  - c) That the loan shall be entered or has been entered, as the case may be, in the LGUs book of account.
9. Joint Certification by the Bids and Awards Committee 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.

**Other Terms & Conditions:**

1. Fees and Charges:
  - a. 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.
  - b. Handling fee shall be 1/16 of 1%, based on the availed amount;
  - c. Commitment fee shall be P150,000.00.
  - d. Other fees and charges shall be based on standard rate.
2. Cost of overruns shall be for the account of the borrower.
3. For legal purposes, it is required that the LGU shall execute an authorization for LANDBANK to debit its deposit account to cover any loan payment as they fall due.
4. All applicable government regulations and requirements (such as the Environmental Compliance Certificate) should be complied with prior to loan release, whenever applicable.
5. The Bank reserves the right to withhold loan releases should there be:
  - 1) A case filed against the LGU or its officials involving the projects to be financed;
  - 2) An adverse findings on the project or object of financing; or
  - 3) Withdrawal of the Sanggunian on the authority of the Local Chief Executive to contract this loan.
6. 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.



Handwritten signature and stamp, possibly indicating approval or release.



7. Availability Period: One (1) year from date of loan signing.
8. The Borrower shall 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.
9. Availability Period: One (1) year from date of loan signing.
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 without prepayment fee.
12. The LGU shall be exempted from the endorsement and submission of insurance contracts to LANDBANK.

Should you be agreeable to the above terms and conditions, please indicate your conformity by signing on the space provided below and return to us the original copy of this letter.

Thank you very much.

  
AVP RESTITUTA C. ILAGAN  
Head, Leyte Lending Center 

Conformè:

**MUNICIPAL GOVERNMENT OF BURAUEN**

By:

  
HON. JUANITO E. RENOMERON

Mayor  
Date: 4/15/24

## 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 (the "Borrower", irrespective of number).

### 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.

"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.

"Commitment" means the commitment of the Lender to allow drawdowns within the Availability Period up to the loan amount as specified in Section 2.1.

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

"Interest Period" means each of the successive periods, whether on a monthly, quarterly or semi-annual basis, from date of drawdown up to the maturity of a Note.

"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 its 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) The Borrower shall have given to the Lender at least thirty (30) days prior written notice of such prepayment;
- (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; and
- (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 Benchmark Rate plus a margin which is not less than the minimum spread as specified in the Special Conditions.
- (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 its 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:

*m*  
*l*  
*an*  
*W*  
*J*  
*Michael E. [Signature]*

- (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, 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 its 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 its Agreement or any other failure of the transactions contemplated herein. However, if the Lender fails to allow drawdowns after the conditions 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, 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 Bangko Sentral Act.
- (v) Certificate of Good Local Governance issued by the Department of Interior and Local Government in favor of the Borrower.

#### 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.
- (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.
- (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.

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## 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;
- (d) Furnish the Lender with copies of the following documents 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:
  - (i) Its interim financial statements consisting of the balance sheet as of the end of such period and statements of income and retained earnings for the said period, within ninety (90) days after the end of each quarter;
  - (ii) Its annual audited financial statements of such calendar year, 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, within thirty (30) days after its issuance by the COA;
- (e) 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;
- (f) 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
- (g) Execute and deliver such instruments, documents and reports as the Lender may reasonably request to give full force and effect to its 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 IRA.



**ARTICLE 8. EVENTS OF DEFAULT****8.1 Events of Default**

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

- (a) The Borrower defaults in the payment of any of the principal, interest or any other sum payable under its Agreement, as the same becomes due and payable, whether at maturity, by acceleration or otherwise.
- (b) Any representation or warranty in its Agreement, the loan application or in any writing at any time furnished the Lender in connection with its Agreement becomes false or misleading in any material respect.
- (c) The Borrower fails to perform or observe any covenant or other provision of its Agreement or in any other document delivered to the Lender in connection with its 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 its Agreement.
- (f) The Lien in favor of the Lender on any of the Collateral becomes ineffective or any right or Lien established or created in favor of the Lender under the Security Document is lost or otherwise impaired, or an event of default under any provision of the Security Agreement has occurred.
- (h) An involuntary petition is filed under any insolvency law against the Borrower, or a receiver, trustee, liquidator or conservator shall be appointed to take possession of the properties of the Borrower.
- (i) 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 its Agreement.
- (k) 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 its 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 its 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;
  - (iii) 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 its Agreement. The rights and remedies expressly provided are cumulative.

**9.2 Governing Law; Submission to Jurisdiction**

- (a) Its 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 in any competent court of the city or municipality where the concerned lending center or department, as the case may be, of the Lender is located as provided in the Special Conditions, to the exclusion of all other courts. The foregoing, however, shall not limit or be construed to limit the right of the Lender to commence proceedings or to obtain execution of judgment against the Borrower in any venue or jurisdiction where the Collateral or any asset of the Borrower may be found.
- (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**

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

*[Handwritten signatures and initials are present at the bottom of the page, including a large signature on the right and several initials on the left and center.]*

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### 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 its Agreement

### 9.6 Successors and Assigns

- (a) Its 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.

### 9.6 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.

### 9.7 Liability for Taxes

The Borrower agrees to pay any Taxes imposed on or with regard to the execution and notarization, of its Agreement or any other document delivered pursuant to its 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.

### 9.8 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) Obtain from or submit to the Credit Information Corporation, pursuant to Republic Act No. 9510, otherwise known as the Credit Information System Act, credit bureaus and other data processors, credit data pertaining to the Borrower and the Loan in the regular course of business.

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**PART II - SPECIAL CONDITIONS OF CONTRACT**

**Name of Borrower : MUNICIPAL GOVERNMENT OF BURAUEN**

**Principal Office Address: Sto Nino St., Pob. District VII , Burauen, Leyte**

<b>Section 2.1 (Amount)</b>	<b>P 48,700,000.00</b>
<b>Section 2.2 (Availability Period)</b>	One (1) year from date of loan signing .
<b>Section 2.3 (Project to be Financed)</b>	To finance acquisition of hemodialysis machine and other laboratory equipment.
<b>Section 2.6 (Repayment)</b>	Principal shall be payable in twenty-four (24) equal quarterly amortizations to start at the end of the 5th quarter from date of initial release. Interest shall be payable quarterly in arrears.
<b>Section 2.7 (Interest)</b>	Interest Rate: At 6.5% per annum fixed for three (3) years provided the ADB on Deposit is equivalent to 1.1x of the LGU's ADB Loans and cost of fund is 0.05%, and subject to quarterly repricing thereafter (Reference: Applicable previous day's 3M BVAL rate plus a minimum spread of 0.5% or 6.5% per annum, whichever is higher)
<b>Other Terms and Conditions</b>	<p><b>Special Terms &amp; Conditions:</b></p> <ol style="list-style-type: none"> <li>1. The proposed Term Loan of the Municipal Government of Burauen, Leyte, is subject to LANDBANK's standard terms and conditions per E.O. No. 010, Series of 2022, and from the latest Credit Manual, those stipulated in the loan agreement, and to the specific terms and conditions applicable to the facility.</li> <li>2. The loanable amount shall be up to P48.70M or contract price, whichever is lower, but not to exceed the NBC as certified by the BLGF.</li> <li>3. Term/Tenor: Seven (7) years inclusive of one (1) year grace period on principal.</li> <li>4. Loan Release/s for the acquisition of fixed assets shall be in lump-sum or in staggered amount/s per submitted Purchase Order/s, and shall be credited to the account of the LGU with Land Bank.</li> </ol> <p><b>Post-release Requirements:</b></p> <ol style="list-style-type: none"> <li>1. 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.</li> </ol> <p><b>Pre-release Requirements:</b></p> <ol style="list-style-type: none"> <li>1. For acquisition of machineries and equipment, guarantee, from the dealer/supplier as to the availability of spare parts in the local market.</li> <li>2. Submission of Certificate of the Secretary to the Sanggunian certifying to the ordinance of:             <ol style="list-style-type: none"> <li>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;</li> <li>b.) Directing the LGU Treasurer and Accountant to enter the loan in the appropriate books of the LGU;</li> <li>c.) Authorizing the assignment by the LGU of its NTA, or any other specified collateral, as security for the loan;</li> <li>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</li> </ol> </li> </ol>

*[Handwritten Signature]*

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.

3. Latest BLGF Certificate of Net Borrowing Capacity;
4. Seal of Good Financial Housekeeping.
5. Monetary Board Opinion on the LGU borrowings.
6. Provincial validation of the municipality/city ordinance or municipality/city validation of the barangay ordinance, if applicable.
7. 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 restricted by law or its other obligations, and;
  - c) That the loan shall be entered or has been entered, as the case may be, in the LGUs book of account.
8. Joint Certification by the Bids and Awards Committee 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.

Other Terms & Conditions:

1. Fees and Charges:
  - a. 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.
  - b. Handling fee shall be 1/16 of 1%, based on the availed amount;
  - c. Commitment fee shall be P150,000.00.
  - d. Other fees and charges shall be based on standard rate.
2. Cost of overruns shall be for the account of the borrower.
3. For legal purposes, it is required that the LGU shall execute an authorization for LANDBANK to debit its deposit account to cover any loan payment as they fall due.
4. All applicable government regulations and requirements (such as the Environmental Compliance Certificate) should be complied with prior to loan release, whenever applicable.

The Bank reserves the right to withhold loan releases should there be:

  - 1) A case filed against the LGU or its officials involving the projects to be financed;
  - 2) An adverse findings on the project or object of financing; or
  - 3) Withdrawal of the Sanggunian on the authority of the Local Chief Executive to contract this loan.
5. 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'.
6. The Borrower shall 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.
7. 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.
8. Advance payment on the principal shall be applied in the order of maturity with-out prepayment fee.
9. The LGU shall be exempted from the endorsement and submission of insurance contracts to LANDBANK.

<b>Address For Notices:</b>	
<b>To the Borrower</b>	MUNICIPAL GOVERNMENT OF BURAUEN
<b>Address</b>	Sto Nino St., Pob Distr VII, Burauen, Leyte
<b>Email</b>	
<b>Facsimile</b>	
<b>To the Lender</b>	LAND BANK OF THE PHILIPPINES-Leyte Lending Center
<b>Address</b>	Brgy. 59-B, Real St., Sagkahan Dist., Tacloban City
<b>Email</b>	lbpleytelc@gmail.com
<b>Facsimile</b>	


IN WITNESS WHEREOF, its Agreement is signed at TACLOBAN CITY, Philippines, on its APR 17 2024.

**LAND BANK OF THE PHILIPPINES**  
Lender

**MUNICIPAL GOVERNMENT OF BURAUEN**  
Borrower

By:

By:


  
**AVP RESTITUTA C. ILAGAN**  
(Signature over printed name)

  
**HON. JUANITO E. RENOMERON**  
(Signature over printed name)

Signed in the presence of:

  
**LORELIE S. MORABE**  
Witness  
Signature over printed name

  
**ERIC G. MENDIOLA**  
Witness  
Signature over printed name

  
**CONRADO S. CARVIERA, JR.**

**ACKNOWLEDGMENT**

Republic of the Philippines)  
TACLOBAN CITY, LEYTE ) S.S.

Before me, a Notary Public for and in the City of TACLOBAN CITY on this of APR 17 2024 personally appeared the following:

Name	Competent Evidence of Identity
RESTITUTA C. ILAGAN	LBP ID NO. 5303
JUANITO E. RENOMERON	TIN 134-578-838

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

This instrument which consists of fifteen [15] pages, refers to a Credit Line Agreement signed by the parties and the instrumental witnesses on each and every page.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal on APR 17 2024, in the above jurisdiction.

Doc. No. 561 ;  
Page No. 102 ;  
Book No. 90 ;  
Series of 2024 .

*[Signature]*  
**ATTY. LORELEE ANNE Y. RAMA**  
 NOTARY PUBLIC  
 N.C. 2023-02-117, Tacloban City/Leyte, until 12/31/2024  
 2/F, LBP Bldg., Real St., Sagkahan Dist., Tacloban City  
 Rol' of Attorneys No. 49416; IBP No. 252568; 12/20/2019, Leyte  
 PTR- EXEMPT (B.M. No. 2889), MCLE Comp. No. 07/03/21  
 11/2/21

*[Handwritten mark]*

*[Handwritten mark]*

*[Handwritten signature]*

*[Handwritten signature]*