

Republic of the Philippines
PROVINCE OF NEGROS ORIENTAL
City of Bayawan
Office of the Sangguniang Panlungsod

EXCERPT FROM THE MINUTES OF THE REGULAR SESSION HELD BY THE CITY COUNCIL OF BAYAWAN, NEGROS ORIENTAL ON JANUARY 10, 2017 AT 2:00 PM AT THE SP SESSION HALL.

RECORD OF ATTENDANCE

HON. ISMAEL P. MARTINEZ	(Vice Mayor & Presiding Officer)	Present
HON. PETER PAUL F. RENACIA		On Leave
HON. HENRY E. CARREON, JR.		Present
HON. ERNESTO T. TIJING		Present
HON. MARK FIDENCIO L. AURELIA		Present
HON. JONAS M. TRIAS		Present
HON. SHARLOU F. JAMIN		Present
HON. NARCISO N. CASIPONG		Present
HON. NICO ANGELO L. LIM		Present
HON. MERLITA R. GAUDIEL		On Leave
HON. DANILO G. LAMIS		Present
HON. WARLITO C. MAGDASAL	(LNMB President)	Present

RESOLUTION NO. 9

“1st Endorsement dated January 9, 2017 of the Honorable Mayor Pryde Henry A. Teves, endorsing to this Body the proposed ordinance for the consolidated PHP80 million loan for the renovation of the Integrated Business Center as one of the requirements for the processing of the Monetary Board Opinion.

“On motion of Honorable Councilor Aurelia and duly seconded by Honorable Councilor Tijing, the Council

“RESOLVED, To enact, as it hereby enacts the following ordinance:

ORDINANCE NO. 1

AN ORDINANCE AUTHORIZING THE PROPOSED BORROWING OF THE CITY OF BAYAWAN, PROVINCE OF NEGROS ORIENTAL, IN THE AMOUNT OF PESOS: EIGHTY MILLION (PHP 80,000,000.00), OR DBP VALIDATED COST OR 100% WINNING BID PRICE, WHICHEVER IS LOWEST, TO FUND THE RENOVATION OF INTEGRATED BUSINESS CENTER BUILDING

BE IT ORDAINED THAT:

SECTION 1. The City Mayor, in representation of the City, hereinafter referred to as the “City”, is hereby authorized to enter into a term loan agreement with Development Bank of the Philippine (DBP) in accordance with Section 297 of Republic Act No. 7160 of the Local Government Code, in the amount of PESOS: EIGHTY MILLION (PHP 80,000,000.00), OR DBP VALIDATED COST OR 100% WINNING BID PRICE, WHICHEVER IS LOWEST, under the terms and conditions herein set forth and such other terms and conditions as may be agreed upon with any person, corporation or entity for the purpose of funding priority project/s, and subject to the requirements under Section 123 of Republic Act No. 7653 as implemented by the Bangko Central ng Pilipinas Circular No. 402. In this connection, the City Mayor shall have full power and authority to represent the City in negotiating the terms and conditions for the said borrowing and in signing, executing and delivering such agreements, contracts, deeds, papers, and documents as may be necessary and proper for the full and total implementation of the authority herein granted.

SECTION 2. The said priority projects are certified to be socio-economic development projects in accordance with the approved Local Development Plan and Public Investment Program for the current year 2017 of the City of Bayawan, Province of Negros Oriental.

SECTION 3. Consistent with the covering term loan contract, mortgage contracts, and such other agreements as maybe entered into by the City in connection with the borrowing, the features, terms and conditions shall be as follows and hereby approved:

3.1 Project Name: Renovation of Integrated Business Center (IBC) Building

Barrower: Bayawan City, Negros Oriental

Amount: Eighty Million Pesos (PHP 80,000,000.00) or DBP Validated Cost or 100% winning bid price, whichever is lowest

Purpose: To finance renovation of Integrated Business Center (IBC) Building

Term: Fifteen (15) years inclusive of three (3) years grace period. Principal payable in 144 equal monthly installments, commencing at the end of the 37th month from date of initial drawdown.

Manner of Payment:

Interest – Monthly

Principal – Monthly

Interest Rate: Fixed for five (5) years, reviewable every five (5) years thereafter, based on prevailing DBP rate, presently at 5.25% p.a., payable monthly commencing at the end of the 1st month from date of initial drawdown. Gross Receipt Tax shall be for the account of the borrower.

Collateral/Guarantee/Security:

1. Contractor's All Risk (CAR) Insurance coverage shall be obtained prior to initial release of the loan based on estimated cost of the entire project when completed. Upon 90% completion, appropriate insurance coverage based on sound valid shall be placed with GSIS and the policy shall be endorsed in favor of DBP.
2. Continuing assignment in favor of DBP of applicable portion of IRA with Hold-out Agreement equivalent to three (3) monthly amortizations based on the highest amortizations (inclusive of principal, interest and GRT) on outstanding loan balance for the duration of the loan.

Fees: In case of prepayment, 3% on the amount prepaid or break funding cost, whichever is higher, shall be charged to the barrower, subject to 30 days advance notice

Front-end Fee: None

Commitment Fee: None

Guarantor: None

Guarantor Fee: None

Sinking Fund (if applicable) or other Funding Arrangement: None

SECTION 4. The City hereby appropriates the entire proceeds of the borrowing exclusively to finance Renovation of Integrated Business Center (IBC) Building.

SECTION 5. The City hereby authorizes the following:

- i. The City Mayor to negotiate and enter into a contract of the loan applied for and to assign or otherwise enter into a collateral agreement to secure the payment of the loan applied for
- ii. Waiver on the confidentiality of investment and bank deposits, whether in person or foreign currency
- iii. Ratification of the approved terms and conditions of DBP lending entered into by the City Mayor which shall contain a provisions that such ratification includes any and all subsequent requests by the LGU for modification/revision and/or amendment to be made on the project as well as on its approved terms and conditions, and which makes the loan a statutory obligation of the LGU, including the following:

- * The LGU to execute the Loan Agreement, Promissory Notes, and other documents relating thereto, and specifically stating that the obligations of the LGU thereunder, as well as the terms and conditions thereof, shall be valid and binding on the LGU and shall not be subject to recall by the Sangguniang Panlalawigan for the whole term of loan, regardless of any change in its composition
- * The DBP to automatically debit the due date from the LGU's CA/SA deposit account with DBP to an amount equivalent to the maturing loan amortization until the loan is fully paid
- * The inclusion of appropriation for debt-servicing in the LGU's annual budget in accordance with the Local Government Code until the loan is fully paid.

SECTION 6. The City hereby grants its City Mayor authority to execute a letter waiving our rights to confidentiality of information by authorizing DBP, our trustee bank and all banks or financial institutions with which we have transactions to disclose to the Bangko Sentral ng Pilipinas (BSP) all information pertaining to the deposits, investments, loans or other transactions including the history or status of our dealings with said banks or financial institutions and for the BSP to make all inquiries as may be necessary regarding the same.

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

SECTION 7. Any Ordinance or parts thereof, inconsistent with this enactment is hereby repealed or amended accordingly.

SECTION 8. This ordinance shall take effect after the approval of the Local Chief Executive.

"ENACTED."

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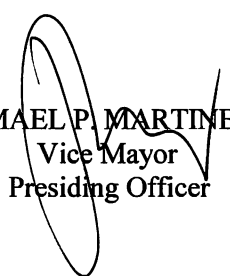
I hereby certify to the correctness of the foregoing resolution.

* * *


JULIUS T. ESPARTERO
Secretary to the Sangguniang Panlungsod

ATTESTED:

DATE APPROVED: FEB 02 2017


ISMAEL P. MARTINEZ
Vice Mayor
Presiding Officer


PRYDE HENRY A. TEVES
Mayor

Copy for:

- The Development Bank of the Philippines, Dumaguete City
- The Honorable Provincial Board, Dumaguete City
- The Honorable Mayor Pryde Henry A. Teves, this city
- Mrs. Gemma G. Sumalpong, Treasurer, this city
- Mrs. Corazon P. Lirazan, Accountant, this city
- Mr. Oscar A. Ong, MAA IV, this city
- Mrs. Lani T. Patajo, Budget Officer, this city