



Republic of the Philippines
BATANGAS CITY

Office of the Sangguniang Panlungsod

Tel. No. 722-0304

RESOLUTION NO. 172 S. 2020

**RESOLUTION RATIFYING/CONFORMING THE LOAN AGREEMENT
ENTERED INTO BY THE BATANGAS CITY GOVERNMENT WITH
THE LAND BANK OF THE PHILIPPINES IN THE AMOUNT
OF NINETY SEVEN MILLION PESOS (P97,000,000.00)**

WHEREAS, the City Mayor submitted to the Sangguniang Panlungsod for ratification/conformation the Loan Agreement of the Batangas City Government with Land Bank of the Philippines for the amount of Ninety Seven Million Pesos (PhP 97,000,000.00) for the following projects/programs:


Fifty Million Pesos (P50,000,000.00)	Improvement of Batangas City Sports Center Oval and other onsite development
Thirty Million Pesos (P30,000,000.00)	Land/Site Development of the Proposed Grandstand
Ten Million Pesos (P10,000,000.00)	Concreting/rehabilitation of various road projects of the City Government of Batangas
Seven Million Pesos (P7,000,000.00)	Concreting/Asphalting/Rehabilitation/ Repair of Barangay Roads

WHEREAS, the Committee on Laws, Rules and Regulations finds the Loan Agreement valid and within the authority of the City Government to enter into and thereby the Committee recommends the ratification/conformation by the Sangguniang Panlungsod of the subject Loan Agreement;

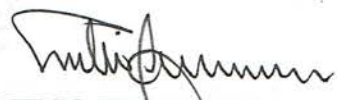
NOW THEREFORE, be it resolved by the Sangguniang Panlungsod in session assembled, to ratify/conform as it hereby ratifies/conforms the Loan Agreement entered into by the Batangas City Government with the Land Bank of the Philippines in the amount of Ninety Seven Million Pesos (P97,000,000.00) for the projects/programs aforesated.

UNANIMOUSLY APPROVED.

I hereby certify that the foregoing Resolution No. 172 S. 2020 was approved by the Sangguniang Panlungsod of Batangas City during its Regular Session held on July 13, 2020.


ATTY. OLIVA D. TELEGATOS
Secretary
Sangguniang Panlungsod

ATTESTED:


EMILIO FRANCISCO A. BERBERABE, JR.
Presiding Officer

**REPUBLIC OF THE PHILIPPINES
BATANGAS CITY**

OFFICE OF THE SANGGUNIANG PANLUNGSOD

**EXCERPT FROM THE MINUTES OF THE REGULAR SESSION HELD BY THE
MEMBERS OF THE SANGGUNIANG PANLUNGSOD OF BATANGAS CITY
ON JULY 13, 2020 AT THE SANGGUNIANG SESSION HALL**

PRESENT:

Hon. Emilio Francisco A. Berberabe Jr.,	Presiding Officer
Hon. Alyssa Renee A. Cruz,	Councilor
Hon. Aileen Grace A. Montalbo,	“
Hon. Nestor E. Dimacuha,	“
Hon. Karlos Emmanjuel A. Buted,	“
Hon. Gerardo A. Dela Roca,	“
Hon. Oliver Z. Macatangay,	“
Hon. Nelson J. Chavez,	“
Hon. Julian B. Villena,	“
Hon. Michael Thomas T. Pastor,	“
Hon. Isidra “Ched” M. Atienza,	“
Hon. Maria Aleth A. Lazarte,	“
Hon. Lorenzo A. Gamboa, Jr.,	“
Hon. Angelito “Dondon” A. Dimacuha,	ABC-Rep.
Hon. Marjorie A. Manalo,	SK-Fed. Pres.

On motion of Councilor Cruz duly seconded, the following Resolution was Adopted:

RESOLUTION NO. 172 S. 2020

**RESOLUTION RATIFYING/CONFORMING THE LOAN AGREEMENT
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THE LAND BANK OF THE PHILIPPINES IN THE AMOUNT
OF NINETY SEVEN MILLION PESOS (P97,000,000.00)**

WHEREAS, the City Mayor submitted to the Sangguniang Panlungsod for ratification/conformation the Loan Agreement of the Batangas City Government with Land Bank of the Philippines for the amount of Ninety Seven Million Pesos (PhP 97,000,000.00) for the following projects/programs:

Fifty Million Pesos (P50,000,000.00)	Improvement of Batangas City Sports Center Oval and other onsite development
Thirty Million Pesos (P30,000,000.00)	Land/Site Development of the Proposed Grandstand
Ten Million Pesos (P10,000,000.00)	Concreting/rehabilitation of various road projects of the City Government of Batangas

Continuation of Resolution No. 172 S. 2020

**RESOLUTION RATIFYING/CONFORMING THE LOAN AGREEMENT
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Seven Million Pesos (P7,000,000.00)	Concreting/Asphalting/Rehabilitation/ Barangay Roads	Repair of
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WHEREAS, the Committee on Laws, Rules and Regulations finds the Loan Agreement valid and within the authority of the City Government to enter into and thereby the Committee recommends the ratification/conformation by the Sangguniang Panlungsod of the subject Loan Agreement;

NOW THEREFORE, be it resolved by the Sangguniang Panlungsod in session assembled, to ratify/conform as it hereby ratifies/conforms the Loan Agreement entered into by the Batangas City Government with the Land Bank of the Philippines in the amount of Ninety Seven Million Pesos (P97,000,000.00) for the projects/programs aforesated.

UNANIMOUSLY APPROVED.

I hereby certify that the foregoing Resolution No. 172 S. 2020 was approved by the Sangguniang Panlungsod of Batangas City during its Regular Session held on July 13, 2020.


ATTY. OLIVA D. TELEGATOS
Secretary
Sangguniang Panlungsod

ATTESTED:


EMILIO FRANCISCO A. BERBERABE, JR.
Presiding Officer

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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. 3246, 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.

"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 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

MARLON C. BABAAN

JOAN R. SINAS

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CITY LEGAL OFFICER
BATANGAS CITY

MAYOR BEVERLEY ROSE DIMAGUHA-MARINO

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 Benchmark Rate plus a margin which is not less than the minimum spread as specified in the Special Conditions.

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- (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:

- (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.

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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:

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- (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;
- (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

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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 Assignment or any portion thereof shall become ineffective or ceases to be in full force and effect.
- (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;
 - (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

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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 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

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.

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.

9.7 Notices

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MAYOR BEVERLEY ROSE DIMAQUHA-MARIÑO

- (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 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.

9.9 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) 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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CERTIFIED XEROX COPY OF DOCUMENT ON FILE



ATTY. TEODORO A. DEGUITO
CITY LEGAL OFFICER
BATANGAS CITY

MARLON C. BABAAN

JOAN ROVI H. SINAS

MAYOR BEVELLEY ROSE DIMACUHA-MARIÑO

PART II - SPECIAL CONDITIONS OF CONTRACT

Name of Borrower : CITY GOVERNMENT OF BATANGAS, BATANGAS, represented by City Mayor Beverley Rose Dimacuha-Mariño, of legal age, married, Filipino and with residence and Postal Address at Road 1, Arce Subdivision, Brgy. Kumintang Ibaba, Batangas City

Principal Office Address: City Hall Building, Batangas City, Batangas

<p>Section 2.1 (Amount)</p>	<p>Term Loan 15 - Up to Fifty Million Pesos (P 50,000,000.00) or actual contract price whichever is lower.</p> <p>Term Loan 16 - Up to Thirty Million Pesos (P 30,000,000.00) or actual contract price whichever is lower.</p> <p>Term Loan 17 - Up to Ten Million Pesos (P 10,000,000.00) or actual contract price whichever is lower.</p> <p>Term Loan 18 - Up to Seven Million Pesos (P 7,000,000.00) or actual contract price whichever is lower.</p>
<p>Section 2.2 (Availability Period)</p>	<p>Within one (1) year from date of loan signing.</p>
<p>Section 2.3 (Project to be Financed)</p>	<p>Term Loan 15 - Improvement of Batangas City Sports Center Oval and other onsite development</p> <p>Term Loan 16 - Land/Site Development of the Proposed Grandstand</p> <p>Term Loan 17 - Concreting/Rehabilitation of various road projects of the City Government of Batangas</p> <p>Term Loan 18 - Concreting/Asphalting/Rehabilitation/Repair of Barangay Roads</p>
<p>Section 2.4 (Repayment)</p>	<p>Term Loan 15, 16, 17 & 18 Principal – Payable in Thirty-Six (36) equal quarterly payments to start at the end of the 5th quarter from date of initial release. Interest – Payable quarterly in arrears to start at the end of the first quarter from date of initial release.</p>
<p>Section 2.5 (Interest)</p>	<p>Term Loan 15, 16, 17 & 18</p> <p>If variable: At prevailing LANDBANK lending rate at the time of availment, subject to quarterly repricing.</p> <p>If fixed: At prevailing LANDBANK lending rate at the time of availment fixed for two (2) years subject to repricing every two years thereafter.</p> <p>The LGU shall have a one-time option to change interest pricing from fixed to variable rate or vice versa.</p>
<p>Section 2.6 (Tenor)</p>	<p>Term Loan 15, 16, 17 & 18 Ten (10) years, inclusive of 1 year grace period on principal payment;</p>

MAYOR BEVERLEY ROSE DIMACUHA-MARIÑO

MARLON C. BABAAN

JOAN ROMI H. SINAS

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CITY LEGAL OFFICER
BATANGAS CITY

<p>Section 2.7 (Mode of Release)</p>	<p><u>Term Loan 15, 16, 17 & 18</u></p> <ul style="list-style-type: none"> • First release shall be equivalent to 15% of the approved amount or actual contract price whichever is lower, upon compliance to all pre-release requirements. • Succeeding releases shall be in tranches depending on the percentage of completion as certified by the contractor and accepted by the LGU, subject to validation by LBP-PVCID. • Final release equivalent to minimum of 10% of the approved amount or actual contract price, whichever is lower upon submission of the Certificate of Acceptance by the borrower/LGU's authorized signatory signifying their acceptance of the fully completed project and Appraisal Report issued by LBP-PVCID showing 100% project completion. • In case of separate contract for the Detailed Engineering Design and contract supervision, releases shall be based on the approved separate contracts.
<p>Common Terms and Conditions</p>	<p><u>Term Loan 15, 16, 17 & 18</u></p> <p>Fees and Other Charges : Handling Fee of 1% based on the approved amount. Commitment fee of 1/2 of 1% based on unavailed portion of the loan. Prepayment fee of 2% of the outstanding balance of loan shall be waived except when taken-out by other financial institutions.</p> <p>Penalty : 24% per annum penalty shall be charged in case of non-payment, to start on the day after due date of the loan amortization/credit accommodation up to date of payment.</p> <p>Pre-release requirements: Initial release shall be subject to submission and compliance of the following:</p> <ol style="list-style-type: none"> 1. Environmental Compliance Certificate (ECC) or Certificate of Non Coverage (CNC) whichever is applicable per project; 2. Bills of materials, specification and program of works duly approved by the LGU. 3. Contractor's All Risk Insurance (CARI) duly endorsed in favor of LBP, during the construction period. Once completed and as applicable, the project shall be insured with GSIS as its full appraised value and shall be endorsed in favor of LBP. 4. Joint Certification by the BAC Chair and the City Mayor that the LGU has complied with RA 9184 as well as COA Rules and Regulations. <p>OTHER TERMS AND CONDITIONS:</p> <ol style="list-style-type: none"> 1. The LGU shall not sell, dispose, or mortgage the object of financing for as long as the loan is outstanding. 2. Cost overrun shall be for the account of the LGU. 3. Once completed and as applicable, the project shall be insured with GSIS at its full appraised value and shall be endorsed in favor of LBP. 4. LANDBANK shall have the right to debit the LGU's deposit account maintained with the Bank to cover loan payment, insurance premium, advances and interest thereon and other charges as they fall due. 5. The LGU shall give its consent to LANDBANK to disclose credit information about the LGU to other banks, financial institutions, the Bankers Association of the Philippines-Credit Bureau (BAP-CB) and other credit bureaus or institutions. 6. Monetary Board Opinion on the probable effects of the proposed borrowings on the monetary aggregates, the price level and balance of payments. 7. City Ordinance passed by the Sanggunian, as defined below, and expressly: <ul style="list-style-type: none"> • Approving all previous representations, acts, warranties and all the terms and

[Handwritten signature]

MAYOR BEVERLEY ROSH DIAZ ACUHA-MARINO

MARLON C. BABAAN

[Handwritten signature]
JOAN ROVI H. SINAS

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CITY LEGAL OFFICER
BALANGAS CITY

MAYOR BEVEERLEY ROSE DUBACUHA-MARIÑO

- Authorizing the assignment of the Internal Revenue Allotment (IRA) and other income, revenues and collection as collateral/security to the loan obtained and declaring them to be available and not restricted by law or its other obligations;
 - Directing the City Treasurer and Accountant to enter the loan in the appropriate books of the LGU;
 - Designating the LBP as the LGU's official depository bank for IRA 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 IRA-administering office;
 - Appropriating the amount for loan repayment in the LGU's annual budget until the loan, interest and other charges are fully paid;
 - Authorizing LBP to deduct for set-off and/or deduct amounts from General Funds or SEF of the LGU with LBP and apply the same to the payment of the loan or any portion thereof, or interests and penalties thereon as may be deemed necessary by the LBP; and
 - Waiving the confidentiality of information on investment/bank deposit.
8. Seal of Good Housekeeping;
 9. BLGF Certificate of Net Borrowing Capacity;
 10. Provincial Validation of the City Ordinance;
 11. Certification by the Budget Officer, Accountant and Treasurer noted by the LCE that:
 - The amounts for equity, repairs and maintenance of the project and equipment, insurance premium and the repayment on principal, interest and other charges on the loan have been fully appropriated and that full provisions have been made;
 - The sources of repayment are available and not restricted by law or other obligations;
 - The contractual obligations shall be or has been entered into the appropriate books of accounts of the LGU;
 - The loan shall be used exclusively to finance the following projects:
 - Improvement of Batangas City Sports Center Oval and other onsite development
 - Land/Site Development of the Proposed Grandstand
 - Concreting/Rehabilitation of various road projects
 - Concreting/Asphalting/Rehabilitation/Repair of Barangay Roads
 12. Joint Certification by the BAC Chair and by the City Mayor that the LGU has complied with R.A. 9184 as well as COA rules and regulations;
 13. Promissory Note with Deed of Assignment of the IRA.
 14. The object of financing shall not be included in the collateral pool but the LGU shall not dispose, mortgage or lease the same while the loan is outstanding.
 15. Loan proceeds for the acquisition of fixed assets shall be credited to the account of the borrower with LBP. In case of imported items, opening of Letters of Credit (LC) shall be coursed through LBP.
 16. In case of non-payment on due date, a penalty of 24.00% per annum shall be charged.
 17. Availability period shall be one (1) year from the date of loan signing. If no availment is made within 1 year, the Bank has the option to terminate the loan.
 18. Loan releases for construction projects will be on a staggered basis depending on the percentage of completion of the project as validated by authorized Bank representative.
 19. The financed project shall be covered by Contractor's All Risk Insurance (CARI) duly endorsed in favor of LBP, during the construction period. Once completed and as applicable, the project shall be insured with GSIS at its full appraised

MARLON C. BABAAN

JOAN ROY H. SINAS

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CITY LEGAL OFFICER
BATANGAS CITY

- value and shall be endorsed in favor of LBP.
20. For legal purposes, it is required that the LGU shall execute an authorization for LBP to debit his deposit account.
 21. All applicable government regulations and requirements (such as the Environmental Compliance Certificate) should be complied with prior to loan release, whenever applicable.
 22. Interim financing based on LBP prevailing rates may be allowed pending approval of special financing scheme.
 23. The Bank reserves the right to withhold loan releases should there be:
 - a. A case filed against the LGU or its official involving the projects to be financed;
 - b. Adverse findings on the project or object of financing; or
 - c. Withdrawal by the Sanggunian of the authority of the Local Chief Executive to contract the loan.
 24. The BORROWER hereby waive his rights under applicable laws on bank secrecy and information security existing or may hereafter be enacted, such as Republic Act (R.A.) No.1405 (The Law on Secrecy of Bank Deposits), R.A. 6426 (Foreign Currency Deposit Act), R.A. 8791 (The General Banking Law), R.A. 10173 (Data Privacy Act), authorizes the LENDER: (a) pursuant to BSP Circular No. 472 Series of 2005, as amended and as implemented by BIR Revenue Regulation RR 4-2005, to verify with the Bureau of Internal Revenue (BIR) (or such other taxing authority that may substitute it) in order to establish authenticity of the annual income tax returns and accompanying financial statements 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, its parent, subsidiaries or affiliates for the purpose of implementing the Automatic Debit Authorization or set-off provisions, and (c) obtain from or disclose to its parent, subsidiaries, affiliates, or credit bureau any information regarding the BORROWER, the Loan/Line or this Agreement, as the LENDER may deem necessary to exercise its rights under this agreement or maybe allowed or required by applicable laws, rules and regulations. The BORROWER also hereby authorizes the LENDER to request information on status of any court case to which he is a party. Pursuant to R.A. 9510 (Credit Information System Act), the BORROWER finally authorizes the submission of basic credit data in connection with any credit availment from the LENDER to the Credit Information Corporation (or its successor entity) and authorize the latter to provide the same information to the BSP.

Post Release Requirement:

The LGU shall annually submit certification that the proposed sources of repayment are available and not restricted by law and its obligations are appropriated in their respective budget.

MAYOR BEVEERLEY ROSA DI MACUHA-MARIÑO

Address For Notices: To the Borrower Address	CITY GOVERNMENT OF BATANGAS City Hall Building, Batangas City, Batangas
Email Facsimile	(043)
To the Lender Address	BATANGAS LENDING CENTER Land Bank of the Philippines 2 nd Floor LBP Bldg., Pres. Jose P. Laurel Highway, Marauoy, Lipa City, Batangas
Email Facsimile	batangasic@yahoo.com (043) 756 0909

MARLON C. BABAAN

JOAN ROSA H. SINAS

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ATTY. TEODILFO A. DEGUITO
CITY LEGAL OFFICER
BATANGAS CITY

IN WITNESS WHEREOF, its Agreement is signed at Batangas City, Philippines, on its JUN 29 2020

LAND BANK OF THE PHILIPPINES

Lender

By:

MARLON C. BABAAN
Head, Batangas Lending Center

Signature over printed name

CITY GOVERNMENT OF BATANGAS


Borrower

By:

HON. BEVERLEY ROSE D. MACUHA-MARIÑO
City Mayor

Signature over printed name

Signed in the presence of:


JOAN ROVI H. SINAS
Witness

Signature over printed name

Witness

Signature over printed name

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES

Batangas City

)
) S.S.

BEFORE ME, a Notary Public for and in the above jurisdiction on its of JUN 29 2020 personally appeared:

Name

MARLON C. BABAAN

Competent Evidence of Identity

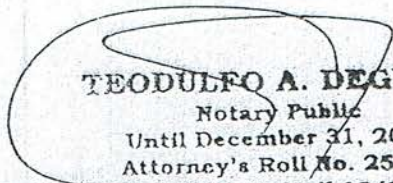
LBP ID NO. B085

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 fifteen [15] pages, refers to a Loan Agreement signed by the parties and the instrumental witnesses on each and every page.

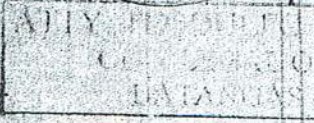
IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial seal on _____, in the above jurisdiction.

Doc. No. 194;
Page No. 40;
Book No. VI;
Series of 2020.


TEODULFO A. DEGUITO
Notary Public
Until December 31, 2020
Attorney's Roll No. 25749

Admin. Matter No. 2018- 2 Until 12/31/2020/Bata. City
PTR No. 3591853 01/02/2020 Bata. City
IBP OR No. 097227/12-11-2019
Page 14 of 15
MCLE Compliance No. VI-0008372/April 14, 2022
Batangas City, Batangas

CERTIFIED XEROX COPY OF DOCUMENT ON FILE


ATTY. TEODULFO A. DEGUITO
NOTARY OFFICER
BATANGAS CITY

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)
batangas city) S.S.

BEFORE ME, a Notary Public for and in the above jurisdiction on its of
JUN 29 2020 personally appeared:

Name **Competent Evidence of Identity**
HON. BEVERLEY ROSE DIMACUHA-MARIÑO TIN ID NO. 158-108-285

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 its/her/their signatures, that the same is its/her/their own free and voluntary act and deed.

This instrument which consists of fifteen [15] pages, refers to a Loan 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
JUN 29 2020, in the above jurisdiction.

Doc. No. 194 ;
Page No. 40 ;
Book No. VI ;
Series of 2020 .

MAYOR BEVERLEY ROSE DIMACUHA-MARIÑO

TEODULFO A. DEGUITO
Notary Public
Until December 31, 2020
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Batangas City, Batangas

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ATTY. TEODULFO A. DEGUITO
CITY LEGAL OFFICER
BATANGAS CITY

MARLON C. BABAAN

JOAN ROVI H. SINAS



LANDBANK

WE HELP YOU GROW.

Batangas Lending Center
Maraouy, Lipa City, Batangas

March 26, 2020

HON. BEVERLEY ROSE DIMACUHA-MARIÑO

City Mayor
City Government of Batangas
City Hall Building, Batangas City,
Province of Batangas

Dear Mayor Dimacuha-Mariño,

We are pleased to inform you that the request of the City Government of Batangas for **Term Loan 15, 16, 17 & 18** has been approved, subject to the standard terms and conditions of LANDBANK's existing lending policies and covenants stipulated in the Loan Agreement, and to specific provisions stated hereunder:

Term Loan 15

Amount : Up to ₱50.00 Million or actual contract price whichever is lower.
Purpose : Improvement of Batangas City Sports Center Oval and other onsite development

Term Loan 16

Amount : Up to ₱30.00 Million or actual contract price whichever is lower.
Purpose : Land/Site Development of the Proposed Grandstand

Term Loan 17

Amount : Up to ₱10.00 Million or actual contract price whichever is lower.
Purpose : Concreting/Rehabilitation of various road projects in the City Government of Batangas.

Term Loan 18

Amount : Up to ₱7.00 Million or actual contract price whichever is lower.
Purpose : Concreting/Asphalting/Rehabilitation/Repair of Barangay Roads

CONFORME: **CITY GOVERNMENT OF BATANGAS**

By:

HON. BEVERLEY ROSE DIMACUHA-MARIÑO
City Mayor

Land Bank of the Philippines

LANDBANK Plaza, 1598 M.H. Del Pilar corner Dr. J. Quintos, Sts., Malate, Manila, Philippines 1004
T (632) 522-0000 551-2200 453-7001 www.landbank.com

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ATTY. TEODULFO A. DEGUITO
CITY LEGAL OFFICER
BATANGAS CITY

COMMON TERMS AND CONDITIONS:

Interest rate : If variable: At prevailing LANDBANK lending rate at the time of availment, subject to quarterly repricing. .
If fixed: At prevailing LANDBANK lending rate at the time of availment fixed for two (2) years subject to repricing every two years thereafter.

The LGU shall have a one-time option to change interest pricing from fixed to variable rate or vice versa.

Tenor : Ten (10) years, inclusive of 1-year grace period on principal payment

Repayment : Principal - Payable in 36 equal quarterly payments to start at the end of the 5th quarter from date of initial release.
Interest - Payable quarterly in arrears to start at the end of the first quarter from the date of initial release.

Mode of Release : Loan proceeds shall be directly credited to the LGU's deposit account maintained with LBP based on the following:

- First release shall be equivalent to 15% of the approved amount or actual contract price whichever is lower, upon compliance to all pre-release requirements.
- Succeeding releases shall be in tranches depending on the percentage of completion as certified by the contractor and accepted by the borrower/LGU, subject to validation by LBP-PVCID.
- Final release equivalent to minimum of 10% of the approved amount or actual contract price, whichever is lower upon submission of the Certificate of Acceptance by the borrower/LGU's authorized signatory signifying their acceptance of the fully completed project and Appraisal Report issued by LBP-PVCID showing 100% project completion.
- In case of separate contract for the Detailed Engineering Design and contract supervision, releases shall be based on the approved separate contracts.

Availability : Availability period shall be within one (1) year from date of loan signing.

Fees and Other Charges : Handling Fee of 1% based on the approved amount.
Commitment fee of 1/2 of 1% based on unavailed portion of the loan.
Prepayment fee of 2% of the outstanding balance of loan shall be waived except when taken-out by other financial institutions.

Penalty : 24% per annum penalty shall be charged in case of non-payment, to start on the day after due date of the loan amortization/credit accommodation up to date of payment.

CONFORME: **CITY GOVERNMENT OF BATANGAS**

By:

HON. BEVERLEY ROSE DIMACUHA-MARIÑO
City Mayor

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CITY LEGAL OFFICER
BATANGAS CITY

Collateral : Assignment of 20% of Internal Revenue Allotment (IRA)

Pre-release requirements:

Initial release shall be subject to submission and compliance of the following:

1. Environmental Compliance Certificate (ECC) or Certificate of Non Coverage (CNC) whichever is applicable per project;
2. Bill of materials, specification and program of works duly approved by the LGU.
3. Contractor's All Risk Insurance (CARI) duly endorsed in favor of LBP, during the construction period. Once completed and as applicable, the project shall be insured with GSIS as its full appraised value and shall be endorsed in favor of LBP.
4. Joint Certification by the BAC Chair and the City Mayor that the LGU has complied with RA 9184 as well as COA Rules and Regulations.

OTHER TERMS AND CONDITIONS:

1. The LGU shall not sell, dispose, or mortgage the object of financing for as long as the loan is outstanding.
2. Cost overrun shall be for the account of the LGU.
3. Once completed and as applicable, the project shall be insured with GSIS at its full appraised value and shall be endorsed in favor of LBP.
4. LANDBANK shall have the right to debit the LGU's deposit account maintained with the Bank to cover loan payment, insurance premium, advances and interest thereon and other charges as they fall due.
5. The LGU shall give its consent to LANDBANK to disclose credit information about the LGU to other banks, financial institutions, the Bankers Association of the Philippines-Credit Bureau (BAP-CB) and other credit bureaus or institutions.
6. Monetary Board Opinion on the probable effects of the proposed borrowings on the monetary aggregates, the price level and balance of payments.
7. City Ordinance passed by the Sanggunian, as defined below, and expressly:
 - Approving all previous representations, acts, warranties and all the terms and conditions of the loan;
 - Authorizing the assignment of the Internal Revenue Allotment (IRA) and other income, revenues and collection as collateral/security to the loan obtained and declaring them to be available and not restricted by law or its other obligations;
 - Directing the City Treasurer and Accountant to enter the loan in the appropriate books of the LGU;
 - Designating the LBP as the LGU's official depository bank for IRA 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 IRA-administering office;
 - Appropriating the amount for loan repayment in the LGU's annual budget until the loan, interest and other charges are fully paid;
 - Authorizing LBP to deduct for set-off and/or deduct amounts from General Funds or SEF of the LGU with LBP and apply the same to the payment of the loan or any portion thereof, or interests and penalties thereon as may be deemed necessary by the LBP; and
 - Waiving the confidentiality of information on investment/bank deposit.

CONFORME: **CITY GOVERNMENT OF BATANGAS**

By:

HON. BEVERLEY ROSE DIMACHA-MARIÑO
City Mayor

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CITY LEGAL OFFICER
BATANGAS CITY

8. Seal of Good Housekeeping;
9. BLGF Certificate of Net Borrowing Capacity;
10. Provincial Validation of the City Ordinance;
11. Certification by the Budget Officer, Accountant and Treasurer noted by the LCE that:
 - The amounts for equity, repairs and maintenance of the project and equipment, insurance premium and the repayment on principal, interest and other charges on the loan have been fully appropriated and that full provisions have been made;
 - The sources of repayment are available and not restricted by law or other obligations;
 - The contractual obligations shall be or has been entered into the appropriate books of accounts of the LGU;
 - The loan shall be used exclusively to finance the following projects:
 - Improvement of Batangas City Sports Center Oval and other onsite development
 - Land/Site Development of the Proposed Grandstand
 - Concreting/Rehabilitation of various road projects of the City Government of Batangas
 - Concreting/Asphalting/Rehabilitation/Repair of Barangay Roads
12. Joint Certification by the BAC Chair and by the City Mayor that the LGU has complied with R.A. 9184 as well as COA rules and regulations;
13. Promissory Note with Deed of Assignment of the IRA.
14. The object of financing shall not be included in the collateral pool but the LGU shall not dispose, mortgage or lease the same while the loan is outstanding.
15. Loan proceeds for the acquisition of fixed assets shall be credited to the account of the borrower with LBP. In case of imported items, opening of Letters of Credit (LC) shall be coursed through LBP.
16. In case of non-payment on due date, a penalty of 24.00% per annum shall be charged.
17. Availability period shall be one (1) year from the date of loan signing. If no availment is made within 1 year, the Bank has the option to terminate the loan.
18. Loan releases for construction projects will be on a staggered basis depending on the percentage of completion of the project as validated by authorized Bank representative.
19. The financed project shall be covered by Contractor's All Risk Insurance (CARI) duly endorsed in favor of LBP, during the construction period. Once completed and as applicable, the project shall be insured with GSIS at its full appraised value and shall be endorsed in favor of LBP.
20. For legal purposes, it is required that the LGU shall execute an authorization for LBP to debit its deposit account.
21. All applicable government regulations and requirements (such as the Environmental Compliance Certificate) should be complied with prior to loan release, whenever applicable.
22. Interim financing based on LBP prevailing rates may be allowed pending approval of special financing scheme.
23. The Bank reserves the right to withhold loan releases should there be:
 - a. A case filed against the LGU or its official involving the projects to be financed;
 - b. Adverse findings on the project or object of financing; or
 - c. Withdrawal by the Sanggunian of the authority of the Local Chief Executive to contract the loan.

CONFORME: **CITY GOVERNMENT OF BATANGAS**

By:

HON. BEVERLEY ROSE DIMACUHA-MARIÑO
City Mayor

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CITY LEGAL OFFICER
BATANGAS CITY

24. The BORROWER hereby waives its rights under applicable laws on bank secrecy and information security existing or may hereafter be enacted, such as Republic Act (R.A.) No. 1405 (The Law on Secrecy of Bank Deposits), R.A. 6426 (Foreign Currency Deposit Act), R.A. 8791 (The General Banking Law), R.A. 10173 (Data Privacy Act), authorizes the LENDER: (a) pursuant to BSP Circular No. 472 Series of 2005, as amended and as implemented by BIR Revenue Regulation RR 4-2005, to verify with the Bureau of Internal Revenue (BIR) (or such other taxing authority that may substitute it) in order to establish authenticity of the annual income tax returns and accompanying financial statements 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, its parent, subsidiaries or affiliates for the purpose of implementing the Automatic Debit Authorization or set-off provisions, and (c) obtain from or disclose to its parent, subsidiaries, affiliates, or credit bureau any information regarding the BORROWER, the Loan/Line or this Agreement, as the LENDER may deem necessary to exercise its rights under this agreement or maybe allowed or required by applicable laws, rules and regulations. The BORROWER also hereby authorizes the LENDER to request information on status of any court case to which he is a party. Pursuant to R.A. 9510 (Credit Information System Act), the BORROWER finally authorizes the submission of basic credit data in connection with any credit avancement from the LENDER to the Credit Information Corporation (or its successor entity) and authorize the latter to provide the same information to the BSP.

Post Release Requirement:

The LGU shall annually submit certification that the proposed sources of repayment are available and not restricted by law and its obligations are appropriated in their respective budget.

Should you be agreeable to the above terms and conditions, please sign your conformity hereof and return this notice immediately to the Bank.

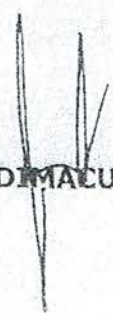
Very truly yours,


JOAN ROVI H. SINAS
Account Officer


MARLON C. BABAAN
DM Head, Batangas LC

CONFORME: **CITY GOVERNMENT OF BATANGAS**

By:


HON. BEVERLEY ROSE DIMACUJA-MARIÑO
City Mayor

CERTIFIED XEROX COPY OF
DOCUMENT ON FILE


ATTY. TEODULFO A. DEGUITO
CITY LEGAL OFFICER
BATANGAS CITY