

Republic of the Philippines
Province of Ilocos Sur
MUNICIPALITY OF NARVACAN

OFFICE OF SANGGUNIANG BAYAN

EXCERPTS FROM THE MINUTES OF THE 9TH REGULAR SESSION OF THE SANGGUNIANG BAYAN OF NARVACAN, ILOCOS SUR HELD ON AUGUST 28, 2007 AT THE SANGGUNIANG BAYAN SESSION HALL

Present: Vice Mayor Charito S. Zaragoza
SBM Rosalinda C. Cabanilla
SBM Carlito T. Corrales
SBM Emma J. Cabotage
SBM Maria Paz V. Cachola
SBM Thelma C. Copiozo
SBM Teresito C. Valera
SBM Eliseo D. Cabradilla
SBM Irvin R. Lim
SBM Jacinto C. Garces - ABC President
SBM Eliezer S. Corrales – SKF President

MUNICIPAL RESOLUTION NO. 07-36

A RESOLUTION CONFIRMING, APPROVING AND RATIFYING ALL PREVIOUS REPRESENTATIONS AND TERMS AND CONDITIONS SET FORTH BY THE LAND BANK OF THE PHILIPPINES (LBP) FOR THE GRANT OF TERM LOAN IN THE AMOUNT OF PESOS: NINETY MILLION ONLY (P90,000,000.00) AS CONTAINED IN A LETTER OF NOTICE OF LOAN APPROVAL DATED JULY 27, 2007 BY THE MUNICIPAL MAYOR, EDGARDO D. ZARAGOZA AND DESIGNATING HIM AS THE AUTHORIZED SIGNATORY IN ALL DOCUMENTS RELATED AND NECESSARY FOR THE LOAN

WHEREAS, Municipal Resolution No. 07-36 dated August 28, 2007 seeks to authorize the Municipal Mayor to enter into a Memorandum of Agreement with the Land Bank of the Philippines, to contract, negotiate a loan amounting to PESOS: NINETY MILLION ONLY (P90,000,000.00) for the construction of the Narvacan Commercial Complex and Public Market;

WHEREAS, the Land Bank of the Philippines (LBP) has approved the Local Government Unit's request for a term loan in the amount of PESOS: NINETY MILLION ONLY (P90,000,000.00) subject to the terms and conditions as contained in LBP letter notice of loan approval dated July 27, 2007.

WHEREAS, said terms and conditions imposed by the Land Bank of the Philippines were discussed and analyzed and after evaluation were found to be reasonable;

NOW THEREFORE, on motion of Hon. Maria Paz Cachola seconded by Hon. Irvin Lim and with the concurrence of all the members in session, it was RESOLVEDS AS IT IS HEREBY RESOLVED BY THE SANGGUNIANGBAYAN OF NARVACAN, ILOCOS SUR, BY VIRTUE OF THE POWERS VESTED IN IT BY LAW, in session assembled to ratify all previous representations and warranties of Hon. Edgardo D. Zaragoza and all the terms and conditions of the Subsidiary Loan Agreement, assignment of Rentals from the proposed 2-Storey Public Market and Commercial Complex Building site including its existing and future improvements thereon, Promissory Notes with the Assignment of Internal Revenue Allotment (IRA) and II other pertinent documents, contracts, undertakings, certifications, deeds, notes and papers entered into by and between the Municipal Government of Narvacan, Ilocos Sur,

represented by Honorable Edgardo D. Zaragoza and the Land Bank of the Philippines, represented by President and CEO Gilda E. Pico;

RESOLVED FURTHER that the Sanggunian shall:

1. Direct as they are hereby directed the Municipal Treasurer and the Municipal Accountant to enter the loan in the appropriate books of the municipality.
2. Authorized the mortgage or otherwise encumber certain personal and/or real estate property more particularly described as follows:
 - a. Two (2) contiguous parcels of commercial land (Lot No. 386 and Lot 388) containing a total area of 5,500 sq.m., situated in Brgy. San Jose, Municipality of Narvacan, Ilocos Sur under TD/ARP No. 92-002-00096 and TD/ARP No. 92-0002-00097, including all improvements constructed thereon
 - b. A parcel of residential/commercial land (Lot Case No. 15 GLRO records 11435) containing a total area of 55,500 sq.m., (less 13,560 sq.m. occupied by DECS and PNP) situated in Barrio Margaay, Municipality of Narvaca, Ilocos Sur, registered in the name of Municipality of Narvaca, Ilocos Sur under OCT No. 83 of the Ilocos Sur Registry of Deeds, including all improvements to be constructed thereon;
3. As additional security of the LOAN, authorize the assignment of its Internal Revenue Allotment Share (IRA) and income of the Public Market and Commercial Complex;
4. Sign, execute, endorse and deliver all promissory notes, deeds of assignment, loan agreements, real estate mortgages, chattel mortgages and other documents which may be necessary or required relative to whatsoever credit accommodations as may be granted by the LAND BANK OF THE PHILIPPINES to the Municipal Government of Narvaca, Ilocos Sur.
5. Appropriate the following funds in the annual budget of the Municipal Government of Narvacan
 - Equity Funds of the Project
 - The Principal and interest repayments and other charges of the Government of the Loan
 - The repairs and maintenance of at least P1,000,000.00 based on project cost;
 - The insurance premium payments
 - Other statutory and contractual obligations

RESOLVED, to declare as it is hereby declared, that the afore-mentioned properties authorized to be mortgaged or otherwise, encumbered are patrimonial properties of the municipality and not used or devoted to any public purpose, and qualified and subject to no impediments to being collateralized or encumbered.

RESOLVED FURTHER, to commit as it is hereby committed, and the Municipal Government of Narvacan, Ilocos Sur to be prohibited from devoting or otherwise employing any of the above-mentioned or encumbered properties to any public use, such as their use roads, plazas, fountains, etc. until such time that the LOAN or any charges due thereon remains outstanding without first securing a prior written concurrence from the LAND BANK OF THE PHILIPPINES and should said concurrence be obtained, the municipality shall as it is hereby authorized to prosecute and substitutes collaterals as may be required and deemed acceptance to LAND BANK based on the sole discretion of the latter.

RESOLVED FURTHER, that the municipality hereby designates LAND BANK OF THE PHILIPPINES as its authorized depository bank which designation shall not be revoked or charged for as long as any portion of the LOAN herein authorized, including interest and other charges due thereon remains outstanding. The Municipal Secretary is hereby directed, as he is hereby directed to provide copy of this resolution to the Department of Budget and Management (DBM) and/or any other appropriate government agency of LANDBANK's irrevocable designation as its authorized IRA depository bank, which copy, upon receipt. Acknowledgement of DBM, shall be immediately forwarded to the LAND BANK OF THE PHILIPPINES, Narvacan Branch;

RESOLVED FURTHERMORE, that the Municipal Government of Narvacan, Ilocos Sur agrees to comply with all of LANDBANK's pre-release requirements;

RESOLVED ADDITIONALLY, that the municipality authorizes and empowers the LANDBANK, without need of prior notice to the Municipal Government of Narvacan, Ilocos Sur, and irrespective of the date of maturity of the loan, to deduct, set-off and apply any deposits, funds, securities or assets of the municipality with the Land Bank of the Philippines or any of its branches as payment to the LOAN or any other outstanding obligations of the Municipal Government of Narvacan, Ilocos Sur which may be declared due and demandable by the Land Bank of the Philippines pursuant to a loan/line agreement as may be executed by and between the municipality and the Land Bank of the Philippines in connection with this resolution.

RESOLVED ALSO, that any event the municipal's IRA is remitted or released by DBM directly to the Municipal Government of Narvacan Treasurer, the municipality agrees to immediately transfer and deposit the said IRA to the LAND BANK OF THE PHILIPPINES, Narvacan BRANCH.

RESOLVED FURTHERMORE, that in order to ensure repayment of its loan, the Municipal Government of Narvacan SHALL APPROPRIATE AND/OR INCLUDE IN ITS Annual Budget the amount needed to service its loan until said loan and any interest thereon is finally paid and settled.

RESOLVED FINALLY, furnish the LAND BANK OF THE PHILIPPINES with a copy of this Municipal Resolution, to the Department of Budget and Management and all authorities concerned for their information.

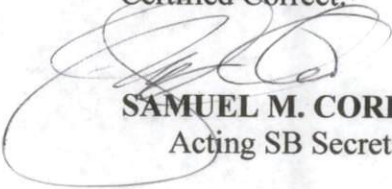
VOTING PROFILE:

Voted in favor:	11
Voted against:	0
Abstained:	0

APPROVED UNANIMOUSLY.

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


Certified Correct:


SAMUEL M. CORDERO
Acting SB Secretary

Attest:


CHARITO S. ZARAGOZA
Vice Mayor/Presiding Officer

Approved:


EDGARDO D. ZARAGOZA
Municipal Mayor