Republic of the Philippines Province of Ilocos Sur MUNICIPALITY OF NARVACAN

OFFICE OF THE SANGGUNIANG BAYAN

73rd Regular Session Held at the Sangguniang Bayan Session Hall On 17 December 2002

> Resolution No. 01-72 Series of 2002

RESOLUTION AUTHORIZING MUNICIPAL MAYOR CHARITO S. ZARAGOZA TO ENTER INTO A NINE-MILLION LOAN AGREEMENT WITH THE LAND BANK OF THE PHILLIPINES TO FUND THE COMPLETION OF THE RENOVATION OF THE MUNICIPAL HALL OF NARVACAN, ILOCOS SUR

WHEREAS, the Municipal Administration and the members of the Municipal Council are cognizant of the paramount need to complete the renovation of the Municipal Hall of Narvacan, Ilocos Sur;

WHEREAS, the Municipal Hall when completed, will better serve the people of the municipality in terms of delivering basic social services;

WHEREAS, the Local Government Unit of Narvacan, Ilocos Sur is financially constrained to finance the completion of the Municipal Hall as it lacks the necessary funding requirements of the project;

WHEREAS, the Local Government Unit is exploring external funding sources for this undertaking, hence, the need to enter into a loan agreement with the Land Bank of the Philippines;

WHEREAS, proceeds of the loan shall be utilized exclusively for the completion of the renovation of the Municipal Hall of Narvacan, Ilocos Sur:

NOW THEREFORE, on motion duly seconded by the Body, BE IT HEREBY RESOLVED that the Local Government Unit through its incumbent, Hon. Mayor Charito S. Zaragoza or her successors be, as she is hereby, authorized and empowered, for and in behalf of the LGU:

- a. to apply, contract with LBP for a loan or any credit accommodation or facility including renewals and/or extensions of the same in the amount of NINE MILLION PESOS, Philippine Currency, under such terms and conditions as may be agreed upon by LBP and the Local Chief Executive of the LGU;
- b. to mortgage or, otherwise, encumber certain personal and/or real estate property/ies, more particularly described as follows, to secure the payment of the LOAN of the LGU with the LBP:

including all existing and future improvement thereon

- as additional security of the LOAN, to assign its Internal Revenue Allotment (IRA) in favor of LBP;
- d. to sign, execute, endorse and deliver any and all promissory notes, deed of assignments, loan agreements, real estate mortgage, and other documents which may be necessary or required relative to whatsoever credit accommodations may be granted by LBP to the LGU;

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RESOLVED, to declare, as it is hereby declared, that the aforementioned properties authorized to be mortgaged, or otherwise, encumbered are patrimonial properties of the LGU and not used or devoted to any public purpose, and qualified and subject to no impediment to being collaterized or encumbered;

RESOLVED FURTHER, to commit, as it is hereby committed, and the LGU to be prohibited, as it is hereby prohibited, from devoting or, otherwise, employing any of the above-mentioned mortgaged or encumbered properties to any public use, such as roads, plazas, fountains, roadsteads, etc. until such time that the LOAN or any charges due thereon remains outstanding without first securing a prior written cuncurrence from LBP. Should concurrence be obtained, the LGU shall as it is hereby authorized to prosecute substitute collaterals which may be required and deemed acceptable to LBP based on sole discretion of the latter;

RESOLVED, that for and during the duration of the loan agreement that may be entered pursuant to this Resolution, the LGU will not contract other loans/credit facilities from any financial or other institutions without the knowledge and written consent of LBP; as acknowledgment of its LOAN with LBP, the foregoing loan transaction obtained from LBP shall be entered by the LGU Treasurer in its books as proof of the LGU's contractual obligation/s with LBP;

RESOLVED FURTHER, that the LGU hereby designates LBP as its authorized IRA depository bank which designation shall not be revoked or changed for as long as any portion of the LOAN herein authorized, including interests and other charges due thereon, remain outstanding. The SB Secretary is directed, as he is hereby directed to provide a copy of this Resolution to the Department of Budget and Management (DBM) an/or any other appropriate government agency of LBP's irrevocable designation as its authorized IRA depository bank, which copy, upon receipt/acknowledgment of DBM, shall be immediately forwarded to LBP;

RESOLVED FURTHERMORE, that the LGU agrees to comply with all of LBP'a LOAN prerelease requirements as follows:

- a. borrowing resolution
- b. budget appropriation/certification
- c. certification by the LGU Treasurer noted by the Local Chief Executive that the proposed sources of repayment are available and not restricted by law or its other obligations
- d. deed of assignment of the IRA
- e. certification of the LGU Treasurer and Accountant that the contractual obligation/loan is entered in the LGU books of accounts
- certification of debt service and borrowing capacity from the Bureau of Local Government Finance

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RESOLVED ADDITIONALLY, that the LGU hereby authorizes and empowers the LBP without need of notice to the LGU, and irrespective of the date of maturity of the LOAN, to deduct, set-off and apply any deposit, funds, securities or assets of the LGU with the LBP or any of its branches as payment to the LOAN or any other outstanding obligations of the LGU which may be declared due and demandable by LBP pursuant to a loan agreement that may be executed by and between the LGU and the LBP in connections with this Resolution;

RESOLVED ALSO, that in any event the LGU's IRA is remitted or released by DBM directly to the LGU's Treasurer, the LGU agrees to immediately transfer and deposit the said IRA to LBP;

RESOLVED FURTHERMORE, that in order to ensure the repayment of its LOAN, the LGU shall appropriate and/or include in its annual budget the amount needed to service its LOAN until the said loan and any interest thereon is finally paid and settled;

RESOLVED FINALLY, to furnish the Land Bank of the Philippines with a copy of this Resolution.

PASSED AND APPROVED.

Certified Correct:

TERESO B. COPIOZÓ JR. Vice Mayor/Presiding Officer

Attested by:

RUBEN D. CACHOLA SB Secretary Oles Fole

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CONFORME

Kgd. Rafael Cachola

Kgd. Teofilo Cabreros

Kgd. Emma Cabotage

Kgd. Oscar Potencion

Kgd. Irvin Lim

Kgd. Margarito Tejada

Kgd. Triumphante Viloria Jr.

Kgd. Jacinto Garces

(ABC President)

(SKF/President)

Approved:

HON. CHARITO S. ZARAGOZA Municipal Mayor