

Four Thousand Four Hundred One & 64/100 (P 29,754,401.64) Pesos for the purpose/s stated herein and to sign the Loan Agreement, Deed of Assignment, the Promissory Note and other documents related thereto.

BE IT RESOLVED FURTHER, as it is hereby further resolved, that the City Mayor whose name and signature appear hereunder be authorized to negotiate and conclude such loan, to sign, execute and deliver loan and collateral agreements, promissory notes and such other pertinent papers, instruments, and documents and to do all acts and things necessary, proper and convenient under the premises for and in behalf of the City:

NAME

SIGNATURE

BE IT RESOLVED FURTHERMORE, as it is hereby furthermore resolved, to authorize the City to do, undertake, execute and perform the following acts:

1. The continuing assignment of the City's applicable portion of the Internal Revenue Allotment (IRA), realty taxes and other taxes and other revenues, in favour of DBP with hold-out provision to cover a minimum amount equivalent to three (3) monthly amortizations (principal and interest);
2. The LGU to execute the Loan Agreement, the notes, and other documents relating thereto, and specifically stating that the obligation 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 Sanggunian for the whole term of the loan, regardless of any charge in its composition;
3. The issuance of an authorization/instruction letter to the Department of Budget and Management (DBM) to remit all or a portion of the City's share of the IRA directly to DBP for deposit to the City's deposit account thereat;
4. The undertaking not to cause the transfer of the remittance of IRA or any portion thereof by the DMP from DBP to any other bank without the DBP's prior written consent until the loan and other charges shall have been fully paid;
5. The designation of the DBP as one of its major depository banks and the opening and maintenance of a deposit account (the "Deposit Account") with DBP where the City's share in IRA or a portion thereof shall be deposited during the term of the loan and payment of its loan obligations shall be debited;

6. The issuance of authority for DBP to automatically debit the LGU's IRA deposit account to cover payment of its loan obligation with the Bank until the loan is fully paid;
7. The assignment of the appropriate portion of the City's other revenues with undertaking to remit the same to DBP in case the IRA, realty tax collection, project revenues are insufficient to service the loan amortization;
8. The undertaking of the City to include in its annual budget the required amortizations to service its loan obligations with DBP;
9. The undertaking of the City that it will not incur additional obligation/indebtedness without the prior written consent of DBP which consent will not be unreasonably withheld;
10. That the aforesaid obligation of the LGU, as well as the terms and conditions of the Loan Agreement, the notes and other documents relating thereof shall be valid and binding on the LGU and shall not be subject to recall by the Sanggunian for the entire term of the Loan, regardless of any charge in its composition;
11. That once approved and executed, this Agreement shall be valid and effective until the Loan with DBP has been fully settled and paid.

LET COPIES of this resolution be furnished His Honor, the City Mayor for his information, the City Treasurer, the Commission on Audit, the Naga City Development Council and the Development Bank of the Philippines for their information and guidance.

APPROVED

Adopted: July 12, 2011

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WE HEREBY CERTIFY to the correctness of the foregoing resolution.

GIL A. DE LA TORRE
Secretary to the
Sangguniang Panlungsod

GABRIEL H. BORDADO, JR.
City Vice Mayor &
Presiding Officer