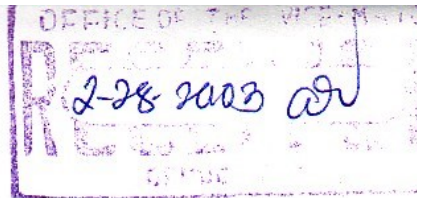


REPUBLICA NG PILIPINAS  
SANGGUNIANG PANLUNGSOD  
LUNGSOD NG ORMOC



EXCERPT FROM THE MINUTES OF THE REGULAR SESSION OF THE NINTH  
SANGGUNIANG PANLUNGSOD NG ORMOC HELD AT THE HONORABLE  
PLACIDO ENECIO HALL, SANGGUNIANG PANLUNGSOD  
BUILDING ON FEBRUARY 27, 2003

PRESENT:

Hon. Celso P. Adolfo, Vice Mayor & Presiding Officer  
Hon. Nepomuceno P. Aparis I, City Councilor, Majority Floor Leader  
Hon. Jose S. Serafica, City Councilor, Minority Floor Leader  
Hon. Ruvinieu E. Mendola, City Councilor, Assist. Maj. Floor Leader  
Hon. Demosthenes F. Tugonon, City Councilor  
Hon. Eduardo P. Tan, City Councilor  
Hon. Rafael C. Omega, Jr. City Councilor  
Hon. Gregorio A. Yrastorza, Jr. City Councilor, Assist. Minority  
Floor Leader  
Hon. Jovencio A. Laurente, City Councilor  
Hon. Fe. S. Lladoc, City Councilor  
Hon. Emeterio Y. Larrazabal, Jr., Ex-Officio City Councilor,  
Chapter President, Liga ng mga Barangay ng Ormoc  
Hon. Cheryl L. Alfara, Ex-Officio City Councilor,  
SK Federation President

ABSENT:

Hon. Fernando P. Parrilla, (Special Leave), City Councilor

RESOLUTION NO. 2003-032

A RESOLUTION AUTHORIZING HON. CARMELO J. LOCSIN, CITY  
MAYOR OR HIS LEGAL AND AUTHORIZED OFFICIAL SUCCESSORS,  
BE, AS HE IS HEREBY, AUTHORIZED AND EMPOWERED, FOR AND  
IN BEHALF OF THE CITY OF ORMOC, TO APPLY NEGOTIATE  
CONTRACT AND CONCLUDE A LOAN FACILITY WITH THE LAND  
BANK OF THE PHILIPPINES FOR A TERM LOAN IN THE AMOUNT  
OF PESOS: ONE HUNDRED TWENTY NINE MILLION TWO HUNDRED  
FORTY THOUSAND (P129,240,000.00) PHILIPPINE CURRENCY,  
UNDER SUCH TERMS AND CONDITIONS AS MAY BE AGREED UPON  
BY LBP AND THE CITY MAYOR HON. CARMELO J. LOCSIN.

WHEREAS, living organisms need water for their existence;

WHEREAS, water is life;

WHEREAS, we believe the improvement of the waterworks system will  
usher in another milestone in the development and growth of Ormoc City;

WHEREAS, it is in this context that the members of the 9th  
Sangguniang Panlungsod of Ormoc City finds common ground with the  
Executive Department for the expansion of our waterworks system;

WHEREAS, the Local officials of Ormoc City has adopted the  
development project to be implemented for the  
REHABILITATION/IMPROVEMENT/EXPANSION OF WATERWORKS SYSTEM FOR THE CITY  
OF ORMOC;

WHEREAS, on February 18, 2003, the Honorable City Mayor Carmelo J.  
Locsin had certified that the LOAN OFFER of Land Bank of the Philippines  
is most advantageous to the City Government of Ormoc and is in  
accordance with existing government accounting and auditing rules and  
regulations;

WHEREAS, these development project needs funding;

WHEREFORE, on motion of City Councilor Rafael C. Omega, Jr., Chairman on Finance, jointly seconded by City Councilors Gregorio A. Yrastorza, Jr. and Eduardo P. Tan; be it

RESOLVED, as it is hereby RESOLVED, to authorize HON. CARMELO J. LOCSIN, CITY MAYOR or his legal authorized official successors, be, as he is hereby authorized and empowered, for and in behalf of the CITY OF ORMOC, to apply, negotiate contract and conclude a loan facility with the Land Bank of the Philippines for a TERM LOAN in the amount of ONE HUNDRED TWENTY NINE MILLION TWO HUNDRED FORTY THOUSAND PESOS (P129,240,000.00) Philippine Currency, under such terms and conditions as may be agreed upon by the LBP and the CITY MAYOR, HON. CARMELO J. LOCSIN;

- a. to amend the existing mortgage of the real estate property, including all existing and future improvements thereon, to secure the payment of the loans or credit facilities;

A parcel of commercial land with an area of 5,589 sq. m. under Tax Declaration No. 01006-00013, PIN No. 155-06-001-17-055, registered in the name of CITY GOVERNMENT OF ORMOC, to include existing and future improvements. (NOTE: Site of Ormoc Gaisano Shopping Mall).

- b. as additional security of the LOAN, to assign its Internal Revenue Allotment (IRA) in favor of LBP,
- c. to sign, execute, endorse and deliver any and all promissory notes, deed of assignments, loan agreements, real estate mortgage, chattel mortgage, and other documents which may be necessary or required relative to the TERM LOAN granted by LBP to the LGU.
- d. to authorize the Department of Budget and Management to deposit and remit directly the LGUs IRA to LBP for the LGUs account.

RESOLVED, that for and during the duration of the loan agreement that may be entered into pursuant to this Resolution, the LGU will not contract other loans/credit facilities from any financial or other institutions using the same collateral it be partial or parcel of the security;

RESOLVED, that the foregoing loan transaction/s obtained from LBP shall be entered by the LGU Treasurer and Accountant in its books as proof of the LGUs contractual obligation/s with LBP.

RESOLVED, 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 LGU Secretary is directed, as he is hereby, directed to provide a copy of this Resolution to the Department of Budget and Management (DBM) and/or any other appropriate government agency of LBPs irrevocable designation ad its authorized IRA depository bank, which copy, upon receipt/acknowledgment of DBM, shall be immediately forwarded to LBP;

RESOLVED, that the LGU hereby authorizes and empower 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 deposits, funds securities or assets of the LGU with LBP 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 connection with this Resolution.

RESOLVED, that in order to ensure the repayment of its LOAN, the LGU shall appropriate and/or include its annual budget the loan repayment until the principal, interest and other charges are fully paid; the required LGU equity, the repairs and maintenance of the projects and equipment, and other statutory and contractual obligations.

RESOLVED, that all previous representations, warrants, and all items and conditions of the loan are hereby confirmed, approved and ratified.

RESOLVED, FURTHER, to furnish copies of this resolution each to His Honor, the City Mayor; the City Administrator, the City Legal Officer, the City Treasurer, the City Accountant, the City Budget Officer, the City Auditor, the City Planning & Development Coordinator, the Waterworks Superintendent, and others concerned, -in Ormoc City;

CARRIED UNANIMOUSLY.

I HEREBY CERTIFY to the correctness of the foregoing resolution.

OSCAR LASAM  
Secretary to the  
Sangguniang Panlungsod

ATTESTED:

CELSD P. ADOLFO  
Vice Mayor & Presiding Officer