



September 16, 2024

MS. JANLYN C. UNSON & MR. JOHN JUVI Q. DE VILLA  
DEVILLA AGRIVENTURE CO. LTD.  
Brgy. Sambungan, Calatagan, Batangas

**SUBJECT: TERM SHEET**

Dear Ma'am/Sir:

We are pleased to submit our loan proposal for **DEVILLA AGRIVENTURE CO. LTD.** with the following indicative terms and conditions:

Credit Facility	Term Loan
Amount	P50,000,000.00
Purpose	To partially finance the construction of the two (2) tunnel ventilated poultry buildings, other support facilities and acquisition of poultry equipment.
Tenor	Seven (7) years inclusive of one year grace period on principal payment.
Availability	Within one (1) year from the date of signing of Loan Agreement.  The Bank reserves the right to terminate the loan if no availment is made.
Mode of Release	Releases shall be credited to the account of the Borrower subject to completion of required documents and compliance to all pre-release requirements including registration/annotation of LBP REM in the amount of P50.00 Million.  1. For land development and building construction, to include support facilities, releases shall be in the following manner:  a. First Release equivalent to 15% of the approved amount of loan for land development and civil works of each building/facility provided that the equity is in place.  b. Succeeding Releases shall be based on building percentage of completion per Statement of Work Accomplishment (SWA) issued by the Project Engineer to be validated by the LBP Appraiser.  c. Final Release equivalent to 10% of the approved amount upon 100% completion as validated by the LBP Appraiser and submission of certificate of turn-over and acceptance.

2. On Pre-fabricated House:

Releases shall be made upon twenty five percent (25%) completion of the poultry building to be constructed provided that the equity is in place.

- a. First release - 50% of the approved amount for pre-fabricated house or 50% of the price of the pre-fabricated house based on the pro-forma invoice/notarized contract, whichever is lower.
- b. Second release – 40 % of the approved amount for pre-fabricated house shall be released upon delivery of the pre-fabricated house and acceptance of the Borrower as validated/inspected by LBP representative/s.
- c. Third release - 10% of the approved amount for pre-fabricated house shall be released upon installation of pre-fabricated house as validated/inspected by the LBP Appraiser supported by an Inspection Report.

3. On Poultry Equipment:

Releases shall be made upon fifty percent (50%) completion of the poultry building to be constructed provided that the equity per building is in place.

- a. First release - 50% of the approved amount for poultry equipment or 50% of the price of the poultry equipment based on the pro-forma invoice/notarized contract, whichever is lower.
- b. Second release - 40 % of the approved amount for poultry equipment shall be released upon delivery of the poultry equipment and acceptance of the Borrower as validated/inspected by LBP representative/s.
- c. Third release - 10 % of the approved amount for poultry equipment shall be released upon installation, testing and commissioning of the poultry equipment as validated/inspected by the LBP Appraiser supported by an Inspection Report.

	<p>4. On Plastic Slats</p> <p>Releases shall be made upon seventy five percent (75%) completion of the poultry building to be constructed provided that the equity per building is in place.</p> <p>a. First release - 50% of the approved amount for plastic slats or 50% of the price of the plastic slats based on the pro-forma invoice/notarized contract, whichever is lower.</p> <p>b. Second release - 50 % of the approved amount for plastic slats shall be released upon delivery and installation of the plastic slats and acceptance of the Borrower as validated/inspected by LBP representative/s.</p>
Interest Rate	At LANDBANK prevailing rate at the time of availment, subject to quarterly repricing.
Repayment	<p>Principal - Payable in twenty-four (24) quarterly amortizations to start at the end of the fifth (5th) quarter from date of initial loan release.</p> <p>Interest – Payable quarterly, in arrears, to start at the end of the first quarter from date of initial loan release.</p>
Other Fees and Charges	<p>a. Handling Fee of 1% of the approved amount.</p> <p>b. Commitment Fee of ½ of 1% of the un-availed amount of approved loan reckoned from date of loan signing or last drawdown, whichever is applicable, up to date of present drawdown.</p> <p>c. Application, Appraisal and Inspection Fees.</p>
Penalty Rate	Twenty-four percent (24%) per annum, in case of non-payment, shall be charged to start on the day after the due date of loan amortization/credit accommodation up to the date of final settlement.
Prepayment Penalty	A pre-payment fee of 2% shall be imposed in case of loan take-out by other banks/financial institution; otherwise the same shall be waived.
<b>Other Terms and Conditions:</b>	
<p>1. No release of collateral shall be allowed while the loan of the Borrower with the Bank remains outstanding.</p> <p>2. Cost overrun shall be for the account of the Borrower.</p> <p>3. All insurable collateral shall be insured for full-appraised value with an insurance company accredited by LANDBANK and coursed thru LBP Insurance Brokerage, Inc. (LIBI) as the designated insurance broker.</p>	



4. Proceeds of claims from insurance of properties mortgaged and financed by the Bank shall be automatically applied to the Borrower's outstanding loan obligation, including penalties and other related charges.
5. The Borrower shall open a Debt Service Reserve Account (DSRA) and shall maintain a deposit of at least one (1) quarter amortization.

**Pre-release Requirements:**

1. Real Estate Mortgage on TCT No. 055-2018000631 and 055-2019001452 duly registered and annotated in favor of LANDBANK in the amount of P50.00 Million.
2. All taxes due of the collateral shall be updated.
3. All collaterals shall be free from all liens and encumbrances.
4. Submission of Board Resolution or Notarized Secretary's Certificate approving the terms and conditions of the loan.
5. Letter of approval from the integrator indicating the total capacity or number of birds.
6. Whichever practicable, the Borrower shall authorize the Bank and submit any of the following documents:
  - a. A written notice duly signed/acknowledged by the Integrator on the Assignment of Borrowers Receivables to LANDBANK.
  - b. Undertake to deposit all contractual fees to be received from Integrator on DSRA. Allow/authorize the Bank to tag the DSRA an amount equivalent to one (1) amortization due for the period and debit all maturing loan obligations and other charges, or
  - c. Provide Post Dated Checks (PDCs) covering 1-year quarterly/semi-annual amortizations and every year thereafter.
7. Building Permits.
8. Certification issued by a licensed Geodetic Engineer that the project being constructed inside are within the boundaries of the collateral property.
9. Contractor's All Risk Insurance for the construction of the project.

**Post-Release Requirements:**

1. Execution and registration of Chattel Mortgage on the two (2) units of Generator Sets in favor of LANDBANK based on the Loan Value within six (6) months after full installation of the generator sets or operation of the project, whichever comes earlier.

2. Mayor's Permit and Occupancy Permit to be submitted prior to initial operation of the farm.
3. Duly signed and notarized Contract Growing Agreement with the integrator within six (6) months from the date of initial loading.
4. Submission of corresponding Tax Declarations for the newly constructed poultry buildings and other improvement under the Borrower's name within six (6) months from date of project completion.
5. Annual submission of the collateral's Real Estate Tax Receipts (RETR), updated Tax Declarations and Income Tax Returns (ITRs) every first quarter of the year.

Should you be amenable to above terms and conditions, please sign your conformity on the space provided below. Please take note that the above discussed proposal, terms and conditions shall still be elevated to our Loan Approving Group for approval. Additional conditions may still be added by our Approving Authorities.

Should you have any concerns, you may call Ms. Alyssa Marie D. Ortiz at telephone number (043) 756-0909 or visit Batangas Lending Center in Lipa City.

Very truly yours,

**VP MARLON C. BABAAN**

Head. Batangas Lending Center



*Conforme:*

**JANLYN C. UNSON**  
Borrower

**MR. JOHN JUVI Q. DE VILLA**  
Borrower