



EXCERPTS FROM THE MINUTES OF THE 18th REGULAR SESSION OF THE SANGGUNIANG DAYAN OF ROXAS, ORIENTAL MINDORO HELD ON 16 JUNE 2008, 9:45 A.M. AT THE SANGGUNIANG SESSION HALL.

Present:

Vice Mayor Violeta L. Dimapilis	- Presiding Officer
Councilor Agustin L. Cusi	- Member
Councilor Cesar T. Baticos	- Member
Councilor Jocelyn G. Solabo	- Member
Councilor Angeles D. Bautista	- Member
Councilor Hernan C. Erorita	- Member
Councilor Bernabe S. Mortel	- Member
Councilor Edren Y. Faderon	- Member
Councilor Napoleon M. Dimapilis	- Member
Councilor Larry V. Salazar	- Member, ABC President
Councilor Mary Jamaica Jeigh Q. Sarmiento	- MSKF President

Absent: N O N E

RESOLUTION NO. 034
Series of 2008

RESOLUTION CONFIRMING RESOLUTION NO. 033 SERIES OF 2008 AUTHORIZING THE LOCAL GOVERNMENT UNIT (THE "LGU") TO PARTICIPATE IN THE MONETIZATION OF IRA COLLECTIBLES FOR LOCAL EMPOWERMENT PROGRAM 2 MANAGED BY THE DEVELOPMENT BANK OF THE PHILIPPINES AND UNDERWRITTEN BY LAND BANK OF THE PHILIPPINES ("MIRACLE 2 Program") WITH RESPECT TO ITS SHARE IN THE PhP12.577 BILLION DIFFERENTIAL IN INTERNAL REVENUE ALLOTMENTS FOR THE YEARS 2001 AND 2004 IN THE AMOUNT APPEARING IN THE NOTICE OF PAYMENT SCHEDULE.

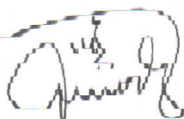
WHEREAS, Section 6 of Article X of the Constitution of the Philippines guarantees that Local Government Unit (LGUs) shall have a just share, as determined by law in the national taxes which shall automatically released to them;

WHEREAS, Section 18, in relation to Section 284 and 286 of the Local Government Code of 1991 (the **LG Code**), provides that LGUs shall have the power and authority to have a just share in national taxes which shall be automatically and directly released to them without need of any further action,

WHEREAS, due to the reenactment of the General Appropriations Acts for the years 2000 and 2003 in fiscal years 2001 and 2004, respectively, a total amount of PhP 12,576,938,000.00 (the **IRA Differential**) corresponding to the

difference between the National Expenditure Program levels computed in accordance with the formula prescribed under the LG Code and the appropriations for IRA under the reenacted budgets for Fiscal Years 2001 and 2004 was not released;

- WHEREAS, the President of the Philippines issued Executive Order No. 723 (2008) (**EO723**) authorizing the release of the IRA Differential on installment basis for a period of seven years commencing in fiscal year 2009 up to fiscal 2015 or avail in advance of their respective share in the IRA Differential through a monetization program;
- WHEREAS, EO 723 gives LGUs the option to collect in advance from a trustee bank their respective shares from the IRA Differential at a discount value, net of interest and other charges, by means of the issuance by the trustee bank of investment certificates having as underlying assets the schedule of payments to be issued by the Department of Budget and Management (**DBM**) pursuant to a Notice of Payment Schedule (**NPS**) to be issued by the DBM to each affected LGU, which NPS constitutes the unconditional obligation of the Republic of the Philippines as confirmed by the Department of Finance (**DOF**) and the subsequent payment to the participating LGUs of the proceeds from the sale, at a discount, of such investment certificates;
- WHEREAS, the President of the Philippines, by virtue of EO 723, directed inter alia the DBM to determine the share of each LGU in the IRA Differential on the basis of the formula prescribed in the Local Government Code and issue the corresponding NPS to the affected LGUs indicating therein their share in the IRA Differential and the schedule of payments of such shares, and (b) the DOF to, among others, provide the letter of confirmation of the National Government that the IRA Differential constitutes an obligation of the Republic of the Philippines (the **Republic**);
- WHEREAS, on 13 May 2008, the DOF issued in favor of all government units the Philippines a Letter of Confirmation in order to provide the LGUs the assurance for purposes of participation in the monetization program under EO 723 that the National Government will perform its commitments to pay and honor all its payment obligations for the IRA Differential in accordance with the schedule set forth in the NPS and further declaring that the obligation of the National Government to pay the IRA Differential constitutes a direct, absolute and unconditional obligation for the payment of money on the part of the Republic;
- WHEREAS, the Development Bank of the Philippines and the Land Bank of the Philippines jointly established in 2006 the monetization of IRA Collectibles for Local Empowerment Program (**MIRACLE Program**) to implement the benefits intended under Executive Order No. 494 (Series of 2006), and intend to continue the IRA Monetization Program of the government for 2008 in connection with the IRA Differential for the Fiscal Years 2001 and 2004 pursuant to EO 723 (the **MIRACLE 2 Program**);
- WHEREAS, the Participating LGU desires to participate in the MIRACLE 2 Program to be managed by the Development Bank of the Philippines and underwritten by the Land Bank of the Philippines by ceding, transferring and conveying to DBP Trust on a without recourse basis, the NPS issued in its favor;
- WHEREAS, the LGU desires to participate in the MIRACLE 2 Program by ceding, transferring, and conveying to the Trustee on a without recourse basis, the



NPS issued in its favor and by agreeing to accede to the Special Purpose Trust Agreement dated 2 June 2008 by and between the municipality of Roxas, Oriental Mindoro (the **Participating LGU**) and the Development Bank of the Philippines Trust Services (the **SPT Agreement**):

WHEREAS, the LGU desires to participate in the Special Purpose Trust with the Trustees, who will establish for the collective benefit of the Participating LGU and other acceding LGUs (the **Acceding LGUs**) for the purpose of receiving without recourse the assignment, transfer and conveyance of the NPS of the Participating LGU and the Acceding LGUs and consequently jointly issue in certificated form investment certificates (the **MIRACLE 2 Investment Certificates**) in the aggregate principal amount corresponding to the total amount of NPS assigned to the Special Purpose Trust with respective maturity dates corresponding to the release of the IRA Differential;

WHEREAS, pursuant to the MIRACLE 2 Program, the Participating LGU and Acceding LGUs will establish, participate and create with DBP Trust a Special Purpose Trust by virtue of which Trustee will issue the MIRACLE Investment Certificates in the aggregate principal amount corresponding to the total amount of NPS assigned to the Special Purpose Trust with respective maturity dates corresponding to the release of the IRA Balance;

WHEREAS, in furtherance of the MIRACLE 2 Program, the Trustee has agreed to establish, for the collective benefit of the Participating LGU and the Acceding LGUs, a Special Purpose Trust for the purpose of receiving as assignee and transferee, without recourse, the respective NPS of the Participating LGU and the Acceding LGUs;

WHEREAS, the undersigned LGU desires to participate in the MIRACLE 2 Program.

NOW, THEREFORE FOR AND IN CONSIDERATION OF THE FOREGOING PREMISES, at a session duly called and assembled, at least a majority of all of the duly elected and qualified members of the Sanggunian, after due discussions and deliberations and upon motion of Hon. Angeles D. Bautista duly seconded by all hereby approves and confirms following resolutions:

RESOLVED, that the LGU approves, confirms, and ratifies Resolution No. 033 Series of 2008 passed on June 16, 2008 by its Sanggunian authorizing the local government unit to participate in the monetization of its IRA Differential,

RESOLVED, that the LGU agrees, and is hereby authorized, to participate in the MIRACLE 2 Program and all transactions necessary and relevant to fully implement all the acts contemplated under EO 723 and the MIRACLE 2 Program,

RESOLVED, that the LGU authorizes, as it hereby authorizing the Honorable Jackson Cinco Dy. to negotiate and conclude any and all transaction to sign, execute, and deliver, for and on behalf of the LGU, the SPT Agreement with the Trustee, the necessary Accession Agreement to the MIRACLE 2 Program, through which the LGU;

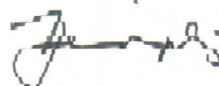
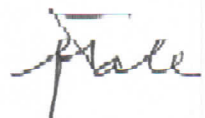
- (i) unconditionally and irrevocably agrees to assign, transfer, and convey, on a without recourse basis, as it hereby assigns, transfers and conveys, on a without recourse basis, in favor of the Trustee its share in the IRA Differential amounting to Php 2,566,161.00 as covered by the NPS issued to it the DBM dated May 16, 2008, and

further agrees to the securitization and monetization of its aggregate share in the IRA Differential

- (ii) accepts, and expresses its unconditional and irrevocable conformity to the terms and conditions of the SPT Agreement between the Participating LGU and the Trustees;
- (iii) authorizes the Trustee to enter into other agreements or transactions, and to sign, on its behalf, all agreements and contracts which may be necessary for the implementation of the MIRACLE 2 Program and the securitization and monetization of its share in the IRA Differential;
- (iv) agrees to cede, transfer and convey absolutely and on a without recourse basis, as it hereby cedes, transfers and conveys, absolutely and on a without recourse basis, in favor of the Trustee, the Development Bank of the Philippines Trust Services all its rights, interests, and participation in and to all its share in the IRA Balance as acknowledged by the National Government through the Letter of Confirmation issued by the DoF and the NPS issued by the DBM,
- (v) instructs the Trustee to remit to its official IFA depository account in Development Bank of the Philippines, Calapan Branch with account number _____

the net proceeds of the securitization and monetization of its NPS;

- (vi) authorizes the DBM to remit on the appropriate dates to the account of the Trustee the amounts corresponding to the NPS issued in its favor;
- (vii) warrants that it has the power and authority, has taken all actions and obtained all approvals necessary, to pass this Resolution, execute the documents and agreements required to be executed and delivered by it to fully implement all the acts contemplated under EO 723, the SPT Agreement, the Accession Agreement, and the MIRACLE 2 Program, and to perform all its obligations hereunder and thereunder, and to consummate the transactions contemplated hereby and thereby;
- (viii) represents and warrants that the actions taken under this Resolution as well as all agreements contemplated hereby and thereby constitute its legal, valid, and binding obligations, and the performance and compliance by it of its obligations contemplated herein and therein shall not conflict with, nor constitute a breach or default of, its charter, or any ordinance or resolution of its Sanggunian, or any other instrument by which it is bound, or any law, regulation, judgment, or order of any office, agency, or instrumentality applicable to it;
- (ix) confirms and ratifies its concurrence with, and accession to, all agreements entered into by the Trustees designated under the SPT Agreement pursuant to and in furtherance of the implementation of EO 723 and the MIRACLE 2 Program, including but not limited to, the appointment of the Land Bank of the Philippines as Underwriter and Facility Agent and the Development Bank of the Philippines as

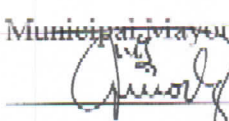


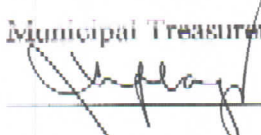
Issue Managers, and the Sayac and de los Angeles as legal consultant for the MIRACLE 2 Program.

RESOLVED, that the LGU authorizes, as it hereby authorizes the Honorable Mayor Jackson Cinco Dy to do any act, enter into any agreement and sign and deliver on its behalf, any document, certification, or agreement pursuant to and in furtherance of the implementation of the MIRACLE 2 Program; provided, that the Honorable Mayor Jackson Cinco Dy is authorized to cause his substitution by the Honorable Vice Mayor Violeta L. Dimapilis

RESOLVED, FINALLY, that the LGU of Roxas, Oriental Mindoro, hereby approves, confirms, and ratifies the foregoing Resolutions as well as such agreements and acts necessary and desirable pursuant to and in furtherance of the implementation of EO 723 and the MIRACLE 2 Program to be performed and executed by the Honorable Mayor Jackson Cinco Dy (or his substitute) without need for another resolution to this effect.

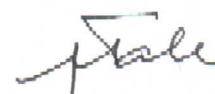
The specimen signatures of the authorized signatories are as follows:

Name : JACKSON CINCO DY
Designation : Municipal Mayor
Signature : 

Name : LUZ F. LAGO
Designation : Municipal Treasurer
Signature : 

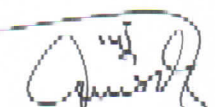
APPROVED and CONFIRMED.

I HEREBY CERTIFY to the correctness of the above resolution duly approved by the Sangguniang Bayan of Roxas, Oriental Mindoro on June 16, 2008


FERDINAND V. TALENS, MPA
Secretary to the Sangguniang Bayan

ATTESTED.


VIOLETA L. DIMAPILIS
Municipal Vice Mayor/
Presiding Officer

APPROVED: 
JACKSON CINCO DY
Municipal Mayor

merz/061708


Rec: Cravos ca 19/08


6/19/08 6/19/08