

RESOLUTION NO. 73
SERIES OF 2008

Resolution Authorizing the

Barangay of _____
Municipality of TAYTAY
City of _____
Province of RIZAL

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 Units (LGUs) shall have a just share, as determined by law, in the national taxes which shall be automatically released to them;

WHEREAS, Section 18, in relation to Sections 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 PhP12,576,938,000.00 (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) (EO 723) authorizing the release of the IRA Differential on installment basis for a period of seven years commencing in fiscal year 2009 up to fiscal year 2015 or avail in advance of their respective shares 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 discounted 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

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Corporate Banking Group / RMBSA

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 City of Calbayog, Samar (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 the 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. REGGIE LYNN MASCARDO duly seconded by Hon. ANASTACIO V. ALCANTARA hereby approves and confirms the following resolutions:

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 authorizes the Honorable GEORGE RICARDO R. GACULA II to negotiate and conclude any and all transactions relevant to EO 723 and the MIRACLE 2 Program, and is further authorized to sign, execute, and deliver, for and on behalf of the LGU, the SPT Agreement with the Trustee, the necessary Accession Agreements 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,

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and conveys, on a without recourse basis, in favor of the Trustee its share in the IRA Differential amounting to PHP 7,659,918.00 as covered by the NPS issued to it by 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 IRA depository account in

TAYTAY

Branch of:

- ☐ Development Bank of the Philippines
- ☐ Land Bank of the Philippines

with account number 003112-1000-90

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 contract or 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

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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 engagement of the law firm of Romulo, Mabanta, Buenaventura, Sayoc & de los Angeles as legal consultant for the MIRACLE 2 Program.

RESOLVED, that the LGU authorizes, as it hereby authorizes the Honorable GEORGE RICARDO R. GACULA II 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 GEORGE RICARDO R. GACULA II is authorized to cause his substitution by the Honorable JOYCE Y. CASTILLO.

RESOLVED, FINALLY, that the LGU of TAYTAY RIZAL 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 _____ (or his substitute) without need for another resolution to this effect.

The specimen signatures of the authorized signatories are as follows:

Name: HON. GEORGE RICARDO R. GACULA II

Designation: Municipal Mayor

Signature: _____

Name: MS. JOYCE Y. CASTILLO

Designation: Municipal Administrator

Signature: _____

APPROVED and CONFIRMED.

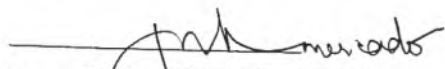
I HEREBY CERTIFY the correctness of the above resolution duly approved by the Sanggunian of TAYTAY RIZAL on June 30, 2008 2008.

MR. NOLI G. DEL ROSARIO
Secretary of the Sanggunian

Authorizing Resolution
Corporate Banking Group / RMBSA

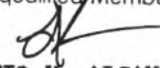
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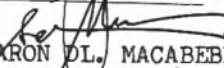
ATTESTED:


Name: HON. JANET D.L. MERCADO
Presiding Officer

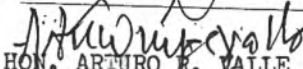
Approved and signed by the majority of all the duly elected and qualified Members of the Sanggunian on _____

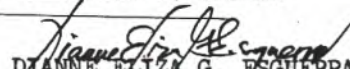

HON. JOSELITO T. CALDERON

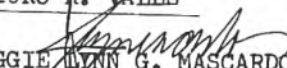

HON. ANASTASIO V. ALCANTARA


HON. SHARON D.L. MACABEBES

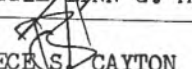
HON. GLENVIANO G. VALERA


HON. ARTURO R. VALLE


HON. DIANNE ELIZA G. ESGUERRA

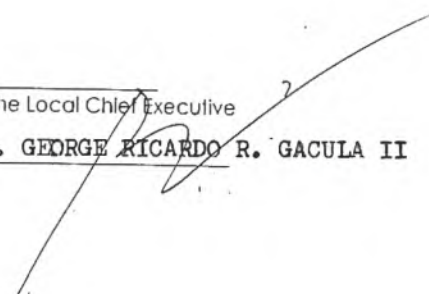

HON. REGGIE LYNN G. MASCARDO


HON. CHITO J. ESGUERRA


HON. TRECE S. CAYTON

HON. JEAN ANTONETTE M. BERMILLO

Certified by:


Signature of the Local Chief Executive

Name: HON. GEORGE RICARDO R. GACULA II

1-684

ACCESSION AGREEMENT

This Accession Agreement is executed this 30th day of June 2008 by the

Barangay of ***
Municipality of TAYTAY, RIZAL
City of ***
Province of ***
(the "Acceding LGU")

represented herein by its local chief executive, the Hon. GEORGE RICARDO R. GACULA II

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

WHEREAS, Section 18, in relation to Sections 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 PhP12,576,938,000.00 (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) (EO 723) authorizing the release of the IRA Differential on installment basis for a period of seven years commencing in fiscal year 2009 up to fiscal year 2015 or avail in advance of their respective shares 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 discounted 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 Acceding LGU desires to participate in the MIRACLE 2 Program to be managed and underwritten by the by the Development Bank of the Philippines and the Land Bank of the Philippines, respectively by ceding, transferring, and conveying to the relevant Trustee on a without recourse basis, the NPS issued in its favor;

WHEREAS, the Acceding LGU desires to establish a Special Purpose Trust with the Development Bank of the Philippines Trust Services, who will open for the collective benefit of the Participating LGU (as defined below) and the Acceding LGUs for the purpose of receiving without recourse the assignment, transfer, and conveyance of the NPS of the Participating LGU and 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 IRA Differential to the Special Purpose Trust with respective maturity dates corresponding to the IRA Differential;

WHEREAS, the Acceding LGU desires to participate in the MIRACLE 2 Program by agreeing to accede to the Terms and Conditions of the Special Purpose Trust Agreement dated 2 June 2008 by and among The City of Calbayog, Samar (the "Participating LGU") and the Development Bank of the Philippines Trust Services (the "SPT Agreement");

WHEREAS, the Acceding LGU and its duly authorized representative have been duly authorized by its Sanggunian pursuant to Resolution No. _____ (Series 2008) passed by a majority of all its duly elected and qualified members at a meeting held on _____ at TAYTAY, RIZAL, to participate in the MIRACLE 2 Program, and perform all acts necessary to implement such program;

NOW, THEREFORE, for and in consideration of the foregoing premises, the LGU hereby binds itself and declares as follows:

The LGU unconditionally and irrevocably agrees to cede, transfer, and convey, on a without recourse basis, as it hereby cedes, transfers, and conveys, on a without recourse basis, in favor of the Trustee named herein its share in the IRA Differential amounting to PhP 7,659,918.00 as covered by the NPS issued to it by the DBM dated May 16, 2008, and further agrees to the securitization and monetization of its aggregate share in the IRA Differential;

The LGU accepts, and expresses its unconditional and irrevocable conformity and accession to all the terms and conditions of the Trust Agreement between the Participating LGU and the Trustees as if it were an original signatory to the Trust Agreement as a Participating LGU;

The LGU authorizes the Trustees 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;

The LGU 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 Differential as acknowledged by the National Government through the Letter of Confirmation issued by the DoF and the NPS issued by the DBM;

The LGU instructs the Trustee named in the immediately preceding paragraph to remit to its official IRA depository account in

TAYTAY Branch of:

☐ Development Bank of the Philippines ☒ Land Bank of the Philippines

with account number 003112-1000-90

the Net Proceeds of the securitization and monetization of its NPS;

The LGU authorizes the DBM to remit on the appropriate dates to the account with the Trustee the amounts corresponding to the NPS issued in its favor;

The LGU warrants that it has the power and authority, has taken all actions and obtained all approvals necessary to 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;

1

The LGU represents and warrants that the actions taken under this Agreement and the SPT Agreement 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 contract or other instrument by which it is bound, or any law, regulation, judgment, or order of any office, agency, or instrumentality applicable to it;

The LGU confirms and ratifies its concurrence with, and accession to, all agreements entered into by the Trustees designated under the Trust 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 Development Bank of the Philippines as Issue Manager, and Land Bank of the Philippines as the Underwriter, and the engagement of the law firm of Romulo, Mabanta, Buenaventura, Sayoc & de los Angeles as legal consultant for the MIRACLE 2 Program.

All terms of the SPT Agreement are hereby deemed restated, *mutatis mutandis*, in this Accession Agreement

IN WITNESS WHEREOF, this Agreement is executed this _____ day of _____ 2008
in _____

Signature: _____

Full Name: Hon. _____

GEORGE RICARDO R. GACULA II

Designation: _____

MUNICIPAL MAYOR

SIGNED IN THE PRESENCE OF:

ACKNOWLEDGMENT

REPUBLIC OF THE PHILIPPINES)

Notary Public) S.S.

BEFORE ME, a Notary public for and in Tagaytay, Rizal on this 1st day of July, 2008, personally appeared:

NAME

COMM. TAX CERT.

DATE/PLACE
ISSUED

HON. GEORGE RICARDO
R. GARCIA

15753166

1-3-08

TAYTAY, RIZAL

known to me and to me known to be the same persons who executed the foregoing instrument and acknowledged to me that the same is their free and voluntary act and deed of the entities they each represent.

This instrument refers to an Accession Agreement consisting of five pages including this page on which this Acknowledgment is written, signed by the parties and their witnesses on the signature page of said Agreement and initialed by said parties and their witnesses on every other page thereof.

WITNESS MY HAND AND SEAL, in the date and place above-written.

Doc. No. 116
Page No. 24
Book No. 788
Series of 2008.

June Santos
ATTY. JUNE B. SANTOS
NOTARY PUBLIC
UNTIL DECEMBER 8, 2008
PTR NO. 4919762
TAYTAY, RIZAL / JAN. 8, 2008



REPUBLIC OF THE PHILIPPINES
Department of Budget and Management
Malacañang, Manila

DBM-981-IVA-5-08-0610

May 16, 2008

THE HONORABLE MAYOR
Municipality of Taytay
Province of Rizal

to Budget for Allocation
[Signature]

NOTICE OF PAYMENT SCHEDULE (NPS)

Sir:

Pursuant to Executive Order (EO) No. 723 dated May 12 2008, this Notice of Payment Schedule (NPS) is issued to inform the Municipality of its share in the Internal Revenue Allotment (IRA) differential for FYs 2001 and 2004 corresponding to the difference between the IRA level reflected in the National Expenditure Program (NEP) and the amount released under the re-enacted budgets for said budget years. This amount shall be paid in seven (7) equal installments, as follows:

CY 2001	CY 2004	Total
P 5,877,044	P 1,782,874	P 7,659,918

Payable in:

May 2009 (1 st installment)	P 1,094,274
May 2010 (2 nd installment)	1,094,274
May 2011 (3 rd installment)	1,094,274
May 2012 (4 th installment)	1,094,274
May 2013 (5 th installment)	1,094,274
May 2014 (6 th installment)	1,094,274
May 2015 (7 th installment)	1,094,274

As provided in Section 2 of the same EO, the LGU may use the NPS for enrolment in the IRA Monetization Program where it may opt to collect in advance the discounted value of the above amounts from the trustee bank

Very truly yours,

[Signature]
ROLANDO G. ANDAYA, JR.
Secretary

OFFICE OF THE MAYOR
RECEIVED
[Signature]
DATE 29 MAY 2008

*for
05-29-08
Budget*

Republic of the Philippines
Department of Interior and Local Government
Regional Office IV-A
Province of RIZAL
Municipality/City of TAYTAY

**OFFICE OF THE PROVINCIAL/MUNICIPAL/CITY
LOCAL GOVERNMENT OPERATIONS OFFICER**

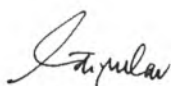
CERTIFICATION

**Monetization of IRA Collectibles for Local Empowerment Program 2
(MIRACLE 2 Program)**

This is to certify that upon evaluation and careful examination, the documents for the **Monetization of IRA Collectibles for Local Empowerment Program 2 (MIRACLE 2 Program)** submitted to this office are signed by the duly authorized signatories of the Province/City/Municipality/Barangay of TAYTAY, RIZAL, and that the signatories are the incumbent and qualified officials of the abovementioned Province/City/Municipality/Barangay.

This certification is issued upon request of the interested party for whatever legal purposes it may serve.

Issued this 30th day of June 2008 at Taytay, Rizal


LINDA S. ESTIPULAR
Provincial/Municipal/City LGOO
(Name and Signature)