



**PAMAHALAANG LUNGSOD NG MUNTINLUPA
KALAKHANG MAYNILA**



Sangguniang Panglungsod

RESOLUTION NO. 08147

**Resolution Authorizing The
City Of Muntinlupa
Province Of Metro Manila**

**Authorizing The Local Government Unit (Muntinlupa City)
Through Hon. City Mayor Aldrin L. San Pedro
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 Ph. 12.544 Billion
Differential In Internal Revenue Allotments For The Years 2001 And 2004
In The Amount Appearing In The Notice Of Payment Schedule And To
Participate In The Miracle 2 Program, And Perform All Acts Necessary To
Implement Such Program.**

Sponsored by:

- Hon. Coun. Atty. Icasiano M. dela Rea**
- Hon. Coun. Allan Rey A. Camilon**
- Hon. Coun. Margarita Amythyst Patdu-Labios, MD**
- Hon. Coun. Melchor R. Teves**
- Hon. Coun. Marita Deang-Calalang, DMD**
- Hon. Coun. Francis Ian T. Bagatsing**
- Hon. Coun. Joselito V. Arevalo**
- Hon. Coun. Luvi P. Constantino**
- Hon. Coun. Engr. Marissa Cole-Rongavilla**
- Hon. Coun. Engr. Mamerto T. Sevilla**
- Hon. Coun. Vergel C. Ulanday**
- Hon. Coun. Robert A. Abas**
- Hon. Coun. Atty. Rey E. Bulay**
- Hon. Coun. Cesar V. Pagkalinawan**
- Hon. Coun. Dann Henry G. Teves**

WHEREAS, Section 6 of Article X of the Constitution of the Philippines guarantees that Local Government Units (LGUs) (**Muntinlupa City**) 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 Section 284 and 286 of the Local Government Code of 1991 , provides that LGUs (**Muntinlupa City**) 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 any further action;

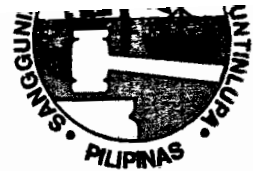
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WHEREAS, due to the reenactment of the General Appropriations Acts for the years 2000 and 2003 in fiscal years 2001 and 2004, respectively, a total amount of Ph12,576,938,000.00 (the IRA Differential) corresponding to the difference between the National Expenditure Program levels computed in accordance with the formula prescribed under the Local Government 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 Different on installment basis for a period 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 (**Muntinlupa City**) 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 (**Muntinlupa City**), 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 (**Muntinlupa City**) 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 (**Muntinlupa City**) 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 (**Muntinlupa City**) indicating therein their share in 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 (**Muntinlupa City**) 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 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;

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WHEREAS, the Development Bank of the Philippines and the Land Bank of the Philippines jointly establish 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 (**Muntinlupa City**) 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 (**Muntinlupa City**) 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 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 (**Muntinlupa City**) 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 assign to the Special Purpose Trust with respective maturity dates corresponding to the release of IRA Differential;

WHEREAS, pursuant to the Miracle 2 Program, the participating LGU and acceding LGUs will establish, participate, in create with DBP Trust a Special Purpose trust by virtue of which the trustee will issue the Miracle Investment Certificates In the aggregate principal amounts corresponding to the total amount of NPS, assign to the special purpose trust with respective maturity corresponding to the release of the IRA balance;

WHEREAS, in furtherance of the Miracle 2 Program the trustee has agree to establish, for the collective benefit of the participating LGUs of 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 acceding LGUs;

WHEREAS, the undersigned LGU (Muntinlupa City) desires to participate in the Miracle 2 Program;

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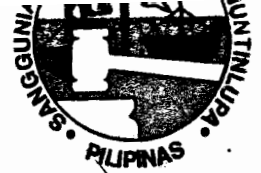
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NOW THEREFORE, FOR AN IN CONSIDERATION OF THE FOREGOING PREMISES, at a session duly called and assembled, at least a majority of all the duly elected and qualified members of the Sanggunian, after due discussion and deliberations, and upon motion of **Hon. Coun. Atty. Icasiano M. dela Rea** duly seconded by **Honorable City Councilors** hereby approves and confirms the following resolutions:

RESOLVED, that the LGU of Muntinlupa City agrees, and is hereby authorized, to participate in the Miracle 2 Programs 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 of Muntinlupa City authorizes as it hereby authorizes the **Hon. City Mayor Aldrin L. San Pedro,** 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, transfer, and conveys, on a without recourse basis, in favor of the trustee its share in the IRA Differential amounting to Php35,555,644.00 as covered by the NPS issued to it by 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 trustee;
- (iii) Authorizes the Trustee to enter into other agreements or transactions, to sign, on its behalf, all agreements and contract which maybe 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, transfer, 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;

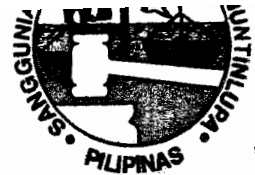
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(v) Instruct the Trustee to remit to its official IRA depository in Muntinlupa Branch of:

Development Bank of the Philippines
Land bank of the Philippines

With account number 0392-1020-94
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 agreement 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 engagement of the law firm of Romulo, Mabanta, Buenaventura, Sayoc and de los Angeles as legal consultant for the Miracle 2 Program.

J. Reyes
Munro



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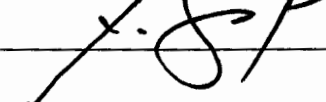
RESOLVED, that the LGU of Muntinlupa City authorizes, as it hereby authorizes the **Honorable City Mayor Aldrin L. San Pedro**, to do any act, enter to any agreement, and sign and deliver on its behalf, any document, certification, or agreements pursuant to and in furtherance of the implementation of the MIRACLE 2 Program; provided, that the **Honorable City Mayor Aldrin L. San Pedro**, is authorized to cause his substitution by the **Honorable Coun. Icasiano M. Dela Rea, Chairman, Committee on Appropriations**.

RESOLVED, FINALLY, that the LGU of Muntinlupa City, 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 Hon. City Mayor Aldrin L. San Pedro** (or his substitute) without needs for another resolution to this effect and that he is authorize to perform all acts necessary to implement such program.

The specimen signature of the authorized signatories are as follows:

Name: **HON. ALDRIN L. SAN PEDRO**

Designation: City Mayor

Signature: 

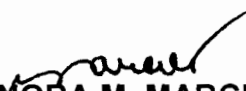
Name: **ROMEO C. PUCYUTAN**

Designation: OIC-Treasurer

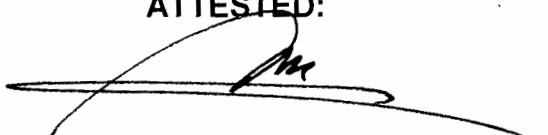
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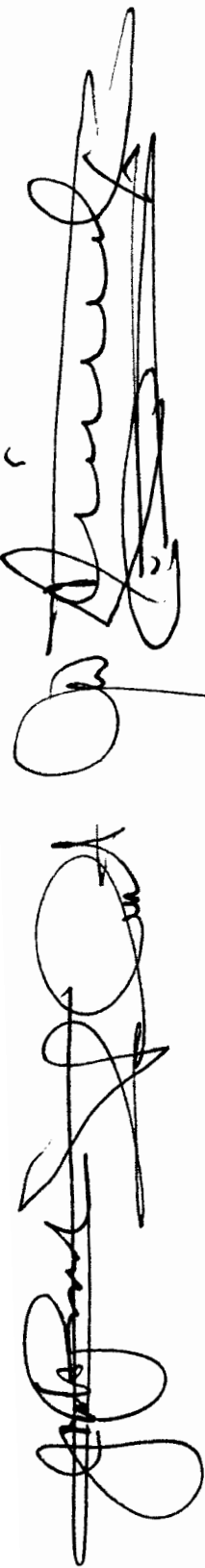
APPROVED and CONFIRMED.

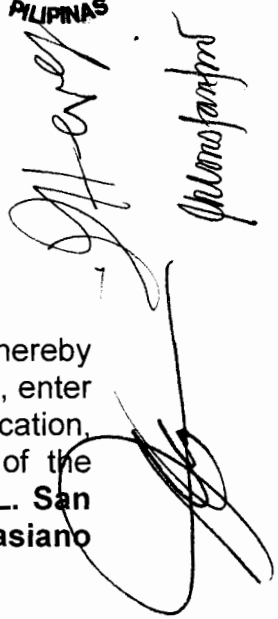
I **HEREBY CERTIFY**, the correctness of the above resolution duly approved by the 5th Sanggunian of Muntinlupa on **June 11, 2008**.

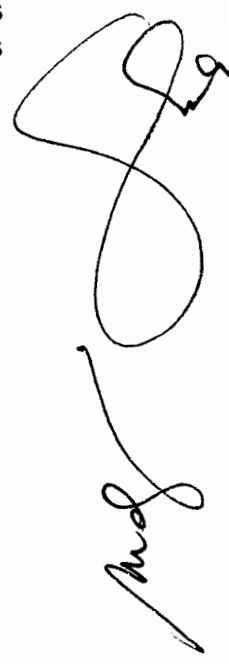

LEONORA M. MARCELO
Legislative Staff Officer IV

ATTESTED:

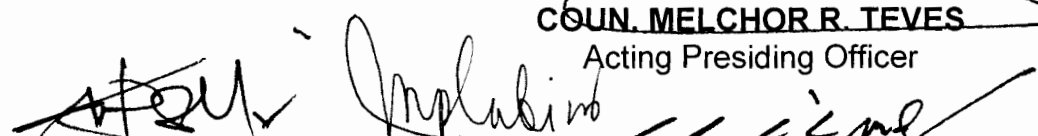

COUN. MELCHOR R. TEVES
Acting Presiding Officer







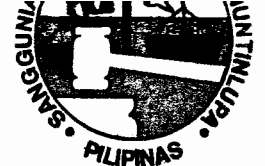








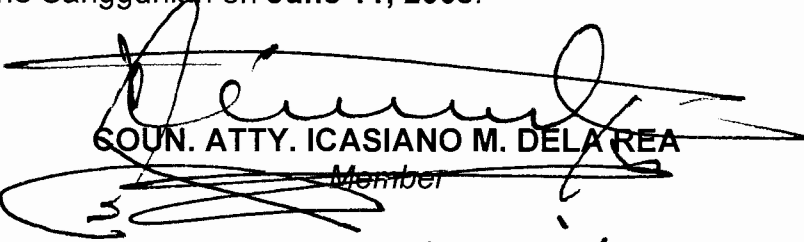
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Approved and signed by the majority of all the duly elected and qualified Members of the Sanggunian on **June 11, 2008**.

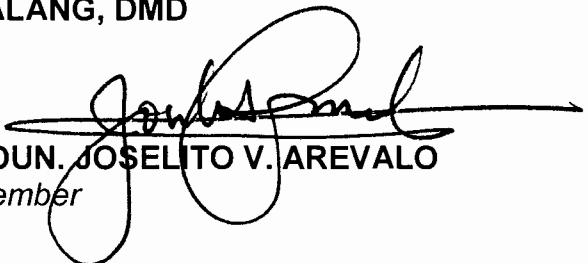

COUN. ATTY. ICASIANO M. DELA REA
Member


COUN. ALLAN REY A. CAMILON
Member


COUN. MARGARITA AMYTHYST PATDU-LABIOS, M.D.
Member


COUN. MARITA DEANG-CALALANG, DMD
Member


COUN. FRANCIS IAN T. BAGATSING
Member

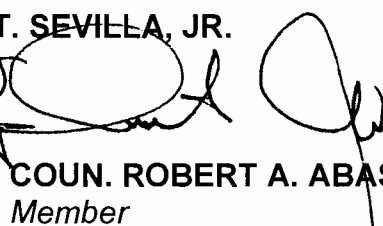

COUN. JOSELITO V. AREVALO
Member


COUN. LUVI P. CONSTANTINO
Member


COUN. MARISSA COLE-RONGAVILLA
Member


COUN. ENGR. MAMERTO T. SEVILLA, JR.
Member


COUN. VERGEL C. ULANDAY
Member


COUN. ROBERT A. ABAS
Member

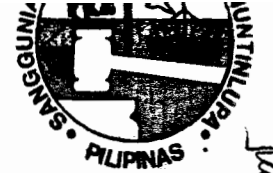

COUN. ATTY. REY E. BULAY
Member


COUN. CEZAR PAGKALINAWAN
Member


COUN. DANN HENRY G. TEVES
Member



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ABSENT:

COUN. ALLEN F. AMPAYA
Member

COUN. MA. LUISA BABARAN-ECHAVEZ, M.D
Member

COUN. ERMIE S. ESPELETA
Member

Certified by:

ALDRIN L. SAN PEDRO
City Mayor

Nory/