



Republic of the Philippines
 Province of Ilocos Sur
 MUNICIPALITY OF NARVACAN

OFFICE OF THE SANGGUNIANG BAYAN

5th Regular Session
 Held at the Sangguniang Bayan Session Hall
 On February 13, 2006

RESOLUTION NO. 03
 SERIES OF 2006

RESOLUTION AUTHORIZING THE HONORABLE EDGARDO D. ZARAGOZA TO SIGN THE SUBSCRIPTION AGREEMENT RELATING TO THE IRA MONETIZATION PROGRAM AND OTHER RELATED AGREEMENTS ON BEHALF OF THE LOCAL GOVERNMENT UNIT OF THE MUNICIPALITY OF NARVACAN, ILOCOS SUR WITH RESPECT TO ITS SHARE IN THE P17.5 BILLION UNRELEASED IRA FOR CALENDAR YEARS 2000 AND 2001 IN THE AMOUNT APPEARING IN THE NOTICE OF PAYMENT SCHEDULE

WHEREAS, the Supreme Court in a recent decision declared the act of Congress of setting apart a portion of the Internal Revenue Allotment ("IRA") and transferred the same to Unprogrammed Funds as unconstitutional since it violates Section 6, Article X of the Constitution;

WHEREAS, the Department of Justice has also opined that reclassification of Unprogrammed Funds was unconstitutional and should still be treated as regular Programmed Funds, further representing IRA already appropriated in the General Appropriations Acts ("GAAs") of 2000 and 2001, no act from Congress is necessary for the release;

WHEREAS, Her Excellency, President Gloria Macapagal-Arroyo, has recognized the P17.5 billion unreleased IRA for calendar years 2000 and 2001 as a National Government commitment and obligation, and the Department of Budget and Management (DBM) has issued a notice of payment schedule (NPS) to the local government units, providing the release of the corresponding share of each LGU in the P17.5 billion IRA in such number of installment tranches as may be determined by the DBM;

WHEREAS, the League of Municipalities of the Philippines is spearheading a program to allow participating member municipalities the opportunity to monetize their NPS ("Monetization Program") and has passed Resolution No. 009-2005 during its National Directorate meeting held at Puerto Princesa City on 1 September 2005 confirming its agreement to and pursuit of a Monetization Program;

WHEREAS, in furtherance of the IRA Monetization Program, a Trust Agreement was executed by and between the Municipality of Binalonan and the Land Bank of the Philippines - Trust banking Group on November 25, 2005 (the "Trust Agreement") wherein a special purpose trust ("SPT") was created;

WHEREAS, pursuant to the Trust Agreement, the SPT shall accept the NPS conveyed by participating local government units, and securitize the NPS through the issuance of zero-coupon certificates ("MIRA Certificates"). The SPT shall thereafter monetize the MIRA Certificates by discounting them through participating financial institutions, at prevailing market prices.

WHEREAS, participation in the IRA Monetization Program will be for the utmost benefit of LGUs since it provides LGUs with immediate access to resources for the implementation of its projects and programs.

WHEREFORE, in Session duly assembled, the Sangguniang Bayan of the Municipality of Narvacan, Ilocos Sur, after due discussions and deliberations, and upon motion of SBM Rafael C. Cachola duly seconded by SBM Carlito Corles, hereby approve the following resolutions:

RESOLVED, that the Sangguniang Bayan of the Municipality of Narvacan, Ilocos Sur agrees, as it hereby agrees, to participate in the IRA Monetization Program;

RESOLVED, FURTHER, that the Sangguniang Bayan of the Municipality of Narvacan, Ilocos Sur authorizes, as it hereby authorizes Mayor Edgardo D. Zaragoza, to enter into and sign, in behalf of the Municipality of Narvacan, Ilocos Sur (the "Municipality"), the Subscription Agreement whereby the Municipality agrees to convey its NPS to the SPT and accedes to the Trust Agreement, and through which the Municipality expresses its irrevocable conformity to the securitization and monetization of its share in the P17.5 billion unreleased IRA for calendar years 2000 and 2001 equal to the installments as specified in the NPS.

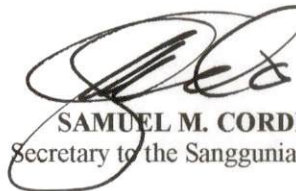
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RESOLVED, FINALLY, that the Sangguniang Bayan of the Municipality of Narvacan, Ilocos Sur authorize, as it hereby authorizes Mayor Edgardo D. Zaragoza, to enter into and sign in behalf of the Municipality, all other related agreements and documents necessary to effect and implement the foregoing resolutions as it may be in the best interest of the Municipality.

APPROVED.

I HEREBY CERTIFY the correctness of the above resolution duly approved by the Sangguniang Bayan of the Municipality of Narvacan, Ilocos Sur on February 13, 2006.


SAMUEL M. CORDERO
Secretary to the Sanggunian (Acting)

APPROVED:


EMMA J. CABOTAGE
Vice Mayor/Presiding Officer

Approved and signed by the Members of the Sanggunian on February 13, 2006.


COUNCILOR RAFAEL C. CACHOLA


COUNCILOR MARGARITO A. TEJADA


COUNCILOR OSCAR R. POTENCION


COUNCILOR TEOFILO M. CABRERROS


COUNCILOR ROSALINDA C. CABANILLA


COUNCILOR IRVIN R. LIM

COUNCILOR JOEL CONSTANTINO C. COPIOZO


COUNCILOR CARULTO T. CORRALES


COUNCILOR JACINTO C. GARCES
ABC President

COUNCILOR ELIEZER S. CORRALES
SKF President

Certified by:


EDGARDO D. ZARAGOZA
Municipal Mayor