Exhibit

Republika ng Pilipinas SANGGUNIANG PANLUNGSOD Lungsod ng Ormoc



:TMS

Hon. Nepomuceno P. Aparis I,

EXCERPT FROM THE MINUTES OF THE REGULAR SESSION OF FIFTH SANGGUNIANG PANLUNGSOD NG ORMOC HELD AT HONORABLE PLACIDO ENECIO HALL, SANGGUNIANO PANLUNGSOD BUILDING ON DECEMBER 22, 1988

Vice-Mayor & Presiding Officer

Kagawad, Floor Leader

Kagawad Kagawad

Kagawad Kagawad

Kagawad

Kagawad Kagawad

Kagawad

Ragawad Kagawad

Hon. Gregorio A. Yrastorza, Jr.,

Hon. Eufrocino C. Codilla, Jr.,

Hon. Celso P. Adolfo,

Hon. Sixto T. Pongos, Hon. Arnulfo C. Salazar,

Hon. Jose B. Conejos,

Hon. Rodolfo L. Rivilla, Jr.,

Hon. Benjamin F. Tugonon.

Hon. Antero T. Fiel.

Hon. Celso P. Porcadilla,

Hon. Romeo M. Hermosilla.

ABC President

ABSENT: None.

EXPLANATORY NOTE

It has come to the attention of this legislative Body that the Small Town Lottery (STL) is operating in Ormoc City, without Mayor's Permit. The operation of STL including all its number games or schemes, is in any language a gambling. We have experienced the evil effects of number games in the past, such as the "MASIAO", which had proliferated in Ormoc City for quite a time. From out of such operations we have found out that a great number of Ormod populace, even children were not spared; and have been victims of this vicious or particlous form of gambling. They became easy preys of this form of game bling such that, as bottors they unwittingly or unnoticeably, had their morality slowly but surely eroded. Not so few realized that later, crimes against persons and properties surged to greater heights like, swindling, robbery and thefts to mention a few. These, people did, in order to generate funds to buy masiao tickets.

This time again, we have this Small Town Lottery or STL, with enticing number games or schemes, calculated to get more bet taker with a very promising reward or winning to the lucky ones. But what about our morality as a people? Even young children would now become potential gamblers. Needless to state how gambling affects people's behaviour and morals.

This legislative body, in its earnest and sincere desire to curb gambling: to defend the people's general welfare, finds it necessary to ban this kind of gambling in Ormoc City, and thus passes this

RESOLUTION NO. 165

WHEREAS, Small Town Lottery (STL) including its number games or schemes, has proliferated in Ormoc City;

WHEREAS, the STL's operation is, for all intents and purposes, another form of gambling;

WHEREAS, its operations will greatly affect our people's good morals and public order, not to mention the fact that it shall eventually erode our population's sense of uprightness and morality;

WHEREAS, a public hearing was conducted on September 26, 1988 and resulted in a clear protestation against the operation

WHEREAS, different sectors of the Ormoc City Community were consulted and the majority opinion was that the STL operation should not be countenanced;

NOW, THEREFORE, on motion of Kagawad Benjamin F. Tugonon, jointly seconded by Mga Kagawad Arnulfo C. Salazar and Eufrocino C. Codilla, Jr.,

RESOLVED, to adopt:

ORDINANCE NO. 16

AN ORDINANCE BANNING THE OBERATION OF SMALL TOWN LOTTERY (STL) INCLUDING ANY AND ALL OF ITS RELATED NUMBER GAMES AND SCHEMES IN ORMOC CITY AND PROVIDING PENALTIES THEREFOR

BE IT ORDAINED, by the Fifth Sangguniang Panlungsod ng Ormoc, That:

SECTION 1. - The operation of Small Town Lottery (STL) including any and all of its related number games or schemes, is hereby "BANNED", in Ormoc City, to include all barangays within her territorial jurisdiction;

SECTION 2. - That, pursuant to this Ban, the selling of STL tickets, and all its number games and schemes, in whatever form or manner they might have been made, is a violation of this ban;

SECTION 3. - Any violation of this Ban, by person or persons either natural or juridical shall be subject to the penalties, as follows:

a) For juridical entity, such as corporation, partnership or association, the Corporate Officers, the Manager, "Coordinator" and "Vshers", and all those having to do with prompting and the selling of STL tickets, lottery tickets and other means of betting shall each suffer the penalty of a fine ranging from Ploo to P200, and/or an imprisonment of from 10 days to 30 days, as the court shall determine.

SECTION 4. - Ticket sellers, locally called "Ushers" and facilitators, called Coordinators, shall suffer the same penalty as provided for by Section 3 hereof;

SECTION 5. - Effectivity clause. - This Ordinance shall take effect immediately upon its approval.

ENACTED, December 22, 1988.

RESOLVED, FURTHER, to furnish a copy of this Ordinance each to Her Honor, the City Mayor; the Municipal Trial Judge in Cities; the City Fiscal; and General Public and copies to be posted in all bulletin boards of public and private offices, schools and colleges, all in Ormoc City; and to Mr. Filco Arias, Provincial Coordinator, RANCO Management Corporation, Tacloban City;

CARRIED UNANIMOUSLY.

I HEREBY CERTIFY to the correctness of the foregoing resolutionordinance.

HERMOGENA P. SUMALINOG Asst. Board Secretary I

ATTESTED:

2000000

Vice-Mayor and Presiding Officer

APPROVED:

MA. VICTORIA L. LOCSIN City Mayor

ATTESTED AS APPROVED:

CASIMIRO L. CORTES ecretary to the Mayor