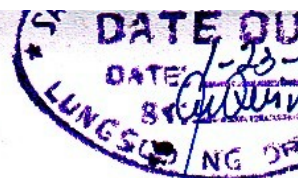
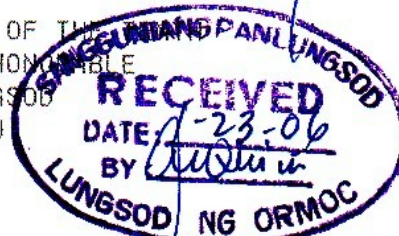


REPUBLIKA NG PILIPINAS
SANGGUNIANG PANLUNGSOD
LUNGSOD NG ORMOC



EXCERPT FROM THE MINUTES OF THE REGULAR SESSION OF THE
SANGGUNIANG PANLUNGSOD NG ORMOC HELD AT THE HONORABLE
PLACIDO ENECIO HALL, SANGGUNIANG PANLUNGSOD
BUILDING ON JANUARY 20, 2006 IN LIEU
OF JANUARY 19, 2006



PRESENT:

Hon. Nepomuceno P. Aparis I,	Vice Mayor & Presiding Officer
Hon. Jose S. Serafica,	City Councilor, Minority Floor Leader
Hon. Manuel T. Fiel,	City Councilor, Assist. Minority Floor Leader
Hon. Claudio P. Larrazabal,	City Councilor, Majority Floor Leader
Hon. Mariano Y. Corro,	City Councilor
Hon. Fe S. Lladoc,	City Councilor
Hon. Gregorio A. Yrastorza, Jr.	City Councilor
Hon. Jose C. Alfaro, Jr.,	City Councilor
Hon. Ruben R. Capahi,	City Councilor
Hon. Cheryl A. Arcuino,	Ex-Officio City Councilor, SK Federation President

ABSENT:

Hon. Eduardo P. Tan,	(On Leave),	City Councilor
Hon. Sotero M. Pepito,	(Special Leave),	City Councilor
Hon. Emeterio Y. Larrazabal, Jr.,	(On Leave),	Ex-Officio City Councilor, Chapter President, Liga ng mga Barangay ng Ormoc

RESOLUTION NO. 2006-016

A RESOLUTION AUTHORIZING THE HONORABLE CITY MAYOR ERIC C. CODILLA TO ENTER INTO AND SIGN A MEMORANDUM OF AGREEMENT (MOA) BY AND AMONG THE PNOC-EDC, VISAYAS GEOTHERMAL POWER COMPANY (VGPC) AND THE CITY GOVERNMENT OF ORMOC WITH RESPECT TO THE PAYMENT OF THE LOCAL BUSINESS TAXES OF VISAYAS GEOTHERMAL POWER COMPANY (VGPC).

WHEREAS, this august Body is in receipt of 1st Indorsement dated 19 January 2006 from the Office of the City Mayor, Eric C. Codilla, urgently requesting for the passage of a resolution authorizing the Honorable City Mayor to enter into and sign a Memorandum of Agreement (MOA) by and among the PNOC-EDC, Visayas Geothermal Power Company (VGPC) and the City Government of Ormoc with respect to the payment of the local business taxes of Visayas Geothermal Power Company (VGPC); a draft of which is hereto attached for ready references;

WHEREAS, on December 22, 2005, this Sanggunian passed Resolution No. 2005-223, entitled: "A RESOLUTION AUTHORIZING THE HONORABLE CITY MAYOR ERIC C. CODILLA TO ENTER INTO AND SIGN A MEMORANDUM OF AGREEMENT WITH PNOC-EDC WITH RESPECT TO THE PAYMENT OF THE LOCAL BUSINESS TAXES OF VISAYAS GEOTHERMAL POWER COMPANY (VGPC)"; however, since the real party which is under obligation to pay the business taxes is the VGPC, hence, the passage of this instant resolution which includes the VGPC;

WHEREAS, on April 3, 2003, the Regional Trial Court issued an Order approving the Amicable Settlement dated March 27, 2003 (hereto attached as Annex "A") between the City of Ormoc and the Municipality of Kananga;

WHEREAS, paragraph 5 of the terms and conditions of the said Amicable Settlement provides that "after the execution of this agreement, all income derived from the respective areas of the parties shall respectively pertain to each of them to the exclusion of the other";

WHEREAS, the City of Ormoc reserves its right to challenge the validity of the Amicable Settlement;

WHEREAS, prior to the execution of the said Amicable Settlement, the City of Ormoc has consistently assessed local business tax on VGPC;

WHEREAS, PNOC-EDC has acknowledged under its Energy Conversion Agreement with VGPC that it has the ultimate liability to pay the local business tax of VGPC and has offered to settle the same in accordance with Ordinance No. 126 and Resolution No. 222 of the City Council; (photocopy of Ordinance No. 126 and Resolution No. 222 hereto attached)

WHEREFORE, foregoing premises considered, on motion of City Councilor Mariano Y. Corro, Chairman, Committee on Laws & Ordinances severally seconded by City Councilors Jose C. Alfaro, Jr., Ruben R. Capahi and Manuel T. Fiel; be it


RESOLVED, AS IT IS HEREBY RESOLVED, to pass a resolution AUTHORIZING THE HONORABLE CITY MAYOR ERIC C. CODILLA TO ENTER INTO AND SIGN A MEMORANDUM OF AGREEMENT (MOA) BY AND AMONG THE PNOC-EDC, VISAYAS GEOTHERMAL POWER COMPANY (VGPC) AND THE CITY GOVERNMENT OF ORMOC WITH RESPECT TO THE PAYMENT OF THE LOCAL BUSINESS TAXES OF VISAYAS GEOTHERMAL POWER COMPANY (VGPC);

ADOPTED, January 20, 2006.

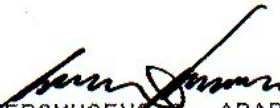
RESOLVED, FURTHER, to furnish copies of this resolution each to His Honor, the City Mayor; the City Administrator, the President, PNOC-EDC, Mr. Paul A. Aquino, the Resident Manager, PNOC-EDC, Tongonan, Ormoc City, Mr. Joseph L. Sullivan, President, GE Luzon/Visayas Geothermal Power Company and others concerned, -all in Ormoc City;

CARRIED UNANIMOUSLY.

I HEREBY CERTIFY to the correctness of the foregoing resolution.


JOEL S. DUERO
OIC - Secretary to the SP
(Loc. Leg. Staff Officer V)

ATTESTED:


NEPOMUCENO R. APARIS I
Vice Mayor & Presiding Officer