



REPUBLIC OF THE PHILIPPINES  
**SECURITIES AND EXCHANGE COMMISSION**  
SEC Building, EDSA, Greenhills  
City of Mandaluyong, Metro Manila

COMPANY REG. NO. CS200502332

**CERTIFICATE OF FILING  
OF  
AMENDED BY-LAWS**

**KNOW ALL PERSONS BY THESE PRESENTS:**

This is to certify that the Amended By-Laws of

**ANVAYA COVE BEACH AND NATURE CLUB INC.**

copy annexed, adopted on June 11, 2013 by majority vote of the Board of Directors and on August 02, 2013 by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock, and certified under oath by the Assistant Corporate Secretary and majority of the said Board was approved by the Commission on this date pursuant to the provisions of Section 48 of the Corporation Code of the Philippines Batas Pambansa Blg. 68, approved on May 1, 1980, and copies thereof are filed with the Commission.

IN WITNESS WHEREOF, I have set my hand and caused the seal of this Commission to be affixed to this Certificate at Mandaluyong City, Metro Manila, Philippines, this 30<sup>th</sup> day of January, Twenty Fourteen.



  
**FERDINAND B. SALES**  
Acting Director  
Company Registration and Monitoring Department



## AMENDED BY-LAWS

of

### ANVAYA COVE BEACH AND NATURE CLUB, INC.

#### Article I

##### NAME

**Section 1. Name.** The name of the corporation shall be "Anvaya Cove Beach and Nature Club, Inc." (the "*Club*") and the name of the beach club to be operated, maintained and managed by the Club pursuant to its primary purpose shall be "Anvaya Cove Beach and Nature Club."

#### Article II

##### CLUB MEMBERSHIP

**Section 1. Club Membership.** Membership in the Club is a privilege. Prior to any sale, assignment or transfer of a share of stock of the Club (other than transfers between designees of original subscribing corporate holders of Founders' Shares), the stockholder shall pre-qualify his or its prospective purchaser, assignee or transferee in the manner determined in Article XI, Section 6 of the By-laws. For this purpose, the applicant must file or cause to be filed an application for membership with the Board of Directors in accordance with the By-laws and such rules and regulations of the Club as the Board of Directors may adopt from time to time. Once accepted as a member of the Club, the assignee or transferee shall be entitled to use all the facilities of the Club, subject to the conditions herein prescribed, the By-laws, and such rules and regulations as may from time to time be prescribed by the Board of Directors. The consequences arising from the disapproval by the Board of Directors of an application for Club membership shall be governed by the By-laws and the rules and regulations of the Club. *(as amended in a meeting of the Board of Directors and stockholders held on May 26, 2005)*

Natural persons holding a share of stock of the Club (other than a Founders' Share) must file an application for membership with the Board of Directors for their admission as a Regular Member of the Club for purposes of Article II, Section 2(a) hereof, or nominate a person for the latter's admission as a Nominated Member of the Club for purposes of Article II, Section 2(b) hereof.

Juridical entities holding a share of stock of the Club must nominate natural persons who shall cause an application for membership to be filed with the Board of Directors for the admission of such persons as Nominated Members of the Club for purposes of Article II, Section 2(b) hereof. Grantees of associate memberships shall similarly file an application for membership with the Board of Directors for their admission as Associate Members for purposes of Article II, Section 2(d) hereof.

A person shall be accepted for membership in the Club only with the approval of the Board of Directors of the Club; provided that, the membership of persons who have been designated as Founding Members under Article II, Section 2(c) of this By-laws shall not require the approval of the Board of Directors. Once the Board deems the applicant qualified for membership, the applicant shall be deemed a Regular Member, Nominated Member, or Associate Member (as the case may be) for purposes of Article II, Section 2 hereof who shall be entitled to usage rights, subject to the provisions of the Articles of Incorporation and this By-laws.

For purposes of this By-laws, the term "*usage right*" shall mean the right to the use and enjoyment of all the facilities and privileges of the Club pursuant to the By-laws and the rules and regulations of the Club.

**Section 2. Classification of Members.** In granting membership in the Club, the Board of Directors shall classify members of the Club as follows:

- (a) Regular Members. A Regular Member is a natural person who is a registered owner of a Class A Share, Class B Share, or Class D Share and shall be admitted as member of the Club only with the approval of the Board

of Directors. A Regular Member is entitled to exercise usage rights in his personal capacity, or assign such usage rights to a natural person who shall act as his Nominated Member and exercise such usage rights in his place. *(as amended in a meeting of the Board of Directors and stockholders held on March 31, 2005)*

To qualify as a Regular Member, a person must possess the following minimum qualifications, the determination of which shall be made by the Board of Directors:

- (i) he must be of legal age; and
- (ii) he must be of good moral character and has not and is not exhibiting conduct which is inimical to the interests of the Club, its stockholders or members.

The Board of Directors shall prescribe such other requirements for evaluation and approval of applications for regular membership as it may deem necessary and shall, at all times, inform the stockholders of such minimum qualifications for membership. *(as amended in a meeting of the Board of Directors and stockholders held on May 26, 2005)*

Regular Members are entitled to exercise all the rights of a stockholder as provided for by law and to the extent indicated in this By-laws and Articles of Incorporation, such as the right to vote in all matters requiring approval of the shareholders and a right to a pro rata share of the assets of the Club upon its dissolution.

In the event that a Class A Share, Class B Share, or Class D Share is registered in the name of two (2) or more natural persons as co-owners, only one co-owner shall be entitled to apply and qualify for membership in the Club as a Regular Member, provided that, the authority of such co-owner to apply for

membership and exercise the usage rights pertaining to such share shall be evidenced by an instrument (in the form prescribed by the Club) duly executed by all of the co-owners. The co-owners shall further be entitled to exercise their rights as follows: (i) in exercising their right to vote, all co-owners, collectively, shall have one (1) vote pertaining to said Class A Share, Class B Share, or Class D Share and such right to vote shall be exercised through and by way of proxy executed by all co-owners in favor of one (1) co-owner or a third person, and (ii) the usage rights may be exercised only by the co-owner qualifying as a Regular Member to the exclusion of the other co-owners of such Class A Share, Class B Share, or Class D Share. Notwithstanding that the rights of membership pertaining to a Class A Share, Class B Share, or Class D Share may be exercised only by one co-owner at any given point in time, all co-owners shall be deemed jointly and solidarily liable to the Club for any liability or obligation arising from the exercise of the rights of membership pertaining to said share. *(as amended in a meeting of the Board of Directors and stockholders held on March 31, 2005)*

(b) Nominated Members. Nominated Members are natural persons who are assignees of: (i) Regular Members, or (ii) juridical entities holding any share of stock in the Club, and shall be admitted as members of the Club only with the approval of the Board of Directors. Juridical entities holding Class A Shares, Class B Shares, or Class D Shares shall, by resolution of its Board of Directors (a certified copy of which shall be submitted to the Corporate Secretary), designate one (1) person for each share of stock registered in the name of such juridical entity in the books of the Club who shall act as its Nominated Member, while those holding Class C Shares or Class E Shares shall, by resolution of its Board of Directors (a certified copy of which shall be submitted to the Corporate Secretary), designate two (2) persons for each share of stock registered in the name of such juridical entity in the books of the Club who shall act as its Nominated Members. *(as amended in a meeting of the Board of Directors and stockholders held on March 31, 2005)*

Nominated Members shall be entitled to exercise usage rights to the exclusion of the Regular Member who caused his nomination. However, Nominated Members shall not be entitled to exercise the right to vote, hold office, elect directors and any other right pertaining to a stockholder under this By-laws, Articles of Incorporation or the Corporation Code of the Philippines, all of which rights shall continue to vest in the Regular Member or the juridical entity causing the nomination of the Nominated Member to the extent indicated herein and in the Articles of Incorporation, it being understood that upon the qualification by the Nominated Member to membership in the Club, the rights of such Regular Member or juridical entity causing his nomination shall only be that of a stockholder.

To qualify as a Nominated Member, an assignee must possess the following minimum qualifications, the determination of which shall be made by the Board of Directors:

- (i) he must be of legal age;
- (ii) he must be of good moral character and has not and is not exhibiting conduct which is inimical to the interests of the Club, its stockholders or members; and
- (iii) if a nominee of a juridical entity, he must be a registered stockholder, officer or employee of such juridical entity.

The Board of Directors shall prescribe such other requirements for evaluation and approval of applications for nominated membership as it may deem necessary and shall, at all times, inform the stockholders of such minimum qualifications for membership. *(as amended in a meeting of the Board of Directors and stockholders held on May 26, 2005)*

It is understood that a Nominated Member only derives his rights from the membership of the Regular Member or the juridical entity which nominated him as Nominated Member and exercises said rights only on behalf of such Regular Member or juridical entity. Thus, any limitation which may be imposed on the membership rights of the Regular Member or juridical entity causing the nomination shall be binding upon the Nominated Member, and the termination or suspension of the membership rights of the Regular Member or juridical entity shall also result in the termination or suspension of the exercise by a Nominated Member of such rights on behalf of such Regular Member or juridical entity.

(c) Founding Members. Founding Members are natural persons who hold the Founders' Shares for and on behalf of the juridical entity having beneficial ownership of the Founders' Shares. Founding Members, for as long as they continue to hold Founders' Shares, shall be automatically entitled to exercise usage rights and all other rights of membership and rights of a stockholder pursuant to this By-laws without need of any act or deed and without paying any activation fee. A Founding Member may be replaced by the juridical entity designating him to be its representative in the Club and the person so replacing him shall, for all intents and purposes, be deemed a Founding Member who shall be accorded all the rights and privileges of a Founding Member.

As holders of Founders' Shares, Founding Members shall have the right to vote and be voted for as director of the Club, exercisable in accordance with this By-laws.

Founding Members shall not sell, transfer, convey or in any other manner dispose of to third persons the Founder's Shares for a period of five (5) years from the date of incorporation of the Club, except to a designee of the juridical entity on whose behalf the Founding Member holds the Founders' Share. Any sale, assignment, transfer, or other disposition of a Founders' Share in

violation of this provision shall be null and void and shall produce no effect whatsoever and shall not be registrable in the books of the Club, except as may be required by Philippine law.

(d) Associate Members. The Board of Directors may, by resolution, allow the creation of associate memberships whereby a Regular Member shall be entitled to grant to as many of his married legitimate children, or unmarried legitimate children, above twenty-five (25) years of age, usage rights to the Club for the purpose of making such children Associate Members, provided that, the Regular Member shall have been determined by the Board of Directors to be a member in good standing for at least ten (10) consecutive years. Associate Members are natural persons who, being grantees of usage rights to the Club, shall be admitted as members of the Club only with the approval of the Board of Directors.

For purposes of this By-laws, a member shall be deemed "*in good standing*" if such member: (a) is not delinquent in paying his dues and assessments, and (b) is not the subject of any disciplinary action by the Club. The Board of Directors may prescribe qualifications and criteria other than those provided herein for the purpose of determining whether a member shall be deemed in good standing.

Associate Members shall be entitled to exercise usage rights to the Club to the same extent as, and simultaneously with, the Regular Member who granted such rights. However, Associate Members shall not be entitled to exercise the right to vote, hold office, elect directors and any other right pertaining to a stockholder under this By-laws, Articles of Incorporation or the Corporation Code of the Philippines, all of which rights shall continue to vest in the Regular Member to the extent indicated herein and in the Articles of Incorporation.



It is understood that an Associate Member only derives his rights from the membership of the Regular Member which granted him associate membership. Thus, any limitation which may be imposed on the membership rights of a Regular Member shall be binding upon the Associate Member, and the termination or suspension of the membership rights of the Regular Member shall also result in the termination or suspension of the exercise by an Associate Member of such rights.

The Board of Directors may prescribe such qualifications or requirements other than those provided herein for entitlement to associate membership.

(e) Lifetime Members. The Board of Directors may, by resolution, allow the creation of lifetime memberships whereby a Regular Member shall be entitled to transfer the ownership of his share to one of his legitimate children of legal age without losing his own usage rights to the Club, provided that, such Regular Member shall have been determined by the Board of Directors to be a member in good standing for at least twenty (20) consecutive years. Upon effecting the transfer of his share to his child, the latter shall submit an application for regular membership to the Club with the Board of Directors. Upon the acceptance and qualification of the grantee as a Regular Member, the grantor shall be deemed a Lifetime Member of the Club.

Lifetime Members shall be entitled to exercise the usage rights to the Club to the same extent as, and simultaneously with, the Regular Member to whom the share of the Lifetime Member was transferred. However, Lifetime Members shall not be entitled to exercise the right to vote, hold office, elect directors and any other right pertaining to a stockholder under this By-laws, Articles of Incorporation or the Corporation Code of the Philippines, all of which rights shall continue to vest in the Regular Member to the extent indicated herein and in the Articles of Incorporation.

Any limitation, termination or suspension on the exercise of the membership rights of the Regular Member to whom the share of the Lifetime Member was transferred shall not in any manner affect the exercise by the Lifetime Member of such rights who shall continue to exercise such membership rights without interruption.

The Board of Directors may prescribe such qualifications or requirements other than those provided herein for entitlement to lifetime membership.

(f) Honorary Members. Honorary Members shall be limited to persons who, in the opinion of the Board of Directors, have merited the honor due them by reason of their stature, prominence, or reputation in society. Honorary Members are entitled to use the facilities of the Club whether for a limited or indefinite period of time as may be determined by the Board without need for ownership of any Club share.

**Section 3. Applications for Membership.** All applications for regular, nominated, or associate membership in the Club shall be subject to the approval of the Board of Directors of the Club. In the event that an application for regular membership is disapproved by the Board of Directors, the person applying for such membership shall dispose of his share of stock in the Club following his receipt of a notice of disapproval of such application. If the disapproval is with respect to a nominee of a juridical entity, the latter shall, within the same sixty (60)-day period, designate another person to be its nominee who is acceptable to the Board of Directors. *(as amended in a meeting of the Board of Directors and stockholders held on May 26, 2005)*

Once the Board deems the applicant qualified for membership, the stockholder or his or its nominee or grantee shall be deemed a Regular Member, Nominated Member or Associate Member (as the case may be) for purposes of Article II, Section 2 hereof.

The Board of Directors may impose reasonable fees and charges for the evaluation of applications for regular, nominated, associate, and honorary membership and any transfers and changes in such memberships in accordance with Article XII hereof.

### **Article III** **WAITING LIST**

There shall be a Waiting List to be kept by the Corporate Secretary which shall consist of a register of the names of persons desiring to be Regular Members of the Club but who cannot as yet be admitted due to non-availability of shares of stock. The order of priority in the Waiting List shall be established based on the order of filing of the applications for membership; provided, however, that the number of applicants that can be included in the list shall not exceed one hundred (100) at any given time. Names of applicants shall be posted by the Corporate Secretary in a conspicuous place within the Club premises for a period of thirty (30) days and if no objections are raised by any Regular Member, said applicants shall be included in the Waiting List upon approval by the Membership Committee to be constituted pursuant to Article X of this By-laws and upon confirmation by the Board of Directors. The Board of Directors may delete from the Waiting List the name of any applicant at any time at its discretion. Applicants in the Waiting List shall be notified by the Corporate Secretary of the availability of shares of stock for sale.

### **Article IV** **IMMEDIATE MEMBERS OF FAMILY, GUESTS AND VISITORS**

**Section 1. Immediate Family Members.** Subject to such limitations, rules and regulations as the Board of Directors may prescribe from time to time, the following immediate family relations of Club members shall have the right to use all the facilities of the Club:

- (a) the spouse and unmarried legitimate children below twenty-one (21) years of age ("*Regular Dependents*"); and

- (b) unmarried legitimate children twenty-one (21) years of age and older but below twenty-six (26) years of age ("*Junior Dependents*"),

provided that, the usage rights of the foregoing dependents shall be exercised to the same extent, and simultaneously with, the member; provided further, that the Board of Directors may impose additional monthly dues and other fees on the use by such family members of the facilities of the Club in accordance with Article XII of this By-laws.

Unmarried legitimate children twenty-six (26) years of age and older but below thirty-three (33) years of age ("*Senior Dependents*") may also be granted usage rights to the same extent, and simultaneously with, the Club member, provided, that the President of the Club shall determine the date when such usage rights of Senior Dependents shall become effective, and provided further, that additional monthly dues and fees shall be imposed on the use by Senior Dependents of the facilities of the Club in accordance with Article XII of this By-laws. (*as amended in the meeting of the Board of Directors held on December 12, 2006; and further amended in the meeting of the Board of Directors held on July 7, 2008 and the stockholders held on July 31, 2008*)

**Section 2. Guests.** A guest is a non-member who, upon written invitation by a member in good standing, may be extended usage rights to the Club for a limited period of time. The member shall, however, be responsible for the good behaviour of his guests and the payment of the cost of services rendered to the latter by the Club. Refusal by a member to assume such responsibility may subject said member to suspension. An applicant disapproved for membership by the Board of Directors may not be allowed to exercise guest privileges.

The Board of Directors shall prescribe the appropriate guest fees and shall reserve the right to review and increase these fees from time to time in accordance with Article XII of the By-laws. The privilege of members to invite guests may be suspended or regulated by the Board at any time at its discretion. Guests shall have the right to the use of all the facilities of the Club but shall not have the right to bring other guests or

visitors to the Club for the enjoyment or use of its facilities. Members and their dependents, as contemplated in Article IV, Section 1 hereof, shall have priority over guests in the use of all Club facilities. Applicants who have been denied membership to the Club may not be brought as guests by any member.

**Section 3. Regulations.** The Board of Directors may determine the regulations restricting the use of the Club's facilities by guests.

**Section 4. President's Privilege.** The President of the Club may extend the privileges of the Club to distinguished visitors and to duly accredited foreign diplomatic or consular officials who are in the Philippines for a brief visit, or members of foreign sports clubs duly recognized by the Club, with letters of introduction from their respective clubs if such members are in the Philippines for a brief visit.

#### Article V

#### SOCIAL GATHERINGS

Social gatherings, parties, entertainment and similar activities to be sponsored by a member shall be allowed to be held or conducted within the premises of the Club under such conditions as may be prescribed by the Board of Directors.

#### Article VI

#### MEETINGS OF STOCKHOLDERS

**Section 1. Annual Meetings.** The annual meeting of stockholders shall be held on the last Friday of July of each year. *(as amended in the meeting of the Board of Directors held on March 27, 2008 and the meeting of the stockholders held on July 31, 2008; and further amended in the meeting of the Board of Directors and stockholders held on August 17, 2010 and August 5, 2011, respectively)*

**Section 2. Special Meetings.** The special meetings of stockholders shall be held when called by the President or by at least a majority of the members of the Board of Directors or upon written request of stockholders representing a majority of the outstanding capital stock. Only matters specified in the notice and call will be taken up at special meetings.

**Section 3. Place of Meeting.** Stockholders' meetings, whether regular or special, shall be held at the principal office of the Club or at any place designated by the Board of Directors in the city or municipality where the principal office of the Club is located.

**Section 4. Notice.** Notice of the time and place of all annual and special meetings of stockholders shall be given by posting the same in the Club premises and by mail, enclosed in a postage prepaid envelope, addressed to each stockholder at his address as specified in the records kept by the Corporate Secretary. Written notice of an annual meeting shall be posted and sent by mail at least fourteen (14) days before the scheduled date of such annual meeting. Written notice of a special meeting shall be posted and sent by mail at least five (5) days before the scheduled date of such special meeting. The notice of a meeting shall contain the agenda of such meeting, and only matters specified in the agenda shall be taken up in such meeting and no other business shall be transacted at such meeting except by consent of all stockholders. Notices need not be published in any newspaper or in any other medium.

**Section 5. Eligibility to Vote and be Voted For.** For the first five (5) years from the date of incorporation of the Club, the right to vote in all matters requiring stockholders' approval, including the right to nominate and vote for the persons who shall serve as directors of the Club, shall rest solely and exclusively with the holders of Founders' Shares. In addition, the right to be voted for as member in the Board of Directors of the Club during such five (5)-year period shall rest solely and exclusively with the holders of Founders' Shares who are natural persons.

On the fifth anniversary of the incorporation of the Club, all stockholders of record, regardless of the class of share held by a stockholder, shall have the right to vote in all matters requiring stockholders' approval, including the right to nominate and vote for the persons who shall serve as directors of the Club. However, only stockholders who are members in good standing shall have the right to be voted for as member of the Board of Directors of the Club. Nominations for membership in the Board of Directors shall be in accordance with the procedures set out in Article VII, Section 9. *(as amended in the meeting of the Board of Directors and stockholders held on August 17, 2010 and August 5, 2011, respectively)*

**Section 6. Manner of Voting.** Subject to Article Seventh of the Articles of Incorporation and Article II, Section 2(c) of this By-laws, a stockholder shall be allowed to vote in person or by proxy at all meetings of stockholders. Proxies shall be executed in writing by the stockholder or his duly authorized attorney-in-fact and shall be submitted to the Corporate Secretary at least three (3) business days prior to the scheduled date of the meeting. Except in those cases where the law provides for a higher voting requirement, all corporate acts requiring approval of the stockholders under the Corporation Code of the Philippines shall be approved by a majority of the entire subscribed capital stock; provided that, for the first five (5) years from the date of incorporation of the Club, the approval of holders of at least a majority (or in the event that the law requires a higher percentage for the approval of certain corporate acts, then such higher percentage) of the Founders' Shares shall be necessary for the approval of corporate acts requiring the approval of stockholders for their effectivity and validity.

**Section 7. Quorum.** For the first five (5) years from the date of incorporation of the Club, the presence of a majority of the holders of Founders' Shares or their proxy shall constitute a quorum for the transaction of corporate business. In the absence of a quorum, one or more of the holders of Founders' Shares present at the time and place for which a meeting shall have been called may adjourn any meeting from time to time until the required quorum is met.

On the fifth anniversary of the date of incorporation of the Club, except in those cases where the law or the By-Laws otherwise provide, the presence in person or by proxy of stockholders representing more than fifty percent (50%) of the outstanding and issued capital stock shall constitute a quorum for the transaction of corporate business. In the absence of a quorum, any officer entitled to preside at such meeting or to act as secretary thereof, or a majority of the stockholders attending or represented at the time and place at which the meeting shall have been called or to which it may have been adjourned, may adjourn such meeting for any period until the required quorum is met.

**Section 8. Minutes.** Minutes of all meetings of stockholders shall be kept and shall be carefully preserved as a record of the business transacted at such meeting. The minutes shall contain such entries as may be required by law.

## Article VII

### THE BOARD OF DIRECTORS

**Section 1. Composition of the Board.** The corporate powers of the Club shall be exercised, its operations managed, and its property controlled by the Board of Directors consisting of eleven (11) members. For the first five (5) years from the date of incorporation of the Club, each director must be a holder of a Founders' Share at the time of election and must remain as such during his tenure as director. Following the fifth anniversary of the date of incorporation of the Club, each director must be a stockholder who is a member in good standing at the time of election and must remain as such during his tenure as director. The directors shall be elected at the annual stockholders' meeting and shall hold office for one (1) year and until their successors are duly elected and qualified. *(as amended in a meeting of the Board of Directors and stockholders held on July 6, 2010 and August 17, 2010 respectively)*

The candidate to the Board of Directors who shall have garnered the most number of votes shall be declared as having been elected to the Board of Directors. In the event that two (2) or more such candidates garner an identical number of votes, the tie shall



be decided by secret ballot to be conducted in the same meeting held for the purpose of electing the director. Directors shall receive no salaries from the Club.

**Section 2. Powers and Duties.** The Board of Directors shall be responsible for the general management of the affairs of the Club, its properties and facilities, and shall exercise the following powers, among others:

- (a) to adopt rules and regulations for the government of the members and management of the affairs of the Club and properties and facilities of the Club;
- (b) to suspend or otherwise discipline members, in accordance with the authority herein specified;
- (c) to appoint and, to the extent as may be allowed by law, remove at its pleasure all officers, agents and employees of the Club;
- (d) to determine, fix and change the compensation of officers, agents and employees and to require from them faithful service;
- (e) to determine who shall be authorized to sign bills, receipts, endorsements, checks, releases, contracts and documents on the Club's behalf;
- (f) to incur indebtedness or borrow money and, as security for payment thereof, to encumber, mortgage, or pledge the property of the Club as security therefor;
- (g) to employ, hire, contract for, and terminate the services of auditors, attorneys, and other consultants and contractors;
- (h) to create committees pursuant to Article X of this By-laws;
- (i) to approve the budget (including capital expenditures) of the Club;

(j) to give effect to the provisions of the By-laws on associate membership and lifetime membership as provided in Article II, Section 2(d) and 2(e) hereof;

(k) to grant to persons or entities usage rights for a duration of less than 1 year and set forth the criteria, liabilities and obligations required for such type of membership;

(j) to enter into agreements with other leisure and recreational clubs with a similar primary purpose as the Club for the purpose of granting reciprocal rights of usage to members of the Club and such other clubs subject to such terms and conditions as the Board of Directors may prescribe;

(k) to enter into an agreement with the umbrella organization or association that may be formed for the purpose of maintaining, securing, and improving common areas, facilities, and utilities that will be developed for the benefit of the Club and neighboring developments, and to cause the Club to be a member thereof and pay such fees and assessments as may be levied or imposed by such organization or association to cover the costs of maintenance, security, utilities and the like;

(l) to determine the date when the Club shall officially commence its commercial operations; and

(m) from time to time, to delegate as may be permitted by law any of the powers of the Board of Directors to any committee, officer or agent.

**Section 3. Board Meetings.** Following the incorporation of the Club, the initial Board of Directors shall meet as soon as practicable to elect the officers of the Club and to discuss other matters pending before it, provided that, following the fifth anniversary of the date of the incorporation of the Club, the meeting of the Board of

Directors to elect the officers of the Club shall be conducted after the annual meeting of stockholders where the members of the Board of Directors were duly elected. Thereafter, regular meetings may be held at such time and place and upon such notice as the Board of Directors may, by resolution, prescribe. Special meetings of the Board of Directors may be called by the President or, in his absence, by the Vice President or upon the written request of a majority of the directors. Notice of the special meeting shall be sent to each director by personal delivery or facsimile at least five (5) days prior to the scheduled date of the special meeting.

**Section 4. Quorum.** The Board of Directors shall act only as a body and no power is vested in an individual director as such. A majority of the elected directors shall constitute a quorum for the transaction of business. In the absence of a quorum, one or more directors present at the time and place for which a meeting shall have been called may adjourn any meeting from time to time until a quorum shall be present.

**Section 5. Vacancies.** Any vacancy occurring in the Board of Directors other than by removal or expiration of term may be filled by the vote of at least a majority of the remaining directors, if still constituting a quorum; otherwise, the vacancy must be filled by the stockholders at a regular or any special meeting of stockholders called for the purpose. A director so elected to fill a vacancy shall be elected only for the unexpired term of his predecessor in office.

Any directorship to be filled by reason of an increase in the number of directors shall be filled only by an election at a regular or special meeting of stockholders duly called for the purpose, or in the same meeting authorizing the increase of directors, if so stated in the notice of the meeting.

The vacancy resulting from the removal of a director by the stockholders in the manner provided by law may be filled by election at the same meeting of stockholders without further notice, or at any regular or special meeting of stockholders called for the purpose, after giving notice as prescribed in this By-laws.

**Section 6. Absent Directors.** A director who is absent without valid excuse for three (3) consecutive regular meetings of the Board of Directors may be removed as director by the Board, subject to the compliance by the Board of Directors with the requirements imposed under the rules adopted by the Board of Directors. The resulting vacancy shall be filled by the remaining directors constituting a quorum.

**Section 7. Indemnification of Directors and Officers.** A director or officer whether or not then in office, or in the event of death, his lawful representative(s), shall be indemnified by the Club, with respect to the performance of his official acts, duties and functions during his term of office against:

(a) all costs and expenses reasonably incurred by or imposed upon him in connection with or resulting from any action, suit or proceeding prosecuted to final judgement to which he may be a party in such capacity as director or officer; and

(b) all costs and expenses incurred by or imposed upon him in connection with or resulting from any such action, suit or proceeding which is settled with the approval of the court having jurisdiction thereof, but only in such amount as such court shall determine under the circumstances.

In case any director or officer, or his lawful representative, becomes aware of such charge, suit or proceeding, he shall forthwith inform the Board of Directors. Such director or officer, or his lawful representatives shall follow such reasonable instructions as the Board of Directors may prescribe in respect of the defense or proper action to be taken under the circumstances against any charge, suit or proceeding.

This Section shall not apply to damages, costs and expenses which a director or officer shall be finally adjudged to be personally liable or to damages, costs or expenses which a court may impose upon him by final judgement arising out of his negligence, fault or misconduct. The costs and expenses to be incurred in the defense

of a director or officer (including legal fees and other expenses) in a case where he is finally adjudged to be personally liable or arising out of his negligence, fault or misconduct shall be for the account of such director or officer.

**Section 8. Executive Committee.** The Club shall have an Executive Committee which shall be composed of not less than three (3) members of the Board, which shall include the President. The Board shall have the power at any time to elect, remove for any cause, and replace the members of, and fill vacancies in, the Executive Committee. The members of the Executive Committee shall appoint a Chairman from among themselves. Every decision of the Executive Committee shall require the affirmative vote or written assent of a majority of the members of the Executive Committee constituting a quorum. The Executive Committee shall have, and may exercise, in the intervals between meetings of the Board, all of the powers of the Board in the day-to-day management of the business and affairs of the Club, except with respect to: (1) approval of any action for which stockholders' approval is also required; (2) the filling of vacancies in the Board; (3) the amendment or repeal of these By-Laws or the adoption of new By-laws; (4) the amendment or repeal of any resolution of the Board which by its express terms is not so amendable or repealable; and (5) such other matters as may be specifically excluded or limited by Philippine Law or the Board. *(as amended in a meeting of the Board of Directors and stockholders held on July 7, 2008 and July 31, 2009 respectively)*

**Section 9. Nomination Committee.** The Board shall form a Nomination Committee and appoint from among themselves not less than three (3) members to the Nomination Committee, one of whom is an independent director.

- a) It shall have the following responsibilities:
  - (i) To promulgate the guidelines or criteria to govern the conduct of the nomination.

- (ii) To review and evaluate the qualifications of all persons nominated to the Board and other appointments that require Board approval;
  - (iii) To assess the effectiveness of the Board's processes and procedures in the election of replacement of directors.
- b) The procedure for nomination shall be as follows:
- (i) All nominations shall be submitted to the Nomination Committee by any stockholder of record on or before June 15 of each year to allow the Nomination Committee sufficient time to assess and evaluate the qualifications of the nominees;
  - (ii) All recommendations for the nomination of independent director shall be signed by the nominating stockholders together with the acceptance and conformity by the would-be nominees;
  - (iii) After the nomination, the Nomination Committee shall prepare a List of Candidates which shall contain all the information about all the nominees for election as members of the Board of Directors, which list shall be made available to the Commission and to all stockholders through the filing and distribution of the Information Statement or Proxy Statement, or in such other reports as the Corporation will be requested to submit to the Commission;
  - (iv) The name of the person or group of persons who recommended the nomination of the independent director(s) shall be identified in such report including any relationship with the nominee;
  - (v) Only nominees whose names appear on the List of Candidates shall be eligible for election as directors. No other nominations for election as director shall be entertained after the List of Candidates shall have been

prepared and finalized. No further nominations for election as director shall be entertained or allowed on the floor during the actual annual stockholders' meeting. *(as amended in a meeting of the Board of Directors and stockholders held on July 31, 2008 and July 31, 2009, respectively; and further amended in the meeting of the Board of Directors and stockholders held on August 17, 2010 and August 5, 2011, respectively)*

## **Article VIII**

### **OFFICERS**

**Section 1. Designation.** The Board of Directors, at its organizational meeting, and annually thereafter, shall elect from among themselves, as officers: a Chairman, President, Vice President, and Treasurer. *(as amended in a meeting of the Board of Directors and stockholders held on March 31, 2005)*

The Board of Directors may appoint one or more Assistant Secretaries, Assistant Treasurers, and such other officers as it may deem proper and who need not be regular members. Every officer shall hold office for a term of one (1) year or until his successor is duly elected and has qualified, unless sooner removed from office or otherwise disqualified by the Board of Directors, and all vacancies occurring among such officers, however arising, shall be filled by the Board forthwith. Except as otherwise provided by law, two (2) or more offices with compatible functions may be held by the same person whenever deemed convenient and expedient by the Board.

**Section 2. Chairman of the Board.** The Chairman shall have the following powers:

- (a) to preside at the stockholders' meetings and meetings of the Board of Directors;
- (b) to cast the deciding vote in case of a tie in the meeting of members and to vote last in the meetings of the Board of Directors;

- (c) to exercise such other powers which are given him by this By-laws.

**Section 3. The President.** The President shall preside at all general meetings of the members and all meetings of the Board of Directors in the absence of the Chairman. He shall be the chief executive officer and, as such, shall:

- (a) initiate and develop corporate objectives and policies and formulate long range projects, plans and programs for the approval of the Board of Directors, including those for executive training, development, and compensation;
- (b) control and have general supervision of all affairs of the Club and Corporation and, with the assistance of the other officers and of the respective committees, enforce this By-laws and the orders and resolutions approved by the Board of Directors. He shall, with the approval of the Board, appoint and supervise the employees of the Club;
- (c) together with the Treasurer, submit to the Board an annual expense and cash budget and plantilla of personnel, and subsequently such supplemental budget as he may deem necessary;
- (d) review all accounts and approve all expense vouchers, provided that, such vouchers relate to items included in the budget approved by the board of directors;
- (e) sign all approved contracts for and in the name of the Corporation and submit to the general meeting an annual report of the activities and status of the Club;
- (f) perform such other duties as are incident to his office or are entrusted to him by the Board of Directors.



The President may assign the exercise or performance of any of the foregoing powers, duties and functions to any other officer(s), subject always to his supervision and control.

**Section 4. The Vice President.** The Vice President shall act in place of the President in case of resignation, absence or incapacity of the latter. He shall perform such functions as may be delegated to him by the President or by the Board of Directors.

**Section 5. The Treasurer.** The Treasurer shall have custody of the funds of the Club and shall deposit such funds in a bank designated by the Board of Directors. He shall monitor delinquent accounts and submit regular status reports to the Board of Directors; keep the necessary books of accounts; and effect all collections and make all payments fully justified and duly approved by the President. A copy of the annual financial statements shall be sent to each member together with the notice of the annual general meeting. His books shall be open at all times for inspection by any director, officer, or auditor appointed by the stockholders. He shall keep an inventory of all the properties and assets of the Club.

**Section 6. The Corporate Secretary.** The Corporate Secretary shall keep the Club's stock and transfer book and the corporate seal, which he shall stamp on all documents requiring such seal; fill and sign, together with the President, all the certificates of stock issued; give or cause to be given, all notices required by law or by this By-laws as well as notices of all meetings of the Board of Directors and stockholders; certify as to the existence of a quorum at meetings; approve and sign all correspondences pertaining to the office of the Corporate Secretary; and keep the minutes of all meetings of the stockholders, the Board of Directors, and of all committees in books kept for that purpose. The Corporate Secretary must be a citizen and resident of the Philippines. The Corporate Secretary shall keep a record of the addresses and telephone numbers of all stockholders.

**Article IX**  
**EMPLOYEES AND AGENTS**

**Section 1. General Manager.** The Board of Directors shall contract the services of a General Manager with such salary, benefits, and terms as it may determine. The General Manager shall be responsible for the efficient management of the Club and shall be the Chief Operating Officer of the Club. He shall, without delay, inform the President of all matters requiring action of the Board of Directors; sign all correspondences on administrative matters relating to the Club; carry out orders and instructions of committees and other officers which have been approved by the President; enforce the policies, rules and regulations of the Club and orders of the Board; authorize necessary overtime work; and perform such additional duties as the Board of Directors may require. The General Manager shall sit in each standing committee as an *ex-officio* member.

**Section 2. Employees and Agents.** The Board of Directors may appoint such other employees and agents as it may deem proper, and may authorize any officer to appoint and remove such employees and agents. Each of such employees and agents so appointed shall hold office or agency for such period and have such authority and perform such duties as the Board of Directors or the appointing officer may determine.

**Article X**  
**STANDING COMMITTEES**

**Section 1. Standing Committees.** The Board of Directors may create such standing committees as it may deem reasonable and necessary in the proper operation of the Club such as, but not limited to, the Membership Committee, Finance Committee, Social Activities Committee, and House Committee.

**Section 2. Committee Chairman and Members.** The chairman of each of the standing committees shall be appointed by the President from among the members of the Board of Directors within fifteen (15) days from the organizational meeting of the

Board of Directors. The members of each standing committee shall be appointed by the chairman of such committee, subject to the concurrence of the Board. The chairman shall serve for a period of one (1) year or until his successor is duly appointed and qualified; provided that, in the event that the chairman of a committee ceases to be director for any reason, then he shall cease to be chairman of such committee, and the President may appoint his replacement from the remaining members of the Board for the unexpired term of such chairman.

The chairmen of the standing committees shall be the President's Advisory Board. They shall generally perform staff functions, formulate, propose and recommend policies and procedures and shall report and be directly responsible to the President.

## **Article XI**

### **SHARES OF STOCK**

**Section 1. Capital Stock.** The total authorized capital stock of the Club is as provided for in the Articles of Incorporation. No transfer of stock that will reduce the ownership of Filipino citizens to less than sixty percent (60%) of the outstanding capital stock of the Club or such percentage of the outstanding capital stock of a corporation seeking to own land in the Philippines which is required by law to be owned by Filipino citizens shall be allowed or permitted to be recorded in the Stock and Transfer Book of the Club. This restriction shall be printed or indicated in all the certificates of stock to be issued by the Club.

**Section 2. Issue Value.** Each share of stock shall have an issue value to be determined by the Board of Directors from time to time which in no case shall be less than the amount prescribed by law.

**Section 3. Stock Certificate.** The stock certificate shall be in the form which the Board of Directors shall approve. Each stockholder shall be entitled to one (1) or more certificates for each fully paid stock subscription in his name in the books of the Corporation. The stock certificates shall contain the matters required by law and the

Articles of Incorporation, and shall be in such form and design as may be determined by the Board of Directors and numbered consecutively. The certificates, which must be issued in consecutive order, shall bear the signature of the President, manually countersigned by the Secretary or Assistant Secretary, and sealed with the corporate seal. No profit shall inure to the exclusive benefit of any stockholder, hence, no dividends shall be declared on the shares of stock and stockholders shall be entitled only to a pro-rata share of the assets of the Corporation at the time of the dissolution or liquidation of the Corporation.

**Section 4. Loss or Destruction of Certificate.** The Board of Directors may direct the Corporate Secretary to issue a new stock certificate to replace any certificate therefor issued and shown to have been lost or destroyed to the satisfaction of the board of directors. In this connection, the provisions of Section 73 of the Corporation Code of the Philippines shall be complied with.

**Section 5. Stock and Transfer Book.** There shall be kept by the Secretary of the Corporation a book to be known as the "Stock and Transfer Book," containing the names, alphabetically arranged, of the stockholders and members, their addresses, nationality, number of their respective certificates, date of issuance, and such other entries as may be required by law and by the board of directors.

**Section 6. Transfer of Shares.** The shares of stock shall be subject to the Club's right of first refusal and other restrictions as provided for in Article Seventh of the Articles of Incorporation.

Subject to the restrictions, terms and conditions contained in the Articles of Incorporation and this By-laws, shares shall be transferred, sold, ceded, assigned or pledged by the delivery of the certificates duly endorsed by the stockholder, his or its attorney-in-fact, or other legally authorized person to third persons, provided that, prior to effecting any actual sale, transfer or disposition of his or its share, the stockholder, his or its attorney-in-fact or authorized representative shall pre-qualify the prospective transferee for membership in the Club by: (a) determining whether, in his opinion, the

prospective transferee possesses the minimum qualifications for membership as set forth in Article II, Section 2 of the By-laws, and (b) informing the transferee of the condition that the Board of Directors shall determine with finality, pursuant to this By-laws, whether the transferee in fact possesses the qualifications for membership. The original subscribing corporate holders of Founders' Shares shall, in addition to the foregoing, undertake to refund to the purchaser, within ten (10) days of receipt of written demand from such purchaser demanding a refund, the full amount of the purchase price paid for a share of any class in the event that the Board of Directors deny the application for membership of such purchaser.

Subject to Article XII, Section 5 hereof, the transfer shall be valid and binding on the Corporation only upon its recording thereof in the books of the Club, cancellation of the certificate surrendered to the Secretary, and issuance of a new certificate to the transferee. The sale, assignment, transfer or other disposition of any share of stock of the Club shall be recorded in the books of the Club, and the stock certificate in the name of the purchaser, assignee, or transferee shall be issued by the Club, within sixty (60) days from the date of full payment by such purchaser, assignee or transferee of the consideration for the share or, where no consideration was paid, from the date of execution of the document effecting the transfer, subject to the condition that such purchaser, assignee or transferee shall have qualified for membership as determined by the Board of Directors.

The obligation of the Corporate Secretary to effect the sale, assignment, transfer or disposition of a share of stock in the books of the Club and issue the stock certificate pursuant to the immediately preceding paragraph shall, in any event, be exercised in accordance with the requirements of applicable laws. *(as amended in a meeting of the Board of Directors and stockholders held on March 31, 2005; as further amended in a meeting of the Board of Directors and stockholders held on May 26, 2005)*

No shares of stock against which the Club holds any unpaid claim shall be transferable in the books of the Club.

All certificates surrendered for transfer shall be stamped "Cancelled" on the face thereof, together with the date of cancellation, and attached to the corresponding stub with the certificate book.

**Section 7. Violations.** In case any stockholder, or his or its assignee, nominee or grantee violates the provisions of the Articles of Incorporation or this By-laws or resolutions duly promulgated by the Board of Directors or stockholders, or commits any other act or conduct which the Board of Directors may deem injurious to the interest or hostile to the objects of the Club, such stockholder, assignee, nominee, or grantee may be expelled by the Board of Directors in the manner provided in Article XIII hereof.

## **Article XII**

### **DUES AND ASSESSMENTS**

**Section 1. Dues and Assessments.** Holders of shares of the Club shall be subject to the payment of monthly dues in the manner discussed in Article XII, Section 2 hereof in an amount to be prescribed by the Board of Directors, which amount shall in no case be less than Two Thousand Pesos (₱2,000.00) per month, to meet the expenses for the general operations of the Club and the maintenance of its premises and facilities. These monthly dues shall be in addition to fees and special assessments which the Board of Directors may require for the actual use of the Club facilities and for the improvement of its premises and facilities. The Board of Directors shall also impose reasonable fees and charges on activities of the Club which shall include, but not limited to, the following:

- (a) evaluation and processing of applications for all types of membership in the Club;
- (b) any transfers and changes in memberships or transfers and changes in the ownership of the Club Shares;

(c) the use of the Club facilities by guests and immediate family members in accordance with Article IV of this By-laws, provided that, the fees to be imposed by the Board of Directors on immediate family members hereunder shall be in addition to regular monthly dues which shall be payable by such family member in an amount equivalent to the following: (i) for each Junior Dependent, not more than twenty-five percent (25%) of the regular monthly dues payable by the Club member, and (ii) for each Senior Dependent, not more than fifty percent (50%) of the regular monthly dues payable by the Club member; and

(d) the use of the Club facilities by Associate Members and Lifetime Members which shall be in addition to the fees and dues imposable on the holder of the share of stock from whom their memberships are derived.

The amount of the foregoing dues, fees and assessments shall be reviewed and fixed by the Board of Directors from time to time as it shall deem necessary.

The foregoing dues, fees and assessments, together with all other obligations of the holders of the shares of the Club, shall constitute a first lien on the shares, second only to any lien in favor of the national or local government. In the event that a stockholder fails to effect the payment of dues and other obligations due to the Club, his or its shares may be ordered redeemed by the Board of Directors in the manner provided in this By-laws to satisfy said dues or other obligations of such stockholder.  
*(as amended in a meeting of the Board of Directors held on December 12, 2006)*

**Section 2. Obligation to Pay Dues and Assessments.** Founding Members shall be obliged to pay monthly dues, fees and assessments on the date of commencement of the commercial operations of the Club as determined by the Board of Directors.

The original subscribing holders of Founders' Shares which are juridical entities shall be obliged to pay the monthly dues, fees and assessments to the Club pertaining to a share upon: (i) the receipt by the Club of their written intention to exercise the usage

rights pertaining to such share, (ii) the payment of an activation fee in an amount to be determined by the Board of Directors, and (iii) the application and qualification of its nominees for membership, provided that, the Club shall have commenced commercial operations. Unless these requirements are met, the original corporate subscribers of the Founders' Shares shall not be obliged to pay such dues, fees and assessments. However, in the event that such original corporate subscribers transfer, sell or dispose of the Class A Shares held by them following the expiry of the five (5)-year period from the date of incorporation (other than to their designees), the obligation of the transferee or purchaser of such Class A Share to pay monthly dues, fees and assessments to the Club shall commence upon his or its acquisition of the Class A Share (whether or not the holder thereof or his or its nominee shall have qualified for membership in the Club), provided that the Club shall have started commercial operations.

The obligation of a holder of a Class B Share, Class C Share, Class D Share or Class E Share (other than the original subscribers thereof) to pay monthly dues, fees and assessments shall commence upon his or its purchase or acquisition of a share of stock of the Club from such original subscribers (whether or not the holder thereof or his or its nominee shall have qualified for membership in the Club), provided that, the Club shall have started commercial operations and, provided further that, the liability of a holder of a Class C Share or Class E Share for the dues, fees and assessments shall be twice the amount imposable on the holder of a Class B Share or Class D Share, it being understood that the holder of a Class B Share or Class D Share is entitled to one (1) usage right and the holder of a Class C Share or Class E Share is entitled to two (2) usage rights. No monthly dues, fees, and assessments shall accrue upon the subscription to, and ownership of, the Class B Shares, Class C Shares, Class D Shares and Class E Shares by the original subscribers thereof. *(as amended in a meeting of the Board of Directors and stockholders held on March 31, 2005)*

**Section 3. Primary Liability.** The holder of a share of stock shall, in all instances, be primarily liable for the payment of such dues, fees and assessments to the Club that may accrue by reason of his or its ownership of the share and the dues,



fees and assessments accruing on each usage right attached thereto, notwithstanding that such usage rights may have been granted to a Nominated Member or Associate Member pursuant to the provisions of this By-laws. A Lifetime Member shall, however, be primarily liable for the dues, fees and assessments accruing on the usage rights granted to him pursuant to this By-laws.

**Section 4. Billing, Posting and Delinquent Members.** Each stockholder or member liable under this By-laws to pay dues and fees to the Club shall be sent a monthly statement of account showing the amount of the monthly dues payable by him, the charges accumulated by him, the members of his family and guests during the relevant billing period for use of the Club facilities and such other fees and special assessments for which he is liable, and the due date for payment. If the amounts specified in such statement remain unpaid as of the due date set forth therein for its payment, the Treasurer shall send him written notice requiring the payment of his account in full within a prescribed number of days after receipt of such notice, and further indicating that in the event that he fails to effect such payment within such extended period for payment, he shall be placed under delinquent status and his name will be posted as delinquent together with the names of all the other shareholders and members also on delinquent status at the Club bulletin board. During the period within which a member remains under delinquent status, a member and/or immediate members of his family cannot avail themselves of the facilities of the Club. Neither can such member bring guests to the Club nor authorize any person to use the Club facilities under his name. In addition, a delinquent member shall not be entitled to be voted for in the election of directors.

Members on the delinquent list for more than sixty (60) days after the due date specified for the settlement of their unpaid accounts who fail to settle the unpaid obligations of their assignees or nominees during such 60-day period, shall be reported to the Board of Directors. Thereafter, the Board of Directors may order the redemption of the share of such delinquent member. The redemption of such share shall be governed by Article XII, Section 5 hereof. A member may pay his overdue account at any time before the redemption.

The Board of Directors may prescribe such other penalties (whether monetary or non-monetary) and resort to such other remedies as it may deem necessary to ensure collection of the monthly dues, fees and assessments and other obligations of the members of the Club.

**Section 5. Lien on Shares; Redemption of Shares.** The Club shall have a lien on every share of stock to secure the payment of the outstanding obligations of members and/or stockholders. This lien shall be enforced by the Club in the following manner:

- (a) Within ten (10) days after the Board of Directors has ordered the sale at auction of the share of stock owned by a delinquent member pursuant to Article XII, Section 4 hereof, the Secretary shall send written notice of such order to such member at the latter's last known address as reflected in the records of the Club and advise the Membership Committee accordingly, indicating in such notice the date of the scheduled auction. The Secretary in such notice shall also require the surrender of the share of stock owned by the delinquent member. In the event that, for any reason whatsoever, (a) the member can no longer be found or located at such address of record; or (b) the written notice could not be served, delivered or received at such address; or (c) the member or other person at said address refused to receive, accept or claim the written notice; or (d) the written notice is returned to the Club; or (e) the registry return card or other evidence of receipt was not returned to the Club; or (f) the address could not be found or does not exist; or (g) any such analogous circumstances as determined by the Membership Committee, then the Club shall publish the notice in a newspaper of general circulation in the Philippines and the fact of such publication shall be deemed to satisfy the written notice requirement under this sub-section 5(a).

(b) The Membership Committee shall then notify all applicants on the Waiting List (if any) and all registered stockholders of the availability of a share of stock for sale at auction at a specified date, time and place, and shall post a notice to that effect in the Club bulletin board for at least ten (10) days prior to the auction sale.

(c) On the date and hour fixed, the Membership Committee, as represented by its Chairman, or in the latter's absence, by the General Manager, shall proceed with the auction by *viva voce* bidding and award the sale of stock to the highest bidder. The minimum bid per share shall be reasonably determined and fixed by the Board of Directors prior to the auction and shall be posted in the Club bulletin board also prior to the auction.

(d) The bid price shall be paid by the winning bidder to the Club in full within twenty-four (24) hours after the bidding. The winning bidder shall become a stockholder upon full payment of the bid price, recording of the transfer of the share in the books of the Club, and the issuance of a new stock certificate in the name of the winning bidder. The winning bidder shall only become a member upon the approval by the Board of Directors of its or his membership application. The balance of the proceeds of the sale shall be paid to the selling stockholder after settling all unpaid accounts due to the Club from such stockholder.

(e) If no bid is received or the bids received offer to purchase the share of stock at less than the minimum price fixed by the Board of Directors, or if the winning bidder fails to pay the amount of his bid in full within twenty-four (24) hours after the bidding, the same auction procedures prescribed above shall be repeated from time to time at the discretion of the Membership Committee until the share of stock offered for bidding is sold in accordance with such procedures.

(f) If the proceeds from the sale of the share of stock are not sufficient to pay in full the obligations due to the Club from the delinquent member or selling stockholder, then such member or selling stockholder shall continue to be obligated to the Corporation for the payment of such obligation. If the member whose share of stock is sold fails or refuses to surrender the stock certificate for cancellation, cancellation shall be effected upon the order of the Board of Directors even without the surrender of the stock certificate, and such cancellation shall render the unsurrendered stock certificate null and void. For this purpose, the Corporate Secretary shall be deemed constituted as the delinquent member's or stockholder's attorney-in-fact to perform all the necessary acts to effect such cancellation, including the endorsement or assignment of the share sold at auction to the winning bidder. *(as amended in a meeting of the Board of Directors and stockholders held on June 11, 2013 and August 2, 2013, respectively)*

The provisions of this Article XII, Section 5 shall likewise be applicable to the sale of the share of a member or stockholder who has been expelled by the Board of Directors pursuant to Article XIII; provided that, for purposes of complying with the notice requirement under Article XII, Section 5(a), the Secretary shall send the required written notice to the stockholder who was expelled within ten (10) days from the date the Board of Directors orders the expulsion of such member. *(as amended in a meeting of the Board of Directors and stockholders held on May 26, 2005)*

### Article XIII

#### SUSPENSION AND EXPULSION

**Section 1. Suspension and Expulsion.** The Board of Directors, by two-thirds (2/3) vote of its members, upon prior written notice and prior hearing, may reprimand, suspend or expel a member on any of the following grounds:

- (a) violation of the Articles of Incorporation or these By-laws;

(b) violation of the rules, regulations, resolutions and orders duly promulgated by the Board of Directors or stockholders; or

(c) commission of acts by a member, the immediate members of his family, or his guests which, in the opinion of the Board of Directors, are inimical to the Club, its stockholders or members, or injurious to the interests or repugnant to the objectives of the Club, including misbehavior or misconduct in the Club premises, improper and objectionable use of Club facilities and habitual delinquency in the payment of Club dues and assessments.

The penalty of reprimand, suspension or expulsion shall be imposed by the Board of Directors depending on the severity of the offense. The procedure under which a member or the nominee or assignee of a registered stockholder is reprimanded, suspended or expelled shall be determined by the Board of Directors.

Any member who has been suspended or expelled may appeal the order of suspension or expulsion to the stockholders at a general or special meeting. A vote of a majority of the quorum present in such meeting shall be sufficient to affirm or reverse a decision of expulsion. The decision of the stockholders shall be final. The procedures for such appeal shall be promulgated by the Board of Directors. An expelled member shall be forever disqualified from any kind of membership in the Club or from being a guest at the Club. The suspension or expulsion of a Regular Member shall automatically include the suspension or expulsion of the assignees, nominees or grantees of said member (other than the Lifetime Member from whom the share of the Regular Member was obtained, whenever applicable). If an assignee, nominee or grantee of a Regular Member is suspended or expelled by reason other than delinquency in the payment of accounts, only the erring assignee, nominee or grantee shall be subject to the penalty of reprimand, suspension or expulsion.

**Section 2. Surrender of Stock Certificate and Sale of Share.** Any member who is expelled from membership in the Club must surrender his stock certificate within thirty (30) days from receipt of notice of his expulsion.

**Article XIV**  
**CORPORATE SEAL**

The seal of the Club shall be in such form and design as may be prescribed by the Board of Directors.

**Article XV**  
**MISCELLANEOUS PROVISIONS**

**Section 1. External Club Auditor.** The stockholders shall appoint annually an External Auditor who shall audit the books of the Club and shall prepare the annual balance sheet and profit and loss statement, and perform such other functions as the Board of Directors may prescribe. The External Auditor shall submit its audit report in time for the annual stockholders' meeting.

**Section 2. Legal Counsel.** The Board of Directors shall appoint a Legal Counsel who shall advise the Board on all legal issues relating to the Club and its operations, determine and file the proper legal action against third parties or members of the Club, and exercise such other functions as may be authorized by the Board.

**Section 3. Fiscal Year.** The fiscal year of the Club shall end on December 31 of each year.

**Section 4. Amendment.** The Board of Directors, by a majority vote thereof, and such number of stockholders representing at least a majority of the outstanding capital stock, at a regular or special meeting duly called for the purpose, may amend or repeal this By-laws or adopt new by-laws. Stockholders representing at least two-thirds (2/3) of the outstanding capital stock may delegate to the Board of Directors the power to amend or repeal this By-laws or adopt new by-laws, provided that, any power delegated to the Board of Directors to amend or repeal this By-laws or adopt new by-laws shall be considered as revoked whenever the stockholders owning or

representing at least two-thirds (2/3) of the outstanding capital stock shall so vote at a regular or special meeting called for the purpose.

**Article XVI**  
**ADOPTION CLAUSE**

The foregoing By-laws was adopted by the affirmative vote of all the incorporators on February 10, 2005 at the principal office of the Club.

**IN WITNESS WHEREOF**, we, the undersigned incorporators vote in favor of the adoption of these By-laws, and have hereunto subscribed our names this February 10, 2005 at Makati City, Metro Manila.

**FERNANDO ZOBEL DE AYALA**  
(sgd)

**CARLOS L. DE LEON**  
(sgd)

**JAIME I. AYALA**  
(sgd)

**PAULLOLLINDO A. ELAURIA**  
(sgd)

**VINCENT Y. TAN**  
(sgd)

**JAIME E. YSMAEL**  
(sgd)

**MA. VICTORIA E. AÑONUEVO**  
(sgd)

**EMILIO J. TUMBOCON**  
(sgd)

**JOSE RENE D. ALMENDRAS**  
(sgd)

**MA. CYNTHIA H. POBLADOR**  
(sgd)

**RAUL M. IRLANDA**  
(sgd)

SIGNED IN THE PRESENCE OF:

ROSABELLA S. ABELLA  
(sgd)

EDUARDO S. GONZALEZ  
(sgd)