



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

Company Reg. No. A1996-10826

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

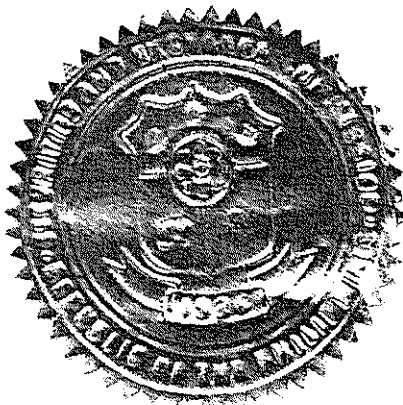
**KNOW ALL PERSONS BY THESE PRESENTS:**

**THIS IS TO CERTIFY** that the Amended By-Laws of

**EAGLE RIDGE GOLF AND COUNTRY CLUB INC.**

copy annexed, adopted on December 20, 2007 by majority vote of the Board of Directors and on February 12, 2008 by the vote of the stockholders owning or representing at least two-thirds of the outstanding capital stock, and certified under oath by the 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 hereunto set my hand and caused the seal of this Commission to be affixed at Mandaluyong City, Metro Manila, Philippines, this 30<sup>th</sup> day of April, Two Thousand Eight.



  
BENITO A. CATARAN  
Director  
Company Registration and Monitoring Department



# COVER SHEET

A 1 9 9 6 1 0 8 2 6

S.E.C. Registration Number

EAGLE RIDGE GOLF AND COUNTRY

CLUB, INC.

(Company's Full Name)

BRGY JAVALERA GEN TRIAS

PROVINCE OF CAVITE

( Business Address: No. Street City / Town / Province )

ATTY. PREMY ANN G. BELOY

Contact Person

(02) 817-5506

Company Telephone Number

1 2

Month

3 1

Day

Fiscal Year

ABL

FORM TYPE

ANY DAY IN OCTOBER

Month

Day

Annual Meeting

RS

Secondary License Type, If Applicable

Dept. Requiring this Doc.

N.A.

Amended Articles Number/Section

Total No. of Stockholders

Total Amount of Borrowings

Domestic

Foreign

To be accomplished by SEC Personnel concerned

File Number

\_\_\_\_\_

LCU

Document I.D.

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Cashier

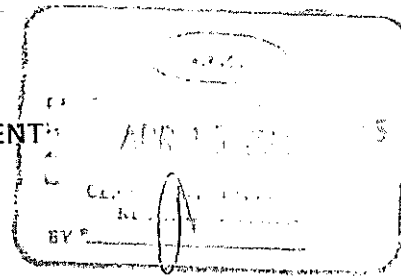
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DIRECTORS' CERTIFICATE OF AMENDMENT  
OF THE BY-LAWS

OF


**EAGLE RIDGE GOLF AND COUNTRY CLUB, INC.**

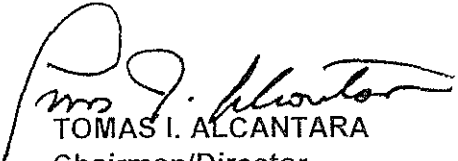


KNOW ALL MEN BY THESE PRESENTS:

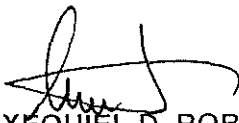
We, the undersigned, being the Chairman of the Board of Directors, the Corporate Secretary, and a majority of the members of the Board of Directors of EAGLE RIDGE GOLF AND COUNTRY CLUB, INC. (the "Corporation") hereby certify that:

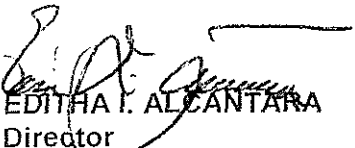
- (1) At the Special Meeting of the Stockholders held on the 12<sup>th</sup> day of February 2008 and at the Special Meeting of the Board of Directors of the Corporation held on the 20th day of December 2007, at the principal office of the corporation, the stockholders of the Corporation representing at least two-thirds (2/3) of the outstanding capital stock entitled to vote and the majority of the Board of Directors, approved the amendment of the By-Laws of the Corporation;
- (2) Attached hereto is a true and correct copy of the By-Laws of the Corporation incorporating the said amendments.

IN WITNESS WHEREOF, we, the undersigned Directors, Chairman and Corporate Secretary of the said corporation have hereunto set our hand this MAR 06 2008 at Manila, Metro Manila, Philippines. 


  
TOMAS I. ALCANTARA  
Chairman/Director

TIN: 105-252-550

  
EXEQUIEL D. ROBLES  
Director  
TIN: 139-154-445

  
EDITHA I. ALCANTARA  
Director

TIN: 101-533-701

  
VICENTE R. SANTOS  
Director  
TIN: 155-110-146

Directors' Certification Relative to the  
Amendment of the By-Laws  
EAGLE RIDGE GOLF & COUNTRY CLUB, INC.  
February 12, 2008 – Special Stockholders Meeting  
Page No. 2.

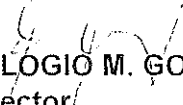
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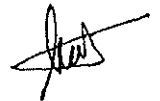
**BENJAMIN R. ALMARIO**  
Director  
TIN: 113-379-128



**MARIZA SANTOS-TAN**  
Director/Corporate Secretary  
TIN: 139-154-574



**EULOGIO M. GOMEZ**  
Director  
TIN: 139-553-061



ATTEST:



**PREMY ANN G. BELOY**  
Assistant Corporate Secretary  
TIN: 123-317-380

REPUBLIC OF THE PHILIPPINES)  
City of Mandaluyong ) S. S.

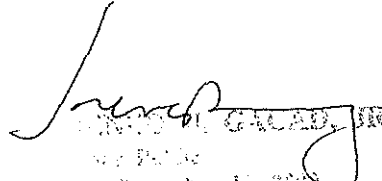
SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ with the  
presentation of their respective Community Tax Certificates, to wit:

<u>Name</u>	<u>Community Tax Cert. No.</u>	<u>Issued On/At</u>
Tomas I. Alcantara	12708424	1-22-2008/Davao City
Editha I. Alcantara	19288704	1-24-2008/Makati City
Exequiel D. Robles	10192196	1-16-2008/Pasig City
Vicente R. Santos	10201454	1-16-2008/Pasig City
Mariza S. Tan	10201455	1-16-2008/Pasig City
Benjamin R. Almario	19596285	2-21-2008/Muntinlupa City
Eulogio M. Gomez	11593436	1-16-2008/Marikina City

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my notarial  
seal at \_\_\_\_\_, Metro Manila, Philippines .

Doc. No. 83  
Page No. 17  
Book No. XLVIII  
Series of 2008.

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NOTARY PUBLIC  
February 12, 2008  
Mandaluyong City, Philippines

AMENDED  
BY-LAWS  
  
OF  
  
**EAGLE RIDGE GOLF and COUNTRY CLUB, INC.**

ARTICLE I

NAME OF CLUB

Sec. 1. **Name.** The name of the Club shall be EAGLE RIDGE GOLF and COUNTRY CLUB, INC.

ARTICLE II

CLUB MEMBERSHIP

Sec. 1. **Club Membership.** Membership in the Club is a privilege. A holder of a share of stock of the Club is not ipso facto a member of the Club. He must file an application for membership or may assign his rights to an assignee as prescribed herein.

The purchase of a share does not qualify a person or company for membership. Only by the action of the Board of Directors may a person or company be elected to membership subject to the limitations provided for in Article II, Section 2 herein.<sup>1</sup>

Sec. 2. **Classification of Membership.** Membership in the Club shall consist of Regular, Assignee, Honorary and Founding Members.

a. **Regular Members.** The Regular members of the Club are as follows:

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<sup>1</sup> As amended by the Board of Directors on December 20, 2007 and by the Stockholders on February 12, 2008.

- (i) A natural person who is a registered owner of at least one share of the outstanding capital stock of the Club, hereafter, referred to as an Individual Member.<sup>2</sup>
- (ii) A duly designated nominee of a juridical entity in whose juridical entity's name a Class "A" share of stock has been issued, and who shall be a director, an executive officer or a bonafide employee of such juridical entity within the meaning of Philippine Labor Laws, as certified by the Chief Executive Officer or Corporate Secretary of such juridical entity. Such duly designated nominee shall hereafter be called a Corporate Nominee.<sup>3</sup>

A Corporate Nominee shall automatically be ineligible for regular membership when he ceases to be a director, executive officer or an employee of the designating juridical entity of the corresponding share of stock.<sup>4</sup>

- (iii) A duly designated assignee of a juridical entity in whose juridical entity's name a Class "A" share of stock has been issued, hereafter called a Corporate Assignee.

A Corporate Assignee shall automatically be ineligible for regular membership upon receipt by the Club of a written notice from the juridical entity withdrawing or terminating the assignment, or upon the sale by the juridical entity of the corresponding share of stock.<sup>5</sup>

Regular members shall be entitled to use the facilities of the Club, provided, however, that only Individual Members and Corporate Nominees shall have the right to vote and be voted at the election of directors.<sup>6</sup>

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<sup>2</sup> *Ibid.*

*Ibid.*

<sup>4</sup> *Ibid.*

*Ibid.*

A juridical entity owning one (1) Class "A" or Class "B" Common Share shall designate one (1) Corporate Nominee in writing, through a resolution of its board of directors or trustees for each share of stock registered in its name in the books of the Club. A juridical entity owning a Class "C" Common Share may, designate two (2) such representatives, whether Corporate Nominees or Corporate Assignees, provided, that, only one (1) such representative, as designated in the appropriate board resolution, may vote on other matters or for purposes as herein stated in the By-Laws. Such representative(s), upon approval of the Board, shall be admitted as a Regular Member(s) and shall be entitled to all privileges of the Club provided that a processing fee, in such amount as may be prescribed by the Board of Directors, shall be charged for every change in the designated nominee of the juridical entity.<sup>7</sup>

Individual Members shall have the following qualifications:

- (1) Of legal age;
- (2) Of good moral character;
- (3) A registered owner of at least one (1) share of the outstanding capital stock of the Club;  
and
- (4) Has submitted, in due form, an application for membership to the Club.<sup>8</sup>

The procedure for admission of Individual Members shall be as follows:

- (1) An application form shall be accomplished and be submitted to the Membership Relations Office, together with a letter of nomination signed by two Regular Members, one as proposer and the other as seconder, and a duly executed Agreement to Sell/Purchase evidencing the applicant's intent to purchase a Club share. The members of the Board of Directors and Membership Committee, shall be disqualified from acting as proposers or seconds. Together with the application form, is the proof of payment of admission

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<sup>6</sup> *Ibid.*  
*Ibid.*



deposit in an amount to be approved by the Board, which shall be refunded in case the admission is denied. When this application is approved, the said amount shall be treated either as an advance payment for his share (in case, it is the Club selling) or an advance payment for transfer of rights and/or ownership dues.<sup>9</sup>

Further, an outgoing Regular Member or Assignee may not act as proposer or seconder for an Individual Member applying for admission.<sup>10</sup>

- (2) The application shall be processed by the Membership Committee. If the recommendation of the Membership Committee is favorable, then the application is submitted to the Board of Directors at its next meeting. The Board of Directors shall then determine whether the application shall be approved for posting at the Clubhouse Bulletin Board for a period of one (1) month. If so approved, the applicant shall be entitled to use the facilities of the Club on the first day of the month following the date his application is posted at the Clubhouse Bulletin Board.<sup>11</sup>

Applicants whose applications are posted pursuant to the immediately preceding paragraph shall, beginning on the first day of the month immediately following the date his application is posted shall no longer be charged for green fees but shall be assessed monthly dues as provided in Article XIII hereof.<sup>12</sup>

Applicants whose applications are approved for posting may not introduce quests to the Club until his application for membership is approved by the Board of Directors.<sup>13</sup>

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<sup>9</sup> *Ibid.*

<sup>10</sup> *Ibid.*

<sup>11</sup> *Ibid.*

<sup>12</sup> *Ibid.*

<sup>13</sup> *Ibid.*

<sup>14</sup> *Ibid.*

- (3) If no objection is raised by a Regular Member during the period of posting, the applicant (accompanied by the proposer/seconded) shall be invited to meet the Board of Directors at its next monthly meeting. The applicant shall be approved for membership by the Board of Directors at its next monthly meeting by a majority vote of those constituting a quorum, provided that no director present at such meeting shall dissent thereto.<sup>14</sup>
- (4) The applicant shall be informed of the action of the Board of Directors. If the applicant has not purchased a share of stock, his name shall be placed in the Waiting List. Upon approval of the application, the applicant has thirty (30) days from receipt of notice within which to acquire a share of stock and register the same in his name in the Stock and Transfer Book of the Club. Failure of the applicant to acquire a share and register the same in his name within the said period shall result in the suspension of the privileges granted to such applicant.<sup>15</sup>

The procedure for admission of juridical entities are as follows:

- (1) Application form for Membership shall be accomplished by the Chairman of the Board, President, or Chief Executive Officer of said applicant and submitted to the Secretary duly signed by a Regular Member as proposer and another Regular Member as seconded. Members of the Board of Directors and members of the Membership Committee are disqualified from being proposers and seconders. Simultaneously, an application form for the Assignee of the share shall also be accomplished, duly proposed and seconded as above with the same disqualifications. The same admission deposit shall be required as provided in ART II Sec. 2-a(1). An outgoing Regular Member or Assignee may not act as proposer and seconded.<sup>16</sup>

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<sup>14</sup> *Ibid.*  
<sup>15</sup> *Ibid.*  
<sup>16</sup> *Ibid.*

- (2) The application is processed by the Membership Committee. If the recommendation of the Committee is favorable, the application is submitted to the Board of Directors at its next meeting. The Board then determines whether the applicant's name shall be approved for posting in the Clubhouse for a period of one month.<sup>17</sup>
- (3) If no objection is raised by any member during the period of posting and circulation, the applicant, accompanied by the Proposer/ Secunder, is invited to meet the Board of Directors at its next monthly meeting. The Board then elects the applicant to membership on a unanimous vote. The applicant is then so informed and the Secretary shall then register such share in its name in the Stock and Transfer Book.

b. **Assignee Members.** Assignee Members are natural persons who are assignees of certain rights enjoyed by the stockholders of the Club, and must also pass the qualifications of the Club for individual memberships. Assignee Members shall be entitled to use the facilities of and the privileges extended by the Club, except the right to vote, the right to hold office, and the right to the assets and property of the Club. As such, the immediate members of the family of an Assignee Member may, subject to the conditions imposed herein, use the facilities of the Club. An Assignee Member shall assume the payment of monthly dues as well as other charges or assessments that the Board of Directors may impose from time to time. In the event of delinquency on the part of the Assignee Member, the Assignor-Stockholder shall be held liable therefore and of the Assignee Member's unpaid accounts, including but not limited to F&B purchases, green fees, use of the facilities, etc.<sup>18</sup>

During the period covering the assignment, the Assignor and the members of his immediate family shall forfeit all rights to use the Club facilities until the Club receives written notice of the cancellation of the

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*Ibid.*  
*Ibid.*

assignment and full and satisfactory settlement of all unpaid accounts, dues and other charges owing from the Assignee Member.<sup>19</sup>

In the event of an assignment, the Assignor shall totally forfeit his right to use all club facilities. No partial assignments shall be allowed.

c. **Honorary Members.** Honorary Membership shall be automatically extended only to the following incumbent public officers. The President of the Philippines, the Governor of Cavite and the Mayor of the Municipality of General Trias, Cavite and such individual persons hereafter designated by the Board of Directors.<sup>20</sup>

d. **Founding Members.** Founding Members shall be composed of the original incorporators or subscribers of the Corporation who are holders of founders' shares.

Founding Members who are owners of founders' shares have the sole right to vote within a period of five (5) years from the time of full operation of the Club. After the initial five-year period has lapsed, the voting rights of the rest of the Common shares shall be revived, thus, putting the Founders' shares on equal footing in all respects with the Common Class "A" shares. Provided, however, that the exclusive right of the owners Founder's shares to vote and be voted as directors shall be limited for a period of five (5) years from date of incorporation of the Club.<sup>21</sup>

Sec. 3. **Disapproval of Application.** All applications for membership in the Club shall be subject to the approval of the Board of Directors. In the event that an application for membership of a stockholder is disapproved by the Board of Directors, the stockholder shall dispose of his share within a period of sixty (60) days from notice of disapproval. In case of failure on the part of the shareholder to effect

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<sup>19</sup> *Ibid.*  
<sup>20</sup> *Ibid.*  
<sup>21</sup> *Ibid.*

such transfer as herein required, the stock shall be offered for sale at auction in the manner provided for under Article XIII, Section 3 herein.<sup>22</sup>

### ARTICLE III

#### WAITING LIST

Sec. 1. **Waiting List.** There shall be a Waiting List to be kept by the Corporate Secretary which shall be a register of the names of persons desiring to be regular members but who cannot as yet be admitted as Regular Members due to non-availability of shares of stock to be issued in their names or to the corporation represented by such persons. Order of priority in the Waiting List shall be established based on the order of filing of the applications, provided, however, that the number of applicants that can be included in the list shall not exceed one hundred (100) at any given time.

Applicants in the Waiting List shall be notified by the Corporate Secretary of the availability of shares of stock for sale as provided for under Article XIII, Section 3 of these by-laws. Upon such purchase of the shares of stock, the application for membership of said shareholder will be processed for approval.

### ARTICLE IV

#### MEMBERS OF FAMILY, GUEST AND VISITOR

Sec. 1 **Immediate Members of the Family.** As used herein, the phrase "immediate members of the family" shall mean a member's spouse as well as unmarried children below thirty (30) years of age. The immediate members of the family of a member and the assignee member in good standing are entitled to use all the club facilities, subject to such limitations, rules and regulations as the Board of Directors may prescribe from time to time; provided, however, that the Board of Directors may impose additional membership dues in such amount equivalent to not more than 25% of the regular membership

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*Ibid.*

fees as may be determined by the Board of Directors on any member with dependent(s) over 23 years old.<sup>23</sup>

Sec. 2           **Guests.** Guests shall be those persons to whom the privileges of the Club may be extended by regular members in good standing upon invitation. The Board of Directors shall prescribe the appropriate guest fees and card issuance fees, and shall reserve the right to review and increase these fees from time to time.<sup>24</sup>

The privilege of members to invite guests may be suspended by the Board of Directors 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 introduce other guests. Members and their immediate families, as defined in Article IV, Section 1, shall have priority over guests in the use of all Club facilities.<sup>25</sup>

A member shall be responsible for all debts and liabilities to the Club that may be incurred by any person introduced by him as guest, subject to the provisions of Article XIII, Section 3, unless the member has specified that all charges shall be paid exclusively for the guest's own account.<sup>26</sup>

An applicant disapproved for membership may not be introduced or given guest privileges.

Sec. 3.           **Visitors.** A visitor is a non-member entering the Club accompanied by a regular member of good standing. The member shall be responsible for the conduct of the visitors.

Members introducing visitors must register the name of such visitor in the book provided for that purpose, and failure to do so shall constitute a ground for suspension. Person so introduced as visitor may not incur any indebtedness, nor introduce other persons as visitors.

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*Ibid.*  
*Ibid.*  
*Ibid.*  
*Ibid.*

Membership applicants who have been denied may not be introduced as guest or visitor by the Member.

The Board of Directors may determine the regulations restricting the use of the Club's facilities by guests and visitors.

## ARTICLE V

### SOCIAL GATHERINGS

Sec. 1. **Social Gatherings.** Social gatherings, parties, entertainment and similar activities of the Club, sponsored by a member, shall be allowed under such conditions as may be prescribed by the Board of Directors.

## ARTICLE VI

### MEETINGS OF STOCKHOLDERS

Sec. 1. **Annual Meetings.** The annual meetings of stockholders shall be held on any day in October of every year. Only holders of Class "A" shares may vote in the election of the members of the Board of Directors.<sup>27</sup>

Sec. 2. **Special Meetings.** Special meetings of stockholders shall be held at the principal office of the Club when called by the President or by the Board of Directors or upon written request of stockholders representing majority of the outstanding shares issued. Only matters specified in the notice and call will be taken up at special meetings.

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<sup>27</sup> As amended by the Board of Directors on December 20, 2007 and by the Stockholders on February 12, 2008.

Sec. 3. **Notice.** Notice of the time and place of all annual and special meetings of stockholders shall be given either by posting the same enclosed in a postage prepared envelope, addressed to each stockholder at the address left by such stockholder with the Secretary of the Club or at his last known post office address, or by delivering the same to him in person, or by telegram, at least 15 business days before the annual meeting or special meeting. The notice of every special meeting shall state briefly the object of the meeting, and no other business shall be transacted at such meeting, except by consent of all the stockholders.

No notice of any meeting need be published in any newspaper or in any other medium.

If all stockholders shall, in person or by attorney or proxy appointed in writing, waive notice of any meeting, either annual or special, by letter or cable, no notice of such meeting shall be required and any action taken at a meeting held pursuant to such waiver shall be valid and binding.<sup>28</sup>

Sec. 4. **Order of Business.** The order of business at the annual meeting, unless otherwise ordered by resolution of the stockholders present, shall be as follows:

- a. Proof of required notice of the meeting or waiver of such notice;
- b. Proof of the presence of a quorum;
- c. Appointment of inspectors of election to serve until the close of the meeting;
- d. Reading and approval of minutes of last meeting;
- e. Report of the President;
- f. Election of the Board of Directors, which are limited to the holders of Class "A" shares. No proxy shall be allowed when it comes to election of Directors;
- g. Unfinished Business;
- h. New Business;
- i. Other matters;
- j. Adjournment.<sup>29</sup>

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<sup>28</sup> As amended by the Board of Directors on December 20, 2007 and by the stockholders on February 12, 2008.

<sup>29</sup> *Ibid.*



Sec. 5. **Eligibility to Vote.** Subject to the restrictions provided in the articles of incorporation, stockholders shall have the right to vote at any annual or special meeting of the stockholders.<sup>30</sup>

For the initial five-year period commencing from the full operation of the Club, voting rights of the shares of the corporation shall be suspended, except for the voting rights of the seven (7) Founders' shares. Thereafter, the voting rights of the rest of the shares shall automatically be revived, thus, putting the Founders' Shares on equal footing, in all respects, with the rest of Common Class "A" shares. Provided, however, that the exclusive right of the owners of Founder's shares to vote and be voted as directors shall be limited for a period of five (5) years from date of incorporation of the Club.

Sec. 6. **Manner of Voting.** Voting members shall be entitled to one vote in person or by proxy appointed in writing by the member himself or his duly empowered attorney. The member may, at his option, indicate on the proxy instrument how he wishes his proxy to vote on important matters in the Agenda. The proxy instrument shall provide space where the member giving a proxy may indicate his choice of the affirmative or negative vote of any such question. Proxies submitted in blank shall be deemed abstentions and shall be counted for purposes of quorum only. The instrument appointing a proxy shall be deposited with the Secretary and the Inspectors of Election before the meeting.<sup>31</sup>

Sec. 7. **Quorum.** Except in those cases where the law otherwise provides, the presence in person or by proxy of at least twenty (20%) percent of the outstanding 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 voting 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.

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<sup>30</sup> *Ibid.*

<sup>31</sup> *Ibid.*

Sec. 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

Sec. 1. **Composition of the Board.** The corporate powers of the Club shall be exercised, its operations managed and its property controlled, by a Board of Directors consisting of nine (9) members, including the two (2) independent directors. The qualifications, disqualifications, nomination and election of the independent directors shall be in accordance with SEC Memorandum Circular No. 2, Series of 2002, otherwise known as the SEC Code of Corporate Governance, as amended, the Corporation's Manual on Corporate Governance, and other related issuances of the Securities and Exchange Commission. Each director must be a Regular Member of the Club as defined in Article II, Section 2 hereof. Each director must own in his own right at the time of election at least one (1) Class "A" share of the capital stock of the Club which shall stand in his name in the Club's stock and transfer book and must remain a regular member as defined herein, during his term of office. The directors shall be elected by holders of Class "A" shares at the annual stockholders meeting and shall hold office for one (1) year and until their successors are duly elected and qualified. Directors shall receive no salaries from the Club as such, but shall be entitled to reasonable per diems for meeting(s) actually attended in an amount to be determined by the Board of Directors.<sup>32</sup>

After the exclusive five-year period, when the voting rights of all shares shall have been revived as provided for in Article II, Section 2, and Article VI, Section 5 hereof, there shall be elected nine (9) members

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*Ibid.*

of the Board of Directors. The members holding Class "A" shares shall nominate fourteen (14) members holding Class "A" shares for the position of the Board of Directors. The voting members for purposes of electing the Members of Directors are entitled to vote nine (9) times and the first nine (9) nominees garnering the most number of votes shall be declared as the members of the Board of Directors. In the event that two (2) or more of the elected directors garnered identical number of votes, the tie shall be decided by secret ballot among the voting members.<sup>33</sup>

Sec. 2.           **Election.**

- a.       **Election Committee.**   The Election Committee shall be composed of five (5) members. The Chairman and Vice Chairman of the Election Committee shall be appointed by the Board of Directors ninety (90) days prior to the date of election from among the Regular Members of the Club in good standing, as defined in Article II Section 2(a) hereof. The Chairman and Vice Chairman shall appoint three (3) members from among the Regular Members in good standing within fifteen (15) days from their appointment.<sup>34</sup>
  
- b.       **Qualifications of Candidates.**   A candidate for a Director must own at least one (1) Class "A" share of the capital stock of the Club, which share shall stand in his name in the book of the Club and must be a Regular Member of the Club, in good standing. In the case of a Corporate Nominee of a juridical entity, such juridical entity must own in its own right at least one (1) share of the capital stock of the Club, which share stand in its name in the books of the Club. Corporate Assignees shall in no case be elected to the Board of Directors.<sup>35</sup>
  
- c.       **Nomination.**   The Election Committee shall nominate five (5) Regular Members for Directors and, in addition, shall call for and accept nominations in writing from Regular

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<sup>33</sup> *Ibid.*

<sup>34</sup> *Ibid.*

Members, provided, however, that the members of said Committee may not themselves be nominated. The official list of candidates shall be finalized by the Election Committee and posted at the Clubhouse Bulletin Board at least thirty (30) days prior to the date of the annual meeting.<sup>36</sup>

Such list shall likewise be attached to the Notice of the Annual Meeting to be sent to all stockholders.<sup>37</sup>

- d. **Election of Directors.** The members of the Board of Directors shall be elected by secret ballot. Each registered owner of Class "A" share, whether a natural person or juridical entity, who is of good standing and non-delinquent in the payment of his/its dues, shall have the right to vote in person the number of shares standing in his/its name. The nine (9) candidates with the most number of votes shall be declared elected.<sup>38</sup>

- e. **Election Procedure.**

(1) **Preparation of Official Ballot.** The Election Committee shall order the printing or mimeographing of as many official ballots as there are outstanding certificates of ownership, authorized to vote. The official ballots shall contain, in alphabetical order, the names of the candidates who have accepted their nomination, in accordance with Article VI, Section 2c. The said ballots shall be numbered consecutively and sent to each voting member in good standing at least 15 days before the annual meeting.

The notice of call shall state the date, the time, the place and the agenda to be taken up in the meeting.

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*Ibid.*

*Ibid.*

*Ibid.*

*Ibid.*

The committee shall send out all ballots and election materials either by mail or special messenger or allow the members or their representatives with written authority to pick up the ballots. It is incumbent upon the election committee to verify that the signatures in the authority to pick up ballots tally with the records of the Club. Anyone who has not received his ballots must personally attend on the day set for the election and upon his certification that he has not received the ballot, a replacement ballot will be issued.

(2) **Manner of Voting.** Each member authorized to vote, shall cast his vote by placing an (x) and affixing his signature opposite the name of each candidate he wishes to vote for and shall place his ballot inside a sealed envelope prior to the casting of the same by delivering it to the Club Secretary or dropping it in a ballot box prescribed for the purpose.

(3) **Election Inspectors.** The Chairman of the meeting shall, at each annual meeting, appoint two persons to act as inspectors of election at said meeting of members.

(4) **Canvassing.** Upon the closing of the meeting, the election committee shall immediately convene to canvass the election returns. Any protest regarding the conduct of the elections must be made before the start of the canvass. Any protest connected with the canvassing must be made before the proclamation of the winning candidates. Protests may be verbal but must be recorded by the election committee, which must forthwith make a ruling. In case of a tie, the election committee shall break the tie by a drawing of lots.

(5) **Organizational Meeting.** As soon as possible after the nine (9) members of the Board have been proclaimed, the new Board of Directors shall hold their organizational meeting to elect the executive officers of the club.<sup>39</sup>

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<sup>39</sup> *Ibid.*

f. **Powers and Duties.** The Board of Directors shall be responsible for the general management of the affairs of the Club, its property, facilities and including but not limited to the following powers:

- (1) to adopt rules and regulations for the government of the members and management of the affairs of the Club, its property, facilities;
  - (2) to suspend or otherwise discipline members, in accordance with the authority herein specified;
  - (3) to appoint and to the extent as may be allowed by laws, remove at its pleasure all officers, agents and employees of the Club.
  - (4) to determine, fix and change the compensation of the Club's officers, agents and employees and to require from them faithful service;
  - (5) to determine who shall be authorized to sign bills, receipts, endorsements, checks, releases, contracts and documents on the Club's behalf;
  - (6) 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;
  - (7) to employ, hire or contract attorneys, employees, and agents of the Club;
  - (8) 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.
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- g. **Board Meetings.** The Board of Directors shall meet as soon as practicable after the annual meeting of stockholders to elect the officers of the Club and to discuss other matters pending before it. 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 may be called by the President, or in his absence, by the Vice President upon at least one day's prior notice of the time and place of holding such meetings. Special meetings may also be called by the President or by the Vice President or other officers acting on behalf of the President in like manner upon the written request of any five (5) directors.<sup>40</sup>
- h. **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 Board 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.
- i. **Vacancies.** Any vacancy occurring in the Board of Directors other than by removal or expiration of term, may be filled by the nominee who garnered the highest number of votes, next to the ninth winning candidate in the election of the members of the Board of Directors, and shall serve for the remaining unserved period.<sup>41</sup>
- j. **Absent Directors.** A director who is absent without valid excuse for three (3) consecutive regular meetings of the Board may be fined in such amount as may be fixed by the Board of Directors.

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<sup>40</sup> *Ibid.*

<sup>41</sup> *Ibid.*

- k. Suspension and Removal of Directors. A director may be suspended from office on any of the grounds prescribed in Article XIV, Section 1 hereof.

Upon a written complaint signed by a majority of the remaining members of the Board of Directors, the director concerned shall comment thereon within ten (10) days from receipt thereof.

The remaining members of the Board shall forthwith decide upon the complaint and shall issue a resolution within fifteen (15) days from the date the comment is filed. An affirmative vote of at least a majority of the remaining members of the Board shall be required to suspend a director from his term. The decision of the Board shall be final and unappealable.

A director may be removed from office in accordance with the provisions of the Corporation Code and other applicable laws, rules and regulations.<sup>42</sup>

## ARTICLE VIII

### OFFICERS

Sec. 1. **Designation.** The Board of Directors, at its organizational meeting, and annually thereafter, shall elect from among themselves as officers of the Club: a President, a Vice President, a Treasurer, and a Secretary.

The Board 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 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. Two or more offices with compatible functions may be held by the same person whenever deemed convenient and expedient by the Board.

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<sup>1</sup> *Ibid.*



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

- a.       to preside at the stockholders/members' 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 these By-laws.

Sec. 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 of the Board. He shall be the chief executive officer of the Club, and, as such, shall have control and general supervision of all affairs of the Club and, with the assistance of the other three Club officers and of the respective committees, shall enforce these 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. He shall within fifty (50) days after the organizational meeting, submit to the Board an annual expense and cash budget and plantilla of personnel, and subsequently such supplemental budget as he may deem necessary. He shall review all accounts, approve all expense vouchers, sign all approved contracts for and in the name of the Club; sign together with the Treasurer, all checks issued by the Club and submit to the general meeting an annual report of the Club's activities and status.<sup>43</sup>

Sec. 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.

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<sup>43</sup> *Ibid.*

Sec. 5.           **The Treasurer.**   The Treasurer shall have custody of the funds of the Club, depositing them in a bank designated by the Board of Directors; he shall monitor delinquent accounts and submit regular status reports to the Board of Directors; he shall keep the necessary books of accounts; effect all collections and make all payments fully justified and duly approved by the President; submit monthly statements during the general meeting of the Club. 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 to the inspection of any active member of the Board of Directors or of the Auditor appointed by the stockholders. He shall keep an inventory of all the properties and assets of the Club. He must post a bond, when required by the Board in an amount fixed by the Board so as to guarantee the faithful compliance of his duties.

Sec. 6.           **Secretary.**       The Secretary shall keep the 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 these By-Laws as well as notices of all meetings of the Board and of the stockholders; shall certify as to quorum at meetings; shall approve and sign all correspondences pertaining to the office of the Secretary; shall keep the minutes of all meetings of the stockholders, the Board of Directors and of all committees in a book or books kept for that purpose; The Secretary must be a citizen and resident of the Philippines. The Secretary shall keep a record of the addresses and telephone numbers of all stockholders.

## ARTICLE IX

### INDEMNIFICATION OF DIRECTORS AND OFFICERS

Sec. 1.           **Indemnification.**   The Corporation shall indemnify every director or officer, his heirs, executors and administrators, against expenses reasonably incurred in connection with any action, suit or proceeding, civil or criminal, administrative or investigative, to which he may be or is made a party by

reason of his being or having been a director or officer of the Corporation, or, as such director or officer, is or was serving at the request of the Corporation as a director or officer of another corporation, partnership or other enterprise of which it is a stockholder or creditor from which he is not entitled to be indemnified; except in relation to matters as to which he shall be finally adjudged in such action, suit or proceeding to be liable for negligence or misconduct in the performance of his duties.

In the event of a settlement, indemnification shall be provided only in connection with such matters covered by the settlement as to which the Corporation is advised by counsel and that the person to be indemnified acted without negligence and that he did not commit a breach of duty or misconduct in the performance of his duties. The foregoing right of indemnification shall not be exclusive of other rights to which he may be entitled.

The amount payable by way of indemnity shall be determined and paid pursuant to a resolution adopted by a majority of the members of the Board of Directors.

The costs and expenses incurred in defending the aforementioned action, suit and proceeding may be paid by the Corporation in advance of the final disposition of such action, suit or proceeding as authorized in the manner provided for in the preceding paragraph upon receipt of an undertaking by or on behalf of the director or officer to repay such amount, unless it shall ultimately be determined that he is entitled to be indemnified by the Corporation as authorized in this Article.

## ARTICLE X

### EMPLOYEES AND AGENTS

Sec. 1. **Club Manager.** The Board shall contract the services of a General Manager for the Club with such salary, benefits, and terms as it may determine. The General Manager shall be responsible for the efficient management of the entire Club; shall be the Chief Operating Officer; shall

without delay inform the President of all matters requiring Board action; shall sign Club correspondences on administrative matters; shall carry out orders and instructions of committees and other officers which have been approved by the President; shall enforce the policies, rules and regulations of the Club and orders of the Board; shall authorize necessary overtime work; and shall perform such additional duties as the Board may require. The Club Manager shall sit in each standing committee as an ex-officio officer.

Sec. 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 XI

### STANDING COMMITTEES

Sec. 1. **Standing Committees**

a. The Standing Committee of the Club shall be the following:

- (1) Membership Committee
- (2) House Committee
- (3) Construction and Maintenance Committee
- (4) Finance Committee
- (5) Human Resources and Development Committee
- (6) Sports and Games Committee
- (7) Social and Special Activities Committee
- (8) Legal and Legislative Committee

b. The Chairman of each of the standing committee shall be appointed by the President from among the members of the Board of Directors within fifteen (15) days from the

organizational meeting. They shall serve for a period of one (1) year or until their successors are duly appointed and qualified. However, a chairman of a committee who has ceased to be a member of the Board of Directors shall hold-over until his successor has been duly appointed and qualified.<sup>44</sup>

- c. 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.
- d. The Board of Directors upon the recommendation of the President may create such other Committees as may be reasonable and necessary in the proper operations of the Club.

**Sec. 2. Functions of Each Committee**

- a. **Membership Committee.** The Membership Committee shall process applications for membership; ascertain that the requirements prior to membership are complied with; submit to the Board its recommendation on applicants for inclusion in the Waiting List; take care of auction sales of shares of stock; and exercise such other powers and perform such functions as may be authorized by the Board.
- b. **House Committee.** The House Committee with the approval of the Board shall make and promulgate the rules and regulations for the management of the Club and the use of the Clubhouse and all facilities; regulate the prices of commodities and services within its jurisdiction; formulate policies on purchasing functions; and subject to its House Rules, iii

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<sup>44</sup> *Ibid.*

its discretion, recommend to the Board the suspension of any member, and exercise such other powers and perform such functions as may be authorized by the Board.<sup>45</sup>

- c. **Construction and Maintenance Committee.** The Construction and Maintenance Committee shall formulate and recommend to the proper Committee or the Board policies on all matters related to the proper maintenance of the Clubhouse and structures; recommend to the Board changes or improvements in the facilities and structures, and exercise such other functions as may be authorized by the Board.
  
- d. **Finance Committee.** The Finance Committee shall advise the Board of Directors on all matters affecting the finance of the Club; review the Club's financial policies, establish internal control systems and procedures, direct and supervise purchasing functions, establish pertinent financial plans, both short and long range such as preparation of annual budgets for submission to the Board, review periodically financial operations, and exercise such other functions as may be authorized by the Board.<sup>46</sup>
  
- e. **Human Resources and Development Committee.** The Human Resources and Development Committee shall formulate and recommend to the Board programs and policies on personnel that will ensure compliance with the Labor Code and labor related laws and regulations; determine what action to take on labor problems referred to it by the Board; and exercise such other functions as may be authorized by the Board.
  
- f. **Sports and Games Committee.** The Sports and Games Committee shall regularly review the adequacy, safety and effectiveness of all sports facilities and equipment, and recommend improvements or alterations to the appropriate committee or the Board; formulate programs and policies regarding the conduct of sports tournaments, including the

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<sup>1</sup> *Ibid.*

establishment of tournament rules and awarding of prizes; fix qualifications of tournaments participants; establish an effective handicapping system for members, and perform such other functions as may be authorized by the Board.<sup>47</sup>

- g. **Social and Special Activities Committee.** The Social and Special Activities Committee shall formulate and recommend to the Board group social activity programs and policies; plan and schedule a program of entertainment to encourage maximum participation by members; extend assistance to other social related activities of the Club and recommend the celebration of special occasions or events.
  
- h. **Legal and Legislative Committee.** The Legal and Legislative Committee shall study the By-Laws of the Club and the Rules of the House and propose such amendments as may be necessary, it shall also attend to all the legal matters of the Club in cooperation with the Club legal counsel.

## ARTICLE XII

### SHARES OF STOCK

#### Sec. 1. **Capital Stock.**

That the total authorized capital stock of the Corporation shall consist of SIX THOUSAND (6,000) no par value Common Shares, divided into 3,600 Class "A" Common shares inclusive of the 7 Founders' shares, 1,400 Class "B" Common shares and 1,000 Class "C" Common shares.

Class "A" Common shares inclusive of Founders' shares may be sold to citizens of the Philippines or to partnerships, corporations or associations of which 60% of the outstanding capital and entitled to vote

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<sup>47</sup> *Ibid.*

<sup>48</sup> *Ibid.*

is owned or controlled by citizens of the Philippines. Every holder of Class "A" Common shares shall be entitled to one (1) membership in the club.

Class "B" Common shares may be sold to any individual, corporation, partnership, or association, irrespective of nationality. Every holder of Class "B" Common shares shall be entitled to one (1) membership in the Club.

Class "C" Common shares are special corporate shares which may be sold to corporations, partnerships or associations irrespective of their nationality or citizenship and entitle every holder thereof one (1) membership in the Club, with two (2) playing rights.

Subject to the foregoing limitations, authority is hereby conferred upon the Board of Directors to issue such shares for such consideration as it may from time to time fix, which in no event be less than the amount prescribed by law.

This Club is an exclusive club and is organized on a non-profit basis for the sole benefit of its stockholders/members. Members shall be entitled to use of all the sports and other facilities of the Club, but subject to the terms and conditions herein prescribed and to such rules and regulations as may from time to time be prescribed by the Board.<sup>48</sup>

Ownership of all shares of stock of this Corporation is subject to the following restrictive conditions:

(a) Except for the seven (7) Founders' shares, voting rights of the rest of the shares will be suspended. Five (5) years from and after the full operation of the Club, the voting rights of the rest of the Common shares shall automatically be revived, thus, putting the Founders' shares on equal footing in all respects with the Common Class "A" shares. Provided, however, the Founders' shares' exclusive right to

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<sup>1</sup> *Ibid.*



vote and be voted for in the election of directors shall be limited for a period of five (5) years from the date of incorporation of the club.

(b) No transfer of shares of stock of the Corporation which will reduce the stock ownership of Filipino citizens to less than the minimum percentage of the outstanding capital stock required by law to be owned by Filipino citizens shall be allowed or permitted to be recorded in the books of the Club. This restriction shall be printed or indicated in all the certificates of stocks to be issued by the Club. Any transfer made in violation hereof shall be null and void.

(c) No profit shall inure to the exclusive benefit of any of its stockholders, hence, no dividends shall be declared in their favor. Stockholders shall be entitled only to a pro-rata share of the assets of the Club at the time of its dissolution or liquidation.

(d) No share of the Club hereafter issued shall be sold or transferred by the registered holder thereof except shares that were issued due to a sale of a lot (accompanying shares of lots) until such holder shall have first offered such shares for sale to the Club at a price not less than the book value of such shares as shown by the Club's audited financial statements as of the end of its fiscal year next preceding the date of such offer. If within thirty (30) days from date of receipt of written offer the Board of Directors shall elect to purchase any or all of such shares, the holder thereof shall thereupon forthwith transfer and assign to the Club the shares so purchased and the Club shall at the same time make the payment of the purchase price thereof. If the Board of Directors shall vote not to purchase any or all of such shares or shall fail to elect to make such purchase within said thirty (30) days, the registered holder of such shares after the expiration of thirty (30) days may transfer such shares to other persons who are qualified to own and hold shares in the Club by sale or otherwise at such terms and conditions not less onerous than those as offered to the Club. If the share is not purchased at the price quoted by the stockholder and he reduces said price, then the Club shall have the same pre-emptive right for the same period of thirty (30) days. Any transfer of

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shares made in violation of these provisions shall be null and void and shall not be recorded in the books of the Club. These restrictions shall appear in all stock certificates of the Club.

(e) In case of foreclosure by the pledgee or mortgagee of the shares of stockholders in the Club, the pledgee/mortgagee shall, in the event of inability of the pledgor or mortgagor to meet his obligations under the terms of the pledge or chattel mortgage, notify the Club in writing of the date, time and place of the foreclosure sale and of the nature and amount of obligation secured by the pledge or mortgage, which sale shall be conducted not earlier than fifteen (15) days from the date the Corporation received written notice thereof. The Club shall have the right to purchase the auctioned shares, within thirty (30) days from the award, by paying in cash the price paid for by the winning bidder and expenses of sale incurred by the latter.

(f) All Founding and Regular Members and such non-members to whom the Board may, by appropriate resolution, extend the privilege of using the Club's facilities in accordance with Article IV, Section 2-3 shall be subject to the payment of monthly dues in such amount as may be prescribed by resolution of the Board of Directors to meet the expenses for the general operations of the Club, and the maintenance and improvement of its premises and facilities. Such dues together with all other obligations of the shareholders to the Corporation shall constitute a first lien on the shares, and in case of accompanying shares of lots, the lien shall be on the share and on the lot, second only to any lien in favor of the national or local government, and in the event of delinquency such shares may be ordered sold by the Board of Directors in the manner provided in the By-Laws to satisfy said dues or other obligations of the shareholders.<sup>49</sup>

The Board of Directors shall fix and review from time to time the amount of the transfer fees and dues referred herein as well as entrance fees, annual fees and any other fees and charges for the actual use of the facilities of the Club or as the Board of Directors may determine to be necessary to meet the Club's expenses for general operations and the maintenance and improvement of its premises and

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<sup>49</sup> *Ibid.*

facilities. All dues, fees, charges and assessments shall be payable on the date fixed by the Board of Directors.

The Landowner and Developer of the Club, who acquired their shares through a primary offering, or original subscription, and/or in payment of developments, however, shall begin paying the membership dues on their shares only upon activation of the membership attached to the shares or upon the transfer of shares, whichever comes earlier. However, in the latter case of transfer of shares, the transferee shall be liable for all dues and assessments on the shares subject of the transfer.<sup>50</sup>

(g) In case any stockholder shall violate the provisions of these Articles or the By-Laws or rules and regulations of the Club, or resolutions duly promulgated by the Board of Directors or Stockholders, or commit 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 may be expelled by the Board of Directors in the manner provided in the By-Laws upon proper notice and hearing, and he shall then cease to be a stockholder and shall have no right with respect to his share except the right to demand payment therefor in accordance with the By-Laws. The Club shall have a period of ninety (90) days from the expulsion of the stockholder to make payment of his share. In case the share is an accompanying share of a lot, the value of the lot will be determined by an independent appraiser acceptable to the stockholder and to the Board of Directors, and upon such payment the stockholder shall forthwith transfer and assign the share held by him as directed by the Club, and upon such payment the stockholder shall forthwith transfer and assign the share held by him as directed by the Club.

(h) In addition to the preceding provisions, the accompanying share of a lot is subject to the prohibition that it cannot be sold, transferred or encumbered separately from the lot. Any violation of this provision is null and void and shall not be recorded in the books of the Club. This prohibition shall appear in the certificates of stock of such shares.

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*Ibid.*

Sec. 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 be less than the amount prescribed by law.

Sec. 3.           **Form and Content.**    The stock certificate shall be in form which the Board of Directors shall approve. Each share of stock will represent a pro-rata equity in the assets of the Club and the rights represented in each and every share of stock shall be identical in all respects except the founders' shares which have the exclusive right to vote and be voted for the first five (5) years from the date of incorporation. No profit shall inure to the benefit of any of the stockholders of the Club. Hence, no dividends shall be declared on the shares of stock.

Sec. 4.           **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 /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.

Sec. 5.           **Use of the Club Facilities.**    A registered owner of a share of stock shall not be entitled to the use of any sports and other facilities of the Club until and unless he shall have complied with all the requirements of the Club and is duly accepted as a member by the Board of Directors of the Club; thereafter, the use and enjoyment of all such sports and/or other facilities may be withheld from any member who is under suspension or otherwise declared delinquent as provided under Article XIII, Section 2 herein.

Sec. 6.           **Loss or Destruction of Certificate.**    The Board of Directors may direct the Corporate Secretary to issue a new common stock certificate to replace any certificate therefore issued and shown to have been lost or destroyed to the satisfaction of the Board. In this connection, the provisions of Sec. 73 of the Corporation Code of the Philippines shall be complied with.

ARTICLE XIII

MEMBERS ACCOUNTS

Sec. 1. **Monthly Dues.**

- a. **Individual Shareholders.** Subject to Article XII, Section 1 (f) hereof. Stockholders and Members shall be subject to the payment of monthly dues in an amount as may be prescribed by resolution of the Board of Directors to meet the expenses for the general operations of the Club, and the maintenance and improvement of its premises and facilities.<sup>51</sup>
  
- b. **Juridical Shareholders.** Class "A" or "B" Common shares which are held by juridical entities shall be assessed the monthly dues for one (1) assignee. Class "C" Common shares shall be assessed the monthly dues for two (2) assignees whether these assignees have been named or not. The company shall have ultimate liability for these monthly dues subject to the restrictions under the provisions of Art. XII, sec. 1(f) hereof.<sup>52</sup>

The amount of monthly dues for shares held by juridical entities shall be determined by resolution of the Board of Directors.

Sec. 2. **Billing, Posting and Delinquent Members.**

- a. **Billing Members; Posting of Delinquent Members.** Subject to Article XII, Section 1 (f) hereof, the Treasurer shall bill all members and shareholders monthly. As soon as possible after the end of every month, a statement showing the amount of the bill of a member and/or shareholder for said month will be prepared and sent to him. If the bill of

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<sup>51</sup> *Ibid.*  
<sup>52</sup> *Ibid.*

any member remains unpaid by the end of the month following that in which the bill was incurred, the Treasurer shall notify him that if his bill is not paid in full by the end of the succeeding month his name will be posted as delinquent the following day at the Clubhouse Bulletin Board. While posted, a member, the immediate member of his family and his guests cannot avail of the facilities of the Club.<sup>53</sup>

- b. Members and shareholders on the delinquent list for more than sixty (60) days shall be reported to the Board and their shares or the shares of the juridical entities they represent shall thereafter be ordered sold, including the lot in cases of accompanying shares of lots, by the Board at auction to satisfy the claims of the Club as provided for in Section 3 herein. A member and/or shareholder may pay his overdue account at any time before the auction sale.<sup>54</sup>

**Sec. 3. Lien on Shares; Sale of Share at Auction.**

The Club shall have a lien on every share of stock and in cases of accompanying shares of lots, the lien shall be on the share and on the lot, to secure debts of the members to the Club. This lien shall be annotated on the certificate of stock and when applicable on the Transfer Certificate of Title of the lot, and may be enforced by the Club in the following manner:

- a. Within 10 days after the Board has ordered the sale at auction of a member's share of stock for indebtedness under Section 2 (b) hereof, the Secretary shall notify the owner thereof, and shall advise the Membership Committee of such fact.
- b. The Membership Committee shall then notify all applicants on the Waiting List and all registered stockholders of the availability of a share of stock for sale at auction at a specified date,

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<sup>1</sup> *Ibid.*

<sup>1</sup> *Ibid.*

time and place, and shall post a notice to that effect in the Club Bulletin Board for at least 10 days prior to the auction sale.

c. On the date and hour fixed, the Membership Committee shall proceed with the auction by viva voce bidding and award the sale of stock, when applicable including the lot, to the highest bidder. The minimum bid per share shall be reasonably determined and fixed by the Board of Directors from time to time in the best interest of the Club. The minimum bid for a lot shall be determined by an independent appraiser acceptable to the owner of the share and to the Board of Directors.

d. The purchase price shall be paid by the winning bidder to the Club not later than the close of business of the immediately succeeding banking day after the bidding. The winning bidder or the representative in the case of a juridical entity shall forthwith be assessed monthly dues for the month immediately following the auction, whether the said bidder or representative pays the purchase price within the required period. Upon payment of the purchase price, the winning bidder may apply for membership in accordance with the procedure laid down in Article II and Article III hereof. The proceeds of the sale shall be paid by the Club to the selling stockholder after deducting his obligations to the Club.<sup>55</sup>

e. If no bids be received or if the winning bidder fails to pay the amount of his bid within 24 hours after the bidding, the auction procedures may be repeated from time to time at the discretion of the Membership Committee until the share of stock be sold.

f. If the proceeds from the sale of the share of stock are not sufficient to pay in full the indebtedness of the member, the member shall continue to be obligated to the Club for the unpaid balance. If the member whose share of stock is sold fails or refuses to surrender the stock

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*Ibid.*

certificate for cancellation, cancellation shall be effected in the Membership book of the Club based on the record of the proceedings, and such cancellation shall render the unsurrendered stock certificate null and void.

Sec. 4. **Transfer Fees.** Unless otherwise determined by the Board of Directors, a transfer fee of P50,000 for individual and P75,000 for corporate members shall be collected from the transferee at the time of transfer in the Club's books of the transfers subsequent to the original issuance of a share of stock. These amount may be reviewed and increased from time to time by a resolution of the Board of Directors.

In the case of transfer of playing rights, there shall be collected from the transferee a transfer fee of P75,000 for both individual and corporate memberships. The amount may be reviewed and increased from time to time by resolution of the Board of Directors.<sup>56</sup>

#### ARTICLE XIV

##### SUSPENSION AND EXPULSION

Sec. 1. **Suspension and Expulsion.** The Board of Directors, by the affirmative vote of a majority of its members, may reprimand, suspend or expel a member on any of the following grounds:

- a. Violation of the articles of incorporation or the By-Laws;<sup>57</sup>
- b. Violation of Rules and Regulations adopted by the Board of Directors; or
- c. Action or conduct inimical to the interest and purposes of the Club.

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*ibid.*

*ibid.*



The member concerned shall be informed of the charges against him in writing and may appeal to a Special Sub-Committee of the House Committee created to handle such case, subject to Board approval for final judgment.

The suspension or expulsion of a regular member shall automatically include the suspension or expulsion of the assignees or representatives of said member. If a nominee or representative of a regular member is suspended or expelled by reason other than delinquency in the payment of accounts, only the erring nominee or representative shall be disciplined. An expelled member may not come back to the Club as member, visitor, guest or assignee.

Sec. 2. **Attorney's Fees and Liquidated Damages.** A member who has been reprimanded, suspended or expelled by the Board of Directors who brings an action against the Club, its directors, officers, and/or employees in respect of such reprimand, suspension or expulsion, shall be liable to the Club for attorney's fees in the amount of One Hundred Thousand Pesos (P100,000.00) or as may be awarded by the court, which ever is higher, and liquidated damages by way of penalty in the amount of Two Hundred Thousand Pesos (P200,000.00), if judgment is rendered declaring such reprimand, suspension, or expulsion valid.<sup>58</sup>

Sec.3.<sup>59</sup> **Surrender of Stock Certificate.** Any member who is expelled from membership in the Club must surrender his stock certificate /certificate of ownership within 30 days from notice of his expulsion. The said shares shall be sold at public auction to the highest bidder and the proceeds of such sale less expenses shall; be turned over to the expelled member within thirty (30) days upon full payment of the same by the buyer. Upon failure of the member to surrender his certificate, the club shall cancel said certificate of ownership in the name of the member and issue a new one in the name of the Club. The new share in the name of the Club shall be sold at a public auction and the procedure for the sale of surrendered shares shall be observed.

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*Ibid.*

*Ibid.*

**ARTICLE XV**  
**CORPORATE SEAL**

Sec. 1.           **Corporate Seal.**           The seal of the Corporation shall be in such form and design as may be prescribed for by the Board of Directors.

**ARTICLE XVI**  
**MISCELLANEOUS PROVISIONS**

Sec. 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 may prescribe. He shall submit his Audit Report in time for the annual stockholders' meeting.

Sec. 2.           **Legal Counsel.**       The Board of Directors shall appoint annually 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.

Sec. 3.           **Fiscal Year.**       The fiscal year of the Corporation shall be the Calendar year.

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

representing a majority of the outstanding capital stock shall so vote at a regular or special meeting called for the purpose.

ADOPTED this 18<sup>th</sup> day of November 1996, at Pasig City, by the affirmative vote of all the incorporators.

IN WITNESS WHEREOF, we, the undersigned incorporators present at said meeting and voting thereat in favor of the adoption of said by-laws, have hereunto subscribed our names this 18<sup>th</sup> day of November 1996, at Pasig City.

(SGD.) EXEQUIEL D. ROBLES

(SGD.) VICENTE R. SANTOS

(SGD.) LIBERATO D. ROBLES

(SGD.) MARIZA S. TAN

(SGD.) NICASIO I. ALCANTARA

(SGD.) EDITHA I. ALCANTARA

(SGD.) ROBERTO Z. SISON