

REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF FINANCE
SECURITIES AND EXCHANGE COMMISSION
SEC Building EDSA, Greenhills
City of Mandaluyong, Metro Manila
CEBU EXTENSION OFFICE
Cebu City

S.E.C. REG NO. _____

CERTIFICATE OF FILING OF AMENDED BY-LAWS

TO ALL TO WHOM THESE PRESENTS MAY COME, GREETINGS:

THIS IS TO CERTIFY that the Amended By-Laws of

CASINO ESPANOL DE CEBU, INC.

copy annexed, adopted on Jan. 3, 2001 / Jan. 26, by a majority of the Board of Directors and by the majority of the members, certified by a majority of the Board of Directors and countersigned by the Secretary of the Corporation, was approved by the Commission of 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 filled with the Commission.

IN THE WITNESS WHEREOF, I have hereunto set my hand and caused the seal of this Commission to be affixed at Philippines, this _____ day of _____, Two Thousand. And One.

BY AUTHORITY OF THE COMMISSION

MERLE P. CUNANAN
DIRECTOR
SEC CEBU OFFICE

**AMENDED BY – LAWS
OF CASINO ESPAÑOL DE CEBU, INC.**

ARTICLE I - PURPOSE OF THE CORPORATION

Section 1. The Casino Español de Cebu, Inc.. is a non-stock, and non-profit corporation domiciled in the City of Cebu, Republic of the Philippines, organized for the purpose of providing its members, their spouses and minor children, social, recreational, sports and cultural facilities and activities proper for a good organization fomenting unity, promoting the Spanish language and culture, and the spirit of harmony and cooperation among members, absolutely disregarding racial prejudice, political creed and religious beliefs. No dividends shall be declared for the benefit of any member. (as amended on November 12, 1999)

ARTICLE II - MEMBERS

Section 1. The members of Casino Español De Cebu, Inc. are (as amended on November 12, 1999)

- a. Those present Voting , Non- Voting , Non- Resident and Special Company Members of the Corporation in good standing who have elected to acquire and have paid in full a proprietary share within the period allowed are members of the Corporation to be known as proprietary members . (as amended on November 12, 1999 and further amended on January 26, 2001)
- b. Those present Voting, Non – Resident , Senior and Special Company Members of the Club in good standing who have not elected to acquire a proprietary share or who have failed to pay for the same within the time allowed shall remain members to be known as non- proprietary members . (as amended on November 12, 1999 and further amended on January 26, 2001)
- c. All those present Honorary, Special Temporary, and Special Company Members shall retain their status as such until the expiration of their term of membership. (as amended on November 12, 1999 and further amended on January 26, 2001)
- d. All other persons hereafter regularly admitted to the membership of the Corporation in accordance with these By-Laws. (as amended on November 12, 1999 and further amended on January 26, 2001)

Section 2. Kinds, Descriptions, Qualifications and Conditions of Membership.
The following are the classifications, qualifications and conditions for membership of the Corporation: (as amended on November 12, 1999)

- a. General Qualifications. All persons of legal age not otherwise disqualified by law or by these By-Laws may become members of the Corporation as hereunder provided. (as amended on November 12, 1999)**
- b. Proprietary Members. These are the present members of the Corporation who subscribe and purchase at least one (1) share of the proprietary shares issued by the Corporation and all others admitted as proprietary members under the terms and condition in these By-Laws. Subject to the lock-out provision proprietary shares are transferable. A Proprietary Member who transfers all of his shares shall automatically lose his membership in the Corporation, except for Senior Members who are not required to own proprietary share for their continued membership. Propriety Members are further classified into: (as amended on November 12, 1999 and further amended on January 26, 2001)**
 - 1. Voting (De Numero) Members. They are the members who are: (as amended on November 12, 1999)**
 - a. Present voting members who subscribe and purchase at least one (1) proprietary share issued by the corporation; (as amended on November 12, 1999)**
 - b. Non-voting members who are unanimously elected by the Board of Directors to become voting members. (as amended on November 12, 1999)**

Voting members shall not exceed one hundred (100) at any one time. Only Voting members shall have the right to: (as amended on November 12, 1999)

- a. Vote in the Annual and Special meetings of Voting Members; (as amended on November 12, 1999)**
- b. Be elected as member of the Board of Directors; (as amended on November 12, 1999)**
- c. Endorse applicants for non-voting members (as amended on November 12, 1999)**

2. **Non-Voting (Supernumerario) Members.** They are the members who are such on this date according to the Official Roster of Members of the Corporation, and those Proprietary Members who are subsequently approved unanimously by the Board of Directors as Non- Voting Members. Henceforth, no one shall be accepted as a Non-Voting Member who is not a Proprietary Member of a Proprietary share. (as amended on November 12, 1999)
3. **Non- Resident (Extraradio) Members.** They are members who are such on this date according to the Official Roster of Members of the Corporation and those who may be admitted into the Corporation in accordance with the provisions of Section 3 of this Article. Non-resident members are those who have no fixed residence on the island of Cebu, Mactan, Camotes, or Bantayan. (as amended on January 27, 1978 and further amended on November 12, 1999)

A voting or non- voting member may apply in writing to the Board of Directors to become a non- resident member. He may return to the status of a Non-Voting Member by submitting a re-application form, and shall be reclassified as such, with no requirement for payment of entrance fees. (as amended on November 12, 1999)

Henceforth, no non-resident member, who has never been a voting or non-voting member, shall be elected as such if he is not the owner of at least one (1) proprietary share of the Corporation. (as amended on November 12, 1999)

Non-Resident Members shall pay the annual fee imposed by the Corporation. They shall however be exempt from paying the monthly fee provided that the frequency of their use of the facilities of the club shall not exceed six (6) times every month. (as amended on November 12, 1999)

4. **Company Members.** A corporation or any juridical entity can become a company member by becoming an owner of at least (1) Proprietary share of the Corporation, and upon application and approval by the Board of Directors. The company member shall then designate a company representative who shall have all rights and privileges of a

been unanimously accepted by the Board of Directors to the Club. A Company member can have as many representatives as the number of proprietary shares that it owns. (as amended on November 12, 1999)

- c. **Non-Proprietary Members.** These are the present members of the Corporation who elected NOT to subscribe and purchase at least one (1) share of the proprietary shares issued by the Corporation. The following are also Non- Proprietary Members (as amended on November 12, 1999)
 - 1. **Honorary Members.** They are the founders who issued the bonds for the acquisition of real state in the name of Casino Español de Cebu, who have subscribed to one or more bonds, and paid for them. They also include those who have rendered special services to the Corporation or have made an outstanding contribution to the community. Honorary Membership may be granted to qualified persons under the following conditions: (as amended on November 12, 1999)
 - 1. That the person has been elected to be such by a unanimous vote of the Board of Directors. (as amended on November 12, 1999)
 - 2. That the Honorary Membership status is good only for a period of One (1) year. This term however is renewable subject to the discretion of the Board of Directors. (as amended on November 12, 1999)
 - 3. Those Honorary Members shall not exceed five (5) at any one time. (as amended on November 12, 1999)
 - 4. That Honorary Member is exempted from the payment of annual and monthly fees. They are however liable for the accounts they incur in using the facilities of the Corporations (as amended on November 12, 1999)
 - 2. **Senior Members.** Any Voting or Non- Voting Member who : (as Amended on November 12, 1999)
 - 1. upon reaching the age of sixty-five years old (65), and after having been a member of the club for at least thirty (30) years, may elect to become a Senior Member , subject to the approval of the Board of Directors; or (as amended on November 12, 1999)

2. Is permanently physically incapacitated. A medical certificate is required to support the claim; and subject to the approval of the Board of Directors. (as amended on November 12,1999)

A Senior Member shall be exempted from the payment of monthly dues and need not own a proprietary share. He shall however permanently lose his right to vote, if he is a voting member. (As amended on November 12, 1999)

- d. Junior Members. Any child who is single may be admitted for membership in like manner as other members are admitted in the Corporation, except that they shall be exempted from the payment of entrance fee and are not required to own a proprietary share. Junior Membership shall be subject to the following terms and conditions: (as amended on November 12, 1999 and further amended on January 26, 2001)

1. The child who is single must be within 21 to 30 years of age. (as amended on November 12, 1999 and further amended on January 26, 2001)
2. The application for membership must be made by the parent-voting, non-voting or senior member duly seconded by another voting, non-voting and senior member . The application must contain a written undertaking of guarantee executed by the parent-member for the payment of all monthly bills of the Junior member. Likewise, the proprietary share of the parent member may be sold at a public auction for any unpaid account of the Junior member in like manner as other proprietary shares are held answerable for unpaid account of a proprietary member. Both members must be current in their accounts with the Corporation otherwise both will lose their privileges as member and their right to use the facilities of the Club. (as amended on November 12, 1999)
3. Junior membership shall have the same duties and privileges as that of a Non-Voting member. However, they have no guest card rights and cannot sponsor functions. They cannot refuse service duties twice in a row otherwise their membership may be terminated by appropriate action of the Board of Directors . (as amended on November 12, 1999)
4. Junior members are required to play the monthly dues. (as amended on November 12, 199)
5. Junior membership shall automatically terminate upon the member's 31st Birthday or upon expulsion or resignation of such member . Junior membership shall likewise automatically terminate upon the resignation or expulsion of his parent. (as amended on November 12, 1999)

- e. **Assignee Members. An owner of an unused or idle and unencumbered proprietary share may, subject to the lock-out provision, assign the same to an Assignee by placing the certificate of the assigned share in the Custody of the Corporation's Secretary and by executing a deed of assignment in favor of the Assignee. The deed of assignment must conform to minimum essential requirements that the Board of Directors may promulgate from time to time. Such an assignee may become a member of the Club, subject to the provisions of membership admissions in this by-laws, and shall be known as an Assignee member. Assignee membership is subject to the following terms and conditions: (as amended on November 12,1999 and further amended on January 26, 2001)**
1. **Assignee members are entitled to the use of all the facilities of the Corporation. (as amended on November 12,1999)**
 2. **Assignee members may be privileged to bring in guests to use the facilities of the Corporation subject to the rules and regulations that the Board may promulgate from time to time. (as amended on November 12, 1999)**
 3. **Assignee members have absolutely no right to the assets and properties of the Corporation and have no right to vote and hold office. (as amended on November 12, 1999)**
 4. **Assignee members shall pay the monthly dues and shall be subject to the same disciplinary and remedial measures that the Corporation may adopt against other members. (as amended on November 12, 1999)**
 5. **If the Assignor withdraws his assignment of proprietary share to the Assignee, the Assignee loses his membership status with the Corporation without prejudice to the payment of his obligations to the Corporation. (as amended on November 12, 1999)**
 6. **In the event of delinquency on the part of the Assignee, the Assignor shall be jointly and severally held liable therefore . The Assignor shall immediately pay upon demand the Assignee's unpaid obligation, otherwise his proprietary share certificate shall automatically answer for the unpaid account of the Assignee. For this purpose, the Corporation may sell at public auction the Assignor's share. (as amended on November 12, 1999)**

Section 3. Admission of Members. The procedure for the admission of new members of the Corporation shall be as follows (as amended on November 12, 1999)

- a. Any Voting member, seconded by another Voting member, shall submit to the Secretary a written proposal for the admission of a candidate to the “Eligible for Membership List”; (as amended on November 12, 1999)
- b. Such proposal shall be posted by the Secretary for a period of thirty (30) days on the Corporation’s bulletin board, during which time any member may interpose objections to the admission of the applicant by communicating the same to the Board of Directors; (as amended on November 2, 1999)
- c. After the expiration of the aforesaid thirty (30) days, the Board, may, by unanimous vote of all Directors present at a regular or special meeting, approve the inclusion of the candidate in the “Eligible for Membership List” (as amended on November 12, 1999)
- d. Provided, however, that the person who has been approved to be included in the “Eligible for Membership List”, must acquire and present to the Corporation a valid certificate of ownership of the Corporation’s proprietary share in his name, or a valid assignment of proprietary share, for membership purposes, in his favor, not later than six (6) months from the date of notice of inclusion. Once the transaction is duly recorded in the books of the corporation, he shall become a Proprietary member or an Assignee member, as the case may be, upon payment of a non-refundable entrance fee as fixed by the Board. A former proprietary or assignee member who reapplies for membership either as a proprietary or assignee member shall be exempt from payment of entrance fees. If he applies for any other class of membership, he shall pay the full entrance fees applicable to the class of membership applied for. All other class of members upon application or change of membership category shall pay the full entrance fee of the membership category he is applying for. Provided, further, that the owner of a propriety share prior to the approval of membership of the Corporation. (as amended on January 23, 1976 and further amended on November12, 1999)

Section 4. (a) Rights and Privileges of the Member: All classes of members shall enjoy equal rights and privileges except those as specifically excluded or limited elsewhere in these By-Laws. They may avail of all the facilities and participate in all the

activities of the Corporation subject to the rules and regulations that the Board of Directors may promulgate from time to time. They may also serve in the committees constituted by these By-laws, and those that may be formed by the Board of Directors. He may also recommend to the Board for correction any misdemeanors and deficiencies he may observe among the members and employees. (as amended on November 12, 1999)

- b. **Dependents:** are defined as the spouse and unmarried children below twenty-one (21) years age of Honorary, Voting Non-Voting and Senior Members. Upon application and approval by the Board, and subject to revocation thereof by the Board, the following may also be listed as dependents of a member: (as amended on November 12, 1999)
 - 1. Widowed parents and parents-in-law. (as amended on November 12, 1999 and further amended on January 26, 2001)
 - 2. Brothers and sisters below the age of twenty-one (21) who are single and are orphans. (as amended on November 12, 1999 and further amended on January 26, 2001)
 - 3. Parents who have reached seventy (70) years old. (as amended on November 12, 1999 and further amended on January 26, 2001)
 - 4. Grandchildren who are single and below twenty-one (21) years old. (as amended on November 12, 1999 and further amended on January 26, 2001)
- c. **Dependents of Non-resident Members, except spouses, who do not reside in Cebu, are not allowed to use the facilities of the Club unless accompanied by the member (as amended on November 12, 1999)**
- d. **The Board of Directors shall have the right to limit and/ or regulate the use of the facilities of the Club by dependents as they may from time to time feel necessary. (as amended on January 23, 1976)**

Section 5. Duties and Responsibilities of the Members. All classes of members shall have the same duties and responsibilities as those mentioned in Section 2 of this Article. They shall comply strictly with the provisions of these By-Laws and pay their monthly dues and special assessments and debts contracted; and they shall cooperate in the maintenance of the prestige of and decorum in the Corporation. Any Voting Member who, having the right to vote, fails to exercise such right in person during three (3) consecutive Annual Voting Members Meetings shall be re-classified as Non-Voting Member, and shall consequently lose such right. Any voting member who, not having served as director for three (3) years, declines a nomination to the Board of Directors at two (2) consecutive annual Voting Members meeting shall lose the right to vote and shall

be classified as a Non-voting member. (as amended on January 23, 1976 and further amended on November 12, 1999)

Section 6. Resignation, Suspension and Expulsion of Members:

- a. A member may resign from the Corporation by writing to the Board of Directors, provided such member has paid all his financial obligation to the Corporation up to the date of his resignation.**
- b. A member may be suspended:**
 - 1. For failure to settle his financial obligations to the Corporation within thirty (30) days after the end of the month he contracted it. (as amended on November 12, 1999)**
 - 2. By resolution of the Board of Directors for not living up to the standards of decency and courtesy by using improper or indecent language against any member or visitor; for committing acts of vandalism on the property of the Corporation, of a member or visitor; for provoking trouble or scandal inside the hall by uttering offensive expressions against the Corporation, the members of the Board of Directors, the constituted authorities or against the country, religion, race and political affiliation of any member; and, for violations of the rules and regulations of the Corporation and of the laws of the country.**
- c. A member may be expelled for the following causes:**
 - 1. If having been suspended for three (3) months for non-payment of his financial obligations. And after being advised in writing by the Board of Directors, he still refuses or fails to pay his financial obligations.**
 - 2. When he has been suspended three (3) times in the same year.**
 - 3. When having been suspended for causes cited in paragraph (b), subparagraph 2 of this Section, he fails to appeal such suspension in writing within the period of thirty (30) days to the Board of Directors by expressing sincere apology. In case an appeal is made, the Board of Directors shall decide whether to lift the suspension or to gibe due course to the expulsion. (as amended on November 12, 1999)**
 - 4. When he has been convicted of a crime involving moral turpitude.**
- d. When a member, having been suspended due to non-payment of his financial obligations to the Corporation voluntarily files insolvency**

proceedings, the Board of Directors may consider him resigned from the Corporation without prejudice to the Board taking necessary actions to collect the account. (as amended on February 18, 1983 and further amended on November 12, 1999)

- e. An expelled member loses all his rights and privileges in the Corporation. (as amended on November 12, 1999.)
- f. A Non-Resident Member will lose all privileges for the use of the Club once he establishes a residence within the Island of Cebu, Mactan, Camotes or Bantayan, unless he applies within one (1) month from establishing such residence as a Non-Voting Member, in which case he may continue using the facilities of the Board has taken definite action on his application, subject to the Transitory Provision of Article II, Section 2, paragraph b, sub-paragraph 3. (as amended on January 23, 1976 and further amended on November 12, 1999)
- g. The proprietary share of a member who is suspended or expelled delinquency in paying his dues and other obligations shall be sold at public auction to the highest bidder and the proceeds of the sale shall be applied as follows (as amended on November 12, 1999)
 - 1. The advertisement and other expenses incurred in the sale shall first be paid; (as amended on November 12, 1999)
 - 2. All existing obligations to the Corporation shall then be paid; and (as amended on November 12, 1999)
 - 3. The balance shall be turned over to the shareowner. (as amended on November 12, 1999)

Section 7. Issuance and Sale of Proprietary Membership Shares. Subject to the limitations of Article VIII of the Amended Articles of Incorporated, the Board may not issue any unissued proprietary shares of the Corporation except as specifically authorized as to number of proprietary shares method of sale, by a regular or a special voting members meeting called for such a purpose. (as amended on March 30, 1984 and further amended on March 21, 1986 and further amended on November 12, 1999)

ARTICLES III - FEES

Section 1. Entrance Fees. The Board of Directors shall have the authority to set the entrance fee for new members provided that the effectivity of the new rates set by the Board shall be ten (10) dyas from the date general membership is informed. The entrance fee for applicants who are sons of Senior, Voting, and Non-Voting members of good standing for at least ten (10) years at the date of their application, shall be equivalent to

fifty (50%) percent of the entrance fee prevailing at the time of their application. (as amended on March 30, 1984, March 21, 1986 and further amended on November 12, 1999)

Section 2. Dues. Except as herein provided, all members shall be subject to monthly and/ or annual dues. All dues shall be collected at the start of the period for which it is intended. Collection of these dues is subject to the following provisions: (as amended on November 12, 1999)

- a. Honorary, Senior and Viudas shall not pay monthly or annual dues. (as amended on November 12, 1999)
- b. Voting, Non-Voting, Company, Junior and Assignee members shall pay the monthly dues set by the Board provided that the effectivity of such rate shall be thirty (30) days after the general membership has been informed of the new rate. The board shall set separate rates for non-proprietary and proprietary members and shall see to it monthly dues of proprietary members are lower than that of non-proprietary members. (as amended on November 12, 1999 and further amended on January 26, 2001)
- c. Non-Resident Members shall pay annual dues of such amount set by the Board of Directors. An extra assessment, equivalent to the monthly dues charged a Voting and Non-Voting Member will be charged Non-Resident Members for six (6) times. (as amended on November 12, 1999)

Section 3. Special Assessments. The Board of Directors shall have the authority to make special assessments on the members except Honorary, Senior, Viudas and Non-Resident Members, to defray the expenses for “Dia de le Hispanidad” to be celebrated on October 12 or the closest Saturday at the discretion of the Board of Directors. The special assessment shall not exceed the amount equivalent to one (1) month’s due for each member. (as amended on February 18, 1983 and further amended on November 12, 1999)

Section 4. A Non-resident member who wishes to change his category of Membership shall be made to pay the amount of the difference to that of the new category of membership applied for. (as amended on November 12, 1999)

Section 5. The Board of Directors shall have the authority to impose penalties on all unpaid accounts at any legal rate that it may set. All monthly dues and current accounts shall be paid and settled within thirty (30) days after the end of the month these accounts are contracted. (as amended on November 12, 1999)

Section 6. It shall be the duty of every member to pay all his dues and other assessments to the Cashier or authorized representatives of the club at the Clubhouse. (as amended on March 30, 1984).

ARTICLE IV - TRANSIENTS, VISITORS, WIDOW OF MEMBERS

Section 1. All members except Non-Resident and Junior Members may request the Board of Directors for a Guest Card for any transient visitor who does not reside in the City of Cebu or in any of the geographical limits enumerated in Article II, Section 2, paragraph b, subparagraph 3. This privilege may be extended for a maximum period of three (3) months and only once every twelve (12) months to the same person. The visitor shall pay a monthly fee in the same amount paid by Voting and Non-Voting Members while his guest card remains valid. The member who solicits for such guest card shall answer for the financial obligations of his visitor with the Corporation and, in case these obligations are not paid, it will be deemed as the member's own obligation. (as amended on November 12, 1999)

Section 2. All members have the right to accompany other persons who are not members, in order that they may enjoy the facilities of the Corporation chargeable to the members account, provided, the same guest shall not use the facilities more than once a week; provided further, that this privilege for visitors does not include participation in the activities of the Corporation organized for its members without the express permission of the Board of Directors, which also has the discretion to formulate other rules of exception or restrictions with respect to its implementation. (as amended on March 21, 1986 and further amended on November 12, 1999)

Section 3. Viudas. Widows of Senior, Voting and Non-Voting Members provided that the deceased must have been a member of the Club for at least a total of ten (10) years and in good standing at the time of his death. Qualified widows who wish to enjoy the privileges accorded to them by the Corporation must first apply for recognition under this classification following the procedures set by the Board of Directors. Viudas are: (as amended on November 12, 1999)

- a. Authorized by the Board of Directors to use all the facilities and participate in the activities of the Corporation. (as amended on November 12, 1999)
- b. Required to pay all contracted debts with the Corporation. (as amended on November 12, 1999)
- c. Not subject to entrance fee and monthly dues charged by the Corporation. (as amended on November 12, 1999)

ARTICLE V - VOTING RIGHTS (as amended on November 12, 1999)

Section 1. Persons Exercising Voting Rights. Any member who is an owner of at least one (1) proprietary share and who was unanimously elected by the

Board of Directors to be Voting Member shall be entitled to one (1) vote in all affairs of the Corporation. (as amended on November 12, 1999)

Section 2. How Voting Rights are Acquired. By unanimous approval of the Board, any proprietary member may be elected as and given the status of a Voting Proprietary Member provided that at no time shall the number of Voting Members exceed one hundred (100). (as amended on November 12, 1999)

Section 3. How Voting Rights are Lost. Any Voting Member shall lose his right to vote in the following cases (as amended on November 12, 1999)

- a. When his membership in the Club terminates whether by registration, expulsion or for any other cause; and (as amended on November 12, 1999)**
- b. By his failure to attend in person three (3) consecutive Annual Voting Members Meeting, in which case he shall be reverted to the status of a Non-Voting Member. (as amended on November 12, 1999)**
- c. When he applies and is accepted as a Senior member. (as amended on November 12, 1999)**

Section 4. Voting Rights of Other Members. All other members of the Club who are not Voting Members are entitled to vote only in those specific instances granted to them by law. (as amended on November 12, 1999)

ARTICLE VI - MANAGEMENT AND ADMINISTRATION

Section 1. Board of Directors: The management and administration of the Corporation shall be vested in a Board of Directors which shall be composed of Seven (7) members. The incoming members of the Board of Directors adjourns the session of the Annual General Membership Meeting, shall elect from among themselves a President, Vice-President, a Secretary, who must be a resident and a citizen of the Philippines, a Treasurer, a Director-In-Charge for the Committee on Services, and a Director-In-Charge for the Committee on Social Activities and Sports and Director-In-Charge for the Committee on Cultural Activities.

Section 2. Qualifications of Directors: Only Voting Members may be elected to the Board of Directors. (as amended on November 12, 1999).

Section 3. Elections of the Board of Directors. The Members of the Board of Directors shall be elected at the Annual General Voting Membership Meeting which shall be held not later than March 31st of each year and shall discharge their duties for a period of one (1) year to commence on this (1st) day of April of the same year. (as amended on February 18, 1983 and further amended on November 12, 1999).

Section 4. Powers and Duties of the Board of Directors: These are to be the legitimate representation of the Corporation in all its actuation both official and private; to be responsible to the authorities and other entities for all acts and resolutions that it may have adopted to comply and to have these By-Laws complied with in full; to formulate the rules and regulations which shall govern the Corporation and to resolve whatever questions or doubts which might arise in the interpretation of these BY-Laws and other cases not foreseen herein.

Section 5. Meeting of the Board of Directors: The meetings of the Board of Directors are either regular or special. Regular meetings are held once a month while special meetings may be held whenever deemed necessary, upon invitation of the President, or of two (2) directors. The Board shall act collectively with a majority of its members present in order to hold sessions and take action or enter into agreements which may be considered valid as the act of the Corporation. No director can delegate his vote, it being necessary for him to be present at the meetings so that his vote may be considered valid; neither shall he possess the authority to set individually in the name of this Corporation.

Section 6. Resignation and Vacancies in the Board of Directors: The Board of Directors cannot resign in mass without first convoking a General Voting Members Meeting at which it shall explain the reason for such action; the directors' shall continue to discharge their duties until their successors shall have been duly elected. In case of vacancy in the Board, by reason of resignation or any other cause, the remaining Directors shall elect from among the qualified members of the Corporation a successor who shall the unexpired term of the director replaced.

A duly elected member of the Board who fails to attend fort three (3) consecutive Regular Meetings and who shall not exercise his duties as such, shall be automatically dropped from the Board and will be reclassified as Non-Voting member and shall consequently lose such rights unless a valid written explanations is submitted to the Board for their acceptance and approval. (as amended on November 12, 199).

Section 7. Restrictions of the Board of Directors: The Board of Directors cannot contract loans in excess of the equivalent of 20% of the total equity of the Club without the approval of the General Voting Members. (as amended on January 27, 1978 and further amended on November 12, 1999).

ARTICLE VII - FUNCTIONS OF THE MEMBERS OF THE BOARD OF DIRECTORS

Section 1. The President: As the principal official of the Corporation, he shall be its representative in all cases that might occur whether of official, administrative,

judicial or private nature and, aside from these, of others that might be delegated to him by the Board of Directors. His powers are;

- a. To preside over the meeting of the Board of Directors and of the General Voting and General Membership; (as amended on November 12, 1999).
- b. To attest to all minutes prepared by the Secretary of the Board of Directors, of the General Voting and General Membership, to sign jointly with the Secretary all documents, contract and certifications of the Corporation previously approved by the Board of Directors; (as amended on November 12, 1999)
- c. To be an ex-officio member of all different committees enumerated in these By-Laws and those created by the Board of Directors;
- d. To exercise general supervision over all matters affecting the Corporation, its lands, building and other properties and over management and the employees.

Section 2. The Vice-President: He shall perform such functions as may be conferred upon him by the Board of Directors and in case of absence or illness of the President, shall act as President and, as such assume the right and responsibilities appertaining thereto.

Section 3. The Secretary: He shall attend all meetings of the Board, of the General Voting and of the General Membership, prepare the corresponding minutes, transcribe them in the books kept for this purpose authenticating them with his signature and attested by the President. He shall keep the Seal of the Corporation and all its documents and correspondence; he shall keep the necessary books listing the name of the members; he shall prepare an annual report describing in detail all activities, projects, accomplishments and work undertaken and realized by the Board of Directors and by the Corporation which he shall read at the Regular General Voting Membership Meeting to be held not later than March 31st of each year; this report shall be printed and distributed to the members; he shall maintain a Book of Complaints and Suggestions at the disposal of the members and other resolutions of each complaint by a member of the Board to whom the case by assignments falls, who, in turn, shall make a report to the Board of Directors in the shortest time possible. He shall perform such other duties as the Board may assign to him. (as amended on November 12, 1999).

Section 4. The Treasurer. He shall receive and keep under his custody all funds, assets, titles, receipts and other documents of account of the Corporation. He shall prepare vouchers and render an accounting of the financial position of the Corporation when required by the Board of Directors. He shall present a comprehensive annual report of the financial condition of the Corporation duly audited by an auditor appointed by the Board and incorporate the same in the annual report which will be read before the

Regular General Meeting of Voting Members. The funds of the Corporation shall be deposited in the bank or banks designated by the Board and such funds may be withdrawn only by checks signed by him, together with the President or a member of the Board authorized to do so. He shall comply with such other duties as the Board may require. In case of a temporary absence of the Treasurer, the Board will designate from among the remaining Directors an acting Treasurer. (as amended on January 27, 1978 and further amended on November 12, 1999).

Section 5. The Director- In- Charge of the Committee on Services: He shall have supervision of the operations, facilities, improvements and maintenance of the property of the corporation. He shall perform such other functions as may be designated by the Board.

Section 6. The Directors-In-Charge of the Committee on Social Activities and Sports: He shall have the supervision over all affairs, dances and official functions of social nature sponsored by the Corporation. He shall organize social entertainments and sports tournaments to be participated in by the members. He shall perform such other functions as may be designated by the Board.

Section 7. The Director-In-Charge of the Committee on Cultural Activities: He shall have the supervision over the library and the reading room. He shall organize seminars, lecture, exhibition and other activities of literary, scientific, artistic or musical nature for the benefit or with the participation of members. He shall perform such other functions as the Board may designate.

ARTICLE VIII - GENERAL VOTING MEMBERSHIP MEETINGS

Section 1. Regular Meeting: The regular meeting of Voting members shall be held not later than March 31, Of each year, with previous written notice to the Voting members, indicating the place and time of the meeting and the purpose of the same. (as amended on February 18, 1983 and further amended on November 12, 1999)

Section 2. Special Meetings: Special meetings of the Voting members are held as the Board may deem proper or upon application of one third (1/3) of the Voting Members, in which case a written petition shall be sent to the Board of Directors, which shall act within one (1) month from the receipt thereof by convening all the Voting members of the Corporation with right to vote at a Special General Voting Membership Meeting. (as amended on November 12, 1999)

Section 3. Notice of Meetings: The Notice of the Board of Directors for holding of the regular or the special meetings of the general voting membership shall be sent ten (10) days before the designated date either by ordinary mail or by personal delivery and by posting such notice in the Bulletin Boards of the Corporation. In the case of special

meetings, only matters stated as the reason for the call shall be discussed and resolved, without treating other matters alien thereto.(as amended on November 12, 1999)

Section 4. Order of Business at the Regular Meeting of Voting Members: With the President presiding, or in his absence, the Vice President, or in case both are not present, by a Director duly designated by the Board, the regular general voting membership meeting shall proceed in the following order: (as amended on November 12, 1999)

- a. **Proof of service of the notices of meeting**
- b. **Verification of quorum**
- c. **Reading and approval of the minutes of the last general voting membership and general membership meeting. (as amended on November 12, 1999)**
- d. **Reading and approval of the annual report and the financial statement.**
- e. **Action on general matters proposed by the Board or by any of the members present.**
- f. **Amendment or repeal of the By-Laws upon petition by one third (1/3) of the Voting Members or, at the instance of the Board of Directors. If this matter had been included in the notice of meeting.(as amended on November 12, 1999).**
- g. **Election of the members of the Board.**
- h. **Adjournment**

At the Special meeting of members, the same order of business more or less is followed except those in paragraph (d) and (g).

Section 5. Quorum at the General Voting Membership Meetings: The presence, in person or by proxy, of a majority of the members entitled to vote shall be required in order to discuss and resolve any business brought before the general voting membership meeting.(as amended on November 12, 1999).

Section 6. Voting and Proxies: Voting shall be by ordinary acclamation and nominally by a majority of the members present with the right to vote; and secretly in those affecting personal matters. In the election for the members of the Board the voting shall be secret vote without allowing cumulative voting in favor of one candidate in the ballot. A committee on Election composed of three Voting members who are not allowed to run for directorship shall be designated by the Board to supervise the voting and shall

proclaim the election of the seven (7) members who may have obtained the highest number of votes, preparing at the same time a complete list of those who may have obtained votes together with their corresponding number of votes. Any member with the right to vote may delegate his right by written proxy in favor of a Voting Member provided that the proxy is delivered to the Secretary before the start of the general meeting. In no case may a member permitted to present more than four (4) proxies in his name.(as amended on November 12, 1999).

ARTICLE IX - CREATION OF A TRUST FUND
(as amended on January 26, 2001)

Section 1. Trust Fund: Proceeds derived from the sale of proprietary shares in excess of the cost of constructing the new club facilities, including cost of equipment, furniture, fixtures and improvements shall form part of a trust fund and shall be deposited under a trust instrument with any established reputable trust corporation duly authorized by the government for the purpose of ensuring steady and dependable income for the corporation. (as amended on January 26, 2001)

Section 2. Use of Income: The earnings derived from the trust deposit shall be used exclusively for capital expenditures of the corporation as approved by the board. No part of the trust deposit or the corpus may be used or disposed of without prior approval of majority of the members are entitled to vote. (as amended on January 26, 2001)

ARTICLE X - MISCELLANEOUS PROVISIONS
(as amended on January 26, 2001)

Section 1. Social Affairs and Entertainments : The Board of Directors is obliged to celebrate the “Fiesta de la Hispanidad” for the members and the “Fiesta de Reyes”, for the children of members, with authority to make special assessments as enumerated in Article III. Section 3, and empowered, if the financial position of the Corporation so warrants, to organize a ball in the evening of December 31st to January 1st of each year, without assessing the members. All affairs and entertainments organized by the Corporation shall be governed by the rules and regulations approved by the Board of Directors. (as amended on January 26,2001)

Section 2. Ownership of the Land: Lands and Building of the Corporation during its existence belong to the Corporation. (as amended on January 26, 2001)

Section 3. Seal of the Corporation. The Seal shall be circular in form with inscription “Casino Español de Cebu, Inc. - 1920” (as amended on January 26, 2001)

ARTICLE XI - AMENDMENTS OR REPEAL OF THE BY-LAWS
(as amended on January 26, 2001)

Section 1. Procedure: The By-Laws may be amended or repealed at a General Membership Meeting or in a Special Membership Meeting, expressly convened for the

purpose, by vote of majority of the Members provided the requirement of Article VIII, Section 4 paragraph (f) are complied with. (as amended on November 12, 1999 and further amended on January 26, 2001)

Section 2. Implied Repeal: It is understood that all prior By-Laws of this Corporation, resolution and other actions taken by the Board of Directors, by the Membership which are inconsistent with these By-Laws are considered repealed and of no effect. (as amended on January 26, 2001).

ARTICLE XII - FISCAL YEAR END

(as amended on November 12, 1999 and further amended on January 26, 2001)

Section 1. Fiscal Year: The fiscal year will begin the first day of January and end of the last day of December of the same year.(as amended on November 12, 1999 and further amended on January 26, 2001).

ARTICLE XIII - TRANSITORY PROVISION

(as amended on January 26, 2001)

Section 1. Effectivity: The amendments introduced in this By-Laws on November 12, 1999 and further amendments on January 26, 2001, which are underlined for emphasis and identification, shall only be implemented upon issuance by the Securities and Exchange Commission in favor of the corporation of the Authority to sell Proprietary Shares.(as amended on November 12, 1999 and further amended on January 26, 2001).

Signed this _____ de 1920.

(Sgd.) Silviano Cermeño	(Sgd.) Agustin Duran	(Sgd.) Eduardo Bouffard
(Sgd.) Luis Aboitiz	(Sgd.) Jesus Sanz	(Sgd.) Andres Garcia
(Sgd.) Vicente Aldanese	(Sgd.) Eduardo Gonzales	(Sgd.) Manuel Gonzales
(Sgd.) Sergio Osmeña	(Sgd.) Jose Cui	(Sgd.) Vidal Aboitiz
(Sgd.) Ramon Aboitiz	(Sgd.) Jose Avila	(Sgd.) Andres Achandoa