

## BY-LAWS OF

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(Name and location)

### ARTICLE I NAME AND LOCATION

**Section 1. *Name and Address of Principal Office.*** The name of the Association is \_\_\_\_\_ with principal office address at \_\_\_\_\_.

### ARTICLE II PURPOSE, POWERS AND DUTIES

**Section 2. *Purposes of the Association.*** The purposes of this Association is to provide and/or maintain community facilities and to facilitate the delivery of adequate social services and economic advantages for the association to improve the quality of life and well-being of its members, on a non-profit basis consonant with the provisions set forth on its Articles of Association.

**Section 3. *The Powers and Duties of the Association.*** The powers and duties of the Association are those set forth in this Article, in Section 10 of RA 9904 (Magna Carta for Homeowners and Homeowners Associations), in Section 49 of the Implementing Rules and Regulations of RA 9904, and in its articles of incorporation and any recorded declarations or deed of restrictions encumbering the physical territory of the Association, if not inconsistent with the provisions of these by-laws.

The powers and rights of the Association include, but are not limited to, the following:

- (a) Subject to consultation and with the approval of a simple majority of the members, adopt and amend the articles of incorporation and by-laws, rules and regulations, pursuant to existing laws and regulations;
- (b) In behalf of its members, institute, defend, or intervene in litigation and/or administrative proceedings affecting the welfare of the association and the subdivision/village as a whole, excluding, however, disputes that are not the responsibility of the association;
- (c) Regulate the use, maintenance, repair, replacement and modification of common areas and cause additional improvements to be made part of the common areas: *Provided*, that the aforementioned do not contradict the provisions of the approved subdivision plan;
- (d) Regulate access to, or passage through the subdivision/village roads for purposes of preserving privacy, tranquillity, internal security, and safety and traffic order: *Provided*, that: (1) public consultations are held; (2) existing laws and regulations are met; (3) the authority of the concerned government agencies or units are obtained; and, (4) the appropriate and necessary memoranda of agreement are executed among the concerned parties;

(e) Hire, discharge or contract managing agents and other employees, agents and independent contractors to ensure the full functioning and operation of the association;

(I) Subject to consultation with and the approval of a simple majority of the association members, acquire, hold, encumber and convey in its own name any right, title to or interest in real or personal property: *Provided*, that such approval of a simple majority of the association members shall not be required for the acquisition, holding, encumbrance and conveyance of personal properties in amounts not exceeding ten percent (10%) of the association's cash holdings for its use in the course of its normal operations;

(g) Ensure the availability of quality water services at a reasonable price and at its option, administer and manage the waterworks system of the subdivision;

(h) Upon consultation, grant easements, leases, concessions and authority to use common areas and petition for or consent to the vacation of streets and alleys: *Provided*, that the said grant of easements, leases, concessions and authority shall not be applicable to access roads, main interconnecting roads, alleys and sidewalks within the subdivision;

(i) Impose or collect reasonable fees for the use of open spaces, facilities, and services of the association to defray necessary operational expenses, subject to the limitations and conditions imposed under the law, the regulations of the board and the association's by-laws;

(j) Cause compliance with regard to height regulations, easements, use of homes, buildings, edifices, or structures that may be built within the subdivision, in accordance with the National Building Code, zoning laws, HLURB rules and regulations, existing local ordinances, and existing deeds of restriction;

(k) Subject to consultation and with the approval of a simple majority of the association members, allow the establishment of certain institutions such as, but not limited to, schools, hospitals, markets, grocery stores and other similar establishments that will necessarily affect the character of the subdivision/village in terms of traffic generation, and/or opening the area to outsiders which may result in the loss of privacy, security, safety, and tranquillity to its residents, in accordance with the National Building Code, zoning laws, existing local ordinances, HLURB rules and regulations, and existing jurisprudence: *Provided*, that such prior approval shall not be necessary for the establishment of sari-sari stores, home industries and similar small-scale business enterprises within the subdivision/village classified as socialized housing;

(l) Suspend privileges of and services to and/or impose sanctions upon its members for violations and/or noncompliance with the association's by-laws, and rules and regulations;

(m) Petition for the creation of a separate barangay, independently or together with neighboring subdivisions: *Provided*, that all the requirements of the Local Government Code of 1991 are met; and,

(n) Exercise any other powers conferred by the by-laws and the HLURB necessary for the governance and operation of the association.

**Section 4. Duties of the Association.** The Association has the following duties:

a. The Association shall maintain financial records in accordance with generally accepted accounting standards and principles. The records shall be open to inspection by Association members or their authorized representatives at reasonable times, and

written summaries of such records shall be supplied at least annually to the members or their authorized representatives.

The failure of the Association to permit inspection of its accounting records by members or their authorized representatives entitles any persons prevailing in an enforcement action to recover reasonable attorney's fees from the person in control of the books and records who, directly or indirectly, knowingly denied access to the books and records for inspection.

The records shall include, but not be limited to:

- i. A record of all receipts and expenditures of the Association; and,
  - ii. An account for each member, designating the name and current mailing address of the member, the amount of each assessment, the dates on which and amounts in which the assessments come due, the amount paid on the account, and the balance due.
- b. The Association shall use its best efforts to obtain and maintain adequate security to protect the Association and its properties.

### **ARTICLE III MEMBERSHIP**

**Section 5. *Eligibility.*** Any natural person approved by the Board of Directors shall be eligible for membership in the Association, provided that he or she executes an Application Form duly notarized with all the necessary documents as required by the Association.

**Section 6. *Application for Membership.*** The application for membership shall be in accordance with procedures prescribed by the Board of Directors.

**Section 7. *Members.*** The members shall consist of persons who have been approved for membership by the Board of Directors and who have paid for their membership, received his or her Membership Certificate, and who have executed all the necessary forms required by the Association. There shall be no limit to the number of members admitted to and included in the Association.

A "Homeowner," as defined under RA 9904, refers to any of the following:

- (1) An owner or purchaser of a lot in a subdivision/village;
- (2) An awardee, usufructuary, or legal occupant of a unit, house and/or lot in a government socialized or economic housing or relocation project and other urban estates; or
- (3) An informal settler in the process of being accredited as beneficiary or awardee of ownership rights under the CMP, LTAP, and other similar programs.

A homeowner, as defined under RA 9904, shall be qualified to be a member of an association: *Provided, however,* that a lessee, usufructuary, or legal occupant shall have the right of a homeowner as set forth under this Act upon procurement of a written consent or authorization from the owner of the lot or housing unit.

Until such consent or authorization is revoked in writing, the owner of the lot or housing unit is deemed to have waived his/her rights enumerated under Section 7 of this Act, except subsection (b) of the same section which can be simultaneously enjoyed by both the owner and the lessee.

The lessee authorized in accordance with this sect shall qualify as a member with all the rights enumerated in RA 9904, including the duties and obligations enumerated under Sections 7, 8 and 9 of the said law, *provided, further*, that lessees in government socialized housing projects or urban estates and those in communities of underprivileged and homeless citizens covered under the term under Section 3 of RA 9904 will be considered as homeowners for the purpose of qualifying as a member of a homeowners' association without need of such written consent or authorization.

**Section 8. *Membership Certificates.*** Each Membership Certificate shall state that the Association is organized under the laws of the Philippines, the name of the registered holder of the membership represented thereby; the Association lien rights as against such membership and the preferences and restrictions applicable thereto, and shall be in such form as shall be approved by the Board of Directors.

Membership Certificates shall be consecutively numbered, bound in one or more books, and shall be issued therefrom upon certification as to full payment. Every Membership Certificate shall be signed by the President or Vice-President, and the Secretary, and shall be sealed with the corporate seal of the Association.

**Section 9. *Lost Certificates.*** The Board of Directors may direct a new certificate or certificates to be issued in place of any certificate or certificates previously issued by the Association and alleged to have been destroyed or lost, upon the making of an affidavit of that fact by the person claiming the share certificate to be lost or destroyed. When authorizing such issuance thereof, the Association shall require the registered owner of such lost or destroyed certificate or certificates, or his legal representative, to advertise the same in such manner as the Board of Directors shall require, and to give the Association a bond in such sum as the Board of Directors may require as indemnity against any claim that may be made against the Association.

**Section 10. *Lien.*** The Association shall have a lien on the outstanding regular memberships in order to secure payment of any sums which shall be due or become due from the holders thereof for any reason whatsoever; including any sums due under any occupancy agreements.

**Section 11. *Member in Good Standing.*** A member is in good standing if he or she complies with all the duties and obligations of a member as determined by these by-laws. A member in good standing shall enjoy the following rights:

- a. To avail of and enjoy all basic community services and the use of common areas and facilities.
- b. To inspect Association books and records during office hours and to be provided upon request with annual reports, including financial statements.
- c. To participate, vote, and be eligible for any elective or appointive office of the Association subject to the qualifications as provided for in these by-laws.

- d. To participate in association meetings, elections and referenda, as long as *bona fide* membership subsist.
- e. And to enjoy all other rights as may be provided in the by-laws of the association.

**Section 12. *Rights and Privileges of Membership.*** Every member regardless of standing shall be entitled to participate in all general meetings, and has the right to vote on the following matters:

- a. Amendment of the Articles of Association;
- b. Adoption and amendment of by-laws;
- c. Sale, lease, exchange, mortgage, pledge, or other disposition of all or substantially all of the Association's assets;
- d. Incurring, creating, or increasing bonded indebtedness;
- e. Increases or decreases of Association capitalization or dues;
- f. Merger or consolidation of the Association with another association or other associations;
- g. Investment of Association funds in another association; and,
- h. Dissolution of the Association.

**Section 13. *Duties of Members.*** Every member of this Association has the following duties and obligations:

- a. To pay his or her membership fee, association dues, special assessments, and such other fees which may be levied on him by the Association;
- b. To participate in important activities or social affairs of the Association as may be determined by the Board of Directors;
- c. To attend all meetings, assemblies, and seminars as may be called by the Board of Directors or Association committees; and,
- d. To obey and comply with these by-laws and such other rules and regulations as may be promulgated by the Board of Directors and approved by the majority of the members.

**Section 14. *Delinquent Member.*** A member who has failed to pay \_\_\_\_\_ monthly dues or membership fees, or other charges or assessments in a year's time, despite demands by the Association, or has repeatedly violated the Association's by-laws and/or declared policies,

may be declared delinquent by the Board of Directors in accordance with the procedure in the succeeding section.

**Section 15. *Procedure in Declaring a Member Delinquent.*** The Board of Directors or a committee assigned by it shall observe the following procedure in declaring a member delinquent or not in good standing:

- a. The Board of Directors or the committee shall determine whether a member failed to pay at least \_\_\_\_\_ monthly dues, fees, or other charges in a year's time based on the report of the Treasurer or as reflected in the Association's financial records, or repeatedly or grossly violated the by-laws or policies of the Association as reflected in the book of records of the Association.
- b. The President or the designated Officer of the Association shall forthwith notify the said member in writing of the violation and require him to explain in writing, within fifteen (15) days from receipt of notice, why he should not be declared delinquent.
- c. After the lapse of fifteen (15) days, with or without a written explanation, the President or the designated Officer shall submit the matter to the Board of Directors or committee for hearing and deliberation.
- d. Thereafter, the member may be declared delinquent by majority vote of all members of the Board of Directors.

**Section 16. *Sanctions for a Delinquent Member.*** The rights and privileges of a member as provided in Sections 12 and 13 are suspended upon the declaration of delinquency by the Board of Directors.

**Section 17. *Reinstatement of a Delinquent Member.*** The Board of Directors shall, by majority vote of all members thereof, reinstate the membership of the delinquent member, provided that the unpaid dues, fees, or charges are paid or the sanctions imposed are satisfied as attested by the Secretary and Treasurer of the Association.

**Section 18. *Membership Roll.*** The association shall keep and maintain under the custody of the Secretary a membership roll containing the list of all members and such additional members as may be admitted from time to time, including information and data, which may be required by the Board of Directors.

**Section 19. *Transfer of Membership.*** Membership in the Association shall not be transferable, except in the following instances:

- a. *Letting and Subletting of Members' Lots or Houses.* Lessees and sublessees may be allowed to become members, provided the lease is in writing and is for a period of at least one year. The lessee or sublessee shall become the member in lieu of the homeowner-lessor or sublessor, unless and until revoked in writing by such homeowner-lessor or sublessor.
- b. *Death of a Member.* If upon the death of a member his or her membership in the Association passes by will or intestate succession to a spouse or child (children) who

is listed as a resident on the most recent recertification and who is also of legal age, such legatee or distributee may, by assuming in writing the terms of the Association and all qualifications, rules, and regulations of the Association, within thirty (30) days after member's death, and after paying all amounts due thereunder, become a member of the Association.

If a member dies and member obligations are not assumed in accordance with the foregoing, then the Association shall have an option to assign the membership from the deceased member's estate in the manner provided in paragraph (c) of this subsection, written notice of the death being the equivalent to notice of intention to withdraw. If membership passes by will or intestate distribution to person(s) other than a spouse or child (children), the Association may elect to assign the membership within thirty (30) days of receiving actual notice of the member's death.

- c. *Option of Association to Assign Membership.* If the member desires to move out, he/she shall notify the Association in writing of such intention sixty (60) days in advance of the desired termination date. The Association shall have an option for a period of thirty (30) days thereafter, but not an obligation, to assign the membership, together with all of the member's rights as an owner and those rights with respect to the lot or house, at the amount to be determined by the Association as representing the transfer value thereof, less any amounts due by the member to the Association under the membership agreement, less the cost or estimated cost of all deferred maintenance and such repairs and replacements as are deemed necessary by the Association to place the property in suitable condition for another occupant. The assignment by the Association of the membership will immediately terminate the member's rights.
- d. *Procedure Where Association Does Not Exercise Option.* If the Association waives its right to assign the membership under the foregoing option, or the Association fails to exercise such option within the thirty (30) day period, the member may assign his membership to any person who has been duly approved by the Association as a member and occupant. If the Association agrees, at the request of the member, to assist the member in finding an assignee, the Association shall be entitled to charge the member a fee it deems reasonable for this service.
- e. *Transfer Value.* When the transferee has been approved for membership and has executed all the forms required by the Association, the retiring member shall be released of his obligations to the Association provided he/she has paid all amounts due the Association to date. The member is responsible for all carrying charges and other applicable charges for the lot or house until termination of membership as specified in the foregoing Section has been fully executed. The assignment or transfer of membership by a retiring member or beneficiary may only be executed by the Association.

**Section 20. Conditions for Assignment.** Memberships may be assigned by the Association or the member only to a person previously approved by the Board of Directors in accordance with the requirements of these by-laws, rules, and regulations of the Association.

## ARTICLE IV FEES AND DUES

**Section 21. *Membership Fee.*** Upon the organization of this Association, or the admission of any person as member hereof, every member of the association shall pay a membership fee of \_\_\_\_\_ or in such amount as may be determined by the Board of Directors upon approval of the majority of the general membership in a meeting duly called for the purpose. Membership fees shall be paid in a manner determined by the majority of the Board of Directors and the general membership.

**Section 22. *Association or Maintenance Dues.*** Monthly association or maintenance dues of \_\_\_\_\_ shall be collected from all members of the Association to defray the administrative cost and operational expenses of the Association.

**Section 23. *Contributions.*** The Association may raise funds for its programs and activities through contributions, donations, or other ways of raising and pooling funds.

**Section 24. *Special Assessments.*** The Board of Directors may, from time to time, assess and collect from each member reasonable amounts as may be necessary to fund special community projects for the common good and benefit of the association as approved by the majority of the members of the Board of Directors.

## ARTICLE V MEETING OF MEMBERS

**Section 25. *Place of Meetings.*** Meetings of the membership shall be held at the principal office or place of business of the Association or at such other suitable place convenient to the membership as may be designated by the Board of Directors.

**Section 26. *Annual Meetings.*** The first meeting of the Association membership shall be in \_\_\_\_\_ (month, year). Thereafter, the annual meetings of the Association shall be held every \_\_\_\_\_, at a time to be set by the Board in each succeeding year. At such meetings there shall be elected by ballot of the members a Board of Directors in accordance with the requirements of Section \_\_\_\_\_ of Article \_\_\_\_\_ of these by-laws. The members may also transact such other business of the Association set forth in Section \_\_\_\_\_ of this Article.

**Section 27. *Special Meetings.*** It shall be the duty of the President to call a special meeting of the members as directed by resolution of the Board of Directors or upon a petition signed by twenty (20) percent of the members having been presented to the Secretary of the Board of Directors. The notice of any special meeting shall state the time and place of such meeting and the purpose thereof. No business shall be transacted at a special meeting except as stated in the notice unless by consent of a majority of the members present, either in person or by proxy.

**Section 28. *Notice of Meeting.*** It shall be the duty of the Secretary of the Board of Directors to send a notice of each annual or special meeting, stating the purpose thereof as well



as the time and place where it is to be held, to each member of record, at his address as it appears on the membership book of the Association, at least fourteen (14) days prior to such meeting and the posting in a conspicuous place in the subdivision of a notice at least fourteen (14) days prior to the meeting. Service may also be accomplished by the personal delivery of such notice to the member at his house or unit.

Notice by either such method shall be considered as notice served. The Secretary shall provide an affidavit affirming that the notices were posted and mailed or hand delivered in accordance with the provisions of this section to each member at the address last furnished to the Association. These meeting requirements shall not prevent members from waiving notice of meetings or from acting by written agreement without meetings.

The Secretary shall send a meeting notice and copies of the proposed annual budget of expenses to the members not less than thirty (30) days prior to the meeting at which the budget will be considered. The members shall be given written notice of the time and place at which the meeting of the board of directors to consider the budget will be held. The meeting shall be open to all members.

**Section 29. Quorum.** The presence in person or by proxy of at least fifty percent (50%) plus one (1) of the total number of members based on the records on file with the HLURB shall constitute a quorum for all meetings of members.

Decisions shall be made by a majority of members represented at a meeting at which a quorum is present; provided, however, that any decision to acquire properties shall only be made by not less than two-thirds of all the members and any decision to convert the use of Association properties following its acquisition by the Association shall only be made by not less than a simple majority vote of all of the members of the Association.

**Section 30. Voting.** At every meeting, a member, either in person or by proxy, shall be entitled to one (1) vote. A member who owns more than one (1) lot/unit is entitled to voting rights corresponding to the number of lots/units owned provided the appropriate dues and fees for each lot are paid.

**Section 31. Proxies.** Association members may vote in person or by proxy in all meetings of members. Proxies shall be in writing, signed by the member and filed before the scheduled meeting with the association secretary. Unless otherwise provided in the proxy, it shall be valid only for the meeting for which it is intended, No proxy shall be valid and effective for a period longer than three (3) years at any one (1) time unless earlier revoked by the member.

**Section 32. Order of Business.** The order of business at all annual meetings of the members shall be as follows:

- a. Proof of notice of meeting.
- b. Determination of quorum.
- c. Reading and approval of the minutes of previous meeting.

- d. Reports of the Board/Officers/Committee of the Association.
- e. Other business.
- f. Adjournment.

**Section 33. *Annual Statement.*** A true and full statement of the affairs of the association, including the financial status, shall be reported at the annual meeting for information of the members.

**Section 34. *Minutes.*** The minutes of all meetings as certified to by the responsible officer/s shall be kept and preserved by the Secretary of the association as a record of the matters and business transacted at such meetings.

## **ARTICLE VI DIRECTORS**

**Section 35. *Number of Directors.*** The affairs of the Association shall be governed by a Board of Directors composed of \_\_\_\_<sup>1</sup>, all of whom shall be members of the Association.

**Section 36. *Qualification of a Member of the Board of Directors.*** A director of this Association must possess the following qualifications:

- a. Must be of legal age;
- b. Must be a member in good standing;
- c. Must be an actual resident of the subdivision for at least six (6) months prior to the date of the election as certified by the Association Secretary or, in the Secretary's absence, by a member having personal knowledge thereof; and,
- d. Has not been convicted by final judgment of an offense involving moral turpitude.

The legitimate spouse of a member in good standing may be a candidate for directorship in lieu of such member.

**Section 37. *Disqualification of Directors.*** A member of the Association is disqualified to run for directorship and/or officer on any of the following grounds:

- a. Those convicted of fraud, falsification, defalcation/embezzlement, or any other offense involving moral turpitude or any other acts inimical to the interests of the association;
- b. Former officers and directors of the association who have not turned over the books, monies and records of the association during their term in the interest of enforcing faithful discharge of their duties, transparency and accountability;

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<sup>1</sup> Not less than 5 but not more than 15 members of the Board of Directors.

- c. Those who refuse to comply with the orders, sanctions, decisions, and resolutions of HLURB.

**Section 38. Powers and Duties.** The Board of Directors shall act in all instances on behalf of the association except as may be provided by law. The powers of the Board of Directors shall include but not be limited to the following:

- a. To establish fees and dues as provided for in the membership agreement, based on an operating budget formally adopted by the Board of Directors. Carrying charges shall be payable monthly on the first of the month as further provided by resolution of the Board of Directors. Carrying charges shall be assessed in amounts not less than are required to provide funds in advance for payments of all of the anticipated current operating expenses and for all of the unpaid operating expenses previously incurred.
- b. To engage an agent or employees for management of the properties of the Association under such terms as the Board may determine.
- c. To terminate membership for cause.
- d. To promulgate such rules and regulations pertaining to use and occupancy of the open spaces and common areas as may be deemed proper and which are consistent with these by-laws and the Articles of Association.
- e. To own the record of interest in the properties of the association and be responsible for the operations thereof.
- f. To authorize the purchase, sale, transfer, financing, refinancing, mortgaging, or encumbering of the Association properties.

**Section 39. Nomination.** Nomination of candidates for directorship shall be made at least fourteen (14) days before the scheduled election. The list of qualified nominees shall be posted at least seven (7) days prior to the said election at the bulletin board of the Association or in any conspicuous place in the area of jurisdiction of the association.

**Section 40. Election and Term of Office.** The election of the Board of Directors shall be held on \_\_\_\_<sup>2</sup>. The Directors shall be elected by secret ballot at the scheduled election. The Directors so elected shall serve for a term of \_\_\_\_<sup>3</sup> year(s) and until their successors shall have been elected and qualified.

**Section 41. Vacancies.** Vacancies in the Board of Directors caused by any reason other than the removal of a Director by a vote of the membership shall be filled up by a vote of the majority of the remaining Directors. When the number of remaining directors no longer constitutes a quorum any member of the board may propose to call for a special election to fill up the vacancies.

The director so appointed/elected shall serve the unexpired term.

**Section 42. Removal of a Director.** Through a signed petition of a simple majority of the association members in good standing, subject to a verification and validation by the HLURB, a

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<sup>2</sup> To be determined by the Association.

<sup>3</sup> Not more than two (2) years pursuant to RA 9904.

director may be removed for causes provided in the by-laws of the association: *Provided*, that if a majority of the members of the board is removed, it shall be considered a dissolution of the entire board, in which case, Section \_\_\_\_ hereof shall govern.

Within sixty (60) days after the removal of a director, an election shall be called by the remainder of the board for the purpose of determining who shall hold office for the unexpired term of the removed director.

A Director may be removed on any of causes under Section \_\_\_\_ hereof.

**Section 43. *Compensation.*** No officer of the association holding a rank of a Director shall likewise be entitled to any compensation.

**Section 44. *Regular Meetings.*** The first meeting of a newly elected Board of Directors shall be held immediately after their election.

Regular meetings of the Board of Directors shall be held on the schedule fixed by the Board.

**Section 45. *Special Meetings.*** Special meetings of the Board of Directors may be called by the President, by majority of the Board or upon petition by members constituting \_\_\_\_\_<sup>4</sup> percent (\_\_\_ %) of the total membership.

**Section 46. *Quorum.*** At all meetings of the Board of Directors, the presence of the majority of the Directors shall constitute a quorum. The decision of at least a majority of the directors present at a meeting at which there is a quorum shall be valid as a corporate act except for the election of officers which shall require the vote of a majority of all the members of the Board.

**Section 47. *Fidelity Bonds.*** The Board of Directors shall require the President and the Treasurer of the Association to post fidelity bonds, the amount of which shall be determined by the Board of Directors. The premiums on such bonds shall be paid by the Association.

**Section 48. *Minutes.*** Minutes of all meetings of the Board of Directors shall be kept and preserved by the Secretary as a record of the matters and business transacted at such meetings.

## ARTICLE VII OFFICERS

**Section 49. *Association Officers.*** The principal officers of the Association shall be a President, a Vice-President, a Secretary, a Treasurer, and an Auditor. The Board of Directors may create other management positions as may be necessary.

**Section 50. *Qualifications of Officers.*** A director and officer of an association –

a. Must be legal age;

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<sup>4</sup> To be determined by the Board.

- b. Must be a member in good standing;
- c. Must be an actual resident of the subdivision, housing or relocation project for at least six (6) months as certified by the association secretary or in default thereof, by a member having personal knowledge thereof; and,
- d. Has not been convicted by final judgment of an offense involving moral turpitude.

The legitimate spouse of a member may be a candidate in lieu of the member.

**Section 51. *Disqualification of Officers.*** An Officer of the Association may be disqualified on similar grounds as the grounds of disqualification of Directors in Section \_\_\_\_\_ of Article above.

**Section 52. *Election and Term of Office.*** The officers of the Association shall be elected by the Board of Directors from among themselves at their first meeting. The officers shall hold office for the term being served.

**Section 53. *Removal of Officers.*** Upon an affirmative vote of a majority of the members of the Board of Directors, any officer may be removed, with cause, and his or her successor elected, at any regular meeting of the Board of Directors, or at any special meeting of the Board called for such purpose.

**Section 54. *Compensation.*** The Officers of the association who are not members of the Board of Directors may be given honoraria the amount of which shall be determined and approved by the Board of Directors and ratified by the general membership.

**Section 55. *President.*** The President shall have the following powers and duties:

- a. Preside at the meetings of the Board of Directors;
- b. Exercise general supervision over all the other Officers of the Association;
- c. Represent the Association in all activities to which it is a party or participant;
- d. Organize, in consultation with the Board of Directors and other Officers, a program of activities;
- e. Prepare and render a complete report of the operations of the association to the members at the annual meeting;
- f. Organize and supervise work groups among the members of the Association as may be necessary;
- g. Post a fidelity bond sufficient to answer for the Association's cash assets and its equivalent at the time of his or her assumption of office;
- h. Ensure the association's compliance with the reportorial requirements of HLURB and other government agencies; and,
- i. Perform other functions as may be authorized by the Board of Directors.

**Section 56. *Vice-President.*** The Vice-President shall take the place of the President and perform his or her duties whenever the President shall be absent or unable to act. If neither the President nor the Vice-President is able to act, the Board of Directors shall appoint some other member of the Board to so do on an interim basis. The Vice-President shall also perform such other functions as maybe assigned and delegated by the Board of Directors from time to time.

**Section 57. *Secretary.*** The Secretary shall perform the following duties:

- a. Prepare and disseminate/post notices of meetings;
- b. Keep and maintain the minutes of all meetings;
- c. Keep and preserve the records and other instruments/documents of the association
- d. Keep and maintain the seal of the association;
- e. Certify and attest to the authenticity and veracity of all the documents and instruments submitted by the association to the proper authorities;
- f. Keep, maintain, and update masterlist/registry of members with the corresponding signatures of the latter;
- g. Make available all necessary governing documents ;
- h. Prepare and, upon instruction of the Board of Directors, submit reportorial requirements and other instruments to HLURB and other government agencies; and,
- i. Perform such other duties as may be assigned by the Board of Directors from time to time.

**Section 58. *Treasurer.*** The Treasurer shall have the following responsibilities:

- a. Take charge/custody of and be responsible for the funds of the association;
- b. Keep a complete and accurate record of receipts and disbursements and other commercial transactions in the corresponding books of accounts of the Association, and see to it that all disbursements and expenditures are evidenced by appropriate vouchers;
- c. Receive monies, checks and other negotiable instruments for the association and issue the corresponding official receipts thereon;
- d. Keep and maintain the financial records of the association;
- e. Monitor all delinquencies and send notices on overdue association's dues and/or demand letters;
- f. Post a fidelity bond on the account of the association to be determined by the Board of Directors; and,
- g. Perform all other duties assigned from time to time by the by the Board of Directors.

**Section 59. *Vice-Secretary.*** The Vice-Secretary shall assist the Secretary. In the absence of the Secretary shall perform the duties and responsibilities of the latter.

**Section 60. *Assistant Treasurer.*** The Assistant Treasurer shall assist the Treasurer. In the absence of the Treasurer shall perform the duties and responsibilities of the latter.

**Section 61. *Auditor.*** The Auditor shall perform the following functions:

- a. Examine and audit all financial transactions of the Association including all the books, ledgers, journals, and other supporting records pertaining thereto; and,
- b. Perform all duties incidental to the office of the Auditor and such other duties as maybe assigned by the Board of Directors from time to time.

## ARTICLE VIII ASSOCIATION COMMITTEES

**Section 62. *Committees.*** The Board of Directors shall create and organize the following Committees of the Association:

- a. *Grievance and Adjudication Committee.* The three (3) members of the Grievance and Adjudication Committee, who should have experience in counselling, shall be elected by the members in the annual meeting of members. The Committee shall accept and investigate complaints filed by a member against any other member or Officer, and shall settle or arbitrate any dispute within its power in the community.

In the event that the grievance is not settled by the Committee, its decision may be appealed to the Board of Directors. Any controversy or dispute shall first be brought before the Board of Directors prior to elevating the same to HLURB. The Board of Directors shall issue a certification as to the non-settlement of a dispute before the HLURB can take cognizance of the dispute or controversy.

- b. *Audit and Inventory Committee.* The Audit and Inventory Committee shall have three (3) members and shall be responsible for auditing the accounts of the Association. It shall conduct such audit at least semi-annually and submit its reports thereon to the Board of Directors.
- c. *Election Committee.* The Committee on Election (EleCom) shall be composed of five (5) members, to be elected by the members in the annual meeting who shall serve for a term one (1) year until their successors have been elected and duly qualified. The Committee shall supervise all election activities of the Association, including referenda, plebiscites, petitions, and recalls of Directors.
- d. *Development and Services Committee.* The Development and Services Committee shall take charge of planning, coordination, and actually operating the facilities and services of the Association. It shall be organized into groups or councils of three (3)

- members each, which shall form as the backbone of the community service delivery system. Initially, these groups or council may be the following: Health and Nutrition, Logistics, and Mobility Groups. Additional groups or councils shall be formed as the need arises.
- e. *Membership and Education Committee.* The Membership and Education Committee, composed of \_\_\_ members, shall take charge of the development of human resources in the community. It shall conduct information, educational, and motivational campaigns and shall prepare and implement training activities designed to make the residents productive members of the association.
  - f. *Financial Management Committee.* Subject to the approval of the Board of Directors, the Financial Management Committee shall prepare the annual budget of the Association and plan, adopt, and implement canvassing, procurement, and disbursement guidelines for projects that will or may require the use of the Association funds. The Committee, consisting of three (3) members, shall also serve as a coordinating body for all financial matters involving external institutions and shall evolve a savings campaign and other fund raising activities.
  - g. *Livelihood Committee.* The livelihood committee shall plan and coordinate all economic programs designed to supplement the income of the members. As such, it shall closely coordinate with the financial management committee in the preparations of feasibility studies and other proposals.
  - h. *Maintenance Committee.* The Maintenance Committee, consisting of fifteen (15) members, shall take charge of the upkeep and repair of community facilities and services. It shall form and organize the beautification or ecology team or group to maintain cleanliness and beauty in the community.
  - i. *Peace and Order Committee.* The Peace and Order Committee shall take charge of maintaining peace and order in the community. Composed of seven (7) full time members, it shall form and organize all the able bodied members of the Association into *Tanod* brigades to safeguard the security of the area and emergency/disaster brigades to meet any natural or man-made calamity.
  - j. *Social and Cultural Affairs Committee.* Consisting of seven (7) members, it shall be tasked with planning, organizing, and implementing social activities that will help improve inter-personal relations among the members. It shall also develop programs and activities to deepen cultural awareness among the members. Finally, it shall form and organize a Sports and Recreation Brigade among all the members of the Association.

A member Board of Directors shall not be appointed to any of these Committees during his or her incumbency.

**Section 63. *Special Committees.*** Other special Committees, councils, or groups may be created by the Board of Directors as the need arises.



## ARTICLE IX FISCAL MANAGEMENT

**Section 64. *Fiscal Year.*** The fiscal year of the Association shall begin on the first day of January every year and end on the last day of December, except that the first fiscal year of the Association shall begin at the date of incorporation. The commencement date of the fiscal year herein established shall be subject to change by the Board of Directors should corporate practice subsequently dictate, but not without the prior written approval of the HLURB.

**Section 65. *Books and Accounts.*** Books and accounts of the Association shall be kept under the direction of the Treasurer and in accordance with the generally accepted accounting principles.

**Section 66. *Auditing.*** At the close of each fiscal year, the books and records of the Association shall be audited and certified to by a Certified Public Accountant (CPA) as required by the Board of Directors. The Association shall furnish its members with an annual financial statement (Balance Sheet and Income Statement).

**Section 67. *Inspection of Books.*** Financial reports and the membership records of the Association shall be available for inspection upon request by the member at the principal office of the Association during office hours.

**Section 68. *Signing of Cheques, Drafts, and Other Financial Instruments.*** All cheques, drafts, or other orders for payment of money, and all notes, bonds or other evidence of indebtedness issued in the name of the Association, shall be signed and executed on behalf of the Association by either the President or the Vice-President in the former's absence, and countersigned by either the Secretary or Treasurer, or by the Vice-Secretary or Assistant Treasurer in the formers' absences.

**Section 69. *Deposit.*** All funds of the Association such as Association dues and membership fees shall be deposited from time to time to the credit or account of the Association in such bank or banks as the Board of Directors may designate.

## ARTICLE X MISCELLANEOUS PROVISIONS

**Section 70. *Amendments.*** Association may file with the Regional Office of the HLURB a written application to amend its articles of association and/or its by-laws.

a. The application to amend the articles of association shall be accompanied by the following:

[1] The articles as amended indicating the amendment/s;

[2] Notarized certificate of the board of directors attesting that the amendment was approved by majority vote of the board;

[3] Notarized certificate of the secretary of the association attesting that the amendments were approved by a majority vote of the members thereof; and,

[4] Minutes of the meetings of the Board and the General Assembly called for the purpose.

b. The application to amend the by-laws shall be accompanied by –

[1] The original and the amended or new by-laws;

[2] Notarized certificate of the board of directors attesting that the amendment of or the new by-laws was approved by a majority vote of the board;

[3] Notarized certificate of the secretary of the association attesting that the amendment or new by-laws was approved by a majority vote of the members thereof; and,

[4] Minutes of the meetings of the Board and the General Assembly called for the purpose.

c. Issuance of amended certificate of registration.

If the application to amend the articles of association and/or its by-laws is not contrary to law or public policy and does not adversely affect any interest, the

Regional Office shall issue the appropriate amended certificate of association or certificate of filing of amended by-laws as the case may be.

When a change in the corporate name is approved, the Regional Office shall issue an amended certificate of association under the amended name.

**Section 71. Corporate Seal.** The Board of Directors shall provide a suitable seal containing the name of the Association, which seal shall be in charge of the Secretary as specified in Section 41 of Article 6.

**Section 72. Board Rules and Regulations.** The Board of Directors shall have the power to promulgate such additional rules and regulations consistent with law, the Articles of Association, or these by-laws.

THE FOREGOING BY-LAWS WERE ADOPTED AND APPROVED by all the incorporators on \_\_\_\_\_ at \_\_\_\_\_.

*(Note: If filed with Articles of Incorporation, should be signed by all Incorporators; if filed after incorporation, should be signed by majority of the members.)*

IN WITNESS WHEREOF, we have hereunto set our hands this \_\_\_\_\_ day of \_\_\_\_\_, in the year of our Lord 20\_\_\_\_, at \_\_\_\_\_.

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\_\_\_\_\_

**A C K N O W L E D G M E N T**

REPUBLIC OF THE PHILIPPINES)  
CITY / PROVINCE OF \_\_\_\_\_) S.S.

BEFORE ME, a Notary Public for and in \_\_\_\_\_ this \_\_\_\_ day of  
\_\_\_\_\_, 20\_\_\_\_, personally appeared:

NAME	CTC NUMBER	DATE OF ISSUE	PLACE OF ISSUE
_____	_____	_____	_____
_____	_____	_____	_____
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known to me and to me known to be the same persons who executed the foregoing instrument and acknowledged to me that the same is their free and voluntary act and deed as well as the free and voluntary act and deed of the association they represent.

This instrument consisting of \_\_\_\_\_ pages including this page whereon the acknowledgment clause is written, signed by the authorized signatories together with their instrumental witnesses on each and every page hereof, sealed with my notarial seal, refers to the by-laws of the \_\_\_\_\_.

WITNESS MY HAND SEAL on the day, year and place first above-written.

**NOTARY PUBLIC**

Doc. No. \_\_\_\_\_;  
Page No. \_\_\_\_\_;  
Book No. \_\_\_\_\_;  
Series of 20 \_\_\_\_\_.