

**ARTICLES OF INCORPORATION**  
**OF**  
**SOCIAL HOUSING FINANCE CORPORATION**

2005 JUN 17 PM 3 17

KNOW ALL MEN BY THESE PRESENTS:

The undersigned incorporators, all of legal age, citizens and residents of the Republic of the Philippines, have this day voluntarily agreed to form a stock corporation under the laws of the Philippines.

THAT WE HEREBY CERTIFY:

**FIRST:** That the name of the said corporation shall be:

**“SOCIAL HOUSING FINANCE CORPORATION”**

**SECOND:** That the purposes for which the said corporation is incorporated are:

**PRIMARY PURPOSE**

To be the lead government agency to undertake financing of social housing programs that will cater to the formal and informal sectors in the low-income bracket and shall take charge of developing and administering social housing program schemes, particularly the Community Mortgage Program (CMP) and the Abot-Kaya Pabahay Fund Program (AKPF) (Amortization Support Program and Development Financing Program).

In furtherance of its primary purpose, the corporation shall undertake the following:

1. To promote land ownership giving priority to the underprivileged and the homeless citizens of the society.
2. To encourage maximum participation of Local Government Units (LGUs), Non-Government Organizations (NGOs) and People Organizations (POs) to ensure that homeless citizens and the underprivileged can enjoy the benefits of the programs of the corporation.
3. To institutionalize and promote housing aided by self-help method whereby families with their own and/or outside financing can build their homes with their labor and such other self-help approaches in home ownership and introduce support facilities that will enhance the capabilities of low-income groups to acquire decent housing.

4. To assist local governments to serve the housing requirements in their respective areas, such as resettlement, development of sites and services and the renewal of the blighted areas.
5. To purchase, acquire, sell, discount, refinance or otherwise deal in community or home mortgages or participate therein or engage in estate management under such conditions and terms as may be determined by the Board of Directors of the corporation.
6. To provide a strong and sustainable finance program supporting the housing objectives and in relation thereto, to borrow or raise money necessary to meet the financial requirements of its business by the issuance of bonds, promissory notes and other evidences of indebtedness, and to secure the repayment thereof by mortgage, pledge, deed of trust upon the properties of the corporation.
7. To invest and deal with the money and properties of the corporation in such manner as may from time to time be considered wise or expedient for the advancement of its interests and to sell, dispose of or transfer the business, properties and goodwill of the corporation or any part thereof for such consideration and under such terms as it shall see fit to accept;
8. To enter into any lawful arrangement for joint venture, profit-sharing, union of interest, unitization, or trust agreement, reciprocal concession, or cooperation, with any corporation, association, partnership, syndicate, entity, person or governmental, municipal or public authority, domestic or foreign, in the carrying on of any business or transaction deemed necessary, convenient or incidental to carrying out any of the purposes of this corporation;
9. To acquire or obtain from any government or authority, national, provincial, municipal or otherwise, or any corporation, company or partnership or person, such charter, contracts, franchise, privileges, exemption, licenses and concessions as may be conducive to any of the objectives of the corporation;
10. To establish and operate one or more branch offices or agencies and to carry on any or all of its operations and business without any restrictions as to place or amount including the right to hold, purchase or otherwise acquire, lease, mortgage, pledge, sell and convey or otherwise deal with real and personal property anywhere within the Philippines, as may be necessary or incidental to the conduct of the corporate business.
11. To conduct and transact any and all lawful <sup>activities</sup> ~~business~~ <sup>AKB</sup>, and to do or cause to be done any one or more of the acts and things herein set forth as its purposes, within or without the Philippines, and in any and all foreign countries, and to do everything necessary, desirable or incidental to the accomplishment of the purposes or the exercise of any one or more of the powers herein enumerated, or which shall at any time appear conducive to or expedient for the protection or benefit of this corporation.

*[Signature]*  
 YABUT  
 EDUARDO R. SOCRATE

*[Signature]*  
 LUCILLE P. ORTIZ  
 FERMIN T. ARZAGA

*[Signature]*  
 MARIOL BELAMPAGO

*[Signature]*  
 NESTOR A. ESPENILLA, JR.  
 NIEVEL C. ORBIO

*[Signature]*

12. To adopt, alter and use corporate seal, to sue and be sued, and generally, to exercise all powers of the corporation law which are not inconsistent herewith and/or existing laws.

THIRD: That the place where the principal office of the corporation is to be established or located is in Metro Manila, Philippines.

FOURTH: That the term for which said corporation is to exist is fifty (50) years from and after the date of issuance of the Certificate of Incorporation.

FIFTH: That the names, nationalities and residences of the incorporators are as follows:

<u>Name</u>	<u>Nationality</u>	<u>Residence</u>
Lucille P. Ortile	Filipino	Housing and Urban Development Coordinating Council (HUDCC), Atrium Bldg, Makati Avenue, Makati City
Fermin T. Arzaga	Filipino	National Home Mortgage Finance Corporation (NHMFC), Filomena Bldg., 104 Amorsolo St., Makati City
Eduardo R. Soliman	Filipino	Department of Interior and Local Government (DILG), Francisco Gold Cond. 2, Edsa cor. Mapagmahal St., Quezon City
Nestor A. Espenilla, Jr.	Filipino	Bangko Sentral ng Pilipinas(BSP), Roxas Boulevard, Manila
Mario L. Relampagos	Filipino	Department of Budget and Management(DBM), Malacanang, Manila
Nieves L. Osorio	Filipino	Department of Finance (DOF), Roxas Boulevard, Manila
Pamela F. Yabut	Filipino	HUDCC, Atrium Bldg, Makati Avenue, Makati City

SIXTH: That the number of Directors of said corporation shall be eleven ( 11) and that the names, nationalities and residences of the directors who are to serve until their successors are elected and qualified as provided by the By-Laws are as follows:

*[Handwritten signature]*

*[Handwritten signature]*  
PAMELA F. YABUT  
EDUARDO R. SOLIMAN

*[Handwritten signature]*  
LUCILLE P. ORTILE  
FERMIN T. ARZAGA

*[Handwritten signature]*  
MARIO L. RELAMPAGOS

*[Handwritten signature]*  
NESTOR A. ESPENILLA, JR.  
NIEVES L. OSORIO

*[Signature]*  
 EDUARDO R. SOLIMAN

Name	Nationality	Residence
Lucille P. Ortile	Filipino	Housing and Urban Development Coordinating Council (HUDCC), Atrium Bldg, Makati Avenue, Makati City
Celso G. de los Angeles, Jr	Filipino	National Home Mortgage Finance Corporation (NHMFC), Filomena Bldg., 104 Amorsolo St., Makati City
Eduardo R. Soliman	Filipino	Department of Interior and Local Government (DILG), Francisco Gold Cond. 2, Edsa cor. Mapagmahal St., Quezon City

*[Signature]*  
 LUCILLE P. ORTILE

Nestor A. Espenilla, Jr.	Filipino	Bangko Sentral ng Pilipinas(BSP), Roxas Boulevard, Manila
Mario L. Relampagos	Filipino	Department of Budget and Management(DBM), Malacanang, Manila

*[Signature]*  
 FERMIN T. ARZAGA

Nieves L. Osorio	Filipino	Department of Finance (DOF), Roxas Boulevard, Manila
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Pamela F. Yabut	Filipino	HUDCC, Atrium Bldg, Makati Avenue, Makati City
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*[Signature]*  
 MARIO L. RELAMPAGOS

Fermin T. Arzaga	Filipino	NHMFC, Filomena Bldg., 104 Amorsolo St., Makati City
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Antonio de los Reyes	Filipino	NHMFC, Filomena Bldg., 104 Amorsolo St., Makati City
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Rustico P. Cacal	Filipino	NHMFC, Filomena Bldg., 104 Amorsolo St., Makati City
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*[Signature]*  
 NESTOR A. ESPENILLA, JR.  
 NIEVES L. OSORIO

Daisy S. Dulay	Filipino	NHMFC, Filomena Bldg., 104 Amorsolo St., Makati City
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**SEVENTH:** That the authorized capital stock of said corporation is ONE HUNDRED MILLION Pesos (P100,000,000), Philippine Currency, and said capital stock is divided into ONE HUNDRED THOUSAND shares (100,000) with a par value of ONE THOUSAND Pesos (P1,000) each.

**EIGHT:** That the amount of said capital stock which has been actually subscribed is TWENTY FIVE MILLION PESOS (P25,000,000), and the following persons, have subscribed for the number of shares and the amount of capital stock indicated opposite their respective names:

*[Signature]*

<u>Name</u>	<u>Citizenship</u>	<u>No. of Shares</u>	<u>Amount subscribed</u>
Lucille P. Ortile	Filipino	1	1,000
Celso de los Angeles, Jr.	Filipino	1	1,000
Eduardo R. Soliman	Filipino	1	1,000
Nestor A. Espenilla, Jr.	Filipino	1	1,000
Mario L. Relampagos	Filipino	1	1,000
Nieves L. Osorio	Filipino	1	1,000
Pamela F. Yabut	Filipino	1	1,000
Fermin T. Arzaga	Filipino	1	1,000
Antonio de los Reyes	Filipino	1	1,000
Rustico P. Cacal	Filipino	1	1,000
Daisy Dulay	Filipino	1	1,000
NHMFC	Filipino	24,989	24,989,000
TOTAL		25,000	25,000,000

*[Handwritten signatures and names: MARIO L. RELAMPAGOS, EDUARDO R. SOLIMAN, LUCILLE P. ORTILE, FERMIN T. ARZAGA]*

**NINTH:** That the following persons have paid on the shares of capital stock for which they have subscribed, the amount set out after their respective names:

<u>Name</u>	<u>Citizenship</u>	<u>Amount Paid</u>
Lucille P. Ortile	Filipino	1,000
Celso de los Angeles, Jr.	Filipino	1,000
Eduardo R. Soliman	Filipino	1,000
Nestor A. Espenilla, Jr.	Filipino	1,000
Mario L. Relampagos	Filipino	1,000
Nieves L. Osorio	Filipino	1,000
Pamela F. Yabut	Filipino	1,000
Fermin T. Arzaga	Filipino	1,000

*[Handwritten signatures and names: MARIO L. RELAMPAGOS, NESTOR A. ESPENILLA, JR., NIEVES L. OSORIO]*

*[Handwritten signature]*

Antonio de los Reyes	Filipino	1,000
Rustico P. Cacal	Filipino	1,000
Daisy Dulay	Filipino	1,000
NHMFC	Filipino	9,989,000
	Total	10,000,000


**TENTH:** The shares corresponding to each of the stockholders are transferable pursuant to the distribution mandated by Executive Order No. 272, 20 January 2004.


**ELEVENTH:** that no issuance or transfer of shares of stock of the corporation which would reduce the stock ownership of Filipino citizens to less than the percentage of the outstanding capital stock required by law to be owned by Filipino citizens, shall be allowed or permitted to be recorded in the books of the corporation. This restriction shall be printed or indicated in all the certificates of stock to be issued by the corporation.


**TWELFTH:** That Pamela F. Yabut has been elected by the subscribers as Treasurer of the corporation to act as such until his successor is duly elected and shall have qualified in accordance with the by-laws; and that, as such Treasurer, he has been authorized to receive for and in the name and for the benefit of the corporation, and to issue in its name receipts for, all subscriptions paid by the subscribers.

**IN WITNESS WHEREOF,** we have hereunto set our hands, this     th day of February 2005 at Makati City, Philippines.


  
**LUCILLE P. ORTILE**  
 Incorporator/Member

  
**MARIOL. RELAMPAGOS**  
 Incorporator/Member

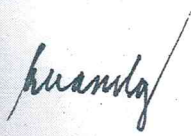
  
**FERMINT. ARZAGA**  
 Incorporator/Member

  
**NIEVES L. OSORIO**  
 Incorporator/Member

  
**EDUARDO R. SOLIMAN**  
 Incorporator/Member

  
**PAMELA R. YABUT**  
 Incorporator/Member

  
**NESTOR A. ESPENILLA, JR.**  
 Incorporator/Member



SIGNED IN THE PRESENCE OF:

*[Handwritten signature]*

*[Handwritten signature]*  
PAMELA F. YABUT  
EDUARDO R. SOLIMAN

ACKNOWLEDGEMENT

Republic of the Philippines)  
Makati City ) S.S.

BEFORE ME, a Notary Public in and for Makati City, Philippines, this **MAY 19 2005**  
of February 2005, personally appeared:

*[Handwritten signature]*  
LUCILLE P. ORTILE  
FERMIN T. ARZAGA

<u>Name</u>	<u>Res. Cert. No.</u>	<u>Date &amp; Place Issued</u>
LUCILLE P. ORTILE	09068707	Jan. 8, 2005/Mabalacat, Pampanga
FERMIN T. ARZAGA	16169274	Jan. 20, 2005/Pasig City
EDUARDO R. SOLIMAN	22922921	Feb. 24, 2005/Quezon City
NESTOR A. ESPENILLA, JR.	09760602	Jan. 5, 2004/Quezon City
MARIO L. RELAMPAGOS	21822699	April 7, 2005/Manila
NIEVES L. OSORIO	14768868	Feb. 9, 2004/Manila
PAMELA F. YABUT	15187092	Jan. 16, 2004/Makati

all known to me and to me known to be the same persons who executed the foregoing Articles of Incorporation and they acknowledged to me that the same is their free and voluntary act and deed.

*[Handwritten signature]*  
NESTOR A. ESPENILLA, JR.  
NIEVES L. OSORIO

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal on the date and at the place first above-written.

NOTARY PUBLIC  
*[Handwritten signature]*  
ATTY. DANIEL Q. LACUATA  
Notary Public-M.54  
Until December 31, 2005  
Filomena Bldg., 104 Amoroso St.  
Makati City- Roll No. 40233  
PTR No. 89520195/Las Piñas City/01-04-05  
IBP No. 634523/Pasay Chapter/01-07-05

Doc. No. 335  
Page No. 68  
Book No. 12  
Series of 2005.

TREASURER'S AFFIDAVIT

REPUBLIC OF THE PHILIPPINES )  
CITY MAKATI ) S.S

I, PAMELA FELIZARTA-YABUT, being duly sworn, depose and say:

That I have been elected by the subscribers of the corporation as Treasurer thereof, to act as such until my successor has been duly elected and qualified in accordance with the by-laws of the corporation, and that as such Treasurer, I hereby certify under oath that at least 25% of the authorized capital stock of the corporation has been subscribed and at least 25% of the subscription has been paid, and received by me in cash/property for the benefit and credit of the corporation.

This is also to authorize the Securities and Exchange Commission and Bangko Sentral Ng Pilipinas to examine and verify the deposit in the

LAND BANK OF THE PHILIPPINES  
(Name of Bank)

PASONG TAMO  
(Branch)

in my name as treasurer in trust for the SOCIAL HOUSING FINANCE CORPORATION in the amount of TEN MILLION PESOS (P10,000,000.00) representing the paid-up capital of the said corporation which is in the process of incorporation. This authority is valid and inspection of said deposit may be made even after the issuance of the Certificate of Incorporation to the corporation. Should the deposit be transferred to another bank prior to or after incorporation, this will also serve as authority to verify and examine the same. The representative of the Securities and Exchange Commission is also authorized to examine the pertinent books and records of accounts of the corporation as well as all supporting papers to determine the utilization and disbursement of the said paid-up capital.

In case the said paid-up capital is not deposited or withdrawn prior to the approval of the articles of incorporation, I, in behalf of the above named corporation, waive our right to a notice and hearing in the revocation of our Certificate of Incorporation.

PAMELA FELIZARTA-YABUT  
Treasurer

SUBSCRIBED AND SWORN to before me this JUN 10 2005 2005 at Makati City, Philippines, affiant exhibiting to me her Community Tax Cert. No. 15187092 issued at Makati City on January 16, 2004.

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Page No. 96 ;  
Book No. 12 ;  
Series of 2005.

Daniel Q. Lacuaña  
ATTY. DANIEL Q. LACUAÑA  
Notary Public-M.54  
NOTARY PUBLIC  
October 31, 2005  
Filomena Bldg., 104 Amorsolo St.  
Makati City- Roll No. 40233  
PTR No. 89520135/Las Piñas City/01-04-01  
IBP No. 634523/Pasay Chapter/01-07-05



BY-LAWS

OF

SOCIAL HOUSING FINANCE CORPORATION

ARTICLE I

SUBSCRIPTION, ISSUANCE AND TRANSFER OF SHARES

Section 1. Subscriptions. - Subscribers to the capital stock of the corporation shall pay to the corporation the subscription value or price of the stock in accordance with the terms and conditions prescribed by the Board of Directors. Unpaid subscriptions shall not earn interest unless determined by the Board of Directors.

Section 2. Certificates. - Each stockholder shall be entitled to one or more certificates for such fully paid stock subscription in his name in the books of the corporation. The certificates shall contain the matters required by law and the Articles of Incorporation. They shall be in such form and design as may be determined by the Board of Directors and numbered consecutively. The certificates, which must be issued in consecutive order, shall bear the signature of the President, manually countersigned by the Secretary and sealed with the corporate seal.

Section 3. Transfer of Shares. - Subject to the restrictions, terms and conditions contained in the Articles of Incorporation, shares may be transferred, sold, ceded, assigned or pledged by delivery of the certificates duly indorsed by the stockholder, his attorney-in-fact, or other legally authorized person. The transfer shall be valid and binding on the corporation only upon record thereof in the books of the corporation, cancellation of the certificate surrendered to the Secretary, and issuance of a new certificate to the transferee.

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

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

Section 4. Lost Certificates. - In case any certificate for the capital stock of the corporation is lost, stolen, or destroyed, a new certificate may be issued in lieu thereof in accordance with the procedure prescribed under Section 73 of the Corporation Code.

*[Signature]*  
EDUARDO R. SEZAR

*[Signature]*  
LUCILLE OKTILIS  
FERMIN T. ARZAGA

*[Signature]*  
MARIOL RELAMPAGOS

*[Signature]*  
RENE A. ESPINILLA, JR.  
NIEVES L. OSORIO

ARTICLE II

MEETINGS OF STOCKHOLDERS

Section 1. Regular Meetings. - The regular meetings of stockholders, for the purpose of electing directors and for the transaction of such business as may properly come before the meeting, shall be held at the principal office on FOURTH MONDAY of each year, if a legal holiday, then on the day following.

Section 2. Special Meeting. - The special meetings of stockholders, for any purpose or purposes, may at any time called by any of the following: (a) Board of Directors, at its own instance, or at the written request of stockholders representing a majority of the outstanding capital stock; (b) President.

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

Section 4. Notice of Meeting. - Notices of regular or special meetings of stockholders may be sent by the Secretary by personal delivery or by mail, at least two (2) weeks before the date set for such meeting to each stockholder of record at his last known post office address or by publication in a newspaper of general circulation. The notice shall state the place, date and hour of the meeting, and the purpose or purposes for which the meeting is called. In case of special meetings, only matters stated in the notice can be the subject of motions or deliberations at such meeting. Notice may be waived, expressly or impliedly by any stockholder, in person, or by proxy, before or after the meeting.

When the meeting of stockholders is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken. At the reconvened meeting, any business may be transacted that might have been transacted on the original date of the meeting.

Section 5. Quorum-Unless otherwise provided by law, in all regular or special meeting of stockholders, a majority of the outstanding capital stock must be present or represented in order to constitute a quorum. If no quorum is constituted, the meeting shall be adjourned until the requisite amount of stock shall be present. The stockholders present at a duly organized meeting may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to less than a quorum.

Section 6. Conduct of Meeting. - Meeting of the stockholders shall be presided over by the Chairman of the Board, or in his absence, the President, or if none of the foregoing is in office and present and acting, by a chairman to be chosen by the stockholders. The Secretary shall act as Secretary of every meeting, but if not present, the chairman of the meeting shall appoint a secretary of the meeting. The chairman of the

*[Handwritten signature]*  
EDUARDO A. SOLIMAN

*[Handwritten signature]*  
LUCILLE P. ORTIZ  
FERMIN T. ARZAGA

*[Handwritten signature]*  
MARIO L. RELAMPAGOR

*[Handwritten signature]*  
VICTOR A. REYESILLA JR.  
NIEVES L. OROJIO

meeting may adjourn the meeting from time to time, without notice other than announced at the meeting.

Section 7. Manner of Voting-At all meetings of stockholders, a stockholder may vote in person or by proxy executed in writing by the stockholders or his duly authorized attorney-in-fact. Unless otherwise provided in the proxy, it shall be valid only for the meeting at which it has been presented to the Secretary.

All proxies must be in the hands of the Secretary before the time set for the meeting. Such proxies filed with the Secretary may be revoked by the stockholders either in an instrument in writing duly presented and recorded with the Secretary prior to a scheduled meeting or by their personal presence at the meeting. The decision of the Secretary on the validity of proxies shall be final and binding until set aside by a court of competent jurisdiction.

Section 8. Closing of Transfer Books or Fixing of Record Date. - For the purpose of determining the stockholders entitled to notice of, or to vote at, any meeting of stockholders or any adjournment thereof or to receive payment of any dividend, or of making a determination of stockholders for any other proper purpose, the Board of Directors may provide that the stock and transfer books be closed for a started period, but not to exceed, in any case, twenty (20) days. If the stock and transfer books be closed for the purpose of determining stockholders entitled to notice of, or to vote at a meeting of stockholders, such books shall be closed for at least ten (10) working days immediately preceding such meeting. In lieu of closing the stock and transfer books, the Board of Directors may fix in advance a date as the record date but shall in no case be more than twenty (20) days prior to the date, on which the particular action requiring such determination of stockholders is to be taken, except in instance where applicable rules and regulations provided otherwise.

ARTICLE III

BOARD OF DIRECTORS OF THE CORPORATION

Section 1. Composition of the Board. The Board of Directors of the Corporation shall be composed of the following:

- a. Chairman of Housing and Urban Development Council (HUDCC) as ex-officio Chairman;
- b. President of Social Housing Finance Corporation (SHFC) as ex-officio Vice Chairman;
- c. Secretary of the Department of Finance or his designated representative;
- d. Secretary of the Department of the Interior and Local Government, or his designated representative;
- e. Secretary of the Department of Budget and Management, or his designated representative;

*[Handwritten signature]*  
EDUARDO R. SUZUKI

*[Handwritten signature]*  
LUCILLE P. ORTIZ  
FERMIN T. ARZAGA

*[Handwritten signature]*  
MARIO L. RELAMPAGOS

*[Handwritten signature]*  
MELBA A. ESPINOSA, JR.  
MIGUEL ODRIO

- f. Representative from the Bangko Sentral ng Pilipinas designated by the BSP Governor;
- g. Representative from the National Home Mortgage Finance Corporation (NHMFC) designated by its Board of Directors (of NHMFC); and
- h. Four (4) representatives from the private sector, who shall be nominated by the President of the Republic of the Philippines.

Section 2. Powers of the Board-Unless otherwise provided by law, the corporate powers of the corporation shall be exercised, all business conducted and all property of the corporation controlled and held by the Board of Directors to be elected by and from among the stockholders. Without prejudice to such general powers and such other powers as may be granted by law, the Board of Directors shall have the following express powers:

- a) To direct the management, operations and administration of the corporation to make, formulate and change policies, rules and regulations not inconsistent with these by-laws, to carry out effectively, efficiently and economically the purposes, objectives and functions of the corporation;
- b) On the recommendation of the President of the corporation, to fix the remuneration and other emoluments of subordinated officers and personnel and to remove or otherwise discipline such cause as provided for by the Labor Code and other laws
- c) To purchase, receive, take or otherwise acquire in any lawful manner, for and in the name of the corporation, any and all properties, rights, interest or privileges, including securities and bonds of other corporations, as the transaction of the business of the corporation may reasonably or necessarily require, for such consideration and upon terms and conditions as the Board may deem proper or convenient;
- d) To invest the funds of the corporation in another corporation or business, whenever in the judgment of the Board of Directors the interests of the corporation would thereby be promoted subject to prevailing laws;
- e) To incur such indebtedness as the Board may deem necessary and, for such purpose, to make and issue evidence of such indebtedness including, without limitation, notes, deeds of trust, instruments, bonds, debentures, or securities, subject to such stockholder approval as may be required by law, and/or pledge, mortgage, or otherwise encumber all or part of the properties and rights of the corporation;
- f) To guarantee, for and in behalf of the corporation, obligations of other corporations or entities in which it has lawful interest;

*[Signature]*  
EDUARDO R. SERRANO

*[Signature]*  
LUCILLE P. ORTIZ  
FERMINA V. ARZAGA

*[Signature]*  
MARIO L. RELAMPAGO

*[Signature]*  
NESTOR A. ESPINILLA, JR.  
NIEVEL L. OCEJIO

- g) To make provisions on the discharge of the obligations of the corporation as they mature, including payment for any property, or stocks, bonds, debentures, or other securities of the corporation lawfully issued for the purpose;
- h) To sell, lease, exchange, assign, transfer or otherwise dispose of any property, real or personal, belonging to the corporation whenever in the Board's judgment, the corporation's interest would thereby be promoted;
- i) To establish pension, provident, retirement fund, bonus, profit-sharing, or other types of incentives or compensation plans for the employees, including officers and to determine the persons to participate in any such plans and the amount of their respective participations;
- j) To prosecute, maintain, defend, compromise or abandon any lawsuit in which the corporation or its officers are either plaintiffs or defendants in connection with the business of the corporation, and likewise, to grant installments for the payments or settlement of whatsoever debts by or to the corporation;
- k) To delegate, from time to time, any of the powers of the Board which may lawfully be delegated in the course of the current business or businesses of the corporation to any standing or special committee or to any officer or agent and to appoint any persons to be agents of the corporation with such powers and upon such terms, as may be deemed fit;
- l) To implement these by-laws, provided such matter does not require the approval or consent of the majority of the stockholders under any existing law, rules or regulation.

Section 3. Election and Term. - (a) The Board of Directors shall be deemed elected as members of the Board of Directors upon their election and to hold office for one (1) year and until their successors are elected and qualified.

Section 4. Meetings. - Regular meetings of the Board of Directors shall be held once every month on such dates and at such times and places as the Chairman of the Board, or in his absence, the President, may designate in the notice.

Section 5. Notice. - Notice of the regular or special meeting of the Board, specifying the date, time and place of the meeting, shall be communicated by the Secretary to each director personally, or by telephone, telex, telegram, or by written or oral message. A director may waive this requirement, either expressly or impliedly.

*[Signature]*  
 EDUARDO R. SORIANO

*[Signature]*  
 LUCILLE P. ORTIZ  
*[Signature]*  
 FERMIN Y. ARZAGA

MARIO L. RELAMPAGOS

*[Signature]*  
 MARIANO A. SORIANO, III  
 MIVSEL L. OSORIO

Section 6. Quorum. - A majority of the number of directors as fixed in the Articles of Incorporation shall constitute a quorum for the transaction of corporate business and every decision or 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 7. Conduct of the Meetings. - Meetings of the Board of Directors shall be presided over by the Chairman of the Board, or in his absence, the President, if none of the foregoing is in office and present and acting, by any other director chosen by the Board. The Secretary, shall act as secretary of every meeting, if not present, the Chairman of the meeting, shall appoint a secretary of the meeting.

Section 8. Compensation. - By resolution of the Board, each director, shall receive a reasonable per diem allowance for his attendance at each meeting of the Board.

✓ ARTICLE IV  
OFFICERS

Section 1. Election/Appointment. - Immediately after the issuance of the Certificate of Incorporation, the Board of Directors shall convene and assume their respective positions as provided herein. The Chairman and Vice Chairman of the Board of Directors shall be the Chairman of HUDCC and President of SHFC, respectively. Further, the Board shall appoint the Treasurer who shall be nominated by NHMFC, and the Secretary, at said meeting. The Board shall also appoint an Executive Vice President who shall be nominated by NHMFC, one or more Vice Presidents, Assistant Vice President(s), Assistant Treasurer, and Assistant Secretary, as it may be deemed necessary.

The Board may, from time to time, appoint such other officers as it may determine to be necessary or proper. Any two (2) or more positions may be held concurrently by the same person, except that no one shall act as President and Treasurer or Secretary at the same time.

Section 2. Chairman of the Board-The Chairman of the Board of Directors shall preside at the meetings of the directors and the stockholders. He shall also exercise such powers and perform such duties as the Board of Directors may assign to him.

Section 3. President - The President shall be elected by the Board of Directors who shall be the Chief Executive Officer (CEO) of the corporation, and concurrently hold the position of the Vice Chairman of the Board of Directors. The President shall have administration and management of the day-to day business affairs of the corporation. He shall exercise the following powers:

*[Handwritten signature]*  
MARCELO R. ARZAGA

*[Handwritten signature]*  
LUCILLE P. ORTIZ  
FERMIN T. ARZAGA

*[Handwritten signature]*  
MARCO L. RELAMPAGOS

*[Handwritten signature]*  
NESTOR A. ESPINILLA, JR.  
NIEVES L. OSORIO

- a) To preside at the meetings of the Board of Directors and of the stockholders in the absence of the Chairman of the of Directors;
- b) To initiate and develop corporate objectives and policies and formulate long range projects, plans and programs for the approval of the Board of Directors, including those for executive training, development and compensation;
- c) To have general supervision and management of the business affairs and property of the corporation;
- d) To ensure that the administrative and operational policies of the corporation are carried out under his supervision and control;
- e) To oversee the preparation of the budgets and the statements of accounts of the corporation;
- f) To prepare such statements and reports of the corporation as may be required of him by law;
- g) To represent the corporation at all functions and proceedings;
- h) To execute on behalf of the corporation all contracts, agreements and other instruments affecting the interest of the corporation which require the approval of the Board of Directors, except as otherwise directed by the Board of Directors;
- i) To make reports to the Board of Directors;
- j) To sign certificates of stock;
- k) Subject to guidelines prescribed by law, to appoint, remove or suspend, or discipline employees of the corporation, and to prescribe their duties and responsibilities;
- l) To perform such other duties as are incident to his office or are entrusted to him by the Board of Directors.

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

Section 4 The Executive Vice President. - The President shall be assisted by an Executive Vice President, for the efficient operation of the corporation and shall have such powers and shall perform such duties as may from time to time be assigned to him by the Board of Directors or by the President.

*[Signature]*  
 EDUARDO R. SOLARI  
 EDUARDO R. SOLARI

*[Signature]*  
 LUCIANO ORTIZ  
 LUCIANO ORTIZ

*[Signature]*  
 MARIO L. RELAMPAGOS  
 MARIO L. RELAMPAGOS

*[Signature]*  
 NESTOR A. ESPINOSA, JR.  
 NESTOR A. ESPINOSA, JR.

Section 5. The Secretary. - The Secretary must be a resident and a citizen of the Philippines. He shall be the custodian of and shall maintain the corporate books and record and shall be the recorder of the corporation's formal actions and transactions. He shall have the following specific powers and duties:

- a) To record or see to the proper recording of the minutes and transactions of all meetings of the directors and the stockholders and to maintain minute books of such meetings in the form and manner required by law;
- b) To keep or cause to be kept record books showing the details required by law with respect to the stock certificates of the corporation, including ledgers and transfer books showing all shares of the corporation subscribed, issued and transferred;
- c) To keep the corporate seal and affix it to all papers and documents requiring a seal, and to attest by his signature all corporate documents requiring the same;
- d) To attend to the giving and serving of all notices of the corporation required by law or these by-laws to be given;
- e) To certify to such corporate acts, countersign corporate documents or certificates, and make reports or statements as may be required of him by law or by government rules and regulations.
- f) To determine the number of shares of stocks outstanding and entitled to vote, the shares of stocks represented at the meeting, the existence of a quorum, the validity and effect of proxies, and to receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the result, and to do such acts as are proper to conduct the election or vote.
- g) To perform such other duties as are incident to his office or as may be assigned to him by the Board of Directors or the President.

Section 6. The Treasurer-The Treasurer of the Corporation shall be its chief fiscal officer and the custodian of its funds, securities and property. The Treasurer shall have the following duties:

- a. To keep full and accurate accounts of receipts and disbursements in the books of the corporation.
- b. To have custody of, and be responsible for, all the funds, securities and bonds of the corporation;

*[Signature]*  
 EDUARDO R. SELLERAN

*[Signature]*  
 LUCILLE P. ORTIZ  
 FERMIN T. REZAGA

*[Signature]*  
 MARIO L. RELAMPACION

*[Signature]*  
 ANASTOR A. BRENILLA, JR.  
 NIEVEL L. CHORIO



- c. To deposit in the name and to the credit of the corporation, in such bank as may be designated from time to time by the Board of Directors, all the moneys, funds, securities, bonds, and similar valuable effects belonging to the corporation which may come under his control;
- d. To render an annual statement showing the financial condition of the corporation and such other financial reports as the Board of Directors, the Chairman, or the President may, from time to time require;
- e. To prepare such financial reports, statements, certifications and other documents which may, from time to time, be required by government rules and regulations and to submit the same to the proper government agencies;
- f. To exercise such powers and perform such duties and functions as may be assigned to him by the President.

Section 7. Term of Office. - The term of office of all the officers shall be for a period of one (1) year and until their successors are duly elected and qualified. Such officers may however be sooner removed for cause.

Section 8. Vacancies. - If any of the offices becomes vacant by reason of death, resignation, failure to qualify, disqualification or for any other cause, the Board of Directors, by majority vote, may elect a successor who shall hold office for the unexpired term.

Section 9. Compensation-The officers and employees of the corporation shall receive such remuneration as the Board of Directors may determine.

ARTICLE V

POLICIES, GUIDELINES AND REGULATIONS

Existing policies, guidelines, rules and regulations with respect to the functions of NHMFC which have been transferred to SHFC in accordance with Executive Order No. 272 shall continue in effect. Any amendments, modifications or new issuances shall be subject to the conformity of the NHMFC Board of Directors before implementation.

ARTICLE VI

OFFICES

The principal office of the corporation shall be located at the place stated in Article III of the Articles of Incorporation. The corporation may have such other branch offices, either within or outside the Philippines as the Board of Directors may designate or as the business of the corporation may, from time to time, require.

*[Handwritten signature]*  
 RAYMOND F. VILLARIN  
 EDUARDO R. SANTIAGO

*[Handwritten signature]*  
 LUCILLE P. ORTILE  
 FERMIN T. ARZACA

*[Handwritten signature]*  
 MARIO L. RELAMPAGO

*[Handwritten signature]*  
 NESTOR P. ESPERILLA, JR.  
 NIEVES L. OROJIO

ARTICLE VII

FISCAL YEAR

Section 1. External Auditors. - At the regular stockholders' meeting, the external auditor or auditors of the Corporation for the ensuing year shall be appointed. The external auditor or auditors shall examine, verify and report on the earnings and expenses of the corporation and shall certify the remuneration of the external auditor or auditors, as determined by the Board of Directors.

Section 2. Fiscal Year. - The fiscal year of the corporation shall begin on the first day of January and end on the last day of December each year.

*[Handwritten signature]*  
EDUARDO R. SERRANO

ARTICLE VIII

AMENDMENTS

These by-laws may be amended or repealed by the affirmative vote of at least a majority of the Board of Directors and the stockholders representing a majority of the outstanding capital stock at any stockholders' meeting called for that purpose. However, the power to amend, modify, repeal or adopt new by-laws may be delegated to the Board of Directors by the affirmative vote of stockholders representing not less than two-thirds of the outstanding capital stock; provided, however, that any such delegation of powers to the Board of Directors to amend, repeal or adopt new by-laws may be revoked only by the vote of the stockholders representing a majority of the outstanding capital stock at a regular or special meeting.

*[Handwritten signature]*  
LOUIS P. ORTIZ  
FERMIN T. ARELAGA

ARTICLE IX

SEAL

Form and Inscriptions-The corporate seal shall be determined by the Board of Directors.

*[Handwritten signature]*  
MARIO L. BELAMPAGOS

ARTICLE X

ADOPTION CLAUSE

The foregoing by-laws were adopted by all the stockholders of the corporation on <sup>the</sup> ~~January~~ MAY 19, 2005 at the principal office of the corporation.

*[Handwritten signature]*  
NESTOR A. ESPINILLA, JR.  
NIEVEL OSORIO

IN WITNESS WHEREOF, we the undersigned stockholders/ incorporators present at said meeting and voting thereat in favor of the adoption of said by-laws, have hereunto subscribed our names this February 19, 2005 at Makati City, Philippines.

MAY 19 2005

*[Signature]*  
**LUCILLE P. ORTILE**  
Incorporator/Member

*[Signature]*  
**MARIO L. RELAMPAGOS**  
Incorporator/Member

*[Signature]*  
**FERMIN T. ARZAGA**  
Incorporator/Member

*[Signature]*  
**NIEVES L. OSORIO**  
Incorporator/Member

*[Signature]*  
**EDUARDO R. SOLIMAN**  
Incorporator/Member

*[Signature]*  
**PAMELA F. YABUT**  
Incorporator/Member

*[Signature]*  
**NESTOR A. ESPENILLA, JR.**  
Incorporator/Member

**ACKNOWLEDGMENT**

REPUBLIC OF THE PHILIPPINES)  
Makati City ) s.s.

BEFORE ME, a Notary Public for Makati City, Philippines, this 19 day of February, 2005, personally appeared:

NAME	RES. CERT. NO.	DATE & PLACE OF ISSUE
LUCILLE P. ORTILE	09068707	Jan. 8, 2005/Mabalacat, Pampanga
FERMIN T. ARZAGA	16169274	Jan. 20, 2005/Pasig
EDUARDO R. SOLIMAN	22922921	Feb. 24, 2005/Quezon City
NESTOR A. ESPENILLA, JR	09760502	Jan. 5, 2004/Quezon City
MARIO L. RELAMPAGOS	21822699	April 7, 2005/Manila
NIEVES L. OSORIO	14766868	Feb. 9, 2004/Manila
PAMELA F. YABUT	15187092	Jan. 16, 2004/Makati

all known to me to be the same persons who executed the foregoing By-Laws and they acknowledged to me that the same is their free and voluntary act and deed.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed my notarial seal at the place and on the date above-mentioned.

Doc. No. 736 :  
Page No. 64 :  
Book No. 12 :  
Series of 2005.

**ATTY. DANIEL O. LASUATA**  
Notary Public-M.54  
Until Dec 31, 2005  
Filinvest Corporate City - Alabang St.  
Muntinlupa City 1550  
PTR No. 01-01-05  
IBP No. 01-07-05