

Bylaws of the Comite de Vecinos de Lawson Rock referred to as CVLR

Chapter I. Name, Nature, Duration, and Domicile

Article 1. Comite de Vecinos de Lawson Rock (CVLR) brings together all owners of a lot, condominium, commercial unit, or marina slip in Lawson Rock (Lawson Rock). All such owners become Members of CVLR. The term "Member" shall mean the person, natural or legal entity or, if there are more than one, all persons or legal entities who own a lot, condominium, commercial unit or marina slip in the Lawson Rock.

Article 2. CVLR is a non-profit organization, not affiliated with any political party. The duration of CVLR is indefinite.

Article 3. CVLR is an association formed according to Honduran legislation with non-profit status certified by DIRRSAC (Registro Público de las Asociaciones Civiles) and the Ministry of Finance and has its domicile in Roatan, Department of Bay Islands.

Article 4. CVLR declares that its principles are 1) to safeguard the peaceful coexistence of the residents and/or owners in Lawson Rock; and 2) to ensure that coexistence in Lawson Rock is under the compliance of ethical standards, moral principles and the applicable legal framework, in order to ensure that all residents and owners enjoy the guarantee of a good and healthy coexistence. All persons or companies that reside or own property in Lawson Rock must collaborate to strengthen the relationship of coexistence for the benefit of the Members.

Chapter II. Objectives

Article 5. The objectives of CVLR are 1) to protect and improve the quality, value and attractiveness of Lawson Rock; 2) to maintain and administer the common areas of Lawson Rock as defined in the Covenants, Conditions and Restrictions (CCRs) constructed by the developer, Lawson Rock Holdings S.A. (LRH), for the use and enjoyment of all property owners in Lawson Rock. These common areas include all areas of the Lawson Rock development that are not privately owned, and include but are not limited to, the internal roads, trails and sidewalks, beach areas, docks, bird sanctuaries, rainforest preservation sites, non-exclusive swimming pools, gardens and parking areas, watering system of the common areas, electrical installations, common grounds lighting, etc.; 3) to define rights and obligations of the owners and residents within Lawson Rock; 4) to strengthen the relations between its Members; 5) to carry out with third parties any action which is necessary for the benefit of its Members; 6) to adopt, amend, reject and implement the rules and regulations of CVLR as necessary; and 7) to make as many steps as necessary or appropriate for the protection of the best interests of its Members before third parties; and 8) to develop any activity that is beneficial for its Members.

Article 6. On April 27, 2016, LRH assigned to CVLR the responsibility to enforce the CCRs. In order to achieve its objectives, CVLR shall carry out the following activities through its elected Board: 1) draft the bylaws and the regulations containing the rights and obligations of the Members of CVLR; 2) maintain permanent relations with the Honduran authorities in order to study and resolve the problems that affect the attainment of the objectives of CVLR; 3) promote the development of activities that attract the greater

participation of its Members; 4) disseminate pertinent information to its Members, in particular financial information, development reports, etc.; and 5) respond in a timely manner to any requests posed by its Members.

Chapter III. Entitled Members

Article 7. The term "Member" shall mean the person, natural or legal entity or, if there are more than one, all persons or legal entities who own, by registered title, a condominium, marina slip, commercial unit or lot in Lawson Rock. For voting purposes, one (1) vote will be allocated to each lot, condominium, marina slip, commercial unit that has a registered title. Voting rights are only extended to owners of existing lots, condominiums, marina slips, and commercial units. According to Honduran law, the marina slip owners cannot hold a registered title. However, CVLR extends the right for each marina slip Member paying the full HOA fee to have one (1) vote. In the case of a vote for a special assessment, all marina slip owners will have a vote. Each new lot sold resulting from any further subdivision by the developer, Lawson Rock Holdings S.A. (LRH), of existing large parcels of land, as per the registered development plan, and has acquired a registered title, will also have one (1) vote. Owners that own multiple properties or slips shall have one (1) vote for each. The owner of a property in Lawson Rock will automatically be the owner of the Membership that corresponds to that property and that Membership will automatically be transferred with the title of each condo, marina slip, commercial unit or lot in Lawson Rock. The voting rights can only be exercised by Members that are current with their HOA dues and extraordinary charges.

Lawson Rock Holdings S.A. (LRH) with RTN # 11019995396394, the developer of Lawson Rock, for its properties with a registered title, will not be required to pay HOA dues. Consequently, Lawson Rock Holdings S.A. will be a Member of CVLR with voice but without voting rights.

Memberships in CVLR will not be assignable separately or apart from the title of each property.

Article 8. All owners in Lawson Rock must belong to CVLR and may only withdraw from it by selling the property. If a Member intends to sell their property and is not current with HOA dues and extraordinary charges, the Member must either pay all amounts due or provide CVLR with a statement from the buyer recognizing the outstanding amount and declaring intention to pay CVLR in full at closing. When a Member sells their property, they waive participation in the assets, activities, and other benefits of CVLR. No property owner may be expelled from being a Member of CVLR.

Article 9. Rights and powers of the Members of CVLR are 1) to assist the assemblies of CVLR with a voice and vote and, in general, to intervene in all matters addressed therein, by approving or disapproving the resolutions to which they are subject; 2) to participate in the deliberations of these assemblies and, in general, to be involved in all the issues discussed at the assemblies, approving or disapproving by vote of Members the resolutions submitted for consideration; 3) to form part of CVLR's bodies; 4) to request or require the services to be provided by CVLR to its Members; 5) to convene in the terms set forth in these statutes, for Ordinary and Extraordinary Assemblies; 6) to request, through the appropriate communication channels, reports which they consider pertinent on the progress and administration of CVLR; 7) to submit to the Board all proposals deemed appropriate and to denounce with evidence

irregularities which prejudice the interests of CVLR or its Members; 8) to use the common areas of CVLR; 9) to observe the rights and obligations applicable under the CCRs for Lawson Rock.

Article 10. The obligations of all CVLR Members are 1) to comply faithfully and strictly with the provisions laid down in these bylaws, the resolutions taken by the Board of Directors and the Ordinary and Extraordinary Assemblies and the provisions of the CCRs for Lawson Rock that have been recorded at the Institute of Property in the Department of the Bay Islands, and the amendments thereof; 2) to be present, personally or virtually, or through representatives via proxy, at the Ordinary and Extraordinary Assemblies of CVLR; 3) to pay all amounts due on time; 4) to not carry out any act which is contrary to or harmful to the purposes of CVLR; 5) to use all available means toward achievement the objectives of CVLR; and 6) to provide accurate contact and other information to CVLR at all times.

Article 11. Members can participate in the assemblies through electronic means, such as audio or audiovisual technologies. Members may assign representation at assemblies by non-Members who shall have neither voice nor vote. Members shall inform the CVLR office in advance of the names of their non-Member representative. Members can delegate their voting rights to another Member through a proxy delivered or sent digitally in advance to the CVLR office. The Board Secretary in coordination with the CVLR office will be responsible to ensure the reputability of the proxy and that it contains enough information to be accepted for the participation of the Member. Should any dispute arise from the participation of any Member through any of the aforementioned means, only the Member or their legal representative can object to said representation.

Chapter IV. Management and Administration

Article 12. The following are the steering and administration bodies of CVLR: 1) the General Assembly (Ordinary and Extraordinary); 2) The Board of Directors (Board); 3) The Management.

Article 13. The supreme body of CVLR is the General Assembly of its Members. In recess of the General Assembly, the Board of Directors shall be the supreme body, which may be delegated to the General Manager as appropriate. The Ordinary General Assembly shall meet at least once a year, as scheduled by the Board of Directors. An Extraordinary General Assembly can be requested at any time by the Board or from at least forty percent (40%) of its Members in good standing.

Article 14. **Definition of quorum of the Ordinary General Assembly and Extraordinary General Assembly.** For an Ordinary General Assembly or Extraordinary General Assembly to have quorum the following percentages of the voting Members will apply: at the 1st meeting date and time 50%+1 of qualified Members who are physically or virtually present or by proxy shall constitute quorum. Should there not be a quorum at this time, one hour after the time of the 1st meeting, the 2nd meeting is called, whereby the quorum is reached by those physically or virtually present or by proxy.

The Board Secretary in coordination with the CVLR office will keep updated records to reflect the number of Memberships entitled to vote. Owners not current with all CVLR amounts owed and lots owned by Lawson Rock Holdings S.A. (LRH) are not entitled to vote, but may attend meetings and have voice.

Article 15. The Ordinary General Assembly shall meet to address any of the following matters: 1) ratification of the election of the Board of Directors; 2) determination of the number of Members on the Board of Directors, 3) presentation of reports of the President and Treasurer of the Board of Directors; 4) approval of its financial statements; 5) approval of the income and expenditure budget; 6) exercise any other function that has not been assigned to another body; and 7) any other matter included in the meeting agenda.

Article 16. Extraordinary General Assemblies shall deal with the following matters: 1) proposals for amendments of regulations and bylaws submitted by the Board of CVLR; 2) amendments or modifications to the CVLR bylaws; 3) to decree the dissolution and liquidation of CVLR; and 4) any other matter included in the meeting agenda or proposed during the Assembly by any of its Members.

Article 17. All Members can participate in the Assemblies. However, in order to vote in the Assemblies, it is required that the Members are current with their HOA dues and extraordinary charges. A Member can vote in person, virtually, electronically or by proxy, as referenced in Article 11 herein. A proxy granted to a Member is acceptable if it is duly completed, signed in person or digitally, and presented to the CVLR office. In order to ensure that the proxy holder is voting according to the instructions received from the proxy giver, an announcement including the agenda, along with all pertinent information, shall be forwarded to all Members at least fifteen (15) calendar days prior to the date of an Ordinary General Assembly or Extraordinary General Assembly.

Chapter V. Board of Directors

Article 18. The Board of Directors shall be composed of 1) the President; 2) the Vice-President; 3) the Secretary; 4) the Treasurer; and 5) the Vocal(s).

The Ordinary General Assembly determines the number of the Members to serve on the Board of Directors. Board terms shall be two (2) years after which a Board Member may be reelected. There is no maximum of concurrent terms. Election of Board Members shall occur as follows: approximately 2 months prior to the Ordinary General Assembly, a request will be sent to all Members for submission by those interested in serving on the Board of applications to include resumes, letters of interest, and required documents. The applications will be digitally sent to all owners, along with a ballot listing all candidates. Owners will vote digitally for the available board positions by the date specified. The successful candidates will be announced to the owners and these candidates will be invited to all Board meetings thereafter. In the event of a tie, a runoff election will be held. The entire Board will be ratified by Members at the next Ordinary General Assembly, after which the new Board will meet and determine the Board positions to be filled by the elected Board Members.

Article 19. The Board shall have a quorum to hold meetings if it has the presence in person or virtually of the majority of its Members and its resolutions shall be valid if adopted by a simple majority of those present in person or virtually. It will meet to the call made by at least two of its Members, through the Secretary. If any Board Member resigns or is removed by the Ordinary General Assembly, at the discretion of the Board, the next runner-up from the most recent election may be invited to join the board for the remainder of the vacated board Member's term. Alternatively, the Board may solicit applications and

conduct digital voting for the replacement Board Member, which will be ratified by an Extraordinary General Assembly called by the Board.

Article 20. Within fifteen (15) working days following each meeting, the CVLR Secretary shall communicate through the CVLR office to all Members all the resolutions adopted by the Board of Directors.

Article 21. Any member may request by written communication to the President, the Secretary or the General Manager, the inclusion on the Board meeting agenda of any matter they consider pertinent. The Board shall attend such requests and may invite the petitioners to the meeting where such matters are to be discussed, so that they can submit their request and propose the recommendations they deem appropriate.

Article 22. Responsibility and authority of the Board of Directors are 1) to comply with and enforce the bylaws, regulations, provisions of CVLR and the CCR's of LRH, 2) to appoint, suspend or remove the General Manager from CVLR, 3) to call, through the Board Secretary or the General Manager, the Ordinary and Extraordinary meetings of the General Assembly; 3) to authorize the formation and evaluation of the operation of committees and consultants; 4) to approve with the affirmative majority vote of the Board Members, the proposals for the CVLR bylaws for their ratification by the Extraordinary General Assembly; 5) to impose, according to the CVLR bylaws, regulations and CCRs of LRH, penalties to Members who are not in compliance; 6) to prepare the budget to be submitted for the approval of the Ordinary General Assembly; 7) to establish various fees for different areas of urbanization provided that the lot, condominium, marina slip, or commercial unit requires a reduced level of services, and the Board determines that such a rate will be for the benefit of the CVLR and it will not negatively affect the cash flow and the budget approved by the Ordinary General Assembly; 8) to assess additional fees to properties that enjoy a specific service; 9) to determine on the basis of the approved budget the periodic amounts with which each affiliated Member will be charged to support the budget; 10) to decide in accordance to the cash flow requirements of CVLR, the method and timing and payment of the annual and extraordinary fees by its Members; and 11) to establish the general policies that should guide the General Manager and the committees.

Article 23. The regular budget of the expenses of CVLR shall be borne proportionally by its Members as determined annually by the Board of Directors and approved by the Ordinary General Assembly. Where expenses for specific activities are approved by the Ordinary General Assembly, the Board may decide that they be wholly or partly absorbed by the Members that enjoy a direct benefit from such extraordinary activity.

Article 24. The Board may form an advisory Architectural Committee to support, if required, the developer in its efforts to enforce the architectural regulations contained in the CCRs. The advisory Architectural Committee has no other authority than to advise and support the Members of CVLR.

Chapter VI. Functions and Responsibilities of the Board Members

The President shall 1) act as the legal representative of CVLR; 2) preside over and convene through the Secretary or the General Manager the meetings of the Ordinary and Extraordinary General Assembly and

the Board of Directors; 3) coordinate through the General Manager the actions of the committees; 4) propose the operating plans to be submitted for the consideration by the Board of Directors, as well as other reports and proposals to be submitted to the Ordinary and Extraordinary General Assemblies; 5) authorize the expenses to be made by the General Manager; 6) be authorized, along with the Treasurer and other Board Members authorized by the Board, to sign the necessary checks and approve digital payments; 6) propose to the Board the salaries, other benefits to be paid to the General Manager; and 7) perform any other work assigned by the Board of Directors.

The Vice-President shall 1) assume all functions and responsibilities of the President when the President is not present, not available or unable to fulfill their functions; and 2) perform any other tasks assigned by the Board of Directors.

The Secretary shall 1) bear in due form in coordination with the CVLR office the book of minutes of the meetings of the Ordinary and Extraordinary General Assemblies and of the Board of Directors; 2) communicate to Members, in a timely manner, resolutions adopted by the General Assemblies and the Board of Directors, see Article 17 herein; 3) certify the minutes of the General Assemblies and of the Board meetings; and 4) perform any other tasks assigned by the Board of Directors.

The Treasurer shall 1) supervise the correct execution and settlement of the approved budget; 2) collect the fees from the Members of CVLR through Management; 3) be authorized along with other Board Members authorized by the Board, to sign the necessary checks and approve digital payments; 4) confirm in a timely manner the correct balance of all the bank accounts held by CVLR; 5) all financial work related to the General Assemblies; and 6) perform any other tasks assigned by the Board of Directors.

The Vocal(s) shall 1) substitute the Vice-President, Secretary or Treasurer as determined by the Board; 2) perform any other tasks assigned by the Board of Directors.

The Vice-President, Secretary or Treasurer may substitute the President or other Board positions in temporary or definitive absence as appropriate and in accordance with the operating procedures of the Board.

Chapter VII. General Manager

CVLR authorizes the Board of Directors to employ a General Manager in order to supervise and carry out administrative duties.

Chapter VIII. Sanctions

Article 25. Per the CCR Section 140 and Amendment 118, if HOA dues, special assessments or other fees are not paid by a Member within thirty (30) days of the billing date, a rebilling charge of \$50 (fifty dollars US) will be assessed plus a 10% late charge. In addition, a late payment penalty of two percent (2%) per month will be applied to the unpaid balance each month thereafter.

If the total amount billed is not paid within ninety (90) days of the billing, the Board may place a lien on said property with legal foreclosure proceedings according to Honduran law to follow and the Member

and guests will not be permitted to use the common areas and facilities. All legal fees for placing the lien and processing the foreclosure will be paid by the Member.

Article 26. The Board may assess a penalty of up to US \$50 (fifty dollars US) per violation of the CVLR regulations. This penalty can be repeated for every week that the specific breach of the regulations is not rectified. A violation of the CVLR regulations by a Member's renter or guest shall be treated as a violation by the Member. Once the Board determines that the Member was duly notified of the violation and if the Member or their appointed agent, failed to take timely and reasonable action to correct the violation, the Board, through the CVLR office, may impose the penalty.

Chapter IX. Income and Assets of CVLR

The income of CVLR shall be formed by 1) the ordinary annual fees to be paid annually or quarterly by its Members, as determined by the General Assembly on the basis of the approved budget; 2) the extraordinary fees proposed by the Board and approved by the General Assembly; 3) the investments made as far as these are in line to the non-profit nature of CVLR; 4) the assets obtained by CVLR; and 5) any other lawful income authorized by the Board.

Chapter X. Dissolution and Liquidation

CVLR may be dissolved if the motion is approved by 80% of the total number of its Members. At the Extraordinary General Assembly meeting called to ratify the dissolution of CVLR, the rules to be followed for the dissolution and the liquidation and distribution of its assets will be established. The Extraordinary General Assembly will appoint a person or persons who will be responsible for the dissolution and liquidation of all the assets. The liquidated assets resulting shall be allocated as approved by the Extraordinary General Assembly in the act by which the dissolution and the liquidation are decreed.

Chapter XI. General and Transitory Provisions

CVLR may, by mandate of the General Assembly, cooperate with other associations to pursue objectives compatible with its own purposes.

CVLR shall refrain of any partisan and religious political activity. This should not be construed as a prohibition on its Members to perform these activities on a personal basis.

The fiscal year of CVLR begins on January 1 and ends on December 31 of each year.