

INTERNAL REGULATION OF URBANIZATION

"COCO BEACH VILLAGE", JAMA- MANABI-ECUADOR

English Version (The Official version is in Spanish)

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## CHAPTER I

### NAME, SCOPE OF ACTION, STRUCTURE AND ADDRESS

Art 1.- **NAME.-** The Owners Association of the Coco Beach Village Urbanization, which for the purposes of this statute can be identified as "CBV" is legally constituted as a private non-profit organization, regulated by the Civil Code , with its own assets, autonomous administration and legal status, with legal capacity to exercise rights and incur obligations.

Art. 2.- The organization will be governed in accordance with the Constitution of the Republic of Ecuador, the provisions of the Organic Administrative Code, Civil Code, and the Regulations for the Granting of Legal Personality to Social Organizations issued with Executive Decree No. 193 , of October 23, 2017, which regulates Social Organizations.

Art. 3.- **SCOPE OF ACTION.-** This statute applies to all partners legally registered and registered before the competent authority, and who were previously approved in a constitutive general assembly by the name of Owners Association of the Coco Beach Village Urbanization.

Art. 4.- **STRUCTURE.-** CBV consists of 66 lots that have been grouped into six sections called Manzana A1, Manzana A2, Manzana A3, Manzana A4, Manzana B1, Manzana B2, with a total area of 68,773.32, all the lots have Ocean views, access to a private driveway, walkways to the beach, and common areas.

Art. 5.- **ADDRESS.-** The Association of Owners of the Coco Beach Village Urbanization has its address in the Canton Jama Sitio el Matal, main site of el Matal, L2 intersection, Coco Beach Village Urbanization in the province of Manabí. Approved by the Municipal Council of the Autonomous Decentralized Municipal Government of Jama in ordinary session on June 23, 2008.

## **CHAPTER II**

### **TERRITORIAL SCOPE OF THE ORGANIZATION**

Art. 6.- **TERRITORIAL SCOPE.** - It will constitute the territorial space of CBV in its environment of action within the following limits to the NORTH with one hundred sixty-five meters (165m) with the property of Mrs. Irene Cevallos Medina, to the SOUTH with one hundred and fifteen meters (115m) with the property of Néstor Gualberto Cevallos Medina and elbowing to the east for thirty meters (30 m) and elbowing to the north for fifty meters (50m) with landfills of the

National Navy; to the EAST with three hundred sixty-two meters and forty centimeters (362.40 m) owned by Néstor Cevallos Medina and with two hundred nineteen meters (219m) with the property of Edison Cevallos Medina; and, to the WEST with five hundred fifty-one meters (551m) with beaches of the Pacific Ocean, belonging to the El Matal site of the Jama canton, province of Manabí. Within which are located the homes of the members of CBV, the communal house and communal areas, which are communal assets of the Urbanization for the use of all members.

### CHAPTER III AIMS AND OBJECTIVES

Art. 7.- THE PURPOSES AND OBJECTIVES.- The Association of Owners of the Coco Beach Village Urbanization establishes the following purposes and objectives:

Purposes:

- a) Encourage the conservation, beautification, maintenance and security of the Urbanization in all its private and common areas.
- b) Seek the welfare of the associate and the Urbanization, implementing systems and methods that awaken in the residents the desire to actively participate in the development of their community, achieving an excellent quality of life.
- c) Require the associates to comply with the easements and other obligations contracted with the CBV Urbanization with which they committed in this statute and in the internal regulations when issued.
- d) Arrange and take care that the security and conservation measures of the Urbanization that the associates impose are complied with.
- e) Promote integration, good neighborliness and solidarity among members.
- f) Promote marine and natural conservation of beaches and green areas.
- g) Achieve unity, participation and solidarity among the partners.

Objectives:

- a) Promote altruistic and supportive attitudes in its members, ensuring that the social acts
- b) that are promoted within it are poured out for the benefit of its partners.
- c) Promote and take steps to access the social housing plans and projects promoted by the
- d) Ministry of Urban Development and Housing.
- e) Promote the spirit of unity and friendship between partners and stimulate the spirit of
- f) solidarity and mutual help.
- g) d) Coordinate with public and private entities to achieve infrastructure works, housing
- h) improvement for the benefit of its members.
- i) e) Negotiate with local and national authorities and other public and private entities to
- j) obtain works that allow better habitability for its members.
- k) f) Carry out plans, projects and programs that directly benefit the committee in order to
- l) achieve Good Living.

### CHAPTER IV SOURCES AND ASSETS

Art. 8.- CBV INCOME SOURCE AND PAYMENT DUE DUE.-

1) CBV INCOME SOURCE:

The following fees will be ordinary and extraordinary. The board will make every effort to keep fees to the minimum necessary to fulfill the purposes for which they are collected.

- a) Ordinary Fee: All members of the CBV must pay the annual fee, which will be set by the directory, it will be taken into account if the lot has a house, the fee will be paid for the maintenance and security of the CBV.
- b) Extraordinary Fees: If any important and unforeseen need arises, as a result of natural phenomena or other unforeseen events and that merit the need to help or rebuild a CBV infrastructure.
- c) Donations: the CBV can receive external donations from people and Governmental and non-Governmental institutions, which will be used to improve services or specific projects.

## 2) PAYMENT DUE.-

All fees are due and payable within 30 days from the date of invoice issuance. The fees will be paid only in cash or by electronic transfer to the account that opened the directive or check issued in the name of the legal representative.

Members who default or are late for any reason will be charged 10% interest. Late payment will begin to post within 60 days from the date the invoice is issued.

Owners or partners who remain unpaid dues for more than two years, the Board will seek legal means to comply with the payment.

Art. 9.- **URBANIZATION ASSETS.**- CBV's assets are the club house, the administration house, common areas, roads, sidewalks and curbs, access to the beach and the movable and immovable property that can be owned. , which will be incorporated into the properties of the CBV once it has been approved as an Association by the Ministry. As stipulated in the Fifth Transitory Provision.

## CHAPTER V MEMBERS

Art. 10.- **PARTNERS.** - In addition to those established in the Statute, all the owners of the houses and lots of the CBV Urbanization are members of CBV, in accordance with the provisions of the Civil Code. Your status as a member of the CBV Urbanization grants you Rights and requires you to comply with Obligations.

Art. 11.- **VOTE.** - Each member will have the right to a single vote per lot in the matters in which the members must vote. Multiple owners of one or more properties will have one vote for each lot. Tenants, family members, guests, employees and others may not be members of CBV.

Art. 12.- **MEMBERS ATTENDANCE.** - If any of the members for some justifiable reason cannot attend the meetings, they may delegate another person to represent them, complying with the provisions of article 32 of this statute.

Art. 13.- THE MEETINGS.- of the members may be called by the president and secretary, who will be notified in writing or by email, the same who will be called to the meeting 8 days in advance. The quorum necessary for the meeting to take place must be a simple majority, in order for the meeting to take place.

## CHAPTER VI RIGHTS AND OBLIGATIONS OF MEMBERS

Art. 14.- RIGHTS AND OBLIGATIONS OF MEMBERS.-

- a) Participate with voice and vote in the meetings of the General Assembly.
- b) Elect and be elected to the Board of Directors, Commissions and/or representation in General.
- c) They will have the right to attend any of the member meetings and participate in the activities of CBV.
- d) Pay and cancel promptly on the established date, all the fees that have been set by the Board of Directors.
- e) Keep your property clean without weeds, debris and, comply with the organic and inorganic waste collection schedule
- f) Contribute and provide collaboration to the CBV Urbanization in the performance of special commissions, when the General Assembly or the Board of Directors request it.
- g) Right to free use of communal spaces, sports, and other public areas of the urbanization, observing its good use, the rules of good coexistence, and respect for others; maintaining cleanliness and good conservation practices.
- h) Respect the internal vehicular circulation will not exceed the maximum speed of 20 km/h.
- i) Enjoy all the benefits and services that the Urbanization has established for its members, as long as they are up to date with their pecuniary obligations and there are no sanctions that limit their use.
- j) To be recognized as Partners, the new buyers or residents must submit to the Board of Directors the documents that certify that they are the new owners. This includes, full name, permanent address, email address, copy of your deed, and passport or ID number. Members who do not reside in the Coco Beach Urbanization permanently must provide the name, address and email address of a person residing in Ecuador who can receive correspondence on behalf of the owner.
- k) For the purchase/sale of a house or lot of the Urbanization or for a building permit, the owner of the property must be up to date with all his economic obligations, including the annual payments of the owner's fees. The secretary or other designated Board of Directors must issue a certification that they are up to date with their dues.
- l) After more than two years of non-payment, the Board will seek legal means to enforce payment, and all associated legal and judicial costs will be borne by the owner(s).
- m) Fully comply with the CBV Internal Regulations.

## CHAPTER VII STRUCTURE AND INTERNAL ORGANIZATION

Art. 15.- For its operation, the Association of Owners of the Coco Beach Village Urbanization will have the following collegiate bodies:

- a) The General Assembly; and,
- b) The Directive.

### A) OF THE GENERAL ASSEMBLY

Art. 16.- OF THE GENERAL ASSEMBLY. - The General Assembly of active members of the Association is the supreme body of the same, with powers to resolve all matters related to the Association and its operations, as well as to take any resolution that it deems appropriate for the achievement of its purposes, to effect of which binds with its resolutions all the partners who have or have not attended the corresponding Assembly. Subject to the Law, this statute and the regulations, the resolutions of the General Assembly bind the management body. They have the right to integrate the General Assembly of partners, all those who are up to date with the payment of ordinary and extraordinary fees.

Art. 17.- COMPETENCE OF THE GENERAL ASSEMBLY. -

- a) Review, rectify or ratify the decisions of the Board of Directors regarding the economic, financial and administrative activities of the works and services carried out in favor of CBV.
- b) Require the Board of Directors, the Special Commissions and all members to comply with the responsibilities enshrined in the Statute and these Regulations.
- c) Authorize the board of directors so that by resolution they can contract all the services they require for the best functioning of the (CBV).
- d) Approve and receive new partners, when they meet the requirements of this Statute and Regulations.
- e) Verify and approve the annual reports presented by the Urbanization Board.

Art. 18.- The General Assembly may be ordinary or extraordinary:

The Ordinary General Assemblies will be called 8 (eight) days in advance, and will start at the time indicated in the call, in case there is no necessary quorum, it will start 60 minutes later, with the number of members present, their resolutions are mandatory compliance of all partners and members.

Extraordinary General Assemblies will be convened when there are special matters to be discussed, which can be convened up to 48 hours in advance, as many times as necessary. For the development of the Assemblies, the following procedure will be observed:

- a) Reading of the call through the secretary.
- b) Opening and installation of the session.



- c) Verification of the quorum.
- d) Reading and approval of the Agenda.
- e) In the reading of the Agenda, the partners can ask the president to include one or more points of general or particular interest. Additions to the agenda must be received by the Secretary, in writing, by electronic means, 3 (three) days before the meeting.
- f) In the absence of the president, another member of the Board of Directors will preside over the Assembly.
- g) The right to speak will be requested from the president of the Assembly, a member may not intervene more than twice on the same point, and his interventions shall not exceed 5 minutes. In it, order and the necessary respect for the Board of Directors and Assembly will be maintained.
- h) Reading and approval of the previous minutes
- i) Reports and Resolutions
- j) Miscellaneous Matters (communications and others)
- k) Closure of the session.

Ordinary and/or extraordinary general assemblies may be held by alternative electronic methods: (Virtual platforms such as: ZOOM, Facebook, Whatsapp, etc.), as long as it is guaranteed that all its partners are aware of it, and their participation in it is demonstrated. The documentation that will be delivered to the competent authority for the respective registration.

## B) OF THE BOARD OF DIRECTORS

**Art. 19.- OF THE BOARD OF DIRECTORS.-** The Board of Directors is the body that legally represents the Urbanization and is made up of the following dignities:

- a) The President  
The President is the Director of the Council, and must exercise the functions of the executive management of the (CBV) for the benefit of all members. In the case where the President cannot perform the functions of legal representative, they will appoint a member in good standing as the legal representative for a two year term.
- b) The Secretary  
The Secretary is the custodian of all the files of (CBV) and is responsible for the other obligations set forth in this document, including the annual report or when requested by the Board of Directors or the President.
- c) The Treasurer  
The Treasurer is the custodian of all financial records of the BVC and is responsible for preparing the annual budget for the BVC, obtaining budget approval and financial reporting to the Board on a monthly basis or more often if required, including other tasks as set.
- d) Two Directors (main members)  
The two main members assist in the delegation at the request of the president.
- e) The Legal Representative - The legal representative has the authority to represent LA ASOCIACIÓN DE PROPIETARIOS DE LA URBANIZACIÓN COCO BEACH VILLAGE before the Governmental, Non-governmental, legal, notarial, social and financial institutions for the improvement of CBV. The Legal Representative has the authority to open a bank account in the name of the association (LA ASOCIACIÓN DE PROPIETARIOS DE LA

URBANIZACIÓN COCO BEACH VILLAGE). The Legal Representative has the approval of the membership with the treasurer to be signing authorities for the LA ASOCIACIÓN DE PROPIETARIOS DE LA URBANIZACIÓN COCO BEACH VILLAGE bank account.

In the event that the elections of the directory are carried out by means of alternative electronic methods: (Virtual platforms such as: Zoom, Facebook, Whatsapp, etc.), the voting system will be carried out by these means, at the end of the assembly the corresponding minutes will be drawn up, and the reason for the voting system will be stated in the minutes.

**Art. 20.- REQUIREMENTS TO BE A MEMBER OF THE BOARD OF DIRECTORS. -**

- a) The candidate to be part of the Board of Directors must be a member of CBV as defined in article 10, must be up to date in the payment of the fees of his property and have no pending obligations with CBV.
- b) The spouse and the descendants may not be a member of the board of directors up to the third degree of consanguinity unless he/she has individual properties and can justify them.
- c) No person providing products or services for remuneration to CBV
- d) or any person or entity contracted by the CBV may opt for nomination.
- e) The candidate must physically reside in the Ecuador and if he/she is a foreigner and lives outside the country, he/she must justify his/her entry at least once a year.

**Art. 21.- COMPENSATION. -** The members of the Board of Directors will perform their functions under no economic compensation. Any expenses incurred by a member of the Board of Directors during the performance of their obligations may be reimbursed to said member.

**Art. 22.- OF THE BOARD OF DIRECTORS. -** The Board of Directors as such, can be re-elected for two periods, alternation is considered important, however, individually the members can be re-elected. The Urbanization Directory will designate an Administrative office, which will be located within the perimeter of the Urbanization.

**Art. 23.- TIME.-** The time that the directive will last will be 2 years, from its possession.

**Art. 24.- INDEMNIFICATION.-** To the extent permitted by law, the board of (CBV) must indemnify and hold each officer/director harmless from any liability, loss, claim, action or demand, including but not limited to attorneys' fees and other expenses arising out of or in connection with a legal action, except where an officer or director has committed willful or gross negligence, embezzlement, dishonesty, fraud, and/or willful failure to take any required action for your office. Indemnity may result in a special fee being charged to members to provide the necessary funds.

**Art. 25.- DUTIES AND RIGHTS OF THE BOARD OF DIRECTORS.-** are attributions and will be in charge, among other aspects and in addition to those determined in this regulation and the law of:

- a) Organize the completion of projects and daily tasks in CBV, including the supervision of

employees and / or temporary workers.

- b) Maintenance of roads, sidewalk and curbs, streetlights, water system, and common areas.
- c) Provide the organic and non-organic waste collection service, which will have a collection schedule established by the (CBV) directive.
- d) Maintain a climate of coexistence within the (CBV) with harmony and development.
- e) Enforce the provisions contained in this Statute, the same that binds all owners and members of the board.
- f) Represent before the Governmental, Non-governmental and social institutions for the improvement of the (CBV).
- g) Provide regular communication of the Urbanization activities to the co-owners.
- h) Hiring an administrator (optional) can be a natural or legal person, who supervises the different activities within the urbanization and enforces the Internal Regulations of CBV respecting all owners, partners, tenants, and visitors.
- i) Promptly comply with and enforce all the articles contemplated in the Statute and these Regulations.
- j) Form by resolution the Special Commissions that are necessary.
- k) Compulsory application of the provisions of the Statute and Regulations, as well as the resolutions of the Assembly.
- l) Know the reports presented by the Special Commissions.
- m) Caring for and monitoring the assets of the Urbanization and its administration.
- n) The security and well-being of the Urbanization is the responsibility of this Organism, therefore, it will work permanently in order to establish systems and norms that guarantee it.
- o) Review plans and authorize construction permits.
- p) Meet at least four times a year.
- q) Call the Ordinary General Assemblies in January every year.
- r) Manage the economic resources in bank accounts in the Financial Entity that guarantees easy access and benefit for the partners.
- s) The resignation of a member of the Board of Directors must be done in writing and presented to the General Assembly, explaining and justifying the reasons why he cannot continue in the position entrusted to him.
- t) You may, by resolution, contract security service, maintenance of the (CBV) and all the services that you consider necessary for its normal performance.
- u) Set by resolution, the annual fee that each of the partners must pay for security maintenance and other services of the (CBV).
- v) Hire the professional services of a lawyer if the case warrants it.
- w) In the case where the President cannot perform the functions of legal representative, they will appoint a member in good standing as the legal representative for a two year term.

Art. 26.- THE SESSIONS OF THE BOARD OF DIRECTORS.- will be ordinary and extraordinary. The ordinary ones will take place at least 4 times per year (quarterly), and the extraordinary ones

when they are necessary at the discretion of the president or at the request of two members of the Board of Directors, prior to the respective call.

Board meetings may be held through alternative electronic methods: (Virtual platforms such as: Zoom, Facebook, Whatsapp, etc.), as long as it is guaranteed that all members of the board are aware of it.

Art. 27.- **OF THE RESOLUTIONS.**- The resolutions and agreements of the Board of Directors will be taken with a majority of votes and in case of a tie, the president will have the casting vote. The quorum is established with the attendance of half plus one of the members of the board.

## CHAPTER VIII INFORMATION, DELIBERATIONS, ATTENDANCE AND VOTING

Art. 28.- **INFORMATION.**- The agendas of the meetings for the members can normally be viewed on the website of the Homeowners Association 48 hours before the Assembly.

Art. 29.- **DELIBERATIONS.** - The deliberations among the Members will take place in the General Assembly.

Art. 30.- **ATTENDANCE.**- Attendance at meetings can be coordinated by a Member with another person so that he or she attends online on his or her behalf. The responsibility for coordinating the online presence is the responsibility of the Member.

Art. 31.- **RIGHT TO VOTE.**- Members will have the right to cast one vote per lot in any resolution put to vote, provided that they are up to date with the payment of fees and special fees. The Secretary and Treasurer shall compile a list of eligible voters prior to the presentation of any resolution to the members for vote. This list shall be published to all members and shall be maintained as a permanent file.

Art. 32.- **VOTING.**- Voting will be in person, in case of not being able to attend, a person may delegate the same person who must attend with the delegation that must be by email addressed to the secretary's email.

- a) To assign by power of attorney, you must submit your full legal name as it appears on your Deed, your full address in your country of origin, telephone number, a Passport or ID number, your lot number in Coco Beach with your email, the signature and the full name of the proxy, including your email address and Passport or Cedula number to the email provided at least 2 days before the meeting.
- b) The Secretary must certify the attendance of the Members, those who arrive physically, as delegates and those who attend online.
- c) The quorum to vote will be by simple majority of the participating members.

Art. 33.- COUNTING OF VOTES.- The Secretary is responsible for counting the votes. If more than one vote is cast by any member on any resolution, only one shall be counted and then only if such votes coincide. Any disagreement on multiple votes shall constitute that member's abstention from voting on that resolution.

Art. 34.- PUBLICATION OF RESULTS AND CHALLENGES.- The Secretary is responsible for publishing the results of the election to all members no later than the day after the vote count. Preliminary results may be published earlier. The votes must be kept by the Secretary for a period of 30 days after the voting in order to resolve any challenge. Any request for a recount or challenge of the results of the vote must be submitted within this maximum period of 30 days.

Art. 35.- DECISIVE CRITERIA.- A simple majority of the members participating in the vote, by issuing a majority plus one for or against any resolution put to the vote, must be decisive.

## CHAPTER IX

### SOCIAL ASSETS AND RESOURCE MANAGEMENT

Art. 36.- The following constitute assets and assets of CBV:

- a) The ordinary and extraordinary voluntary contributions, approved by half plus one of the members attending the General Assemblies.
- b) Furniture or real estate donated to CBV as well as those built for the benefit of the community;
- c) Legacies and donations made in their favor, accepted with the benefit of inventory;
- d) The goods acquired under any lawful title;
- e) The funds that come from collections, promotions, charitable activities or other lawful activities that are carried out;

Art. 37.- The financial year will close on December thirty-first of each year and the balances will be presented to the General Assembly within the first three months after the balance for approval.

Art. 38.- CBV's resources will be handled with the utmost care.

Art. 39.- The assets of the Committee do not belong in whole or in part to any of the natural persons that comprise it.

Art. 40.- Contributions made in favor of CBV by any natural or legal person, will not give any right to whoever grants it over the patrimony of the same nor will it modify its object.

Art. 41.- Manage the communal assets of the CBV with the greatest responsibility and efficiency of the case, opportunely arbitrate the necessary measures for their good conservation.

## CHAPTER X RECORDS

Art. 42.- CUSTODY.- All files related to the (CBV) must be kept in the custody of the Secretary and Treasurer in a safe place designated for this purpose within the (CBV). Any member in good standing may review any BVC file and may request a copy of any section of such material. The Treasurer may charge a reasonable fee to the member for copies of such material.

Art. 43.- LEGAL DOCUMENTS.- All documents related to the property title of the (CBV) must be kept as permanent files.

Art. 44.- MINUTES.- The Secretary shall be responsible for registering and keeping the minutes of the meetings of the Board of Directors and keeping the records of the significant deliberations of the members. The Secretary must present the minutes of the last meeting of the Board of Directors at the next subsequent meeting and must correct any errors that may appear in them. The minutes of all meetings must be ready within 3 days of the meeting. These minutes and records of the deliberations shall be kept as permanent files.

Art. 45.- FINANCIAL FILES.- The (CBV) must maintain sufficient financial files to allow financial understanding and management. Financial reports shall include a categorized list of income and expenses with a comparison to the budget as well as the reconciled balance of actual funds at the beginning and end of each period. A list by member of late payments of dues and special dues shall be included in these reports. The reports shall be kept as permanent files.

Art. 46.- STANDARDS OF COMMUNICATION. - All electronic communications sent by the Members of the Board will be made using the email addresses established by the CBV exclusively for the use of the CBV of HOA and the archive of related communications.

Art. 47.- LIST OF MEMBERS.- The Secretary and Treasurer must maintain an updated list of members, including the contact information of each member and payments.

## CHAPTER XI CONTROL COMMISSION DUTIES AND OBLIGATIONS OF THE INTERNAL SUPERVISION AND CONTROL BODY

Art. 48.- The Supervisory Commission will be appointed in a general assembly, when deemed necessary. It will have a period of functions equal to that of the board of directors, it will be made up of three partners who are not part of the lists to elect the board of directors and will be appointed in a general assembly in order to review the documentation, accounts and reports of the treasury or of those who manage or administer assets, resources and funds of CBV in order to make transparent, control and propose the necessary corrective measures that guarantee the good economic management of the project and are reflected in the results of the

management when accountability is carried out. They will appoint a president and secretary from among them, who must prepare the minutes and reports of the same.

Art. 49.- The functions of the Supervisory Commission are the following:

- a) Request the board of directors, president and treasurer, the statements of economic movements, invoices, received and all documentation required by the commission for the control of the economic resources of the social organization.
- b) Inform the members of the board of directors about the results of the economic status of the committee so that they can take corrective measures and, if they persist, inform the general assembly for its resolution.

## CHAPTER XII

### THE FORM AND TIMES OF CONVENING THE GENERAL ASSEMBLIES

Art. 50.- The call for the ordinary general meeting must be made at least one day in advance of the date on which it is held. The calls will be signed by the president or the secretary at the request of the president and it will be your responsibility (secretary) to keep a record of delivery of calls to the partners of the social organization, you must also place the call in visible areas of CBV or disseminate through electronic means, so that all partners know the call.

For extraordinary assemblies, it may be called by the president, by the board of directors or by five partners registered with the competent authority, at least three days in advance.

Calls to ordinary/extraordinary general assemblies may be made through alternative electronic platforms as long as it is guaranteed that all its partners are aware of it, and it is demonstrated in the documentation that will be delivered to this State Portfolio.

## CHAPTER XIII

### QUORUM FOR THE INSTALLATION OF GENERAL ASSEMBLIES AND THE DECISION-MAKING QUORUM

Art. 51.- The quorum of the Assemblies will be constituted with half plus one of the partners in full enjoyment of their rights.

If there is no quorum until thirty minutes after the time set in the call, the assembly will be installed with the number of members present, which will be stated in the call and the reason will be stated by the secretary in the respective minutes of the assembly.

Art. 52.- The resolutions of the general assembly will be taken by majority vote of the attending partners and the decisions taken will be binding for all partners.

Art. 53.- To determine the quorum of the board of directors, it will be in the same terms that have been given for the general assembly, that is, half plus one of the members of the board and its resolutions must also be with half plus one.

#### CHAPTER XIV

### MECHANISM FOR INCLUSION AND EXCLUSION OF MEMBERS, THE SAME WHICH MUST GUARANTEE THE RIGHT TO DUE PROCESS AT ALL TIMES OF INCLUSION

Art. 54.- THE PARTNERS.- All the people of CBV who have signed the Constitutive Act, will be founding partners and those who are later accepted by the general assembly and legally registered before the competent authority.

Both the founding members and those who join the social organization in the future are members with all rights and obligations.

Art. 55.- The social organization will be integrated by all the partners accepted in the General Assembly and registered before the competent authority.

#### OF THE EXCLUSION

Art. 56.- The status of partner legally registered before the competent authority is lost for the following reasons:

- a) By resignation presented to the social organization, for which the partner must present his resignation in writing;
- b) For being sanctioned with expulsion;
- c) Due to death.

Art. 57.- Once the inclusion or exclusion has been accepted by the general assembly, the corresponding registration will be requested from the competent authority within a term of 30 days after the resolution is adopted.

#### OF THE FAULTS AND SANCTIONS

Art. 58.- The following are disciplinary offenses:

- a) Disrespect the bases and managers;
- b) Have dissociative attitudes within the organization;
- c) Due to unjustified absences from general assemblies and board meetings;
- d) Due to statutory breach;
- e) Failure to comply with the contributions, fees and fines approved by the general assembly,
- f) Those partners who without any foundation criticize the actions of the board of directors outside the bosom of the social organization;
- g) Members who do not observe appropriate and respectful standards of behavior in the Assemblies and acts of the social organization;



- h) The partners who do not comply with the Commissions and their established mandate, without just cause;

Art. 59.- The partner of the social organization who incurs in any cause indicated above will be sanctioned as follows:

- a) Verbal warning when it is the first time.
- b) Written reprimand for the second time.
- c) Expulsion.

## CHAPTER XV STATUTES REFORM

Art. 60.- This Statute must be reformed when the regulations that regulate social organizations are updated or changed, in a general assembly, convened exclusively to deal only with this issue, or in case some reform is required by necessity. full or partial.

## CHAPTER XVI DISPUTE SETTLEMENT REGIME

Art. 61.- The internal conflicts of the Organization will be resolved by the Organization's own bodies, that is, the Board of Directors and the General Assembly or by a Legal Commission designated for this purpose; and, in case of persisting conflicts, the parties will submit to the Measurement and Arbitration Law, or to ordinary justice.

Art. 62.- INTERNAL DISPUTE SOLUTION AND MEDIATION AND ARBITRATION AGREEMENT.  
To solve possible conflicts that may arise, the social organization establishes these mandatory procedures as means of solution.

Art. 63.- The board of directors will be responsible for finding legal solutions to the controversies that arise between the leadership and the partners or between the partners, and in case it is impossible to find a solution within the board, the president /a will present the controversies to the general assembly in the next and next general assembly that can solve it or resolve that the conflict is submitted to mediation as an alternative means of solution.

## CHAPTER XVII CAUSES AND PROCEDURES FOR DISSOLUTION AND LIQUIDATION

Art. 64.- DISSOLUTION. - The duration of the social organization is indefinite, however, it may be dissolved by disposition of the general assembly with the vote of two thirds of the partners legally registered with the competent authority, following the procedure established in the respective regulation that governs social organizations in force (Executive Decree), for the following reasons:

- a) By reducing the minimum number of partners established in the Regulations;
- b) For not fulfilling its aims and objectives; and,
- c) For the causes determined in the current legal regulations.

Art. 65.- **DESTINATION OF THE COMPANY ASSETS IN CASE OF DISSOLUTION.** - In case of dissolution of the social organization, the last General Assembly will expressly state that the assets of the organization will be donated to the non-profit organization or entity decided by the Assembly, for which it will be recorded in a record with the signatures and rubrics of the members of the organization.

Art. 66. – **Effects of Nature and others:** The board of (CBV) is not responsible for any damage or destruction to any or all members, but not limited to, land, property, structure and / or contents that are caused by forces of nature or others, including, but not limited to; theft, vandalism, fire, wind, rain, erosion, tides and natural disasters.

Art. 67. – **Time Limit in the Enforcement Action:** Any action to enforce any of the provisions contained in this Statute has a term of up to 30 days after the infringement has occurred or had been evident or well discovered by part of the aggrieved.

## TRANSITORY DISPOSITIONS

**FIRST.-** This Statute may be totally or partially reformed by a vote of two thirds of the eligible members in assembly.

**SECOND.-** This Bylaw replaces all previous Bylaws and restrictions (modifications and changes) of COCO BEACH VILLAGE.

**THIRD.-** All CBV partners who have a deed prior to the approval of this statute will be subject to the provisions of this statute.

**FOURTH. -** Within ninety days, from the date of approval of this statute, through its representatives, it will socialize its content among its partners for knowledge and application.

**FIFTH. -** Once the Association is approved, the pertinent procedures will be initiated to enter the real estate into the CBV's own assets, according to article 9 of this statute.

**SIXTH. –** Internal Rules of the (CBV). The Board of Directors, once sworn in, has a period of 90 days to prepare the collection and application procedure "Internal Rules of the (CBV)", such as:

- 1.0 Conduct
- 2.0 Architecture Designs
- 3.0 Building Designs
- 4.0 Access to the (CBV)
- 5.0 Lot Maintenance Fee
- 6.0 Use of common area
- 7.0 Regular entry of Guests, tenants and visitors
- 8.0 Sanctions Procedure
- 9.0 Others that are considered necessary

*Original signatures on file on the official Spanish Version*